Financial Statements 2024

Localiza&co

Localiza Rent a Car S/A Corporate taxpayer's ID: 16.670.085/0001-55

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(A free translation of the original in Portuguese)

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1 - MESSAGE FROM THE CEO

To our stakeholders,

The year 2024 was marked by the continuation of the cycle of accommodation of the price of pre-owned (seminovos) and used cars in a scenario of lower affordability, which resulted in an adjustment in the depreciation of approximately 3% of the value of our fleet, made in 2Q24.

In this context, we redoubled our focus on executing the Company's strategic priorities: i) expanding the sales capacity of Seminovos vehicles to enable the fleet rejuvenation process, ii) restoration of rental prices to resume return levels, iii) optimization of the segment portfolio, iv) efficient cost management and increased fleet productivity, and v) innovation to further improve our value proposition and expand the differential of delighting our customers. From the second half of the year, we began to see the consistent results of our initiatives.

In the Car Rental (RAC) division, we made significant progress in price recovery, with the average daily rate growing by 15.4% in 2024 and closing the last quarter at R$147.4. Net revenue reached R$9.6 billion and EBITDA totaled R$6.0 billion, with the margin accelerating in 2H24 to 65%, demonstrating progress in the operational excellence of this business.

In Fleet Rental, net revenue grew 25.1%, reaching R$8.4 billion in the year and EBITDA totaled R$5.6 billion, growth of 15.1% in the annual comparison, reaching a margin of around 70% in 2H24. We reduced the heavy-use fleet by around 25% and continued to focus capital allocation on light vehicles, with higher returns, which showed revenue growth of over 30.0% and double-digit volume growth in the year.

On the operations front, we expanded our network of decommissioning centers to 13, increasing the speed, quality and control of the preparation process, as well as the percentage of the fleet prepared for sale, which contributed to the expansion of the car sales mix in the retail channel, from 37.2% in 2023 to 39.6% in 2024.

Seminovos doubled the volume of cars sold in just 2 years. In 2024 we opened 27 new stores and increased productivity per store. We ended the year with approximately 280 thousand cars sold, a volume 26.4% higher than in 2023. The strong increase in sales volume contributed to the reduction in the average age of the car sold in the Car Rental division from 28 to 23 months. Net revenue reached 19.2 billion, an increase of 37.5% year-over-year, and EBITDA totaled R$443.9 million.

Operating Results	2023	2024	1H24	2H24	Variation % 24 vs 23	Variation % 2H vs 1H
Average daily rental - RAC - R$	120.5	139.1	133.4	144.8	**15%**	**9%**
Average daily rental - Fleet Rental - R$	82.9	94.3	91.6	96.8	**14%**	**6%**
Number of cars sold - Seminovos	221,379	279,844	134,278	145,566	**26%**	**8%**
Number of stores - Seminovos	215	242	216	242	**13%**	**12%**
Number of cars sold per month at retail - Seminovos	34.2	40.4	40.9	42.2	**18%**	**3%**
Average sold fleet age (in months) - RAC	28	23	24	23	**-18%**	**-3%**
Heavy-use Vehicles - Fleet Rental (Rented fleet at end of period)	41,676	31,387	36,868	31,387	**-25%**	**-15%**
ROIC spread - p.p.	4.1p.p.	3.1p.p.	-1.5p.p.	5.0p.p.	**-1p.p.**	**6.5p.p**
Invested Capital - (R$ billion)	43	48	47	48	**11%**	**1%**

As a result, we posted consolidated net revenue of R$37.3 billion, EBITDA of R$11.9 billion and net income of R$1.8 billion, with a ROIC spread of 3.1p.p., evolving to a spread of 5.0p.p. in 2H24.

The price adjustment process, combined with efficient cost and productivity management, resulted in greater cash generation from rental activities. In addition, the smaller gaps between the purchase and sale price of cars contributed to the reduction of renewal capex. As a result, we went from a consumption of R$2.9 billion of cash before interest in 2023 to a generation of R$3.3 billion in 2024. This allowed us to improve leverage ratios, even with the increase in the payment of Interest on Equity and the repurchase of the Company's shares during the year.

We continue to advance in our customer experience. In Car Rental, we accelerated the Digital Pickup, now available in 192 Car Rental branches (vs. 110 branches in 2023). In 2024, we doubled the volume of digital pickups, already used by 16% of our customers. Fleet Rental also evolved significantly, with improvements in billing, delivery and maintenance processes, including a new Localiza Meoo app, resulting in an NPS of excellence.

Localiza Labs increased the productivity of our technology teams, expanding the use of GenAI (Copilot Github) and reducing the time to launch innovations (go-to-market) by 19%. In addition, we completed the ERP update and the migration of 100% of applications to the cloud, contributing to greater agility and increased security measures for our systems and data.

Our efforts to offer the best solutions to our customers were recognized by several awards and rankings throughout 2024. We highlight: 1st place in the Reclame Aqui Award in all categories in our sector, confirming the excellence in serving our customers; 1st place in Valor Inovação, Transportation and Logistics sector; Best Rental Company in Brazil by Estadão Marcas Mais; Brazil's Best Brand, by Time Magazine; one of the 35 companies with the best corporate reputation and one of the 50 most responsible in terms of ESG in the general ranking, with 1st place in the mobility sector by MERCO's Corporate Reputation Business Monitor. In addition, we were recognized once again as one of the 15 best companies to work for by Great Place to Work. I would like to express my appreciation for the dedication and engagement of our team throughout the year.

The Year 2025

We are facing a scenario of deterioration in the macroeconomic environment, with an increase in interest rates and a potential impact on economic activity and availability of credit.

Thus, in 2025 we will maintain the following strategic priorities:

i) scaling up of Seminovos to renew the fleet;

ii) re-establishing rental prices, prioritizing revenue growth and ROIC spread;

iii) efficiency in costs and productivity;

iv) optimization of the segment portfolio;

v) improving the experience of our customers to increase the difference in delight, and

vi) concluding the process of systemic integration and corporate simplification.

These initiatives are crucial for the gradual recovery of the profitability level.

Throughout the more than 50 years of Localiza&Co's history, we have faced and overcome several cycles of adversity. These challenges drive our entrepreneurial spirit and attitude as owners, always with a long-term vision. We are confident that we will emerge from the current cycle by further expanding our market leadership, competitive advantages and resuming our growth trajectory with value generation.

Bruno Lasansky – CEO of Localiza&Co

2 - MACROECONOMIC SCENARIO

The external environment remains challenging, mainly due to the domestic economic environment and U.S. policies which are promoting uncertainty with a risk of higher inflation elevating U.S. interest rates, with impacts on emerging economies.

In Brazil, economic activity and the job market remain strong, though inflation is expected to exceed the target for 2025 and 2026, according to the latest Focus Bulletin. Interest rates rose from 11.75% to 12.75% at the end of 2024, and the market expects a further deterioration, reflected in the future interest rate yield curves. The Brazilian Real also depreciated, with the US Dollar quoted at BRL 6.19 in December 2024, impacting production costs and further reducing consumer purchasing power. The increase in interest rates, combined with the worsening of expectations, was already starting to be reflected in the slowdown of economic activity at the end of the year.

During 2024 we maintained our efforts to return to historical profitability levels, expanding the capacity to sell Seminovos to continue the fleet rejuvenation process, with some 280,000 cars sold, a 26% increase year-over-year. We also prioritized the evolution of the business and operations portfolio optimization process, starting with the discontinuation of less profitable segments, and accelerating the adjustment of rental pricing. For 2025, we will continue to focus on the evolution of the initiatives mentioned earlier and increasingly diligent in cost management, maintaining discipline in capital allocation and conservatism in cash and debt management, while improving leverage indicators.

The government's fiscal profile is of concern with spending exceeding revenues, prompting the government to increase revenue-generating measures, further impacting consumer purchasing power. Our monitoring of credit availability is crucial, as it is essential to promote car sales in Brazil.

3 - CORPORATE PURPOSE AND VALUES

Localiza's values are based on three pillars: "People that inspire", "The client is our passion", and "Extraordinary results". Our work is guided by trust and our ethics directs us to become an admirable company.

4 - OUR COMPANY AND AN OVERVIEW OF OUR BUSINESS

Founded in 1973 in Belo Horizonte, Minas Gerais, Localiza is a Brazilian corporation which has been publicly traded since May 2005, listed in the Novo Mercado of B3 S.A. – Brazil, Bolsa, Balcão ("B3"), the highest corporate governance level in the Brazilian capital market, and traded under the ticker RENT3.

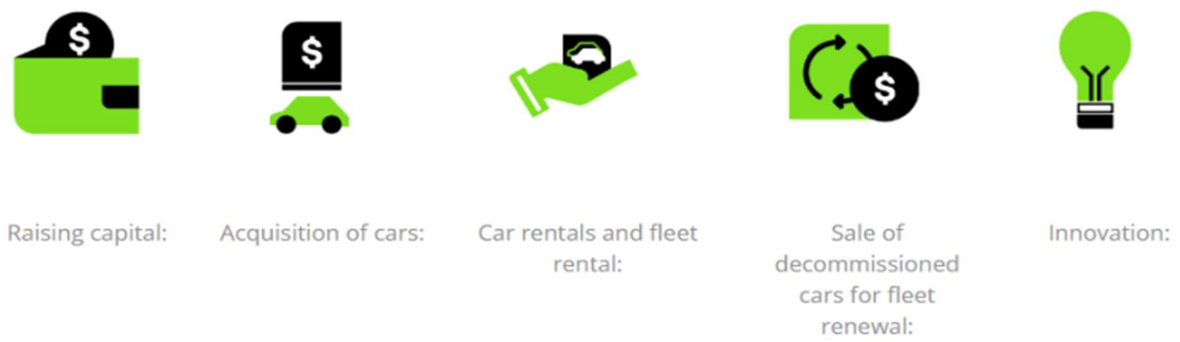
The core activities of Localiza and its subsidiaries are Car Rental and Fleet Rental, as described below:

Car Rental: A division responsible for renting cars, through agencies located inside and outside airports, and for stipulating insurance and handling car claims for insurers. Rentals are contracted by legal entities and individuals, and in some cases through distribution channels. As a result of the need to renew the fleet, Localiza sells decommissioned vehicles after 12 months of use. To reduce intermediation costs in the sale of decommissioned cars, some 40% of the cars are sold directly to end consumers. This allows the Company to maximize the recoverable value of these assets reducing car depreciation and net investment for fleet renewal, given that the selling expenses of the Company's own stores is lower than the discount demanded by car dealers; this also reduces the dependence on third parties in making these sales.

The 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 in Brazil is managed by the subsidiary Franchising Brasil and by Localiza itself in other countries.

Fleet rental: This Division is responsible for the management of fleets and long-term rentals, normally ranging from 24 to 72 months, 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 strong growth potential. Division vehicles are purchased after signing contracts, in accordance with the needs and requests of customers; therefore, the fleet is more diversified in terms of models and brands. Decommissioned light and heavy vehicles are sold at contract termination, on average after 36 and 60 months of use, respectively, directly to end consumers or resellers.

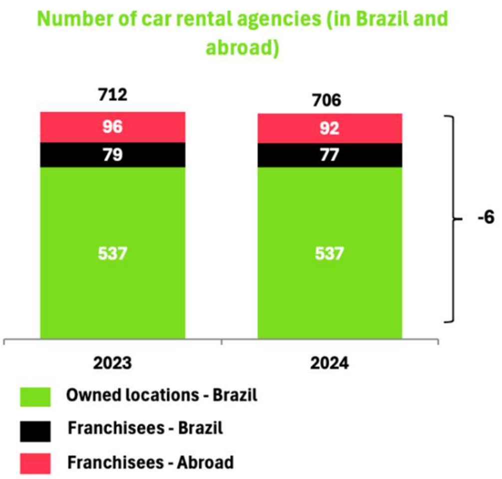
Competitive Advantages:

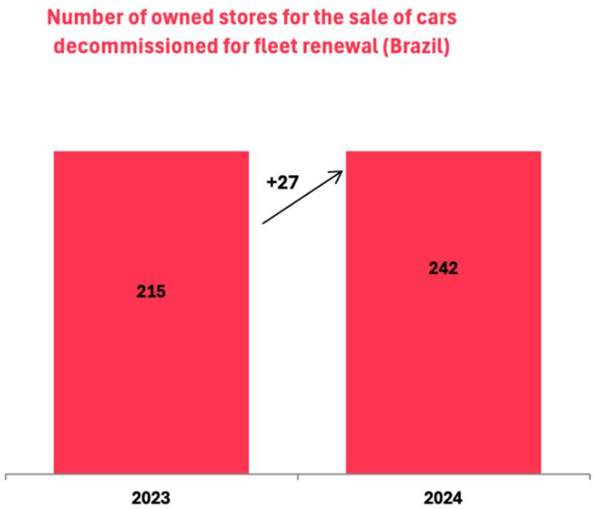


5 - GEOGRAPHIC DISTRIBUTION

Car rental and Fleet Rental businesses are highly pulverized. The Brazilian Association of Car Rental Companies – ABLA, in its 2024 Brazilian Yearbook of the Car Rental Industry, indicates that there were about 26,423 vehicle rental companies, according to the Annual Social Information Report (RAIS).

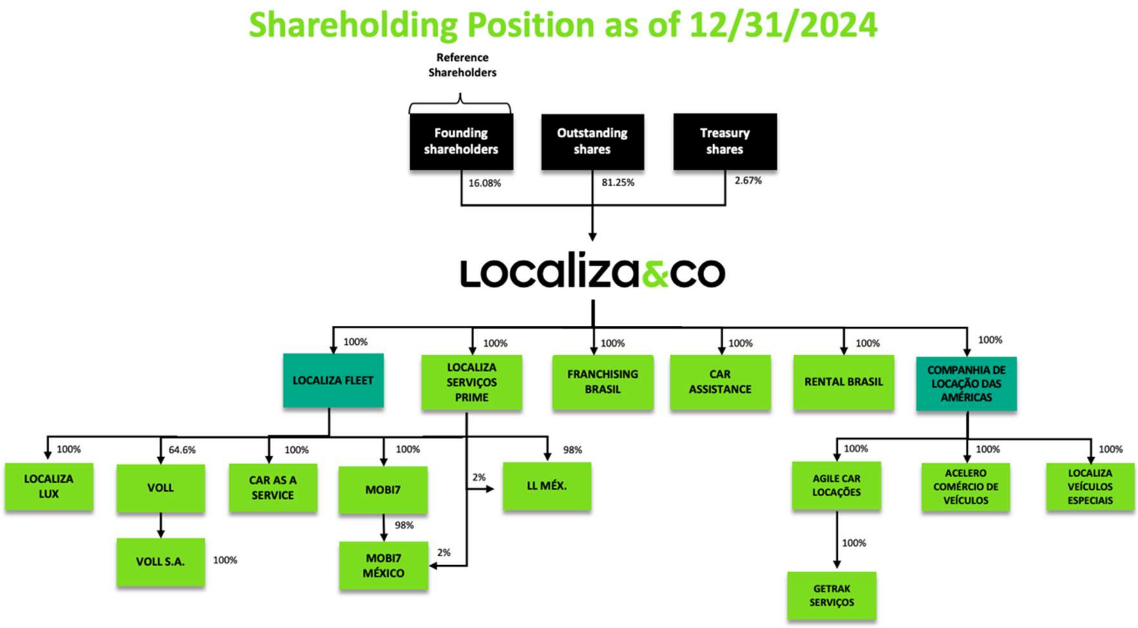
As of December 31, 2024, Localiza had 706 car rental locations in Brazil and in five other countries on the South American continent. Decommissioned vehicles are mostly sold to end consumers through 242 owned points of sale, located in 118 cities in Brazil.





6 - CORPORATE STRUCTURE

According to the shareholding position on December 31, 2024, the organization chart of Plataforma Localiza is as follows:



Capital markets

In 2024, the average daily trading volume of RENT3 was BRL 429.5 million (BRL 416.1 million in 2023).

The Company participates in a Level I American Depositary Receipts ("ADR") Program from the date of approval by the Brazilian Securities Commission (CVM) on May 22, 2012 with trading beginning on June 5, 2012. As of December 31, 2024, the Company's position was 1,833,744 ADRs in the United States. Each ADR corresponds to one share of the Company.

Investments in subsidiaries

The changes in investee balances in 2024 were as follows:

(In BRL million)

	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Effect of the elimination of IFRS 16	Goodwill on acquisition of investments	Total
As of December 31, 2023 – investment in subsidiaries	**2,594.3**	**14,176.5**	**129.9**	**59.9**	**1.8**	**5.8**	**56.6**	**8,330.5**	**25,355.3**
Equity in the earnings of investees	833.7	834.8	9.7	47.1	1.4	7.7	11.0	-	**1,745.4**
Capital Increase	1,620.0	-	75.0	-	-	-	-	-	**1,695.0**
Capital increase (non-cash)	-	2,368.1	-	-	-	-	-	-	**2,368.1**
Dividends from subsidiaries	(198.0)	(1,057.4)	(2.7)	(51.9)	(1.9)	(6.5)	-	-	**(1,318.4)**
Long-term incentive plans – subsidiaries	0.9	1.9	-	-	-	0.1	-	-	**2.9**
Cash flow hedge and changes in the fair value of credit risk	208.8	-	-	-	-	-	-	-	**208.8**
Exchange variation of investees located abroad	12.3	-	-	0.3	-	-	-	-	**12.6**
As of December 31, 2024 – investment in subsidiaries	**5,072.0**	**16,323.9**	**211.9**	**55.4**	**1.3**	**7.1**	**67.6**	**8,330.5**	**30,069.7**
As of December 31, 2023 – capital gains and losses	**-**	**(309.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**(309.4)**
Realization of impairment/gain on property and equipment, net	-	32.1	-	-	-	-	-	-	32.1
Realization of impairment/gain on intangible assets, net	-	(6.7)	-	-	-	-	-	-	(6.7)
Realization of impairment loss from contingencies	-	16.2	-	-	-	-	-	-	16.2
As of December 31, 2024 – capital gains and losses	**-**	**(267.8)**	**-**	**-**	**-**	**-**	**-**	**-**	**(267.8)**
As of December 31, 2024	**5,072.0**	**16,056.1**	**211.9**	**55.4**	**1.3**	**7.1**	**67.6**	**8,330.5**	**29,801.9**
Non-controlling interest	**16.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.3**

7 - DIVIDENDS AND INTEREST ON EQUITY

The Company holds its Annual General Shareholders' Meeting by April 30 of each year, when the annual dividend may be declared. However, interim dividends may be declared by the Board of Directors "ad referendum" of the Shareholders' Meeting.

The third paragraph of Article 26 of Localiza's Bylaws stipulates that at least 25% of adjusted net income must be distributed as mandatory dividends.

The interest on equity and dividend distributions were as follows:

(In BRL million)

	2024	2023
Net income for the year	1,813.6	1,805.6
Legal reserve (5%)	(90.7)	(90.3)
Net income for the year, basis for dividend proposal	1,722.9	1,715.3
Minimum dividends (25%)	**430.7**	**428.8**
Proposed/distributed dividends and interest on equity:		
Distributed interest on equity	1,680.0	1,565.0
Withholding income tax on interest on equity	(185.5)	(186.0)
Total distributed interest on equity, net	1,494.5	1,379.0
Percentage of Net Income for the year less legal reserve appropriations	86.7%	80.4%
Gross dividends and interest on capital per share, net of treasury shares at the end of the year (in BRL)	BRL 1.59	BRL 1.48

As of December 31, 2024, Management proposed, for the approval of the Annual General Meeting, the non-payment of additional dividends to shareholders, as the amount distributed through interest on equity in 2024 was in excess of the 25% minimum mandatory dividend on base net income for the dividend proposal.

8 - ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

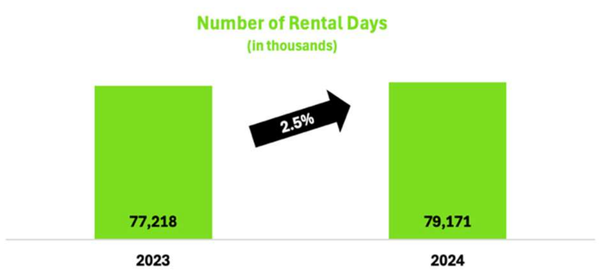
STATEMENT OF INCOME

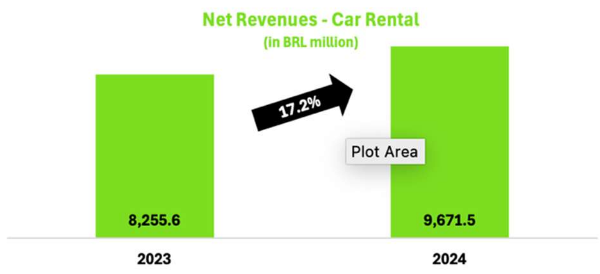
	2024		2023		Variation
	In BRL million	Net revenues %	In BRL million	Net revenues %	%
Net revenues:					
Car rental	22,035.3	59.1	17,781.3	61.5	23.9
Fleet rental	15,236.3	40.9	11,121.0	38.5	37.0
Total net revenues	**37,271.6**	**100.0**	**28,902.3**	**100.0**	**29.0**
Total costs	(28,518.7)	(76.5)	(20,630.2)	(71.4)	38.2
Gross profit	**8,752.9**	**23.5**	**8,272.1**	**28.6**	**5.8**
Operating expenses:					
Selling	(2,155.7)	(5.8)	(1,691.2)	(5.9)	27.5
General, administrative, and other expenses	(792.1)	(2.1)	(682.4)	(2.4)	16.1
Total operating expenses	**(2,947.8)**	**(7.9)**	**(2,373.6)**	**(8.3)**	**24.2**
Profit before interest and taxes	**5,805.1**	**15.6**	**5,898.5**	**20.3**	**(1.6)**
Finance costs, net	(3,938.6)	(10.6)	(4,024.3)	(13.9)	(2.1)
Profit before income tax and social contribution	**1,866.5**	**5.0**	**1,874.2**	**6.4**	**(0.4)**
Income tax and social contribution	(53.2)	(0.1)	(71.1)	(0.2)	(25.2)
Net income for the year	**1,813.3**	**4.9**	**1,803.1**	**6.2**	**0.6%**

Net revenues: Consolidated net revenues increased by 29.0% in 2024 compared to 2023, driven by a 37% growth in Fleet Rental revenues and a 23.9% increase in Car Rental revenues. The main factors that contributed to the growth in net revenues were the following:

Car Rental: See below the car rental highlights for 2024 compared to 2023:

(i) Rental: a 17.2% increase in Car Rental revenues, rising from BRL 8,266.3 million in 2023 to BRL 9,728.5 million in 2024, due to the 2.5% increase in the number of rental days. This reflects the strong performance of the segment, despite the restrictions and difficulties faced by the sector during the year, with of particular note being the higher average rate.



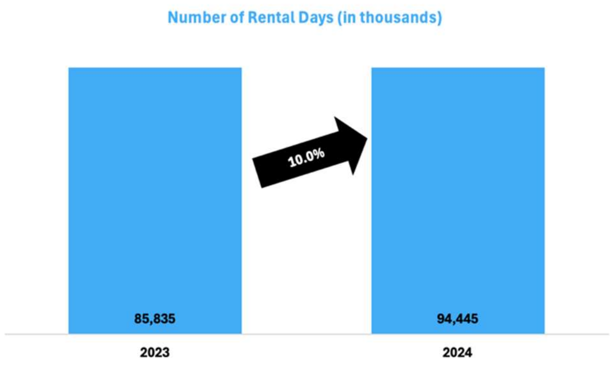


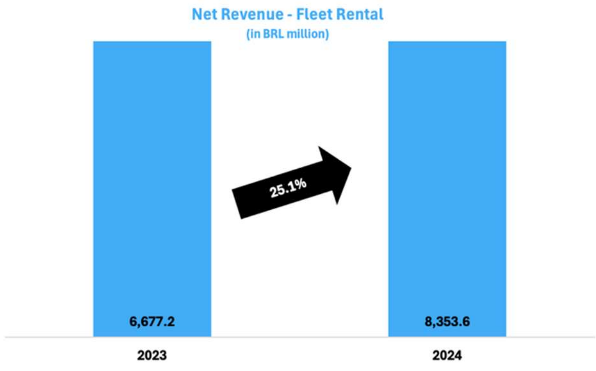
The information above does not include car rental revenue from Mexico, which totaled BRL 82.0 million in 2024 (BRL 10.8 million in 2023).

(ii) Seminovos: a 29.1% increase in net revenues from sales of decommissioned vehicles for fleet renewal, which rose from BRL 9,515.0 million in 2023 to BRL 12,281.9 million in 2024. Revenue from Mexico was BRL 25 million in 2024.

Fleet rental: The highlights of 2024, compared to 2023, in fleet rental, were:

(i) Fleet rental: An increase of 25.1% in net revenue from Fleet Rental, increasing from BRL 6,677.2 million in 2023 to BRL 8,353.6 million in 2024, mainly due to the 10.0% growth in the number of rental days in this Division. The positive impact of the segment's average rate is also be highlighted.



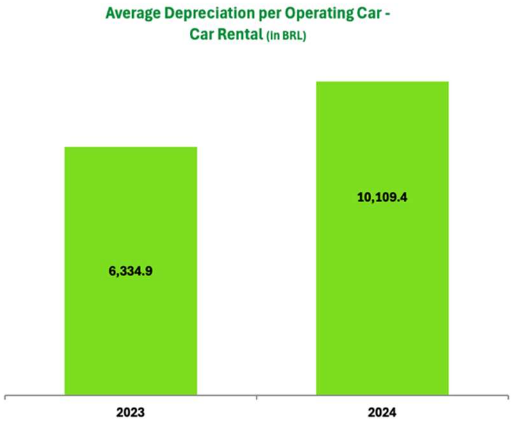


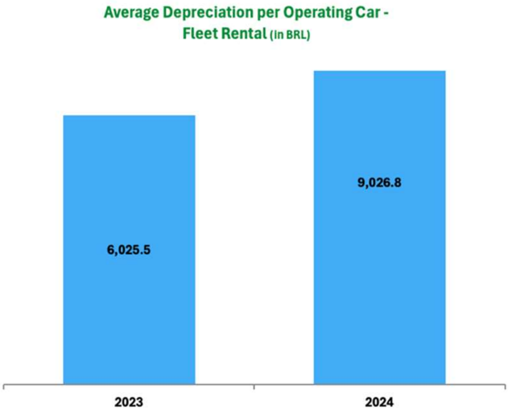
(ii) Seminovos: a 54.9% increase in net revenues from sales of decommissioned vehicles for fleet renewal, which increasing from BRL 4,443.8 million in 2023 to BRL 6,882.7 million in 2024.

Costs: The consolidated costs increasing 38.2% in 2024 compared to 2023. With the percentage of consolidated net revenues, costs increased from 71.4% in 2023 to 76.5% in 2024.

The increase in costs in 2024 was due to the following:

(i) A 33.4% increase in vehicle depreciation costs, primarily explained by the rise in depreciation per car and a revision in 2Q24 of assumed net sales values.
(ii) A 44.9% increase in the cost of vehicles sold, driven by a 26.4% rise in the number of cars sold compared to 2023;





The average depreciation per car in 2024 in the Car Rental Division was BRL 10,109.4, an increase of 59.6% compared to the depreciation in 2023. In the Fleet Rental Division, the depreciation per car in 2024 was BRL 9,026.8, an increase of 49.8% compared to the depreciation in 2023.

Operating expenses: Operating expenses increased by 24.2% in 2024, primarily due to the average growth of: (i) 23.1% in salary, charges, benefits, and profit-sharing expenses; (ii) 73.1% in ECLs expenses and write-offs of uncollectible amounts; (iii) 28.0% in expenses with third-party services and travel; and (iv) 24% in advertising expenses. As a percentage of consolidated net revenue, operating expenses decreased by 0.4 p.p., from 8.3% in 2023 to 7.9% in 2024.

Net financial expenses: Consolidated net financial expenses decreased by 2.1% in 2024 compared to 2023, due to higher cash profitability.

Income tax and social contribution: The 25.2% reduction in Income Tax and Social Contribution was primarily due to two factors:

(i) A 0.4% reduction in earnings before income tax and social contribution, due to the increase in total operating expenses; and
(ii) Higher proportional Interest on Equity, a 7.3% increase compared to 2023.

EBITDA and EBIT: A reconciliation of net income (millions of Reais) to EBITDA and EBIT is as follows:

	2024	2023	Variation (%)
Net income	**1,813.3**	**1,803.1**	**0.6**
Finance costs, net	3,938.6	4,024.3	(2.1)
Income tax and social contribution	53.2	71.1	(25.2)
EBIT	**5,805.1**	**5,898.5**	**(1.6)**
Depreciation of vehicles and others	6,109.5	4,624.3	32.1
EBITDA	**11,914.6**	**10,522.8**	**13.2**

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BALANCE SHEET

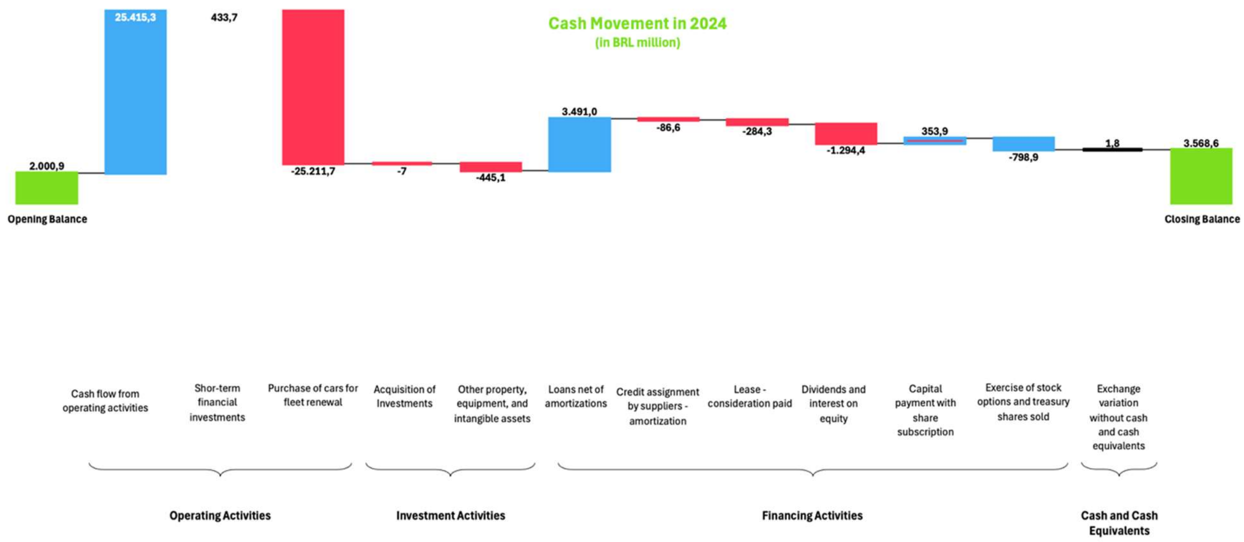
	12/31/2024		12/31/2023		Variation
	In BRL million	% of total assets	In BRL million	% of total assets	%
ASSETS					
Current assets					
Cash and cash equivalents	3,568.6	4.1	2,000.9	2.5	78.3
Short-term investments	7,856.9	9.0	8,321.3	10.3	(5.6)
Trade receivables	4,033.7	4.6	3,681.6	4.5	9.6
Cars decommissioned for fleet renewal	3,463.6	4.0	2,531.4	3.1	36.8
Other current assets	1,859.2	2.1	1,229.2	1.5	51.3
Total current assets	**20,782.0**	**23.8**	**17,764.4**	**21.9**	**17.0**
Non-current assets					
Short-term investments	975.1	1.1	852.1	1.1	14.4
Escrow deposits	241.2	0.3	265.4	0.3	(9.1)
Other non-current assets	2,525.0	2.9	1,097.6	1.4	130.0
Property and equipment	53,842.4	61.7	52,116.3	64.4	3.3
Intangible assets	8,877.9	10.2	8,851.3	10.9	0.3
Total non-current assets	**66,461.6**	**76.2**	**63,182.7**	**78.1**	**5.2**
Total assets	**87,243.6**	**100.0**	**80,947.1**	**100.0**	**7.8**

	12/31/2024		12/31/2023		Variation
	In BRL million	Total liabilities %	In BRL million	Total liabilities %	%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Suppliers	10,026.4	11.5	8,881.4	11.0	12.9
Payroll and related taxes	478.7	0.5	399.2	0.5	19.9
Loans, financing, and debt securities	5,295.9	6.1	7,226.5	8.9	(26.7)
Dividends and interest on equity	380.1	0.4	357.4	0.4	6.4
Other current liabilities	1,532.7	1.9	1,552.5	2.0	(1.3)
Total current liabilities	**17,713.8**	**20.4**	**18,417.0**	**22.8**	**(3.8)**
Non-current liabilities					
Loans, financing, and debt securities	39,470.6	45.2	33,381.1	41.2	18.2
Deferred income tax and social contribution	1,947.9	2.2	1,700.6	2.1	14.5
Other non-current liabilities	1,768.6	2.0	2,050.6	2.5	(13.8)
Total non-current liabilities	**43,187.1**	**49.4**	**37,132.3**	**45.8**	**16.3**
Equity	**26,342.7**	**30.2**	**25,397.8**	**31.4**	**3.7**
Total liabilities and shareholders' equity	**87,243.6**	**100.0**	**80,947.1**	**100.0**	**7.8**

An explanation of the main variations in asset and liability accounts is detailed below:

Cash and cash equivalents and short-term investments: Cash and cash equivalents and financial investments amounted to BRL 12,400.6 million on December 31, 2024, corresponding to 14.2% of total assets an increase of 11.0% in relation to the balance of BRL 11,174,3 million as of December 31, 2023, which represented 13.9% of total assets in that year.

The cash flow from operating, investing, and financing activities of the Company is as follows:

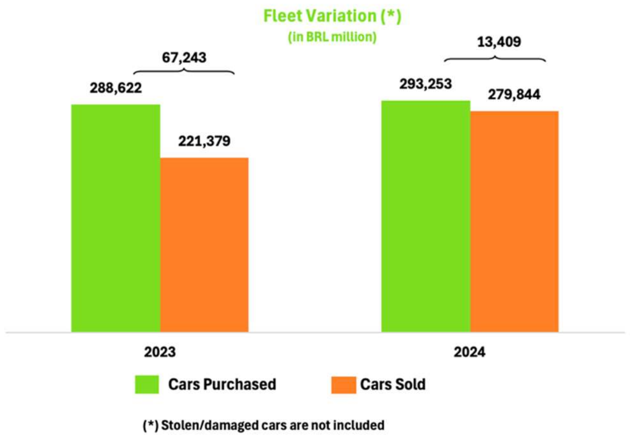


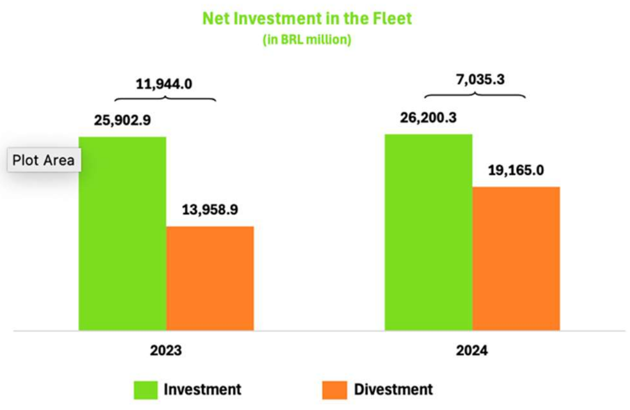
Trade receivables: The 9.6% increase in the trade receivables line item, which rose from BRL 3,681.6 million in 2023 to BRL 4,033.7 million in 2024, was primarily driven by the following: (i) an increase of BRL 331.7 million in fleet rentals due to a 10% growth in the number of rental days and a 9.9% increase in the average rented fleet compared to the previous year.

Decommissioned vehicles for fleet renewal: The 36.8% increase in decommissioned vehicles for fleet renewal primarily from a higher volume of decommissioned cars and a lower residual value due to the fleet renewal process during the period, compared to the same period of the previous year.

Other current and non-current assets: The 88.4% increase in other current and non-current assets, which rose from BRL 2,326.8 million in 2023 to BRL 4,384.2 million in 2024, was primarily driven by: (i) an increase of BRL 1,699.4 million in derivative financial instruments and (ii) an increase of BRL 419.2 million in deferred income tax and social contribution assets on provisions.

Property and equipment – vehicles:

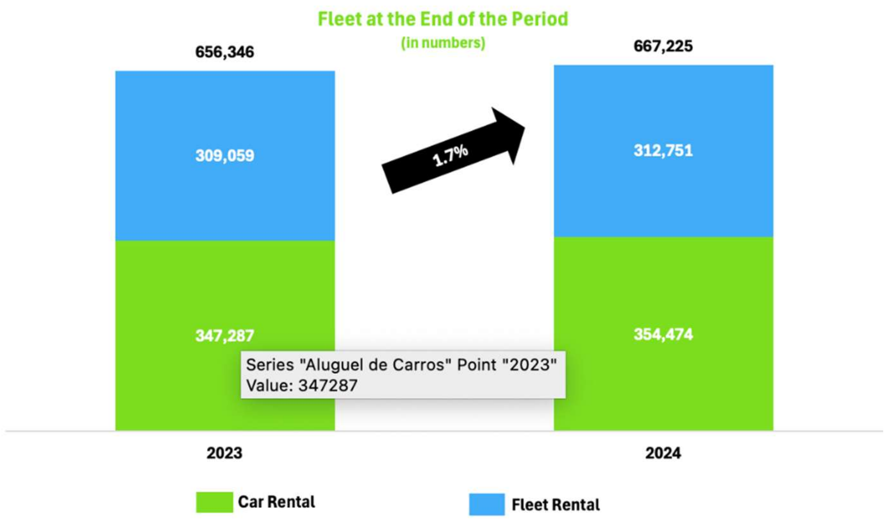




The 3.3% increase in property and equipment is primarily related to the addition of 13,409 vehicles for fleet renewal in 2024 and a net investment of BRL 7,035.3 million.

The information above does not include vehicles purchased and sold in the Mexican operations. In 2024, 1,297 vehicles were purchased and 396 vehicles were sold in Mexico (in 2023, 1,262 vehicles were purchased, with no vehicle sales during that period).

Suppliers: The 12.9% increase in the suppliers line item, which rose from BRL 8,881.4 million in 2023 to BRL 10,026.4 million in 2024, was primarily due to a 13.2% increase in the balance payable to automakers, driven by a 1.7% increase in the year-end fleet in 2024.

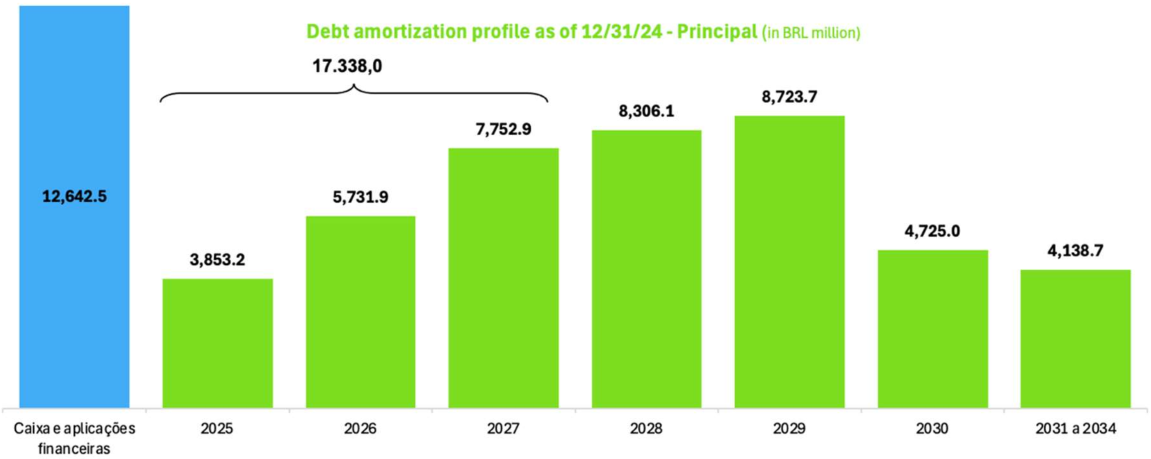


The information above does not include the fleet related to operations in Mexico. The total fleet in Mexico as of December 31, 2024, was 2,137 vehicles (compared to 1,266 as of December 31, 2023).

Loans, financing, and debt securities: The 10.2% increase in this category is attributed to significant new loans, financings, and debt securities raised in 2024, as below:

Company	Issuance	Maturity date	Financial Settlement (In BRL million)
Localiza Rent a Car	38th issuance	02/2029	2,100.0
Localiza Rent a Car	39th issuance - 1st series	04/2030	2,100.0
Localiza Rent a Car	39th issuance - 2nd series	04/2030	900.0
Localiza Rent a Car	39th issuance – 3rd series	04/2034	250.0
Localiza Rent a Car	40th issuance	11/2030	1,000.0
Localiza Rent a Car	41st issuance	12/2031	700.0
Localiza Rent a Car	Working capital	06/2027	100.0
Localiza Rent a Car	Working capital	12/2027	242.3
Localiza Rent a Car	Foreign currency	02/2027	397.6
Localiza Rent a Car	Foreign currency	10/2029	551.0
Localiza Rent a Car	Foreign currency	10/2029	981.9
Localiza Rent a Car	Foreign currency	11/2027	287.0
Localiza Fleet	14th issuance	01/2029	1,200.0
Localiza Fleet	15th issuance - 1st series	11/2030	750.0
Localiza Fleet	15th issuance - 2nd series	11/2030	1,000.0
Localiza Fleet	16th issuance	12/2031	1,000.0
Localiza Fleet	Working capital	02/2027	125.0
Localiza Fleet	Working capital	12/2026	1,000.0
Localiza Fleet	Foreign currency	02/2026	248.5
Localiza Fleet	Foreign currency	03/2025	258.7
Localiza Fleet	Foreign currency	06/2025	100.0
Localiza Fleet	Foreign currency	06/2026	215.6
Localiza Fleet	Foreign currency	10/2025	160.0
			15,667.6

Management believes that the Company's debt profile is comfortable and compatible with its business cycle in the macroeconomic environment.



Deferred income and social contribution taxes liabilities: Deferred income tax and social contribution liabilities increased by 14.5%, rising from BRL 1,700.6 million in 2023 to BRL1,947.9 million in 2024, primarily due to the increase in income tax and social contribution loss carryforwards, partially offset by the increase in vehicle depreciation compared to the previous year.

Shareholders' equity: The 3.7% increase in the equity line item is primarily due to: (i) a capital increase of BRL 531.3 million; (ii) BRL 884.8 million in cash flow hedges net of taxes, as shown in the statement of comprehensive income, partially offset by: (iii) a share buyback of BRL 795.6 million, aimed at maximizing value creation for shareholders or settling share purchase programs under the Company's long-term incentive plans.

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Repurchase of shares

During the years ended December 31, 2024 and 2023, the following share buyback programs were in effect:

Share Buyback Program	Approved by the Board of Directors	Repurchase period	Maximum authorized number
15th	07/20/23	07/23/23 to 07/22/24	70,000,000
16th	07/19/24	07/23/24 to 01/19/26	87,000,000

As of December 31, 2024 and 2023, shares issued by the Company were acquired, as shown below:

2024				
Repurchase Program	**Period**	**Number of shares**	**Amount (In BRL million)**	**Average cost (*)**
16th	08/14/2024	7,500,000	300,094	40.01
16th	08/16/2024	425,000	18,056	42.48
16th	08/22/2024	4,240,000	179,710	42.38
16th	10/21/2024	772,300	32,822	42.50
16th	10/22/2024	1,242,200	52,581	42.33
16th	10/23/2024	2,150,000	91,141	42.39
16th	10/24/2024	743,400	31,793	42.77
16th	10/25/2024	2,100,000	89,438	42.59
		19,172,900	**795,635**	41.50

2023				
Repurchase Program	**Period**	**Number of shares**	**Amount**	**Average cost (*)**
15th	09/25/2023	398,314	23,254	58.38
15th	10/02/2023	150,000	8,544	56.96
15th	10/03/2023	4,850,000	282,882	58.33
		5,398,314	**314,680**	58.29

(*) The average cost of acquiring treasury shares includes negotiation costs.

The repurchase programs aim to maximize the generation of value for shareholders or settle the share purchase programs within the scope of the Company's long-term incentive plans.

Selling of treasury shares to the Matching Program

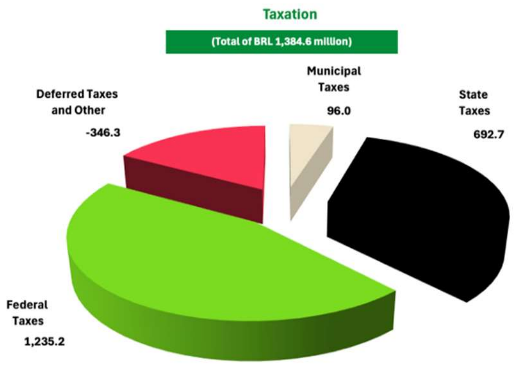
In 2024, 54,416 treasury shares were sold for BRL 2,277 million to employees eligible for the 2nd Stock Option and Matching Stock Plan, which was approved at the Extraordinary General Meeting held on April 26, 2022. The shares premium on sale was BRL 391 in 2024. In 2023, there were no sales of treasury shares.

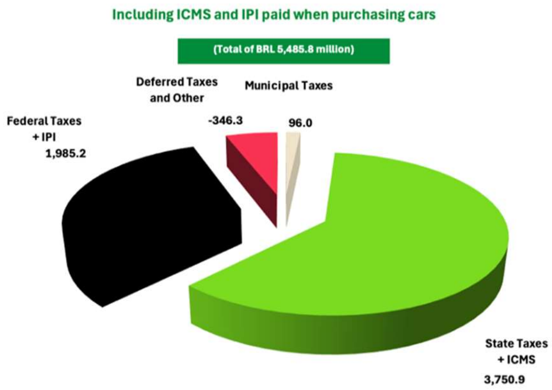
Exercise of stock options with treasury shares

In 2024, 779,408 stock options related to Long-Term Incentive Programs were exercised, with treasury shares used amounting to BRL 34.9 million.

9 - TAXATION

The graph below illustrates the distribution of taxes, net of tax credits:





10 - MAIN AWARDS RECEIVED

During 2024, the Company received several awards, of which:

Awards and Recognition	Category	Institution
GPTW – Best Company to Work for in Minas Gerais	6th position in Companies with more than 10,000 employees	GPTW
GPTW – Best Companies to Work for in Brazil	13th position in Companies with more than 10,000 employees	GPTW
Best CMOs	Best Marketing Leaders in Brazil	Forbes
Best Companies for LGBTQIA+ People to Work	Best Companies for LGBTQIA+ People to Work	Human Rights Campaign Foundation (HRC)
Executive of Value	Bruno Lasansky, CEO of L&Co, in the Transportation and Logistics category	Valor Econômico
Kantar Brandz Ranking	8th most valuable brand in Brazil (debuting in the Top 10 ranking)	*Kantar BrandZ*
Institutional Investor Ranking	Most Honored Company in Latin America Best CEO: Bruno Lasansky Best CFO: Rodrigo Tavares Best Investor Relations Program Best Investor Relations Team Best ESG Program	Institutional Investor
Merco Corporate Reputation Ranking	1st position in Mobility Services and among the 35 companies with the best reputation in Brazil	Merco
The 100 Most Influential Companies in Mobility	Technology and Innovation in Mobility	Estadão
100 Most Influential Companies in Brazil	Most Influential Companies in Brazil	Veja Negócios/Lide
Valor Inovação Brasil 2024	1st position in Transportation and Logistics	Valor Econômico
The Best of ESG	Highlight in the Transportation, Logistics, and Logistics Services Category	Exame
Most admired HRs in Brazil	Daniel Linhares, CHRO of L&Co	Gestão RH
IT Executive	Best IT Executives	IT Forum
Brand DX Ranking	35th most valuable brand of 2024 (second highest growth in the ranking for the year)	Brand DX
Brazil's Best Brands	1st place with maximum score	TIME Magazine
Estadão - Best Brands	Best Rental Company in Brazil	Estadão
Estadão Mobility Award	1st position in the Car Rental category	Estadão
The Largest & The Best in Transportation	Car and equipment rental companies	OTM Editora
Best of Viagem&Turismo	1st position in the Car Rental category	Viagem e Turismo Magazine
Viaja São Paulo	Best Car Rental Company	Folha de São Paulo
Reclame Aqui	Best customer service in Car Rentals, Seminovos and Meoo	Reclame Aqui

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11 - CORPORATE GOVERNANCE

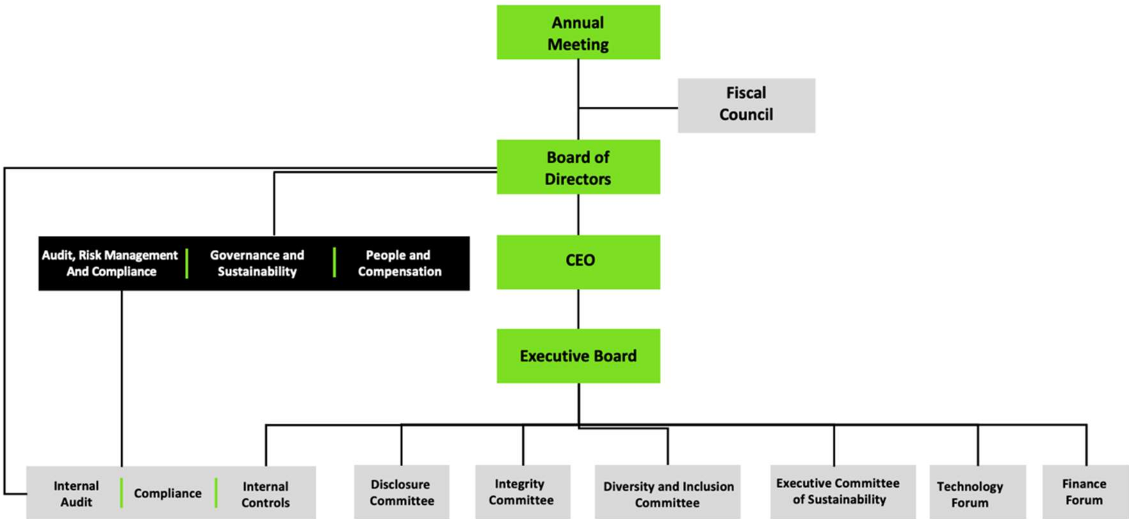
The Company seeks to achieve the highest standards of corporate governance for equity, compliance, accountability, and transparency, thereby adding value to shareholders and the market in general. Since its IPO, the Company has been listed on the Novo Mercado, the highest level of governance on B3 (the Brazilian Stock Exchange), granting a 100% tag-along right to all of shareholders.

Chamber of Arbitration: Pursuant to Article 36 of its Bylaws, the Company, its Shareholders, Management and Fiscal Council members, appointed to office and their alternates, if any, undertake to resolve, through arbitration in the Market Arbitration Chamber, under its rules, any dispute or controversy that may arise between them, related to or arising from its condition as issuer, shareholder, management and member of the Fiscal Council, especially relating to provisions of Law 6,385/76, Law 6,404/76, the Company's Bylaws, the rules issued by the Brazilian Monetary Council, the Central Bank of Brazil and the Brazilian Securities Commission, as well as other rules applicable to the functioning of capital markets in general, including the Novo Mercado Listing Regulations, other regulations by B3, and the Novo Mercado Participation Agreement.

ABRASCA Code of Self-Regulation and Good Practices: Localiza, in line with the best corporate governance practices, adheres to the ABRASCA Code of Self-Regulation and Good Practices for publicly-held companies, adopting the Corporate Governance practices provided for in B3's Novo Mercado and seeks to meet the guidelines issued by the Brazilian Institute of Corporate Governance ("IBGC").

Code of Conduct: Since 1995, the Company has adopted its Code of Conduct, which applies to all employees of the Platform, regardless of their hierarchical position, members of the Board of Directors and other committees, partners, suppliers, third-party intermediaries, and franchisees, in Brazil and abroad. Every employee, upon joining the Company, undergoes training in the Code of Conduct and Anti-Bribery and Anti-Corruption Policy during onboarding. All employees also complete the Core Training Program ("Trilha Essencial) annually, which includes training on the Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Information Security, and LGPD (the Brazilian General Data Protection Law).

On December 31, 2024, the governance structure of the Platform was as follows:



Board of Directors: The Company's Board of Directors is responsible for setting the guidelines and general policies for the Company's business, overseeing and monitoring the activities of the Directors, selecting the independent auditors, and implementing and supervising internal audits.

On December 31, 2024, the Board of Directors, the Fiscal Council, and the Board of Directors were composed as follows:

LOCALIZA RENT A CAR S.A. (parent company):

BOARD OF DIRECTORS

Name	Position
Eugênio Pacelli Mattar	Chair
Luis Fernando Memoria Porto	Vice-Chair
Paula Cardoso Neves	Independent member
Artur Noemio Grynbaum	Independent member
Maria Letícia de Freitas Costa	Independent member
Paulo Antunes Veras	Independent member
Pedro de Godoy Bueno	Independent member
Sérgio Augusto Guerra de Resende	Non-independent member

FISCAL COUNCIL

Name	Position
Antônio de Pádua Soares Policarpo	Chair
Carla Alessandra Trematore	Sitting Member
Guilherme Bottrel Pereira Tostes	Sitting Member
Márcio José Soares Lutterbach	Alternate member
Eder Carvalho Magalhães	Alternate member
Mauricio Graccho de Severiano Cardoso	Alternate member

STATUTORY BOARD

Name	Position
Bruno Sebastian Lasansky	Chief Executive Officer (CEO)
Rodrigo Tavares Gonçalves de Sousa	CFO and Investor Relations Officer
Breno Davis Campolina	Chief Fleet Rental Officer
Elvio Lupo Neto	Chief Car Rental Officer
Flávio Mergener Salles	Chief Seminovos Officer
João Hilário De Ávila Valgas Filho	Chief Operating Officer
Suzana Fagundes Ribeiro de Oliveira	Chief Legal and Institutional Relations Officer

SUBSIDIARIES

LOCALIZA FLEET S.A.

Name	Position
Eugênio Pacelli Mattar	Chair of the Board of Directors
Bruno Sebastian Lasansky	Member of the Board of Directors and Chief Executive Officer
João Hilario de Ávila Valgas Filho	Member of the Board of Directors
Breno Davis Campolina	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Financial and Investor Relations Officer

COMPANHIA DE LOCAÇÃO DAS AMÉRICAS

Name	Position
Luis Fernando Memoria Porto	Chair of the Board of Directors and Chief Executive Officer
Dirley Pingnatti Ricci	Vice-Chair of the Board of Directors
Carlos Horácio Sarquis	Member of the Board of Directors
Bruno Sebastian Lasansky	Chief Executive Officer
Breno Davis Campolina	Vice-President Director
Rodrigo Tavares Gonçalves de Sousa	Financial and Investor Relations Officer

ACELERO COMÉRCIO DE VEÍCULOS S.A.

Name	Position
Luis Fernando Memoria Porto	Chief Executive Officer
Breno Davis Campolina	Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

AGILE GESTÃO DE FROTAS E SERVIÇOS S.A.

Name	Position
Carlos Horácio Sarquis	Chief Executive Officer
Breno Davis Campolina	Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

CAR AS A SERVICE LTDA.

Name	Position
André Pessoa Barbosa	Administrator
João Hilário De Ávila Valgas Filho	Administrator

Leonardo Mota Freire	Administrator
Rodrigo Tavares Gonçalves de Sousa	Administrator

CAR ASSISTANCE SERVIÇOS DE ADMINISTRAÇÃO DE SINISTROS S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Breno Davis Campolina	Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

LL MÉX. SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE

Name	Position
Bruno Sebastian Lasansky	Chair of the Board of Directors
Rodrigo Tavares Gonçalves de Sousa	Secretary of the Board of Directors
Carlos Horácio Sarquis	Member of the Board of Directors
Moises Behar	CEO
Leonardo Lins Costa Melo	CFO
Ari Staroselsky de Jacobis	COO
Lucas Amaral Ribeiro	Commercial Intelligence and New Business Officer
Gonzalo Alberto Bosque Carrasco	Asset Management Officer

LOCALIZA FRANCHISING BRASIL S.A.

Name	Position
Carlos Horácio Sarquis	Chief Executive Officer
Elvio Lupo Neto	Vice-President Director
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
Breno Davis Campolina	Executive Officer

LOCALIZA SERVIÇOS PRIME S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
Flávio Mergener Salles	Executive Officer

LOCALIZA VEÍCULOS ESPECIAIS S.A.

Name	Position
Paulo Emilio Pimentel Uzêda	Chief Executive Officer
Breno Davis Campolina	Director without a specific designation
João Hilário Ávila Valgas Filho	Director without a specific designation
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

MOBI 7 SOCIEDADE ANÓNIMA DE CAPITAL VARIABLE

Name	Position
Bruno Sebastian Lasansky	Chair of the Board of Directors
Rodrigo Tavares Gonçalves de Sousa	Secretary of the Board of Directors
Carlos Horacio Sarquis	Member of the Board of Directors
Ricardo Ferreira Novo	CEO
Vinícius Costa Ferreira	Manager

MOBI7 TECNOLOGIA EM MOBILIDADE S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
Ricardo Ferreira Novo	Executive Office

GETRAK SERVIÇOS S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Fabio Bortolotti	Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

RENTAL BRASIL ADMINISTRAÇÃO E PARTICIPAÇÃO S.A.

Name	Position
Bruno Sebastian Lasansky	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
Breno Davis Campolina	Executive Officer
João Hilário De Ávila Valgas Filho	Executive Officer

VOLL S.A.

Name	Position
Luciano Henrique Brandão de Miranda	Chief Executive Officer
Eduardo Campos Vasconcellos	Director without a specific designation
Jordana Souza	Director without a specific designation
Luiz Alberto Ribeiro de Moura Filho	Director without a specific designation
Lucas Machado de Oliveira	Director without a specific designation

VOLL SOLUÇÕES EM MOBILIDADE CORPORATIVA S.A.

Name	Position
Elvio Lupo Neto	Member of the Board of Directors
Rodrigo Tavares Gonçalves de Sousa	Member of the Board of Directors
Bruno Barros Marroig	Member of the Board of Directors
André Luiz Lopes Petenussi	Member of the Board of Directors
Eduardo Campos Vasconcellos	Member of the Board of Directors and; Director without specific designation
Luciano Henrique Brandão de Miranda	Member of the Board of Directors and Chief Executive Officer
Luiz Alberto Ribeiro de Moura Filho	Director without a specific designation
Jordana Souza	Director without a specific designation
Lucas Machado de Oliveira	Director without a specific designation

The Board of Directors of the (parent) Company established the following advisory committees, mostly composed of Board members, with independent coordinators:

(i) Audit, Risk Management, and Compliance: Composed of three independent members, the Audit, Risk Management, and Compliance Committee is responsible for overseeing the work of the independent auditors, providing input on their selection, evaluating their performance, assessing the quality of opinions and financial reports, reviewing the accounting principles applied, and determining the effectiveness and adequacy of the internal control framework, in addition to monitoring the effectiveness of the Integrity Program.

(ii) People and Compensation: The People and Compensation Committee is responsible for proposing to the Board of Directors the compensation policies, performance evaluation, profit-sharing program, stock option program, as well as general personnel management policies. The People Committee consists of three members, two of which are independent.

(iii) Governance, Nomination, and Sustainability Committee The Governance and Sustainability Committee, composed of four members, is responsible for actively participating in the construction and development of the Succession Program for the Board of Directors and the CEO, and periodically monitors its progress. Furthermore, it formulates the guidelines and target indicators for ESG (Environmental, Social, and Governance) goals and monitors them, dictating the most relevant topics considering their impact on the business, in order to define priority initiatives for us to continue advancing consistently and strategically in our sustainability actions.

Additionally, the Company has the Integrity, Sustainability, Diversity and Inclusion, and Disclosure Committees, composed of directors and employees of the Company. The first two report to the CEO, the third reports to the People Officer, and the latter reports to the CFO and Investor Relations Officer.

Internal Controls: The Internal Controls department reports operationally and hierarchically to the CFO and Investor Relations Officer, with periodic reports to the Audit, Risk Management, and Compliance Committee and the Board of Directors. The plan for process review by the Internal Controls department is approved annually by the Audit, Risk Management, and Compliance Committee, with periodic reporting to the committee on the achieved results.

Internal Audit: The Company has an Internal Audit department with a dual reporting structure; hierarchical it reports to the Chief Financial and Investor Relations Officer, while functional reporting is to the Audit, Risk Management, and Compliance Committee.

As part of the Internal Audit activities, audits on corporate processes are conducted to assess the effectiveness and efficiency of internal controls. Any weaknesses identified result in action plans for implementation by the responsible areas, which are periodically monitored for compliance.

Inventories of the entire fleet are conducted at the car rental agencies and used car stores, evaluating compliance with internal operational standards and procedures of the locations. Any non-compliances identified are reported for treatment by the responsible management.

Compliance: The Compliance department is responsible for coordinating the Company's Integrity Program, as well as ensuring the management of corporate risks through the annual review of the Corporate Risk Matrix and continuous monitoring of implemented actions. Its main attributions are: (a) coordinate the Corruption and Bribery Risk management process; (b) support and guide the implementation of the regulations, policies and procedures of the Anti-Corruption and Anti-Bribery Management System; (c) perform due diligence on suppliers and business partners; (d) track and monitor additional actions resulting from business continuity decisions for business partners whose Integrity due diligence result raised any point of attention; (e) carry out continuous improvement of the Anti-Bribery and Anti-Corruption Management System, ensuring compliance with the requirements established in the ABNT NBR ISO 37001 Standard; (f) execute and report to Management the main points and any violations of the Code of Conduct, Anti-Bribery and Anti-Corruption Policy and other policies and procedures related to the Integrity Program; (g) prepare the Communication Plan and Training Plan related to the Policies and Procedures of the Anti-Bribery and Anti-Corruption Management System; (h) promote and support process improvements and develop actions to improve the Integrity Program, also based on the results of investigations of reports in the Confidential Channel; i) management of the Company's reporting channel; and (j) support and guide the implementation of the rules, policies and procedures for compliance with the Program for the Prevention of Money Laundering and Financing of Terrorism, in line with the applicable laws.

Localiza's Compliance department has a dual reporting structure, where administrative reporting to the Legal Board and functional reporting to the Audit, Risk Management and Compliance Committee.

The Company has an outsourced reporting channel for receiving reports, anonymously or identified (voluntarily), of unethical and/or illegal situations that occurred in the companies on the Platform. The reporting channel can be used by the entire Localiza team and other stakeholders related to the Company.

The Company has a Reporting and Non-Retaliation Procedure for Whistleblowers that prohibits retaliation of any kind against a whistleblower in good faith or against employees who act as witnesses in internal investigation procedures.

The reporting channel can be accessed by the telephone 0800 979 2055, for calls originating in Brazil, and +55 (11) 3232 0786, for calls originating abroad; through the website: www.canalconfidencial.com.br/localiza; and by email: localiza@canalconfidencial.com.br.

Relationship with Independent Auditors: To ensure that extra-audit services are not contracted that could compromise the independence of its auditors, the Company has a normative document on "Contracting Extra-Audit Services", which is reviewed and monitored by the Audit, Risk Management and Compliance Committee.

12 - PEOPLE MANAGEMENT

The Company's Human Resources practices are based on meritocracy and guided by competitive compensation and the recognition and appreciation of employee performance. To retain talents, the Company offers its employees career opportunities and professional training.

Benefits and Development

Localiza has always been dedicated to sustainable Human Resources practices, promoting the care and well-being of its employees, relevant diversity and inclusion actions and investment in training its entire staff. Promotions, internal use of employees, and professional development are Localiza's values. In 2024, 2,923 employees were promoted, 4,358 were recognized by the Company's merit program, and approximately BRL 8.5 million were invested in training.

With the objective of contributing to the attraction and retention of talents, salary studies are carried out periodically to assess the competitiveness of the compensation in relation to the market and to update the policies that involve this issue.

Health, dental, life insurance and meal allowance benefits are currently offered. The Company offers its employees a supplementary retirement benefit, through a supplementary pension plan, established as a "defined contribution" and managed by a large independent management company.

Localiza was one of the first companies in Brazil to have a structured profit-sharing program, launched in 1990. The profit-sharing program is based on the achievement of individual and financial targets. In addition, a group of executives can choose to participate in two Long-Term Incentive Programs (ILP) – Stock Purchase Option, Matching Shares and Deferred Shares. These programs align the interests of employees with the interests of shareholders, contribute to the retention of talent and a long-term vision in the decision-making process.

Additionally, a model composed of seven competencies was prepared (five for all employees and two exclusively for leaders), which determines the necessary behaviors to sustain the Company's future growth and the development of its employees.

In 2024, the overall turnover of L&Co was 32.5%. The Company is experiencing significant growth, especially in the areas of Distribution Centers (DCs) and Seminovos. To meet the growing demand, there was a significant increase in hiring, with the implementation of recruitment drives and referral programs as strategies to support the expansion of operations.

Programs Aimed at Employees

Diversity and Inclusion Program: Since 2020, Localiza has had a Diversity Program aimed at creating an environment of equity and inclusion throughout the company, contributing to social progress beyond the limits of the organization. The initiative focuses on six priority areas – gender equity, people with disabilities, migrants and refugees, race, LGBTQI+ individuals, and professionals aged 50 and over.

In 2024, Localiza strengthened its strategy to increase the representation of Women and Black individuals in leadership positions. Since 2023, this ambition has been a goal in the management contract of senior leadership, directly impacting the variable compensation of this group. In addition, the Company continued with its structural initiatives such as development programs (eLLas for Women and Pluraliza for Black individuals), intentional recruitment, the requirement to include at least one of the two minority groups in the short-list for recruitment for senior management positions and above, leadership training to eliminate biases, team awareness, and many other actions carried out with the support of affinity groups, the People team, and other related areas.

In addition, Localiza is a signatory to the UN Women's Empowerment Principles, the UNHCR Business Forum for Refugees, and the Business Forum for LGBTI+ Rights. In its annual Climate Survey, conducted anonymously by McKinsey, it assesses three factors directly related to Diversity – the favorability of the Company's actions on the topic, the performance and positioning of the leadership on the topic, and the existence of a psychologically safe environment. In all three questions, the average result from the last year was 93.7% favorable (with over 90% of employees responding), providing confidence that Localiza is on the right track.

We have also received recognition as one of the Best Companies for LGBTI+ People to Work, from Equidade BR and HRC, and we continue to be listed on the ETF IGPTW of B3, which brings together companies that invest the most in a work environment with the best human resources practices; the IDIVERSA list of B3, which highlights companies excelling in diversity in Brazil; and the ETF ELAS11, which brings together organizations with the most women in leadership positions.

Flexible working hours: Since 2020, the Company has adopted flexible working hours at its headquarters. Employees were given the autonomy to choose their start and end times for their activities to ensure a better balance between personal and professional life. More than 7,000 employees are impacted by this new work model that conveys confidence and well-being to Localiza&Co employees.

Remote work: Also, since 2020, Localiza has implemented a new work model for employees at the headquarters and service centers – hybrid or remote work. There are over 7,000 eligible employees who can work up to three times a week from home, optimizing commuting and increasing well-being and life balance. Furthermore, our technology sector, Localiza Labs, allows its individual contributors to work in a 100% remote model. Thus, we ensure anyone in Brazil can be part of our team, positively impacting the generation of sustainable jobs. Altogether, we have more than 1,000 employees under this model. As a reflection of the new working model, monthly subsidies are offered to cover service expenses.

Sempre Bem: The "Sempre Bem" health policy was created with the aim of promoting healthy habits and ensuring the well-being of our employees, contributing to awareness and consequent improvement in quality of life. Health care goes beyond the corporate environment and, therefore, we encourage care in a broad and continuous way through health programs and actions.

This policy aims to create a culture of health within the Company based on caring for people, encouraging habit changes, disease prevention, and health improvements, ultimately enhancing employee job satisfaction. Through the management of the benefits offered and actions taken by the Company, it is possible to continuously improve and update the pillars of Sempre Bem, following the development of all our employees.

Sempre Bem is divided into five pillars:

- Sempre Bem Saudável: focused on individual medical care and orientation;
- Sempre Bem Cuidando de Você: focused on prevention and awareness campaigns;
- Sempre Bem Com Você: promotes mental health, reinforcing its importance for overall well-being;
- Sempre Bem Todo Dia: programs and actions to improve healthy practices and habits during the day to day; and
- Sempre Bem Com a Família: addresses family issues such as family well-being and quality of life.

The Sempre Bem actions in 2024 included:

Clínica Sempre Bem's mission is to be an agent that promotes well-being for all employees, coordinating health actions and ensuring comprehensive and continuous care from the first contact, wherever the employee is based. The clinic offers a regular source of care, creating strong bonds with patients who are treated and observed in a comprehensive manner with unified medical records and guaranteeing personalized care for each of our employees. The care offered comprises five lines of action, namely:

- Chronic Disease Care Line – Health Promotion Program;
- Mental Health Care Line – "Saudavelmente" Program;
- Respiratory Health Care Line;
- Ergonomics Care Line;
- Health People Care Line.

The Sempre Bem Clinic, together with Saúde 24hrs (our telemedicine service for emergency care), strategically contributed to Localiza&Co's health actions, providing special and multidisciplinary care to our employees and achieving a resolution rate of 98.8% of the cases treated. This is achieved without the need for employees to be exposed to additional risks in other clinics and/or hospitals. Additionally, the ACOLHER Program offers employees and their families assistance focused on health, psychological support, social services, legal aid, and nutritional guidance, providing a comprehensive 360º approach to caring for our people.

Working towards a more inclusive world, we 961 indications were received for people with disabilities that contributed to the hiring of 603 new employees by the Company.

In the other care lines and quality of life, we conducted health education campaigns referencing thematic months and achieved historical levels:

- In safety, which is our initial line of care, we adopted the following slogan: “Driving infinite kilometers without accidents”; with this goal in mind, we established 46 new fire brigades, trained over 6,000 people in simulated fire prevention and emergency drills, trained more than 700 employees in defensive driving, and as a reward for this effort, we reduced our severity rate on the road by 61.5%. For our Decommissioning Centers, we implemented our safety score for DCs, with 21 blocks and 59 questions focused on best accident prevention practices, which resulted in a 30% reduction in the severity rate of typical accidents;
- In the vaccination campaign, we doubled the number of employees vaccinated against the flu;
- In terms of senior leadership care, we increased the number of people taking part in the Executive Check-up by 30 p.p. and reached a level of over 80% of executives with up-to-date exams through our program;
- Our maternity program not only held two annual meetings with guidance and health care attention for pregnant women and their families but also provided multidisciplinary support during pregnancy and postpartum, waived all prenatal exams, and distributed baby kits to the 527 participating mothers;
- Our mental health program, Saudavelmente, offered several training sessions for leaders and the general public, provided special reintegration support for individuals returning from emotional health-related leave, and made psychosocial support and counseling available to those in need.
- MOBILIZA, our physical activity incentive program, mobilized a record number of participants, tied teams in first place, and encouraged individuals to break away from sedentary lifestyles in pursuit of a healthier life. Historically, our program has conducted over 67,882 activities and dedicated more than 90,783 hours to physical activity.

L&Co Actions - SOS Rio Grande do Sul

Care and Solidarity

Inspired by our culture and deeply moved by the situation in Rio Grande do Sul, we worked to provide support and comfort to all those affected by this disaster. We created a wave of solidarity and formed an emergency committee, where People was our top priority. We worked 24/7 to take care of our team.

Among the main areas of action, we highlight the following key initiatives in the journey of genuine care for the L&Co team:

Stage 1

- Raising over BRL 140,000 through a solidarity fundraiser (Vakinha Solidária) proactively organized by the Green Blood (Sangue Verde) team.
- A motor boat was purchased to rescue employees and temporary housing was provided;
- Donation of over 10,000 liters of water, meal vouchers, blankets, and more than 500 food baskets;
- The Acolher Program with an exclusive line for Rio Grande do Sul, dedicated to providing direct access to 24-hour medical care; psychological, legal, and nutritional counseling; social support; and medication;
- Payroll-deduction loans (90-day extension with no interest), advance of vacation and 13th salary payments, release of Private Pension, and anticipation of profit-sharing were allowed in June 2024.

Stage 2

- Cleaning of houses and technical reports on structural assessments;
- Assessment of losses and emotional support provided by a specialized company;
- Green wave: with the purchase and donation of over a thousand pieces of warm clothing for employees and their families;
- A financial advance of BRL 5,000 for the most vulnerable employees;
- Design of financial assistance for reconstruction and analysis of donations.

Stage 3 – Rebuilding

- A donation of BRL 1.4 million from L&Co to the 60 employees most affected by the tragedy, according to the social assessment conducted. The funds allocated were used for home repairs and renovations, as well as the purchase of appliances and basic furniture such as beds, mattresses, sofas, and general household items.

13 - SUSTAINABILITY

We consistently address the 10 material topics on our ESG agenda, focusing on two of them: Atmospheric Emissions and Diversity and Inclusion. In the first case, we have surpassed the mark of 600,000 cars in our fleet and are committed to mitigating the impacts of climate change. In the second case, we are over 21,000 #greenblood (#sangueverde) committed to creating a culture of respect, psychological safety, and equal opportunities, attracting and engaging more and more talents.

Sustainable Mobility:

For the fourth consecutive year, our greenhouse gas (GHG) inventory underwent external verification and received the Gold Seal from the GHG Protocol. Additionally, in 2024, we conducted a screening study to identify new sources of emissions, due to the growth and diversification of our operations. In the consolidation of the three scopes, we saw a 16% decrease in emissions compared to the previous year. This does not necessarily constitute a reduction in emissions, despite our progress in the use of ethanol, driven by increased awareness initiatives for our customers. Basically, in 2023 (2022 cycle), we conducted the proforma inventory, following the GHG Protocol methodologies, which did not necessarily reflect additions to the fleet. In 2024 (2023 cycle), this context was normalized.

In 2024, Localiza used 25.1 million liters of ethanol, preventing the emission of 42.4 thousand tons of CO2e, had we used fossil fuels.

Based on all the initiatives implemented, we received a B rating in the CDP – Carbon Disclosure Project and maintained our position, for the 5th consecutive year, in the Carbon Efficient Index – ICO2 of B3 S.A – Brasil, Bolsa, Balcão ("B3"), which brings together companies that adopt practices in the fight against climate change.

In the medium-term (2030) and long-term (2050), we evaluate how physical and transitional climate risks can impact or create opportunities for our businesses. We have included the analysis of climate risks in the selection of new stores and locations. The next steps involve the financial measurement of these risks and a potential adaptation of our operations to these future scenarios.

We have expanded the waste management project to cover 100% of Decommissioning Centers and Pit Stops (maintenance centers), ensuring that all stages of waste management are traceable, service providers are certified, and waste is increasingly diverted from landfills to more sustainable destinations, such as reverse logistics, thereby mitigating operational risks. We are piloting a project to transform the main types of waste generated into utensils for our operations, which is currently in the financial validation phase.

We have avoided the consumption of over 52 million liters of water through dry cleaning practices in the Car Rental segment and have expanded this technique to Seminovos.

Social Transformation:

We remain listed in the B3 ETF IGPTW, which includes companies that invest the most in a workplace with best human resources practices; in the B3 IDIVERSA, which highlights companies leading in diversity in Brazil; and in the ETF ELAS11, which brings together organizations with the highest representation of women in leadership positions.

For the third consecutive year, L&Co was recognized as one of the Best Places for LGBTQI+ community to work, according to the survey conducted by the +Diversidade Institute, HRC, and the Business Forum for LGBTI+ Rights.

In the fourth year of the Localiza&Co Diversity and Inclusion Program, we continued to advance and consolidate the practices of our six affinity groups: (i) gender equity, (ii) racial equity, (iii) LGBTI+, (iv) migrants and refugees, (v) people with disabilities, and (vi) 50+. In 2024, we maintained our priority of increasing the representation of Women and Black individuals in strategic leadership positions, with goals incorporated into senior leadership management contracts. Among the actions taken for this purpose are the eLLas and Pluraliza programs, aimed at Women and Black and Brown individuals, respectively, with the goal of developing the careers of talented individuals from these groups. In addition, we focus on intentional recruitment and the requirement of including Women and/or Black individuals in the recruitment short-list for strategic leadership positions, as well as training the attraction and selection team to address unconscious bias. We also launched a Reverse Mentoring Program to support the development of executive directors on topics related to racial issues in Brazil.

We have celebrated three years of activity at the Localiza Institute, consolidating its strategic focus on promoting social mobility for Brazilian youth through three investment pillars – supporting technical training programs, fostering connections for youth workforce inclusion, and strengthening the youth ecosystem. In partnership with social organizations, we facilitated the training of some 25,000 people across all regions in Brazil, enhancing their technical and soft skills. The areas covered included technology, tourism, gastronomy, vehicle maintenance, workforce preparation, and entrepreneurship. As part of the workforce inclusion agenda, we launched two pilot projects. A knowledge acceleration journey for young graduates from technology projects, offering a period of hands-on experience with experienced professionals from Localiza Labs, called the Social Residency, and a mentorship program, Companheiro de Rota, aimed at helping newly hired individuals adapt to new work environments. Both initiatives brought together shared knowledge between the Localiza Institute, Localiza&Co, and social organizations. We held the 2nd Youth in Motion Meeting, systematizing and sharing inspiring stories from our network of young people, engaging over a thousand people virtually.

We also supported other educational initiatives that, while not primarily focused on productive inclusion, are reported separately. Over 300,000 people participated in events and workshops in formal education, culture, sports, and rights advocacy. The projects were primarily supported through tax incentive laws and managed by the Institute.

We continued the set of technical training projects aimed at communities adjacent to the Company's headquarters in Belo Horizonte, providing them with the knowledge and expertise of our employees in Customer Service and Technology. Together with the L&Co Supply team, we conducted the first training program in Purchasing. Students from all courses were referred to selection processes by the company and institutional partners. We completed another training cycle for local small businesses, as a result of our partnership with Sebrae Minas. We trained entrepreneurs and took them to events and trade shows, expanding their connections and sales. We also supported the implementation of a diagnosis by the Gerando Falcões Institute in the same region to guide future territorial development actions.

Volunteering took us to several Brazilian States, connecting the engagement of Localiza&Co employees in mentoring young people on their learning journeys and supporting joint actions with social organizations. There were over 750 volunteer participations (495 unique volunteers), benefiting more than 3,700 people.

We carried out humanitarian actions with communities affected by the floods in Rio Grande do Sul, providing emergency assistance that included water, food, clothing, blankets, and diapers to the population, financial resources for activities in temporary shelters, and support for the recovery of structures and services of organizations working in education in the affected region.

We also strengthened our participation in relevant social movements in the country, such as Movitech (fostering inclusion in technology), the Corporate Volunteer Committee of Minas Gerais (CMVC), and the Group of Business Foundations and Institutes (GIFE).

The investments in social actions carried out in 2024 reached BRL 12.8 million, with BRL 8.2 million from direct donations (28% higher than the previous year) and BRL 4.6 million through tax incentive laws – the Childhood and Adolescence Fund (FIA) and the Elderly Fund, with contributions from L&Co and management by the Institute. Projects specifically aimed at technical education and workforce inclusion represented around 80% of all activities carried out during the year, reinforcing our priority focus for action.

World Class Governance:

Localiza&Co was recognized in the MERCO (Corporate Reputation Business Monitor) rankings as one of the 35 companies with the best reputation in Brazil, ranked 1st in the mobility industry, and among the top 45 most responsible companies in the overall ESG classification. Our founding partner and Chair of the Board, Eugênio Mattar, and our Chief Executive Officer (CEO), Bruno Lasansky, are listed among the 75 leaders with the highest reputation, according to the same institution.

Our ESG program ranked 3rd overall in Brazil by Institutional Investor and 1st in the Transportation industry in Latin America.

We were also recognized in the Transportation and Logistics industry by the Exame’s Best of ESG award and highlighted in the ETHOS/Época 2024 Inclusion Survey.

In Governance, we highlight the monitoring of ESG matters by the Board, through the Governance, Nomination, and Sustainability Committee, which is responsible for validating and monitoring the strategy adopted by the Company in the evolution of its journey to build the future of sustainable mobility.

In compliance with the General Data Protection Law (LGPD) and other regulations on this matter, we have made progress in developing best practices to ensure the privacy of personal data of customers, employees, and third parties processed by the Company, and we have advanced in the more efficient management of information security.

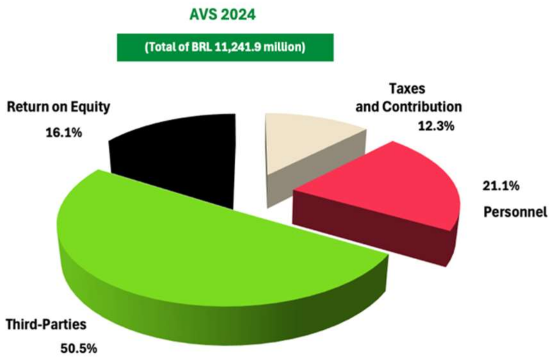
Among the main initiatives, we have a Privacy and Data Protection Policy in place, which defines privacy guidelines with the aim of ensuring that all personal data under the Company’s responsibility be protected. We also have the Privacy Portal, whose purpose is to inform how personal data is used within Localiza, providing a direct communication channel with data holders and reflecting our commitment to transparency and security of the information they share with us. In the context of transparency and information security, the Company adjusted the cookie collection on its websites and landing pages, and implemented a process for evaluating critical suppliers and personal data processors on behalf of Localiza&Co.

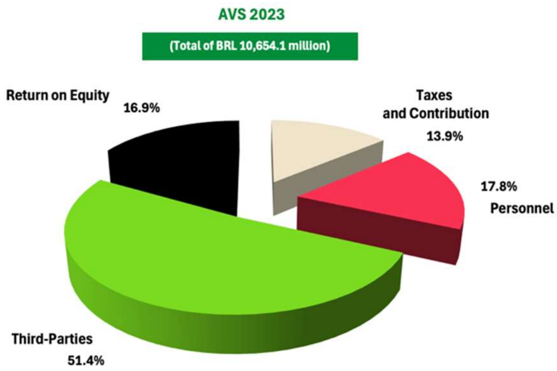
Regarding internal precautions, we implemented training sessions covering topics such as Compliance, privacy, data protection, and information security, reaching 80.4% with annual recurrence. We have also made progress with the Transparency Portal, which is exclusive for employees. This portal contains procedures and documents that inform employees of their privacy rights and how to act, in accordance with the General Data Protection Law (LGPD), when processing personal data in the exercise of their duties. As the privacy and security of information are everyone's responsibility, we count on the support and commitment of everyone to put our actions into practice.

In December 2024, 93.1% of new employees had been trained on the Code of Ethics and Conduct, which guides employee behavior in internal relationships with customers, franchisees, suppliers, partners, communities, and other stakeholders. In addition, 93.3% of employees were trained in the Anti-Bribery and Anti-Corruption Policy, which sets the guidelines for the Company’s compliance with anti-corruption and anti-bribery laws, ensuring ethical standards and transparency.

The Company maintained its ISO 37001 certification, attesting to the quality of its work in combating bribery, always in line with our culture of integrity, transparency, and compliance.

Statement of Value Added–: This statement (AVS) highlights the Company's impact on society, showing its wealth generation totaling BRL 11,241.9 million in 2024 (BRL 10,654.1 million in 2023), distributed as follows:





Localiza&co

Social Statement

(in BRL thousand)

Localiza&Co			2024			2023
Calculation basis of consolidated social indicators						
Net revenues ("NR")			37,271,558			28,902,284
Earnings before income tax and social contribution ("EBIT")			1,866,538			1,874,201
Gross payroll ("GP")			2,542,257			1,327,404
Internal Social Indicators	**Amount**	**% on Gross Payroll**	**% on NR**	**Amount**	**% on Gross Payroll**	**% on NR**
Meals	211,999	8%	1%	169,402	13%	1%
Compulsory payroll taxes	411,318	16%	1%	344,888	26%	1%
Health	177,772	7%	0%	125,174	9%	0%
Transportation	27,291	1%	0%	15,848	1%	0%
Professional training and development	10,327	0%	0%	21,074	2%	0%
Daycare centers or childcare allowance	3,620	0%	0%	3,047	0%	0%
Profit sharing	292,428	12%	1%	223,277	17%	1%
Other	39,164	2%	0%	33,719	3%	0%
Total Internal Social Indicators	**1,173,919**	**46%**	**3%**	**936,429**	**71%**	**3%**
External Social Indicators	**Amount**	**% on EBIT**	**% on NR**	**Amount**	**% on EBIT**	**% on NR**
Education	-	0%	0%	186	0%	0%
Culture	11,737	1%	0%	772	0%	0%
Other	5,750	0%	0%	13,329	1%	0%
Total contributions to society	**17,487**	1%	0%	**14,287**	**1%**	**0%**
Taxes (excluding payroll taxes) (*)	1,018,703	55%	3%	702,915	38%	2%
Total external social indicators	**1,036,190**	56%	3%	**717,202**	**38%**	**2%**
Staff indicators			**12/31/24**			**12/31/23**
Number of employees at the end of the period			21,966			20,725
Number of new hires during the period			9,344			8,364
Number of third-party workers			512			508
Number of interns			84			62
Number of employees above 50 years old			1,526			1,269
Number of women working at the company			9,451			9,059
Percentage of lead positions held by women			47.19%			47.83%
Number of disabled employees			963			732

Expected range for gross depreciation - Brazil

Annualized gross depreciation per car in BRL

In December, we observed greater accommodation in the prices of model year 2024 cars, but in January and February, volumes and prices behaved in line with the Company's expectations. Therefore, we maintain the 1Q25 guidance.

Division	Expected range for gross depreciation		
	3Q24	4Q24	1Q25
Car Rental Expected	6,700 – 7,700	6,500 – 7,500	6,300 – 7,300
Car Rental Real	7,373	7,307	-
Fleet Rental Light Vehicles Expected	7,500 – 8,500	7,200 – 8,200	6,800 – 7,800
Fleet Rental Light Vehicles Real	8,247	8,075	-

Assumptions of the projection, indicating those that can be influenced by the Company's Management and those beyond its control

The estimated depreciation projections were calculated based on the accounting practices adopted by the Company, supported by its operational history, and take the following assumptions into consideration:

(i) reduction in the price of Seminovos in 2Q24;
(ii) increase in the price difference between Seminovos and brand-new cars due to market dynamics and new entrants in the automotive industry;
(iii) reduction of the depreciable useful life cycle in the Car Rental division from 18 to 15 months, due to Localiza's fleet renewal;
(iv) reduction in the expected net selling price of vehicles for severe use; and
(v) normalization of margins on the sale of Seminovos.

These projections constitute estimates based on the Company's Management's well-founded beliefs and assumptions, as well as on currently available information. Future considerations depend substantially on market conditions, applicable laws and regulations, the performance of the car rental industry and the Brazilian economy in general, among other factors beyond Localiza's control. These aspects and the operating activity may affect the Company's future performance and may lead to results that differ materially from the projections. Projections are subject to risks and uncertainties and do not constitute a promise of future performance. Due to these uncertainties, investors should not make any investment decisions based solely on this information. Any change in perception or in the aforementioned factors may cause actual results to differ from the projections made and disclosed.

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(A free translation of the original in Portuguese)

Independent auditor's report

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

Opinion

We have audited the accompanying parent company financial statements of Localiza Rent a Car S.A. ("Company" or "Individual"), which comprise the balance sheet as at December 31, 2024 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of Localiza Rent a Car S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2024 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

Opinion on the parent company financial statements

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Localiza Rent a Car S.A. as at December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Localiza Rent a Car S.A. and its subsidiaries as at December 31, 2024, and their financial performance and their cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

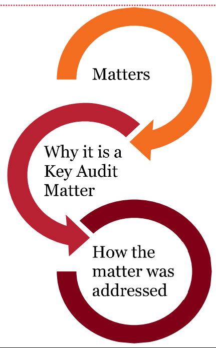
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Auditores Independentes Ltda., Rua dos Inconfidentes, 911, 17º e 18º,
Soinco Business Center, Belo Horizonte, MG, Brasil, 30140-128
T: 4004-8000, www.pwc.com.br

Localiza Rent a Car S.A.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter	How the matter was addressed in the audit
Recoverability of goodwill (Note 13)	
The consolidated financial statements at December 31, 2024 present intangible assets which include goodwill recorded based on expected future profitability arising from business combinations, in the amount of R$ 8,463,257 thousand. Management tested the recoverable amount of goodwill, using the value in use present value model of expected future cash flows for the assets in each of the cash-generating units (CGUs). This required management to apply assumptions, such as revenue growth rates, projected earnings and discount rates. We selected this as a key audit matter due the significance of the balances and because of the sensitive nature of the critical estimates and judgments used for the assumptions and projections. Had management selected a different set of variables for estimating the future results of the CGUs, the amounts determined might have been significantly different with a consequential effect on the financial statements.	Our audit approach considered, among other procedures, understanding the relevant internal controls over the preparation of the discounted cash flows of the CGUs to which goodwill was allocated. We assessed the reasonableness and consistency of the calculation model used by management to prepare the forecasts, as well as the data and assumptions used for the projected cash flows, such as revenue growth rates and profitability estimates (comparing these with macroeconomic and industry forecasts) and discount rates. We considered the cost of capital of the Company and its subsidiaries and compared this to similar organizations for the purposes of the discount rate. We tested the mathematical calculations and data used for the main assumptions for the cash flow projections. We performed an analysis to assess the sensitivity of projections to different possible scenarios. Our read the disclosures in the financial statements. Our audit procedures demonstrated the judgments and assumptions used by management to be consistent with the information obtained during our audit.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Determination of estimated vehicle residual values (Note 12)	
The Company and its subsidiaries estimate the residual value of its fleet of vehicles based on the expected sale value of the vehicles at the end of their useful lives, less selling expenses and estimated wholesale and retail discounts. This was selected as a key audit matter because of the inherently subjective nature of the estimation process relying on assumptions and management's judgment including that for the market value of vehicles upon sale, estimated service life to the Company and the significance of the balances. Any changes in these assumptions could have a material impact on the financial statements.	Our audit approach considered, among other procedures, understanding and evaluating the design and effectiveness of the internal control environment relating to the selection of assumptions and criteria for determining the residual value of vehicles. On a sample basis, we compared the systems input data for the residual value of vehicles with the documentation supporting the estimated residual values. On a sample basis, we compared the estimated residual values with actual sales prices in the year and to listings disclosed by specialized external firms for vehicle selling prices. We consider the assumptions used to be consistent with market data and with the information obtained during our audit.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2024, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for this other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion on this report.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in so doing, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appear to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement in the Management Report, we are required to communicate this fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, February 27, 2025

PricewaterhouseCoopers

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

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

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LOCALIZA RENT A CAR S.A.

BALANCE SHEET
(in BRL thousand) (A free translation of the original in Portuguese)

ASSETS

		Individual		Consolidated	
	Note	12/31/24	12/31/23	12/31/24	12/31/23
Current assets					
Cash and cash equivalents	5	1,652,029	1,107,076	3,568,636	2,000,897
Short-term investments	6	2,251,852	6,798,407	7,856,926	8,321,252
Trade receivables	7	2,375,654	2,173,840	4,033,679	3,681,632
Dividends receivable	10.2.1(b)	214,352	333,883	-	-
Cars decommissioned for fleet renewal	12(b)	2,255,421	1,423,307	3,463,598	2,531,398
Derivative financial instruments	4.1	454,963	-	572,021	87,739
Recoverable taxes	8	229,432	191,080	693,983	628,372
Other assets	9	455,773	330,375	593,126	513,113
Total current assets		**9,889,476**	**12,357,968**	**20,781,969**	**17,764,403**
Non-current assets					
Long-term assets:					
Short-term investments	6	1,213,275	1,180,600	1,216,929	1,186,351
(-) Present value adjustment	6	(241,847)	(334,288)	(241,847)	(334,288)
Trade receivables	7	-	-	21,102	6,617
Derivative financial instruments	4.1	1,216,805	142,751	1,592,406	377,248
Escrow deposits	20(b)	103,859	125,917	241,238	265,442
Deferred income tax and social contribution	21(a)	361,655	-	457,490	38,208
Recoverable taxes	8	227,814	289,833	364,167	561,588
Other assets	9	382	2,599	89,854	113,911
Total long-term assets		**2,881,943**	**1,407,412**	**3,741,339**	**2,215,077**
Investments	10.2	29,801,849	25,045,898	-	-
Property and equipment	12(a)	26,813,971	24,890,683	53,842,366	52,116,268
Intangible assets	13	224,877	162,008	8,877,933	8,851,336
Total non-current assets		**59,722,640**	**51,506,001**	**66,461,638**	**63,182,681**
Total assets		**69,612,116**	**63,863,969**	**87,243,607**	**80,947,084**

Management's notes are an integral part of these financial statements.

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LOCALIZA RENT A CAR S.A.

BALANCE SHEET
(in BRL thousand) (continued)

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Individual		Consolidated	
		12/31/24	12/31/23	12/31/24	12/31/23
Current liabilities					
Suppliers	14	7,638,893	5,896,508	10,026,394	8,881,381
Social and labor obligations	15	402,322	315,951	478,656	399,196
Assignment of credit rights	16	-	-	37,452	86,277
Loans, financing, and debt securities	17	3,452,737	5,968,789	5,295,928	7,226,535
Derivative financial instruments	4.1	66,269	207,347	91,067	370,684
Lease liability	18	302,537	240,228	320,488	261,597
Income tax and social contribution payable		-	7,759	182,983	119,109
Dividends and interest on equity	22(e)	380,064	357,380	380,064	357,380
Other liabilities	19	736,381	672,271	900,762	714,864
Total current liabilities		**12,979,203**	**13,666,233**	**17,713,794**	**18,417,023**
Non-current liabilities					
Assignment of credit rights	16	-	-	10,600	48,052
Loans, financing, and debt securities	17	28,824,298	23,283,617	39,470,609	33,381,098
Derivative financial instruments	4.1	13,200	75,865	13,200	260,035
Lease liability	18	1,246,360	1,165,337	1,016,126	966,506
Provisions for risks	20(a)	121,113	141,631	552,736	604,285
Deferred income tax and social contribution	21(a)	-	59,953	1,947,922	1,700,585
Other liabilities	19	93,844	82,451	175,906	171,685
Total non-current liabilities		**30,298,815**	**24,808,854**	**43,187,099**	**37,132,246**
Total liabilities		**43,278,018**	**38,475,087**	**60,900,893**	**55,549,269**
Equity	22				
Share capital		17,908,250	17,376,899	17,908,250	17,376,899
Share issuance expenses		(118,804)	(118,804)	(118,804)	(118,804)
Treasury shares		(1,208,002)	(447,225)	(1,208,002)	(447,225)
Capital reserves		4,206,650	4,145,180	4,206,650	4,145,180
Earnings reserves		4,890,481	4,756,830	4,890,481	4,756,830
Other comprehensive income		655,523	(323,998)	655,523	(323,998)
		26,334,098	**25,388,882**	**26,334,098**	**25,388,882**
Attributable to non-controlling partners		-	-	8,616	8,933
Total shareholders' equity		**26,334,098**	**25,388,882**	**26,342,714**	**25,397,815**
Total liabilities and shareholders' equity		**69,612,116**	**63,863,969**	**87,243,607**	**80,947,084**

Management's notes are an integral part of these financial statements.

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LOCALIZA RENT A CAR S.A.

STATEMENT OF INCOME
YEAR ENDED DECEMBER 31
(In BRL thousands, except net income per share) (A free translation of the original in Portuguese)

		Individual		Consolidated	
	Note	2024	2023	2024	2023
Net revenues	25	21,202,387	16,967,330	37,271,558	28,902,284
Costs	26	(16,972,780)	(13,417,018)	(28,518,696)	(20,630,206)
Gross profit		**4,229,607**	**3,550,312**	**8,752,862**	**8,272,078**
Operating income (expenses):					
Selling	26	(1,405,561)	(1,173,627)	(2,155,698)	(1,691,169)
General, administrative, and other expenses	26	(397,369)	(399,405)	(791,995)	(681,937)
Equity in the earnings of subsidiaries	10.2	1,787,011	1,250,133	-	(430)
		(15,919)	**(322,899)**	**(2,947,693)**	**(2,373,536)**
Profit before financial income and expenses		**4,213,688**	**3,227,413**	**5,805,169**	**5,898,542**
Financial income	27	935,702	834,143	1,490,759	1,225,637
Financial expenses	27	(4,149,864)	(2,899,111)	(5,429,390)	(5,249,978)
Financial income (expenses)	27	**(3,214,162)**	**(2,064,968)**	**(3,938,631)**	**(4,024,341)**
Profit before income tax and social contribution		**999,526**	**1,162,445**	**1,866,538**	**1,874,201**
Income tax and social contribution:	21(b)				
Current		1,956	(97,731)	(722,553)	(314,945)
Deferred		812,145	740,852	669,325	243,834
		814,101	643,121	(53,228)	(71,111)
Net income for the year		**1,813,627**	**1,805,566**	**1,813,310**	**1,803,090**
Attributable to the shareholders of the Company				1,813,627	1,805,566
Attributable to non-controlling shareholders				(317)	(2,476)
Earnings per share (in BRL):	23				
Basic				1.71362	1.77146
Diluted				1.69385	1.76057

Management's notes are an integral part of these financial statements.

LOCALIZA RENT A CAR S.A.

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31
(in BRL thousand) (A free translation of the original in Portuguese)

	Individual		Consolidated	
	2024	2023	2024	2023
Net income for the year	**1,813,627**	**1,805,566**	**1,813,310**	**1,803,090**
Other comprehensive income				
Items that may be subsequently reclassified to income				
Fair value gain (loss) on financial liabilities designated at fair value through profit or loss attributable to changes in credit risk	132,792	(100,347)	124,403	(95,233)
Income tax and social contribution	(45,149)	34,113	(42,297)	32,376
Cumulative translation adjustments of investees abroad	-	-	12,573	(6,213)
Share in the comprehensive income of subsidiaries	221,419	(145,269)	-	-
Cash flow hedge	1,015,847	(103,319)	1,340,669	(319,122)
Income tax and social contribution on cash flow hedge	(345,388)	-	(455,827)	73,370
Other comprehensive income for the period, net of taxes	**979,521**	**(314,822)**	**979,521**	**(314,822)**
Total comprehensive income for the year	**2,793,148**	**1,490,744**	**2,792,831**	**1,488,268**
Attributable to the shareholders of the Company			2,793,148	1,490,744
Attributable to non-controlling shareholders			(317)	(2,476)

Management's notes are an integral part of these financial statements.

LOCALIZA RENT A CAR S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31 (In BRL thousand)

(A free translation of the original in Portuguese)

		Share capital			Capital reserves			Earnings reserves						
	Note	Share capital	Share issuance expenses	Treasury shares	Capital reserves	Stock options granted	Share premium	Legal reserve	Statutory reserve	Retained earnings	Other comprehensive income	Total	Non-controlling shareholder	Total shareholders' equity
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 year														
Net income for the year		-	-	-	-	-	-	-	-	1,805,566	-	**1,805,566**	(2,476)	**1,803,090**
Cash flow hedge, net of taxes		-	-	-	-	-	-	-	-	-	(245,752)	**(245,752)**	-	**(245,752)**
Cumulative translation adjustments of investees abroad	10.2	-	-	-	-	-	-	-	-	-	(6,213)	**(6,213)**	-	**(6,213)**
Other comprehensive income		-	-	-	-	-	-	-	-	-	(62,857)	**(62,857)**	-	**(62,857)**
Shareholder contributions and distributions														
Stock options granted		-	-	-	-	57,836	-	-	-	-	-	**57,836**	-	**57,836**
Long-term incentive programs – treasury shares		-	-	12,012	-	(30,749)	13,600	-	-	-	-	**(5,137)**	-	**(5,137)**
Long-term incentive plans – subsidiaries	10.2	-	-	-	-	15,411	-	-	-	-	-	**15,411**	-	**15,411**
Repurchase of shares	22 (b)	-	-	(314,680)	-	-	-	-	-	-	-	**(314,680)**	-	**(314,680)**
Capital Increase		5,226,201	-	-	-	-	-	-	-	-	-	**5,226,201**	-	**5,226,201**
Share issuance expenses, net of tax		-	(75,693)	-	-	-	-	-	-	-	-	**(75,693)**	-	**(75,693)**
Allocation of profit for the period														
Legal reserve	22 (d)	-	-	-	-	-	-	90,278	-	(90,278)	-	**-**	-	**-**
Interest on equity	21(e)	-	-	-	-	-	-	-	-	(1,564,996)	-	**(1,564,996)**	-	**(1,564,996)**
Statutory reserve	22 (d)	-	-	-	-	-	-	-	150,292	(150,292)	-	**-**	-	**-**
As of December 31, 2023		**17,376,899**	**(118,804)**	**(447,225)**	**3,827,562**	**187,892**	**129,726**	**557,650**	**4,199,180**	**-**	**(323,998)**	**25,388,882**	**8,933**	**25,397,815**
Comprehensive income for the year														
Net income for the year		-	-	-	-	-	-	-	-	1,813,627	-	**1,813,627**	(317)	**1,813,310**
Cash flow hedge, net of taxes		-	-	-	-	-	-	-	-	-	884,842	**884,842**	-	**884,842**
Cumulative translation adjustments of investees abroad	10.2	-	-	-	-	-	-	-	-	-	12,573	**12,573**	-	**12,573**
Other comprehensive income		-	-	-	-	-	-	-	-	-	82,106	**82,106**	-	**82,106**
Shareholder contributions and distributions														
Stock options granted		-	-	-	-	96,720	-	-	-	-	-	**96,720**	-	**96,720**
Long-term incentive programs – treasury shares		-	-	34,858	-	(40,540)	2,388	-	-	-	-	**(3,294)**	-	**(3,294)**
Long-term incentive plans – subsidiaries	10.2	-	-	-	-	2,902	-	-	-	-	-	**2,902**	-	**2,902**
Capital Increase	22 (a)	531,351	-	-	-	-	-	-	-		-	**531,351**	-	**531,351**
Repurchase of shares	22 (b)	-	-	(795,635)	-	-	-	-	-		-	**(795,635)**	-	**(795,635)**
Allocation of profit for the period														
Legal reserve	22 (d)	-	-	-	-	-	-	90,681	-	(90,681)	-	**-**	-	**-**
Interest on equity	21(e)	-	-	-	-	-	-	-	-	(1,679,976)	-	**(1,679,976)**	-	**(1,679,976)**
Statutory reserve	22 (d)	-	-	-	-	-	-	-	42,970	(42,970)	-	**-**	-	**-**
As of December 31, 2024		**17,908,250**	**(118,804)**	**(1,208,002)**	**3,827,562**	**246,974**	**132,114**	**648,331**	**4,242,150**	**-**	**655,523**	**26,334,098**	**8,616**	**26,342,714**

Management's notes are an integral part of these financial statements.

LOCALIZA RENT A CAR S.A.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31 (In BRL thousand) (A free translation of the original in Portuguese)

	Note	Individual 2024	Individual 2023	Consolidated 2024	Consolidated 2023
Net income for the year		**1,813,627**	**1,805,566**	**1,813,310**	**1,803,090**
Adjustments to reconcile net income to cash from operating activities:					
Depreciation and amortization	26	3,286,573	2,421,206	6,109,548	4,624,294
Provision for adjustments to recoverable value	26	128,673	89,771	344,570	153,258
Gain on the sale or adjustment to decommissioned vehicles		(625,353)	(793,770)	(1,435,217)	(1,625,549)
Deferred income tax and social contribution	21(b)	(812,145)	(740,852)	(669,325)	(243,834)
Equity in the earnings of subsidiaries	10.2	(1,787,011)	(1,250,133)	-	430
Provisions for risks		(20,518)	7,824	(51,549)	(68,283)
Accrued interest and exchange effects on loans. debt securities and derivatives		3,967,622	2,712,611	5,215,129	5,012,617
Accrued interest on leases payable	18	153,749	125,791	133,447	107,523
Allowance for doubtful debts and expected losses and write-off of uncollectible amounts	26	122,365	96,704	271,276	156,744
Profit sharing	26	194,915	154,227	314,433	235,535
Other provisions		125,546	100,479	297,719	312,732
Changes in assets and liabilities:					
Short-term investments		4,513,880	(4,000,872)	433,748	(4,103,888)
Trade receivables		(348,896)	(810,407)	(673,574)	(1,368,598)
Proceeds from sale of decommissioned cars net of taxes	25	11,246,727	8,461,909	19,185,014	13,875,588
Acquisition of vehicles, net of change in the balance of amounts owed to suppliers of vehicles	29 (b)	(14,392,240)	(12,431,817)	(25,211,654)	(23,362,444)
Escrow deposits		26,016	(27,082)	29,154	(32,427)
Recoverable taxes		23,667	9,245	133,094	(310,327)
Prepaid expenses	9	7,990	(25,223)	21,429	(24,274)
Other assets		(198,502)	(44,058)	(116,731)	(260,601)
Suppliers (except automakers) and lease liability		(188,615)	221,986	58,245	116,389
Payroll and related taxes		(108,544)	(58,764)	(234,001)	(170,010)
Income tax and social contribution	21(b)	(1,956)	97,731	722,553	314,945
Insurance premiums for transfer		16,936	36,399	18,208	36,603
Other liabilities		(69,465)	(194,245)	(175,058)	(82,409)
Net cash generated by (used in) operations		**7,075,041**	**(4,035,774)**	**6,533,768**	**(4,902,896)**
Income tax and social contribution paid		-	(18,092)	(487,471)	(130,249)
Interest on loans, financing, debt securities and derivatives paid	4.1 and 17	(4,126,370)	(2,497,991)	(5,294,946)	(4,804,363)
Interest on assignment of credit rights		-	-	(19,095)	(9,913)
Lease interest paid		(93,203)	(80,650)	(81,903)	(71,927)
Net cash generated by (used in) operating activities		**2,855,468**	**(6,632,507)**	**650.353**	**(9,919,348)**
Cash flow from investing activities:					
Purchase of other property and equipment	12(a)	(178,724)	(158,653)	(323,269)	(281,446)
Purchase of intangible assets	13	(100,459)	(76,013)	(121,779)	(105,920)
Capital increase in subsidiaries	10.2	(1,695,000)	(1,974,780)	-	-
Dividends received	10.2.1 (b)	1,437,977	200,522	-	45
Investment write-off		-	136	-	-
Company acquisition payment		-	-	(7,979)	(4,245)
Proceeds on disposal of investments		-	-	894	581,042
Net cash generated by (used in) investing activities		**(536,206)**	**(2,008,788)**	**(452,133)**	**189,476**

Management's notes are an integral part of these financial statements.

LOCALIZA RENT A CAR S.A.

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31 (In BRL thousand) (A free translation of the original in Portuguese)

	Note	Individual		Consolidated	
		2024	2023	2024	2023
Cash flow from financing activities:					
Loans, financing, and debt securities:	17				
Funding, net of funding costs		9,490,051	8,336,882	15,512,094	12,435,698
Amortization and debenture repurchase		(9,258,860)	(2,580,178)	(12,034,193)	(5,308,044)
Amortization of lease liabilities		(266,132)	(231,766)	(284,338)	(249,250)
Amortization of assignment of credit rights		-	-	(86,565)	(141,972)
Long-term incentive programs – treasury shares		(3,294)	(5,137)	(3,294)	(5,137)
Interest on equity paid		(1,294,383)	(1,134,554)	(1,294,383)	(1,134,554)
Capital increase		353,944	4.943.085	353,944	4.943.085
Treasury shares acquired	21 (b)	(795,635)	(314,680)	(795,635)	(314,680)
Net cash generated by (used in) financing activities		**(1,774,309)**	**9,013,652**	**1.367.630**	**10,225,146**
Effects of exchange rate changes on cash and cash equivalents		-	-	1,889	-
Increase in cash and cash equivalents, net		**544,953**	**372,357**	**1,567,739**	**495,274**
Balance of cash and cash equivalents:	5				
At the beginning of the year		1,107,076	734,719	2,000,897	1,505,623
At the end of the year		1,652,029	1,107,076	3,568,636	2,000,897
Increase in cash and cash equivalents, net		**544,953**	**372,357**	**1,567,739**	**495,274**

Management's notes are an integral part of these financial statements.

LOCALIZA RENT A CAR S.A.

STATEMENT OF VALUE ADDED
YEAR ENDED DECEMBER 31
(in BRL thousand) (A free translation of the original in Portuguese)

		Individual		Consolidated	
	Note	2024	2023	2024	2023
Revenues:					
Gross revenue, net of discounts	25	22,218,016	17,834,851	39,168,239	30,472,638
Revenues from the construction of assets		238,649	180,822	296,235	198,024
Allowance for doubtful debts and write-off of uncollectible amounts	26	(122,365)	(96,704)	(271,276)	(156,744)
Other income		-	-	2,125	114,160
Total revenues		**22,334,300**	**17,918,969**	**39,195,323**	**30,628,078**
Costs and expenses acquired from third parties:					
Materials, power, third-party services and other		(962,620)	(851,336)	(1,421,302)	(1,222,311)
Car rental costs and residual value of written-off vehicles		(13,219,790)	(10,613,717)	(21,641,576)	(15,260,957)
Provision for adjustments to the recoverable value of assets	26	(128,673)	(89,771)	(344,570)	(153,258)
Total costs and expenses acquired from third parties		**(14,311,083)**	**(11,554,824)**	**(23,407,448)**	**(16,636,526)**
Gross value added		**8,023,217**	**6,364,145**	**15,787,875**	**13,991,552**
Depreciation and amortization	26	(3,286,573)	(2,421,206)	(6,109,548)	(4,624,294)
Net wealth generated		**4,736,644**	**3,942,939**	**9,678,327**	**9,367,258**
Wealth received in transfers:					
Financial income	27	976,496	870,300	1,563,611	1,287,269
Equity in the earnings of subsidiaries	10.2	1,787,011	1,250,133	-	(430)
Wealth to be distributed		**7,500,151**	**6,063,372**	**11,241,938**	**10,654,097**
Wealth distribution					
Personnel					
- Compensation		1,051,624	879,036	1,687,337	1,373,178
- Benefits		314,009	244,274	458,088	350,010
- FGTS		75,508	61,970	120,602	91,796
- Other		95,946	57,280	102,937	82,223
Taxes, fees, and contributions					
- Federal		(564,338)	(405,933)	595,868	789,250
- State		320,872	285,984	692,790	623,139
- Municipal		52,616	45,848	95,971	65,230
Remuneration of debt capital					
- Interest	27	4,149,864	2,899,111	5,429,390	5,249,978
- Real estate lease	26	134,749	138,482	182,793	169,199
- Other leases	18	55,674	51,754	62,852	57,004
Return on equity					
- Interest on equity	22(e)	1,679,976	1,564,996	1,679,976	1,564,996
- Retained earnings		133,651	240,570	133,651	240,570
- Attributable to non-controlling shareholders		-	-	(317)	(2,476)
Wealth distributed and retained		**7,500,151**	**6,063,372**	**11,241,938**	**10,654,097**

Management's notes are an integral part of these financial statements.

(in BRL thousand, unless otherwise stated)

1. OPERATIONS

Localiza Rent a Car S.A. ("Localiza", "Company", or "Parent Company"), with a 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 the 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 RENT3.

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

As of December 31, 2024, the Platform, including its franchisees in Brazil and abroad, was comprised of 706 car rental locations (unaudited), of which: (i) 614 locations in 366 cities in Brazil, 537 of which were operated by Localiza and 77 by franchisees; and (ii) 92 agencies, of which 18 are operated by Localiza in Mexico and 74 by franchisees in five other countries in South America, located in 44 cities. In addition to its network of locations, the Platform owns 242 points of sale distributed in 118 cities in Brazil for decommissioned vehicles.

1.1 In early May, heavy rains caused severe flooding in several cities in the State of Rio Grande do Sul, affecting the operations of agencies and stores. The Company assessed the impacts on its assets and operations, recognizing losses of BRL 56,907 in Individual and BRL 102,509 in Consolidated in 2024 primarily for vehicles.

1.2 Due to changes in economic conditions, market demand and fluctuations in the prices of pre-owned cars ("seminovos"), in 2Q24 Localiza revised its estimates of the net selling price of its vehicle fleet at the end of its useful life (residual value), which is used as the basis for calculating depreciation. Accordingly, consistent with the fleet renewal process, the depreciable useful life of the cars was reduced from 18 to 15 months in the car rental division. The revision impacted depreciation on a prospective basis and the recoverable value of cars decommissioned for fleet renewal.

The review took into consideration the: (i) Macroeconomic Conditions: variations in interest rates, inflation, credit availability, and economic growth; (ii) Market Demand: changes in consumer preferences for specific types of vehicles; (iii) Fluctuations in Seminovos Prices: influenced by government policies (Provisional Measures 1,175/23 and 1,178/23) and fluctuations in diesel prices; and (iv) Technology and Innovation: introduction of electric vehicles. The effects in 2024 are summarized as follows:

	Individual	Consolidated
Additional vehicle depreciation (compared to 1Q24)	(947,539)	(1,385,754)
Provision for adjustments to the recoverable value of assets	(88,543)	(242,117)
Deferred IRPJ and CSLL	352,268	553,476
Net effect on income (loss) for the year	(683,814)	(1,074,395)

Management continues to monitor these factors to adjust its estimates as needed, maintaining transparency and assuring consistency for the financial statements.

These individual and consolidated financial statements were approved and authorized for disclosure by the Executive Board and the Board of Directors on February 27, 2025.

1.3 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 through the granting of 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.
As the reduction in the prices of new cars also affected pre-owned car prices, Management reduced the prices charged for the sale of decommissioned cars.

Accordingly, a negative impact of BRL 457,229 and BRL 631,427 was recognized in the 2023 results in the Individual and Consolidated statements, respectively, before taxes. Of this amount, BRL 367,458 and BRL 478,169 correspond to additional fleet depreciation in Individual and Consolidated, respectively, while BRL 89,771 and BRL 153,258 relate to adjustments to the recoverable amount of decommissioned vehicles for fleet renewal in Individual and Consolidated, respectively. This negative effect represented 1.2% of the value of the consolidated fleet at the end of 2023.

The main factors considered in the analyses were:

- The changes in prices in the market: not only from the discount directly associated with the benefit granted by Provisional Measure 1,175/2023, but also the reduction in prices by automakers and dealerships Cars not directly covered by the program also saw prices reduced;
- Expected period of reduced prices: potentially extrapolating the incentive period, based on past experience;
- Fleet affected included: Cars decommissioned and available for sale, cars in preparation, and expected sales and decommissionings; and
- Book value of cars: residual values of these vehicles in relation to the new expected selling price.

Cash was positively impacted by lower prices required for investment in renewal and growth, following Provisional Measure 1,175, which continued in effect until October 2023.

1.4 Reform of Taxes on Consumption

On December 20, 2023, Constitutional Amendment ("Emenda Constitucional", "EC") No. 132 was enacted, establishing the Tax Reform ("Reform") on consumption. The Reform is based on a split VAT ("dual VAT") model– federal (Contribution on Goods and Services - CBS), which will replace PIS and COFINS, and non federal (Tax on Goods and Services - IBS), which will replace ICMS and ISS. A Selective Tax ("Imposto Seletivo", "IS") was also created – under federal jurisdiction – which will be levied on the production, extraction, selling or importing of goods and services harmful to health and the environment, as specified by a Supplementary Law .

On January 16, 2025, Supplementary Law ("Lei Complementar") 214/2025 was published, regulating part of the Reform, establishing the Tax on Goods and Services (IBS), the Social Contribution on Goods and Services (CBS), and the Selective Tax (IS). This law will still be subject to further regulations for its effective implementation. Bill PLP 108/2024 is currently under consideration in the Federal Senate, and it will regulate, among other things, the Managing Committee of IBS, the distribution of its revenue among federal entities, and implementation and monitoring this tax.

There will be a transition period from 2026 to 2032, during which the two tax systems – the old and the new – will coexist. The impacts of the Reform will only be fully understood once the process of regulating the pending issues is completed. Consequently, there is no effect of the Reform on the financial statements as of December 31, 2024.

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

2.1 Basis of preparation

The Company's financial statements, which include the individual parent company and consolidated financial statements, identified as "Individual" and "Consolidated", were prepared and are presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as IFRS® Accounting Standards, including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations), and in accordance with the accounting practices adopted in Brazil. Brazilian accounting practices adopted include those in the Brazilian Corporate Law as well as the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"). Disclosure is limited to all information of significance to the financial statements, which is consistent with that used by Management in the performance of its duties.

The financial statements were prepared on the historical cost basis, reflecting the fair value of considerations paid in exchange for goods or services, except for certain financial assets and liabilities (including derivative financial instruments) which are measured at fair value.

2.2 Consolidation bases and investment in subsidiaries

The Company consolidates all entities over which it has control. The consolidated financial statements include the individual financial statements of the parent company, Localiza, and the subsidiaries incorporated in Brazil and abroad. The individual financial statements use the equity method of accounting for investments in subsidiaries.

In consolidation, the parent company's interest in the shareholders' equity of subsidiaries was eliminated, as well as the balances of assets and liabilities, revenues, costs and expenses arising from transactions carried out between the companies. The classification of the consolidated accounting accounts follows the Parent Company's grouping assumptions.

The direct and indirect subsidiaries of the Company are summarized in Note 10.1.

The accounting policies applied in the preparation of these financial statements are described in Note 2.6 and in the other explanatory notes.

2.3 Key accounting judgments and sources of uncertainty in estimates

The preparation of financial statements requires Management to make judgments and prepare estimates and assumptions based on past experience and other factors considered significant that affect the reported amounts of assets, liabilities, as well as revenues, costs and expenses. Settlement of transactions involving these estimates may result in amounts different from those recorded in the financial statements.

The main judgments and estimates are (i) the assessment of the fair value of derivative financial instruments (Note 4(c)); (ii) provision for impairment of trades receivable from customers (provision for expected losses and doubtful debts) (Note 7); (iii) determination of the useful life and residual value of property and equipment (Note 12); (v) evaluation of the recoverability of goodwill generated by the expectation of future profitability (Note 13); (vi) provisions for risks (Note 20); (iv) calculation of income tax and social contribution (Note 21); and (v) measurement of costs for long-term incentive plans (Note 22(c)(i)).

Management reviews its estimates and assumptions whenever necessary, in order to reflect changes that may occur during the period, which are recognized on an accrual basis.

2.4 Functional and presentation currency

The Brazilian Real/ Reais (BRL or R$) is the functional currency of the Company and the reporting currency of the individual and consolidated financial statements. Financial information is presented in thousands of Brazilian Reais, unless otherwise indicated, and is rounded to the nearest thousand. Subsidiaries headquartered abroad had their financial statements converted into Reais, as follows: (i) assets and liabilities are converted at the closing rate on the balance sheet date; (ii) revenues and expenses are converted using average exchange rates; (iii) the resulting exchange differences are recognized as other comprehensive income.

2.5 Statement of Value Added

The purpose of this statement is to show the wealth created by the Company and its distribution. It is presented as part the financial statements required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. This statement is not required by IFRS and is presented as supplementary information.

The statement of value added has been prepared based from information obtained from the accounting records used as a basis for the preparation of the financial statements and in conformity with the provisions of CPC 09 - Value Added

Statement. The first part shows the wealth created by the Company, represented by revenues, costs and expenses, and wealth received in transfer. The second part presents the distribution of wealth to personnel, taxes, fees, and contributions, and remuneration of third-party and own capital.

2.6 Summary of material accounting policies

The main accounting practices applied in the preparation of these financial statements, individual and consolidated, are summarized below or in the notes related to the respective line item, and were consistently applied in the years presented for Localiza and its subsidiaries.

2.6.1 Impairment of non-financial assets – For non-financial assets subject to amortization or depreciation, the Company assesses, at the end of each year, whether there are any indicators of impairment. If there is such an indication, an impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount, which represents the higher of an asset's fair value less costs to sell and its value in use.

Non-financial assets with an indefinite useful life, such as goodwill on the acquisition of an investment, are submitted annually to impairment tests or, more frequently, when there is an indication that it may present impairment (Note 13).

2.6.2 Assets and liabilities subject to monetary adjustment and exchange rate fluctuation – Assets and liabilities in Reais and subject to contractual, legal, or exchange indexation are updated to the balance sheet dates by applying the corresponding index (except for lease liabilities). Gains and losses arising from monetary and exchange fluctuations are recognized in income for the year on an accrual basis.

2.6.3 Indemnities and claims – The Platform offers its customers, together with an insurance company, the option of contracting insurance for leased vehicles, third parties, and an extended warranty for decommissioned vehicles sold for fleet renewal. Premiums received are recorded in liabilities under "other current liabilities". When the policies are issued by the insurance company, the premiums received are reclassified to "suppliers" and, subsequently, transferred to the insurance company, which assumes the risk arising from any potential claims. The expenses incurred by Localiza on claims and indemnities, as well as any losses on stolen cars, are accounted for in assets under the line item "other current assets" until effectively received from the insurance company. Additionally, Localiza offers protection for the body of cars directly to its customers when contracting the rental, with the expenses incurred with claims and theft recorded in the statement of income and classified as "costs".

3. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

3.1 Accounting standards and interpretations first adopted in 2024

- **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 an 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. Both amendments apply for years beginning on or after January 1, 2024.

The impacts of the change were assessed and Management concluded that the classification and settlement of current loans and financing reflect the contractual conditions, with no risk of covenant breaches as of the financial statements reporting date or after their issuance.

- **Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback:** The amendment issued in September 2022 provides clarifications regarding lease liabilities in sale and leaseback transactions. When measuring the lease liability subsequent to a sale and leaseback transaction, the seller-lessee determines the "lease payments" and the "revised lease payments" in a way that does not result in the recognition of any gain or loss related to the right-of-use asset it retains. This could particularly affect sale and leaseback transactions where lease payments include variable payments that do not depend on an index or rate.

  This amendment had no material impact on the Company's financial statements.

- **Amendment to IAS 7 – Supplier Finance Arrangements:** The amendment issued by the IASB in May 2023 introduces new disclosure requirements for supplier finance arrangements (SFAs) to enable investors to assess their effects on an entity's liabilities, cash flows, and exposure to liquidity risk. Supplier finance arrangements are described in this amendment as agreements in which one or more financing providers offer to pay amounts an entity owes to its suppliers, and the entity agrees to settle the amounts under the terms and conditions of the arrangement on the same date or a later date than when the suppliers are paid. These arrangements typically provide the entity with extended payment terms or allow its suppliers to receive early payment compared to the original invoice due date.

  The new disclosure requirements include the following key information:

  (a) The terms and conditions of SFAs.

  (b) As of the beginning and end of the reporting period: (i) The carrying amount and line items of the financial liabilities associated with SFAs. (ii) The carrying amount and line items related to the financial liabilities in (i) for which suppliers have already been paid by the financing providers. (iii) The maturity date range for financial liabilities in (i) and comparable accounts payable that are not part of the aforementioned SFAs. (c) Changes that do not affect cash in the carrying amounts of financial liabilities in b(i). (d) Concentration of liquidity risk with financing providers.

  This amendment has been effective since January 1, 2024.

  The Company assessed the content of this standard and did not identify the need to disclose additional information.

- **CPC 09 (R1) – Value Added Statement – CVM Resolution 199:** On February 9, 2024, the CVM issued Resolution 199, approving Technical Pronouncement CPC 09 (R1) regarding the Value Added Statement. The main objective of this standard is to clarify regulatory requirements and, consequently, narrowing the scope of accounting practices. The resolution came into effect on March 1, 2024, to be applied to years beginning after January 1, 2024.

  This amendment had no material impact on the Company's financial statements.

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

The following IFRS were issued by IASB, but are not yet into force in the year ended December 31, 2024. The early adoption of the standards, although encouraged by IASB, is not permitted under the CPC.

- **IFRS 18 – Presentation and Disclosure in Financial Statements:** This new accounting standard will replace IAS 1 – Presentation of Financial Statements, introducing new requirements that will help achieve comparability of financial performance among similar entities and provide more relevant information and transparency to users. Although IFRS 18 does not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be widespread, particularly those related to the presentation of financial performance and the provision of performance measures defined by Management within the financial statements.

Management is currently assessing the detailed implications of applying the new standard to the Company's financial statements. Based on a preliminary assessment, the following potential impacts have been identified:

a) Although the adoption of IFRS 18 does not impact the Company's net income, it is expected that the grouping of revenue and expense items in the statement of income into new categories will affect how operating results are calculated and disclosed.

b) The line items presented in the primary financial statements may change as a result of the principles for aggregation and disaggregation. Additionally, since goodwill must be presented separately on the balance sheet, the Company will disaggregate goodwill and other intangible assets and present them separately on the balance sheet.

c) The Company does not expect significant changes in the information currently disclosed in the notes to the financial statements, as the requirement to disclose material information remains unchanged; however, the way in which the information is grouped may change as a result of the aggregation/disaggregation principles. Additionally, there will be new significant disclosures required for: (i) performance measures defined by management; (ii) disclosure of the nature of certain expense lines presented by function in the operational category of the statement of income; and (iii) for the first year of IFRS 18 application, a reconciliation for each line of the statement of income between the restated values resulting from the application of IFRS 18 and the values previously presented under IAS 1.

For the statement of cash flows, there will be changes in how interest received and paid are presented. The interest paid will be presented as financing cash flows, and the interest received will be presented as investing cash flows.

The new standard is effective from January 1, 2027, with retrospective application, affecting the year ending December 31, 2026, which will be restated in accordance with IFRS 18.

- **Amendments to IFRS 7 and 9 – Financial Instruments:** On May 30, 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosure to address recent practical issues, as well as include new requirements applicable to companies in general, not just financial institutions. The amendments:

(a) clarify the recognition and derecognition date of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system;

(b) clarify and add guidance on how to assess whether a financial asset meets the "solely payments of principal and interest" (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that may alter cash flows (such as some financial instruments with characteristics linked to the achievement of ESG goals);

(d) update disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

The amendments are effective as of January 1, 2026. The Company does not expect these amendments to have a material impact on its operations or financial statements.

- **IFRS 19 – Subsidiaries Without Public Accountability:** In May 2024, the IASB issued IFRS 19, which allows eligible entities to choose to apply its reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 (CPC 36 (R3) – Consolidated Financial Statements), must not have public accountability, and must have a parent company (either final or intermediate) that prepares consolidated financial statements, publicly available, that comply with IFRS accounting standards. IFRS 19 will be effective starting January 1, 2027. The Company has been evaluating the effects of the standard and does not expect significant impacts.

- **Amendments to CPC 18 (R3) - Investments in Affiliates, Subsidiaries, and Jointly Controlled Entities, and ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method:** In September 2024, the Brazilian Accounting Pronouncements Committee (CPC) issued amendments to Technical Pronouncement CPC 18 (R3) and Technical Interpretation ICPC 09 (R3), aiming to align Brazilian accounting regulations with international standards issued by the IASB. The update includes the application of the equity method (EM) for measuring investments in subsidiaries in the individual financial statements, reflecting the change in international standards that now allow this practice in separate financial statements. This convergence harmonizes the accounting practices adopted in Brazil with international standards, without causing material impacts in relation to the currently effective standard, focusing solely on wording adjustments and the update of regulatory references. The changes will come into effect on January 1, 2025. The Company has assessed the changes and there will be no impacts.

- **Amendments to CPC 02 (R2) – Effects of Changes in Exchange Rates and Conversion of Financial Statements:** In September 2024, the IASB issued amendments aimed at defining the concept of convertible currency and providing guidance on procedures for non-convertible currencies, determining that convertibility must be assessed at the measurement date based on the purpose of the transaction. If the currency is non-convertible, the entity must estimate the exchange rate that reflects market conditions, as well as the disclosures to be provided. The amendments are effective for annual periods beginning on or after January 1, 2025. The Company has been evaluating the changes and does not expect material impacts.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets

Financial assets are classified upon initial recognition as follows: (i) at fair value through profit or loss; (ii) at fair value through other comprehensive income; or (iii) at amortized cost. The Company considered two factors to define the classification of financial assets – the business model in which the financial asset is managed and its characteristics of contractual cash flows.

On initial recognition, the Company and its subsidiaries measure a financial asset at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recorded as expenses in profit or loss.

Regular purchases or sales of financial assets are recognized on a trade date basis, i.e., the date on which the Company and its subsidiaries agree to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company and its subsidiaries have substantially transferred all the risks and rewards of ownership.

Financial liabilities

Financial liabilities are classified upon initial recognition as follows: (i) at amortized cost; (ii) at fair value through other profit or loss.

Financial liabilities measured at amortized cost using the interest rate method are recognized initially when funds are received, net of transaction costs, when applicable. At the balance sheet date, they are presented on their initial recognition, less amortization of the principal installments, when applicable, plus corresponding charges incurred. The derecognition of financial liabilities occurs only when the obligations are settled, terminated and canceled. The difference between the carrying amount of the financial liability written down and the consideration paid and payable is recognized in profit or loss.

Financial liabilities classified as at fair value through profit or loss are presented at fair value, and any profit or loss arising from the fluctuation of fair value are recognized in profit or loss, as they are not part of the designated hedge (see hedge accounting policy – Note 4.1). The net gain or loss recognized in the statement of income incorporates any interest paid on financial liabilities and is included in the "financial income" item in the statement of income.

In the event of financial liabilities designated at fair value through profit or loss, the amount of changes in the fair value of the financial liability attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in credit risk of the liability in other comprehensive income would result in or increase the accounting mismatch in profit or loss. The remaining amount of the fair value change of the liability is recognized in the statement of income. Changes in fair value attributable to the credit risk of the financial liability recognized in other comprehensive income are not subsequently reclassified to profit or loss when the financial liability is written off.

(in BRL thousand, unless otherwise stated)

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

		Individual		Consolidated	
	Note	12/31/24	12/31/23	12/31/24	12/31/23
Financial assets					
Financial assets at amortized cost					
Cash and cash equivalents	5	1,469,164	815,285	2,446,380	1,556,724
Short-term investments	6	2,441,819	2,134,452	5,017,072	2,140,203
Trade receivables	7	2,375,654	2,173,840	4,054,781	3,688,249
Receivables from insurance company	9	286,892	211,678	301,325	215,240
Other receivables from related parties	9	44,643	12,482	-	-
Reimbursement to be invoiced	9	-	-	95,067	64,901
Consortia quotas	9	1,094	1,039	41,580	34,428
Investments in restricted accounts	9	-	-	56,483	55,716
Amount receivable for the disposal of investment	9	-	-	-	7,719
Escrow deposits	20(b)	103,859	125,917	241,238	265,442
Financial assets at fair value through profit or loss					
Cash and cash equivalents	5	182,865	291,791	1,122,256	444,173
Short-term investments	6	781,461	5,510,267	3,814,936	7,033,112
Derivative financial instruments	4.1	664,676	142,751	953,445	431,537
Other trade receivables	9	-	-	26,186	53,537
Financial assets at fair value through other comprehensive income					
Derivative financial instruments	4.1	1,007,092	-	1,210,982	33,450
Financial liabilities					
Financial liabilities at amortized cost					
Suppliers	14	(7,638,893)	(5,896,508)	(10,026,394)	(8,881,381)
Assignment of credit rights	16	-	-	(48,052)	(134,329)
Loans, financing, and debt securities	17	(24,938,694)	(26,481,427)	(34,883,576)	(34,468,271)
Lease liability	18	(1,548,897)	(1,405,565)	(1,336,614)	(1,228,103)
Insurance premiums for transfer	19	(156,365)	(139,429)	(159,183)	(140,975)
Accounts payable to related parties	19	(6,869)	(70,142)	-	-
Restricted obligations	19	-	-	(58,572)	(57,889)
Amounts payable for the acquisition of companies	19	-	-	(9,074)	(17,053)
Dividends and interest on equity	22(e)	(380,064)	(357,380)	(380,064)	(357,380)
Financial liabilities at fair value through profit or loss					
Loans, financing, and debt securities	17	(7,338,341)	(2,770,979)	(9,882,961)	(6,139,362)
Derivative financial instruments	4.1	(79,469)	(107,626)	(104,267)	(370,260)
Financial liabilities at fair value through other comprehensive income					
Derivative financial instruments	4.1	-	(175,586)	-	(260,459)

(a) Risk Management

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

The risk identification, analysis, and monitoring process are monitored by the Company's Board of Directors, which has the power to make decisions about the strategies to be adopted, with the support of the Audit, Risk Management, and Compliance Committee.

(i) Market risk

The market risk is managed in order to ensure that the Company is exposed only to risk levels considered acceptable in the context of its operations.

The Company enters into derivative financial instruments to manage its exposure to market risks (interest rate and foreign exchange).

(in BRL thousand, unless otherwise stated)

- **Interest rate risk** – being the risk that the fair value or future cash flows of a certain financial instrument fluctuate due to market interest rate changes.

The Company uses cash from operating activities to conduct its operations and finance its fleet renewal and part of its growth. To supplement its cash requirements for growth, the Company obtains loans and financing from major financial institutions in Brazil and issues debt securities (debentures and promissory notes), which are mainly indexed to the CDI rate. The inherent risk arises from the possibility of relevant increases in CDI rate, since the increase in interest rates can affect both the loan and financing costs raised by the Company and the debt cost, further increasing its finance costs.

As a strategy to manage interest rate risk, Management continuously monitors CDI in order to, if necessary, adjust car rental fees to mitigate such fluctuations. For fleet rental, the Company takes out loans and financing at floating rates and does swap interest rate by changing the floating rate to the fixed rate, eliminating the risk of basic rate fluctuations (see details of these operations in Note 4(b)). Additionally, the entire balance of cash equivalents and short-term investments of the Company is also linked to the CDI, the same index is used for floating-rate debts.

Additionally, Localiza adopts the initial accounting designation using the hedge accounting method (CPC 48/IFRS 9) for the derivative operations of DI x fixed rates from Localiza Fleet (cash flow hedge).

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

As of December 31, 2024, the Company's consolidated net debt amounted to BRL 30,063,886. Of this amount, BRL 11,650,522 corresponds to net debt subject to CDI variation, and BRL 18,413,364 corresponds to debt with fixed interest at an average rate of 10.95% per year. Debt with fixed interest refer materially to hedging operations (swaps), exchanging rates indexed to the CDI for fixed rates.

	Consolidated		
Description	**Likely scenario**	**Scenario I – 25% deterioration**	**Scenario II – 50% deterioration**
Net debt on December 31, 2024 (Note 4(b))	**30,063,886**	**30,063,886**	**30,063,886**
Amounts hedged with a swap to a fixed rate	(18,413,364)	(18,413,364)	(18,413,364)
Net debt subject to CDI fluctuations	**11,650,522**	**11,650,522**	**11,650,522**
Effective average annual CDI rate for the period ended December 31, 2024	10.83%	10.83%	10.83%
Estimated average annual CDI rate, according to likely scenarios	15.42%	19.28%	23.13%
Effect on financial expenses subject to CDI fluctuations:			
- As per the effective rate	(1,261,752)	(1,261,752)	(1,261,752)
- As per likely scenarios	(1,796,510)	(2,246,221)	(2,694,766)
Estimated increase in financial expenses for the next 12 months	**(534,758)**	**(984,469)**	**(1,433,014)**

The likely scenario for the next 12 months was estimated at an average CDI rate of 15.42%, based on information from the Focus Bulletin issued by the Central Bank of Brazil, compared to the effective annual rate of 10.83% in 2024.

- **Foreign currency risk** – The Company has loans and financing in foreign currency. To mitigate the effects of exchange rate fluctuation, the Company contracts derivative transactions with hedging purposes in accordance with its policies on Indebtedness, Derivatives, Market Risk Coverage Strategy and the Granting of Guarantees, Sureties and Guarantees approved by the Board of Directors.

As the contracted derivative financial instruments have the same characteristics as the respective loans and financing, the effect of an exchange rate increase on the debt is fully offset by the exchange rate increase on the derivative asset.

(in BRL thousand, unless otherwise stated)

(ii) Credit Risk

Credit risk refers to the risk of a counterparty not fulfilling its contractual obligations, leading the Company to incur financial losses. The Company's credit risk basically arises from trade receivables, cash and cash equivalents, and short-term investments deposited/invested in banks and financial institutions, which include amounts invested in fixed-income investment fund units and other financial assets.

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

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Cash and cash equivalents:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	1,652,029	1,107,076	3,568,636	2,000,897
Total cash and cash equivalents (Note 5)	**1,652,029**	**1,107,076**	**3,568,636**	**2,000,897**
Short-term investments:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	3,223,280	7,644,719	8,832,008	9,173,315
Total short-term investments (Note 6)	**3,223,280**	**7,644,719**	**8,832,008**	**9,173,315**
Trade receivables:				
Trade receivables – customers	1,387,255	1,226,045	2,862,641	2,566,505
Trade receivables – credit cards:				
Aaa on Moody's scale	139,057	190,070	139,870	193,090
Sundry	849,342	757,725	1,052,270	928,654
Total trade receivables (Note 7)	**2,375,654**	**2,173,840**	**4,054,781**	**3,688,249**
Derivative financial instruments (assets):				
At least Aa3 on Moody's scale or the equivalent for other rating agencies	1,671,768	142,751	2,164,427	464,987
Total derivative financial instruments (assets) (Note 4.1)	**1,671,768**	**142,751**	**2,164,427**	**464,987**
Receivables from insurance company (Note 9)	286,892	211,678	301,325	215,240
Investments in restricted accounts (Note 9)	-	-	56,483	55,716
Reimbursement to be invoiced (Note 9)	-	-	95,067	64,901
Consortia quotas (Note 9)	1,094	1,039	41,580	34,428
Receivables for the disposal of investments (Note 9)	-	-	-	7,719
Escrow deposits (Note 20(b))	103,859	125,917	241,238	265,442
Total other financial assets	**391,845**	**338,634**	**735,693**	**643,446**
Total	**9,314,576**	**11,407,020**	**19,355,545**	**15,970,894**

- **Cash and cash equivalents and short-term investments** – The credit risk of balances with banks and financial institutions is managed by the Company's Financial Department, in accordance with policies established by the Board of Directors, aiming at minimizing the concentration of risks and, therefore, reducing financial losses in the event of bankruptcy of a counterparty.

As established by the Board of Directors, the maximum allocation of funds, on a consolidated basis, can only be carried out with financial institutions with ratings equal to or greater than AA by Standard & Poor's, Moody's or Fitch, and follow certain criteria regarding the rating, maximum limit, and shareholders' equity per institution.

- **Trade receivables** – The management of credit risk related to trade receivables is constantly monitored by the Company, which has established control procedures.

The concentration of credit risk is limited because the customer base is diverse. All significant operations and customers are located in Brazil, with no customers that individually represent more than 10% of the Company's revenues.

The Company mitigates its credit risk as it primarily operates with credit cards for significant car rental transactions, combined with a payment method risk analysis, particularly in transactions involving individuals with short-term contracts. In operations involving corporate clients in car rentals, as well as fleet rental, this risk is mitigated through a credit limit concession policy based on the analysis of the financial position and past experience with these clients, as well as the status of overdue accounts. The financial situation of customers is continuously monitored, with the aim of evaluating and adjusting, if necessary, the credit limit that has been previously granted. The credit risk in the sale of decommissioned vehicles is reduced through the use of finance and/or leasing companies that have recognized financial capacity and liquidity. The vehicles are released after confirmation of credits for amounts paid in cash.

(in BRL thousand, unless otherwise stated)

Credit risk management also includes the analysis of the recoverability of credits receivable, in which the need to set up an allowance for doubtful debts and expected losses is assessed, with the aim of adjusting them to their probable payable amounts. This analysis, which aims to assign a certain risk rating to the customer according to the internal criteria defined by Management, takes into account the current financial situation of the customer, any past experiences, the position of overdue debts and historical credit loss. See more details of this accounting policy in Note 7.

- **Derivative Financial Instruments** – The credit risk in operations with derivative financial instruments with banks, in which there is a balance receivable by the Company, is managed by the Company's Financial Board, in accordance with the Indebtedness, Derivatives, Strategy for Hedging Market Risks and Granting Guarantees, Sureties and Guarantees Policy, established by the Board of Directors, that lists banks with which the Company can carry out operations.

(iii) Liquidity risk

Liquidity risk is the risk of the Company not having sufficient funds to settle its obligations. The liquidity risk management, conducted by the Finance Department, seeks to ensure that the Company has the necessary funds to settle its financial liabilities at the maturity dates, and is monitored by the Board of Directors and conducted considering funding requirements and liquidity management in the short, medium, and long terms. The Company manages the liquidity risk by maintaining appropriate financial resources available in cash and cash equivalents and short-term investments and by means of credit facilities, based on the continuous monitoring of estimated and realized cash flows, and the matching of the maturity profiles of financial assets and liabilities.

Management believes that access to third-party credit is facilitated by the corporate credit rating of Localiza as per the main rating agencies.

The Company and its subsidiaries manage liquidity and their cash flows periodically to ensure that operating cash generation and previous funding, when necessary, are sufficient to maintain 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 12.15% (according to B3[1]), on December 31, 2024, is as follows:

	Individual						
	2025	2026	2027	2028	2029	2030 and after	Total
Suppliers	7,638,893	-	-	-	-	-	**7,638,893**
Debentures	4,126,915	6,373,897	6,249,712	7,269,943	6,907,353	10,494,554	**41,422,374**
Working capital	258,666	318,914	633,740	232,852	210,964	360,425	**2,015,561**
Real Estate Receivables Certificate ("CRI")	128,281	130,189	410,603	288,466	64,003	521,469	**1,543,011**
Consortia	818	54	8	5	-	-	**885**
Loans in foreign currency	1,934,910	115,271	1,354,981	717,203	682,403	-	**4,804,768**
Derivative financial instruments	66,269	-	-	-	-	13,200	**79,469**
Lease liability	342,697	311,516	283,790	229,047	181,715	1,049,830	**2,398,595**
Interest on equity	380,064	-	-	-	-	-	**380,064**
Other financial liabilities (a)	163,234	-	-	-	-	-	**163,234**
Total	**15,040,747**	**7,249,841**	**8,932,834**	**8,737,516**	**8,046,438**	**12,439,478**	**60,446,854**

	Consolidated						
	2025	2026	2027	2028	2029	2030 and after	Total
Suppliers	10,026,394	-	-	-	-	-	**10,026,394**
Assignment of credit rights	52,284	16,537	80	-	-	-	**68,901**
Debentures	5,823,035	7,894,226	9,090,171	9,718,673	9,394,017	11,961,552	**53,881,674**
Working capital	276,144	1,619,606	762,980	233,006	211,107	360,546	**3,463,389**
Real Estate Receivables Certificate ("CRI")	170,053	173,723	456,021	336,360	114,182	652,531	**1,902,870**
Certificate of Agribusiness Receivables ("CRA")	61,457	106,554	101,877	517,912	98,311	164,522	**1,050,633**
Consortia	818	54	8	5	-	-	**885**
Loans in foreign currency	3,001,395	1,354,523	1,354,981	717,203	682,403	-	**7,110,505**
Derivative financial instruments	91,067	-	-	-	-	13,200	**104,267**
Lease liability	335,335	297,405	259,917	189,174	139,258	638,231	**1,859,320**
Interest on equity	380,064	-	-	-	-	-	**380,064**
Other financial liabilities (a)	162,813	61,255	2,761	-	-	-	**226,829**
Total	**20,380,859**	**11,523,883**	**12,028,796**	**11,712,333**	**10,639,278**	**13,790,582**	**80,075,731**

(in BRL thousand, unless otherwise stated)

(a) This refers to accounts payable to related parties, amounts payable related to the acquisition of companies, linked obligations, and insurance premiums to be passed on (Note 19).

(b) Capital management

The Company's businesses require intensive long-term capital to finance the fleet, to achieve growth and its renewal strategy.

The main objectives of capital management are to: (i) ensure the Company's operational continuity; (ii) ensure a strong credit rating; (iii) maximize the return for shareholders; and (iv) ensure the Company's competitive edge in the raising of funds.

The Company manages the capital structure and adjusts for changes in economic conditions. To maintain or adjust its capital structure, Management may adjust the payment of dividends to shareholders, return capital or issue new shares.

Capital is monitored based on the Company's leverage ratio, which corresponds to net debt divided by shareholders' equity, as well as the value of the fleet. Net debt is short and long-term debts, including the balances of the hedge transactions, less cash and cash equivalents and short-term investments.

The table below shows the Company's debt ratios:

		Consolidated	
	Note	**12/31/24**	**12/31/23**
Loans, financing, and debt securities	17	44,766,537	40,607,633
Derivative financial instruments	4.1	(2,060,160)	165,732
Cash and cash equivalents	5	(3,568,636)	(2,000,897)
Financial investments (a)	6	(9,073,855)	(9,507,603)
Net debt		**30,063,886**	**29,264,865**
Equity		26,342,714	25,397,815
Debt ratio (net debt/equity)		**1.14**	**1.15**
Fleet value (b)	12	54,925,108	52,445,648
Net debt/fleet value		**0.55**	**0.56**

(a) Excludes the adjustment to present value (Note 6), since Management believes that the net debt better represents the par value of the investment, its redemption value, being consistent with the maturity profile.
(b) Property and equipment - vehicles and vehicles being decommissioned for fleet renewal.

As of December 31, 2024, the reduction in the Parent Company's working capital reflects contributions to subsidiaries, debt repayments, and investments in the fleet. The generation of operating cash flow is deemed sufficient to meet short-term commitments.

(c) Fair value of financial instruments

The estimated carrying amounts and fair values of loans, financing, debt securities and short-term investments are calculated based on models that use observable inputs and future assumptions related to fixed and floating interest rates, among other applicable variables. The rates used are obtained from financial institutions for transactions with similar conditions or based on market information, when available. Fair values are calculated by projecting future cash flows of the transactions based on the projection of interest rate curves, discounted to present value using indicative price and benchmark rate data collected from financial institutions.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 information refers to quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity may have access on the measurement date;
- Level 2 information refers to information directly or indirectly observable for an asset or liability, other than quoted prices included in Level 1; and
- Level 3 information refers to information non-observable for an asset or liability.

(in BRL thousand, unless otherwise stated)

The fair values of derivative financial instruments are classified under Level 2 and are presented in Note 4.1.

There are no financial instruments measured at fair value at the Levels 1 and 3 of the fair value hierarchy.

The financial instruments recognized in the financial statements at their carrying value are substantially similar to the values measured at fair value. The fair values of financial liabilities recognized at amortized cost in the Company's balance sheet are as follows:

	Individual			
	Carrying amount		Fair value	
	12/31/24	12/31/23	12/31/24	12/31/23
Loans, financing, and debt securities				
Debentures	22,214,150	21,232,179	20,682,647	20,322,180
Commercial note	-	2,540,919	-	2,528,647
Working capital	1,360,081	1,404,606	1,318,223	1,304,103
Real Estate Receivables Certificate ("CRI")	1,006,737	1,003,327	978,586	917,360
Consortia	885	1,881	885	1,881
Loans in foreign currency	356,841	298,515	357,523	287,169
Total	**24,938,694**	**26,481,427**	**23,337,864**	**25,361,340**

	Consolidated			
	Carrying amount		Fair value	
	12/31/24	12/31/23	12/31/24	12/31/23
Loans, financing, and debt securities				
Debentures	30,553,088	28,605,243	28,850,377	27,499,265
Commercial note	-	1,431,609	-	1,429,669
Working capital	2,489,321	2,557,467	2,427,774	2,477,538
Real Estate Receivables Certificate ("CRI")	1,228,344	1,318,953	1,166,232	1,155,705
Certificate of Agribusiness Receivables ("CRA")	255,097	254,603	247,090	233,362
Consortia	885	1,881	885	1,881
Loans in foreign currency	356,841	298,515	357,523	287,169
Total	**34,883,576**	**34,468,271**	**33,049,881**	**33,084,589**

The other financial instruments recognized in the individual and consolidated financial statements 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.

4.1 Derivative financial instruments and hedge activities

Derivatives are recognized at fair value on the date the contract is entered into and are subsequently remeasured to their fair value. Changes in the fair value of financial derivative instruments are recognized in the statement of income. The method for recognizing the resulting gain or loss depends on whether or not the derivative is designated as a hedge instrument when hedge accounting is adopted. If this is the case, the method depends on the nature of the item being protected by hedge. The Company has adopted hedge accounting and designates certain derivatives as hedge for a specific risk associated with a recognized asset or liability or a highly likely transaction (cash flow hedge).

The movements in hedge amounts classified as "Other comprehensive income" in shareholders' equity are presented in the statement of changes in equity.

Localiza adopted the initial designation for hedge accounting (CPC 48/IFRS 9) for CDI versus fixed-rate derivative transactions (cash flow hedge).

(in BRL thousand, unless otherwise stated)

The balance of derivative financial instruments is as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Foreign currency x BRL (a)	552,260	(39,440)	815,331	(167,886)
CDI x fixed rate (b)	1,007,092	(175,586)	1,210,982	(227,009)
IPCA x CDI (c)	32,947	74,565	33,847	229,163
Total, net	**1,592,299**	**(140,461)**	**2,060,160**	**(165,732)**
Current assets	**454,963**	**-**	**572,021**	**87,739**
Non-current assets	**1,216,805**	**142,751**	**1,592,406**	**377,248**
Current liabilities	**(66,269)**	**(207,347)**	**(91,067)**	**(370,684)**
Non-current liabilities	**(13,200)**	**(75,865)**	**(13,200)**	**(260,035)**

The balance of derivative financial instruments are as follows:

	Individual	Consolidated
As of December 31, 2023	**(140,461)**	**(165,732)**
Debt assignment between group companies (Note 17(a))	113,582	-
Adjustment to fair value – profit or loss	147,225	315,234
Adjustment to fair value – other comprehensive income	1,144,620	1,467,102
Interest amortization	327,333	443,556
As of December 31, 2024	**1,592,299**	**2,060,160**

	Individual	Consolidated
As of December 31, 2022	**76,648**	**251,163**
Debt assignment between group companies (Note 17(a))	(91,590)	-
Adjustment to fair value – profit or loss	(101,170)	(176,186)
Adjustment to fair value – other comprehensive income	(100,347)	(417,507)
Interest amortization	75,998	176,798
As of December 31, 2023	**(140,461)**	**(165,732)**

(in BRL thousand, unless otherwise stated)

(a) Foreign currency x BRL

On December 31, 2024, the Company and its subsidiaries had current hedge operations with an exclusive character of protection against exchange rate fluctuation for loans in foreign currency contracted with large financial institutions. The characteristics of these operations are the following:

			Consolidated										
			Index		Reference value	Yield curve			Market value (carrying amount)			Gain (loss)
Company	Classification	Maturity date	Long position	Short position	Notional	Long position	Short position	Gain	Long position	Short position	Gain	Curve x MTM
Localiza	Fair Value	01/03/2025	EUR + 1.5588%	CDI + 1.20%	EUR 55,394 thousand	356,841	253,871	**102,970**	357,523	252,979	**104,544**	**1,574**
Localiza	Fair Value Option	02/04/2027	JPY + 2.02%	CDI + 1.90%	JPY 12,004,000	476,328	414,960	**61,368**	464,892	414,850	**50,042**	**(11,326)**
Localiza	Fair Value Option	05/19/2025	SOFR 3M + 1.50%	CDI + 1.925%	USD 50,000 thousand	312,161	254,105	**58,056**	311,505	253,365	**58,140**	**84**
Localiza	Fair Value Option	06/30/2025	SOFR 6M + 1.0343%	CDI + 2%	USD 125,000 thousand	774,172	604,698	**169,474**	773,432	602,605	**170,827**	**1,353**
Localiza	Fair Value Option	11/28/2025	SOFR 6M + 1.35%	CDI + 1.85%	USD 50,000 thousand	311,829	247,651	**64,178**	311,484	247,370	**64,114**	**(64)**
Localiza	Fair Value Option	11/29/2027	USD + 5.81%	CDI + 1.30%	USD 50,000 thousand	311,199	289,975	**21,224**	309,135	290,023	**19,112**	**(2,112)**
Localiza	Fair Value Hedge	10/15/2029	SOFR 6M + 1.90%	CDI + 0.86%	USD 172,000 thousand	1,077,095	1,001,506	**75,589**	1,072,190	1,001,682	**70,508**	**(5,081)**
Localiza	Fair Value Hedge	10/15/2029	Euribor 6M + 1.75%	CDI + 1.00%	EUR 89,386 thousand	582,348	562,119	**20,229**	577,130	562,157	**14,973**	**(5,256)**
Localiza Fleet	Fair Value Option	01/28/2025	SOFR + 2.78%	116% CDI	USD 12,500 thousand	78,425	61,672	**16,753**	78,382	61,661	**16,721**	**(32)**
Localiza Fleet	Fair Value Option	02/23/2026	USD + 6.7412%	CDI + 1.79%	USD 50,000 thousand	317,268	259,630	**57,638**	316,727	259,585	**57,142**	**(496)**
Localiza Fleet	Fair Value Option	01/13/2026	USD + 5.67%	CDI + 1.46%	USD 100,000 thousand	635,712	569,254	**66,458**	642,467	568,654	**73,813**	**7,355**
Localiza Fleet	Fair Value Option	11/04/2025	JPY + 1.6%	CDI + 1.85%	JPY 6,752,021	266,538	254,210	**12,328**	264,089	254,087	**10,002**	**(2,326)**
Localiza Fleet	Fair Value Option	06/29/2026	USD + 6.8353%	CDI + 1.30%	USD 40,000 thousand	247,880	215,818	**32,062**	247,318	215,878	**31,440**	**(622)**
Localiza Fleet	Fair Value Option	06/02/2025	SOFR + 2.49%	CDI + 1.30%	USD 19,428 thousand	120,656	100,508	**20,148**	119,483	100,530	**18,953**	**(1,195)**
Localiza Fleet	Fair Value Option	03/31/2025	EUR + 5.936%	CDI + 1.42%	EUR 46,816 thousand	312,954	279,457	**33,497**	313,485	279,484	**34,001**	**504**
Localiza Fleet	Fair Value Option	10/06/2025	SOFR + 2.38%	CDI + 1.10%	USD 29,520 thousand	182,937	160,160	**22,777**	181,218	160,219	**20,999**	**(1,778)**
						6,364,343	**5,529,594**	**834,749**	**6,340,460**	**5,525,129**	**815,331**	**(19,418)**

(in BRL thousand, unless otherwise stated)

(b) CDI x fixed rate

Funding at floating interest rates is hedged by cash flows from fluctuations in the benchmark rate ("CDI"), which leads to exposure to cash flow risk due to terms and cash flow amounts. Localiza adopted the initial designation for hedge accounting (CPC 48/IFRS 9) for CDI versus fixed-rate derivative transactions. The specific characteristics of these transactions on December 31, 2024 are as follows:

			Consolidated									
			Weighted average rates		Reference value	Yield curve			Market value (carrying amount)			Gain
Company	Classification	Maturity ranges	Long position % CDI	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain	Curve x MTM
Localiza	Cash Flow	Jul/25 to Oct/28	100% CDI	10.60%	9,805,000	10,850,271	10,801,455	**48,816**	10,850,270	9,983,137	**867,133**	**818,317**
Localiza	Cash Flow	Jan/25 to Apr/28	100.99% CDI	11,58%	2,852,515	3,229,348	3,237,394	**(8,046)**	3,229,433	3,089,474	**139,959**	**148,005**
Localiza Fleet	Cash Flow	Jan/25 to Apr/28	100% CDI	11.35%	3,633,060	4,374,358	4,374,515	**(157)**	4,374,357	4,170,467	**203,890**	**204,047**
						18,453,977	**18,413,364**	**40,613**	**18,454,060**	**17,243,078**	**1,210,982**	**1,170,369**

(c) IPCA x CDI

The Platform has derivative financial instruments contracted in order to exchange the remuneration of issuances in IPCA for its equivalent in CDI, which is the reference index used. The specific characteristics of these transactions on December 31, 2024, are as follows:

			Consolidated									
			Weighted average rates		Reference value	Yield curve			Market value (carrying amount)			Loss
Company	Classification	Maturity date	Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain	Long position	Short position	Gain	Curve x MTM
Localiza	Fair Value Option	March 2031	IPCA + 5.4702%	CDI + 1.99% p.a.	400,000	508,298	414,694	93,604	416,063	414,682	1,381	(92,223)
Localiza	Fair Value Option	March 2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	381,223	311,020	70,203	312,044	311,011	1,033	(69,170)
Localiza	Fair Value Option	March 2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	381,223	311,020	70,203	312,044	311,011	1,033	(69,170)
Localiza	Fair Value Option	March 2031	IPCA + 5.4702%	CDI + 1.99% p.a.	200,000	254,149	207,347	46,802	208,030	207,341	689	(46,113)
Localiza	Fair Value Hedge	April 2029	IPCA + 7.2101%	CDI + 2.01% p.a.	515,000	582,322	528,588	53,734	538,467	528,532	9,935	(43,799)
Localiza	Fair Value Hedge	September 2031	IPCA + 6.5119%	CDI + 2.39% p.a.	1,100,000	1,345,918	1,141,186	204,732	1,173,301	1,140,982	32,319	(172,413)
Localiza	Fair Value Hedge	December 2031	IPCA + 8.8670%	CDI + 1.40% p.a.	700,000	700,849	700,715	134	687,284	700,727	(13,443)	(13,577)
Locamerica	Fair Value Hedge	July 2031	IPCA + 4.825%	CDI + 1.42% p.a.	200,000	250,143	211,321	38,822	208,326	211,320	(2,994)	(41,816)
Locamerica	Fair Value Hedge	September 2028	IPCA + 6.6018%	CDI + 1.06% p.a.	167,200	188,894	172,878	16,016	176,772	172,878	3,894	(12,122)
						4,593,019	**3,998,769**	**594,250**	**4,032,331**	**3,998,484**	**33,847**	**(560,403)**

(in BRL thousand, unless otherwise stated)

5. CASH AND CASH EQUIVALENTS

The Company considers cash and cash equivalents to be cash, bank deposits, and other short-term, highly liquid financial investments, with original maturities of up to three months, readily convertible into a known amount of cash and subject to an insignificant risk of change in value, maintained for the purpose of meeting short-term commitments.

Cash and cash equivalents are as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Cash and banks	38,870	62,630	48,290	81,641
Bank Certificates of Deposit ("CDB")	937,779	554,658	1,740,871	1,277,086
Investments in financial bills	492,515	197,997	657,219	197,997
Investment fund units	182,865	291,791	1,122,256	444,173
Total	**1,652,029**	**1,107,076**	**3,568,636**	**2,000,897**

On December 31, 2024, financial investments in CDBs, financial bills, and fixed-income investment fund units had an annual weighted average yield of 105.2% of the Interbank Deposit Certificates ("CDI") rate (105.0% as of December 31, 2023).

6. SHORT-TERM INVESTMENTS

The Company considers short-term investments to be bank deposits and other short- and long-term liquidity investments that do not meet all the criteria to be classified as cash equivalents pursuant to CPC 03 (R2)/IAS7 – Statement of cash flows s.

Short-term investments are as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Bank Certificates of Deposit ("CDB")	1,058,050	1,289,414	3,633,303	1,295,165
Investment fund units	781,461	5,510,267	3,814,936	7,033,112
Investments in financial bills	413,341	-	413,341	-
Linked Bank Certificates of Deposit (a)	1,212,275	1,179,326	1,212,275	1,179,326
(-) Present value adjustment (a)	(241,847)	(334,288)	(241,847)	(334,288)
Total	**3,223,280**	**7,644,719**	**8,832,008**	**9,173,315**
Current	**2,251,852**	**6,798,407**	**7,856,926**	**8,321,252**
Non-current	**971,428**	**846,312**	**975,082**	**852,063**

(a) Financial investment contracted in the business combination of Companhia de Locação das Américas, executed on June 22, 2022, as disclosed in Note 10.2.1 of the financial statements as of December 31, 2023.

On December 31, 2024, short-term investments had an annual weighted average yield of 109.7% of the Interbank Deposit Certificates ("CDI") rate (108.9% on December 31, 2023).

7. TRADE RECEIVABLES

Trade receivables correspond substantially to amounts receivable from customers for renting cars, which include franchising, fleet management, telemetry, development and licensing of customizable computer programs, and for the sale of decommissioned vehicles for fleet renewal in the normal course of Platform activities.

For contracts that are in progress and will be billed after the end of the year, the amount is calculated based on the days incurred and accounted for as revenue to be billed until the entire contractual obligation is fulfilled.

(in BRL thousand, unless otherwise stated)

At the end of each period, the Company assesses the need to set up a provision for expected losses, adjusting for probable receipts. This analysis, which aims to assign a certain risk rating to the customer according to the internal criteria defined by Management, takes into account the current financial situation of the customer, any past experiences, the position of overdue debts and historical credit loss.

The expected losses on balances of trade receivables not yet due were calculated based on the actual experience of credit loss in the past year. The Company performed the calculation of the loss rates separately for each activity category, using the percentage of default observed in the period between 90 and 180 days after maturity, since, after this period, the effectiveness of the collection processes is no longer representative. Positions within each activity category were segregated based on common credit risk characteristics, such as credit risk classification, type of product purchased, form of payment and level of default.

Trade receivables are as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Car rental	1,502,352	1,341,134	1,517,930	1,589,283
Fleet rental	-	-	1,284,660	952,905
Unbilled revenues	502,680	475,622	672,478	618,647
Sale of decommissioned vehicles and resale of vehicles	560,144	515,472	918,494	783,452
Sale of equipment and telemetry	-	-	39,780	31,031
	2,565,176	**2,332,228**	**4,433,342**	**3,975,318**
Allowance for doubtful debts and expected losses	(189,522)	(158,388)	(378,561)	(287,069)
Total	**2,375,654**	**2,173,840**	**4,054,781**	**3,688,249**
Current	**2,375,654**	**2,173,840**	**4,033,679**	**3,681,632**
Non-current	**-**	**-**	**21,102**	**6,617**

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Current	2,198,209	2,050,481	3,607,083	3,212,341
Up to 30 days past due	113,139	94,151	281,339	340,308
31 to 60 days past due	30,641	24,723	107,378	85,251
61 to 90 days past due	39,456	17,002	79,961	54,354
91 to 180 days past due	51,528	36,851	105,673	81,990
Over 181 days past due	132,203	109,020	251,908	201,074
Total	**2,565,176**	**2,332,228**	**4,433,342**	**3,975,318**

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

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Current	(11,746)	(14,209)	(45,826)	(27,891)
Up to 30 days past due	(5,483)	(4,005)	(11,397)	(6,609)
31 to 60 days past due	(3,270)	(2,637)	(4,521)	(3,468)
61 to 90 days past due	(4,181)	(2,443)	(7,263)	(3,757)
91 to 180 days past due	(45,476)	(33,127)	(80,572)	(61,395)
Over 181 days past due	(119,366)	(101,967)	(228,982)	(183,949)
Total	**(189,522)**	**(158,388)**	**(378,561)**	**(287,069)**

(in BRL thousand, unless otherwise stated)

Changes in the allowance for doubtful debts and expected losses were as follows:

	Individual	Consolidated
As of December 31, 2022	**(127,255)**	**(302,819)**
Provision	(56,689)	(233,594)
Reversal	25,556	249,344
As of December 31, 2023	**(158,388)**	**(287,069)**
Provision	(78,802)	(215,837)
Reversal	47,668	124,345
As of December 31, 2024	**(189,522)**	**(378,561)**

8. RECOVERABLE TAXES

Recoverable taxes are as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
PIS and COFINS (a)	229,784	291,354	485,234	682,573
Income tax and social contribution	210,402	177,188	473,122	448,566
VAT recoverable	-	-	70,639	29,773
Other taxes	17,060	12,371	29,155	29,048
Total	**457,246**	**480,913**	**1,058,150**	**1,189,960**
Current	**229,432**	**191,080**	**693,983**	**628,372**
Non-current	**227,814**	**289,833**	**364,167**	**561,588**

(a) Periodically, the Company and its subsidiaries conduct a review of the economic useful life of certain fleet vehicles for fiscal purposes, through a technical report, in accordance with article 320 of the Income Tax Regulation (Decree No. 9,580/18). As a result of this review, technical reports were issued, reducing the fiscal useful life of these vehicles. As a result of this reduction, there was an increase in tax depreciation, tax loss, and carryforwards for social contribution, along with the corresponding recognition of PIS/COFINS tax credits. As of January 1, 2024, the Company began recognizing PIS/COFINS tax credits on tax depreciation on a linear basis, considering the useful life of the vehicles, instead of recognizing them on the date of obtaining the aforementioned reports.

Provisional Measure 1,159/2023 (converted into Law No. 14,592/2023) and Normative Instruction 2121/2022, amended by Normative Instruction 2.152/2023

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 credit calculation base. Additionally, Normative Instruction 2,152/2023 prohibits credits on Tax on Industrialized Products ("IPI"). Therefore, there was a reduction in the amount of credits related to these items, appropriated from that date onwards, except in cases where there is an injunction (Note 20 (d)).

9. OTHER CURRENT AND NON-CURRENT ASSETS

Other current and non-current assets were as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Prepaid expenses	35,390	41,163	40,386	59,577
Receivables from insurance company (a)	286,892	211,678	301,325	215,240
Other receivables from related parties (Note 11(a))	44,643	12,482	-	-
Advance to suppliers	57,017	34,074	64,021	52,497
Reimbursement to be invoiced	-	-	95,067	64,901
Consortia quotas	1,094	1,039	37,523	34,428
Amount receivable for the disposal of investment	-	-	-	7,719
Other current assets	30,737	29,939	54,804	78,751
Total other current assets	**455,773**	**330,375**	**593,126**	**513,113**

(in BRL thousand, unless otherwise stated)

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Investments in restricted accounts (Note 19)	-	-	56,483	55,716
Prepaid expenses	382	2,599	412	2,650
Consortia quotas	-	-	4,057	-
Other trade receivables	-	-	26,186	53,537
Other non-current assets	-	-	2,716	2,008
Total other non-current assets	**382**	**2,599**	**89,854**	**113,911**

(a) Expenses incurred on claims and receivables from insurance companies related to insurance contracted by customers when they rent cars.

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 12/31/24	12/31/23	Activity
Direct subsidiaries				
Car Assistance Serviços de Administração de Sinistros S.A. ("Car Assistance")	Belo Horizonte – MG	100	100	Manages claims for insurance companies
Companhia de Locação das Américas ("Locamerica")	Belo Horizonte - MG	100	100	Fleet rental
Localiza Fleet S.A.	Belo Horizonte - MG	100	100	Fleet rental
Localiza Franchising Brasil S.A. ("Franchising Brasil")	Belo Horizonte - MG	100	100	Franchise business
Localiza Serviços Prime S.A. ("Localiza Prime")	Belo Horizonte - MG	100	100	Intermediary in the sale of decommissioned cars
Rental Brasil Administração e Participação S.A. ("Rental Brasil")	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	Resale of used cars and intermediation activities
Agile Gestão de Frotas e Serviços S.A.	Belo Horizonte - MG	100	100	Fleet rental and intermediation in the sale of decommissioned cars
Car as a Service Ltda.	Belo Horizonte - MG	100	100	Sundry automotive services
Costa Dourada Veículos Ltda. (a)	Maceió - AL	-	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. (a)	São José - SC	-	100	Solutions for tracking and telemetry
Localiza Veículos Especiais S.A.	São Paulo - SP	100	100	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 rental
Getrak Servicos S.A. ("Getrak")	Belo Horizonte - MG	100	100	Solutions for tracking and telemetry
Sofit Software S.A. (a)	Joinville - SC	-	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
Localiza Lux Sarl Sef	Luxembourg	100	-	Interest in other entities

(a) Companies merged on November 1, 2024, as approved at the Extraordinary General Meeting of each company, with the transfer of the total shareholders' equity. The mergers 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 costs.

In 2023, a negative equity result of BRL 430 was recognized in the consolidated statements, related to a 50% investment in Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. On December 1, 2023, Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. ceased its operations.

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 Mexican pesos) and MXN 82,856 (new Mexican pesos), respectively, equivalent to BRL 113,996 and BRL 23, respectively.

(in BRL thousand, unless otherwise stated)

10.2 Balance of Investments

	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Effect of the elimination of IFRS 16 (a)	Goodwill on acquisition of investments	Total
As of December 31, 2023 – investment in subsidiaries	**2,594,293**	**14,176,547**	**129,906**	**59,896**	**1,836**	**5,828**	**56,575**	**8,330,449**	**25,355,330**
Equity in the earnings of investees	833,677	834,795	9,658	47,116	1,394	7,734	10,978	-	**1,745,352**
Capital Increase	1,620,000	-	75,000	-	-	-	-	-	**1,695,000**
Capital increase (non-cash) – Note 17	-	2,368,065		-	-	-	-	-	**2,368,065**
Dividends from subsidiaries (in addition to the mandatory minimum for 2023 and proposed for 2024) – Note 10.2.1 b)	(197,997)	(1,057,430)	(2,684)	(51,879)	(1,945)	(6,511)	-	-	**(1,318,446)**
Long-term incentive plans – subsidiaries	887	1,915	-	-	-	100	-	-	**2,902**
Cash flow hedge and changes in the fair value of credit risk	208,846	-	-	-	-	-	-	-	**208,846**
Cumulative translation adjustment of investees abroad	12,322	-	-	251	-	-	-	-	**12,573**
As of December 31, 2024 – investment in subsidiaries	**5,072,028**	**16,323,892**	**211,880**	**55,384**	**1,285**	**7,151**	**67,553**	**8,330,449**	**30,069,622**
As of December 31, 2023 – capital gains and losses	**-**	**(309,432)**	**-**	**-**	**-**	**-**	**-**	**-**	**(309,432)**
Realization of impairment/gain on property and equipment, net	-	32,168	-	-	-	-	-	-	**32,168**
Realization of impairment/gain on intangible assets, net	-	(6,721)	-	-	-	-	-	-	**(6,721)**
Realization of impairment loss from contingencies	-	16,212	-	-	-	-	-	-	**16,212**
As of December 31, 2024 – capital gains and losses	**-**	**(267,773)**	**-**	**-**	**-**	**-**	**-**	**-**	**(267,773)**
As of December 31, 2024	**5,072,028**	**16,056,119**	**211,880**	**55,384**	**1,285**	**7,151**	**67,553**	**8,330,449**	**29,801,849**
As of December 31, 2023	**2,594,293**	**13,867,115**	**129,906**	**59,896**	**1,836**	**5,828**	**56,575**	**8,330,449**	**25,045,898**

(a) Equity in the Earnings of Subsidiaries effect recorded at the Parent Company, corresponding to the difference in the elimination in the statement of income between the rental revenue and depreciation and lease interest, related to the lease contract for the Administrative Headquarters and the Localiza Labs space between Localiza and its subsidiary Rental Brasil.

(in BRL thousand, unless otherwise stated)

	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Effect of the elimination of IFRS 16 (a)	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**	**8,330,449**	**15,661,056**
Equity in the earnings of investees	619,411	771,347	548	53,780	2,130	6,103	-	10,872	-	**1,464,191**
Capital increase (cash)	325,000	1,625,000	24,780	-	-	-	-	-	-	**1,974,780**
Capital increase (non-cash) – Note 17	-	6,772,997	-	-	-	-	-	-	-	**6,772,997**
Dividends from subsidiaries (in addition to 2023 mandatory minimum and 2024 proposed) – Note 10.2.1 b)	(147,110)	(171,218)	(6,904)	(49,182)	(8,716)	(4,570)	-	-	-	**(387,700)**
Long-term incentive plans – subsidiaries	3,224	11,540	-	-	-	647	-	-	-	**15,411**
Write-off of investment in subsidiaries	-	-	-	-	-	-	(136)	-	-	**(136)**
Cash flow hedge and changes in the fair value of credit risk	(107,102)	(31,954)	-	-	-	-	-	-	-	**(139,056)**
Cumulative translation adjustment of investees abroad	(6,244)	-	-	31	-	-	-	-	-	**(6,213)**
As of December 31, 2023 – investment in subsidiaries	**2,594,293**	**14,176,547**	**129,906**	**59,896**	**1,836**	**5,828**	**-**	**56,575**	**8,330,449**	**25,355,330**
As of December 31, 2022 – capital gains and losses	-	**(95,374)**	-	-	-	-	-	-	-	**(95,374)**
Realization of impairment/gain on property and equipment, net	-	(330,537)	-	-	-	-	-	-	-	**(330,537)**
Realization of impairment/gain on intangible assets, net	-	5,944	-	-	-	-	-	-	-	**5,944**
Realization of fair value increment on assets held for sale, net	-	69,627	-	-	-	-	-	-	-	**69,627**
Realization of impairment loss from contingencies	-	40,908	-	-	-	-	-	-	-	**40,908**
As of December 31, 2023 – capital gains and losses	**-**	**(309,432)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(309,432)**
As of December 31, 2023	**2,594,293**	**13,867,115**	**129,906**	**59,896**	**1,836**	**5,828**	**-**	**56,575**	**8,330,449**	**25,045,898**
As of December 31, 2022	**1,907,114**	**5,103,461**	**111,482**	**55,267**	**8,422**	**3,648**	**136**	**45,703**	**8,330,449**	**15,565,682**

(a) Equity in the earnings of subsidiaries recorded at the Parent Company, corresponding to the difference in the elimination in the statement of income between the rental revenue and depreciation and lease interest, related to the lease contract of the Administrative Headquarters between Localiza and its subsidiary Rental Brasil.

(in BRL thousand, unless otherwise stated)

10.2.1 Summary financial information of investees

(a) Balance sheet and statement of income

	12/31/24			
	Assets	Liabilities	Equity	Net income for the year
Localiza Fleet S.A. (a)	20,802,878	15,714,521	5,088,357	831,246
Locamerica (b)	18,438,313	2,114,421	16,323,892	834,795
Rental Brasil	462,511	250,631	211,880	9,658
Localiza Prime	86,465	31,081	55,384	47,116
Car Assistance	1,792	507	1,285	1,394
Franchising Brasil	28,857	21,706	7,151	7,734

	12/31/23			
	Assets	Liabilities	Equity	Net income for the year
Localiza Fleet S.A. (a)	15,839,710	13,232,153	2,607,557	616,267
Locamerica (b)	19,557,523	5,380,976	14,176,547	720,920
Rental Brasil	467,644	337,738	129,906	548
Localiza Prime	91,854	31,958	59,896	53,780
Car Assistance	2,872	1,036	1,836	2,130
Franchising Brasil	28,174	22,346	5,828	6,103

(a) Localiza Fleet, BRL 16,329 was considered in shareholders' equity and BRL 2,431 of loss for the period (BRL 13,264 in shareholders' equity on December 31, 2023 and BRL 3,144 of loss in 2023), referring to non-controlling interests.
(b) Locamerica, the write-off of goodwill from previous business combinations in equity amounting to BRL 717,741 and related adjustments for provisions for fines and technology projects totaling BRL 50,427 were recognized in the statement of income for 2023.

(b) Dividends

2024	Localiza Fleet S.A.	Locamerica	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total
2023 dividends (minimum mandatory)	147,110	171,218	130	13,367	532	1,526	**333,883**
Dividends supplementary to the mandatory minimum of 2023	-	513,656	390	40,100	1,597	4,577	**560,320**
Dividends received in the year	(147,110)	(684,874)	(520)	(53,467)	(2,129)	(6,103)	**(894,203)**
Dividends advanced	-	(543,774)	-	-	-	-	**(543,774)**
Dividends proposed for 2024	197,997	543,774	2,294	11,779	348	1,934	**758,126**
Total dividends receivable	**197,997**	**-**	**2,294**	**11,779**	**348**	**1,934**	**214,352**

2023	Localiza Fleet S.A.	Locamerica	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	Total
2022 dividends (minimum mandatory)	128,766	-	2,259	11,939	2,728	1,014	**146,706**
Dividends supplementary to the mandatory minimum of 2022	-	-	6,774	35,815	8,184	3,044	**53,817**
Dividends received in the year	(128,766)	-	(9,033)	(47,754)	(10,912)	(4,058)	**(200,523)**
Dividends proposed for 2023	147,110	171,218	130	13,367	532	1,526	**333,883**
Total dividends receivable	147,110	171,218	130	13,367	532	1,526	**333,883**

Dividends from subsidiaries are classified as investing activities in the Statement of cash flows .

(in BRL thousand, unless otherwise stated)

11. TRANSACTIONS WITH RELATED PARTIES

(a) Balances and transactions with subsidiaries

In the normal course of business, operations are carried out among the companies on the Platform, primarily car rental between companies to serve their customers, use of the administrative structure, and use of Localiza's corporate headquarters.

The sale of decommissioned cars for fleet renewal is carried out through a prepurchase financing pool, with the purpose of, but not limited to, capturing the synergy of the use of the same physical structure, sharing know-how and qualified units.

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

	Localiza Fleet Consolidated		Locamerica Consolidated		Other subsidiaries		Total	
	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23	12/31/24	12/31/23
Equity								
Trade receivables	33,094	28,286	37,195	22,565	629	-	**70,918**	**50,851**
Dividends receivable	197,997	147,110	-	171,218	16,355	15,555	**214,352**	**333,883**
Other trade receivables (Note 9)	-	-	44,633	10,007	10	2,475	**44,643**	**12,482**
Suppliers	(4,822)	(5,014)	(3,353)	(238,122)	(13,034)	(12,107)	**(21,209)**	**(255,243)**
Commercial note	-	-	-	(1,109,310)	-	-	**-**	**(1,109,310)**
Other accounts payable (Note 19)	(3,026)	(1,195)	(13)	(67,377)	(3,830)	(1,570)	**(6,869)**	**(70,142)**

	Localiza Fleet Consolidated		Locamerica Consolidated		Other subsidiaries		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Income or loss								
Revenues	159,714	126,533	178,828	125,303	-	-	**338,542**	**251,836**
Costs and expenses	(154,956)	(85,878)	(210,243)	(806,151)	(125,786)	(79,445)	**(490,985)**	**(971,474)**
Financial expenses	-	-	(113,228)	(154,208)	-	-	**(113,228)**	**(154,208)**
Recovery of costs and expenses	370,253	273,816	297,410	77,962	5,942	5,192	**673,605**	**356,970**

On July 28, 2022, subsidiary Locamerica Rent a Car entered into a vehicle lease agreement with the Company, for an indefinite period whereby vehicles may be freely sublet to third parties, without prior authorization or notification to Locamerica Rent a Car. The payment conditions in the agreement are met on a monthly basis as measured. On December 31, 2023, Locamerica Rent a Car was merged into Locamerica.

On November 28, 2022, the Board of Directors approved the placement of the 1st commercial notes by Localiza in the amount of BRL 1,700,000. Part of the commercial notes issued by the Company was acquired by its subsidiary Locamerica in the amount of BRL 1,100,000. In November 2024, Localiza made an early settlement of the Commercial Note. The transaction resulted in the full settlement of BRL 1,156,969 between Localiza and Locamerica. In 2024, the financial expenses related to this operation amounted to BRL 113,228 (BRL 154,208 in 2023).

Localiza and its subsidiaries' funding transactions and/or obligations grant sureties to Platform companies. On December 31, 2024 and December 31, 2023, there were sureties referring to loans, financing, and debt securities, as shown below:

Guarantor	Obligee	12/31/24	12/31/23
Localiza Fleet S.A.	Localiza Rent a Car S.A.	30,076,876	25,096,551
Localiza Rent a Car S.A.	Localiza Fleet S.A.	11,373,288	9,173,698
Localiza Rent a Car S.A.	Companhia de Locação das Américas	427,684	434,139
Localiza Rent a Car S.A.	Rental Brasil Administração e Participações S.A.	221,607	315,626
Companhia de Locação das Américas	Localiza Rent a Car S.A.	3,187,275	1,496,434

As of December 31, 2024, sureties in the contracting of bank guarantees and insurance for lawsuits were also granted in the amount of BRL 764,121 (BRL 708,680 as of December 31, 2023).

(in BRL thousand, unless otherwise stated)

(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
BM Vitória Veiculos Ltda.	Related party	Bonus operation on the purchase and sale of used vehicles
FRG Desenvolvimento Urbano Ltda.	Related party	Real estate leasing of car parking lot
Locapar Participações e Administração Ltda.	Related party	Support in lawsuits when going public
Pottencial Seguradora S.A.	Related party	Surety insurance operation
Vanguard Car Rental System USA LLC.	Related party	Lease partnership
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

As of December 31, 2024 and 2023, the Company had warranty insurance with several insurance companies, among them Pottencial Seguradora, in which the founding partners of Localiza, Salim Mattar and Eugênio Mattar, jointly own 32.50% of its capital. The transactions carried out with Pottencial Seguradora were, under normal market conditions, in the amount of BRL 685 (BRL 900 on December 31, 2023), recorded as warranty insurance expense, and the corresponding current insured amount of BRL 733,270 (BRL 637,017 as of December 31, 2023).

(ii) Balance of transactions

	12/31/24		12/31/23	
	Trade receivables	Accounts payable	Trade receivables	Accounts payable
Equity				
Alienantes Getrak (a)	-	(5,048)	-	(6,025)
Alienantes Voll Soluções em Mobilidade Corporativa S.A.	-	(4,026)	-	(11,028)
Vanguard Car Rental System USA LLC	9	-	-	-
Via Jap Comércio de Veículos Ltda.	-	-	-	(2)
Via Trucks Comércio de Caminhões Ltda.	343	(127)	411	(262)
Total	**352**	**(9,201)**	**411**	**(17,317)**

(a) Amount retained in the acquisition transaction of the indirect subsidiary Getrak, formerly known as Nexcorp Serviços e Telecomunicações S.A., to secure the payment of any indemnity owed by the sellers, which is released gradually according to the terms of the contract.

	2024		2023	
	Revenues	Costs, operating expenses, and cost recoveries	Revenues	Costs, operating expenses, and cost recoveries
Income or loss				
BM Vitória Veiculos Ltda.	243	(51)	-	-
FRG Desenvolvimento Urbano Ltda.	-	(171)	-	-
Pottencial Seguradora S.A.	-	(685)	-	(900)
Vanguard Car Rental System USA LLC	9	-	-	-
Via Jap Comércio de Veículos Ltda.	605	(2,887)	-	(2)
Via Trucks Comércio de Caminhões Ltda.	322	(1,238)	68	(262)
Total	**1,179**	**(5,032)**	**68**	**(1,164)**

(c) Compensation of key management personnel

	Individual		Consolidated	
	2024	2023	2024	2023
Short-term benefits	69,929	67,167	92,256	76,321
Post-employment benefits	754	725	866	794
Share-based compensation	82,159	55,631	86,019	60,200
Total	**152,842**	**123,523**	**179,141**	**137,315**

12. PROPERTY AND EQUIPMENT AND DECOMMISSIONED CARS FOR FLEET RENEWAL

(a) Property and equipment

Stated at cost less accumulated depreciation and any accumulated impairment losses, where applicable. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the costs will flow to the entity and these costs can be measured reliably.

Cars in operation, either in car rental or fleet rental activities, are classified in property and equipment, whilst decommissioned cars are presented as "decommissioned cars for fleet renewal" in current assets (Note 12 (b)).

A property and equipment item is derecognized after sale or when there are no future economic benefits resulting from its continued use. Any gain or loss arising on the disposal or write-off of a property and equipment item is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Localiza and its subsidiaries review the estimated useful lives and the residual value of the fleet cars at least on a monthly basis and the property and equipment on an annual basis. The effect of any changes in estimates is accounted for prospectively.

As of December 31, 2024, and 2023, the useful life of property and equipment in years was as follows:

	Useful life in years
Vehicles:	
Car rental division	from 1 to 3
Fleet rental division	from 1 to 5 (a)
Other property and equipment:	
Property	from 25 to 80
Furniture and fixtures	10
Trackers	5
Other	from 5 to 10

(a) It includes special and heavy vehicles.

The useful life of improvements and right of use takes into consideration the respective contractual lease terms.

The depreciation expense of property and equipment is allocated to "costs", "selling expenses", and "general, administrative and other expenses" in the statement of income, according to their nature and allocation.

<u>**Vehicle depreciation**</u>

The estimated depreciation of vehicles is calculated as the difference between the acquisition cost of the vehicle and its expected value on the anticipated sale date, deducting any estimated trade discounts and selling expenses. Depreciation is recognized so that the depreciable amount is fully recognized by the end of the estimated useful life, using the straight-line method. The Company periodically reassesses its depreciation methods to best reflect the maintenance and depreciation costs over the lifetime of the vehicles.

The estimate of the residual value takes into consideration assumptions that may affect depreciation:

- Estimated trade discounts: trade discounts are negotiated on sales to consumers and especially to resellers. Estimates of these expenses below the actual amount also have a negative impact on profit or loss when the cars are sold.

- Estimated selling expenses: sales to resellers and especially consumers require a network of stores, sales staff and advertising spending. Estimates of these expenses below the actual amount also have a negative impact on profit or loss when the cars are sold.

Depreciation of other property and equipment

Constructions, buildings, leasehold improvements and right-of-use assets are depreciated over the rental contract term, and consider their renewal or sale when Management intends to exercise this right, in accordance with the contracts. Land and construction in progress are not depreciated.

(in BRL thousand, unless otherwise stated)

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

	Individual							
	Vehicles	**Fixtures**	**Right-of-use**	**Property**	**Leasehold improvements**	**Furniture and fixtures**	**Other**	**Total**
Costs:								
As of December 31, 2023	**25,007,122**	**103,808**	**1,904,469**	**1,913**	**327,263**	**124,328**	**185,062**	**27,653,965**
Additions	16,317,036	-	408,042	-	-	10,085	168,639	16,903,802
Write-offs/transfers (a)	(14,507,951)	(37,182)	(165,420)	-	100,139	5,583	(120,716)	(14,725,547)
Impairment (Note 1.1)	(4,078)	-	-	-	-	-	-	(4,078)
As of December 31, 2024	**26,812,129**	**66,626**	**2,147,091**	**1,913**	**427,402**	**139,996**	**232,985**	**29,828,142**
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	14,029,082	-	446,434	-	-	15,516	143,137	**14,634,169**
Write-offs/transfers (a)	(9,409,410)	(1,217)	(71,921)	-	79,235	8	(80,000)	**(9,483,305)**
As of December 31, 2023	**25,007,122**	**103,808**	**1,904,469**	**1,913**	**327,263**	**124,328**	**185,062**	**27,653,965**
Accumulated depreciation:								
As of December 31, 2023	**(1,807,443)**	**(43,624)**	**(648,185)**	**(1,542)**	**(164,005)**	**(54,047)**	**(44,436)**	**(2,763,282)**
Additions (b)	(2,890,240)	(15,990)	(269,303)	(82)	(43,404)	(12,972)	(16,992)	(3,248,983)
Write-offs/transfers (a)	2,841,021	23,295	125,245	-	3,913	419	4,201	2,998,094
As of December 31, 2024	**(1,856,662)**	**(36,319)**	**(792,243)**	**(1,624)**	**(203,496)**	**(66,600)**	**(57,227)**	**(3,014,171)**
As of December 31, 2022	**(940,672)**	**(23,259)**	**(483,121)**	**(1,460)**	**(136,657)**	**(42,820)**	**(31,163)**	**(1,659,152)**
Additions (c)	(2,087,808)	(20,837)	(237,084)	(82)	(27,386)	(11,227)	(13,926)	**(2,398,350)**
Write-offs/transfers (a)	1,221,037	472	72,020	-	38	-	653	**1,294,220**
As of December 31, 2023	**(1,807,443)**	**(43,624)**	**(648,185)**	**(1,542)**	**(164,005)**	**(54,047)**	**(44,436)**	**(2,763,282)**
Net carrying amount:								
As of December 31, 2024	**24,955,467**	**30,307**	**1,354,848**	**289**	**223,906**	**73,396**	**175,758**	**26,813,971**
As of December 31, 2023	**23,199,679**	**60,184**	**1,256,284**	**371**	**163,258**	**70,281**	**140,626**	**24,890,683**

(a) 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 right-of-use due to contract termination.
(b) As of June 30, 2024, an additional BRL 947,539 in depreciation was recognized following a review of the net selling price assumptions (residual value) (Note 1.2).
(c) On June 30, 2023, an additional BRL 367,458 in depreciation was recognized as a result of Provisional Measure No. 1,175 (Note 1.3).

(in BRL thousand, unless otherwise stated)

	Consolidated							
	Vehicles	**Fixtures**	**Right-of-use**	**Property**	**Leasehold improvements**	**Furniture and fixtures**	**Other**	**Total**
Costs:								
As of December 31, 2023	**54,865,337**	**256,858**	**1,725,934**	**379,695**	**406,309**	**142,082**	**344,541**	**58,120,756**
Additions	26,297,339	64,610	363,585	-	17,914	14,124	226,621	**26,984,193**
Write-offs/transfers (a)	(23,563,692)	(41,998)	(159,948)	-	114,373	10,804	(199,658)	**(23,840,119)**
Impairment (Note 1.1)	(34,911)	-	-	-	-	-	-	**(34,911)**
Conversion adjustments	4,766	-	5,204	-	62	177	(7,118)	**3,091**
As of December 31, 2024	**57,568,839**	**279,470**	**1,934,775**	**379,695**	**538,658**	**167,187**	**364,386**	**61,233,010**
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	25,949,685	83,251	553,582	-	13,502	19,641	165,052	**26,784,713**
Write-offs/transfers (a)	(14,713,173)	(104,614)	(208,948)	-	121,161	(2,930)	(66,653)	**(14,975,157)**
As of December 31, 2023	**54,865,337**	**256,858**	**1,725,934**	**379,695**	**406,309**	**142,082**	**344,541**	**58,120,756**
Accumulated depreciation:								
As of December 31, 2023	**(4,951,087)**	**(74,703)**	**(603,167)**	**(22,501)**	**(208,414)**	**(60,907)**	**(83,709)**	**(6,004,488)**
Additions (b)	(5,578,801)	(56,227)	(276,359)	(5,248)	(52,818)	(15,572)	(31,163)	(6,016,188)
Write-offs/transfers (a)	4,423,257	24,589	136,308	-	43,314	420	4,966	4,632,854
Conversion adjustments	(698)	-	(1,466)	-	(99)	249	(808)	**(2,822)**
As of December 31, 2024	**(6,107,329)**	(106,341)	(744,684)	(27,749)	(218,017)	(75,810)	(110,714)	**(7,390,644)**
As of December 31, 2022	**(2,374,716)**	**(95,772)**	**(546,627)**	**(17,253)**	**(155,104)**	**(50,084)**	**(51,146)**	**(3,290,702)**
Additions (c)	(4,184,913)	(41,270)	(244,679)	(5,248)	(38,822)	(12,755)	(25,444)	**(4,553,131)**
Write-offs/transfers (a)	1,608,542	62,339	188,139	-	(14,488)	1,932	(7,119)	**1,839,345**
As of December 31, 2023	**(4,951,087)**	**(74,703)**	**(603,167)**	**(22,501)**	**(208,414)**	**(60,907)**	**(83,709)**	**(6,004,488)**
Net carrying amount:								
As of December 31, 2024	**51,461,510**	**173,129**	**1,190,091**	**351,946**	**320,641**	**91,377**	**253,672**	**53,842,366**
As of December 31, 2023	**49,914,250**	**182,155**	**1,122,767**	**357,194**	**197,895**	**81,175**	**260,832**	**52,116,268**

(a) 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 right-of-use due to contract termination.
(b) As of June 30, 2024, an additional BRL 1,385,754 in depreciation was recognized due to a revision of the net selling price assumptions (residual value) (Note 1.2).
(c) On June 30, 2023, an additional BRL 478,169 in depreciation was recognized as a result of Provisional Measure No. 1,175 (Note 1.3).

(b) Cars decommissioned for fleet renewal

Cars of which the carrying amounts will be recovered through sale rather than through continuing use are classified as "decommissioned cars for fleet renewal" in current assets. This condition is satisfied when: (i) cars are available for immediate sale under current conditions and their sale is highly probable; (ii) Management is committed to sell the decommissioned cars from property and equipment; (iii) cars are effectively available for sale at a reasonable price in relation to their current fair values; and (iv) the sale is expected to be completed within one year from the date of classification.

Decommissioned cars for fleet renewal are presented at the lower of fair value less costs to sell and net carrying amount, which considers the acquisition cost net of accumulated depreciation through the date in which cars are classified as "decommissioned cars for fleet renewal".

The carrying amount of vehicles decommissioned for fleet renewal is BRL 2,255,421 in Individual and BRL 3,463,598 in Consolidated (BRL 1,423,307 in Individual and BRL 2,531,398 in Consolidated on December 31, 2023), net of the effects mentioned in Note 1.2.

In 2024, (Notes 1.2 and 1.3), a provision was recognized for the adjustment to the recoverable amount of vehicles being decommissioned for fleet renewal, amounting to BRL 88,543 and BRL 242,117 in Individual and Consolidated, respectively (BRL 89,771 and BRL 153,258 in Individual and Consolidated, respectively, in 2023). The balance of this provision as of December 31, 2024, is BRL 18,999 and BRL 51,721 in Individual and Consolidated, respectively (BRL 1,940 and BRL 7,494 in Individual and Consolidated, respectively, as of December 31, 2023).

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

13. INTANGIBLE ASSETS

The Company records intangible assets with finite useful lives and acquired separately at cost, less accumulated amortization and impairment, when applicable. Amortization is recorded on the straight-line basis over the estimated useful life of five years, with a charge to "costs", "selling expenses" and "general, administrative and other expenses" items in the statement of income, according to their nature and allocation.

The estimated useful life and the amortization method are reviewed at the end of every year, and the effect of any changes in estimates is accounted for prospectively.

The Company presents goodwill from a business combination classified as having an indefinite useful life, at cost on the date of the business combination, net of accumulated impairment losses, if any. Goodwill was classified as an "intangible asset" in the consolidated balance sheet and as an "investment" in the Parent company's balance sheet.

(in BRL thousand, unless otherwise stated)

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

	Individual			Consolidated					
	Software	Goodwill	Total	Software	Customer portfolio	Brands and patents	Goodwill	Other	Total
Costs:									
As of December 31, 2023	**273,668**	**22,077**	**295,745**	**509,006**	**177,567**	**6,931**	**8,463,257**	**4,171**	**9,160,932**
Additions	100,459	-	100,459	121,779	-	-	-	-	121,779
Write-offs	-	-	-	(2,323)	-	-	-	-	(2,323)
As of December 31, 2024	**374,127**	**22,077**	**396,204**	**628,462**	**177,567**	**6,931**	**8,463,257**	**4,171**	**9,280,388**
As of December 31, 2022	**197,655**	**22,077**	**219,732**	**425,924**	**177,269**	**6,931**	**8,463,257**	**4,122**	**9,077,503**
Additions	76,013	-	76,013	105,573	298	-	-	49	**105,920**
Write-offs	-	-	-	(22,491)	-	-	-	-	**(22,491)**
As of December 31, 2023	**273,668**	**22,077**	**295,745**	**509,006**	**177,567**	**6,931**	**8,463,257**	**4,171**	**9,160,932**
Accumulated amortization									
As of December 31, 2023	**(133,737)**	-	**(133,737)**	**(256,733)**	**(51,750)**	**-**	**-**	**(1,113)**	**(309,596)**
Additions	(37,590)	-	(37,590)	(80,771)	(12,579)	-	-	(10)	(93,360)
Write-offs	-	-	-	501	-	-	-	-	501
As of December 31, 2024	**(171,327)**	**-**	**(171,327)**	**(337,003)**	**(64,329)**	**-**	**-**	**(1,123)**	**(402,455)**
As of December 31, 2022	**(110,881)**	-	**(110,881)**	**(189,961)**	**(49,401)**	**-**	**-**	**(1,099)**	**(240,461)**
Additions	(22,856)	-	(22,856)	(68,800)	(2,349)	-	-	(14)	**(71,163)**
Write-offs	-	-	-	2,028	-	-	-	-	**2,028**
As of December 31, 2023	**(133,737)**	**-**	**(133,737)**	**(256,733)**	**(51,750)**	**-**	**-**	**(1,113)**	**(309,596)**
Net carrying amount:									
As of December 31, 2024	**202,800**	**22,077**	**224,877**	**291,459**	**113,238**	**6,931**	**8,463,257**	**3,048**	**8,877,933**
As of December 31, 2023	**139,931**	**22,077**	**162,008**	**252,273**	**125,817**	**6,931**	**8,463,257**	**3,058**	**8,851,336**

(in BRL thousand, unless otherwise stated)

Impairment tests for goodwill

Assets with indefinite useful lives, such as goodwill, are not subject to amortization and are tested annually to identify any potential impairment. In assessing the recoverable amount of the other assets, the Company groups them at the lowest levels for which there is separately identifiable cash flow generation (cash-generating units. A review of the discounted cash flows concluded that the recoverable amount of assets is greater than the historical carrying amount, including goodwill, as of September 30, 2024, for the year ended December 31, 2024. Therefore, no provision for impairment of allocated goodwill to any of the cash-generating units was required.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. Cash flow projections were used to calculate these projections, based on a budget approved by the Board of Directors, for a period of 10 years, before income tax and social contribution, as Management has reliable assumptions for the projection period, and a perpetuity growth rate was applied.

As of December 31, 2024 and 2023, the Company has goodwill of BRL 8,463,257 allocated to the Cash Generating Units ("CGUs"), identified below.

	Goodwill
Car rental	1,661,371
Fleet rental	6,465,628
Travel and tourism agency	27,371
Telemetry	308,887
	8,463,257

The main assumptions used in estimating the fair value of each CGU include: (i) revenue and profitability growth rates and (ii) pre-tax discount rate. These calculations were made using an approved budget and the estimated growth rates below:

	Car rental	Fleet rental	Travel and tourism agency	Telemetry
Average revenue growth rate	5.98%	6.71%	14.10%	10.40%
Average discount rate for the period – before taxes	16.62%	17.50%	17.51%	18.10%
Average perpetuity growth rate	3.50%	3.50%	3.50%	3.50%

Sensitivity test

The Company conducted a sensitivity analysis considering an increase or decrease of 0.5% in the average discount rate and the average perpetuity growth rate. In all sensitivity scenarios, no need for impairment was identified.

14. SUPPLIERS

The balance of suppliers is as follows:

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Vehicles (a)	7,132,311	5,207,515	9,298,244	8,212,559
Maintenance services and spare parts	133,520	99,688	264,576	201,455
Information technology services	12,575	26,094	15,108	29,673
Rentals	40,649	38,560	34,650	41,474
Other	319,838	524,651	413,816	396,220
Total	**7,638,893**	**5,896,508**	**10,026,394**	**8,881,381**

(a) The balance payable to automakers refers to vehicles purchased with an average maturity of 105 days (103 days on December 31, 2023).

In December 2022, the Company entered into an agreement for offering a management program to its suppliers, who may choose to receive an advance against their receivables from the Company through the assignment of credit to a partnered financial institution. Likewise, the financial institution may, at its sole discretion, choose to acquire these receivables without the Company's involvement in the terms, prices, or conditions previously established with the suppliers. As a result, the Company continues to classify these as "Suppliers". As of December 31, 2024, the balance payable negotiated by suppliers under this program is BRL 1,618,029 in Individual and BRL 2,010,718 in Consolidated (BRL 2,155,888 in Individual and BRL 2,647,376 in Consolidated as of December 31, 2023).

(in BRL thousand, unless otherwise stated)

15. SOCIAL AND LABOR OBLIGATIONS

The balance of social and labor obligations is as follows:

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Provision for vacation pay	100,687	88,662	120,996	110,380
Provision for profit sharing (a)	198,671	138,330	228,240	160,359
Provision for long-term incentives	-	578	-	3,683
INSS	53,009	43,976	64,482	53,878
FGTS	16,299	14,238	19,664	17,154
Payroll taxes from long-term incentives	8,288	6,059	12,774	25,595
Other	25,368	24,108	32,500	28,147
Total	**402,322**	**315,951**	**478,656**	**399,196**

(a) The Company has a profit-sharing program for employees as prescribed in Law 10,101/00 based on the results determined for each year. The program is measured through the combination of the Company's profit and performance indicators, in addition to the individual performance of each employee, through 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 of 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 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, for up to 43 months. As of December 31, 2024, the balance of assignment of credit rights was BRL 48,052 in Consolidated (BRL 134,329 as of December 31, 2023 in Consolidated).

17. LOANS, FINANCING, AND DEBT SECURITIES

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

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
In local currency				
Debentures	25,742,900	22,516,328	34,081,838	31,651,332
Commercial notes	-	2,540,919	-	1,431,609
Working capital	1,360,081	1,404,606	2,489,321	2,557,467
Real Estate Receivables Certificate ("CRI")	1,006,737	1,003,327	1,228,344	1,318,953
Certificate of Agribusiness Receivables ("CRA")	-	-	630,499	647,264
Consortia	885	1,881	885	1,881
In foreign currency				
Loans in foreign currency	4,166,432	1,785,345	6,335,650	2,999,127
Total	**32,277,035**	**29,252,406**	**44,766,537**	**40,607,633**
Current	**3,452,737**	**5,968,789**	**5,295,928**	**7,226,535**
Non-current	**28,824,298**	**23,283,617**	**39,470,609**	**33,381,098**

(in BRL thousand, unless otherwise stated)

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

	Individual	Consolidated
As of December 31, 2023	**29,252,406**	**40,607,633**
Debt assignment among Group companies (Note 17(a))	2,481,647	-
Funding, net of transaction costs	9,490,051	15,512,094
Repurchase of debentures	(756,648)	(756,648)
Interest, charges, adjustment to fair value and foreign exchange rate variation (a)	4,110,828	5,532,393
Amortization of principal	(8,502,212)	(11,277,545)
Interest amortization	(3,799,037)	(4,851,390)
As of December 31, 2024	**32,277,035**	**44,766,537**

	Individual	Consolidated
As of December 31, 2022	**16,624,847**	**33,271,113**
Debt assignment among Group companies (Note 17(a))	6,681,407	-
Funding, net of transaction costs	8,336,882	12,435,698
Repurchase of debentures	-	(6,696)
Interests, charges, and foreign exchange rate variation	2,611,441	4,836,431
Amortization of principal	(2,580,178)	(5,301,348)
Interest amortization	(2,421,993)	(4,627,565)
As of December 31, 2023	**29,252,406**	**40,607,633**

(a) In 2024, gains of BRL 4,019 in Individual and losses of BRL 2,030 in Consolidated were recognized in other comprehensive income, related to the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in credit risk. Additionally, a foreign exchange rate variation expense of BRL 685 was recognized in the Individual and Consolidated statements in 2024.

On December 31, 2024 and 2023, loans, financing, and debt securities recorded in liabilities, net of funding costs, were as follows, by maturity year:

	Individual		Consolidated	
	2024	**2023**	**2024**	**2023**
2024	-	5,968,789	-	7,226,535
2025	3,452,737	4,387,912	5,295,928	7,006,335
2026	3,142,755	4,444,005	5,817,456	5,451,976
2027	5,375,146	3,814,841	7,446,524	6,473,510
2028 to 2032	20,306,397	10,636,859	26,206,629	14,449,277
	32,277,035	**29,252,406**	**44,766,537**	**40,607,633**

As of December 31, 2024 and 2023, the following debenture repurchase programs were in effect:

Debenture repurchase program	Approval by the Board of Directors	Repurchase period	Maximum authorized	Amount repurchased in 2024 and 2023
1st - Locamerica	09/01/2023	09/01/2023 to 09/02/2024	1,000,000	6,696
3rd - Localiza	09/01/2023	09/01/2023 to 09/02/2024	1,000,000	756,648
4th - Localiza	09/20/2024	09/18/2024 to 09/18/2025	1,000,000	-

(in BRL thousand, unless otherwise stated)

(a) Debt securities

On December 31, 2024 and 2023, the Company had debt securities issued pursuant to CVM Instruction 160/22. The characteristics of each issuance of debt securities, approved at the Board of Directors' meetings, are described below:

							Individual		Consolidated	
Company	Issuance	Maturity date	Contract rate (p.a.)	Financial settlement	Annual amortization	Surety/Guarantee	12/31/24	12/31/23	12/31/24	12/31/23
Debentures										
Localiza	Debentures - 12th issuance	05/2024	CDI + 1.35%	700,000	2024	Localiza Fleet	-	683,467	-	683,467
Localiza	Debentures - 13th issuance (2nd series)	02/2025	111.30% of CDI	216,110	2024 and 2025	Localiza Fleet	-	202,314	-	202,314
Localiza	Debentures - 14th issuance (1st series)	01/2024	107.90% of CDI	200,000	2024	Localiza Fleet	-	207,074	-	207,074
Localiza	Debentures - 14th issuance (2nd series)	09/2026	112.32% of CDI	800,000	2024, 2025, and 2026	Localiza Fleet	344,014	459,874	344,014	459,874
Localiza	Debentures - 15th issuance	04/2026	107.25% of CDI	1,000,000	2025 and 2026	Localiza Fleet	771,837	772,178	771,837	772,178
Localiza	Debentures - 16th issuance	01/2026	CDI + 1.05%	1,000,000	2024, 2025, and 2026	None	698,669	1,053,671	698,669	1,053,671
Localiza	Debentures - 17th issuance	03/2031	IPCA + 5.47% (a)	1,200,000	2030 and 2031	Localiza Fleet	1,200,374	1,284,149	1,200,374	1,284,149
Localiza	Debentures - 18th issuance	10/2026	CDI + 1.75%	1,500,000	2026	Localiza Fleet	991,937	992,630	991,937	992,630
Localiza	Debentures - 19th issuance (1st series)	02/2027	CDI + 1.6%	BRL 950,000	2027	Localiza Fleet	988,116	990,204	988,116	990,204
Localiza	Debentures - 19th issuance (2nd series)	02/2029	CDI + 2%	1,550,000	2029	Localiza Fleet	1.612.939	1,616,795	1.612.939	1,616,795
Localiza	Debentures - 21st issuance	07/2027	CDI + 1.6%	1,450,000	2027	Localiza Fleet	749,277	1,527,738	749,277	1,527,738
Localiza	Debentures - 22nd issuance	12/2028	CDI + 1.87%	2,450,000	2028	Localiza Fleet	2,457,345	2,453,764	2,457,345	2,453,764
Localiza	Debentures - 24th issuance (1st series)	05/2025	CDI + 1.5%	BRL 250,000	2025	Localiza Fleet	-	251,279	-	251,279
Localiza	Debentures - 24th issuance (2nd series)	11/2025	CDI + 1.6%	BRL 700,000	2025	Localiza Fleet	-	702,991	-	702,991
Localiza	Debentures - 25th issuance	08/2033	CDI + 2.35%	1,500,000	2031, 2032, and 2032	Localiza Fleet	1,556,407	1,559,763	1,556,407	1,559,763
Localiza	Debentures - 26th issuance	09/2024	108% of CDI	200,000	2024	Localiza Fleet	-	206,665	-	206,665
Localiza	Debentures - 27th issuance (1st series)	05/2028	CDI + 2%	350,000	2027 and 2028	Localiza Fleet	353,564	353,880	353,564	353,880
Localiza	Debentures - 27th issuance (2nd series)	05/2031	CDI + 2.4%	400,000	2029, 2030, and 2031	Localiza Fleet	402,697	403,032	402,697	403,032
Localiza	Debentures - 28th issuance	01/2026	CDI + 2.4%	1,500,000	2025, 2026	Localiza Fleet	-	1,594,439	-	1,594,439
Localiza	Debentures - 29th issuance	11/2026	CDI + 1.75%	1,000,000	2026	Localiza Fleet	613,953	613,200	613,953	613,200
Localiza	Debentures - 30th issuance	05/2027	CDI + 1.85%	265,500	2027	Localiza Fleet	268,321	268,092	268,321	268,092
Localiza	Debentures - 31st issuance (1st series)	04/2024	107.9% of CDI	527,400	2024	Localiza Fleet	-	534,332	-	534,332

(in BRL thousand, unless otherwise stated)

							Individual		Consolidated	
Company	**Issuance**	**Maturity date**	**Contract rate (p.a.)**	**Financial settlement**	**Annual amortization**	**Surety/Guarantee**	**12/31/24**	**12/31/23**	**12/31/24**	**12/31/23**
Localiza	Debentures - 31st issuance (2nd series)	04/2027	110.5% of CDI	372,600	2025, 2026, and 2027	Localiza Fleet	381,054	381,581	381,054	381,581
Localiza	Debentures - 31st issuance (3rd series)	04/2029	112% of CDI	100,000	2028 and 2029	Localiza Fleet	102,204	102,388	102,204	102,388
Localiza	Debentures - 32nd issuance	02/2026	CDI + 2.25%	450,000	2025 and 2026	Localiza Fleet	-	469,633	-	469,633
Localiza	Debentures - 33rd issuance	12/2027	CDI + 1.8%	850,000	2026 and 2027	Localiza Fleet	850,251	849,190	850,251	849,190
Localiza	Debentures - 34th issuance	11/2028	CDI + 1.85%	1,900,000	2028	Localiza Fleet	1,906,874	1,901,105	1,906,874	1,901,105
Localiza	Debentures - 35th issuance	11/2024	109.72% of CDI	200,000	2022, 2023, and 2024	Localiza Fleet	-	80,900	-	80,900
Localiza	Debentures - 36th Issuance (1st series)	04/2027	CDI + 1.85% p.a.	685,000	2027	Localiza Fleet	692,995	-	692,995	-
Localiza	Debentures - 36th Issuance (2nd series)	04/2029	IPCA + 7.2101% p.a.	515,000	2029	Localiza Fleet	523,381	-	523,381	-
Localiza	Debentures - 37th issuance	09/2031	IPCA + 6.5119% p.a.	1,100,000	2029, 2030, and 2031	Localiza Fleet	1,140,762	-	1,140,762	-
Localiza	Debentures - 38th issuance	02/2029	CDI + 1.85%	2,100,000	2029	Localiza Fleet	2,170,709	-	2,170,709	-
Localiza	Debentures - 39th Issuance (1st series)	04/2030	CDI + 1.70%	2,100,000	2027, 2028, 2029 and 2030	Localiza Fleet	2,130,372	-	2,130,372	-
Localiza	Debentures - 39th Issuance (2nd series)	04/2030	CDI + 1.85%	900,000	2030	Localiza Fleet	913,292	-	913,292	-
Localiza	Debentures - 39th Issuance (3rd series)	04/2034	CDI + 2.15%	250,000	2032, 2033, and 2034	Localiza Fleet	253,710	-	253,710	-
Localiza	Debentures - 40th issuance	12/2030	CDI + 1.55%	1,000,000	2029 and 2030	Localiza Fleet	1,003,613	-	1,003,613	-
Localiza	Debentures - 41st issuance	12/2031	IPCA + 8.8670% (a)	700,000	2031	Localiza Fleet	664,233	-	664,233	-
Locamerica	Debentures 21st Issuance (a)	09/2031	IPCA + 6.5119% (a)	1,100,000	2029, 2030, and 2031	None	-	-	-	1,213,307
Locamerica	Debentures 23rd Issuance (1st series)	04/2027	CDI + 1.85%	685,000	2027	None	-	-	-	692,847
Locamerica	Debentures 23rd Issuance (2nd series)	04/2029	IPCA + 5.47% (a)	515,000	2029	None	-	-	-	548,633
Localiza Fleet	Debentures - 5th issuance	07/2025	112.00% of CDI	300,000	2025	Localiza	-	-	213,172	214,555
Localiza Fleet	Debentures - 6th issuance	02/2024	110.40% of CDI	400,000	2024	Localiza	-	-	-	310,770
Localiza Fleet	Debentures - 7th issuance	07/2025	108.50% of CDI	300,000	2023, 2024, and 2025	Localiza	-	-	104,807	210,673
Localiza Fleet	Debentures - 8th issuance	02/2025	CDI + 1.00%	1,000,000	2023, 2024, and 2025	Localiza	-	-	347,969	696,710
Localiza Fleet	Debentures - 9th issuance	10/2026	CDI + 1.30%	500,000	2026	Localiza	-	-	513,159	513,657
Localiza Fleet	Debentures - 10th issuance (1st series)	04/2027	CDI + 1.6%	950,000	2027	Localiza	-	-	972,553	972,308
Localiza Fleet	Debentures - 10th issuance (2nd series)	04/2028	CDI + 1.75%	500,000	2028	Localiza	-	-	511,602	511,636
Localiza Fleet	Debentures - 11th issuance	10/2027	CDI + 1.6%	1,000,000	2027	Localiza	-	-	1,020,788	1,019,839
Localiza Fleet	Debentures - 12th issuance	03/2025	CDI + 1.4%	1,500,000	2024, 2025	Localiza	-	-	-	1,537,426
Localiza Fleet	Debentures - 13th issuance	12/2028	CDI + 1.85%	700,000	2028	Localiza	-	-	695,997	692,643
Localiza Fleet	Debentures - 14th issuance	01/2029	CDI + 1.85%	1,200,000	2029	Localiza	-	-	1,253,645	-

(in BRL thousand, unless otherwise stated)

							Individual		Consolidated	
Company	**Issuance**	**Maturity date**	**Contract rate (p.a.)**	**Financial settlement**	**Annual amortization**	**Surety/Guarantee**	**12/31/24**	**12/31/23**	**12/31/24**	**12/31/23**
Localiza Fleet	Debentures - 15th issuance (1st series)	11/2030	CDI + 1.50%	750,000	2028, 2029, and 2030	Localiza	-	-	699,009	-
Localiza Fleet	Debentures - 15th issuance (2nd series)	11/2030	CDI + 1.50%	1,000,000	2028, 2029, and 2030	Localiza	-	-	1,013,763	-
Localiza Fleet	Debentures - 16th issuance	12/2031	CDI + 1.45%	1,000,000	2029, 2030, and 2031	Localiza	-	-	992,474	-
							25,742,900	**22,516,328**	**34,081,838**	**31,651,332**
Commercial notes										
Localiza	Commercial note	12/2024	CDI + 1.3%	1,700,000	2024	None	-	1,711,396	-	602,086
Localiza	Commercial note	03/2024	CDI + 1.35%	800,000	2024	Localiza Fleet	-	829,523	-	829,523
							-	**2,540,919**	**-**	**1,431,609**

(a) Derivatives were contracted to swap the remuneration indexed to IPCA for its equivalent in CDI, which is the reference index used by the Company. The Company opted for the designation of these debt operations as measured at fair value, having contracted derivative financial instruments (swap) for its protection. The fair value option aims to eliminate or reduce the volatility of measurement or recognition of certain liabilities. Thus, both swaps and the respective debts are measured at fair value.

The average effective interest rate on debt securities issued ranges from 109.8% of CDI to CDI + 2.98% p.a. (108.9% of CDI to CDI + 2.98% p.a. on December 31, 2023).

On December 31, 2024, the amount of issuance costs with debt securities to be recognized was BRL 316,390 (BRL 284,716 as of December 31, 2023), presented net in the respective liability in the balance sheet.

(in BRL thousand, unless otherwise stated)

Debt assignment between Platform companies

On December 1, 2023, and March 1, 2024, the Company entered into the "Private Assignment and Assumption of Debts Agreement" regarding the assignment of certain financial obligations of its wholly owned subsidiaries Companhia de Locação das Américas (Locamerica) and Locamerica Rent a Car. Consequently, the Company, for all intents and purposes, assumed all liabilities arising from the respective debt securities. The debt securities subject to the debt assignment are presented below:

Company	Date	Type	Issuance	Amount
Locamerica Rent a Car	12/01/2023	Debentures	13th Issuance (1st series)	529,286
Locamerica Rent a Car	12/01/2023	Debentures	13th Issuance (2nd series)	377,997
Locamerica Rent a Car	12/01/2023	Debentures	13th Issuance (3rd series)	101,415
Locamerica Rent a Car	12/01/2023	Debentures	15th issuance	464,804
Locamerica	12/01/2023	Debentures	18th issuance	204,657
Locamerica	12/01/2023	Debentures	19th issuance	1,577,855
Locamerica	12/01/2023	Debentures	20th Issuance (1st series)	350,352
Locamerica	12/01/2023	Debentures	20th Issuance (2nd series)	398,867
Locamerica	12/01/2023	Debentures	22nd issuance	607,294
Locamerica	12/01/2023	Debentures	24th issuance	265,409
Locamerica	12/01/2023	Debentures	25th issuance	906,447
Locamerica	12/01/2023	Debentures	26th issuance	76,009
Locamerica	12/01/2023	Commercial note	Commercial Note 1st Issuance	821,015
				6,681,407
Locamerica	03/01/2024	Debentures	21st issuance	1,220,834
Locamerica	03/01/2024	Debentures	23rd Issuance (1st series)	707,337
Locamerica	03/01/2024	Debentures	23rd Issuance (2nd series)	553,476
				2,481,647

The change in the issuer entity of the debts of subsidiaries Locamerica and Locamerica Rent a Car was duly authorized through a General Meeting of Debenture Holders, specifically for each issuance in question. The resolutions covered exclusively the change of ownership of the guarantor and the transfer of primary responsibility for the debt. Therefore, no additional clauses were introduced thereby preserving the original terms of the contractual cash flows which remained unchanged due to the debt assignment. In 2024, the derivative financial instruments amounting to BRL 113,582 (Note 4.1), designated to hedge the debts mentioned above, were included in the "Private Assignment and Assumption of Debt Agreement". In 2023, the amount of financial instruments was BRL 91,590 (Note 4.1), and the contract also included its respective cash flow hedge effects, amounting to BRL 103,319, as shown in other comprehensive income.

As a result of the debt assignments and derivative financial instruments held by Localiza, there was an increase in capital at Locamerica (Note 10.2).

(b) Working capital

The consolidated balance of working capital loans refers to the following agreements:

Company	Maturity date	Interest rate (p.a.)	Contracted amount	Annual amortization	12/31/24	12/31/23
Localiza	09/23/2024	CDI + 1.38%	BRL 100,000	2024	100,468	103,278
Localiza	03/23/2023	CDI + 2.00%	BRL 295,000	2023	243,481	304,617
Localiza	10/15/2031	CDI + 1.85%	BRL 1,000.000	2025, 2026, 2027, 2028, 2029, 2030, 2031	1,016,132	996,711
Localiza Fleet	02/15/2027	117.50% of CDI	BRL 125,000	2027	126,321	126,977
Localiza Fleet	12/16/2026	CDI + 1.10%	BRL 1,000.000	2026	1,001,881	1,024,275
Voll Soluções em Mobilidade Corporativa S.A.	08/01/2024	11.62%	BRL 356	2020 to 2024	-	67
Voll Soluções em Mobilidade Corporativa S.A.	12/15/2025	11.87%	BRL 1,019	2021 to 2025	293	549
VOLL S.A.	10/02/2024	11.35%	BRL 600	2021 to 2024	-	176
VOLL S.A.	11/25/2030	IPCA + 9.38%	BRL 962	2020 to 2030	745	817
					2,489,321	**2,557,467**

(in BRL thousand, unless otherwise stated)

On December 31, 2024, the amount of issuance costs with working capital loans to be recognized was BRL 15,040 (BRL 24,454 on December 31, 2023), being presented net in the respective contract.

(c) Real Estate Receivables Certificate ("CRI")

The net proceeds obtained by the issuer from all operations carried out were used in the normal course of business. The balance of Real Estate Receivables Certificate refers to the following contracts:

Company	Maturity date	Interest rate (p.a.)	Contracted amount	Annual amortization	Surety/Guarantee	12/31/2024	12/31/2023
Localiza	06/07/27	CDI + 0.95%	300,000	2027	Localiza Fleet	298,903	297,477
Localiza	03/10/28	CDI + 1.25%	210,000	2028	Localiza Fleet	212,802	211,910
Localiza	03/11/30	CDI + 1.40%	490,000	2030	Localiza Fleet	495,032	493,940
Rental Brasil	11/21/32	99.00% of CDI	370,000	2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032	Localiza	221,607	315,626
						1,228,344	**1,318,953**

(d) Certificate of Agribusiness Receivables ("CRA")

The net proceeds obtained by the issuer from all operations carried out were used in the normal course of business. The balance of Certificate of Agribusiness Receivables refers to the following contracts:

Company	Maturity date	Interest rate (p.a.)	Financial settlement	Annual amortization	Surety/Guarantee	12/31/24	12/31/23
Locamerica	07/14/2031	IPCA + 4.825% p.a.	200,000	2029, 2030, 2031	None	202,815	213,124
Locamerica	09/14/2028	IPCA + 6.618% p.a.	167,200	2028	Localiza	172,587	179,537
Locamerica	09/14/2028	CDI + 1.00%	250,800	2028	Localiza	255,097	254,603
						630,499	**647,264**

(e) Loans in foreign currency

Seeking to reduce its funding costs and lengthen amortization terms, the Company contracted loans in foreign currency with the following main characteristics:

Company	Maturity date	Interest rate (p.a.)	Contracted amount	Designation	Surety/Guarantee	12/31/2024	12/31/2023
Localiza	01/03/2025	EUR + 1.5588%	EUR 55,394 thousand	none	None	356,841	298,515
Localiza	02/26/2024	USD + 1.9371%	USD 80,000 thousand	Fair Value Option	None	-	386,186
Localiza	05/19/2025	SOFR 3M + 1.5%	USD 50,000 thousand	Fair Value Option	Localiza Fleet and Locamerica	314,309	246,036
Localiza	06/30/2025	SOFR 6M + 1.0343%	USD 125,000 thousand	Fair Value Option	None	779,852	607,273
Localiza	11/28/2025	SOFR 6M + 1.35%	USD 50,000 thousand	Fair Value Option	Localiza Fleet and Locamerica	312,512	247,335
Localiza	02/04/2027	JPY + 2.02%	JPY 12,004,000 thousand	Fair Value Option	Localiza Fleet	464,660	-
Localiza	11/29/2027	USD + 4.8926%	USD 50,000 thousand	Fair Value Option	Localiza Fleet	308,455	-
Localiza	10/15/2029	Euribor 6M + 1.75%	EUR 89,386 thousand	Fair Value Hedge	Localiza Fleet and Locamerica	570,154	-
Localiza	10/15/2029	SOFR 6M + 1.90%	USD 172,000 thousand	Fair Value Hedge	Localiza Fleet and Locamerica	1,059,649	-
Localiza Fleet	01/28/2025	SOFR + 2.78%	USD 12,500 thousand	Fair Value Option	Localiza	78,328	61,564
Localiza Fleet	01/13/2026	USD + 5.67%	USD 100,000 thousand	Fair Value Option	Localiza	645,872	518,189
Localiza Fleet	01/10/2024	USD + 2.1882%	USD 50,000 thousand	Fair Value Option	Localiza	-	245,157
Localiza Fleet	11/04/2025	JPY + 1.6%	JPY 6,752,021 thousand	Fair Value Option	Localiza	266,783	239,184
Localiza Fleet	10/04/2024	SOFR + 2.76%	USD 30,642 thousand	Fair Value Option	Localiza	-	149,688
Localiza Fleet	02/23/2026	USD + 6.7412%	USD 50,000 thousand	Fair Value Option	Localiza	317,329	-
Localiza Fleet	03/31/2025	EUR + 5.936%	EUR 46,816 thousand	Fair Value Option	Localiza	313,015	-
Localiza Fleet	06/02/2025	SOFR + 2.49%	USD 19,428 thousand	Fair Value Option	Localiza	119,614	-
Localiza Fleet	06/29/2026	USD + 6.8353%	USD 40,000 thousand	Fair Value Option	Localiza	247,367	-
Localiza Fleet	10/06/2025	SOFR + 1.88%	USD 29,520 thousand	Fair Value Option	Localiza	180,910	-
						6,335,650	**2,999,127**

As a strategy to manage foreign exchange risk, simultaneously with these transactions, in accordance with the Indebtedness, Derivatives, Strategy to Cover Market Risks and Guarantees and Sureties Granting Policy, hedge operations were contracted exclusively for protection purposes (Note 4.1).

(in BRL thousand, unless otherwise stated)

(f) Funding in the year:

In 2024, the following funding was approved:

Company	Issuance	Maturity date	Contract rate (p.a.)	Principal raised (gross)	Surety/Guarantee
Localiza	38th issuance	02/27/2029	CDI + 1.85%	2,100,000	Localiza Fleet S.A.
Localiza	39th issuance – 1st series	04/16/2030	CDI + 1.70%	2,100,000	Localiza Fleet S.A.
Localiza	39th issuance – 2nd series	04/16/2030	CDI + 1.85%	900,000	Localiza Fleet S.A.
Localiza	39th issuance – 3rd series	04/16/2034	CDI + 2.15%	250,000	Localiza Fleet S.A.
Localiza	40th issuance	12/10/2030	CDI + 1.55%	1,000,000	Localiza Fleet S.A.
Localiza	41st issuance	12/15/2031	CDI + 1.40%	700,000	Localiza Fleet S.A.
Localiza	Working capital	07/21/2027	CDI + 1.51%	100,000	None
Localiza	Working capital	12/09/2027	CDI + 1.30%	242,252	Localiza Fleet S.A.
Localiza	Foreign currency	02/04/2027	JPY + 2.02%	397,572	Localiza Fleet S.A.
Localiza	Foreign currency	10/15/2029	Euribor 6M + 1.75%	550,978	Localiza Fleet and Locamerica
Localiza	Foreign currency	10/15/2029	SOFR 6M + 1.90%	981,896	Localiza Fleet and Locamerica
Localiza	Foreign currency	11/29/2027	USD + 4.8926%	287,000	Localiza Fleet S.A.
Localiza Fleet S.A.	14th issuance	01/26/2029	CDI + 1.85%	1,200,000	Localiza
Localiza Fleet S.A.	15th issuance - 1st series	11/04/2030	CDI + 1.50%	750,000	Localiza
Localiza Fleet S.A.	15th issuance - 2nd series	11/04/2030	CDI + 1.50%	1,000,000	Localiza
Localiza Fleet S.A.	16th issuance	12/11/2031	CDI + 1.45%	1,000,000	Localiza
Localiza Fleet S.A.	Working capital	02/15/2027	117.50% of CDI	125,000	Localiza
Localiza Fleet S.A.	Working capital	12/16/2026	CDI + 1.10%	1,000,000	Localiza
Localiza Fleet S.A.	Foreign currency	02/23/2026	USD + 5.73%	248,500	Localiza
Localiza Fleet S.A.	Foreign currency	03/31/2025	EUR + 5.0456%	258,727	Localiza
Localiza Fleet S.A.	Foreign currency	06/02/2025	SOFR + 1.99%	100,000	Localiza
Localiza Fleet S.A.	Foreign currency	06/29/2026	USD + 5.81%	215,600	Localiza
Localiza Fleet S.A.	Foreign currency	10/06/2025	SOFR + 1.88%	160,000	Localiza
				15,667,525	

Debt securities issued expenses in the period were BRL 119,647 in Individual and BRL 155,431 in Consolidated.

(g) Financial Covenants

Restrictive Contractual Clauses – Financial Covenants

Loans and financing could be subject to early maturity if, among other conditions occur: (i) requesting or filing for bankruptcy by the issuer or third parties that is not duly remedied within the legal term; (ii) issues related to default, not cured within the expected period, in an individual or aggregate amount equal to or greater than 3% of the average consolidated shareholders' equity calculated in the last three quarters; (iii) Localiza's capital reduction and/or repurchase of its own shares for cancellation, except if previously authorized by the debenture holders; (iv) the incorporation, merger or spin-off of Localiza, unless, under the terms of Article 231 of Law No. 6,404/76, the spun-off party or the company resulting from the operation remains within the current controlling group of the issuer, or the object of the spin-off represents less than 30% of the last annual consolidated billing; (v) non-maintenance, for two consecutive quarters or three non-consecutive quarters, of quarterly financial ratios, based on the Company's consolidated financial information; and (vi) downgrade of the rating of the Company in two or more notches in relation to the AAA rating (BR, triple A) by Fitch Ratings or Standard & Poor's due to any change in the corporate structure that may result in the loss, transfer or sale of the issuer's controlling power by the current controllers. The Brazil scale corporate credit ratings in effect as of December 31, 2024 were: Standard & Poor's (brAAA/stable), Moody's (AAA.br/stable) and Fitch Ratings (AAA(bra)/stable).

As demonstrated below, the financial covenants were being met on December 31, 2024 and 2023:

(in BRL thousand, unless otherwise stated)

(i) Localiza

Index	Limits	12/31/24	12/31/23
Adjusted net debt (a) / adjusted EBITDA (b)	Below 4.00	2.45	2.72
Net debt discounted from credit card balance (c) / adjusted EBITDA	Below 4.00	2.36	2.61
Adjusted EBITDA/Net financial expenses	Above 1.50	3.15	2.68

(a) Adjusted net debt includes: (i) loans, financing, and debt securities; (ii) derivative financial instruments; (iii) cash and cash equivalents; (iv) financial investments; and (v) dividends and interest on equity.
(b) EBITDA corresponds to profit or loss, on a consolidated basis, relating to the 12 last months, plus: (i) financial income; (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issuances, EBITDA is also adjusted by the costs of stock options, non-recurring expenses, and impairment.
(c) From the 14th issuance, the debentures issued by Localiza Fleet S.A. include in the definition of net debt the discount of the balance of credit card receivables at the amount of BRL 1,192,140 on December 31, 2024 (BRL 1,121,744 on December 31, 2023).

(ii) Localiza Fleet S.A.

Index	Limits	12/31/24	12/31/23
Adjusted net debt (a) / adjusted EBITDA (b)	Below 4.00	2.47	3.24
Net debt discounted from credit card balance (c) / adjusted EBITDA	Below 4.00	2.43	3.19
Adjusted EBITDA/Net financial expenses	Above 1.50	3.37	3.01

(a) Adjusted net debt considers: (i) loans, financing, and debt securities; (ii) derivative financial instruments; (iii) cash and cash equivalents; (iv) financial investments; and (v) dividends and interest on equity.
(b) EBITDA corresponds to profit or loss, on a consolidated basis, relating to the 12 last months, plus: (i) financial income; (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issuances, EBITDA is also adjusted by the costs of stock options, non-recurring expenses, and impairment.
(c) From the 14th issuance, the debentures issued by Localiza Fleet S.A. include in the definition of net debt the discount of the balance of credit card receivables at the amount of BRL 154,116 on December 31, 2024 (BRL 110,434 on December 31, 2023).

(iii) Locamerica

Locamerica did not identify any non-compliance events as of December 31, 2024, and December 31, 2023. Below are the key covenant parameters determined by the contracts:

Index	Limits
Adjusted net debt (a) / adjusted EBITDA (b)	Equal to or below 4.00
Adjusted EBITDA (b)/net financial income	Equal to or greater than 1.50

(a) Adjusted net debt considers: (i) loans, financing, and debt securities; (ii) derivative financial instruments; (iii) cash and cash equivalents; (iv) financial investments; and (v) dividends and interest on equity.
(b) EBITDA corresponds to profit or loss, on a consolidated basis, relating to the 12 last months, plus: (i) financial income; (ii) income tax and social contribution; and (iii) depreciation and amortization expenses. For all issuances, EBITDA is also adjusted by the costs of stock options, non-recurring expenses, and impairment.

Additionally, the Company has loans with certain accelerated maturity events under conditions similar to those applicable to debt securities. On December 31, 2024, and December 31, 2023, these restrictive covenants were met.

(in BRL thousand, unless otherwise stated)

18. LEASE LIABILITY

The Company recognizes leases as a right-of-use assets (Note 12) with a corresponding lease liability on the date that the leased asset becomes available for use. Each lease payment is allocated between the liability and the finance costs. Finance costs are charged to profit or loss over the lease period.

Assets and liabilities arising from leases are initially measured at present value.

Lease payments are discounted at the lessee's incremental loan rate on the initial application date and, if necessary, the carrying amount is remeasured to reflect any revaluation or changes in the lease.

The Company applies a discount rate calculated based on the expectation of the risk-free rate disclosed by the Central Bank of Brazil, for the weighted term of its agreements, adjusted to the Company profile (credit spread). The discount rate used is reviewed annually, or when necessary, and applied to new or amended lease agreements as provided by the standard. The Company applied the average annual discount rate of 11.14% in 2024 (9.72% in 2023).

Changes in the lease liability are as follows:

	Individual	Consolidated
As of December 31, 2023	**1,405,565**	**1,228,103**
Addition of new contracts/remeasurement (Note 12 (a))	408,042	363,585
Write-offs	(52,920)	(33,073)
Consideration paid	(359,335)	(366,241)
Consideration payable	(6,204)	-
Interest (Note 27)	153,749	133,447
Change in the exchange rate	-	9,108
Conversion adjustments	-	1,685
As of December 31, 2024	**1,548,897**	**1,336,614**
Current	**302,537**	**320,488**
Non-current	**1,246,360**	**1,016,126**

	Individual	Consolidated
As of December 31, 2022	**1,152,858**	**912,499**
Addition of new contracts/remeasurement (Note 12 (a))	446,434	553,582
Write-offs	(1,284)	(24,324)
Consideration paid	(312,416)	(321,177)
Consideration payable	(5,818)	
Interest (Note 27)	125,791	107,523
As of December 31, 2023	**1,405,565**	**1,228,103**
Current	**240,228**	**261,597**
Non-current	**1,165,337**	**966,506**

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

The Company has short-term leases and certain office equipment (such as notebooks, printers and copiers) that are considered to be low-value assets, for which it adopts the recognition exemptions proposed by the accounting standard. In 2024, the short-term lease expense was BRL 55,674 in Individual and BRL 62,852 in Consolidated (BRL 51,754 in Individual and BRL 57,004 in Consolidated in 2023).

(in BRL thousand, unless otherwise stated)

As of December 31, 2024, the Company recognized BRL 134,749 in Individual and BRL 182,793 in Consolidated (BRL 138,482 in Individual and BRL 169,199 in Consolidated, as of December 31, 2023), related to expenses for variable lease payments on properties and short-term leases (Note 26).

The Company and its subsidiaries have property rental contracts for car rental locations at airports and downtown locations, stores, headquarters and parking lots. The minimum amounts payable, considering undiscounted considerations, for the remaining lease term contracted up to December 31, 2024 and classified as leases are as follows:

	Individual	Consolidated
2025	342,697	335,335
2026	311,516	297,405
2027	283,790	259,917
2028	229,047	189,174
2029	181,715	139,258
2030 and onwards	1,049,830	638,231
Total	**2,398,595**	**1,859,320**
Embedded interest	(849,698)	(522,706)
Balance of lease liability (current and non-current)	**1,548,897**	**1,336,614**

The estimated PIS and COFINS credit embedded in the undiscounted lease consideration totals BRL 177,075 in Individual and BRL 127,192 in Consolidated. In the discounted consideration, the total amounts to BRL 124,571 in Individual and BRL 104,935 in Consolidated.

The Company, in measuring and remeasuring its lease liability and right-of-use asset, proceeded to use the discounted cash flow technique without considering future projected inflation in the flows to be discounted, as required by the criteria established by IFRS16/CPC 06 (R2). Pursuant to Circular Letter CVM/SNC/SEP/02/2019, the Company also presents the comparative balances with nominal rates for the lease liability, right-of-use asset, finance cost and depreciation expense for the year ended December 31, 2024:

	12/31/24					
	Individual			Consolidated		
	IFRS 16	Nominal rates	%	IFRS 16	Nominal rates	%
Right-of-use asset, net	1,354,848	1,756,790	29.7%	1,190,091	1,463,683	23.0%
Lease liability	1,548,897	1,911,685	23.4%	1,336,614	1,604,585	20.0%

19. OTHER CURRENT AND NON-CURRENT LIABILITIES

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

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Unearned revenue (a)	4,890	4,897	16,581	19,467
Federal taxes from third parties	8,678	7,440	34,217	19,492
Municipal tax liabilities	15,816	10,490	24.678	19,234
Advances from customers	465,185	392,344	576,650	475,795
Insurance premiums for transfer (b)	156,365	139,429	159,183	140,975
Amounts payable for the acquisition of companies (c)	-	-	3,630	274
Other amounts payable to related parties (Note 11(a))	6,869	70,142	-	-
Other	78,578	47,529	85,823	39,627
Total other current liabilities	**736,381**	**672,271**	**900,762**	**714,864**
Unearned revenue (a)	13,131	17,232	21,926	30,158
Amounts payable for the acquisition of companies (c)	-	-	5,444	16,779
Restricted obligations (d)	-	-	58,572	57,889
Other	80,713	65,219	89,964	66,859
Total other non-current liabilities	**93,844**	**82,451**	**175,906**	**171,685**

(a) Refers to the franchising adhesion fee and bank preference premium.

(in BRL thousand, unless otherwise stated)

(b) Premiums received from customers that took out insurance for rented cars, and extended warranty for the decommissioned cars sold which will be transferred by Localiza to the insurance company.
(c) Amounts payable under: (i) current liabilities – related to the acquisition of Getrak and Voll, in the amount of BRL 1,392 and BRL 2,238, respectively (BRL 274 related to Getrak, as of December 31, 2023); and (ii) non-current liabilities – related to the acquisitions of Getrak and Voll, in the amount of BRL 3,656 and BRL 1,788, respectively (BRL 5,751 and BRL 11,028 as of December 31, 2023).
(d) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers (escrow), which will be released 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 56,483 and BRL 55,716, on December 31, 2024 and 2023, respectively (Note 9). The consolidated balances of these linked obligations, net of investments, are BRL 2,089 and BRL 2,173, on December 31, 2024 and 2023, respectively.

20. PROVISIONS FOR RISKS AND ESCROW DEPOSITS

(a) Provisions for risks

The Company and its subsidiaries record provisions for present obligations as a result of past events, when the amount of the obligation can be reliably estimated and its settlement is probable, or arising from the legal obligation to pay. Provisions are measured at present value and represent the best estimate of the disbursements that must be required to settle the obligation at the end of each year, considering the risks and uncertainties related to the obligation. Actual results could differ from those estimated that were presented in the financial statements. The increase in the provision due to the time elapsed is recognized as financial expense.

Localiza and its subsidiaries challenge in court certain civil, tax, social security and labor lawsuits. Provisions were recorded where the outflow of payments is uncertain and for which the likelihood of loss is probable, as estimated by Management under the advice of the Company's legal counsel.

The balance of provisions for risks is as follows:

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Tax and social security	17,269	42,156	316,613	366,764
Labor	31,367	31,100	53,717	60,686
Civil	72,477	68,375	182,406	176,835
Total	**121,113**	**141,631**	**552,736**	**604,285**

Changes in the balance of provisions are shown below:

	Individual			
	Tax and social security	Labor	Civil	Total
As of December 31, 2023	**42,156**	**31,100**	**68,375**	**141,631**
Provision	3,809	20,459	42,175	**66,443**
Reversal	(27,470)	(11,751)	(6,561)	**(45,782)**
Transfer for payment	(1,905)	(10,790)	(33,721)	**(46,416)**
Interest accruals, net of reversals	679	2,349	2,209	**5,237**
As of December 31, 2024	**17,269**	**31,367**	**72,477**	**121,113**

	Individual			
	Tax and social security	Labor	Civil	Total
As of December 31, 2022	**52,355**	**32,978**	**48,474**	**133,807**
Provision	-	10,689	21,145	**31,834**
Reversal	(4,181)	(16,998)	(1,244)	**(22,423)**
Transfer for payment	(8,658)	-	-	**(8,658)**
Interest accruals, net of reversals	2,640	4,431	-	**7,071**
As of December 31, 2023	**42,156**	**31,100**	**68,375**	**141,631**

(in BRL thousand, unless otherwise stated)

	Consolidated			
	Tax and social security	Labor	Civil	Total
As of December 31, 2023	**366,764**	**60,686**	**176,835**	**604,285**
Provision	7,707	25,472	56,379	**89,558**
Reversal	(55,583)	(19,094)	(18,989)	**(93,666)**
Transfer for payment	(1,905)	(12,572)	(40,258)	**(54,735)**
Interest accruals, net of reversals	3,050	2,191	18,937	**24,178**
Impairment loss amortization	(3,420)	(2,966)	(10,498)	**(16,884)**
As of December 31, 2024	**316,613**	**53,717**	**182,406**	**552,736**

	Consolidated			
	Tax and social security	Labor	Civil	Total
As of December 31, 2022	**433,091**	**62,922**	**176,555**	**672,568**
Provision	27,022	20,180	50,811	**98,013**
Reversal	(19,305)	(25,153)	(24,718)	**(69,176)**
Transfer for payment	(7,944)	-	-	**(7,944)**
Monetary adjustment, net of reversals	153	5,174	-	**5,327**
Impairment loss amortization	(66,253)	(2,437)	(25,813)	**(94,503)**
As of December 31, 2023	**366,764**	**60,686**	**176,835**	**604,285**

(b) Escrow deposits

Localiza and its subsidiaries maintain escrow deposits linked to contingent lawsuits as follows:

	Individual		Consolidated	
	12/31/24	12/31/23	12/31/24	12/31/23
Tax and social security	68,224	69,699	196,134	188,735
Labor	16,741	32,108	22,341	45,827
Civil	18,894	24,110	22,763	30,880
Total	**103,859**	**125,917**	**241,238**	**265,442**

(c) Contingent liabilities classified as probable losses – provision recorded

The summary of the main cases with the administrative and legal courts, on December 31, 2024 and 2023, is as follows:

	Individual							
	12/31/24				12/31/23			
	Number of lawsuits	Accrued amount	Escrow deposits	Bank guarantee / warranty insurance	Number of lawsuits	Accrued amount	Escrow deposits	Bank guarantee / warranty insurance
Tax and social security	19	17,269	1,639	139,845	23	42,156	4,361	79,614
Labor	362	31,367	6,368	15,907	334	31,100	27,738	22,345
Civil	2,026	72,477	5,126	2,356	2,125	68,375	19,889	-
Total	**2,407**	**121,113**	**13,133**	**158,108**	**2,482**	**141,631**	**51,988**	**101,959**

	Consolidated							
	12/31/24				12/31/23			
	Number of lawsuits	Accrued amount	Escrow deposits	Bank guarantee / warranty insurance	Number of lawsuits	Accrued amount	Escrow deposit linked	Bank guarantee / warranty insurance
Tax and social security	245	316,613	44,566	139,845	292	366,764	57,411	79,709
Labor	558	53,717	7,497	23,341	709	60,686	38,501	28,759
Civil	2,684	182,406	5,168	2,590	4,159	176,835	23,649	164
Total	**3.487**	**552,736**	**57,231**	**165,776**	**5,160**	**604,285**	**119,561**	**108,632**

- **Tax and social security**

The Company has no material contingencies related to tax uncertainties regarding income taxes. Localiza and its subsidiaries are party to tax and social security lawsuits that primarily address the following:

ICMS

Lawsuits related to ICMS that refer to the tax requirement on the sale of fixed assets (vehicles decommissioned for fleet renewal).

On July 7, 2006, the National Finance Policy Council (CONFAZ) issued ICMS Agreement 64/06, which established the incidence of ICMS on the sale of vehicles within a period of less than 12 months from the acquisition. This Agreement was ratified by the States of the Federation, except São Paulo, which issued Decision CAT No. 02/06, with the same regulations. The Federal Supreme Court, when ruling on Extraordinary Appeal No. 1025986 under the general repercussion system, deemed the incidence of ICMS on the sale of vehicles with less than 12 months from the date of acquisition from the manufacturer, carried out by car rental companies, to be constitutional.

In 2020, based on this ruling, Management under the advice of the Company’s legal counsel classified the likelihood of loss in the lawsuits challenging the requirement of ICMS on sales made within less than 12 months as probable. Thus, a provision was recognized, which, as of December 31, 2024, amounts to BRL 11,921 in Individual and BRL 24,582 in Consolidated (BRL 24,504 in Individual and BRL 42,453 in Consolidated as of December 31, 2023).

PIS and COFINS

There are decisions handed down by the STJ establishing that revenues earned from leasing operations of movable property, under Supplementary Law No. 70/91, are considered billings for purposes of PIS and COFINS. In September 2010, the Federal Government initiated a Tax Enforcement action to collect amounts based on this discussion, against subsidiary Locamerica Rent a Car S.A., which was merged in 2023. Escrow deposits were made to suspend the enforceability of the credits and allow for the filing of objections. Due to the jurisprudential context involving this thesis and the decisions made during the proceedings, Management under the advice of the Company’s legal counsel classifies the lawsuit as being a probable loss, carrying a provision of BRL 24,201 as of December 31, 2024, in Consolidated (BRL 23,112 as of December 31, 2023).

- **Labor**

Localiza and its subsidiaries are party to labor lawsuits mainly related to overtime payments and moral damages, and secondary obligor relationships for self-employed service providers, contractors or similar. There is no uniformity in judge decisions on these matters.

- **Civil**

Localiza and its subsidiaries are party to civil proceedings related to: (i) indemnity claims arising from damages caused to third parties in traffic accidents by customers of the Company (although it is not responsible for the accidents, the Company is often sued for being the owner of the vehicle); and (ii) claims arising from consumerist relationships. Localiza and its subsidiaries record a provision for indemnities to third parties, resulting from accidents caused by rented cars, in amounts exceeding the limits contracted through the insurance company as estimated by Management under the advice of the Company’s legal counsel.

(in BRL thousand, unless otherwise stated)

(d) Contingent liabilities classified as possible loss – not provisioned

Lawsuits classified as being of possible risk of loss by Management, under the advice of legal counsel, include civil, labor and tax in nature for which there are no provisions. The summary of possible causes as of December 31, 2024, and 2023 is presented below:

	Individual							
	12/31/24				12/31/23			
	Number of lawsuits	Discussed amount	Escrow deposits	Bank guarantee / warranty insurance	Number of lawsuits	Discussed amount	Escrow deposit	Bank guarantee / warranty insurance
Tax and social security	477	1,358,239	66,585	416,246	478	1,202,157	65,338	348,469
Labor	1,011	132,036	10,373	9,324	759	109,418	4,370	4,296
Civil	3,530	250,932	13,768	6,792	2,014	169,219	4,221	-
Total	**5,018**	**1,741,207**	**90,726**	**432,362**	**3,251**	**1,480,794**	**73,929**	**352,765**

	Consolidated							
	12/31/24				12/31/23			
	Number of lawsuits	Discussed amount	Escrow deposits	Bank guarantee / warranty insurance	Number of lawsuits	Discussed amount	Escrow deposit	Bank guarantee / warranty insurance
Tax and social security	1,078	1,926,748	151,568	536,391	1,122	1,867,482	131,324	473,485
Labor	1,246	181,069	14,844	11,623	959	140,759	7,326	4,600
Civil	5,122	433,584	17,595	9,610	3,710	309,994	7,231	2,043
Total	**7,446**	**2,541,401**	**184,007**	**557,624**	**5,791**	**2,318,235**	**145,881**	**480,128**

- **Social Integration Program (PIS)/Social Contribution on Revenues (COFINS)**

Localiza and its subsidiaries are involved in discussions regarding the crediting of PIS/COFINS related to the acquisition of goods and services used as inputs in their operations, in accordance with Article 3, II, of Laws No. 10,637/2002 and No. 10,833/2003. In addition, they are discussing the credits for expenses related to software maintenance, vehicle insurance, advertising, maintenance, intercompany subleasing, and commissions paid to agencies.

The Company and its subsidiaries also defend the right to claim PIS/COFINS credits related to the depreciation of vehicles used for rental, based on Article 3, VI, and Article 15 of Law No. 10,833/03, using the fraction of 1/48 per month, in place of the general rule of 1/60 per month, considering the full amount of the credits. Taking into consideration the context of the lawsuits involving the subject and the jurisprudential scenario, the legal advisors assess the loss of the lawsuits as possible. The Company and its subsidiaries estimate that the updated contingency amount as of December 31, 2024, is BRL 184,608 in Individual and BRL 491,990 in Consolidated (BRL 158,606 in Individual and BRL 608,243 in Consolidated as of December 31, 2023). Furthermore, the Company and its subsidiaries are pursuing legal action, based on the established case law of the Superior Court of Justice (STJ) and the Supreme Federal Court (STF), to secure the recognized right to appropriate PIS and COFINS credits corresponding to the amounts incurred with non-recoverable Tax on Industrialized Products (IPI). This claim arises from Normative Instruction No. 2,121/22 (as amended by Normative Instruction 2,152/2023) which conflicts with the principles of tax legality, non-cumulatively, and equality, while also disregarding the fact that, for end consumers, non-recoverable IPI effectively becomes part of the transaction value of the acquired goods, both from an accounting and tax perspective. Management under the advice of the Company's legal counsel classified the loss as possible. The Company and its subsidiaries estimate that the updated value of the contingency as of December 31, 2024, is BRL 60,342 in Individual and BRL 116,157 in Consolidated (BRL 16,705 in Individual and BRL 36,419 in Consolidated as of December 31, 2023).

- **ICMS**

The Company and its subsidiaries are in dispute regarding: (i) charges made by States where the Company already has a final judgment decision, considering the ICMS requirement on sales under 12 months unconstitutional, not affected by the general repercussion decisions in Themes 881 and 885 of the STF, which established the limits of *res judicata* in tax matters; (ii) charges related to sales over 12 months; (iii) calculations of penalties resulting from the disregard of the right to credit the tax paid on the acquisition of goods, as provided in Agreement 64/06; (iv) mixed cases, where the Company was unable to segregate sales made under and over 12 months; and (v) charges of ICMS and fines where the discussion does not involve vehicle sales.

These discussions involve, as of December 31, 2024, the amount of BRL 540,624 in Individual and BRL 696,529 in Consolidated (BRL 490,028 and BRL 630,386 in Individual and Consolidated, respectively, as of December 31, 2023). The chances of loss remain possible as classified by Management under the advice of the Company's legal counsel, and no provision has been made for these issues.

- **Vehicle Ownership Tax (IPVA)**

The Company and its subsidiaries are party to several administrative and judicial proceedings in which the IPVA requirement by the State of São Paulo is discussed, based on State Law No. 13.296/08, regarding the vehicles they own and which are eventually made available for lease in the federative entity. The Company and its subsidiaries involved in such discussions are tax domiciled in Belo Horizonte/MG, paying IPVA to the State of Minas Gerais, in line with the understanding of the STF signed in the judgment of Theme 708 of the General Repercussion. No provision is set up to address these issues as Management under the advice of the Company's legal counsel classified loss as possible, based on the legal and constitutional provisions that govern IPVA (articles 155, III and 158, III, of the CF/88 and articles 120 of the CTB, 75, IV and § 1 of the Civil Code, 110 and 127 of the CTN). The Company and its subsidiaries estimate a total contingency of BRL 80,586 in Individual and BRL 157,876 in Consolidated as of December 31, 2024 (BRL 67,833 and BRL 133,267 in Individual and Consolidated, respectively, as of December 31, 2023).

21. TAXES ON INCOME – INCOME TAX AND SOCIAL CONTRIBUTION

(a) Deferred income tax and social contribution – assets and liabilities

The Company and its subsidiaries record tax assets for deferred income tax and social contribution on temporary differences between the asset and liability balances in the financial statements and their corresponding tax bases, used to determine taxable income of each period, as well as on income tax and social contribution loss carryforwards, when applicable. The recovery of the balance of deferred tax assets is reviewed at the end of each year and, when it is no longer likely that future taxable income will be available to allow the recovery of all or part of the asset, the balance of the asset is adjusted by the amount that is expected to be recovered.

Subsidiaries that calculate income tax and social contribution based on presumed profit regime do not constitute deferred tax assets during the period in which they are taxed under this regime. For the purpose of financial statements, assets and liabilities are presented on a net basis per company.

(in BRL thousand, unless otherwise stated)

The deferred income tax and social contribution balance is as follows:

	Individual		Consolidated	
	12/31/24	**12/31/23**	**12/31/24**	**12/31/23**
Judicial and other provisions	39,822	47,162	76,794	88,664
Allowance for doubtful debts	51,702	38,539	154,749	115,737
Provision for payment of services in progress and other	177,090	118,008	260,680	195,945
Tax loss and social contribution carryforwards	2,991,235	1,620,301	5,237,597	3,670,986
Fair value increment on property and equipment	173,862	184,799	173,862	184,799
Fair value increment on intangible assets	5,713	3,428	5,713	3,428
Fair value increment on assets held for sale	42,027	42,027	42,027	42,027
Derivative financial instruments	12,143	6,902	19,997	49,701
Lease	526,625	477,892	598,710	526,232
Other	-	-	102	-
Total deferred income tax and social contribution – assets	**4,020,219**	**2,539,058**	**6,570,231**	**4,877,519**
Vehicle depreciation (a)	(2,657,284)	(2,104,026)	(6,762,994)	(5,819,196)
Derivative financial instruments	(501,840)	(41,267)	(589,484)	(131,116)
Goodwill tax amortization	(7,506)	-	(110,569)	(52,401)
Capital gains and losses – acquisitions by investees	-	-	(11,237)	(15,164)
Impairment loss from contingencies	(31,286)	(25,774)	(31,286)	(25,774)
Lease	(460,648)	(427,944)	(525,926)	(469,814)
Other	-	-	(29,167)	(26,431)
Total deferred income tax and social contribution – liabilities	**(3,658,564)**	**(2,599,011)**	**(8,060,663)**	**(6,539,896)**
Total deferred income tax and social contribution, net	**361,655**	**(59,953)**	**(1,490,432)**	**(1,662,377)**
Non-current assets	**361,655**	**-**	**457,490**	**38,208**
Non-current liabilities	**-**	**(59,953)**	**(1,947,922)**	**(1,700,585)**

(a) 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 vehicle depreciation expenses for tax purposes in accordance with the criteria established by Law 4,506/64, combined with the annual rates set forth in Normative Instruction 1,700/17, or based on a technical report (Note 8).

As of December 31, 2024, the Company and its subsidiaries have a tax asset balance on tax losses and social contribution carryforwards of BRL 2,991,235 in Individual and BRL 5,237,597 in Consolidated (BRL 1,620,301 and BRL 3,670,986, respectively, on December 31, 2023), based on the expectation of generating future taxable income. The right of offset does not prescribe but is limited to 30% of annual taxable income, pursuant to current legislation.

Annually, the Company reviews the recoverability of the balances of deferred assets. This assessment is supported by a technical report prepared by specialists in evaluating the projection of future taxable profits, allowing for an estimate of the recoverability of these deferred assets. The deferred tax asset in Individual and Consolidated has the following estimated realization period:

	Individual	**Consolidated**
2025	396,126	1,002,548
2026	135,089	700,767
2027	250,262	953,947
2028 onwards	3,238,742	3,912,969
Total	**4,020,219**	**6,570,231**

(in BRL thousand, unless otherwise stated)

The balance of deferred tax is as follows:

	Individual							
Assets and liabilities of deferred taxes:	**Provisions**	**Tax loss and carryforwards**	**Gains and losses**	**Derivative instruments**	**Vehicle depreciation**	**Lease**	**Goodwill tax amortization**	**Total**
As of December 31, 2023	**203,709**	**1,620,301**	**204,480**	**(34,365)**	**(2,104,026)**	**49,948**	**-**	**(59,953)**
Credited (debited) to the statement of income	64,905	1,370,934	(14,164)	(64,795)	(553,258)	16,029	(7,506)	**812,145**
Credited (debited) to other comprehensive income	-	-	-	(390,537)	-	-	-	**(390,537)**
As of December 31, 2024	**268,614**	**2,991,235**	**190,316**	**(489,697)**	**(2,657,284)**	**65,977**	**(7,506)**	**361,655**
As of December 31, 2022	**151,308**	**1,439,186**	**129,983**	**(38,486)**	**(2,550,063)**	**35,845**	-	**(832,227)**
Credited (debited) to the statement of income	52,401	183,806	74,497	(29,992)	446,037	14,103	-	**740,852**
Credited (debited) to other comprehensive income	-	-	-	34,113	-	-	-	**34,113**
Offsets by tax losses (a)	-	(2,691)	-	-	-	-	-	**(2,691)**
As of December 31, 2023	**203,709**	**1,620,301**	**204,480**	**(34,365)**	**(2,104,026)**	**49,948**	**-**	**(59,953)**

	Consolidated								
Assets and liabilities of deferred taxes:	**Provisions**	**Tax loss and carryforwards**	**Gains and losses**	**Derivative instruments**	**Vehicle depreciation**	**Lease**	**Goodwill tax amortization**	**Other**	**Total**
As of December 31, 2023	**400,346**	**3,670,986**	**189,316**	**(81,415)**	**(5,819,196)**	**56,418**	**(52,401)**	**(26,431)**	**(1,662,377)**
Credited (debited) to the statement of income	91,745	1,565,911	(10,237)	10,052	(943,422)	16,078	(58,168)	(2,634)	**669,325**
Credited (debited) to other comprehensive income	-	-	-	(498,124)	-	-	-	-	**(498,124)**
Exchange variation of investees located abroad	132	700	-	-	(376)	288	-	-	**744**
As of December 31, 2024	**492,223**	**5,237,597**	**179,079**	**(569,487)**	**(6,762,994)**	**72,784**	**(110,569)**	**(29,065)**	**(1,490,432)**
As of December 31, 2022	**332,776**	**2,325,080**	**110,915**	**(108,446)**	**(4,596,360)**	**42,231**	**(52,007)**	**(42,075)**	**(1,987,886)**
Credited (debited) to the statement of income	67,552	1,369,846	78,401	(78,715)	(1,222,824)	14,181	(394)	15,787	**243,834**
Credited (debited) to other comprehensive income	-	-	-	105,746	-	-	-	-	**105,746**
Payments using tax losses (a)	-	(24,071)	-	-	-	-	-	-	**(24,071)**
Exchange variation of investees located abroad	18	131	-	-	(12)	6	-	-	**143**
Other	-	-	-	-	-	-	-	(143)	**(143)**
As of December 31, 2023	**400,346**	**3,670,986**	**189,316**	**(81,415)**	**(5,819,196)**	**56,418**	**(52,401)**	**(26,431)**	**(1,662,377)**

(a) Refer to the settlement of certain tax contingencies included in the Program for Reduction of Tax Litigation (Zero Litigation, "Litígio Zero"), a tax regularization program allowing for renegotiating tax obligations with the 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 small value administrative litigation or registered overdue debt with the Federal Government.

(in BRL thousand, unless otherwise stated)

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

The Company and its subsidiaries calculate the provision for income tax and social contribution based on taxable income for the year. Taxable income differs from profit presented in the statement of income because it excludes temporary taxable or deductible income or expenses, as well as permanently excluding non-taxable or non-deductible items, pursuant to current legislation. The provision for income tax and social contribution is calculated individually by each company on either actual taxable income or presumed profit regime, at the current rates.

The reconciliation from the statutory to effective rates for the years ended December 31, 2024 and 2023, is as follows:

	Individual		Consolidated	
	2024	**2023**	**2024**	**2023**
Profit before income taxes	999,526	1,162,445	1,866,538	1,874,201
Statutory rate	34%	34%	34%	34%
Expense at nominal rate	**(339,839)**	**(395,231)**	**(634,623)**	**(637,228)**
Adjustments to reconcile:				
Equity in results of investees	593,420	480,678	-	(146)
Benefit from payment of interest on equity	570,452	532,099	570,452	532,099
Write-off of tax loss and carryforwards	-	-	-	(37,808)
Income tax and social contribution due by subsidiaries (presumed profit regime)	-	-	1,314	11,309
Other, net	(9,932)	25,575	9,629	60,663
Income tax and social contribution	**814,101**	**643,121**	**(53,228)**	**(71,111)**
Current income tax and social contribution	**1,956**	**(97,731)**	**(722,553)**	**(314,945)**
Deferred income tax and social contribution	**812,145**	**740,852**	**669,325**	**243,834**
Effective rate	**-81%**	**-55%**	**3%**	**4%**

22. EQUITY

(a) Capital

On December 31, 2024, the Company's share capital was BRL 17,908,250, composed of 1,082,620,720 common shares (BRL 17,376,899, divided into 1,068,095,319 common shares on December 31, 2023).

(i) Capital Increase

At a meeting of the Board of Directors held on March 11, 2024, a capital increase was approved, with the subscription and full payment of 3,794,539 shares, at an issuance price of BRL 45.35 per share, totaling BRL 172,082. As a result, capital increased from BRL 17,376,899 to BRL 17,548,981.

At a meeting of the Board of Directors held on September 16, 2024, the capital increase was approved, with the subscription and full payment of 10,730,862 shares, at an issuance price of BRL 33.48 per share, totaling BRL 359,269. As a result, capital increased from BRL 17,548,981 to BRL 17,908,250.

(ii) Authorized Capital

Pursuant to article 6 of the Bylaws, approved at the Annual General Meeting held on April 30, 2024, the Company is authorized to increase its capital up to 2,000,000,000 registered common shares, without seeking prior amendment to the bylaws; therefore, an additional 917,379,280 registered common shares can be issued.

(in BRL thousand, unless otherwise stated)

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

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program from the date of approval by the CVM on May 22, 2012, and the beginning of trading on June 5, 2012. The Company has 1,833,744 ADRs in the United States as of December 31, 2024 (4,440,187 ADRs as of December 31, 2023). Each ADR corresponds to one share of the Company.

(b) Treasury shares

Treasury shares are own equity instruments repurchased by the Company and recorded at cost, presented in equity. Transaction costs incurred in the purchase of shares issued by Localiza are added to the value of these shares. No gain or loss is recognized in the statement of income on the purchase or sale of such shares. Shares are purchased to be held in treasury and for subsequent sale, without reducing capital, and/or to settle long-term incentive plans, when they are exercised.

Changes in treasury shares is shown below:

	Amount	Number of shares	Average unit price (in BRL)
As of December 31, 2022	**144,557**	**5,597,184**	**25.83**
Exercise of long-term incentive programs	(12,012)	(465,042)	25.83
Repurchase of shares	314,680	5,398,314	58.29
As of December 31, 2023	**447,225**	**10,530,456**	**42.47**
Exercise of long-term incentive programs	(32,581)	(779,408)	41.80
Sold to employees eligible to the Matching Program	(2,277)	(54,416)	41.84
Repurchase of shares	795,635	19,172,900	41.50
As of December 31, 2024	**1,208,002**	**28,869,532**	**41.84**

On December 31, 2024, the market value of treasury shares was BRL 929,599 (quoted at BRL 32.20 per share).

(i) Exercise of long-term incentive programs

The treasury shares used for the exercise of the Stock Option Programs are shown in Note 22(c)(ii).

(ii) Sold to employees eligible to the Matching Program

In 2024, 54,416 treasury shares were sold at BRL 2,277 to employees eligible for the 2nd Stock Option and Matching Stock Plan, which was approved at the Extraordinary General Meeting held on April 26, 2022. The premium generated on the sale of these shares was BRL 391 in 2024. In 2023, there were no sales of treasury shares.

(in BRL thousand, unless otherwise stated)

(iii) Repurchase of shares

During the years ended December 31, 2024 and 2023, the following Localiza share repurchase programs were in effect:

Share Buyback Program	Approved by the Board of Directors	Repurchase period	Maximum authorized quantity
14th	06/27/22	07/23/22 to 07/22/23	50,000,000
15th	07/20/23	07/23/23 to 07/22/24	70,000,000
16th	07/19/24	07/23/24 to 01/19/26	87,000,000

As of December 31, 2024 and 2023, shares issued by the Company were acquired, as shown below:

2024

Repurchase Program	Period	Number of shares	Amount	Average cost (*)
16th	08/14/2024	7,500,000	300,094	40.01
16th	08/16/2024	425,000	18,056	42.48
16th	08/22/2024	4,240,000	179,710	42.38
16th	10/21/2024	772,300	32,822	42.50
16th	10/22/2024	1,242,200	52,581	42.33
16th	10/23/2024	2,150,000	91,141	42.39
16th	10/24/2024	743,400	31,793	42.77
16th	10/25/2024	2,100,000	89,438	42.59
		19,172,900	**795,635**	41.50

2023

Repurchase Program	Period	Number of shares	Amount	Average cost (*)
15th	09/25/2023	398,314	23,254	58.38
15th	10/02/2023	150,000	8,544	56.96
15th	10/03/2023	4,850,000	282,882	58.33
		5,398,314	**314,680**	58.29

(*) The average cost of acquiring treasury shares includes negotiation costs.

The repurchase program aims to maximize the generation of value for shareholders or settle the share purchase programs within the scope of the Company's long-term incentive plans.

(c) Capital reserve

(i) Stock options granted

Reserve allocated for the recognition of long-term incentive plans, duly approved, which grant options to purchase Localiza stock options or shares to certain executives and eligible employees. The purpose of these plans is to attract, motivate and retain these officers and employees, as well as align their interests with those of the Company and its shareholders.

Currently, the long-term incentive plans maintained by the Company are the following:

- **4th Stock Option Plan ("4th Option Plan", comprising the Programs from 2017 to 2022):** Approved at the Extraordinary General Meeting held on July 12, 2017, the plan establishes the general conditions of long-term incentive through the grant of stock options issued by the Company, pursuant to Article 168, Paragraph 3 of Law 6,404/76, to certain officers, at the discretion of the Board of Directors. Adhesion to it is voluntary. For each invested share, the Company shall grant to the Participant three options. The program will have three tranches annually from the due date and the vesting period for those eligible to acquire the right to exercise is 1/3 of the options every 1 year and, at the end of 3 years, 100% of the options will be available for exercise and those eligible will have another three years to exercise.

- **5th Stock Option Plan:** Approved at the Extraordinary General Meeting held on April 26, 2022 and amended at the Extraordinary General Meeting on June 27, 2022, the plan establishes the general conditions of the long-term incentive through the granting of options to purchase shares issued by the Company, pursuant to Article 168, paragraph 3 of Law 6,404/76, to certain executives, at the discretion of the Board of Directors, whose adhesion is voluntary. The plan is valid for five years from the first grant. For each invested share, the Company shall grant to the Participant four options. The total grace period is at least three years, subject to all other conditions provided for in the plan, programs, and option contracts, and the options may become exercisable in stages over the grace period.

- **1st Stock Options and Matching Shares Plan ("1st Matching Plan", comprising the Programs from 2017 to 2022):** Approved at the Extraordinary General Meeting held on July 12, 2017, the plan sets the general terms and conditions for the long-term incentive plan by means of the purchase of stocks and matching stocks to certain executives, who will voluntarily adhere to the plan. The term "Matching Share" means the onerous right to receive one share on a certain future date, strictly in accordance with the terms and conditions established in the plan. The Company will sell to the participant, who shall purchase from it, in a commercial purchase and sale transaction, using the treasury shares, the number of shares equivalent to the number of share baskets acquired, and, for each share, the Company shall sell jointly to the participant two Matching Shares, if the requirements provided for in this plan are complied with. The program will have a single tranche from the due date, and the vesting period for the eligible person to acquire the right to exercise them is three years.

- **2nd Stock Option and Matching Stock Plan:** Approved at the Extraordinary General Meeting held on April 26, 2022 and amended at the Extraordinary General Meeting on June 27, 2022, the plan sets the general terms and conditions for the long-term incentive plan by means of the purchase of stocks and matching stocks to certain executives, who will voluntarily adhere to the plan. The plan is valid for five years from the first grant. The term "Matching Share" means the onerous right to receive one share on a certain future date, strictly in accordance with the terms and conditions established in the plan. The Company will sell to the participant, who shall purchase from it, in a commercial purchase and sale transaction, using the treasury shares, the number of shares equivalent to the number of share baskets acquired, and, for each share, the Company shall sell jointly to the participant three Matching Shares, if the requirements provided for in this plan are complied with. The total grace period is at least three years from the grant date, during which the participant must remain a manager or employee of the Company, subject to all other conditions provided for in the plan, programs and contracts of option, with the possibility of settling the matching shares in a phased manner over the grace period.

- **1st Deferred Shares Bonus Plan ("1st Deferred Plan", comprising the Programs from 2017 to 2022):** Approved at the Extraordinary General Meeting held on July 12, 2017, the plan sets the general terms and conditions for the long-term incentive plan by granting Deferred Shares issued by the Company to eligible employees. Each deferred share grants to its holder the right to receive one common share issued by the Company on a certain future date, strictly in accordance with the terms and conditions established in this plan, as a bonus (share bonus). The program will have a single tranche from the due date, and the vesting period for the eligible person to acquire the right to exercise them is three years.

- **2nd Deferred Shares Bonus Plan ("2nd Deferred Plan"):** Approved at the Extraordinary General Meeting held on April 26, 2022 and amended at the Extraordinary General Meeting on June 27, 2022, the plan sets the general terms and conditions for the long-term incentive plan by granting Deferred Shares issued by the Company to eligible employees. The plan is valid for five years from the first grant. Each deferred share grants to its holder the right to receive 1 common share issued by the Company on a certain future date, strictly in accordance with the terms and conditions established in this plan, as a bonus (share bonus). The total grace period is at least three years from the grant date, during which the participant must remain a manager or employee of the Company, subject to all other conditions provided for in the plan, programs and contracts of option, with the possibility of settling the shares in a phased manner over the grace period.

  Migration of Locamerica long-term incentive plans: Considering the Company's obligation, provided for in the Merger of Shares Agreement entered into within the scope of the operation with Locamerica, the Board of Directors approved, at a meeting held on September 23, 2022: (a) the 1st Deferred Shares Bonus Program; (b) the Company's 2nd Deferred Shares Bonus Program; (c) the Company's 3rd Deferred Shares Bonus Program; and (d) the Cash Settlement Share-Based Payment Program – Virtual Shares of the Company. The approvals above occurred in the context of the merger of shares issued by Locamerica by the Company on July 1, 2022, so that the plans for granting restricted and matching shares of Locamerica was cancelled, which is why the participants of these plans now have their incentives replaced by economically equivalent incentives granted by the Company. The programs above aim to substantially preserve the same economic parameters as those included in the grants made to their respective participants under the Cancelled Plans of Locamerica.

- **Special Retention and Alignment Plan for the Creation of a Shareholder Reference Administrator:** At the Ordinary and Extraordinary Shareholders' Meeting held on April 27, 2021, the Special Retention and Alignment Plan for the Creation of a Reference Shareholder Administrator was approved. The plan provides for the granting of up to 2.5% of the total number of shares issued by the Company on December 31, 2020, corresponding to 18,961,666.75 shares, which may be adjusted as defined in the plan. The plan is valid for 20 years, with the possibility of annual grants, to a select group of managers selected and appointed by the Board of Directors as "Reference Shareholder Managers". The group will align with the principles of the Founders and investors through the long-term goals. The vesting period is 10 years from each grant.

- **Share-based Payment Program with cash settlement – Virtual Shares:** The Stock-based Payment Program with Cash Settlement – Virtual Shares was approved at a meeting of the Company's Board of Directors held on September 23, 2022. It involves the granting of virtual shares that entitle eligible members to receive a prize calculated based on the reference value of the Company's shares (B3: RENT3) at the end of the vesting period. It is a condition to participate in the program to be a beneficiary of incentive plans discontinued by Locamerica, so that, due to the Merger of Shares and the cancellation of all restricted shares granted to the Participant, the Participant became entitled to receive an incentive, by Localiza, under the same economic conditions as the incentive previously held by the Participant under Locamerica's Restricted Shares Plan.

The costs of the plans for the Company are measured at fair value on their grant date and estimated based on the Black & Scholes model applied to each of the tranches of each of the programs separately. The number of options granted is adjusted based on the expected turnover, since if the beneficiary leaves the Company or its subsidiaries before the vesting period, they lose the right to exercise the options. This expectation is reviewed to reflect changes that may occur during the term of the plans.

For all share and option plans, the Company recognizes costs on a straight-line basis during the vesting period, from the grant date to the date on which the employee has the right to receive the share or exercise the option, with a corresponding increase in (i) equity, under the line item "Stock options granted recognized", in "capital reserves", and (ii) in the statement of income, under "costs", "selling expenses", and "general, administrative and other expenses", according to the position of the employees.

For the stock-based payment plan - Virtual shares, the Company recognizes costs based on the variation in the Company's share value at each reporting period, until the settlement date, with a corresponding increase (i) in the liability, under "social and labor obligations"; and (ii) in the statement of income, allocated to "costs", "selling expenses", and 'general, administrative, and other expenses", according to the position of the employees.

(in BRL thousand, unless otherwise stated)

The long-term incentive plans outstanding on December 31, 2024, considering the bonuses/splits that occurred in previous years, have the following characteristics:

Plan	Program	Number of eligible participants	Number of options granted	Number of annual tranches	Number of options by tranche	Exercise year of 1st tranche	Limit date for exercise of options
4th Options Plan	2022	48	259,137	3	86,379	2023	May/28
	2021	41	205,740	3	68,580	2022	May/27
	2020	42	365,094	3	121,698	2021	May/26
	2019	25	228,614	3	76,205	2020	May/25
	2018	23	368,086	3	122,695	2019	May/24
5th Options Plan	2023	51	175,920	3	58,640	2024	May/29
1st Matching Plan	2022	51	174,988	1	174,988	2025	May/25
	2021	44	136,474	1	136,474	2024	May/24
	2020	44	250,192	1	250,192	2023	May/23
2nd Matching Plan	2024	62	469,219	2	234,610	2027	May/28
	2023	53	119,882	1	119,882	2026	May/26
1st Deferred Plan	2022	78	423,393	1	423,393	2025	May/25
	2021	54	282,360	1	282,360	2024	May/24
	2020	8	195,896	1	195,896	2023	May/23
2nd Deferred Plan	2024	57	453,593	(a)	(a)	2027	May/28
	2023	73	473,207	(b)	(b)	2026	May/29
	2022	45	1,167,001	(c)	(d)	2022	Apr/28
Reference Shareholder	2024	3	6,526,615	4	(e)	2027	May/34
	2021	2	3,220,610	4	(e)	2024	May/31

(a) The shares will be exercised in two formats: 1st – 50% after 3 years and 50% after 4 years; 2nd – 100% after 4 years.
(b) The shares will be exercised in two tranches, with different quantities, according to their vesting period.
(c) Comprises of three programs – the 1st deferred program has 5 annual tranches, the 2nd program has 2 tranches, the first for 4 years and the second after 6 years from the grant date, and the 3rd single tranche program has 4 years after the grant date.
(d) Original vesting of the long-term incentive plans of Locamerica, pursuant to the Merger of Shares Agreement.
(e) The shares will be exercised in 4 tranches, as follows: 10% after 3 years; 15% after 5 years; 20% after 7 years and 55% after 10 years.

(in BRL thousand, unless otherwise stated)

Changes, in number of eligible shares, in long-term incentive plans and their respective programs until the end of the reporting periods, are as follows:

		12/31/23		Grants		Cancellations		Exercises		12/31/24	
Plan	Program	Eligible	Shares/options	Eligible	Granted	Eligible	Cancelled	Eligible	Exercised	Eligible	Shares/options
4th Options Plan	2018	8	79,347	-	-	-	-	(8)	(79,347)	-	-
	2019	14	158,407	-	-	-	-	-	-	14	158,407
	2020	27	287,075	-	-	(1)	(2,330)	(1)	(660)	25	284,085
	2021	34	185,521	-	-	(1)	(2,460)	-	-	33	183,061
	2022	40	217,787	-	-	(2)	(4,949)	-	(1,084)	38	211,754
5th Options Plan	2023	50	173,817	-	-	(4)	(8,121)	-	-	46	165,696
1st Matching Plan	2021	37	124,310	-	-	(1)	(33,860)	(36)	(90,450)	-	-
	2022	44	152,352	-	-	(2)	(4,270)	-	-	42	148,082
2nd Matching Plan	2023	52	118,480	-	-	(4)	(5,216)	-	-	48	113,264
	2024	-	-	62	469,219	(2)	(4,530)	-	-	60	464,689
1st Deferred Plan	2021	46	270,388	-	-	(2)	(75,520)	(44)	(194,868)	-	-
	2022	68	378,610	-	-	(7)	(26,038)	-	-	61	352,572
2nd Deferred Plan	2019	2	68,460	-	-	-	(5,340)	(1)	(14,079)	1	49,041
	2020	5	231,447	-	-	-	(44,738)	(2)	(108,239)	3	78,470
	2021	20	245,210	-	-	(8)	(56,598)	-	(27,445)	12	161,167
	2022	6	354,214	-	-	-	(10,051)	-	(1,101)	6	343,062
	2023	73	473,207	-	-	(5)	(17,224)	-	(16,152)	68	439.831
	2024	-	-	57	453,593		(19,060)	-	(12,488)	57	422,045
Reference Shareholders	2021	2	3,220,610	-	-	-	(88,565)	-	(233,495)	2	2.898.550
	2024	-	-	3	6,526,615	-	-	-	-	3	6,526,615
Total		528	6,739,242	122	7,449,427	(39)	(408,870)	(92)	(779,408)	519	13,000,391

(in BRL thousand, unless otherwise stated)

		12/31/22		Grants		Cancellations		Exercises		12/31/23	
Plan	**Program**	**Eligible**	**Shares/options**	**Eligible**	**Granted**	**Eligible**	**Cancelled**	**Eligible**	**Exercised**	**Eligible**	**Shares/options**
4th Options Plan	**2017**	**8**	**44,675**	-	-	-	-	(8)	(44,675)	**-**	**-**
	2018	**10**	**86,561**	-	-	-	-	(2)	(7,214)	**8**	**79,347**
	2019	**18**	**169,493**	-	-	-	-	(4)	(11,086)	**14**	**158,407**
	2020	**38**	**312,669**	-	-	(2)	(5,733)	(9)	(19,861)	**27**	**287,075**
	2021	**37**	**194,031**	-	-	(3)	(4,135)	-	(4,375)	**34**	**185,521**
	2022	**43**	**231,360**	-	-	(3)	(8,407)	-	(5,166)	**40**	**217,787**
5th Options Plan	**2023**	**-**	**-**	51	175,920	(1)	(2,103)	-	-	**50**	**173,817**
1st Matching Plan	**2020**	**40**	**229,312**	**-**	**-**	-	(63,079)	(40)	(166,233)	**-**	**-**
	2021	**40**	**128,850**	**-**	**-**	(3)	(4,540)	-	-	**37**	**124,310**
	2022	**47**	**159,234**	**-**	**-**	(3)	(6,882)	-	-	**44**	**152,352**
2nd Matching Plan	**2023**	**-**	**-**	53	119,882	(1)	(1,402)	-	-	**52**	**118,480**
1st Deferred Plan	**2020**	**7**	**185,431**	**-**	**-**	-	(50,997)	(7)	(134,434)	**-**	**-**
	2021	**52**	**278,603**	**-**	**-**	(6)	(8,215)	-	-	**46**	**270,388**
	2022	**75**	**400,024**	**-**	**-**	(7)	(21,414)	-	-	**68**	**378,610**
2nd Deferred Plan	**2019**	**2**	**136,919**	-	-	-	(18,826)	-	(49,633)	**2**	**68,460**
	2020	**5**	**231,447**	-	-	-	-	-	-	**5**	**231,447**
	2021	**25**	**309,072**	-	-	(5)	(42,598)	-	(21,264)	**20**	**245,210**
	2022	**10**	**360,999**	-	-	(4)	(5,684)	-	(1,101)	**6**	**354,214**
	2023	**-**	**-**	73	473,207	-	-	-	-	**73**	**473,207**
Reference Shareholders	**2021**	**2**	**3,220,610**	-	-	-	-	-	-	**2**	**3,220,610**
Total		**459**	**6,679,290**	**177**	**769,009**	**(38)**	**(244,015)**	**(70)**	**(465,042)**	**528**	**6,739,242**

(in BRL thousand, unless otherwise stated)

As of December 31, 2024, the following weighted average assumptions were used to calculate the fair value of each tranche of the outstanding share programs and stock option plans, based on the Black & Scholes model:

Plan	Program	Exercise price (a)	Risk-free rate per tranche	Expected annualized volatility (b)	Expected dividends	Maximum duration of the plan (in years)	Option fair value on grant date (BRL/share)
4th Options Plan	2022	53.76	12.37%	52.43%	0.45%	3.0	17.83
	2021	65.88	6.57%	52.68%	0.46%	3.0	19.29
	2020	42.31	4.01%	48.78%	0.48%	3.0	7.84
	2019	26.37	7.18%	35.05%	0.49%	3.0	13.25
	2018	19.44	7.11%	35.13%	0.51%	3.0	7.70
5th Options Plan	2023	57.91	12.13%	40.79%	0.46%	3.0	16.48
1st Matching Plan	2022	-	11.93%	52.43%	-	3.0	51.47
	2021	-	7.41%	52.68%	-	3.0	62.74
	2020	-	5.09%	48.78%	-	3.0	35.20
2nd Matching Plan	2024	-	10.94%	33.42%	-	4.0	49.03
	2023	-	11.75%	40.79%	-	3.0	55.79
1st Deferred Plan	2022	-	11.93%	52.43%	-	3.0	51.47
	2021	-	7.41%	52.68%	-	3.0	62.74
	2020	-	5.09%	48.78%	-	3.0	35.20
2nd Deferred Plan	2024	-	10.94%	33.42%	-	4.0	49.03
	2023	-	12.14%	40.79%	-	6.0	55.79
	2022	-	7.40%	52.61%	-	6.0	61.09
Reference Shareholders	2024	-	-	33.42%	-	10.0	49.03
	2021	-	-	52.68%	-	10.0	62.74

(a) The value of the share to be acquired by participants by exercising the option was calculated based on the average price of RENT3 shares, weighted by the volume traded at the close of the last 40 trading sessions on B3 prior to the profit-sharing payment date.
(b) Volatility based on the share history of the last three years prior to the grant date.

(in BRL thousand, unless otherwise stated)

In 2024, the cost arising from these Programs was BRL 96,720 in Individual and BRL 104,528 in Consolidated (BRL 57,836 in Individual and BRL 64,173 in Consolidated in 2023).

Considering that the Company holds treasury shares sufficient for the exercise of long-term incentive plans with shares, there would be no dilution of the share capital.

(ii) Shares and options exercised in 2024

The weighted average exercise price of the shares exercised in 2024, as well as the weighted average market value of Localiza shares on the exercise date, including the effects of bonus issues, were as follows:

Plan	Program	Number of options exercised	Fair value (in BRL)	Weighted average exercise price (in BRL)	Weighted average market price (in BRL)
4th Options Plan	2018	79,347	7.70	19.44	50.62
	2020	660	7.84	42.31	60.63
	2022	1,084	17.83	53.76	60.63
1st Matching Plan	2021	90,450	62.74	62.74	47.86
1st Deferred Plan	2021	194,868	62.74	62.74	47.88
2nd Deferred Plan	2019	14,079	61.09	61.09	36.71
	2020	108,239	61.09	61.09	41.56
	2021	27,445	61.09	61.09	45.64
	2022	1,101	61.09	61.09	42.25
	2023	16,152	55.79	55.79	36.71
	2024	12,488	49.03	49.03	36.71
Reference Shareholder	2021	233,495	62.74	62.74	47.92
Total		**779,408**			

All options were exercised using treasury shares in the amount of BRL 32,581 (BRL 12,012 in 2023). Therefore, there was no need to issue new shares. The premium on the exercised options was BRL 1,997 in 2024 (BRL 13,600 in 2023), with the realization effect for the exercise of these options amounting to BRL 40,540 in 2024 (BRL 30,749 in 2023).

(iii) Premium on share subscription

Stock options were exercised using treasury shares, calculated at the average cost incurred to acquire them. The difference between the exercise amount by the eligible employee and the equity amount of the treasury shares is recorded in share premium reserve.

The premium on share subscription for the years ended December 31, 2024 and 2023 originates from:

	12/31/24	12/31/23
At share subscription	48,174	48,174
In the long-term incentive programs with treasury shares (exercise and sale)	72,205	69,817
At the sale of treasury shares	11,735	11,735
Total	**132,114**	**129,726**

(iv) Share-based payment program with cash settlement – virtual shares

The cash-settled share-based payment plans outstanding as of December 31, 2023, had the following characteristics:

	Virtual shares	
	2020	2019
Number of eligible participants	1	4
Number of options granted	34,230	103,743
Number of annual tranches	3	3
Exercise year of 1st tranche	2023	2022
Limit date for exercise of shares	Jun/25	Oct/24

The Stock-Based Payment Program with Cash Settlement - Virtual Shares was approved at a meeting of the Company's Board of Directors held on September 23, 2022. Due to the Merger of Shares and the cancellation of all restricted shares granted, the participant who was a beneficiary of the Locamerica's discontinued Incentive Plans is now entitled to the grant, by Localiza, of an incentive under the same economic conditions as the incentive previously held by the Participant under the Locamerica's Restricted Shares Plan, as provided for in the Merger of Shares Agreement entered into in connection with the operation with Locamerica.

(in BRL thousand, unless otherwise stated)

Below is the balance, in number of eligible participants/shares, of the virtual share plans in 2024:

	12/31/23		Cancellations		Exercises		12/31/24	
Year of original grant	**Eligible**	**Shares**	**Eligible**	**Cancelled**	**Eligible**	**Exercised**	**Eligible**	**Existing shares**
2019	**4**	**43,972**	-	-	(4)	(43,972)	**-**	**-**
2020	**1**	**22,820**	(1)	(22,820)	-	-	**-**	**-**
	5	**66,792**	**(1)**	**(22,820)**	**(4)**	**(43,972)**	**-**	**-**

The weighted average market value of shares exercised and settled in cash in 2024 was as follows:

Year of original grant	Number of shares exercised	Fair value (in BRL)	Weighted average exercise price (in BRL)	Weighted average market price (in BRL)
2019	43,972	43.43	43.43	43.43

The liability recorded on December 31, 2023, related to virtual shares, is BRL 3,683. On December 31, 2024, the liability was settled.

(d) Earnings reserves

(i) Legal reserve

A reserve established in accordance with corporate law, by appropriating 5% of net income for the year, limited to 20% of the paid-in capital. Pursuant to Article 193, paragraph 1 of Law 6,404/76, the Company may stop appropriating to the legal reserve in the year in which the balance of this reserve, plus the amount of capital reserves referred to in paragraph 1 of Article 182 of Law 6,404 /76, exceed 30% of the share capital. The legal reserve is to preserve share capital and can only be used to offset losses or increase capital.

On December 31, 2024 and 2023, BRL 90,681 and BRL 90,278, respectively, were appropriated to the legal reserve. The balance of this reserve on December 31, 2024 is BRL 648,331 (BRL 557,650 on December 31, 2023).

(ii) Statutory reserve

According to item (f), paragraph 2 of Article 26 of Localiza's Bylaws, all the profit for the year after legal and statutory deductions may be allocated to the "reserve for investments", which is intended to retain resources to finance investments for renewal and expansion of the Company's and its subsidiaries' fleets.

At the Annual General Meeting held on April 30, 2024, a statutory reserve appropriation of BRL 150,292 was approved referring to the remaining balance of net income for the year 2023.

On December 31, 2024, Management proposed, subject to approval at the Annual General Meeting, the appropriation of all remaining profits for 2024, in the amount of BRL 42,970 the statutory reserve.

(e) Allocation of income/loss

The Company may distribute tax deductible interest on equity to shareholders, calculated pursuant to Law 9,249/95, deducted from retained earnings, similar to dividends. The amounts paid to shareholders as interest on equity, net of withholding income tax, are treated as part of the minimum mandatory dividend, pursuant to Article 9, Paragraph 7 of Law No. 9,249/95 and based on paragraph 5 of Article 26 of Localiza's Bylaws.

(in BRL thousand, unless otherwise stated)

As defined in the Bylaws, the Company distributes mandatory minimum dividend equivalent to 25% of the profit for the year, reduced or increased by the following amounts: (i) appropriations to the legal reserve; (ii) appropriations to the equity reserve for contingencies and reversal; and (iii) the amount arising from the reversal of the unrealized earnings reserve formed in previous years, pursuant to Article 202, item II of Law 6,404/76.

Interest on equity and dividends have been calculated as follows:

	Individual	
	2024	**2023**
Net income for the year	1,813,627	1,805,566
Legal reserve (5%)	(90,681)	(90,278)
Net income for the year, basis for dividend proposal	**1,722,946**	**1,715,288**
Minimum dividends (25%)	**430,737**	**428,822**
Interest on equity proposed/distributed:		
Interest on equity distributed	1,679,976	1,564,996
Withholding income tax on interest on equity	(185,502)	(186,025)
Total distributed interest on equity, net	**1,494,474**	**1,378,971**
Percentage of the Net Income after appropriation to the legal reserve	86.7%	80.4%
Gross interest on capital per share, net of treasury shares at the end of the year (in BRL)	**BRL 1.594**	**BRL 1.480**

On December 31, 2024, Management proposed, for the approval of the Annual General Meeting, the non-payment of additional dividends to shareholders, as the amount distributed through interest on equity in 2024 exceeds the minimum mandatory dividend of 25% on base net income for dividend proposal.

At Board of Directors meetings, interest on equity was approved as follows:

2024

Approval date	Total amount approved	Amount per share (in BRL)	Shareholding position date	Payment date
03/26/2024	407,093	0.38355	04/01/24	05/23/24
06/21/2024	422,670	0.39798	06/26/24	08/19/24
09/20/2024	423,769	0.39953	09/25/24	11/14/24
12/12/2024	426,444	0.40469	12/17/24	02/07/25
Total	**1,679,976**			

2023

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	368,385	0.34917	06/30/23	08/14/23
09/22/23	428,868	0.40658	09/27/23	11/20/23
12/20/23	404,899	0.38286	12/26/23	02/15/24
Total	**1,564,996**			

(in BRL thousand, unless otherwise stated)

The dividends and interest on equity liability comprises:

	Individual and Consolidated	
	12/31/24	**12/31/23**
Unclaimed interest on equity	196	141
Interest on equity proposed on income/loss of the year	426,444	404,899
Provision for withholding income tax on interest on equity	(46,576)	(47,660)
Total liabilities of dividends and interest on equity	**380,064**	**357,380**

23. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income for the year attributable to holders of common shares in the parent company by the weighted average of common shares outstanding during the year, excluding treasury shares.

Diluted earnings per share is calculated by adding the weighted average number of common shares that would be issued upon the assumption of the exercise of option plans and the vesting of matching and deferred share plans to the basic earnings per share. For stock options and vesting of other plans, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's stock), based on the monetary value of the subscription rights linked to outstanding stock options and their vesting. The number of shares calculated as described earlier is compared with the number of shares outstanding, assuming the exercise of stock options.

The table below shows profit information and the number of shares used in the calculation of basic and diluted earnings per share for each of the reporting years of the statement of income:

	2024	**2023**
Net income for the year attributed to the Parent Company's shareholders	**1,813,627**	**1,805,566**
Basic earnings per share:		
Weighted average number of common shares available (units)	1,058,359,828	1,019,253,102
Basic earnings per share (in BRL)	**1.71362**	**1.77146**
Diluted earnings per share:		
Weighted average number of common shares available (units)	1,058,359,828	1,019,253,102
Dilutive effect of stock options (units)	12,349,943	6,303,944
Total shares subject to dilution (units)	1,070,709,771	1,025,557,046
Diluted earnings per share (in BRL)	**1.69385**	**1.76057**

24. SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities: (i) which can earn revenues and incur expenses; (ii) the operating profit or loss of which are regularly reviewed by the chief operating decision maker regarding funds to be allocated to the segment and for performance evaluation; and (iii) for which individual financial information is available. The Board of Directors evaluates the performance of the operating segments based on return on invested capital (ROIC).

The Company has defined two 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 these line items.

- **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 demanded by resellers, in addition to avoiding dependency on third parties to carry out these sales.

(in BRL thousand, unless otherwise stated)

At the beginning of the second half of 2023, the Company started direct car rental operations in Mexico. Rentals will be contracted by individuals and legal entities traveling for leisure or business, at agencies located in airports.

The Car Rental Division is responsible for the management and franchising 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 strong growth potential. This Division's vehicles are purchased under the 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.

(a) Operating segment financial reporting

(i) Consolidated assets and liabilities by operating segment

12/31/24	Car rental		Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
	Brasil	Mexico				
Assets						
Cash and cash equivalents	-	-	-	3,568,636	-	**3,568,636**
Short-term investments (*)	-	-	-	9,073,855	-	**9,073,855**
Trade receivables	2,408,247	13,852	1,730,357	-	(97,675)	**4,054,781**
Cars decommissioned for fleet renewal	2,255,421	-	1,209,772	-	(1,595)	**3,463,598**
Property and equipment	27,251,062	293,077	26,718,681	24,747	(445,201)	**53,842,366**
Other assets	3.036.461	150,905	8,062,123	2,164,427	(173,545)	**13,240,371**
Liabilities						
Suppliers	(7,657,281)	(4,357)	(2,468,677)	-	103,921	**(10,026,394)**
Loans, financing, and debt securities	-	-	-	(44,766,537)	-	**(44,766,537)**
Other liabilities	(3,218,050)	(120,173)	(3,071,533)	(104,267)	406,061	**(6,107,962)**
Total net invested assets (liabilities)	**24,075,860**	**333,304**	**32,180,723**	**(30,039,139)**	**(208,034)**	**26,342,714**

12/31/23	Car rental		Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
	Brasil	Mexico				
Assets						
Cash and cash equivalents	-	-	-	2,000,897	-	**2,000,897**
Short-term investments (*)	-	-	-	10,616,913	(1,109,310)	**9,507,603**
Trade receivables	2,291,618	3,147	1,694,071	-	(300,587)	**3,688,249**
Cars decommissioned for fleet renewal	1,713,194	-	799,551	-	18,653	**2,531,398**
Property and equipment	26,286,388	232,533	26,014,509	71,056	(488,218)	**52,116,268**
Other assets	2,715,760	64,296	8,148,023	464,987	(290,397)	**11,102,669**
Liabilities						
Suppliers	(5,958,827)	(25,082)	(3,198,060)	-	300,588	**(8,881,381)**
Loans, financing, and debt securities	-	-	-	(41,716,943)	1,109,310	**(40,607,633)**
Other liabilities	(3,084,668)	(104,433)	(2,761,803)	(630,719)	521,368	**(6,060,255)**
Total net invested assets (liabilities)	**23,963,465**	**170,461**	**30,696,291**	**(29,193,809)**	**(238,593)**	**25,397,815**

(*) Adjustment to present value (Note 6) is included under "other assets".

(in BRL thousand, unless otherwise stated)

(ii) Consolidated statement of income per operating segment

2024	Car rental		Fleet rental	Reclassifications	Consolidated
	Brasil	Mexico			
Net revenues	21,928,275	107,010	15,236,273	-	37,271,558
Costs	(17,351,675)	(202,581)	(10,959,889)	(4,551)	(28,518,696)
Gross profit (loss)	**4,576,600**	**(95,571)**	**4,276,384**	**(4,551)**	**8,752,862**
Operating expenses:					
Selling	(1,424,719)	(22,354)	(712,659)	4,034	(2,155,698)
General, administrative, and other expenses	(324,046)	(40,438)	(428,028)	517	(791,995)
Profit (loss) before finance costs, net	**2,827,835**	**(158,363)**	**3,135,697**	**-**	**5,805,169**
Finance costs, net					(3,938,631)
Profit before income tax and social contribution					**1,866,538**
Income tax and social contribution					(53,228)
Net income for the year					**1,813,310**

2023	Car rental		Fleet rental	Reclassifications	Consolidated
	Brasil	Mexico			
Net revenues	17,770,614	10,712	11,120,958	-	28,902,284
Costs	(13,446,955)	(38,259)	(7,141,973)	(3,019)	(20,630,206)
Gross profit (loss)	**4,323,659**	**(27,547)**	**3,978,985**	**(3,019)**	**8,272,078**
Operating expenses:					
Selling	(1,216,229)	(5,189)	(472,676)	2,925	(1,691,169)
General, administrative, other, and equity in the earnings of subsidiaries	(307,258)	(26,284)	(348,919)	94	(682,367)
Profit (loss) before finance costs, net	**2,800,172**	**(59,020)**	**3,157,390**	**-**	**5,898,542**
Finance costs, net					(4,024,341)
Profit before income tax and social contribution					**1,874,201**
Income tax and social contribution					(71,111)
Net income for the year					**1,803,090**

At the beginning of the second half of 2023, the car rental operations in Mexico were initiated.

(iii) Consolidated depreciation and amortization expenses per operating segment

	Consolidated	
	2024	**2023**
Car rental Brazil		
Vehicle depreciation	2,954,815	2,248,259
Depreciation of other property and equipment and amortization of intangible assets	373,449	353,583
Car rental Mexico		
Vehicle depreciation	33,649	3,568
Depreciation of other property and equipment and amortization of intangible assets	35,973	12,799
Fleet rental		
Vehicle depreciation	2,590,337	1,933,086
Depreciation of other property and equipment and amortization of intangible assets	121,325	72,999
Total	**6,109,548**	**4,624,294**

25. NET REVENUES

Net revenue is measured at the amount of the consideration received or receivable, deducted from discounts, deductions and taxes on sales, and recognized to the extent that it is probable that the Company will generate economic benefits and when it can be measured reliably. The revenues are as follows:

(in BRL thousand, unless otherwise stated)

- **Car Rental:** Car rental revenues are recognized on a daily basis in accordance with the rental agreements with customers. Proceeds from claims regulation, as well as proceeds from contracting insurance with the insurer, on account and option of the customers at the time of rental of the cars, are recognized on a monthly basis and are presented together under the line item "Car rental revenues", as they are ancillary revenues to car rental. The proceeds from the sale of decommissioned cars for fleet renewal are recognized at the time of cars delivery, that is, when the transfer of ownership to the buyer occurs.

- **Fleet rental:** Fleet rental revenues are recognized on a monthly basis over the lease period, and include fleet and maintenance management services when the customer opts for the reimbursement model. The proceeds from the sale of decommissioned cars for fleet renewal are recognized at the time of cars delivery, that is, when the transfer of ownership to the buyer occurs.

Net revenue presented in the statements of profit or loss is as follows:

	Individual		Consolidated	
	2024	**2023**	**2024**	**2023**
Revenues	**22,232,089**	**17,843,028**	**39.301.888**	**30,670,153**
Discounts	(14,073)	(8,177)	(133,649)	(197,515)
Taxes (a)	(1,015,629)	(867,521)	(1,896,681)	(1,570,354)
Net revenues	**21,202,387**	**16,967,330**	**37,271,558**	**28,902,284**
Car rental	9,922,083	8,471,849	9,694,874	8,175,301
Fleet rental	-	-	8,168,968	6,487,999
Cars sold for fleet renewal	11,246,727	8,461,909	19,185,014	13,875,588
Resale of cars	-	-	4,560	83,267
Royalties abroad	33,577	33,572	33,577	33,572
Products sold and services provided	-	-	184,565	246,557
Net revenues	**21,202,387**	**16,967,330**	**37,271,558**	**28,902,284**

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

Minimum contracted revenue from Fleet Rental

As required by IFRS 15/CPC 47 "Customer Contract Revenue", disclosed below are the amounts that the Platform expects to recognize as revenue due to performance obligations that are unsatisfied on December 31, 2024:

Year	Revenues
2025	7,485,428
2026	4,786,000
2027	2,145,312
2028	537,323
2029 and after	62,244
Total	**15,016,307**

Fleet management contracts may be terminated upon prior notice, as previously agreed between the parties; the contractual fines are up to 80% of the rentals falling due.

(in BRL thousand, unless otherwise stated)

26. NATURE OF OPERATING COSTS AND EXPENSES

Costs and expenses are recorded when incurred, on an accrual basis. The nature of operating costs and expenses recognized in the statement of income is as follows:

	Individual					
	Cost of car rental and sale		Sale, general, administrative, and other expenses		Total	
	2024	2023	2024	2023	2024	2023
Cost of cars sold	(10,621,374)	(7,668,139)	-	-	(10,621,374)	(7,668,139)
Provision for adjustments to the recoverable value of assets and impairment (a)	(128,673)	(89,771)	-	-	(128,673)	(89,771)
Car maintenance, IPVA and others	(1,976,593)	(1,856,372)	-	-	(1,976,593)	(1,856,372)
Salary, payroll taxes, and benefits (b)	(798,557)	(649,157)	(750,627)	(635,340)	(1,549,184)	(1,284,497)
Profit sharing	(91,412)	(78,631)	(103,503)	(75,596)	(194,915)	(154,227)
Allowances and write-off of uncollectible amounts	-	-	(122,365)	(96,704)	(122,365)	(96,704)
Depreciation and amortization of other property and equipment and intangible assets	(293,666)	(240,098)	(102,667)	(93,300)	(396,333)	(333,398)
Vehicle depreciation	(2,890,240)	(2,087,808)	-	-	(2,890,240)	(2,087,808)
Commission	-	-	(158,835)	(161,263)	(158,835)	(161,263)
Real estate lease	(126,094)	(139,659)	(8,655)	1,177	(134,749)	(138,482)
Advertising	-	-	(166,212)	(144,885)	(166,212)	(144,885)
Occupancy costs and expenses	(24,564)	(18,804)	(9,735)	(8,411)	(34,299)	(27,215)
Third-party services and travel	(750,020)	(562,273)	(333,023)	(304,484)	(1,083,043)	(866,757)
PIS and COFINS credits, net (Note 8 (a))	993,114	847,783	-	-	993,114	847,783
Other	(264,701)	(874,089)	(47,308)	(54,226)	(312,009)	(928,315)
Total	**(16,972,780)**	**(13,417,018)**	**(1,802,930)**	**(1,573,032)**	**(18,775,710)**	**(14,990,050)**

	Consolidated					
	Cost of car rental and sale		Sale, general, administrative, and other expenses		Total	
	2024	2023	2024	2023	2024	2023
Cost of cars sold	(17,749,797)	(12,250,039)	-	-	(17,749,797)	(12,250,039)
Resale cost of used vehicles	(5,709)	(83,828)	-	-	(5,709)	(83,828)
Cost of services/products sold	(23,796)	(53,924)	-	-	(23,796)	(53,924)
Provision for adjustments to the recoverable value of assets and impairment (a)	(344,570)	(153,258)	-	-	(344,570)	(153,258)
Car maintenance, IPVA and others	(3,516,982)	(3,183,873)	-	-	(3,516,982)	(3,183,873)
Salary, payroll taxes, and benefits (b)	(1,181,889)	(952,226)	(1,200,628)	(1,003,444)	(2,382,517)	(1,955,670)
Profit sharing	(137,341)	(115,037)	(177,092)	(120,498)	(314,433)	(235,535)
Allowances and write-off of uncollectible amounts	-	-	(271,276)	(156,744)	(271,276)	(156,744)
Depreciation and amortization of other property and equipment and intangible assets	(388,183)	(282,684)	(142,564)	(156,697)	(530,747)	(439,381)
Vehicle depreciation	(5,578,801)	(4,184,913)	-	-	(5,578,801)	(4,184,913)
Commission	-	-	(210,146)	(208,376)	(210,146)	(208,376)
Real estate lease	(167,470)	(158,568)	(15,323)	(10,631)	(182,793)	(169,199)
Advertising	-	-	(238,701)	(192,558)	(238,701)	(192,558)
Occupancy costs and expenses	(55,045)	(23,298)	(20,122)	(15,744)	(75,167)	(39,042)
Third-party services and travel	(986,666)	(763,365)	(549,092)	(436,823)	(1,535,758)	(1,200,188)
PIS and COFINS credits, net (Note 8 (a))	1,713,697	1,717,079	-	-	1,713,697	1,717,079
Other	(96,144)	(142,272)	(122,749)	(71,591)	(218,893)	(213,863)
Total	**(28,518,696)**	**(20,630,206)**	**(2,947,693)**	**(2,373,106)**	**(31,466,389)**	**(23,003,312)**

(a) The Company recognized additional costs and expenses (Notes 1.1 and 1.2. In 2023) for the provision to recoverable value of decommissioned vehicles for fleet renewal following Provisional Measure No. 1,175 (Note 1.3).
(b) As of December 31, 2024, the Company recognized costs and expenses of BRL 105,126 in Individual and BRL 110,227 in Consolidated related to long-term incentive programs (BRL 72,757 in Individual and BRL 99,433 in Consolidated as of December 31, 2023).

(in BRL thousand, unless otherwise stated)

27. FINANCIAL INCOME (EXPENSES)

Interest income/expenses from financial assets/liabilities are recognized based on the time and effective interest rate on the accrual basis.

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

	Individual		Consolidated	
	2024	2023	2024	2023
Interest on short-term investments	875,517	777,519	1,447,220	1,118,920
Adjustment to present value of short-term investments	92,441	88,720	92,441	88,720
PIS and COFINS on financial income	(40,794)	(36,157)	(72,852)	(61,632)
Foreign exchange rate variation and other income	8,538	4,061	23,950	79,629
Total financial income	**935,702**	**834,143**	**1,490,759**	**1,225,637**
Interest expense on loans, financing, debt securities and derivative financial instruments	(3,966,937)	(2,712,611)	(5,214,444)	(5,012,617)
Lease interest expenses (Note 18)	(153,749)	(125,791)	(133,447)	(107,523)
Foreign exchange rate variation and other expenses	(29,178)	(60,709)	(81,499)	(129,838)
Total financial expenses	**(4,149,864)**	**(2,899,111)**	**(5,429,390)**	**(5,249,978)**
Total financial income (expenses)	**(3,214,162)**	**(2,064,968)**	**(3,938,631)**	**(4,024,341)**

28. SUPPLEMENTARY PENSION PLAN

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

For this plan, there are no actuarial and investment risks assumed by the Company as a sponsor; therefore, actuarial valuations are not required. The employer matches the employee's contribution, which varies according to a scale based on salary ranges of 1% to 8% of the employee's compensation.

In 2024, contributions made by the Company totaled BRL 6,147 in Individual and BRL 9,352 in Consolidated (BRL 6,235 in Individual and BRL 9,199 in Consolidated in 2023), allocated to line items "cost", "selling expenses", and "general and administrative expenses" in profit or loss, as applicable.

29. SUPPLEMENTARY INFORMATION ON CASH FLOWS

(a) Non-cash transactions

		Individual		Consolidated	
	Note	2024	2023	2024	2023
Assignment of financial instruments (swaps) between companies within the Platform	4.1	(113,582)	(91,590)	-	-
Right-of-use leased assets	12	408,042	446,434	363,585	553,582
Acquisition of vehicles (variation in the balance of automakers)	14	(1,924,796)	(1,597,265)	(1,085,685)	(2,587,241)
Debt assignment between Platform companies	17	(2,481,647)	(6,681,407)	-	-
Consideration payable - Lease liability	18	(6,204)	(5,818)	-	-
Capitalization of interest on equity		(177,407)	(207,423)	(177,407)	(207,423)

(in BRL thousand, unless otherwise stated)

(b) Supplementary disclosure of cash flow information

	Individual		Consolidated	
	2024	2023	2024	2023
Purchase of vehicles:				
For fleet renewal	(14,458,346)	(11,524,989)	(21,677,168)	(19,817,734)
For fleet expansion	(1,858,690)	(2,504,093)	(4,620,171)	(6,131,951)
Total purchases of vehicles (Note 12(a))	**(16,317,036)**	**(14,029,082)**	**(26,297,339)**	**(25,949,685)**
Suppliers – vehicles (Note 14):				
Balance at the end of the year	(7,132,311)	(5,207,515)	(9,298,244)	(8,212,559)
Balance at the beginning of the year	(5,207,515)	(3,610,250)	(8,212,559)	(5,625,318)
	1.924.796	1,597,265	1.085.685	2,587,241
Cash outflow for vehicle acquisition	**(14,392,240)**	**(12,431,817)**	**(25,211,654)**	**(23,362,444)**
Revenue from the sale of decommissioned vehicles, net of taxes (Note 25)	11,246,727	8,461,909	19,185,014	13,875,588
Trade receivables – from sale of decommissioned vehicles (Note 7):				
Balance at the end of the year (a)	560,144	515,472	918,494	765,370
Balance at the beginning of the year	515,472	290,930	765,370	369,320
	(44,672)	(224,542)	(153,124)	(396,050)
Cash inflow from vehicle sales	**11,202,055**	**8,237,367**	**19,031,890**	**13,479,538**
Net fleet investment	**(3,190,185)**	**(4,194,450)**	**(6,179,764)**	**(9,882,906)**

(a) The disclosed balance considers only accounts receivable arising from the sale of decommissioned vehicles.

30. SUBSEQUENT EVENTS

(i) Funding

17th issuance of debentures by Localiza Fleet S.A.

On February 5, 2025, the Board of Directors approved the placement of the 17th issuance of debentures by Localiza Fleet S.A., which are simple, non-convertible into shares, unsecured, guaranteed by Localiza Rent a Car S.A., in the amount of BRL 500,000, with a final maturity in February 2031.

Loan in foreign currency by Localiza Rent a Car S.A

On February 17, 2025, the Board of Directors approved the raising of a loan from the International Finance Corporation in an amount of up to US$ 200,000, with an additional surety guarantee provided by Localiza Fleet S.A. and Companhia de Locação das Américas.

(ii) Prepayment

Prepayment of debentures from the 5th, 7th, 15th and 16th issuances

On February 27, 2025, Localiza Rent a Car S.A. prepaid debentures from the 15th and 16th issuances, originally issued on April 15, 2019, and November 25, 2019, respectively The transaction resulted in the settlement of BRL 790,826 for the 15th issuance and BRL 338,331 for the 16th issuance.

On February 27, 2025, Localiza Fleet S.A. prepaid debentures from the 5th and 7th issuances, originally issued on July 18, 2018, and July 29, 2019, respectively. The transaction resulted in the settlement of BRL 205,675 for the 5th issuance and BRL 101,242 for the 7th issuance.

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(A free translation of the original in Portuguese)

MANAGEMEN'T STATEMENT ON THE FINANCIAL STATEMENTS

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 upon the Individual and Consolidated Financial Statements of Localiza for the year ended December 31, 2024.

Belo Horizonte, February 27, 2025.

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 V, paragraph 1, of article 27 of CVM Instruction 80/22, hereby declare that they have:

I. Reviewed, discussed, and agreed with the opinions expressed in the report of PricewaterhouseCoopers Auditores Independentes Ltda. on the Individual and Consolidated Financial Statements of Localiza as at and for the year ended December 31, 2024.

Belo Horizonte, February 27, 2025.

Bruno Sebastian Lasansky CEO	Rodrigo Tavares Gonçalves de Sousa CFO and Investor Relations Officer

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OPINION OF THE FISCAL COUNCIL

The Fiscal Council of Localiza Rent a Car S.A. (“Company”), a publicly-held corporation headquartered at Avenida Bernardo de Vasconcelos, nº 377, Bairro Cachoeirinha, in the city of Belo Horizonte, state of Minas Gerais, enrolled with the Corporate Taxpayer’s ID (CNPJ) No. 16.670.085/0001- 55, in the exercise of its legal and statutory duties, examined: i) the Company’s Individual and Consolidated Financial Statements and the Annual Management Report, related to the year ended December 31, 2024; and ii) the Proposal for Allocation of Net Income for the year ended December 31, 2024, with imputation of interest on equity resolved on March 26, 2024, June 21, 2024, September 20, 2024, and December 12, 2024, to the minimum mandatory dividend.

Based on these examinations, and also taking into consideration the report of the independent auditors, PricewaterhouseCoopers Auditores Independentes Ltda., dated February 27, 2025, unqualified, as well as the information and clarifications provided by the Company’s Management during the year, the members of the Fiscal Council are unanimous in stating that these documents and proposals are in a position to be submitted to the appreciation of the General Shareholders Meeting.

Belo Horizonte, February 27, 2025

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Antônio de Pádua Soares Pelicarpo
Chair of the Fiscal Council

____

Carla Alessandra Trematore
Fiscal Council Member

____

Guilherme Bottrel Pereira Tostes
Fiscal Council Member

LOCALIZA RENT A CAR S.A.
PUBLICLY-HELD COMPANY
CNPJ 16.670.085/0001-55
Company Registry (NIRE) No. 3130001144-5

Extract from the Minutes of the Fiscal Council Meeting
Started on February 17, 2025, and
ended February 27, 2025

Date, Time, and Place: Started on February 17, 2025, at 9 a.m., held pursuant to item 4 of the Internal Rules of the Fiscal Council of Localiza Rent a Car S.A., in a virtual hearing through the Microsoft Teams platform, and ended on February 27, 2025.

Attendance: All the undersigned sitting members of the Fiscal Council, as well as Mr. Rodrigo Tavares and Mrs. Myrian Aires, among other guests according to the agenda, were present.

Bureau: Antônio de Pádua Soares Pelicarpo, Chair of the Fiscal Council, and Maria Inês Ferreira Pinto Coelho, as Secretary.

Agenda: **(1)** Meet with Management to discuss the Management Report and Financial Statements as of December 31, 2024; **(2)** Review the proposal for the allocation of net profit for the year ended December 31, 2024, with attribution of the interest on equity determined on March 26, 2024, June 21, 2024, September 20, 2024, and December 12, 2024, to the minimum mandatory dividend amount; **(3)** Meet with the independent auditors to discuss the Financial Statements as of December 31, 2024.

(1) **Management Report and Financial Statements as of December 31, 2024.** Mrs. Myrian Aires, Controllership Officer, and Mrs. Maria Inês Coelho, Manager of Reporting and Market Information, presented an overview and the key points regarding the Financial Statements for the year ended December 31, 2024, which were previously reviewed by the Fiscal Council, providing all clarifications required. After discussions, the members of the Fiscal Council recommended – unanimously and without qualification – to the Board of Directors the approval of the Management Report and Financial Statements for the year ended December 31, 2024. The final version will be approved in separate minutes, to be prepared on the same date as the Board of Directors meeting, that is, February 27, 2025.

(2) **Proposal for the allocation of net profit for the year ended December 31, 2024.** Mrs. Myrian Aires, Controllership Officer, presented the proposal for the allocation of the net profit for the year ended December 31, 2024. Considering that the amount already distributed to shareholders throughout 2024 as interest on equity reached BRL 1,494,473,963.58, net of income tax, corresponding to 86.7% of the net profit for the year 2024, the Management proposal does not include any supplementary distribution of dividends.

The Management's proposal includes the distribution of the 2024 profit as follows: (i) BRL 90,681,353.11 for the constitution of the Legal Reserve; (ii) BRL 1,679,976,300.15 for shareholder compensation, distributed in advance as interest on equity, imputed to the mandatory dividend, and (iii) BRL 42,969,408.80 for the statutory reserve referred to as Investment Reserve, pursuant to article 26, paragraph 2, (f) of the Company's Bylaws.

(3) **Independent Auditors' Report on the Financial Statements as of December 31, 2024.** The independent auditors of Localiza Rent a Car S.A., PricewaterhouseCoopers Auditores Independentes Ltda., represented by partner Mr. Guilherme Campos and senior manager Mr. Daniel Zappalá, presented the work performed on the Financial Statements as of December 31, 2024, as well as the draft versions of the Independent Auditors' Reports, which will be issued without qualifications. Additionally, the auditors reported that there were no: (i) significant disagreements in judgment between the audit and Management; (ii) difficulties encountered during the audit process; and (iii) discussions regarding alternative accounting treatments.

Adjournment of the proceedings: This meeting was adjourned until February 27, 2025, at 5h30 p.m., for an update on the approval of the Financial Statements as of December 31, 2024, by the Board of Directors.

Remarks from the Fiscal Council: After resuming the meeting, the members of the Fiscal Council unanimously issued the attached Opinion with their conclusions regarding the topics discussed on the agenda.

Adjournment and Drafting of the Minutes: With no further comments, the proceedings were adjourned for the necessary time to draft these minutes for subsequent approval by the participants.

The full minutes of the Fiscal Council meeting, started on February 17, 2025, and ended on February 27, 2025, are filed at the Company's headquarters.

Antônio de Pádua Soares Pelicarpo
Chair

Maria Inês Ferreira Pinto Coelho
Secretary

Carla Alessandra Trematore

Guilherme Bottrel Pereira Tostes

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SUMMARY AUDIT, RISK MANAGEMENT, AND COMPLIANCE COMMITTEE REPORT

1. Introduction

At a meeting of the Board of Directors held on February 29, 2024, the current version of the Internal Regulations of the Company's Advisory Committees ("Regulations") was approved. These Regulations define the specific responsibilities of the Committees, complementing the provisions of the Company's Bylaws ("Bylaws"), the Internal Regulations of the Board of Directors ("Board Regulations"), and the applicable legislation. Among the advisory committees established in the Regulations is the Audit, Risk Management, and Compliance Committee.

In line with Localiza's commitment to the continuous improvement of its corporate governance practices, in addition to maintaining an Audit Committee in compliance with the B3 Novo Mercado Regulation, Localiza implemented a series of measures in 2024 to enhance the standards of its Audit Committee. These initiatives align the committee with best practices and ensure its compliance with CVM Resolution No. 23/21, which governs the Statutory Audit Committee. These measures reflect the Company's commitment to upholding the highest governance standards and fostering the trust of its investors and other stakeholders.

In this context, the Audit, Risk Management, and Compliance Committee ("Committee") is a statutory advisory body to Localiza's Board of Directors ("Board"), with operational independence and its own budget, which is approved by the Board of Directors.

2. Members

As of December 31, 2024, the Audit, Risk Management, and Compliance Committee was composed of four members elected by the Board of Directors, with no decision-making or management authority. Three of them were independent members, and one was a specialist with recognized expertise in corporate accounting matters.

Name	Position	Other positions/roles held
Maria Letícia de Freitas Costa	Committee Coordinator and Sitting Member	Independent Board Member
Estela Maris Vieira de Souza	Specialist in Corporate Accounting and Sitting Member	Independent Specialist Member
Paula Magalhães Cardoso Neves	Sitting Member	Independent Board Member
Sérgio Augusto Guerra de Resende	Sitting Member	Board Member

3. Responsibilities

The main responsibilities of the Audit, Risk Management, and Compliance Committee, as outlined in its Internal Regulations, are:

- To recommend the hiring or dismissal of the firm providing independent audit services and provide an opinion on the hiring of any other services to be rendered by the independent auditor, ensuring compliance with the Company's Policy for Contracting Extra-Audit Services, as well as the auditors' impartiality and independence from Management;
- To monitor the effectiveness of the independent auditors' work, including the evaluation of the Annual Audit Plan, execution of the work, and independence, among other aspects, ensuring that the auditor's report directly and promptly to the Board of Directors;
- To express an opinion on the independent auditor's report regarding internal control deficiencies;
- To oversee the preparation and execution of the annual plans for Internal Controls, Internal Audit, Risk Management, and Compliance, as well as ensure the adequacy of the structures of the respective areas;
- To monitor and analyze the handling of reports received through the Reporting Channel, ensuring the protection, anonymity, and non-retaliation of whistleblowers, in accordance with the Company's policies;
- To monitor the Company's risk exposure and the adequacy of its risk management systems, internal controls, and integrity system;
- To oversee the preparation and review the Management Report, Earnings Release, and interim and annual financial statements, making any recommendations deemed necessary;
- To evaluate and monitor any transactions with related parties carried out by the Company; and
- To review periodically the policies, regulations, and procedures that are relevant to the Committee:

4. Main topics discussed and recommendations

The main topics discussed, as well as the recommendations made to the Company's Board of Directors, were the following:

4.1. Financial Statements

The Audit, Risk Management, and Compliance Committee, considering their responsibilities and legal duties, proceeded to examine the interim financial information of March 31, June 30, and September 30, 2024, as well as the corresponding Earnings Release and Independent Auditors' Reports, and the individual and consolidated financial statements for the year ended December 31, 2024, the Independent Auditors' Report, and the Management Report, expressing its agreement with their approval by the Board of Directors.

Throughout the year, the committee held meetings with the finance and accounting departments to assess key accounting policies and practices, processes, and internal controls related to the preparation of financial statements, accounting estimates, and critical analyses identified by Management. It also reviewed major legal claims and their projected outcomes, including the assessment from the Legal Department and external legal advisors regarding the Company's litigation matters.

4.2. Manual on Annual and Extraordinary General Meetings – 2024

The Audit, Risk Management, and Compliance Committee reviewed and recommended the approval by the Board of Directors of the Annual and Extraordinary General Meetings, including, without limitation, the approval of the call notice and the Management's proposal regarding: (i) the approval of the financial statements and the Management Report for the year ended December 31, 2023, along with the Independent Auditors' Report; (ii) the approval of the Management's proposal for the allocation of profit for the year ended December 31, 2023, and the distribution of dividends.

4.3. Reference Form

The Audit, Risk Management, and Compliance Committee analyzed the Company's 2024 Reference Form and recommended its approval by the Board of Directors.

4.4. Governance Report "Comply or Explain"

The Audit, Risk Management, and Compliance Committee reviewed the 2024 Brazilian Governance Report of the Company, in conjunction with the Nominations, Governance, and Sustainability Committee.

4.5. Share Buyback Program

The Audit, Risk Management, and Compliance Committee reviewed the 16th Share Buyback Program of the Company, which allowed the Board of Directors to purchase up to 87,000,000 shares of the Company's own issuance, to be held in treasury for subsequent sale and/or cancellation, without reducing the share capital. The objective was to settle stock options under the Long-Term Incentive Plans or maximize value creation for shareholders, in coordination with the People and Compensation Committee.

4.6. DIVIDENDS AND INTEREST ON EQUITY

The Audit, Risk Management, and Compliance Committee reviewed the proposals for the distribution of interest on equity, credited against the minimum mandatory dividends for year 2024, pursuant to Article 9, Paragraph 7 of Law 9,249/95, and based on Article 27 of the Company's Bylaws, and recommended its approval by the Board of Directors.

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5. Review of Policies, Code of Conduct, Regulations, and Procedures

In the year ended in 2024, the Committee analyzed and recommended to the Board of Directors the approval of the revision of the following policies:

- Profit Allocation and Dividend Payout Policy;
- Privacy and Data Protection Policy;
- Board of Directors' Responsibility and Authority Policy;
- Nomination Policy and Succession Plan;
- Senior Management Travel Policy;
- Reimbursement Policy for the use of private aircraft;
- Supplier Relationship Policy;
- Competition Policy;

- Internal Regulations of the Board of Directors;
- Internal Regulations of the Advisory Committees;
- Code of Conduct;
- Procedure for Sponsorship, Donation, Gifts, Presents, Entertainment, and Hospitality;
- Procedure for Structuring the Regulatory Environment and Conflict of Interests;
- Corruption and Bribery Risk Assessment Procedure;

6. Independent Auditors

The Committee monitored the process of hiring independent audit services and recommended to the Board of Directors the proposal to maintain PricewaterhouseCoopers Auditores Independentes Ltda. as the Company's independent auditor.

- Additionally, it monitored the planning and strategy of PricewaterhouseCoopers Auditores Independentes for the 2024 year; the maintenance of a regular communication channel with the independent auditors and ensured direct contact with the Board of Directors; reviewed the key findings presented by the auditors in their quarterly review reports (ITRs) for March 31, June 30, and September 30, 2024, as well as the conclusion on the financial statements for the year ended December 31, 2024, and the Key Audit Matters (KAM) included in their report.
- Follow-up on the recommendations for improvement outlined in the internal controls report.

7. Internal Controls, Risk Management, and Compliance

Regarding Internal Controls, Risk Management, and Compliance, the Committee acted on and reported to the Board the following:

- Monitoring of the methodology adopted for risk management, process mapping, and oversight of the effectiveness of the Company's internal controls;
- Assessment and discussion of the Company's priority risks, their impacts, and likelihood of occurrence, along with the corresponding mitigation plans;
- Analysis of the 2024 Annual Internal Controls Plan, monitoring its execution and tracking improvement actions.

8. Code of Conduct and Reporting Channel

Regarding the Code of Conduct and the Reporting Channel, in addition to participating in the review as mentioned in item 5, it monitored the reports received through the channels, the actions taken in response, and the dissemination and training initiatives related to the Code of Ethics and Conduct.

9. Internal Audit

- Regarding Internal Audit, it reviewed the 2024 Annual Internal Audit Plan and monitored its execution, promptly tracking the reports issued by Internal Audit, the findings identified, and the corresponding remediation plans.

OPINION OF THE AUDIT, RISK MANAGEMENT, AND COMPLIANCE COMMITTEE

The Audit, Risk Management, and Compliance Committee of Localiza Rent a Car S.A. ("Company"), a publicly-held corporation, headquartered at Avenida Bernardo de Vasconcelos, 377, Bairro Cachoeirinha, in Belo Horizonte, Minas Gerais, enrolled with the Corporate Taxpayer's ID (CNPJ) No. 16.670.085/0001- 55, in the exercise of their legal duties, as provided for in their Internal Regulations, conducted the analysis and review of the Management Report and Financial Statements for the year ended December 31, 2024, accompanied by the Independent Auditors' Report, without qualification. Based on the information and clarifications provided by the Company's Management and by PricewaterhouseCoopers Auditores Independentes Ltda., it recommended the approval of these reports by the Board of Directors.

Belo Horizonte, February 27, 2025

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Maria Letícia de Freitas Costa
Coordinator of the Audit, Risk Management, and Compliance Committee

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Estela Maris Vieira de Souza
Member of the Audit, Risk Management, and Compliance Committee

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Sérgio Augusto Guerra de Resende
Member of the Audit, Risk Management, and Compliance Committee

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Paula Magalhães Cardoso Neves
Member of the Audit, Risk Management, and Compliance Committee

LOCALIZA RENT A CAR S.A.
PUBLICLY-HELD COMPANY
CNPJ 16.670.085/0001-55
Company Registry (NIRE) No. 3130001144-5

Extract from the Minutes of the Audit, Risk Management, and Compliance Committee meeting (Statutory Audit Committee) Started on February 18, 2025, and ended on February 27, 2025

Date, Time, and Place: Started on February 18, 2025, at 9 a.m., held pursuant to item 5 of the Internal Rules of the Advisory Committees to the Board of Directors of Localiza Rent a Car S.A. ("Company"), held virtually, and ended on February 27, 2025.

Attendance: Attended by the members of the Audit, Risk Management, and Compliance Committee ("Committee"), namely Maria Letícia de Freitas Costa (Coordinator), Estela Maris Vieira de Souza, Sérgio Augusto Guerra de Resende and Paula Magalhães Cardoso Neves. Mr. Eugênio Pacelli Mattar, Mr. Luis Fernando Porto, Mr. Bruno Lasansky, Mr. Rodrigo Tavares, and Mrs. Myrian Buenos Aires were present, among other guests as per the agenda.

Bureau: Maria Letícia de Freitas Costa, as Chair, and Maria Inês Ferreira Pinto Coelho, as Secretary.

Agenda: To discuss and decide on the following: **(1)** 2024 Financial Statements and Management Report; **(2)** Independent Auditors' Report on the closing of the Financial Statements as of December 31, 2024; and **(3)** 2024 Profit Distribution.

After analyzing the agenda items, the following resolution was recorded unanimously:

(1) **2024 Financial Statements and Management Report.** The members of the Audit, Risk Management, and Compliance Committee, in accordance with their duties established in the Internal Regulations, have reviewed and analyzed the Financial Statements for the year ended December 31, 2024, along with the Explanatory Notes and the Company's Management Report, both Individual and Consolidated. These were accompanied by the Independent Auditor's Preliminary Report on the aforementioned Financial Statements, without qualifications. Considering the information provided by the Company's Management and the partner from PricewaterhouseCoopers Auditores Independentes Ltda., the Committee recommends their approval by the Board of Directors. Additionally, they have reviewed the 2024 Earnings Release, also recommending its approval by the Board of Directors.

(2) **Independent Auditors' Report on the Financial Statements as of December 31, 2024.** The independent auditors of Localiza Rent a Car S.A., PricewaterhouseCoopers Auditores Independentes Ltda., represented by Mr. Guilherme Campos, a partner, and Mr. Daniel Zappalá, senior audit manager, reported the completion of their audit work on the Company's financial statements as of December 31, 2024. Their corresponding Audit Report on the financial statements as of December 31, 2024, will be unqualified. Additionally, they reported that they reviewed the Management Report and Earnings Release and did not identify any inconsistencies concerning the financial statements as a whole.

(3) **2024 Profit distribution.** The Company's Management presented the proposal for the allocation of adjusted net income, in accordance with the Bylaws and corporate law, for the 2024 year, recommending no distribution of additional dividends. This decision considers that the interest on equity distributed to shareholders in 2024, totaling BRL 1,494,473,963.58 net of income tax, represented 86.7% of the net income for the 2024 year and was credited toward the mandatory dividend. After the necessary clarifications were provided, the Committee Members recommended its approval by the Board of Directors, ad referendum by the Shareholders' Meeting, as follows: Proposal by the Company's Management for the 2024 profit allocation: (i) BRL 90,681,353.11 for the establishment of the Legal Reserve; (ii) BRL 1,679,976,300.15 for shareholder compensation, distributed in advance as interest on equity credited toward the mandatory dividend; and (iii) BRL 42,969,408.80 for the statutory reserve designated as the Investment Reserve, in accordance with Article 26, paragraph 2, (f) of the Company's Bylaws.

The full minutes of the meeting of the Audit, Risk Management, and Compliance Committee, started on February 18, 2025, and ended on February 27, 2025, are filed at the Company's headquarters.

Belo Horizonte, February 27, 2025.

Maria Inês Ferreira Pinto Coelho
Secretary