Financial Statements 2023

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

localiza&co

(A free translation of the original in Portuguese)

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(A free translation of the original in Portuguese)

1 - MESSAGE FROM THE CEO

Dear stakeholders,

In 2023, we celebrate Localiza&Co's 50th anniversary, a year marked by notable advances and significant challenges.

We advanced in the integration process, improving our internal practices and procedures, with substantial productivity gains, and we were efficient in managing costs and expenses. We expanded our **Seminovos** network, contributing to an increase in the volume of cars sold and a reduction in the average age of the cars sold, although not yet at historical levels. Furthermore, we expanded the capillarity of **Car Rental**, which showed revenue growth in all segments, more than offsetting the effects of the carve-out. We scaled Localiza FAST, offering a completely seamless experience, and expanded the differential in enchantment for our customers. We captured strong growth in **Fleet Rental**, highlighting the success of Localiza Meoo (car subscription). We also increased the **Heavy Vehicles** fleet and opened two stores dedicated to the sale of used trucks. We successfully started our operations in Mexico, with the opening of 10 branches in the main airports, around 1,000 cars with an excellence NPS level. We have significantly advanced our technology, use of data and telemetry, resulting in a significant reduction in losses, theft, fraud and accidents. Furthermore, we continue to simplify and automate our processes and increase productivity throughout the car cycle. All of this progress was driven by a highly engaged team and a solid Management and Culture process.

Our continuous evolution was recognized by several rankings throughout 2023, of which we highlight: one of the 10 best companies to work for in Brazil by Great Place to Work; 1st place in the Reclame Aqui Awards in all categories in our sector, recognizing the excellence in service to our customers; winning the Company of the Year award by the Exame's magazine in the ranking of the Biggest and Best of the year; one of the 50 companies with the best corporate reputation and one of the 70 most responsible in terms of ESG in the general ranking, with 1st position in the mobility sector by the Corporate Reputation Business Monitor MERCO.

Despite of all these advances, we tackled an environment of high interest rates and credit restrictions. These factors negatively impacted our cost of debt and **Seminovos** sales, which were also harmed by the consumer's lower disposable income due to the increase in car prices. Furthermore, we suffered the effect of the Popular Car Provisional Measure, which negatively impacted the price and depreciation of cars.

Nevertheless, in 4Q23 we witnessed a significant evolution in rental demand and revenue from the used car sales. The **Car Rental Division** recorded a 22.3% growth in net revenue, while the **Fleet Rental Division's** revenue grew 40.4%, and **Seminovos** revenue grew 39.4% compared to the same period in the previous year. As a result, we ended the quarter with consolidated revenue of BRL 7.9 billion and an adjusted EBITDA of BRL 2.9 billion, representing an increase of 36.3% and 33.0%, respectively, compared to 4Q22.

The robust operational results in **Car Rental** and **Fleet Rental**, reflecting revenue growth and greater cost efficiency, were partially offset by a challenging car sales environment. In 4Q23, after the end of the effects of the Provisional Measure, we observed a recovery in the prices of new cars, however, this recovery did not translate into a corresponding increase in the prices of used cars, negatively impacting the **Seminovos** EBITDA margin and depreciation of the fleet.

As a result, in the quarter, adjusted EBIT totaled BRL 1.8 billion and adjusted net profit reached BRL 750.9 million, an increase of 17.8% compared to 4Q22.

In the year, we presented consolidated net revenue of BRL 28.9 billion, an adjusted EBIT of BRL 6.9 billion and an adjusted net profit of BRL 2.5 billion, with an ROIC spread of 4.1p.p. relative to the after-tax cost of debt.

From a balance sheet perspective, we continued to show improvements in our debt ratios, ending the year with the net debt/EBITDA ratio at 2.78x and net debt/fleet value at 0.56x.

For 2024, given the scenario of uncertainty regarding the residual value of cars, we will maintain the focus on: i) rental pricing to restore return levels; ii) optimization of the segment portfolio and discipline in capital allocation; iii) efficient management of fleet costs and productivity; iv) expansion of the sales capacity of **Seminovos**, to support the fleet rejuvenation process; and v) innovation with the aim of further expanding the enchantment differential for our customers.

Finally, despite the pandemic and all the challenges of recent years, Localiza&Co expanded its capital base from BRL 10 billion in 2019 to BRL 43 billion in 2023, a CAGR of 44% per year, with 22% growth per year in invested capital since the business combination (as of July 1, 2022). Our current scale, combined with our robust balance sheet, strengthen our relative competitive advantages, and position us firmly on a growth trajectory with value creation.

Bruno Lasansky - CEO of Localiza&Co

2 - MACROECONOMIC SCENARIO

The external environment, although still volatile, is starting to show signs of recovery reflected in the easing of long-term interest rates in the United States and the reduction of global inflationary pressures, indicators that, despite showing improvement, still remain at elevated levels. The central banks of major economies remain committed to promoting convergence of inflation rates towards their targets. In this context, the less adverse international scenario suggests the beginning of the inflection of the more restrictive monetary policies that had been practiced, which should contribute to an increase in economic activity.

In Brazil, inflation continues to decline, leading to a moderation of the tightening monetary cycle experienced throughout the year, as evidenced by the recent reductions in the Selic rate. The lower interest rate, coupled with the restoration of part of consumers' disposable income, is expected to boost the car rental industry and reduce the cost of access to the credit market.

In 2023, we focused our efforts on initiating the cycle of restoring the Company's historical levels of ROIC spread, growing in volume despite rental price adjustments. In the Seminovos segment, the credit restrictions, high interest rates, and the effects of the Popular Car Provisional Measure in 2Q23 accelerated the cycle of converging margins to historical levels. In this context, we remain disciplined in capital allocation and cautious in cash and debt management, maintaining leverage and liquidity indicators at healthy levels.

The fiscal context remains a point of attention, with government spending exceeding revenues, which could encourage increased revenue-generating measures, bringing additional challenges to the economy, along with geopolitical factors such as wars in Eastern Europe and the Middle East.

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 guided by trust and ethics directs us to become an admirable company.

4 - OUR COMPANY AND AN OVERVIEW OF OUR BUSINESS

Founded in 1973 in Belo Horizonte, State of Minas Gerais, Localiza is a Brazilian corporation, 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, being traded under 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, in 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 vehicles decommissioned after 12 months of use. To reduce sales intermediation costs, almost half of the decommissioned cars is sold directly to end consumers. Therefore, the Company maximizes the recoverable value of these assets and reduces car depreciation and net investment for fleet renewal, given that the selling expenses of the Company's owned stores is lower than the discount required by the car dealers, in addition to limiting dependence on third parties to make 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 is managed by our subsidiary Franchising Brasil in Brazil 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. This Division's vehicles are purchased after signing contracts, in accordance with the needs and requests of its customers; therefore, the fleet is more diversified in terms of models and brands. Decommissioned light and heavy vehicles are sold at the end of signed contracts, on average with 36 and 60 months of use, respectively, directly to end consumers or resellers.

Competitive Advantages:

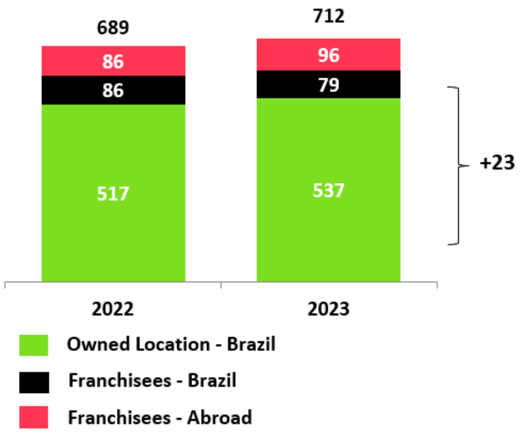
Fund Raising: | Purchase of cars: | Car rental and fleet rental: | Sale of decommissioned vehicles for fleet renewal: | Innovation:

5 - GEOGRAPHIC DISTRIBUTION

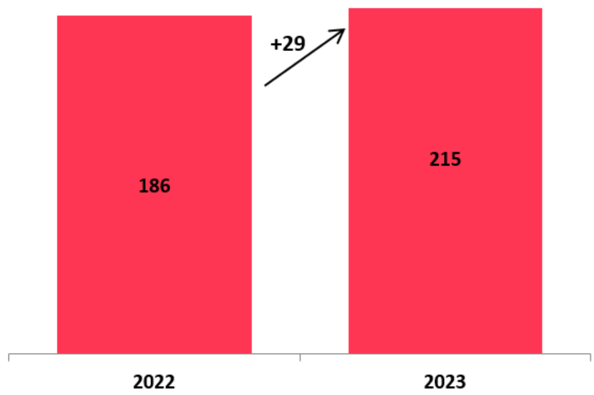
Car rental and Fleet Rental businesses are highly pulverized. The Brazilian Association of Car Rental Companies - ABLA, in its 2023 Brazilian Yearbook of the Car Rental Industry, indicates that there were about 22,941 vehicle rental companies, according to the Annual Social Information Report (RAIS).

As of December 31, 2023, Localiza had 712 car rental locations in Brazil and in five other countries in South America. Decommissioned vehicles are mostly sold to end consumers through 215 owned points of sale, located in 107 cities in Brazil.

Number of car rental agencies (in Brazil and abroad)

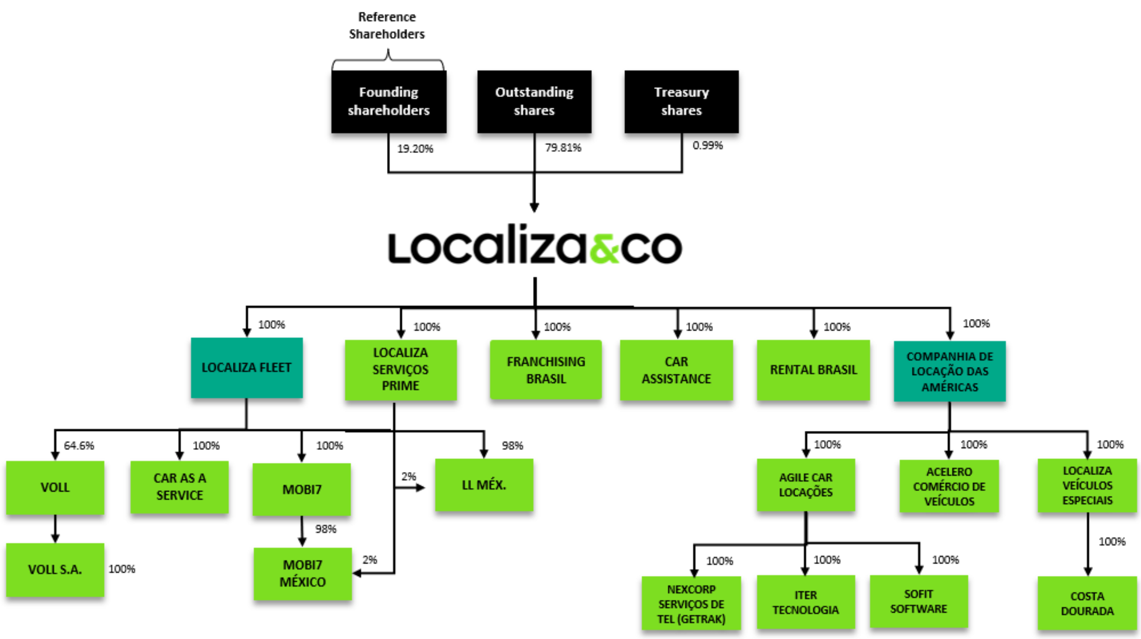


Number of own stores for the sale of cars decommissioned for fleet renewal (Brazil)



6 - CORPORATE STRUCTURE

According to the shareholding position on December 31, 2023, the organization chart of Plataforma Localiza is as follows:



Capital markets

In 2023, the average daily trading volume of RENT3 was BRL 416.1 million (BRL 420,1 million in 2022).

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. As of December 31, 2023, the Company's position was 4,440,187 ADRs in the United States. Each ADR corresponds to one share of the Company.

Investments in subsidiaries

The following chart shows the changes in Localiza investments in 2023:

(In BRL million)	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Effect of the elimination of IFRS 16	Goodwill on acquisition of investments	Total
As of December 31, 2022	**1,907.1**	**5,198.8**	**111.5**	**55.3**	**8.4**	**3.6**	**0.1**	**45.7**	**8,352.5**	**15,683.0**
Equity in the earnings of investees	619.4	771.3	0.5	53.8	2.1	6.2	-	10.9	-	**1,464.2**
Capital increase (reduction)	325.0	1,625.0	24.8	-	-	-	-	-	-	**1,974.8**
Capital increase (non-cash)	-	6,773.0	-	-	-	-	-	-	-	**6,773.0**
Dividends from subsidiaries	(147.1)	(171.2)	(6.9)	(49.2)	(8.7)	(4.6)	-	-	-	**(387.7)**
Long-term incentive option plan - subsidiaries	3.2	11.6	-	-	-	0.6	-	-	-	**15.4**
Write-off of investment in a subsidiary	-	-	-	-	-	-	(0.1)	-	-	**(0.1)**
Other comprehensive income	(107.1)	(32.0)	-	-	-	-	-	-	-	**(139.1)**
Cumulative conversion adjustment	(6.2)	-	-	-	-	-	-	-	-	**(6.2)**
Total investments in subsidiaries	**2,594.3**	**14,176.5**	**129.9**	**59.9**	**1.8**	**5.8**	**-**	**56.6**	**8,352.5**	**25,377.3**
As of December 31, 2022 - capital gains and losses	**-**	**(95.3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(95.3)**
Realization of fair value increment on property and equipment	-	(330.5)	-	-	-	-	-	-	-	(330.5)
Realization of fair value increment on intangible assets	-	5.9	-	-	-	-	-	-	-	5.9
Realization of fair value increment on assets held for sale	-	69.6	-	-	-	-	-	-	-	69.6
Realization of fair value increment on contingency	-	40.9	-	-	-	-	-	-	-	40.9
As of December 31, 2023 - capital gains and losses	**-**	**(309.4)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(309.4)
As of December 31, 2023	**2,594.3**	**13,867.1**	**129.9**	**59.9**	**1.8**	**5.8**	**-**	**56.6**	**8,352.5**	**25,067.9**
Non-controlling interest	**8.9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8.9**

Business Combination of Localiza and Locamerica

As addressed in the Material Fact notice issued on September 22, 2020, Localiza and Companhia de Locação das Américas ("Locamerica" and, together with Localiza, "Companies") entered into a Merger of Shares Agreement under terms and conditions for the implementation of the business combination of the Companies, through the incorporation of Locamerica shares by Localiza ("Merger of Shares" or "Transaction").

This transaction was approved by the shareholders of the Companies at their respective general shareholders' meetings held on November 12, 2020. The completion of the Merger of Shares was also subject to approval by the Brazilian Antitrust Authority ("CADE"), as well as the verification of other usual precedents for this type of transaction.

The Merger of Shares Agreement entered into between Localiza and Locamerica became effective on July 1, 2022, upon completion of the Merger of Shares by Localiza, pursuant to the terms of the Merger of Shares Agreement, as per the Material Fact notice disclosed on the same date.

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 dividends were calculated as follows:

(In BRL million)

	2023	2022
Net income for the year	1,805.6	1,844.3
Legal reserve (5%)	(90.3)	(92.2)
Net income for the year, basis for dividend proposal	1,715.3	1,752.1
Minimum dividends (25%)	**428.8**	**438.0**
Proposed/distributed dividends and interest on equity:		
Distributed interest on equity	1,565.0	946.5
Withholding income tax on interest on equity	(186.0)	(115.0)
Total distributed interest on equity, net	1,379.0	831.5
Percentage of the Net Income for the year deducted from the legal reserve	80.4%	47.5%
Gross dividends and interest on capital per share, net of treasury shares at the end of the year (in Reais)	R$ 1.48	R$ 0.97

As of December 31, 2023, Management proposed, for the approval of the Annual General Meeting, no payment of additional dividends to shareholders, considering that the amount distributed through interest on equity in 2023 exceeds the minimum mandatory dividend of 25% on base net income for dividend proposal.

At the Annual General Meeting held on April 25, 2023, the payment of interest on equity in the amount of BRL 946.5 related to net income for the year 2022 was approved.

8 - ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

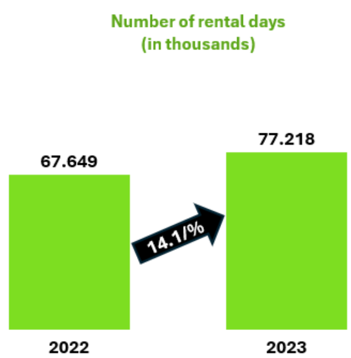
STATEMENT OF INCOME

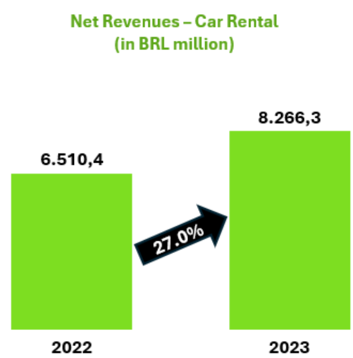
	2023		2022		Variation
	In BRL million	Net revenues %	In BRL million	Net revenues %	%
Net revenues:					
Car rental	17,781.3	61.5	12,498.7	70.3	42.3
Fleet rental	11,121.0	38.5	5,284.9	29.7	110.4
Total net revenues	**28,902.3**	**100.0**	**17,783.6**	**100.0**	**62.5**
Total costs	(20,630.2)	(71.4)	(11,135.5)	(62.6)	85.3
Gross profit	**8,272.1**	**28.6**	**6,648.1**	**37.4**	**24.4**
Operating expenses:					
Selling	(1,691.2)	(5.9)	(1,292.5)	(7.3)	30.8
General, administrative, and other expenses	(682.4)	(2.4)	(826.2)	(4.6)	(17.4)
Total operating expenses	**(2,373.6)**	**(8.2)**	**(2,118.7)**	**(11.9)**	**12.0**
Profit before interest and taxes	**5,898.5**	**20.4**	**4,529.4**	**25.5**	**30.2**
Financial costs, net	(4,024.3)	(13.9)	(2,110.5)	(11.9)	90.7
Profit before income tax and social contribution	**1,874.2**	**6.5**	**2,418.9**	**13.6**	**(22.5)**
Income tax and social contribution	(71.1)	(0.2)	(577.7)	(3.2)	(87.7)
Net income for the year	**1,803.1**	**6.2**	**1,841.2**	**10.4**	**(2.1)**

Net revenues: Consolidated net revenues increased 62.5% in 2023 compared to 2022 due to the 110.4% growth in Fleet Rental revenues and 42.3% in Car Rental coming mainly from the business combination with Locamerica. The main factors that contributed to the growth in net revenues were the following:

Car Rental: See below the car rental highlights for 2023 compared to 2022:

(i) Rental: a 27% increase in Car Rental revenues, from BRL 6,510.4 million in 2022 to BRL 8,266.3 million in 2023, due to the 14,1% increase in the number of rental days. This scenario reflects the strong performance of the segment, regardless of the restrictions and difficulties faced by the industry during the year, highlighting the positive growth from the business combination; and

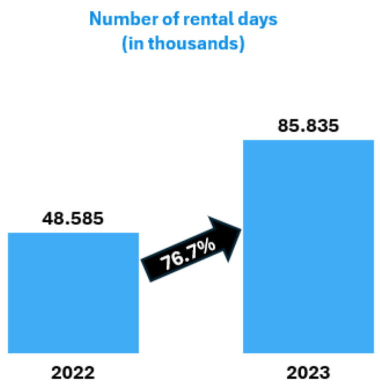


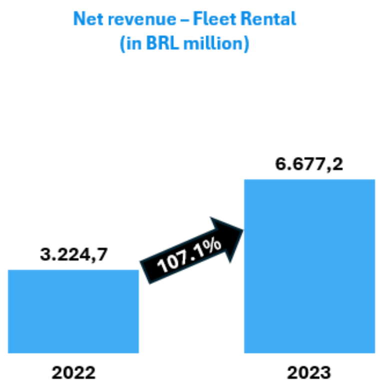


(ii) Seminovos: a 58.9% increase in net revenues from sales of decommissioned vehicles for fleet renewal, from BRL 5,988.3 million in 2022 to BRL 9,515.0 million in 2023.

Fleet rental: These were the highlights in 2023, compared to 2022, in fleet rental:

(i) Fleet rental: An increase of 107.1% in net revenue from Fleet Rental, from BRL 3,224.7 million in 2022 to BRL 6,677.2 million in 2023, mainly due to the 76.7% growth in the volume of rental days in this division, a positive effect resulting from the business combination.





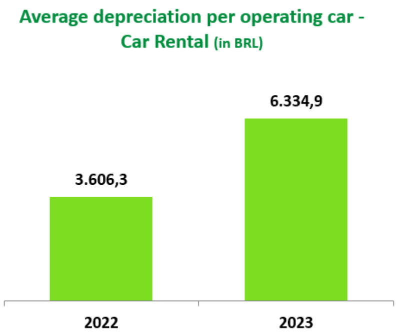
(ii) Seminovos: a significant increase of 115.7% in net revenues from sales of decommissioned vehicles for fleet renewal, from BRL 2,060.2 million in 2022 to BRL 4,443.8 million in 2023.

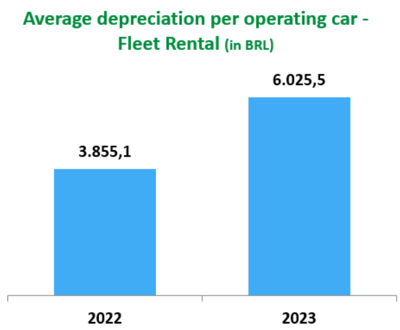
Costs: The consolidated costs of the Company grew 85.3% in 2023 compared to 2022. With the percentage of consolidated net revenues, costs increased from 62.6% in 2022 to 71.4% in 2023.

The increase in costs in 2023 was due to the following:

(i) A 139.5% increase in vehicle depreciation costs, mainly explained by the lower proportion of fully depreciated cars, as well as the fleet renewal process;

(ii) A 101.3% increase in vehicle sales costs, in line with the 86.8% increase in the volume of cars sold in 2023 compared to 2022.





The average depreciation per car in 2023 in the Car Rental Division was BRL 6,334.9, an increase of 75.7% compared to the depreciation in 2022. In the Fleet Rental Division, the depreciation per car in 2023 was BRL 6,025.5, an increase of 56.3% compared to the depreciation in 2022.

Operating expenses: Operating expenses increased by 12.0% in 2023, mainly due to the average growth of: (i) 23.2% in expenses for salaries, charges, benefits, and profit sharing; (ii) 44.3% in commission expenses; and (iii) 50.6% in depreciation and amortization expenses of other property and equipment, and intangible assets. As a percentage of consolidated net revenue, operating expenses decreased by 3.6%, from 11.9% in 2022 to 8.3% in 2023.

Net financial expenses: Consolidated net financial expenses increased by 90.7% in 2023 compared to 2022, mainly due to a higher average debt balance, partially offset by a lower average CDI.

Income tax and social contribution: The 87.7% reduction in the item of Income Tax and Social Contribution mainly due to two factors:

(i) The 22.5% reduction in earnings before income tax and social contribution is due to the increase in net financial costs and expenses, and;

(ii) Increased representation of interest on equity, primarily due to a 65% increase.

EBITDA and EBIT: The reconciliation of net income in millions of Reais with EBITDA and EBIT is as follows:

	2023	2022	Variation (%)
Net income	**1,803.1**	**1,841.2**	**(2.1)**
Financial costs, net	4,024.3	2,110.5	90.7
Income tax and social contribution	71.1	577.7	(87.7)
EBIT	**5,898.5**	**4,529.4**	**30.2**
Depreciation of vehicles and others	4,624.3	2,063.6	124.1
EBITDA	**10,522.8**	**6,593.0**	**59.6**

BALANCE SHEET

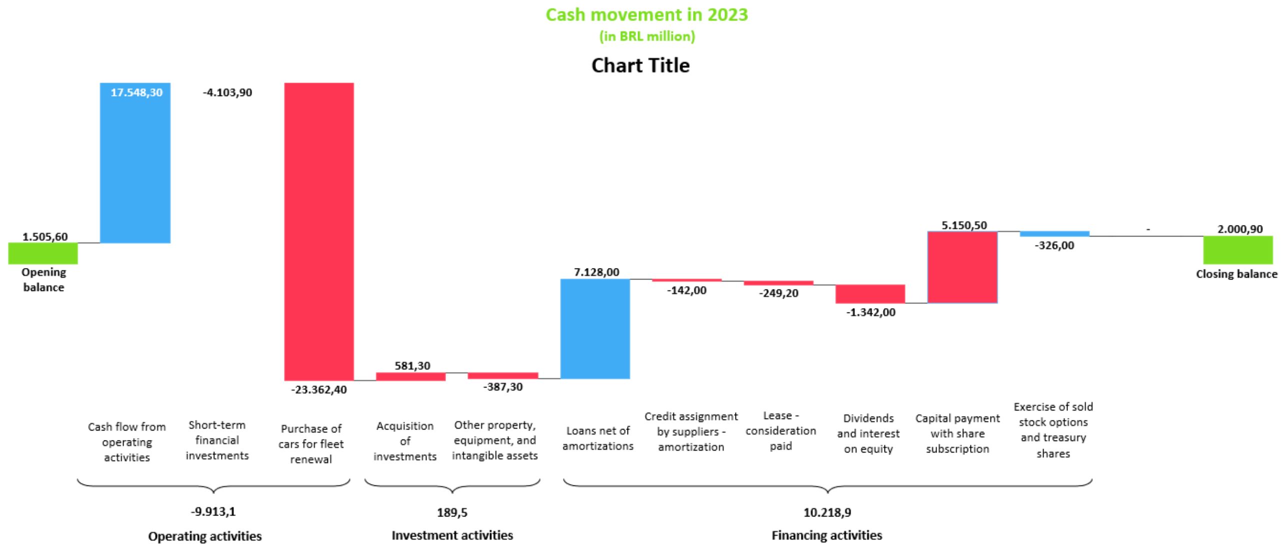
	12/31/2023		12/31/2022		Variation
	In BRL million	% of total assets	In BRL million	% of total assets	%
ASSETS					
Current assets					
Cash and cash equivalents	2,000.9	2.5	1,505.6	2.3	32.9
Short-term investments	8,321.3	10.3	4,053.8	6.2	105.3
Accounts receivable	3,681.6	4.5	2,480.2	3.8	48.4
Decommissioned vehicles for fleet renewal	2,531.4	3.1	1,976.1	3.0	28.1
Other current assets	1,229.2	1.5	1,599.5	2.4	(23.2)
Total current assets	**17,764.4**	**21.9**	**11,615.2**	**17.7**	**52.9**
Non-current assets					
Short-term investments	852.1	1.1	926.9	1.4	(8.1)
Escrow deposits	265.4	0.3	220.6	0.3	20.3
Other non-current assets	1,097.6	1.4	1,030.6	1.6	6.5
Investments	-	-	1.2	0.0	(100.0)
Property and Equipment	52,116.3	64.4	43,020.5	65.5	21.1
Intangible assets	8,851.3	10.9	8,837.0	13.5	0.2
Total non-current assets	**63,182.7**	**78.1**	**54,036.8**	**82.3**	**16.9**
Total assets	**80,947.1**	**100.0**	**65,652.0**	**100.0**	**23.3**

	12/31/2023		12/31/2022		Variation
	In BRL million	Total liabilities %	In BRL million	Total liabilities %	%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Suppliers	8,881.4	11.0	6,177.7	9.4	43.8
Payroll and related taxes	399.2	0.5	333.7	0.5	19.6
Loans, financing, and debt securities	7,226.5	8.9	3,353.5	5.1	115.5
Dividends and interest on equity	357.4	0.4	320.4	0.5	11.5
Other current liabilities	1,552.5	2.0	1,051.5	1.6	47.3
Total current liabilities	**18,417.0**	**22.8**	**11,236.8**	**17.1**	**63.9**
Non-current liabilities					
Loans, financing, and debt securities	33,381.1	41.2	29,917.6	45.6	11.6
Deferred income tax and social contribution	1,700.6	2.1	2,010.9	3.1	(15.4)
Other non-current Liabilities	2,050.6	2.5	1,916.1	2.9	7.0
Total non-current liabilities	**37,132.3**	**45.8**	**33,844.6**	**51.6**	**9.7**
Shareholders' equity	**25,397.8**	**31.4**	**20,570.6**	**31.3**	**23.5**
Total liabilities and shareholders' equity	**80,947.1**	**100.0**	**65,652.0**	**100.0**	**23.3**

The analyses of the main variations in asset and liability accounts are described below:

Cash and cash equivalents and short-term investments: Cash and cash equivalents and financial investments were BRL 11,174.3 million on December 31, 2023, corresponding to 13.9% of total assets an increase of 72.3% in relation to the balance of BRL 6,486.3 million as of December 31, 2022, which represented 9.9% of total assets.

The cash flows from operating, investing, and financing activities of the Company were as follows:

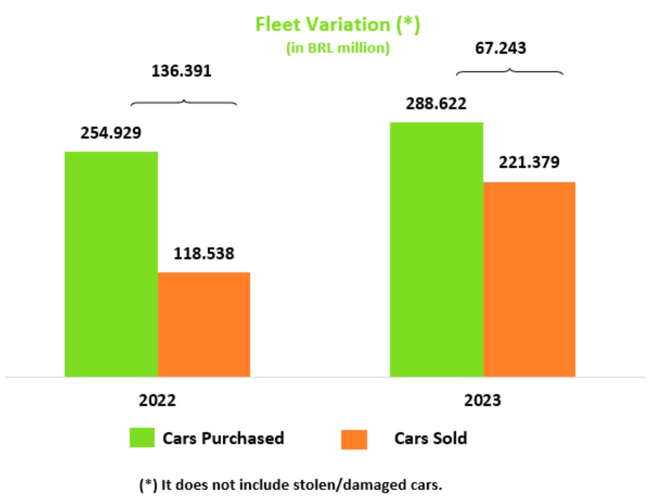


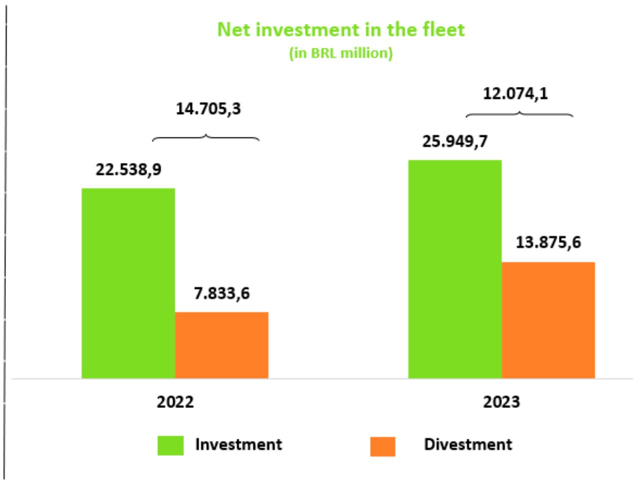
Trade receivables: The 48.4% increase in the accounts receivable, which rose from BRL 2,480.2 million in 2022 to BRL 3,681.6 million in 2023, occurred mainly due to the following increases: (i) BRL 602.2 million in car rentals due to a 14% growth in daily rentals and a 14.3% increase in the average rented fleet compared to the previous year. (ii) BRL 396.0 million in the sale of decommissioned vehicles, due to a higher volume of sales recorded during the period.

Decommissioned vehicles for fleet renewal: The 28.1% increase in decommissioned vehicles for fleet renewal primarily stems 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 11.5% decrease of other current and non-current assets, which decreased from BRL 2,630.1 million in 2022 to BRL 2,326.8 million in 2023, primarily occurred due to the reduction of: (i) Receipt of proceeds of BRL 581.0 million from the divestment of investments (carve-out); (ii) A decrease of BRL 195.3 million in derivative financial instruments, partially offset by an increase of BRL 257.8 million in recoverable taxes on PIS/COFINS and income tax and social contribution, related to depreciation, due to the revision of the fiscal useful life of certain fleet vehicles through technical reports issued by a duly qualified entity in accordance with the legislation.

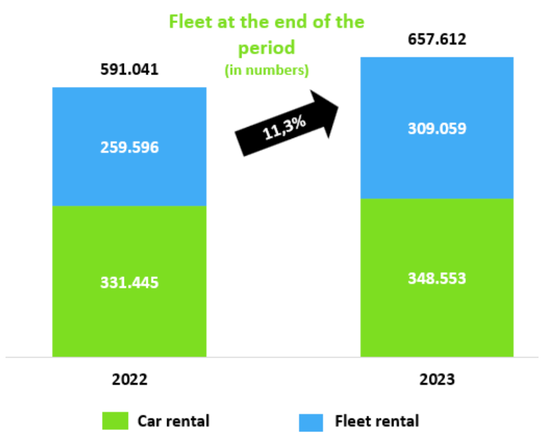
Property and equipment - vehicles:





The 21.1% increase in property and equipment is primarily related to the addition of 67,243 vehicles to the fleet in 2023 and a net investment of BRL 12,074.1 million, attributed to the realization of the business combination with Locamerica, as well as a 13.2% increase in the purchase of new vehicles during the fiscal year.

Suppliers: The 43.8% increase in suppliers, rising from BRL 6,177.7 million in 2022 to BRL 8,881.4 million in 2023, is primarily attributed to the 46.0% increase in the payable balance to automakers, reflecting the 11.3% increase in the end-of-period fleet in 2023.

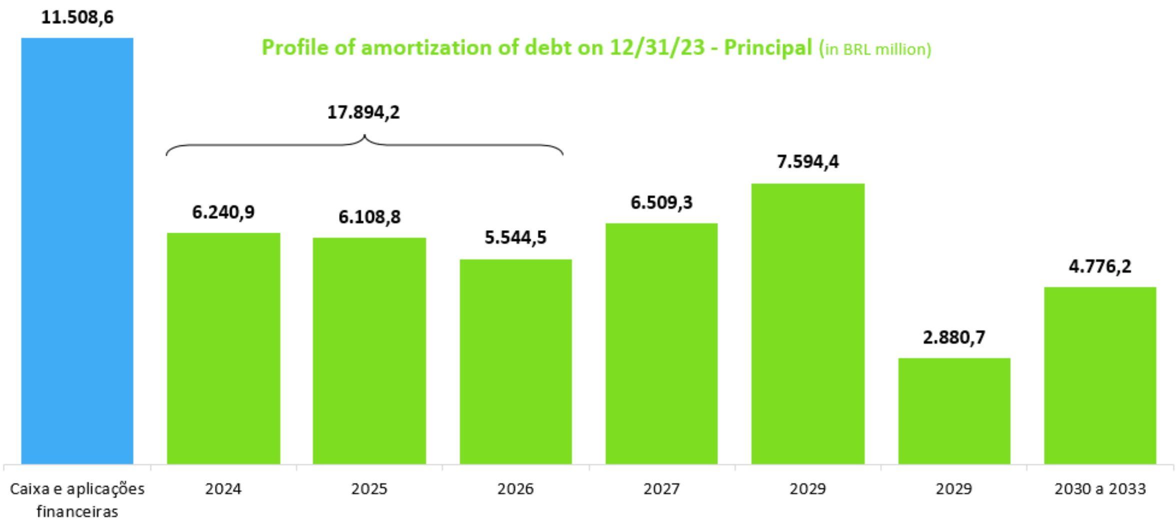


Loans, financing, and debt securities: The 22.1% increase in this category is attributed to the significant new loans, financings, and debt securities issued in 2023, as outlined below:

Company	Issuance	Maturity Date	Financial Settlement (In BRL million)
Localiza	2nd CRI - 1st series	03/2028	210.0
Localiza	2nd CRI - 2nd series	03/2030	490.0
Fleet	12th issuance	03/2025	1,500.0
Localiza	Working capital (*)	03/2026	295.0
Localiza	Working capital	08/2023	1,000.0
Fleet	Foreign currency	01/2026	538.9
Localiza	24th Issuance - 1st Series	05/2025	250.0
Localiza	24th Issuance - 2nd Series	11/2025	700.0
Fleet	Foreign currency	11/2025	250.5
Localiza	Foreign currency	05/2025	250.5
Localiza	Foreign currency	06/2025	604.4

Localiza	25th issuance	08/2033	1,500.0
Fleet	Foreign currency	10/2024	155.0
Fleet	Working capital	09/2028	1,000.0
Localiza	Working capital	10/2031	1,000.0
Localiza	34th issuance	11/2028	1,900.0
Localiza	Foreign currency	11/2025	245.0
Fleet	13th issuance	12/2028	700.0
			12,589.3

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



Other current and non-current liabilities: The 21.4% increase in other current and non-current liabilities is attributed to the rise in advances from customers and insurance premiums yet to be passed on, primarily due to the growth in the volume of car rentals, which increased from 67,649.5 in 2022 to 77,218.0 in 2023, corresponding to a 14.1% increase.

Deferred income and social contribution taxes liabilities: The deferred income tax and social contribution liabilities decreased by 15.4%, from BRL 2,010.9 million in 2022 to BRL 1,700.6 million in 2023, mainly due to the increase in tax loss and social contribution carryforwards, partially offset by the increase in car depreciation compared to the previous year.

Shareholders' equity: The 23.5% increase in equity is primarily attributed to the increase in share capital of BRL 4,500.0 million due to the public offering (follow-on) of the Company's common shares in June 2023.

Repurchase of shares

During the years ended December 31, 2023 and 2022, the following share buyback programs were in effect:

Share Buyback Program	Approved by the Board of Directors	Buyback period	Maximum authorized amount
13th	06/24/21	07/23/21 to 07/22/22	50,000,000
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

In 2023, 5,398,314 shares of the Company's own issuance were acquired for a total amount of BRL 314.7 million under the 15th Share Buyback Program. The average cost of acquiring treasury shares, including negotiation costs, was BRL 58.29 per share.

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

Selling of treasury shares to those eligible for the Matching Program

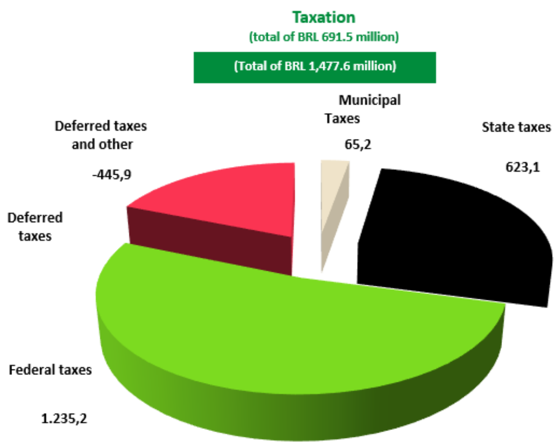
In 2022, 87,494 treasury shares were sold in the amount of BRL 2,2 million to employees eligible to the 1st Stock Option Plan and Matching Shares, which was approved at the Extraordinary General Meeting held on July 12, 2017. The goodwill generated on the sale of these shares was BRL 2.5 million in 2022. In 2023, there were no sales of treasury shares.

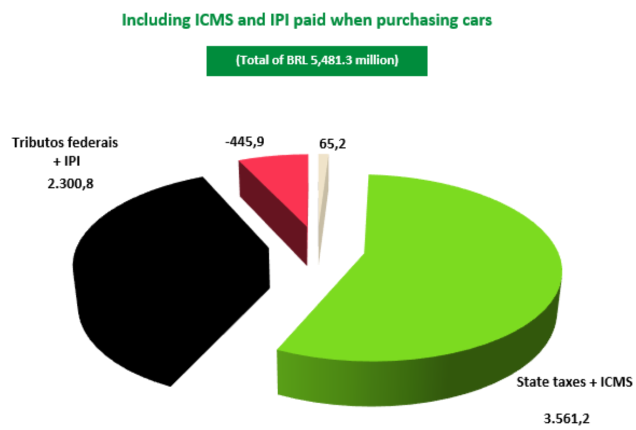
Exercise of stock options with treasury shares

In 2023, 465,042 stock options related to Long-Term Incentive Programs were exercised, with treasury shares used amounting to BRL 12.0 million.

9 - TAXATION

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





10 - MAIN AWARDS RECEIVED

During 2023, the Company was granted several awards, and the highlights are:

Awards and Recognition	Category	Institution
IGPTW index	Focus on companies that have the best people management practices	B3
OTCQX Best 50 2023	39th position and the only Brazilian company in the ranking	OTCQX
25 Most Valuable Brazilian Brands	23rd position	Interbrand
Best Companies to Work for Women	36th position among large companies	Great Place to Work
The Best of ESG	Winner in the Transportation, Logistics, and Logistics Services industry	Exame
100 most attractive companies for talents	50th position in the overall ranking Highlight in the "Mobility Services" industry	Merco
Valor Inovação	1st place in the industry	Valor Econômico Newspaper
Melhores e Maiores	Company of the Year in "Transportation and Logistics"	Exame

Institutional Investor Ranking	Best CEO, CFO, IR Professional, IR team, IR Program, ESG, Event with Analysts, Best Board of Directors and Most Honored Company in Brazil in the industry	Institutional Investor
Reclame Aqui Award	Best service in the Car Rental, Car Dealership and Store, and Subscription Vehicles categories	Reclame Aqui
Best Companies to Work for in Brazil	Large Companies - more than 10,000 employees 9th position	Great Place to Work
Most Valuable Brands in Brazil	4th position	IstoÉ Dinheiro
One of the 100 Companies with the Best Corporate Reputation	43rd position in the overall ranking Segment Highlight	Merco

11 - CORPORATE GOVERNANCE

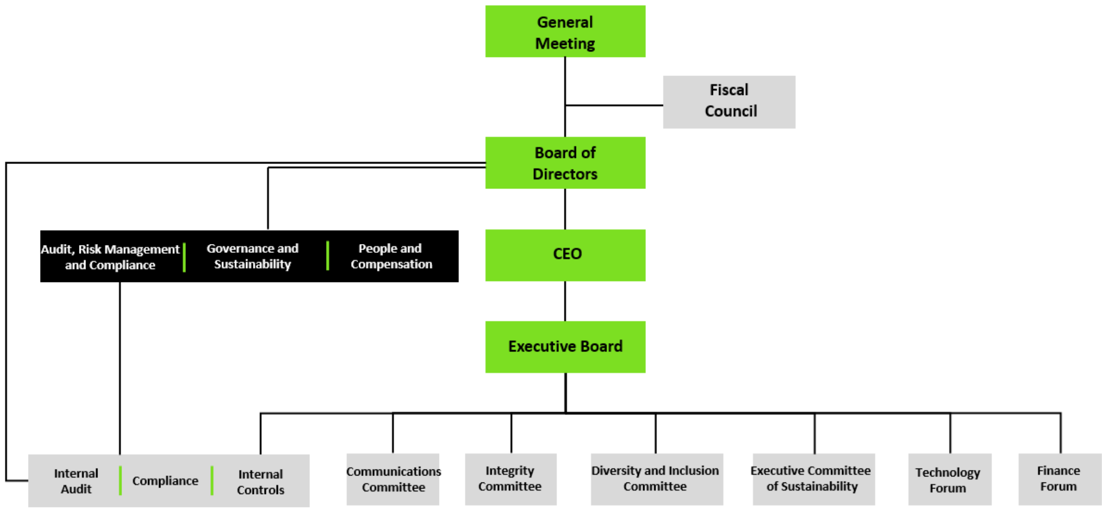
The Company aims to achieve the highest standards of corporate governance for equity, compliance, accountability, and transparency, thereby adding value to shareholders and the overall market. Since its IPO, the Company has joined Novo Mercado, the highest level of governance on B3 (the Brazilian Stock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

Arbitration Chamber: In accordance with Article 36 of its Bylaws, the Company, its Shareholders, Management and Fiscal Council members, both appointed officers and alternates, if any, undertake to resolve, through arbitration in the Market Arbitration Chamber, by its rules, any dispute or controversy that may arise between them, related to or arising of their 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 National 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, as well as those in 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 suggested 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, covering also members of the Board of Directors and other committees, partners, suppliers, third-party intermediaries, and franchisees, both in Brazil and abroad. Every employee, upon joining the Company, undergoes training on the Code of Conduct and Anti-Bribery and Anti-Corruption Policy during their onboarding. All employees also undergo a Code of Conduct Refresher Training two years after their initial training.

On December 31, 2023, 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, 2023, 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
Adriana Waltrick dos Santos	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
Márcia Fragoso Soares	Sitting Member
Guilherme Bottrel Pereira Tostes	Deputy member
Juliano Lima Pinheiro	Deputy member
Roberto Frota Decourt	Deputy 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
Marco Túlio de Carvalho Oliveira	Executive Director of M&A and Heavy Vehicles 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 Hilário De Ávila Valgas Filho	Member of the Board of Directors
Breno Davis Campolina	CEO
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
Marco Túlio de Carvalho Oliveira	Vice-President Director
Breno Davis Campolina	CEO
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
Marco Túlio de Carvalho Oliveira	Vice-President Director
Breno Davis Campolina	CEO
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	CEO
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	CEO
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

COSTA DOURADA VEÍCULOS LTDA.

Name	Position
Paulo Emilio Pimentel Uzêda	Administrator
Breno Davis Campolina	Administrator
Rodrigo Tavares Gonçalves de Sousa	Administrator

ITER TECNOLOGIA S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Frederico Menegatti de Arruda	CEO
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	CEO

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	CEO

LOCALIZA VEÍCULOS ESPECIAIS S.A.

Name	Position
Paulo Emilio Pimentel Uzêda	Chief Executive Officer
Breno Davis Campolina	Director without a specific designation
João Hilário De 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 Horácio 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	CEO

NEXCORP SERVIÇOS E TELECOMUNICAÇÕES S.A.

Name	Position
João Hilário De Ávila Valgas Filho	Chief Executive Officer
Frederico Menegatti de Arruda	CEO
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer

RENTAL BRASIL ADMINISTRAÇÃO E PARTICIPAÇÃO S.A.

Name	Position
Bruno Sebastian Lasansky	Chief Executive Officer
Marco Túlio de Carvalho Oliveira	Vice-President Director
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
João Hilário De Ávila Valgas Filho	CEO

SOFIT SOFTWARE S.A.

Name	Position
Breno Davis Campolina	Chief Executive Officer
Rodrigo Tavares Gonçalves de Sousa	Chief Financial Officer
Giovani da Silva Amaral	CEO

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 Company (holding) 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 its selection; evaluating its performance, the quality of financial opinions and reports, and the accounting principles used; and assessing the effectiveness and sufficiency of the internal control structure.

(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, and two of them are independent.

(iii) Governance and Sustainability: The Governance and Sustainability Committee, composed of three 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 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.

To reinforce the Company's governance structure, two forums were created within the management scope - the Technology and Innovation Forum and the Finance Forum. The Board of Directors leverages the lessons learned from these forums with the participation of an observer board member in each of them - Paulo Antunes Veras in the Technology and Innovation Forum and Eugenio and/or Luis Fernando in the Finance Forum.

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, where hierarchical reporting is channeled to the Legal Executive Director and functional reporting to the Audit, Risk Management, and Compliance Committee.

As part of the Internal Audit activities, audits of Company 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.

Additionally, 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 stages of the Corruption and Bribery Risk management process; (b) support and guide the implementation of the rules, 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 is carried out to the Legal Board and functional reporting to the Audit, Risk Management and Compliance Committee.

The Company has an outsourced reporting channel with the aim of 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 been continuously dedicated to sustainable Human Resources practices, through 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 2023, 2,628 employees were promoted, 1,479 were recognized by the Company's merit program and approximately BRL 20 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, formed 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 2023, the Company's overall turnover was 20.5%, which demonstrates good stability in leadership levels. Talented employees, committed to the Company's values and adequately rewarded, based on meritocracy, are capable of delivering superior performance, which is essential for the Platform's continued growth.

Programs aimed at employees

Diversity and Inclusion Program: In 2020, Localiza started a robust Diversity and Inclusion Program with the aim of promoting a culture of equity and inclusion throughout the organization and contributing to a more egalitarian society, inspiring evolution beyond the company's boundaries. The initiative's mission is to engage leaders, sensitize teams, expand listening to groups, review processes, promote actions and projects, ensuring more diversity and inclusion in general. The program operates on five priority fronts, namely: gender equity, people with disabilities, migrants and people in refuge, race, and LGBTI+, and the newly launched initiative for the inclusion of professionals aged 50 and above.

As part of our goal to advance diversity and inclusion, we are signatories to the UN Women's Empowerment Principles, the UNHCR Business Forum for Refugees, the Business Coalition for Racial and Gender Equity, and the Business Forum for LGBTI+ Rights - a series of external commitments that inspire us and provide the opportunity for exchanging best practices. Additionally, we have evolved in structuring practices such as acceleration programs for the development of female leadership and black talents: eLLas and Pluraliza; review of policies and benefits in light of diversity; promotion of affirmative action positions and intentional recruitment of professionals from underrepresented groups; capacity-building actions for inclusion through e-books, training sessions, lectures, workshops in specific areas, among others; and accessibility improvement actions. We also launched the "Extraordinary Driving School" ("Autoescola Xtraordinária") project in partnership with the Mano Down Institute for a more inclusive traffic environment for drivers with intellectual disabilities, and the new Zarp store with a 100% female team and special conditions for women to become app-based drivers.

In 2023, we were once again recognized as one of the Best Places for the LGBTI+ Community to Work (HRC Equality BR), we joined the top companies in the GPTW Women ranking, and were included in the IDIVERSA index - the first diversity-focused index in Latin America that gathers companies highlighted for diversity in Brazil. We also continued to be part of the ELAS11 index, which selects companies with the highest representation of women in governance bodies, both traded on B3.

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 model: Driven by the pandemic, since 2020, Localiza has also implemented a new work model that was already used for headquarters and call centers employees - remote work. There are over 7,000 eligible employees who can work up to three days 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 to a 100% remote model. Thus, we ensure that people located anywhere in Brazil can be part of our team, positively impacting the generation of sustainable jobs. Altogether, 1,000 employees joined 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 5 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: involves the programs and actions that aim to improve healthy practices and habits during the day to day;
- Sempre Bem Com a Família: addresses family issues such as family well-being and quality of life.

We highlight the following Sempre Bem actions in 2023:

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. 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 is divided into 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 the Company's health actions, providing special and multidisciplinary care to our employees and achieving a resolution rate of 98.8% of the cases treated. All of this without the need for our employees to be exposed to additional risks in other clinics and/or hospitals. Additionally, our ACOLHER Program offered 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 issued 694 opinions from people with disabilities that contributed to the hiring of 288 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:

- We doubled the number of employees immunized against the flu;
- We quadrupled the number of executive check-ups;
- 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 368 participating mothers;

- Our mental health program, "Saudavelmente", conducted over 50 training sessions for leaders, provided special support for the reintegration of individuals returning from emotional health leave, and offered psychological support and assistance 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 seen over 44,000 activities completed, 65,000 kilometers of walking, 103,000 kilometers of running, and 259,000 kilometers of biking.

All of this resulted in a 33% reduction in our absenteeism compared to 2022, showing that we are on the right path and giving us even more strength to do more and better for our people.

13 - SUSTAINABILITY

The culture of generating shared, long-term value permeates our operations. 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 20,000 #greenblood employees and engage in creating a culture of respect, promoting an environment of psychological safety and equal opportunities, attracting and retaining increasingly diverse talents.

Sustainable Mobility:

For the third year, our greenhouse gas (GHG) inventory was verified by a third party and received the Gold Seal in the GHG Protocol. Due to the business combination, when consolidating the three levels, we had a 55% increase in emissions compared to the previous year, which is justified by the added fleet. We started making the Climate Risk Study, an important tool for understanding the impact of climate change and any opportunities in our operations.

As part of our efforts to reduce greenhouse gas emissions, we consume 100% renewable energy across our entire platform.

Also on the climate change front, we have progressed in the use of ethanol, which emits approximately 90% fewer greenhouse gases than gasoline. We internally fuel 100% of flex-fuel vehicles with this biofuel and raise awareness among customers and employees about its benefits.

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

We remained in the Carbon Efficient Index - ICO2 of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), which brings together companies that adopt practices to combat climate change.

Our product for greenhouse gas (GHG) offsetting in car rental developed has been consolidated, and we have extended this solution to fleet rental clients. A total of 67,000 tons of CO2e were offset in 2023 (scope 3) compared to 14,000 tons of CO2e in 2022.

To offset our direct emissions (scopes 1 and 2), 36,000 tons of CO2e were acquired.

Our new corporate building, LABs, in Belo Horizonte, has received LEED certification in the "platinum" category, attesting to the highest level of sustainability in its construction.

Construction of eight Localiza Seminovos stores using recycled plastic blocks. In this type of construction, it is possible to reduce steel consumption by 90%, prevent waste, and also decrease implementation time by 70%. In addition to being lightweight, durable, modular, recycled, recyclable, and modern, these blocks also provide acoustic and thermal efficiency, requiring less electricity usage. Lastly, this type of construction emits 90% less CO2 than a similar brick and mortar construction.

Social Transformation:

We remained in the B3 IGPTW ETF, which brings together the companies that most invest in a work environment with the best human resources practices, and the ELAS11 ETF, which brings together companies with more women in leadership positions.

Also, for the second consecutive year, L&CO has been recognized as one of the Best Places for the LGBTI+ community to work through research conducted by the Instituto +Diversidade, HRC, and Fórum LGBTI+.

In the third year of the Localiza&Co Diversity and Inclusion Program, in addition to consolidating the practices for the five affinity groups, (i) gender equity; (ii) racial equity; (iii) LGBTI+; (iv) migrants and refugees; and (v) people with disabilities, we launched the 6th group (vi) "50+" with the aim of promoting the inclusion of professionals over 50 years old and combating and discussing ageism. In 2023, our priority was to increase the participation of women and black people in strategic leadership positions. Among the actions carried out for this purpose are the eLLas and Pluraliza programs, which aim to develop the careers of women and black and brown individuals, respectively, and to develop the careers of underrepresented groups. In addition, we work on intentional recruitment and mandatory inclusion of women and Black individuals in the short-list for strategic leadership positions.

We integrate B3's IDIVERSA, the first index focused on diversity in Latin America, which brings together companies that stand out in terms of diversity in Brazil.

The year 2023 represented a significant growth for the Localiza Institute. A total of 17,000 people across all regions of the country have benefited from technical training and productive inclusion projects in areas aligned with the mobility ecosystem. Over 60 projects were carried out in partnership with social organizations and with internal areas and partners of Localiza&Co. In addition to the inclusion of youth in areas such as tourism, gastronomy, technology, the automotive chain, and entrepreneurship, more beneficiaries from underrepresented groups such as migrants, people with disabilities, indigenous communities and Black individuals were also included. To enhance the management of social projects, we implemented a management training program for partner organizations, reaching 200 participants in 20 hours of virtual content. We carried out the 1st Youth in Movement Meeting (*1o. Encontro Juventude em Movimento*), bringing together 100 managers from social organizations and young beneficiaries of the projects, in a process of privileged listening to the youth, which led to significant results to guide the evolution of social mobility projects in 2024. We advanced in the Community in Action (*Comunidade em Ação*) initiative, aimed at the vulnerable community neighboring L&Co's headquarters in Belo Horizonte, with a program to promote nano, micro, and small businesses in partnership with Sebrae Minas. We also launched the Volunteer Program (*Programa de Voluntariado*), involving approximately 250 Localiza&Co employees in 1,220 hours of donated time, knowledge, and solidarity, benefiting over 3,000 people. One of the initiatives, Technological Girl (*Garota Tecnológica*) - a volunteer program aimed at enhancing the technical skills of young people - was recognized as one of the top 5 volunteer actions of the year in Minas Gerais by the Corporate Volunteer Committee of Minas Gerais (CMVC). In December, we launched the 2nd Youth in Movement Call for Proposals to select new projects for the productive inclusion of young people across the country. We expanded our connections with other peer institutions and had our story recorded on the knowledge management platform of the Group of Social Institutions and Foundations (GIFE), showcasing a successful case of engagement in the social sector.

Localiza, in partnership with the Mano Down Institute, launched the "Extraordinary Driving School" ("Autoescola Xtraordinária"), enabling individuals with intellectual disabilities to achieve their goals, contributing to increasingly inclusive mobility.

World Class Governance:

Localiza&Co ranked among the top 50 companies with the best corporate reputation and among the top 70 in terms of ESG responsibility in the overall ranking, securing the 1st position in the mobility industry. Our founding partner and Chair of the Board, Eugênio Mattar, and our Chief Executive Officer (CEO), Bruno Lasansky, are among the top 70 leaders with the highest reputation, according to the Corporate Reputation Business Monitor (MERCO).

We have published our Environmental Policy in line with sustainability principles and other internal policies, aiming to ensure the Company's compliance with environmental standards while acting in accordance with ethical principles.

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. Still in the context of transparency and information security, the Company adjusted the collection of cookies from its websites and landing pages and implemented a process to evaluate critical suppliers, operators of personal data on behalf of Localiza&Co.

Reinforcing internal measures, specific training on privacy, data protection, and information security was implemented. 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.

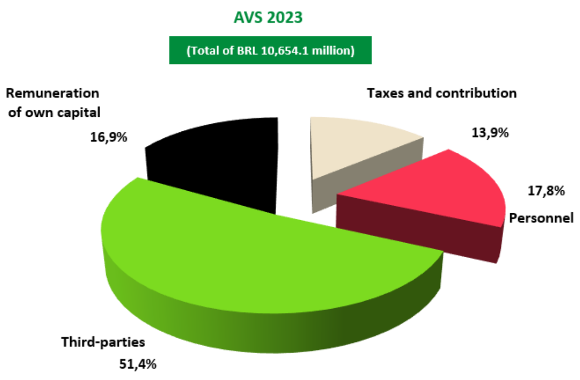
In December 2023, 94,1% of our employees were trained on the Code of Ethics and Conduct, which guides our behavior in internal relationships with customers, franchisees, suppliers, partners, communities and other stakeholders.

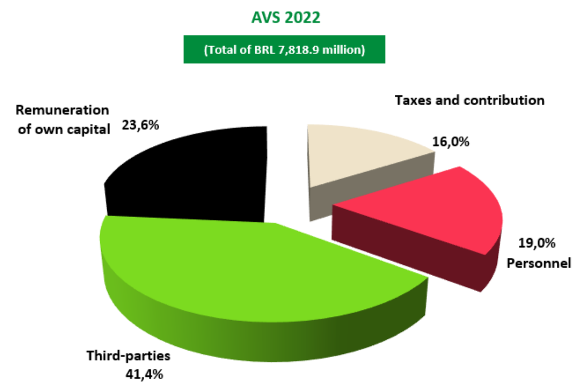
The Company maintained its ISO 37001 certification, attesting to the quality of its work in combating bribery, always in line with our culture of integrity, transparency, and compliance.

We have progressed in the Board succession process with the appointment of two new independent members - Artur Noemio Grynbaum and Adriana Waltrick dos Santos. Adriana brought her experience as a CEO and Board member, with an extensive strategic and financial management background, and now sits on the Audit, Risk Management, and Compliance Committee. Artur Noemio Grynbaum, an entrepreneur and businessman, with CEO and Board experience, brings great contribution to our strategy, with deep knowledge of retail.

We have also created and implemented the position of LID - Lead Independent Director in our Board, which in 2023 served its first term, a significant step within the independence strategy envisioned for our Board of Directors. The role of the LID and more details on this topic can be found in the Board's Internal Regulations, available on the Company's website - www.localiza.com/ri.

Value Added Statement ("VAS"): This statement demonstrates the Company's representativeness to society, being responsible for generating wealth of BRL 10,654.1 million in 2023 (BRL 7,818.90 million in 2022), distributed as follows:





Social Statement

(in BRL thousand)

Localiza&Co			2023			2022
Calculation basis of consolidated social indicators						
Net revenues ("NR")			28,902,284			17,783,568
Earnings before income tax and social contribution ("EBIT")			1,874,201			2,418,925
Gross payroll ("GP")			1,327,404			1,295,046
Internal Social Indicators	**Amount**	**% on Gross Payroll**	**% on NR**	**Amount**	**% on Gross Payroll**	**% on NR**
Meals	169,402	13%	1%	113,770	9%	1%
Compulsory payroll taxes	344,888	26%	1%	281,201	22%	2%
Health	125,174	9%	0%	92,963	7%	1%
Professional Training and Development	21,074	2%	0%	9,213	1%	0%
Daycare centers or childcare allowance	3,047	0%	0%	2,248	0%	0%
Profit Sharing	223,277	17%	1%	161,542	12%	1%
Other	49,567	4%	0%	41,991	3%	0%
Total Internal Social Indicators	**936,429**	**71%**	**3%**	**702,928**	**54%**	**5%**
External Social Indicators	**Amount**	**% on EBIT**	**% on NR**	**Amount**	**% on EBIT**	**% on NR**
Education	186	0%	0%	34	0%	0%
Culture	772	0%	0%	135	0%	0%
Other	13,329	1%	0%	9,824	0%	0%
Total contributions to society	**14,287**	**1%**	**0%**	**9,993**	**0%**	**0%**
Taxes (excluding payroll taxes) (*)	702,915	38%	2%	889,788	37%	5%
Total external social indicators	**702,915**	**38%**	**2%**	**899,781**	**37%**	**5%**
Staff indicators			**12/31/23**			**12/31/22**
Number of employees at the end of the period			20,725			17,505
Number of new hires during the period			8,364			7,282
Number of third-party workers			508			829
Number of interns			62			59
Number of employees above 50 years old			1,269			923
Number of women working at the company			9,059			7,758
Percentage of lead positions held by women			47.83%			50.17%
Number of disabled employees			732			426

Note: The Company's 2022 social statement includes data from the business combination with Locamerica as of July 1, 2022.

(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, 2023 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, 2023 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, 2023, 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

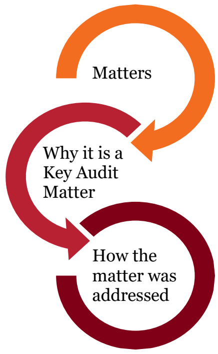
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Localiza Rent a Car S.A. and its subsidiaries as at December 31, 2023, and their financial performance and their cash flows for the year then ended, in accordance 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.

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, 2023 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, 2023, 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 and the Earnings Release.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and the Earnings Release and we do not express any form of audit conclusion on these reports.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and the Earnings Release and, in so doing, consider whether these reports are 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 and the Earnings Release, 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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, March 11, 2024

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

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

LOCALIZA RENT A CAR S.A.

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

ASSETS

	Note	Individual 12/31/23	Individual 12/31/22	Consolidated 12/31/23	Consolidated 12/31/22
Current assets					
Cash and cash equivalents	5	1,107,076	734,719	2,000,897	1,505,623
Short-term investments	6	6,798,407	2,718,619	8,321,252	4,053,777
Accounts receivable	7	2,173,840	1,470,012	3,681,632	2,480,213
Dividends receivable	10.3.1(b)	333,883	146,706	-	45
Decommissioned vehicles for fleet renewal	12(b)	1,423,307	1,118,903	2,531,398	1,976,087
Derivative financial instruments	4.1	-	111,456	87,739	283,047
Amount receivable for the sale of investment	10.2.1(a)	-	-	7,719	588,761
Recoverable taxes	8	191,080	145,993	628,372	312,465
Other current assets	9	330,375	193,893	505,394	415,164
Total current assets		**12,357,968**	**6,640,301**	**17,764,403**	**11,615,182**
Non-current assets					
Long-term assets:					
Short-term investments	6	1,180,600	1,259,516	1,186,351	1,349,938
(-) Present value adjustment	6	(334,288)	(423,008)	(334,288)	(423,008)
Accounts receivable	7	-	-	6,617	9,791
Derivative financial instruments	4.1	142,751	89,884	377,248	365,599
Escrow deposits	20(b)	125,917	95,304	265,442	220,550
Deferred income tax and social contribution	21(a)	-	-	38,208	22,965
Recoverable taxes	8	289,833	344,165	561,588	567,168
Other non-current assets	9	2,599	1,987	113,911	65,121
Total long-term assets		**1,407,412**	**1,367,848**	**2,215,077**	**2,178,124**
Investments	10.3	25,067,975	15,587,759	-	1,171
Property and equipment	12(a)	24,890,683	20,843,949	52,116,268	43,020,498
Intangible assets	13	139,931	86,774	8,851,336	8,837,042
Total non-current assets		**51,506,001**	**37,886,330**	**63,182,681**	**54,036,835**
Total assets		**63,863,969**	**44,526,631**	**80,947,084**	**65,652,017**

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

LOCALIZA RENT A CAR S.A.

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

LIABILITIES AND SHAREHOLDERS' EQUITY

		Individual		Consolidated	
	Note	12/31/23	12/31/22	12/31/23	12/31/22
Current liabilities					
Suppliers	14	5,896,508	4,071,439	8,881,381	6,177,751
Social and labor obligations	15	315,951	220,488	399,196	333,671
Assignment of credit rights	16	-	-	86,277	141,797
Loans, financing, and debt securities	17	5,968,789	1,290,858	7,226,535	3,353,510
Derivative financial instruments	4.1	207,347	38,143	370,684	137,350
Lease liability	18	240,228	184,264	261,597	185,227
Income tax and social contribution payable		7,759	-	119,109	11,675
Dividends and interest on equity	22(e)	357,380	320,386	357,380	320,386
Other current liabilities	19	672,271	447,715	714,864	575,439
Total current liabilities		**13,666,233**	**6,573,293**	**18,417,023**	**11,236,806**
Non-current liabilities					
Assignment of credit rights	16	-	-	48,052	134,234
Loans, financing, and debt securities	17	23,283,617	15,333,989	33,381,098	29,917,603
Derivative financial instruments	4.1	75,865	86,549	260,035	260,133
Lease liability	18	1,165,337	968,594	966,506	727,272
Provisions for risks	20(a)	141,631	133,807	604,285	672,568
Deferred income tax and social contribution	21(a)	59,953	832,227	1,700,585	2,010,851
Other non-current liabilities	19	82,451	38,976	171,685	121,945
Total non-current liabilities		**24,808,854**	**17,394,142**	**37,132,246**	**33,844,606**
Total liabilities		**38,475,087**	**23,967,435**	**55,549,269**	**45,081,412**
Equity	22				
Share capital		17,376,899	12,150,698	17,376,899	12,150,698
Share issuance expenses		(118,804)	(43,111)	(118,804)	(43,111)
Treasury shares		(447,225)	(144,557)	(447,225)	(144,557)
Capital reserves		4,145,180	4,089,082	4,145,180	4,089,082
Retained earnings		4,756,830	4,516,260	4,756,830	4,516,260
Other comprehensive income		(323,998)	(9,176)	(323,998)	(9,176)
		25,388,882	**20,559,196**	**25,388,882**	**20,559,196**
Attributable to non-controlling partners		-	-	8,933	11,409
Total shareholders' equity		**25,388,882**	**20,559,196**	**25,397,815**	**20,570,605**
Total liabilities and shareholders' equity		**63,863,969**	**44,526,631**	**80,947,084**	**65,652,017**

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

LOCALIZA RENT A CAR S.A.

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

		Individual		Consolidated	
	Note	2023	2022	2023	2022
Net revenues	25	16,967,330	11,227,247	28,902,284	17,783,568
Costs	26	(13,417,018)	(7,388,647)	(20,630,206)	(11,135,459)
Gross profit		**3,550,312**	**3,838,600**	**8,272,078**	**6,648,109**
Operating income (expenses):					
Selling expenses	26	(1,173,627)	(875,841)	(1,691,169)	(1,292,483)
General, administrative, and other expenses	26	(399,405)	(408,997)	(681,937)	(826,287)
Equity in the earnings of investees	10.1 and 10.3	1,250,133	385,491	(430)	86
		(322,899)	(899,347)	(2,373,536)	(2,118,684)
Profit before financial income and expenses		**3,227,413**	**2,939,253**	**5,898,542**	**4,529,425**
Financial income	27	834,143	585,947	1,225,637	945,544
Financial expenses	27	(2,899,111)	(1,656,659)	(5,249,978)	(3,056,044)
Financial income/loss	27	**(2,064,968)**	**(1,070,712)**	**(4,024,341)**	**(2,110,500)**
Profit before income tax and social contribution		**1,162,445**	**1,868,541**	**1,874,201**	**2,418,925**
Income tax and social contribution:	21(b)				
Current		(97,731)	-	(314,945)	(92,846)
Deferred		740,852	(24,235)	243,834	(484,872)
		643,121	(24,235)	(71,111)	(577,718)
Net income for the year		**1,805,566**	**1,844,306**	**1,803,090**	**1,841,207**
Attributable to shareholders of the Company		1,805,566	1,844,306	1,805,566	1,844,306
Attributable to non-controlling shareholders		-	-	(2,476)	(3,099)
Earnings per share (in Reais):	23				
Basic				1.77146	2.13287
Diluted				1.76057	2.11768

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

LOCALIZA RENT A CAR S.A.

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

	Individual		Consolidated	
	2023	2022	2023	2022
Net income for the year	**1,805,566**	**1,844,306**	**1,803,090**	**1,841,207**
Other comprehensive income				
Items that will not 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	(100,347)	(903)	(95,233)	(903)
Income tax and social contribution	34,113	307	32,376	307
Items that may be subsequently reclassified to income				
Exchange variation of investees located abroad	-	-	(6,213)	(471)
Share in the comprehensive income of subsidiaries	(145,269)	(9,461)	-	-
Cash flow hedge	(103,319)	-	(319,122)	(13,621)
Income tax and social contribution on cash flow hedge	-	-	73,370	4,631
Other comprehensive income for the period, net of taxes	**(314,822)**	**(10,057)**	**(314,822)**	**(10,057)**
Total comprehensive income for the year	**1,490,744**	**1,834,249**	**1,488,268**	**1,831,150**
Attributable to the shareholders of the Company	1,490,744	1,834,249	1,490,744	1,834,249
Attributable to non-controlling shareholders	-	-	(2,476)	(3,099)

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

LOCALIZA RENT A CAR S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31
(in BRL thousand, unless otherwise stated)

(A free translation of the original in Portuguese)

		Share Capital			Capital reserves			Retained earnings						
	Note	Share Capital	Share issuance expenses	Treasury shares	Goodwill on stock incorporation	Stock options granted	Premium on share subscription	Legal reserve	Statutory reserve	Retained earnings	Other comprehensive income	Total	Non-controlling shareholders	Total shareholders' equity
As of December 31, 2021		**4,000,000**	**(43,111)**	**(162,074)**	**-**	**89,464**	**113,500**	**375,157**	**3,243,273**	**-**	**881**	**7,617,090**	**-**	**7,617,090**
Comprehensive income for the year														
Net income for the year		-	-	-	-	-	-	-	-	1,844,306		**1,844,306**	**(3,099)**	**1,841,207**
Cash flow hedge, net of taxes		-	-	-	-	-	-	-	-	-	(8,990)	**(8,990)**	**-**	**(8,990)**
Variation in the exchange rate of investees abroad	10.3	-	-	-	-	-	-	-	-	-	(471)	**(471)**	**-**	**(471)**
Other comprehensive income		-	-	-	-	-	-	-	-	-	(596)	**(596)**	**-**	**(596)**
Stock options granted and recognized		-	-	-	-	53,996	-	-	-	-	-	**53,996**	-	**53,996**
Goodwill on stock incorporation		-	-	-	3,827,562	-	-	-	-	-	-	**3,827,562**	-	**3,827,562**
Long-term incentive programs - treasury shares		-	-	15,342	-	(13,038)	169	-	-	-	-	**2,473**	-	**2,473**
Long-term incentive program - incorporation of shares		-	-	-	-	10,610	-	-	-	-	-	**10,610**	-	**10,610**
Long-term incentive option plan - subsidiaries	10.3	-	-	-	-	4,362	-	-	-	-	-	**4,362**	-	**4,362**
Treasury shares sold		-	-	2,175	-	-	2,457	-	-	-	-	**4,632**	-	**4,632**
Acquisition of shares in companies with non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	**-**	14,508	**14,508**
Capital increase		8,150,698	-	-	-	-	-	-	-	-	-	**8,150,698**	-	**8,150,698**
Allocation of profit for the year:														
Legal reserve		-	-	-	-	-	-	92,215	-	(92,215)	-	**-**	-	**-**
Interest on equity (BRL 0.97 per share)	22(e)	-	-	-	-	-	-	-	-	(946,476)	-	**(946,476)**	-	**(946,476)**
Statutory reserve		-	-	-	-	-	-	-	805,615	(805,615)	-	**-**	-	**-**
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)**
Exchange variation of investees located abroad	10.3	-	-	-	-	-	-	-	-	-	(6,213)	(6,213)	-	**(6,213)**
Other comprehensive income		-	-	-	-	-	-	-	-	-	(62,857)	(62,857)	-	**(62,857)**
Stock options granted recognized		-	-	-	-	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 option plan - subsidiaries	10.3	-	-	-	-	15,411	-	-	-	-	-	15,411	-	**15,411**
Repurchase of shares	22(b)	-	-	(314,680)	-	-	-	-	-	-	-	(314,680)	-	**(314,680)**
Capital increase	22(a)	5,226,201	-	-	-	-	-	-	-	-	-	5,226,201	-	**5,226,201**
Share issuance expenses , net of tax effects		-	(75,693)	-	-	-	-	-	-	-	-	(75,693)	-	**(75,693)**
Allocation of profit for the year:		-	-	-	-	-	-	-	-	-	-	-	-	**-**
Legal reserve		-	-	-	-	-	-	90,278	-	(90,278)	-	-	-	**-**
Interest on equity	22(e)	-	-	-	-	-	-	-	-	(1,564,996)	-	(1,564,996)	-	**(1,564,996)**
Statutory reserve		-	-	-	-	-	-	-	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**

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

LOCALIZA RENT A CAR S.A.

CASH FLOW STATEMENT
YEARS ENDED DECEMBER 31
(in BRL thousand) (A free translation of the original in Portuguese)

	Note	Individual 2023	Individual 2022	Consolidated 2023	Consolidated 2022
Net income for the year		**1,805,566**	**1,844,306**	**1,803,090**	**1,841,207**
Adjustments to reconcile net income to cash and cash equivalents from operating activities:					
Depreciation and amortization	26	2,421,206	1,070,019	4,624,294	2,063,553
Adjustment to the recoverable value of assets	26	89,771	-	153,258	-
Gain on the sale or write-off of decommissioned vehicles		(793,770)	(1,082,639)	(1,625,549)	(1,748,261)
Deferred income tax and social contribution	21(b)	(740,852)	24,235	(243,834)	484,872
Equity in the earnings of investees	10.1 and 10.3	(1,250,133)	(385,491)	430	(86)
Provisions for risks	20(a)	7,824	(1,815)	(68,283)	(20,730)
Interest on loans, financing, debt securities and derivatives	4 and 17	2,712,611	1,521,455	5,012,617	2,898,581
Lease interest	18	125,791	95,824	107,523	76,349
Allowances and write-off of uncollectible amounts	26	96,704	62,631	156,744	145,718
Profit sharing	26	154,227	111,112	235,535	168,687
Other provisions		100,479	(92,303)	318,945	(189,934)
Changes in assets and liabilities:					
Short-term investments	6	(4,000,872)	(332,680)	(4,103,888)	(396,616)
Accounts receivable		(810,407)	(362,249)	(1,368,598)	(912,789)
Revenue from the sale of decommissioned vehicles, net of taxes	25	8,461,909	5,072,514	13,875,588	7,833,574
Acquisition of vehicles, net of changes in balances with vehicle manufacturers		(12,431,817)	(11,176,672)	(23,362,444)	(18,621,007)
Escrow deposits		(27,082)	(8,787)	(32,427)	(6,843)
Recoverable taxes	8	9,245	(38,251)	(310,327)	(187,660)
Prepaid expenses	9	(25,223)	10,583	(24,274)	92,218
Other assets		(44,058)	(4,724)	(260,601)	(475,376)
Suppliers (except automakers) and lease liability	14 and 18	221,986	147,102	116,389	230,859
Payroll and related taxes		(58,764)	(30,045)	(170,010)	(17,996)
Income tax and social contribution		97,731	-	314,945	92,846
Insurance premiums		36,399	49,919	36,603	50,851
Other liabilities		(194,246)	86,796	(82,409)	1,766
Net cash used in operating activities		**(4,035,775)**	**(3,419,160)**	**(4,896,683)**	**(6,596,217)**
Income tax and social contribution paid		(18,092)	135	(130,249)	(83,447)
Interest on loans, financing, debt securities and derivatives paid	17 and 4.1	(2,497,991)	(1,135,802)	(4,804,363)	(2,349,308)
Interest on assignment of credit rights paid		-	-	(9,913)	-
Payment of interest on credit granted by suppliers		-	-	-	(6,178)
Lease interest paid	18	(80,650)	(49,733)	(71,927)	(61,495)
Net cash used in operating activities		**(6,632,508)**	**(4,604,560)**	**(9,913,135)**	**(9,096,645)**
Cash flow from investing activities:					
Purchase of other property and equipment	12(a)	(158,653)	(137,148)	(281,446)	(247,643)
Purchase of intangible assets	13	(76,013)	(65,711)	(105,920)	(105,212)
Purchase of vehicles for resale		-	-	-	(86,308)
Acquisition of subsidiary, net of acquired cash		-	-	-	(7,708)
Company acquisition payment		-	-	(4,245)	(3,792)
Cash acquired in business combination through merger of shares		-	-	-	1,752,503
Net cash from the Locamerica Rent a Car spin-off		-	-	-	3,220,526
Amount receivable for the sale of investment	10.2	-	-	581,042	-
Capital increase in subsidiaries	10.3	(1,974,780)	(2,000,000)	-	
Dividends receivable		200,523	806,875	45	-
Write-off of investment in a subsidiary		136	-	-	-
Capital reduction in subsidiaries		-	250,000	-	-
Net cash generated by (used in) investing activities		**(2,008,787)**	**(1,145,984)**	**189,476**	**4,522,366**

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

LOCALIZA RENT A CAR S.A.

CASH FLOW STATEMENT
YEARS ENDED DECEMBER 31
(in BRL thousand)

(continued)

	Note	Individual		Consolidated	
		2023	2022	2023	2022
Cash flow from financing activities:					
Loans, financing, and debt securities:	17				
Funding, net of funding costs		8,336,882	8,331,416	12,435,698	10,340,537
Amortization and debenture repurchase		(2,580,178)	(1,216,518)	(5,308,044)	(1,548,658)
Assignment of credit rights - amortization		-	-	(141,972)	-
Amortization of credit granted by suppliers		-	-	-	(1,649,783)
Amortization of lease liabilities	18	(231,766)	(185,028)	(249,250)	(187,209)
Treasury shares (acquired) sold	22	(314,680)	4,632	(314,680)	4,632
Long-term incentive programs with treasury shares paid		(5,137)	2,473	(5,137)	2,473
Interest on equity payable		(1,341,977)	(650,838)	(1,341,977)	(725,928)
Dividends payable		-	(206,200)	-	(631,200)
Capital payment with share subscription	22(a)	5,150,508	116,223	5,150,508	116,223
Other		-	-	(6,213)	(471)
Net cash generated by financing activities		**9,013,652**	**6,196,160**	**10,218,933**	**5,720,616**
Increase in cash and cash equivalents, net		**372,357**	**445,616**	**495,274**	**1,146,337**
Balance of cash and cash equivalents:	5				
At the beginning of the year		734,719	289,103	1,505,623	444,139
At the end of the year		1,107,076	734,719	2,000,897	1,505,623
Balance of cash and cash equivalents - assets held for sale (*)		-	-	-	84,853
Increase in cash and cash equivalents, net		**372,357**	**445,616**	**495,274**	**1,146,337**

(*) refers to the transfer of a balance of cash and cash equivalents to assets held for sale, resulting from the partial spin-off of subsidiary Locamerica Rent a Car, whose spun-off assets, liabilities and shareholders' equity were assumed by Unidas Locadora S.A.

LOCALIZA RENT A CAR S.A.

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

	Note	Individual 2023	Individual 2022	Consolidated 2023	Consolidated 2022
Revenues:					
Gross revenues net of discounts	25	17,834,851	11,853,027	30,472,638	18,840,501
Revenues from the construction of own assets		180,822	128,210	198,024	152,559
Allowance for doubtful debts and write-off of uncollectible amounts	26	(96,704)	(62,631)	(156,744)	(145,718)
Other revenues		-	-	114,160	180,830
Total revenues		**17,918,969**	**11,918,606**	**30,628,078**	**19,028,172**
Costs and expenses acquired from third parties:					
Materials, power, third-party services and other		(851,336)	(727,881)	(1,222,311)	(1,254,820)
Vehicle rental costs and residual value of written-off vehicles		(10,613,717)	(6,139,699)	(15,260,957)	(8,836,522)
Adjustment to the recoverable value of assets		(89,771)	-	(153,258)	-
Total costs and expenses acquired from third parties		**(11,554,824)**	**(6,867,580)**	**(16,636,526)**	**(10,091,342)**
Gross value added		**6,364,145**	**5,051,026**	**13,991,552**	**8,936,830**
Depreciation and amortization	26	(2,421,206)	(1,070,019)	(4,624,294)	(2,063,553)
Net value added generated		**3,942,939**	**3,981,007**	**9,367,258**	**6,873,277**
Wealth received in transfers					
Financial income		870,300	585,947	1,287,269	945,544
Equity in the earnings of subsidiaries	10.1 and 10.3	1,250,133	385,491	(430)	86
Wealth to be distributed		**6,063,372**	**4,952,445**	**10,654,097**	**7,818,907**
Wealth distribution					
Personnel					
- Direct compensation		879,036	710,255	1,373,178	1,062,296
- Benefits		244,274	186,588	350,010	249,700
- FGTS		61,970	52,636	91,796	75,038
- Other		57,280	53,996	82,223	96,361
Taxes, fees, and contributions					
- Federal		(405,933)	93,789	789,250	832,324
- State		285,984	178,792	623,139	351,959
- Municipal		45,848	42,351	65,230	70,020
Remuneration of third-party capital					
- Interest		2,899,111	1,656,659	5,249,978	3,056,044
- Real estate lease	26	138,482	86,289	169,199	131,397
- Other leases		51,754	46,784	57,004	52,561
Return on equity					
- Interest on equity	22(e)	1,564,996	946,476	1,564,996	946,476
- Retained earnings		240,570	897,830	240,570	897,830
- Attributable to non-controlling shareholders		-	-	(2,476)	(3,099)
Wealth distributed and retained		**6,063,372**	**4,952,445**	**10,654,097**	**7,818,907**

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

1. OPERATING CONTEXT

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 having listed on B3 S.A. - Brasil, Bolsa, Balcão ("B3") Novo Mercado segment, the highest corporate governance level in the Brazilian capital market. Localiza's shares are traded under ticker RENT3.

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

As of December 31, 2023, due to the Debt Assignment among companies of the Platform (Note 17 (a)) and investments in the fleet, the Company presents negative working capital in the Individual of BRL 1,308,265 and in the Consolidated of BRL 652,620. The generation of operating cash flow is deemed sufficient to meet short-term commitments.

As of December 31, 2023, the Platform, including its franchisees in Brazil and abroad, comprised of 712 car rental locations (unaudited), of which: (i) 616 locations in 364 cities in Brazil, 537 of which were operated by Localiza and 79 by franchisees; and (ii) 96 agencies, of which 10 are operated by Localiza in Mexico and 86 by franchisees in 5 other countries in South America, located in 47 cities. In addition to its network of locations, the Platform has 215 points of sale distributed in 107 cities across the country for its own vehicles, which are decommissioned after being used for renting.

These individual and consolidated financial statements were approved and authorized for disclosure by the Executive Board and the Board of Directors on March 11, 2024.

1.1 Business Combination of Localiza and Locamerica

Localiza and Companhia de Locação das Américas ("Locamerica" and, in conjunction with Localiza, "Companies") entered into a Merger of Shares Agreement on September 22, 2020, as well as the "Protocol and Justification of the Merger of Shares of Companhia de Locação das Américas by Localiza Rent a Car S.A." on October 8, 2020, as amended ("Protocol and Justification"), which established the terms and conditions for the implementation of the business combination of the Companies, through the merger of Locamerica shares by the Company, pursuant to articles 224, 225, and 252 of Law 6,404/76 ("Merger of Shares" or "Transaction"), as approved at the Extraordinary General Meetings of the Companies held on November 12, 2020 and added at the Extraordinary General Meeting of Localiza held on April 26, 2022.

This transaction united the shareholders that are a market point of reference and have long experience in the industry, in the combination of talents to provide innovative solutions in mobility, in the creation of global scale player, committed with the highest levels of governance and with ambition to provide the best customer experience, increasing the access of the population and of companies to car rental. From an economic and financial point of view, the integration of the businesses should promote synergies and efficiency increases in the Companies resulting from the Merger of Shares.

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

On June 22, 2022, CADE approved that an investment fund would be the buyer of the assets to be segregated from the Car Rental and Seminovos operations, including about 49,000 cars, of Locamerica's subsidiary.

Accordingly, the business combination between the Companies was executed on July 1, 2022 ("Closing Date"), and was confirmed by their respective Boards of Directors in meetings held on that same date. The effects of this Transaction are detailed in Note 10.2.1.

These financial statements include the consolidation of Locamerica's financial information starting from July 1, 2022.

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

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

Consequently, a negative effect of BRL 457,229 and BRL 631,427 was recognized in the 2023 results, on an Individual and Consolidated basis, respectively, before taxes, with BRL 367,458 and BRL 478,169 attributed to additional fleet depreciation, on an Individual and Consolidated basis, respectively, and BRL 89,771 and BRL 153,258 attributed to impairment adjustments for vehicles decommissioned for fleet renewal, on an Individual and Consolidated basis, respectively. This negative effect represents around 1.2% of the value of the consolidated fleet at the end of 2023.

The main factors considered in the analyses were:

- The effect of changes in market prices: impact not only from the discount directly associated with the benefit under Provisional Measure 1,175/2023, but also from the reduction in prices by automakers and dealerships. The pricing of cars not directly covered in the program were also reduced, as reported in the media;
- Estimated duration of reduced prices in the market: This effect may extrapolate the incentive period (initially limited to four months), taking into account experiences in similar events in the past;
- Part of the fleet affected by this measure: Cars decommissioned and available for sale, cars in preparation, and expected sales and decommissioning for the period in which prices tend to be impacted; and
- Book value of impacted cars: The current accounting residual value of these vehicles in relation to the new expected selling price.

Additionally, cash was positively impacted by reduced investment in renewal and growth, through the purchase of cars at reduced prices, due to Provisional Measure 1,175, which was in effect until October 2023.

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 comprise the individual parent company and consolidated financial statements, identified as "Individual" and "Consolidate", were prepared and are presented in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the accounting practices adopted in Brazil. Accounting practices adopted in Brazil comprise those included 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"). Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The financial statements were prepared based on historical cost as the valuation basis, typically 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 headquartered in Brazil and abroad. The individual financial statements record investments in subsidiaries using the equity method.

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 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 made by Management refer to (i) evaluation of the fair value of derivative financial instruments (Note 4 (c)); (ii) allowance for impairment of trade receivables (provision for expected losses and doubtful debts (Note 7); (iii) measurement of the fair value of assets acquired and liabilities assumed in business combinations (Note 10.2)); (iv) definition of the useful life and residual value of property, plant 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); (vii) calculation of income tax and social contribution (Note 21); and (viii) measuring the costs of long-term incentive plans (Note 22(c)(i)).

The Company 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 (R$ or BRL) 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 Value Added Statement

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

The Value Added Statement has been prepared based on 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 among personnel, taxes, fees, and contributions, and compensation of third-party and own capital.

2.6 Summary of major accounting practices

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 Adjustment to present value - Monetary assets and liabilities are adjusted to their present value only when the effect is considered to be significant in relation to the transactions entered into. For accounting purposes and materiality determination, the adjustment to present value is calculated taking into account contractual cash flows and the effective average cost of the Company's debt, except for the right-of-use and lease liability whose present value is calculated based on the expectation of the risk-free rate disclosed by the Central Bank of Brazil plus the Company's funding spread and the present value of any related Bank Deposit Certificates. As of December 31, 2023 and 2022 (except for the items aforementioned), the Company concluded that its current and non-current assets and liabilities do not present significant effects when adjusted to present value.

2.6.2 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 is any indication 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).

2.6.3 Assets and liabilities subject to Interest accruals and exchange rate fluctuation - Assets and liabilities in Reais and subject to contractual, legal, or exchange indexation are restated on 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.

2.6.4 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 hull 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 THEIR INTERPRETATION

3.1 Accounting standards and interpretations issued recently and adopted for the first time for the year started on January 1, 2023

- **IFRS 17 - Insurance Contracts:** In May 2017, the IASB issued IFRS 17, replacing IFRS 4 - Insurance Contracts, with significant changes in the principles for recognition, measurement, presentation, and disclosure of insurance contracts. The standard describes the general model, modified for insurance contracts with direct participation features, described as the variable rate approach. The general model is simplified if certain criteria are met, measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the value, term, and uncertainty of future cash flows, and explicitly measures the cost of this uncertainty. This standard has been effective since January 1, 2023. The performance obligation of contracts within the Platform related to the protection services offered during the rental agreement (Note 2.6.4) are not encompassed by the definition of "insurance contracts" as defined in IFRS 17.

- **Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies:** in February 2021, IASB issued a new amendment to IAS 1 on disclosures of "material" rather than "significant" accounting policies. The amendments define what is "material accounting policy information" and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, it should not obscure material accounting information. To support this change, IASB has also amended "IFRS Practice Statement 2 Making Materiality Judgements" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment has been effective since January 1, 2023.

- **Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:** the amendment issued in February 2021 clarifies how entities should make a distinction between changes in accounting policies and changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, and changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. This amendment has been effective since January 1, 2023.

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

These changes did not have a 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 has not yet entered into force in the year ended December 31, 2023. The early adoption of the standards, although encouraged by IASB, is not permitted under CPC in Brazil.

- **Amendment to IAS 1 "Presentation of Financial Statements":** in accordance with IAS 1 - "*Presentation of financial statements*", for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settling the liabilities for at least twelve months from the balance sheet date. In January 2020, the IASB issued 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. The 2022 amendment changed the effective date of the 2020 amendment. Therefore, both amendments apply for years beginning on or after January 1, 2024.

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

- **Amendment to IAS 7 - Supplier Financing Agreements:** In May 2023, the IASB issued new disclosure requirements aimed at providing greater transparency regarding supplier financing arrangements and their effects on liabilities, cash flows, and companies' exposure to liquidity risk. The amendments include requirements already existing in other IFRSs and will necessitate disclosure of (i) terms and conditions of the agreement; (ii) amount of liabilities comprising the arrangement, disaggregating the amounts paid to suppliers by financial institutions and where it is recorded on the balance sheet; (iii) maturity date ranges; and (iv) liquidity risk information. The amendments are effective for annual periods beginning on or after January 1, 2024.

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

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 (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 BRL thousand, unless otherwise stated)

For 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; they are transferred to retained earnings when the financial liability is written off.

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

		Individual		Consolidated	
	Note	12/31/23	12/31/22	12/31/23	12/31/22
Financial assets					
Financial assets at amortized cost					
Cash and cash equivalents	5	815,285	352,147	1,556,724	897,140
Short-term investments	6	2,134,452	833,820	2,140,203	925,083
Accounts receivable	7	2,173,840	1,470,012	3,688,249	2,490,004
Receivables from insurance company	9	211,678	133,876	215,240	135,589
Other receivables from related parties	9	12,482	11,784	-	-
Investments in restricted accounts	9	-	-	55,716	51,444
Amount receivable for the sale of investment	10.2.1 (a)	-	-	7,719	588,761
Escrow deposits	20(b)	125,917	95,304	265,442	220,550
Financial assets at fair value through profit or loss					
Cash and cash equivalents	5	291,791	382,572	444,173	608,483
Short-term investments	6	5,510,267	2,721,307	7,033,112	4,055,624
Derivative financial instruments		142,751	148,740	431,537	411,453
Other trade receivables	9	-	-	53,537	-
Financial assets at fair value through comprehensive income					
Derivative financial instruments		-	52,600	33,450	237,193
Financial liabilities					
Financial liabilities at amortized cost					
Suppliers	14	(5,896,508)	(4,071,439)	(8,881,381)	(6,177,751)
Assignment of credit rights	16	-	-	(134,329)	(276,031)
Loans, financing, and debt securities	17	(26,481,426)	(15,078,415)	(34,467,212)	(29,391,819)
Lease liability	18	(1,405,565)	(1,152,858)	(1,228,103)	(912,499)
Accounts payable to related parties	19	(70,142)	(2,797)	-	-
Insurance premiums for transfer	19	(139,429)	(103,030)	(140,975)	(104,372)
Restricted obligations	19	-	-	(57,889)	(52,086)
Other accounts payable		(13,886)	-	(16,258)	-
Amounts payable for the acquisition of companies	19	-	-	(17,053)	(26,327)
Dividends and interest on equity	22(e)	(357,380)	(320,386)	(357,380)	(320,386)
Financial liabilities at fair value through profit or loss					
Loans, financing, and debt securities	17	(2,770,980)	(1,546,432)	(6,140,421)	(3,879,294)
Derivative financial instruments		(107,625)	(124,692)	(370,259)	(397,483)
Financial liabilities at fair value through other comprehensive income					
Derivative financial instruments		(175,587)	-	(260,460)	-

(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 is 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, and Compliance departments.

(in BRL thousand, unless otherwise stated)

(i) Market risk

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).

- **Interest rate risk** - It is 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 the CDI rate 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 (details of these operations in Note 4(b)). Additionally, the entire balance of cash equivalents and short-term investments of the Company is also indexed to the CDI, the same index used for floating-rate debts.

Additionally, as per Note 4.1, as of September 1, 2022, Localiza adopted the initial designation of accounting using the hedge accounting method (CPC 48/IFRS 9) of Localiza Fleet's DI x pre derivative operations (cash flow hedge), including for contracts in force on that date. Hedge accounting was already being adopted by subsidiary Locamerica, consolidated as of July 1, 2022.

On December 31, 2023, the Company's consolidated net debt amounted to BRL 29,264,865. Of this amount, BRL 13,370,454 corresponds to debt subject to CDI variation, and BRL 15,894,411 corresponds to debts with fixed cost at an average rate of 10.94% per year. The debts with fixed costs refer to hedging operations (swap), exchanging rates indexed to the CDI for fixed rates (Note 4.1 (b)).

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

	Consolidated		
Description	**Likely scenario**	**Scenario I - 25% deterioration**	**Scenario II - 50% deterioration**
Net debt on December 31, 2023 (Note 4(b))	29,264,865	29,264,865	29,264,865
Debts at a fixed rate and amounts hedged with swap to a fixed rate (Note 4. (b))	(15,894,411)	(15,894,411)	(15,894,411)
Net debt subject to the CDI fluctuation	**13,370,454**	**13,370,454**	**13,370,454**
Effective average annual CDI rate for the period ended December 31, 2023	13.21%	13.21%	13.21%
Estimated average annual CDI rate, according to foreseen scenarios	10.02%	12.53%	15.03%
Effect on financial expenses subject to the CDI rate fluctuation:			
- As per the effective rate	(1,766,237)	(1,766,237)	(1,766,237)
- As per foreseen scenarios	(1,339,719)	(1,675,318)	(2,009,579)
Estimated increase (decrease) in financial expenses for the next twelve months	**426,518**	**90,919**	**(243,342)**

The probable scenario for the next 12 months was estimated, according to information in the Focus Bulletin issued by the Central Bank of Brazil, based on an average CDI rate of 10.02% against the effective annual rate of 13.21% in 2023.

(in BRL thousand, unless otherwise stated)

- **Foreign currency risk** - The Company has loans and financing in foreign currency. To protect itself from 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.

Taking into consideration that 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.

(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, escrow deposits, and receivables from insurance companies.

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

	Individual		Consolidated	
	12/31/23	**12/31/22**	**12/31/23**	**12/31/22**
Cash and cash equivalents:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	1,107,076	734,719	2,000,897	1,505,623
Total cash and cash equivalents (Note 5)	**1,107,076**	**734,719**	**2,000,897**	**1,505,623**
Short-term investments:				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	7,644,719	3,555,127	9,173,315	4,980,707
Total short-term investments (Note 6)	**7,644,719**	**3,555,127**	**9,173,315**	**4,980,707**
Accounts receivable:				
Accounts receivable - customers	1,226,045	955,025	2,566,521	1,917,064
Trade receivables - credit cards:				
Aaa on Moody's scale	190,070	115,740	193,074	117,349
Sundry	757,725	399,247	928,654	455,591
Total trade receivables (Note 7)	**2,173,840**	**1,470,012**	**3,688,249**	**2,490,004**
Derivative financial instruments (assets):				
At least Aa3 on Moody's scale or the equivalent in other rating agencies	142,751	201,340	464,987	648,646
Total derivative financial instruments (assets) (Note 4.1)	**142,751**	**201,340**	**464,987**	**648,646**
Receivables from insurance company (Note 9)	211,678	133,876	215,240	135,589
Receivables for the sale of investments (Note 10.2.1(a))	-	-	7,719	588,761
Escrow deposits (Note 20(b))	125,917	95,304	265,442	220,550
Total other financial assets	**337,595**	**229,180**	**488,401**	**944,900**
Total	**11,405,981**	**6,190,378**	**15,815,849**	**10,569,880**

- **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, allocation of funds, on a consolidated basis, must be carried out in 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.

(in BRL thousand, unless otherwise stated)

- **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.

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 (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.

Additionally, Management considers that the access to third-party credit is facilitated by the corporate credit rating of Localiza according to the main rating agencies.

The Company and its subsidiaries manage liquidity and their cash flows periodically to ensure that operating cash generation and available 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 11.65% (according to B3[1]), on December 31, 2023, is as follows:

	Individual						
	2024	**2025**	**2026**	**2027**	**2028**	**2029 and after**	**Total**
Suppliers	5,896,508	-	-	-	-	-	**5,896,508**
Debentures	4,887,661	5,378,801	6,110,661	4,890,007	5,755,317	6,863,301	**33,885,748**
Commercial note (*)	2,768,855	-	-	-	-	-	**2,768,855**
Working capital	273,679	249,296	585,426	250,395	230,139	567,840	**2,156,775**
Real Estate Receivables Certificate ("CRI")	127,710	126,436	125,982	406,970	285,649	582,564	**1,655,311**
Consortium	1,081	742	47	8	3	-	**1,881**

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

(in BRL thousand, unless otherwise stated)

Loans in foreign currency	471,723	1,432,200	-	-	-	-	**1,903,923**
Derivative financial instruments	207,347	4,632	-	-	71,233	-	**283,212**
Lease liability	311,932	290,842	255,371	224,526	186,030	927,954	**2,196,655**
Interest on equity	357,380	-	-	-	-	-	**357,380**
Other financial liabilities (**)	209,571	-	-	-	-	-	**209,571**
Total	**15,513,447**	**7,482,949**	**7,077,487**	**5,771,906**	**6,528,371**	**8,941,659**	**51,315,819**

	Consolidated						
	2024	**2025**	**2026**	**2027**	**2028**	**2029 and after**	**Total**
Suppliers	8,881,381	-	-	-	-	-	**8,881,381**
Assignment of credit rights	105,472	52,284	16,537	80	-	-	**174,373**
Debentures	7,389,638	7,567,076	7,313,056	8,063,690	7,237,311	9,525,688	**47,096,459**
Commercial note (*)	1,527,884	-	-	-	-	-	**1,527,884**
Working capital	403,477	509,471	710,467	375,426	1,355,512	568,090	**3,922,443**
Real Estate Receivables Certificate ("CRI")	179,806	181,650	183,478	466,995	349,268	825,089	**2,186,286**
Certificate of Agribusiness Receivables ("CRA")	54,346	55,440	57,183	58,510	478,453	376,509	**1,080,441**
Consortium	1,081	742	47	8	3	-	**1,881**
Loans in foreign currency	909,738	1,756,261	498,084	-	-	-	**3,164,083**
Derivative financial instruments	370,684	14,491	32,862	-	156,106	56,576	**630,719**
Lease liability	306,576	281,777	241,611	200,322	154,248	513,883	**1,698,417**
Interest on equity	357,380	-	-	-	-	-	**357,380**
Other financial liabilities (**)	141,249	64,969	2,000	7,699	-	-	**215,917**
Total	**20,628,712**	**10,484,161**	**9,055,325**	**9,172,730**	**9,730,901**	**11,865,835**	**70,937,664**

(*) On November 28, 2022, the Board of Directors approved the 1st issuance of commercial notes by Localiza in the amount of BRL 1,700,000 (Note 11). Part of the commercial notes issued by the Company were acquired by its subsidiary Locamerica in the amount of BRL 1,100,000; this balance is eliminated for presentation purposes in the Consolidated balance.
(**) 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, in order to implement its growth and 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 it considering the changes in economic conditions. To maintain or adjust capital structure, Management may adjust the payment of dividends to shareholders, return capital to them or issue new shares.

Capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by equity, as well as on the fleet value. Net debt, in turn, is defined by the Company as short and long-term debts, including the positive or negative 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	**12/31/23**	**12/31/22**
Loans, financing, and debt securities	17	40,607,633	33,271,113
Derivative financial instruments	4.1	165,732	(251,163)
Cash and cash equivalents	5	(2,000,897)	(1,505,623)
Short-term investments (*)	6	(9,507,603)	(5,403,715)
Net debt		**29,264,865**	**26,110,612**
Equity		25,397,815	20,570,605
Debt ratio (net debt/equity)		**1.15**	**1.27**
Fleet value (**)	12	52,445,648	43,230,196
Net debt/fleet value		**0.56**	**0.60**

(*) Does not consider the adjustment to present value (Note 6), since Management believes that net debt is better presented considering the par value of the investment, its redemption value, being consistent with the maturity profile.
(**) Property and equipment - vehicles and vehicles being decommissioned for fleet renewal.

(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.

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.

(in BRL thousand, unless otherwise stated)

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	
	12/31/23	12/31/22	12/31/23	12/31/22
Loans, financing, and debt securities				
Debentures	21,232,179	11,841,157	20,322,180	11,107,388
Commercial note	2,540,919	1,711,202	2,528,647	1,676,993
Working capital	1,404,606	398,721	1,304,103	399,226
CRI	1,003,327	296,707	917,360	270,467
Consortium	1,881	2,844	1,881	2,844
Loan in foreign currency	298,514	827,784	287,169	809,339
Total	**26,481,426**	**15,078,415**	**25,361,340**	**14,266,257**

	Consolidated			
	Carrying amount		Fair value	
	12/31/23	12/31/22	12/31/23	12/31/22
Loans, financing, and debt securities				
Debentures	28,605,245	24,728,304	27,499,265	23,477,580
Commercial note	1,431,609	1,429,795	1,429,669	1,409,022
Working capital	2,557,467	1,087,147	2,477,538	1,078,787
CRI	1,318,953	624,860	1,155,705	497,999
CRA	253,543	253,475	233,362	220,021
Consortium	1,881	3,362	1,881	3,362
Loan in foreign currency	298,514	1,264,876	287,169	1,264,876
Total	**34,467,212**	**29,391,819**	**33,084,589**	**27,951,647**

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 initially recognized at fair value on the date the contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivative financial instruments are recognized in the statement of income, except for those resulting from credit risk variation recorded in "other comprehensive income". The method for recognizing the gain or loss resulting depends on whether the derivative is designated as a hedging instrument in cases of hedge accounting adoption. In such cases, the method depends on the nature of the item being hedged. The Company has adopted hedge accounting and designates certain derivatives as hedges of specific risks associated with a recognized asset or liability or a highly probable 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.

As of September 1, 2022, Localiza adopted the initial designation of accounting using the hedge accounting method (CPC 48/IFRS 9) of Localiza Fleet's DI x pre derivative operations (cash flow hedge), including for contracts in force on that date. Hedge accounting was already being adopted by subsidiary Locamerica, consolidated as of July 1, 2022.

(in BRL thousand, unless otherwise stated)

The balance of derivative financial instruments is as follows:

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Foreign currency x BRL (a)	(39,440)	84,178	(167,886)	118,159
CDI x fixed rate (b)	(175,586)	52,600	(227,009)	244,549
IPCA x CDI (c)	74,565	(60,130)	229,163	(111,545)
Total, net	**(140,461)**	**76,648**	**(165,732)**	**251,163**
Current assets	**-**	**111,456**	**87,739**	**283,047**
Non-current assets	**142,751**	**89,884**	**377,248**	**365,599**
Current liabilities	**(207,347)**	**(38,143)**	**(370,684)**	**(137,350)**
Non-current liabilities	**(75,865)**	**(86,549)**	**(260,035)**	**(260,133)**

The balance of derivative financial instruments is as follows:

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Balance at the beginning of the year	**76,648**	**311,476**	**251,163**	**393,909**
Opening balance of acquired companies	-	-	-	172,172
Debt assignment between group companies (Note 17(a))	(91,590)	-	-	-
Adjustment to fair value - profit or loss	(101,170)	(391,324)	(176,186)	(483,105)
Adjustment to fair value - other comprehensive income	(100,347)	(903)	(417,507)	(14,524)
Amortization of principal	-	-	-	(31,623)
Interest amortization	75,998	157,399	176,798	214,334
Balance at the end of the year	**(140,461)**	**76,648**	**(165,732)**	**251,163**

(in BRL thousand, unless otherwise stated)

(a) Foreign currency x BRL

On December 31, 2023, the Company and its subsidiaries had current hedge operations exclusively to mitigate exchange rate fluctuation for loans in foreign currency effects contracted with large financial institutions. The characteristics of these operations are the following:

			Consolidated									
			Index		Reference value	Curve value			Market value (carrying amount)			Gain (loss)
Company	Classification	Maturity date	Long position	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	Fair Value	01/03/2025	EUR + 1.56%	CDI + 1.20%	EUR 55,394	298,515	254,006	**44,509**	286,987	254,155	**32,832**	**(11,677)**
Localiza	Fair Value Option	02/26/2024	USD + 1.9371%	CDI + 1.35%	USD 80,000	387.971	460,017	**(72,046)**	387,199	460,250	**(73,051)**	**(1,005)**
Localiza	Fair Value Option	05/19/2025	SOFR + 1.50%	CDI + 1.93%	USD 50,000	244,184	254,205	**(10,021)**	248,097	254,316	**(6,219)**	**3,802**
Localiza	Fair Value Option	06/30/2025	SOFR 6M+ 1,0343%	CDI + 2.00%	USD 125,000	605,163	604,375	**788**	611,504	604,375	**7,129**	**6,341**
Localiza	Fair Value Option	11/28/2025	SOFR 6M + 1.35%	CDI + 1.85%	USD 50,000	243,380	247,556	**(4,176)**	247,533	247,664	**(131)**	**4,045**
Localiza Fleet	Fair Value Option	02/22/2024	SOFR + 2.78%	116% of CDI	USD 125,000	60,965	65,824	**(4,859)**	61,563	60,644	**919**	**5,778**
Localiza Fleet	Fair Value Option	01/10/2024	USD + 2.1882%	CDI + 1.18%	USD 50,000	244,596	302,748	**(58,152)**	245,218	302,881	**(57,663)**	**489**
Localiza Fleet	Fair Value Option	01/13/2026	USD + 5.67%	CDI + 1.46%	USD 100,000	497,016	573,242	**(76,226)**	519,680	573,493	**(53,813)**	**22,413**
Localiza Fleet	Fair Value Option	10/04/2024	SOFR + 2.76%	CDI + 1.60%	USD 30,642	148,351	155,000	**(6,649)**	150,480	155,000	**(4,520)**	**2,129**
Localiza Fleet	Fair Value Option	11/04/2025	JPY + 1.6%	CDI + 1.85%	JPY 6,752,021	232,443	254,453	**(22,010)**	241,195	254,564	**(13,369)**	**8,641**
						2,962,584	**3,171,426**	**(208,842)**	**2,999,456**	**3,167,342**	**(167,886)**	**40,956**

(b) CDI x fixed rate

Funding at floating interest rates is hedged against the risk of fluctuations in cash flow due to fluctuations in the benchmark rate ("CDI"), which leads to exposure to cash flow risk due to terms and cash flows.

As of September 1, 2022, Localiza adopted the initial designation of accounting using the hedge accounting method (CPC 48/IFRS 9) of Localiza Fleet's DI x fixed derivative operations (cash flow hedge), including for contracts in force on that date. Hedge accounting was already being adopted by subsidiary Locamerica, consolidated from July 1, 2022 (Note 1.1).

(in BRL thousand, unless otherwise stated)

The characteristics of these transactions on December 31, 2023 are as follows:

			Consolidated									
			Weighted average rates		Reference value	Curve value			Market value (carrying amount)			Gain (loss)
Company	Classification	Maturity ranges	Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	Cash Flow	Jan/24 to Apr/28	100% CDI	10.10%	5,740,000	5,913,018	5,886,584	**26,434**	5,913,182	5,972,047	**(58,865)**	**(85,299)**
Localiza	Cash Flow	Jan/24 to Apr/28	100.15% of CDI	11.66%	4,643,093	4,734,246	4,720,875	**13,371**	4,734,714	4,851,435	**(116,721)**	**(130,092)**
Localiza Fleet	Cash Flow	Jul/25 to Oct/28	100% CDI	11.65%	4,332,381	5,019,460	4,948,263	**71,197**	5,019,506	5,070,929	**(51,423)**	**(122,620)**
						15,666,724	**15,555,722**	**111,002**	**15,667,402**	**15,894,411**	**(227,009)**	**(338,011)**

(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, 2023 are as follows:

			Consolidated									
			Weighted average rates		Reference value	Curve value			Market value (carrying amount)			Gain (loss)
Company	Classification	Maturity date	Long position % CDI/CDI +	Short position	Notional	Long position	Short position	Gain (loss)	Long position	Short position	Gain (loss)	Curve x MTM
Localiza	Fair Value Option	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	400,000	484,315	415,642	68,673	440,497	415,642	24,855	(43,818)
Localiza	Fair Value Option	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	363,236	311,731	51,505	330,372	311,731	18,641	(32,864)
Localiza	Fair Value Option	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	300,000	363,236	311,731	51,505	330,372	311,731	18,641	(32,864)
Localiza	Fair Value Option	03/15/2031	IPCA + 5.4702%	CDI + 1.99% p.a.	200,000	242,157	207,821	34,336	220,249	207,821	12,428	(21,908)
Locamerica	Fair Value Hedge	07/14/2031	IPCA + 4.825%	CDI + 1.42% p.a.	200,000	238,194	212,587	25,607	219,439	212,587	6,852	(18,755)
Locamerica	Fair Value Hedge	04/16/2029	IPCA + 7.2101%	CDI + 2.01% p.a.	515,000	554,928	529,246	25,682	564,724	529,246	35,478	9,796
Locamerica	Fair Value Hedge	09/15/2031	IPCA + 6.5119%	CDI + 2.24% p.a.	1,100,000	1,282,314	1,143,773	138,541	1,244,493	1,143,773	100,720	(37,821)
Locamerica	Fair Value Hedge	09/14/2028	IPCA + 6.6018%	CDI + 1.06% p.a.	167,200	179,913	173,286	6,627	184,834	173,286	11,548	4,921
						3,708,293	**3,305,817**	**402,476**	**3,534,980**	**3,305,817**	**229,163**	**(173,313)**

(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	
	12/31/23	**12/31/22**	**12/31/23**	**12/31/22**
Cash and banks	62,630	36,001	81,641	52,615
Bank Certificates of Deposit ("CDB")	554,658	316,146	1,277,086	844,525
Financial bills	197,997	-	197,997	-
Investment fund units	291,791	382,572	444,173	608,483
Total	**1,107,076**	**734,719**	**2,000,897**	**1,505,623**

On December 31, 2023, financial investments in CDBs, financial bills, and fixed-income investment fund units had an annual weighted average yield of 105.0% of the Interbank Deposit Certificates ("CDI") rate (102.6% as of December 31, 2022).

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 - Cash Flow Statements.

Short-term investments are as follows:

	Individual		Consolidated	
	12/31/23	**12/31/22**	**12/31/23**	**12/31/22**
Bank Certificates of Deposit ("CDB")	1,289,414	312	1,295,165	91,575
Investment fund units	5,510,267	2,721,307	7,033,112	4,055,624
Restricted bank deposit certificates (Note 10.2.1)	1,179,326	1,256,516	1,179,326	1,256,516
(-) Adjustment to present value (Note 10.2.1)	(334,288)	(423,008)	(334,288)	(423,008)
Total	**7,644,719**	**3,555,127**	**9,173,315**	**4,980,707**
Current	**6,798,407**	**2,718,619**	**8,321,252**	**4,053,777**
Non-current	**846,312**	**836,508**	**852,063**	**926,930**

On December 31, 2023, short-term investments had an annual weighted average yield of 108.9% of the Interbank Deposit Certificates ("CDI") rate (107.0% on December 31, 2022).

7 TRADE RECEIVABLES

Trade receivables corresponds substantially to amounts receivable from customers for renting cars, which include franchising, fleet rental, 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 fiscal 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.

At the end of each period, the Company assesses the need to set up a provision for expected losses, with the aim of adjusting to probable recoveries. 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.

(in BRL thousand, unless otherwise stated)

The expected losses on balances of trade receivables not yet due were calculated based on the actual experience of credit loss in the last 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	
	12/31/23	12/31/22	12/31/23	12/31/22
Car rental	1,341,134	904,446	1,589,283	987,071
Fleet rental	-	-	952,905	770,510
Unbilled revenues	475,622	401,891	618,647	631,261
Sale of decommissioned cars	515,472	290,930	765,370	369,320
Resale of cars	-	-	18,082	8,726
Sale of equipment and telemetry	-	-	31,031	25,935
	2,332,228	**1,597,267**	**3,975,318**	**2,792,823**
Allowances and write-off of uncollectible amounts	(158,388)	(127,255)	(287,069)	(302,819)
Total	**2,173,840**	**1,470,012**	**3,688,249**	**2,490,004**
Current	**2,173,840**	**1,470,012**	**3,681,632**	**2,480,213**
Non-current	**-**	**-**	**6,617**	**9,791**

The aging list of trade receivables is as follows:

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Current	2,050,481	1,375,232	3,212,341	2,234,454
Up to 30 days past due	94,151	77,417	340,308	196,364
31 to 60 days past due	24,723	18,706	85,251	48,597
61 to 90 days past due	17,002	11,907	54,354	32,770
91 to 180 days past due	36,851	19,912	81,990	77,706
Over 181 days past due	109,020	94,093	201,074	202,932
Total	**2,332,228**	**1,597,267**	**3,975,318**	**2,792,823**

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

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Current	(14,209)	(11,788)	(27,891)	(25,313)
Up to 30 days past due	(4,005)	(3,170)	(6,609)	(5,302)
31 to 60 days past due	(2,637)	(2,078)	(3,468)	(3,073)
61 to 90 days past due	(2,443)	(1,637)	(3,757)	(2,901)
91 to 180 days past due	(33,127)	(19,159)	(61,395)	(69,085)
Over 181 days past due	(101,967)	(89,423)	(183,949)	(197,145)
Total	**(158,388)**	**(127,255)**	**(287,069)**	**(302,819)**

(in BRL thousand, unless otherwise stated)

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

	Individual	Consolidated
As of December 31, 2021	**(144,176)**	**(176,476)**
Opening balance of acquired companies	-	(102,890)
Recognition	(44,586)	(209,521)
Reversal	61,507	179,868
Transfer to asset classified as held for sale	-	6,200
As of December 31, 2022	**(127,255)**	**(302,819)**
Recognition	(56,689)	(233,594)
Reversal	25,556	249,344
As of December 31, 2023	**(158,388)**	**(287,069)**

8 RECOVERABLE TAXES

Recoverable taxes are broken down as follows:

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
PIS and COFINS	291,354	345,106	682,573	576,424
Income tax and social contribution	177,188	133,548	448,566	296,957
VAT recoverable	-	-	29,773	-
Other taxes	12,371	11,504	29,048	6,252
Total	**480,913**	**490,158**	**1,189,960**	**879,633**
Current	**191,080**	**145,993**	**628,372**	**312,465**
Non-current	**289,833**	**344,165**	**561,588**	**567,168**

a) Useful Life Review Report

Periodically, the Company and its subsidiaries conduct a review of the fiscal useful life of certain fleet vehicles, through a technical report issued by a duly qualified entity, 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. Consequently, due to this reduction, there was an increase in fiscal depreciation, tax loss, and social contribution carryforwards. There was an adjustment for retroactive recognition as of January 1, 2023, regarding the PIS/COFINS credit (pre-income tax and social contribution) and deferred income tax and social contribution in assets and liabilities. In 2023, the recognized amounts were as follows:

	2023				
Company	**INT Report review date**	**Fiscal useful life (average/months)**	**PIS and COFINS credit**	**Deferred IRPJ and CSLL - assets**	**Deferred IRPJ and CSLL - liabilities**
Locamerica	02/21/2023	32.7	96,334	453,472	453,472
Localiza Rent a Car	06/28/2023	37.0	39,052	87,395	218,975
Localiza Fleet	09/22/2023	32.9	28,719	125,711	170,737
Localiza Veículos Especiais	11/21/2023	25.0	32,809	132,282	138,047
			196,914	**798,860**	**981,231**

	2022				
Company	**INT Report review date**	**Fiscal useful life (average/months)**	**PIS and COFINS credit**	**Deferred IRPJ and CSLL - assets**	**Deferred IRPJ and CSLL - liabilities**
Localiza	09/30/2022	25.6	58,645	243,911	243,911
Localiza Fleet	09/30/2022	25.4	102,913	388,777	426,464
Locamerica	09/30/2022	34.0	10,065	17,230	23,417
			171,623	**649,918**	**693,792**

(in BRL thousand, unless otherwise stated)

b) Provisional Measure 1,159/2023 (converted into Law No. 14,592/2023) and Normative Instruction 2121/2022, amended by Normative Instruction 2152/23

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 2152/23 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.

9 OTHER CURRENT AND NON-CURRENT ASSETS

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

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Prepaid expenses	41,163	16,552	59,577	26,505
Receivables from insurance company (*)	211,678	133,876	215,240	135,589
Other receivables from related parties (Note 11(a))	12,482	11,784	-	-
Advance to suppliers	34,074	7,978	52,497	30,163
Reimbursement to be invoiced	-	-	64,901	35,289
Other current assets	30,978	23,703	113,179	187,618
Total other current assets	**330,375**	**193,893**	**505,394**	**415,164**
Investments in restricted accounts (Note 19)	-	-	55,716	51,444
Prepaid expenses	2,599	1,987	2,650	11,448
Other trade receivables	-	-	53,537	-
Other non-current assets	-	-	2,008	2,229
Total other non-current assets	**2,599**	**1,987**	**113,911**	**65,121**

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

(in BRL thousand, unless otherwise stated)

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 12/31/23	12/31/22	Activity
Direct subsidiaries				
Car Assistance Serviços de Administração de Sinistros S.A.	Belo Horizonte - MG	100	100	Manages claims for insurance companies
Companhia de Locação das Américas (Locamerica)	Belo Horizonte - MG	100	100	Fleet rental
Localiza Fleet S.A.	Belo Horizonte - MG	100	100	Fleet rental
Localiza Franchising Brasil S.A.	Belo Horizonte - MG	100	100	Franchise business
Localiza Franchising International S.R.L.	Argentina	-	98	Ended in February 2023
Localiza Serviços Prime S.A.	Belo Horizonte - MG	100	100	Intermediary in the sale of decommissioned cars
Rental Brasil Administração e Participação S.A.	Belo Horizonte - MG	100	100	Purchase, sale, and rental of properties for the Platform
Indirect subsidiaries				
Acelero Comércio de Veículos S.A.	Belo Horizonte - MG	100	100	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
Car Rental Systems S.A.	Belo Horizonte - MG	(a)	100	Car and fleet rental
CarSale Tecnologia e Comércio de Veículos Ltda.	Belo Horizonte - MG	(a)	100	Sells used cars
Costa Dourada Veículos Ltda.	Maceió - AL	100	100	Fleet rental
Voll S.A. (former Gestão e Operação de Viagens Ltda)	Belo Horizonte - MG	64.6	64.6	Travel and tourism agency services
Iter Tecnologia S.A.	São José - SC	100	100	Solutions for tracking and telemetry
Localiza Veículos Especiais S.A.	São Paulo - SP	100	100	Fleet rental
Locamerica Comercial S.A.	São Paulo - SP	(a)	100	Sells used cars
Locamerica Franquias S.A.	São Paulo - SP	(a)	100	Franchise business
Locamerica Rent a Car S.A.	Belo Horizonte - MG	(a)	100	Car and fleet rental
MOBI7 Sociedad Anónima de Capital Variable	Mexico	100	100	Solutions for tracking and telemetry
MOBI7 Tecnologia em Mobilidade S.A.	Curitiba - PR	100	100	Solutions for tracking and telemetry
LLMX Sociedad Anónima de Capital Variable	Mexico	100	100	Car rental
Nexcorp Servicos e Telecomunicações S.A.	Belo Horizonte - MG	100	100	Solutions for tracking and telemetry
Sofit Software S.A.	Joinville - SC	100	100	Digital content capture, management, and distribution services for fleet rental
Voll Soluções em Mobilidade Corporativa S.A.	Belo Horizonte - MG	64.6	64.6	Travel and tourism agency services
Affiliate				
Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A.	Belo Horizonte - MG	(b)	50	Solutions for tracking and telemetry

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

(b) In the Company's consolidated result, BRL 430 refers to the 50% Investment of Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. in Iter Tecnologia. Iter is an indirect subsidiary of Companhia de Locação das Américas. On December 1, 2023, Elo Telefonia, Sistemas de Equipamentos de Comunicação S.A., ceased its activities.

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.

10.2 Business Combination

10.2.1 Companhia de Locação das Américas

Localiza and Locamerica entered into a Merger of Shares Agreement on September 22, 2020.

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

(in BRL thousand, unless otherwise stated)

On June 22, 2022, CADE approved an investment fund to be the buyer of the assets being segregated from the car rental and used vehicles operations, including about 49,000 cars of Locamerica's subsidiary.

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

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

Identifiable assets acquired and liabilities assumed

The amounts of identifiable assets acquired and liabilities assumed at the Closing Date, measured at fair value by management, with the support of a specialized firm, are presented below. For comparability purposes, the Company adjusted the balance of the previous year in the presentation of these financial statements.

Fair value on 07/01/22		
Fair value of the consideration		11,827,562
Issuance of Localiza shares (number of shares)		222,699,337
Value per share (in BRL)		53.11
Effects of Locamerica's dividend distribution		425,000
Fair value of financing to Locamerica's shareholders		551,709
Long-term incentives		10,610
Total consideration (a)		**12,814,881**
Adjusted book value of Locamerica's equity (b) (*)		**4,915,242**
Existing goodwill from prior business combinations (c)		**(717,741)**
Adjustments to fair value:		
Vehicles	(i)	434,038
Intangible assets (customer relationship)	(ii)	124,351
Contingencies	(iii)	(395,067)
Goodwill on assets held for sale (carve out)	(iv)	123,609
Total adjustments to fair value (d)		**286,931**
Total goodwill (a) - (b) - (c) - (d)		**8,330,449**

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

Total consideration

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

- the number of shares issued by Localiza based on the exchange ratio of Locamerica shares;
- the closing price of Localiza's shares on the Closing Date;
- distribution of dividends by Locamerica of BRL 425,000 to its shareholders base prior to the transaction;
- fair value of the financing to Locamerica's shareholders who have expressed an interest in contracting it. The credit facility covers up to 20% of the total amount of Localiza's shares attributed to its shareholders. As of December 31, 2022, the balance of the financial investment linked to this financing was BRL 1,179,326 and the adjustment to present value was BRL 334,288, net of the amortization occurred in the period.
- Fair value of long-term incentive plans.

(in BRL thousand, unless otherwise stated)

Adjustments to fair value

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

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

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

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

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

Impact of the acquisition on consolidated results

The business combination contributed with revenues of BRL 4,306,182 and net income of BRL 142,236 for the Company in the period from July 1, 2022 to December 31, 2022. Had this combination been effective on January 1, 2022, pro forma revenue and profit would have been BRL 21,588,767 and BRL 1,976,289, respectively, for the period ended December 31, 2022. The Company's management believes that these pro forma estimates represent an approximate measure of the performance of the company. The costs incurred in the business combination were approximately BRL 187 million (appropriated in 2022, notably under "Third-Party Services").

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

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

On June 13, 2022, Locamerica disclosed a Material Fact notice informing the market of the signing of the Agreement for the Purchase and Sale of Shares, Corporate Reorganization and Other Agreements, through which they established the terms and conditions for the sale to an investment fund managed by affiliates of Brookfield Asset Management, of certain assets to be segregated from the car rental and related used cars operation, including approximately 49,000 cars and 202 locations of the car rental and related used cars operations. As outlined in Note 1.1, on June 22, 2022 CADE approved the purchaser of the net asset for the divestment in compliance with the Concentration Control Agreement ("CCA").

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

Changes in the balance receivable for the sale of investments	
Sale value on October 1, 2022	3,878,914
Price adjustment according to contractual conditions	(69,627)
Received in cash	(3,220,526)
Balance receivable as of December 31, 2022	**588,761**
Contractual indemnities	(9,638)

(in BRL thousand, unless otherwise stated)

Interest accruals	53,639
Received in cash	(625,043)
Balance receivable as of December 31, 2023	**7,719**

10.2.2 Voll

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

Identifiable assets acquired and liabilities assumed and non-controlling interest in the acquired company

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

Fair value as of 05/03/22	
Consideration transferred for capital payment (item (i))	41,499
Consideration transferred (item (ii))	8,708
Consideration to be transferred (item (iii))	3,644
Total consideration (a)	**53,851**
Carrying amount of Voll's equity (b)	**27,784**
Adjustments to fair value:	
Brand	6,927
Software	5,411
Relationship with suppliers	4,099
IR/CS deferred on goodwill	(3,233)
Total adjustments to fair value (c)	**13.204**
Non-controlling interest (d)	(14,508)
Total goodwill (a) - (b) - (c) - (d)	**27,371**

(i) Localiza Fleet contributed to the capital of Voll, with subscription and payment of 1,533,595 common shares, in the amount of BRL 11,499, and made an advance of BRL 30,000 for future capital increase;
(ii) Payment of BRL 8,708 on the date of acquisition;
(iii) Estimated installment in the amount of BRL 3,644, to be paid in 2025 (BRL 4,069 monetarily adjusted), indexed to the change in the market price of Localiza's shares.

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

The Company believes that the acquisition will generate value to the business, increasing its presence in the mobility market, expanding the range of solutions offered to its corporate customers and broadening its relationships. These benefits are not recognized separately from goodwill because they do not meet the criteria for recognition of identifiable intangible assets in accordance with CPC 04 (R1)/IAS 38.

The intangible assets identified refer to the "Voll" trademark, software, and supplier relationships. In the financial statements they are classified as "Investments" and, in the Consolidated, they were reclassified to "intangible assets". These assets will be realized through amortization over the useful life defined in the technical study, except for the trademark that is not amortized.

(in BRL thousand, unless otherwise stated)

Net cash outflow on acquisition of Voll	**Fair value as of 05/03/22**
Consideration transferred in cash	50,207
Settlement of intercompany loans	(2,851)
Balance of cash and cash equivalents acquired	(39,648)
Effects of the acquisition on the cash flow statement	**7,708**

Impact of the acquisition on consolidated results

The consolidated statement of income for the year ended December 31, 2022, of the Company includes revenues in the amount of BRL 22,196 and loss of BRL 8,763 attributable to the additional businesses generated by Voll from the acquisition date. Had this combination been effective on January 1, 2022, pro forma revenue and loss would have been BRL 32,977 e BRL 13,019, respectively, for the period ended December 31, 2022. The Company's management believes that these pro forma estimates represent an approximate measure of the performance of the company.

(in BRL thousand, unless otherwise stated)

10.3 Balance of Investments

	Localiza Fleet Consolidated	Locamerica Consolidated	Rental Brasil	Localiza Prime	Car Assistance	Franchising Brasil	LFI S.R.L.	Effect of the elimination of IFRS 16 (*)	Goodwill on acquisition of investments	Total
As of December 31, 2022 - investment in subsidiaries	**1,907,114**	**5,198,835**	**111,482**	**55,267**	**8,422**	**3,648**	**136**	**45,703**	**8,352,526**	**15,683,133**
Equity in 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 29	-	6,772,997	-	-	-	-	-	-	-	**6,772,997**
Dividends from subsidiaries	(147,110)	(171,218)	(6,904)	(49,182)	(8,716)	(4,570)	-	-	-	**(387,700)**
Long-term incentive plans	3,224	11,540	-	-	-	647	-	-	-	**15,411**
Write-off of investment in a subsidiary	-	-	-	-	-	-	(136)	-	-	**(136)**
Cash Flow Hedge	(107,102)	(31,954)	-	-	-	-	-	-	-	**(139,056)**
Exchange variation of investees located 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**	**8,352,526**	**25,377,407**
As of December 31, 2022 - capital gains and losses	-	**(95,374)**	-	-	-	-	-	-	-	**(95,374)**
Realization of fair value increment on property and equipment	-	(330,537)	-	-	-	-	-	-	-	**(330,537)**
Realization of fair value increment on intangible assets	-	5,944	-	-	-	-	-	-	-	**5,944**
Realization of fair value increment on assets held for sale	-	69,627	-	-	-	-	-	-	-	**69,627**
Realization of fair value on contingency	-	40,908	-	-	-	-	-	-	-	**40,908**
As of December 31, 2022 - capital gains and losses	**-**	**(309,432)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(309,432)**
As of December 31, 2022	**1,907,114**	**5,103,461**	**111,482**	**55,267**	**8,422**	**3,648**	**136**	**45,703**	**8,352,526**	**15,587,759**
As of December 31, 2023	**2,594,293**	**13,867,115**	**129,906**	**59,896**	**1,836**	**5,828**	**-**	**56,575**	**8,352,526**	**25,067,975**

(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 (*)	Goodwill on acquisition of investments	Total
As of December 31, 2021 - investment in subsidiaries	**1,382,908**	**-**	**269,171**	**146,223**	**17,806**	**2,649**	**136**	**34,542**	**22,077**	**1,875,512**
Acquisition of companies	-	4,197,501	-	-	-	-	-	-	-	**4,197,501**
Equity in the earnings of investees	542,173	142,232	9,507	47,753	10,911	4,059	-	11,161	-	**767,796**
Capital increase (reduction)	100,000	1,900,000	(150,000)	(100,000)	-	-	-	-	-	**1,750,000**
Dividends from subsidiaries	(128,766)	(1,025,000)	(17,196)	(38,709)	(20,295)	(3,060)	-	-	-	**(1,233,026)**
Long-term incentive plans	-	4,362	-	-	-	-	-	-	-	**4,362**
Cash flow hedge	11,270	(20,260)	-	-	-	-	-	-	-	**(8,990)**
Variation in the exchange rate of investees abroad	(471)	-	-	-	-	-	-	-	-	**(471)**
Goodwill on acquisition of investments	-	-	-	-	-	-	-	-	8,330,449	**8,330,449**
As of December 31, 2022 - investment in subsidiaries	**1,907,114**	**5,198,835**	**111,482**	**55,267**	**8,422**	**3,648**	**136**	**45,703**	**8,352,526**	**15,683,133**
Balance on December 31, 2021 - capital gains and losses										
Fair value increment on property and equipment	-	434,038	-	-	-	-	-	-	-	**434,038**
Fair value increment on intangible assets	-	124,351	-	-	-	-	-	-	-	**124,351**
Fair value increment on assets held for sale	-	123,609	-	-	-	-	-	-	-	**123,609**
Negative goodwill on contingencies	-	(395,067)	-	-	-	-	-	-	-	**(395,067)**
Realization of fair value increment on property and equipment	-	(212,989)	-	-	-	-	-	-	-	**(212,989)**
Realization of fair value increment on intangible assets	-	(16,027)	-	-	-	-	-	-	-	**(16,027)**
Realization of fair value increment on assets held for sale	-	(193,236)	-	-	-	-	-	-	-	**(193,236)**
Realization of fair value increment on contingency	-	39,947	-	-	-	-	-		-	**39,947**
As of December 31, 2022 - capital gains and losses	**-**	**(95,374)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(95,374)**
As of December 31, 2021	**1,382,908**	**-**	**269,171**	**146,223**	**17,806**	**2,649**	**136**	**34,542**	**22,077**	**1,875,512**
As of December 31, 2022	**1,907,114**	**5,103,461**	**111,482**	**55,267**	**8,422**	**3,648**	**136**	**45,703**	**8,352,526**	**15,587,759**

(*) 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 of the Administrative Headquarters between Localiza and its subsidiary Rental Brasil.

(in BRL thousand, unless otherwise stated)

10.3.1 Main financial information of investees

a) Balance sheet and statement of income

	12/31/23			
	Assets	Liabilities	Shareholders' equity	Income/loss for the year
Localiza Fleet (*)	15,839,710	13,232,153	2,607,557	616,267
Locamerica (**)	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

	12/31/22			
	Assets	Liabilities	Shareholders' equity	Income
Localiza Fleet (*)	10,047,317	8,128,794	1,918,523	539,074
Locamerica (**)	19,261,035	14,062,200	5,198,835	142,232
Rental Brasil	464,377	352,895	111,482	9,507
Localiza Prime	86,573	31,306	55,267	47,753
Car Assistance	13,104	4,682	8,422	10,911
Franchising Brasil	26,495	22,847	3,648	4,059
LFI S.R.L.	225	86	139	-

(*) At Localiza Fleet, BRL 13,264 was recorded directly to shareholders' equity and BRL 3,144 of loss for the period (BRL 11,409 in shareholders' equity on December 31, 2022 and BRL 3,099 of loss), referring to non-controlling interests.

(**) At Locamerica, the existing goodwill write-off from previous business combinations was recorded directly to shareholders' equity in the amount of BRL 717,741 (Note 10.2.1) and adjustments related to provisions for fines and technology projects were recorded as BRL 50,427 in the statement of income for the year.

b) Dividends

2023	Localiza Fleet	Locamerica	Rental Brazil	Localiza Prime	Car Assistance	Franchising Brasil	Total
Minimum mandatory dividends proposed for 2022	128,766	-	2,259	11,939	2,728	1,014	**146,706**
Extraordinary dividends 2022	-	-	6,774	35,815	8,184	3,044	**53,817**
Minimum mandatory dividends proposed for 2023	147,110	171,218	130	13,367	532	1,526	**333,883**
Total approved dividends	**275,876**	**171,218**	**9,163**	**61,121**	**11,444**	**5,584**	**534,406**

2022	Localiza Fleet	Locamerica	Rental Brazil	Localiza Prime	Car Assistance	Franchising Brasil	Total
Minimum mandatory dividends proposed for 2021	125,114	-	4,980	8,923	5,857	681	**145,555**
Supplementary dividends for 2021	-	-	14,937	26,770	17,567	2,046	**61,320**
Extraordinary dividends	-	600,000	-	-	-	-	**600,000**
Minimum mandatory dividends proposed for 2022	128,766	-	2,259	11,939	2,728	1,014	**146,706**
Dividends related to the merger of shares	-	425,000	-	-	-	-	**425,000**
Total approved dividends	**253,880**	**1,025,000**	**22,176**	**47,632**	**26,152**	**3,741**	**1,378,581**

Dividends from subsidiaries are classified as investing activities in the Cash Flow Statement.

(in BRL thousand, unless otherwise stated)

11 TRANSACTION 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, the principal ones being 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		Locamerica Consolidated		Other subsidiaries		Total	
	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22
Equity								
Accounts receivable	28,286	23,968	22,565	8,366	-	-	**50,851**	**32,334**
Dividends receivable	147,110	128,766	171,218	-	15,555	17,940	**333,883**	**146,706**
Other trade receivables (Note 9)	-	6,319	10,007	2,876	2,475	2,589	**12,482**	**11,784**
Suppliers	(5,014)	(3,185)	(238,122)	(109,975)	(12,107)	(5,597)	**(255,243)**	**(118,757)**
Commercial note	-	-	(1,109,310)	(1,111,124)	-	-	**(1,109,310)**	**(1,111,124)**
Other accounts payable (Note 19)	(1,195)	-	(67,377)	-	(1,570)	(2,797)	**(70,142)**	**(2,797)**

	Localiza Fleet		Locamerica Consolidated		Other subsidiaries		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Income or loss								
Revenues	126,533	71,439	125,303	5,554	-	-	**251,836**	**76,993**
Costs and expenses	(85,878)	(72,794)	(806,151)	(322,055)	(79,445)	(72,116)	**(971,474)**	**(466,965)**
Financial expenses	-	-	(154,208)	(11,124)	-	-	**(154,208)**	**(11,124)**
Recovery of costs and expenses	273,816	199,426	77,962	44,132	5,192	10,114	**356,970**	**253,672**

On July 28, 2022, subsidiary Locamerica Rent a Car entered into a vehicle lease agreement with the Company, for an indefinite period, where the 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 1st issuance of 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 the fiscal year of 2023, the financial expenses related to this operation amounted to BRL 154,146 (BRL 11,124 in the fiscal year of 2022).

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

Guarantor	Obligee	12/31/23	12/31/22
Localiza Fleet S.A.	Localiza Rent a Car S.A.	25,096,551	12,524,815
Localiza Rent a Car S.A.	Localiza Fleet S.A.	9,173,698	5,555,669
Localiza Rent a Car S.A.	Rental Brasil Adm. e Participação S.A.	315,626	328,154
Locamerica Rent a Car S.A.	Companhia de Locação das Américas	-	8,588,836
Companhia de Locação das Américas	Locamerica Rent a Car S.A.	-	2,405,298

As of December 31, 2023, sureties in the contracting of bank guarantees and insurance for lawsuits were also granted in the amount of BRL 708,680. (BRL 470,071 as of December 31, 2022).

(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
Armal Empreendimentos e Participação Ltda	Related party	Property leasing
Guerra Empreendimentos e Participações Eireli	Related party	Property leasing
Pottencial Seguradora S.A.	Related party	Surety insurance operation
Locapar Participações e Administração Ltda.	Related party	Support in lawsuits when going public
Via Jap Comércio de Veículos Ltda.	Related party	Purchase and sale of used vehicles
Via Trucks Comércio de Caminhões Ltda.	Related party	Purchase and sale of used vehicles
Vanguard Car Rental System USA LLC.	Related party	Lease partnership

As of December 31, 2023 and 2022, the Company had warranty insurance with several insurance companies, among them Pottencial Seguradora, whose 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 900 (BRL 1,108 in 2022), recorded as warranty insurance expense, and the corresponding current insured amount of BRL 637,017 (BRL 425,106 as of December 31, 2022).

(ii) Balance of transactions

	12/31/23		12/31/22	
	Accounts receivable and dividends	Accounts payable	Accounts receivable and dividends	Accounts payable
Equity				
Alienantes Nexcorp Serviços e Telecomunicações S.A. (*)	-	(6,025)	-	(5,444)
Alienantes Voll Soluções em Mobilidade Corporativa S.A.	-	(11,028)	-	(16,715)
Alienantes MOBI7 Tecnologia em Mobilidade S.A.	-	-	-	(4,168)
Vanguard Car Rental System USA LLC	-	-	1,280	-
Via Jap Comércio de Veículos Ltda.	-	(2)	390	-
Via Trucks Comércio de Caminhões Ltda.	411	(262)	1,541	-
Total	**411**	**(17,317)**	**3,211**	**(26,327)**

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

	2023		2022	
	Revenues	Costs, operating expenses, and cost recoveries	Revenues	Costs, operating expenses, and cost recoveries
Income or loss				
Armal Empreendimentos e Participação Ltda.	-	-	-	(13)
Guerra Empreendimentos e Participações	-	-	-	(13)
Pottencial Seguradora S.A.	-	(900)	-	(1,108)
Vanguard Car Rental System USA LLC	-	-	-	(8,493)
Via Trucks Comércio de Caminhões Ltda.	68	(262)	7,620	(20)
Via Jap Comércio de Veículos Ltda.	-	(2)	(167)	(389)
Total	**68**	**(1,164)**	**7,453**	**(10,036)**

(in BRL thousand, unless otherwise stated)

(c) Compensation of key management personnel

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Short-term benefits	67,167	51,751	76,321	83,510
Post-employment benefits	725	547	794	603
Share-based compensation	55,631	51,433	60,200	66,918
Total	**123,523**	**103,731**	**137,315**	**151,031**

12 PROPERTY AND EQUIPMENT AND DECOMMISSIONED CARS FOR FLEET RENEWAL

(a) Property and equipment

Stated at cost less any accumulated depreciation and 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 these costs will flow and can be reliably measured.

Cars in operation, either in car rental or fleet rental activities, are classified in property and equipment, while decommissioned cars, after being used in these activities, 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 the statement of income.

Localiza and its subsidiaries revise 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.

On December 31, 2023 and 2022, the useful life depreciation for property and equipment in years was as follows:

	Useful life in years
Vehicles:	
Car rental division	from 2 to 3
Fleet rental division	from 1 to 5 (*)
Other property and equipment:	
Property	80
Furniture and fixtures	10
Trackers	5
Other	from 5 to 25

(*) 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.

Vehicle depreciation

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 the adherence to depreciation methods to better reflect the equalization of 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 also considering 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, 2021	**12,081,626**	**71,326**	**1,366,424**	**1,913**	**211,109**	**120,395**	**121,072**	**13,973,865**
Additions	13,604,977	35,520	236,185	-	-	13,019	88,609	**13,978,310**
Write-offs/transfers (*)	(5,299,153)	(1,821)	(72,653)	-	36,919	(24,610)	(87,756)	**(5,449,074)**
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 (*)	(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, 2021	**(340,823)**	**(7,074)**	**(380,758)**	**(1,378)**	**(113,533)**	**(57,303)**	**(67,553)**	**(968,422)**
Additions	(822,627)	(16,821)	(175,016)	(82)	(23,140)	(10,118)	(11,171)	(1,058,975)
Write-offs/transfers (*)	222,778	636	72,653	-	16	24,601	47,561	**368,245**
As of December 31, 2022	**(940,672)**	**(23,259)**	**(483,121)**	**(1,460)**	**(136,657)**	**(42,820)**	**(31,163)**	**(1,659,152)**
Additions (**)	(2,087,808)	(20,837)	(237,084)	(82)	(27,386)	(11,227)	(13,926)	**(2,398,350)**
Write-offs/transfers (*)	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, 2022	**19,446,778**	**81,766**	**1,046,835**	**453**	**111,371**	**65,984**	**90,762**	**20,843,949**
As of December 31, 2023	**23,199,679**	**60,184**	**1,256,284**	**371**	**163,258**	**70,281**	**140,626**	**24,890,683**

(*) Include write-offs due to car sale, theft, damage and transfer of decommissioned cars for fleet renewal to assets for sale, transfers to definitive property and write-offs of the right-of-use due to contract termination.
(**) Includes the additional fleet depreciation value, as per Note 1.2.

(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, 2021	**16,495,930**	**91,451**	**1,075,951**	**378,695**	**214,767**	**120,465**	**172,011**	**18,549,270**
Opening balance of acquired companies	12,883,331	96,702	186,937	1,000	30,920	21,158	58,772	**13,278,820**
Additions	22,538,963	92,350	235,124	-	8,197	15,165	131,931	**23,021,730**
Write-offs/transfers (*)	(7,759,922)	(2,557)	(88,471)	-	28,588	(25,745)	(106,529)	**(7,954,636)**
Transfer to classified asset held for sale	(529,477)	275	(28,241)	-	(10,826)	(5,672)	(10,043)	**(583,984)**
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 (*)	(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, 2021	**(653,077)**	**(10,859)**	**(339,925)**	**(11,864)**	**(114,082)**	**(57,206)**	**(68,403)**	**(1,255,416)**
Opening balance of acquired companies	(557,656)	(55,066)	(118,705)	-	(19,287)	(8,584)	(20,749)	**(780,047)**
Additions	(1,747,520)	(30,718)	(175,891)	(5,389)	(29,564)	(10,847)	(16,328)	**(2,016,257)**
Write-offs/transfers (*)	604,677	1,075	84,052	-	3,483	24,806	50,341	**768,434**
Transfer to classified asset held for sale	(21,140)	(204)	3,842	-	4,346	1,747	3,993	**(7,416)**
As of December 31, 2022	**(2,374,716)**	**(95,772)**	**(546,627)**	**(17,253)**	**(155,104)**	**(50,084)**	**(51,146)**	**(3,290,702)**
Additions (**)	(4,184,913)	(41,270)	(244,679)	(5,248)	(38,822)	(12,755)	(25,444)	**(4,553,131)**
Write-offs/transfers (*)	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, 2022	**41,254,109**	**182,449**	**834,673**	**362,442**	**116,542**	**75,287**	**194,996**	**43,020,498**
As of December 31, 2023	**49,914,250**	**182,155**	**1,122,767**	**357,194**	**197,895**	**81,175**	**260,832**	**52,116,268**

(*) Include write-offs due to car sale, theft, damage and transfer of decommissioned cars for fleet renewal to assets for sale, transfers to definitive property and write-offs of the right-of-use due to contract termination.
(**) Includes the additional fleet depreciation value, as per Note 1.2.

(b) Decommissioned vehicles for fleet renewal

Cars for 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 1,423,307 in Individual and BRL 2,531,398 in Consolidated (BRL 1,118,903 in Individual and BRL 1,976,087 in Consolidated as of December 31, 2022).

In 2023, a negative impact of BRL 89,771 and BRL 153,258 was recognized in the Individual and Consolidated statements, respectively, referring to adjustments to the recoverable amounts of vehicles being decommissioned for fleet renewal due to incentives granted to the Automotive Industry (Note 1.2). The remaining balance of adjustments to recoverable amounts as of December 31, 2023, is BRL 1,940 and BRL 6,116 in individual and Consolidated, respectively.

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

13 INTANGIBLE ASSETS

The accounting practice adopted by the Company is to record 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 (except for the SAP software of which the useful life was evaluated by internal experts at ten years), the expense being allocated to the "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.

Goodwill resulting from a business combination is classified as having an indefinite useful life, recorded 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 Individual balance sheet.

(in BRL thousand, unless otherwise stated)

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

	Individual	Consolidated					
	Software	**Software**	**Customer portfolio**	**Brands and patents**	**Goodwill**	**Other**	**Total**
Costs:							
As of December 31, 2021	**131,944**	**152,393**	-	-	**105,437**	-	**257,830**
Opening balance of acquired companies	-	197,005	52,917	7,128	95,431	5,385	**357,866**
Additions	65,711	110,424	124,352	6,927	8,357,820	4,298	**8,603,821**
Write-offs	-	(29,839)	-	(7,124)	-	(5,186)	**(42,149)**
Transfer to classified asset held for sale	-	(4,059)	-	-	(95,431)	(375)	**(99,865)**
As of December 31, 2022	**197,655**	**425,924**	**177,269**	**6,931**	**8,463,257**	**4,122**	**9,077,503**
Additions	76,013	105,573	298	-	-	49	**105,920**
Write-offs	-	(22,491)	-	-	-	-	**(22,491)**
As of December 31, 2023	**273,668**	**509,006**	**177,567**	**6,931**	**8,463,257**	**4,171**	**9,160,932**
Accumulated amortization							
As of December 31, 2021	**(99,837)**	**(114,801)**	-	-	-	-	**(114,801)**
Opening balance of acquired companies	-	(51,041)	(29,177)	(4,593)	-	(3,645)	**(88,456)**
Additions	(11,044)	(25,291)	(20,224)	(238)	-	(1,543)	**(47,296)**
Write-offs	-	1,128		4,831	-	4,072	**10,031**
Transfer to classified asset held for sale	-	44		-	-	17	**61**
As of December 31, 2022	**(110,881)**	**(189,961)**	**(49,401)**	**-**	**-**	**(1,099)**	**(240,461)**
Additions	(22,856)	(68,800)	(2,349)	-	-	(14)	**(71,163)**
Write-offs	-	2,028	-	-	-	-	**2,028**
As of December 31, 2023	**(133,737)**	**(256,733)**	**(51,750)**	**-**	**-**	**(1,113)**	**(309,596)**
Net carrying amount:							
As of December 31, 2022	**86,774**	**235,963**	**127,868**	**6,931**	**8,463,257**	**3,023**	**8,837,042**
As of December 31, 2023	**139,931**	**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, they are grouped at the lowest levels for which there is separately identifiable cash flow generation (cash-generating units), according to the analysis used by Management. Using the discounted cash flow method, it was concluded that the recoverable amount of assets is greater than the historical carrying amount, including goodwill, as of September 30, 2023, for the year ended December 31, 2023. No provision for impairment of allocated goodwill was recorded for any of the cash-generating units.

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 ten 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, 2023 and 2022, 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	10.37%	15.01%	20.15%	18.11%
Average discount rate for the period	11.63%	11.41%	14.53%	14.21%
Average perpetuity growth rate	3.50%	3.50%	3.50%	3.50%

Sensitivity test

The company performed sensitivity tests on the discount and growth rates considering an increase or decrease between of 0.5%. No need for impairment was identified for any of the sensitivity scenarios,

14 SUPPLIERS

The balance of suppliers is as follows:

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Vehicles (*)	5,207,515	3,610,250	8,212,559	5,625,318
Maintenance services and spare parts	99,688	88,385	201,455	174,360
Information technology services	26,094	19,672	29,673	28,757
Rentals	38,560	29,893	41,474	32,871
Other	524,651	323,239	396,220	316,445
Total	**5,896,508**	**4,071,439**	**8,881,381**	**6,177,751**

(*) The balance payable to automakers refers to vehicles purchased with an average maturity of 103 days (72 days on December 31, 2022).

(in BRL thousand, unless otherwise stated)

In December 2022, the Company signed an agreement offering suppliers the opportunity to early redeem amounts receivable from the Company through credit assignment with a partner financial institution (which may be interested in acquiring them at its sole discretion), without the Company's changing the terms, prices and conditions previously established with suppliers. Therefore, the Company continues to classify these as "Suppliers". As of December 31, 2023, the balance payable negotiated by suppliers was BRL 2,155,888 in Individual and BRL 2,647,376 in Consolidated (BRL 155,281 in Individual and Consolidated as of December 31, 2022).

Credit granted by suppliers

During 2022, the settlements of the assignment operations carried out by the suppliers of subsidiary Locamerica were classified as financing activities in the cash flow statement. On December 31, 2023 and 2022, there was no outstanding balance related to credit assignment operations carried out by suppliers.

15 SOCIAL AND LABOR OBLIGATIONS

The balance of social and labor obligations is as follows:

	Individual		Consolidated	
	12/31/23	**12/31/22**	**12/31/23**	**12/31/22**
Provision for vacation pay	88,662	86,003	110,380	116,100
Provision for profit sharing (*)	138,330	88,508	160,359	117,270
Provision for long-term incentives	578	1,658	3,683	11,727
INSS	43,976	18,443	53,878	30,812
FGTS	14,238	5,613	17,154	9,199
Payroll taxes from long-term incentives	6,059	2,068	25,595	16,820
Other	24,108	18,195	28,147	31,743
Total	**315,951**	**220,488**	**399,196**	**333,671**

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

16 ASSIGNMENT OF CREDIT RIGHTS

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

As of December 31, 2023, the balance of assignment of credit rights was BRL 134,329 in Consolidated (BRL 276,031 as of December 31, 2022 in Consolidated).

(in BRL thousand, unless otherwise stated)

17 LOANS, FINANCING, AND DEBT SECURITIES

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

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
In local currency				
Debentures	22,516,328	12,989,910	31,651,332	27,470,468
Commercial notes	2,540,919	1,711,202	1,431,609	1,429,795
Working capital	1,404,606	398,721	2,557,467	1,087,147
Real Estate Receivables Certificate ("CRI")	1,003,327	296,707	1,318,953	624,860
Certificate of Agribusiness Receivables ("CRA")	-	-	647,264	607,593
Consortium	1,881	2,844	1,881	3,362
In foreign currency				
Loan in foreign currency	1,785,345	1,225,463	2,999,127	2,047,888
Total	**29,252,406**	**16,624,847**	**40,607,633**	**33,271,113**
Current	**5,968,789**	**1,290,858**	**7,226,535**	**3,353,510**
Non-current	**23,283,617**	**15,333,989**	**33,381,098**	**29,917,603**

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

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at the beginning of the year	**16,624,847**	**9,358,221**	**33,271,113**	**12,433,095**
Opening balance of acquired companies	-	-	-	11,797,260
Debt assignment between group companies (Note 17(a))	6,681,407	-	-	-
Funding, net of transaction costs	8,336,882	8,331,416	12,435,698	10,340,537
Repurchase of debentures	-	-	(6,696)	-
Interests, charges, and exchange rate variation	2,611,441	1,130,131	4,836,431	2,415,476
Amortization of principal	(2,580,178)	(1,216,518)	(5,301,348)	(1,580,281)
Interest amortization	(2,421,993)	(978,403)	(4,627,565)	(2,134,974)
Balance at the end of the year	**29,252,406**	**16,624,847**	**40,607,633**	**33,271,113**

On December 31, 2023 and 2022, loans, financing, and debt securities recorded in liabilities, net of funding costs, were as follows, by maturity year:

	Individual		Consolidated	
	2023	2022	2023	2022
2023	-	1,290,858	-	3,353,510
2024	5,968,789	3,880,923	7,226,535	6,089,799
2025	4,387,912	1,201,938	7,006,335	3,219,837
2026	4,444,005	2,414,870	5,451,976	5,662,634
2027 to 2031	14,451,700	7,836,258	20,922,787	14,945,333
	29,252,406	**16,624,847**	**40,607,633**	**33,271,113**

During 2023 and 2022, the following debenture repurchase programs were in effect:

Debenture repurchase program	Approval by the Board of Directors	Repurchase period	Maximum authorized	Amount repurchased in 2023
2nd - Localiza	06/24/2021	06/24/2021 to 06/24/2022	600,000	-
2nd - Localiza Fleet	06/24/2021	06/24/2021 to 06/24/2022	300,000	-
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	-

There was no repurchase of debentures in the fiscal year ended on December 31, 2022.

(in BRL thousand, unless otherwise stated)

(a) Debt securities

On December 31, 2023 and 2022, the Company had debt securities under the terms of 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**	**12/31/23**	**12/31/22**	**12/31/23**	**12/31/22**
Debentures										
Localiza	Debentures - 12th issuance	05/2024	CDI + 1.35%	700,000	2024	Localiza Fleet	683,467	684,784	683,467	684,784
Localiza	Debentures - 13th issuance (1st series)	02/2023	109.35% of CDI	868,910	2022 and 2023	Localiza Fleet	-	329,836	-	329,836
Localiza	Debentures - 13th issuance (2nd series)	02/2025	111.30% of CDI	216,110	2024 and 2025	Localiza Fleet	202,314	189,243	202,314	189,243
Localiza	Debentures - 14th issuance (1st series)	01/2024	107.90% of CDI	200,000	2024	Localiza Fleet	207,074	207,479	207,074	207,479
Localiza	Debentures - 14th issuance (2nd series)	09/2026	112.32% of CDI	800,000	2024, 2025, and 2026	Localiza Fleet	459,874	461,511	459,874	461,511
Localiza	Debentures - 15th issuance	04/2026	107.25% of CDI	1,000,000	2025 and 2026	Localiza Fleet	772,178	774,036	772,178	774,036
Localiza	Debentures - 16th issuance	01/2026	CDI + 1.05%	1,000,000	2024, 2025, and 2026	None	1,053,671	1,057,064	1,053,671	1,057,064
Localiza	Debentures - 17th issuance (*)	03/2031	IPCA + 5.47% (*)	1,200,000	2030 and 2031	Localiza Fleet	1,284,149	1,148,753	1,284,149	1,148,753
Localiza	Debentures - 18th issuance	10/2026	CDI + 1.75%	1,500,000	2026	Localiza Fleet	992,630	1,546,012	992,630	1,546,012
Localiza	Debentures - 19th issuance (1st series)	02/2027	CDI + 1.6%	BRL 950,000	2027	Localiza Fleet	990,204	993,487	990,204	993,487
Localiza	Debentures - 19th issuance (2nd series)	02/2029	CDI + 2%	1,550,000	2029	Localiza Fleet	1,616,795	1,623,163	1,616,795	1,623,163
Localiza	Debentures - 21st issuance	07/2027	CDI + 1.6%	1,450,000	2027	Localiza Fleet	1,527,738	1,525,977	1,527,738	1,525,977
Localiza	Debentures - 22nd issuance	12/2028	CDI + 1.87%	2,450,000	2028	Localiza Fleet	2,453,764	2,448,565	2,453,764	2,448,565
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 2033	Localiza Fleet	1,559,763	-	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	353,880	-	353,880	-
Localiza	Debentures - 27th issuance (2nd series)	05/2031	CDI + 2.4%	400,000	2029, 2030, and 2031	Localiza Fleet	403,032	-	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	613,200	-	613,200	-
Localiza	Debentures - 30th issuance	05/2027	CDI + 1.85%	265,500	2027	Localiza Fleet	268,092	-	268,092	-

(in BRL thousand, unless otherwise stated)

							Individual		Consolidated	
Company	Issuance	Maturity date	Contract rate (p.a.)	Financial settlement	Annual amortization	Surety/Guarantee	12/31/23	12/31/22	12/31/23	12/31/22
Localiza	Debentures - 31st issuance (1st series)	04/2024	107.9% of CDI	527,400	2024	Localiza Fleet	534,332	-	534,332	-
Localiza	Debentures - 31st issuance (2nd series)	04/2027	110.5% of CDI	372,600	2025, 2026, 2027	Localiza Fleet	381,581	-	381,581	-
Localiza	Debentures - 31st issuance (3rd series)	04/2029	112% of CDI	100,000	2028, 2029	Localiza Fleet	102,388	-	102,388	-
Localiza	Debentures - 32nd issuance	02/2026	CDI + 2.25%	450,000	2025, 2026	Localiza Fleet	469,633	-	469,633	-
Localiza	Debentures - 33rd issuance	12/2027	CDI + 1.8%	850,000	2026, 2027	Localiza Fleet	849,190	-	849,190	-
Localiza	Debentures - 34th issuance	11/2028	CDI + 1.85%	1,900,000	2028	Localiza Fleet	1,901,105	-	1,901,105	-
Localiza	Debentures - 35th issuance	11/2024	109.72% of CDI	200,000	2022,2023,2024	Localiza Fleet	80,900	-	80,900	-
Locamerica Rent a Car	Debentures 11th Issuance	03/2023	117.5% of CDI	500,000	2022, 2023	Locamerica	-	-	-	259,190
Locamerica Rent a Car	Debentures 12th Issuance (1st series)	09/2023	110.6% of CDI	150,000	2022, 2023	Locamerica	-	-	-	77,852
Locamerica Rent a Car	Debentures 12th Issuance (2nd series)	09/2025	IPCA + 7.30%	100,000	2024, 2025	Locamerica	-	-	-	129,574
Locamerica Rent a Car	Debentures 13th Issuance (1st series)	04/2024	107.9% of CDI	527,400	2024	Locamerica	-	-	-	543,121
Locamerica Rent a Car	Debentures 13th Issuance (2nd series)	04/2027	110.5% of CDI	372,600	2025, 2026, 2027	Locamerica	-	-	-	383,517
Locamerica Rent a Car	Debentures 13th Issuance (3rd series)	04/2029	112.0% of CDI	100,000	2028, 2029	Locamerica	-	-	-	102,927
Locamerica Rent a Car	Debentures 15th Issuance	02/2026	CDI + 2.25%	450,000	2025, 2026	Locamerica	-	-	-	472,026
Locamerica	Debentures 16th Issuance	04/2024	119% of CDI	350,000	2022, 2023, 2024	None	-	-	-	238,301
Locamerica	Debentures 17th Issuance	09/2023	113% of CDI	400,000	2022, 2023	None	-	-	-	206,910
Locamerica	Debentures 18th Issuance	09/2024	108% of CDI	200,000	2024	Locamerica Rent a Car	-	-	-	207,328
Locamerica	Debentures 19th Issuance	01/2026	CDI + 2.40%	1,500,000	2025, 2026	Locamerica Rent a Car	-	-	-	1,602,636
Locamerica	Debentures 20th Issuance (1st series)	05/2028	CDI + 2.00%	350,000	2027, 2028	Locamerica Rent a Car	-	-	-	355,078
Locamerica	Debentures 20th Issuance (2nd series)	05/2031	CDI + 2.40%	400,000	2029, 2030, 2031	Locamerica Rent a Car	-	-	-	404,280
Locamerica	Debentures 21st Issuance (*)	09/2031	IPCA + 6.5119%	1,100,000	2029, 2030, 2031	None	-	-	1,213,307	1,094,843
Locamerica	Debentures 22nd Issuance	11/2026	CDI + 1.15%	1,000,000	2026	Locamerica Rent a Car	-	-	-	1,014,529
Locamerica	Debentures 23rd Issuance (1st series)	04/2027	CDI + 1.85%	685,000	2027	None	-	-	692,847	691,857
Locamerica	Debentures 23rd Issuance (2nd series) (*)	04/2029	IPCA + 7.2101%	515,000	2029	None	-	-	548,633	498,569
Locamerica	Debentures 24th Issuance	05/2027	CDI + 1.85%	265,500	2027	Locamerica Rent a Car	-		-	268,898
Locamerica	Debentures 25th Issuance	12/2027	CDI + 1.80%	850,000	2026, 2027	Locamerica Rent a Car	-		-	851,251
Locamerica	Debentures 26th Issuance	11/2024	109.72% of CDI	200,000	2022, 2023, and 2024	Locamerica Rent a Car	-		-	162,257

(in BRL thousand, unless otherwise stated)

							Individual		Consolidated	
Company	**Issuance**	**Maturity date**	**Contract rate (p.a.)**	**Financial settlement**	**Annual amortization**	**Surety/Guarantee**	**12/31/23**	**12/31/22**	**12/31/23**	**12/31/22**
Localiza Fleet	Debentures - 5th issuance	07/2025	112.00% of the CDI	300,000	2025	Localiza	-	-	214,555	215,426
Localiza Fleet	Debentures - 6th issuance	02/2024	110.40% of CDI	400,000	2024	Localiza	-	-	310,770	310,814
Localiza Fleet	Debentures - 7th issuance	07/2025	108.50% of CDI	300,000	2023, 2024, and 2025	Localiza	-	-	210,673	317,607
Localiza Fleet	Debentures - 8th issuance	02/2025	CDI + 1.00%	1,000,000	2023, 2024, and 2025	Localiza	-	-	696,710	1,049,154
Localiza Fleet	Debentures - 9th issuance	10/2026	CDI + 1.30%	500,000	2026	Localiza	-	-	513,657	515,327
Localiza Fleet	Debentures - 10th issuance (1st series)	04/2027	CDI + 1.6%	950,000	2027	Localiza	-	-	972,308	974,252
Localiza Fleet	Debentures - 10th issuance (2nd series)	04/2028	CDI + 1.75%	500,000	2028	Localiza	-	-	511,636	512,943
Localiza Fleet	Debentures - 11th issuance	10/2027	CDI + 1.6%	1,000,000	2027	Localiza	-	-	1,019,839	1,020,091
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	-	-	692,643	-
							22,516,328	**12,989,910**	**31,651,332**	**27,470,468**
Commercial notes										
Localiza	Commercial note	12/2024	CDI + 1.3%	1,700,000	2024	None	1,711,396	1,711,202	602,086	600,078
Localiza	Commercial note	03/2024	CDI + 1.35%	800,000	2024	Localiza Fleet	829,523	-	829,523	829,717
							2,540,919	**1,711,202**	**1,431,609**	**1,429,795**
							25,057,247	**14,701,112**	**33,082,941**	**28,900,263**

(*) 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. This option is irrevocable and must be exercised only upon initial recognition of the transaction.

The average effective interest rate on debt securities issued ranges from 108.9% of CDI to CDI + 2.98% p.a. (107.25% of CDI to CDI + 2.40% p.a. on December 31, 2022).

On December 31, 2023, the amount of issuance costs with debt securities to be recognized was BRL 284,716 (BRL 253,881 as of December 31, 2022), being presented net in the respective security.

(in BRL thousand, unless otherwise stated)

Debt assignment between Platform companies

On December 1, 2023, the Company entered into the "Private Assignment and Assumption of Debts Agreement", for the assignment of certain financial obligations of its wholly-owned subsidiaries: (i) Locamerica and (ii) Locamerica Rent a Car. The Company, for all intents and purposes, assumed the debtor position for all liabilities arising from the respective debt securities. The list of debt securities and their balances, subject to the debt assignment, are presented below:

Company	Issuance	Amount
Locamerica Rent a Car	13th Issuance (1st series)	529,286
Locamerica Rent a Car	13th Issuance (2nd series)	377,997
Locamerica Rent a Car	13th Issuance (3rd series)	101,415
Locamerica Rent a Car	15th issuance	464,804
Locamerica	18th issuance	204,657
Locamerica	19th issuance	1,577,855
Locamerica	20th Issuance (1st series)	350,352
Locamerica	20th Issuance (2nd series)	398,867
Locamerica	22nd issuance	607,294
Locamerica	24th issuance	265,409
Locamerica	25th issuance	906,447
Locamerica	26th issuance	76,009
Locamerica	Commercial Note 1st Issuance	821,015
		6,681,407

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, thus preserving the original terms of the contractual cash flows, which remained unchanged due to the debt assignment. The derivative financial instruments, amounting to BRL 91,590 (Note 4.1), designated to hedge the debts mentioned above were included in the "Private Assignment and Assumption of Debts Agreement", which includes their respective cash flow hedge effects, amounting to BRL 103,319, as demonstrated in other comprehensive income.

Funding in the year

In 2023, the following funding was approved:

Company	Issuance	Maturity date	Contract rate (p.a.)	Principal raised	Surety/Guarantee
Localiza	2nd CRI - 1st series	03/10/28	CDI + 1.25%	210,000	Localiza Fleet
Localiza	2nd CRI - 2nd series	03/11/30	CDI + 1.40%	490,000	Localiza Fleet
Localiza	Working capital	03/23/26	CDI + 2.00%	295,000	Localiza Fleet
Localiza	Working capital	08/14/23	CDI + 1.53%	1,000,000	-
Localiza	24th Issuance - 1st Series	05/10/25	CDI + 1.50%	250,000	Localiza Fleet
Localiza	24th Issuance - 2nd Series	11/10/25	CDI + 1.60%	700,000	Localiza Fleet
Localiza	Foreign currency	05/19/25	SOFR + 1.50%	250,500	Localiza Fleet
Localiza	Foreign currency	06/30/25	SOFR 6M+ 1,0343%	604,375	Locates Fleet, Locamerica, and Locamerica Rent a Car
Localiza	25th issuance	08/11/2033	CDI + 2.35%	1,500,000	Localiza Fleet
Localiza	Working capital	10/15/2031	CDI + 1.85%	1,000,000	Localiza Fleet, Companhia de Locação das Américas
Localiza	34th issuance	11/25/2028	CDI + 1.85%	1,900,000	Localiza Fleet

(in BRL thousand, unless otherwise stated)

Localiza	Foreign currency	11/28/2025	SOFR 6M + 1.35%	245,000	Localiza Fleet, Companhia de Locação das Américas
Localiza Fleet	12th issuance	03/20/25	CDI + 1.40%	1,500,000	Localiza
Localiza Fleet	Foreign currency	01/13/26	5.67%	538,900	Localiza
Localiza Fleet	Foreign currency	11/04/25	JPY + 1.6%	250,500	Localiza Rent a Car
Localiza Fleet	Foreign currency	10/04/2024	SOFR + 2.76%	155,000	Localiza Rent a Car
Localiza Fleet	Working capital	09/29/2028	12,69%	1,000,000	Localiza Rent a Car
Localiza Fleet	13th issuance	12/20/2028	CDI + 1.85%	700,000	Localiza Rent a Car
				12,589,275	

The debt securities issuance cost in the period were BRL 107,993 in Individual and BRL 153,577 in Consolidated, being presented net in the respective heading.

Financial Covenants

Restrictive Contractual Clauses - Financial Covenants

Loans and financing could be subject to early maturity in cases such as, but not limited to: (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 Brazilian rated scale corporate credit classifications in effect as of December 31, 2023 were: Standard & Poor's (brAAA/stable), Moody's (AAA.br/stable) and Fitch Ratings (AAA(bra)/stable).

As demonstrated below, the financial covenants were met on December 31, 2023 and 2022:

(i) Localiza and Localiza Fleet

Index	Limits	12/31/23	12/31/22
Net Debt/Adjusted EBITDA (*)	Below 4.00	2.72	3.78
Net debt discounted from credit card balance (**)/adjusted EBITDA	Below 4.00	2.61	3.70
Adjusted EBITDA/Net financial expenses	Above 1.50	2.68	3.27

(*) 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.
(**) From the 14th issuance, the debentures issued by Localiza Fleet include in the definition of net debt the discount of the balance of credit card receivables at the amount of BRL 1,121,744 on December 31, 2023 (BRL 596,353 on December 31, 2022).

(ii) Locamerica

Index	Limits	12/31/23	12/31/22
Net Debt/Adjusted LTM EBITDA (*)	Equal to or below 4.00	0.26	3.08
EBITDA LTM/net financial income	Equal to or greater than 1.50	2.88	2.57

(in BRL thousand, unless otherwise stated)

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

Additionally, the Company has loans that also include certain accelerated maturity events under conditions similar to those applicable to debt securities. On December 31, 2023 and 2022, these restrictive covenants were met.

(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	12/31/23	12/31/22
Localiza	09/23/2024	CDI + 1.38%	BRL 100,000	2024	103,278	103,458
Localiza	03/23/2023	CDI + 2.00%	BRL 295,000	2023	304,617	295,263
Localiza	10/15/2031	CDI + 1.85%	BRL 1,000.000	2025, 2026, 2027, 2028, 2029, 2030, 2031	996,711	-
Localiza Fleet	02/16/2024	117.25% of CDI	BRL 200,000	2023 and 2024	126,977	203,739
Localiza Fleet	09/29/2028	0.1269	BRL 1,000.000	2028	1,024,275	-
Locamerica	01/15/2026	CDI + 2.40%	BRL 450,000	2025 and 2026	-	482,430
SOFIT Software S.A.	05/04/2023	0.0375	BRL 64	2023	-	11
SOFIT Software S.A.	06/02/2023	0.0375	BRL 64	2023	-	14
SOFIT Software S.A.	10/02/2023	0.0375	BRL 66	2023	-	23
VOLL Sol. em Mobilidade	08/01/2024	0.1162	BRL 356	2020 to 2024	67	157
VOLL Sol. em Mobilidade	12/15/2025	0.0939	BRL 1,019	2021 to 2025	549	782
VOLL S.A.	10/02/2024	0.1135	BRL 600	2021 to 2024	176	365
VOLL S.A.	11/25/2030	IPCA + 0.75%	BRL 962	2020 to 2030	817	905
					2,557,467	**1,087,147**

On December 31, 2023, the amount of issuance costs with working capital loans to be recognized was BRL 24,454 (BRL 1,468 on December 31, 2022), being presented net in the respective contract.

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

On February 2018, the Company concluded the issuance of CRIs in the amount of BRL 370,000, issued by RB Capital Companhia de Securitização, backed by real estate receivables from property rental contracts with Rental Brasil. The bonds mature on November 21, 2032, with the redemption option by the certificate holders on November 21, 2024 and yield of 99% of CDI p.a.

In June 2022, the Company completed the CRI offer in the total amount of BRL 300,000, issued by Virgo Companhia de Securitização, which is backed by the reimbursement of expenses, costs, and real estate expenses incurred in the 24 months prior to the closing date of the Offer as well as expenditures, costs, and expenses on civil works directly related to the construction and/or renovation of back-up ventures to be carried out directly by the Issuer. The bonds mature on June 7, 2027, and their yield is CDI + 0.95%.

In March 2023, the Company completed the CRI offer in the total amount of BRL 700.000 issued by Virgo Companhia de Securitização, which is backed by reimbursement of expenses already incurred, by the Issuer and/or its Subsidiaries, directly related to the payment of rents in the 24 (twenty-four) months prior to the closing date of the Offer and payment of expenses not yet incurred, by the Issuer or its Subsidiaries, directly related to the payment of rents. The bonds of the 1st series mature on March 10, 2028, and their yield is CDI + 1.25%. The bonds of the 2nd series mature on March 10, 2030, and their yield is CDI + 1.40%.

On December 31, 2023, the outstanding balance of real estate receivable certificates is BRL 1,003,327 in the Individual and BRL 1,318,953 in the consolidated financial statements (BRL 296,707 in the Individual and BRL 624,860 in the consolidated as of December 31, 2022).

(in BRL thousand, unless otherwise stated)

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

On July 27, 2022, the Board of Directors of Locamerica approved the issuance of a Certificate of Agribusiness Credit Rights (CDCA) on behalf of Eco Securitizadora de Direitos Creditórios do Agronegócio, in the total amount of BRL 418,000. 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	Contract rate (p.a.)	Financial settlement	Annual amortization	Surety/Guarantee	12/31/23	12/31/22
Locamerica	07/14/2031	IPCA + 4.825% p.a.	BRL 200,000	2029, 2030, 2031	None	213,124	190,529
Locamerica	09/14/2028	IPCA + 6.618% p.a. -	BRL 167,200	2028	None	179,537	163,589
Locamerica	09/14/2028	CDI + 1.00%	BRL 250,800	2028	None	254,603	253,475
						647,264	**607,593**

(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	Rate (p.a.)	Contracted amount	Designation	12/31/23	12/31/22
Localiza	01/03/2023	0.93%	EUR 55,394	none	-	308,714
Localiza	05/22/2023	LIBOR + 0.47%	USD 80,000	none	-	210,209
Localiza	01/03/2025	EUR + 1.56%	EUR 55,394	none	298,515	308,861
Localiza	02/26/2024	USD + 1.9371%	USD 80,000	Fair Value Option	386,186	397,679
Localiza	05/19/2025	SOFR 3M + 1.5%	USD 50,000	Fair Value Option	246,036	-
Localiza	06/30/2025	SOFR 6M + 1.0343%	USD 125,000	Fair Value Option	607,273	-
Localiza	11/28/2025	SOFR 6M + 1.35%	USD 50,000	Fair Value Option	247,335	-
Localiza Fleet	01/10/2024	USD + 1.86%	USD 50,000	Fair Value Option	-	253,505
Localiza Fleet	08/22/22 and 01/23/23	LIBOR + 1.66%	USD 31,081	none	-	131,829
Localiza Fleet	03/28/2023 and 02/22/2024	SOFR + 1.88%	USD 25,000	Fair Value Option	-	-
Localiza Fleet	01/28/2025	SOFR + 2.78%	USD 125,000	Fair Value Option	61,564	-
Localiza Fleet	01/13/2026	USD + 5.67%	USD 100,000	Fair Value Option	518,189	-
Localiza Fleet	01/10/2024	USD + 2.1882%	USD 50,000	Fair Value Option	245,157	-
Localiza Fleet	11/04/2025	JPY + 1.6%	JPY 6,752,021	Fair Value Option	239,184	-
Localiza Fleet	10/04/2024	SOFR + 2.76%	USD 30,642 thousand	Fair Value Option	149,688	-
Locamerica Rent a Car	07/26/2024	LIBOR (3 Months + 0.40%) x 1.1176471	USD 50,000	Hedge Accounting Cash Flow	-	263,244
Locamerica Rent a Car	03/19/2024	LIBOR (3 Months + 0.87%) x 1.1176471	USD 50,000	Hedge Accounting Cash Flow	-	173,847
					2,999,127	**2,047,888**

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).

18 LEASE LIABILITY

The Company recognizes the leases as a right-of-use asset (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 the statement of income 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.

(in BRL thousand, unless otherwise stated)

The Company applies a discount rate calculated based on the risk-free rate disclosed by the Central Bank of Brazil, for the weighted term of its agreements, adjusted to the Company's circumstances (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 discount rate of 9.72% in 2023 (9.35% in 2022).

The Company has short-term leases and certain office equipment (such as laptops, printers and copiers) that are considered to be low-value assets, for which it adopts the recognition exemptions proposed by the accounting standard.

Changes in the lease liability are as follows:

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Balance at the beginning of the year	**1,152,858**	**1,065,234**	**912,499**	**792,128**
Opening balance of acquired companies	-	-	-	69,454
Addition of new contracts/remeasurement	446,434	236,185	553.582	235,124
Write-offs	(1,284)	(3,872)	(24,324)	(8,784)
Consideration paid	(312,416)	(234,761)	(321,177)	(237,199)
Consideration payable	(5,818)	(5,752)	-	-
Interest (Note 27)	125,791	95,824	107,523	76,349
Transfer to liabilities associated with assets classified as held for sale	-	-	-	(14,573)
Balance at the end of the year	**1,405,565**	**1,152,858**	**1,228,103**	**912,499**
Current	**240,228**	**184,264**	**261,597**	**185,227**
Non-current	**1,165,337**	**968,594**	**966,506**	**727,272**

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

The Company and its subsidiaries have property rental contracts for its car rental locations in airports and off-airports (downtown locations), stores, headquarters and parking lots. The minimum amounts payable, considering undiscounted considerations, for the remaining lease term contracted up to December 31, 2023 and classified as leases are as follows:

	Individual	Consolidated
2024	311,932	306,576
2025	290,842	281,777
2026	255,371	241,611
2027	224,526	200,322
2028	186,030	154,248
2029 and onwards	927,954	513,883
Total	**2,196,655**	**1,698,417**
Embedded interest	(791,090)	(470,314)
Balance of lease liability (current and non-current)	**1,405,565**	**1,228,103**

The estimated amount of PIS and COFINS credit embedded in the undiscounted lease consideration totals BRL 178,424 in Individual and BRL 130,300 in Consolidated. In the discounted consideration, the total amounts to BRL 112,408 in Individual and BRL 96,251 in Consolidated.

The Company, in measuring and remeasuring its lease liability and right-of-use asset, used the real interest 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, equivalent balances using nominal interest rates with projected inflation of the lease liability, right-of-use asset, finance cost and depreciation expense for the year ended December 31, 2023, are presented:

(in BRL thousand, unless otherwise stated)

	12/31/23					
	Individual			Consolidated		
	IFRS 16	Projected inflation	%	IFRS 16	Projected inflation	%
Right-of-use asset, net	1,256,284	1,576,714	25.5%	1,122,767	1,354,675	20.7%
Lease liability	1,405,565	1,703,105	21.2%	1,228,103	1,456,827	18.6%

19 OTHER CURRENT AND NON-CURRENT LIABILITIES:

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

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Unearned revenue (a)	4,897	1,612	19,467	8,217
Federal taxes from third parties	7,440	5,853	19,492	13,321
State tax liabilities	-	-	-	332
Municipal tax liabilities	10,490	6,117	19,234	13,985
Advances from customers	392,344	305,385	475,795	380,134
Insurance premiums for transfer (b)	139,429	103,030	140,975	104,372
Amounts payable for the acquisition of companies (c)	-	-	274	4,519
Other amounts payable to related parties (Note 11(a))	70,142	2,797	-	-
Other	47,529	22,921	39,627	50,559
Total other current liabilities	**672,271**	**447,715**	**714,864**	**575,439**
Unearned revenue (a)	17,232	1,882	30,158	10,885
Amounts payable for the acquisition of companies (c)	-	-	16,779	21,808
Restricted obligations (d)	-	-	57,889	52,086
Other	65,219	37,094	66,859	37,166
Total other non-current liabilities	**82,451**	**38,976**	**171,685**	**121,945**

(a) Refers to the franchising adhesion fee and bank preference premium.
(b) Premiums received from customers contracting 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, totaling BRL 274 (BRL 4,168, BRL 248, and BRL 103 related to Mobi7, Getrak, and Voll, respectively, as of December 31, 2022); and (ii) non-current liabilities: related to the acquisitions of Getrak and Voll, totaling BRL 5,751 and BRL 11,028, respectively (BRL 5,196 and BRL 16,612 as of December 31, 2022).
(c) The restricted obligations refer to the amounts retained from the purchase price owed to Car Rental Systems' sellers (escrow), which will be released 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 55,716 and BRL 51,444, on December 31, 2023, and December 31 of 2022, respectively (Note 9). The consolidated balances of these linked obligations, net of investments, are BRL 2,173 and BRL 642, on December 31, 2023 and 2022, respectively.

20 PROVISIONS FOR RISKS AND ESCROW DEPOSITS

The Company and its subsidiaries recognize provisions for present obligations as a result of past events, when the amount of the obligation can be reliably estimated and settlement is probable, or arising from the legal constructive 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, under the advice of the Company's legal counsel.

(in BRL thousand, unless otherwise stated)

(a) Balance of provision for contingencies

During 2023, changes in the balance of provisions were as below:

	Individual			
	Tax and social security	Labor	Civil	Total
As of December 31, 2022	**52,355**	**32,978**	**48,474**	**133,807**
Recognition	-	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**

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

(*) Refer to the settlement of certain tax contingencies through the Program for Reduction of Tax Litigation (Zero Litigation, "Litígio Zero"), tax debts refinancing program. through 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 values for administrative litigation or registered as outstanding debt to the Federal Government.

(b) Balance of escrow deposits

Localiza and its subsidiaries maintain escrow deposits linked to contingent lawsuits, segregated by nature, as follows:

	Individual			
	Tax and social security	Labor	Civil	Total
As of December 31, 2022	**53,196**	**19,761**	**22,347**	**95,304**
Deposits	13,155	13,135	83	**26,373**
Write-offs	(147)	(1,257)	(378)	**(1,782)**
Interest accruals, net	3,495	(30)	66	**3,531**
Transfer for payment	-	499	1,992	**2,491**
As of December 31, 2023	**69,699**	**32,108**	**24,110**	**125,917**

	Consolidated			
	Tax and social security	Labor	Civil	Total
As of December 31, 2022	**159,422**	**32,469**	**28,659**	**220,550**
Deposits	41,143	22,187	3,528	66,858
Write-offs	(19,910)	(10,188)	(2,311)	(32,409)
Interest accruals, net	11,575	522	368	12,465
Transfer for payment	(3,495)	837	636	(2,022)
As of December 31, 2023	**188,735**	**45,827**	**30,880**	**265,442**

(in BRL thousand, unless otherwise stated)

(c) Contingent liabilities in process - provision recorded

Provisions for lawsuits at several administrative and legal stages, on December 31, 2023 and 2022, were as follows:

	Individual							
	12/31/23				12/31/22			
	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	23	42,156	4,361	79,614	19	52,355	4,881	-
Labor	334	31,100	27,738	22,345	384	32,978	18,068	20,208
Civil	2,125	68,375	19,889	-	1,674	48,474	22,343	-
Total	**2,482**	**141,631**	**51,988**	**101,959**	**2,077**	**133,807**	**45,292**	**20,208**

	Consolidated							
	12/31/23				12/31/22			
	Number of lawsuits	Accrued amount	Escrow deposits	Bank guarantee / warranty insurance	Number of lawsuits	Accrued amount	Escrow deposit.	Bank guarantee / warranty insurance
Tax and social security	292	366,763	57,411	79,709	64	433,091	58,773	3,909
Labor	709	60,687	38,501	28,759	635	62,922	30,516	24,714
Civil	4,159	176,835	23,649	164	2,989	176,555	28,659	-
Total	**5,160**	**604,285**	**119,561**	**108,632**	**3,688**	**672,568**	**117.948**	**28,623**

- **Tax and social security**

Localiza and its subsidiaries are parties to tax and social security lawsuits that mainly address:

<u>ICMS</u>

The Company and its subsidiaries have 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, CONFAZ issued Agreement 64, foreseeing the incidence of ICMS upon the sale of vehicles within a period of less than 12 months from their acquisitions. 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, in the judgment of Extraordinary Appeal 1025986 under the general repercussion system, considered to be constitutional the incidence of ICMS on the operation, carried out by a car rental company, related to car sale in less than 12 months after its acquisition from the automaker.

In 2020, based on this judgment, the Company was advised by its legal counsel that the probability of loss of the lawsuits in which the ICMS requirement on sales with less than 12 months is considered probable; the provision at December 31, 2023, was BRL 33,615 (BRL 33,483, on December 31, 2022) in Individual and, in Consolidated, BRL 37,629 (BRL 51,671, on December 31, 2022) (Notes 25 and 26).

(in BRL thousand, unless otherwise stated)

PIS and COFINS

These are decisions handed down by the STJ that consider that revenues earned from leasing operations of movable property, under Complementary Law No. 70/91, are considered billing for purposes of PIS and COFINS. In September 2010, the Federal Government filed a Tax Foreclosure against the subsidiary Locamerica Rent a Car SA, to suspend the enforceability of credits and challenging embargoes; escrow deposits were made. Due to the nature of the jurisprudential involving the discussion of the aforementioned thesis and decisions issued during the course of the process, the claim was classified as a probable loss, with a provision of BRL 23,112 on December 31, 2023 in Consolidated (BRL 24,285 on December 31, 2022).

SOCIAL SECURITY

Localiza and its subsidiaries are parties to several social security lawsuits, mainly related to: (i) indemnity amounts; (ii) Social Transport Service ("SEST") and National Transport Learning Service ("SENAT"); (iii) education allowance and INCRA on compensation of self-employed workers and labor claims; (iv) social security charges on profit-sharing; and (v) Occupational Environmental Risk ("RAT"). Under the advice of legal counsel part was classified as a probable loss: December 31, 2023, amounts to BRL 14,203 in Individual (BRL 15,889 on December 31, 2022) and BRL 17,118 (BRL 18,582 on December 31, 2022) in Consolidated.

- **Labor**

Localiza and its subsidiaries are party to labor lawsuits mainly related to overtime payments, moral damages, and recognition of an employment relationship by self-employed service providers, contractors or similar may claim in court. There is no uniformity in judgement 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 driving cars rented from the Company (although it is not responsible for the accidents, the Company is often sued for being the owner of the car); and (ii) claims arising from consumerist relationships.

Localiza and its subsidiaries record a provision for possible indemnities to third parties, resulting from accidents caused by rented cars, in amounts exceeding the limits contracted through the insurance company and based on the advice of its legal counsel.

(d) Contingent liabilities in progress with a possible risk of loss - no provisions

	Individual							
	12/31/23				12/31/22			
	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	478	935,329	65,338	348,469	323	761,675	48,316	338,722
Labor	759	109,418	4,370	4,296	466	78,035	1,693	2,300
Civil	2,014	171,130	4,221	-	1,678	127,743	3	-
Total	**3.251**	**1,215,877**	**73,929**	**352,765**	**2,467**	**967,453**	**50,012**	**341,022**

(in BRL thousand, unless otherwise stated)

	Consolidated							
	12/31/23				12/31/22			
	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	1,122	1,797,852	131,324	473,485	807	1,466,232	100,649	362,481
Labor	959	139,757	7,326	4,600	634	102,538	1,953	2,330
Civil	3,710	374,247	7,231	2,043	4,926	321,572	-	-
Total	**5,791**	**2,311,856**	**145,881**	**480,128**	**6,367**	**1,890,342**	**102,602**	**364,811**

- **Federal and social security taxes**

At the federal level, Localiza and/or its subsidiaries are party to administrative and judicial lawsuits contesting discuss: (i) PIS/COFINS credits in relation to the acquisition of goods and services used as input in its activity, pursuant to Article 3, II, of Laws No. 10,637/2002 and No. 10,833/2003; (ii) PIS/COFINS credit in relation to expenses with maintenance of software, taking out vehicle insurance, advertising, maintenance expenses, subleasing intercompany and commissions paid to agencies; (iii) IRPJ and CSLL related to the deductibility of certain expenses and the amortization of goodwill in the years between 2004 to 2007 and 2009, resulting from the operation carried out in August 2002 in which the company Novinela BV subscribed and paid in the capital stock of SAG do Brazil Ltda. upon verification of the shares it holds in URC Rent a Car do Brasil Ltda.; (iv) social security contributions and charges on values of long-term incentive programs based on shares, profit sharing and indemnity amounts; (iii) non-approval of Compensation Requests ("DCOMP's"). These lawsuits were not provisioned because the risks were classified as possible under the advice of legal counsel.

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

The Company and its subsidiaries are discussing the right to calculate PIS and COFINS credits related to the depreciation of their rental vehicles, based on the provision in article 3, VI, and article 15 of Law No. 10,833/03, at a fraction of 1/48 per month, replacing the general rule of 1/60 monthly, and based on the entirety of the credits.

Legal counsel assess the prognosis of loss of the lawsuits and advised this as being possible. The Company and its subsidiaries estimate the contingency, including interest, to be on December 31, 2023 in Individual as BRL 158,606 (BRL 136,414, on December 31, 2022) and BRL 608,243 (BRL 511,581, on December 31, 2022) in Consolidated.

- **ICMS**

The Company and its subsidiaries are in dispute regarding: (i) charges made by States where the Company already has a final judgment for ICMS on sales within less than 12 months as being unconstitutional and not affected by decisions rendered in STF Themes 881 and 885, of general repercussion, which established the limits of res judicata in tax matters; (ii) charges related to sales after 12 months; (iii) the calculations of fines, resulting from disregarding the right to tax credit paid on the acquisition of goods, as provided for in Agreement 64/06; (iv) mixed cases, where the Company failed to segregate sales made within more or less than 12 months; and (v) ICMS and fine charges whose not involving the sale of vehicles. Such discussions on December 31, 2023, total BRL 214,040 (BRL 257,207 on December 31, 2022) in Individual and BRL 314,241 (BRL 299,872 on December 31, 2022) in Consolidated. Legal counsel assess the prognosis of loss of the lawsuits and advised this as being possible.

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 have tax domicile in Belo Horizonte/MG, and thus they pay 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 address these issues due to the chance of loss classified as possible under the advice of legal counsel, 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 contingency, including interest, on December 31, 2023 in Individual to be BRL 67,833 (BRL 69,353 on December 31, 2022) and BRL 133,267 (BRL 139,239 on December 31, 2021) in Consolidated.

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 arising from 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 loss and social contribution 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 /deemed income regime do not record 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.

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

(in BRL thousand, unless otherwise stated)

	Individual		Consolidated	
	12/31/23	12/31/22	12/31/23	12/31/22
Judicial and other provisions	47,162	44,646	88,664	80,241
Allowance for doubtful debts	38,539	28,073	115.737	111,914
Provision for payment of services in progress and other	118,008	78,589	195,945	140,621
Tax loss and social contribution carryforwards	1,620,301	1,439,186	3,670,986	2,325,080
Fair value increment on property and equipment	184,799	72,416	184,799	72,416
Fair value increment on intangible assets	3,428	5,449	3,428	5,449
Fair value increment on assets held for sale	42,027	65,700	42,027	65,700
Derivative financial instruments	6,902	25,024	49,701	31,943
Lease	477,892	391,982	526,232	449,770
Other	-	-	-	3,987
Total deferred income tax and social contribution - assets	**2,539,058**	**2,151,065**	**4,877,519**	**3,287,121**
Vehicle depreciation (*)	2,104,026	2,550,063	5,819,196	4,596,360
Derivative financial instruments	41,267	63,510	131,116	140,389
Goodwill tax amortization	-	-	52,401	52,007
Fair value increment on acquisitions by investees	-	-	12,245	15,663
Fair value increment on intangible assets	-	-	3,783	3,700
Fair value increment on contingencies	25,774	13,582	25,774	13,582
Lease	427,944	356,137	469,814	407,539
Other	-	-	25,567	45,767
Total deferred income tax and social contribution - liabilities	**2,599,011**	**2,983,292**	**6,539,896**	**5,275,007**
Total deferred income tax and social contribution, net	**59,953**	**832,227**	**1,662,377**	**1,987,886**
Non-current assets	**-**	**-**	**(38,208)**	**(22,965)**
Non-current liabilities	**59,953**	**832,227**	**1,700,585**	**2,010,851**

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

As of December 31, 2023, the Company and its subsidiaries have a tax credit balance on tax losses and social contribution carryforwards of BRL 1,620,301 in Individual and BRL 3,670,986 in Consolidated (BRL 1,439,186 and BRL 2,325,080, respectively, on December 31, 2022), based on the expectation of generating future taxable income. Compensation for this tax credit does not have a statute of limitations and 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
2024	215,443	420,620
2025	309,397	651,902
2026	89,379	301,892
2027 onwards	1,924,839	3,503,105
Total	**2,539,058**	**4,877,519**

(in BRL thousand, unless otherwise stated)

Change in deferred tax balances in 2023 and 2022 were:

	Individual						
Assets and liabilities of deferred taxes:	**Provisions**	**Tax loss and carryforwards**	**Fair value increment**	**Derivative instruments**	**Vehicle depreciation**	**Lease**	**Total**
As of December 31, 2021	**188,028**	**1,122,457**	**-**	**(33,697)**	**(2,111,786)**	**26,699**	**(808,299)**
Credited (debited) to the statement of income	(36,720)	316,729	129,983	(5,096)	(438,277)	9,146	**(24,235)**
Credited (debited) to other comprehensive income	-	-	-	307	-	-	**307**
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**
Payments using tax losses (*)	-	(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**	**Fair value increment**	**Derivative instruments**	**Vehicle depreciation**	**Goodwill tax amortization**	**Lease**	**Other**	**Total**
As of December 31, 2021	**208,914**	**1,140,112**	**-**	**(46,951)**	**(2,429,519)**	**-**	**22,839**	**(19,006)**	**(1,123,611)**
Acquisition of subsidiary	86,035	458,523	(18,267)	(27,082)	(834,676)	(42,253)	-	58,880	**(318,840)**
Transfer of assets and liabilities held for sale	-	-	-	-	(65,501)	-	-	-	**(65,501)**
Credited (debited) to the statement of income	37,827	726,445	128,887	(39,351)	(1,266,664)	(9,754)	19,392	(81,654)	**(484,872)**
Credited (debited) to other comprehensive income	-	-	-	4,938	-	-	-	-	**4,938**
As of December 31, 2022	**332,776**	**2,325,080**	**110,620**	**(108,446)**	**(4,596,360)**	**(52,007)**	**42,231**	**(41,780)**	**(1,987,886)**
Credited (debited) to the statement of income	67,570	1,369,977	77,832	(78,715)	(1,222,836)	(394)	14,187	16,213	**243,834**
Credited (debited) to other comprehensive income	-	-	-	105,746	-	-	-	-	**105.746**
Payments using tax losses (*)	-	(24,071)	-	-	-	-	-	-	**(24,071)**
As of December 31, 2023	**400,346**	**3,670,986**	**188,452**	**(81,415)**	**(5,819,196)**	**(52,401)**	**56,418**	**(25,567)**	**(1,662,377)**

(*) Refer to the settlement of taxes through the Program for Reduction of Tax Litigation (Zero Litigation, "Litígio Zero"), a tax refinancing program with the 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 in overdue debt of the Federal Government.

(in BRL thousand, unless otherwise stated)

(b) Income tax and social contribution - conciliation 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 taxable or deductible income or expenses in other years, 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 under the actual taxable income or deemed income regime, at the current rates.

The reconciliation between the statutory to the effective rates for the years ended December 31, 2023 and 2022 is as follows:

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Profit before income taxes	1,162,445	1,868,541	1,874,201	2,418,925
Statutory rate	34%	34%	34%	34%
Expense at statutory rate	**(395,231)**	**(635,304)**	**(637,228)**	**(822,435)**
Adjustments to expense at statutory rate:				
Equity in results of investees	480,678	261,050	(146)	29
Effect of deduction of interest on capital	532,099	321,802	532,099	321,802
Write-off of tax loss and carryforwards	-	-	(37,808)	(105,083)
Income tax and social contribution owed by subsidiaries (deemed income)	-	-	11,309	10,811
Other, net	25,575	28,217	60,663	17,158
Expense at effective rate	**643,121**	**(24,235)**	**(71,111)**	**(577,718)**
Effective rate	**-55%**	**1%**	**4%**	**24%**
Current income taxes and social contribution	**(97,731)**	**-**	**(314,945)**	**(92,846)**
Deferred income tax and social contribution	**740,852**	**(24,235)**	**243,834**	**(484,872)**

22 EQUITY

(a) Capital

On December 31, 2023, the Company's share capital was BRL 17,376,899, composed of 1,068,095,319 common shares (BRL 12,150,698, divided into 984,159,007 common shares on December 31, 2022).

(i) Capital Increase

At a meeting of the Board of Directors held on March 7, 2023, the Company's capital increase was approved, with the subscription and payment of 4,276,923 shares, representing 100% of the shares, object of the capital increase, at an issuance price of BRL 42.25 per share, totaling BRL 180,700. As a result of the approval, the Company's capital increased from BRL 12,150,698 to BRL 12,331,398.

At a meeting of the Board of Directors held on June 12, 2023, the Company's capital increase was approved, with the subscription and payment of 4,397,646 shares, representing 100% of the shares, object of the capital increase, at an issuance price of BRL 41,15 per share, totaling BRL 180,963. As a result of the approval, the Company's capital increased from BRL 12,331,398 to BRL 12,512,361.

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

(in BRL thousand, unless otherwise stated)

The number of Shares initially contemplated was, at the discretion of the Company and in agreement with the Offering Coordinators, increased by 12.5% of the total number of Shares initially offered, that is, 7,503,002 common shares issued by the Company, under the same conditions and at the same price as the Shares initially offered, which were intended to meet the excess demand found at the time the Price per Share was set ("Additional Shares").

At a meeting of the Board of Directors, held on June 26, 2023, the Company's capital increase was approved with the issuance of 67,527,012 new shares at BRL 66.64, resulting in a capital increase of BRL 4,500,000. This issuance was carried out within the authorized capital limit provided for in the heading ("caput") of Article 6 of the Company's Bylaws. Cash settlement was carried out on June 29, 2023. Expenses with the issuance of shares amounted to BRL 75,693.

At a Board of Directors meeting held on December 13, 2023, the total approval of the increase in the Company's share capital was granted, with 7,734,731 shares subscribed and fully paid, representing 100% of the shares subject to the capital increase, at an issuance price of BRL 47.13 per share, totaling BRL 364,538. As a result of the approval, the Company's capital increased from BRL 17,012,361 to BRL 17,376,899.

(ii) Capital Authorized

Pursuant to article 6 of the Bylaws, approved at the Annual General Meeting held on April 25, 2023, the Company is authorized to increase its capital up to 2,000,000,000 registered common shares, without need of prior amendment to the bylaws; therefore, an additional 931,904,681 registered common shares can be issued.

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

The Company participates in the Level I of the American Depositary Receipts ("ADR") Program since its approval by CVM on May 22, 2012 and the beginning of trading on June 5, 2012. As of December 31, 2023, the Company's position was 4,440,187 ADRs in the United States (6,743,464 ADRs on December 31, 2022). 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, net of 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, 2021	**162,074**	**6,275,345**	**25.83**
Exercise of long-term incentive programs	(15,342)	(590,667)	25.97
Sale to employees eligible to the Matching Program (i)	(2,175)	(87,494)	24.86
As of December 31, 2022	**144,557**	**5,597,184**	**25.83**
Exercise of long-term incentive programs (ii)	(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**

On December 31, 2023, the market value of treasury shares was BRL 669,737 (quoted at BRL 63,60 per share).

(i) Exercise of long-term incentive programs

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

(in BRL thousand, unless otherwise stated)

(ii) Sale to employees eligible to the Matching Program

In 2022, 87,494 treasury shares were sold at BRL 2,175 to eligible employees under the 1st Stock Option Plan and Matching Shares, which was approved at the Extraordinary General Meeting held on July 12, 2017. The premium generated on the sale of these shares was BRL 2,457 in 2022. In 2023, there were no sales of treasury shares.

(iii) Exercise of long-term incentive programs

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

(iv) Repurchase of shares

During the years ended December 31, 2023 and 2022, the following Localiza share repurchase programs were in effect:

Share Buyback Program	Approved by the Board of Directors	Repurchase period	Maximum authorized quantity
13th	06/24/21	07/23/21 to 07/22/22	50,000,000
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

In 2023, 5,398,314 shares issued by the Company were acquired for the amount of BRL 314,680, under the 15th Share Buyback Program. The average cost of acquiring treasury shares, including negotiation costs, was BRL 58.29 per share. 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 Reserves

(i) Stock options granted

Reserve allocated for the recognition of long-term incentive plans, duly approved in Meetings, 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 3 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 1 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 1 share, the Company shall sell jointly to the participant 2 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 1 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 1 share, the Company shall sell jointly to the participant 3 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 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 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. The plan is valid for 20 years, with the possibility of annual grants, to a select group of managers carefully selected and appointed by the Board of Directors as "Reference Shareholder Managers". Those elected will represent the mindset of the Founders and investors and will be recognized within the Company and by the market as the long-term sustaining axis, leading the Company through important achievements and challenging situations, aiming to transform Localiza into their life project, just as the Founders did. The vesting period, to have the total availability of the shares granted, is 10 years of 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 that have been 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 revised to reflect changes that may occur during the term of the plans.

For all share and option plans, the Company adopts the procedure of recognizing the 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, 2023, considering the bonuses/splits that occurred in previous years, have the following characteristics:

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

(*) 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.
(**) The shares will be exercised in two tranches, with different quantities, according to their vesting period.
(***) It is made up 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.
(****) We maintained the original vesting of the long-term incentive plans of Locamerica, pursuant to the Merger of Shares Agreement.

(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:

		12/31/2022		Grants		Cancellations		Exercises		12/31/2023	
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)

		12/31/2021		Grants		Cancellations		Exercises		12/31/2022	
Plan	**Program**	**Eligible**	**Options**	**Eligible**	**Granted**	**Eligible**	**Cancelled**	**Eligible**	**Exercised**	**Eligible**	**Shares/options**
3rd Options Plan	**2016**	**2**	**35,776**	-	-	-	-	(2)	(35,776)	-	-
4th Options Plan	**2017**	**10**	**243,309**	-	-	-	-	(2)	(198,634)	**8**	**44,675**
	2018	**14**	**216,711**	-	-	-	-	(4)	(130,150)	**10**	**86,561**
	2019	**23**	**177,878**	-	-	-	-	(5)	(8,385)	**18**	**169,493**
	2020	**41**	**336,372**	-	-	(3)	(2,602)	-	(21,101)	**38**	**312,669**
	2021	**41**	**205,740**	-	-	(4)	(11,709)	-	-	**37**	**194,031**
	2022	-	-	48	259,137	(5)	(27,777)	-	-	**43**	**231,360**
1st Matching Plan	**2019**	**24**	**130,099**	-	-	-	(35,767)	(24)	(94,332)	-	-
	2020	**43**	**234,770**	-	-	(3)	(5,458)	-	-	**40**	**229,312**
	2021	**44**	**136,474**	-	-	(4)	(7,624)	-	-	**40**	**128,850**
	2022	-	-	51	174,988	(4)	(15,754)	-	-	**47**	**159,234**
1st Deferred Plan	**2019**	**3**	**114,765**	-	-	-	(31,559)	(3)	(83,206)	-	-
	2020	**8**	**195,896**	-	-	(1)	(10,465)	-	-	**7**	**185,431**
	2021	**54**	**282,360**	-	-	(2)	(3,757)	-	-	**52**	**278,603**
	2022	-	-	78	423,393	(3)	(23,369)	-	-	**75**	**400,024**
Reference Shareholders	**2021**	**2**	**3,220,610**	-	-	-	-	-	-	**2**	**3,220,610**
2nd Deferred Plan (*)	**2019**	-	-	2	136,919	-	-	-	-	**2**	**136,919**
	2020	-	-	7	299,117	(2)	(64,742)	-	(2,928)	**5**	**231,447**
	2021	-	-	26	369,966	(1)	(44,739)	-	(16,155)	**25**	**309,072**
	2022	-	-	10	360,999	-	-	-	-	**10**	**360,999**
Total		**309**	**5,530,760**	**222**	**2,024,519**	**(32)**	**(285,322)**	**(40)**	**(590,667)**	**459**	**6,679,290**

(*) Grants made in 2022 referring to the migration of Locamerica's long-term incentive plans, as provided for in the Merger of Shares Agreement entered into within the scope of the transaction with Locamerica and approved by the Board of Directors at a meeting held on September 23, 2022.

(in BRL thousand, unless otherwise stated)

On December 31, 2023, the following weighted average assumptions were used for the calculation, based on the Black & Scholes model, of the fair value of each tranche of the outstanding share call options programs:

Plan	Program	Exercise price (*)	Risk-free rate per tranche	Expected annualized volatility (**)	Expected dividends	Maximum duration of the plan (in years)	Option fair value on grant date (BRL/share)
Reference Shareholder	2021	-	-	52.68%	-	10.0	62.74
2nd Deferred Plan	2023	-	11.84%	40.79%	-	6.0	55.79
	2022	-	7.40%	52.61%	-	6.0	61.09
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 Matching Plan	2023	-	11.84%	40.79%	-	3.0	55.79
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
5th Options Plan	2023	57.91	12.13%	40.79%	0.46%	3.0	16.48
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
	2017	10.03	4.59%	42.59%	0.42%	2.8	7.13

(*) 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 trading of the last 40 sessions on B3 prior to the profit-sharing payment date.
(**) Volatility based on the share history of the last three years prior to the grant date.

(in BRL thousand, unless otherwise stated)

In 2023, the consolidated cost arising from these Programs was BRL 64,173 (BRL 53,996 in 2022).

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 2023

The weighted average exercise price of the shares exercised in 2023, 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	2017	44,675	7.13	10.03	56.34
	2018	7,214	7.70	19.44	63.76
	2019	11,086	12.62	26.37	66.45
	2020	19,861	12.20	42.31	67.72
	2021	4,375	19.29	62.74	66.11
	2022	5,166	17.83	53.76	69.57
1st Matching Plan	2020	166,233	42.31	42.31	68.64
1st Deferred Plan	2020	134,434	42.31	42.31	67.51
2nd Deferred Plan	2019	49,633	61.09	61.09	51.80
	2021	21,264	61.09	61.09	65.83
	2022	1,101	61.09	61.09	60.44
Total		**465,042**			

All options were exercised using treasury shares in the amount of BRL 12,012 (BRL 15,342 in 2022). Therefore, there was no need to issue new shares. The goodwill generated for the exercised options was BRL 13,600 in 2023 (BRL 169 in 2022), with the realization effect for the exercise of these options amounting to BRL 30,749 in 2023 (BRL 13,038 in 2022).

(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 a stock premium reserve.

The premium on share subscription for the fiscal years ended December 31, 2023 and 2022 originates from:

	12/31/23	12/31/22
At share subscription	48,174	48,174
The exercise of long-term incentive programs - treasury shares	69,817	56,217
At the sale of treasury shares	11,735	11,735
Total	**129,726**	**116,126**

(in BRL thousand, unless otherwise stated)

(iv) Share-based Payment Program with cash settlement - Virtual Shares

As of December 31, 2023, the position of the settled share-based payment plans is as follows:

	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.

Below is the balance, with the number of eligible participants/shares, of the virtual share plans in 2023:

Year of original grant	12/31/2022		Cancellations		Exercises		12/31/2023	
	Eligible	Shares	Eligible	Cancelled	Eligible	Exercised	Eligible	Existing shares
2018	**17**	**34,493**	(3)	(5,793)	(14)	(28,700)	-	-
2019	**4**	**87,944**	-	-	-	(43,972)	**4**	**43,972**
2020	**1**	**34,230**	-	-	-	(11,410)	**1**	**22,820**
	22	**156,667**	(3)	(5,793)	**(14)**	**(84,082)**	**5**	**66,792**

On December 31, 2023, the following weighted average assumptions were used for the calculation of the fair value of each tranche:

Year of original grant	Fair value on 12/31/23	Risk-free rate per tranche	Expected annualized volatility (**)	Expected dividends	Duration of the program (in years)	Option fair value on grant date (BRL/share)
2020	63.60	7.40%	52.61%	-	5	61.09
2019	63.60	7.40%	52.61%	-	5	61.09
2018	63.60	7.40%	52.61%	-	5	61.09

The weighted average market value of shares exercised and settled in cash in 2023 was as follows:

Year of original grant	Number of options exercised	Fair value (in BRL)	Weighted average exercise price (in BRL)	Weighted average market price (in BRL)
2018	28,700	59.67	59.67	59.67
2019	43,972	58.41	58.41	58.41
2020	11,410	68.20	68.20	68.20
	84,082			

The liability recorded on December 31, 2023, related to virtual shares, is BRL 3,683 (BRL 6,079 on December 31, 2022).

(d) Earnings reserves

(i) Legal reserve

Reserve set up in accordance with corporate law, with an appropriation of 5% of net income for the year, limited to 20% of share capital. Pursuant to Article 193, paragraph 1 of Law 6,404/76, the Company is not required to constitute the legal reserve in the year if 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 intended to preserve capital and can only be used to offset losses or increase capital.

On December 31, 2023 and 2022, BRL 90,278 and BRL 92,215, respectively, were recorded as legal reserve. The balance of this reserve on December 31, 2023 is BRL 557,650 (BRL 467,372 on December 31, 2022).

(ii) Statutory reserve

According to item (f), paragraph 2 of Article 26 of Localiza's Bylaws, a portion consisting of up to 100% of 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 25, 2023, the creation of a statutory reserve of BRL 805,615 was approved referring to the remaining balance of net income for the year 2022.

On December 31, 2023, Management proposed, subject to approval at the Annual General Meeting, the allocation of 100% of the remaining profits for 2023, in the amount of BRL 150,292 to create this statutory reserve.

(e) Allocation of income/loss

The Company record interest on equity distributions to shareholders, calculated pursuant to Law 9249/95, as a deduction to retained earnings, similar to dividends. The amounts paid to shareholders as interest on equity, net of withholding income tax, are deducted from 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.

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) amount appropriated to the legal reserve; (ii) amount allocated to the creation of a reserve for contingencies and reversal of the same reserves created in previous years; 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.

(in BRL thousand, unless otherwise stated)

Interest on equity and dividends were calculated as follows:

	Individual	
	2023	2022
Net income for the year	1,805,566	1,844,306
Legal reserve (5%)	(90,278)	(92,215)
Net income for the year, basis for dividend proposal	**1,715,288**	**1,752,091**
Minimum dividends (25%)	**428,822**	**438,023**
Proposed/distributed dividends and interest on equity:		
Distributed interest on equity	1,564,996	946,476
Provision for withholding income tax on interest on equity	(186,025)	(114,950)
Total distributed interest on equity, net	**1,378,971**	**831,526**
Percentage of the Net Income for the year deducted from the legal reserve	80.4%	47.5%
Gross dividends and interest on capital per share, net of treasury shares at the end of the year (in BRL)	**BRL 1.480**	**BRL 0.967**

On December 31, 2023, 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 2023 exceeds the minimum mandatory dividend of 25% on base net income for dividend proposal.

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

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	0.37305	06/30/23	08/14/23
09/22/23	428,868	0.40643	09/27/23	11/20/23
12/20/23	404,899	0.38286	12/26/23	02/15/24
Total	**1,564,996**			

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

At the Annual General Meeting held on April 25, 2023, the payment of interest on equity in the amount of BRL 946.476 related to net income for the year 2022 was approved.

The liability balance of dividends and interest on equity comprises:

	Individual and Consolidated	
	12/31/23	12/31/22
Unclaimed interest on equity	141	5,296
Interest on equity proposed on income/loss of the year	404,899	358,320
Provision for withholding income tax on interest on equity	(47,660)	(43,230)
Total liabilities of dividends and interest on equity	**357,380**	**320,386**

(in BRL thousand, unless otherwise stated)

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:

	2023	2022
Net income for the year attributed to the Parent Company's shareholders	**1,805,566**	**1,844,306**
Basic earnings per share:		
Weighted average of common shares available (units)	1,019,253,102	864,706,988
Basic earnings per share (in BRL)	**1.77146**	**2.13287**
Diluted earnings per share:		
Weighted average of common shares available (units)	1,019,253,102	864,706,988
Dilutive effect of stock options (units)	6,303,944	6,201,489
Total shares subject to dilution (units)	1,025,557,046	870,908,477
Diluted earnings per share (in BRL)	**1.76057**	**2.11768**

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 required by resellers, in addition to avoiding being totally dependent on third parties to carry out these sales.

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

(in BRL thousand, unless otherwise stated)

The Car Rental Division is responsible for 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 after signing contracts, in accordance with the needs and requests of its customers; therefore, the fleet is more diversified in terms of models and brands. Decommissioned light and heavy vehicles are sold at the end of signed contracts, directly to end consumers or resellers.

(a) Operating segment financial reporting

(i) Consolidated assets and liabilities by operating segment

12/31/23	Car rental		Fleet rental	Unallocated balances	Eliminations/ Reclassifications	Consolidated
	Brazil	Mexico				
Assets						
Cash and cash equivalents	-	-	-	2,000,897	-	**2,000,897**
Short-term investments (*)	-	-	-	10,616,913	(1,109,310)	**9,507,603**
Accounts receivable	2,291,618	3,147	1,694,071	-	(300,587)	**3,688,249**
Decommissioned vehicles 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**
Total assets	**33,006,960**	**299,976**	**36,656,154**	**13,153,853**	**(2,169,859)**	**80,947,084**
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 liabilities	**9,043,495**	**129,515**	**5,959,863**	**42,347,662**	**(1,931,266)**	**55,549,269**
Equity	-	-	-	25,397,815	-	**25,397,815**
Total liabilities and shareholders' equity	**9,043,495**	**129,515**	**5,959,863**	**67,745,477**	**(1,931,266)**	**80,947,084**

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

(*) The adjustment to present value (Note 6) is included under "other assets".
(**) 50% Investment in Elo Telefonia, Sistemas e Equipamentos de Comunicação S.A. held by Iter Tecnologia. Iter is an indirect subsidiary of Companhia de Locação das Américas. On December 1, 2023, Elo Telefonia, Sistemas de Equipamentos de Comunicação S.A., was liquidated.

(in BRL thousand, unless otherwise stated)

(ii) Consolidated statements of income per operating segment

The performance of the operating segments is assessed based on EBIT and is reconciled to the accounting results as shown below:

2023	Car rental		Fleet rental	Reclassifications	Consolidated
	Brazil	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	**4,323,659**	**(27,547)**	**3,978,985**	**(3,019)**	**8,272,078**
Operating income (expenses):	-	-	-	-	-
Selling	(1,216,229)	(5,189)	(472,676)	2,925	(1,691,169)
General, administrative, and other expenses	(307,258)	(26,284)	(348,919)	94	(682,367)
Profit (loss) before finance costs, net (EBIT)	**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**

2022	Car rental	Fleet rental	Reclassifications	Consolidated
Net revenues	12,498,708	5,284,860	-	**17,783,568**
Cost	(7,994,366)	(3,137,063)	(4,030)	**(11,135,459)**
Gross profit	**4,504,342**	**2,147,797**	**(4,030)**	**6,648,109**
Operating expenses:				
Selling	(973,304)	(322,016)	2,837	**(1,292,483)**
General, administrative, and other expenses	(506,166)	(321,228)	1,193	**(826,201)**
Profit (loss) before finance costs, net (EBIT)	**3,024,872**	**1,504,553**	**-**	**4,529,425**
Finance costs, net				(2,110,500)
Profit before income tax and social contribution				**2,418,925**
Income tax and social contribution				(577,718)
Net income for the year				**1,841,207**

(iii) Consolidated depreciation and amortization expenses per operating segment

	Consolidated	
	2023	2022
Car rental Brazil		
Vehicle depreciation	2,248,259	946,694
Depreciation of other property and equipment and amortization of intangible assets	353,583	255,200
Car rental Mexico		
Vehicle depreciation	3,568	-
Depreciation of other property and equipment and amortization of intangible assets	12,799	-
Fleet rental		
Vehicle depreciation	1,933,086	800,826
Depreciation of other property and equipment and amortization of intangible assets	72,999	60,833
Total	**4,624,294**	**2,063,553**

(in BRL thousand, unless otherwise stated)

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 breakdown for each category of these revenues is as follows:

- **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, the moment 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.

Reconciliation between gross operating revenue and net revenue presented in the statements of income is as follows:

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Revenues	**17,843,028**	**11,860,291**	**30,670,153**	**18,938,902**
Discounts	(8,177)	(7,264)	(197,515)	(98,401)
Taxes (*)	(867,521)	(625,780)	(1,570,354)	(1,056,933)
Net revenues	**16,967,330**	**11,227,247**	**28,902,284**	**17,783,568**
Car rental	8,471,849	6,129,281	8,175,301	6,437,193
Fleet rental	-	-	6,487,999	3,178,256
Cars sold for fleet renewal	8,461,909	5,072,514	13,875,588	7,833,574
Resale of cars	-	-	83,267	214,945
Royalties abroad	33,572	25,452	33,572	38,109
Products sold and services provided	-	-	246,557	81,491
Net revenues	**16,967,330**	**11,227,247**	**28,902,284**	**17,783,568**

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

<u>Minimum contracted revenue from Fleet Rental</u>

As required by IFRS 15/CPC 47 "Customer Contract Revenue", disclosed below are the amounts that the Platform expects to recognize as revenue from performance obligations that are as yet unsatisfied at December 31, 2023:

Year	Revenues
2024	6,191,501
2025	4,275,379
2026	2,055,838
2027	648,419
2028 and onwards	62,913
Total	**13,234,050**

Fleet rental contracts may be terminated upon prior notice, under terms previously agreed between the parties, and the contractual fines are up to 50% of the rentals falling due.

(in BRL thousand, unless otherwise stated)

26 NATURE OF OPERATING COSTS AND EXPENSES

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

	Individual					
	Cost of car rental and sale		Selling, general, administrative, and other expenses		Total	
	2023	2022	2023	2022	2023	2022
Cost of cars sold	(7,668,139)	(3,989,875)	-	-	(7,668,139)	(3,989,875)
Adjustment to the recoverable value of assets (a)	(89,771)	-	-	-	(89,771)	-
Car maintenance, IPVA and others	(1,856,372)	(1,638,090)	-	-	(1,856,372)	(1,638,090)
Salary, payroll taxes, and benefits (b)	(649,157)	(549,343)	(635,340)	(506,494)	(1,284,497)	(1,055,837)
Profit sharing	(78,631)	(54,084)	(75,596)	(57,028)	(154,227)	(111,112)
Allowances and write-off of uncollectible amounts	-	-	(96,704)	(62,631)	(96,704)	(62,631)
Depreciation and amortization of other property and equipment and intangible assets	(240,098)	(176,445)	(93,300)	(70,947)	(333,398)	(247,392)
Vehicle depreciation (a)	(2,087,808)	(822,627)	-	-	(2,087,808)	(822,627)
Commission	-	-	(161,263)	(113,665)	(161,263)	(113,665)
Real estate lease (c)	(139,659)	(98,650)	1,177	12,361	(138,482)	(86,289)
Advertising	-	-	(144,885)	(107,261)	(144,885)	(107,261)
Occupancy costs and expenses	(18,804)	(17,414)	(8,411)	(6,835)	(27,215)	(24,249)
Third-party services and travel	(562,273)	(298,953)	(304,484)	(298,906)	(866,757)	(597,859)
PIS and COFINS credits, net (d)	847,783	707,320	-	-	847,783	707,320
Other	(874,089)	(450,486)	(54,226)	(73,432)	(928,315)	(523,918)
Total	**(13,417,018)**	**(7,388,647)**	**(1,573,032)**	**(1,284,838)**	**(14,990,050)**	**(8,673,485)**

	Consolidated					
	Cost of car rental and sale		Selling, general, administrative, and other expenses		Total	
	2023	2022	2023	2022	2023	2022
Cost of cars sold	(12,250,039)	(6,085,313)	-	-	(12,250,039)	(6,085,313)
Resale cost of used vehicles	(83,828)	(172,129)	-	-	(83,828)	(172,129)
Cost of services/products sold	(53,924)	(28,776)	-	-	(53,924)	(28,776)
Adjustment to the recoverable value of assets (a)	(153,258)	-	-	-	(153,258)	-
Car maintenance, IPVA and others	(3,183,873)	(2,586,759)	-	-	(3,183,873)	(2,586,759)
Salary, payroll taxes, and benefits (b)	(952,226)	(731,682)	(1,003,444)	(818,509)	(1,955,670)	(1,550,191)
Profit sharing	(115,037)	(75,134)	(120,498)	(93,553)	(235,535)	(168,687)
Allowances and write-off of uncollectible amounts	-	-	(156,744)	(145,718)	(156,744)	(145,718)
Depreciation and amortization of other property and equipment and intangible assets	(282,684)	(211,960)	(156,697)	(104,073)	(439,381)	(316,033)
Vehicle depreciation (a)	(4,184,913)	(1,747,520)	-	-	(4,184,913)	(1,747,520)
Commission	-	-	(208,376)	(144,415)	(208,376)	(144,415)
Real estate lease (c)	(158,568)	(118,572)	(10,631)	(12,825)	(169,199)	(131,397)
Advertising	-	-	(192,558)	(154,678)	(192,558)	(154,678)
Occupancy costs and expenses	(23,298)	(22,556)	(15,744)	(12,309)	(39,042)	(34,865)
Third-party services and travel	(763,365)	(417,419)	(436,823)	(463,713)	(1,200,188)	(881,132)
PIS and COFINS credits, net (d)	1,717,079	1,183,915	-	-	1,717,079	1,183,915
Other	(142,272)	(121,554)	(71,591)	(168,977)	(213,863)	(290,531)
Total	**(20,630,206)**	**(11,135,459)**	**(2,373,106)**	**(2,118,770)**	**(23,003,312)**	**(13,254,229)**

(a) Refers to additional depreciation and impairment of vehicles decommissioned for fleet renewal, as per Note 1.2.

(in BRL thousand, unless otherwise stated)

(b) On December 31, 2023, the Company recognized costs and expenses of BRL 72,757 and BRL 99,433 in Individual and Consolidated, respectively, related to long-term incentive programs (BRL 64,705 in Individual and BRL 109,752 in Consolidated on December 31, 2022).

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

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Lease agreements measured by CPC06/IFRS16	(22,157)	(22,314)	(30,465)	4,455
Lease agreements not included in the measurement of lease liabilities	(116,325)	(63,996)	(138,734)	(135,873)
Discounts obtained related to COVID-19	-	21	-	21
Total	**(138,482)**	**(86,289)**	**(169,199)**	**(131,397)**

(d) In accordance with article 320 of the Income Tax Regulation (Decree No. 9,580/18) and as detailed in Note 8, the Platform concluded, during the fiscal year, the review of the useful life of certain vehicles, resulting in the recognition of PIS/COFINS credits on vehicle depreciation, gross of income tax and social contribution, amounting to BRL 39,052 in Individual and BRL 196,914 in Consolidated for 2023 (BRL 58,645 in Individual statement and BRL 171,623 in Consolidated for 2022).

27 FINANCIAL INCOME (EXPENSES)

Interest income/expenses from financial assets/liabilities are recognized over time using effective interest rates on the accrual basis.

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

	Individual		Consolidated	
	2023	**2022**	**2023**	**2022**
Interest on short-term investments	777,519	474,488	1,118,920	845,437
Adjustment to present value of short-term investments	88,720	128,701	88,720	128,701
PIS and COFINS on financial income	(36,157)	(22,063)	(61,632)	(38,801)
Other revenues	4,061	4,821	79,629	10,207
Total financial income	**834,143**	**585,947**	**1,225,637**	**945,544**
Interest expense on loans, financing, debt securities and derivative financial instruments	(2,712,611)	(1,521,455)	(5,012,617)	(2,898,581)
Lease interest expenses (Note 18)	(125,791)	(95,824)	(107,523)	(76,349)
Interest on supplier grants	-	-	-	(19,627)
Change in the exchange rate	(717)	(455)	(789)	(1,218)
Other expenses	(59,992)	(38,925)	(129,049)	(60,269)
Total financial expenses	**(2,899,111)**	**(1,656,659)**	**(5,249,978)**	**(3,056,044)**
Total financial income (expenses)	**(2,064,968)**	**(1,070,712)**	**(4,024,341)**	**(2,110,500)**

28 SUPPLEMENTARY PENSION PLAN

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

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

In 2023, contributions made by the Company totaled BRL 6,235 in Individual and BRL 9,199 in Consolidated (BRL 4,833 in Individual and BRL 6,223 in Consolidated in 2022), allocated to line items "cost", "selling expenses", and "general and administrative expenses" in the statement of income, as applicable.

(in BRL thousand, unless otherwise stated)

29 SUPPLEMENTARY INFORMATION ON CASH FLOWS

(a) Transactions that do not affect cash

	Note	Individual		Consolidated	
		2023	2022	2023	2022
Assignment of financial instruments (swaps) between companies within the Platform	4.1	(91,590)	-	-	-
Addition of right-of-use	12	446,434	236,185	553.582	235,124
Acquisition of vehicles (variation in the balance of automakers)	14	(1,597,265)	(2,428,305)	(2,587,241)	(3,917,956)
Debt assignment between Platform companies	17	(6,681,407)	-	-	-
Capital increase from merger of shares		-	(8,034,475)	-	(8,034,475)

(b) Supplementary disclosure of cash flow information

	Individual		Consolidated	
	2023	2022	2023	2022
Purchase of vehicles:				
for fleet renewal	(11,524,989)	(6,397,889)	(19,817,734)	(9,902,524)
For fleet expansion	(2,504,093)	(7,207,088)	(6,131,951)	(12,636,439)
Total purchases of vehicles (Note 12(a))	**(14,029,082)**	**(13,604,977)**	**(25,949,685)**	**(22,538,963)**
Suppliers - vehicles (Note 14):				
Balance at the end of the year	(5,207,515)	(3,610,250)	(8,212,559)	(5,625,318)
Balance at the beginning of the year	(3,610,250)	(1,181,945)	(5,625,318)	(1,707,362)
	1,597,265	2,428,305	2,587,241	3,917,956
Cash outflow for vehicle acquisition	**(12,431,817)**	**(11,176,672)**	**(23,362,444)**	**(18,621,007)**
Revenue from the sale of decommissioned vehicles, net of taxes (Note 25)	8,461,909	5,072,514	13,875,588	7,833,574
Trade receivables - from sale of decommissioned vehicles (Note 7):				
Balance at the end of the year	515,472	290,930	765,370	369,320
Balance at the beginning of the year	290,930	140,263	369,320	183,828
	(224,542)	(150,667)	(396,050)	(185,492)
Cash inflow from vehicle sales	**8,237,367**	**4,921,847**	**13,479,538**	**7,648,082**
Net fleet investment	**(4,194,450)**	**(6,254,825)**	**(9,882,906)**	**(10,972,925)**

30 SUBSEQUENT EVENTS

(i) Change of share capital in subsidiaries

Capital increase in indirect subsidiary LL Méx. S.A. de C.V.

At the Board of Directors Meeting held on January 26, 2024, the increase of the share capital of the indirect subsidiary of the Company, LL Méx. S.A. de C.V., paid in by Localiza Fleet S.A. and Localiza Serviços Prime S.A., in the total amount of MXN 230,000,000, equivalent to BRL 66,142, was approved.

Capital increase at Companhia de Locação das Américas through debt assignment between companies within the Platform

At the Extraordinary General Meeting held on March 1, 2024, the increase of the share capital in the investee Companhia de Locação das Américas was approved in the amount of BRL 2,368,065, through the assignment of the 23rd issuance of debentures held by the Company against the invested company, with the issuance of 376,032,588 shares.

(ii) Funding

14th issuance of debentures by Localiza Fleet

On January 25, 2024, in a Board of Directors Meeting, the 14th issuance of debentures of Localiza Fleet was approved. These debentures are simple, non-convertible into shares, unsecured, with additional fiduciary guarantee from Localiza Rent a Car, in a single series, amounting to BRL 1,200,000, with final maturity on January 26, 2029.

38th issuance of debentures by Localiza Rent a Car

On February 26, 2024, in a Board of Directors Meeting, the 38th issuance of debentures of Localiza Rent a Car was approved. These debentures are simple, non-convertible into shares, unsecured, with additional fiduciary guarantee from Localiza Fleet, in a single series, amounting to BRL 2,100,000, with final maturity on February 25, 2029.

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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, 2023.

Belo Horizonte, March 11, 2024.

Bruno Sebastian Lasansky	Rodrigo Tavares Gonçalves de Sousa
CEO	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 for the fiscal year ended December 31, 2023.

Belo Horizonte, March 11, 2024.

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

Localiza&co

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, 2023; and ii) the Proposal for Allocation of Net Income for the year ended December 31, 2023, with imputation of interest on equity resolved on March 23, 2023, June 16, 2023, September 22, 2023, and December 2023 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 March 11, 2024, 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, March 11, 2024

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Antônio de Pádua Soares Pelicarpo

Chair of the Fiscal Council

____

Carla Alessandra Trematore

Fiscal Council Member

____

Márcia Fragoso Soares

Fiscal Council Member

SUMMARY AUDIT, RISK MANAGEMENT, AND COMPLIANCE COMMITTEE REPORT

1. Introduction

At a meeting of the Board of Directors held on February 29, 2024, the Internal Rules of the Company's Advisory Committees ("Regulations") was approved, which defines the specific attributions of the Committees, in addition to the provisions laid down in its Bylaws ("Bylaws"), the Internal Rules of the Board of Directors ("Board Regulations"), and the legislation in force. Among the Advisory Committees to the Board provided for in the aforementioned Regulation is the Audit, Risk Management, and Compliance Committee.

The Audit, Risk Management, and Compliance Committee ("Committee") is an advisory body to the Localiza's Board of Directors ("Board") and has operational independence and its own budget, which is approved by the Board of Directors.

2. Members

On December 31, 2023, the Audit, Risk Management, and Compliance Committee was comprised by four members elected by the Board of Directors. All members are independent, with no decision-making or management power, with three members of the Board of Directors and one member with recognized experience 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	-
Adriana Waltrick dos Santos	Sitting Member	Independent Board Member
Sérgio Augusto Guerra de Resende	Sitting Member	Board Member

3. Responsibilities

- To recommend the hiring or dismissal of the company that provides independent auditing services and to give an opinion on the hiring of any other services to be provided by the independent auditor. To this end, the Committee must observe the Company's Policy on Hiring Non Audit Services, as well as the exemption and independence of the auditors before the Management, an efficient work plan for each year, and to ensure that the auditor's report presented in a timely manner to the Board;
- To monitor the effectiveness of the work of the independent auditors, discussing and evaluating the annual work plan drawn up and presenting it to the Board for consideration;
- To express an opinion on the recommendation report of failures in internal controls of the independent audit;
- To supervise the implementation of annual plans and monitor the work of Internal Controls, Internal Audit, Risk Management, and Compliance, as well as to check the effectiveness and sufficiency of their structures in the areas responsible for these matters;
- To analyze the treatment given to complaints received by the Reporting Channel, and to check whether the protection, anonymity, and non-retaliation of any possible whistleblowers are ensured. The direct reporting of the Internal Controls, Risk Management, Internal Audit and Compliance to the Board and Committee must also be observed;
- To assess periodically the Company's exposure to risks and the effectiveness of risk management, internal controls, and integrity system;

- To analyze the Management report, financial statements, quarterly information, and Earnings Release, making any recommendations that it deems 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 for the Committee such as: Compliance and Risks, Investments, Cash, Indebtedness, among others;

4. Main topics discussed and recommendations

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

4.1. 2023 Financial Statements and Other Disclosures

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, 2023, as well as the corresponding Earnings Release and Independent Auditors' Reports, and the individual and consolidated financial statements for the year ended December 31, 2023, the Independent Auditors' Report and the Management Report, expressing its agreement with their approval by the Board of Directors.

Throughout the year, it held meetings with the finance and controllership departments to assess the main accounting policies and practices, internal processes, and controls related to the preparation of financial statements, accounting estimates, and critical analyses pointed out by Management; as well as, monitored and appraised the main legal demands and their outcome forecasts, including the assessment by the Legal Department and external legal counsel on the Company's litigation.

4.2. Manual on Annual and Extraordinary General Meetings – 2023

The Audit, Risk Management, and Compliance Committee recommended the approval by the Board of Directors of the Meeting Manual, including, without limitation, the call notice for meetings and the management proposal in relation to: (i) taking the accounts of the Directors and approving the Management Report and the Financial Statements of the Company for the year ended December 31, 2022, together with the Independent Auditors' Report; (ii) approving Management's proposals for the distribution of the profit for the year ended December 31, 2022 and the distribution of dividends; (iii) establishing the amount of the annual global compensation of Management for the fiscal year of 2023 and (iv) implementing the Fiscal Council and establishing its compensation.

4.3. Reference Form

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

4.4. "Practice or Explain" Governance Report

The Audit, Risk Management, and Compliance Committee analyzed the Company's Brazilian Governance Report - 2023 and recommended its approval by the Board of Directors.

4.5. Share Buyback Program

The Audit, Risk Management, and Compliance Committee analyzed the Company's 15th Share Buyback Program, which allowed the Board to acquire shares issued by the Company, up to the limit of 70,000,000 shares, for treasury stock and subsequent sale and/or cancellation, without reducing the share capital, with the aim of settling stock options under Long-Term Incentive Plans or maximizing shareholder value generation. The Committee recommended its approval by the Board of Directors.

4.6. Public offering of primary share distribution

The Audit, Risk Management, and Compliance Committee reviewed the proposal for increasing the Company's share capital through the issuance of initially 60,024,010 (sixty million, twenty-four thousand, and ten) common shares, all nominative, book-entry and without par value, free from any liens or encumbrances ("Shares"), through a public offering of primary share distribution, and recommended its approval by the Board of Directors.

4.7. Dividends and interest on equity

The Audit, Risk Management, and Compliance Committee reviewed the proposals for the distribution of interest on equity, imputed to the value of the minimum mandatory dividends for the fiscal year 2023, 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.

Additionally, it analyzed and recommended the capital calls made during the fiscal year 2023, through the issuance of common shares, nominative, book-entry and without par value for private subscription, within the authorized capital limit and the established limits, recommending its approval by the Board of Directors.

5. Policy Review

In the fiscal year ended in 2023, the Committee analyzed and recommended to the Board of Directors the approval of the revision of the following policies:

- Code of Conduct;
- Investment Policy;
- Indebtedness, Derivatives, Strategy for Hedging Market Risks and Granting Guarantees and Sureties Policy;
- Risk Management and Internal Controls Policy; and
- Information Disclosure and Securities Trading Policy.

6. Independent Auditors

The Committee monitored the process of hiring independent audit services and recommended to the Board of Directors: (i) hiring PricewaterhouseCoopers Auditores Independentes Ltda. as the Company's independent auditors.

Additionally, it participated in the following activities, reporting its progress to the Board of Directors:

- Review of PricewaterhouseCoopers Auditores Independentes Ltda's' planning and strategy for the 2023 fiscal year;
- Maintenance of a regular communication channel with the independent auditors;
- Assessed the main conclusions presented by the auditor in its quarterly review reports (ITRs) of March 31, June 30, and September 30, 2023;
- Assessed the conclusion presented and the Key Audit Matters included in its Report on the financial statements for the year ended December 31, 2023;
- Follow-up on the recommendations for improvement noted 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, mapping processes, monitoring the effectiveness of the Company's internal controls and key indicators;
- Assessment and discussion of the Company's priority risks, their impacts, and likelihood of occurrence, accompanied by mitigation plans;
- Monitoring of actions to improve internal controls and general information technology controls.

8. Code of Conduct and Reporting Channel

Regarding the Code of Conduct and the Reporting Channel, besides participating in the revision of the Code in 2023, it also acted on and reported to the Board the following:

- Monitoring of complaints received through the channels, as well as the actions taken by Management; and
- Follow-up of disclosure actions and training on to the Code of Ethics and Conduct.

9. Internal Audit

Finally, regarding Internal Audit, it acted on and reported to the Board the following:

- Assessment of the Annual Internal Audit Plan;

Analysis of the reports issued by the Internal Audit contemplating the observations identified and the corresponding remediation plans.

Conclusion

Taking into consideration all the analyses, studies, and discussions carried out during the meetings and the follow-up carried out by the Committee, in particular regarding the conclusion of the Financial Statements, the members of the Committee state that they have no objection to submitting these documents to the appreciation by the Board of Directors, with subsequent approval recommendation to the Shareholders at the General Meeting.

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, no. 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, proceeded with the analysis and review of the Management Report and Financial Statements for the fiscal year ended December 31, 2023, accompanied by the Independent Auditors' Report, without qualification, and, considering the information and clarification provided by the Company's Management and by PricewaterhouseCoopers Auditores Independentes Ltda, recommended its approval by the Board of Directors.

Belo Horizonte, March 11, 2024

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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

____

Adriana Waltrick dos Santos
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

Summary of the minutes of the Audit, Risk Management, and Compliance Committee meeting Held on March 7, 2024

Date, Time and Place: March 7, 2024, at 09:00 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., in a virtual hearing through the Microsoft Teams platform.

Attendance: Attended by all the members of the Audit, Risk Management, and Compliance Committee ("Committee"), namely: Maria Letícia de Freitas Costa, Estela Maris Vieira de Souza, as well as Messrs. Eugênio Pacelli Mattar, Luis Fernando Memoria Porto, and Rodrigo Tavares and Mrs. Myrian Buenos Aires, among other guests according to the agenda. The absence of Mrs. Adriana Waltrick dos Santos and Sérgio Augusto Guerra de Resende was properly justified.

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

Agenda: to discuss and decide on the following: **(1)** Presentation of the Independent Auditors on the closing of the Financial Statements for December 31, 2023; **(2)** Financial Statements, Management Report, and Earnings Release 2023; and **(3)** Profit Distribution 2023.

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

(1) **Presentation of the Independent Auditors.** Mr. Guilherme Campos, representing PricewaterhouseCoopers, reported the conclusion of their audit work on the Company's December 31, 2023 financial statements, with Reports issued without qualification. In addition, he reported that he read the Management Report and Earnings Release, and did not identify any inconsistencies in relation to the financial statements taken as a whole.

(2) **Financial Statements, Management Report, and Earnings Release 2023.** The members of the Audit, Risk Management, and Compliance Committee, in accordance with their duties established in its Internal Regulations, have reviewed and analyzed the Financial Statements for the year ended December 31, 2023, Explanatory Notes and the Company's Management Report, Individual and Consolidated, accompanied by the Independent Auditor's Preliminary Report on said Financial Statements, without qualifications, and considering the information provided by the Company's Management and by the partner from PricewaterhouseCoopers Auditores Independentes, they recommend the approval by the Board of Directors. Additionally, they have reviewed the 2023 Earnings Release, also recommending its approval by the Board of Directors.

(3) 2023 Profit distribution. The Company's management presented the proposal for allocation of the adjusted net income, in accordance with the Company's Bylaws and the corporate legislation, related to the fiscal year 2023 of no additional dividend distribution, considering that the interest on equity distributed to shareholders in 2023, in the amount of BRL 1,378,970,993.31, net of income tax and corresponding to 80.4% of the net income of 2023, was imputed to the mandatory dividend. After the necessary clarifications, the Members of the Committee recommended its approval by the Board of Directors, ad referendum by the Shareholders' Meeting, as follows:

The Management's proposal includes the distribution of the 2023 profit as follows: (i) BRL 90,278,314.22 for the constitution of the Legal Reserve; (ii) BRL 1,564,996,157.32 for shareholder compensation, distributed in advance as interest on equity, imputed to the mandatory dividend, and (iii) BRL 150,291,812.83 for the statutory reserve referred to as Investment Reserve, pursuant to article 26, paragraph 2, (f) of the Company's Bylaws.

The full minutes of the Audit, Risk Management, and Compliance Committee meeting held on March 7, 2024 are on file at the Company's headquarters.

Maria Inês Ferreira Pinto Coelho

Secretary

COMMENTS ON THE PERFORMANNCE OF BUSINESS PROJECTIONS

The Company did not disclose any projections for the fiscal years 2023 and 2022.

HIGHLIGHTS OF THE YEAR

After a year and a half of a robust integration process, we have already captured important advances in our productivity, processes, and practices. In 2023 we presented significant gains in operational efficiency, which were reflected in the evolution of rental margins. Net rental revenue increased by 26.0% in the year, with costs increasing by 7.5% and SG&A just by 1.2%, resulting in an increase of 6.3p.p. in the rental EBITDA margin, as follows:

R$ millions

Operational result	2021 proforma Adjusted	2022 proforma Adjusted	2023 Adjusted	Var. R$ 2023 x 2022	Var. % 2023 x 2022
Car Rental Revenue	5,787.6	7,421.8	8,266.3	844.5	11.4%
Fleet Rental Revenue	2,985.6	4,436.0	6,677.2	2,241.2	50.5%
Rental Net Revenue	**8,773.2**	**11,857.8**	**14,943.5**	**3,085.7**	**26.0%**
Rental costs	(2,510.9)	(3,095.5)	(3,327.7)	(232.2)	7.5%
Rental costs % revenue	***-28.6%***	***-26.1%***	***-22.3%***		***3.8 p.p.***
Rent Expenses (SG&A)	(1,429.0)	(1,473.5)	(1,491.5)	(18.0)	1.2%
Rent expenses % revenue	***-16.3%***	***-12.4%***	***-10.0%***		***2.4 p.p.***
Rental EBITDA	**4,833.3**	**7,288.8**	**10,124.3**	**2,835.5**	**38.9%**
EBITDA margin	***55.1%***	***61.5%***	***67.8%***		***6.3 p.p.***

On the other hand, the effects of the cycle increase in the depreciation and still high interest rates offset the operating gains:

R$ millions

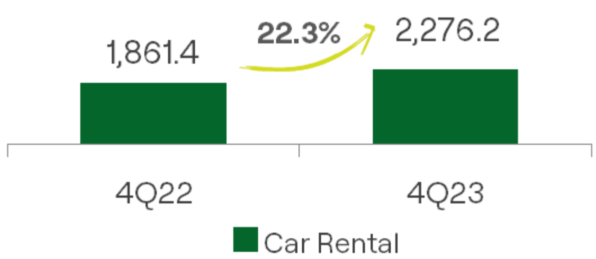
Depreciation and Financial Result	2021 proforma Adjusted	2022 proforma Adjusted	2023 Adjusted	Var. R$ 2023 x 2022	Var. % 2023 x 2022
Depreciation of cars and others	(978.4)	(2,097.1)	(3,813.1)	(1,716.0)	81.8%
Net financial result	(785.0)	(2,726.0)	(4,024.3)	(1,298.3)	47.6%
Total	**(1,763.4)**	**(4,823.1)**	**(7,837.4)**	**(3,014.3)**	**62.5%**
Depreciation and Income Fin. % Rental Revenue	**-20.1%**	**-40.7%**	**-52.4%**		**-11.8 p.p.**

We still see room for operational improvement as we move forward with fleet rejuvenation and complete the integration process. Furthermore, any reduction in interest rates should contribute to the advancement of the level of return.

QUARTERLY HIGHLIGHTS

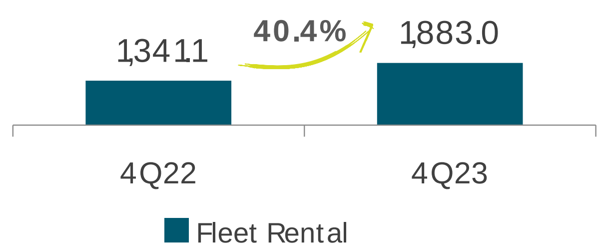
Car Rental Net Revenue - Brazil

R$ million, including royalties



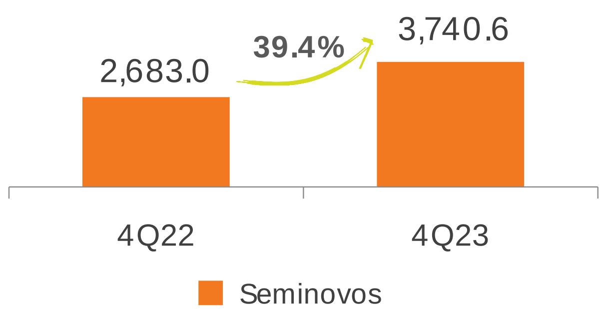
Fleet Rental Net Revenue - Brazil

R$ million, including new initiatives' revenues



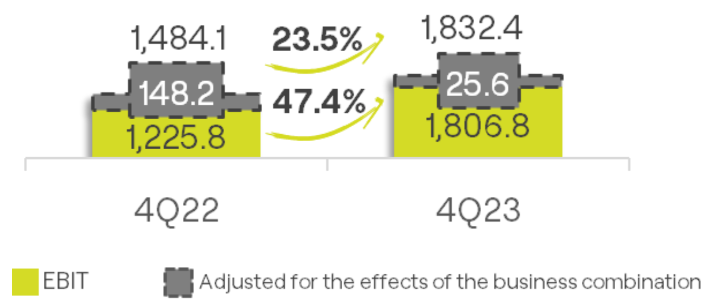
Seminovos Net Revenue - Brazil

R$ million



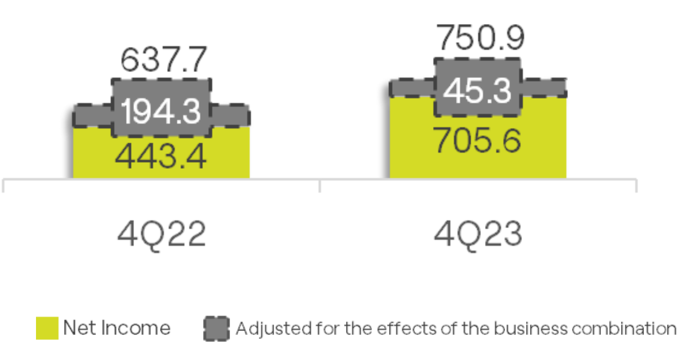
Consolidated EBIT

R$ million



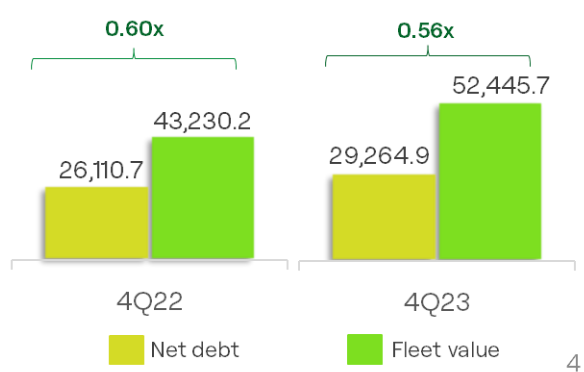
Consolidated Net Income

R$ million



Debt Ratios

R$ million



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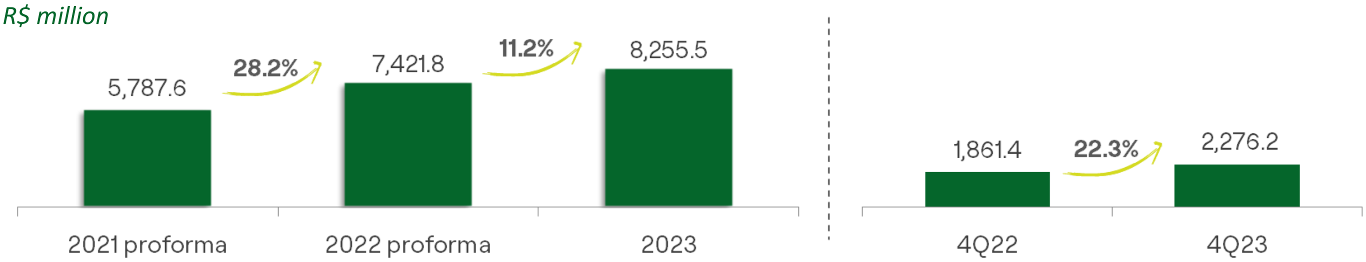
1 – Car Rental

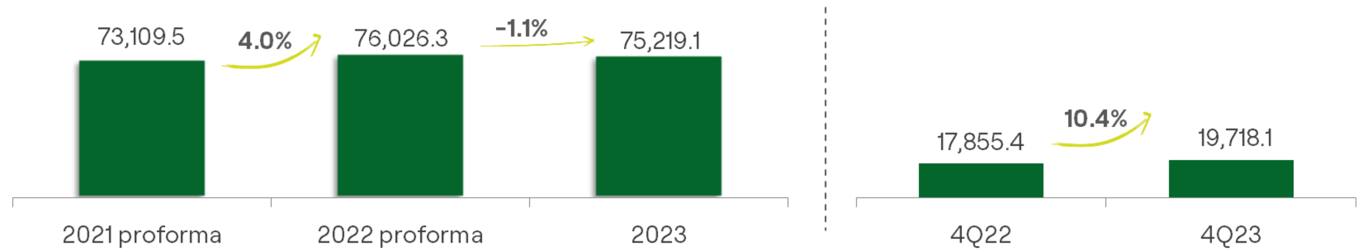
Net Revenue – Brazil (Including royalties from franchisees)

R$ million



Rental Days – Brazil

In thousands



In 4Q23, net revenue from the **Car Rental** division reached R$2,276.2 million, growth of 22.3% compared to 4Q22, as a result of the 10.4% growth in the number of daily rentals and the increase in the average daily rate. We remind that in 4Q22 we carried out the carve-out of around 49 thousand **Car Rental** cars, 180 branches and 20 **Seminovos** stores, sold in the context of the restrictions imposed by CADE to approve the merger, with 4Q23 being the first quarter since the merger on a comparable basis. In just one year, the Company recovered the carve-out in revenue and volume, a result of commercial excellence and brand strength.

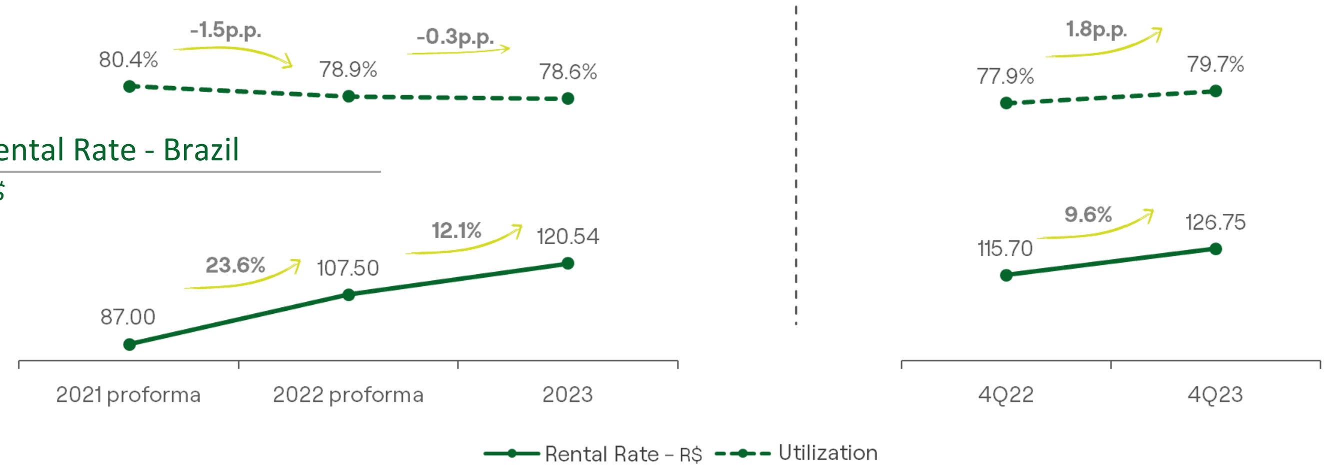
In 2023, the net revenue totaled R$8,255.5 million, an increase of 11.2% compared to 2022 proforma.

Utilization Rate – Brazil

%

Rental Rate - Brazil

R$

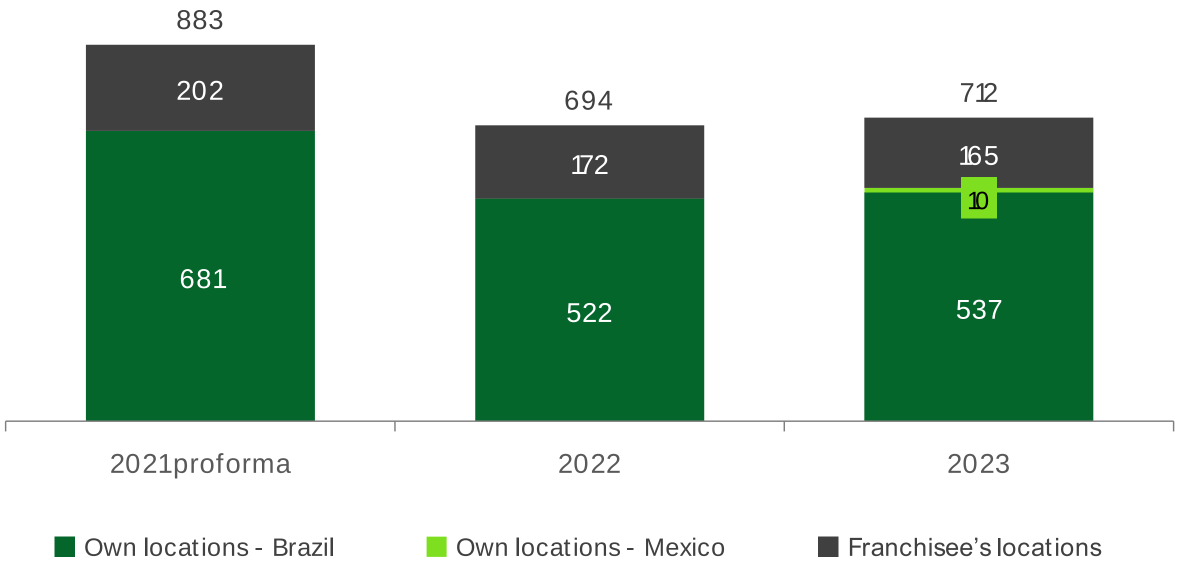


In the 4Q23, the average daily rate increased by 9.6% in the annual comparison, reaching R$126.75 and the utilization rate increased by 1.8p.p., reaching 79.7%, even in a quarter of strong car purchases.

1.1 – Rental Locations

Number of branches – Brazil and Latin America

Quantity

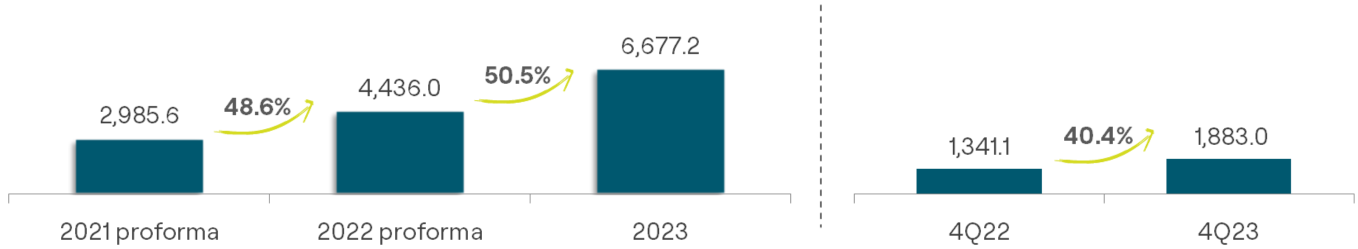


In the graph above we see the evolution of the **Car Rental** network. From 2021 to 2022, we had the carve-out effect, with the sale of 180 branches in the context of the restrictions imposed by CADE. In 2023, we opened 15 owned branches in Brazil and 10 branches in Mexico, ending 2023 with 712 branches, of which 616 in Brazil, 10 in Mexico and 86 in 5 other countries in South America.

2 – Fleet Rental

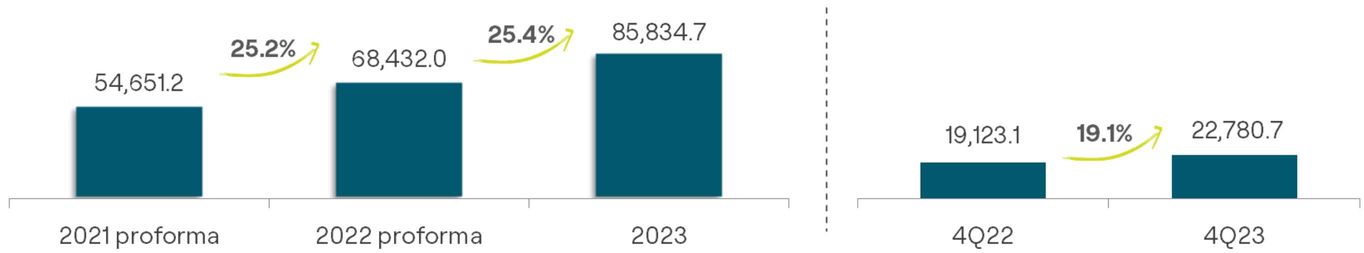
Net Revenue

R$ million including new initiatives' revenues



Rental Days

In thousands



In 4Q23, the **Fleet Rental** division presented net revenue of R$1,883.0 million, 40.4% higher than in the same period of the previous year, due to the 19.1% increase in volumes and the increase in the average daily rate.

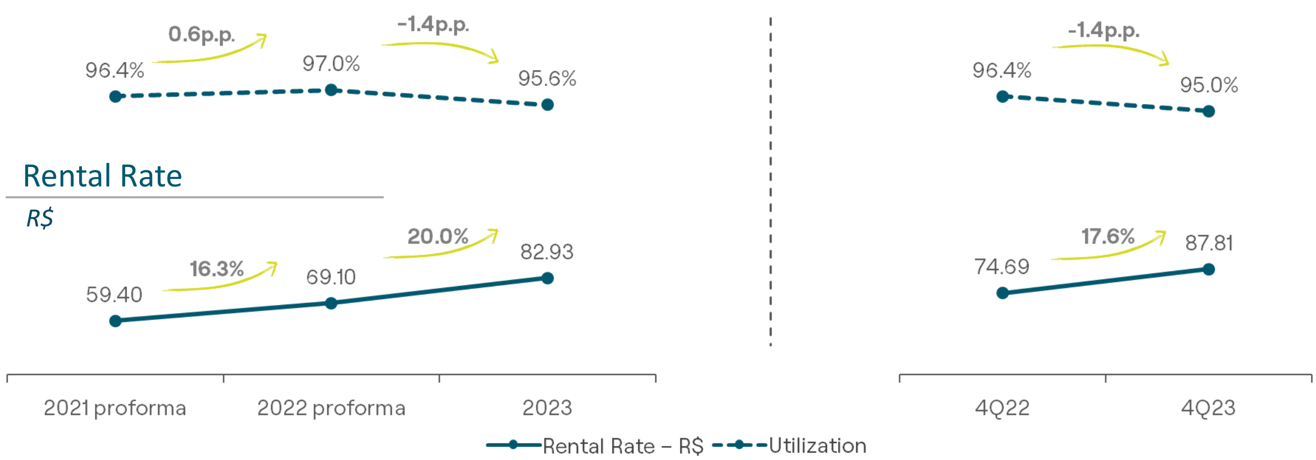
In 2023, revenue grew by 50.5%, with an increase of 25.4% in the volume of this division.

Utilization Rate

%

Rental Rate

R$



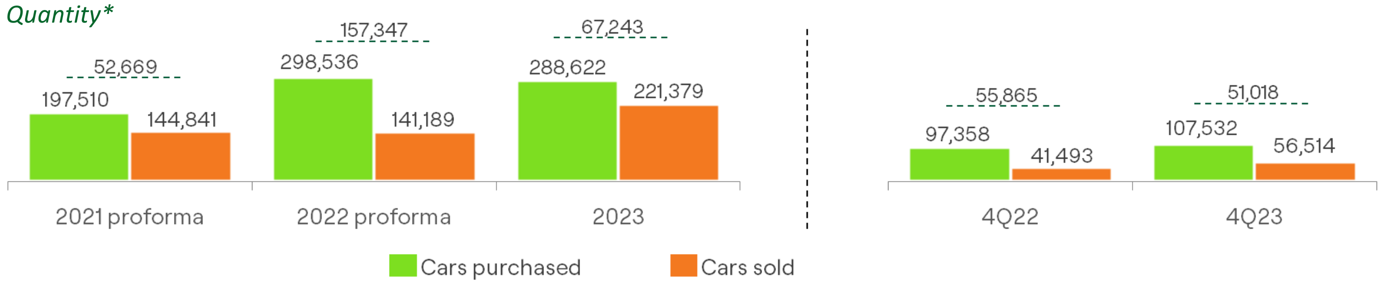
In the quarter, the average daily rate increased 17.6%, reaching R$87.81, reflecting the pricing of new contracts in a context of higher interest rates, car prices and depreciation. The fleet utilization rate decreased by 1.4p.p. when compared to 4Q22.

3 - Fleet

3.1 – Net investment in the fleet

Car purchase and sales - Brazil

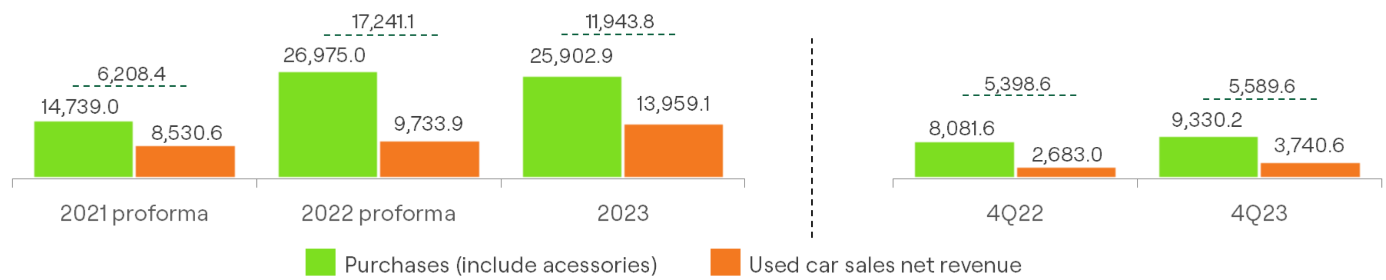
*Quantity**



*Does not consider theft / crashed cars written of

Net investment in fleet - Brazil

R$ million

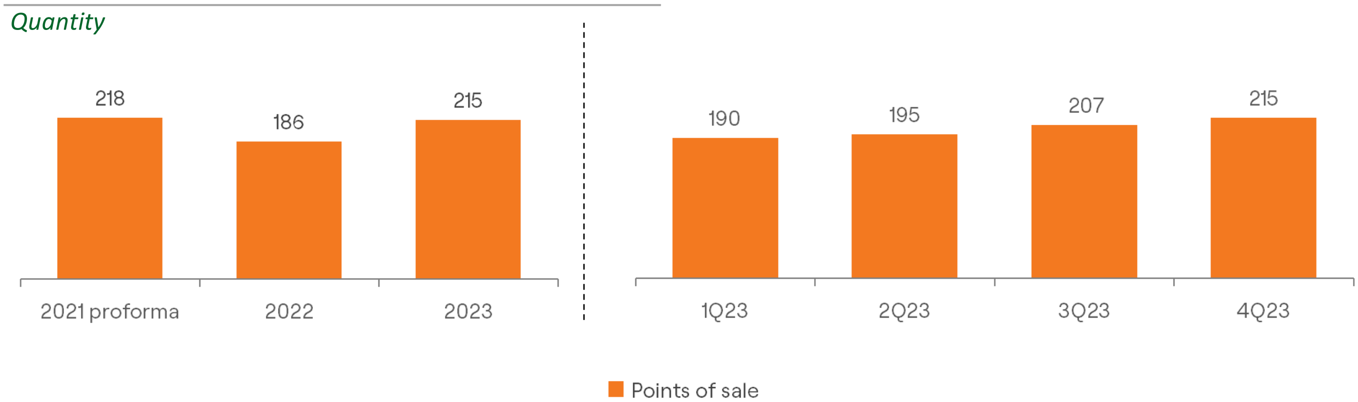


In 4Q23, 107,532 cars were purchased for our own operations in Brazil, 70,375 in the **Car Rental** division and 37,157 in the **Fleet Rental** division, and 56,514 were sold, resulting in the addition of 51,018 cars.

In **Car Rental**, the strong addition of the fleet in 4Q23 aims to support the greater end-of-year demand. In the first quarter of 2024, the Company tends to reduce the pace of purchases in **Car Rental**, aiming to adjust the fleet after the high season.

Number of stores - Seminovos

Quantity

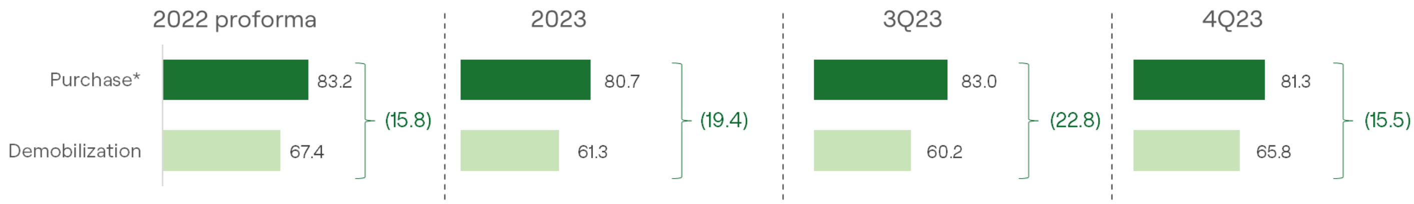


We ended the year with 215 **Seminovos** stores, distributed across 107 Brazilian cities. In 2023, 29 stores were opened, being 20 in the second half of the year. The new openings aim to support the increase in the sales for fleet renewal, a movement that should continue throughout 2024.

3.2 – Average price of Purchase and demobilization

Average price of purchase and demobilization – Car Rental Brazil

R$ thousand

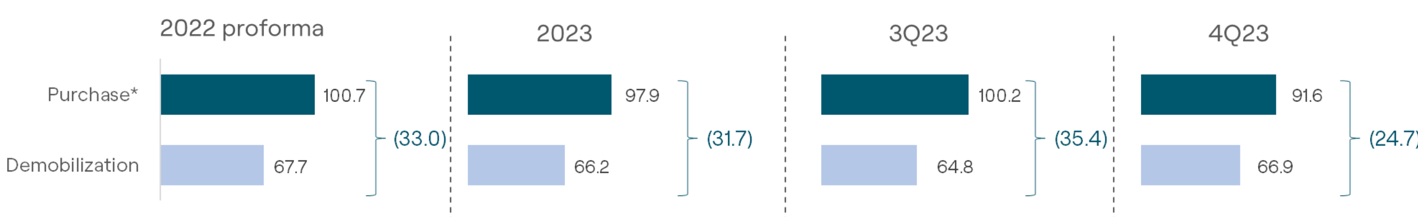


*Purchase price does not include accessories

In the **Car Rental** division, the average purchase price was R$81.3 thousand and the sales price reached R$65.8 thousand in 4Q23, resulting in lower renewal capex compared to 3Q23. The integration and standardization of car deactivation processes throughout 3Q23, added to the continuity of the fleet rejuvenation process, should contribute to an increase in the retail sales in 2024.

Average price of purchase and demobilization – Fleet Rental

R$ thousand



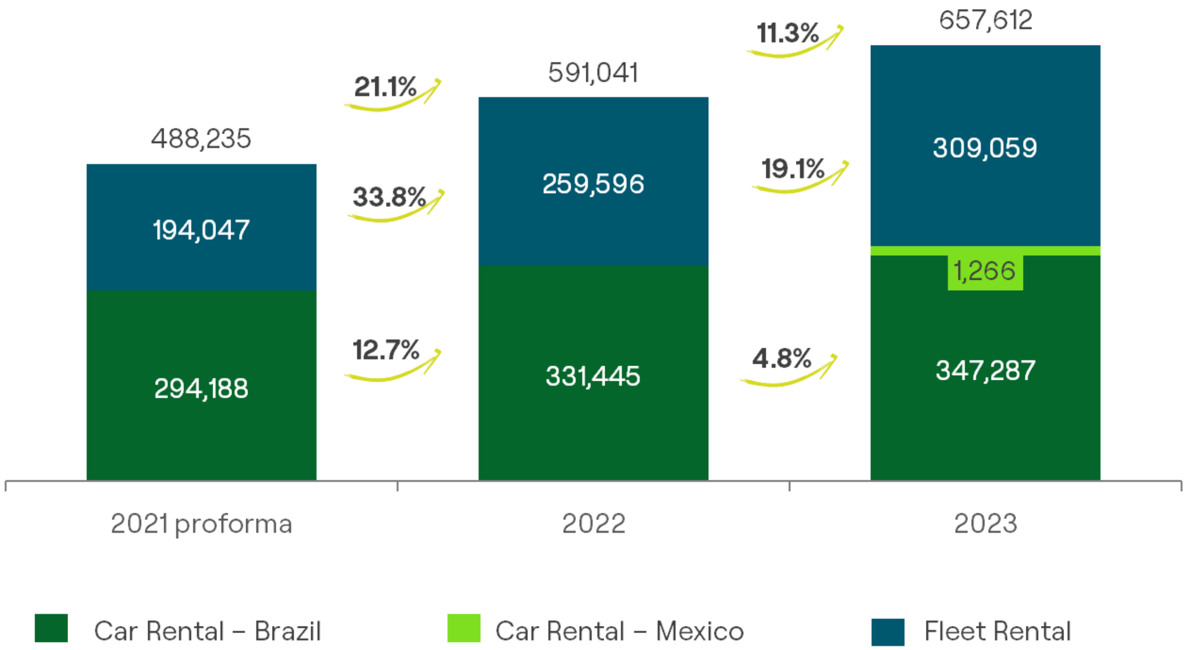
*Purchase price does not include accessories

In **Fleet Rental**, the average purchase price of R$91.6 thousand in 4Q23 reflects the greater mix of light vehicles, while the average sales price reached R$66.9 thousand, advancing in the sequential comparison and contributing to the reduction of renewal capex when compared to 3Q23, also in this division.

3.3 – End of period fleet

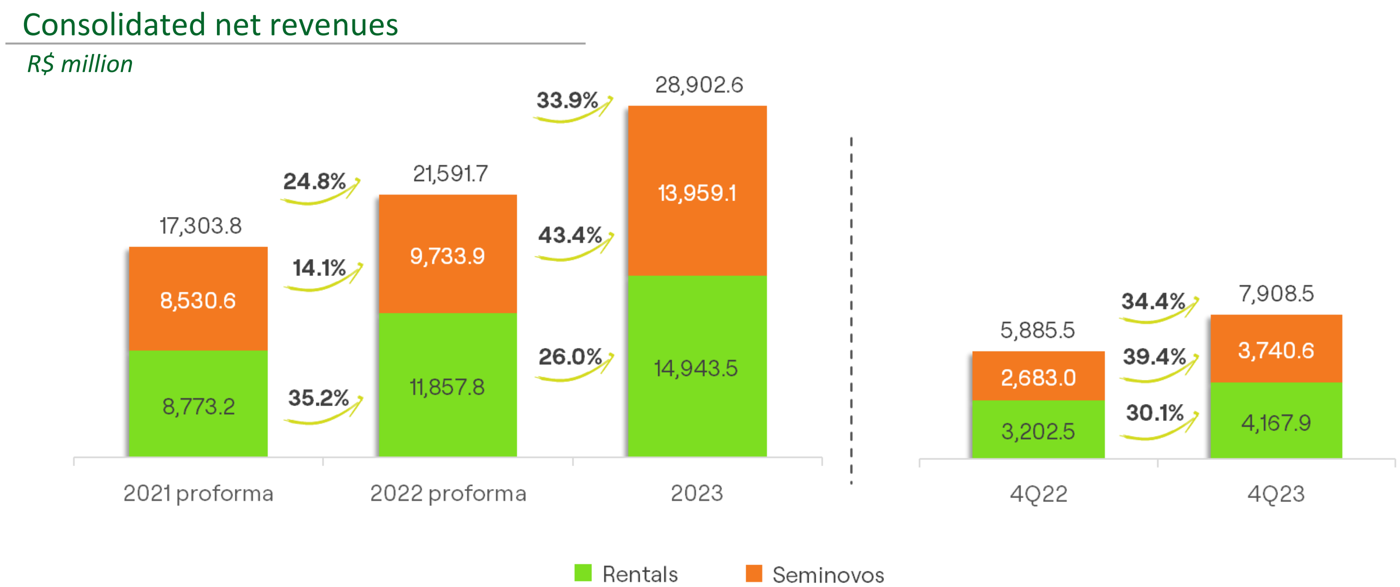
End of period fleet

Quantity



We ended the year with 657,612 cars, growth of 11.3% year-on-year, with an increase of 19.1% in the **Fleet Rental** division and 4.8% in the **Car Rental** division in Brazil, which grew again after restoring the effects of the carve-out.

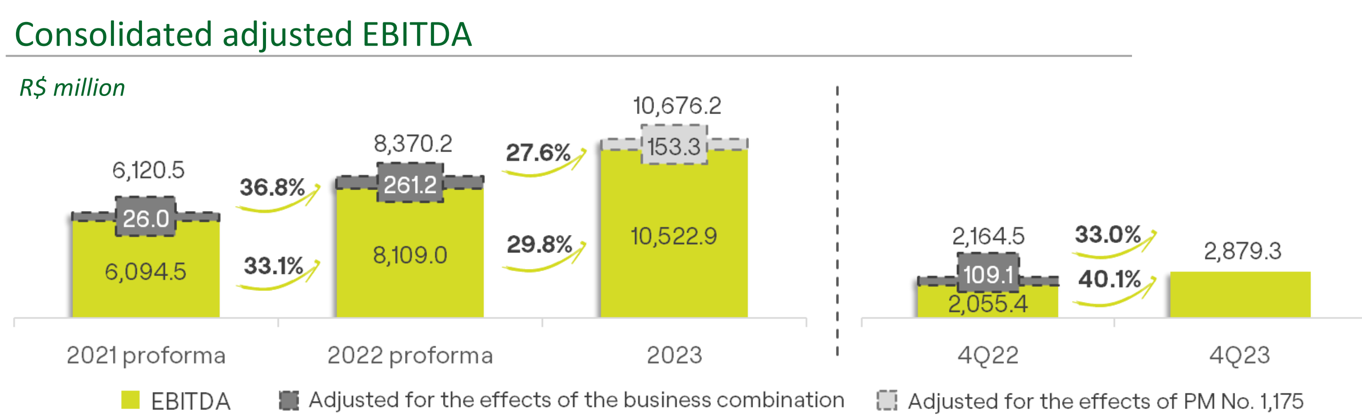
4 – Consolidated net revenue



In 4Q23, consolidated net revenue increased by 34.4% compared to the same quarter of the previous year, totaling R$7,908.5 million. Net rental revenue grew by 30.1%, being 22.3% in the **Car Rental** division and 40.4% in the **Fleet Rental** division. Revenue from **Seminovos** totaled R$3,740.6 million in the quarter, an increase of 39.4% when compared to the same period of the previous year, as a result of the significant increase in sales of **Seminovos** in the annual comparison.

In the year, the Company's consolidated net revenue totaled R$28,902.6 million, growth of 33.9% compared to 2022.

5 – EBITDA



In the quarter, consolidated EBITDA totaled R$2,879.3 million, growth of 33.0% when compared to the adjusted EBITDA of the same period of the previous year (40.1% compared to the accounting result). In the year, adjusted EBITDA totaled R$10,676.2 million, growth of 27.6% compared to the previous year.

5 – EBITDA

EBITDA Margin:	2021 proforma adjusted*	2022 proforma adjusted*	2023 adjusted*	4Q22 adjusted*	4Q23
Car Rental Brazil and Franchising	49.6%	57.6%	64.4%	61.0%	62.7%
Fleet Rental	65.7%	67.9%	72.6%	66.5%	71.5%
Rental Consolidated	55.1%	61.5%	68.1%	63.3%	66.7%
Rental Consolidated with México	55,1%	61.5%	67.8%	63.3%	66.0%
Seminovos	15.1%	11.2%	4.0%	5.2%	3.5%
Consolidate (over rental revenues)	69.8%	70.6%	71.4%	67.6%	69.1%

*Adjusted for One-offs related to integration expenses and effects of MP nº 1,175.

In this quarter, we started to allocate in the Rental Divisions the preparation costs of vehicles for fleet deactivation. These preparation costs were being allocated in the **Seminovos** (the Company's efficiency area), however, with the centralization of the operations area, the management of preparing cars for sale began to be carried out by the **Car Rental** and Fleet **Rental Divisions**. This change had a negative effect on rental margins, in contrast to a positive effect on the **Seminovos** margin.

In the 4Q23, the EBITDA margin of the **Car Rental** division was 62.7%, an increase of 1.7p.p. when compared to the 4Q22 margin. In **Fleet Rental**, the margin was 71.5%, an increase of 5.0p.p. when compared to the 4Q22 margin. The consolidated rental margin reached 66.7%, an increase of 3.4p.p. compared to 4Q22, even with the change in the allocation of the preparation costs.

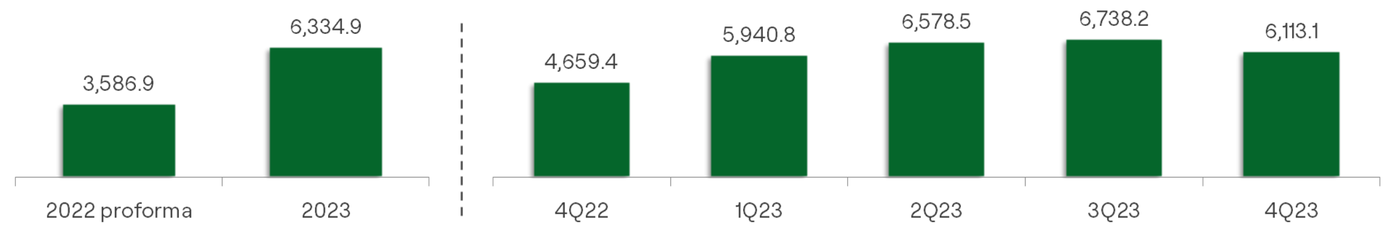
Excluding the effects of the change in the allocation of preparation costs for comparison purposes, the **Car Rental** division's EBITDA margin would have been 69.5%, a strong increase of 8.5p.p., reflecting volume gains, price, utilization, and lower maintenance costs per car, in addition to the strong reduction in SG&A. In **Fleet Rental**, the comparable EBITDA margin would have been 73.5%, a gain of 7.0p.p., explained mainly by new contracts priced in the context of higher car prices and depreciation, in addition to greater efficiency in costs and expenses. The new initiatives associated with mobility, telemetry and workshops brought revenues of R$45.2 million but negatively impacted the EBITDA margin of this division by 2.5p.p. in the quarter.

The **Seminovos'** margin in 4Q23 was 3.5%. For comparison purposes, keeping the preparation costs in **Seminovos**, the 4Q23 margin would have been -1.7%, reflecting the more challenging scenario for car sales, in a context of lower affordability, high financing rates and still restricted credit, added to the mix of cars with higher mileage, concentrated in wholesale.

6 – Depreciation

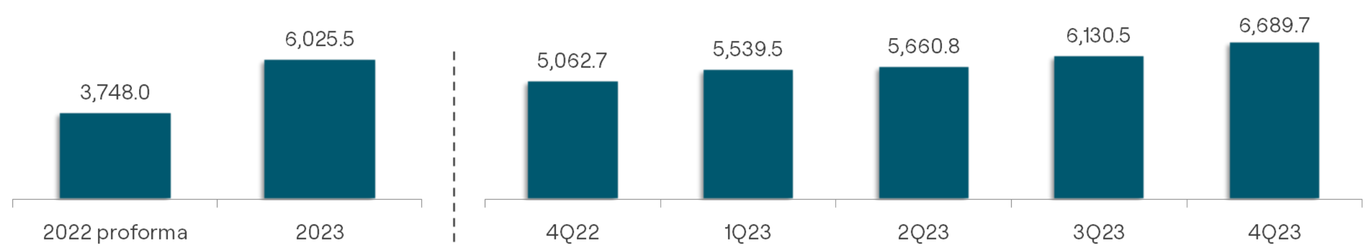
Depreciation is calculated using the straight-line method, considering the difference between the car's purchase price and the estimated sales price at the end of its useful life, net of the estimated costs and expenses for sale. The sales price estimate is reevaluated quarterly so that the book value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

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



In the 4Q23, in **Car Rental**, the average annualized depreciation of R$6,113.1 per car incorporates i) the effect of the revision of cost assumptions and estimated sales prices to reflect the more challenging scenario in **Seminovos**; ii) the lower relative share of cars with higher depreciation rates in the mix of fleet; iii) as well as the exclusion of preparation costs from the total cost assumptions.

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

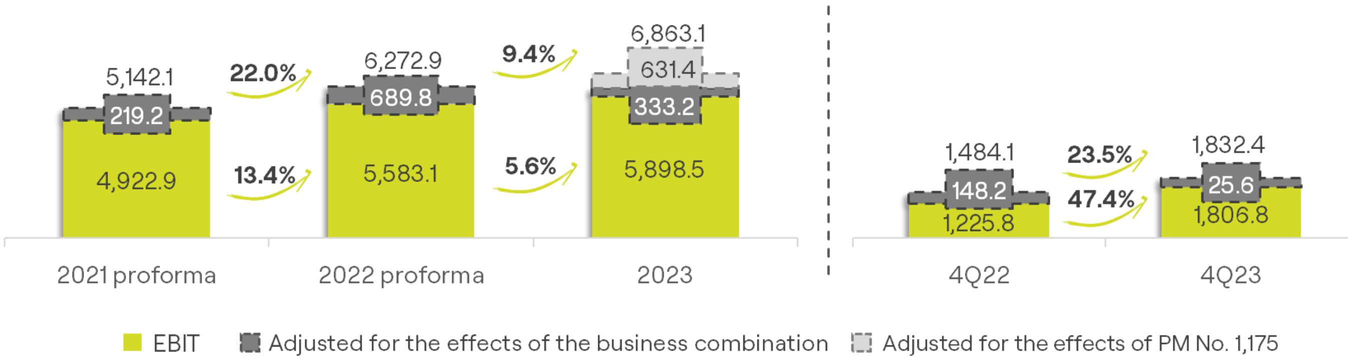


In **Fleet Rental**, the average depreciation per car of R$6,689.7 in 4Q23 reflects the renewal of part of the cars with lower depreciation. In this division, the effect of excluding preparation costs from the depreciation assumption has a diluted effect due to the longer cycle.

7 – EBIT

Consolidated adjusted EBIT

R$ million



In 4Q23, the EBIT adjusted for the effects of the fleet and customer relationship write-up totaled R$1,832.4 million. The accounting EBIT totaled R$1,806.8 million, a growth of 47.4% compared to 4Q22. For the year, the adjusted EBIT totaled R$6,863.1 million, a growth of 9.4% compared to the previous year.

A The EBIT Margin includes the result of **Seminovos** and is calculated on rental revenues:

EBIT Margin:	2021 proforma adjusted*	2022 proforma adjusted*	2023 adjusted**	4Q22 adjusted*	4Q23 adjusted*
Car Rental and Franchising	55.2%	49.2%	40.7%	45.1%	41.0%
Fleet Rental	65.3%	59.0%	53.4%	48.0%	49.6%
Consolidated Brazil (over rental revenues)	58.6%	52.9%	46.4%	46.3%	44.9%
Consolidated with México (over rental revenues)	58.6%	52.9%	45.9%	46.3%	44.0%

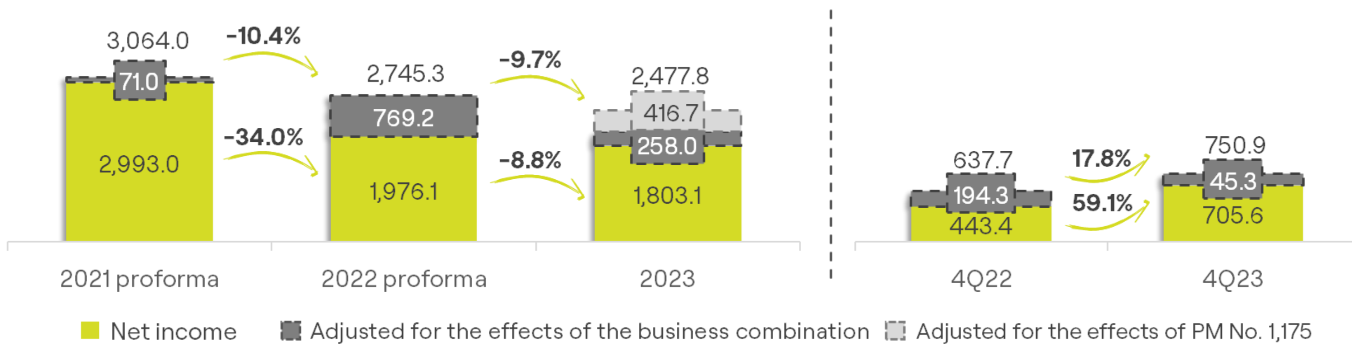
*Adjusted for One-offs related to integration expenses, in addition to the amortization of write-up from cars and customers.
** Adjusted for the amortization of the write-up from cars and customers and the effect of MP nº 1,175.

Despite the strong operational advance, the increase in depreciation and lower results from **Seminovos** impacted the **Car Rental** EBIT margin, which was 41.0% in 4Q23. In the **Fleet Rental** Division, the EBIT margin reached 49.6%, an increase of 1.6p.p.

8 – Consolidated adjusted net income

Consolidated adjusted net income consolidado

R$ million



EBITDA x Net income reconciliation	2021 proforma	2022 proforma	2023	Var. R$	Var. %	4Q22	4Q23	Var. R$	Var. %
Consolidated EBITDA	6,120.5	8,370.2	10,676.2	2,306.0	27.6%	2,164.5	2,879.3	714.8	33.0%
Cars depreciation	(672.6)	(1,762.0)	(3,366.6)	(1,604.6)	91.1%	(609.1)	(922.9)	(313.8)	51.5%
Other PP&E depreciation and amortization	(305.8)	(335.3)	(446.5)	(111.2)	33.2%	(71.3)	(124.0)	(52.7)	73.9%
Equity equivalence result		0.2	-	(0.2)	-100.0%	-	-	-	0.0%
EBIT	5,142.1	6,272.9	6,863.1	590.2	9.4%	1,484.1	1,832.4	348.3	23.5%
Financial expenses, net	(785.0)	(2,726.0)	(4,024.3)	(1,298.3)	47.6%	(748.0)	(974.3)	(226.3)	30.3%
Income tax and social contribution	(1,293.1)	(801.8)	(361.0)	440.8	-55.0%	(98.4)	(107.2)	(8.8)	8.9%
Adjusted net income of the period	**3,064.0**	**2,745.3**	**2,477.8**	**(267.5)**	**-9.7%**	**637.7**	**750.9**	**113.2**	**17.8%**

In 4Q23, we presented an accounting profit of R$705.6 million, an increase of 59.1% compared to the same period of the previous year. Excluding non-cash impacts arising from the amortization of the write-up and the write-off of tax losses, the adjusted net profit totaled R$750.9 million in 4Q23, growth of 17.8% when compared to 4Q22, reflecting:

(+) R$714.8 million increase in EBITDA, resulting from growth in volumes, prices and operational efficiency;

(-) R$366.5 million increase in the depreciation of cars and others;

(-) R$226.3 million increase in net financial result, of which: R$197.6 million increase in financial expenses due to the higher average debt balance, partially offset by the lower average CDI for the period; and R$28.7 million referring to the adjustment to present value (APV), due to the early settlement of derivatives linked to the financing operation of Locamerica shareholders in the context of the business combination

(-) R$8.8 million increase in income tax and social contribution.

9 – Free Cash Flow (FCF)

	Free cash flow (R$ million)	2020 actual	2021 actual	2022 actual	2023
Operations	EBITDA	2,468.1	3,697.5	6,589.2	10,522.9
	Used car sale revenue, net of taxes	(6,109.1)	(5,308.0)	(7,833.6)	(13,875.6)
	Net book value of vehicles written-off	5,599.9	4,346.0	6,085.3	12,250.1
	(-) Income tax and social contribution	(250.1)	(307.1)	(83.4)	(130.2)
	Change in working capital	91.6	(568.3)	(1,284.3)	(1,783.4)
	Cash generated by rental operations	1,800.4	1,860.1	3,473.2	6,983.8
Capex renewal	Used car sale revenue, net from taxes – fleet renewal	4,886.9	5,308.0	7,833.6	13,875.6
	Fleet renewal investment	(5,524.1)	(6,366.9)	(9,902.5)	(19,817.7)
	Change in accounts payable to car suppliers for fleet renewal	(466.6)	(282.6)	1,619.6	2,969.2
	Net investment for fleet renewal	(1,103.8)	(1,341.5)	(449.3)	(2,972.9)
	Fleet renewal – quantity	109,379	92,845	118,538	221,379
Investment, property and intangible		(108.0)	(143.4)	(352.8)	(387.4)
Free cash flow from operations, before fleet increase or reduction		588.6	375.2	2,671.1	3,623.5
Capex Growth	(Investment) / Divestment in cars for fleet growth	1,222.2	(1,289.0)	(12,636.4)	(6,132.0)
	Change in accounts payable to car suppliers	(522.5)	571.6	2,298.3	(381.9)
	Net investment for fleet growth	699.7	(717.4)	(10,338.1)	(6,513.9)
	Fleet increase / (reduction) – quantity	(26,111)	18,665	136,391	68,505
Free cash flow after growth		1,288.3	(342.2)	(7,667.0)	(2,890.4)
Other invest.	Acquisitions - except fleet value	(7.9)	(3.6)	(11.5)	(4.2)
Free cash generated (applied) before interest and others		1,280.4	(345.8)	(7,678.5)	(2,894.6)

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

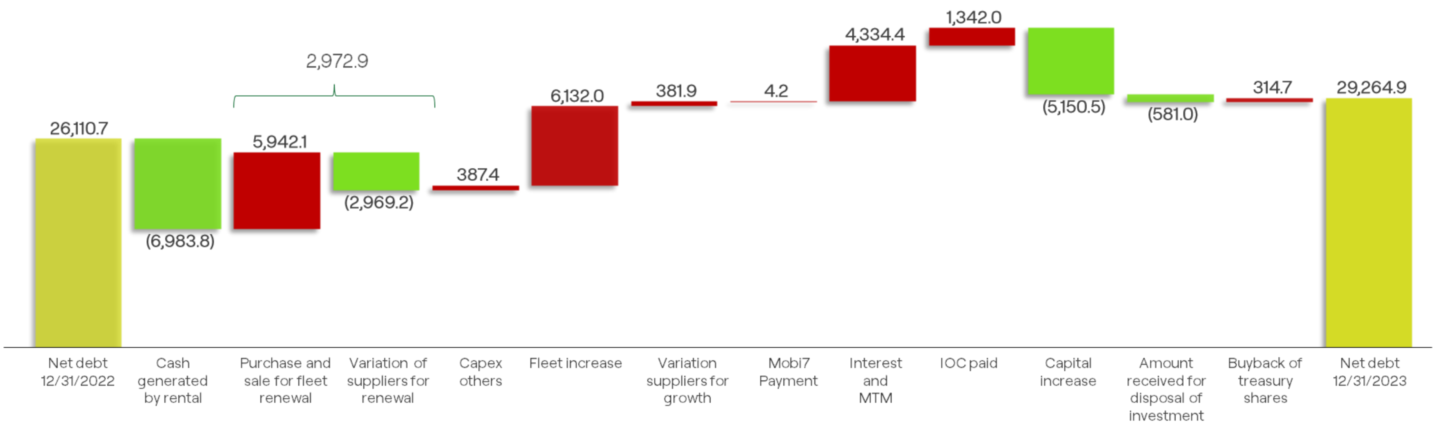
In 2023, rental activities generated R$6,983.8 million in cash. The strong cash generation from rental activities was consumed by the greater CAPEX of cars for fleet renewal and growth. The Company expanded its vehicle base by 21% in the year, going from R$43,230.2 million in 2022 to R$52,445.7 million at the end of 2023.

10 – Net debt

10.1 – Change in net debt – R$ million

As of 12/31/2023

R$ million

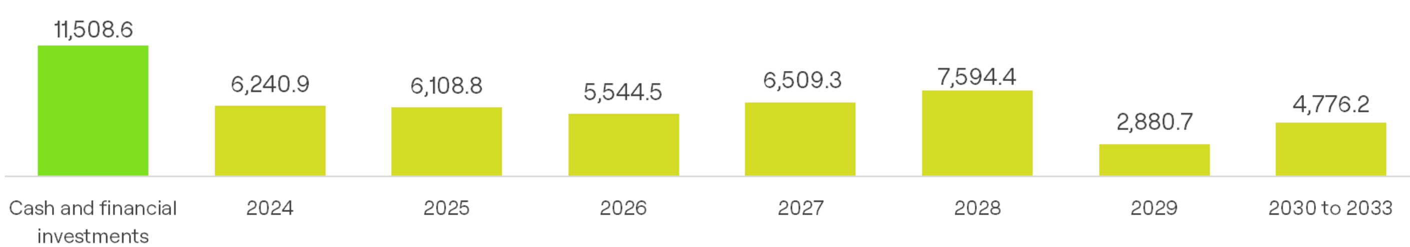


On December 31, 2023, the Company's net debt totaled R$29,264.9 million.

10.2 – Debt Maturity Profile (Principal)

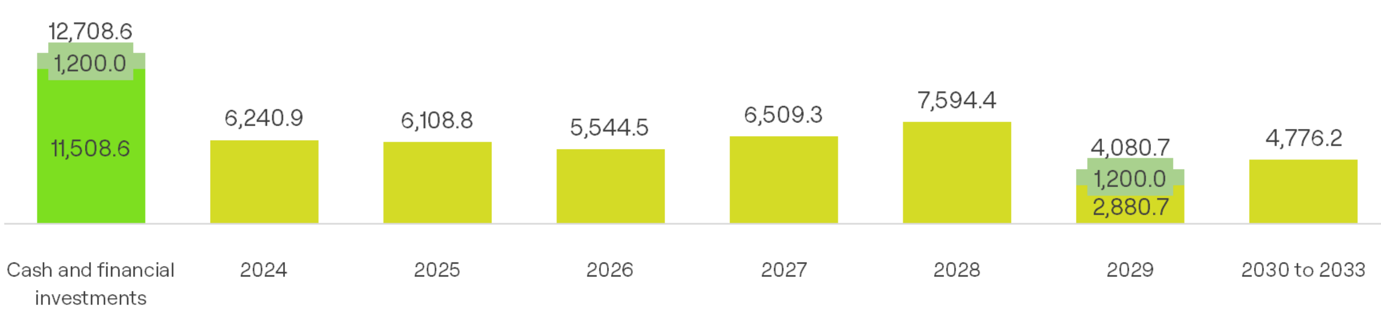
As of 12/31/2023

R$ million



Proforma after issuances and amortizations jan/24

R$ millions

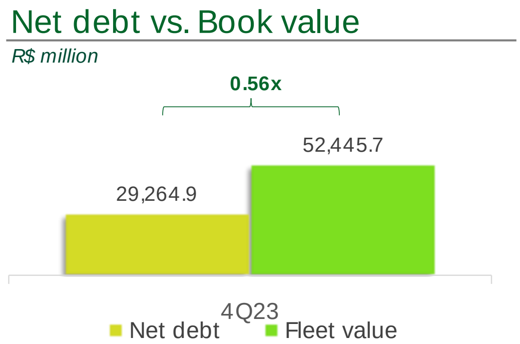


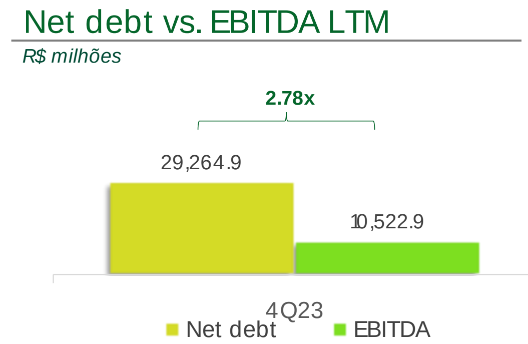
The Company ended the year with R$11,508.6 million in cash. Considering the funding and settlements announced until 01/31/2024, we would have a proforma cash position of R$12,708.6 million.

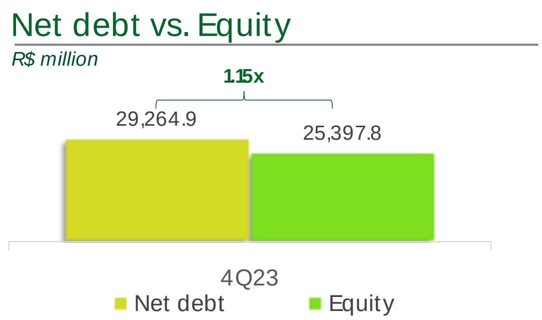
10.3 – Net Debt composition – R$ million

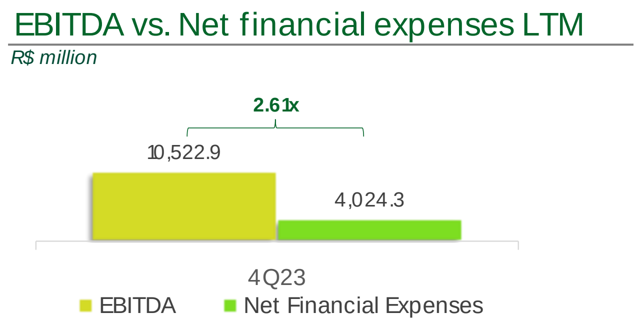
Debt	Company name	Issuance	Contract rate	2024	2025	2026	2027	2028	2029	2030 to 2033	Total
Debentures 12th Issuance	Localiza Rent a Car S.A.	5/15/2017	CDI + 1,35%	673.5	-	-	-	-	-	-	673.5
Debentures 13th Issuance - 1st serie	Localiza Rent a Car S.A.	12/15/2017	111,30% CDI	94.1	94.1	-	-	-	-	-	188.1
Debentures 14th Issuance - 1st serie	Localiza Rent a Car S.A.	9/18/2018	107,9% CDI	200.0	-	-	-	-	-	-	200.0
Debentures 14th Issuance - 2nd serie	Localiza Rent a Car S.A.	9/18/2018	112,32% CDI	111.2	111.2	222.5	-	-	-	-	444.9
Debentures 15th Issuance	Localiza Rent a Car S.A.	4/15/2019	107,25% CDI	-	377.4	377.4	-	-	-	-	754.9
Debentures 16th Issuance	Localiza Rent a Car S.A.	11/29/2019	CDI + 1,05%	333.3	333.3	333.3	-	-	-	-	1,000.0
Debentures 17th Issuance	Localiza Rent a Car S.A.	4/7/2021	IPCA + 5,4702%	-	-	-	-	-	-	1,200.0	1,200.0
Debentures 18th Issuance	Localiza Rent a Car S.A.	10/5/2021	CDI + 1,75%	-	-	966.0	-	-	-	-	966.0
Debentures 19th Issuance - 1st serie	Localiza Rent a Car S.A.	2/25/2022	CDI + 1,60%	-	-	-	950.0	-	-	-	950.0
Debentures 19th Issuance - 2nd serie	Localiza Rent a Car S.A.	2/25/2022	CDI + 2,00%	-	-	-	-	-	1,550.0	-	1,550.0
Debentures 21st Issuance	Localiza Rent a Car S.A.	7/15/2022	CDI + 1,60%	-	-	-	1,450.0	-	-	-	1,450.0
Debentures 22nd Issuance	Localiza Rent a Car S.A.	10/5/2022	CDI + 1,87%	-	-	-	-	2,450.0	-	-	2,450.0
Debentures 22th Issuance - 1st serie	Localiza Rent a Car S.A.	5/10/2023	CDI + 1,50%	-	250.0	-	-	-	-	-	250.0
Debentures 22th Issuance - 2nd serie	Localiza Rent a Car S.A.	5/10/2023	CDI + 1,60%	-	700.0	-	-	-	-	-	700.0
Debentures 25th Issuance	Localiza Rent a Car S.A.	8/11/2023	CDI + 2,35%	-	-	-	-	-	-	1,500.0	1,500.0
Commercial Note	Localiza Rent a Car S.A.	10/5/2022	CDI + 1,30%	600.0	-	-	-	-	-	-	600.0
Real State Receivables Certificate (CRI) Localiza	Localiza Rent a Car S.A.	6/1/2022	CDI + 0,95%	-	-	-	300.0	-	-	-	300.0
2nd Real State Receivables Certificate (CRI) Localiza - 1st serie	Localiza Rent a Car S.A.	3/10/2023	CDI + 1,25%	-	-	-	-	210.0	-	-	210.0
2nd Real State Receivables Certificate (CRI) Localiza - 2nd serie	Localiza Rent a Car S.A.	3/10/2023	CDI + 1,40%	-	-	-	-	-	-	490.0	490.0
Debentures 26th Issuance	Localiza Rent a Car S.A.	9/20/2019	108% do CDI	200.0	-	-	-	-	-	-	200.0
Debentures 27th Issuance - 1st serie	Localiza Rent a Car S.A.	5/20/2021	CDI + 2,00%	-	-	-	175.0	175.0	-	-	350.0
Debentures 27th Issuance - 2nd serie	Localiza Rent a Car S.A.	5/20/2021	CDI + 2,40%	-	-	-	-	-	133.3	266.7	400.0
Debentures 28th Issuance	Localiza Rent a Car S.A.	12/15/2020	CDI + 2,40%	-	750.0	750.0	-	-	-	-	1,500.0
2nd Commercial Note	Localiza Rent a Car S.A.	3/10/2022	CDI + 1,35%	800.0	-	-	-	-	-	-	800.0
Debentures 29th Issuance	Localiza Rent a Car S.A.	12/8/2021	CDI + 1,75%	-	-	608.1	-	-	-	-	608.1
Debentures 30th Issuance	Localiza Rent a Car S.A.	5/10/2022	CDI + 1,85%	-	-	-	265.5	-	-	-	265.5
Debentures 31st Issuance - 1st serie	Localiza Rent a Car S.A.	4/10/2019	107,9% do CDI	521.1	-	-	-	-	-	-	521.1
Debentures 31st Issuance - 2nd serie	Localiza Rent a Car S.A.	4/10/2019	110,5% do CDI	-	124.2	124.2	124.2	-	-	-	372.6
Debentures 31st Issuance - 3rd serie	Localiza Rent a Car S.A.	4/10/2019	112,0% do CDI	-	-	-	-	50.0	50.0	-	100.0
Debentures 32nd Issuance	Localiza Rent a Car S.A.	2/26/2021	CDI + 2,25%	-	225.0	225.0	-	-	-	-	450.0
Debentures 33rd Issuance	Localiza Rent a Car S.A.	20/12/2021	CDI + 1,8%	-	-	425.0	425.0	-	-	-	850.0
Debentures 34th Issuance	Localiza Rent a Car S.A.	11/25/2023	CDI + 185%	-	-	-	-	1,900.0	-	-	1,900.0
Debentures 35th Issuance	Localiza Rent a Car S.A.	11/18/2019	109,72% CDI	80.0	-	-	-	-	-	-	80.0
Debentures 5th Issuance	Localiza Fleet S.A.	7/31/2018	112,0% CDI	-	202.4	-	-	-	-	-	202.4
Debentures 6th Issuance	Localiza Fleet S.A.	12/21/2018	110,4% CDI	310.1	-	-	-	-	-	-	310.1
Debentures 7th Issuance	Localiza Fleet S.A.	7/29/2019	109,0% CDI	100.0	100.0	-	-	-	-	-	200.0
Debentures 8th Issuance	Localiza Fleet S.A.	2/14/2020	CDI + 1,0%	333.3	333.3	-	-	-	-	-	666.7
Debentures 9th Issuance	Localiza Fleet S.A.	10/8/2021	CDI + 1,30%	-	-	500.0	-	-	-	-	500.0
Debentures 10th Issuance - 1st serie	Localiza Fleet S.A.	4/5/2022	CDI + 1,60%	-	-	-	950.0	-	-	-	950.0
Debentures 10th Issuance - 2nd serie	Localiza Fleet S.A.	4/6/2022	CDI + 1,75%	-	-	-	-	500.0	-	-	500.0
Debentures 11th Issuance	Localiza Fleet S.A.	10/5/2022	CDI + 1,60%	-	-	-	1,000.0	-	-	-	1,000.0
Debentures 12th Issuance	Localiza Fleet S.A.	3/20/2023	CDI + 1,40%	750.0	750.0	-	-	-	-	-	1,500.0
Debentures 13th Issuance	Localiza Fleet S.A.	12/20/2023	CDI + 1,85%	-	-	-	-	700.0	-	-	700.0
CRI	Rental Brasil	2/26/2018	99% CDI	15.0	20.1	25.1	30.6	37.5	45.1	145.0	318.4
Agro business Receivables Certificate - CRA 104	Cia de Locação das Américas	7/23/2021	IPCA + 4,825%	-	-	-	-	-	66.7	133.3	200.0
Debentures 21st Issuance	Cia de Locação das Américas	9/23/2021	IPCA + 6,5119%	-	-	-	-	-	366.7	733.3	1,100.0
Debentures 23rd Issuance- 1st series	Cia de Locação das Américas	4/15/2022	CDI + 1,85%	-	-	-	685.0	-	-	-	685.0
Debentures 23rd Issuance- 2nd series	Cia de Locação das Américas	4/15/2022	IPCA + 7,2101%	-	-	-	-	-	515.0	-	515.0
Agro business Receivables Certificate - CRA 157 Locamerica -1st serie	Cia de Locação das Américas	7/23/2021	IPCA + 6,6018%	-	-	-	-	167.2	-	-	167.2
Agro business Receivables Certificate - CRA 157 Locamerica -2nd serie	Cia de Locação das Américas	9/23/2021	CDI + 1,00%	-	-	-	-	250.8	-	-	250.8
Foreign currency loans	-	-	Several	894.3	1,660.8	538.9	-	-	-	-	3,094.0
Working Capital / others	-	-	Several	225.0	76.9	449.0	154.0	1,153.9	153.9	307.9	2,520.6
Interest incurred net of interest paid	-	-	-	1,118.6	-	-	-	-	-	-	1,118.6
Cash and cash equivalents on 12/31/2023	-	-	-	(11,508.6)	-	-	-	-	-	-	(11,508.6)
Net debt		-	-	(4,149.1)	6,108.8	5,544.5	6,509.3	7,594.4	2,880.7	4,776.2	29,264.9

10.4 – Debt ratios – R$ million



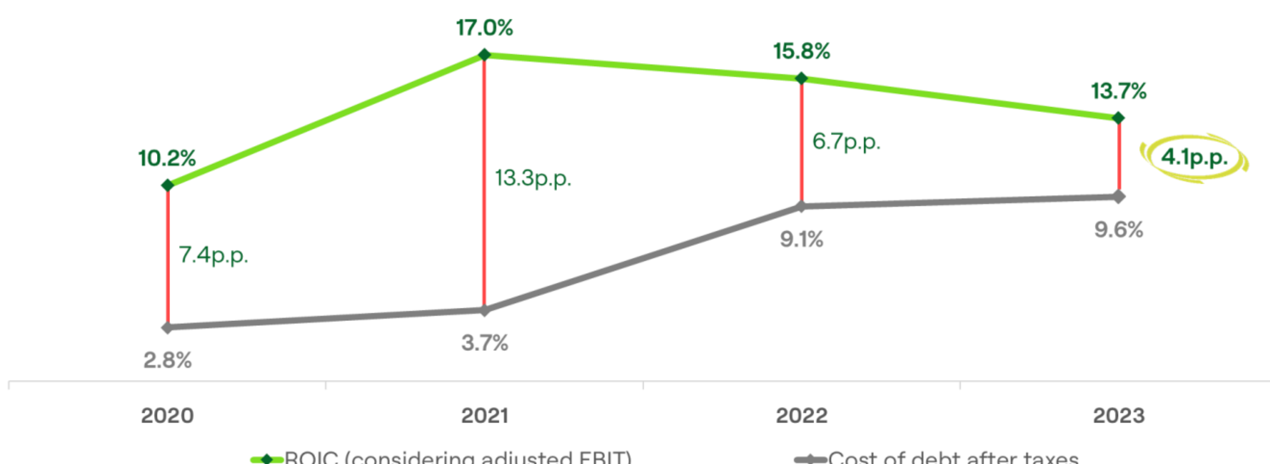






We ended the year with comfortable debt ratios, mainly evidenced by the net debt/fleet value and net debt/EBITDA ratios.

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



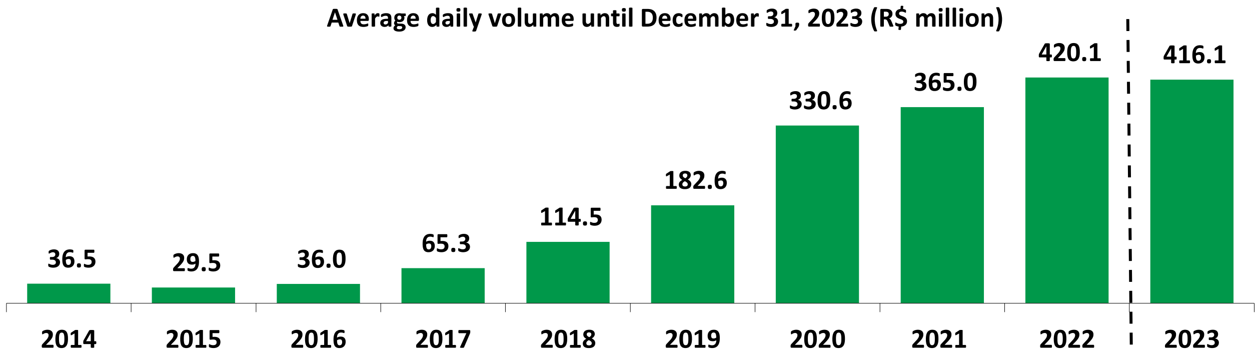
ROIC calculated from:
Nopat = EBIT x (1 - Effective income tax rate); Invested Capital = Net Debt + Shareholders' Equity - Goodwill

In 2023, we present an ROIC of 13.7%, with a spread of 4.1p.p. for the cost of debt after taxes, reflecting the adverse car sales market, interest rates still at high levels, in addition to the capital base coming from the business combination priced at lower spreads.

The beginning of the interest reduction cycle, combined with the rejuvenation of the fleet and operational efficiency, in addition to the pricing of new contracts aligned with the Company's return strategy, should contribute to the gradual expansion of the ROIC spread.

12 – RENT3

We ended 2023 with a market value of R$67.1 billion and an average daily trading volume of R$416.1 million. At the end of 2023, our level I ADR program had 4,440,187 ADRs.



13 – ESG

Evolving our sustainability agenda, we consistently conducted several material topics, prioritizing action on atmospheric emissions, diversity and inclusion, and governance. We continue to promote an environment of high engagement among our employees, thus increasingly delighting our customers and generating extraordinary results, always aligned with our values and the highest ethical and governance standards. For the themes mentioned, we highlight some of our main results of the year:

Sustainable Mobility

- For the third consecutive year, our greenhouse gas (GHG) inventory underwent external verification and received the Gold seal from the GHG Protocol.
- From a medium (2030) and long-term (2050) perspective, we evaluate how physical and transition climate risks may impact or generate opportunities for our business. The next steps are the financial measurement of these risks and a possible adaptation of our operations to these future scenarios.
- As part of efforts to reduce GHG emissions, we exclusively use renewable energy sources across our platform.

- We remained in the Efficient Carbon Index – ICO2 of B3 S.A – Brasil, Bolsa, Balcão (“B3”), which brings together companies that adopt good practices in combating climate change.

- Our new LABs corporate building in Belo Horizonte received LEED certification, in the “platinum” category, attesting to the highest level of sustainability in its construction.

- We built 8 used stores using recycled plastic blocks. This type of construction emits 90% less CO2 than a similar masonry construction, in addition to reducing steel consumption by 90%, avoiding waste and reducing implementation time by 70%.

Social Transformation

- We remained in B3's ETF IGPTW, which brings together companies that invest the most in a work environment with the best human resources practices, and in ETF ELAS11, which brings together companies with the most women in leadership positions.

- Also, for the second year, L&CO was considered one of the Best places for LGBTI+ people to work, in research conducted by Instituto +Diversidade, HRC and Forum LGBTI+.

- Localiza, in partnership with the Mano Down Institute, launched the “Autoescola Xtraordinária” (driving school) allowing people with intellectual disabilities to get there, contributing to increasingly inclusive mobility.

Governance

- In 2023, Localiza&Co was among the 50 companies with the best corporate trust and among the 70 most responsible in terms of ESG in the general ranking and in 1st position in the mobility sector. Eugênio Mattar, our Founding Partner and Chairman of the Board of Directors, and Bruno Lasansky, Chief Executive Officer (CEO), were recognized among the 70 leaders with the highest reputation, according to the Corporate Reputation Business Monitor (MERCO). Furthermore, we celebrated winning the Company of the Year award in Exame magazine's Biggest and Best of the Year ranking.

Access the report by clicking: **Sustainability Report 2022**

14 – Results per division

In the tables below, we report the results per division of the combined company and present the proforma from 2021 to 2Q22 for comparability purposes. In addition, we present the adjusted results for the business combination one-offs.

14. Results per division

- 14.1. Proforma Car Rental Brazil Result up to 2Q22 and adjusted for the one-off effects of the business combination: Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT.
- 14.2. Car Rental Mexico Result
- 14.3. Proforma Fleet Rental Result up to 2Q22 and adjusted for the one-off effects of the business combination: Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT.
- 14.4. Proforma consolidated results until 2Q22 and adjusted for one-off effects of the business combination: Revenue, Costs, Expenses, EBITDA, Depreciation, EBIT, Financial Expenses, Taxes, Net Income.

15. Proforma and adjusted operating data

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

- 16.1. Car Rental Brazil Result
- 16.2. Car Rental Mexico Result
- 16.3. Fleet Rental Result
- 16.4. Consolidated Result

17. Operating data

18. Consolidated financial statements – Balance sheet IFRS

19. Consolidated financial statements – Income statements IFRS

20. Statements of cash flows

14.1 – Adjusted Car Rental - Brazil – R$ million

CAR RENTAL AND FRANCHISING PROFORMA RESULTS	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Car rental and franchising gross revenues, net of discounts and cancellations	6,390.9	8,215.2	9,118.6	2,076.1	2,513.0	6,390.9	8,215.2	9,118.6	11.0%	2,076.1	2,513.0	21.0%
Taxes on revenues	(603.3)	(793.4)	(863.1)	(214.7)	(236.8)	(603.3)	(793.4)	(863.1)	8.8%	(214.7)	(236.8)	10.3%
Car rental net revenues	**5,787.6**	**7,421.8**	**8,255.5**	**1,861.4**	**2,276.2**	**5,787.6**	**7,421.8**	**8,255.5**	**11.2%**	**1,861.4**	**2,276.2**	**22.3%**
Car rental and franchising costs	(1,815.0)	(2,146.7)	(2,035.9)	(461.0)	(625.6)	(1,815.0)	(2,146.7)	(2,035.9)	-5.2%	(461.0)	(625.6)	35.7%
Gross profit	**3,972.6**	**5,275.1**	**6,219.6**	**1,400.4**	**1,650.6**	**3,972.6**	**5,275.1**	**6,219.6**	**17.9%**	**1,400.4**	**1,650.6**	**17.9%**
Operating expenses (SG&A)	(1,117.2)	(1,106.9)	(902.1)	(299.1)	(223.3)	(1,102.0)	(999.8)	(902.1)	-9.8%	(264.2)	(223.3)	-15.5%
EBITDA	**2,855.4**	**4,168.2**	**5,317.5**	**1,101.3**	**1,427.3**	**2,870.6**	**4,275.3**	**5,317.5**	**24.4%**	**1,136.2**	**1,427.3**	**25.6%**
EBITDA Margin	**49.3%**	**56.2%**	**64.4%**	**59.2%**	**62.7%**	**49.6%**	**57.6%**	**64.4%**	**6.8 p.p.**	**61.0%**	**62.7%**	**1.7 p.p.**
Other assets depreciation and amortization	(164.7)	(191.9)	(276.4)	(39.9)	(76.6)	(164.7)	(191.9)	(276.4)	44.0%	(39.9)	(76.6)	92.0%
Operating profit before financial results and taxes (EBIT)	**2,690.7**	**3,976.3**	**5,041.1**	**1,061.4**	**1,350.7**	**2,705.9**	**4,083.4**	**5,041.1**	**23.5%**	**1,096.3**	**1,350.7**	**23.2%**

USED CAR SALES PROFORMA RESULTS	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Gross revenues, net of discounts and cancellations	6,093.4	6,776.2	9,525.9	1,891.9	2,506.2	6,093.4	6,776.2	9,525.9	40.6%	1,891.9	2,506.2	32.5%
Taxes on revenues	(8.4)	(7.6)	(10.9)	(1.9)	(4.7)	(8.4)	(7.6)	(10.9)	43.3%	(1.9)	(4.7)	147.4%
Net revenues	**6,085.0**	**6,768.6**	**9,515.0**	**1,890.0**	**2,501.5**	**6,085.0**	**6,768.6**	**9,515.0**	**40.6%**	**1,890.0**	**2,501.5**	**32.4%**
Book value of cars sold and preparation for sale (****)	(4,750.2)	(5,642.9)	(8,800.3)	(1,673.1)	(2,303.9)	(4,750.2)	(5,642.9)	(8,800.3)	56.0%	(1,673.1)	(2,303.9)	37.7%
Adjustment to the Recoverable Value of Assets	-	-	(114.3)	-	-	-	-	-	-	-	-	-
Gross profit	**1,334.8**	**1,125.7**	**600.4**	**216.9**	**197.6**	**1,334.8**	**1,125.7**	**714.7**	**-36.5%**	**216.9**	**197.6**	**-8.9%**
Operating expenses (SG&A)	(463.8)	(486.7)	(516.2)	(139.9)	(140.2)	(461.7)	(472.3)	(516.2)	9.3%	(134.9)	(140.2)	3.9%
EBITDA	**871.0**	**639.0**	**84.2**	**77.0**	**57.4**	**873.1**	**653.4**	**198.5**	**-69.6%**	**82.0**	**57.4**	**-30.0%**
EBITDA Margin	**14.3%**	**9.4%**	**0.9%**	**4.1%**	**2.3%**	**14.3%**	**9.7%**	**2.1%**	**-7.6 p.p.**	**4.3%**	**2.3%**	**-2.0 p.p.**
Cars depreciation	(316.6)	(1,013.7)	(2,242.2)	(321.0)	(457.9)	(316.6)	(1,013.7)	(1,804.5)	78.0%	(321.0)	(457.9)	42.6%
Other assets depreciation and amortization	(70.3)	(69.0)	(77.7)	(17.5)	(17.2)	(70.3)	(69.0)	(77.7)	12.6%	(17.5)	(17.2)	-1.7%
Write up amortization	1.2	(63.7)	(5.4)	(19.1)	2.8	-	-	-		-	-	
Operating profit (loss) before financial results and taxes (EBIT)	**485.3**	**(507.4)**	**(2,241.1)**	**(280.6)**	**(414.9)**	**486.2**	**(429.3)**	**(1,683.7)**	**292.2%**	**(256.5)**	**(417.7)**	**62.8%**

CAR RENTAL AND FRANCHISING PROFORMA RESULTS TOTAL	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Net revenues	**11,872.6**	**14,190.4**	**17,770.5**	**3,751.4**	**4,777.7**	**11,872.6**	**14,190.4**	**17,770.5**	**25.2%**	**3,751.4**	**4,777.7**	**27.4%**
Direct costs	(6,565.2)	(7,789.6)	(10,836.2)	(2,134.1)	(2,929.5)	(6,565.2)	(7,789.6)	(10,836.2)	39.1%	(2,134.1)	(2,929.5)	37.3%
Adjustment to the Recoverable Value of Assets	-	-	(114.3)	-	-	-	-	-		-	-	
Gross profit	**5,307.4**	**6,400.8**	**6,820.0**	**1,617.3**	**1,848.2**	**5,307.4**	**6,400.8**	**6,934.3**	**8.3%**	**1,617.3**	**1,848.2**	**14.3%**
Operating expenses (SG&A)	(1,581.0)	(1,593.6)	(1,418.3)	(439.0)	(363.5)	(1,563.7)	(1,472.1)	(1,418.3)	-3.7%	(399.1)	(363.5)	-8.9%
EBITDA	**3,726.4**	**4,807.2**	**5,401.7**	**1,178.3**	**1,484.7**	**3,743.7**	**4,928.7**	**5,516.0**	**11.9%**	**1,218.2**	**1,484.7**	**21.9%**
EBITDA margin	**31.4%**	**33.9%**	**30.4%**	**31.4%**	**31.1%**	**31.5%**	**34.7%**	**31.0%**	**-3.7 p.p.**	**32.5%**	**31.1%**	**-1.4 p.p.**
Cars depreciation	(316.6)	(1,013.7)	(2,242.2)	(321.0)	(457.9)	(316.6)	(1,013.7)	(1,804.5)	78.0%	(321.0)	(457.9)	42.6%
Other assets depreciation and amortization	(235.0)	(260.9)	(354.1)	(57.4)	(93.8)	(235.0)	(260.9)	(354.1)	35.7%	(57.4)	(93.8)	63.4%
Write up amortization	1.2	(63.7)	(5.4)	(19.1)	2.8	-	-	-		-	-	
Operating profit (loss) before financial results and taxes (EBIT)	**3,176.0**	**3,468.9**	**2,800.0**	**780.8**	**935.8**	**3,192.1**	**3,654.1**	**3,357.4**	**-8.1%**	**839.8**	**933.0**	**11.1%**

CAR RENTAL PROFORMA OPERATING DATA	2021 proforma*	2022 proforma*	2023	4Q22	4Q23
Average operating fleet (***)	259,707	282,597	285,103	275,545	299,655
Average rented fleet (***)	204,696	212,795	211,526	198,560	222,278
Average operating fleet age (in months)	13.4	15.6	12.6	13.7	11.7
End of period fleet (***)	294,188	331,445	347,287	331,445	347,287
Number of rental days - in thousands (net of fleet replacement service)	73,109.5	76,026.3	75,219.1	17,855.4	19,718.1
Average daily rental revenues per car (R$)	87.00	107.50	120.54	115.70	126.75
Annualized average depreciation per car (R$)	2,266.5	3,586.9	6,334.9	4,659.4	6,113.1
Utilization rate (Does not include cars in preparation and decomissioning)	80.4%	78.9%	78.6%	77.9%	79.7%
Number of cars purchased	115,401	191,495	172,620	67,508	70,375
Number of cars sold	105,272	100,543	155,441	30,207	38,064
Average sold fleet age (in months)	21.7	27.9	28.3	29.4	26.1
Average total fleet	279,129	315,801	319,382	323,290	341,309
Average value of total fleet - R$ million	14,456.6	19,746.2	22,075.1	20,962.9	23,792.1
Average value per car in the period - R$ thsd	51.8	62.5	69.1	64.8	69.7

(*) The proforma result shows the result assuming the business combination with LCAM since 01/01/2021, reflecting accounting reclassifications and purchase price allocation effects.
(**) Exclusion of the effects of expenses related to the merger, as well as highlighting the results of other
(***) in 4Q22 the Company concluded the carve-out sale, with a reduction of 49,296 cars in the end of period fleet.
(****) Until 3Q23, preparation costs were added to the book value of cars sold

14.2 – Car Rental - Mexico – R$ million

CAR RENTAL RESULTS - MEXICO	2023	4Q23
Car rental net revenues	**10.8**	**8.7**
EBITDA	**(42.6)**	**(25.4)**
Depreciation	(16.4)	(9.2)
Operating profit before financial results and taxes (EBIT)	**(59.0)**	**(34.6)**

14.3 – Adjusted Fleet Rental – R$ million

FLEET RENTAL PROFORMA RESULTS	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Fleet rental gross revenues, net of discounts and cancellations	3,304.7	4,907.2	7,367.4	1,479.4	2,077.5	3,304.7	4,907.2	7,367.4	50.1%	1,479.4	2,077.5	40.4%
Taxes on revenues (*)	(319.1)	(471.2)	(690.2)	(138.3)	(194.5)	(319.1)	(471.2)	(690.2)	46.5%	(138.3)	(194.5)	40.6%
Fleet rental net revenues	**2,985.6**	**4,436.0**	**6,677.2**	**1,341.1**	**1,883.0**	**2,985.6**	**4,436.0**	**6,677.2**	**50.5%**	**1,341.1**	**1,883.0**	**40.4%**
Fleet rental costs	(695.9)	(948.8)	(1,268.4)	(290.1)	(381.5)	(695.9)	(948.8)	(1,268.4)	33.7%	(290.1)	(381.5)	31.5%
Gross profit	**2,289.7**	**3,487.2**	**5,408.8**	**1,051.0**	**1,501.5**	**2,289.7**	**3,487.2**	**5,408.8**	**55.1%**	**1,051.0**	**1,501.5**	**42.9%**
Operating expenses (SG&A)	(335.3)	(575.2)	(559.4)	(195.0)	(154.5)	(327.0)	(473.7)	(559.4)	18.1%	(158.6)	(154.5)	-2.6%
EBITDA	**1,954.4**	**2,912.0**	**4,849.4**	**856.0**	**1,347.0**	**1,962.7**	**3,013.5**	**4,849.4**	**60.9%**	**892.4**	**1,347.0**	**50.9%**
EBITDA Margin	**65.5%**	**65.6%**	**72.6%**	**63.8%**	**71.5%**	**65.7%**	**67.9%**	**72.6%**	**4.7 p.p.**	**66.5%**	**71.5%**	**5.0 p.p.**
Other assets depreciation and amortization	(47.4)	(42.8)	(54.8)	(7.9)	(14.6)	(47.4)	(42.8)	(54.8)	28.0%	(7.9)	(14.6)	84.8%
write up amortization	(22.0)	(27.0)	6.5	(9.4)	(1.7)	-	-	-	-	-	-	-
Operating profit before financial results and taxes (EBIT)	**1,885.0**	**2,842.2**	**4,801.1**	**838.7**	**1,330.7**	**1,915.3**	**2,970.7**	**4,794.6**	**61.4%**	**884.5**	**1,332.4**	**50.6%**

USED CAR SALES PROFORMA RESULTS	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Gross revenues, net of discounts and cancellations	2,448.6	2,972.0	4,450.1	795.4	1,241.2	2,448.6	2,886.2	4,450.1	54.2%	709.6	1,241.2	74.9%
Taxes on revenues	(3.0)	(6.7)	(6.0)	(2.4)	(2.1)	(3.0)	(5.3)	(6.0)	13.2%	(1.0)	(2.1)	110.0%
Net revenues	**2,445.6**	**2,965.3**	**4,444.1**	**793.0**	**1,239.1**	**2,445.6**	**2,880.9**	**4,444.1**	**54.3%**	**708.6**	**1,239.1**	**74.9%**
Book value of cars sold and preparation for sale (***)	(1,855.1)	(2,325.1)	(3,876.1)	(688.2)	(1,110.6)	(1,855.1)	(2,234.9)	(3,876.1)	73.4%	(598.0)	(1,110.6)	85.7%
Adjustment to the Recoverable Value of Assets	-	-	(39.0)	-	-	-	-	-	-	-	-	-
Gross profit	**590.5**	**640.2**	**529.0**	**104.8**	**128.5**	**590.5**	**646.0**	**568.0**	**-12.1%**	**110.6**	**128.5**	**16.2%**
Operating expenses (SG&A)	(176.8)	(250.4)	(214.6)	(83.7)	(55.5)	(176.4)	(218.0)	(214.6)	-1.6%	(56.7)	(55.5)	-2.1%
EBITDA	**413.7**	**389.8**	**314.4**	**21.1**	**73.0**	**414.1**	**428.0**	**353.4**	**-17.4%**	**53.9**	**73.0**	**35.4%**
EBITDA Margin	**16.9%**	**13.1%**	**7.1%**	**2.7%**	**5.9%**	**16.9%**	**14.9%**	**8.0%**	**-6.9 p.p.**	**7.6%**	**5.9%**	**-1.7 p.p.**
Cars depreciation	(356.0)	(748.3)	(1,598.9)	(288.1)	(462.3)	(356.0)	(748.3)	(1,558.5)	108.3%	(288.1)	(462.3)	60.5%
Other assets depreciation and amortization	(23.4)	(32.6)	(24.8)	(7.0)	(9.1)	(23.4)	(31.6)	(24.8)	-21.5%	(6.0)	(9.1)	51.7%
write up amortization	(172.4)	(336.9)	(334.3)	(119.7)	(26.7)	-	-	-	-	-	-	-
Operating profit (loss) before financial results and taxes (EBIT)	**(138.1)**	**(728.0)**	**(1,643.6)**	**(393.7)**	**(425.1)**	**34.7**	**(351.9)**	**(1,229.9)**	**249.5%**	**(240.2)**	**(398.4)**	**65.9%**

FLEET RENTAL PROFORMA RESULTS TOTAL	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023A	2023Ax2022A	4Q22A	4Q23A	4Q23Ax4Q22A
Net revenues	**5,431.2**	**7,401.3**	**11,121.3**	**2,134.1**	**3,122.1**	**5,431.2**	**7,316.9**	**11,121.3**	**52.0%**	**2,049.7**	**3,122.1**	**52.3%**
Direct costs	(2,551.0)	(3,273.9)	(5,144.5)	(978.3)	(1,492.1)	(2,551.0)	(3,183.7)	(5,144.5)	61.6%	(888.1)	(1,492.1)	68.0%
Adjustment to the Recoverable Value of Assets	-	-	(39.0)	-	-	-	-	-	-	-	-	-
Gross profit	**2,880.2**	**4,127.4**	**5,937.8**	**1,155.8**	**1,630.0**	**2,880.2**	**4,133.2**	**5,976.8**	**44.6%**	**1,161.6**	**1,630.0**	**40.3%**
Operating expenses (SG&A)	(512.1)	(825.6)	(774.0)	(278.7)	(210.0)	(503.4)	(691.7)	(774.0)	11.9%	(215.3)	(210.0)	-2.5%
EBITDA	**2,368.1**	**3,301.8**	**5,163.8**	**877.1**	**1,420.0**	**2,376.8**	**3,441.5**	**5,202.8**	**51.2%**	**946.3**	**1,420.0**	**50.1%**
EBITDA margin	**43.6%**	**44.6%**	**46.4%**	**41.1%**	**45.5%**	**43.8%**	**47.0%**	**46.8%**	**-0.3 p.p.**	**46.2%**	**45.5%**	**-0.7 p.p.**
Cars depreciation	(356.0)	(748.3)	(1,598.9)	(288.1)	(462.3)	(356.0)	(748.3)	(1,558.5)	108.3%	(288.1)	(462.3)	60.5%
Other assets depreciation and amortization	(70.8)	(75.4)	(79.6)	(14.9)	(23.7)	(70.8)	(74.4)	(79.6)	7.0%	(13.9)	(23.7)	70.5%
write up amortization	(194.4)	(363.9)	(327.8)	(129.1)	(28.4)	-	-	-	-	-	-	-
Operating profit (loss) before financial results and taxes (EBIT)	**1,746.9**	**2,114.2**	**3,157.5**	**445.0**	**905.6**	**1,950.0**	**2,618.8**	**3,564.7**	**36.1%**	**644.3**	**934.0**	**45.0%**

PROFORMA OPERATING DATA	2021 proforma*	2022 proforma*	2023	4Q22	4Q23
Average operating fleet	157,098	199,961	258,334	227,593	276,400
Total Average rented fleet	155,169	192,830	239,839	214,786	253,780
Average rented fleet	151,809	190,089	238,430	212,479	253,118
Average rented fleet - Car Rental fleet replacement	3,360	2,741	1,409	2,307	661
Average operating fleet age (in months)	18.9	19.0	18.3	18.2	18.5
End of period fleet					
Rented Fleet	194,047	259,596	309,059	259,596	309,059
Managed Fleet	57	20	-	20	-
Number of rental days - in thousands	54,651.2	68,432.0	85,834.7	19,123.1	22,780.7
Average daily rental revenues per car (R$) (do not consider new initiatives revenue)	59.40	69.10	82.93	74.69	87.81
Annualized average depreciation per car (R$)	1,230.8	3,748.0	6,025.5	5,062.7	6,689.7
Utilization rate (Does not include cars in preparation and decomissioning)	96.4%	97.0%	95.6%	96.4%	95.0%
Number of cars purchased	82,109	107,041	116,002	29,850	37,157
Number of cars sold	39,569	40,646	65,938	11,286	18,450
Average sold fleet age (in months)	31.8	36.1	36.5	36.6	36.3
Average total fleet	172,360	220,874	282,359	251,860	300,620
Average value of total fleet - R$ million	9,509.1	15,729.1	23,348.5	19,298.9	25,605.2
Average value per car in the period - R$ thsd	55.2	71.2	82.7	76.6	85.2

(*) The proforma result shows the result assuming the business combination with LCAM since 01/01/2021, reflecting accounting reclassifications and purchase price allocation effects.
(**) Exclusion of the effects of expenses related to the merger, as well as highlighting the results of other
(***) Until 3Q23, preparation costs were added to the book value of cars sold

14.4 – Adjusted Consolidated Result – R$ million

PROFORMA CONSOLIDATED RESULTS	2021 proforma*	2022 proforma*	2023	4Q22	4Q23	2021A**	2022A**	2023	2023Ax2022A	4Q22A	Q23A	4Q23Ax4Q22A
Car and Fleet Rentals and Franchising total gross revenues	9,695.6	13,122.4	16,496.8	3,555.5	4,599.2	9,695.6	13,122.4	16,496.8	25.7%	3,555.5	4,599.2	29.4%
Taxes on revenues	(922.4)	(1,264.6)	(1,553.3)	(353.0)	(431.3)	(922.4)	(1,264.6)	(1,553.3)	22.8%	(353.0)	(431.3)	22.2%
Car and Fleet Rentals and Franchising net revenues	8,773.2	11,857.8	14,943.5	3,202.5	4,167.9	8,773.2	11,857.8	14,943.5	26.0%	3,202.5	4,167.9	30.1%
Car sales for fleet renewal - net revenues	8,530.6	9,733.9	13,959.1	2,683.0	3,740.6	8,530.6	9,649.5	13,959.1	44.7%	2,598.6	3,740.6	43.9%
Total net revenues	**17,303.8**	**21,591.7**	**28,902.6**	**5,885.5**	**7,908.5**	**17,303.8**	**21,507.3**	**28,902.6**	**34.4%**	**5,801.1**	**7,908.5**	**36.3%**
Direct costs and expenses:												
Car and Fleet Rentals and Franchising	(2,510.9)	(3,095.5)	(3,327.7)	(751.1)	(1,023.9)	(2,510.9)	(3,095.5)	(3,327.7)	7.5%	(751.1)	(1,023.9)	36.3%
Total Car sales for fleet renewal (book value) and preparation for sale(***)	(6,605.3)	(7,968.0)	(12,676.4)	(2,361.3)	(3,414.5)	(6,605.3)	(7,877.8)	(12,676.4)	60.9%	(2,271.1)	(3,414.5)	50.3%
Adjustment to the Recoverable Value of Assets	-	-	(153.3)	-	-	-	-	-		-	-	
Total costs	**(9,116.2)**	**(11,063.5)**	**(16,157.4)**	**(3,112.4)**	**(4,438.4)**	**(9,116.2)**	**(10,973.3)**	**(16,004.1)**	**45.8%**	**(3,022.2)**	**(4,438.4)**	**46.9%**
Gross profit	**8,187.6**	**10,528.2**	**12,745.2**	**2,773.1**	**3,470.1**	**8,187.6**	**10,534.0**	**12,898.5**	**22.4%**	**2,778.9**	**3,470.1**	**24.9%**
Operating expenses (SG&A)												
Car and Fleet Rentals and Franchising	(1,452.5)	(1,682.1)	(1,491.5)	(494.1)	(395.1)	(1,429.0)	(1,473.5)	(1,491.5)	1.2%	(422.8)	(395.1)	-6.6%
Car sales	(640.6)	(737.1)	(730.8)	(223.6)	(195.7)	(638.1)	(690.3)	(730.8)	5.9%	(191.6)	(195.7)	2.1%
Total Operating expenses	**(2,093.1)**	**(2,419.2)**	**(2,222.3)**	**(717.7)**	**(590.8)**	**(2,067.1)**	**(2,163.8)**	**(2,222.3)**	**2.7%**	**(614.4)**	**(590.8)**	**-3.8%**
EBITDA	**6,094.5**	**8,109.0**	**10,522.9**	**2,055.4**	**2,879.3**	**6,120.5**	**8,370.2**	**10,676.2**	**27.6%**	**2,164.5**	**2,879.3**	**33.0%**
Cars depreciation expenses	(672.6)	(1,762.0)	(3,844.7)	(609.1)	(922.9)	(672.6)	(1,762.0)	(3,366.6)	91.1%	(609.1)	(922.9)	51.5%
Other assets depreciation and amortization	(305.8)	(336.3)	(446.5)	(72.3)	(124.0)	(305.8)	(335.3)	(446.5)	33.2%	(71.3)	(124.0)	73.9%
Write up amortization	(193.2)	(427.6)	(333.2)	(148.2)	(25.6)	-	-	-		-	-	
Total depreciation and amortization expenses	**(978.4)**	**(2,098.3)**	**(4,291.2)**	**(681.4)**	**(1,046.9)**	**(978.4)**	**(2,097.3)**	**(3,813.1)**	**81.8%**	**(680.4)**	**(1,046.9)**	**53.9%**
Operating profit before financial results and taxes (EBIT)	**4,922.9**	**5,583.1**	**5,898.5**	**1,225.8**	**1,806.8**	**5,142.1**	**6,272.9**	**6,863.1**	**9.4%**	**1,484.1**	**1,832.4**	**23.5%**
Equity equivalence result	-	0.2	-	-	-	-	0.2	-		-	-	
Financial (expenses) revenues, net	**(673.4)**	**(2,658.7)**	**(4,024.3)**	**(748.0)**	**(974.3)**	**(785.0)**	**(2,726.0)**	**(4,024.3)**	**47.6%**	**(748.0)**	**(974.3)**	**30.3%**
Income before tax and social contribution	**4,249.5**	**2,924.6**	**1,874.2**	**477.8**	**832.5**	**4,357.1**	**3,547.1**	**2,838.8**	-20.0%	**736.1**	**858.1**	16.6%
Income tax and social contribution	(1,256.5)	(948.5)	(71.1)	(34.4)	(126.9)	(1,293.1)	(801.8)	(361.0)	-55.0%	(98.4)	(107.2)	8.9%
Net income for the period	**2,993.0**	**1,976.1**	**1,803.1**	**443.4**	**705.6**	**3,064.0**	**2,745.3**	**2,477.8**	**-9.7%**	**637.7**	**750.9**	**17.8%**
Car and Fleet Rentals and Franchising EBITDA	**4,809.8**	**7,080.2**	**10,124.3**	**1,957.3**	**2,748.9**	**4,833.3**	**7,288.8**	**10,124.3**	**38.9%**	**2,028.6**	**2,748.9**	**35.5%**
EBITDA Margin (calculated on rental net revenues)	**54.8%**	**59.7%**	**67.8%**	**61.1%**	**66.0%**	**55.1%**	**61.5%**	**67.8%**	**6.3 p.p.**	**63.3%**	**66.0%**	**2.6 p.p.**
Used Car Sales (Seminovos) EBITDA	**1,284.7**	**1,028.8**	**398.6**	**98.1**	**130.4**	**1,287.2**	**1,081.4**	**551.9**	**-49.0%**	**135.9**	**130.4**	**-4.0%**
Seminovos EBITDA Margin	**15.1%**	**10.6%**	**2.9%**	**3.7%**	**3.5%**	**15.1%**	**11.2%**	**4.0%**	**-7.3 p.p.**	**5.2%**	**3.5%**	**-1.7 p.p.**

(*) The proforma result shows the result assuming the business combination with LCAM since 01/01/2021, reflecting accounting reclassifications and purchase price allocation effects.
(**) Exclusion of the effects of expenses related to the merger, as well as highlighting the results of other segments.
(***) Until 3Q23, preparation costs were added to the book value of cars sold

15 – Adjusted operating data

SELECTED OPERATING DATA	2021	2022	2023	2023 x 2022	4Q22	4Q23	4Q23 x 4Q22
Average operating fleet:							
Car Rental - Brazil (**)	259,707	282,597	285,103	0.9%	275,545	299,655	8.7%
Fleet Rental	157,098	199,961	258,334	29.2%	227,593	276,400	21.4%
Total	416,806	482,558	543,437	12.6%	503,138	576,055	14.5%
Average rented fleet:							
Car Rental - Brazil (**)	204,696	212,795	211,526	-0.6%	198,560	222,278	11.9%
Fleet Rental	155,169	192,830	239,839	24.4%	214,786	253,780	18.2%
Total	359,865	405,625	451,364	11.3%	413,346	476,058	15.2%
Average age of operating fleet (months)							
Car Rental - Brazil	13.4	15.6	12.6	-19.5%	13.7	11.7	-14.9%
Fleet Rental	18.9	19.0	18.3	-3.8%	18.2	18.5	1.9%
Average age of total operating fleet	15.5	17.3	15.3	-11.7%	16.8	15.0	-10.7%
Fleet at end of period:							
Car Rental - Brazil (**)	294,188	331,445	347,287	4.8%	331,445	347,287	4.8%
Car Rental - Mexico	-	-	1,266	-	-	1,266	-
Fleet Rental	194,047	259,596	309,059	19.1%	259,596	309,059	19.1%
Total	488,235	591,041	657,612	11.3%	591,041	657,612	11.3%
Managed fleet at end period - Fleet Rental	57	20	-	-100.0%	20	-	-100.0%
Fleet investment (R$ million) (include accessories)							
Car Rental - Brazil (**)	8,181.7	16,145.4	14,256.4	-11.7%	5,178.2	5,830.4	12.6%
Car Rental - Mexico	-	-	46.7	-		26.0	
Fleet Rental	6,557.3	10,829.6	11,646.5	7.5%	2,903.4	3,499.8	20.5%
Total	14,739.0	26,975.0	25,949.6	-3.8%	8,081.6	9,356.2	15.8%
Number of rental days (In thousands):							
Car Rental - Brazil	74,711.0	77,666.8	77,218.0	-0.6%	18,270.5	20,451.5	11.9%
Rental days for Fleet Rental replacement service	(1,601.4)	(1,640.4)	(1,998.9)	21.9%	(415.1)	(733.4)	76.7%
Car Rental - Net	73,109.5	76,026.3	75,219.1	-1.1%	17,855.4	19,718.1	10.4%
Fleet Rental	54,651.2	68,432.0	85,834.7	25.4%	19,123.1	22,780.7	19.1%
Total	127,760.8	144,458.4	161,053.8	11.5%	36,978.5	42,498.8	14.9%
Annualized average depreciation per car (R$)							
Car Rental - Brazil	2,266.5	3,586.9	6,334.9	76.6%	4,659.4	6,113.1	31.2%
Fleet Rental	1,230.8	3,748.0	6,025.5	60.8%	5,062.7	6,689.7	32.1%
Total	1,621.2	3,653.6	6,187.8	69.4%	4,841.9	6,389.8	32.0%
Average annual gross revenues per operating car (R$ thousand)							
Car Rental	24.5	28.9	31.8	10.0%	30.4	33.9	11.5%
Fleet Rental	20.7	23.6	27.6	16.7%	25.4	29.4	15.4%
Average daily rental (R$)							
Car Rental - Brazil (*)	87.00	107.50	120.54	12.1%	115.70	126.75	9.6%
Fleet Rental	59.40	69.10	82.93	20.0%	74.69	87.81	17.6%
Utilization rate (does not include cars in preparation and decomissioning):							
Car Rental - Brazil	80.4%	78.9%	78.6%	-0.3 p.p.	77.9%	79.7%	1.8 p.p.
Fleet Rental	96.4%	97.0%	95.6%	-1.4 p.p.	96.4%	95.0%	-1.4 p.p.
Number of cars purchased - Brazil	197,510	298,536	288,622	-3.3%	97,358	107,532	10.5%
Number of cars purchased - Mexico	-	-	1,262	-	-	345	-
Average price of cars purchased Brazil (R$ thsd) - Brazil	74.62	90.36	89.75	-0.7%	83.01	86.77	4.5%
Numbers of cars sold - Brazil	144,841	141,189	221,379	56.8%	41,493	56,514	36.2%
Average price of cars sold (R$ thsd) (***) - Brazil	53.33	61.49	59.47	-3.3%	57.94	62.72	8.2%

(*) Not included the rentals for Fleet Rental Division.
(**) in 4Q22 the Company concluded the carve-out sale, with a reduction of 49,296 cars in the end of period fleet. The 3Q22 numbers account for these cars.
(***) Net of SG&A expenses related to the sale of cars decomissioned for fleet renewal.

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

16.1 – Car Rental Brazil – R$ million

CAR RENTAL RESULTS AND FRANCHISING	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	9,118.6	26.4%	2,076.1	2,513.0	21.0%
Taxes on revenues	(330.2)	(455.9)	(701.3)	(863.1)	23.1%	(214.7)	(236.8)	10.3%
Car rental net revenues	**3,145.0**	**4,395.4**	**6,510.2**	**8,255.5**	**26.8%**	**1,861.4**	**2,276.2**	**22.3%**
Car rental and franchising costs	(1,124.3)	(1,406.9)	(1,840.4)	(2,035.9)	10.6%	(461.0)	(625.6)	35.7%
Gross profit	**2,020.7**	**2,988.5**	**4,669.8**	**6,219.6**	**33.2%**	**1,400.4**	**1,650.6**	**17.9%**
Operating expenses (SG&A)	(595.4)	(832.6)	(950.7)	(902.1)	-5.1%	(299.1)	(223.3)	-25.3%
Other assets depreciation and amortization	(120.7)	(142.6)	(181.6)	(276.4)	52.2%	(39.9)	(76.6)	92.0%
Operating profit before financial results and taxes (EBIT)	**1,304.6**	**2,013.3**	**3,537.5**	**5,041.1**	**42.5%**	**1,061.4**	**1,350.7**	**27.3%**
EBITDA	**1,425.3**	**2,155.9**	**3,719.1**	**5,317.5**	**43.0%**	**1,101.3**	**1,427.3**	**29.6%**
EBITDA Margin	**45.3%**	**49.0%**	**57.1%**	**64.4%**	**7.3 p.p.**	**59.2%**	**62.7%**	**3.5 p.p.**

USED CAR SALES RESULTS (SEMINOVOS)	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Gross revenues, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	9,525.9	58.9%	1,891.9	2,506.2	32.5%
Taxes on revenues	(10.0)	(5.2)	(6.5)	(10.9)	67.7%	(1.9)	(4.7)	147.4%
Net revenues	**5,140.7**	**4,408.1**	**5,988.3**	**9,515.0**	**58.9%**	**1,890.0**	**2,501.5**	**32.4%**
Book value of cars sold and preparation for sale(**)	(4,629.7)	(3,416.2)	(5,027.1)	(8,800.3)	75.1%	(1,673.1)	(2,303.9)	37.7%
Adjustment to the recoverable value of assets	-	-	-	(114.3)	-	-	-	-
Gross profit	**511.0**	**991.9**	**961.2**	**600.4**	**-37.5%**	**216.9**	**197.6**	**-8.9%**
Operating expenses (SG&A)	(316.1)	(360.7)	(445.5)	(516.2)	15.9%	(139.9)	(140.2)	0.2%
Cars depreciation	(342.6)	(183.7)	(954.6)	(2,247.6)	135.4%	(340.1)	(457.8)	34.6%
Other assets depreciation and amortization	(54.3)	(56.1)	(61.4)	(77.7)	26.5%	(17.5)	(14.5)	-17.1%
Operating profit (loss) before financial results and taxes (EBIT)	**(202.0)**	**391.4**	**(500.3)**	**(2,241.1)**	**348.0%**	**(280.6)**	**(414.9)**	**47.9%**
EBITDA	**194.9**	**631.2**	**515.7**	**84.2**	**-83.7%**	**77.0**	**57.4**	**-25.5%**
EBITDA Margin	**3.8%**	**14.3%**	**8.6%**	**0.9%**	**-7.7 p.p.**	**4.1%**	**2.3%**	**-1.8 p.p.**

CAR RENTAL TOTAL FIGURES	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	9,118.6	26.4%	2,076.1	2,513.0	21.0%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	9,525.9	58.9%	1,891.9	2,506.2	32.5%
Total gross revenues	8,625.9	9,264.6	13,206.3	18,644.5	41.2%	3,968.0	5,019.2	26.5%
Taxes on revenues								
Car rental and franchising	(330.2)	(455.9)	(701.3)	(863.1)	23.1%	(214.7)	(236.8)	10.3%
Car sales for fleet renewal	(10.0)	(5.2)	(6.5)	(10.9)	67.7%	(1.9)	(4.7)	147.4%
Car rental revenues - net revenues	3,145.0	4,395.4	6,510.2	8,255.5	26.8%	1,861.4	2,276.2	22.3%
Car sales for fleet renewal - net revenues	5,140.7	4,408.1	5,988.3	9,515.0	58.9%	1,890.0	2,501.5	32.4%
Total net revenues	**8,285.7**	**8,803.5**	**12,498.5**	**17,770.5**	**42.2%**	**3,751.4**	**4,777.7**	**27.4%**
Direct costs								
Car rental	(1,124.3)	(1,406.9)	(1,840.4)	(2,035.9)	10.6%	(461.0)	(625.6)	35.7%
Car sales for fleet renewal	(4,629.7)	(3,416.2)	(5,027.1)	(8,800.3)	75.1%	(1,673.1)	(2,303.9)	37.7%
Adjustment to the recoverable value of assets	-	-	-	(114.3)	0.0%	-	-	-
Gross profit	**2,531.7**	**3,980.4**	**5,631.0**	**6,820.0**	**21.1%**	**1,617.3**	**1,848.2**	**14.3%**
Operating expenses (SG&A)								
Car rental	(595.4)	(832.6)	(950.7)	(902.1)	-5.1%	(299.1)	(223.3)	-25.3%
Car sales for fleet renewal	(316.1)	(360.7)	(445.5)	(516.2)	15.9%	(139.9)	(140.2)	0.2%
Cars depreciation	(342.6)	(183.7)	(954.6)	(2,247.6)	135.4%	(340.1)	(457.8)	34.6%
Other assets depreciation and amortization								
Car rental	(120.7)	(142.6)	(181.6)	(276.4)	52.2%	(39.9)	(76.6)	92.0%
Car sales for fleet renewal	(54.3)	(56.1)	(61.4)	(77.7)	26.5%	(17.5)	(14.5)	-17.1%
Operating profit before financial results and taxes (EBIT)	**1,102.6**	**2,404.7**	**3,037.2**	**2,800.0**	**-7.8%**	**780.8**	**935.8**	**19.9%**
EBITDA	**1,620.2**	**2,787.1**	**4,234.8**	**5,401.7**	**27.6%**	**1,178.3**	**1,484.7**	**26.0%**
EBITDA margin	**19.6%**	**31.7%**	**33.9%**	**30.4%**	**-3.5 p.p.**	**31.4%**	**31.1%**	**-0.3 p.p.**

CAR RENTAL OPERATING DATA	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Average operating fleet (*)	200,742	195,242	246,922	285,103	15.5%	275,545	299,655	8.7%
Average rented fleet(*)	140,151	151,686	185,129	211,526	14.3%	198,560	222,278	11.9%
Average operating fleet age (in months)	10.0	13.9	15.9	12.6	-21.0%	13.7	11.7	-14.9%
End of period fleet(*)	216,334	216,293	331,445	347,287	4.8%	331,445	347,287	4.8%
Number of rental days - in thousands (net of fleet replacement service)	50,446.5	53,756.6	66,009.1	75,219.1	14.0%	17,855.4	19,718.1	10.4%
Average daily rental revenues per car (R$)	68.52	89.71	108.57	120.54	11.0%	115.70	126.75	9.6%
Annualized average depreciation per car (R$)	1,706.8	941.1	3,606.3	6,334.9	75.7%	4,659.4	6,113.1	31.2%
Utilization rate (Does not include cars in preparation and decomissioning)	73.5%	79.8%	79.6%	78.6%	-1.0 p.p.	77.9%	79.7%	1.8 p.p.
Number of cars purchased	92,801	83,382	170,750	172,620	1.1%	67,508	70,375	4.2%
Number of cars sold	113,346	76,906	89,485	155,441	73.7%	30,207	38,064	26.0%
Average sold fleet age (in months)	16.9	21.9	28.3	28.3	0.0%	29.4	26.1	-11.2%
Average total fleet	221,895	209,172	275,889	319,382	15.8%	323,290	341,309	5.6%
Average value of total fleet - R$ million	9,951.6	10,592.7	17,199.0	22,075.1	28.4%	20,962.9	23,792.1	13.5%
Average value per car in the period - R$ thsd	44.8	50.6	62.3	69.1	10.9%	64.8	69.7	7.6%

(*) In 4Q22, the Company sold the carve-out, with a reduction of 49,296 cars in the fleet at the end of the period. The 3Q22 figures consider these cars.
(**) Until 3Q23, preparation costs were added to the book value of cars sold

16.2 – Car Rental – Mexico – R$ million

CAR RENTAL RESULTS - MEXICO	2023	4Q23
Total net revenues - Mexico	**10.8**	**8.7**
Depreciation of cars and others	**(16.4)**	**(9.2)**
Operating profit (loss) before financial results and taxes (EBIT)	**(59.0)**	**(34.6)**
EBITDA	**(42.6)**	**(25.4)**

16.3 – Fleet Rental – R$ million

FLEET RENTAL RESULTS	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Fleet rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	7,367.4	106.5%	1,479.4	2,077.5	40.4%
Taxes on revenues (*)	(110.2)	(127.3)	(343.0)	(690.2)	101.2%	(138.3)	(194.5)	40.6%
Fleet rental net revenues	**1,053.5**	**1,197.9**	**3,224.7**	**6,677.2**	**107.1%**	**1,341.1**	**1,883.0**	**40.4%**
Fleet rental costs	(221.5)	(315.6)	(678.6)	(1,268.4)	86.9%	(290.1)	(381.5)	31.5%
Gross profit	**832.0**	**882.3**	**2,546.1**	**5,408.8**	**112.4%**	**1,051.0**	**1,501.5**	**42.9%**
Operating expenses (SG&A)	(69.7)	(141.2)	(433.3)	(559.4)	29.1%	(195.0)	(154.5)	-20.8%
Other assets depreciation and amortization	(8.4)	(8.3)	(40.7)	(48.3)	18.7%	(17.3)	(16.3)	-5.8%
Operating profit before financial results and taxes (EBIT)	**753.9**	**732.8**	**2,072.1**	**4,801.1**	**131.7%**	**838.7**	**1,330.7**	**58.7%**
EBITDA	**762.3**	**741.1**	**2,112.8**	**4,849.4**	**129.5%**	**856.0**	**1,347.0**	**57.4%**
EBITDA Margin	**72.4%**	**61.9%**	**65.5%**	**72.6%**	**7.1 p.p.**	**63.8%**	**71.5%**	**7.7 p.p.**

USED CAR SALES RESULTS (SEMINOVOS)	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Gross revenues, net of discounts and cancellations	969.2	900.7	2,066.0	4,450.1	115.4%	795.4	1,241.2	56.0%
Taxes on revenues	(0.8)	(0.8)	(5.8)	(6.0)	3.4%	(2.4)	(2.1)	-12.5%
Net revenues	**968.4**	**899.9**	**2,060.2**	**4,444.1**	**115.7%**	**793.0**	**1,239.1**	**56.3%**
Book value of cars sold and preparation for sale(**)	(832.0)	(659.3)	(1,627.1)	(3,876.1)	138.2%	(688.2)	(1,110.6)	61.4%
Adjustment to the recoverable value of assets	-	-	-	(39.0)	-	-	-	-
Gross profit	**136.4**	**240.6**	**433.1**	**529.0**	**22.1%**	**104.8**	**128.5**	**22.6%**
Operating expenses (SG&A)	(50.8)	(71.2)	(191.6)	(214.6)	12.0%	(83.7)	(55.5)	-33.7%
Cars depreciation	(130.4)	(71.4)	(799.7)	(1,933.2)	141.7%	(407.8)	(489.0)	19.9%
Other assets depreciation and amortization	(10.0)	(11.4)	(21.7)	(24.8)	14.3%	(7.0)	(9.1)	30.0%
Operating profit (loss) before financial results and taxes (EBIT)	**(54.8)**	**86.6**	**(579.9)**	**(1,643.6)**	**183.4%**	**(393.7)**	**(425.1)**	**8.0%**
EBITDA	**85.6**	**169.4**	**241.5**	**314.4**	**30.2%**	**21.1**	**73.0**	**246.0%**
EBITDA Margin	**8.8%**	**18.8%**	**11.7%**	**7.1%**	**-4.6 p.p.**	**2.7%**	**5.9%**	**3.2 p.p.**

FLEET RENTAL TOTAL FIGURES	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Fleet rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	7,367.4	106.5%	1,479.4	2,077.5	40.4%
Car sales for fleet renewal - gross revenues, net of discounts and cancellations	969.2	900.7	2,066.0	4,450.1	115.4%	795.4	1,241.2	56.0%
Total gross revenues	2,132.9	2,225.9	5,633.7	11,817.5	109.8%	2,274.8	3,318.7	45.9%
Taxes on revenues								
Fleet rental (*)	(110.2)	(127.3)	(343.0)	(690.2)	101.2%	(138.3)	(194.5)	40.6%
Car sales for fleet renewal	(0.8)	(0.8)	(5.8)	(6.0)	3.4%	(2.4)	(2.1)	-12.5%
Fleet rental - net revenues	1,053.5	1,197.9	3,224.7	6,677.2	107.1%	1,341.1	1,883.0	40.4%
Car sales for fleet renewal - net revenues	968.4	899.9	2,060.2	4,444.1	115.7%	793.0	1,239.1	56.3%
Total net revenues (**)	**2,021.9**	**2,097.8**	**5,284.9**	**11,121.3**	**110.4%**	**2,134.1**	**3,122.1**	**46.3%**
Direct costs								
Fleet rental	(221.5)	(315.6)	(678.6)	(1,268.4)	86.9%	(290.1)	(381.5)	31.5%
Car sales for fleet renewal	(832.0)	(659.3)	(1,627.1)	(3,876.1)	138.2%	(688.2)	(1,110.6)	61.4%
Adjustment to the recoverable value of assets	-	-	-	(39.0)	-	-	-	
Gross profit	**968.4**	**1,122.9**	**2,979.2**	**5,937.8**	**99.3%**	**1,155.8**	**1,630.0**	**41.0%**
Operating expenses (SG&A)								
Fleet rental	(69.7)	(141.2)	(433.3)	(559.4)	29.1%	(195.0)	(154.5)	-20.8%
Car sales for fleet renewal	(50.8)	(71.2)	(191.6)	(214.6)	12.0%	(83.7)	(55.5)	-33.7%
Cars depreciation	(130.4)	(71.4)	(799.7)	(1,933.2)	141.7%	(407.8)	(489.0)	19.9%
Other assets depreciation and amortization								
Fleet rental	(8.4)	(8.3)	(40.7)	(48.3)	18.7%	(17.3)	(16.3)	-5.8%
Car sales for fleet renewal	(10.0)	(11.4)	(21.7)	(24.8)	14.3%	(7.0)	(9.1)	30.0%
Operating profit before financial results and taxes (EBIT)	**699.1**	**819.4**	**1,492.2**	**3,157.5**	**111.6%**	**445.0**	**905.6**	**103.5%**
EBITDA	**847.9**	**910.5**	**2,354.3**	**5,163.8**	**119.3%**	**877.1**	**1,420.0**	**61.9%**
EBITDA margin	**41.9%**	**43.4%**	**44.5%**	**46.4%**	**1.9 p.p.**	**41.1%**	**45.5%**	**4.4 p.p.**

OPERATING DATA	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Average operating fleet	59,801	61,962	142,703	258,334	81.0%	227,593	276,400	21.4%
Total Average rented fleet	59,244	63,493	137,700	239,839	74.2%	214,786	253,780	18.2%
Average rented fleet	57,706	60,133	134,959	238,430	76.7%	212,479	253,118	19.1%
Average rented fleet - Car Rental fleet replacement	1,538	3,360	2,741	1,409	-48.6%	2,307	661	-71.3%
Average operating fleet age (in months)	17.4	20.3	19.9	18.3	-8.3%	18.2	18.5	1.9%
End of period fleet								
Rented Fleet	61,657	73,503	259,596	309,059	19.1%	259,596	309,059	19.1%
Managed Fleet	105	57	30	-	-100.0%	20	-	-100.0%
Number of rental days - in thousands	21,328.0	22,857.3	48,585.1	85,834.7	76.7%	19,123.1	22,780.7	19.1%
Average daily rental revenues per car (R$)	53.81	57.49	72.97	82.93	13.6%	74.69	87.81	17.6%
Annualized average depreciation per car (R$)	2,178.9	1,152.7	3,855.1	6,025.5	56.3%	5,062.7	6,689.7	32.1%
Utilization rate (Does not include cars in preparation and decomissioning) (*)	97.4%	98.0%	96.7%	95.6%	-1.1 p.p.	96.4%	95.0%	-1.4 p.p.
Number of cars purchased	16,578	28,128	84,179	116,002	37.8%	29,850	37,157	24.5%
Number of cars sold	22,144	15,939	29,053	65,938	127.0%	11,286	18,450	63.5%
Average sold fleet age (in months)	28.9	31.8	36.3	36.5	0.6%	36.6	36.3	-0.8%
Average total fleet	63,919	66,451	158,386	282,359	78.3%	251,860	300,620	19.4%
Average value of total fleet - R$ million	2,812.1	3,370.7	11,313.5	23,348.5	106.4%	19,298.9	25,605.2	32.7%
Average value per car in the period - R$ thsd	44.0	50.7	71.4	82.7	15.8%	76.6	85.2	11.2%

(*) Does not include replacement service from Car Rental
(**) Until 3Q23, preparation costs were added to the book value of cars sold

16.4 – Consolidated Result – R$ million

CONSOLIDATED RESULTS	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Car rental and franchising gross revenues, net of discounts and cancellations	3,475.2	4,851.3	7,211.5	9,129.4	26.6%	2,076.1	2,521.7	21.5%
Fleet Rental gross revenues, net of discounts and cancellations	1,163.7	1,325.2	3,567.7	7,367.4	106.5%	1,479.4	2,077.5	40.4%
Car and Fleet Rentals and Franchising total gross revenues	4,638.9	6,176.5	10,779.2	16,496.8	53.0%	3,555.5	4,599.2	29.4%
Taxes on revenues - Car and Fleet Rentals and Franchising	(440.4)	(583.2)	(1,044.3)	(1,553.3)	48.7%	(353.0)	(431.3)	22.2%
Car and Fleet Rentals and Franchising net revenues	**4,198.5**	**5,593.3**	**9,734.9**	**14,943.5**	**53.5%**	**3,202.5**	**4,167.9**	**30.1%**
Car sales gross revenues								
Car sales for fleet renewal - Car Rental, net of discounts and cancellations	5,150.7	4,413.3	5,994.8	9,525.9	58.9%	1,891.9	2,506.2	32.5%
Car sales for fleet renewal - Fleet Rental, net of discounts and cancellations	969.2	900.7	2,066.0	4,450.1	115.4%	795.4	1,241.2	56.0%
Car sales for fleet renewal - total gross revenues	6,119.9	5,314.0	8,060.8	13,976.0	73.4%	2,687.3	3,747.4	39.4%
Taxes on revenues - Car sales for fleet renewal	(10.8)	(6.0)	(12.3)	(16.9)	37.4%	(4.3)	(6.8)	58.1%
Car sales for fleet renewal - net revenues	**6,109.1**	**5,308.0**	**8,048.5**	**13,959.1**	**73.4%**	**2,683.0**	**3,740.6**	**39.4%**
Total net revenues	**10,307.6**	**10,901.3**	**17,783.4**	**28,902.6**	**62.5%**	**5,885.5**	**7,908.5**	**34.4%**
Direct costs and expenses:								
Car rental and franchising	(1,124.3)	(1,406.9)	(1,840.4)	(2,059.3)	11.9%	(461.0)	(642.4)	39.3%
Fleet Rental	(221.5)	(315.6)	(678.6)	(1,268.4)	86.9%	(290.1)	(381.5)	31.5%
Adjustment to the recoverable value of assets	-	-	-	(153.3)	-	-	-	-
Total Car and Fleet Rentals and Franchising	(1,345.8)	(1,722.5)	(2,519.0)	(3,481.0)	38.2%	(751.1)	(1,023.9)	36.3%
Car sales for fleet renewal - Car rental	(4,629.7)	(3,416.2)	(5,027.1)	(8,800.3)	75.1%	(1,673.1)	(2,303.9)	37.7%
Car sales for fleet renewal - Fleet Rental	(832.0)	(659.3)	(1,627.1)	(3,876.1)	138.2%	(688.2)	(1,110.6)	61.4%
Total Car sales for fleet renewal (book value) and preparation for sale(*)	(5,461.7)	(4,075.5)	(6,654.2)	(12,676.4)	90.5%	(2,361.3)	(3,414.5)	44.6%
Total costs	(6,807.5)	(5,798.0)	(9,173.2)	(16,157.4)	76.1%	(3,112.4)	(4,438.4)	42.6%
Gross profit	**3,500.1**	**5,103.3**	**8,610.2**	**12,745.2**	**48.0%**	**2,773.1**	**3,470.1**	**25.1%**
Total Operating expenses	(1,032.0)	(1,405.8)	(2,021.1)	(2,222.3)	10.0%	(717.7)	(590.8)	-17.7%
Depreciation expenses:								
Cars depreciation:								
Car rental	(342.6)	(183.7)	(954.6)	(2,251.2)	135.8%	(340.1)	(457.8)	34.6%
Fleet Rental	(130.4)	(71.4)	(799.7)	(1,933.2)	141.7%	(407.8)	(489.0)	19.9%
Total cars depreciation expenses	(473.0)	(255.1)	(1,754.3)	(4,184.4)	138.5%	(747.9)	(946.8)	26.6%
Other assets depreciation and amortization	(193.4)	(218.4)	(305.4)	(440.0)	44.1%	(81.7)	(125.7)	53.9%
Total depreciation and amortization expenses	(666.4)	(473.5)	(2,059.7)	(4,624.4)	124.5%	(829.6)	(1,072.5)	29.3%
Operating profit before financial results and taxes (EBIT)	**1,801.7**	**3,224.0**	**4,529.4**	**5,898.5**	**30.2%**	**1,225.8**	**1,806.8**	**47.4%**
Equity equivalence result	-	-	-	-		0.0	0.0	
Financial (expenses) revenues, net	(374.4)	(320.9)	(2,110.6)	(4,024.3)	90.7%	(748.0)	(974.3)	30.3%
Income before tax and social contribution	**1,427.3**	**2,903.1**	**2,418.9**	**1,874.2**	**-22.5%**	**477.8**	**832.5**	**74.2%**
Income tax and social contribution	(379.1)	(859.4)	(577.8)	(71.1)	-87.7%	(34.4)	(126.9)	268.8%
Net income for the period	**1,048.2**	**2,043.7**	**1,841.1**	**1,803.1**	**-2.1%**	**443.4**	**705.6**	**59.1%**
EBITDA	2,468.1	3,697.5	6,589.2	10,522.9	59.7%	2,055.4	2,879.3	40.1%
EBIT	1,801.7	3,224.0	4,529.5	5,898.5	30.2%	1,225.8	1,806.8	47.4%
Consolidated EBIT Margin (calculated over rental revenues)	**42.9%**	**57.6%**	**46.5%**	**39.5%**	**-7.1 p.p.**	**38.3%**	**43.4%**	**5.1 p.p.**
Car and Fleet Rentals and Franchising EBITDA	2,187.6	2,897.0	5,831.9	10,124.3	73.6%	1,957.3	2,748.9	40.4%
EBITDA Margin	**52.1%**	**51.8%**	**59.9%**	**67.8%**	**7.9 p.p.**	**61.1%**	**66.0%**	**4.9 p.p.**
Used Car Sales (Seminovos) EBITDA	280.5	800.6	757.4	398.6	-47.4%	98.1	130.4	32.9%
EBITDA Margin	**4.6%**	**15.1%**	**9.4%**	**2.9%**	**-6.5 p.p.**	**3.7%**	**3.5%**	**-0.2 p.p.**

(*) Until 3Q23, preparation costs were added to the book value of cars sold

17 – Operating Data

SELECTED OPERATING DATA	2020	2021	2022	2023	Var.	4Q22	4Q23	Var.
Average operating fleet:								
Car Rental - Brazil (**)	200,742	195,242	246,922	285,103	15.5%	275,545	299,655	8.7%
Fleet Rental	59,801	61,962	142,703	258,334	81.0%	227,593	276,400	21.4%
Total	260,543	257,204	389,625	543,437	39.5%	503,138	576,055	14.5%
Average rented fleet:								
Car Rental - Brazil (**)	140,151	151,686	185,129	211,526	14.3%	198,560	222,278	11.9%
Fleet Rental	59,244	63,493	134,959	239,839	77.7%	214,786	253,780	18.2%
Total	199,395	215,179	320,087	451,364	41.0%	413,346	476,058	15.2%
Average age of operating fleet (months)								
Car Rental	10.0	13.9	15.9	12.6	-21.0%	13.7	11.7	-14.9%
Fleet Rental	17.4	20.3	19.9	18.3	-8.3%	18.2	18.5	1.9%
Average age of total operating fleet	11.7	15.5	17.4	15.3	-12.0%	16.8	15.0	-10.7%
Fleet at end of period:								
Car Rental - Brazil (**)	216,334	216,293	331,445	347,287	4.8%	331,445	347,287	4.8%
Car Rental - Mexico	-	-	-	-			1,266	
Fleet Rental	61,657	73,503	259,596	309,059	19.1%	259,596	309,059	19.1%
Total	277,991	289,796	591,041	657,612	11.3%	591,041	657,612	11.3%
Managed fleet at end period - Fleet Rental	105	57	30	-	-100.0%	20	-	-100.0%
Fleet investment (R$ million) (include accessories from 2022)								
Car Rental - Brazil	4,541.9	5,625.1	14,305.9	14,256.4	-0.3%	5,178.2	5,830.4	12.6%
Car Rental - Mexico	-	-	-	-			26.0	
Fleet Rental	975.7	2,022.1	8,094.4	11,646.5	43.9%	2,903.4	3,499.8	20.5%
Total	5,517.6	7,647.2	22,400.3	25,949.6	15.8%	8,081.6	9,356.2	15.8%
Number of rental days (In thousands):								
Car Rental - Brazil	51,286.4	55,358.0	67,649.5	77,218.0	14.1%	18,270.5	20,451.5	11.9%
Rental days for Fleet Rental replacement service	(839.9)	(1,601.4)	(1,640.4)	(1,998.9)	21.9%	(415.1)	(733.4)	76.7%
Car Rental - Net	50,446.5	53,756.6	66,009.1	75,219.1	14.0%	17,855.4	19,718.1	10.4%
Fleet Rental	21,328.0	22,857.3	48,585.1	85,834.7	76.7%	19,123.1	22,780.7	19.1%
Total	71,774.5	76,613.9	114,594.2	161,053.8	40.5%	36,978.5	42,498.8	14.9%
Annualized average depreciation per car (R$)								
Car Rental - Brazil	1,706.8	941.1	3,606.3	6,334.9	75.7%	4,659.4	6,113.1	31.2%
Fleet Rental	2,178.9	1,152.7	3,855.1	6,025.5	56.3%	5,062.7	6,689.7	32.1%
Total	1,815.2	992.0	3,697.4	6,187.8	67.4%	4,841.9	6,389.8	32.0%
Average annual gross revenues per operating car (R$ thousand)								
Car Rental	17.3	24.7	29.0	31.8	9.6%	30.4	33.9	11.5%
Fleet Rental	19.2	21.2	24.8	27.6	10.9%	25.4	29.4	15.4%
Average daily rental (R$)								
Car Rental - Brazil(*)	68.52	89.71	108.57	120.54	11.0%	115.70	126.75	9.6%
Fleet Rental	53.81	57.49	72.97	82.93	13.6%	74.69	87.81	17.6%
Utilization rate (does not include cars in preparation and decomissioning):								
Car Rental - Brazil	73.5%	79.8%	79.6%	78.6%	-1.0 p.p.	77.9%	79.7%	1.8 p.p.
Fleet Rental	97.4%	98.0%	96.7%	95.6%	-1.1 p.p.	96.4%	95.0%	-1.4 p.p.
Number of cars purchased - Brazil	109,379	111,510	254,929	288,622	13.2%	97,358	107,532	10.5%
Number of cars purchased - Mexico	-	-	-	1,262	-	-	345	-
Average price of cars purchased (R$ thsd) - Brazil	50.45	68.58	87.87	89.75	2.1%	83.01	86.77	4.5%
Numbers of cars sold - Brazil	135,490	92,845	118,538	221,379	86.8%	41,493	56,514	36.2%
Average price of cars sold (R$ thsd) (***) - Brazil	42.46	52.63	62.58	59.47	-5.0%	57.94	62.72	8.2%

(*) Not included the rentals for Fleet Rental Division.
(**) in 4Q22 the Company concluded the carve-out sale, with a reduction of 49,296 cars in the end of period fleet. The 3Q22 numbers account for these cars.
(***) Net of SG&A expenses related to the sale of cars decomissioned for fleet renewal.

18 – Consolidated financial statements – IFRS – R$ million

ASSETS	2020	2021	2022	2023
CURRENT ASSETS:				
Cash and cash equivalents	2.586,4	444,1	1.505,6	2.000,9
Financial assets	1.380,2	4.565,4	4.053,8	8.321,3
Trade accounts receivable	1.107,5	1.310,4	2.480,2	3.681,6
Derivative financial instruments - swap	154,3	89,6	283,0	87,7
Other current assets	300,7	351,3	1.316,4	1.141,5
Decommissioning cars to fleet renewal	40,5	182,0	1.976,1	2.531,4
Total current assets	**5.569,6**	**6.942,8**	**11.615,1**	**17.764,4**
NON CURRENT ASSETS:				
Long-term assets:				
Financial assets	-	3,0	1.349,9	1.186,4
(-) Fair value adjustment of the deposit tied to linked account	-	-	(423,0)	(334,3)
Derivative financial instruments - swap	353,0	448,1	365,6	377,2
Trade accounts receivable	2,0	2,7	9,8	6,6
Escrow deposit	113,7	121,8	220,6	265,4
Deferred income tax and social contribution	24,4	24,3	23,0	38,2
Investments in restricted accounts	44,9	46,1	51,4	-
Other non current assets	0,1	286,3	580,9	675,5
Total long-term assets	**538,1**	**932,3**	**2.178,2**	**2.215,0**
Investments:	-	-	1,2	-
Property and equipment				
Cars	12.923,3	15.842,9	41.254,1	49.914,3
Right of use	624,5	736,0	834,7	1.122,8
Other	633,5	715,0	931,7	1.079,3
Intangible:				
Software and others	46,7	37,6	373,7	388,1
Goodwill on acquisition of investments	105,4	105,4	8.463,3	8.463,2
Total non current assets	**14.871,5**	**18.369,2**	**54.036,9**	**63.182,7**
TOTAL ASSETS	**20.441,1**	**25.312,0**	**65.652,0**	**80.947,1**

LIABILITIES AND SHAREHOLDERS' EQUITY	2020	2021	2022	2023
CURRENT LIABILITIES:				
Trade accounts payable	1.661,0	2.059,3	6.177,8	8.881,4
Assignment of credit rights	-	-	141,8	86,3
Social and labor obligations	218,5	276,1	333,7	399,2
Loans, financing and debentures	1.615,0	1.884,8	3.353,5	7.226,5
Lease liability	130,2	157,0	185,2	261,6
Derivative financial instruments - swap	66,4	9,1	137,4	370,7
Income tax and social contribution	117,6	9,0	11,7	119,1
Dividends and interest on own capital	72,4	288,8	320,4	357,4
Other current liabilities	415,3	300,4	575,3	714,8
Total current liabilities	**4.296,4**	**4.984,5**	**11.236,8**	**18.417,0**
NON CURRENT LIABILITIES:				
Assignment of credit rights	-	-	134,2	48,1
Loans, financing and debentures	8.882,7	10.548,3	29.917,6	33.381,1
Lease liability	532,5	635,2	727,3	966,5
Derivative financial instruments - swap	37,2	134,7	260,1	260,0
Provisions	158,6	163,6	672,5	604,3
Deferred income tax and social contribution	412,1	1.147,9	2.010,9	1.700,6
Restricted Obligations	45,4	47,0	52,1	-
Other non current liabilities	23,6	33,7	69,9	171,7
Total non current liabilities	**10.092,1**	**12.710,4**	**33.844,6**	**37.132,3**
Total liabilities	**14.388,5**	**17.694,9**	**45.081,4**	**55.549,3**
SHAREHOLDERS' EQUITY:				
Capital	4.000,0	4.000,0	12.150,7	17.376,9
Expenses with share issues	(43,1)	(43,1)	(43,1)	(118,8)
Treasury Shares	(175,5)	(162,1)	(144,6)	(447,2)
Capital Reserves	174,9	203,0	4.089,1	4.145,2
Earnings Reserves	2.096,3	3.618,4	4.516,3	4.756,8
Equity Valuation Adjustment	-	0,9	(9,2)	-
Participation of non-controlling partners	-	-	11,4	8,9
	-	-	-	(324,0)
Total shareholders' equity	**6.052,6**	**7.617,1**	**20.570,6**	**25.397,8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20.441,1**	**25.312,0**	**65.652,0**	**80.947,1**

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

STATEMENT OF INCOME	2020	2021	2022	2023
Total net revenues	**10,307.6**	**10,901.3**	**17,783.4**	**28,902.6**
COSTS AND EXPENSES:				
Direct costs	(6,807.5)	(5,798.0)	(9,173.2)	(16,157.4)
Selling, general, administrative and other expenses	(1,032.0)	(1,405.8)	(2,021.1)	(2,222.3)
Cars depreciation	(473.0)	(255.1)	(1,754.3)	(4,184.4)
Other assets depreciation and amortization	(193.4)	(218.4)	(305.4)	(440.0)
Total costs and expenses	(8,505.9)	(7,677.3)	(13,254.0)	(23,004.1)
Income before financial results and taxes (EBIT)	**1,801.7**	**3,224.0**	**4,529.4**	**5,898.5**
EQUITY EQUIVALENCE RESULT	-	-	0.1	-
FINANCIAL EXPENSES, NET	(374.4)	(320.9)	(2,110.6)	(4,024.3)
Income before taxes	**1,427.3**	**2,903.1**	**2,418.9**	**1,874.2**
INCOME TAX AND SOCIAL CONTRIBUTION	(379.1)	(859.4)	(577.8)	(71.1)
Net income	**1,048.2**	**2,043.7**	**1,841.1**	**1,803.1**

20 – Statements of cash flows – R$ million

CONSOLIDATED CASH FLOW	2020	2021	2022	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	1,048.2	2,043.7	1,841.2	1,803.1
Adjustments to reconcile net income and cash and cash equivalents provided by operating activities:				
Depreciation and amortization	666.4	473.5	2,063.6	4,624.3
Net book value of vehicles written off	(509.3)	(962.0)	(1,748.3)	(1,625.5)
Adjustment to the recoverable value of assets	-	-	-	153.3
Deferred income tax and social contribution	67.4	735.4	484.9	(243.8)
Interest on loans, financing, debentures and swaps of fixed rates	423.7	502.3	2,898.6	5,012.6
Lease interest	59.6	61.8	76.3	107.5
Outros	9.3	73.8	18.7	643.3
(Increase) decrease in assets:				
Trade receivable	118.8	(248.1)	(827.9)	(1,368.6)
Purchases of cars (see supplemental disclosure below)	(6,513.3)	(7,366.9)	(18,621.0)	(23,362.4)
Escrow deposits	0.9	(8.1)	(6.8)	(32.4)
Taxes recoverable	11.5	(266.9)	(187.7)	(310.3)
Prepaid expenses	(7.9)	(11.6)	92.2	(24.3)
Other assets	(44.7)	85.1	(475.4)	(260.6)
Increase (decrease) in liabilities:				
Accounts payable (except car manufacturers)	84.2	109.3	230.9	116.4
Social and labor obligations	56.5	57.7	(18.0)	(170.0)
Income tax and social contribution	311.7	124.0	92.8	314.9
Amount received for disposal of investment			-	581.0
Insurance premium	20.8	(93.2)	50.9	36.6
Other liabilities	13.4	(71.3)	271.8	(82.4)
Cash provided by (used in) operating activities	**(4,182.8)**	**(4,761.5)**	**(13,763.2)**	**(14,087.3)**
Revenue from the sale of decommissioned cars, net of taxes	6,109.2	5,308.0	7,833.6	13,875.6
Income tax and social contribution paid	(250.1)	(307.1)	(83.4)	(130.2)
Interest on loans, financing and debentures paid	(366.9)	(372.9)	(2,349.3)	(4,804.4)
Payment of interest on credit assignment by suppliers			(6.2)	(9.9)
Lease interest paid	(56.8)	(49.7)	(61.5)	(71.9)
Financial assets	(769.4)	(3,188.2)	(396.6)	(4,103.9)
Net cash provided by (used in) operating activities	**483.2**	**(3,371.4)**	**(8,826.6)**	**(9,332.0)**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of investment, goodwill and fair value surplus	(7.9)	(3.6)	(11.5)	(4.2)
Additions to property and equipment and intangible, net	(108.0)	(143.4)	(352.8)	(387.4)
Acquisition of vehicles for resale			(86.3)	-
Purchases of other property and equipment and addition of intangible assets	-	-	1,752.5	-
Cash received on sale of asset held for sale			3,220.5	-
Amount received for disposal of investment	-	-	-	-
Net cash provided by (used in) investing activities	**(115.9)**	**(147.0)**	**4,522.4**	**(391.6)**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loans and financings:				
Proceeds	1,250.2	3,098.0	1,289.4	5,981.7
Repayment	(15.0)	(1,395.8)	(820.2)	(3,899.5)
Debentures				
Proceeds	988.6	498.1	9,051.2	6,454.0
Repayment	(1,660.8)	(383.1)	(728.6)	(1,408.5)
Lease liability:				
Repayment	(119.2)	(144.0)	(187.3)	(249.3)
Capital payment - with subscription of shares	-	-	116.2	5,150.5
Payment of suppliers' assignment of credit rights	-	-	(1,649.8)	-
Amortization of assignment of credit rights	-	-	-	(142.0)
Other comprehensive results	-	-	(0.3)	(6.2)
Mutual with third parties	-	-	(270.0)	-
Treasury shares (acquired)/ sold	(180.5)	4.4	4.6	(314.7)
Exercise of stock options with treasury shares, net	4.8	(1.3)	2.5	(5.1)
Dividends paid	-	(18.1)	(631.2)	-
Interest on own capital	(269.1)	(282.1)	(725.9)	(1,342.0)
Net cash provided by (used in) financing activities	**(1.0)**	**1,376.1**	**5,450.6**	**10,218.9**
NET CASH FLOW PROVIDED (USED) IN THE YEAR	**366.3**	**(2,142.3)**	**1,146.4**	**495.3**
CASH AND EQUIVALENTS:				
At the begining of the period	2,220.1	2,586.4	444.1	1,505.6
At the end of the period	2,586.4	444.1	1,505.6	2,000.9
At the end of the period - held for sale			84.9	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**366.3**	**(2,142.3)**	**1,146.4**	**495.3**
			-	-
Supplemental disclosure of cash flow information:				
Cash paid during the period for cars acquisition				
Cars acquisition in the year/period - renewal	(5,524.1)	(6,366.9)	(9,317.0)	(19,817.7)
Cars acquisition in the year/period - growth	-	(1,289.0)	(13,222.0)	(6,132.0)
Suppliers - automakers:			-	-
Balance at the end of the year	1,418.3	1,707.4	5,625.3	8,212.6
Balance at the beginning of the year	(2,407.5)	(1,418.4)	(1,707.4)	(5,625.3)
Cash paid for cars purchased	(6,513.3)	(7,366.9)	(18,621.0)	(23,362.4)

21 – Glossary and Other information

• **Adjusted Results:** Refers to the adjusted result of expenses specifically related to the integration process with Locamerica and the carve-out of the Car Rental and Used Cars assets that were sold.

• **Average Rented Fleet:** In the car rental division it is the number of daily rentals in the period divided by the number of days in the period. In the Fleet Rental is the actual number of cars rented.

• **Backlog:** Number of cars contracted and not yet implemented.

• **Business combination one-offs:** refers to expenses specifically related to the integration process with Locamerica and the carve-out of the Car Rental and Used Cars assets that were sold.

• **CAGR:** Compounded annual growth rate.

• **CAPEX:** Capital expenditure.

• **Carrying Cost of Cash:** Consists of the cost to maintain minimum cash position. This is the difference between the average rate of fundraising and the average rate of investment.

• **Car depreciation:** Depreciation is calculated based on the expectation of the future sale price net of the selling expenses. The amount to be depreciated is the positive difference between the acquisition price of the vehicle and its estimated residual value. Depreciation is calculated as long as the assets' estimated residual value does not exceed its accounting value. Depreciation is recognized during the estimated life cycle of each asset. In the Car Rental and Fleet Rental divisions, depreciation method used is linear. The residual value is the estimated sale price net of the estimated selling expense.

• **Depreciated cost of used cars sales (book value):** Consists of the acquisition value of vehicles, depreciated up to the date of sale.

• **EBITDA:** is the net income of the period, added by the income tax, net financial expenses, depreciation, amortization, and exhaustions, as defined by CVM instruction 156/22.

• **EBITDA Margin:** EBITDA divided by the net revenues.

• **EBIT:** is the net income of the period added by the income tax and net financial expense.

• **EBIT Margin:** EBIT divided by the rental net revenue.

• **IFRS 16:** As of January 1, 2019, all companies had to adapt to the new rules of IFRS 16. Lessees now have to recognize the assets of the rights over leased assets and the liabilities of future payments for medium or long-term leases, including operating leases. The major impact we had was on the real estate lease agreements of our locations and stores.

• **LTM**: Last twelve months

• **MTM:** Mark-to-market of debt and swaps.

• **Net debt:** Short and long-term debts +/- the results from the swap operations, net of the cash, cash equivalents and short-term financial investments. The "net debt" term is a Company's measure and cannot be compared with similar terms used by other companies.

• **Net Investment in cars:** Capital investment in cars acquisition, net of the revenues from selling decommissioned cars.

• **Operating Fleet:** Includes the cars in the fleet from the licensing until they become available for sale.

• **Proforma Results:** It refers to the historical result prepared in a proforma manner to simulate a scenario in which Localiza and Locamerica were already combined and reporting their results on a consolidated basis since 01/01/21, using the same accounting criteria.

• **ROIC:** Return on invested capital.

• **Royalties and integration fee:** Amount calculated on the amounts charged in the rental contracts, for the use of the brand and transfer of know-how, in addition to the fees related to the marketing campaigns conducted by Localiza Franchising; and amount paid by the franchisee shortly after signing the adhesion contract, corresponding to the concession to use the brand.

• **Swap:** financial transactions carried out made to protect risks associated with FX and basic interest rate variation.

• **Utilization Rate:** it is the number of rental days of the period divided by the fleet available for rental multiplied by the number of days of the period and therefore, it does not include cars being prepared or being decommissioned.

22 – 4T23 Webinar

Date: Tuesday, March 12, 2024.
Portuguese (with simultaneous translation to English)
11am (BRT) | 10am (EDT) | 2pm (BST)
Register on this link:
here

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

To access the results, please visit **Results Center**.

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