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

Armac Locação, Logística e Serviços S.A.

Financial Statements for the Year Ended December 31, 2023 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

MESSAGE FROM MANAGEMENT

We present Armac's consolidated results for 2023. 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	4Q23	3Q23	QoQ	4Q22	YoY	2023	2022	FY23 vs. FY22
Rental Fleet Size (# Equipment)	10,206	10,125	0.8%	9,483	7.6%	10,206	9,483	7.6%
CAPEX	121.3	191.9	(36.8%)	250.5	(51.6%)	575.9	1,258.3	(54.2%)
Gross Revenue	437.7	394.7	10.9%	308.5	41.9%	1,493.8	1,050.4	42.2%
Gross Revenue from rental	403.0	372.4	8.2%	289.9	39.0%	1,382.8	989.8	39.7%
Adjusted EBITDA	166.5	168.8	(1.3%)	126.1	32.0%	605.9	434.5	39.5%
% net revenue from rental	45.7%	50.0%	-4.3 p.p.	48.3%	-2.6 p.p.	48.5%	48.8%	-0.3 p.p.
EBITDA	175.2	174.7	0.2%	136.1	28.7%	640.7	457.5	40.1%
% net revenue	43.9%	48.6%	-4.7 p.p.	48.6%	-4.7 p.p.	47.1%	48.1%	-1.0 p.p.
Adjusted Net Income	45.8	47.9	(4.4%)	33.3	37.5%	163.3	130.9	24.7%
% net revenue	11.5%	13.3%	-1.8 p.p.	18.2%	-6.7 p.p.	12.0%	15.6%	-3.6 p.p.
Net Debt	1,320.5	1,329.9	(0.7%)	1,126.3	17.2%	1,320.5	1,126.3	17.2%
Net Debt / EBITDA LTM	2.06x	2.21x	-0.15x	2.46x	-0.40x	2.06x	2.46x	-0.40x
Adjusted ROIC	29.9%	32.1%	-2.1 p.p.	27.2%	+2.7 p.p.	29.0%	27.9%	+1.1 p.p.
Accounting ROIC	19.3%	20.2%	-0.9 p.p.	17.0%	+2.3 p.p.	18.8%	17.4%	+1.4 p.p.
Accounting ROE	13.7%	14.8%	-1.1 p.p.	10.7%	+3.0 p.p.	13.3%	10.8%	+2.6 p.p.

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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INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the accompanying financial statements of Armac Locação, Logística e Serviços S.A. (“Company”), which comprise the balance sheet as at December 31, 2023, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Armac Locação, Logística e Serviços S.A. as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing.
Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

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

Recognition of revenue from the provision of services and lease of machinery, notably in the accrual period or when the machinery lease services were actually provided

Why it is a KAM

We draw attention to note 20 to the financial statements, which states that the Company earns revenue primarily from the provision of machinery services and lease. The data used to recognize revenue are input into the system manually and revenue is recognized when a sales invoice for the services provided is issued. This procedure requires robust Management controls for (i) determining the revenue adjustments required between the date a service is actually provided and the issue date of the relevant invoice; and (ii) verifying the amounts to be recognized in accordance with the underlying agreements.

Due to the materiality of the amounts involved and the inherent characteristics of the revenue recognition process, including contract volumes and process used to capture the measurement of the service provided within the accrual period, we considered this matter a key audit matter in our audit work.

How the matter was addressed in our audit

Our audit procedures included: (i) understanding the Company's internal controls for measuring and recognizing service revenues; (ii) checking, on a sample basis, the documentation supporting the lease services provided in the year; (iii) testing the recognition of revenue on an accrual basis by checking supporting documentation, such as the measurement and termination of contracts with the customers within the correct accrual period; (iv) analyzing revenue on a monthly basis using aggregate and broken down data to identify relationships or variations inconsistent with our expectations; and (v) analyzing the disclosures made by the Company in financial statements.

Based on the evidence obtained through our procedures described above, we believe that the determination and recognition of revenue, its accounting, and its related disclosures in notes to financial statements are acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for purposes of the IFRSs, was subject to audit procedures performed together with the audit of the Company's financial statements.
In forming our opinion, we assess whether these statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the financial statements taken as a whole.

Other information accompanying the financial statements and the independent auditor's report

The Executive Board is responsible for the other information. The other information comprises the Management Report.

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

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

Responsibilities of the Executive Board and those charged with governance for the financial statements

The Executive Board is responsible for the preparation and fair presentation of financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS, issued by the IASB, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 26, 2024

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Alessandro Costa Ramos
Engagement Partner

2024SP030532

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

BALANCE SHEETS
AS AT DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

ASSETS	Note	12/31/2023	12/31/2022	LIABILITIES AND EQUITY	Note	12/31/2023	12/31/2022
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents	6	254,405	938,358	Trade payables	14.1	36,176	116,768
Short-term investments	7	475,190	-	Trade payables - agreement	14.2	360,128	167,472
Trade receivables	8	325,596	237,500	Borrowings and financing	15	261,370	56,580
Inventories	9	56,525	34,811	Lease of right of use	12.2	8,505	5,138
Recoverable taxes	10	33,322	68,330	Payroll and related taxes		54,578	35,682
Other assets	11	42,898	11,610	Taxes payable		9,313	5,822
Total current assets		1,187,936	1,290,609	Taxes in installments		171	154
				Payables for acquisition of companies	2	1,959	3,519
				Other payables		15,654	1,915
				Total current liabilities		747,854	393,050
NONCURRENT ASSETS							
Escrow deposits		1,855	1,464	NONCURRENT LIABILITIES			
Other assets	11	28,040	640	Borrowings and financing	15	1,788,717	2,008,093
Property and equipment	12	2,639,478	2,313,223	Lease of right of use	12.2	78,128	70,012
Intangible assets	13	125,418	125,039	Payables for acquisition of companies	2	16,128	14,205
Total noncurrent assets		2,794,791	2,440,366	Taxes in installments		213	344
				Provision for civil, tax and labor risks	16	166	722
				Deferred taxes	19.2	121,579	86,028
				Total noncurrent liabilities		2,004,931	2,179,404
				EQUITY			
				Capital	18	1,004,034	1,004,034
				Share issue costs	18	(45,072)	(45,072)
				Capital reserve	18	135,008	130,167
				Earnings reserve	18	140,794	77,511
				Treasury shares	18	(4,822)	(8,119)
				Total equity		1,229,942	1,158,521
TOTAL ASSETS		3,982,727	3,730,975	TOTAL LIABILITIES AND EQUITY		3,982,727	3,730,975

The accompanying notes are an integral part of these financial statements.

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

ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

	Note	12/31/2023	12/31/2022
NET OPERATING REVENUE	20	1,360,967	951,754
(–) Cost of services	21	(734,137)	(504,134)
(=) Gross profit		626,830	447,620
OPERATING EXPENSES			
(–) Administrative and selling expenses	21	(171,743)	(127,307)
(=) Operating income before finance income (costs)		455,087	320,313
(+) FINANCE INCOME	22	99,056	126,974
(–) Finance costs	22	(355,307)	(279,296)
(=) Finance income (costs), net		(256,252)	(152,322)
(=) INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		198,835	167,991
INCOME TAX AND SOCIAL CONTRIBUTION		(35,552)	(19,399)
(–) Current	19	-	(6,080)
(–) Deferred	19	(35,552)	(13,319)
(=) PROFIT FOR THE PERIOD		163,283	148,592
Basic earnings per share (in R$)	23	0.47	0.43
Diluted earnings per share (in R$)	23	0.47	0.43

The accompanying notes are an integral part of these financial statements.

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

	12/31/2023	12/31/2022
PROFIT FOR THE PERIOD	163,283	148,592
Comprehensive income for the period	163,283	148,592

The accompanying notes are an integral part of these financial statements.

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

			Capital reserves			Earnings reserves					
	Note	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	Treasury shares	Equity
BALANCE AS AT DECEMBER 31, 2021		1,002,351	(45,072)	125,462	1,553	3,780	-	24,622	-	-	1,112,696
Capital increase	17	1,683	-	-	(1,683)	-	-	-	-	-	-
Profit for the year	17	-	-	-	-	-	-	-	148,592	-	148,592
Recognition of legal reserve	17	-	-	-	-	7,430	-	-	(7,430)	-	-
Interest on capital	17	-	-	-	-	-	23,000	(36,561)	(35,291)	-	(48,852)
Dividends	17	-	-	-	-	-	18,000	(68,631)	-	-	(50,631)
Share buyback program	17	-	-	-	-	-	-	-	-	(8,119)	(8,119)
Share-based payment plan		-	-	-	4,835	-	-	-	-	-	4,835
BALANCE AS AT DECEMBER 31, 2022		1,004,034	(45,072)	125,462	4,705	11,210	41,000	(80,570)	105,871	(8,119)	1,158,521
Profit for the year	18	-	-	-	-	-	-	-	163,283	-	163,283
Recognition of legal reserve	18	-	-	-	-	8,164	-	-	(8,164)	-	-
Interest on capital - mandatory minimum proposed and paid	18	-	-	-	-	-	-	-	(38,780)	-	(38,780)
Interest on capital - additional	18	-	-	-	-	-	43,020	(20,220)	(43,020)	-	(20,220)
Prior-year interest on capital approved and paid		-	-	-	-	-	(41,000)	80,570	(80,570)	-	(41,000)
Share-based payment plan	18	-	-	-	4,841	-	-	-	-	3,297	8,138
BALANCE AS AT DECEMBER 31, 2023		1,004,034	(45,072)	125,462	9,546	19,374	43,020	(20,220)	98,620	(4,822)	1,229,942

The accompanying notes are an integral part of these financial statements.

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

	Note	12/31/2023	12/31/2022
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		198,835	167,991
Adjusted by:			
Depreciation and amortization	12,13 and 21	185,652	137,166
Bonuses in goods		(3,749)	(8,005)
Residual cost in the write-off of decommissioned assets	12.1 and 21	81,661	37,613
Share-based payment plan		4,841	4,835
Allowance for expected credit losses	21	10,873	5,266
Charges on leased right-of-use assets	12.2	10,339	5,776
Financial discount due to prepayment of payables of subsidiary		-	(3,222)
Inflation adjustment to payables from acquisition of companies		2,231	3,639
Interest on trade payables - agreement	14.2	33,165	-
Interest on borrowings and financing	15.3	303,979	256,832
Income from short-term investments		(32,074)	-
Provision for civil, tax and labor risks	16	(556)	-
Other operating expenses (income)		-	43
Changes in assets and liabilities:			
Trade receivables		(98,969)	(72,267)
Inventories		(21,714)	(9,507)
Recoverable taxes		35,008	(35,269)
Escrow deposits		(391)	(580)
Other assets		(54,939)	(3,902)
Trade payables		(80,592)	67,185
Payroll and related taxes		18,896	14,771
Taxes payable		3,491	424
Other payables		13,625	(351)
INTEREST ON BORROWINGS AND FINANCING PAID	15.3	(282,115)	(232,727)
Interest on lease of right of use paid	12.2	(10,339)	(5,776)
Interest on trade payables - agreement paid	14.2	(14,044)	-
Purchase of property and equipment	12.1	(177,239)	(1,017,461)
Income tax and social contribution paid in the period	19.1	-	(6,080)
Net cash generated by operating activities		125,875	(693,606)
CASH FLOW FROM INVESTING ACTIVITIES			
Short-term investments	7	(443,117)	1,666,085
Purchase of intangible assets	13.2	(8,945)	(4,912)
Payables for acquisition of companies	2	(1,868)	(84,473)
Assumption of cash from merged company		-	(1,406)
Net cash used in investing activities		(453,930)	1,575,294
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings and financing	15.3	-	778,554
Repayments of borrowings and financing	15.3	(36,450)	(611,810)
Payment of lease of right of use	12.2	(6,560)	(5,914)
Payment of trade payables - agreement	14.2	(216,185)	-
Treasury shares	18	3,297	(8,119)
Payment of dividends and interest on capital	18	(100,000)	(99,483)
Net cash generated by financing activities		(355,898)	53,228
INCREASE IN CASH AND CASH EQUIVALENTS, NET		(683,953)	934,916
Cash and cash equivalents at the beginning of the year		938,358	3,442
Cash and cash equivalents at the end of the year		254,405	938,358

The accompanying notes are an integral part of these financial statements.

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ARMAC LOCAÇÃO, LOGÍSTICA E SERVIÇOS S.A.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except when otherwise indicated)

	Note	12/31/2023	12/31/2022
REVENUE			
Lease, services, and other revenue	20	1,493,847	951,754
Revenue related to the construction of own assets		1,620	-
Allowance for expected credit losses	21	(9,270)	(5,452)
THIRD-PARTY SERVICES AND SUPPLIES			
Third-party services, supplies, and other inputs		(298,707)	(211,014)
Costs related to the construction of own assets		(1,620)	-
GROSS VALUE ADDED		1,185,870	735,288
DEPRECIATION AND AMORTIZATION	21	(185,652)	(137,166)
WEALTH CREATED BY THE COMPANY		1,000,218	598,122
WEALTH RECEIVED IN TRANSFER			
Finance income	22	99,056	126,974
Other		16,929	5,116
Wealth for distribution		1,116,203	730,212
PERSONNEL			
Wages		(291,533)	(192,087)
Benefits		(94,656)	(60,813)
Severance Pay Fund (FGTS)		(19,876)	(15,808)
Social Security Contribution (INSS)		(59,390)	(38,380)
TAXES, FEES AND CONTRIBUTIONS			
Federal		(116,749)	4,863
Municipal		(15,409)	(99)
Lenders and lessors			
Interest	21	(355,307)	(279,296)
SHAREHOLDERS			
Dividends		-	(50,631)
Interest on capital		(38,780)	(48,852)
Profit for distribution		(124,503)	(49,109)
WEALTH DISTRIBUTED		(1,116,203)	(730,212)

The accompanying notes are an integral part of these financial statements.

(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.

During 2022, the Company merged subsidiaries RCB Locação de Equipamentos e Máquinas Ltda. (“RCB”) and Bauko Equipamentos de Movimentação e Armazenagem S.A. (“Bauko”). For details on such transactions, see note 2 - Mergers & Acquisitions.

2. MERGERS & ACQUISITIONS

The Extraordinary General Meeting held on January 14, 2022 and November 18, 2022 approved the mergers of RCB and Bauko, respectively, with and into Armac.

The mergers did not result in a capital increase or the issuance of new shares by Armac. The net assets and amounts payable to the sellers of the merged companies as at December 31, 2023 are as follows.

Assets	RCB	BAUKO
Cash and cash equivalents	1,299	107
Short-term investments	-	29,370
Trade receivables	2,579	28,992
Inventories	-	5,344
Recoverable taxes	-	12,245
Other assets	3,060	17,647
Property and equipment	21,523	306,968
Total (a)	28,461	400,673

Assets	RCB	BAUKO
Liabilities		
Borrowings and financing	-	109,309
Trade payables	127	4,883
Taxes payable	353	329
Payroll and related taxes	-	3,384
Interest on capital	-	9,447
Provision for civil, tax and labor risks	-	340
Deferred taxes	-	31,492
Total (b)	480	159,184
Total merged net assets (a - b)	27,981	241,489
Amounts due to sellers (i)	1,959	16,128

(i) This amount payable was reclassified to noncurrent since a penalty for breached contractual obligation may be offset in the future; an arbitration process was initiated.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

3.1. Statement of compliance

The Company's financial statements have been prepared in accordance with accounting practices adopted in Brazil, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), and the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

3.2. Statement of relevance

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

3.3. Basis of preparation

The financial information has been prepared based on the historical cost, unless otherwise stated. The historical cost is generally based on the fair value of the consideration given in exchange for an asset.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market 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 pricing characteristics at the measurement date.

The financial statements have been prepared on the assumption that the Company will continue as a going concern, which assumes that the Company has appropriate and sufficient resources to discharge its payment obligations.

3.4. Authorization for the issue of the financial statements

The Board of Directors approved the disclosure of this financial information at the meeting held on March 26, 2024.

3.5. Functional and presentation currency

The financial statements are presented in Brazilian reais (R$), the functional currency and currency of the economic environment in which the Company operates.

3.6. Use of estimates and judgments

In applying the accounting policies, Management is required to make judgments (other than those involving estimates) that have a significant impact on the amounts reported and prepare estimates and assumptions regarding the assets' and liabilities' carrying amounts that are not readily apparent from other sources. The estimates and related assumptions are described in note 4, together with the Company's main policies, and are based on past experience and other factors considered to be significant. Actual results could differ from these estimates.

These estimates and assumptions are continuously reviewed and the identified effects are recognized in the same review year, if it affects only this year and in future years if they are also affected.

3.7. Consolidated financial statements for the comparison year

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

Subsidiaries RCB and Bauko were merged during 2022 and, therefore, the consolidated balance sheet will not be presented as part of the financial statements for such year and the other consolidated statements will be presented considering the revenues and expenses attributable to the business added and generated for the period (i) from January 1 to 14, 2022 for RCB and (ii) from January 1 to November 18, 2022 for Bauko.

4. MATERIAL ACCOUNTING POLICIES

4.1. Revenue from contracts with customers

Revenue is recognized in the statement of income, as prescribed by the standard, when the related performance obligation is satisfied, and must be presented net of taxes, returns, rebates and discounts. Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the normal course of the Company's activities and must be recognized when all criteria below are met:

- When the parties to the agreement approve it (in writing, verbally, or pursuant to other usual business practices) and are committed to fulfilling their obligations.
- When the agreement has business substance (i.e., it is expected that the risk, the timing or value of the Company's future cash flows remain unchanged as a result of the agreement).

- When the Company is capable of identifying the rights of each party regarding the goods or services to be transferred.

- When the Company is capable of identifying the payment terms for the goods or services to be transferred.

- When it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

a) Revenue from lease and services

Lease of machinery, equipment, trucks and lift platforms, with or without labor assignment, that allow meeting technical requirements of agribusiness, infrastructure, mining and other companies, is the Company's main operating income. The invoices are issued at the end of the current month, after the service is provided, and payments are made in a period after issuance.

Revenue is recognized over the agreement term, as machinery and equipment are used by the customer.

b) Revenue from sale of assets

Revenue from the sale of assets (machinery, equipment and trucks) is an ancillary, complementary activity to the equipment lease operation. The Company sells its equipment mainly through advertising platforms to advertise the assets.

Revenue from the sale of assets is recognized at the time control over an asset is transferred to the customer, generally when the goods are delivered. Such sale is settled in cash, on the invoice due date.

4.2. Trade receivables and allowance for expected credit losses

Trade receivables correspond to the amounts receivable for the provision of equipment lease services, provision of services and the sale of assets, and are recognized at the nominal amounts of the invoices, less the allowance for expected credit losses.

This allowance for losses is estimated considering historical data, adjusted by forward-looking information, based on the impairment analyses of the credit risks of customers monitored by the credit and collection area.

The Company has two criteria for recognizing an allowance for expected credit losses:
(i) it initially concentrates its analysis on receivables overdue for more than 120 days; and
(ii) customers from where Management has decided to withdraw equipment due to default.
In addition, the Company conducts a case-by-case analysis, as a result of which receivables may be added or excluded based on Management's best judgment about the credit quality and recoverability of these receivables. The Company also assesses, for provisioning purposes, the possibility of future losses of its portfolio, considering the market where it operates, its customers, contractual conditions and historical losses.

4.3. Inventories

Measured at acquisition cost and other costs incurred in bringing them to their existing locations and condition. Inventories are valued at weighted average cost, less estimated loss, where applicable.

4.4. Prepaid project costs

Include initial costs invested in major projects, which involve the preparation of the site and machines to be used, and costs on the engagement of labor, occurring before services begin to be provided to customers. Once in operation, these costs are amortized based on the agreement term.

4.5. Property and equipment

a) Recognition and measurement

The cost of property and equipment items includes costs directly attributable to the purchase of an asset, as well as direct costs to bring the asset in the location and condition necessary for them to be capable of operating in the manner intended by Management. The cost of company-built assets includes the cost of materials and direct labor used.

Property and equipment items are measured are the historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Any gains and losses on the disposal of a property and equipment item are recognized in the statement of income.

b) Subsequent costs

Capitalized only when it is probable that economic benefits added to the component will flow into the Company and its subsidiaries and its cost can be reliably measured. Recurring maintenance costs are recognized in profit or loss when incurred.

c) Depreciation

Property and equipment items are depreciated as from the date they are available for use or, in the case of internally-built assets, as from the date construction is completed and the asset is available for use.

Depreciation is calculated on a straight-line basis, based on the estimated useful life of the assets and applied on the cost value adjusted by residual values. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of an asset's estimated useful life and the lease term, unless it is reasonably determined that the ownership of the leased asset will be transferred to the companies at the end of the lease term.

The estimated useful lives of the Company's significant property and equipment items are:

	Useful life
Leasehold improvements	based on the lease term
Right of use in lease	based on the lease term
Machinery and vehicles for lease	15-20 years
Vehicles and equipment for support	10-15 years
Furniture, fixtures, and IT equipment	5-10 years

The estimated useful lives, as well as the residual values and depreciation and amortization methods of property and equipment items are reviewed annually by the Company and its subsidiaries and the effects arising from any changes in estimates are accounted for on a prospective basis.

4.6. Intangible assets

Separately acquired intangible assets with finite useful lives are stated at cost less amortization and impairment losses. Amortization is recognized on a straight-line basis based on the estimated useful lives of the assets.

Estimated useful lives and the amortization method are reviewed at the end of each annual reporting period, and the effect of any changes in estimates is accounted for on a prospective basis. Separately acquired intangible assets with indefinite useful lives are stated at cost less impairment losses, which are annually measured. Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the net selling price and its carrying amount, and are recognized in the statement of income when the asset is derecognized.

4.7. Right of use and leases

Right to use leased properties is represented by the present value of the flow of fixed or minimum lease payments prescribed by the lease contracts of the Company’s real estate, yard, warehouse, and offices. The Company recognizes a right-of-use asset and a lease liability at the commencement of the lease.

The assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain measurements of lease liabilities. The depreciation rate used by the Company corresponds to the term of the lease contract.

Lease liabilities are measured initially at the present value of lease payments that have not been paid at the commencement date, discounted using a discount rate measured and adjusted to the Company’s reality (credit spread). Management uses relevant assumptions in determining the discount rate for measuring the present value of its lease payments.

4.8. Impairment

Management analyzes on an annual basis whether there is evidence that the carrying amount of an asset might be impaired. If there is any evidence of impairment, an impairment test is conducted considered the level of the Cash-Generating Unit (CGU) which, in the case of the Company are the machinery and equipment, and the recoverable amount of these assets is estimated, which is the higher of: (i) its fair value less costs to sell; and (ii) its value in use. The value in use is equivalent to pretax discounted cash flows arising from the continuing use of the asset. When the residual value of the asset exceeds its recoverable amount, an impairment loss is recognized.

For the year ended December 31, 2023, Management did not identify any indications that property and equipment items and intangible assets might be impaired.

4.9. Financial instruments

Financial assets

The classification of financial assets according to technical pronouncement CPC 48/IFRS 9 is generally based on the business model within which a financial asset is managed and the features of its contractual cash flows. A financial asset is classified on initial recognition and must consider its form of subsequent measurement, that is: at amortized cost; at fair value through other comprehensive income ("FVTOCI"); or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortized cost provided that the following conditions are met and it is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets are classified at amortized cost and the following accounting policies are applied to their subsequent measurement:

Financial assets measured at amortized cost	These assets are subsequently measured using the effective interest method and are subject to impairment test. Gains and losses are recognized in the statement of income, when the asset is derecognized, modified or impaired.

A financial asset (or, when applicable, part of a financial asset or part of a group of similar financial assets), is derecognized when the rights to receive cash flow expire or are transferred, or when the Company assumes the obligation to fully pay the cash flows received to a third party under a transfer agreement and when:

(i) the Company substantially transfers all the risks and rewards of the asset; or

(ii) the Company does not substantially transfer or retains all the risks and rewards of the asset, but transfers its control.

Financial liabilities

Under technical pronouncement CPC 48/IFRS 9, financial liabilities are classified provides in two categories: (i) financial liabilities at fair value through profit or loss ("FVTPL"); or (ii) financial liabilities at amortized cost and initial recognition is made in the balance sheet when the entity assumes contractual obligations for settlement in cash or upon assumption of third-party obligations by way of an agreement.

Financial liabilities are initially measured at fair value and, in the case of borrowings, financing and debentures, less any directly attributable transaction costs.

The Company's financial liabilities are classified at amortized cost and the following accounting policies are applied to their subsequent measurement:

Financial liabilities measured at amortized cost	These liabilities are subsequently measured using the effective interest method, where gains and losses are recognized in the statement of income, when the liability is derecognized.

A financial liability (or part of the financial liability) is derecognized when:

(i) the obligation under the liability is settled, cancelled or expired or

(ii) when an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of the existing liability are substantially modified, such change or modification is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

4.10. Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and its amount can be reliably estimated. Provisions are quantified at present value of the expected disbursement to settle the obligation using the appropriate discount rate, according to related risks.

After recognition, provisions are monthly reviewed and adjusted up to the date of presentation of the financial statements at the estimated amount of probable losses, considering the changes in circumstances, such as the applicable statute of limitation, conclusions of tax audits or additional exposures identified based on new matters or decisions from courts.

The Company is a party to lawsuits and administrative proceedings of civil, labor and tax nature and Management analyzes these lawsuits and proceedings and makes a decision on the proper provisioning, considering the assessment of the evidence and available case law, the hierarchy of laws, most recent court decisions, and their relevance within the legal system, and the opinion of the outside legal counsel.

4.11. Current and deferred income tax and social contribution

Current and deferred income tax is calculated at the rate of 15%, plus a 10% surtax levied on taxable income exceeding R$240, and current and deferred social contribution is calculated at the rate of 9% on taxable income; this calculation takes into consideration the offset of tax loss carryforwards, limited to 30% of taxable income.

Income tax and social contribution expenses comprise current and deferred taxes, which are recognized in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and considering any prior-year adjustments.

Income tax and social contribution are stated at their net amounts by taxpayer, in liabilities when there are amounts payable or in assets when prepaid amounts exceed the total amount due at the end of the reporting period, and if there is a legal and enforceable right to offset liabilities against tax assets, and if they are related to the taxes assessed by the same tax authority.

Deferred income tax and social contribution assets are recognized to reflect the future tax effects attributable to unutilized deductible temporary difference, tax losses and tax credits, when it is probable that future taxable income will be available and against which they can be utilized. These assets will only be recognized for the portion of the tax loss balances and temporary differences on which the Company has projections of utilization within a reasonable period. Management uses significant assumptions for these studies, such as information on current and long-term contracts with customers that assist with budgeting its future revenue, costs and expenses.

Deferred income tax and social contribution assets are reviewed at the end of the reporting period and will be reduced to the extent their realization is no longer probable.

4.12. Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year attributable to the owners of the Company by the weighted average number of outstanding shares (including adjustments for bonuses and issues of rights).

b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the profit and the weighted average number of shares taking into account the conversion of all potential shares with dilutive effect. Potential shares are equity instruments or contracts that can result in the issuance of shares, such as convertible bonds and options, including employees' stock options.

4.13. Statement of value added

This statement is intended to disclose the wealth created by the Company and its distribution during a given year, and is presented as required by Brazilian corporate law, as part of its financial statements.

The statement of value added has been prepared using information obtained in the same accounting records used to prepare the financial statements and supplementary records, and pursuant to the provisions of technical pronouncement CPC 09 - Statement of Value Added.

4.14. Operating segments

The operating segment is presented in a manner consistent with internal reports provided to the Company's key decision makers (Executive Board and Board of Directors) responsible for allocating resources and assessing the performance of the operating segment.

The Company only has the equipment leasing service as its operating segment and only one business unit for business and management purposes. Management assesses the total performance of the entity, the business, managerial, and administrative results, taking into consideration that the entire cost and expense structure is shared by all product categories.

5. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED

- New standards/disclosures

Standards	Amendment	IFRS/IAS correlation	Effective beginning:
CPC 50 - Insurance Contracts	New standard	IFRS 17	01.01.2023
OCPC 07 (R1) - Disclosure of General Purpose Accounting and Financial Reports	Disclosure of Accounting Policies	IAS 1	01.01.2023
CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates	IAS 8	01.01.2023
CPC 32 - Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	IAS 12	01.01.2023

- Revised standards not yet effective.

Standard	Amendment	IFRS/IAS correlation	Effective beginning:
CPC 36 (R3) - Consolidated Financial Statements CPC 18 (R2) - Investment in Associates, Subsidiaries and Joint Ventures	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	IFRS 10 IAS 28	Not defined
CPC 26 (R1) - Presentation of Financial Statements	Classification of Liabilities as Current or Non-current	IAS 1	(*)
CPC 26 (R1) - Presentation of Financial Statements	Presentation of Financial Statements - Non-current Liabilities with Covenants	IAS 1	(*)
CPC 26 (R2) - Leases	Lease Liability in a Sale and Leaseback	IFRS 16	(**)
CPC 03 (R2) - Statement of Cash Flows CPC 40 (R1) - Financial Instruments: Disclosures	Supplier Finance Arrangements	IAS 7 IFRS 7	(*)

(*) The amendments, which contain specific transition measures for the first annual period in which the entity applies the amendments, are applicable for annual periods beginning on or after January 1, 2024, early adoption being permitted.

(**) The amendments are applicable for annual periods beginning on or after January 1, 2024, early adoption being permitted. If the seller-lessee applies the amendments for a prior period, it must disclose such fact.

The Company’s Management and its subsidiaries have been assessing the impacts arising from the pronouncements described above.

6. CASH AND CASH EQUIVALENTS

	12/31/2023	12/31/2022
Cash	546	89
Banks - checking account	116	1,476
Short-term investments	253,743	936,793
Total	254,405	938,358

Short-term investments consist of funds invested in Certificates of Bank Deposits (CDBs) with yield ranging from 101% to 105% (103% to 105.5% as at December 31, 2022) of the Certificate of Interbank Deposits (CDI) rate, subject to an insignificant risk of change in value and which can be redeemed immediately.

7. SHORT-TERM INVESTMENTS

	12/31/2023	12/31/2022
Short-term investments	475,190	-

Short-term investments consist of funds invested in Certificates of Bank Deposits (CDBs) with yield ranging from 101% to 105% (103% to 105.5% as at December 31, 2022) of the Certificate of Interbank Deposits (CDI) rate, subject to an insignificant risk of change in value and which can be redeemed immediately.

These investments are daily liquid; however, as this cash is not committed to short-term operations, the Company presents these financial assets in a specific line item in the financial statements.

8. TRADE RECEIVABLES

8.1. Breakdown of balances

	12/31/2023	12/31/2022
Trade receivables	245,623	186,434
Unbilled revenue (*)	96,038	57,861
(-) Allowance for expected credit losses	(16,065)	(6,795)
Total	325,596	237,500

(*) 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.

8.2. Classification by maturity

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

	12/31/2023	12/31/2022
Current	185,208	139,564
Past due:		
1 to 30 days	9,164	13,112
31 to 90 days	16,675	13,089
91 to 180 days	4,451	10,109
Over 180 days (a)	30,125	10,560
Subtotal - past-due	60,415	46,870
Closing balance	245,623	186,434

(a) For trade receivables more than 180 days past due, which are not provided for, the Company has collaterals.

8.3. Allowance for expected credit losses

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

	12/31/2023	12/31/2022
Opening balance	(6,795)	(1,343)
(+) Recognition	(13,844)	(6,613)
(+) Merger of subsidiary	-	(186)
(-) Reversal due to renegotiations	2,238	-
(-) Reversal due to receipt	734	179
(-) Reversal due to actual loss	1,602	1,168
Closing balance	(16,065)	(6,795)

9. 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.

	12/31/2023	12/31/2022
Parts and maintenance materials	53,816	32,496
Parts for resale	1,190	1,733
Consumables	1,519	582
Total	56,525	34,811

During 2022, the Company received approximately R$8,005 in inventories received as bonus from its suppliers. There were no new bonuses in goods from our suppliers in 2023.

10. RECOVERABLE TAXES

	12/31/2023	12/31/2022
Taxes on revenue (PIS and COFINS)	778	36,827
Corporate Income Tax (IRPJ) and Social Contribution (CSLL) (i)	6,170	15,949
Social security contribution (INSS)	487	1,102
Withholding Income Tax (IRRF) (ii)	25,790	14,452
Other	97	-
Total	33,322	68,330

(i) Amounts relating to the negative balance for the prior year, which is recognized based on the calculation of withholding income tax on short-term investments and service provision.

(ii) Amounts relating to the calculation of withholding income tax on short-term investments.

11. OTHER ASSETS

	12/31/2023	12/31/2022
Prepaid project costs (a)	43,994	1,297
Prepaid expenses	13,039	3,044
Advances to suppliers	3,059	3,699
Bonuses	2,583	1,742
Advances to employees	1,080	1,715
Other	7,183	753
Total	70,938	12,250
Current assets	42,898	11,610
Noncurrent assets	28,040	640
Total	70,938	12,250

(a) Beginning 2023, the Company intensified its activity in larger projects, with average term between two and three years, which require initial preparation costs and involve preparation of the site and machines to be used, and engagement of labor, before services begin to be provided to customers.

12. PROPERTY AND EQUIPMENT

12.1. Breakdown of property and equipment

	Leasehold improvements	Right of use in lease	Machinery and equipment for lease	Vehicles and equipment for support	Furniture and IT equipment	Construction in progress (ii)	Total
Acquisition cost							
Balance as at December 31, 2021	1,185	37,313	953,150	75,484	6,928	52,421	1,126,481
(+) Additions	-	45,964	930,789	52,718	3,471	22,262	1,055,204
(+) Merger of RCB	-	-	34,830	504	70	-	35,404
(+) Merger of surplus of RCB	-	-	3,444	-	-	-	3,444
(+) Merger of Bauko	-	-	390,587	19,285	46	-	409,918
(+) Merger of surplus of Bauko	-	-	15,165	-	-	-	15,165
(+/-) Transfers	33,596	-	-	-	-	(33,596)	-
(-) Write-off of assets	-	-	(42,380)	-	-	-	(42,380)
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 (i)	-	(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
Depreciation							
Balance as at December 31, 2021	(197)	(4,393)	(63,641)	(5,219)	(657)	-	(74,107)
(+) Additions	(815)	(6,184)	(81,450)	(13,737)	(1,117)	-	(103,303)
(+) Merger of RCB	-	-	(13,640)	(198)	(43)	-	(13,881)
(+) Merger of the surplus depreciation of RCB	-		(146)	-	-		(146)
(+) Merger of Bauko	-	-	(101,234)	(1,671)	(45)	-	(102,950)
(+) Merger of the surplus depreciation of Bauko	-		(2,949)	-	-		(2,949)
(-) Write-off of depreciation	-	-	7,276	46	1	-	7,323
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)
(-) Write-off of depreciation (i)	-	-	22,435	2,236	-	-	24,671
Balance as at December 31, 2023	(3,383)	(20,068)	(349,888)	(64,222)	(4,867)	-	(442,428)

	Leasehold improvements	Right of use in lease	Machinery and equipment for lease	Vehicles and equipment for support	Furniture and IT equipment	Construction in progress (ii)	Total
Net residual value							
As at December 31, 2022	33,769	71,200	2,011,275	146,578	9,314	41,087	2,313,223
As at December 31, 2023	41,142	81,252	2,280,625	180,571	12,231	43,657	2,639,478
Average depreciation rate							
As at December 31, 2022	Pursuant to the agreement	Pursuant to the agreement	4.3% to 10.6%	8.5% to 36.6%	10% to 20%		
As at December 31, 2023			3.6% to 9%	7.2% to 50%	10% to 20%		

(i) Of the total of R$81,900 of write-offs, net, the amount of R$76,258 refers to refers to cost on the write-off of assets sold, and the remaining amount of R$5,642 refers to the cost of the assets that were subject to losses, which comprise the cost on the sale or write-off of property and equipment and other income (expenses), net, presented in note 21 - Costs and Expenses by Nature, in addition to the balance of R$239 which refers to the termination of the lease contract (see note on non-cash transaction).

(ii) Refers to advances to suppliers to purchase machinery and equipment and expenditures on works in progress at Vargem Grande Paulista - VGPIII branch.

As at December 31, 2023 and 2022, the Company entered into an agreement with financial institutions to structure payor risk transactions with its main suppliers of machinery in the amount of R$389,720 (R$162,067 as at December 31, 2022) - see note 14 - Trade payables.

12.2. 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 them for in accordance with the relevant standard.

As at December 31, 2023, out of the Company's total effective contracts, 32 contracts (23 as at December 31, 2022) met the criteria for classification as lease.

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 standard, are recognized in line item "Other costs" shown in note 21, as a contra entry to line item "Trade payables" (note 14). As at December 31, 2023, of the total amount in "Other costs", these leases totaled R$7,071.

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

The contractual period was considered to determine the lease term. 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 term of the lease shall be the period contained in the contract. In addition, the Company does not have contracts signed with indefinite terms.

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

	Properties - related parties (note 15)	Contracts with third parties Amount	Total
As at December 31, 2021	18,663	15,479	34,142
(+) New operations	3,403	2,584	5,987
(+) Remeasurements (a)	39,501	476	39,977
(+) Interest incurred	3,889	1,681	5,570
(-) Principal repayment	(2,399)	(2,557)	(4,956)
(-) Interest payment	(3,889)	(1,681)	(5,570)
As at December 31, 2022	59,168	15,982	75,150
(+) New operations	-	13,216	13,216
(+) Remeasurements (a)	4,543	523	5,066
(+) Interest incurred	6,571	3,768	10,339
(-) Contract terminations	-	(239)	(239)
(-) Principal repayment	(2,525)	(4,035)	(6,560)
(-) Interest payment	(6,571)	(3,768)	(10,339)
As at December 31, 2023	61,186	25,447	86,633

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

	12/31/2023	12/31/2022
Current	8,505	5,138
Noncurrent	78,128	70,012
Total	86,633	75,150

The respective amounts are recognized in the lease liability account and the balance will be amortized by monthly payments. Future payments recorded up to December 31, 2022 were adjusted to present values at a weighted average rate of 13.75% per annum and new contracts recorded in 2023 were adjusted to present values at an average rate of 15.27% relating to the Company's cost of debt.

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) / 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 contract maturity and undiscounted installments as at December 31, 2023 is as follows:

Year	Net present value	Embedded interest (future)	Amount of discounted installments
2024	8,589	10,105	18,694
2025	7,765	9,231	16,996
2026	7,549	8,374	15,923
2027	4,483	7,627	12,110
2028	2,361	7,297	9,658
2029	2,094	7,044	9,138
2030	2,364	6,744	9,138
2031 onwards	51,427	44,245	95,672
Total	86,633	100,696	187,329

12.3. 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 has 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 technical interpretation 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.

As at December 31, 2023 and 2022, the Company reviewed the useful life of its assets, but it did not identify the need for changes.

Also, as part of its accounting policy of reviewing the residual value of its machinery and vehicles on an annual basis, the Company carried out such revaluation in 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.

12.4. Impairment of assets

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

13. INTANGIBLE ASSETS

13.1. Breakdown of intangible assets

	12/31/2023	12/31/2022
Systems and applications	4,284	558
Trademarks and patents	464	464
Project development	9,748	5,319
Goodwill on the merger of subsidiaries	95,337	95,337
Customer contract surplus (i)	15,585	23,361
Total	125,418	125,039

(i) Surplus relating to the expected discounted cash flow of the lease and service contracts effective on the date of acquisition of Bauko and RCB. The amortization period of these assets ranges from 48 to 52 months.

13.2. Variations in intangible assets

	12/31/2023	12/31/2022
Opening balance	125,039	1,554
Additions	8,945	4,912
Amortization	(790)	(125)
Goodwill on the merger of subsidiaries	-	95,337
Surplus in mergers	-	31,137
Amortization of surplus	(7,776)	(7,776)
Closing balance	125,418	125,039

14. TRADE PAYABLES AND TRADE PAYABLES - AGREEMENT

14.1. Trade payables

	12/31/2023	12/31/2022
Machinery suppliers	10,215	84,330
Parts suppliers and service providers	25,961	32,438
Total	36,176	116,768

14.2. Trade payables - agreement

	12/31/2023	12/31/2022
Trade payables - agreement	360,128	167,472
Total	360,128	167,472

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.

The Company entered into an agreement with a financial institution in order to structure payor risk 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 financial institutions, in exchange for receiving the related funds from the financial institutions, without the need to contract credit facilities and with financial cost reimbursed by the suppliers.

Payor risk transactions are subject to discount rates between 1.16% and 1.23% per month and average terms ranging between 207 and 283 days (1.20% and 1.25% per month, with average terms ranging between 60 and 195 days as at December 31, 2022) 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 2022.

	12/31/2023	12/31/2022
Opening balance	167,472	-
New commitments	405,639	162,067
Principal repayment	(216,185)	-
Interest payment	(14,044)	-
Interest incurred	33,165	5,405
Adjustment to present value	(15,919)	-
Total	360,128	167,472

15. BORROWINGS AND FINANCING

15.1. Breakdown of balances

Type	Rate per year - %	Maturity	12/31/2023	12/31/2022
CDCA - 1st series	CDI + 1.65%	2028	102,196	102,370
CDCA - 2nd series	IPCA + 7.57%	2029	418,285	399,205
Debentures - 2nd issue	CDI + 2.50%	2028	1,013,282	1,015,279
Debentures - 3rd issue	CDI + 2.25%	2029	306,040	307,217
Finame	SELIC + 3.0%	2026-27	20,850	32,965
CDC	Fixed at 9.9-10.1%	2025	1,884	2,781
Lease	Fixed at 4.9-6.9%	2022-24	2,309	5,653
CCE/NCE	CDI + 2.35%	2028	200,668	200,957
CDC	Fixed rate - 11.9%	2023	-	368
CDC	Fixed at 8.7-9.9%	2024-25	8,121	12,388
CDC	Fixed rate - 11.2%	2023	-	473
CDC	Fixed at 6.7-10.2%	2022-25	8,116	12,301
Lease	Fixed at 6.6-11.6%	2022-24	75	2,246
Working capital/CDC/Lease	Fixed at 7.2-11.5%	2022-25	2,305	8,800
Subtotal			2,084,131	2,103,003
(-) Unamortized costs			(34,044)	(38,330)
Total			2,050,087	2,064,673
Current liabilities			261,370	56,580
Noncurrent liabilities			1,788,717	2,008,093

15.2. Transaction characteristics

Certificates of Agribusiness Receivables (CDCAs)

On June 15, 2022, 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”).

Up to July 21, 2022, the private placement of 500,000 CRAs, issued by Armac and Bauko, 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.

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, 2022. 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, 2022, 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 No. 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, 2022, 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, 2022, the Company carried out its third (3rd) issue of simple non-convertible, unsecured debentures, in a single series, pursuant to CVM Instruction No. 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.

Other transactions for investments in machinery and equipment

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

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

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

Working capital

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 for operations.

CCE

Export credit notes issued by the Company and acquired by the financial institutions to finance the purchase of machinery and equipment for operations.

15.3. Variations in borrowings and financing

	12/31/2023	12/31/2022
Opening balance	2,064,673	1,832,115
(+) Borrowings	-	704,000
(+) Merger of subsidiary (a)	-	109,309
(+) Accrued interest	303,979	253,354
(-) Repayment of principal (b)	(34,994)	(590,262)
(-) Interest paid	(282,115)	(227,041)
(-) Issue costs (c)	(1,456)	(16,802)
Closing balance	2,050,087	2,064,673

(a) Upon the merger, Armac assumes all rights and obligations which were previously Bauko's responsibility, as already mentioned above.

(b) Of the principal repayment, R$213,679 refers to prepayments of debts as at December 31, 2022.

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

15.4. Repayment schedule

The repayment schedule of the debt balance, before unamortized costs by maturity year, is as follows:

	12/31/2023	12/31/2022
2023	-	57,747
2024	244,749	220,898
2025	262,562	264,225
2026	254,211	255,874
2027	252,595	254,258
2028	720,880	700,866
2029	349,134	349,135
	2,084,131	2,103,003

15.5. 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 quarterly and 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. The borrowing and financing agreements that include the covenant are agreements underlying the CDCAs and the 2nd and 3rd 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 December 31, 2023 and 2022, the Company was in compliance with these covenants.

16. PROVISION FOR CIVIL, TAX 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.

	12/31/2023	12/31/2022
Opening balance	722	-
Additions	569	722
(-) Reversal due to change of outcome or adjustment to provision	(569)	-
(-) Reversal due to actual loss	(556)	-
Closing balance	166	722

The lawsuits whose loss is assessed as possible in the opinion of the Company's legal counsel are broken down by nature as follows:

	12/31/2023	12/31/2022
Civil	1,745	546
Tax	156	-
Labor	12,666	9,226
Total	14,567	9,772

17. EQUITY

17.1. Issued capital

As at December 31, 2023 and 2022, the Company's subscribed capital is R$1,004,034, represented by common shares without par value, held as follows:

	12/31/2023		12/31/2022	
	Number of shares	Ownership interest %	Number of shares	Ownership interest %
Controlling shareholders	174,020,920	50.29%	173,801,820	50.23%
Other	171,995,121	49.71%	172,214,221	49.77%
	346,016,041	100.00%	346,016,041	100.00%

At the meeting held on October 3, 2022 the Company's Board of Directors approved a capital increase in the amount of R$1,683, corresponding to the issue of 256,520 new registered, book-entry common shares, without par value.

The issue price corresponds to R$6.56 per share as established within the scope of the Call Option Grant, approved at the meeting of the Board of Directors held on July 2, 2021, for the vesting period of Plan 1: Matching exercised in July 2022.

In conformity with its bylaws, the Company is authorized to increase its capital by up to R$2,000,000, based on a Board of Directors' resolution. The purpose of this capital increase is to fulfill the stock option plans, as described below, and is being presented as capital reserve, in line item "Issue of equity instruments".

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 December 31, 2023 and 2022 is R$125,462 and corresponds to the issue of to 442,327 new registered shares, without par value, subscribed and paid up 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 income, being allocated to line items "costs", "general, administrative and other expenses."

Types of plans

During the year ended December 31, 2023, no new grants of stock options were made and the cost arising from the provisioning of option programs was R$9,546 (R$4,705 as at December 31, 2022), of which R$1,554 related to Plan 1, R$3,042 related to Plan 2, and R$4,950 related to Plan 3. These balances already include the exercise of stock options ("vesting") occurred in August 2023, in the amount of R$2,704, of which R$835 corresponds to Plan 1 and R$1,869, to Plan 2.

17.3. Earnings reserve

a) Legal reserve

The legal reserve of R$19,473 as at December 31, 2023 (R$11,210 as at December 31, 2022) was recognized in conformity with Brazilian Corporate Law and the Company's Bylaws, at the rate of 5% of profit for each year (until reaching 20% of the realized 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 April 27, 2022, it was decided in a meeting of the Board of Directors, as proposed by the Executive Board on March 31, 2022, to be ratified by the Annual Shareholders' Meeting held on April 28, 2023, the distribution of interest on capital included in dividends, amounting to R$15,557. Payment was made on May 26, 2022.

On May 2, 2022, it was decided in an Annual and Extraordinary General Meeting the payment of R$24,621 in dividends to the shareholders, which was made on May 19, 2022, with payment on May 18, 2022.

On June 24, 2022, it was decided in a meeting of the Board of Directors the distribution of interim dividends for the quarter ended March 31, 2022, in the amount of R$11,010, and the same meeting approved the distribution of interest on capital in the amount of R$14,295. These dividends and interest on capital were paid on July 22, 2022. Both decisions were ratified at the annual general meeting held on April 28, 2023.

On September 22, 2022, it was decided in a meeting of the Board of Directors the distribution of interim dividends for the quarter ended June 30, 2022, in the amount of R$15,000, and the same meeting approved the distribution of interest on capital in the amount of R$19,000. These dividends and interest on capital were paid on October 20, 2022. Both decisions were ratified at the annual general meeting held on April 28, 2023.

On December 22, 2022, it was decided in a meeting of the Board of Directors the distribution of interim dividends for the quarter ended September 30, 2022, in the amount of R$18,000, and the same meeting approved the distribution of interest on capital in the amount of R$23,000. These dividends and interest on capital were paid on February 23, 2023. Both decisions were ratified at the annual general meeting held on April 28, 2023.

On March 29, 2023, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, in the amount of R$12,000 for the quarter ended March 31, 2023, which was made October 20, 2023. Of this amount, R$5,772 was considered as additional interest on capital to be ratified at the annual general meeting to be held in 2024.

On June 30, 2023, it was decided in a meeting of the Board of Directors, the distribution of interest on capital to shareholders in the amount of R$30,000, relating to the quarter ended June 30, 2023. This interest on capital was paid on October 20, 2023. Of this amount, R$19,684 was considered as additional interest on capital to be ratified at the annual general meeting to be held in 2024.

On September 30, 2023, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, in the amount of R$17,000 for the quarter ended September 30, 2023, which was made on October 20, 2023. Of this amount, R$5,630 was considered as additional interest on capital to be ratified at the annual general meeting to be held in 2024.

On December 22, 2023, it was decided in a meeting of the Board of Directors the payment of interest on capital to shareholders, in the amount of R$22,800 for the quarter ended December 31, 2023, which will be made April 19, 2024. Of this amount, R$11,462 was considered as additional interest on capital to be ratified at the annual general meeting to be held in 2024.

Pursuant to Technical Interpretation on Accounting for Proposed Dividend Payment (technical interpretation 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 written off upon approval at the annual general meeting held on April 28, 2023.

17.4. Treasury shares

Share buyback plan

The Board of Directors' meeting held on May 5, 2022 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 December 31, 2023, the Company holds own common shares in treasury in the amount of R$4,822 (R$8,199 as at December 31, 2022), represented by 406,229 common shares (686,800 as at December 31, 2022). The variations in the transactions in the reported years are as follows:

Year	Transaction	Number	Cost value	Average share value (R$0.00)
2022	Acquisitions	686,800	8,119	12.07
2023	Option exercises (a)	(280,571)	(3,297)	11.75
Total		406,229	4,822	11.87

(a) See information on this exercise of stock options in note 18.2 - 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:

(i) Rental of properties - refers to the payment of rental of properties in the amount of R$9,495 as at December 31, 2023 (R$6,288 as at December 31, 2022), used as machinery maintenance center, which are owned by part of the Company's controlling shareholders (note 12.2 - Lease of right of use). In 2022, Management reviewed its contracts and made the necessary remeasurements, considering the final contracted term - 2041 and the discount rate adjustment applied. In 2023, remeasurements correspond only to the inflation adjustment of agreements.

(ii) The compensation of the Company's officers for the year ended December 31, 2023 was R$7,397 (R$2,525 as at December 31, 2022), considered a short-term benefit, recorded within "General and administrative expenses" in profit or loss for the year.

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 December 31, 2023 and 2022.

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 year is shown below:

	12/31/2023	12/31/2022
Profit before income tax and social contribution	198,835	167,991
(x) Statutory rate	34%	34%
Income tax and social contribution expenses	(67,604)	(57,117)
Effect of permanent additions (deductions) in the calculation of taxes		
(-) Tax depreciation due to the disposal of assets	-	(5,648)
(-) Non-deductible costs and expenses	(1,818)	(1,780)
(+/-) Other permanent differences	6,058	5,878
(+) Interest on capital	27,812	20,651
(+) Reversal of deferred income tax of subsidiaries	-	17,675
(+) Amortization of goodwill on acquisition of companies	-	942
Income tax and social contribution expenses	(35,552)	(19,399)
Current	-	(6,080)
Deferred	(35,552)	(13,319)
Total	(35,552)	(19,399)
Effective rate	(18%)	(12%)

19.2. Deferred income tax and social contribution

a) Breakdown

	12/31/2023	12/31/2022
Assets		
Allowance for expected credit losses	16,065	5,266
Provision for executives' and employees' bonuses	26,626	19,513
Provision for suppliers' invoices	6,170	-
Provision for risks	166	-
Tax loss carryforwards	435,642	221,391
Tax loss carryforwards of merged company	-	3,283
Effects - CPC 06 - IFRS 16	4,869	2,928
Total	489,538	252,381
(x) Statutory rate	34%	34%
Deferred assets	166,443	85,809

	12/31/2023	12/31/2022
Liabilities		
Difference - tax and economic depreciation	828,822	505,404
Amortization of goodwill in subsidiaries	18,303	-
Total	847,125	505,404
(x) Statutory rate	34%	34%
Deferred liabilities	288,022	171,837
Deferred income tax and social contribution, net	121,579	86,028

b) Variations in deferred tax assets and liabilities

	12/31/2023	12/31/2022
Net balance of deferred income tax and social contribution at the beginning of the period	86,028	41,974
Allowance for expected credit losses	(3,672)	(1,344)
Provision for suppliers' invoices	(2,098)	-
Tax loss carryforwards	(72,845)	(44,888)
Tax loss carryforwards of merged company	1,116	(1,116)
Provision for executives' bonuses	(2,419)	(5,686)
Provision for risks	(56)	-
Effects - CPC 06 - IFRS 16	(660)	(1,476)
Difference - tax and economic depreciation	109,962	83,632
Difference - tax and economic depreciation - subsidiary's merger	-	32,607
Amortization of goodwill on investment	6,223	-
Surplus of assets	-	(17,675)
Net balance of deferred income tax and social contribution at the end of the period	121,579	86,028
Amount recognized in profit or loss	35,552	13,319
Amount recognized in balance sheet	-	31,492

20. NET REVENUE

	12/31/2023	12/31/2022
Lease of equipment and provision of services	1,380,283	983,841
Sale of new machinery and parts	2,470	5,921
Sale of property and equipment used	111,094	60,642
Gross operating revenue	1,493,847	1,050,404
(-) Taxes on sales	(132,880)	(98,650)
Net operating revenue	1,360,967	951,754
Tax on revenue (COFINS)	(96,814)	(73,157)
Tax on revenue (PIS)	(20,647)	(15,883)
State VAT (ICMS)	(218)	(418)
Service tax (ISS)	(15,201)	(9,192)
Total taxes on sales	(132,880)	(98,650)

21. COSTS AND EXPENSES BY NATURE

	12/31/2023	12/31/2022
Costs		
Personnel expenses	349,091	228,450
Depreciation and amortization	174,405	127,856
Inputs, parts and maintenance services	89,864	69,124
Cost of sale or write-off of property and equipment	76,258	37,613
Fuel and transportation costs	36,208	32,697
Other costs	8,311	8,394
Total	734,137	504,134
Expenses		
Personnel expenses	95,496	69,135
Depreciation and amortization	11,247	9,311
Administrative and selling expenses	26,562	26,379
Software lease	20,147	10,426
Advisors’ expenses	7,639	6,302
Allowance for expected credit losses	9,270	5,452
Other (income) expenses, net	1,382	302
Total	171,743	127,307

22. FINANCE INCOME (COSTS)

	12/31/2023	12/31/2022
Finance income		
Short-term investment yield	96,213	126,756
Other	2,843	218
Total	99,056	126,974

	12/31/2023	12/31/2022
Finance costs		
Interest on borrowings and financing	303,979	256,875
Inflation adjustment to payables	5,565	9,310
Interest on lease of right of use	10,340	5,756
Interest on trade payables - agreement	33,165	5,405
Others	2,258	1,950
Total	355,307	279,296

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.

	12/31/2023	12/31/2022
Numerator		
Profit for the year (a)	163,283	148,592
Denominator (in thousands of shares)		
Weighted average number of shares	346,016	345,618
Weighted average number of treasury shares	(333)	(343)
Weighted average number of outstanding shares (b)	345,683	345,275
Basic earnings per share (in R$) (a/b)	0.47	0.43
Denominator (in thousands of shares)		
Weighted average number of shares	346,016	345,618
Weighted average number of treasury shares	(333)	(343)
Weighted average number of shares granted	91	257
Weighted average number of diluted shares (c)	345,775	345,940
Diluted earnings per share (in R$) (a/c)	0.47	0.43

The dilutive effect on earnings per share is represented by stock option plans disclosed in note 18.2 - Equity, Capital Reserve, letter b.

24. FINANCIAL INSTRUMENTS

24.1. Categories of financial instruments

	12/31/2023	12/31/2022
Financial assets		
Cash and cash equivalents	254,405	938,358
Short-term investments	475,190	-
Trade receivables	325,596	237,500
Total	1,055,191	1,175,858
Financial liabilities		
Trade payables and trade payables - agreement	396,304	284,240
Borrowings and financing	2,050,087	2,064,673
Leases of right of use	86,633	75,150
Payables for acquisition of companies	18,087	17,724
Total	2,551,111	2,441,787

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 operational needs, 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 risks as at December 31, 2023.

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 15 - 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 the CDI rate, based on SELIC rate of 11.75% at the end of December 2023, according to the Focus report of the Central Bank of Brazil of December 15, 2023.

	Balance as at			
	12/31/2023	Scenario I	Scenario II	Scenario III
Average CDI rate for the next 12 months		11.75%	14.69%	17.63%
Borrowings and financing not indexed to CDI and SELIC	441,094	492,923	505,880	518,837
Borrowings and financing indexed to CDI and SELIC	1,643,037	1,836,094	1,884,358	1,932,622
Subtotal	2,084,131	2,329,017	2,390,238	2,451,459
(-) Short-term investments	475,190	531,025	544,984	558,943
Net exposure	1,608,941	1,797,992	1,845,254	1,892,516

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):

	Up to 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
Trade payables and trade payables - agreement	396,304	-	-	-	396,304
Borrowings and financing	218,235	262,562	254,211	1,479,524	2,214,532
Payables for acquisition of companies	1,959	-	16,128	-	18,087
Lease of right of use	18,679	32,844	21,768	113,948	187,239

25. INSURANCE

Management has the practice of insuring the assets exposed to risks in amounts considered sufficient to cover potential losses, taking into consideration the nature of its activities, as shown below.

	Coverage	Maturity
Property and equipment items	20,350	Feb-25
Transportation	300,000	Apr/24
Civil claims	30,000	Feb-25
D&O	70,000	Jun-24
Civil liability	8,074	Nov-26

26. NON-CASH TRANSACTIONS

Non-cash transactions are described below:

Classification in the financial statements	Line item	Note	Nature of transaction	12/31/2023	12/31/2022
Assets	Property and equipment - Lease of right of use	12.2	Effects of IFRS 16	18,043	45,964
Liabilities	Property and equipment	12	Contractual Rescission	18,043	45,964
Liabilities	Trade payables	14	Payor's	389,720	-
Assets	Property and equipment	12	risk	389,720	-
Equity	Share-based payment plan	17.2 b	Exercise of stock options	3,297	-
Equity	Treasury shares	17.4		3,297	-
Assets	Trade receivables - allowance for expected losses	8.3	Allowance for expected losses - effective loss	1,602	-
Equity	Profit for the year	-		1,602	-

27. EVENTS AFTER THE REPORTING PERIOD

On March 20, 2024, the Company carried out its 4th issue of simple, nonconvertible, unsecured debentures, in a single series, pursuant to CVM Instruction 160, for public distribution, in the total amount of R$694,350, issued under the automatic distribution registration method intended solely to professional investors.

The debentures will be subject to compensatory interest corresponding to 100% of the accumulated variation of the DI (Interbank Deposit) rate, plus maximum surcharge of 1.90% per year. The Debentures par value will be repaid in three annual installments as from the 6th year counted from the Issue Date, including, based on the schedule to be provided for in the Issue Indenture.

The proceeds from the Issue will be allocated in the Issuer’s normal course of business, including, without limitation, for the Company’s cash and working capital increase.