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

Mills Locação, Serviços e Logística S.A.

Individual and Consolidated Interim Financial Information for the Quarter Ended March 31, 2023 and Report on Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Deloitte Touche Tohmatsu
Rua São Bento, 18 -
15º e 16º andares
20090-010 - Rio de Janeiro - RJ
Brasil

Tel.: + 55 (21) 3981-0500
Fax: + 55 (21) 3981-0600
www.deloitte.com.br

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
Mills Locação, Serviços e Logística S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Mills Locação, Serviços e Logística S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2023, which comprises the balance sheet as at March 31, 2023 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Deloitte.

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to review procedures performed together with the review of ITR to reach a conclusion on whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and content are consistent with the criteria set forth by technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with this standard and consistently with the individual and consolidated interim financial information taken as a whole.

Convenience translation

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

Rio de Janeiro, May 15, 2023

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Fernando de S. Leite
Fernando de Souza Leite
Engagement Partner

2023RJ023369

Mills Locação, Serviços e Logística S.A.

Individual and Consolidated Interim Financial Information for the Period Ended March 31, 2023 and Independent Auditor's Report

1Q 2023

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

BALANCE SHEETS
AS AT MARCH 31, 2023 AND DECEMBER 31, 2022
(In thousands of Brazilian Reais - R$)

ASSETS	Note	Parent 03/31/2023	Parent 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
CURRENT ASSETS					
Cash and cash equivalents	3	528,536	746,359	530,948	780,131
Restricted bank deposits	3	8,721	16,041	8,721	16,041
Receivables from third parties	4	231,958	219,123	251,736	247,109
Receivables from related parties	15.c	4,060	1,154	-	-
Inventories	5	68,645	64,989	73,125	75,188
Income tax and social contribution recoverable	6	10,091	8,546	17,632	16,206
Taxes recoverable	6	9,467	6,380	21,331	14,037
Advances to suppliers		9,704	5,498	10,358	5,812
Other assets		9,190	8,124	10,462	8,394
		880,372	1,076,214	924,313	1,162,918
Assets held for sale	7	18,914	19,105	18,914	19,105
		899,286	1,095,319	943,227	1,182,023
NONCURRENT ASSETS					
Deferred income tax and social contribution	17	189,542	191,898	258,153	268,289
Taxes recoverable	6	25,047	17,572	48,462	28,574
Judicial deposits	18	11,291	11,074	12,423	12,208
Other assets		168	171	168	171
		226,048	220,715	319,206	309,242
Investments	8	517,793	381,324	1	1
Property, plant and equipment	9	768,234	668,009	1,189,961	912,602
Intangible assets	10	97,689	94,260	187,996	184,572
		1,383,716	1,143,593	1,377,958	1,097,175
TOTAL ASSETS		2,509,050	2,459,627	2,640,391	2,588,440

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

BALANCE SHEETS
AS AT MARCH 31, 2023 AND DECEMBER 31, 2022
(In thousands of Brazilian Reais - R$)

LIABILITIES	Note	Parent 03/31/2023	Parent 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
CURRENT LIABILITIES					
Trade payables	11.1	133,715	175,106	192,313	224,801
Payables from acquisition of subsidiaries	11.2	471	452	471	452
Payables to related parties	15.c	63	1,041	-	-
Borrowings and financing	12	1,689	1,680	32,036	31,709
Debentures	13	64,595	47,485	64,595	47,485
Leases payable	14	29,741	27,890	30,156	28,307
Payroll and related taxes		37,454	36,432	38,097	37,262
Tax debt refinancing program (REFIS)		1,569	1,567	1,569	1,567
Income tax and social contribution payable	19	427	4,838	2,818	6,537
Taxes payable	19	9,594	8,712	10,201	9,577
Provision for profit sharing	16.d	33,215	27,193	33,215	27,193
Dividends and interest on equity payable	20	18,093	1,211	18,093	1,211
Other liabilities		490	471	848	828
		331,116	334,078	424,412	416,929
NONCURRENT LIABILITIES					
Borrowings and financing	12	1,111	1,451	22,382	30,781
Trade payables	11.1	10,793	3,676	10,793	3,676
Payables from acquisition of subsidiaries	11.2	12,942	12,524	23,668	22,524
Debentures	13	762,692	774,670	762,692	774,670
Leases payable	14	64,329	59,182	64,329	59,286
Provision for tax, civil and labor risks	18	13,172	11,958	16,991	16,153
Tax debt refinancing program (REFIS)		510	894	510	894
Taxes payable	19	11,754	11,520	11,754	11,520
Provision for post-employment benefits	16.a	11,560	11,249	11,560	11,249
Other liabilities		865	1,220	984	1,381
		889,728	888,344	925,663	932,134
TOTAL LIABILITIES		1,220,844	1,222,422	1,350,075	1,349,063
EQUITY					
Subscribed share capital	20	1,091,560	1,091,560	1,091,560	1,091,560
Capital reserves	20	4,521	1,485	4,521	1,485
Earnings reserves	20	203,632	203,632	203,632	203,632
Treasury shares	20	(41,467)	(41,467)	(41,467)	(41,467)
Equity adjustments		(18,005)	(18,005)	(18,005)	(18,005)
Retained profits		47,965	-	47,965	-
EQUITY ATTRIBUTABLE TO THE:					
Owners of the Company			-	1,288,206	1,237,205
Non-controlling interests			-	2,110	2,172
TOTAL EQUITY		1,288,206	1,237,205	1,290,316	1,239,377
TOTAL LIABILITIES AND EQUITY		2,509,050	2,459,627	2,640,391	2,588,440

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

STATEMENTS OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais - R$)

		Parent		Consolidated	
	Note	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net revenue from sales and services	22	299,631	218,785	324,697	235,096
Cost of sales and services	23	(101,519)	(76,875)	(114,376)	(83,650)
GROSS PROFIT		198,112	141,910	210,321	151,446
Selling, general and administrative expenses	23	(90,281)	(71,507)	(96,748)	(77,835)
Allowance for expected credit losses	4	(20,118)	(8,059)	(7,109)	(8,009)
Share of profit (loss) of subsidiaries	8	7,760	2,547		-
Other operating income (expenses), net		2,532	124	2,554	173
PROFIT BEFORE FINANCE INCOME (COSTS) AND TAXES		98,005	65,015	109,018	65,775
Finance income	24	24,956	4,511	27,374	6,910
Finance costs	24	(38,542)	(7,994)	(41,648)	(9,013)
Finance income (costs), net		(13,586)	(3,483)	(14,274)	(2,103)
PROFIT BEFORE TAXES		84,419	61,532	94,744	63,672
Current income tax and social contribution	17	(15,623)	(17,530)	(18,229)	(19,465)
Deferred income tax and social contribution	17	(2,355)	(3,153)	(10,136)	(3,363)
PROFIT FOR THE PERIOD		66,441	40,849	66,379	40,844
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		-	-	66,441	40,849
Non-controlling interests		-	-	(62)	(5)
BASIC AND DILUTED EARNINGS PER SHARE - R$	21	0.32	0.20	0.32	0.20

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais - R$)

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
PROFIT FOR THE PERIOD	66,441	40,849	66,379	40,844
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66,441	40,849	66,379	40,844
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	-	-	66,441	40,849
Non-controlling interests	-	-	(62)	(5)

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais - R$)

		Capital reserves			Earnings reserves						
	Subscribed share capital	Stock option cost	Share issue costs	Treasury shares	Legal reserve	Retained earnings	Equity adjustments	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
AT DECEMBER 31, 2021	1,090,336	61,625	(18,448)	(70,155)	5,985	38,437	(17,050)	-	1,090,730	2,231	1,092,961
Stock option cost	-	961	-	48,919	-	-	-	-	49,880	-	49,880
Purchase (sale) of shares	-	(48,919)	-	(2,839)	-	-	-	-	(51,758)	-	(51,758)
Profit for the period	-	-	-	-	-	-	-	40,849	40,849	(5)	40,844
AT MARCH 31, 2022	1,090,336	13,667	(18,448)	(24,075)	5,985	38,437	(17,050)	40,849	1,129,701	2,226	1,131,927
AT DECEMBER 31, 2022	1,091,560	19,933	(18,448)	(41,467)	16,810	186,822	(18,005)	-	1,237,205	2,172	1,239,377
Share-based payments	-	3,036	-	-	-	-	-	-	3,036	-	3,036
Interest on equity	-	-	-	-	-	-	-	(18,476)	(18,476)	-	(18,476)
Profit for the period	-	-	-	-	-	-	-	66,441	66,441	(62)	66,379
AT MARCH 31, 2023	1,091,560	22,969	(18,448)	(41,467)	16,810	186,822	(18,005)	47,965	1,288,206	2,110	1,290,316

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais - R$)

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	66,441	40,849	66,379	40,844
ADJUSTMENTS FOR:				
Depreciation and amortization	43,124	35,464	52,341	39,174
Deferred income tax and social contribution	2,355	3,153	10,136	3,363
Provision for tax, civil and labor risks	(234)	(1,375)	(708)	40
Accrued expenses on stock options	3,036	961	3,036	961
Post-employment benefits	312	220	312	220
Residual value of PP&E and intangible assets sold and written off	3,098	1,176	3,140	1,189
Interest and monetary exchange gains and losses, net	34,068	5,701	36,484	6,156
Interest on leases	2,199	1,224	2,214	1,250
Allowance for expected credit losses	20,118	8,059	7,109	8,009
Provision for slow-moving inventories	3,983	770	795	838
Provision for profit sharing	6,072	3,586	6,072	3,644
Share of profit (loss) of subsidiaries	(7,760)	(2,547)	-	-
Other provisions (reversals)	(4,608)	2,982	(6,370)	2,814
CHANGES IN OPERATING ASSETS AND LIABILITIES:				
Trade receivables	(13,399)	(28,913)	11,346	(29,372)
Acquisitions of rental equipment	(118,042)	(26,376)	(308,243)	(27,248)
Inventories	1,885	1,046	1,269	198
Taxes recoverable	(10,562)	(401)	(27,182)	(389)
Income tax and social contribution recoverable	(1,545)	(370)	(1,426)	(483)
Judicial deposits	(25)	(581)	(23)	(593)
Other assets	(5,078)	170	(6,436)	233
Trade payables	(30,248)	(833)	(17,754)	(975)
Payroll and related taxes	1,021	2,860	835	2,482
Profit sharing	(50)	-	(50)	-
Taxes payable	16,325	18,159	18,367	19,446
Other liabilities	(333)	26	(374)	269
Lawsuits settled	(708)	(2,008)	(708)	(2,122)
Interest paid	(15,879)	(4,187)	(18,107)	(4,274)
Income tax and social contribution paid	(20,002)	(15,182)	(21,610)	(17,239)
NET CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	(24,436)	43,633	(211,848)	48,435
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital contribution in subsidiary	(163,000)	-	-	-
Acquisition of PP&E for own use and intangible assets	(16,067)	(9,272)	(16,844)	(9,296)
Interest on equity received	-	1,582	-	1,582
NET CASH USED IN INVESTING ACTIVITIES	(179,067)	(7,690)	(16,844)	(7,714)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Funding (costs) of borrowings and debentures	-	296,661	-	297,238
Restricted bank deposits	7,320	(103)	7,320	(103)
Acquisition of treasury shares	-	(2,839)	-	(2,839)
Amortization of borrowings and debentures	(11,812)	(11,482)	(17,860)	(15,441)
Leases paid	(9,828)	(5,233)	(9,951)	(5,541)
NET CASH GENERATED BY (USED IN) FINANCING ACTIVITIES	(14,320)	277,004	(20,491)	273,314
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(217,823)	312,947	(249,183)	314,035
Cash and cash equivalents at the beginning of the period	746,359	112,997	780,131	202,719
Cash and cash equivalents at the end of the period	528,536	425,944	530,948	516,754
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(217,823)	312,947	(249,183)	314,035

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

STATEMENTS OF VALUE ADDED
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(In thousands of Brazilian Reais - R$)

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
REVENUES:				
Sales of goods and services	345,345	252,293	374,775	271,547
Cancellations and discounts	(17,429)	(11,808)	(18,382)	(12,364)
Other revenues	2,620	140	2,644	192
Allowance for expected credit losses	(20,118)	(8,059)	(7,109)	(8,009)
	310,418	232,566	351,928	251,366
INPUTS PURCHASED FROM THIRD PARTIES:				
Cost of sales and services	(1,862)	(373)	(6,063)	(2,639)
Materials, energy, outsourced services and others	(76,853)	(62,190)	(80,065)	(66,690)
Disposal of assets	(3,098)	(1,176)	(3,140)	(1,189)
Gross value added	228,605	168,827	262,660	180,848
Depreciation, amortization and depletion	(43,124)	(35,464)	(52,341)	(39,174)
Wealth created by the Company	185,481	133,363	210,319	141,674
WEALTH RECEIVED IN TRANSFER:				
Finance income	24,956	4,511	27,374	6,911
Equity in the results of subsidiary	7,760	2,547	-	-
Total wealth for distribution	218,197	140,421	237,693	148,585
DISTRIBUTION OF WEALTH				
Personnel and charges	55,074	38,735	56,752	40,448
Salaries and wages	42,501	30,389	43,706	31,577
Benefits	10,012	6,537	10,389	6,916
Severance pay fund (FGTS)	2,561	1,809	2,657	1,955
Taxes and contributions	57,065	50,310	71,637	55,380
Federal	56,036	49,820	69,516	54,189
State	655	197	1,698	880
Municipal	374	293	423	311
Lenders and lessors	39,617	10,527	42,925	11,913
Interest and foreign exchange gains (losses)	37,375	7,775	40,384	8,669
Rentals	2,242	2,752	2,541	3,244
Shareholders	66,441	40,849	66,379	40,844
Interest on equity	18,476	-	18,476	-
Dividends	-	-	-	-
Profit for the period	47,965	40,849	47,965	40,849
Noncontrolling interests	-	-	(62)	(5)
Wealth distributed	218,197	140,421	237,693	148,585

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

1. GENERAL INFORMATION

Mills Locação, Serviços e Logística S.A. ("Mills" or "Company") is a publicly-traded corporation with registered offices in the City of Rio de Janeiro, Brazil. The Company operates basically in the infrastructure, construction and manufacturing industries, engaging in the following main activities:

a) Rental and sale, including imports and exports, of steel and aluminum tubular structures, shoring and access equipment for construction works, as well as reusable concrete formworks, along with the development of related engineering projects, and the provision of supervisory and optional assembly services.

b) Sale, rental and distribution of aerial work platforms and telescopic handlers, as well as parts and components, and technical assistance and maintenance services for such equipment.

c) Holding of ownership interests in other companies, as a partner or shareholder.

The Company's bylaws also establish the following activities:

a) Rental, assembly and dismantling of access scaffolding in industrial areas.

b) Performance of industrial painting, sandblasting, heat insulation, boilermaker and refractory services, as well as other services inherent in such activities.

The Company's operations are segmented according to the organization and management model approved by Management and monitored by key management personnel, comprising the following business units: Rental and Shoring (note 27).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

(i) Statement of compliance

The Company's individual and consolidated financial statements have been prepared and are being presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

The accounting practices adopted in Brazil comprise those included in the Brazilian Corporate Law, the standards of the Brazilian Securities Commission (CVM), and the pronouncements, guidance and interpretations of the Accounting Pronouncements Committee (CPC).

This interim financial information does not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the financial statements of Mills for the year ended December 31, 2022, which have been prepared in accordance with accounting policies adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In compliance with CVM Circular Letter 003/2011, of April 28, 2011, we present below the notes to the most recent annual financial statements (for the year ended December 31, 2022), which, in view of the lack of significant changes in the quarter ended March 31, 2023, are not being reproduced in full in this interim financial information.

The notes not included in the period ended March 31, 2023 are "Significant accounting judgments, estimates and assumptions", "Financial risk management" and "Capital management", reflected in the presentation of the financial statements for 2022, in notes 3, 4 and 5, respectively.

2.2. Basis of preparation

The accounting policies, calculation methods, significant accounting judgments, estimates and assumptions used in this interim financial information for the period ended March 31, 2023 are the same used in the financial statements for the year ended December 31, 2022, disclosed in notes 2 and 3. These financial statements were filed with CVM on February 28, 2023 and published on the newspaper Valor Econômico and the Official Gazette of the State of Rio de Janeiro on April 04, 2022.

No impacts on the Company were identified due to the new accounting pronouncements that became effective in 2023.

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries, using the same reporting date and the same accounting practices for the parent and its subsidiary.

Control is achieved when the Company obtains, direct or indirectly, most of the voting rights or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

a) Investments in companies accounted for under the equity method of accounting

The Company's investments in companies accounted for under the equity method of accounting comprise its interests in subsidiaries.

The Company's subsidiaries at March 31, 2023 are as follows:

Subsidiary	Core business	Control	Ownership interest (%) 03/31/2023	Ownership interest (%) 12/31/2022
Mills Pesados – Locação, Serviços e Logística S.A.	Equipment sale and rental and provision of maintenance and technical assistance services.	Direct	100%	100%
Nest Locação e Revenda de Máquinas Ltda.	Low Level Access Platform Rental (up to 6 meters high)	Indirect (*)	51%	51%
Triengel Locação e Serviços Ltda.	Rental of yellow-line equipment	Indirect (*)	100%	100%

(*) Directly controlled by the subsidiary Mills Pesados – Locação, Serviços e Logística S.A.

In the process of consolidation of the financial information, the following eliminations are included:

(i) The Parent's interests in capital, reserves and retained earnings (accumulated losses) of consolidated entities.

(ii) Asset and liability balances between consolidated entities;

(iii) Intragroup revenues and expenses arising from transactions between entities included in consolidation.

3. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and banks	7,164	2,158	7,605	16,676
Financial investments	521,372	744,201	523,343	763,455
	528,536	746,359	530,948	780,131
Restricted bank deposits (*)	8,721	16,041	8,721	16,041

(*) The amount of R$8,721 is restricted for debt payment purposes as at March 31, 2023, referring to a percentage of the outstanding balance of the 6th and 7th issues of debentures.

Cash and cash equivalents consist basically of deposits and highly liquid short-term investments, which are readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

At March 31, 2023, short-term investments consist of bank deposit certificates - CDBs and shares in fixed-income funds referenced to the DI (Interbank Deposit) rate with daily liquidity, bearing average interest of 102.77% of the interbank deposit certificate – CDI (101.08% at December 31, 2022).

4. RECEIVABLES FROM THIRD PARTIES

	Parent					
	03/31/2023			12/31/2022		
Business unit	Gross receivables	ECL	Trade receivables, net	Gross receivables	ECL	Trade receivables, net
Shoring	77,848	(38,097)	39,751	73,439	(39,201)	34,238
Rental	260,961	(68,754)	192,207	237,355	(52,470)	184,885
	338,809	(106,851)	231,958	310,794	(91,671)	219,123

	Consolidated					
	03/31/2023			12/31/2022		
Business unit	Gross receivables	ECL	Trade receivables, net	Gross receivables	ECL	Trade receivables, net
Shoring	77,848	(38,097)	39,751	73,439	(39,201)	34,238
Rental (*)	281,130	(69,145)	211,985	279,215	(66,344)	212,871
	358,978	(107,242)	251,736	352,654	(105,545)	247,109

Changes in allowance for expected credit losses of the Company and its subsidiaries in the period ended March 31, 2023 and year ended December 31, 2022 are as follows:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Balance at the beginning of the period	(91,671)	(77,627)	(105,545)	(97,601)
Merger of SK Rental	-	(889)	-	-
Balance after the merger	(91,671)	(78,516)	(105,545)	(97,601)
Net impact of ECL on P&L:	(20,118)	(27,145)	(7,109)	(26,315)
Provision	(7,004)	(28,192)	(7,940)	(29,085)
Capital decrease - Mills Pesados (*)	(13,945)	-	-	-
Reversal	831	1,047	831	2,770
Write-offs (**)	4,938	13,990	5,412	18,371
	(106,851)	(91,671)	(107,242)	(105,545)

(*) With the capital decrease carried out on March 17, 2023, as described in note 8.1, the trade receivables from the investee Mills Pesados were fully transferred to its parent, as well as the allowance for expected credit losses.

(*) In the period ended March 31, 2023, the Company wrote off bills up to five years past due, totaling R$5,412 in the consolidated (R$4,938 in the parent), which are not recognized in the statement of cash flows because they do not reflect changes in cash.

Aging list of gross trade receivables:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Not yet due	225,446	209,914	243,879	234,837
Past due from 1 to 60 days	24,624	27,720	25,707	30,000
61 to 120 days past due	10,740	6,788	11,240	6,813
121 to 180 days past due	5,931	5,420	6,080	5,635
180 to 360 days past due	13,631	15,233	13,635	15,699
Over 360 days past-due	58,437	45,719	58,437	59,670
	338,809	310,794	358,978	352,654

5. INVENTORIES

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Goods for resale	929	714	1,128	1,214
Spare parts and supplies	76,642	69,218	80,923	82,106
Provision for slow-moving inventories (*)	(8,926)	(4,943)	(8,926)	(8,132)
	68,645	64,989	73,125	75,188

(*) Inventory items without movement for more than one year.

Inventories of spare parts consist mainly of powered access equipment. All inventories are stated at average cost.

Provision for slow-moving inventories	Parent	Consolidated
As at December 31, 2022	(4,943)	(8,132)
Provision	(1,224)	(4,375)
Capital decrease - Mills Pesados (**)	(3,101)	-
Reversal	342	3,581
As at March 31, 2023	(8,926)	(8,926)

(*) In the period ended March 31, 2023, the Company wrote off bills up to five years past due, totaling R$5,412 in the consolidated (R$4,938 in the parent), which are not recognized in the statement of cash flows because they do not reflect changes in cash.

6. TAXES RECOVERABLE

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) (*)	10,091	8,546	17,632	16,206
PIS and COFINS (taxes on revenue) (**)	33,394	23,428	67,414	39,557
ICMS (State VAT) (***)	782	177	827	1,287
Others	338	347	1,552	1,767
	44,605	32,498	87,425	58,817
Current	19,558	14,926	38,963	30,243
Noncurrent	25,047	17,572	48,462	28,574

(*) Refers to negative balance of income tax and the withholding income tax on redemption of investments, which will be monetarily adjusted monthly according to the SELIC rate and offset against federal taxes up to December 21, 2022.

(**) PIS and COFINS credits refer basically to amounts recoverable on acquisition of property, plant and equipment offset at the rate of 1/48 per month against non-cumulative PIS and COFINS federal tax obligations. The segregation between current and noncurrent considers the amount expected to be offset in the period.

(***) Refers to ICMS (State VAT) levied on the Company's operations, arising from the purchase of goods for resale.

7. ASSETS HELD FOR SALE

In accordance with Technical Pronouncement CPC 31 (IFRS 5), a noncurrent asset shall be classified as an asset held for sale if its carrying amount will be recovered through a sale rather than continuing use. Consequently, the Company classified these assets received through exchange in the assets held for sale account.

	Parent and Consolidated (*)	
	03/31/2023	12/31/2022
Assets held for sale	22,053	22,244
Asset impairment loss (i)	(3,139)	(3,139)
	18,914	19,105

(*) The balances presented at March 31, 2023 and December 31, 2022 refer to the parent.

(i) The provision for impairment of assets held for sale, which is assessed annually, is the result of the difference between the book value and the market value of the assets at December 31, 2022 (net of expenses inherent to the sale), according to appraisal reports prepared by real estate experts.

8. INVESTMENTS

8.1. Assets accounted for under the equity method

Mills Pesados – Locação, Serviços e Logística S.A.

Mills Pesados is a non-listed company, controlled by the Company, engaged in the sale, rental and distribution of aerial work platforms, telescopic handlers, generators, soil handling equipment, lightning tower, air compressors and other equipment, spare parts and components and provision of technical assistance and maintenance services.

On September 13, 2022, Triengel Locações e Serviços Ltda. was acquired and this transaction was reflected in the financial statements for 2022, in note 1.1.

Variations in investments in subsidiaries	Parent
As at December 31, 2022	381,324
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(940)
Profit for the period	8,700
Dividends receivable	(15)
Capital reduction	(34,276)
Investment	163,000
As at March 31, 2023	517,793

According to its business strategy, the Company transferred the "light" equipment segment to the parent Mills Locações. The capital decrease of the subsidiary Mills Pesados, in the amount of R$ 34,276,207.04, was approved at the Extraordinary General Meeting held on March 17, 2023, as shown below:

Capital decrease	Parent
Trade receivables	22,460
Inventories for resale	3,763
Consumables inventories	5,760
Rental equipment	2,183
Assets in use	108
Software	2
Total	34,276

Information on the subsidiary	Mills Pesados 03/31/2023	Mills Pesados 12/31/2022
Ownership interest (%)	100%	100%
Current assets	9,523	34,133
Noncurrent assets	420,560	260,022
Current liabilities	9,485	11,185
Noncurrent liabilities	14,665	14,459
Equity	405,933	268,511

Information on the subsidiary	03/31/2023	12/31/2022
Net revenue	8,953	10,571
Costs and expenses	8,194	(5,828)
Profit before taxes	17,147	4,743
Current and deferred income tax and social contribution	(8,447)	(1,349)
Profit for the period	8,700	3,394

Reach Locações S.A.

On March 4, 2022, the Companies, Mills and Mills Pesados, deliberated on the establishment of the corporation under the name of Reach Locações S.A.

The share capital of Reach Locações S.A. is R$1,000.00 divided into 1,000 registered, book-entry common shares with no par value. The issue price of the shares was set at R$1.00, pursuant to Article 14 of the Brazilian Corporate Law. The share capital was fully subscribed by the shareholders as follows:

a) Mills subscribed 999 registered common shares, with no par value; and

b) Mills Pesados subscribed 1 common share, registered, with no par value.

Reach Locações S.A. is a privately-held company engaged in the lease, commercial intermediation and sale, with or without assembly, of movable assets of its own manufacture or acquired from third parties, including forms, shoring, scaffolding, floors, structures and similar equipment, in steel, aluminum, metal, plastic and wood, as well as their parts, components, accessories and raw materials.

Reach is also engaged in the import and export of the aforementioned goods, including their parts, components and raw materials; consulting and sale of engineering projects; construction of structured tent roofing, with plastic or similar covering; low voltage electrical installations; as well as holds investments, as a stockholder or unit holder in other companies or partnerships. The Company’s headquarters and jurisdiction are located in the City of Cotia, State of São Paulo.

Tecpar Comércio e Locação de Equipamentos LTDA

On April 18, 2022, the acquisition of Tecpar Comércio e Locação de Equipamentos Ltda (“Tecpar Equipamentos”) was carried out, which was incorporated into Mills Locações on July 26, 2022, reflected, in the disclosure of the financial statements for the year 2022, by the note explanatory 1.1.

9. PROPERTY, PLANT AND EQUIPMENT

Cost of PP&E, gross	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Parent
As at December 31, 2021	1,373,638	-	1,373,638	30,808	21,117	22,872	1,094	10,277	15,706	76,180	14,174	-	8,715	200,943	1,574,581
Acquisitions	262,712	-	262,712	5,230	-	5,756	737	127	2,123	-	-	-	26,235	40,208	302,920
Acquisition of Altoplat	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition due to divestiture of Rohr	12,571	-	12,571	-	-	-	-	-	-	-	-	-	-	-	12,571
Addition due to merger of SK Rental	63,871	-	63,871	-	-	251	-	801	198	-	-	-	-	1,250	65,121
Addition due to merger of Tecpar	44,053	-	44,053	-	-	90	-	9	34	-	-	-	-	133	44,186
Right-of-use assets	-	-	-	-	-	-	-	-	-	40,687	6,165	9,349	-	56,201	56,201
Write-offs/disposals	(58,317)	-	(58,317)	-	-	(21)	(346)	-	(14)	-	-	-	-	(381)	(58,698)
PIS and COFINS credits	(22,225)	-	(22,225)	-	-	-	-	-	-	-	-	-	-	-	(22,225)
Transfer	-	-	-	17,828	-	269	-	78	(229)	-	-	-	(18,421)	(475)	(475)
As at December 31, 2022	1,693,037	-	1,693,037	53,866	21,117	29,217	1,485	11,292	17,818	116,867	20,339	9,349	16,529	297,879	1,990,916
Acquisitions	129,721	-	129,721	907	-	2,881	-	-	896	-	-	-	5,398	10,082	139,803
Addition due to capital decrease in subsidiary Mills Pesados (note 8.1)	22,911	-	22,911	1	-	87	411	-	240	-	-	-	-	739	23,650
Right-of-use assets	-	-	-	-	-	-	-	-	-	14,023	438	-	-	14,461	14,461
Write-offs/disposals	(22,693)	-	(22,693)	-	-	(875)	(316)	-	-	-	-	-	-	(1,191)	(23,884)
PIS and COFINS credits	(11,683)	-	(11,683)	-	-	-	-	-	-	-	-	-	-	-	(11,683)
Transfer	-	-	-	46	-	-	-	-	-	-	-	-	-	46	46
As at March 31, 2023	1,811,293	-	1,811,293	54,820	21,117	31,310	1,580	11,292	18,954	130,890	20,777	9,349	21,927	322,016	2,133,309

Accumulated depreciation	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Parent
As at December 31, 2021	(1,099,707)	-	(1,099,707)	(18,252)	(5,853)	(16,919)	(686)	(7,364)	(11,961)	(34,771)	(7,714)	-	-	(103,520)	(1,203,227)
Depreciation	(102,776)	-	(102,776)	(5,988)	(616)	(2,023)	(161)	(886)	(850)	(17,468)	(3,937)	(1,020)	-	(32,949)	(135,725)
Depreciation of SK Rental	(22,011)	-	(22,011)	-	-	(226)	-	(698)	(181)	-	-	-	-	(1,105)	(23,116)
Depreciation of Tecpar	(10,605)	-	(10,605)	-	-	(36)	-	(1)	(14)	-	-	-	-	(51)	(10,656)
Disposals	50,403	-	50,403	-	-	9	90	-	14	-	-	-	-	113	50,516
PIS and COFINS credits	-	-	-	(608)	-	-	-	(91)	-	-	-	-	-	(699)	(699)
Transfer	-	-	-	-	-	(71)	-	-	71	-	-	-	-	-	-
As at December 31, 2022	(1,184,696)		(1,184,696)	(24,848)	(6,469)	(19,266)	(757)	(9,040)	(12,921)	(52,239)	(11,651)	(1,020)	-	(138,211)	(1,322,907)
Depreciation	(29,269)	-	(29,269)	(2,904)	(154)	(698)	(49)	(224)	(237)	(5,917)	(1,397)	(612)	-	(12,192)	(41,461)
Depreciation due to capital decrease in subsidiary Mills Pesados (note 8.1)	(20,729)	-	(20,729)	(1)	-	(86)	(411)	-	(132)	-	-	-	-	(630)	(21,359)
Disposals	20,077	-	20,077	-	-	698	196	-	-	-	-	-	-	894	20,971
PIS and COFINS credits	-	-	-	(296)	-	-	-	(23)	-	-	-	-	-	(319)	(319)
As at March 31, 2023	(1,214,617)	-	(1,214,617)	(28,049)	(6,623)	(19,352)	(1,021)	(9,287)	(13,290)	(58,156)	(13,048)	(1,632)	-	(150,458)	(1,365,075)
Annual depreciation rates - %	10-12-15	-	-		4	5	5	10	10	-	-	-	-	-	-
Property, plant and equipment, net															
As at December 31, 2022	508,341	-	508,341	29,018	14,648	9,951	728	2,252	4,897	64,628	8,688	8,329	16,529	159,668	668,009
As at March 31, 2023	596,676	-	596,676	26,771	14,494	11,958	559	2,005	5,664	72,734	7,729	7,717	21,927	171,558	768,234

Cost of PP&E, gross	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Consolidated
As at December 31, 2021	1,500,152	(1)	1,500,151	31,000	21,117	23,386	1,671	11,092	16,147	86,873	16,482	-	8,744	216,512	1,716,663
Opening balance - acquisition of Tecpar	35,531	-	35,531	-	-	84	457	7	30	-	-	-	-	578	36,109
Opening balance - acquisition of Triengel	97,247	1	97,248	-	-	65	1,541	-	2,075	-	-	-	-	3,681	100,929
Acquisitions	369,685	-	369,685	5,230	-	5,984	1,887	142	2,224	-	-	-	26,235	41,702	411,387
Acquisition of Altoplat	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition due to divestiture of Rohr	12,571	-	12,571	-	-	-	-	-	-	-	-	-	-	-	12,571
Right of use	-	-	-	-	-	-	-	-	-	40,813	6,185	9,349	-	56,347	56,347
Write-offs/disposals	(63,954)	-	(63,954)	-	-	(183)	(803)	-	(15)	(2,060)	-	-	(29)	(3,090)	(67,044)
PIS and COFINS credits	(22,231)	-	(22,231)	-	-	-	(166)	-	(115)	-	-	-	-	(281)	(22,512)
Surplus value - subsidiary Tecpar	11,866	-	11,866	-	-	-	-	-	-	-	-	-	-	-	11,866
Surplus value - subsidiary Triengel	61,126	-	61,126	-	-	-	-	-	-	-	-	-	-	-	61,126
Merger of SK	13,790	-	13,790	-	-	-	-	-	-	-	-	-	-	-	13,790
Transfer	-	-	-	17,828	-	269	-	78	(229)	-	-	-	(18,421)	(475)	(475)
As at December 31, 2022	2,032,517		2,032,517	54,058	21,117	29,605	4,587	11,319	20,117	125,626	22,667	9,349	16,529	314,974	2,347,491
Acquisitions	317,585	-	317,584	907	-	3,300	394	7	899	-	-	-	5,398	10,905	328,490
Addition due to capital decrease in subsidiary Mills Pesados (note 8.1)	22,911	-	22,911	1	-	87	411	-	240	-	-	-	-	739	23,650
Right of use	-	-	-	-	-	-	-	-	-	14,023	438	-	-	14,461	14,461
Write-offs/disposals	(45,701)	-	(45,701)	-	-	(961)	(727)	(1)	(243)	-	-	-	-	(1,932)	(47,633)
PIS and COFINS credits	(11,683)	-	(11,683)	-	-	-	-	-	-	-	-	-	-	-	(11,683)
Surplus value - subsidiary Nest	9	-	9	-	-	-	-	-	-	-	-	-	-	-	9
Transfer	-	-	-	46	-	-	-	-	-	-	-	-	-	46	46
As at March 31, 2023	2,315,638	-	2,315,638	55,012	21,117	32,031	4,665	11,325	21,013	139,649	23,105	9,349	21,927	339,193	2,654,831

Accumulated depreciation	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Consolidated
As at December 31, 2021	(1,156,848)	-	(1,156,848)	(18,419)	(5,853)	(17,386)	(1,097)	(8,046)	(12,247)	(44,387)	(9,940)	-	-	(117,375)	(1,274,223)
Opening balance - acquisition of Tecpar	(11,643)	-	(11,643)	-	-	(32)	(171)	(1)	(13)	-	-	-	-	(217)	(11,860)
Opening balance - acquisition of Triengel	(40,300)	-	(40,300)	-	-	(10)	(687)	-	(767)	-	-	-	-	(1,464)	(41,764)
Depreciation	(119,627)	-	(119,627)	(5,990)	(616)	(2,055)	(367)	(907)	(1,015)	(18,198)	(3,959)	(1,020)	-	(34,127)	(153,754)
Write-offs/disposals	54,966	-	54,966	-	-	161	272	-	14	2,059	-	-	-	2,506	57,472
PIS and COFINS credits	-	-	-	(608)	-	-	-	(91)	-	-	-	-	-	(699)	(699)
Surplus value - subsidiary Mills Pesados	(3,761)	-	(3,761)	-	-	-	-	-	-	-	-	-	-	-	(3,761)
Surplus value - subsidiary SK	(2,862)	-	(2,862)	-	-	-	-	-	-	-	-	-	-	-	(2,862)
Surplus value - subsidiary Nest	(108)	-	(108)	-	-	-	-	-	-	-	-	-	-	-	(108)
Surplus value - subsidiary Tecpar	(1,338)	-	(1,338)	-	-	-	-	-	-	-	-	-	-	-	(1,338)
Surplus value - subsidiary Triengel	(1,992)	-	(1,992)	-	-	-	-	-	-	-	-	-	-	-	(1,992)
Transfer	-	-	-	-	-	(71)	-	-	71	-	-	-	-	-	-
As at December 31, 2022	(1,283,513)		(1,283,513)	(25,017)	(6,469)	(19,393)	(2,050)	(9,045)	(13,957)	(60,526)	(13,899)	(1,020)	-	(151,376)	(1,434,889)
Depreciation	(36,124)	-	(36,124)	(2,904)	(154)	(757)	178	(225)	(242)	(6,018)	(1,403)	(612)	-	(12,137)	(48,261)
Depreciation due to capital decrease in subsidiary Mills Pesados (note 8.1)	(20,729)	-	(20,729)	(1)	-	(86)	(411)	-	(132)	-	-	-	-	(630)	(21,359)
Write-offs/disposals	40,892	-	40,892	-	-	787	606	-	134	-	-	-	-	1,527	42,419
PIS and COFINS credits	-	-	-	(296)	-	-	-	(23)	-	-	-	-	-	(319)	(319)
Surplus value - subsidiary Mills Pesados	(940)	-	(940)	-	-	-	-	-	-	-	-	-	-	-	(940)
Surplus value - subsidiary Nest	(27)	-	(27)	-	-	-	-	-	-	-	-	-	-	-	(27)
Surplus value - subsidiary Triengel	(1,494)	-	(1,494)	-	-	-	-	-	-	-	-	-	-	-	(1,494)
As at March 31, 2023	(1,301,935)	-	(1,301,935)	(28,218)	(6,623)	(19,449)	(1,677)	(9,293)	(14,197)	(66,544)	(15,302)	(1,632)	-	(162,935)	(1,464,870)
Annual depreciation rates - %	10-12-15	-	-	-	4	5	5	10	10	-	-	-	-	-	-
Property, plant and equipment, net															
As at December 31, 2022	749,004	-	749,004	29,041	14,648	10,212	2,537	2,274	6,160	65,100	8,768	8,329	16,529	163,598	912,602
As at March 31, 2023	1,013,703	-	1,013,703	26,794	14,494	12,582	2,988	2,032	6,816	73,105	7,803	7,717	21,927	176,258	1,189,961

Rental equipment can be summarized as follows: access scaffolding, formworks, shoring, aerial work platforms and telescopic handlers.

We present below the main acquisitions accumulated through the period ended March 31, 2023, by group of assets:

	Parent	Consolidated
	03/31/2023	03/31/2023
Equipment for rental and operational use	131,904	319,768
Assets in use	10,236	11,058
	142,140	330,826

The consolidated depreciation for the period, allocated to cost of sales and services, and general and administrative expenses, amounts to R$116,135 and R$51,477 as at March 31, 2023 (R$28,742 and R$10,432 as at March 31, 2022), respectively.

Certain items of the Company's property, plant and equipment have been pledged as collateral for borrowings (notes 12 and 13).

Purchases and sales of rental equipment are being presented in the statement of cash flows as operating activities.

a) Provision for impairment of assets

As the Company had a positive performance in the period ended March 31, 2023 and in the year ended December 31, 2022 and there was no indication of technological obsolescence of its property, plant and equipment, Management did not identify indicators of impairment for the Rental and Formworks and Shoring Business Units under the terms of CPC 01 (IAS 36).

Accordingly, the Company did not need to extend its internal analyses in order to assess the recoverability of its property, plant and equipment using market references or value-in-use financial models for the period ended March 31, 2023 and the year ended December 31, 2022.

b) Review of estimated useful life

The Company hired specialized consultants to determine the useful lives of machinery and equipment, tractors and other tangible assets of its subsidiary Mills Pesados, under the terms and for the purposes of complying with CVM Deliberation 583/09, which approved Technical Pronouncement CPC 27 - Property, plant and equipment and ICPC Instruction 10.

The results found in the useful lives appraisal report were used to adjust the calculation of the PP&E depreciation of its subsidiary Mills Pesados, due to the operational and technological reality of the company, whose registration took place in March 2023.

The useful life study procedures were based on reference publications, such as IBAPE (Brazilian Institute of Engineering Valuations and Expert Assessments) and ASA (American Society of Appraisers), as well as discussions with manufacturers.

The new useful lives determined by the specialized consultants, based on their technical analyses, are as follows:

Description	Estimated useful life/ years	
	Current	Prior
Wheel loader	10	4 and 5
Grader	14	4 and 5
Backhoe loader	15	4 and 5
Forklift	10	4
Road roller	15	4
Compressor	15	10
Tractors	10 and 15	4
Soldering machine	5 and 10	10
Pallet truck	9	10
Hydraulic Hammer	5	4
Balance	14	5
Sweeper	7	4

10. INTANGIBLE ASSETS

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill	Total Parent
As at December 31, 2021	65,967	3,206	7,773	7,762	13,376	98,084
Acquisitions	652	-	26	16,354	-	17,032
Acquisition of Altoplat	-	-	3,622	-	-	3,622
Acquisition due to divestiture of Rohr	-	-	1,911	-	-	1,911
Merger of SK Rental	58	-	4,307	-	21,149	25,514
Merger of Tecpar	-	-	7,989	-	469	8,458
Transfer	6,498	1,466	-	(7,489)	-	475
As at December 31, 2022	73,175	4,672	25,628	16,627	34,994	155,096
Acquisitions	211	-	-	5,777	-	5,988
Addition due to capital decrease in subsidiary Mills Pesados	63	-	-	-	-	63
Transfer	4,251	-	-	(4,297)	-	(46)
As at March 31, 2023	77,700	4,672	25,628	18,107	34,994	161,101

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill	Total Parent
Accumulated amortization						
As at December 31, 2021	(47,372)	(878)	-	-	(4,232)	(52,482)
Amortization	(5,982)	-	(1,704)	-	-	(7,686)
Amortization - merger of SK Rental	(58)	-	-	-	-	(58)
PIS and COFINS credit (*)	(610)	-	-	-	-	(610)
As at December 31, 2022	(54,022)	(878)	(1,704)	-	(4,232)	(60,836)
Amortization	(1,698)	-	(644)	-	-	(2,342)
Amortization due to capital decrease in subsidiary Mills Pesados	(61)	-	-	-	-	(61)
PIS and COFINS credit (*)	(173)	-	-	-	-	(173)
As at March 31, 2023	(55,954)	(878)	(2,348)	-	(4,232)	(63,412)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
As at December 31, 2022	19,153	3,794	23,924	16,627	30,762	94,260
As at March 31, 2023	21,746	3,794	23,280	18,107	30,762	97,689

(*) Right to PIS and COFINS credits on software acquisition according to Management's judgment, as assessed by our tax consultants.

(**) Amount referring to projects in the IT area, not yet completed, which will be transferred to intangible assets, with the respective beginning of amortization, when completed.

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill	Total Consolidated
As at December 31, 2021	66,141	3,214	10,798	7,762	139,000	226,915
Opening balance - acquisition of Tecpar	6	-	-	-	-	6
Acquisitions	652	-	26	16,354	-	17,032
Acquisition of Altoplat	-	-	3,622	-	-	3,622
Acquisition due to divestiture of Rohr	-	-	1,911	-	-	1,911
Surplus value - subsidiary Tecpar	-	-	7,989	-	469	8,458
Surplus value - subsidiary Nest	-	-	-	-	3	3
Merger of SK	-	-	1,506	-	(14,267)	(12,761)
Transfer	6,498	1,466	-	(7,489)	-	475
As at December 31, 2022	73,297	4,680	25,852	16,627	125,205	245,661
Acquisitions	211	-	-	5,777	-	5,988
Addition due to capital decrease in subsidiary Mills Pesados	63	-	-	-	-	63
Disposals	(62)	-	-	-	-	(62)
Surplus value - subsidiary Nest	-	-	-	-	1	1
Transfer	4,251	-	-	(4,297)	-	(46)
As at March 31, 2023	77,760	4,680	25,852	18,107	125,206	251,605

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill	Total Consolidated
Accumulated amortization						
As at December 31, 2021	(47,495)	(878)	(32)	-	(4,232)	(52,637)
Amortization	(5,990)	-	(1,710)	-	-	(7,700)
Disposals	14	-	-	-	14	28
Surplus value - subsidiary SK	-	-	(161)	-	-	(161)
Surplus value - subsidiary Nest	-	-	(9)	-	-	(9)
PIS and COFINS credit (*)	(610)	-	-	-	-	(610)
As at December 31, 2022	(54,081)	(878)	(1,912)	-	(4,218)	(61,089)
Amortization	(1,698)	-	(644)	-	-	(2,342)
Amortization due to capital decrease in subsidiary Mills Pesados	(61)	-	-	-	-	(61)
Disposals	58	-	-	-	-	58
Surplus value - subsidiary Nest	-	-	(2)	-	-	(2)
PIS and COFINS credit (*)	(173)	-	-	-	-	(173)
As at March 31, 2023	(55,955)	(878)	(2,558)	-	(4,218)	(63,609)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
As at December 31, 2022	19,216	3,802	23,940	16,627	120,987	184,572
As at March 31, 2023	21,805	3,802	23,294	18,107	120,988	187,996

(*) Right to PIS and COFINS credits on software acquisition according to Management's judgment, as assessed by our tax consultants.

(**) Amount referring to projects in the IT area, not yet completed, which will be transferred to intangible assets, with the respective beginning of amortization, when completed.

In the consolidated financial statements, goodwill is classified in intangible assets, while it is included in investments line item in the Parent.

a) Goodwill in the Parent

Goodwill recognized as investments in the Parent, totaling R$13,376 (as at December 31, 2022, R$ 9,144, net) arises from the acquisition of Jahu in 2008 and subsequently from the acquisition of GP Sul in 2011, and is being considered as a contribution of the Shoring business unit, which represents a Cash-Generating Unit (CGU) to which the goodwill is allocated.

During 2022, goodwill arising from the merger of investments in SK Rental and Tecpar was recognized, in the amounts of R$21,149 and R$469, respectively.

b) Goodwill in Consolidated

The goodwill arising from the acquisition of Mills Pesados presented in the consolidated as intangible assets is initially measured as the surplus of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). Subsequent to initial recognition, goodwill, in the amount of R$88,011, which has an indefinite useful life, is measured at cost, less any accumulated impairment losses. This goodwill arose from the exchange of shares upon the acquisition of Mills Pesados, and Management, together with its legal counsel, decided not to consider it deductible for income tax and social contribution purposes.

c) Goodwill impairment testing

The recoverable amount of this set of assets allocated to the Business Units was determined by Management based on economic market projections, reflected in discounted cash flow forecasts for a period of ten years plus perpetuity, for the purpose of substantiating the amount recorded in the accounts, given the long-term maturity of investments in infrastructure and civil construction. Revenue was projected based on multipliers of the Gross Domestic Product (GDP) plus the variation of inflation indicators (IGP-M - General Market Price Index), with real price gains. Costs and expenses were, in general, segregated into fixed and variable, with the variables projected considering volume growth plus the variation of inflation indicators (IPCA), and the fixed costs and expenses projected only based on the variation of the same IPCA. Some other items were projected based on the historical percentage of their representativeness over rental revenue. The need for working capital and investments to maintain the PP&E tested for impairment was also considered.

The respective flows in goodwill impairment testing were discounted at a nominal discount rate of 12.7% p.a., both for the Rental and Shoring Business Units. A growth rate of 1.1% in actual terms in perpetuity was considered for both Business Units.

Management has not identified any fact or event that would justify the need to record a provision for impairment of goodwill recorded in Parent and Consolidated at March 31, 2023 and in December 2022.

11. TRADE PAYABLES

11.1. PAYABLES TO THIRD PARTIES

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Domestic suppliers - Third parties	130,834	169,865	187,588	215,394
Foreign suppliers - Third parties	13,674	8,917	15,518	13,083
	144,508	178,782	203,106	228,477
Current	133,715	175,106	192,313	224,801
Noncurrent	10,793	3,676	10,793	3,676

As at March 31, 2023 and December 31, 2022, trade payables balances refer mainly to purchases of spare parts and supplies recorded in inventories, services and PP&E.

The balances of foreign suppliers are updated by the exchange variation as at March 31, 2023 and December 31, 2022.

11.2. PAYABLES FROM ACQUISITION OF SUBSIDIARIES

Amount referring to installments due from Tecpar and Triengel investments, as shown in the table below:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Payables from acquisition of subsidiaries	13,413	12,976	24,139	22,976
	13,413	12,976	24,139	22,976
Current	471	452	471	452
Noncurrent	12,942	12,524	23,668	22,524

12. BORROWINGS AND FINANCING

As at March 31, 2023, borrowings and financing were used to fund the expansion of the Company's investments and for working capital purposes. They are indexed to the Interbank Deposit Certificate (CDI).

The borrowings and financing existing as at March 31, 2023 were contracted at an average cost of CDI + 2.23% p.a.

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current	1,689	1,680	32,036	31,709
Noncurrent	1,111	1,451	22,382	30,781
	2,800	3,131	54,418	62,490

The financial institutions with which the Company has borrowings agreements as at March 31, 2023 are as follows:

Subsidiaries	Financial institutions
Mills and Nest	Banco de Lage Landen Brasil
Mills, Nest and Triengel	Banco Itaú
Nest	Banco do Brasil
Mills, Nest and Triengel	Banco Bradesco
Triengel	Caterpillar
Triengel	Volvo
Triengel	Volkswagen

The table below shows the outstanding guarantees provided as at March 31, 2023 and December 31, 2022:

	Subsidiary		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Guarantees provided:				
Collateral assignment	2,589	2,897	50,091	58,111

The installments falling due at the end of the period ended March 31, 2023 are shown below:

	Parent	Consolidated
2023	1,498	25,372
2024	904	18,900
2025	398	6,920
2026	-	1,976
2027	-	1,250
	2,800	54,418

In the period ended March 31, 2023, the Company was in compliance with the covenants of its borrowing agreements. The borrowings do not have financial clauses.

13. DEBENTURES

						Parent		Consolidated	
Description	Series	Issued amount	Beginning	Maturity	Finance charges	03/31/2023	12/31/2022	03/31/2023	12/31/2022
4th issue - Mills (i)	Single	100,000	Mar/20	Mar/25	CDI + 2.35%	47,627	53,548	47,627	53,548
Issue cost						(1,043)	(1,179)	(1,043)	(1,179)
						46,584	52,369	46,584	52,369
5th issue - Mills (ii)	Single	84,000	Dec/20	Oct/24	CDI + 3.75%	40,609	46,458	40,609	46,458
Issue cost						(567)	(656)	(567)	(656)
						40,042	45,802	40,042	45,802
6th issue - Mills (iii)	1st series	100,000	Mar/22	Mar/27	CDI + 2.30%	100,540	100,540	100,540	100,540
Issue cost						(1,013)	(1,078)	(1,013)	(1,078)
						99,527	99,462	99,527	99,462
6th issue - Mills (iii)	2nd series	200,000	Mar/22	Mar/27	CDI + 2.95%	201,125	201,125	201,125	201,125
Issue cost						(1,809)	(1,925)	(1,809)	(1,925)
						199,316	199,200	199,316	199,200
7th issue - Mills (iv)	Single	430,000	Dec/22	Dec/27	CDI + 2.05%	446,497	430,252	446,497	430,252
Issue cost						(4,679)	(4,930)	(4,679)	(4,930)
						441,818	425,322	441,818	425,322
Total						827,287	822,155	827,287	822,155
Current						64,595	47,485	64,595	47,485
Noncurrent						762,692	774,670	762,692	774,670

(i) 4th issue of debentures (Parent - Mills)

The Company's Board of Directors approved on March 3, 2020 the 4th issue of simple, non-convertible, secured, single-series debentures ("Issue" and "Debentures", respectively), maturing 60 months as from the issue date.

The Issue was comprised of 100,000 Debentures with the par value of R$1,000.00, totaling R$100,000, with the respective guarantees provided in the Issue documents, which were offered with restricted placement efforts, under the terms of CVM Instruction 476 of January 16, 2009, as effective ("Restricted Offer"). The principal will be amortized quarterly, with interest corresponding to CDI rate+2.35% p.a.

The net proceeds raised by the Company through the Restricted Offering and the Issue were originally used for the payment of debts, adjustment and/or renovation of the equipment fleet and improvement of the Company's cash, in the normal course of its business.

According to the Debenture Holders Meeting held on September 9, 2021, which approved the release of all properties under the "Agreement for Collateral Assignment of Properties and other Covenants", entered into by and between the Company and the Trustee on March 3, 2020, the agreement ("Agreement for Collateral Assignment of Property") was amended upon: (i) the increase in the Collateral Minimum Value, as defined in the "Agreement for Collateral Assignment of Properties and other Covenants", entered into by and between the Company and the Trustee on March 3, 2020 ("Agreement for Collateral Assignment of Property"), of 10% of the adjusted debt balance of the Debentures to 15% of the adjusted debt balance of the Debentures, disregarding the amounts to be retained in the Restricted Account, as established in item (ii) below, and (ii) retention, in the Restricted Account (as defined in the Agreement for Collateral Assignment of Property) of the amount equivalent to 5% of the adjusted debt balance of the Debentures; (iii) due to the approval of item (i), the payment of a commission equivalent to 0.5% on the debt balance of the Debentures was made, for the advisory services provided by the Bank.

<u>Covenants</u>

The debenture indentures require compliance with debt and interest coverage ratios under preset parameters, as follows:

1) Financial ratio resulting from the ratio of the Net Debt division (i) by EBITDA (ii), should be equal to or less than three 2x;

2) For purposes of calculating the Fourth Issue covenants, calculations will be made disregarding the effects of IFRS 16 (CPC 06 (R2)).

(i) "Net Debt" means, based on the Company's immediately preceding consolidated financial statements, (a) the sum of the Company's onerous debts, on a Consolidated basis, to companies, including borrowings from third parties and/or related parties and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, as well as guarantees provided by the Company, excluding debts arising from tax installment payments; (b) less the sum of the Company's cash and cash equivalents (cash and short-term investments) on a Consolidated basis.

(ii) "EBITDA" means, based on the Company's four immediately preceding consolidated financial statements, profit or loss before income tax and social contribution, less income and plus expenses generated by financial and non-operating results, depreciation and amortization, and nonrecurring income and expenses.

The Company evaluates covenants on a quarterly basis and for the period ended March 31, 2023, it complied with all the covenants to which it was subject in relation to this debenture issue.

In the period ended March 31, 2023, the Company has guarantees contracted in the amount of R$137,208.

(ii) 5th issue of debentures (Parent - Mills)

The Company's Board of Directors approved, on September 15, 2020, the issue of debentures, which were part of a public offering, with restricted placement efforts, under the terms of CVM Instruction 476 of January 16, 2009, as effective ("CVM Instruction 476" and "Offering", respectively), through the "Private Indenture of the Fifth Issue of Simple, Non-convertible, Secured Debentures, in a Single Series, for Public Distribution, with Restricted Placement Efforts, of Mills Locação, Serviços e Logística S.A." ("Issuance Indenture") as well as:
(a) collateral assignment of machinery, equipment and chattels ("Machinery and Equipment" and "Collateral Assignment"), under the terms of the "Agreement for Collateral Assignment of Machinery and Equipment and other Covenants", entered into by the Company and the Trustee ("Collateral Assignment Agreement"); and (b) secured assignment of any and all credit rights arising from the restricted account, held by the Company before the Depositary Bank (as defined below), as well as any and all amounts related to the allowed investments, which were defined in the Secured Assignment Agreement (also defined below) ("Conditional Assignment" and, together with the Secured Assignment, "Collaterals"), pursuant to the "Agreement for Secured Assignment of Credit Rights and Restricted Account and Other Covenants", entered into by the Company and the Trustee ("Secured Assignment Agreement" and, together with the Collateral Assignment Agreement, "Guarantee Agreements", which, together with the minutes of the Board of Directors Meeting, the Issuance Indenture and the Deposit Agreement, were referred to as "Transaction Documents".

On December 4, 2020, the Board of Directors met to rectify and ratify the approval of the 5th issue of simple debentures, non-convertible, secured, in a single series, in the total amount of R$84,000,000.00.

The Issue was comprised of R$84,000,000 Debentures with the par value of R$1.00, totaling R$84,000,000.00, with the respective guarantees provided in the Issue documents, which were offered with restricted placement efforts, under the terms of CVM Instruction 476 of January 16, 2009, as effective ("Restricted Offer"). The principal will be amortized quarterly, with interest corresponding to CDI rate+4.25% p.a.

The net proceeds raised through the Restricted Offering were originally used for the payment of debts, adjustment and/or renovation of the equipment fleet and improvement of the Company's cash and/or working capital, in the normal course of its business.

In January 2023, the indenture for the 5th issue of debentures was amended, changing the payment method and remuneration. After the amortization in January 2023 in the amount of R$5.6 million, the remaining balance will be paid on the maturity date, in October 2024. Debt interest changed from CDI+4.25% to CDI+3.75% p.a. We constantly seek to improve capital structure and liability management in order to optimize debt costs.

Covenants

The debenture indentures require compliance with debt and interest coverage ratios under preset parameters, as follows:

1) The financial ratio resulting from the division of Net Debt (i) by EBITDA (iii) must be equal to or less than 3x and Short-Term Net Debt by EBITDA should be equal to or less than 0.75x.

2) For purposes of calculating the Fifth Issue covenants, calculations will be made disregarding the effects of IFRS 16 (CPC 06 (R2)).

(i) "Net Debt" means, based on the Company's immediately preceding consolidated financial statements, (a) the sum of the Company's onerous debts, on a Consolidated basis, to companies, including borrowings from third parties and/or related parties and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, as well as guarantees provided by the Company, excluding debts arising from tax installment payments; (b) less the sum of the Company's cash and cash equivalents (cash and short-term investments), on a Consolidated basis.

(ii) "Net Financial Expenses" mean, based on the Company's four immediately preceding consolidated financial statements, the balance of the difference between the Consolidated gross financial income and the Consolidated gross financial expenses.

(iii) "EBITDA" means, based on the Company's four immediately preceding consolidated financial statements, profit or loss before income tax and social contribution, less income and plus expenses generated by financial and non-operating results, depreciation and amortization, and nonrecurring income and expenses.

The Company evaluates the covenants on a quarterly basis and for the period ended March 31, 2023, it complied with all the covenants to which it was subject in relation to this debenture issue.

In the period ended March 31, 2023, the Company has outstanding guarantees contracted in the amount of R$102,767.

(iii) 6th issue of debentures (Parent - Mills)

On March 18, 2022, the Company's Board of Directors approved the 6th issue of simple, non-convertible, secured debentures, in the amount of R$300,000,000.00, with maturity in 60 months and quarterly amortization of the principal as from the 24th month (including), for public distribution with restricted placement efforts, pursuant to CVM Instruction 476, of January 16, 2009.

300,000 debentures were issued, of which 100,000 in the First Series and 200,000 in the Second Series, and:

i. The first series debentures will have a yield corresponding to the DI rate + 2.30% p.a.;

ii. The second series debentures will have a yield corresponding to the DI rate + +2.95% p.a..

The net proceeds raised will be used for the payment of debts, investments and the Company's working capital, in the normal course of its business.

As a guarantee of the proper, timely and full payment of the obligations arising from: (a) First Series Debentures will be subject to Collateral Assignment, whose total amount shall correspond, during the effective period of the Issuance Indenture and the Agreement for Collateral Assignment or up to the full settlement of the First Series Debentures, at least, to 100% of the First Series Debentures debt balance (including the Remuneration of the First Series Debentures), to be calculated pursuant to the Agreement for Collateral Assignment, which will be duly established and formalized by the Company; (b) Second Series Debentures, as provided for in the Issuance Indenture ("Guaranteed Obligations of the Second Series Debentures" and, together with the Guaranteed Obligations of the First Series Debentures, "Guaranteed Obligations"). Second Series Debentures will be subject to Conditional Assignment, which shall correspond, during the effective period of the Issuance Indenture and the Agreement for Conditional Assignment or up to the full settlement of the Second Series Debentures, at least, to the next installment of the Remuneration of the Second Series Debentures and the Amortization of the Second Series Debentures, to be calculated pursuant to the Agreement for Conditional Assignment. The other terms and conditions of the Collateral Assignment and Conditional Assignment will be expressly provided for in the respective Guarantee Agreements.

The debenture indentures require compliance with debt and interest coverage ratios under preset parameters, as follows:

The financial ratio resulting from the division of Net Debt (i) by EBITDA (iii) must be equal to or less than 2.5x and Short-Term Net Debt by EBITDA should be equal to or less than 0.75x.

For purposes of this Clause, the following definitions should be considered, and the calculations shall be made disregarding the effects of IFRS 16:

- "Net Financial Debt" means, based on the Issuer's immediately preceding Consolidated Financial Statements, (a) the sum of the Issuer's onerous debts, on a consolidated basis, to companies, including borrowings from third parties and/or Related Parties (as defined below) and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, suppliers credit assignment and equivalent, where applicable, as well as guarantees provided by the Issuer, excluding debts arising from tax installment payments; (b) less the sum of the Issuer's cash and cash equivalents (cash and short-term investments), on a consolidated basis; and

- "Short-term Net Financial Debt" means, based on the Issuer's immediately preceding Consolidated Financial Statements: (a) the sum of the Issuer's onerous debts, on a consolidated basis, with maturity of up to 12 (twelve months), to companies, including borrowings from third parties and/or related parties and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, as well as guarantees provided by the Issuer, excluding debts arising from tax installment payments; (b) less the sum of the Issuer's cash and cash equivalents (cash and short-term investments), on a consolidated basis; and;

- "EBITDA" means, based on the Issuer's four immediately preceding Consolidated Financial Statements, profit or loss before income tax and social contribution, finance income (costs) and non-operating results, depreciation and amortization, and nonrecurring income and expenses, as detailed by the Issuer in its quarterly earnings release.

The Company evaluates the covenants on a quarterly basis and for the period ended March 31, 2023, it complied with all the covenants to which it was subject in relation to this debenture issue.

In the period ended March 31, 2023, the Company has outstanding guarantees contracted in the amount of R$102,767.

(iv) 7th issue of debentures (Parent - Mills)

On December 22, 2022, the Company's Board of Directors approved the 7th issue of simple, non-convertible, unsecured debentures, in a single series, in the total amount of R$430,000,000.00, with a term of 60 months and annual amortization from the 36th month from the issue date (inclusive), for public distribution with restricted placement efforts, pursuant to CVM Instruction 476, of January 16, 2009, with interest corresponding to the CDI+2.05% p.a.

The net proceeds raised will be used for the payment of debts, investments, renewal of part of the fleet and the Company's working capital, in the normal course of its business.

Covenants

The debenture indentures require compliance with debt and interest coverage ratios under preset parameters, as follows:

(1) The financial ratio resulting from the division of Net Debt (i) by EBITDA pro forma (iii) must be equal to or less than 2.5x and Short-Term Net Debt by EBITDA pro forma should be equal to or less than 0.75x.

For purposes of this Clause, the following definitions should be considered, and the calculations shall be made disregarding the effects of IFRS 16:

- “Net Financial Debt” means, based on the Issuer’s immediately preceding Consolidated Financial Statements, (a) the sum of the Issuer's onerous debts, on a consolidated basis, to companies, including borrowings from third parties and/or Related Parties (as defined below) and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, suppliers credit assignment and equivalent, where applicable, as well as guarantees provided by the Issuer, excluding debts arising from tax installment payments; (b) less the sum of the Issuer’s cash and cash equivalents (cash and short-term investments), on a consolidated basis; and

- “Short-term Net Financial Debt” means, based on the Issuer’s immediately preceding Consolidated Financial Statements: (a) the sum of the Issuer's onerous debts, on a consolidated basis, with maturity of up to 12 (twelve months), to companies, including borrowings from third parties and/or related parties and issue of fixed-income securities, whether convertible or not, in the local and/or international capital markets, as well as guarantees provided by the Issuer, excluding debts arising from tax installment payments; (b) less the sum of the Issuer’s cash and cash equivalents (cash and short-term investments), on a consolidated basis; and;

- "EBITDA pro forma" means, based on the Issuer’s four immediately preceding Consolidated Financial Statements, profit or loss before income tax and social contribution, finance income (costs) and non-operating results, depreciation and amortization, and nonrecurring income and expenses, as detailed by the Issuer in its quarterly earnings release, plus EBITDA OF THE ACQUIRED OR MERGED COMPANIES; and

- "EBITDA OF THE ACQUIRED OR MERGED COMPANIES" means profit or loss before income tax and social contribution, less income and plus expenses generated by finance income (costs) and non-operating results, depreciation and amortization, and nonrecurring income and expenses of the last 12 months of the companies acquired or merged by the Issuer.

The Company evaluates the covenants on a quarterly basis and for the period ended March 31, 2023, it complied with all the covenants to which it was subject in relation to this debenture issue.

As at March 31, 2023, the debenture balances, gross of transaction costs, are R$67,221 in current liabilities and R$769,177 in non-current liabilities (as at December 31, 2022, the gross balance of debentures is R$50,111 in current liabilities and R$781,812 in non-current liabilities).

Net amounts of transaction costs are, respectively, R$64,595 and R$762,692 (as at December 31, 2022, the gross balance of debentures is R$47,485 in current liabilities, and R$774,670 in non-current liabilities).

14. LEASES

Changes in right-of-use assets and lease liabilities during the period ended March 31, 2023 and the year ended December 31, 2022 were as follows:

a) Changes in right-of-use assets

	Parent		Consolidated	
Right of use	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Vehicles				
Balance at January 1	8,688	6,460	8,688	6,460
New contracts	523	2,287	523	2,287
Contract readjustments	49	3,905	49	3,905
Write-offs	(134)	(26)	(134)	(26)
Depreciation for the period	(1,397)	(3,938)	(1,397)	(3,938)
Property and equipment, net	7,729	8,688	7,729	8,688
Properties				
Balance at January 1	64,628	41,409	65,100	42,487
New contracts	11,222	6,267	11,222	6,267
Contract readjustments	2,801	35,100	2,801	35,225
Write-offs	-	(680)	-	(680)
Depreciation for the period	(5,917)	(17,468)	(6,018)	(18,199)
Property and equipment, net	72,734	64,628	73,105	65,100
Equipment				
Balance at January 1	8,329	-	8,329	-
Additions/updating of contracts	-	9,349	-	9,349
Depreciation for the period	(611)	(1,020)	(611)	(1,020)
Property and equipment, net	7,718	8,329	7,718	8,329

b) Changes in lease liabilities

Lease liabilities	Parent 03/31/2023	Parent 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Vehicles				
Balance at January 1	9,019	6,735	9,019	6,735
New contracts	523	2,287	523	2,287
Updating of contracts	49	3,905	49	3,905
Write-offs	(134)	(26)	(134)	(26)
Payments	(1,582)	(4,468)	(1,582)	(4,468)
Finance charges	180	586	180	586
Leases payable - Vehicles	8,055	9,019	8,055	9,019
Properties				
Balance at January 1	69,571	45,350	70,092	46,506
New contracts	11,222	6,267	11,222	6,267
Updating of contracts	2,801	35,100	2,801	35,222
Write-offs	-	(679)		(781)
Payments	(7,517)	(22,405)	(7,639)	(23,144)
Finance charges	1,993	5,938	2,009	6,022
Leases payable – Properties	78,070	69,571	78,485	70,092
Equipment				
Balance at January 1	8,482	-	8,482	-
Updating of agreements	-	9,349	-	9,349
Payments	(728)	(1,214)	(728)	(1,214)
Finance charges	191	347	191	347
Leases payable - Equipment	7,945	8,482	7,945	8,482
Total leases payable	94,070	87,072	94,485	87,593
Current	29,741	27,890	30,156	28,307
Noncurrent	64,329	59,182	64,329	59,286

c) Contractual flows by terms and discount rates

The discount rates were calculated based on the nominal basic interest rate readily observable, adjusted by the Company's credit risk, to the lease terms. The table below shows the remaining balance payable in proportion to the term of the contract.

Agreement terms	Properties	Vehicles	Machinery
2023	25.00%	61.00%	24.00%
2024	29.00%	23.00%	32.00%
2025	22.00%	15.00%	32.00%
2026	15.00%	1.00%	12.00%
2027	7.00%	-	-
2028	1.00%	-	-
2029	1.00%	-	-

The Company presents in the table below the analysis of the maturity of lease liabilities based on nominal and actual flows at March 31, 2023:

Payment terms	Projected inflation (*)	Parent			Consolidated		
		Properties	Vehicles	Equipment	Properties	Vehicles	Equipment
2023	6.01%	21,294	4,437	2,185	21,665	4,437	2,185
2024	4.18%	24,971	2,692	2,914	25,053	2,692	2,914
2025	4.00%	21,296	1,630	2,914	21,296	1,630	2,914
2026	4.00%	15,757	24	1,174	15,757	24	1,174
2027	4.00%	8,435	-	-	8,435	-	-
2028	4.00%	2,812	-	-	2,812	-	-
2029	4.00%	1,306	-	-	1,306	-	-
Total nominal flow of future payments		95,871	8,783	9,187	96,324	8,783	9,187
Embedded finance charges		17,801	728	1,242	17,839	728	1,242
Total actual flow of future payments		78,070	8,055	7,945	78,485	8,055	7,945
Current		22,584	4,702	2,455	22,999	4,702	2,455
Noncurrent		55,486	3,353	5,490	55,486	3,353	5,490

(*) Rate obtained according to IPCA projection.

The Company has the potential right to PIS/COFINS recoverable embedded in the consideration for properties and vehicles, with the potential effects of PIS/COFINS shown in the following table:

	Tax rate	Parent		Consolidated	
		Nominal	Present value	Nominal	Present value
Consideration		113,841	94,070	114,294	94,485
Potential PIS/COFINS	9.25%	10,530	8,701	10,572	8,740

d) Short-term lease payments and low-value underlying assets

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Short-term lease expense and low-value underlying assets	1,340	6,248	1,747	7,065

15. RELATED PARTIES

a) Transactions with officers and key personnel

There were no loans between the Company and its officers during the periods ended March 31, 2023 and December 31, 2022.

As at March 31, 2023 and December 31, 2022, the Company had no consulting service agreements with members of the Board of Directors.

b) Management compensation

The amounts relating to compensation paid to key management personnel are as follows:

	Parent and Consolidated	
	03/31/2023	03/31/2022
Salaries and payroll charges - officers	2,922	2,017
Fees paid to Board of Directors members	1,304	1,181
Bonuses	-	446
Profit sharing	1,143	698
Share-based payments	2,958	1,346
	8,327	5,688

These amounts reflect direct and indirect benefits, bonuses and profit sharing, as well as payroll and social security charges, when applicable, paid to the Company's key management personnel. As at March 31, 2023, the Company offers medium or long-term benefits to these executives, according to notes 16.b and 16.c.

c) Related-party transactions

	03/31/2023		12/31/2022	
Company	Trade receivables	Trade payables	Trade receivables	Trade payables
Mills Pesados	3,229	-	280	921
Nest	829	63	874	120
Triengel	2	-	-	-
	4,060	63	1,154	1,041

	03/31/2023		12/31/2022	
Company	Revenue	Cost	Revenue	Cost
Mills Pesados	526	194	456	437
Nest	125	83	727	295
Triengel	2	-	-	-
SK Rental	-	-	126	449
Tecpar	-	-	123	-
	653	277	1,432	1,181

The balances with the related party mainly refer to sublease of equipment and sale of parts. These transactions are not subject to interest, monetary adjustment or maturity dates.

16. EMPLOYEE BENEFITS

a) Post-employment benefits - healthcare plan

The post-employment benefits granted and to be granted to former employees with respect to healthcare are provisioned based on an actuarial calculation prepared by an independent actuary, using future projections related to various parameters of the benefits evaluated, such as inflation and interest, among other aspects. The actuarial assumptions adopted for the calculation were determined considering the long-term nature of the projections to which they refer. Actuarial gains and losses are recognized in other comprehensive income in the "Equity adjustments" account and presented in equity.

The amounts related to these benefits were calculated based on a valuation prepared by an independent actuary as at December 31, 2022, and are recognized in the quarterly financial information in accordance with IAS 19 (CPC 33 R1).

	Parent and Consolidated (*)	
	03/31/2023	12/31/2022
Opening balance	11,249	8,920
Cost of current service	23	76
Interest on net liabilities (assets), net	288	805
Equity adjustments to liabilities (assets)	-	1,448
Final balance of post-employment benefits	11,560	11,249

(*) The balances presented at March 31, 2023 and December 31, 2022 refer to the parent.

b) Stock option plan

The Company has stock option plans approved by the shareholders at their general meeting, aimed at integrating its executives in the Company development process in the medium and long term. These plans are managed by the Company and the grants are approved by the Board of Directors.

			Stock options in thousands		
Plans	Grant date	Final exercise date	Share options granted	Share options exercised	Share options canceled
2014 Program	04/30/2014	04/30/2020	260	-	(260)
2016 Program	04/28/2016	04/28/2024	1,700	(864)	(836)

In order to price the cost of the Top Mills Special Plan relating to its equity component, the applicable volatilities were determined at the risk-free rates and stock prices based on valuations, less net debt, and the Company used the Black-Scholes model to calculate the fair value.

The plans granted were classified as equity instruments, and the weighted average fair value of the options granted was determined under the Black-Scholes valuation model, considering the following assumptions:

Program	Grant	Weighted average fair value by option - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2014	Basic	22.46	28.12	7.98	33.45%	0.75%	12.47%	6 years
2014	Discretionary	11.16	28.12	30.94	33.45%	0.75%	12.47%	6 years
2016	Discretionary	2.63	4.31	2.63	71.45%	1.51%	14.25%	8 years

The strike price of the options granted under the Plan is set by the Company's Board of Directors.

The table below presents the accumulated balances of the plans in the balance sheet and the effects on the statement of profit or loss at March 31, 2023 and December 31, 2022.

	03/31/2023	12/31/2022
2014 Program (2010 Plan):		
Capital reserve	1,467	1,467
Number of options canceled (in thousands)	260	260
2016 Program		
Capital reserve	3,468	3,468
Number of exercisable options (in thousands)	-	-
Number of options exercised (in thousands)	864	864
Number of options canceled (in thousands)	836	836
Total recognized as equity (accumulated)	4,935	4,935
Effect on profit or loss for the period	-	541

c) Restricted shares incentive program

The Company has a restricted shares incentive program approved by shareholders at their general meeting aimed at integrating its executives in the Company's development process in the medium and long term. These plans are managed by the Company and the grants are approved by the Board of Directors.

			Shares in thousands			
Plans	Grant date	Final exercise date	Share options granted	Share options exercised	Share options canceled	Shares outstanding
2019 Program	08/14/2019	12/31/2021	859	(840)	(19)	-
2020 Program	10/14/2020	12/31/2022	566	-	(64)	502
2021 Program	03/25/2022	07/25/2024	680	-	-	680
2021 Program	02/02/2022	05/31/2023	29	-	-	29
2021 Program	02/02/2022	05/31/2024	26	-	-	26
2022 Program	05/09/2022	05/31/2023	41	-	-	41
2022 Program	05/09/2022	05/31/2024	42	-	-	42
2022 Program	06/22/2022	04/30/2025	1,088	-	-	1,088
2022 Program	10/03/2022	12/31/2025	1,339	-	-	1,339
2022 Program	11/22/2022	04/30/2025	136	-	-	136

In order to price the cost of the restricted stock plan relating to its equity component, the applicable volatilities were determined at the risk-free rates, the dividend yield and the stock prices, with the Black-Scholes model being used to calculate the fair value.
In the year ended December 31, 2022, at Board of Directors' Meetings, the Company approved the granting of restricted shares to beneficiaries under the 2021 and 2022 Restricted Stock Incentive Programs ("2021 Restricted Stock Program" and "2022 Restricted Stock Program").

The 2021 restricted stock program granted on March 25, 2022 had effects retroactive to January 2, 2022, under the Company's Restricted Stock Incentive Program ("Restricted Stock Program") approved by the Extraordinary General Meeting held on July 18, 2018.

The effects of the 2022 Restricted Stock Program granted on September 22, 2022 started in July 2022.

The plans granted were classified as equity instruments, and the weighted average fair value of the options granted was determined under the Black-Scholes and Monte Carlo valuation models, considering the following assumptions:

Program	Grant date	Weighted average fair value per share - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2019	08/14/2019	7.43	7.44	0.00	55.71%	0.00%	2.36%	29 months
2020	10/14/2020	6.11	6.12	0.00	75.89%	0.00%	0.58%	27 months
2021	03/25/2022	7.22	7.42	0.00	57.94%	0.00%	1.04%	31 months
2021	02/02/2022	6.15	6.26	0.00	57.39%	0.00%	1.23%	16 months
2021	02/02/2022	6.08	6.26	0.00	57.39%	0.00%	1.23%	28 months
2022	05/09/2022	6.47	6.56	0.00	53.83%	0.00%	1.18%	13 months
2022	05/09/2022	6.38	6.56	0.00	53.83%	0.00%	1.18%	28 months
2022	06/22/2022	6.05	6.27	0.00	53.81%	0.00%	1.23%	34 months
2022 (*)	10/03/2022	16.40	11.30	0.00	36.52%	0.00%	0.00%	39 months
2022	11/22/2022	11.00	11.22	0.00	49.82%	0.00%	0.78%	30 months

(*) To price the cost of the installments of the 2022 restricted stock program, the Company hired specialists who, due to the characteristics of the program, evaluated the need to use the Monte Carlo method, which is a statistical method used as a way to obtain numerical statistical approximations of complex functions where it is not feasible to obtain an analytical solution.

In this model, the price trajectory of the underlying asset was calculated, based on the analysis of the growth projection of the Company's shares; of volatility; of the dividend yield and the projection of the IPCA.

	03/31/2023	12/31/2022
2019 Plan:		
Capital reserve	6,387	6,387
Number of exercisable options (in thousands)	-	-
Number of options exercised (in thousands)	(840)	(840)
Number of options canceled (in thousands)	(19)	(19)
2020 Plan:		
Capital reserve	3,335	3,335
Number of exercisable options (in thousands)	502	502
Number of options canceled (in thousands)	(64)	(64)
2021 Plan:		
Capital reserve	2,609	2,084
Number of exercisable options (in thousands)	735	735
2022 Plan:		
Capital reserve	5,703	3,193
Number of exercisable options (in thousands)	2,646	2,646
Total recognized as equity (accumulated)	18,034	14,998
Effect in profit or loss	3,036	6,686

Payment for this program is made by delivering shares free of charge, at no cost to the beneficiary.

d) Profit sharing program

The provision for profit sharing is recorded on an accrual basis, as an expense for the year. The determination of the amount, which is paid in the year following the recording of the provision, is made according to the Profit Sharing Agreement negotiated annually with the category union, pursuant to Law 10,101/00, as amended by Law 12,832/13.

The Company's Profit Sharing Program is based on achieving adjusted EBITDA[1], annual NPS and the excellence program. All Mills and subsidiary employees who completed at least 90 days of service are eligible.

In April 2022, profit sharing totaling R$13,339 in the Parent and R$13,478 in the Consolidated was paid with respect to the year ended December 31, 2021.

As at March 31, 2023, the liability amount recorded is R$33,215 in the parent and consolidated (R$27,193 as at December 31, 2022).

(1) CVM EBITDA minus non-recurring items and effects of IFRS 16.

17. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of the income tax and social contribution benefit (expense)

The reconciliation of income tax and social contribution expense between statutory and effective rates is as follows:

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Profit before income tax and social contribution	84,419	61,532	94,744	63,672
Statutory income tax and social contribution tax rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(28,702)	(20,921)	(32,213)	(21,648)
Nondeductible provisions (*) and permanent differences	1,484	(410)	(2,434)	(1,180)
Interest on equity	6,282	-	6,282	-
Equity accounting	2,958	648	-	-
Total current and deferred income tax and social contribution	(17,978)	(20,683)	(28,365)	(22,828)
Effective rate	21%	34%	30%	36%

(*) Non-deductible expenses comprise expenses on the accrual of cancellations, gifts, debt waivers and non-compensatory fines.

b) Changes in deferred income and social contribution taxes during the year, not considering the offset of balances:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Assets				
Temporary differences:				
Income tax	155,310	154,681	208,739	213,833
Social Contribution on Net Income	55,912	55,685	75,212	77,046
Total	211,222	210,366	283,951	290,879
Liabilities				
Temporary differences:				
Income tax	15,941	13,579	18,969	16,610
Social Contribution on Net Income	5,739	4,889	6,829	5,980
Total	21,680	18,468	25,798	22,590
Total net – Non-current assets	189,542	191,898	258,153	268,289

	Parent			
	03/31/2023		03/31/2022	
Description	Calculation basis	IRPJ + CSLL	Calculation basis	IRPJ + CSLL
Tax losses	436,353	148,360	456,656	155,263
Share-based payments	46,282	15,736	42,932	14,597
Allowance for expected credit losses	43,871	14,916	35,624	12,112
PLR lawsuit	33,215	11,293	27,197	9,247
Provision for tax, civil and labor risks	13,172	4,478	11,956	4,065
Other temporary additions	28,153	9,572	27,365	9,304
Other provisions	20,194	6,866	16,994	5,778
Tax depreciation	(49,038)	(16,673)	(39,865)	(13,554)
Other temporary exclusions	(14,726)	(5,007)	(14,453)	(4,914)
Total net – Non-current assets	557,476	189,541	564,406	191,898

	Consolidated			
	03/31/2023		03/31/2022	
Description	Calculation basis	IRPJ + CSLL	Calculation basis	IRPJ + CSLL
Tax losses	644,457	219,115	669,895	227,764
Share-based payments	46,282	15,736	42,932	14,597
Allowance for expected credit losses	42,405	14,418	42,452	14,434
PLR lawsuit	33,215	11,293	26,959	9,166
Provision for tax, civil and labor risks	16,991	5,777	20,497	6,969
Other temporary additions	31,203	10,609	30,612	10,408
Other provisions	20,592	7,001	22,177	7,540
Tax depreciation	(49,038)	(16,673)	(39,865)	(13,554)
Other temporary exclusions	(26,834)	(9,124)	(26,575)	(9,036)
Total net – Non-current assets	759,272	258,153	789,083	268,289

c) The bases and expectations for realization of the deferred income tax and social contribution are presented below:

Nature	Basis for realization
Share-based payments	Exercise of options
Discount to present value	Tax realization of the loss/gain
Property, plant and equipment hedge	Depreciation of the asset
Provision for slow-moving inventories	Write-off or sale of the asset
Estimated impairment losses	Realization of the provision
Provision for costs and expenses	Payment
Allowance for expected credit losses	Filing of lawsuits and past-due receivables
Leases	Realization of assets over the straight-line depreciation period
Provision for tax, civil and labor risks	Tax realization of the loss or settlement of the lawsuit
Provision for realization of tax credit	Realization of tax credit
Provision for discounts and cancellations	Reversal/realization of the provision
Taxes with suspended payment	Payment or reversal of the provision
Accelerated depreciation	Tax depreciation over five years
GP Andaimes Sul Locadora goodwill	Disposal/impairment of the asset
Jahu goodwill	Disposal/impairment of the asset
Monetary adjustment of judicial deposits	Withdrawal of the deposit
Exchange differences	Payment of the borrowing
Tax losses	Expectation of future taxable profits
Bonuses payable	Payment
Debentures	Amortization of the borrowing cost
Impairment	Reversal/realization of the provision
Hedge provision (sale)	Derivative contracting/settlement
Provision for post-employment benefits	Reversal/realization of the provision

The Company prepared the impairment analysis of the deferred tax asset recognized as at December 31, 2022 and concluded that there was sufficient evidence that taxable profits would be generated against which the recognized tax losses and other temporary additions may be offset, within a period not greater than ten years. The determination of the amount of future taxable profits is based on projections of revenues, costs and finance income and costs, which reflect the Company's economic and operational environments, supported by the Company's business plan duly approved by its governance bodies.

The actions aiming at generating taxable profit are those already in course through the implementation of the commercial strategy focused on the recovery of price, extended market coverage with diversification of the customer base, increase in profitability in the Rental business unit, and a focus on the adjustment of products and efforts to markets where the Company always had a greater distinguishing advantage: larger and more complex works in the Shoring business unit.

Additionally, the Company is constantly evaluating its operational and corporate structure, evaluating alternatives for synergy, cost reduction and opportunities for better utilization of its tax credits within the different companies that make up the Group.

The actions pursued in the Company's business plan are already reflected in the profitability of the operations for the period ended March 31, 2023 and year ended December 31, 2022, indicating positive results and basis for realization of the deferred tax assets recorded at those reporting dates.

18. PROVISIONS FOR TAX, CIVIL AND LABOR RISKS AND JUDICIAL DEPOSITS

The Company is a party to tax, civil and labor proceedings that have arisen in the normal course of business and is discussing the related matters both at the administrative and judicial levels. These proceedings are backed by judicial deposits, when applicable.

Based on the opinion of the Company's outside legal counsel, management understands that the appropriate legal measures already taken in each situation are sufficient to cover potential losses and preserve the Company's equity, being reassessed periodically. The Company does not have any contingent assets recognized.

Breakdown of the provision for tax, civil and labor risks classified as probable losses as at March 31, 2023:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Tax (1)	184	169	549	528
Civil (2)	689	835	714	1,175
Labor (3)	9,774	8,786	12,848	11,911
Success fees (4)	2,525	2,168	2,840	2,499
Burden of defeat (5)	-	-	40	40
	13,172	11,958	16,991	16,153

(1) Refers to ICMS and ISS tax assessment notices that are not material.
(2) The Company has various lawsuits (not concentrated) filed against it relating to civil liability and damage claims related to its commercial and operating activities.
(3) The Company is a defendant in various labor lawsuits (not concentrated in any specific labor regulations). Most of the lawsuits involve claims for compensation due to occupational diseases, overtime, hazardous duty premium and equal pay.
(4) Attorney's fees are generally set at up to 10% of the amount of the claim, ensuring that the external legal counsel's fees are proportional to the success achieved in the claim.
Payment is contingent upon an outcome that is favorable to the Company in the lawsuits.
(5) Burden of defeat refers to the principle by which the losing party in a lawsuit is required to pay the winning party's legal fees.

Variations in the provision for tax, civil and labor risks:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Opening balance	11,958	13,036	16,153	17,623
Addition due to acquisition of Subsidiary	-	152	-	152
Additions	1,738	3,912	1,740	7,077
Monetary adjustment	1,448	3,722	1,546	4,682
Reversal	(1,972)	(8,864)	(2,448)	(13,381)
Closing balance	13,172	11,958	16,991	16,153

Breakdown of judicial deposits:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Tax (i)	6,208	5,682	6,253	5,727
Labor (ii)	4,602	4,911	5,578	5,889
Civil (iii)	481	481	592	592
	11,291	11,074	12,423	12,208

(i) As at March 31, 2023, the judicial deposits of a tax nature totaled R$6,253 in the Consolidated and R$6,208 in the Parent. This amount basically refers to the judicial deposits for the proceedings MS 2004.001.104294-8 and 8001111-47.2020.8.00.0000, totaling R$4,898.

(ii) Judicial deposits are linked to various labor lawsuits filed against the Company. Most of these lawsuits involve claims for compensation due to occupational diseases, overtime, hazardous duty and equal pay.

(iii) Judicial deposits related to a lawsuit for property damages and pain and suffering in which the Company is the defendant.

The Company is a party to tax, civil and labor lawsuits involving risks of loss classified by management as possible according to the assessment of its legal counsel, for which no provision has been recognized, as estimated below:

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Tax (i)	138,179	116,871	156,856	135,490
Civil (ii)	8,306	8,310	11,133	11,097
Labor (iii)	10,374	8,461	10,602	9,383
	156,859	133,642	178,591	155,970

i. Tax (main items):

a) ICMS tax assessment notice received by Sullair (company merged into Mills Pesados in 2020): ICMS Tax Assessment Notice with a principal of approximately R$59,000, which amounts to R$220,477 including fine and interest as at March 31, 2023 (R$215,725 as at December 31, 2022). In summary, this tax assessment notice challenges the payment of ICMS levied on the transportation of rental assets in 2012 and 2013. After an administrative defense, the amount of the possible loss was reduced to R$4,746, as it was recognized that most of the assets included in the Tax Assessment Notice were for lease and not inventories for resale, and that no ICMS is levied on this transaction. The other lawsuits refer basically to proceedings for collection of tax credits past due, offset of INSS against termination amounts, and appeals against a tax proceeding filed by the Federal Government to collect COFINS differences and tax credits arising from the increase in the tax rate from 1% to 3%.

b) Disallowance of allegedly nondeductible expenses included of the Calculation Basis of the PIS and COFINS tax base, by the Federal Revenue of Brazil, involving former Mills Formas, due to agreements entered into with various customers, under which Mills Formas was responsible for performing services that were previously performed by the employees of the former Mills do Brasil. The updated amounts under discussion as at March 31, 2023 are R$11,754 (R$11,520 as at December 31, 2022).

c) Non-recognition by the INSS (National Institute of Social Security) of the possibility of offsetting payments improperly made as social security contribution, based on the method established by Law 9,711/98. The updated amounts under discussion as at March 31, 2023 are R$4,211 (R$4,165 as at December 31, 2022).

d) On June 22, 2021, the Company received a tax assessment notice issued by the Federal Revenue of Brazil for the collection of withholding income tax, related to a taxable event that allegedly took place on May 10, 2019, with a late payment fine (75%) and late payment interest, in the total amount of R$ 21,683, which monetarily adjusted as at March 31, 2023 makes up the total amount of R$25,364. According to the allegations contained in the Tax Audit Report accompanying the tax assessment notice, Sullair Argentina S.A., a legal entity based abroad, allegedly earned capital gain, subject to withholding income tax, when Mills Pesados – Locação, Serviços e Logística S.A. was merged into the Company.

Therefore, as the tax authorities considered that the Company would be the acquirer of the investment allegedly sold by Sullair Argentina, the Company was deemed liable for the payment of withholding income tax, pursuant to Article 26 of Law 10,833/2003.

In view of the charges filed by the Federal Revenue Service of Brazil, the Company has presented its defense arguments in an administrative appeal dated July 21, 2021, and the Company's legal counsel classified the probability of loss as possible.

However, in the event of loss, Sullair Argentina S.A. will reimburse the Company for the amounts involved, including legal costs and fees.

e) The Tax Authorities notified Mills Pesados – Locação, Serviços e Logística S.A. (“Subsidiary”), through a decision on the appeal against the tax assessment notice referring to administrative proceeding 11274.720224/2020-90, of the obligation to pay IRPJ and CSLL, plus late payment fine (75%), isolated fine (50%), due to non-payment of estimates, and arrears interest, totaling R$5,886 thousand. According to the Tax Authorities, the Subsidiary could not have excluded, in the computation of the IRPJ and CSLL tax base, from 2015 to 2018, the installments related to the goodwill originated from the acquisition of its shares by SCG IIIA Holding Ltda.
The Subsidiary filed, on a timely basis, on October 1, 2021, through its legal counsel, a voluntary appeal to the Administrative Board of Tax Appeals (CARF), challenging the tax assessment notice and all the alleged taxes payable. The updated amounts under discussion as at March 31, 2023 are R$6,942 (R$6,798 as at December 31, 2022).

f) In November 2022, MILLS S.A. was informed of the drawing up of the tax assessment notice carried out by the Federal Revenue of Brazil in Vitória/ES ("DRF – Vitória"), whose matter were (i) the failure to offer certain Company revenues to taxation, and (ii) the disallowance of several PIS and COFINS credits used by the Company, mainly in relation to the year 2018. In 2019, MILLS S.A. carried out a study in order to review the PIS and COFINS credits calculated by the Company in the non-cumulative regime for the last five years, and to verify any credit opportunities not taken advantage of so far. On that occasion, the Company's accounting was analyzed, and in view of the interpretation of the concept of input established by the Superior Court of Justice ("STJ") when the Special Appeal ("REsp") Repetitive 1,221,170, it was concluded that it was possible to take advantage of credits arising from various activities not used by the Company, such as lease, and other goods and services understood as inputs. The updated amounts under discussion as at March 31, 2023 amount to R$21,508.

g) In September 2018, Mills Locações was informed of the drawing up of the tax assessment notice carried out by the Federal Revenue of Brazil in Rio de Janeiro/RJS ("DRF – Rio de Janeiro"), which had as its matters: collection of social security contributions payable by the Company, including SAT, and social contributions destined to other entities and funds ("S System"), charged on the amounts paid as the intrinsic value of the stock options exercised and 13th salary linked to indemnified prior notice, from 01/2014 to 12/2014, plus interest and ex-officio fine of 75%. The updated amounts under discussion as at March 31, 2023 amount to R$5,644 (R$5,531 as at December 31, 2022).

h) In September 2017, Mills Locações was notified of a Tax Foreclosure filed by the State of Rio de Janeiro demanding the payments of alleged ICMS debts, referring to the periods from 09/2007 to 10/2008, registered as active debt under No. 2017/009537-4. The updated amounts under discussion as at March 31, 2023 amount to R$4,411 (R$4,349 as at December 31, 2022).

i) In July 2019, Mills Locações was notified of a Tax Foreclosure filed by the State of Rio de Janeiro involving: (i) collection of debts related to the social security contribution included in the records of Tax Administrative Proceeding No. 12259.000998/2008-65 and enrolled in active debt under No. 35.739.840-8. The updated amounts under discussion as at March 31, 2023 amount to R$5,337 (R$5,286 as at December 31, 2022).

j) In February 2022, Mills Locações was notified of a Tax Foreclosure filed by the State of Espírito Santo demanding the payment of ICMS debts and fine related to Tax Assessment Notices No. 00050756666, 000050756677, 000050756855 and 000050756688. It is important to point out that the said debts were fully guaranteed by Mills through the Legal Guarantee Insurance Policies presented in the records of the Declaratory Action for Anticipation of Guarantee No. 5011534-47.2021.8.08.0024. The updated amounts under discussion as at March 31, 2023 total R$ 9,775.

k) On December 26, 2022, Mills Locação was notified of the Tax Assessment Notice and Imposition of Fine (“AIIM”) No. 4151969-3, issued by SEFAZ/SP demanding the payment of the ICMS allegedly due on lease operations without proof of return of the goods to the establishment of origin, contrary to the provisions of the final part of the aforementioned item IX of article 7 of RICMS/SP.

On January 21, 2023, Mills Locação filed a Full Objection. And, on February 27, 2023, the Finance Department of the State of São Paulo expressed its position, defending the maintenance of the aforementioned Tax Assessment Notice. Since then, the company awaits the judgment of the Full Objection. The amounts under discussion as at March 31, 2023 total R$ 17,616.

ii. Civil

Lawsuits filed against the Company relating to compensation for pain and suffering and property damages. The variation between the year ended December 31, 2022 and the period ended March 31, 2023 was especially due to the update of these proceedings throughout the current period.

iii. Labor

The Company is a defendant in various labor lawsuits. Most of the lawsuits involve termination amounts, compensation for pain and suffering, inclusion of premiums in the compensation, reinstatement and salary adjustments, and related effects.

19. TAXES PAYABLE

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
IRPJ/CSLL	427	4,838	2,818	6,537
IRRF (withholding income tax) (*)	8,305	6,600	8,313	6,626
PIS and COFINS (taxes on revenue)*	10,974	11,530	10,974	12,180
INSS	508	371	514	375
ICMS (State VAT)	727	751	1,305	913
ISS (Service Tax)	256	319	263	327
Others	578	661	586	676
	21,775	25,070	24,773	27,634
Current	10,021	13,550	13,019	16,114
Noncurrent	11,754	11,520	11,754	11,520

(*) Non-approval, by the Federal Revenue of Brazil, of the credits arising from statements for offset of additional tax losses upon an amendment to the Corporate Income Tax Return (DIPJ) for calendar years 2012 and 2013 and the Digital Tax Accounting Bookkeeping (ECF) for 2014. At the time of the offset, the credit was recorded as a credit to current income tax and social contribution expenses. The disallowance was then recorded as a debit to profit or loss in the same line item, and the corresponding entry was the tax liability whose offset was considered improper by the Federal Revenue Service, mainly PIS and COFINS and withholding taxes.

20. EQUITY

a) Subscribed share capital

The Company's fully subscribed and paid up share capital as at March 31, 2023 is R$1,091,560 (R$1,091,560 as at December 31, 2022), divided into 246,309 thousand (246,309 thousand as at December 31, 2022) registered common shares without par value. Each common share entitles to one vote in the shareholders' meetings.

The table below shows the shareholding structure at the reporting dates:

Shareholders	03/31/2023 Number of shares (in thousands)	03/31/2023 %	12/31/2022 Number of shares (in thousands)	12/31/2022 %
Andres Cristian Nacht	13,599	5.52%	13,599	5.52%
Snow Petrel LLC	23,677	9.61%	23,677	9.61%
Other signatories to the Company's Shareholders' Agreement (1)	22,957	9.32%	22,957	9.32%
Nacht Family (total)	60,233	24.45%	60,233	24.45%
Sun Fundo de Investimentos em Participações Multiestratégia (3)	51,556	20.93%	51,556	20.93%
Sullair Argentina S.A. (2)	25,218	10.24%	25,218	10.24%
Others	109,302	44.38%	109,302	44.38%
	246,309	100.00%	246,309	100.00%

(1) Signatories to the Shareholders' Agreement of the Nacht Family, excluding Andres Cristian Nacht and Snow Petrel LLC.

(2) On May 10, 2019, the Shareholders' Agreement was signed after the Business Combination with Mills Pesados, and Sullair Argentina became the holder of 22,096,641 Company shares. On August 22, 2022, its shareholding increased on an aggregate basis, totaling 25,217,641 Company shares.

(3) On May 10, 2019, a Shareholders' Agreement was signed after the Business Combination with Mills Pesados, and SCG III Fundo de Investimentos em Participações became the holder of 51,556,496 shares of the Company. On November 23, 2020, these shares were fully transferred to the investment fund Sun Fundo de Investimento em Participações Multiestratégia.

b) Earnings reserves

i. Legal reserve

If a profit is made at December 31 of each fiscal year, the legal reserve is recognized at the rate of 5% of this profit until it reaches a maximum of 20% of share capital. The purpose of the legal reserve is to ensure the integrity of the Company's share capital and it may only be used to offset losses and increase capital.

In the period ended March 31, 2023, the Company had a legal reserve of R$16,810.

ii. Retained earnings

Consists of the retention of the remaining balance of retained earnings in order to fund the business growth project set out in the Company's investment plan, according to the capital budget proposed by the Company's management, to be submitted for approval at the General Meeting, pursuant to Article 196 of the Brazilian Corporation Law.

In the period ended March 31, 2023, the Company has retained earnings of R$186,822.

c) Capital reserves (Share-based payments)

On March 18, 2022, the Company's Board of Directors approved the cancellation of 6,197,374 treasury shares, in the amount of R$48,919 equivalent to 67.0% of the share balance at that date, without capital reduction. Due to the cancellation of shares approved, the Company's share capital of R$1,090,336 started to be divided into 245,971,356 book-entry, registered common shares with no par value. The amendment to Article 5 of the bylaws to reflect the share capital and the new number of shares representing it after the cancellation of shares was approved at an Extraordinary General Meeting held on April 29, 2022.

The cancellation of treasury shares was backed up by stock option programs until 2014, when it included the balance of capital reserves, without granting shares.

The capital reserve is made up of a stock option premium reserve amounting to R$22,969 as at March 31, 2023, relating to Stock Options and Restricted Stock Program for employees and long-term restricted stock incentive programs (R$19,933 as at December 31, 2022).

d) Capital reserves (Share-issue costs)

Share issue costs comprise costs incurred in funding transactions, totaling R$18,448.

e) Treasury shares

The breakdown of treasury shares between the periods ended December 31, 2022 and March 31, 2023 is presented in the table below:

Shareholders	Number of shares 03/31/2023	Total amount	Number of shares 12/31/2022	Total amount
Opening balance	5,502	41,467	8,730	70,155
Repurchase of shares	-	-	5,873	42,389
Cancellation of shares	-	-	(6,197)	(48,919)
Payment - 2019 Share Program	-	-	(609)	(4,859)
Investment in subsidiary – Mills Pesados	-	-	(2,295)	(17,299)
Closing balance	5,502	41,467	5,502	41,467

f) Interest on equity and dividends

On March 28, 2023, the Board of Directors approved the interest on equity proposed for the first quarter of 2023, to be charged against the minimum mandatory dividend for 2023, in the total amount of R$18,476. Interest on equity of R$16,882 was credited to the shareholders on April 27, 2023, net of withholding income tax, based on the shareholding position as at March 31, 2023 (record date), including the negotiations held on that date.

21. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the year.

	Parent	
	03/31/2023	03/31/2022
Profit attributable to owners of the Company	66,441	40,849
Weighted average number of common shares issued (thousands)	207,626	207,626
Basic earnings per share from continuing operations	0.32	0.20

	Consolidated	
	03/31/2023	03/31/2022
Profit attributable to owners of the Company	66,441	40,849
Weighted average number of common shares issued (thousands)	207,626	207,626
Basic earnings per share from continuing operations	0.32	0.20

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of potentially dilutive common shares. The Company has one category of dilutive potential common shares: stock options. For stock options, a calculation is made to determine the number of shares that would be acquired at fair value (determined as the average annual market price of the Company's share), based on the monetary value of the subscription rights linked to the outstanding stock options.

The number of shares calculated as described above is compared with the number of shares issued, assuming the exercise of the stock options.

	Parent	
	03/31/2023	03/31/2022
Profit attributable to owners of the Company	66,441	40,849
Weighted average number of common shares issued (thousands)	207,795	207,626
Diluted earnings per share from continuing operations	0.32	0.20

	Consolidated	
	03/31/2023	03/31/2022
Profit attributable to owners of the Company	66,441	40,849
Weighted average number of common shares issued (thousands)	207,795	207,626
Diluted earnings per share from continuing operations	0.32	0.20

22. NET REVENUE FROM RENTAL, SALES AND SERVICES

The information on net revenue from sales and services below refers only to the nature of the revenue per type of service:

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Rentals	307,312	234,665	328,959	249,680
Sales of new equipment	3,371	1,628	9,557	4,879
Sales of semi new equipment	20,686	5,771	20,953	6,224
Sales of used equipment (others)	311	222	311	222
Technical assistance	1,240	1,352	2,340	1,619
Indemnities	8,811	5,041	8,811	5,041
Others (i)	3,613	3,614	3,616	3,780
Total gross revenue	345,344	252,293	374,547	271,445
Taxes on sales and services	(28,284)	(21,700)	(31,468)	(23,987)
Cancellations and discounts	(17,429)	(11,808)	(18,382)	(12,362)
	299,631	218,785	324,697	235,096

(i) Refers to revenue from recovery of expenses related to equipment or machinery damaged by the lessee (customer).

23. COST OF SALES AND SERVICES AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (BY NATURE)

Expenses and cost of sales and services consist mainly of expenses incurred with:

i. Personnel for supervising the works, technical assistance, assembly, handling, maintenance of equipment and designers.
ii. Freight for equipment transportation, when the responsibility lies with the Company, and for equipment transfer.
iii. Rental of third parties' equipment.
iv. Expenses directly related to warehouse management, storage, handling and maintenance of rental and resale assets, comprising expenses on personal protective equipment (PPE) used in operating activities (handling, storage and maintenance), inputs (gas of pilers, gases for welding, wood, paints, wooden battens, among others) and maintenance of machinery and equipment (pilers, welding machines, hydroblasting equipment, carving equipment and tools in general).
v. Provisions for slow-moving inventories and for impairment, according to notes 5 and 8, respectively.
vi. Selling, general and administrative expenses refer to current expenses, such as salaries, benefits, travels, representations of various departments, including Sales, Marketing, Engineering and Administrative Backoffice (HR, Finance and Investor Relations); and corporate expenses of the head office and the various branches (rents, fees, security, upkeep and cleaning, mainly); provision for stock options programs, provision for contingencies, and some non-permanent disbursements.

	03/31/2023			03/31/2022		
Nature	Direct project and rental costs	General and administrative and other expenses	Total	Direct project and rental costs	General and administrative and other expenses	Total Parent
Personnel	(20,389)	(37,769)	(58,158)	(14,505)	(28,096)	(42,601)
Third parties	(1,996)	(15,037)	(17,033)	(728)	(12,863)	(13,591)
Freight	(11,875)	(505)	(12,380)	(7,843)	(653)	(8,496)
Construction/maintenance and repairs	(29,630)	(2,423)	(32,053)	(22,035)	(7,659)	(29,694)
Equipment rental and others	(766)	(1,476)	(2,242)	(633)	(2,119)	(2,752)
Travel	(2,254)	(2,139)	(4,393)	(2,009)	(1,406)	(3,415)
Cost of sales	(1,862)	-	(1,862)	(373)	-	(373)
Depreciation/amortization	(28,811)	(14,313)	(43,124)	(27,915)	(7,549)	(35,464)
Disposal of assets	(2,804)	-	(2,804)	(976)	-	(976)
Cost of sales of used assets - others	(3)	-	(3)	(8)	-	(8)
Stock options	-	(3,036)	(3,036)	-	(961)	(961)
Provisions	-	(474)	(474)	-	(1,482)	(1,482)
Profit sharing	-	(6,072)	(6,072)	-	(3,586)	(3,586)
Others	(1,129)	(7,037)	(8,166)	150	(5,133)	(4,983)
	(101,519)	(90,281)	(191,800)	(76,875)	(71,507)	(148,382)

Nature	03/31/2023 Direct project and rental costs	03/31/2023 General and administrative and other expenses	03/31/2023 Total	03/31/2022 Direct project and rental costs	03/31/2022 General and administrative and other expenses	03/31/2022 Total Consolidated
Personnel	(21,508)	(38,638)	(60,146)	(15,698)	(28,824)	(44,522)
Third parties	(2,163)	(16,059)	(18,222)	(887)	(13,455)	(14,342)
Freight	(12,819)	(507)	(13,326)	(8,294)	(704)	(8,998)
Construction/maintenance and repairs	(28,817)	(2,538)	(31,355)	(23,940)	(7,735)	(31,675)
Equipment rental and others	(712)	(1,828)	(2,540)	(1,187)	(2,093)	(3,280)
Travel	(2,767)	(2,231)	(4,998)	(2,064)	(1,418)	(3,482)
Cost of sales	(5,494)	-	(5,494)	(1,979)	-	(1,979)
Depreciation/amortization	(35,933)	(16,408)	(52,341)	(28,742)	(10,432)	(39,174)
Disposal of assets	(2,847)	-	(2,847)	(989)	-	(989)
Cost of sales of used assets - others	(3)	-	(3)	(8)	-	(8)
Stock options	-	(3,036)	(3,036)	-	(961)	(961)
Provisions	-	(1)	(1)	-	(3,008)	(3,008)
Profit sharing	-	(6,072)	(6,072)	-	(3,644)	(3,644)
Others	(1,313)	(9,430)	(10,743)	138	(5,561)	(5,423)
	(114,376)	(96,748)	(211,124)	(83,650)	(77,835)	(161,485)

24. FINANCE INCOME AND COSTS

a) Finance income

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Interest income	2,144	1,118	2,280	1,331
Investment income	21,431	2,796	22,296	4,734
Discounts obtained	1,014	303	2,307	306
Foreign exchange and monetary adjustment gains	367	294	491	515
Others	-	-		24
	24,956	4,511	27,374	6,910

b) Finance costs

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Interest expense	(659)	(344)	(679)	(414)
Foreign exchange and monetary adjustment losses	(1,984)	(1,298)	(2,880)	(1,922)
Interest on debentures	(31,750)	(4,405)	(31,750)	(4,460)
Commissions and bank fees	(120)	(99)	(130)	(169)
IOF (tax on financial transactions)	(7)	(9)	(26)	(13)
Lease charges	(2,199)	(1,224)	(2,214)	(1,250)
Others	(1,823)	(615)	(3,969)	(785)
	(38,542)	(7,994)	(41,648)	(9,013)

25. SEGMENT INFORMATION

Information by operating segment is presented in accordance with CPC 22 - Operating Segments (IFRS 8). The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Company assesses the performance by segment based on pretax profit or loss, as well as on other operating and financial indicators.

The Company's reportable segments are business units that offer different products and services and are managed separately since each business requires different technologies and market strategies. The main information used by Management to assess the performance of each segment is as follows: total property, plant and equipment since these are the assets that generate the Company's revenue, and the profit before finance income and costs reported by each segment to evaluate the return on these investments.

The information on liabilities by segment is not being reported since it is not used by the Company's chief decision makers to manage the segments. Management does not use analyses by geographic area to manage its businesses.

The Company's segments have completely different activities, as described below, and therefore their assets are specific to each segment. The assets were allocated to each reportable segment according to the nature of each item.

a) Shoring Business Unit

The Construction business unit operates in the heavy construction market and provides formworks, shoring, non-mechanized access equipment, mast climbing platforms and scaffolds to the residential and office building construction sector, using cutting-edge technology in formworks, shoring and special equipment systems to perform construction works, and it has the largest product and service portfolio with customized solutions that meet the specific needs of each project and generate efficiency gains and cost reductions. With a footprint in several states, this business unit draws on a team of engineers and specialized technicians who play an advisory and support role to meet deadlines and optimize costs and safety, providing technical assistance in the planning of works and detailing of projects, as well as overseeing the assembly.

b) Rental business unit

The Rental business unit is engaged in the rental and sale of aerial platforms and telescopic handlers for work at heights, in all segments of the construction, trade and manufacturing industries. This BU ensures productivity, profitability and safety, has the most advanced product line for lifting people and cargo, and provides operational training certified by the IPAF (a not-for-profit organization that promotes the safe and effective use of aerial access equipment worldwide) to its customers. Its presence in several Brazilian cities not only reinforces the agility of its commercial service but also broadens the technical assistance through certified professionals.

Statement of profit or loss by business segment - Year-to-date

	Shoring		Rental		Other		Parent	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net revenue	63,701	32,708	235,930	186,077	-	-	299,631	218,785
(-) Costs	(10,815)	(8,585)	(61,892)	(40,377)	-	-	(72,707)	(48,962)
(-) Expenses	(10,127)	(10,750)	(66,518)	(53,313)	676	107	(75,969)	(63,956)
(-) Allowance for expected credit losses	(2,486)	(2,017)	(17,632)	(6,042)	-	-	(20,118)	(8,059)
(-) Depreciation and amortization	(7,903)	(8,872)	(35,221)	(26,592)	-	-	(43,124)	(35,464)
(+) Other operating income (expenses), net	650	20	1,882	104	-	-	2,532	124
(+) Share of profit (loss) of subsidiaries	-	-	7,760	2,547	-	-	7,760	2,547
Profit before finance result and taxes	33,020	2,504	64,309	62,404	676	107	98,005	65,015

	Shoring		Rental		Other		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net revenue	63,701	32,708	260,996	202,388	-	-	324,697	235,096
(-) Costs	(10,815)	(8,585)	(67,627)	(46,325)	-	-	(78,442)	(54,910)
(-) Expenses	(10,127)	(10,750)	(70,890)	(56,758)	676	107	(80,341)	(67,401)
(-) Allowance for expected credit losses	(2,486)	(2,017)	(4,623)	(5,992)	-	-	(7,109)	(8,009)
(-) Depreciation and amortization	(7,903)	(8,872)	(44,438)	(30,300)	-	-	(52,341)	(39,174)
(+) Other operating income (expenses), net	650	20	1,904	153	-	-	2,554	173
Profit before finance result and taxes	33,020	2,504	75,322	63,166	676	107	109,018	65,775

Assets by business segment

	Shoring		Rental		Other		Parent	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Property, plant and equipment								
Acquisition cost	395,643	410,120	1,727,606	1,569,816	10,060	10,980	2,133,309	1,990,916
(-) Accumulated depreciation	(366,413)	(373,220)	(996,198)	(947,679)	(2,464)	(2,008)	(1,365,075)	(1,322,907)
Property and equipment, net	29,230	36,900	731,408	622,137	7,596	8,972	768,234	668,009
Other assets	470,471	536,845	1,271,753	1,256,818	(1,408)	(2,045)	1,740,816	1,791,618
Total assets	499,701	573,745	2,003,161	1,878,955	6,188	6,927	2,509,050	2,459,627

	Shoring		Rental		Other		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Property, plant and equipment								
Acquisition cost	395,643	410,120	2,249,128	1,926,391	10,060	10,980	2,654,831	2,347,491
(-) Accumulated depreciation	(366,413)	(373,220)	(1,095,993)	(1,059,661)	(2,464)	(2,008)	(1,464,870)	(1,434,889)
Property, plant and equipment, net	29,230	36,900	1,153,135	866,730	7,596	8,972	1,189,961	912,602
Other assets	470,471	536,845	981,367	1,141,038	(1,408)	(2,045)	1,450,430	1,675,838
Total assets	499,701	573,745	2,134,502	2,007,768	6,188	6,927	2,640,391	2,588,440

No customer accounts for more than 10% of the Company's total revenues or trade receivables.

26. FINANCIAL INSTRUMENTS

26.1. Category of financial instruments

The classification of financial instruments, by category, may be summarized as follows:

	Classification	Note	Parent carrying amount 03/31/2023	Parent carrying amount 12/31/2022	Consolidated carrying amount 03/31/2023	Consolidated carrying amount 12/31/2022
Financial assets						
Cash and cash equivalents	Amortized cost	3	528,536	746,359	530,948	780,131
Bank deposits	Amortized cost	3	8,721	16,041	8,721	16,041
Receivables from third parties	Amortized cost	4	231,958	219,123	251,736	247,109
Receivables from related parties	Amortized cost	16.c	4,060	1,154	-	-
Financial liabilities						
Borrowings and financing	Amortized cost	12	2,800	3,131	54,418	62,490
Debentures	Amortized cost	13	827,287	822,155	827,287	822,155
Trade payables	Amortized cost	11	157,921	191,758	227,245	251,453
Payables to related parties	Amortized cost	16.c	63	1,041	-	-

26.2. Financial instrument at amortized cost

Amortized cost of a financial asset or financial liability is the amount by which the financial asset or financial liability is measured at the initial recognition less capital repayments, any changes in amortization or interest and impairment.

The fair values of financial liabilities, considering the discounted cash flow method as the calculation criterion, approximate the carrying amounts.

26.3. Sensitivity analysis

The following table presents a sensitivity analysis of the financial instruments, describing the risks that could generate material losses to the Company. The probable scenario was determined based on Management's assessment, considering a one-year time horizon (ending March 31, 2023).

		Parent	
Short-term investments	Indicator	Accounting	Probable
Short-term investments	CDI	530,094	68,177
Debt	Indicator	Accounting	Probable
4th issue of debentures	CDI	47,626	(7,212)
5th issue of debentures	CDI	40,609	(6,789)
6th issue of debentures	CDI	301,664	(46,984)
7th issue of debentures	CDI	446,498	(66,110)
Borrowings	PRE	2,800	(329)
Total		839,197	(127,424)

Short-term investments	Indicator	Consolidated Accounting	Probable
Short-term investments	CDI	532,064	68,350

Debt	Indicator	Accounting	Probable
4th issue of debentures	CDI	47,626	(7,212)
5th issue of debentures	CDI	40,609	(6,789)
6th issue of debentures	CDI	301,664	(46,984)
7th issue of debentures	CDI	446,498	(66,110)
Borrowings	CDI/Fixed	54,418	(6,595)
Total		890,815	(133,690)

The sensitivity analysis presented above takes into account changes in relation to a certain risk, with all other variables associated with other risks held constant.

Scenarios	03/31/2023 Probable
Active CDI (%) (i)	12.50%
Passive CDI (%)	12.50%

(ii) Regarding the interest rate risk, the Company's Management considered as a probable assumption for its financial instruments a rate of 12.50% p.a., information extracted from the FOCUS report released by the Central Bank of Brazil on May 5, 2023, for the year ending December 31, 2023, considering an increase in the CDI rate in line with the expected increase in the SELIC rate.

26.4. Liquidity risk

Liquidity risk is the risk of the Company facing difficulties in fulfilling its obligations associated with its financial liabilities that are settled with cash payments or with another financial asset.

The Company's approach to manage liquidity is to ensure, to the maximum extent possible, that it always has sufficient liquidity to fulfill its obligations as they fall due, under normal and stress conditions, without causing unacceptable losses or risk of damaging the Company's reputation.

The financial department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs. Monthly forecasts take into account the Company's debt financing plans, the fulfillment of contractual clauses, and the achievement of internal targets according to the Company's strategic plan.

In addition, the Company maintains credit facilities with the major financial institutions operating in Brazil.

The table below analyzes the main financial liabilities by maturity range, corresponding to the remaining year in the balance sheet through the contractual maturity date, when the Company expects to make the payment.

	Past due	Up to one month	More than one month and less than three months	More than three months and less than one year	Between one and two years	Between two and five years	More than five years	Total Parent
As at March 31, 2023								
Borrowings and financing	-	153	306	1,332	927	310	-	3,028
Debentures	-	1,595	50,882	116,659	252,539	729,705	-	1,151,380
Leases payable – Properties	-	2,506	4,990	20,611	23,864	40,635	3,265	95,871
Leases payable - Vehicles	-	531	1,060	3,534	2,649	1,009	-	8,783
Leases payable - Equipment	-	243	486	2,185	2,914	2,914	445	9,187
Trade payables	3,511	73,579	36,125	20,498	7,231	3,564	-	144,508
Payables to related parties	-	63	-	-	-	-	-	63
Payables from acquisition of subsidiaries	-	-	471	-	1,005	11,936	-	13,412

	Past due	Up to one month	More than one month and less than three months	More than three months and less than one year	Between one and two years	Between two and five years	More than five years	Total Consolidated
As at March 31, 2023								
Borrowings and financing	-	3,244	6,414	27,634	14,692	8,154	-	60,138
Debentures	-	1,595	50,882	116,659	252,539	729,705	-	1,151,380
Leases payable – Properties	-	2,547	5,072	20,941	23,864	40,635	3,265	96,324
Leases payable - Vehicles	-	531	1,060	3,534	2,649	1,009	-	8,783
Leases payable - Equipment	-	243	486	2,185	2,914	2,914	445	9,187
Trade payables	3,572	117,601	50,620	20,517	7,232	3,564	-	203,106
Payables from acquisition of subsidiaries	-	-	471	-	6,368	17,299	-	24,138

The interest rates (CDI and TLP) estimated for future commitments reflect the market rates in each year.

26.5. Capital management

The purpose of managing the Company's desirable capital structure is to protect its equity, allow for business continuity, offer good conditions for employees and stakeholders and a satisfactory return for shareholders. The Company's general strategy related to capital management has remained unchanged since 2022.

In order to maintain or adjust the capital structure, the Company may, for example, in accordance with its bylaws, increase its capital, issue new shares, and approve the issue of debentures and the buyback of its shares.

The Company uses as the main performance indicator to assess its financial leverage the ratio between total net debt (total bank debt less total cash and cash equivalents) and the Operating Cash Flow accumulated in the last 12 months.

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Total bank debt	839,198	835,054	890,816	894,413
Borrowings and financing	2,800	3,131	54,418	62,490
Gross debentures (see note 13)	836,398	831,923	836,398	831,923
Cash and cash equivalents	528,536	746,359	530,948	780,131
Restricted bank deposits	8,721	16,041	8,721	16,041
Net debt	(301,941)	(72,654)	(351,147)	(98,241)
Equity	1,288,206	1,237,205	1,290,316	1,239,377
Net debt to equity ratio	(0.23)	(0.06)	(0.27)	(0.08)

The Company is not subject to any external capital requirement.

Credit facilities available

	Parent	
	03/31/2023	12/31/2022
Unsecured bank credit lines, reviewed annually and with payment upon request:		
Drawn	-	-
Undrawn	280,000	280,000
	Consolidated	
	03/31/2023	12/31/2022
Unsecured bank credit lines, reviewed annually and with payment upon request:		
Drawn	-	-
Undrawn	300,000	300,000

There are no secured bank credit facilities with varying maturity dates that can be extended by common agreement:

27. INSURANCE

The Company and its subsidiaries have insurance contracts taking into account the nature and degree of risks, in amounts considered sufficient to cover any losses on their assets and/or liabilities.

	Parent		Consolidated	
Nature	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Operational risks	2,397,269	2,524,472	2,815,135	2,618,034
Property damages	538,682	551,292	558,360	554,783
Civil liability	112,000	112,000	114,000	112,000

Our insurances have different maturities and is renewed annually, as described below:

- Operational risk - Policies maturing on 09/01/23.
- Property damage - Matures on 03/01/24.
- Civil liability – D&O policy maturing on 09/01/24 and the Civil liability policy maturing on 03/09/24.

28. EVENTS AFTER THE REPORTING PERIOD

28.1. Merger of Triengel Locação e Serviços Ltda.

On April 1, 2023, an Extraordinary General Meeting approved the merger of Triengel Locação e Serviços Ltda into Mills Pesados – Locação, Serviços e Logística S.A. , without capital increase and without issuance of shares pursuant to articles 224, 225 and 227 of Law 6,404 of December 15, 1976, as amended ("Law 6,404/76"), entered into between the Company and Triengel on April 1, 2023 ("Protocol and Justification"), which establishes the terms and conditions of the merger of Triengel into Mills Pesados ("Merger"), pursuant to the Management Proposal.