

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

Armac Locação, Logística e Serviços S.A.

Report on Review of Interim
Financial Information for the
Quarter Ended September 30, 2024

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

MESSAGE FROM MANAGEMENT

We present Armac's consolidated results for 3Q24. Our business model aims to put our expertise in heavy machinery maintenance and operation at the service of our clients, bringing efficiency through reducing machine downtime and generating significant gains in maintenance and operation execution. We thank clients, suppliers, and financial partners, for trusting in us. We reaffirm our commitment to serving society and all stakeholders with responsibility and efficiency.

FINANCIAL AND OPERATING HIGHLIGHTS

| R\$ million | 3Q 24 | 2Q 24 | Q o Q | 3Q 23 | YoY |
|--|----------------|----------------|------------------|----------------|------------------|
| Rental Fleet Size (# Equipment) | 11,258 | 10,634 | 5.9% | 10,125 | 11.2% |
| CAPEX | 218.4 | 317.3 | (31.2%) | 191.9 | 13.8% |
| Gross Revenue | 547.7 | 454.8 | 20.4% | 394.7 | 38.8% |
| Gross Revenue from rental | 470.8 | 423.1 | 11.3% | 372.4 | 26.4% |
| Rental EBITDA | 185.8 | 167.2 | 11.1% | 168.8 | 10.1% |
| % net revenue from rental | 44.1% | 44.3% | -0.2 p.p. | 50.0% | -6.0 p.p. |
| EBITDA | 196.2 | 172.3 | 13.8% | 174.7 | 12.3% |
| % net revenue | 39.5% | 42.3% | -2.8 p.p. | 48.6% | -9.1 p.p. |
| Adjusted EBITDA¹ | 198.9 | 172.3 | 15.4% | 174.7 | 13.8% |
| % net revenue | 40.0% | 42.3% | -2.3 p.p. | 48.6% | -8.6 p.p. |
| Net Income | 60.8 | 50.4 | 20.7% | 47.9 | 27.1% |
| % net revenue | 12.2% | 12.4% | -0.1 p.p. | 13.3% | -1.1 p.p. |
| Net Debt | 1,681.8 | 1,591.7 | 5.7% | 1,329.9 | 26.5% |
| Net Debt / EBITDA LTM | 2.23x | 2.27x | -0.04x | 2.21x | 0.02x |
| Adjusted ROIC | 30.6% | 30.2% | +0.4 p.p. | 32.1% | -1.5 p.p. |
| Accounting ROIC | 20.6% | 19.6% | +1.0 p.p. | 20.2% | +0.3 p.p. |
| Accounting ROE | 18.9% | 15.8% | +3.1 p.p. | 16.0% | +2.9 p.p. |

¹ Excludes non recurring costs and expenses in the amount of R\$ 2.7 million due to discontinued projects e structure reduction in 3Q24.

CORPORATE GOVERNANCE

As a company listed on Novo Mercado, ARMAC is committed to the highest standard of corporate governance in the Brazilian market. The maturity of the Company, through the implementation of best governance practices, is essential for us to serve all our stakeholders better. At the beginning of 2024, our governance structure consisted of a Board of Directors, an Executive Board, and an Audit and Risk Committee.

HUMAN CAPITAL

The culture and commitment of our teams and leadership are ARMAC's greatest comparative advantages. We continuously invest to expand these advantages by training more mechanics, drivers, operators, engineers, and administrators who identify with our culture. Our leadership consists of professionals supported by ARMAC to develop themselves and rise to the new challenges in their careers.

SUSTAINABILITY

Our business model is fully aligned with the principles of circular economy and sharing, generating efficiency in the supply chains where we operate by reducing equipment idle hours and carefully managing maintenance. Additionally, we believe that our business model is the engine of a significant social transformation for frontline professionals. We offer comprehensive training programs, where participating employees dedicate themselves exclusively to training after joining Armac. We develop career plans for Mechanics with both in-person and remote training.

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REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Armac Locação, Logística e Serviços S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Armac Locação, Logística e Serviços S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2024, which comprises the individual and consolidated balance sheet as at September 30, 2024 and the related statements of income and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 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 Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on 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 is 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 individual and consolidated interim financial information referred to above includes the statements of value added (DVA) for the nine-month period ended September 30, 2024, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the 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 consistent 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 they were not prepared, in all material respects, in accordance with this technical pronouncement and consistently with the individual and consolidated interim financial information taken as a whole.

Convenience translation

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

São Paulo, November 7, 2024


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Alessandro Costa Ramos
Engagement Partner

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

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

BALANCE SHEETS

AS AT SEPTEMBER 30, 2024 AND DECEMBER 31, 2023

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| ASSETS | Note | Parent | | Consolidated | LIABILITIES AND EQUITY | Note | Parent | | Consolidated |
|---------------------------|------|------------|------------|--------------|--|------|------------|------------|--------------|
| | | 09/30/2024 | 12/31/2023 | 09/30/2024 | | | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| CURRENT ASSETS | | | | | CURRENT LIABILITIES | | | | |
| Cash and cash equivalents | 4 | 348,676 | 254,405 | 385,200 | Trade payables | 13.1 | 38,176 | 36,175 | 50,045 |
| Short-term investments | 5 | 737,762 | 475,190 | 737,762 | Trade payables - agreement | 13.3 | 421,302 | 360,128 | 421,302 |
| Trade receivables | 6 | 459,484 | 325,596 | 503,282 | Borrowings and financing | 14 | 378,047 | 261,370 | 379,005 |
| Due from related parties | 18 | 5,829 | - | - | Lease payables for right of use | 11.2 | 8,633 | 8,505 | 9,013 |
| Inventories | 7 | 69,488 | 56,525 | 71,131 | Payroll and related taxes | | 73,364 | 54,578 | 84,802 |
| Recoverable taxes | 8 | 28,552 | 33,322 | 35,580 | Taxes payable | | 25,959 | 9,313 | 30,864 |
| Other assets | 9 | 58,406 | 42,898 | 59,418 | Taxes in installments | 15 | 2,348 | 171 | 2,348 |
| Total current assets | | 1,708,197 | 1,187,936 | 1,792,372 | Payables for acquisition of companies | 2.1 | 19,483 | 1,959 | 19,483 |
| | | | | | Other payables | | 10,486 | 15,655 | 23,049 |
| | | | | | Total current liabilities | | 977,798 | 747,854 | 1,019,910 |
| NONCURRENT ASSETS | | | | | NONCURRENT LIABILITIES | | | | |
| Escrow deposits | | 1,823 | 1,855 | 2,199 | Borrowings and financing | 14 | 2,423,666 | 1,788,717 | 2,425,763 |
| Other assets | 9 | 42,544 | 28,040 | 42,745 | Leases payable for right of use | 11.2 | 77,051 | 78,128 | 78,323 |
| Call option | 10 | 8,116 | - | 8,116 | Payables for acquisition of companies | 2.1 | 102,619 | 16,128 | 102,619 |
| Investment | 10 | 92,431 | - | - | Taxes in installments | 15 | 5,632 | 213 | 5,632 |
| Property and equipment | 11 | 3,023,861 | 2,639,478 | 3,050,996 | Provision for civil, tax, and labor risks | 16 | 609 | 166 | 7,124 |
| Intangible assets | 12 | 118,134 | 125,418 | 206,182 | Deferred taxes | 19.2 | 169,146 | 121,579 | 173,104 |
| Total noncurrent assets | | 3,286,909 | 2,794,791 | 3,310,239 | Total noncurrent liabilities | | 2,778,723 | 2,004,931 | 2,792,565 |
| | | | | | EQUITY | | | | |
| | | | | | Capital | 17 | 1,008,876 | 1,004,034 | 1,008,876 |
| | | | | | Share issuance costs | 17 | (45,072) | (45,072) | (45,072) |
| | | | | | Capital reserve | 17 | 132,895 | 135,008 | 132,895 |
| | | | | | Earnings reserve | 17 | 194,439 | 140,794 | 194,439 |
| | | | | | Transactions between shareholders | 17 | (48,452) | - | (48,452) |
| | | | | | Treasury shares | 17 | (4,101) | (4,822) | (4,101) |
| | | | | | Equity attributable to owners of the Company | | 1,238,585 | 1,229,942 | 1,238,585 |
| | | | | | Noncontrolling interests | | - | - | 51,551 |
| | | | | | Total equity | | 1,238,585 | 1,229,942 | 1,290,136 |
| TOTAL ASSETS | | 4,995,106 | 3,982,727 | 5,102,611 | TOTAL LIABILITIES AND EQUITY | | 4,995,106 | 3,982,727 | 5,102,611 |

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

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF INCOME

FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| | | Parent | | Consolidated | Parent | | Consolidated |
|--|------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Note | 3Q2024 09/30/2024 | 3Q2023 09/30/2023 | 3Q2024 09/30/2024 | 9M2024 09/30/2024 | 9M2023 09/30/2023 | 9M2024 09/30/2024 |
| NET OPERATING REVENUE | 20 | 435,644 | 359,539 | 496,985 | 1,221,215 | 961,968 | 1,292,475 |
| (–) Cost of services | 21 | (258,525) | (190,695) | (292,152) | (701,163) | (505,448) | (743,515) |
| (=) Gross profit | | <u>177,119</u> | <u>168,844</u> | <u>204,833</u> | <u>520,052</u> | <u>456,520</u> | <u>548,960</u> |
| OPERATING EXPENSES | | | | | | | |
| (–) Administrative and selling expenses | 21 | (43,602) | (42,004) | (51,185) | (116,643) | (124,519) | (124,295) |
| (+) Share of profits of subsidiaries | | <u>12,608</u> | <u>-</u> | <u>-</u> | <u>13,726</u> | <u>-</u> | <u>-</u> |
| (=) Operating profit before finance income (costs) | | 146,125 | 126,840 | 153,648 | 417,135 | 332,001 | 424,666 |
| (+) Finance income | 22 | 28,958 | 23,879 | 29,504 | 82,047 | 77,238 | 82,593 |
| (–) Finance costs | 22 | (108,514) | (87,767) | (108,722) | (299,747) | (267,831) | (299,963) |
| (=) Finance income (costs), net | | <u>(79,556)</u> | <u>(63,888)</u> | <u>(79,218)</u> | <u>(217,700)</u> | <u>(190,593)</u> | <u>(217,369)</u> |
| (=) INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION | | <u>66,569</u> | <u>62,952</u> | <u>74,430</u> | <u>199,435</u> | <u>141,408</u> | <u>207,296</u> |
| INCOME TAX AND SOCIAL CONTRIBUTION | | <u>(9,633)</u> | <u>(15,078)</u> | <u>(13,591)</u> | <u>(38,990)</u> | <u>(23,878)</u> | <u>(42,948)</u> |
| (–) Current | 19 | - | - | (4,528) | - | - | (4,528) |
| (–) Deferred | 19 | (9,633) | (15,078) | (9,063) | (38,990) | (23,878) | (38,420) |
| (=) Profit for the period | | <u>56,936</u> | <u>47,874</u> | <u>60,839</u> | <u>160,445</u> | <u>117,530</u> | <u>164,348</u> |
| PROFIT ATTRIBUTABLE TO: | | | | | | | |
| Owners of the Company | | 56,936 | 47,874 | 56,936 | 160,445 | 117,530 | 160,445 |
| Noncontrolling interests | | <u>-</u> | <u>-</u> | <u>3,903</u> | <u>-</u> | <u>-</u> | <u>3,903</u> |
| | | <u>56,936</u> | <u>47,874</u> | <u>60,839</u> | <u>160,445</u> | <u>117,530</u> | <u>164,348</u> |
| Basic earnings per share (in R\$) | 23 | 0.16 | 0.14 | | 0.46 | 0.34 | |
| Diluted earnings per share (in R\$) | 23 | 0.16 | 0.14 | | 0.46 | 0.34 | |

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

DEMONSTRAÇÕES DOS RESULTADOS ABRANGENTES
FOR THE THREE- AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| | Parent | | Consolidated | Parent | | Consolidated |
|-------------------------------------|------------|------------|--------------|------------|------------|--------------|
| | 3Q2024 | 3Q2023 | 3Q2024 | 9M2024 | 9M2023 | 9M2024 |
| | 09/30/2024 | 09/30/2023 | 09/30/2024 | 09/30/2024 | 09/30/2023 | 09/30/2024 |
| PROFIT FOR THE PERIOD | 56,936 | 47,874 | 60,839 | 160,445 | 117,530 | 164,348 |
| Comprehensive income for the period | 56,936 | 47,874 | 60,839 | 160,445 | 117,530 | 164,348 |
| Profit attributable to: | | | | | | |
| Owners of the Company | 56,936 | 47,874 | 56,936 | 160,445 | 117,530 | 160,445 |
| Noncontrolling interests | - | - | 3,903 | - | - | 3,903 |
| | 56,936 | 47,874 | 60,839 | 160,445 | 117,530 | 164,348 |

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

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| Note | Capital reserves | | | | Earnings reserves | | | | Capital transactions with shareholders | Treasury shares | Total | Noncontrolling interests | Total equity |
|--|------------------|----------------------|---------------|---------------------|-------------------|------------------------------|---|------------------|--|-----------------|-----------|--------------------------|--------------|
| | Capital | Share issuance costs | Share premium | Share-based payment | Legal reserve | Additional proposed dividend | (-) Dividends and interest on capital paid before the AGM/EGM | Earnings reserve | | | | | |
| BALANCE AS AT DECEMBER 31, 2022 | 1,004,034 | (45,072) | 125,462 | 4,705 | 11,210 | 41,000 | (41,000) | 66,301 | - | (8,119) | 1,158,521 | - | 1,158,521 |
| Profit for the period | 16 | - | - | - | - | - | - | 117,530 | - | - | 117,530 | - | 117,530 |
| Recognition of legal reserve | 16 | - | - | - | 5,876 | - | - | (5,876) | - | - | - | - | - |
| Dividends and interest on capital approved and paid for the prior year | 16 | - | - | - | - | (41,000) | 41,000 | (41,000) | - | - | (41,000) | - | (41,000) |
| Interest on capital | 16 | - | - | - | - | 31,087 | - | (59,000) | - | - | (27,913) | - | (27,913) |
| Share-based payment plan | 16 | - | - | - | 3,454 | - | - | - | - | 2,704 | 6,158 | - | 6,158 |
| BALANCE AS AT SEPTEMBER 30, 2023 | 1,004,034 | (45,072) | 125,462 | 8,159 | 17,086 | 31,087 | - | 77,954 | - | (5,415) | 1,213,296 | - | 1,213,296 |
| BALANCE AS AT DECEMBER 31, 2023 | 1,004,034 | (45,072) | 125,462 | 9,545 | 19,374 | 43,020 | (20,220) | 98,620 | - | (4,822) | 1,229,942 | - | 1,229,942 |
| Capital increase | 17 | 4,843 | - | - | - | - | - | - | - | - | 4,843 | - | 4,843 |
| Profit for the period | 17 | - | - | - | - | - | - | 160,445 | - | - | 160,445 | 3,903 | 164,348 |
| Recognition of legal reserve | 17 | - | - | - | 8,022 | - | - | (8,022) | - | - | - | - | - |
| Call option and sale of equity interests | 17 | - | - | - | - | - | - | - | (48,452) | - | (48,452) | - | (48,452) |
| Proposed dividends | 17 | - | - | - | - | - | - | (34,600) | - | - | (34,600) | - | (34,600) |
| Interest on capital - mandatory minimum dividends | 17 | - | - | - | - | - | - | (38,106) | - | - | (38,106) | - | (38,106) |
| Interest on capital - proposed | 17 | - | - | - | - | 37,294 | (11,294) | (37,294) | - | - | (11,294) | - | (11,294) |
| Interest on capital approved and paid for the prior year | 17 | - | - | - | - | (43,020) | 20,220 | - | - | - | (22,800) | - | (22,800) |
| Share-based payment plan | 17 | - | - | - | (2,113) | - | - | - | - | 721 | (1,392) | - | (1,392) |
| Increase in noncontrolling interests due to a business combination | | - | - | - | - | - | - | - | - | - | - | 47,648 | 47,648 |
| BALANCE AS AT SEPTEMBER 30, 2024 | 1,008,876 | (45,072) | 125,462 | 7,433 | 27,396 | 37,294 | (11,294) | 141,043 | (48,452) | (4,101) | 1,238,585 | 51,551 | 1,290,136 |

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

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF VALUE ADDED

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| | | Parent | | Consolidated |
|---|------|----------------------|----------------------|----------------------|
| | Note | 9M2024 09/30/2024 | 9M2023 09/30/2023 | 9M2024 09/30/2024 |
| REVENUE | | | | |
| Lease, services, and other revenue | 20 | 1,354,746 | 1,056,154 | 1,432,522 |
| Revenue related to the construction of own assets | | - | 1,620 | - |
| Allowance for expected credit losses | 21 | (8,029) | (6,598) | (8,029) |
| THIRD-PARTY SERVICES AND SUPPLIES | | | | |
| Third-party services, supplies, and other inputs | | (252,323) | (213,252) | (263,091) |
| Costs related to the construction of own assets | | - | (1,620) | - |
| GROSS VALUE ADDED | | 1,094,394 | 836,304 | 1,161,402 |
| DEPRECIATION AND AMORTIZATION | 21 | (117,980) | (133,586) | (122,010) |
| WEALTH CREATED BY THE COMPANY | | 976,414 | 702,718 | 1,039,392 |
| WEALTH RECEIVED IN TRANSFER | | | | |
| Share results of investees | | 13,726 | - | - |
| Finance income | 22 | 82,047 | 77,239 | 82,593 |
| Other | | 1,697 | 9,839 | (3,790) |
| WEALTH FOR DISTRIBUTION | | 1,073,884 | 789,796 | 1,118,195 |
| Personnel | | | | |
| Wages | | (276,130) | (141,198) | (287,589) |
| Benefits | | (107,638) | (129,199) | (122,301) |
| Severance Pay Fund (FGTS) | | (20,402) | (10,286) | (21,316) |
| Social Security Contribution (INSS) | | (58,044) | (31,848) | (60,700) |
| Taxes, fees and contributions | | | | |
| Federal | | (131,399) | (82,488) | (140,151) |
| Municipal | | (20,079) | (9,415) | (21,828) |
| LENDERS AND LESSORS | | | | |
| Interest | 21 | (299,747) | (267,831) | (299,962) |
| Shareholders | | | | |
| Interest on capital | | (110,000) | (59,000) | (110,000) |
| Undistributed profits | | (50,445) | (58,530) | (50,445) |
| Profit attributable to noncontrolling interest | | - | - | (3,903) |
| WEALTH DISTRIBUTED | | (1,073,885) | (789,795) | (1,118,195) |

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

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

| | Note | Parent | | Consolidated |
|---|---------------|----------------------|----------------------|----------------------|
| | | 9M2024 09/30/2024 | 9M2023 09/30/2023 | 9M2024 09/30/2024 |
| PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION | | 199,435 | 141,408 | 207,296 |
| Adjusted by: | | | | |
| Depreciation and amortization | 11.1, 12 & 21 | 117,980 | 133,586 | 122,010 |
| Bonuses in goods | | - | (4,213) | - |
| Other operating expenses | | 124 | - | 127 |
| Residual cost in the write-off of decommissioned assets | 11.1 & 21 | 76,971 | 54,353 | 77,000 |
| Share-based payment plan | | 3,304 | 3,454 | 3,304 |
| Allowance for expected losses associated with the credit risk | 21 & 26 | 8,627 | 6,598 | 8,627 |
| Charges on leased right-of-use assets | 11.2 | 8,400 | 9,554 | 8,415 |
| Inflation adjustment to payables for acquisition of companies | | 2,376 | 1,732 | 2,376 |
| Interest on trade payables - agreement | 13.3 | 34,023 | 20,961 | 34,023 |
| Interest on borrowings and financing | 14.3 | 248,970 | 233,599 | 249,034 |
| Interest on taxes in installments | 15.2 | 439 | - | 439 |
| Share results of investees | 10 | (13,726) | - | - |
| Short-term investment yield | | (53,096) | - | (53,096) |
| Provision for civil, tax and labor risks | 16 | 644 | (437) | 361 |
| Changes in assets and liabilities: | | | | |
| Trade receivables | | (142,515) | (81,044) | (167,218) |
| Inventories | | (12,963) | (19,442) | (13,807) |
| Recoverable taxes | | 4,770 | 38,496 | 3,900 |
| Escrow deposits | | 32 | (92) | (344) |
| Other assets | | (30,001) | (42,538) | (27,952) |
| Trade payables | | 2,001 | (56,928) | 9,662 |
| Payroll and related taxes | | 18,786 | 23,194 | 22,118 |
| Taxes payable | | 16,646 | 9,172 | 16,162 |
| Related parties | | (5,829) | - | - |
| Other payables | | 11,783 | 2,489 | 23,487 |
| INTEREST ON BORROWINGS AND FINANCING PAID | 14.3 | (171,804) | (150,571) | (171,868) |
| Interest on lease of right of use paid | 11.2 | (8,401) | (9,554) | (8,417) |
| Interest on trade payables - agreement paid | 13.3 | (47,514) | (13,868) | (47,514) |
| Interest on taxes in installments paid | 15.2 | (81) | - | (81) |
| Purchase of property and equipment | 11.1 | (219,769) | (147,712) | (222,021) |
| NET CASH GENERATED BY OPERATING ACTIVITIES | | 49,613 | 152,197 | 76,023 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Short-term investments | 5 | (209,476) | (407,606) | (209,476) |
| Purchase of intangible assets | 12.2 | (869) | (13,308) | (869) |
| Acquisition of associates and subsidiaries | | (33,624) | - | (33,624) |
| Cash assumption | | - | - | 10,283 |
| Payables for acquisition of companies | | - | (1,868) | - |
| Net cash used in investing activities | | (243,969) | (422,782) | (233,686) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Borrowings and financing | 14.3 | 689,782 | - | 689,782 |
| Repayment of borrowings and financing | 14.3 | (15,322) | (30,775) | (15,472) |
| Payment of lease of right of use | 11.2 | (6,355) | (4,481) | (6,373) |
| Payment of trade payables - agreement | 13.2 | (271,340) | (214,717) | (271,340) |
| Payment of tax installments | 15.2 | (1,338) | (65) | (1,338) |
| Payment of dividends and interest on capital | 17 | (106,800) | (38,296) | (106,800) |
| Net cash generated by financing activities | | 288,627 | (288,334) | 288,459 |
| INCREASE IN CASH AND CASH EQUIVALENTS, NET | | 94,271 | (558,920) | 130,795 |
| Cash and cash equivalents at the beginning of the period | | 254,405 | 938,358 | 254,405 |
| Cash and cash equivalents at the end of the period | | 348,676 | 379,438 | 385,200 |

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

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

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023

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

1. GENERAL INFORMATION

Armac Locação, Logística e Serviços S.A. (“Company” or “Armac”) is a publicly-held company, whose shares are traded at B3 S.A. - Brasil, Bolsa, Balcão, in the corporate governance segment “Novo Mercado”, under ticker symbol ARML3, 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, among others, thus offering a complete portfolio of solutions, with high quality and technology to fulfill the needs of customers from the most varied sizes and segments in all Brazilian regions.

Armac’s machinery lease agreements also provide for their maintenance when necessary, which is conducted by a specialized center located in Vargem Grande Paulista and at own workshops located in different regions of Brazil by a qualified team, often trained in internal development programs, which guarantee relevant efficiency gains on its operations.

In line with its strategic planning, Armac has decided to enter consortia for infrastructure projects in order to consolidate its position in the machinery rental market. In addition to allowing the Company to increase the rental volume its machinery, this initiative guarantee their maximum use. The Company also acquired a majority stake in Terram Engenharia de Infraestrutura S.A. thus adding another offer to its portfolio and, as a result, another driver of its strategic growth.

For detailed information on the Company’s joint ventures and subsidiary, see note 10.

2. BUSINESS COMBINATION

2.1. Acquisition of Terram Engenharia de Infraestrutura S.A.

On July 31, 2024, the Company completed the acquisition of 65% of the shares of Terram Engenharia de Infraestrutura S.A. with the satisfaction of all the conditions precedent usual to this type of transaction, including the approval of the Administrative Council for Economic Defense (CADE). The acquisition price was R\$65,000, as at the reporting date of the financial statements for the quarter ended March 31, 2024, which was adjusted by fluctuation of CDI (interbank deposit certificate rate) up to the closing date of the transaction, broken down as follows:

- (i) R\$32,500 paid in cash plus inflation adjustment up to the closing date of the transaction, totaling R\$33,624.
- (ii) R\$32,500 paid in four successive semi-annual installments of R\$8,125; this amount is adjusted using CDI and the first payment is due on January 31, 2025. The adjusted balance as at September 30, 2024 is R\$33,624.

In addition to the four fixed installments, there is an amount due as contingent earn-out consideration and if the contingent conditions are met, the Company will have an additional amount to pay off R\$32,500; the estimated earn-out on the acquisition date is R\$11,457. The methodology used to calculate the earn-out was Monte Carlo simulations to estimate the probability of scenarios in which the earn-out would be due and the average amount was brought to present value.

Also as part of the acquisition of Terram Engenharia de Infraestrutura S.A., the purchase and sale agreement of the company's shares provides for a call option held by Armac and a put option held by the sellers, who own the remaining 35%, in order to complete the acquisition of 100% of the company. Shareholders may exercise the put and call options three months after the release of the audited financial statements for the year ending December 31, 2028. The strike price of the options is an EBITDA multiple similar to the multiple used for the acquisition of the first 65%.

Based on studies prepared by independent experts, the fair value of the put and call options was set at R\$9,777 on the date of acquisition and was considered in the formation of the purchase price and, therefore, it was adjusted to determine the acquisition goodwill.

The amounts recognized for these instruments were as follows:

- a) Put option on the date of acquisition: the present value of the put option amounting to R\$56,567, and recorded as a liability in line item 'Payables for acquisition of companies' in noncurrent liabilities as a contra entry to line item 'Capital transaction between shareholders' in equity.
- b) Call option Based on studies prepared by independent experts, the fair value of the call option was set at R\$8,116 on the acquisition date and recorded as a right in line item 'Call option' in non-current assets as a contra entry to line item 'Capital transaction between shareholders' in equity.

2.2. Fair value allocation

The fair value of the identified assets and liabilities acquired refers to the initial measurement, subject to revision:

| | Terram 65% | Terram 100% |
|------------------------------------|---------------|----------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | 6,684 | 10,283 |
| Trade receivables | 12,412 | 19,095 |
| Inventories | 519 | 798 |
| Other assets | 2,120 | 3,261 |
| Recoverable taxes | 4,003 | 6,158 |
| Property, plant and equipment | 4,181 | 6,432 |
| Property and equipment surplus (*) | 12,256 | 18,856 |
| Intangible assets surplus (**) | 12,322 | 18,957 |
| Total (a) | <u>54,497</u> | <u>83,840</u> |

| | Terram 65% | Terram 100% |
|---|-------------------|-------------------|
| <u>Liabilities</u> | | |
| Borrowings and financing | (2,083) | (3,205) |
| Trade payables | (2,736) | (4,209) |
| Taxes payable | (3,503) | (5,389) |
| Payroll and related taxes | (5,269) | (8,106) |
| Provision for contingencies | (4,270) | (6,569) |
| Other payables | (706) | (1,086) |
| Total (b) | <u>(18,567)</u> | <u>(28,564)</u> |
| Total net assets acquired (a - b) | <u>35,930</u> | <u>55,276</u> |
| Company's stake in net assets acquired | 35,930 | - |
| Payment in cash | (33,624) | (33,624) |
| Share of accounts payable | (33,624) | (33,624) |
| Earn-out | <u>(11,457)</u> | <u>(11,457)</u> |
| Total consideration | <u>(78,705)</u> | <u>(78,705)</u> |
| Noncontrolling interests measured at fair value | - | (47,648) |
| Goodwill arising on acquisition | <u>42,775</u> | <u>71,080</u> |

(*) Property and equipment surplus with average amortization period of 24 months.

(**) Surplus relating to the customer portfolio, the amortization period of which is 12 months.

On the date the preparation of this individual and consolidated interim financial information was completed, the Company was in the process of reviewing and adjusting the determination of the fair values of the assets acquired and the liabilities assumed of the acquiree. This analysis is estimated to be completed soon, when Management has all the relevant information on the facts, which will not exceed a maximum period of twelve months after the acquisition date.

As at September 30, 2024, the Company recorded payables for the acquisition of companies totaling R\$122,102, broken down into the following companies:

- RCB Locação de Equipamentos e Máquinas Ltda. ("RCB") amounting to R\$2,115.
- Bauko Equipamentos de Movimentação e Armazenagem S.A. ("Bauko") amounting to R\$17,413.
- Terram Engenharia de Infraestrutura S.A. ("Terram") amounting to R\$102,574. Of which: R\$34,175 refers to semi-annual installments, R\$11,830 refers to the earn-out, and R\$56,567 refers to the call option on the remaining 35%.

3. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Company's Management started to present the consolidated interim financial information beginning the second quarter of 2024, upon the acquisition of stakes in the establishment of the CCB Fico Consortium and the CRA Bauko Consortium, and the acquisition, beginning July 31, 2024 of Terram Engenharia de Infraestrutura S.A. As a result and for purposes of comparison, Armac's interim financial information for the three- and nine-month periods ended September 30, 2024 is being compared with the corresponding consolidated figures for the same period in the previous year.

The interim financial information for 2023, presented for purposes of comparison and used in the consolidation of the statements presented, has been prepared in accordance with applicable accounting practices and include the financial statements of Armac.

The Company's individual and consolidated interim financial information as of September 30, 2024, includes the joint operations of the CCB Fico Consortium and the CRA Consortium, and the operations of subsidiary Terram, as of the dates of their establishment and acquisition. This information has been prepared according to the following criteria: (a) elimination of balances between consolidated companies; (b) elimination of the Parent Company's investments against the respective equity, as applicable, of the subsidiary; and (c) elimination of revenues and expenses arising from business between consolidated companies.

| Direct equity interests in joint ventures: proportional consolidation | Equity interest (%) |
|---|---------------------|
| CCB Fico Consortium | 30% |
| CRA Consortium | 20% |
| Equity in subsidiary | Equity interest (%) |
| Terram Engenharia de Infraestrutura S.A. | 65% |

Joint arrangements

Joint arrangements are all companies over which the Company has shared control with one or more other parties. Investments in joint arrangements are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint operations are accounted for in the financial statements to represent the Company's contractual rights and obligations. Accordingly, the assets, liabilities, revenue, and expenses related to its interests in a joint operation are separately disclosed in the consolidated financial statements.

Joint ventures are accounted for using the equity method of accounting and are not consolidated.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) whose financial and operating policies may be conducted by the Company and when it is exposed or entitled to variable returns arising from its involvement with the entity and has the ability to interfere with those returns due to the power it exercises over the entity. The existence and the possible effects of potential voting rights, currently exercisable or convertible, are taken into consideration to determine whether the Company controls or not another entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated when control is no longer exercised.

This interim financial information is presented in Brazilian reais (R\$), the functional currency of the economic environment in which the Company operates.

3.1. Statement of compliance

The Company's interim financial information contained in the Interim Financial Information Form (ITR) for the three- and nine-month periods ended September 30, 2024 has been prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), equivalent to international standard IAS 34 - Interim Financial Report.

3.2. Statement of relevance

Management applied in the preparation of the interim financial information technical guidance OCPC 7 and CVM Resolution No. 727/14, for the purpose of disclosing only material information that assists the users of the financial information in making decisions, while meeting all the existing minimum regulatory requirements. In addition, Management asserts that all relevant information is being disclosed and corresponds to that used in managing the business.

3.3. Basis of preparation

The individual and consolidated interim financial information has been prepared based on historical cost, unless otherwise stated. The historical cost is generally based on the fair value of the considerations paid in exchange for an assets.

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 players 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.

The individual and consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning that it will be able to discharge its payment obligations arising from bank loans within the maturities disclosed in note 14.

3.4. Authorization for the issue of the individual and consolidated interim financial information

The Board of Directors approved the disclosure of this interim financial information at the meeting held on November 6, 2024.

3.5. Summary of material accounting policies

The individual and consolidated interim financial information should be analyzed in conjunction with the financial statements for the year ended December 31, 2023, approved on March 27, 2024.

The following notes are not repeated in this interim financial information, either because of redundancy or materiality with respect to the information already disclosed in the annual financial statements:

- Summary of material accounting policies.
- Revised standards and interpretations effective and not yet effective.
- Stock option plan.

4. CASH AND CASH EQUIVALENTS

| | Parent | | Consolidated |
|--------------------------|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Cash | 70 | 546 | 104 |
| Banks - checking account | 762 | 116 | 769 |
| Short-term investments | 347,844 | 253,743 | 384,327 |
| Total | 348,676 | 254,405 | 385,200 |

Short-term investments consist of funds invested in Certificates of Bank Deposits (CDBs) with yield ranging from 101% to 102% (101% and 105% as at December 31, 2023) of the Certificate of Interbank Deposits (CDI) rate, subject to an insignificant risk of change in value and which can be redeemed immediately.

5. SHORT-TERM INVESTMENTS

| | Parent and consolidated | |
|------------------------|-------------------------|------------|
| | 09/30/2024 | 12/31/2023 |
| Short-term investments | 737,762 | 475,190 |

Short-term investments consist of funds invested in Certificates of Bank Deposits (CDBs) with yield ranging from 101% to 102% (101% and 105% as at December 31, 2023) of the Certificate of Interbank Deposits (CDI) rate, subject to an insignificant risk of change in value and which can be redeemed immediately.

6. TRADE RECEIVABLES

6.1. Breakdown of balances

| | Parent | | Consolidated |
|--|----------------|----------------|----------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Trade receivable | 360,427 | 245,623 | 393,838 |
| Unbilled revenue (*) | 123,151 | 96,038 | 133,538 |
| (-) Allowance for expected credit losses | (24,094) | (16,065) | (24,094) |
| Total | <u>459,484</u> | <u>325,596</u> | <u>503,282</u> |

(*) For customers whose rental contracts 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 the Company's trade receivables and profit or loss.

6.2. Aging list

The aging list of (billed) trade receivables is as follows:

| | Parent | | Consolidated |
|---------------------|----------------|----------------|----------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Current | 283,686 | 185,208 | 317,094 |
| Past due: | | | |
| 1 to 30 days | 9,687 | 9,164 | 9,687 |
| 31 to 90 days | 7,337 | 16,675 | 7,337 |
| 91 to 180 days | 6,267 | 4,451 | 6,267 |
| Over 180 days | 53,450 | 30,125 | 53,453 |
| Subtotal – past due | <u>76,741</u> | <u>60,415</u> | <u>76,744</u> |
| Closing balance | <u>360,427</u> | <u>245,623</u> | <u>393,838</u> |

6.3. Allowance for expected credit losses

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

| | Parent and consolidated | |
|------------------------------------|-------------------------|-----------------|
| | 09/30/2024 | 12/31/2023 |
| Opening balance | (16,065) | (6,795) |
| (+) Recognition | (8,627) | (13,844) |
| (-) Reversals for negotiations | - | 2,238 |
| (-) Reversals for receipts | - | 734 |
| (-) Write-off due to actual loss | 598 | 1,602 |
| Closing balance | <u>(24,094)</u> | <u>(16,065)</u> |

7. INVENTORIES

As at the reporting date, inventories include parts and maintenance materials and consumables, which are used in the maintenance of machinery, equipment and vehicles.

| | Parent | | Consolidated |
|---------------------------------|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Parts and maintenance materials | 66,010 | 53,816 | 67,653 |
| Parts for resale | 1,778 | 1,190 | 1,778 |
| Consumables | 1,700 | 1,519 | 1,700 |
| Total | 69,488 | 56,525 | 71,131 |

8. RECOVERABLE TAXES

| | Parent | | Consolidated |
|--|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Taxes on revenue (PIS and COFINS) | 9,834 | 778 | 11,255 |
| Corporate income tax (IRPJ) and social contribution (CSLL) | 1,682 | 6,170 | 6,547 |
| Social security contribution (INSS) | - | 487 | 240 |
| Withholding income tax (IRRF) | 16,900 | 25,790 | 17,159 |
| Other | 136 | 97 | 379 |
| Total | 28,552 | 33,322 | 35,580 |

9. OTHER ASSETS

| | Parent | | Consolidated |
|---------------------------|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Prepaid project costs (a) | 60,850 | 43,994 | 60,850 |
| Prepaid expenses | 16,701 | 13,039 | 16,928 |
| Advances to suppliers | 10,383 | 3,059 | 10,998 |
| Bonuses | 2,334 | 2,583 | 2,324 |
| Advances to employees | 1,538 | 1,080 | 1,709 |
| Other | 9,144 | 7,183 | 9,345 |
| Total | 100,950 | 70,938 | 102,163 |
| Current assets | 58,406 | 42,898 | 59,418 |
| Noncurrent assets | 42,544 | 28,040 | 42,745 |
| Total | 100,950 | 70,938 | 102,163 |

- (a) Include initial costs incurred in larger projects, which involve preparing the site and machines to be used, hiring labor, and which are incurred before the actual start of services to customers. Once in operation, these costs are amortized over the duration of the agreement.

10. INVESTMENTS IN JOINT VENTURES AND SUBSIDIARIES

The table below shows detailed information on the Company's investees:

| | Equity interest (%) | Type of equity interest |
|--|---------------------------|--|
| CCB Fico Consortium (1) | 30% | Direct participation with shared control - proportionally consolidated joint operation |
| CRA Consortium (2) | 20% | Direct participation with shared control - proportionally consolidated joint operation |
| Terram (3) | 65% | Direct interest in subsidiary: proportional consolidation |
| (1) The investment results from a joint operation between Construtora Central do Brasil S.A. and Armac, which hold 70% and 30% of the joint operation, respectively. The consortium was established at the invitation of Companhia Vale S.A. for the purpose of engaging in turnkey construction on the 5 th FICO - FERROVIA DE INTEGRAÇÃO DO CENTRO-OESTE works, located in the municipalities of Crixás and Nova Crixás, both in the state of Goiás, for an 18-month period ending August 2025. The Consortium's duties include contracting the supply of goods and services required to carry out the works. | | |
| (2) The investment results from a joint operation between Construtora Central do Brasil S.A., R&D Mineração e Construção Ltda., and Armac, which hold 40%, 40% e 20% of the joint operation, respectively. The consortium was established at the invitation of Companhia Rumo S.A. for the purpose of performing the construction of railway infrastructure from KM 127+600 to KM 162+815, located between the municipalities of Dom Aquino and Poxoréo, both in the state of Mato Grosso, for a 21-month period ending December 2025. The Consortium's duties include contracting the supply of goods and services required to carry out the works. | | |
| (3) Terram Engenharia de Infraestrutura S.A. engages in earthmoving, geotechnical, containment, drainage and paving activities, which in addition to carrying out works, assists in the development of projects and carrying out preliminary studies, which are performed by specialized team. As disclosed in note 2.1, Armac acquired 65% of Terram on July 31, 2024, which became its direct subsidiary. | | |

10.1. Variations in the investment in the joint operations and the direct subsidiary:

| Companies | Closing balance at 12/31/2023 | Equity | Trademark surplus | Asset surplus | Customer portfolio surplus | Goodwill | Share of results of investees | Closing balance at 09/30/2024 |
|----------------|-------------------------------------|--------|----------------------|------------------|----------------------------------|----------|-------------------------------------|-------------------------------------|
| CCB Consortium | - | - | - | - | - | - | 4,291 | 4,291 |
| CRA Consortium | - | - | - | - | - | - | 2,186 | 2,186 |
| Terram | - | 11,352 | 5,528 | 12,257 | 6,793 | 42,775 | 7,248 | 85,953 |
| Total | - | 11,352 | 5,528 | 12,257 | 6,793 | 42,775 | 13,726 | 92,430 |

10.2. Investments in joint operations and the direct subsidiary:

| | Joint operations | | | |
|------------------------|------------------|--------------|----------------|--------------|
| | CCB Consortium | | CRA Consortium | |
| | 100% | 30% | 100% | 20% |
| Current assets | 51,040 | 15,312 | 48,099 | 9,620 |
| Noncurrent assets | 882 | 265 | 1,078 | 215 |
| Current liabilities | (37,617) | (11,285) | (38,247) | (7,649) |
| Noncurrent liabilities | - | - | - | - |
| Equity | - | - | - | - |
| Revenue | 88,143 | 26,443 | 93,399 | 18,680 |
| Costs and expenses | (73,838) | (22,152) | (82,469) | (16,494) |
| Profit | <u>14,305</u> | <u>4,291</u> | <u>10,930</u> | <u>2,186</u> |

| | Terram Subsidiary | |
|------------------------|----------------------|--------------|
| | 100% | 65% |
| | | |
| Current assets | 65,072 | 42,297 |
| Noncurrent assets | 9,948 | 27,731 |
| Current liabilities | (29,000) | (18,850) |
| Noncurrent liabilities | (13,842) | (8,997) |
| Equity | (17,473) | (11,357) |
| Revenue | 34,108 | 22,170 |
| Costs and expenses | (15,444) | (10,039) |
| Profit | <u>14,705</u> | <u>9,558</u> |

11. PROPERTY AND EQUIPMENT

11.1. Breakdown of property and equipment - Parent Company

| | Leasehold improvements | Right of use in lease | Machinery and equipment for lease | Vehicles and support equipment | Furniture and IT equipment | Construction in progress (iii) | Land | Total |
|--|---------------------------|---------------------------|-----------------------------------|--------------------------------|----------------------------|--------------------------------|-------|-----------|
| <u>Acquisition cost</u> | | | | | | | | |
| Balance as at December 31, 2022 | 34,781 | 83,277 | 2,285,585 | 147,991 | 10,515 | 41,087 | - | 2,603,236 |
| (+) Additions | 8,124 | 18,282 | 440,011 | 87,328 | 6,583 | 24,913 | - | 585,241 |
| (+/-) Transfers | 1,620 | - | 9,327 | 11,396 | - | (22,343) | - | - |
| (-) Write-off of assets | - | (239) | (104,410) | (1,922) | - | - | - | (106,571) |
| Balance as at December 31, 2023 | 44,525 | 101,320 | 2,630,513 | 244,793 | 17,098 | 43,657 | - | 3,081,906 |
| (+) Additions (i) | 4,019 | 5,407 | 434,492 | 103,921 | 915 | 20,777 | 1,651 | 571,182 |
| (+/-) Transfers | - | - | 11,784 | - | - | (11,784) | - | - |
| (-) Write-off of assets (ii) | - | - | (97,475) | (3,315) | (204) | - | - | (100,994) |
| Balance as at September 30, 2024 | 48,544 | 106,727 | 2,979,314 | 345,399 | 17,809 | 52,649 | 1,651 | 3,552,094 |
| <u>Depreciation</u> | | | | | | | | |
| Balance as at December 31, 2022 | (1,012) | (10,577) | (255,784) | (20,779) | (1,861) | - | - | (290,013) |
| (+) Additions | (2,371) | (9,491) | (116,539) | (45,679) | (3,006) | - | - | (177,086) |
| (-) Depreciation write-off | - | - | 23,016 | 925 | 81 | - | - | 24,022 |
| Balance as at December 31, 2023 | (3,383) | (20,068) | (349,888) | (64,222) | (4,867) | - | - | (442,428) |
| (+) Additions | (3,658) | (8,902) | (52,695) | (42,049) | (2,523) | - | - | (109,827) |
| (-) Depreciation write-off (ii) | - | - | 23,016 | 925 | 81 | - | - | 24,022 |
| Balance as at September 30, 2024 | (7,041) | (28,970) | (379,657) | (105,346) | (7,309) | - | - | (528,233) |
| <u>Net residual value</u> | | | | | | | | |
| As at December 31, 2023 | 41,142 | 81,252 | 2,280,625 | 180,571 | 12,231 | 43,657 | - | 2,639,478 |
| As at September 30, 2024 | 41,503 | 77,758 | 2,599,748 | 240,053 | 10,500 | 52,649 | 1,651 | 3,023,861 |
| <u>Minimum and maximum depreciation rate</u> | | | | | | | | |
| As at December 31, 2023 | Pursuant to the agreement | Pursuant to the agreement | 5% to 12.5% | 12.5% to 50% | 10% to 20% | | | |
| As at September 30, 2024 | Pursuant to the agreement | Pursuant to the agreement | 5% to 12.5% | 12.5% to 50% | 10% to 20% | | | |

- (i) As at September 30, 2024, the Company records an agreement entered into with financial institutions to structure reverse factoring transaction with its main machinery suppliers totaling R\$346,005 (R\$389,720 as at December 31, 2023), as described note 13.3 - Trade payables - agreement
- (ii) As at September 30, 2024, net write-offs totaled R\$76,971 (R\$81,900 on December 31, 2023), of which R\$75,878 (R\$76,258 as at December 31, 2023) refers to cost on the write-off of assets sold and the remainder R\$1,093 (R\$5,642 as at December 31, 2023) refers to the cost of assets involved in insurance claims, which are included in line items 'Cost on sale' or 'Write-off of property and equipment' disclosed in note 21 - Costs and expenses by nature.
- (iii) Refers to advances to suppliers for the purchase of machinery and equipment and construction costs in progress at the Vargem Grande Paulista - VGPIII branch, which is scheduled for completion in December 2025.

11.2. Breakdown of property and equipment- Consolidated

| | Leasehold improvements | Right of use in lease | Machinery and equipment for lease | Vehicles and support equipment | Furniture and IT equipment | Construction in progress | Land | Total |
|--|---------------------------|--------------------------|---|--------------------------------------|----------------------------------|-----------------------------|--------------|------------------|
| <u>Acquisition cost</u> | | | | | | | | |
| Balance as at December 31, 2023 | 44,525 | 101,320 | 2,630,513 | 244,793 | 17,098 | 43,657 | - | 3,081,906 |
| (+) Additions | 4,019 | 7,078 | 434,549 | 103,921 | 1,203 | 22,684 | 1,651 | 575,104 |
| (+) Acquisition of company | - | - | 102,964 | - | 715 | 621 | - | 104,300 |
| (+/-)Transfers | - | - | 11,784 | - | - | (11,784) | - | - |
| (-) Write-off of assets | - | - | (98,977) | (3,315) | (230) | - | - | (102,522) |
| Balance as at September 30, 2024 | <u>48,544</u> | <u>108,398</u> | <u>3,080,833</u> | <u>345,399</u> | <u>18,786</u> | <u>55,178</u> | <u>1,651</u> | <u>3,658,788</u> |
| <u>Depreciation</u> | | | | | | | | |
| Balance as at December 31, 2023 | (3,383) | (20,068) | (349,888) | (64,222) | (4,867) | - | - | (442,428) |
| (+) Acquisition of company | - | - | (78,430) | - | (582) | - | - | (79,011) |
| (+) Additions | (3,658) | (8,963) | (54,669) | (42,049) | (2,535) | - | - | (111,874) |
| (-) Depreciation write-off | - | - | 24,516 | 925 | 81 | - | - | 25,522 |
| Balance as at September 30, 2024 | <u>(7,041)</u> | <u>(29,031)</u> | <u>(458,471)</u> | <u>(105,346)</u> | <u>(7,902)</u> | <u>-</u> | <u>-</u> | <u>(607,791)</u> |
| <u>Net residual value</u> | | | | | | | | |
| As at December 31, 2023 | 41,142 | 81,252 | 2,280,625 | 180,571 | 12,231 | 43,657 | - | 2,639,478 |
| As at September 30, 2024 | 41,503 | 79,367 | 2,622,362 | 240,053 | 10,883 | 55,178 | 1,651 | 3,050,997 |
| <u>Minimum and maximum depreciation rate</u> | | | | | | | | |
| As at December 31, 2023 | Pursuant to | Pursuant to | 5% to 12.5% | 12.5% to 50% | 10% to 20% | | | |
| As at September 30, 2024 | the agreement | the agreement | 5% to 12.5% | 12.5% to 50% | 10% to 20% | | | |

11.3. Leases of right of use

The Company's Management analyzed its effective contracts and concluded that they fall within the classification of lease and accounted for them in accordance with the relevant standard.

As at September 30, 2024, out of the Company's total effective contracts, 44 contracts (32 as at December 31, 2023) met the criteria for classification as leases.

The other contracts, such as variable lease payments from short-term or low-value contracts that were not recognized as right of use, as they do not meet the criteria regarding term and amount established by the relevant standard, are recognized in line item 'Other costs' (note 21) as a contra entry to line item 'Trade payables' (note 13). The lease amounts are recognized in the right of use account, in line item 'Property and equipment' and are being depreciated over the contractual period.

The contractual period was considered to determine the lease period. If the contract contains a clause specifying automatic renewal for the same or another period, 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 lease period shall be the period provided for in the contract. In addition, the Company does not have contracts signed for indefinite periods.

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

| | Properties - related parties | Contracts with third parties | Parent | Consolidated |
|---------------------------|---------------------------------|------------------------------------|----------|--------------|
| As at December 31, 2022 | 59,168 | 15,982 | 75,150 | 75,150 |
| (+) New transactions | - | 13,216 | 13,216 | 13,216 |
| (+) Remeasurements | 4,543 | 523 | 5,066 | 5,066 |
| (+) Interest incurred | 6,571 | 3,768 | 10,339 | 10,339 |
| (-) Contract terminations | - | (239) | (239) | (239) |
| (-) Principal repayment | (2,525) | (4,035) | (6,560) | (6,560) |
| (-) Interest payments | (6,571) | (3,768) | (10,339) | (10,339) |
| As at December 31, 2023 | 61,186 | 25,447 | 86,633 | 86,633 |
| (+) New transactions | - | 3,909 | 3,909 | 5,580 |
| (+) Remeasurements (a) | 2,855 | (1,358) | 1,498 | 1,498 |
| (+) Interest incurred | 6,094 | 2,306 | 8,400 | 8,415 |
| (-) Principal repayment | (1,496) | (4,859) | (6,355) | (6,373) |
| (-) Interest payments | (6,094) | (2,306) | (8,401) | (8,417) |
| As at September 30, 2024 | 62,545 | 23,140 | 85,684 | 87,336 |

(a) For further details on the remeasurements, see note 18 - Related Parties.

| | Parent | | Consolidated |
|------------|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Current | 8,633 | 8,505 | 9,013 |
| Noncurrent | 77,051 | 78,128 | 78,323 |
| Total | 85,684 | 86,633 | 87,336 |

The respective amounts are recognized in the lease liabilities and the balance will be amortized by monthly payments, discounted to present value at an average rate of 13.25% per year for contracts recorded up to September 30, 2024 (15.27% per year for contracts recorded up to December 31, 2023).

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 Brazilian standard NBC TG 06 (R3)/international standard IFRS 16, which restricts the use of future inflation projection, and CVM Circular Letter No. 02/2019, and also with the objective of providing additional information to users, the analysis of contracts and undiscounted installments as at September 30, 2024 is as follows:

| Year | Parent | | Amount of discounted installment |
|--------------|-------------------|----------------------------|----------------------------------|
| | Net present value | Embedded interest (future) | |
| 2023 | 2,259 | 2,783 | 5,043 |
| 2024 | 8,467 | 10,422 | 18,890 |
| 2025 | 7,925 | 9,306 | 17,231 |
| 2026 | 5,431 | 8,365 | 13,796 |
| 2027 | 3,258 | 7,790 | 11,047 |
| 2028 | 2,167 | 7,451 | 9,618 |
| 2029 | 2,387 | 7,157 | 9,543 |
| 2030 onwards | 53,790 | 46,474 | 100,264 |
| Total | 85,684 | 99,748 | 185,432 |

| Consolidated | | | |
|--------------|-------------------|----------------------------|----------------------------------|
| Year | Net present value | Embedded interest (future) | Amount of discounted installment |
| 2023 | 2,639 | 2,963 | 5,602 |
| 2024 | 9,740 | 10,751 | 20,491 |
| 2025 | 7,925 | 9,306 | 17,231 |
| 2026 | 5,431 | 8,365 | 13,796 |
| 2027 | 3,258 | 7,789 | 11,047 |
| 2028 | 2,167 | 7,451 | 9,618 |
| 2029 | 2,386 | 7,157 | 9,543 |
| 2030 onwards | 53,790 | 46,474 | 100,264 |
| Total | 87,336 | 100,256 | 187,592 |

11.4. Review of useful lives

During the year ended December 31, 2021, pursuant to its accounting policy of annually revaluating the useful life of its assets, the Company hired a specialized asset valuation company, which has analyzed the useful life of the assets in conformity with technical pronouncement CPC 27 - Property, Plant and Equipment and ICPC 10 - Interpretation on the First-Time Application to Property, Plant and Equipment. 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.

Also as part of its accounting policy of reviewing the residual value of its machinery on an annual basis, the Company carried out such revaluation in the first quarter of 2024 (same procedure applied in the first quarter of 2023), based on the sales market of preowned machinery and cars and, accordingly, adjusted the depreciation rates used, which are disclosed in the map of variations in property and equipment items.

11.5. Impairment of assets

In accordance with international standard IAS 36/technical pronouncement 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 might be 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.

12. INTANGIBLE ASSETS

12.1. Breakdown of intangible assets

| | Parent | | Consolidated |
|--|----------------|----------------|----------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Systems and applications | 12,508 | 4,284 | 12,503 |
| Trademarks and patents | 464 | 464 | 464 |
| Project development | 44 | 9,748 | 44 |
| Goodwill on the merger of subsidiaries | 95,337 | 95,337 | 166,417 |
| Customer contract surplus | 9,781 | 15,585 | 18,249 |
| Trademark surplus | - | - | 8,505 |
| Total | <u>118,134</u> | <u>125,418</u> | <u>206,182</u> |

| Company | Goodwill on the merger of subsidiaries | Customer contract surplus (i) | Trademark surplus |
|---------|--|-------------------------------|-------------------|
| RCB | 12,441 | 1,328 | - |
| Bauko | 82,896 | 8,453 | - |
| Terram | <u>71,080</u> | <u>8,468</u> | <u>8,505</u> |
| Total | <u>166,417</u> | <u>18,249</u> | <u>8,505</u> |

(i) Surplus relating to the expected discounted cash flow of the lease and service contracts effective on the date of acquisition of Bauko, RCB, and Terram. The amortization period of these assets ranges from 12 to 52 months.

12.2. Variations in intangible assets

| | Parent | | Consolidated |
|---|----------------|----------------|----------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Opening balance | 125,418 | 125,039 | 125,418 |
| Additions | 869 | 8,945 | 865 |
| Amortization | (2,349) | (790) | (2,349) |
| Amortization of asset surplus | (5,804) | (7,776) | (7,787) |
| Goodwill on acquisition of subsidiaries | - | - | 71,080 |
| Customer contract surplus | - | - | 10,451 |
| Trademark surplus | - | - | 8,505 |
| Closing balance | <u>118,134</u> | <u>125,418</u> | <u>206,182</u> |

13. TRADE PAYABLES AND TRADE PAYABLES - AGREEMENT

13.1. Trade payables

| | Parent | | Consolidated |
|------------------------------|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Parts and services suppliers | 38,176 | 36,175 | 50,045 |
| Trade payables - agreement | 421,302 | 360,128 | 421,302 |
| Total | 459,478 | 396,303 | 471,347 |

13.2. Parts and services suppliers

Trade payables are obligations to pay for goods or services that have been acquired from domestic suppliers at fair value on the acquisition date, plus interest, when applicable.

13.3. Trade payables - agreement

The Company entered into an agreement with a financial institution in order to structure reverse factoring transactions with its main machinery suppliers. Under such transaction, suppliers extend maturity periods and transfer the right to collect receivables from installment sales of machinery to the market financial institutions. In exchange, suppliers receive the related funds from the banks, without the need to contract credit facilities and with financial cost reimbursed by suppliers.

Reverse factoring transactions are subject to a 1.00% discount rate per month and average terms ranging from 267 to 358 days (rates ranging from 1.16% to 1.23% and average terms ranging from 60 to 195 days as at December 31, 2023) and its variations for the period are shown below.

Also, the transactions carried out are significant and these liabilities called trade payables - agreement are subject to regular market restrictive clauses (financial or not), with which the Company was compliant as at December 31, 2023 and September 30, 2024.

| | Parent and consolidated | |
|-----------------------------|-------------------------|------------|
| | 09/30/2024 | 12/31/2023 |
| Opening balance | 360,128 | 167,472 |
| New commitments | 388,485 | 405,639 |
| Principal repayment | (271,340) | (216,185) |
| Interest payment | (47,514) | (14,044) |
| Interest incurred | 34,023 | 33,165 |
| Adjustment to present value | (42,480) | (15,919) |
| Total | 421,302 | 360,128 |

14. BORROWINGS AND FINANCING

14.1. Breakdown of balances

| Lender | Type | Rate per year - % | Maturity | Parent | | Consolidated |
|------------------------------------|-----------------------------|------------------------|----------|------------|------------|--------------|
| | | | | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| CDCA - 1 st series | CRA | CDI + 1.65% | 2028 | 105,380 | 102,196 | 105,380 |
| CDCA - 2 nd series | CRA | IPCA + 7.57% | 2029 | 441,234 | 418,285 | 441,234 |
| Debentures - 2 nd issue | Debenture | CDI + 2.50% | 2028 | 1,045,052 | 1,013,282 | 1,045,052 |
| Debentures - 3 rd issue | Debenture | CDI + 2.25% | 2029 | 315,384 | 306,040 | 315,384 |
| Debentures - 4 th issue | Debenture | CDI + 1.90% | 2032 | 698,019 | - | 698,019 |
| Banco ABC Brasil | Finame | SELIC + 3.0% | 2026-27 | 17,629 | 20,850 | 17,629 |
| Bradesco | CDC | Fixed at 9.9 - 10.1% | 2025 | 1,153 | 1,884 | 1,153 |
| Bradesco | Leasing | Fixed at 4.9 - 6.9% | 2022-24 | 74 | 2,309 | 74 |
| Banco do Brasil | CCE / NCE | CDI + 2.35% | 2028 | 200,680 | 200,668 | 200,680 |
| Santander | CDC | Fixed at 8.7 - 9.9% | 2024-25 | 4,713 | 8,121 | 4,713 |
| Banco Volvo Brasil | Fixed rate | Fixed at 13.75% | 2028 | - | - | 2,139 |
| Banco Caterpillar | Fixed rate | Fixed at + 12.54% | 2026 | - | - | 686 |
| Volvo Administradora de Consórcio | Consortium | 12.5% Mngt fee + 0.40% | 2026 | - | - | 230 |
| Other institutions | CDC | Fixed at 6.7 - 10.2% | 2022-25 | 4,673 | 8,116 | 4,673 |
| Other institutions | Working capital/CDC/Leasing | Fixed at 6.6 - 11.6% | 2022-25 | 237 | 2,380 | 237 |
| Subtotal | | | | 2,834,228 | 2,084,132 | 2,837,283 |
| (-) Unamortized costs | | | | (32,515) | (34,044) | (32,515) |
| Total | | | | 2,801,713 | 2,050,087 | 2,804,768 |
| Current liabilities | | | | 378,047 | 261,370 | 379,005 |
| Noncurrent liabilities | | | | 2,423,666 | 1,788,717 | 2,425,763 |

14.2. Transaction characteristics

Certificates of Agribusiness Receivables (CDCAs)

On June 15, 2023, the Company issued Certificates of Agribusiness Receivables (“CDCAs”) in favor of Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. (“Issuer” or “Securitizer”) as guarantee of certificates of agribusiness receivables issued by the Securitizer (“CRAs”).

On July 21, 2023, the private placement of 500,000 CRAs was completed, divided into i) 101,730 First Series CRAs and ii) 398,270 Second Series CRAs (“First Series CRAs”, “Second Series CRAs”, respectively, or jointly and indistinctively referred to as “CRAs”), each with a par value of R\$1,000.00, totaling R\$500,000 (“Total Issue Amount”), of which R\$101,730 refers to the of the First Series CRAs and R\$398,270 refers to the Second Series CRAs, as defined in the bookbuilding procedure of potential investors

The CDCA linked to the First Series CRAs is subject to compensatory interest corresponding to 100.00% of the accumulated variance of the one-day daily average rates of the Interbank Deposit (DI), over extra group (“DI rate”), expressed as a percentage rate per year, 252 business days basis, daily calculated and disclosed by B3, in the daily bulletin available in its website (www.b3.com.br);, exponentially increased by spread or surtax equivalent to 1.65% per year, on a 252 business days basis. Compensation is paid semiannually with the first payment on December 13, 2023. Payment will be made in two installments, and the first installment is due on December 15, 2027 and the second installment on June 14, 2028.

The par value or par value balance of the CDCAs linked to the Second Series CRAs, as applicable, is adjusted by the accumulated variance of the IPCA (Broad Consumer Price Index), payable in two installments, with the first installment due on June 13, 2028 and the last installment due on June 13, 2029. The adjusted par value of the CDCAs linked to the Second Series CRAs shall accrue compensatory interest equivalent to 7.5779% per year, on a 252 business day basis. Compensation will be paid semiannually with the first payment on December 13, 2022.

Bauko Equipamentos de Movimentação e Armazenagem S.A., company merged into the Company, also issued CDCAs linked to the Second Series CRAs on June 15, 2022, subject to the same compensation and repayment terms for the CDCAs issued by the Company, totaling R\$96,000. Upon the merger, an amendment was signed on December 6, 2023, appointing Armac as the issuer of the CDCA, which starts to assume all rights and obligations before Bauko's liability.

Debentures

On November 1, 2021, the Company carried out its second (2nd) issue of simple nonconvertible, unsecured debentures, in a single series, pursuant to CVM Instruction 476, for public offering, in the total amount of R\$1,000,000, with restricted placement efforts, repayable in annual installments beginning November 25, 2024 and maturing on November 25, 2028 ("Debentures - 2nd Issue"). On December 14, 2021, the public offering with restricted efforts was closed with all debentures subscribed and paid up.

The compensation of the Debentures - 2nd Issue is equivalent to 100% of the accumulated variance of the daily average DI rates, plus a surcharge of 2.50% per year.

On July 19, 2023, the Company conducted the optional early redemption of all the Debentures - 1st Issue, which had the ticker symbol ARML11, under the terms of the "Private Indenture of First Issuance Nonconvertible Simple Debentures of Armac Locação, Logística e Serviços S.A." at their par value plus compensatory interest and premium, totaling R\$286,406.

On November 4, 2023, the Company carried out its third (3rd) issue of simple non-convertible, unsecured debentures, in a single series, pursuant to CVM Instruction 476, for public offering, in the total amount of R\$300,000, with restricted placement efforts, with two annual installments payable beginning November 4, 2028. The compensation of the Debentures - 3rd Issue is equivalent to 100% of the accumulated variance of the daily average DI rates, plus a surcharge of 2.25% per year.

On March 20, 2024, the Company carried out its fourth (4th) issue of simple nonconvertible, unsecured debentures, in a single series, pursuant to CVM Instruction No. 160, for public offering, in the total amount of R\$694,350, subject to automatic registration for distribution solely to professional investors.

The debentures shall bear compensatory interest equivalent to 100% of the accumulated variance of the DI rate, plus a maximum surcharge of 1.90% per year. The unit par value of debentures will be amortized in three annual installments beginning the sixth (6th) year from the Issue Date, according to the schedule set forth in the Issue Indenture.

The issue proceeds will be allocated in the Issuer's ordinary course of business, including, but not limited to, to reinforce the Company's cash and working capital.

Other transactions for investments in machinery and equipment

"Finame"

Finame contracts have grace periods for the repayment of principal that can last up to one year and the financed good is pledged as collateral for the financing.

CDC

CDC contracts have grace periods of up to one year for the beginning of repayment of principal and the financed good is pledged as collateral for the financing.

Leases

Lease contracts have grace periods for the repayment of principal that can last up to one year.

Working capital

Includes bank credit notes issued by the Company and acquired by the financial institutions to finance the Company's working capital and to purchase machinery and equipment used in operations.

CCE

CCE are export credit notes issued by the Company and acquired by the financial institutions to finance the purchase of machinery and equipment used in operations.

14.3. Variations in borrowings and financing

| | Parent | | Consolidated |
|------------------------------|------------------|------------------|------------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Opening balance | 2,050,087 | 2,064,673 | 2,050,087 |
| (+) Acquisition of company | - | - | 3,205 |
| (+) Borrowings | 694,350 | - | 694,350 |
| (+) Accrued interest | 248,970 | 303,979 | 249,034 |
| (-) Repayment of principal | (15,322) | (34,994) | (15,472) |
| (-) Interest paid | (171,804) | (282,115) | (171,868) |
| (-) Issue costs (a) | (4,568) | (1,456) | (4,568) |
| Closing balance | <u>2,801,713</u> | <u>2,050,087</u> | <u>2,804,768</u> |

(a) These costs were presented together with the payments disclosed in the statement of cash flows.

14.4. Repayment schedule

As at September 30, 2024, the repayment schedule of the debt balance, before unamortized costs by maturity year, is as follows:

| | Parent | | Consolidated |
|------|------------------|------------------|------------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| 2024 | 320,510 | 244,749 | 320,740 |
| 2025 | 262,562 | 262,562 | 263,547 |
| 2026 | 254,211 | 254,211 | 255,039 |
| 2027 | 252,595 | 252,595 | 253,210 |
| 2028 | 700,865 | 720,880 | 701,262 |
| 2029 | 349,135 | 349,134 | 349,135 |
| 2030 | 231,450 | - | 231,450 |
| 2031 | 231,450 | - | 231,450 |
| 2032 | 231,450 | - | 231,450 |
| | <u>2,834,228</u> | <u>2,084,131</u> | <u>2,837,283</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 an independent auditor.
- 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 the past twelve months. The borrowing and financing agreements that include the covenant are agreements underlying the CDCAs and the 2nd, 3rd, and 4th issues of Company debentures.

Most of the Company's borrowings and financing are not collateralized, except for the CDCAs, which are collateralized by the lease contracts with customers within the agribusiness chain and the leases and FINAME agreements that are collateralized by the leased and financed items. As at September 30, 2024, the Company was in compliance with these covenants.

15. TAXES IN INSTALLMENTS

15.1. Breakdown of taxes in installments

| | Parent | | Consolidated |
|---|--------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Law No. 14740/23 - Incentivized Self-settlement Program (i) | 7,713 | - | 7,713 |
| Taxes on revenue (PIS and COFINS) | 153 | 256 | 153 |
| Social security contribution (INSS) | 114 | 128 | 114 |
| Total | <u>7,980</u> | <u>384</u> | <u>7,980</u> |
| Current liabilities | 2,348 | 171 | 2,348 |
| Noncurrent liabilities | 5,632 | 213 | 5,632 |
| Total | <u>7,980</u> | <u>384</u> | <u>7,980</u> |

- (i) In June 2024, the Company joined the incentivized self-settlement program for PIS, COFINS, IRRF, withholding social security (CSRF), employee social security contribution, employer social security contribution, and third-party employee social security contribution debts totaling R\$17,153. To settle the debts, the company used tax losses and negative calculation bases equivalent to 50% of the credits, amounting to R\$8,577. The remaining balance of R\$8,577 will be paid in 48 monthly installments without monetary restatement.

15.2. Variations in investment:

| | Parent | | Consolidated |
|---|--------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Opening balance | 384 | 628 | 384 |
| (+) New installment plans | 17,153 | - | 17,153 |
| (-) Utilization of tax loss carryforwards | (8,577) | - | (8,577) |
| (+) Inflation adjustment | 439 | 45 | 439 |
| (-) Principal repayment | (1,338) | (287) | (1,338) |
| (-) Interest paid | (81) | (2) | (81) |
| Closing balance | <u>7,980</u> | <u>384</u> | <u>7,980</u> |

16. PROVISIONS FOR TAX, CIVIL AND LABOR RISKS

The Company considers all available information regarding the proceedings to which it is a party, as well as the opinion of its legal counsel, to prepare a reliable estimate of the amounts of obligations and the likelihood of cash disbursements. Based on this analysis, Management also decides on the need to recognize a provision in a sufficient amount to cover probable losses on the ongoing lawsuits and variations in the period are presented below.

| | Parent | | Consolidated |
|---|------------|------------|--------------|
| | 09/30/2024 | 12/31/2024 | 09/30/2024 |
| Opening balance | 166 | 722 | 166 |
| (+) Acquisition of subsidiary - recognized provision (i) | - | - | 6,798 |
| (+) Additions | 668 | 569 | 668 |
| (-) Reversals for change in outcome forecast or adjustment to provision | (24) | (569) | (307) |
| (-) Reversals | (201) | (556) | (201) |
| Closing balance | <u>609</u> | <u>166</u> | <u>7,124</u> |

(i) Lawsuit of subsidiary Terram - Tax Foreclosure Action, to collect service tax.

The lawsuits whose loss is assessed as possible in the opinion of the Company's legal counsel are

| | Parent | | Consolidated |
|-----------|---------------|---------------|---------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Civil | 6,389 | 1,745 | 6,389 |
| Tax | 13 | 156 | 21 |
| Labor (i) | 47,700 | 12,666 | 47,899 |
| Total | <u>54,102</u> | <u>14,567</u> | <u>54,309</u> |

(i) The main claims in the Company's labor lawsuits are: overtime differences, equal pay, health and safety bonuses, and compensation for occupational accidents.

17. EQUITY

17.1. Capital

As at September 30, 2024, the Company's subscribed capital is R\$1,008,876 (R\$1,004,034 as at December 31, 2023), represented by common shares without par value, held as follows:

| | Parent | | | |
|-----------------------|--------------------|-------------------|--------------------|-------------------|
| | 09/30/2024 | | 12/31/2023 | |
| | Number of shares | Equity interest % | Number of shares | Equity interest % |
| Owners of the Company | 174,020,920 | 50.22% | 174,020,920 | 50.29% |
| Other | 172,473,177 | 49.78% | 171,995,121 | 49.71% |
| | <u>346,494,097</u> | <u>100.00%</u> | <u>346,016,041</u> | <u>100.00%</u> |

Based on its Bylaws, the Company is authorized to increase its share capital up to a limit of R\$2,000,000 by resolution of the Board of Directors. This increase in share capital is intended to meet the exercise plans for the granting of shares, described below, and is being presented as a Capital Reserve, in line item 'Issue of equity instruments'.

At the meeting held on April 30, 2024, the Company's Board of Directors approved a capital increase in the amount of R\$4,843, corresponding to the issue of 478,756 new common shares. The issue of the shares was calculated as prescribed in the Stock Option Plan and Call Option Agreements entered into by the Company and the Beneficiaries, totaling R\$10.13. The increase was due to the exercise of stock options held by beneficiaries under the 2022-A Options Program.

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.

The variations in the periods presented arise from custody transactions paid by the brokerage firm that holds the controlling group's shares in custody.

17.2. Capital reserve

a) Share premium

The balance referring to the goodwill generated on the issue of shares as at September 30, 2024 and December 31, 2023 is R\$125,462 and corresponds to the issue of 442,327 new registered shares, without par value, subscribed and paid in by SPEED Fundo de Investimento em Participações Multiestratégia before the IPO.

b) Share-based payment plan

The Extraordinary General Meeting held on July 2, 2021 approved the creation of the Company's Stock Option Plan to be managed by the Company's Board of Directors. The plan provides for the grant of up to 4% of the Company's subscribed capital through different stock option programs to be established in the long term under this Plan.

Stock options can be exercised at any time from the vesting date to the expiration date. Grants can be made to members of the Company's Management, including officers, managers and coordinators, except for controlling officers.

The plans' costs are measured at fair value on the grant date, estimated based on the Black & Scholes model. The Company adopted the procedure of recognizing these costs on a straight-line basis during the vesting period, comprised from the grant date to the date in which the employee is entitled to exercise the option, with a corresponding increase: (i) in equity, in line item 'Recognized stock options granted' included in 'Capital reserves'; and (ii) in the statement of profit or loss, being allocated to line items 'Costs' and 'General, administrative and other expenses'.

During 2024, the Company accessed share-based compensation plan 2, which has three modalities (i) at a token strike price of R\$0.01 per share; (ii) at a fixed strike price of R\$10.13 per share; and (iii) at a fixed strike price of R\$ per share, contingent to the achievement of collective targets. As a result of this access, adjustments were made to the (iii) "fixed price" modality to reflect the partial cancellations of grants. As a result, there was a decrease in the estimated compensation and consequently a reversal of the expenses recognized in previous periods. The net effect of these transactions as at September 30, 2024 was R\$2,113.

17.3. Earnings reserve

a) Legal reserve

The 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.

b) Distribution of dividends and interest on capital

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).

On December 22, 2023, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, totaling R\$22,800 for the quarter ended December 31, 2023. This interest on capital was paid in April 19, 2024.

On March 26, 2024, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, totaling R\$24,000 for the quarter ended March 31, 2024. This interest on capital was paid in April 19, 2024.

On June 28, 2024, it was decided in a meeting of the Board of Directors, the distribution of interim dividends for the quarter ended June 30, 2024, totaling R\$11,010, and the same meeting approved the distribution of interest on capital totaling R\$25,400. These dividends and interest on capital were paid on July 25, 2024. Both deliberations must be ratified at the annual general meeting to be held by the end of April 2025.

On September 30, 2024, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, totaling R\$26,000 for the quarter ended September 30, 2024. This interest on capital will be paid on a date to be set by the executive committee.

Pursuant to Technical Interpretation on Accounting for Proposed Dividend Payment (ICPC08), as it is no present obligation on the date of these financial statements, the amount of dividends and/or interest on capital to be decided in excess of mandatory minimum dividends at the meeting of the Company's Board of Directors, to be ratified at the annual general meeting, will be recorded in line items of equity and when effectively paid will be recorded in a reduction line item of equity. These balances will be derecognized upon approval at the annual general meeting held in 2025.

17.4. Treasury shares

Share buyback plan

The Board of Directors' meeting held on May 5, 2023 approved a buyback plan for the acquisition by the Company, in a single transaction or in a series of transactions, of own common shares, according to the following terms and conditions:

- a) Purpose of the transaction: buy back Company shares on the stock exchange, at market price, with the main purpose of meeting the delivery of shares under the Company's share-based compensation plans, and may also be held in treasury, cancelled, and/or subsequently sold in the market. The shares held in treasury may be used to exercise options under the Company's stock option plan.
- b) Number of shares: the total number to be bought back is up to 13,830,380 common shares issued by the Company, equivalent to 4% of the Company's total shares and 8.13% of the free float on May 5, 2022.
- c) Term: the maximum term for the operation is 18 months beginning May 6, 2022, ending on November 5, 2023.
- d) Acquisition method and price: the shares will be acquired on the trading floor of B3 S.A. - Brasil, Bolsa, Balcão ("B3") at market price, and the Company's Management will be responsible for deciding the moment and the number of shares to be bought back, whether in a single transaction or in a series of transactions, within the limits provided for in the applicable regulations.

Additional information about the share buyback plan is available on the Company's Investor Relations page and on the websites of the Brazilian Securities and Exchange Commission (CVM) and B3.

As at September 30, 2024, the Company holds own common shares in treasury amounting to R\$4,102 (R\$4,822 as at December 31, 2023), represented by 345,597 common shares (406,229 as at December 31, 2023), broken down as follows:

| Month | Transaction | Number of shares | Cost | Average share price (R\$0.00) |
|-------|-------------------------------|------------------|-------|-------------------------------|
| 2024 | Exercise of stock options (a) | (60,632) | (720) | 11.87 |

- (a) See information on this exercise of stock options in note 16.2 - Capital reserve, item b - Share-based payment plan.

18. RELATED-PARTY TRANSACTIONS

The transactions carried out between the Company and its related parties affecting profit or loss are as follows:

| | Parent | |
|--|---------------|--------------|
| | 09/30/2024 | 12/31/2023 |
| <u>Equity transactions</u> | | |
| Receivables from Terram (a) | 1,021 | - |
| Receivables from consortiums (b) | 3,345 | - |
| Consortiums current account (c) | 1,463 | - |
| | <u>5,829</u> | <u>-</u> |
| <u>Profit or loss transactions</u> | | |
| Lease of right of use (d) | 7,590 | 9,096 |
| Compensation of key management personnel (e) | 5,249 | 7,397 |
| Sales of Terram services (a) | 1,021 | - |
| Sales of consortium services (b) | 7,553 | - |
| | <u>21,413</u> | <u>8,393</u> |

- (a) Intercompany transactions with Terram relating to the receipt of leased machinery and equipment, which are carried out at prices, terms and conditions agreed between the parties.
- (b) Intercompany transaction with the CCB Fico and CRA consortiums, relating to the receipt of leased machinery and equipment, which are carried out at prices, terms and conditions agreed between the parties. The amounts shown represent Armac's proportional share in the joint operations.
- (c) The balances refer to operations with the CCB CRA Consortium and are related to contributions of funds for the development of operations. These funds are treated as a current account, as they were higher than the contribution compared to the stake in the consortium. These contributions will be returned to the Company according to the consortium's cash flows.
- (d) Rental of properties - refers to the payment of rental of properties in the amount of R\$7,590 as at September 30, 2024 (R\$9,096 as at December 31, 2023), used as machinery maintenance center, which are owned by part of the Company's controlling shareholders (note 11.2 - Lease of right of use). In 2023 and the third quarter of 2024, the remeasurements correspond only to the inflation adjustment of the contracts.
- (e) The compensation of the Company's officers for the period ended September 30, 2024 was R\$5,249 (R\$7,397 as at December 31, 2023), considered a short-term benefit, recognized in line item 'General and administrative expenses' in profit or loss for the period. The Annual and Extraordinary General Meeting held on April 26, 2024 approved the maximum overall compensation payable to the Company's management in 2024, totaling R\$17,991.

19. INCOME TAX AND SOCIAL CONTRIBUTION

19.1. Income tax and social contribution expenses

The income tax and social contribution calculations were made based on taxable income in the Company for the periods ended September 30, 2024 and 2023.

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 profit or loss for the period is shown below:

| | Parent | | Consolidated |
|--|------------|------------|--------------|
| | 09/30/2024 | 09/30/2023 | 09/30/2024 |
| Profit before income tax and social contribution | 199,435 | 141,408 | 207,296 |
| (x) Statutory rate | 34% | 34% | 34% |
| Income tax and social contribution expenses | (67,808) | (48,079) | (70,481) |
| Effect of permanent add-backs (deductions) on tax bases | | | |
| (-) Nondeductible costs and expenses | - | (1,517) | - |
| (+/-) Other permanent differences | (1,483) | 5,658 | 1,897 |
| (+) Share of results of investees | 4,665 | - | - |
| (+) Interest on capital | 25,636 | 20,060 | 25,636 |
| Income tax and social contribution expenses | (38,990) | (23,878) | (42,948) |
| Current | - | - | (4,598) |
| Deferred | (38,990) | (23,878) | (38,420) |
| Total | (38,990) | (23,878) | (42,948) |
| Effective tax rate | (20%) | (17%) | (21%) |

19.2. Deferred income tax and social contribution

a) Breakdown

| | Parent | | Consolidated |
|--|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| <u>Assets</u> | | | |
| Adjustment of trade receivables to present value | 1,220 | - | 1,220 |
| Allowance for expected credit losses | 24,094 | 16,065 | 24,094 |
| Provision for suppliers' invoices | - | 6,170 | - |
| Tax loss carryforwards | 712,826 | 435,642 | 714,605 |
| Provision for executives' bonuses | 7,645 | 26,626 | 7,645 |
| Provision for risks | 606 | 166 | 7,124 |
| Realization of Terram goodwill | 2,310 | - | - |
| Effects of CPC 06 - IFRS 16 | 7,132 | 4,869 | 7,132 |
| Total | 755,833 | 489,538 | 761,820 |
| (x) Statutory rate | 34% | 34% | 34% |
| Deferred tax assets | 256,983 | 166,443 | 259,019 |
| <u>Liabilities</u> | | | |
| Gap between tax and financial depreciation | 1,223,371 | 828,822 | 1,223,372 |
| Amortization of goodwill in subsidiaries | 29,952 | 18,302 | 29,952 |
| Allowance for revenue from services | - | - | 9,329 |
| Total | 1,253,324 | 847,124 | 1,262,653 |
| (x) Statutory rate | 34% | 34% | 34% |
| | 426,130 | 288,022 | 429,302 |
| Deferred income tax and social contribution, net | 169,146 | 121,579 | 170,282 |

b) Variations in deferred tax assets and liabilities

| | Parent | | Consolidated |
|---|------------|------------|--------------|
| | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| Net balance of deferred income tax and social contribution at the beginning of the period | 121,579 | 86,028 | 121,579 |
| Adjustment of trade receivables to present value | (415) | - | (415) |
| Allowance for expected credit losses | (2,730) | (3,672) | (2,730) |
| Trade payables | 2,098 | (2,098) | 2,098 |
| Tax loss carryforwards | (94,243) | (72,845) | (94,847) |
| Tax loss carryforwards of merged company | - | 1,116 | - |
| Provision for executives' bonuses | 6,454 | (2,419) | 6,454 |
| Provision for risks | (150) | (56) | (2,366) |
| Effects of CPC 06 - IFRS 16 | (769) | (660) | (769) |
| Gap between tax and financial depreciation | 134,147 | 109,962 | 134,147 |
| Realization of goodwill on business combination | (786) | - | - |
| Amortization of Investment goodwill | 3,961 | 6,223 | 3,961 |
| Deferred income | - | - | 3,172 |
| Net balance of deferred income tax and social contribution at the end of the period | 169,146 | 121,579 | 170,283 |
| Balance of subsidiary Terram | - | - | 2,821 |
| Net balance of deferred income tax and social contribution at the end of the period | - | - | 173,104 |
| Amount recognized in profit or loss | 38,990 | 35,552 | 42,948 |
| Amount recognized in balance sheet | 8,577 | - | 8,577 |

20. NET REVENUE

| | Parent | | Consolidated |
|--|------------|------------|--------------|
| | 09/30/2024 | 09/30/2023 | 09/30/2024 |
| Lease of equipment and provision of services | 1,261,438 | 977,530 | 1,338,344 |
| Sale of new machinery and parts | 1,759 | 2,240 | 1,759 |
| Sale of property and equipment used | 91,549 | 76,384 | 92,419 |
| Gross operating revenue | 1,354,746 | 1,056,154 | 1,432,522 |
| (-) Taxes on sales | (133,531) | (94,186) | (140,047) |
| Net operating revenue | 1,221,215 | 961,968 | 1,292,475 |
| Tax on revenue (COFINS) | (93,144) | (69,631) | (94,232) |
| Tax on revenue (PIS) | (20,222) | (15,107) | (22,405) |
| State VAT (ICMS) | (270) | (182) | (270) |
| Service tax (ISS) | (19,895) | (9,266) | (23,140) |
| Total taxes on sales | (133,531) | (94,186) | (140,047) |

21. COSTS AND EXPENSES BY NATURE

| | Parent | | Consolidated |
|---|----------------|----------------|----------------|
| | 09/30/2024 | 09/30/2023 | 09/30/2024 |
| <u>Costs</u> | | | |
| Personnel expenses | 384,454 | 223,715 | 409,284 |
| Depreciation and amortization | 101,977 | 125,496 | 103,957 |
| Inputs, parts and maintenance services | 76,957 | 61,950 | 80,156 |
| Cost of sale or write-off of property and equipment | 75,878 | 50,159 | 75,878 |
| Fuel and transportation costs | 28,807 | 26,983 | 32,069 |
| IT leases and infrastructure | 11,290 | 4,572 | 11,290 |
| Fleet costs | 10,219 | 10,634 | 10,219 |
| Property costs | 7,913 | 1,694 | 7,913 |
| Other costs | 3,668 | 245 | 12,749 |
| Total | <u>701,163</u> | <u>505,448</u> | <u>743,515</u> |
| <u>Expenses</u> | | | |
| Personnel expenses | 51,631 | 70,529 | 54,824 |
| Depreciation and amortization | 16,003 | 8,090 | 18,053 |
| Administrative and selling expenses | 21,767 | 18,931 | 23,591 |
| Software lease | 11,780 | 12,826 | 11,780 |
| Advisors' expenses | 6,479 | 6,195 | 7,002 |
| Allowance for expected credit losses | 8,029 | 6,598 | 8,029 |
| Other (income) expenses, net | 954 | 1,350 | 1,016 |
| Total | <u>116,643</u> | <u>124,519</u> | <u>124,295</u> |

22. FINANCE INCOME (COSTS)

| | Parent | | Consolidated |
|-----------------------------------|---------------|---------------|---------------|
| | 09/30/2024 | 09/30/2024 | 09/30/2024 |
| Income from short-term investment | 78,130 | 75,106 | 78,160 |
| Other | 3,917 | 2,132 | 4,433 |
| Total | <u>82,047</u> | <u>77,238</u> | <u>82,593</u> |

| | Parent | | Consolidated |
|--|----------------|----------------|----------------|
| | 09/30/2024 | 30/06/2024 | 09/30/2024 |
| Interest on borrowings and financing | 249,409 | 233,599 | 249,409 |
| Inflation adjustment to payables | 4,288 | 4,374 | 4,288 |
| Interest on lease of right of use | 8,400 | 7,680 | 8,417 |
| Interest on trade payables - agreement | 34,023 | 20,961 | 34,023 |
| Other | 3,627 | 1,217 | 3,825 |
| Total | <u>299,747</u> | <u>267,831</u> | <u>299,963</u> |

23. EARNINGS PER SHARE

The table below shows the profit available to the holders of shares and the weighted average number of outstanding shares used to calculate basic and diluted earnings.

The Company does not enter into any transactions affecting the dilution of earnings.

| | Parent and consolidated 09/30/2024 | Parent 09/30/2023 |
|---|---------------------------------------|----------------------|
| <u>Numerator</u> | | |
| Profit for the period (a) | 160,445 | 117,530 |
| <u>Denominator (in thousands of shares)</u> | | |
| Weighted average number of shares | 346,255 | 346,421 |
| Weighted average number of treasury shares | (382) | (405) |
| Weighted average number of outstanding shares (b) | 345,873 | 346,016 |
| Basic earnings per share (in R\$) (a/b) | 0.46 | 0.34 |
| <u>Denominator (in thousands of shares)</u> | | |
| Weighted average number of shares | 346,255 | 346,421 |
| Weighted average number of treasury shares | (382) | (405) |
| Weighted average number of shares granted | - | 80 |
| Weighted average number of diluted shares (c) | 345,873 | 346,096 |
| Diluted earnings per share (in R\$) (a/c) | 0.46 | 0.34 |

The dilutive effect on earnings per share is represented by stock option plans disclosed in note 16.2 – Equity, Capital Reserve, letter b.

24. FINANCIAL INSTRUMENTS

24.1. Categories of financial instruments

| | | Parent | | Consolidated |
|---|----------------|------------|------------|--------------|
| Category | | 09/30/2024 | 12/31/2023 | 09/30/2024 |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | Amortized cost | 348,676 | 254,405 | 385,200 |
| Short-term investments | Amortized cost | 737,762 | 475,190 | 737,762 |
| Trade receivables | Amortized cost | 459,484 | 325,596 | 503,282 |
| Related parties | Amortized cost | 5,829 | - | - |
| Call option on noncontrolling interests | Fair value | 8,116 | - | 8,116 |
| Total | | 1,559,867 | 1,055,191 | 1,634,359 |
| <u>Financial liabilities</u> | | | | |
| Trade payables and trade payables - agreement | Amortized cost | 459,478 | 396,304 | 472,368 |
| Borrowings and financing | Amortized cost | 2,801,713 | 2,050,087 | 2,804,768 |
| Leases of right of use | Amortized cost | 85,684 | 86,633 | 87,337 |
| Payables for acquisition of businesses | Amortized cost | 122,102 | 18,087 | 122,102 |
| Total | | 3,468,977 | 2,551,111 | 3,485,554 |

24.2. Financial and foreign exchange risks

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

The Company does not conduct significant transactions with foreign suppliers. There are no amounts exposed to foreign exchange risk as at September 30, 2024.

24.3. Sensitivity analysis

Interest rate risk

The Company obtains borrowings and financing 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 and this exposure is shown in note 14 - Borrowings and financing.

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 25% to 50% of CDI, based on SELIC (Central Bank's policy rate) at the end of September 2024 of 10.75%, as disclosed in Central Bank's website.

| | Balance 09/30/2023 | Scenario I | Scenario II | Scenario III |
|---|-----------------------|------------------|------------------|------------------|
| Average CDI rate for the next 12 months | | 10.75% | 13.44% | 16.13% |
| Borrowings and financing not indexed to CDI and SELIC | 452,084 | 500,683 | 512,833 | 524,982 |
| Borrowings and financing indexed to CDI and SELIC | 2,382,144 | 2,638,224 | 2,702,244 | 2,766,265 |
| Payables for acquisition of companies indexed to CDI | 122,102 | 135,228 | 138,509 | 141,791 |
| Subtotal | 2,956,330 | 3,274,135 | 3,353,586 | 3,433,038 |
| Short-term investments | (737,762) | (817,071) | (836,899) | (856,726) |
| Net exposure | <u>2,218,568</u> | <u>2,457,064</u> | <u>2,516,688</u> | <u>2,576,312</u> |

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 (par value with future interest):

| Parent | Up to 1 year | From 1 to 2 years | From 2 to 3 years | Over 3 years | Total |
|---|-----------------|----------------------|----------------------|-----------------|-----------|
| Trade payables and trade payables - agreement | 459,478 | - | - | - | 459,478 |
| Borrowings and financing | 264,993 | 254,908 | 253,114 | 2,102,661 | 2,875,676 |
| Payables for acquisition of companies | 16,807 | 16,807 | 23,957 | 56,567 | 114,138 |
| Lease of right of use | 5,043 | 18,890 | 17,231 | 144,269 | 185,433 |
| Consolidated | Up to 1 year | From 1 to 2 years | From 2 to 3 years | Over 3 years | Total |
| Trade payables and trade payables - agreement | 472,368 | - | - | - | 472,368 |
| Borrowings and financing | 265,951 | 255,825 | 253,736 | 2,103,220 | 2,878,732 |
| Payables for acquisition of companies | 16,807 | 16,807 | 23,957 | 56,567 | 114,138 |
| Lease of right of use | 5,603 | 20,491 | 17,231 | 144,269 | 187,594 |

25. INSURANCE COVERAGE

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.

| | Parent | |
|------------------------------|----------|----------|
| | Coverage | Maturity |
| Property and equipment items | 20,350 | Feb 2025 |
| Transportation | 400,000 | Apr 2025 |
| Civil claims | 30,000 | Feb 2025 |
| D&O | 70,000 | Jun 2025 |
| Civil liability | 8,074 | Nov 2026 |

26. NONCASH TRANSACTIONS

Noncash transactions are described below:

| Classification in the financial statements | Line item | Note | Nature of transaction | Parent | | Consolidated |
|--|--|--------|---|------------|------------|--------------|
| | | | | 09/30/2024 | 09/30/2023 | 09/30/2024 |
| Assets | Property and equipment - lease right of use | 10.2 | Effects of IFRS 16 on contract termination | 5,407 | 16,349 | 7,078 |
| Liabilities | Property and equipment | 10.1 | | 5,407 | 16,349 | 7,078 |
| Liabilities | Trade payables - agreements | 12.2 | | 346,006 | 293,608 | 346,006 |
| Assets | Property and equipment | 10.1 | Trade payables - agreements | 346,006 | 293,608 | 346,006 |
| Net assets | Share-based payment plan | 16.2 b | | 721 | 2,704 | - |
| Net assets | Treasury shares | 16.4 | Exercise of stock options | 721 | 2,704 | - |
| Assets | Deferred taxes – tax loss carryforwards | 18.2 b | Taxes in installments | 8,577 | - | 8,577 |
| Liabilities | Taxes in installments -Federal | 14.2 | | 8,577 | - | 8,577 |
| Assets | Trade receivables – allowance for expected credit losses | 5.3 | Allowance for expected credit losses – effective loss | 598 | - | |
| Equity | Profit or loss for the year | - | | 598 | - | |
| Assets | Total assets | - | Opening balances of assets and liabilities in the acquisition of Terram | - | - | 82,856 |
| Liabilities | Total liabilities | - | | - | - | 82,856 |
| Liabilities | Payables for acquisition of companies | - | Balance of semi-annual installments and earn-out. | - | - | 46,005 |
| Equity | Equity investment | - | | - | - | 46,005 |

27. EVENTS AFTER THE REPORTING PERIOD

On September 25, 2024, the Company issued its fifth (5th) issue of simple, nonconvertible, unsecured debentures, in two series, based on the terms of CVM Instruction No. 160, for public distribution, totaling R\$1,000,000, issued under the automatic distribution registration procedure, aimed exclusively at professional investors.

The 1st Series bears interest at a percentage equivalent to 100% of the accumulated variation of the DI Rate (Interbank Deposits), plus a maximum spread of 1.35% per year, and the nominal unit value of this series will be amortized in three annual installments, starting on the sixth (6th) anniversary of the issue date, according to the schedule set out in the Indenture.

The 2nd Series bears interest at a percentage equivalent to 100% of the accumulated variation of the DI Rate (Interbank Deposits), plus a maximum spread of 1.6% per year, and the nominal unit value of this series will be amortized in three annual installments, starting on the eight (8th) anniversary of the issue date, according to the schedule set out in the Indenture.

The net proceeds obtained by the Issuer from the Offering will be fully earmarked for the refinancing of its 2nd Issue of Debentures.

The bookbuilding process for the offer ended on October 8, 2024, with the placement of 616,585 1st series debentures and 383,415 2nd series debentures. The debentures were settled on October 14, 2024.
