

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Armac Locação, Logística e Serviços S.A. and Subsidiary

Report on Review of Interim
Financial Information for the
Three- and Nine-month Periods
Ended September 30, 2021

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Board of Directors of
Armac Locação, Logística e Serviços S.A. and Subsidiary

Introduction

We have reviewed the accompanying interim financial information of Armac Locação, Logística e Serviços S.A. and subsidiary ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2021, which comprises the balance sheet as at September 30, 2021 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three- and nine-month periods then ended, including the explanatory notes.

Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of ITR. Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

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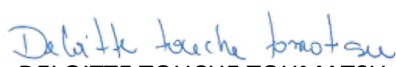
Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three- and nine-month periods ended September 30, 2021, prepared under the responsibility of the Company's Management and disclosed as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are in accordance with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 12, 2021


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Alessandro Costa Ramos
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

BALANCE SHEETS

For the nine-month periods ended September 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

		Parent		Consolidated			Parent		Consolidated
ASSETS	Note	09/30/2021	12/31/2020	09/30/2021	LIABILITIES AND EQUITY	Note	09/30/2021	12/31/2020	09/30/2021
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	5	890,867	84,767	892,411	Trade payables	13	60,997	12,781	61,535
Trade receivables	6	93,270	23,866	96,325	Borrowings and financing	14	124,893	64,963	124,893
Inventories	7	7,784	1,985	7,784	Lease of right of use	11.2	1,612	1,156	1,612
Recoverable taxes	8	36,376	9,649	36,376	Payroll and related taxes	15	13,823	4,283	13,823
Other assets	9	6,094	1,970	6,098	Taxes payable		2,987	250	3,603
Total current assets		1,034,391	122,237	1,038,994	Taxes in installments	16	132	130	132
					Dividends payable		-	5,500	-
					Related parties	19	-	608	-
					Other payables		4,919	169	5,183
					Total current liabilities		209,363	89,840	210,781
NONCURRENT ASSETS					NONCURRENT LIABILITIES				
Recoverable taxes	8	248	318	248	Borrowings and financing	14	597,846	223,592	597,846
Other assets	9	410	715	410	Lease of right of use	11.2	25,918	13,059	25,918
Investments	10	36,011	-	-	Taxes in installments	16	461	557	461
Property and equipment	11	876,714	306,305	902,750	Deferred taxes	20.2	15,496	17,920	15,496
Intangible assets	12	9,790	453	16,580	Total noncurrent liabilities		639,721	255,128	639,721
Total noncurrent assets		923,173	307,791	919,988					
					EQUITY				
					Issued capital	18.1	1,002,351	971	1,002,351
					Capital reserve	18.2	80,388	70,066	80,388
					Legal reserve	18.4	2,484	877	2,484
					Earnings reserve		23,257	13,146	23,257
					Total equity		1,108,480	85,060	1,108,480
TOTAL ASSETS		1,957,564	430,028	1,958,982	TOTAL LIABILITIES AND EQUITY		1,957,564	430,028	1,958,982

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

STATEMENTS OF INCOME

For the three- and nine-month periods ended September 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

		Parent		Consolidated	Parent		Consolidated
	Note	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Net operating revenue	21	95,858	29,344	99,346	219,205	70,947	222,693
(-) Cost of services rendered	22	(46,697)	(16,237)	(47,541)	(111,381)	(38,985)	(112,225)
(=) Gross profit		49,161	13,107	51,805	107,824	31,962	110,468
<u>Operating expenses</u>							
(-) Administrative and selling	22	(23,035)	(2,617)	(23,424)	(35,366)	(6,479)	(35,755)
(+) Share of profit (loss) of subsidiaries	9	1,778	-	-	1,778	-	-
(=) Operating profit before finance costs (income)		27,904	10,489	28,381	74,236	25,483	74,713
(-) Finance costs	24	(16,724)	(4,240)	(16,830)	(34,839)	(9,699)	(34,945)
(+) Finance income	23	9,373	71	9,378	10,386	180	10,391
(=) Finance costs, net		(7,351)	(4,169)	(7,452)	(24,453)	(9,519)	(24,554)
(=) Profit before income tax and social contribution		20,553	6,320	20,929	49,783	15,964	50,159
<u>Income tax and social contribution</u>							
(-) Current	20.1	615	-	239	-	-	(376)
(-) Deferred	20.2	(7,492)	(2,387)	(7,492)	(17,637)	(6,052)	(17,637)
(=) Profit for the period		13,676	3,933	13,676	32,146	9,912	32,146
Basic and diluted earnings per share (in R\$)	25	0.04	4.05	0.04	0.09	10.21	0.09

The accompanying notes are an integral part of this interim financial information.

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ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME

For the nine-month periods ended September 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Profit for the period	13,676	3,933	13,676	32,146	9,913	32,146
Total comprehensive income for the period	<u>13,676</u>	<u>3,933</u>	<u>13,676</u>	<u>32,146</u>	<u>9,913</u>	<u>32,146</u>

The accompanying notes are an integral part of this interim financial information.

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ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

STATEMENTS OF CHANGES IN EQUITY

For the nine-month periods ended September 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

	Note	Issued capital	CAPITAL RESERVE			Undistributed dividend reserve	Earnings reserve	Equity
			Share premium	Share issue costs	Legal reserve			
Balances as at December 31, 2019		230	-	-	-	-	22,879	23,109
Capital increase	17.1	741	47,233	(5,162)	-	-	-	42,812
Profit for the period		-	-	-	-	-	9,913	9,913
Transfer to reserves	17.4	-	-	-	496	-	(496)	-
Dividends distributed	17.3	-	-	-	-	-	(21,389)	(21,389)
Balances as at September 30, 2020		<u>971</u>	<u>47,233</u>	<u>(5,162)</u>	<u>496</u>	<u>-</u>	<u>10,907</u>	<u>54,445</u>
Balances as at December 31, 2020		971	75,234	(5,168)	877	-	13,146	85,060
Capital increase	17.1	1,001,380	50,228	(39,906)	-	-	-	1,011,702
Profit for the period		-	-	-	-	-	32,146	32,146
Transfer to reserves	17.4	-	-	-	1,607	-	(1,607)	-
Dividends distributed	17.3	-	-	-	-	-	(20,428)	(20,428)
Proposed dividends to be distributed after approved at the EGM	17.3	-	-	-	-	23,257	(23,257)	-
Balances as at September 30, 2021		<u>1,002,351</u>	<u>125,462</u>	<u>(45,074)</u>	<u>2,484</u>	<u>23,257</u>	<u>-</u>	<u>1,108,480</u>

The accompanying notes are an integral part of this interim financial information.

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ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

STATEMENTS OF CASH FLOWS

For the nine-month periods ended september 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

		Parent		Consolidated	Parent		Consolidated
	Note	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Profit before income tax and social contribution		20,553	6,320	20,929	49,783	15,964	50,159
<u>Adjustments for:</u>							
Depreciation and amortization	10.1 and 20	11,141	3,319	11,751	30,308	9,264	30,918
Cost of write-off due to the sale of assets	10.1	1,699	356	1,699	4,855	638	4,855
Cost of write-off of damaged and decommissioned assets	10.1	2,548	-	2,548	2,548	-	2,548
Other variations		26	(1)	26	-	(1)	-
Other operating income		(1,765)	-	(1,765)	(1,765)	-	(1,765)
Expected credit losses	5.3	(457)	(138)	(457)	554	364	554
Charges on lease of right of use	10.2	417	39	417	951	80	951
Share of profit (loss) of subsidiaries	9	(1,778)	-	-	(1,778)	-	-
Interest on borrowings and financing	13.3	15,513	3,860	15,615	32,067	9,080	32,169
<u>Changes in assets and liabilities:</u>							
Trade receivables		(29,921)	(6,238)	(32,976)	(73,027)	(9,093)	(76,082)
Recoverable taxes		(12,366)	(4,325)	(12,366)	(26,657)	(6,767)	(26,657)
Inventories		(3,063)	(1,060)	(3,063)	(5,799)	(1,060)	(5,799)
Other assets		(801)	(1,384)	(805)	(3,819)	(2,253)	(3,823)
Trade payables		31,841	10,123	32,379	48,216	8,624	48,754
Payroll and related taxes		5,823	771	5,823	9,540	2,897	9,540
Taxes payable		1,434	(204)	2,050	2,737	(16)	3,353
Other payables		474	155	(1,197)	823	239	(848)
Related parties	18	-	217	-	(608)	217	(608)
Interest on borrowings	13.3	(13,398)	(3,553)	(13,398)	(28,775)	(7,688)	(28,775)
Interest on lease of right of use	10.2	(416)	(39)	(416)	(951)	(80)	(951)
Interest on installment payments	15.4	(3)	(4)	(3)	(15)	(9)	(15)
Purchases of property and equipment		(239,781)	(39,254)	(239,861)	(483,042)	(53,190)	(483,122)
Proceeds from sale of property and equipment	21	439	377	439	3,069	377	3,069
Income tax and social contribution paid in the year		615	-	239	-	-	(376)
Net cash generated by operating activities		<u>(211,226)</u>	<u>(30,663)</u>	<u>(212,392)</u>	<u>(440,785)</u>	<u>(32,413)</u>	<u>(441,951)</u>
<u>Cash flows from investing activities</u>							
Purchases of intangible assets	11	(332)	(169)	(332)	(503)	(180)	(503)
Advance for future capital increase in subsidiary	10	(16,594)	-	-	(16,594)	-	-
Business acquisition	2	(22,590)	-	(21,667)	(22,590)	-	(21,667)
Net cash used in investing activities		<u>(39,516)</u>	<u>(169)</u>	<u>(21,999)</u>	<u>(39,687)</u>	<u>(180)</u>	<u>(22,170)</u>
<u>Cash flows from financing activities</u>							
Proceeds from borrowings and financing	13.3	118,735	58,537	118,735	439,485	74,465	439,485
New installment payments		-	-	-	-	300	-
Capital increase	17.1	950,119	27,000	950,119	1,000,523	47,475	1,000,523
Payment of dividends	17.3	(20,428)	(10,000)	(20,428)	(25,928)	(21,389)	(25,928)
Repayment of borrowings and financing	13.2	(33,237)	(8,174)	(48,044)	(116,996)	(20,462)	(131,803)
Payment of lease of right of use	10.2	(563)	(185)	(563)	(1,553)	(362)	(1,553)
Installment payments	15.4	(31)	(14)	(31)	(79)	(29)	(79)
Share issue costs		(7,911)	(666)	(7,911)	(8,880)	(5,160)	(8,880)
Net cash generated by financing activities		<u>1,006,684</u>	<u>66,498</u>	<u>991,877</u>	<u>1,286,572</u>	<u>74,838</u>	<u>1,271,765</u>
Net increase in cash and cash equivalents		<u>755,942</u>	<u>35,666</u>	<u>757,486</u>	<u>806,100</u>	<u>42,245</u>	<u>807,644</u>
Cash and cash equivalents at the beginning of the period		134,925	13,372	134,925	84,767	6,793	84,767
Cash and cash equivalents at the end of the period		890,867	49,038	892,411	890,867	49,038	892,411
<u>Main non-cash transactions recorded in the balance sheet</u>							
Borrowings for acquisition of property and equipment items (FINAME and CDC)		(26,375)	(38,437)	(26,375)	(108,403)	(81,754)	(108,403)
Generation of PIS/COFINS credits on purchases of property and equipment		(14,913)	(6,563)	(14,913)	(37,559)	(11,990)	(37,559)
Effects of CPC 06 (R2)/IFRS 16 - Leases		(9,511)	(1,105)	(9,511)	(14,908)	(2,506)	(14,908)

The accompanying notes are an integral part of this interim financial information.

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ARMAC LOCACAO, LOGISTICA E SERVICOS S.A.

STATEMENTS OF VALUE ADDED

For the nine-month periods ended september 30, 2021 and 2020

(In thousands of Brazilian reais - R\$, unless otherwise stated)

		Parent		Consolidated	Parent		Consolidated
	Note	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Revenues:							
Revenue from leases, services and others	21	106,110	32,571	109,730	242,501	78,806	246,122
Expected credit losses		457	138	457	(554)	(364)	(554)
Third-party services and materials							
Third-party services, materials and others		(21,445)	(7,589)	(21,410)	(46,093)	(17,365)	(46,183)
Gross value added		85,122	25,120	88,777	195,854	61,077	199,385
Depreciation and amortization	22	(11,141)	(3,319)	(11,751)	(30,308)	(9,264)	(30,918)
Wealth created by the Company		73,981	21,801	77,026	165,546	51,813	168,467
Wealth received in transfer							
Finance income	23	9,373	71	9,378	10,386	180	10,391
Others		3,474	276	1,565	3,743	521	1,959
Total wealth for distribution		86,828	22,148	87,969	179,675	52,514	180,817
Personnel expenses							
Salaries and wages		(12,390)	(5,671)	(12,514)	(28,313)	(12,622)	(28,437)
Benefits		(23,848)	(1,724)	(23,879)	(37,076)	(4,004)	(37,107)
Severance Pay Fund (FGTS)		(960)	(394)	(964)	(2,245)	(934)	(2,249)
Social security contribution (INSS)		(2,583)	(1,342)	(2,595)	(5,744)	(3,062)	(5,756)
Taxes, fees and contributions							
Federal		(16,083)	(4,588)	(16,947)	(37,839)	(11,633)	(38,703)
Municipal		(564)	(256)	(564)	(1,473)	(647)	(1,473)
Lenders and lessors							
Interest	24	(16,724)	(4,240)	(16,830)	(34,839)	(9,699)	(34,946)
Shareholders							
Retained earnings		(13,676)	(3,933)	(13,676)	(32,146)	(9,913)	(32,146)
Wealth distributed		(86,828)	(22,148)	(87,969)	(179,675)	(52,514)	(180,817)

The accompanying notes are an integral part of this interim financial information.

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

1.1. The Company and its subsidiaries

Armac Locação, Logística e Serviços S.A. ("Company" or "Armac") is a publicly-held company with its registered office in the municipality of Barueri, State of São Paulo, primarily engaged in the rental of machines, vehicles and equipment for loading, unloading and handling of agricultural, mining and construction materials.

The individual and consolidated interim financial information comprises Armac Locação, Logística e Serviços S.A and RCB Locação de Equipamentos e Máquinas Ltda ("RCB"), which are managed as one single economic entity.

1.2. Initial Public Offering ("IPO")

On July 26, 2021, the Company conducted the primary and secondary public offering of 92,169,803 registered, book-entry common shares, without par value, all free and clear of any liens or encumbrances, issued by the Company ("Shares"), at the price of R\$16.63 per share, totaling R\$1,532,784, consisting of:

- (i) The primary offering of 60,150,376 new Shares ("Primary Offering"); and
- (ii) The secondary offering of 32,019,427 Shares (including Additional Shares) held by the selling shareholders ("Secondary Offering").

After the public offering, the Company became a publicly-held company with shares traded at B3 S.A. - Brasil, Bolsa, Balcão, in the Novo Mercado corporate governance segment, under ticker symbol ARML3.

1.3. COVID-19

The Company has been closely monitoring the evolution of the COVID-19 pandemic, declared by the World Health Organization (WHO), as well as its impacts on the economy.

Since the beginning of the pandemic, the Company has adopted the measures recommended by the proper authorities to protect the health of its employees and to prevent any interruption of its operational activities. The main measures taken are: boosting hygiene protocols; spreading information on the matter in its internal communication channels; cancelling internal events and trips; making working hours more flexible to avoid crowds; implementing telecommuting for groups of professionals; adopting the provisional measures implemented by the Federal Government to postpone the payment of taxes and levies, among others. In light of the current scenario, the Company's Management did not identify any indication of (i) loss due to impairment of its long-lived assets, (ii) deterioration of the default levels of its customer portfolio, (iii) onerous contracts, (iv) drop in revenues or (v) any other significant factor that would raise doubts regarding the continuity of its operations and/or would require adjustments to its interim financial information.

The Company has not identified significant negative impacts on its operations, considering that its activities are mostly related to the agribusiness sector, considered as essential activity due to the production of first necessity products for the population. Up to September 2021, the Company posted a growth of 213% in net revenue in relation to the same period in 2020.

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

2. BUSINESS COMBINATION

2.1. Acquisition of RCB Locação de Equipamentos e Máquinas Ltda

On August 23, 2021, the negotiation and acquisition of 100% of RCB's shares was completed upon the concurrent signature and closing of the deal. The acquisition price was R\$26,498, consisting of:

- (i) R\$22,590 paid in cash on the transaction date;
- (ii) R\$3,000 retained by the Company, to cover any indemnification of liabilities. The amount will be released within up to 24 months counted from the acquisition date, which amount is adjusted by the DI rate;
- (iii) R\$908 paid in October 2021 and related to the net debt and working capital adjustment

2.2. Fair value allocation

The fair value of the identified assets acquired refers to the initial measurement subject to review:

	Fair value
<u>Assets</u>	
Cash and cash equivalents	923
Trade receivables	1,857
Other assets	1
Property and equipment	22,827
Surplus of property and equipment	3,444
Customer portfolio	7,085
Total (a)	<u>36,137</u>
<u>Liabilities</u>	
Borrowings and financing	15,300
Trade payables	439
Taxes payable	547
Payroll and related taxes	238
Other payables	1,974
Total (b)	<u>18,498</u>
Total net assets acquired (a - b)	17,639
Goodwill arising on acquisition	8,860
Total consideration	<u>26,498</u>

Up to the date of completion of this individual and consolidated interim financial information, the Company is at the stage of review of and adjustments to the fair value measurement of identifiable assets acquired and liabilities assumed of the acquiree. This analysis is expected to be completed shortly as soon as Management has all significant information on the facts, which will not exceed 12 months from the acquisition date.

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

3. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The individual and consolidated financial statements have been prepared based on the historical cost, unless otherwise stated. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Management takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.1. Statement of compliance and basis of preparation

The interim financial information has been prepared and is being presented in accordance with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), whose equivalent standard in Brazil is technical pronouncement CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncements Committee (CPC) and approved by CVM.

The significant accounting policies applied in this interim financial information are consistent with the policies described in note 2 to the Company's financial statements for the three-month period ended March 31, 2021, filed with CVM on May 28, 2021, to obtain the registration as listed company.

This interim financial information does not include all requirements for annual or full financial statements and should therefore be read in conjunction with the Company's financial statements for the three-month period ended March 31, 2021. Therefore, in this interim financial information, the following notes were not repeated, either due to redundancy or significance in relation to those already presented in the financial statements:

- Significant accounting policies
- New standards, amendments and interpretations not yet adopted

3.2. Basis of presentation

The interim financial information has been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

All the relevant information disclosed in the interim financial information, and only this information, is being disclosed, and corresponds to the information used by Management to perform its activities.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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4. CONSOLIDATED FINANCIAL STATEMENTS

The financial statements used in the consolidation process have been prepared based on the accounting policies described above and include the financial statements of the Company and its subsidiary RCB, which have been acquired on August 23, 2021, based on the following main criteria: (a) elimination of balances between consolidated companies; (b) elimination of the Parent's investments against the respective investee's equity, as applicable; (c) elimination of income and expenses arising from business between consolidated companies; and (d) elimination of profit on inventories, when applicable, arising from sales between consolidated companies.

As the acquisition took place on August 23, 2021, the Company's Management started to present the consolidated financial statements beginning the third quarter ended September 30, 2021.

Profit for the period ended September 30, 2021 includes revenues and expenses attributable to the businesses added and generated by RCB, as from August 1, 2021.

4.1. Critical accounting judgments and key sources of estimation uncertainties

In applying the Company's significant accounting policies, Management is required to make judgments and prepare estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The main assumptions and estimates for the period ended September 30, 2021 are consistent with those disclosed in the financial statements for the three-month period ended March 31, 2021.

4.2. Authorization for the issue of the financial statements

The Company's Board of Directors, at the meeting held on November 12, 2021, authorized the disclosure of these financial statements.

5. CASH AND CASH EQUIVALENTS

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Cash	41	19	41
Banks - checking account	785	1,571	2,329
Short-term investments - CDB	890,041	83,177	890,041
Total	890,867	84,767	892,411

Short-term investments consist of funds invested in Certificates of Bank Deposits (CDBs) with yield ranging from 95% to 105% of the Certificate of Interbank Deposits (CDI) rate, subject to an insignificant risk of change in value and which can be redeemed immediately.

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6. TRADE RECEIVABLES

6.1. Breakdown of balances

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Trade receivables	70,898	22,837	73,953
Unbilled revenue (*)	23,603	1,706	23,603
Expected credit losses	(1,231)	(677)	(1,231)
Total	93,270	23,866	96,325

(*) For rental contracts whose lease or service provision is in progress at the end of the month and which will be billed in a subsequent period, revenue is calculated according to the respective days incurred and accounted for as unbilled revenue in trade receivables.

6.2. Classification by maturity

The aging list of trade receivables is as follows:

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
<u>Past due</u>			
1 to 30 days	3,183	2,165	3,452
31 to 90 days	1,922	1,622	2,151
91 to 180 days	1,389	275	1,389
Over 180 days	1,073	476	1,073
Subtotal – past due	7,567	4,538	8,065
<u>Current</u>			
1 to 30 days	76,382	9,782	78,365
31 to 90 days	7,749	9,167	8,318
91 to 180 days	2,803	994	2,808
Over 180 days	-	62	-
Subtotal – current	86,934	20,005	89,491
Total	94,501	24,543	97,556

6.3. Variations in expected credit losses

Variations in the allowance for expected credit losses are as follows:

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Opening balance	(677)	(397)	(677)
(+) Recognition	(1,379)	(619)	(1,379)
(-) Recoveries	825	339	825
Closing balance	(1,231)	(677)	(1,231)

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7. INVENTORIES

Inventories include parts and maintenance materials and consumables, which are used in the maintenance of machinery, equipment and vehicles. The cost of inventories is based on the principle of average cost, and is measured at the historical cost of acquisition plus transport expenditures and non-recoverable taxes.

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Parts and maintenance materials	7,784	1,955	7,784
Consumables	-	30	-
Total	<u>7,784</u>	<u>1,985</u>	<u>7,784</u>

8. RECOVERABLE TAXES

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Taxes on revenue (PIS and COFINS)	32.133	9.299	32.133
Corporate Income Tax (IRPJ) and Social Contribution (CSLL)	980	305	980
Social security contribution (INSS)	1,220	156	1,220
Others	2,291	206	2,291
Total	<u>36,624</u>	<u>9,967</u>	<u>36,624</u>
Current assets	36,376	9,649	36,376
Noncurrent assets	248	318	248
Total	<u>36,624</u>	<u>9,967</u>	<u>36,624</u>

9. OTHER ASSETS

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Prepaid expenses	2,218	1,515	2,218
Insurance premiums receivable	1,975	-	1,975
Others	2,311	1,170	2,315
Total	<u>6,504</u>	<u>2,685</u>	<u>6,508</u>
Current assets	6,094	1,970	6,098
Noncurrent assets	410	715	410
Total	<u>6,504</u>	<u>2,685</u>	<u>6,508</u>

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10. INVESTMENTS

The relevant information on the subsidiary is as follows:

	Ownership interest (%)		Share of profit (loss) of subsidiaries		Investment balance	
	2020	2021	2020	2021	2020	2021
RCB (a)	-	100%	-	1,778	-	36,011
Total			-	1,778	-	36,011

- (a) RCB Locação de Equipamentos e Máquinas Ltda is mainly engaged in the rental of elevating work platforms in Brazil. RCB was acquired in August 2021 by Armac.

The main information on subsidiary RCB is as follows:

Balance sheet	09/30/2021	Profit	Aug-Sep 2021
Assets	37,429	Net revenue	3,488
Liabilities	1,418	Profit for the year	1,778
Equity	36,011		

Variations in the investment in subsidiary RCB are as follows:

	09/30/2021
Opening balance	17,639
(+) Share of profit (loss) of subsidiaries	1,778
(+) Advance for future capital increase	16,594
Closing balance	36,011

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11. PROPERTY AND EQUIPMENT

11.1. Breakdown of property and equipment

	PARENT						
	Leasehold improvements	Right of use in lease	Machinery and equipment for rental	Vehicles and equipment for support	Furniture and IT equipment	Construction in progress	Total
Acquisition cost							
Balance as at December 31, 2019	412	-	105,118	6,337	194	66	112,127
(+) Additions	868	14,920	194,795	11,243	723	2,801	225,350
(-) Write-off of assets	-	-	(1,817)	-	(5)	-	(1,822)
Balance as at December 31, 2020	1,280	14,920	298,096	17,580	912	2,867	335,655
(+) Additions	763	15,555	526,603	32,650	5,264	27,259	608,094
(-) Write-off of assets	(858)	(647)	(6,109)	(711)	(68)	-	(8,393)
Balance as at September 30, 2021	1,185	29,828	818,590	49,519	6,108	30,126	935,356
Depreciation							
Balance as at December 31, 2019	(24)	-	(12,690)	(947)	(35)	-	(13,696)
(+) Additions	(109)	(837)	(14,568)	(501)	(79)	-	(16,094)
(-) Write-off of depreciation	-	-	414	26	-	-	440
Balance as at December 31, 2020	(133)	(837)	(26,844)	(1,422)	(114)	-	(29,350)
(+) Additions	(171)	(2,158)	(24,987)	(2,681)	(285)	-	(30,282)
(-) Write-off of depreciation	154	-	715	121	-	-	990
Balance as at September 30, 2021	(150)	(2,995)	(51,116)	(3,982)	(399)	-	(58,642)
Net residual value							
As at December 31, 2020	1,147	14,083	271,252	16,158	798	2,867	306,305
As at September 30, 2021	1,035	26,833	767,474	45,537	5,709	30,126	876,714
Annual depreciation rate							
As at December 31, 2020	29%	10% to 57%	10%	10%	10% to 20%		
As at September 30, 2021	29%	10% to 57%	5% to 6.66%	6.66 to 10%	10% to 20%		

Part of the acquisitions of property and equipment were made through Government Agency for Machinery and Equipment Financing (FINAME) and Direct Consumer Credit (CDC) with direct payment to the supplier, with no cash flow involved in the initial operation . Therefore, these acquisitions are not presented in the statement of cash flows. These acquisitions totaled R\$108,403 as at September 30, 2021 and (R\$81,754 as at September 30, 2020). Up to September 30, 2021, the Company obtained PIS and COFINS credits amounting to R\$37,559 (R\$11,990 as at December 31, 2020) resulting from machinery purchases.

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	CONSOLIDATED						
	Leasehold improvements	Right of use in lease	Machinery and equipment for rental	Vehicles and equipment for support	Furniture and IT equipment	Construction in progress	Total
Acquisition cost							
Balance as at December 31, 2019	412	-	105,118	6,337	194	66	112,127
(+) Additions	868	14,920	194,795	11,243	723	2,801	225,350
(-) Write-off of assets	-	-	(1,817)	-	(5)	-	(1,822)
Balance as at December 31, 2020	1,280	14,920	298,096	17,580	912	2,867	335,655
(+) Additions	763	15,555	526,683	32,650	5,264	27,259	608,174
(+) Acquisition of RCB's assets	-	-	25,821	421	29	-	26,271
(-) Write-off of assets	(858)	(647)	(6,109)	(711)	(68)	-	(8,393)
Balance as at September 30, 2021	1,185	29,828	844,491	49,940	6,137	30,126	961,707
Depreciation							
Balance as at December 31, 2019	(24)	-	(12,690)	(947)	(35)	-	(13,696)
(+) Additions	(109)	(837)	(14,568)	(501)	(79)	-	(16,094)
(-) Write-off of depreciation	-	-	414	26	-	-	440
Balance as at December 31, 2020	(133)	(837)	(26,844)	(1,422)	(114)	-	(29,350)
(+) Additions	(171)	(2,158)	(25,274)	(2,707)	(287)	-	(30,597)
(-) Write-off of depreciation	154	-	715	121	-	-	990
Balance as at September 30, 2021	(150)	(2,995)	(51,403)	(4,008)	(401)	-	(58,957)
Net residual value							
As at December 31, 2020	1,147	14,083	271,252	16,158	798	2,867	306,305
As at September 30, 2021	1,035	26,833	793,088	45,932	5,736	30,126	902,750
Annual depreciation rate							
As at December 31, 2020	29%	10% to 57%	10%	10%	10% to 20%		
As at September 30, 2021	29%	10% to 57%	5% to 6.66%	6.66 to 10%	10% to 20%		

Part of the acquisitions of property and equipment were made through Government Agency for Machinery and Equipment Financing (FINAME) and Direct Consumer Credit (CDC) with direct payment to the supplier, with no cash flow involved in the initial operation. Therefore, these acquisitions are not presented in the statement of cash flows. These acquisitions totaled R\$108,403 as at September 30, 2021 and (R\$81,754 as at September 30, 2020). Up to September 30, 2021, the Company obtained PIS and COFINS credits amounting to R\$37,559 (R\$11,990 as at December 31, 2020) resulting from machinery purchases.

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11.2. Right of use and lease of right of use

The Company's Management analyzed its contracts and concluded that they fall within the classification of lease.

Variable rentals from short-term or low-value contracts that were not recognized as right of use for the period are recorded in line item "Other costs" shown in note 22, totaling R\$1,251 as at September 30, 2021 (R\$1,390 as at September 30, 2020). Amounts due and not paid by September 30, 2021 are considered in the balance sheet within the amount recorded in "Trade payables".

The lease amounts are recorded in the right-of-use account, in "Property and equipment" line item and their depreciation occurs within the contractual term.

The contractual period was considered to determine the lease period. If the contract contains a clause specifying automatic renewal for the same period or another, and if the Company wishes to remain in the property, the calculation of the lease term shall be the sum of both periods. If the contract does not specify renewal or specifies that it shall be extended only with the consent of both parties, the term of the lease shall be the period contained in the contract. In addition, the Company does not have contracts signed with indefinite terms.

Variations in lease liabilities by right of use are as follows:

	Properties - related parties (note 18)	Contracts with third parties Amount	Parent and Consolidated Total
As at December 31, 2019	-	-	-
(+) New operations	12,411	2,497	14,908
(+) Interest incurred	147	121	268
(-) Principal repayment	(241)	(452)	(693)
(-) Interest payment	(147)	(121)	(268)
As at December 31, 2020	12,170	2,045	14,215
(+) New operations	-	15,641	15,641
(+) Interest incurred	602	349	951
(-) Contract termination	-	(773)	(773)
(-) Principal repayment	(766)	(787)	(1,553)
(-) Interest payment	(602)	(349)	(951)
As at September 30, 2021	11,404	16,126	27,530

	Parent	
	09/30/2021	12/31/2020
Current	1,612	1,156
Noncurrent	25,918	13,059
Total	27,530	14,215

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The respective amounts are recorded in the lease liability account and the balance will be amortized by monthly payments. Future payments were adjusted to present values at a weighted average rate of 7% per annum, where the contract ends in 2030.

Future payments to be made to the lessor may generate the right to PIS and COFINS credits when the lessor is a legal entity. Since the vast majority of lease contracts are linked to individuals, Management concluded that there are no impacts from these transactions to be disclosed.

In compliance with CVM Circular Letter 02/2019 and NBC TG 06 (R3) / IFRS 16, justified by the fact that the Company did not apply the nominal flow methodology due to the prohibition imposed by NBC TG 06 (R3) of future inflation projection and with the objective of providing additional information to users, the analysis of contracts and undiscounted installments as at September 30, 2021 is presented below:

Year	Net present value	Embedded interest (future)	Discounted installments
2021	318	480	798
2022	2,599	1,895	4,494
2023	4,151	1,735	5,886
2024	4,406	1,515	5,921
2025	4,536	1,291	5,827
2026	4,659	1,033	5,692
2027	2,416	825	3,241
2028	1,443	782	2,225
2029	1,574	741	2,315
2030	1,428	571	1,997
Total	27,530	10,868	38,396

11.3. Review of useful lives

During the period ended September 30, 2021, pursuant to its accounting policy of annually revaluating the useful life of its assets, the Company has hired a specialized asset valuation company, which has analyzed the useful life of the assets in conformity with CPC 27 – Property, Plant and Equipment and ICPC 10 – Interpretation on application. Such valuation also considered that the Company has expanded its maintenance center with the creation of asset monitoring programs and, as a result of such valuation, the useful life of the assets analyzed increased as follows: yellow line from 10 years to 15 years, truck from 10 years to 15 years, elevating work platforms from 10 years to 20 years.

11.4. Impairment of assets

In accordance with IAS 36/CPC 1 - Impairment of Assets, the Company's property and equipment items are tested for impairment at least annually if there is indication that certain assets are impaired.

Based on the results obtained in the quarter and expected results for the year, the Company's Management concluded that there is no need to record the impairment of its assets.

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12. INTANGIBLE ASSETS

12.1. Breakdown of intangible assets

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
System and applications	470	153	470
Trademarks and patents	460	300	460
Goodwill on acquisition of subsidiaries	8,860	-	8,860
Surplus of customer portfolio	-	-	6,790
Total	<u>9,790</u>	<u>453</u>	<u>16,580</u>

12.2. Variations in intangible assets

	Parent		Consolidated
	12/31/2019 to 12/31/2020	12/31/2020 to 09/30/2021	12/31/2020 to 09/30/2021
At the beginning of the period	79	453	453
(+) Goodwill on acquisition of subsidiaries	-	8,860	8,860
(+) Customer portfolio	-	-	7,085
(+) Additions	410	504	504
(-) Amortization	(36)	(26)	(321)
At the end of the period	<u>453</u>	<u>9,791</u>	<u>16,581</u>

13. TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. They are recorded at fair value on the date of acquisition:

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Domestic suppliers	<u>60,997</u>	<u>12,781</u>	<u>61,535</u>
Total	<u>60,997</u>	<u>12,781</u>	<u>61,535</u>

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14. BORROWINGS AND FINANCING

14.1. Breakdown of balances

Lender	Type	Rate per year (%)	Maturity	Parent		Consolidated
				09/30/2021	12/31/2020	09/30/2021
Debentures – 1 st issue		CDI + 3.35%	2026	300,280	-	300,280
Banco ABC Brasil	Working capital	Fixed rate - 12.2% / CDI + 5.3%	2022-23	10,637	11,593	10,637
Banco BOCOM BBM	Working capital	CDI + 4.15%	2024	10,048	10,044	10,048
Banco Bradesco	CDC	Fixed rate - 9.9 – 10.1%	2025	3,787	4,337	3,787
	Finame	SELIC + 4.1 – 5.3%	2025-26	23,552	6,228	23,552
Banco BTG Pactual	Working capital	CDI + 4.3%	2025	30,021	30,022	30,021
	CCE	CDI + 4.15%	2026	50,198	-	50,198
Banco do Brasil	Working capital	CDI + 4.5%	2024	39,464	39,992	39,464
Banco Itaú	Working capital	CDI + 3.65%	2026	35,611	40,072	35,611
Banco John Deere	CDC	Fixed rate - 8.7 – 9.9%	2024-25	17,972	46,822	17,972
	Finame	SELIC + 4.1%	2025-26	9,248	4,624	9,248
Banco Safra	Working capital	Fixed rate - 9.9%	2024	2,637	3,167	2,637
	CDC	Fixed rate – 11.2%	2023	1,217	1,619	1,217
	Finame	SELIC + 3.1 – 4.1%	2025	18,979	-	18,979
Banco Santander	Working capital (4131)	CDI + 3.8-4.7%	2026	88,006	-	88,006
	CDC	Fixed rate - 9.8 – 10.2%	2025	17,923	34,161	17,923
	Lease	Fixed rate – 10.6 – 11.6%	2023	1,256	1,694	1,256
Banco Volvo	CDC	Fixed rate – 9.6%	2025	-	14,294	-
	Finame	SELIC + 3.6 – 4.6%	2026-27	62,578	5,373	62,578
Other institutions	Working capital / CDC / lease	Fixed rate – 10.3 – 13.6%	2022-25	4,815	35,874	4,815
Subtotal				728,229	289,916	728,229
(-) Unamortized costs				(5,490)	(1,361)	(5,490)
Total				722,739	288,555	722,739
Current liabilities				124,893	64,963	124,893
Noncurrent liabilities				597,846	223,592	597,846

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Finame: financing for investments in machinery and equipment used in operations. Contracts have grace periods for the payment of principal that can last up to one year. In all the Company's FINAME contracts, the financed good is pledged as guarantee for the financing transaction.

CDC: financing for investments in machinery and equipment used in operations. Contracts have grace periods for the payment of principal that can last up to one year. Under all the Company's CDC agreements, the financed asset is assigned as collateral of the financing.

Leases: lease contracts for investments in machinery and equipment used in operations. Contracts have grace periods for the payment of principal that can last up to one year.

Working capital: Bank credit notes acquired from financial institutions to finance the Company's working capital and to purchase machinery and equipment for operations.

CCE: Export credit notes acquired from financial institutions to finance the purchase of machinery and equipment for operations.

14.2. Debenture characteristics

On April 28, 2021, the Company carried out its first issue of simple non-convertible debentures, in a single series, with real guarantees, pursuant to CVM Instruction 476, for public offering, in the total amount of R\$200,000, with restricted placement efforts, maturing on April 28, 2026, with a 12-month grace period for principal payment ("Debentures - 1st Issue").

On June 25, 2021, the first amendment to the private indenture of the first debenture issue was signed, through which the Company decided to change the amount of debentures issued to 300,000 debentures and, consequently, the total amount of the issue to R\$300,000. On July 30, 2021, the public offering with restricted efforts was closed with all debentures subscribed and paid up.

The remuneration of the Debentures - 1st Issue, after the IPO, is equivalent to 100% of the accumulated variation of daily average DI rates, plus a surcharge of 3.35% p.a.

14.3. Variations in borrowings and financing

	Parent		Consolidated
	12/31/2019 to 12/31/2020	12/31/2020 to 09/30/2021	12/31/2020 to 09/30/2021
At the beginning of the period	72,824	288,555	288,555
(+) Proceeds from borrowings and financing (*)	247,266	553,555	553,555
(+) Accrued interest	14,802	32,067	32,169
(-) Repayment of principal (**)	(31,904)	(116,996)	(117,098)
(-) Interest paid	(12,756)	(28,775)	(28,775)
(-) Issue costs	(1,677)	(5,667)	(5,667)
At the end of the period	<u>288,555</u>	<u>722,739</u>	<u>722,739</u>

(*) Of the funds raised, R\$108,403 (R\$81,754 in September 2020) refers to financing for the acquisition of property and equipment with Finame and CDC.

(**) Of the principal repayment, R\$97,660 refers to prepayments of debts as at September 30, 2021.

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14.4. Repayment schedule

As at September 30, 2021, the repayment schedule is shown below, by year of maturity:

Year	09/30/2021
2021	17,780
2022	152,399
2023	178,047
2024	173,490
2025	153,009
2026	49,465
2027	4,039
	<u>728,229</u>

14.5. Covenants and Guarantees

A portion of the borrowing and financing agreements with financial institutions is subject to acceleration clauses, which, among others, include:

- i) The Company's obligation to submit the annual financial statements, duly audited by independent auditors;
- ii) Restriction to capital decreases;
- iii) Restriction to change direct or indirect control;
- iv) Covenant establishing that the net debt-to-equity ratio on EBITDA for the last 12 months should be equal to 3.50x or less in 2021, 3.25x in 2022 and 3.0x as from 2023. The borrowing and financing agreements that include the covenant are those signed with Banco ABC Brasil, Banco Itaú, Banco BTG Pactual, Banco Santander, Banco Safra and the Debentures - 1st Issue;
- v) Restriction to the distribution of dividends above 25% of the profit of the previous year if the net debt-to-equity ratio on EBITDA for the last 12 months of the current year exceeds 3.0x. This ratio is verified annually and does not apply to dividends declared in 2020. The borrowing and financing agreements that include the clause restricting the distribution of dividends are those signed with Banco Itaú and the Debentures – 1st Issue;

Borrowings and financing are collateralized by the financed assets, lease contracts with customers and the approval of the Company's controlling shareholders. As at September 30, 2021, the Company was compliant with those covenants.

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15. PAYROLL AND RELATED TAXES

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Payroll	3,036	1,094	3,036
Severance Pay Fund (FGTS)	398	195	398
Social Security Contribution (INSS)	1,396	604	1,396
Withholding Income Tax (IRRF)	602	186	602
Provision for vacation pay and 13 th salary	7,110	2,204	7,110
Provision for bonus	1,281	-	1,281
Total	13,823	4,283	13,823

16. TAXES IN INSTALLMENTS

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Law 11,941/09 – REFIS	95	117	95
Law 13,496/17 – PERT	277	299	277
Simplified INSS	221	271	221
Total	593	687	593
Current assets	132	130	132
Noncurrent assets	461	557	461
Total	593	687	593

16.1. Law 11,941/09 - Tax Recovery Program (REFIS)

On October 27, 2009, the Company enrolled in the Government's debt refinancing program for the payment of tax debts in 180 installments. Tax debts refer to PIS, COFINS, IRRF, IRPJ and CSLL.

On November 29, 2009, the Company obtained the consolidation of the balance of enrollment in said installment program, carried out by the Brazilian Federal Revenue Service and the impacts of this consolidation were duly recorded at that time.

16.2. Special Tax Regularization Program (PERT)

During 2017, the Company opted for the enrollment in PERT related to the “social security and non-social security” debts, which permitted the regularization of debts that were pending payment. Due to the conditions established by the program, the Company decided to guarantee the discounts of 80% for interest and 40% for fine that fell within item III, b – Art. 2, MP 783.

In 2019, the Company obtained the consolidation of the balances of enrollment in the aforementioned “social security and non-security” installment payments, which was carried out by the Brazilian Federal Revenue Service.

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16.3. Simplified INSS

During 2020, the Company opted for the enrollment in the Simplified INSS, which permitted the regularization of pending social security debts in 60 installments.

16.4. Variations installment payments

	Parent	
	09/30/2021	12/31/2020
At the beginning of the period	687	449
(+) New installment payments	-	317
(-) Principal repayment	(79)	(57)
(-) Interest paid	(15)	(22)
At the end of the period	593	687

17. PROVISION FOR CIVIL, TAX AND LABOR RISKS

The Company considers all available information regarding the proceedings to which it is a party to define the estimates of the amounts of obligations and the likelihood of cash disbursements. The Company records provisions sufficient to cover losses deemed probable and for which a reliable estimate can be made. For the periods ended September 30, 2021 and December 31, 2020, no provision was recognized, considering that in the assessment of Management and the legal counsel, there is no loss assessed as probable.

Lawsuits with a possible likelihood of loss

Management did not consider necessary to recognize a provision for ongoing lawsuits for which the likelihood of loss was assessed as possible by the legal counsel, as follows:

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Civil	395	395	395
Tax	50	-	50
Labor	811	45	811
Total	1,256	440	1,256

18. EQUITY

18.1. Issued capital

As at September 30, 2021, subscribed capital is R\$1,127,814, represented by common shares with no par value (R\$76,205 comprising 971,039 shares as at December 31, 2020). As at September 30, 2021, shares were held as follows:

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	09/30/2021		12/31/2020	
	Number of shares	Ownership interest %	Number of shares	Ownership interest %
Controlling shareholders	173,837,520	50.28%	689,078	70.96%
SPEED FIP Multiestratégia	77,945,453	22.54%	281,961	29.04%
Others	93,976,548	27.18%	-	-
	<u>345,759,521</u>	<u>100.00%</u>	<u>971,039</u>	<u>100.00%</u>

All shares have the same rights in relation to the Company's residual assets. Holders of common shares are entitled to receive dividends and one vote per share in the Company's deliberations.

In March 2020, the Company's shareholders increased capital by R\$475 by issuing 474,938 new shares, with a par value of R\$1.00 per share. Next, the Company's shareholders approved its transformation from a limited liability company to a privately-held company, regulated in accordance with the provisions of Law 6,404 of December 15, 1976, as amended ("Brazilian Corporate Law").

In June 2020, the issue of 266,101 new common shares at a global price of R\$75,500, which was allocated to the Company's capital, was carried out through the contract for subscription and purchase and sale of shares. All new common shares were subscribed by the new shareholder SPEED Fundo de Investimento em Participações Multiestratégia. At that time, R\$5,168 was recorded as issue costs paid to the bank, lawyers and consultants involved in the operation.

In February 2021, the Company issued 176,266 new common shares at a global price of R\$50,404, which was allocated to the Company's capital. All the new common shares were subscribed by SPEED Fundo de Investimento em Participações Multiestratégia. At that time, R\$ 969 was recorded regarding issue costs paid to advisors involved in the operation. On May 10, 2021, the controlling shareholders exercised the warrants, resulting in the issue of 35,245 new common shares at a global price of R\$35.25, which was allocated to the Company's capital.

On July 2, 2021, the Company carried out (i) the split of the Company's shares, without changing the amount of the Company's capital, at the ratio of 240 common shares in exchange for each 01 outstanding common share. Accordingly, the Company's capital went from 1,182,510 registered common shares without par value, fully subscribed and paid up, to 283,802,400 registered, book-entry common shares without par value, fully subscribed and paid up; (ii) issue of 1,806,745 new common shares at a global price of R\$903, which was allocated to the Company's capital. All new common shares were subscribed by the Company's executives.

On July 26, 2021, the Company completed the pricing of the subsequent primary and secondary public offering of its registered, book-entry common shares, without par value, all free and clear of any liens or encumbrances, at the price per share of R\$16.63, totaling R\$1,532,784 of which: (i) 60,150,376 new shares, which will result in a capital increase of R\$1,000,301, approved at the meeting of the Board of Directors held on July 26, 2021; and (ii) 32,019,427 selling shareholders' shares, considering additional shares. On July 27, 2021, with the primary offering, the Company's capital was paid up in the amount of R\$1,000,301, and, at this occasion, it recorded the amount of R\$58,996 relating to issue costs. In addition to the transaction costs, expenses on executives' bonus were recorded in the amount of R\$10,362, relating to the IPO.

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18.2. Capital reserve - share premium

The capital reserve as at September 30, 2021 is R\$125,462 (R\$75,234 as at December 31, 2020), referring to the goodwill generated on the issue of 442,327 new registered shares, without par value, subscribed and paid up by SPEED Fundo de Investimento em Participações Multiestratégia.

18.3. Dividend distribution policy

Distribution of mandatory minimum dividends, in a percentage to be defined in the General Meeting, considering the rules laid down in the prevailing legislation (minimum of 25% of the profit for the year, after the recognition of the legal reserve).

In February 2021, shareholders were paid R\$5,500, referring to dividends approved in 2020. On May 10, 2021, the shareholders approved the distribution of dividends of R\$20,428, through the earnings reserve. Dividends were paid in August 2021.

Based on the period ended September 30, 2021, Management proposed the distribution of dividends, which can be approved at the meeting of the Board of Directors in the amount of R\$23,257.

18.4. Legal reserve

This reserve shall be set up as required by the Brazilian Corporate Law and the bylaws, based on 5% of the profit for the year up to 20% of capital. The objective of the legal reserve is to ensure the integrity of capital and it can only be utilized to offset losses or increase capital.

19. RELATED-PARTY TRANSACTIONS

The transactions carried out between the Company and related parties are summarized as follows:

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
Remuneration of guarantees provided (i)	600	608	600
Lease of right of use (ii)	1,533	388	1,533
Total	2,133	996	2,133

- (i) Refers to the remuneration of guarantees provided (surety) by the controlling shareholders of the Company in borrowing and financing agreements. The determined remuneration is 1% p.a. of the average guaranteed balance for the period, in line with market costs for a bank guarantee or performance bond. The expense recorded in profit or loss for the period amounted to R\$600. As at September 30, 2021, this remuneration was extinguished and the outstanding balance was paid.
- (ii) The balance refers to the payment of rentals for the buildings that operate as maintenance center for the machinery, which are owned by part of the controlling shareholders of the Company (note 7.2).

The compensation of the Company's officers for the nine-month period ended September 30, 2021 was R\$4,562 (R\$557 as at September 30, 2020), considered a short-term benefit, recorded within "General and administrative expenses" in profit or loss for the period.

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20. INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation of income tax and social contribution calculated at the statutory rate provided for in the tax legislation and the income tax and social contribution expenses recorded in the statement of income for the period are shown below.

20.1. Reconciliation of income tax and social contribution expenses

The income tax and social contribution calculations were made based on taxable income in the Parent and on deemed income in the subsidiary in 2021 and 2020. The table below shows the reconciliation of income tax and social contribution at the effective tax rate:

	Parent		Consolidated
	09/30/2021	30/09/2020	09/30/2021
Profit before income tax and social contribution	49,783	15,964	50,159
Statutory rate	34%	34%	34%
Income tax and social contribution expenses	<u>(16,926)</u>	<u>(5,428)</u>	<u>(17,054)</u>
<u>Effect of permanent additions (deductions) in the calculation of taxes</u>			
(-) Tax depreciation due to the disposal of assets	(498)	(221)	(498)
(-) Non-deductible costs and expenses	(606)	(206)	(606)
(+) Share issue costs - CPC 08 (R1)	329	1,528	329
(-) Share of profit (loss) of subsidiaries	605	-	-
(+) Others	(541)	(1,725)	(184)
Income tax and social contribution expenses	<u>(17,637)</u>	<u>(6,052)</u>	<u>(18,013)</u>
Current	-	-	(376)
Deferred	<u>(17,637)</u>	<u>(6,052)</u>	<u>(17,637)</u>
Total	<u>(17,637)</u>	<u>(6,052)</u>	<u>(18,013)</u>
Effective tax rate	35%	38%	35%

20.2. Deferred income tax and social contribution

Deferred income tax and social contribution are recorded to reflect future tax effects attributable to temporary differences. Deferred income tax and social contribution are comprised as follows:

	Parent	
	09/30/2021	12/31/2020
<u>Assets</u>		
Accrued payables	-	608
Allowance for expected credit losses	1,380	280
Provision for executives' bonus	1,281	-
Tax losses	73,569	7,329
Lease adjustment - CPC 06	<u>2,500</u>	<u>961</u>
Total	<u>78,730</u>	<u>9,178</u>
Statutory rate	34%	34%
Deferred assets	<u>26,768</u>	<u>3,121</u>

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	Parent	
	09/30/2021	12/31/2020
Liabilities		
Lease adjustment - CPC 06	3,139	1,105
Difference - tax and economic depreciation	121,166	60,779
Total	124,305	61,884
Statutory rate	34%	34%
Deferred liabilities	42,264	21,041
Deferred income tax and social contribution, net	15,496	17,920

Variations in deferred assets and liabilities are as follows:

	Parent	
	09/30/2021	12/31/2020
At the beginning of the period	17,920	10,974
Deferred assets and liabilities recognized in profit or loss for the period	17,637	6,946
Deferred assets and liabilities recognized in equity	(20,061)	-
At the end of the period	15,496	17,920

21. NET REVENUE

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Lease of equipment and provision of services	105,671	32,194	109,291	239,432	78,429	243,053
Sales of property and equipment used	439	377	439	3,069	377	3,069
Gross operating revenue	106,110	32,571	109,730	242,501	78,806	246,122
(-) Taxes on sales	(8,849)	(3,227)	(8,981)	(23,296)	(7,589)	(23,429)
Net operating revenue	95,858	29,344	99,346	219,205	70,947	222,693
Tax on revenue (COFINS)	(6,822)	(2,445)	(6,930)	(17,972)	(5,937)	(18,083)
Tax on revenue (PIS)	(1,481)	(531)	(1,505)	(3,903)	(1,289)	(3,925)
Service tax (ISS)	(546)	(251)	(546)	(1,421)	(633)	(1,421)
Total taxes on sales	(8,849)	(3,227)	(8,981)	(23,296)	(7,859)	(23,429)

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22. EXPENSES BY NATURE

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Depreciation	10,969	4,023	11,578	29,997	9,196	30,606
Personnel expenses	20,131	7,480	20,302	45,998	17,186	46,169
Inputs, parts and maintenance services	9,607	3,314	9,816	20,941	7,551	21,149
Fuel and transportation costs	4,302	1,478	4,356	9,000	3,951	9,054
Cost of sales of assets	322	304	322	2,868	638	2,868
Extraordinary bonus	239	-	239	239	-	239
Other costs	1,127	(362)	928	2,338	463	2,140
Costs of services	<u>46,697</u>	<u>16,237</u>	<u>47,541</u>	<u>111,381</u>	<u>38,985</u>	<u>112,225</u>
Depreciation and amortization	172	28	173	311	68	312
Personnel expenses	7,709	1,557	7,709	14,499	3,004	14,499
Advisors' expenses (*)	2,209	270	2,240	3,031	655	3,062
Administrative and selling expenses	2,285	932	2,315	4,740	2,321	4,771
Allowance for doubtful debts	368	(80)	368	1,379	364	1,379
Loss on receivables	(161)	24	(161)	(53)	63	(53)
Extraordinary bonus	11,151	-	11,151	11,151	-	11,151
Other income and expenses	(698)	(114)	(371)	308	4	634
Operating expenses	<u>23,035</u>	<u>2,617</u>	<u>23,424</u>	<u>35,366</u>	<u>6,479</u>	<u>35,755</u>

(*) Includes the expense of R\$1,572 related to the financial advisor in the acquisition of subsidiary.

23. FINANCE INCOME

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Short-term investment yield	8,991	42	8,992	9,890	109	9,890
Fine and interest	340	25	340	445	67	445
Financial discounts obtained	42	4	46	51	4	56
Total	<u>9,373</u>	<u>71</u>	<u>9,378</u>	<u>10,386</u>	<u>180</u>	<u>10,391</u>

24. FINANCE COSTS

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Interest on borrowings and financing	15,514	3,860	15,614	32,068	9,080	32,169
Interest and fine	168	7	172	192	60	196
Other expenses	168	86	170	239	160	240
Discounts granted	458	31	458	787	103	787
Commission on guarantees and sureties	-	217	-	600	217	600
Interest on lease of right of use	416	39	416	953	79	953
Total	<u>16,724</u>	<u>4,240</u>	<u>16,830</u>	<u>34,839</u>	<u>9,699</u>	<u>34,945</u>

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25. EARNINGS PER SHARE

	Parent		Consolidated	Parent		Consolidated
	3Q 2021	3Q 2020	3Q 2021	9M 2021	9M 2020	9M 2021
Profit for the period	13,676	3,933	13,676	32,146	9,912	32,146
Weighted average number of shares for the period (in thousands)	345,760	971	345,760	345,760	971	345,760
Basic and diluted earnings per share (in R\$)	0.04	4.05	0.04	0.09	10.21	0.09

26. FINANCIAL INSTRUMENTS

26.1. Categories of financial instruments

	Parent		Consolidated
	09/30/2021	12/31/2020	09/30/2021
<u>Financial assets</u>			
Cash and cash equivalents	890,867	84,767	892,411
Trade receivables	93,270	23,866	96,325
Total	984,137	108,633	988,736
<u>Financial liabilities</u>			
Trade payables	60,997	12,781	61,535
Borrowings and financing	722,739	288,555	722,739
Related parties	-	608	-
Dividends payable	-	5,500	-
Lease of right of use	27,530	14,215	27,530
Total	811,266	321,659	811,804

26.2. Financial and foreign exchange risks

The Company's activities are subject to financial risks: credit risk and liquidity risk. To ensure that the Company has sufficient cash to meet operational needs, Management monitors the continuous estimates of the Company's liquidity requirements.

The Company does not conduct significant transactions with foreign suppliers, accordingly, there are no amounts exposed to foreign exchange risk as at September 30, 2021.

26.3. Sensitivity analysis

Interest rate risk

The Company obtains borrowings from major financial institutions to meet cash requirements for investments and growth. As a result, the Company is exposed to the interest rate risk relating to the CDI and SELIC. As at September 30, 2021, the Company has R\$677,787 of balance of borrowings and financing, which are remunerated at the CDI or SELIC rate.

The sensitivity to the risk of an increase in the CDI and SELIC rates that would affect the Company's finance costs is shown below, considering the scenarios with an increase from 26% to 52% of the CDI rate, based on Selic's projection of 9.5% at the end of 2022, according to the Focus report of the Central Bank of Brazil of October 22, 2021.

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	Balance 09/30/2021	Scenario I 9.5%	Scenario II 12.0%	Scenario III 14.5%
Average CDI rate for the next 12 months				
Finance costs from borrowings not remunerated at the CDI and SELIC rates	50,442	4,117	4,117	4,116
Finance costs from borrowings remunerated at the CDI and SELIC rates	677,787	75,299	95,714	107,585
Finance costs from borrowings remunerated and not remunerated at the CDI and SELIC rates	728,229	79,416	99,831	111,701

Credit risk management

The credit policies established by Management are intended to minimize customer default impacts and to diversify its operations. No single customer accounted for more than 10% of net operating revenue.

Liquidity risk management

To monitor cash liquidity, assumptions of future disbursements and receipts are established, and these are monitored on a periodic basis by Management. The table below shows in detail the maturity of the contracted financial liabilities:

	Up to 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
<u>Parent</u>					
Trade payables	60,997	-	-	-	60,997
Borrowings and financing	125,722	178,116	177,311	241,590	722,739
Lease of right of use	1,612	2,599	4,151	19,168	27,530
<u>Consolidated</u>					
Trade payables	61,535	-	-	-	61,535
Borrowings and financing	170,179	178,047	173,490	206,513	728,229
Lease of right of use	1,612	2,599	4,151	19,168	27,530

27. INSURANCE

The Company has the practice of insuring the assets exposed to risks in amounts considered sufficient by Management to cover potential losses, taking into consideration the nature of its activities. As at September 30, 2021, the Company had insurance contracted for property and equipment items amounting to R\$798,122, with policies valid from December 2021 to December 2022.

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28. NON-CASH TRANSACTIONS

Non-cash transactions are described below:

Classification in the financial statements	Line item	Note	Nature of transaction	Parent		Consolidated
				09/30/2021	09/30/2020	09/30/2021
Assets	Property and equipment	7.1	Direct financing for acquisition of property and equipment items	108,403	81,754	108,403
Liabilities	Borrowings and financing	10.2		108,403	81,754	108,403
Assets	Property and equipment – right of use	7.1	Effects of IFRS 16	14,908	2,506	14,908
Liabilities	Lease of right of use	9.2		14,908	2,506	14,908
Equity	Capital	17.1	IPO transaction costs	51,551	-	51,551
Equity	Share issue costs	17.1		51,551	-	51,551
Assets	Total assets		Opening balances of assets and liabilities upon acquisition of RCB	-	-	36,136
Assets	Total liabilities			-	-	36,136

29. SEGMENT INFORMATION

The Company has only one operating segment defined as equipment rental. The Company has a single business unit for commercial and managerial purposes. Management evaluates the total performance of the Company, the commercial, managerial and administrative results, considering that the entire cost and expense structure is shared by all product categories.

30. EVENTS AFTER THE REPORTING PERIOD

On November 3, 2021, the acquisition of 100% of the shares representing the capital of Bauko Movimentação S/A, a Brazilian company engaged in the rental of forklifts, was consummated. The share acquisition price was R\$213.2 million, of which R\$106.6 million was paid on this date. The balance will be paid in 18 monthly installments of R\$5.2 million and one installment within 60 months of R\$12.5 million. The acquisition also comprises the assumption of R\$41.0 million of the net debt by ARMAC.