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

Mills Estruturas e
Serviços de Engenharia S.A.

Individual and Consolidated Interim
Financial Information for the
Quarter Ended June 30, 2022 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 Estruturas e Serviços de Engenharia S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Mills Estruturas e Serviços de Engenharia S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended June 30, 2022, which comprises the balance sheet as at June 30, 2022 and the related statements of income and of comprehensive income for the three- and six-month periods then ended and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

The 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 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 thereon.

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 is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information - ITR, and presented in accordance with the standards issued by 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 six-month period ended June 30, 2022, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for the 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 were 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 they were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 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, August 15, 2022

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Fernando de S. Leite
Fernando de Souza Leite
Engagement Partner

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEETS AS AT JUNE 30, 2022 AND AS AT DECEMBER 31, 2021
(In thousands of Brazilian Reais - R$)

		Parent		Consolidated	
ASSETS	Note	06/30/2022	12/31/2021	06/30/2022	12/31/2021
CURRENT ASSETS					
Cash and cash equivalents	3	376,053	112,997	450,928	202,719
Restricted bank deposits	3	18,674	11,911	18,674	11,911
Receivables from third parties	4	183,347	145,472	200,627	155,232
Receivables from related parties	16.c	1,016	1,008	-	-
Loan operations	16.c	258	-	-	-
Inventories	5	68,821	69,029	74,563	74,088
Income tax and social contribution recoverable	6	17,149	2,539	23,738	8,504
Taxes recoverable	6	9,849	2,802	12,557	6,335
Advances to suppliers		7,554	3,000	8,040	6,002
Derivative financial instruments	22.e	10,668	-	10,668	-
Other assets		5,457	6,606	6,108	7,266
		698,846	355,364	805,903	472,057
Assets held for sale	7	19,525	6,193	19,525	6,193
		718,371	361,557	825,428	478,250
NONCURRENT ASSETS					
Loan operations	16.c	772	-	-	-
Deferred income tax and social contribution	18	203,271	230,131	281,475	310,876
Taxes recoverable	6	1	1	1	70
Judicial deposits	19	11,062	8,768	12,199	9,891
Other assets		171	-	176	135
		215,277	238,900	293,851	320,972
Financial assets at fair value through other comprehensive income	8	-	34,013		34,013
Investments	9	323,333	374,674	1	-
Property, plant and equipment	10	441,036	371,354	511,931	442,440
Intangible assets	11	91,827	45,602	192,375	174,277
		856,196	825,643	704,307	650,730
TOTAL ASSETS		1,789,844	1,426,100	1,823,586	1,449,952

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

BALANCE SHEETS AS AT JUNE 30, 2022 AND AS AT DECEMBER 31, 2021
(In thousands of Brazilian Reais - R$)

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	06/30/2022	12/31/2021	06/30/2022	12/31/2021
CURRENT LIABILITIES					
Trade payables	12	65,848	35,824	80,716	43,177
Payables to related parties	16.c	1,131	1,295	-	-
Borrowings and financing	13	-	-	4,107	783
Debentures	14	57,649	47,417	57,649	51,362
Leases payable	15	18,656	15,143	19,031	15,944
Payroll and related taxes		30,474	24,311	31,448	25,592
Tax debt refinancing program (REFIS)	21	1,520	1,483	1,520	1,483
Income tax and social contribution payable	20	1,503	7,336	2,989	8,981
Taxes payable	20	6,147	7,265	6,729	7,753
Provision for profit sharing	17.d	8,204	13,967	8,288	14,146
Dividends and interest on equity payable	22	2	12,814	2	12,814
Other liabilities		384	285	809	1,259
		191,518	167,140	213,288	183,294
NONCURRENT LIABILITIES					
Borrowings and financing	13	-	-	1,641	206
Trade payables	12	15,998	-	17,631	-
Debentures	14	361,457	95,906	361,457	95,906
Leases payable	15	39,248	36,942	39,529	37,297
Provision for tax, civil and labor risks	19	11,776	13,036	17,279	17,622
Tax debt refinancing program (REFIS)	21	1,628	2,330	1,628	2,330
Taxes payable	20	11,052	10,665	11,052	10,665
Provision for post-employment benefits	17.a	9,360	8,920	9,360	8,920
Other liabilities		855	431	1,492	751
		451,374	168,230	461,069	173,697
TOTAL LIABILITIES		642,892	335,370	674,357	356,991
EQUITY					
Share capital	22	1,091,105	1,090,336	1,091,105	1,090,336
Capital reserves	22	14,729	61,625	14,729	61,625
Cost with issuance of shares	22	(18,448)	(18,448)	(18,448)	(18,448)
Earnings reserves	22	44,421	44,421	44,421	44,421
Treasury shares	22	(50,844)	(70,155)	(50,844)	(70,155)
Equity adjustments		(10,008)	(17,049)	(10,008)	(17,049)
Retained earnings		75,997	-	75,997	-
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		-	-	1,146,952	1,090,730
Non-controlling interest		-	-	2,277	2,231
TOTAL EQUITY		1,146,952	1,090,730	1,149,229	1,092,961
TOTAL LIABILITIES AND EQUITY		1,789,844	1,426,100	1,823,586	1,449,952

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS OF THREE AND SIX ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian Reais - R$)

		Parent				Consolidated			
	Note	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Net revenue from sales and services	24	227,765	165,960	466,550	309,688	247,627	171,667	482,723	325,997
Cost of sales and services	26	(88,596)	(81,899)	(165,471)	(154,332)	(97,689)	(86,477)	(181,339)	(164,434)
Gross profit		139,169	84,061	281,079	155,356	149,938	85,190	301,384	161,563
Selling, general and administrative expenses	25	(71,248)	(56,444)	(142,754)	(107,335)	(75,472)	(57,967)	(153,307)	(112,926)
Allowance for expected credit losses	4	(6,316)	(1,031)	(14,375)	(2,279)	(6,400)	(1,491)	(14,409)	(3,953)
Share of profit (loss) of subsidiaries	9	3,676	1,803	6,224	(770)	-	-		-
Other operating income (expenses), net		222	471	344	684	466	687	641	1,609
Profit before finance income (costs) and taxes		65,503	28,860	130,518	45,656	68,532	26,419	134,309	46,293
Finance income	26	15,488	3,590	19,999	5,884	18,111	5,917	25,021	10,334
Finance costs	26	(19,815)	(7,179)	(27,809)	(12,661)	(20,602)	(8,446)	(29,616)	(16,904)
Finance income (costs), net		(4,327)	(3,589)	(7,810)	(6,777)	(2,491)	(2,529)	(4,595)	(6,570)
Profit before taxes		61,176	25,271	122,708	38,879	66,041	23,890	129,714	39,723
Current income tax and social contribution	18	7,596	(4,408)	9,934	(10,334)	5,261	(5,088)	14,205	(11,100)
Deferred income tax and social contribution	18	(5,638)	(916)	(8,791)	(1,233)	(8,117)	1,123	(11,480)	(1,333)
Profit for the period		63,134	19,947	103,983	27,312	63,185	19,925	104,029	27,290
Profit attributable to:									
Owners of the Company						63,134	19,947	103,983	27,312
Non-controlling interests						51	(22)	46	(22)
Basic and diluted earnings per share - R$	23	0.30	0.10	0.50	0.13	0.30	0.10	0.50	0.13

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS OF THREE AND SIX ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian Reais - R$)

	Parent				Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Profit for the period	63,134	19,947	103,983	27,312	63,185	19,925	104,029	27,290
Cash flow hedge reserve	7,041	-	7,041	-	7,041	-	7,041	-
Total comprehensive income for the period	70,175	19,947	111,024	27,312	70,226	19,925	111,070	27,290
Total comprehensive income attributable to:								
Owners of the Company	-	-	-	-	70,175	19,947	111,024	27,312
Non-controlling interests	-	-	-	-	51	(22)	46	(22)

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian Reais - R$)

		Capital reserves			Earnings reserves						
	. Share capital	Stock option cost	Share issue cost	Treasury shares	Legal reserves	Retained earnings	Equity adjustments	Retained earnings (accumulated losses)	Attributable to owners of the Company	Non-controlling interests	Total
AT DECEMBER 31, 2020	1,089,642	57,036	(18,448)	(15,056)	860	-	(16,135)	-	1,097,899	-	1,097,899
Capital increase	694	-	-	-	-	-	-	-	694	-	694
Stock option premium	-	2,295	-	-	-	-	-	-	2,295	-	2,295
Purchase of shares	-	-	-	(19,266)	-	-	-	-	(19,266)	-	(19,266)
Addition of non-controlling stockholders due to business combination	-	-	-	-	-	-	-	-	-	2,410	2,410
Profit for the period	-	-	-	-	-	-	-	27,312	27,312	(22)	27,290
Interest on capital	-	-	-	-	-	-	-	(5,837)	(5,837)	-	(5,837)
AT JUNE 30, 2021	1,090,336	59,331	(18,448)	(34,322)	860	-	(16,135)	21,475	1,103,097	2,388	1,105,485
AT DECEMBER 31, 2021	1,090,336	61,625	(18,448)	(70,155)	5,984	38,437	(17,049)	-	1,090,730	2,231	1,092,961
Capital increase	769	-	-	-	-	-	-	-	769	-	769
Stock option premium	-	2,023	-	53,777	-	-	-	(6,575)	49,225	-	49,225
Purchase of shares	-	(48,919)	-	(34,466)	-	-	-	-	(83,385)	-	(83,385)
Profit for the period	-	-	-	-	-	-	-	103,983	103,983	46	104,029
Cash flow hedge	-	-	-	-	-	-	7,041	-	7,041	-	7,041
Interest on capital	-	-	-	-	-	-	-	(21,411)	(21,411)	-	(21,411)
AT JUNE 30, 2022	1,091,105	14,729	(18,448)	(50,844)	5,984	38,437	(10,008)	75,997	1,146,952	2,277	1,149,229

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

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MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian Reais - R$)

	Parent		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from operating activities				
Profit for the period	103,983	27,312	104,029	27,312
Adjustments for:				
Depreciation and amortization	74,987	67,604	82,160	72,260
Deferred income tax and social contribution	8,791	1,233	11,480	1,333
Provision (reversal) for tax, civil and labor risks	(3,231)	(325)	(2,783)	(1,283)
Accrued expenses on stock options	2,023	2,295	2,023	2,295
Post-employment benefits	441	497	441	497
Residual value of PP&E and intangible assets sold and written off	1,618	2,064	2,259	2,430
Interest and monetary exchange gains and losses, net	22,334	7,302	22,898	7,278
Interest on leases	2,500	2,513	2,544	2,621
Allowance for expected credit losses	14,375	2,279	14,409	3,953
Provision for slow-moving inventories	176	(833)	354	(889)
Provision for profit sharing	7,576	4,845	7,648	3,725
Share of profit (loss) of subsidiaries	(6,224)	770	-	-
Other provisions (reversals)	5,286	31	4,615	336
(Increase)/decrease in assets and increase/(decrease) in liabilities:				
Trade receivables	(48,648)	(26,397)	(56,390)	(24,242)
Acquisitions of rental equipment	(65,880)	(23,852)	(67,149)	(23,852)
Inventories	426	(28,027)	(1,322)	(28,861)
Taxes recoverable	(7,047)	444	(6,182)	861
IRPJ (Corporate Income tax) and CSLL (social contribution)	(14,610)	(504)	(15,367)	(837)
Judicial deposits	(1,721)	(429)	(1,736)	(1,028)
Other assets	(2,708)	(215)	(250)	123
Trade payables	29,208	21,855	28,325	22,092
Payroll and related taxes	6,163	7,529	5,850	7,646
Profit sharing	(13,368)	(5,969)	(13,506)	(6,149)
Taxes payable	21,124	9,208	24,888	9,963
Other liabilities	521	11	74	(66)
Lawsuits settled	(2,981)	(1,451)	(3,311)	(2,030)
Income tax and social contribution paid	(28,353)	(10,537)	(31,983)	(11,882)
Interest paid	(18,130)	(3,880)	(18,569)	(4,797)
Net cash from operating activities	88,631	55,373	95,449	58,809
Cash flows from investing activities:				
Acquisition of subsidiary	(19,055)	-	(19,055)	-
Acquisition of cash due to merger of subsidiary	18,472	-	1,442	(5,100)
Acquisition of PP&E for own use and intangible assets	(21,068)	(12,379)	(21,103)	(12,379)
Acquisition of PP&E for own use through merger of subsidiary	-	545	-	545
Sale of interest in investment	296	-	296	-
Interest on capital received	1,582	-	1,582	-
Net cash generated by (used in) investing activities	(19,773)	(11,834)	(36,838)	(16,934)
Cash flows from financing activities:				
Capital increase	769	694	769	694
Restricted bank deposits	(6,763)	(7,100)	(6,763)	(7,100)
Borrowings and debentures raised	296,397	(22)	297,397	389
Acquisition of treasury shares	(29,607)	(19,266)	(29,607)	(19,266)
Interest on capital paid	(19,800)	(5,274)	(19,800)	(5,274)
Dividends paid	(12,812)	-	(12,812)	-
Amortization of borrowings and debentures	(22,965)	(17,365)	(28,061)	(25,849)
Leases paid	(11,021)	(9,604)	(11,525)	(10,187)
Net cash generated by (used in) financing activities	194,198	(57,937)	189,598	(66,593)
INCREASE/(REDUCTION) IN CASH AND NET CASH EQUIVALENTS	263,056	(14,398)	248,209	(24,718)
Cash and cash equivalents at the beginning of the period	112,997	285,993	202,719	378,966
Cash and cash equivalents at the end of the period	376,053	271,595	450,928	354,248
INCREASE/(REDUCTION) IN CASH AND NET CASH EQUIVALENTS	263,056	(14,398)	248,209	(24,718)

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

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

MILLS ESTRUTURAS E SERVIÇOS DE ENGENHARIA S.A.

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021
(In thousands of Brazilian Reais - R$)

	Parent		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues:				
Sales of products and services	521,701	352,204	565,864	373,482
Cancellations and discounts	(30,667)	(12,589)	(32,983)	(14,830)
Other revenues	381	746	696	1,765
Provision for expected credit losses	(14,375)	(2,279)	(14,409)	(3,953)
	477,040	338,082	519,168	356,464
Inputs purchased from third parties:				
Cost of sales and services	(701)	(3,500)	(8,160)	(25)
Materials, energy, outside services and others	(126,143)	(103,079)	(133,371)	(107,206)
Disposal of assets	(1,618)	(2,064)	(2,259)	(2,430)
Gross value added	348,578	229,439	375,378	246,803
Depreciation, amortization and depletion	(74,987)	(67,604)	(82,160)	(72,260)
Wealth created by the Company	273,591	161,835	293,218	174,543
Wealth received in transfer				
Finance income	19,999	5,884	25,022	10,334
Share of profit (loss) of subsidiaries	6,224	(770)	-	-
Total wealth for distribution	299,814	166,949	318,240	184,877
Distribution of wealth				
Personnel and charges	84,959	66,081	87,441	66,839
Salaries and wages	67,062	53,041	69,551	53,154
Benefits	13,589	9,991	13,348	10,564
Severance pay fund (FGTS)	4,308	3,049	4,542	3,121
Taxes and contributions	78,539	57,230	92,208	62,743
Federal	77,031	56,159	88,899	60,278
State	351	728	2,109	2,092
Municipal	1,157	343	1,200	373
Lenders and lessors	32,333	16,326	34,562	28,005
Interest and foreign exchange gains (losses)	26,861	12,400	28,409	16,578
Rentals	5,472	3,926	6,153	11,427
Shareholders	103,983	27,312	104,029	27,290
Interest on capital	21,411	5,837	21,411	5,837
Profit for the period	82,572	21,475	82,572	21,475
Non-controlling interest	-	-	46	(22)
Wealth distributed	299,814	166,949	318,240	184,877

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

1. GENERAL INFORMATION

Mills Estruturas e Serviços de Engenharia 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 import and export, 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 partner or shareholder.

The Company's bylaws also establish the following activities:

a) Rental, assembly, and disassembling of access tubular 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: Formworks and Shoring and Rental (note 30).

1.1. COVID-19 impacts

Since the beginning of the pandemic, the Company has implemented several actions to preserve a solid financial position, with capital discipline, expense reduction and balance sheet performance, aiming to combat the economic and financial impacts of the pandemic and improve Mills' positioning when the growth resumes. For the Rental business unit, Management understands that the inflection point was reached in May 2020, showing recovery as from mid-June and returning to the pre-crisis level of rental activities in December 2020. The Formworks and Shoring business unit was practically not impacted.

As disclosed in the previous quarter, as at June 30, 2022, the Company did not observe impacts on its economic and financial performance due to the pandemic. Evidently, the actions to face the crisis, especially in the care of employees, were maintained, as follows (non-exhaustive):

- Adoption of a hybrid work format (two days at the company's facilities and three days working from home) to 100% of the corporate group;
- The operating group will work on-site for the maintenance of activities;
- Reinforcing prevention through videos and other communication processes;

- Disclosing and enforcing the policy of consequences.

With the news and the evolution of COVID-19 throughout the world since the beginning of 2020, we made a planning considering the main inputs that we would need in the following months and acquired some of them in greater quantities, such as spare parts, PPEs, masks, etc. To date, our rental activities have not suffered significantly from lack of inputs, but we are working to increase our inventories in order to mitigate the risk of such an event occurring, as well as to have spare parts available to comply with the rhythm of equipment release.

Evidently, this crisis can result in an increase in the prices of some inputs, mainly those based on the US Dollar, and in the future we may have a possible default of some suppliers due to the severity of the situation. However, the main suppliers of parts of the Rental unit, which is the main business unit of the Company, are world-class large-sized entities, which brings more resilience to these entities. Additionally, despite being paid in R$, the determination of the rental prices practiced by the Rental unit takes into consideration the replacement value of the equipment in USD, which means that, in the medium term, an increase in the rental prices should take place, following the exchange variation, in order to keep the profitability of the business, which, consequently, is used as a hedge for any increase in the prices of inputs in USD.

1.2. Business combinations in 2022

Acquisition of Tecpar Comércio e Locação de Equipamentos Ltda.

On April 18, 2022, the Company entered into a purchase and sale agreement and other covenants to acquire all the units of interest representing the share capital of Tecpar Comércio e Locação de Equipamentos Ltda. (“Tecpar Equipamentos”).

Established in 2007, Tecpar Equipamentos is specialized in rental and sale of lifting platforms, as well as the provision of technical assistance with the support of qualified professionals. With a fleet of 6 years on average, comprised of 298 machines and 53 machines in operating lease, Tecpar Equipamentos is a Company with a strong presence in the State of São Paulo and also has operations in Minas Gerais, with a diversified customer base distributed through several regions and different long-term contracts.

The transaction is in line with the Company’s strategic goals related to: (i) Market penetration - Mills increases its already diversified customer base with a greater presence in the State of São Paulo; (ii) Gain of scale - the transaction increases the Company’s fleet at approximately 4%, increasing even further its capacity of negotiation of equipment and parts with the main suppliers in the world; (iii) Synergies - with the optimization of the operations and absorption of synergies, the Company enhances the profitability of Tecpar Equipamentos; (iv) Fleet renewal – the transaction supports Mills in the renewal of its fleet, in view of the average age of the fleet of Tecpar Equipamentos, together with the purchase of machinery that has been made, as already disclosed; and (v) Discipline in capital allocation – this transaction, as well as the other three completed in 2021, proves the Company’s capacity of allocating capital and absorbing transactions with discipline, also seeking, in an inorganic manner, to grow and maximize the return for stockholders.

a) Consideration transferred

The purchase price, with a corresponding entry to the acquisition of the shares, totals R$31,055 (thirty-one million and fifty-five thousand reais) to be paid by the Company, subject to possible Price adjustment, as follows:

(i) R$19,055 (nineteen million and fifty-five thousand reais) was paid in cash, five business days after the closing date of the transaction, according to the purchase and sale agreement

(ii) R$12,000 (twelve million reais) was retained to ensure the payments of indemnities and/or any amount due, without representing maximum limit. This amount is adjusted at 100% of the CDI rate from the closing date to its release, which will take place according to the dates and proportions established in contract in up to 5 years.

b) Identifiable assets acquired and liabilities assumed

The effects of this acquisition affected the Company's consolidated results of operations as from the date of acquisition, with the equity of Tecpar Equipamentos being appraised at its fair value in the acquisition, based on an economic and financial report of the allocation of the price paid issued by an independent appraisal company.

The table below summarizes the amounts of assets acquired and liabilities assumed from Tecpar Equipamentos:

Assets	On acquisition date	Adjustments	Fair value
Current assets			
Cash and cash equivalents	1,836	-	1,836
Trade receivables	2,576	-	2,576
Inventories	50	-	50
Advances	36	-	36
Taxes recoverable	142	-	142
Prepaid expenses	31	-	31
Noncurrent assets			
Judicial deposits	1	-	1
Contract deposits	5	-	5
Property, plant and equipment	24,249	10,690	34,939
Intangible assets	6	8,616	8,622
Assets acquired	28,932	19,306	48,238

Liabilities	On acquisition date	Adjustments	Fair value
Current liabilities			
Trade payables	1,933	-	1,933
Related parties	3,737	-	3,737
Borrowings and financing	7,592	-	7,592
Leases	1,225	-	1,225
Taxes payable	331	-	331
Payroll and related taxes	165	-	165
Advances from customers	15	-	15
Trade payables	6	-	6
Labor provisions	205	-	205
Noncurrent liabilities			
Borrowings and financing	2,339	-	2,339
Leases	975	-	975
Other payables - loans	463	-	463
Liabilities assumed	18,986	-	18,986
Net assets acquired	9,946	19,306	29,252
Distribution of fair value of assets acquired:			
Total			100%
Carrying amount of net assets	9,946	-	9,946
Surplus value of property, plant and equipment (i)	10,690	-	10,690
Surplus value of intangible assets (ii)	8,616		8,616
Goodwill	-	-	1,803
Consideration transferred	-	-	(31,055)

(i) The appraisal report on Tecpar Equipamentos' net assets issued by an independent appraisal company stated a fair value adjustment of R$10,690, related to the surplus value of machinery and equipment. Such surplus value of the net assets acquired is due to the operational life and residual value of the assets. In the individual financial statements, this amount is presented in the line item of investments. In the consolidated financial statements, this amount is presented as property, plant and equipment (see note 10).

(ii) The appraisal report on the net assets of Tecpar Equipamentos issued by an independent appraisal company also stated a fair value adjustment of R$8,616, related to the surplus value of the customer portfolio. The surplus value of net assets acquired derives from the relationship with customers that generates future economic benefit and the workforce, which is an identifiable asset, and in this respect, it comprises the calculation of the customer portfolio assets and works as a contributory asset. In the individual financial statements, this amount is presented in the line item of investments. In the consolidated financial statements, this amount is presented as intangible assets (see note 11).

c) Fair value measurement

The initial recognition of the acquisition was determined in the quarter ended June 30, 2022 based on the Company's best estimate, considering appropriate assumptions and methodology for the purchase price allocation. This accounting considered the fair value measurement of the assets and liabilities, carried out by independent specialists hired by the Company, and is subject to any changes arising from facts existing on the acquisition date and which may come to Management's knowledge during the adjustment period of up to one year as from the acquisition date, as provided for in accounting pronouncement CPC 15 (R1).

The valuation technique used to measure the fair value of identifiable assets acquired was as follows:

Assets acquired	Valuation method
Customer portfolio	The following intangible assets were identified to estimate the value of the customer portfolio: (i) Customer relationship: the Multi-period Excess Earnings Method (MPEEM) Income Approach methodology was used; the income approach estimates the fair value based on the future cash flows that the intangible asset will generate during its remaining useful life. The application of this approach involves the cash flow projection that intangible assets will generate, based on current expectations and assumptions about future conditions. MPEEM in multiple periods considers that the cash flows are calculated based on a detailed forecast of the cash inflows and outflows related to the assessed asset. In general, cash inflows and outflows arise from projected financial information provided by Management. These cash flows were stated at present value at the variable discount rate, according to the projection of inflation, CPI and Selic rate plus a 1.5% premium, as a relationship risk and (ii) Workforce: the Cost Approach - Replacement Cost methodology was used, the cost approach estimates the value of an asset based on the current cost of acquisition or replacement of this asset. The cost approach reflects the idea that the fair value of an asset should not exceed the cost to obtain an asset substitute, with comparable resources and functionalities.
Property, plant and equipment	To arrive to the final value, the combination of market and cost approaches was used. The dimensions and characteristics of the assets were based on the documents provided by Management, and were collected during the technical inspection and the inventory taken by the independent appraisal company. The estimates and calculations presented are based on market expectations, as well as on existing macroeconomic conditions at the date of the work, which may be different in the future and, consequently, impact on the amounts defined.

1.3. Amortization of Goodwill in the calculation of IRPJ and CSLL

On September 1, 2021, the Tax Authorities notified investee Solaris Equipamentos e Serviços S.A. (“Subsidiary”) through the decision of the objection related to the tax assessment notice referring to administrative proceeding No. 11274.720224/2020-90, the obligation of paying 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 (amount adjusted to R$6,405 at June 30, 2022).

According to the Tax Authorities, the Subsidiary could not have excluded, in the computation of the IRPJ and CSLL calculation bases, 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), to challenge the aforementioned objection to the tax assessment notice, challenging all allegations about the alleged taxes payable. The risk was classified by the legal counsel as possible.
The 2019 period was not included in the computation of the alleged taxes payable, and considering that there may be an interpretation similar to the current one, with the issuance of a new tax assessment notice by the Tax Authorities, there would still be a potential risk of approximately R$785 thousand, adjusted up to June 30, 2022.

1.4. Acquisition of Altoplat’s noncurrent assets (machinery and equipment/ intangible assets)

On December 22, 2021, the Company concluded the first phase of the operation for acquiring machinery and equipment for rental from the companies Altoplat Locações de Plataformas Aéreas Ltda. and Equipamentos e Locação Juceli Ltda. (“Altoplat”).

As a result of the conclusion of the first phase of this operation the amount of R$38,146 was paid for all lifting platforms of Altoplat, located in Porto Alegre, state of Rio Grande do Sul, which comprise 295 aerial work platforms, 63 lighting towers and one customer portfolio (intangible assets), as described below (amounts in R$):

	12/31/2021
Machinery and equipment (PP&E)	37,823
Customer portfolio (intangible assets)	7,773
Trademarks and patents (intangible assets)	50
(-) Withheld amount payable	(7,500)
Total	38,146

The withheld amount payable of R$7,500 refers to the amount to be paid to Altoplat as certain conditions are met by the seller, as set forth in the Agreement entered into between the parties, of which R$3,500 will be paid upon effective delivery of the free and cleared noncurrent assets to Mills and the remaining R$4,000 will be settled in up to 3 years as from the acquisition date, net of any balances related to indemnities that may be attributed to Mills (from Altoplat's management).

Pursuant to clause 10.1 of the Agreement, indemnities include coverage of any liabilities, obligations and/or contingencies of any nature, misrepresentation, insufficiency, omission, error or inaccuracy of any representation or guarantee provided by Altoplat, acts, events and omissions prior to the acquisition date, even if the effects thereof only materialize in the future, limited to a 3-year period, among other items. The Company obtained in this transaction free and cleared properties amounting R$6,000 as guarantees.

With respect to the workforce, the transfer of the respective employees (of operational and commercial areas) from Altoplat to Mills was not part of the acquisition agreement for these assets. Certain supplies and maintenance inventories related to the machinery and equipment in Porto Alegre, which have an attributed value of R$2,616, that were transferred in the second closing, because the conditions precedent were not met at the time.

Consequently, these are not included in the total acquisition amount mentioned above, net of the withheld amount, which totals R$38,146.

The noncurrent assets acquired on December 22, 2021 did not generate any operating profit or loss for the Company that should be included in its financial statements for the year ended December 31, 2021, as the delivery of equipment and transfer of rental agreements referring to these assets only took place in January 2022.

On February 7, 2022, the Company concluded the second and last phase of the operation for acquiring machinery and equipment for rental from the sellers Altoplat Locações de Plataformas Aéreas Ltda. and Equipamentos e Locação Juceli Ltda. (“Altoplat”). Due to the conclusion of the second phase of this operation, the Company paid R$17,146 for noncurrent assets acquired, which comprise 122 lifting platforms, 3 lighting towers and the rental customer portfolio in Içara, state of Santa Catarina, as described below:

	Amount
Machinery and equipment (PP&E)	16,718
Inventories of parts and pieces (current assets)	2,806
Customer portfolio (intangible assets)	3,622
(-) Withheld amount payable	(6,000)
Total	17,146

This withheld amount of R$6,000, as provided for in the Agreement, shall be paid to Altoplat within five days of the fulfillment of all obligations under the agreement signed between the parties. With respect to the workforce, the transfer of the respective employees (of operational and commercial areas) from Altoplat to Mills was not part of the acquisition agreement for these assets.

On February 24, 2022, the Company paid R$6,000 of the withheld amount to Altoplat for the performance of all obligations established in the contract signed, and on March 9, 2022, R$3,500 was paid to Altoplat due to the effective delivery of the free and cleared noncurrent assets to Mills, remaining retained the amount of R$4,000 to be settled within 3 years from the acquisition date, and in guarantee in the form of real estate cleared in the amount of R$6,000, as mentioned above in the first closing.

The Company has established, according to external experts' reports, a useful life of ten years for the intangible asset (customer portfolio) acquired in this transaction.

The transactions between the parties were assessed by external specialists hired by the Company and, based on the accounting analysis performed, which is supported by asset concentration tests and established in CPC 15 (R1), Management understands that the acquisition of Altoplat's noncurrent assets is classified as an asset acquisition transaction, since such acquisition comprised only inputs and does not include obtaining processes. Additionally, the inputs acquired are insufficient to generate outputs themselves, given that the operations of machinery and equipment in the context of rental agreements require the performance of basic services, such as maintenance of aerial work platforms and lighting towers and commercial activities, as well as having trained personnel for the execution.

1.5. War in Ukraine

With regard to the conflict in Eastern Europe involving Russia and Ukraine, up to date, the Company did not identify any significant impact on its operations. However, the Company will continue to monitor the developments of this conflict, aiming to mitigate the possible effects on its operations. The Company hopes that peace negotiations may end the conflict as soon as possible.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

The Company's individual and consolidated interim financial information is presented in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM), the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting issued by the Brazilian Accounting Pronouncements Committee (CPC) and the accounting standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

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, 2021, which have been prepared in accordance with accounting policies adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the 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, 2021), which, in view of the lack of significant changes in the period ended June 30, 2022, are not being reproduced in full in this interim financial information.

The notes not included in the period ended June 30, 2022 are the following: "Significant accounting judgments, estimates and assumptions" and "Financial risk management", reflected in the presentation of the financial statements for 2021, in notes 3 and 4, respectively.

These financial statements were filed with CVM on March 24, 2022 and published on the newspaper Valor Econômico on April 4, 2022.

2.2. Basis of preparation

The accounting policies, calculation methods, significant accounting judgments, estimates and assumptions used in these financial statements for the period ended June 30, 2022 are the same used in the financial statements for the year ended December 31, 2021, disclosed in notes 2 and 3.

2.3. Basis of consolidation

The consolidated quarterly information comprises the quarterly information 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 is 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 details of the Company's subsidiaries at the closing of the period ended June 30, 2022 are as follows:

			Ownership interest %	
Subsidiary	Core business	Control	06/30/2022	12/31/2021
Solaris Equipamentos e Serviços 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%
SK Rental Locação de Equipamentos Ltda	Platform Rental	Direct (**)	-	100%
Tecpar Comércio e Locação de Equipamentos Ltda	Machinery and equipment rental	Direct	100%	-

(*) Direct control of subsidiary Solaris Equipamentos e Serviços S.A.

(**) On May 17, 2022, the subsidiary SK Rental Locação de Equipamentos Ltda. was merged.

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

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

(ii) Asset and liability accounts between entities included in consolidation.

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

3. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and banks	3,086	2,285	3,310	3,062
Short-term investments	372,967	110,712	447,618	199,657
	376,053	112,997	450,928	202,719
Restricted bank deposits (*)	18,674	11,911	18,674	11,911

(*) The amount of R$18,674 is restricted for debt payment purposes at June 30, 2022, referring to the percentage on the outstanding balance of the 4th and 5th issues of debentures and on the outstanding balance of the 6th issue 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 June 30, 2022, short-term investments consist of bank deposit certificates – CDB, bearing average interest of 102.55% of the interbank deposit certificate – CDI (99.66% at December 31, 2021).

4. RECEIVABLES FROM THIRD PARTIES

	Parent					
	06/30/2022			12/31/2021		
Business unit	Gross receivables	ECL	Net receivables	Gross receivables	ECL	Net receivables
Formworks and Shoring	69,464	(38,053)	31,411	65,430	(38,937)	26,493
Rental	195,688	(48,392)	147,296	157,669	(38,690)	118,979
Others	4,640	-	4,640	-	-	-
	269,792	(86,445)	183,347	223,099	(77,627)	145,472
Current	224,367	(41,020)	183,347	178,942	(33,470)	145,472
Noncurrent	45,425	(45,425)	-	44,157	(44,157)	-

	Consolidated					
	06/30/2022			12/31/2021		
Business unit	Gross receivables	ECL	Net receivables	Gross receivables	ECL	Net receivables
Formworks and Shoring	69,464	(38,053)	31,411	65,430	(38,937)	26,493
Rental	229,668	(65,092)	164,576	187,403	(58,664)	128,739
Others	4,640	-	4,640	-	-	-
	303,772	(103,145)	200,627	252,833	(97,601)	155,232
Current	242,182	(41,555)	200,627	190,968	(35,736)	155,232
Noncurrent	61,590	(61,590)	-	61,865	(61,865)	-

Variations in the period ended June 30, 2022 and year ended December 31, 2021 in the allowance for expected credit losses of the Company and its subsidiaries are as follows:

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Balance at the beginning of the year	(77,627)	(84,673)	(97,601)	(108,346)
SK Rental merger	(889)	-	-	-
Post-merger balance	(78,516)	(84,673)	(97,601)	(108,346)
Net impact of ECL on P&L:	(14,375)	(11,471)	(14,409)	(12,876)
Provision	(14,483)	(15,949)	(14,858)	(18,450)
Reversal	108	4,478	449	5,574
Write-offs (*)	6,446	18,517	8,865	23,621
	(86,445)	(77,627)	(103,145)	(97,601)

(*) In the period ended June 30, 2022, the Company wrote off bills that were past due up to five years, totaling R$8,865 in Consolidated (R$6,446 in 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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Not yet due	174,461	134,893	189,051	141,206
Not yet due (bills with original due dates extended)	1,876	2,445	1,876	2,445
1-60 days past due (*)	22,651	22,369	24,075	24,647
61-120 days past due (*)	10,312	6,215	10,852	6,560
121-180 days past due (*)	4,605	3,608	4,822	4,199
180-360 days past due (*)	10,462	9,410	11,506	11,907
Over 360 days past due (*)	45,425	44,159	61,590	61,869
	269,792	223,099	303,772	252,833

(*) The analysis above was performed considering the extended due dates of the bills.

5. INVENTORIES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Goods for resale	1,037	1,158	2,219	2,275
Spare parts and supplies	71,984	71,582	79,716	78,830
Provision for slow-moving inventories (*)	(4,200)	(3,711)	(7,372)	(7,017)
	68,821	69,029	74,563	74,088

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

Provision for slow-moving inventories	Parent	Consolidated
Balance at 12/31/2021	(3,711)	(7,017)
Provision	(2,255)	(2,470)
Reversal	2,079	2,115
SK Rental merger	(313)	-
Balance at 06/30/2022	(4,200)	(7,372)

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

6. TAXES RECOVERABLE

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) (*)	17,149	2,539	23,738	8,504
PIS and COFINS (taxes on revenue) (**)	9,397	2,221	11,131	4,761
ICMS (State VAT) (***)	110	192	806	780
Others	343	390	621	864
	26,999	5,342	36,296	14,909
Current	26,998	5,341	36,295	14,839
Noncurrent	1	1	1	70

(*) Refers to negative balance of income tax, arising from 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 31, 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 offset expected in the period.

In the period ended June 30, 2022, the Company draw down, through a specialized consulting firm, the PIS and COFINS unused tax credits from 2017 to 2022, obtaining an adjusted amount of R$3,560. Therefore, the accounting was made in June 2022, of which R$2,522 is recorded as other operating income and R$1,038 is recorded as a financial effect of the monetary adjustment of these credits since their origin. These credits were offset against the PIS and COFINS debts in July 2022.

The Company is still in the review process of any PIS and COFINS credits, including for the subsidiary Solaris.

(***) 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 April 2017, the Company signed contracts consisting of the exchange of past due receivables for properties which will not be used in its operations, but sold to third parties.

In June 2020, under a delivery in accord and satisfaction private agreement following the in-court reorganization plan, the Company approved the receipt of chattels for the purpose of credit settlement in the amount of R$18,906, based on the assumption that sale of said assets will take place within up to 90 days, as from the date of transfer of their ownership. With regard to this agreement, there was a net residual value of R$502 under negotiation for sale at June 30, 2022.

In addition, on March 11, 2022, the Company performed the divestiture of its ROHR investment (note 8); a portion was received through an accord and satisfaction agreement regarding properties of R$13,492, net of sales commissions.

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

	Parent and Consolidated (*)	
	06/30/2022	12/31/2021
Assets held for sale	23,574	9,532
Asset impairment loss (i)	(4,049)	(3,339)
	19,525	6,193

(*) The balances presented at June 30, 2022 and December 31, 2021 fully refer to the Parent.

The variation in the period ended June 30, 2022 refers to the ROHR divestment transaction that took place on March 11, 2022, as disclosed in Note 8.

(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 June 30, 2022 and December 31, 2021 (net of expenses inherent to the sale), according to appraisal reports prepared by real estate experts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

On February 8, 2011, the Company acquired 25% of the capital of Rohr S.A. Estruturas Tubulares ("Rohr") for R$90,000. Rohr is a privately-held company specialized in access engineering and civil construction solutions, which operates mainly in the heavy construction and industrial maintenance sectors.

On March 11, 2022, a contract for the purchase and sale of shares and other covenants was signed with Rohr, through which the Company sold all of its 52,500,000 common shares in this investee, which represented 27.47% of the total existing shares of Rohr.

For the sale, the Company received the total amount of R$34,013, according to the following proportion:

- 32,118,000 registered common shares with no par value of Rohr will be sold to the new shareholders. For this sale the Company will receive R$20,808;
- 20,382,000 registered common shares with no par value will be sold to Rohr and will be held in treasury. For this sale, the Company will receive R$13,205.

The transaction was settled through a payment in kind, as follows:

- three properties amounting to R$14,202, free and clear of burden, which were recorded in assets held for sale (note 7);
- assignment and transfer of property and indirect ownership of the leased property, plant and equipment items, appraised at R$4,623, which were recorded in property, plant and equipment (note 10);

- assignment and transfer of property and indirect ownership of the property, plant and equipment items that are not leased, appraised at R$7,948, were recorded in property, plant and equipment up to the period ended June 30, 2022 (note 10);

- assignment and transfer of property and indirect ownership of maintenance inventories, appraised at R$394, which were recorded in inventories;

- current customer base related to assets, whose amount of R$1,911 was recorded in customer portfolio, within intangible assets (note 11).

In addition to the payment in kind, the Company received the net amount of R$295, through transfer, net of taxes, accordingly the Company did not have to pay taxes on this amount, which had already been withheld and paid, and R$4,640 will be paid in up to 180 days after the signature of the contract, in a single installment.

In the period ended June 30, 2022, upon completion of the transaction mentioned above, Rhor's investment amounts to zero (R$34,013 as at December 31, 2021).

9. INVESTMENTS

a) Assets accounted for under the equity method

SOLARIS EQUIPAMENTOS E SERVIÇOS S.A.

Solaris Equipamentos 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.

	Solaris Equipamentos	
Information on subsidiary	06/30/2022	12/31/2021
Ownership interest %	100%	100%
Current assets	103,388	97,975
Noncurrent assets	88,468	90,384
Current liabilities	8,608	14,591
Noncurrent liabilities	6,024	5,166
Equity	177,224	168,602
	06/30/2022	06/30/2021
Net revenue	24,398	24,217
Costs and expenses	(11,799)	(22,241)
Profit before taxes	12,599	1,976
Current and deferred income tax and social contribution	(3,977)	(839)
Profit or loss for the period	8,622	1,137

Variations in investments in subsidiaries	Parent
Balance at December 31, 2021	285,162
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(1,881)
Profit or loss for the period	8,622
Balance at June 30, 2022	291,903

NEST LOCAÇÃO E REVENDA DE MÁQUINAS LTDA.

Nest is a limited liability company engaged in the sale of machinery and equipment for domestic and professional use; rental of machinery and equipment for domestic and professional use; maintenance of machinery and equipment; and professional training and development in maintenance of its own machinery and equipment. This company is located in the State of São Paulo.

	Nest	
Information on subsidiary	06/30/2022	12/31/2021
Ownership interest %	51%	51%
Current assets	1,289	693
Noncurrent assets	6,231	5,252
Current liabilities	1,958	1,186
Noncurrent liabilities	916	206
Equity	4,646	4,553
	06/30/2022	06/30/2021
Net revenue	1,812	252
Costs and expenses	(1,689)	(270)
Profit before taxes	123	(18)
Current and deferred income tax and social contribution	(30)	(26)
Profit or loss for the year	93	(44)

Variations in investments in subsidiaries	Parent
Balance at December 31, 2021	5,001
Goodwill	26
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(57)
Net deferred income tax and social contribution on surplus value	46
Profit or loss for the year	47
Balance at June 30, 2022	5,063

SK RENTAL LOCAÇÃO EQUIPAMENTOS LTDA

SK Rental Locação Equipamentos Ltda. is a non-listed 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. This company is located in the South of the Country.

On May 17, 2022, according to the minutes of the Extraordinary General Meeting, the merger of SK Rental into the Company was approved, with no capital increase and issue of new shares.

The asset and liability balances on that date are presented below duly merged into the Parent:

	SK Rental	
Information on subsidiary	05/17/2022	12/31/2021
Ownership interest - %	100%	100%
Current assets	22,332	20,329
Noncurrent assets	4,357	6,852
Current liabilities	1,028	2,778
Noncurrent liabilities	152	-
Equity	25,509	24,402

	05/17/2022
Revenues	8,061
Costs and expenses	(4,599)
Profit before taxes	3,462
Current and deferred income tax and social contribution	(2,357)
Profit or loss for the period	1,105

Variations in investments in subsidiaries	Parent
Balance at December 31, 2021	89,512
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(3,024)
Net deferred income tax and social contribution on surplus value	1,028
Profit or loss for the period	1,105
Surplus value of property, plant and equipment and intangible assets at April 30, 2022	(63,112)
Merger - Equity on May 17, 2022	(25,509)
Balance at June 30, 2022	-

REACH LOCAÇÕES S.A.

On March 04, 2022, the Companies, Mills and Solaris, resolved on the incorporation of a joint stock company under the name Reach Locações S.A.

The capital stock of Reach Locações S.A. is R$1,000 (one thousand reais) divided into 1,000 (one thousand) ordinary registered book-entry shares with no par value. The issue price of these shares was set at R$1.00 (one Brazilian real), under the terms of article 14 of the Corporate Law. The capital stock was fully subscribed by the shareholders as follows:

a) Mills subscribes 999 (nine hundred and ninety-nine) registered common shares, with no par value; and

b) SOLARIS subscribes 01 (one) nominative common share, with no par value.

Reach Locações S.A. is a privately-held company, and its corporate purpose is the leasing, 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.

Import and export of the above 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; and participation as a stockholder or quota holder in other companies or partnerships. The Company has its headquarters and jurisdiction in the City of Cotia, State of São Paulo.

TECPAR COMÉRCIO E LOCAÇÃO DE EQUIPAMENTOS LTDA

Established in 2007, Tecpar Equipamentos is specialized in rental and sale of lifting platforms, as well as the provision of technical assistance with the support of qualified professionals. The Company has a strong presence in the State of São Paulo and also has operations in Minas Gerais.

Information on subsidiary	Tecpar Equipamentos 06/30/2022
Ownership interest - %	100%
Current assets	4,786
Noncurrent assets	23,466
Current liabilities	13,609
Noncurrent liabilities	3,527
Equity	11,116

	06/30/2022
Net revenue	3,553
Costs and expenses	(1,788)
Profit before taxes	1,765
Current and deferred income tax and social contribution	(596)
Profit or loss for the period	1,169

Variations in investments in subsidiaries	Parent
Balance at December 31, 2021	-
Acquisition of interest in subsidiary	9,947
Surplus value of property, plant and equipment and intangible assets	19,306
Goodwill	1,803
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(796)
Profit or loss for the period	1,169
Balance at June 30, 2022	31,429

10. 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 Properties	Right-of-use Vehicles	Construction in progress	Total assets in use	Total Parent
Balance at December 31, 2020	1,297,729	-	1,297,729	25,235	21,117	17,472	1,766	10,277	14,330	66,018	11,535	1,938	169,688	1,467,417
Acquisition	16,746	22,822	39,568	1,860	-	4,942	305	-	1,331	-	-	9,946	18,384	57,952
Acquisition of Altoplat (note 1.4)	37,808		37,808											37,808
Addition for capital decrease in Solaris	63,422	-	63,422	628	-	494	-	-	51	-	-	-	1,173	64,595
Right of use - initial adoption		-	-	-	-	-	-	-	- -	10,162	2,639	-	12,801	12,801
Write-offs/disposals	(64,458)	-	(64,458)	(342)	-	(36)	(977)	-	(6)	-	-	-	(1,361)	(65,819)
Adjustment for PIS and COFINS credits	(431)	-	(431)	-	-	-	-	-	-	-	-	-	-	(431)
Transfer	22,822	(22,822)	-	3,427	-	-	-	-	-	-	-	(3,169)	258	258
Balance 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
Acquisition	49,823	-	49,823	181	-	2,854	681	-	301	-	-	8,191	12,208	62,031
Acquisition of Altoplat (note 1.4)	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition of Rohr (note 8)	12,570	-	12,570	-	-	-	-	-	-	-	-	-	-	12,570
Addition due to merger - SK Rental (note 9)	63,871	-	63,871	-	-	251	-	803	199	-	-	-	1,253	65,124
Right of use - initial adoption		-	-	-	-	-	-	-	- -	14,117	19	-	14,136	14,136
Write-offs/disposals	(26,162)	-	(26,162)	-	-	(21)	(346)	-	(3)	-	-	-	(370)	(26,532)
Adjustment for PIS and COFINS credits	(3,654)	-	(3,654)	-	-	-	-	-	-	-	-	-	-	(3,654)
Transfer		-	- -	7,741	-	229	-	78	(229)	-	-	(7,772)	47	47
Balance at June 30, 2022	1,486,820	-	1,486,820	38,730	21,117	26,185	1,429	11,158	15,974	90,297	14,193	9,134	228,217	1,715,037

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 Properties	Right-of-use Vehicles	Construction in progress	Total assets in use	Total Parent
Balance at December 31, 2020	(1,001,811)	-	(1,001,811)	(15,231)	(5,236)	(15,795)	(1,281)	(6,401)	(11,103)	(21,562)	(4,417)	-	(81,026)	(1,082,837)
Depreciation	(109,528)	-	(109,528)	(2,526)	(617)	(902)	(151)	(874)	(853)	(12,698)	(3,297)	-	(21,918)	(131,446)
Cost of depreciation for capital decrease in Solaris	(49,662)	-	(49,662)	(480)	-	(252)	-	-	(10)	-	-	-	(742)	(50,404)
Disposals	61,294	-	61,294	242	-	30	746	-	5	(511)	-	-	512	61,806
Adjustment for PIS and COFINS credits		-	- -	(257)	-	-	-	(89)	-	-	-	-	(346)	(346)
Balance 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	(59,311)	-	(59,311)	(2,322)	(309)	(855)	(74)	(441)	(433)	(7,036)	(1,666)	-	(13,136)	(72,447)
SK Rental depreciation	(22,011)	-	(22,011)	-	-	(229)		(698)	(181)	-	-	-	(1,108)	(23,119)
Disposals	24,972	-	24,972	-	-	9	90	-	3	-	-	-	102	25,074
Adjustment for PIS and COFINS credits		-	- -	(237)	-	-	-	(45)	-	-	-	-	(282)	(282)
Transfer		-	-	-	- -	(71)	-	-	71	-	-	-	-	-
Balance at June 30, 2022	(1,156,057)	-	(1,156,057)	(20,811)	(6,162)	(18,065)	(670)	(8,548)	(12,501)	(41,807)	(9,380)	-	(117,944)	(1,274,001)
Annual depreciation rates - %	10-12-15	-	-		4	20	20	10	10	-	-	-	-	-
Property, plant and equipment, net														
Balance at December 31, 2021	273,931	-	273,931	12,556	15,264	5,953	408	2,913	3,745	41,409	6,460	8,715	97,423	371,354
Balance at June 30, 2022	330,763	-	330,763	17,919	14,955	8,120	759	2,610	3,473	48,490	4,813	9,134	110,273	441,036

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 Properties	Right-of-use Vehicles	Construction in progress	Total assets in use	Total Consolidated
Balance at December 31, 2020	1,431,956	111	1,432,067	26,515	21,117	18,054	2,370	10,282	14,498	73,572	13,753	1,938	182,099	1,614,166
Addition due to acquisition of indirect subsidiary - Nest	2,897	-	2,897	-	-	9	-	31	2	-	-	-	42	2,939
Addition due to acquisition of direct subsidiary - SK	26,215	-	26,215	-	-	413	-	799	198	2,001	-	-	3,411	29,626
Surplus value of property, plant and equipment due to acquisition of Subsidiary - Nest	485	-	485	-	-	-	-	-	-	-	-	-	-	485
Surplus value of property, plant and equipment due to acquisition of Subsidiary - SK	27,248	-	27,248	-	-	-	-	-	-	-	-	-	-	27,248
Depreciation	20,073	22,822	42,985	1,860	-	4,947	305	4	1,343	-	-	9,975	18,434	61,329
Acquisition – Altoplat (note 1.4)	37,808		37,808											37,808
Right of use	-	-	-	-	-	-	-	-	-	11,300	2,729	-	14,029	14,029
Write-offs/disposals and transfer to inventories held for sale	(68,921)	-	(68,921)	(802)	-	(37)	(1,004)	(24)	(6)	-	-	-	(1,873)	(70,794)
Adjustment for PIS and COFINS credits	(431)	-	(431)	-	-	-	-	-	-	-	-	-	-	(431)
Transfer	22,822	(22,934)	(112)	3,427	-	-	-	-	112	-	-	(3,169)	370	258
Balance 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
Initial balance of the acquisition of Tecpar	35,531	-	35,531	-	-	84	457	7	30	-	-	-	578	36,109
Acquisition	51,252	1	51,253	181	-	2,867	681	-	309	-	-	8,191	12,229	63,482
Acquisition of Altoplat (note 1.4)	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition of Rohr (note 8)	12,570	-	12,570	-	-	-	-	-	-	-	-	-	-	12,570
Right of use	-	-	-	-	-	-	-	-	-	14,176	39	-	14,215	14,215
Write-offs/disposals	(26,925)	-	(26,925)	-	-	(183)	(668)	-	(4)	(2,060)	-	(29)	(2,944)	(29,869)
Adjustment for PIS and COFINS credits	(3,654)	-	(3,654)	-	-	-	-	-	-	-	-	-	-	(3,654)
Surplus value of Subsidiary - Tecpar	10,690	-	10,690	-	-	-	-	-	-	-	-	-	-	10,690
Reversal of deferred income tax and social contribution on the merger of SK Rental	13,790	-	13,790	-	-	-	-	-	-	-	-	-	-	13,790
Transfer	-	-	-	7,741	-	229	-	78	(229)	-	-	(7,772)	47	47
Balance at June 30, 2022	1,610,140	-	1,610,140	38,922	21,117	26,383	2,141	11,177	16,253	98,989	16,521	9,134	240,637	1,850,777

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 Properties	Right-of-use Vehicles	Construction in progress	Total assets in use	Total Consolidated
Balance at December 31, 2020	(1,082,410)	-	(1,082,410)	(16,265)	(5,236)	(16,131)	(1,713)	(6,402)	(11,205)	(28,287)	(6,634)	-	(91,873)	(1,174,283)
Addition due to acquisition of indirect subsidiary - Nest	(417)	-	(417)	-	-	(4)	-	(7)	-	-	-	-	(11)	(428)
Addition due to acquisition of indirect Subsidiary - SK	(21,490)	-	(21,490)	-	-	(375)	-	(674)	(176)	(1,652)	-	-	(2,877)	(24,367)
Surplus value of property, plant and equipment due to acquisition of Subsidiary - Solaris	(3,773)	-	(3,773)	-	-	-	-	-	-	-	-	-	-	(3,773)
Surplus value of property, plant and equipment due to acquisition of indirect subsidiary - Nest	(73)	-	(73)	-	-	-	-	-	-	-	-	-	-	(73)
Surplus value of property, plant and equipment due to acquisition of Subsidiary - SK	(479)	-	(479)											(479)
Depreciation	(113,197)	-	(113,197)	(2,561)	(617)	(906)	(157)	(881)	(872)	(13,937)	(3,306)	-	(23,237)	(136,434)
Write-offs/disposals and transfer to inventories held for sale	64,991	-	64,991	664	-	30	773	7	6	(511)	-	-	969	65,960
Adjustment for PIS and COFINS credits	-	-	-	(257)	-	-	-	(89)	-	-	-	-	(346)	(346)
Balance 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)
Initial balance of the acquisition of Tecpar	(11,643)	-	(11,643)	-	-	(32)	(171)	(1)	(13)	-	-	-	(217)	(11,860)
Depreciation	(61,391)	-	(61,391)	(2,323)	(309)	(866)	(84)	(461)	(447)	(7,572)	(1,677)	-	(13,739)	(75,130)
Write-offs/disposals	25,634	-	25,634	-	-	161	192	-	3	2,059	-	-	2,415	28,049
Adjustment for PIS and COFINS credits	-	-	-	(237)	-	-	-	(45)	-	-	-	-	(282)	(282)
Surplus value of Subsidiary - Solaris	(1,880)	-	(1,880)	-	-	-	-	-	-	-	-	-	-	(1,880)
Surplus value of Subsidiary – SK	(2,874)	-	(2,874)	-	-	-	-	-	-	-	-	-	-	(2,874)
Surplus value of Subsidiary - Nest	(37)	-	(37)	-	-	-	-	-	-	-	-	-	-	(37)
Surplus value of Subsidiary - Tecpar	(609)	-	(609)	-	-	-	-	-	-	-	-	-	-	(609)
Transfer	-	-	-	-	-	(71)	-	-	71	-	-	-	-	-
Balance at June 30, 2022	(1,209,648)	-	(1,209,648)	(20,979)	(6,162)	(18,194)	(1,160)	(8,553)	(12,633)	(49,900)	(11,617)	-	(129,198)	(1,338,846)
Annual depreciation rates - %	10-12-15	-	-	-	4	20	20	10	10	-	-	-	-	-
Property, plant and equipment, net														
Balance at December 31, 2021	343,304	(1)	343,303	12,581	15,264	6,000	574	3,046	3,900	42,486	6,542	8,744	99,137	442,440
Balance at June 30, 2022	400,492	-	400,492	17,943	14,955	8,189	981	2,624	3,620	49,089	4,904	9,134	111,439	511,931

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 June 30, 2022, by group of assets:

	Parent	Consolidated
	06/30/2022	06/30/2022
Shoring	668	668
Aerial work platforms and telescopic handlers (*)	119,303	120,734
Compressors	10	10
Suspended scaffolding and access equipment	475	475
Machinery and equipment	531	531
Vehicles	681	681
Facilities	105	105
Construction in progress (**)	6,793	6,793
Furniture and fixtures	319	327
Leasehold improvements	1,626	1,626
Computers and peripherals	2,876	2,889
	133,387	134,839

(*) Assignment and transfer of property and indirect ownership of the property, plant and equipment items, arising from the divestiture of Rohr (note 8) in the amount of R$12,570 and from the transaction with Altoplat (note 1.4) amounting to R$16,734.

(**) Work services, renovations and adjustments that have not yet been fully completed in the branches located all around Brazil.

The depreciation for the period, allocated to cost of services and general and administrative expenses, amounts to R$60,005 and R$22,155 at June 30, 2022 (R$56,720 and R$15,540 at June 30, 2021), respectively.

Certain items of the Company’s property, plant and equipment are pledged as collateral for borrowings (note 14).

The purchase and sale of rental equipment are being presented in the statement of cash flows as operating activity.

a) Provision for impairment of assets

As the Company had a positive performance in the period ended June 30, 2022 and in the year ended December 31, 2021 and there was no indication of technological obsolescence factors 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 June 30, 2022 and the year ended December 31, 2021.

11. INTANGIBLE ASSETS

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill on investments	Total Parent
Balance at December 31, 2020	58,372	3,156	-	5,093	13,376	79,997
Acquisition	1,989	-	-	8,287	-	10,276
Acquisition of Altoplat (note 1.4)	-	50	7,773	-	-	7,823
Addition due to capital decrease in subsidiary	246	-	-	-	-	246
Transfers	5,360	-	-	(5,618)	-	(258)
Balance at December 31, 2021	65,967	3,206	7,773	7,762	13,376	98,084
Acquisition	200	-	12	4,350	-	4,562
Acquisition of Altoplat (note 1.4)	-	-	3,622	-	-	3,622
Acquisition by divestment of Rohr (note 8)	-	-	1,911	-	-	1,911
Incorporation SK Rental	-	-	4,307	-	35,417	39,724
Transfers	-	1,466	-	(1,513)	-	(47)
Balance at June 30, 2022	66,167	4,672	17,625	10,599	48,793	147,856
Accumulated amortization						
Balance at December 31, 2020	(41,573)	(878)	-	-	(4,232)	(46,683)
Amortization	(5,176)	-	-	-	-	(5,176)
Addition due to capital decrease in subsidiary	(95)	-	-	-	-	(95)
Adjustment for PIS and COFINS credits (*)	(528)	-	-	-	-	(528)
Balance at December 31, 2021	(47,372)	(878)	-	-	(4,232)	(52,482)
Amortization	(2,785)	-	(478)	-	-	(3,263)
Adjustment for PIS and COFINS credits (*)	(284)	-	-	-	-	(284)
Balance at June 30, 2022	(50,441)	(878)	(478)	-	(4,232)	(56,029)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
Balance at December 31, 2021	18,595	2,328	7,773	7,762	9,144	45,602
Balance at June 30, 2022	15,726	3,794	17,147	10,599	44,561	91,827

(*) 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 on investments	Total Consolidated
Balance at December 31, 2020	58,681	3,164	-	5,093	101,387	168,325
Goodwill due to acquisition of Subsidiary - Nest	-	-	-	-	2,196	2,196
Goodwill due to acquisition of Subsidiary - SK	-	-	-	-	35,417	35,417
Surplus value of intangible assets due to acquisition of Subsidiary – Nest	-	-	75	-	-	75
Surplus value of intangible assets due to acquisition of Subsidiary - SK	-	-	2,950	-	-	2,950
Acquisition	1,989	-	-	8,287	-	10,276
Acquisition of Altoplat (note 1.4)	-	50	7,773	-	-	7,823
Transfers	5,360	-		(5,618)	-	(258)
Balance at December 31, 2021	66,141	3,214	10,798	7,762	139,000	226,915
Initial balance of the acquisition of Tecpar	6	-	-	-	-	6
Acquisition	200	-	12	4,350	-	4,562
Acquisition of Altoplat (note 1.4)	-	-	3,622	-	-	3,622
Acquisition by divestment of Rohr (note 8)	-	-	1,911	-	-	1,911
Surplus value of Subsidiary - Tecpar	-	-	8,616	-	1,803	10,419
Reversal of deferred income tax and social contribution on the merger of SK Rental	-	-	1,506	-	-	1,506
Transfers	-	1,466	-	(1,513)	-	(47)
Balance at June 30, 2022	66,347	4,680	26,465	10,599	140,803	248,894

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill on investments	Total Consolidated
Accumulated amortization						
Balance at December 31, 2020	(41,718)	(878)	-	-	(4,232)	(46,828)
Addition due to acquisition of Subsidiary - SK	(68)	-	-	-	-	(68)
Surplus value of intangible assets due to acquisition of Subsidiary - Nest	-	-	(5)	-	-	(5)
Surplus value of intangible assets due to acquisition of Subsidiary - SK	-	-	(27)	-	-	(27)
Amortization	(5,182)	-	-	-	-	(5,182)
Disposals	1	-	-	-	-	1
Adjustment for PIS and COFINS credits (*)	(528)	-	-	-	-	(528)
Balance at December 31, 2021	(47,495)	(878)	(32)	-	(4,232)	(52,637)
Amortization	(2,792)	-	(478)	-	(6)	(3,276)
Disposals	14	-	-	-	14	28
Surplus value of Subsidiary - SK	-	-	(161)	-	-	(161)
Surplus value of Subsidiary - Nest	-	-	(2)	-	-	(2)
Surplus value of Subsidiary - Tecpar	-	-	(187)	-	-	(187)
Adjustment for PIS and COFINS credits (*)	(284)	-	-	-	-	(284)
Balance at June 30, 2022	(50,557)	(878)	(860)	-	(4,224)	(56,519)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
Balance at December 31, 2021	18,646	2,336	10,766	7,762	134,768	174,277
Balance at June 30, 2022	15,790	(3,802)	25,605	10,599	136,579	192,375

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

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

a) Goodwill in Parent

Goodwill recognized in Parent under investments in the amount of R$13,376 (as at December 31, 2021, R$9,144, net) arose on the acquisition of Jahu in 2008 and subsequently on the acquisition of GP Sul in 2011, and is being considered as contribution of the Formworks and Shoring business unit, which represents a Cash-Generating Unit (CGU) to which the goodwill is allocated.

b) Goodwill in Consolidated

The goodwill arising from the merger of Solaris Participações presented in the Consolidated, under intangible assets, was initially measured as the excess of the consideration transferred over the net assets acquired (net identifiable assets acquired and liabilities assumed). Subsequent to initial recognition, in the amount of R$88,011, goodwill, which has indefinite useful life, is measured at cost, less any accumulated impairment losses. This goodwill was generated on the exchange of shares upon the acquisition of Solaris and Management, together with its legal counsel, decided not to consider it deductible for income tax and social contribution purposes (note 1).

c) Goodwill impairment testing

The recoverable amount of the assets allocated to the Business Units was determined by Management based on economic market projections reflected in forecasting discounted cash flow 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 indications (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 indications (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 their impairment was also considered.

The respective flows in goodwill impairment testing were discounted at a discount rate of 11.6% p.a., both for the Rental and Formworks and Shoring Units. A growth rate of 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 June 30, 2022 and December 31, 2021.

12. TRADE PAYABLES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Domestic suppliers - Third parties	76,447	35,109	92,417	40,584
Foreign suppliers - Third parties	5,399	715	5,930	2,593
	81,846	35,824	98,347	43,177
Current	65,848	35,824	80,716	43,177
Noncurrent (*)	15,998	-	17,631	

(*) Amount referring to the installments not yet due of the purchase of Altoplat’s equipment and Tecpar investment.

At June 30, 2022 and December 31, 2021, trade payables balances refer basically to installment purchase of spare parts and supplies, services and PP&E.

The balances of foreign suppliers are updated by the exchange variation as at June 30, 2022 and December 31, 2021.

13. BORROWINGS AND FINANCING

At June 30, 2022, borrowings and financing were used to finance the expansion of the Company’s investments and for working capital purposes. They are indexed to Interbank Deposit Certificate (CDI).

Loans and financing existing on June 30, 2022 were contracted at an average cost of CDI + 2.83% p.a..

	Consolidated	
	06/30/2022	12/31/2021
Current	4,107	783
Noncurrent	1,641	206
	5,748	989

The financial institutions with which the Company has borrowing agreements as at June 30, 2022 are as follows:

Subsidiaries	Financial institutions
Nest and Tecpar	Banco de Lage Landen Brasil
Nest and Tecpar	Banco Itaú
Nest	Banco do Brasil
Tecpar	Banco Bradesco

The table below shows the pledged guarantees outstanding at the financial reporting dates at June 30, 2022 and December 31, 2021:

	Consolidated	
	06/30/2022	12/31/2021
Guarantees provided:		
Collateral assignment	4,787	1,147

The installments to fall due at the end of the period ended June 30, 2022 are shown below:

	Consolidated
2022	2,579
2023	1,753
2024	987
2025	429
	5,748

In the period ended June 30, 2022, the Company complied with the covenants of its borrowing agreements.

14. DEBENTURES

						Parent		Consolidated	
Description	Series	Issued amount	Beginning	Maturity	Finance charges	06/30/2022	12/31/2021	06/30/2022	12/31/2021
1st issue – Solaris (i)	Single	80,000	Mar/14	Feb/22	CDI + 5%	-	-	-	3,945
4th issue - Mills (ii)	Single	100,000	Mar/20	Mar/25	CDI + 2.35%	65,377	77,129	65,377	77,129
Issue cost						(1,452)	(1,724)	(1,452)	(1,724)
						63,925	75,405	63,925	75,405
5th issue - Mills (iii)	Single	84,000	Dec/20	Oct/24	CDI + 4.25%	57,941	68,932	57,941	68,932
Issue cost						(835)	(1,014)	(835)	(1,014)
						57,106	67,918	57,106	67,918
6th issue - Mills (iiii)	1st series	100,000	Mar/22	Mar/27	CDI + 2.30%	100,465	-	100,465	-
Issue cost						(1,206)	-	(1,206)	-
						99,259	-	99,259	-
6th issue - Mills (iiii)	2nd series	200,000	Mar/22	Mar/27	CDI + 2.30%	200,971	-	200,971	-
Issue cost						(2,155)	-	(2,155)	-
						198,816	-	198,816	-
Total						419,106	143,323	419,106	147,268
Current						57,649	47,417	57,649	51,362
Noncurrent						361,457	95,906	361,457	95,906

(i) 1st issue of debentures (Subsidiary – Solaris Equipamentos)

On March 20, 2014, the Subsidiary Solaris Equipamentos approved its first issue of simple, non-convertible, registered, unsecured debentures, in a single series, totaling R$80,000 and unit face value of R$10 totaling 8,000 units issued. These debentures have final maturity on March 20, 2019 and bear interest equivalent to DI plus spread of 2.4% p.a., with monthly payments of interest and amortized in 49 monthly consecutive installments, with the first installment due on March 20, 2015.

At the Debenture Holders Meeting held on April 17, 2020, the debenture holders decided to enter into an amendment to the "Private Indenture of First Issue of Simple Debentures, Non-convertible, Unsecured, in a Single Series, with Additional Guarantee, for Public Distribution, with Restricted Placement Efforts, of Solaris Equipamentos e Serviços S.A.", of March 19, 2014, as amended between the Company, as issuer of the Debentures, and the Trustee, representing the communion of Debenture Holders, in order, mainly, to include a twelve-month grace period for the repayment of principal as from April 2020, maturing on February 20, 2022, also establishing a new remuneration surcharge of 5%.

On February 22, 2022, the last installment was paid, amounting to R$1,988 , related to the Company's first issue of debentures.

(ii) 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 unit 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 the CDI rate plus 2.35% per year.

The net proceeds raised by the Company through the Restricted Offer and the Issue were originally used in 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 "Private Instrument of Secured Assignment of Credit Rights and Other Covenants", entered into by and between the Company and the Trustee on March 3, 2020 ("Collateral Assignment Agreement"), of 10% (ten per cent) 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 Secured Assignment Agreement) 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 quotient of dividing Net Debt (i) by EBITDA (ii) should be equal to or less than 2.

(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.

For the period ended June 30, 2022, the Company achieved all covenants to which it was subject in relation to this issue of debentures.

In the period ended June 30, 2022 the Company has guarantees contracted in the amount of R$140,761.

(iii) 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 Fifth Issue of Simple Debentures, Non-convertible, Secured, in a Single Series, for Public Distribution, with Restricted Placement Efforts, of Mills Estruturas e Serviços de Engenharia 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 (eighty-four million reais).

The Issue was comprised of 84,000,000 Debentures with the unit 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 the CDI rate + 4.25% per year.

The net proceeds raised through the Restricted Offer were originally used in 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.

Covenants

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

(1) Financial ratio resulting from the quotient of dividing Net Debt (i) by EBITDA (iii) should 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 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. "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.

Therefore, for the period ended June 30, 2022 the Subsidiary was compliant with all covenants to which it was subject. The covenants are measured at the end of every fiscal year (December 31).

In the period ended June 30, 2022 the Company has guarantees contracted in the amount of R$100,977.

(iv) 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 maturing in 60 months and quarterly amortization of principal as from the 24th month (inclusive) ("Debentures"), for public distribution with restricted placement efforts, pursuant to CVM Instruction No. 476, of January 16, 2009.

300,000 (three hundred thousand) debentures will be issued, of which 100,000 (one hundred thousand) of the First Series Debentures and 200,000 (two hundred thousand) of the Second Series Debentures, and:

i. The first series debentures will have remuneration corresponding to the DI rate + 2.30% per year;

ii. The second series debentures will have remuneration corresponding to the DI rate + 2.95% per year.

The net proceeds raised through the Offer will be used in the payment of debts, in investments and in 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, as provided for in the Issuance Indenture (“Guaranteed Obligations of the First Series Debentures”). 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:

(1) Financial ratio resulting from the quotient of dividing Net Debt (i) by EBITDA (iii) should 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 and financing 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, the profit or loss, before income tax and social contribution, generated by finance income and costs and nonoperating income and expenses, depreciation and amortization, and nonrecurring income and expenses, as detailed by the Issuer in its quarterly results release.

As at June 30, 2022, the balances of debentures, including transaction costs, are R$59,271 in current liabilities and R$365,484 in noncurrent liabilities. The net amounts of transaction costs are, respectively, R$57,649 and R$361,457 (as at December 31, 2021, the gross balance of debentures is R$52,264 in current liabilities and R$97,741 in noncurrent liabilities, and R$51,362 and R$95,906 net of transaction costs).

In the period ended June 30, 2022 the Company has outstanding guarantees contracted in the amount of R$113,464.

15. LEASES

Variations in the right-of-use asset and lease liability during the period ended June 30, 2022 and December 31, 2021 were as follows:

a) Variations in right-of-use assets

	Parent		Consolidated	
Right of use	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Vehicles				
Balance at January 1	6,460	7,118	6,460	7,118
Additions/updating of agreements	46	2,929	46	2,929
Write-offs	(26)	(290)	(26)	(290)
Depreciation of period	(1,667)	(3,297)	(1,667)	(3,297)
Net PP&E	4,813	6,460	4,813	6,460
Properties				
Balance at January 1	41,409	44,455	42,486	45,284
Remeasurement	-	-	-	(407)
Additions/updating of agreements	14,632	13,031	14,690	14,972
Write-offs	(515)	(2,870)	(515)	(2,760)
Depreciation of period	(7,036)	(13,207)	(7,572)	(14,603)
Net PP&E	48,490	41,409	49,089	42,486

b) Variations in lease liabilities

	Parent		Consolidated	
Lease liabilities	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Vehicles				
Balance at January 1	6,735	7,143	6,735	7,143
Updating of agreements	46	2,929	46	2,929
Write-offs	(26)	(290)	(26)	(290)
Payments	(1,891)	(3,733)	(1,891)	(3,733)
Finance charges	252	686	252	686
Leases payable - Vehicles	5,116	6,735	5,116	6,735

	Parent		Consolidated	
Lease liabilities	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Properties				
Balance at January 1	45,350	48,472	46,506	50,149
Remeasurement	-	-	-	(407)
Updating of agreements	14,632	13,031	14,690	14,060
Write-offs	(515)	(2,870)	(617)	(2,817)
Payments	(9,131)	(17,355)	(9,634)	(18,934)
Finance charges	2,452	4,072	2,499	4,455
Leases payable – Properties	52,788	45,350	53,444	46,506
Total leases payable	57,904	52,085	58,560	53,241
Current	18,656	15,143	19,031	15,944
Noncurrent	39,248	36,942	39,529	37,297

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
2022	18.00%	38.00%
2023	29.00%	61.00%
2024	23.00%	1.00%
2025	18.00%	-
2026	9.00%	-
2027	2.00%	-
2028	0.50%	-
2029	0.50%	-

The Company presents in the table below the analysis of the maturity of lease liabilities based on nominal and actual flows at June 30, 2022:

		Parent		Consolidated	
Payment terms	Projected inflation (*)	Properties	Vehicles	Properties	Vehicles
2022	3.44%	10,210	1,879	10,427	1,879
2023	4.08%	15,955	3,470	16,390	3,470
2024	4.23%	13,880	116	13,952	116
2025	4.43%	12,303	-	12,303	-
2026 to 2027	4.56%	10,077	-	10,077	-
2028 to 2029	4.69%	3,525	-	3,525	-
Nominal rate flow		65,950	5,465	66,674	5,465

		Parent		Consolidated	
Payment terms	Projected inflation (*)	Properties	Vehicles	Properties	Vehicles
Implicit finance charges		13,162	349	13,230	349
Actual rate flow of future payments		52,788	5,116	53,444	5,116
Current		15,324	3,333	15,699	3,333
Noncurrent		37,464	1,783	37,745	1,783

(*) Rate obtained according to IPCA projection for NTN-Bs.

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:

		Parent		Consolidated	
	Tax rate	Nominal	Present value	Nominal	Present value
Consideration		71,415	57,904	72,139	58,560
Potential PIS/COFINS	9.25%	6,606	5,356	6,673	5,417

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

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Short-term lease expense and low-value underlying assets	3,392	3,775	3,539	4,075

16. RELATED PARTIES

a) Transactions with officers and key personnel

There were no loans between the Company and its officers during the periods ended June 30, 2022 and December 31, 2021.

As at June 30, 2022 and December 31, 2021, 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				Consolidated			
	06/30/2022		06/30/2021		06/30/2022		06/30/2021	
	Three-month period	Six-month period	Three-month period	Six-month period	Three-month period	Six-month period	Three-month period	Six-month period
Salaries and payroll charges - officers	2,130	4,147	2,221	4,315	2,130	4,147	2,221	4,315
Fees paid to Board of Directors members	1,177	2,358	1,026	2,052	1,177	2,358	1,026	2,052
Profit sharing	1,031	1,729	1,451	2,416	1,031	1,729	1,451	2,416
Bonus	-	446	-	-	-	446	-	-
Share-based payments	650	1,996	-	-	650	1,996		-
	4,988	10,676	4,698	8,783	4,988	10,676	4,698	8,783

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 June 30, 2022, the Company has medium or long-term benefits offered to these executives, according to notes 17.b and 17.c.

c) Related-party transactions

Company	06/30/2022 Trade receivables	06/30/2022 Trade payables	12/31/2021 Trade receivables	12/31/2021 Trade payables
Solaris Equipamentos	391	1,037	826	1,264
Nest	570	94	182	31
Tecpar	55	-	-	-
	1,016	1,131	1,008	1,295

Company	06/30/2022 Revenue	06/30/2022 Cost	06/30/2021 Revenue	06/30/2021 Cost
Solaris Equipamentos	346	129	7,124	1,035
Nest	409	110	-	-
SK Rental	126	449	-	-
Tecpar	81	-	-	-
	962	688	7,124	1,035

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

On March 28, 2022, the Company entered into a loan agreement for the purchase of chattel with the retention of ownership with its indirect subsidiary (Nest Locação e Revenda de Máquinas Ltda.), in the amount of R$1,000 (one million reais), of which R$559 (five hundred and fifty nine thousand reais) was transferred on the date the contract was signed and the remaining balance of R$441 (four hundred and forty-one thousand reais) will be transferred within 3 (three) business days after the receipt by the Company of the invoices of the equipment acquired by the subsidiary. This amount will be duly adjusted as from the signing of the contract and, for the purposes of payment in installments, it will be considered CDI + 4.25% p.a.,

this amount will be paid in forty-eight installments, regardless of the phasing, with initial maturity of ninety days after the contract signature, as presented in the table below:

Company	Loan agreement 06/30/2022 (*)
Nest	
Current	258
Noncurrent	772

(*) The Company had no loan agreement in the year ended December 31, 2021.

17. EMPLOYEE BENEFITS

a) Post-employment benefits - healthcare plan

The post-employment benefits granted and to be granted to former employees related 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 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, 2021, and are recognized in the quarterly financial information in accordance with IAS 19 (CPC 33 R1).

	Parent Company and Consolidated (*)	
	06/30/2022	12/31/2021
Opening balance	8,920	11,868
Current service cost	38	120
Interest on net liabilities (assets), net	402	873
Equity adjustments of liabilities (assets)	-	(3,941)
Final Post-employment benefits balance	9,360	8,920

(*) The balances presented at June 30, 2022 and December 31, 2021 fully refer to the Parent.

b) Stock options plan

The Company has stock option plans approved by shareholders at their general meeting aimed at integrating its executives in the Company development process in the medium and long terms. 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	Outstanding stock options
2010 Program	05/31/2010	05/31/2016	1,475	(1,369)	(106)	-
2011 Program	04/16/2011	04/16/2017	1,184	(597)	(587)	-
2012 Program	06/30/2012	05/31/2018	1,258	(402)	(856)	-
2013 Program	04/30/2013	04/30/2019	768	(91)	(677)	-
2014 Program	04/30/2014	04/30/2020	260	-	(260)	-
2016 Program	04/28/2016	04/28/2024	1,700	(526)	(836)	338

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 according to 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 strike period at the grant date
2010	First	3.86	11.95	11.50	31.00%	1.52%	6.60%	6 years
2010	Second	5.49	14.10	11.50	31.00%	1.28%	6.37%	6 years
2011	Single	6.57	19.15	19.28	35.79%	1.08%	6.53%	6 years
2012	Basic	21.75	27.60	5.86	37.41%	0.81%	3.92%	6 years
2012	Discretionary	12.57	27.60	19.22	37.41%	0.81%	3.92%	6 years
2013	Basic	24.78	31.72	6.81	35.34%	0.82%	3.37%	6 years
2013	Discretionary	11.92	31.72	26.16	35.34%	0.82%	3.37%	6 years
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 June 30, 2022 and December 31, 2021.

	06/30/2022	12/31/2021
2002 Plan:		
Capital reserve	-	1,446
Number of options exercised (thousands)	3,920	3,920
Top Mills, Special CEO and ex-CEO Plans:		
Capital reserve	-	1,148
Number of options exercised (thousands)	1,055	1,055
Mills Rental Executive Plan:		
Capital reserve	-	4,007
Number of options exercised (thousands)	391	391
2010 Plan:		
Capital reserve	-	5,693
Number of exercisable options (thousands)	-	-
Number of options exercised (thousands)	1,369	1,369
Number of shares canceled (thousands)	106	106
2011 Program (2010 Plan):		
Capital reserve	-	7,329
Number of exercisable options (thousands)	-	-
Number of options exercised (thousands)	597	597
Number of options canceled (thousands)	587	587

	06/30/2022	12/31/2021
2012 Program (2010 Plan):		
Capital reserve	-	14,161
Number of exercisable options (thousands)	-	-
Number of options exercised (thousands)	402	402
Number of options canceled (thousands)	856	856
2013 Program (2010 Plan):		
Capital reserve	-	11,900
Number of exercisable options (thousands)	-	-
Number of options exercised (thousands)	91	91
Number of options canceled (thousands)	677	677
2014 Program (2010 Plan):		
Capital reserve	1,467	4,701
Number of exercisable options (thousands)	-	-
Number of options exercised (thousands)	-	-
Number of options canceled (thousands)	260	260
2016 Program:		
Capital reserve	3,130	2,927
Number of exercisable options (thousands)	125	338
Number of options exercised (thousands)	739	526
Number of options canceled (thousands)	836	836
Total recognized as equity (accumulated)	4,597	53,313
Effect on profit or loss for the period	203	407

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 terms. 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	Shares options exercised	Shares 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	1088	-	-	1088

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 period ended June 30, 2022, the Company resolved at the Board of Directors meetings the approvals of the restricted stock granting to the beneficiaries of the Company's 2021 and 2022 Restricted Stock Incentive Program (“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 2022 restricted stock program granted on June 22, 2022 will have effects from July 2022.

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

Program	Grant date	Weighted average fair value by 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 strike period at the grant date
2019	08/14/2019	7.43	7.44	0.00	55.71%	0.00%	2.36%	29 months

Program	Grant date	Weighted average fair value by 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 strike period at the grant date
2020	10/14/2020	6.11	6.12	0.00	75.89%	0.00%	0.58%	27 months

Program	Grant date	Weighted average fair value by 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 strike period at the grant date
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

Program	Grant date	Weighted average fair value by 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 strike period at the grant date
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

	06/30/2022	12/31/2021
2019 Plan:		
Capital reserve	6,387	6,387
Number of exercisable options (thousands)	-	859
Number of shares exercised (thousands)	(840)	-
Number of options canceled (thousands)	(19)	-
2020 Plan:		
Capital reserve	2,651	1,925
Number of exercisable options (thousands)	502	566
Number of options canceled (thousands)	(64)	-

	06/30/2022	12/31/2021
2021 Plan:		
Capital reserve	1,034	-
Number of exercisable options (thousands)	680	-
Number of options canceled (thousands)	-	-
2022 Plan:		
Capital reserve	60	-
Number of exercisable options (thousands)	1,088	-
Number of options canceled (thousands)	-	-
Total recognized as equity (accumulated)	10,132	8,312
Effect on profit or loss	1,820	4,183

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, in accordance with Law 10,101/00, as amended by Law 12,832/13.

The Company's Profit Sharing Program is based on the achievement of Adjusted EBITDA[1]. All Mills and Subsidiary employees with at least 90 days worked are eligible.

In April 2022, the amount of R$13,368 in Parent and of R$13,507 in Consolidated were paid, referring to the year ended December 31, 2021.

As at June 30, 2022, the liability amount is R$8,204 in Parent and R$8,288 in Consolidated (R$13,967 and R$14,146, respectively, as at December 31, 2021).

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

18. 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 (**)			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Profit for the period before income tax and social contribution	61,176	25,271	122,708	38,879	66,041	23,885	129,714	39,718
Statutory income tax and social contribution tax rate	34%	34%	34%	34%	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(20,800)	(8,592)	(41,721)	(13,219)	(22,454)	(8,121)	(44,103)	(13,504)
Nondeductible provisions (*) and permanent differences	19,702	2,329	19,292	1,275	19,598	4,183	18,418	1,098
Share of profit (loss) of subsidiaries	3,056	939	3,704	377	-	-	-	-
Total current and deferred income tax and social contribution	1,958	(5,324)	(18,725)	(11,567)	(2,856)	(3,938)	(25,685)	(12,406)
Effective rate	-3%	-21%	15%	-30%	1%	-16%	-20%	-31%

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

(**) In 2021, it does not include the amount of income tax and social contribution related to the subsidiary Nest, whose calculation was quarterly based on presumed profit.

b) Variations in deferred income tax and social contribution during the period, not considering the offset of balances:

	Parent				Consolidated			
Description	12/31/2021	Additions	Write-offs	06/30/2022	12/31/2021	Additions	Write-offs	06/30/2022
GP Andaimes Sul Locadora goodwill	(672)	-	-	(672)	(672)	-	-	(672)
Jahu goodwill	(2,437)	-	-	(2,437)	(2,437)	-	-	(2,437)
Adjustment IFRS 9 – Cash and cash equivalents	(30)	-	-	(30)	(30)	-	-	(30)
Finance leases	1,430	-	-	1,430	(1)	1	-	-
Monetary adjustment of judicial deposits	(1,150)	-	(195)	(1,345)	(1,150)	-	(195)	(1,345)
Debentures	(931)	-	(1,060)	(1,991)	(931)	-	(1,060)	(1,991)
Accelerated depreciation	(754)	1,131	(1,614)	(1,237)	(1,194)	1,178	(1,614)	(1,630)
Property, plant and equipment hedge	(231)	-	(109)	(340)	(231)	-	(109)	(340)
Exchange gain - accrual basis	1	-	-	1	1	-	-	1
SCG III goodwill	-	-	-	-	982	-	(478)	504
Fair value adjustment (Rohr)	18,150	-	(18,150)	-	18,150	-	(18,150)	-
Adjustment IFRS 9 – Cash and cash equivalents (initial adoption)	36	-	-	36	36	-	-	36
Adjustment ECL on initial adoption of CPC 48/IFRS 9	588	-	-	588	1,219	-	-	1,219
Lease IFRS 16	1,421	130	-	1,551	1,520	198	(67)	1,651
Post-employment benefit	507	-	-	507	507	-	-	507
Post-employment benefit (initial adjustment)	2,526	150	-	2,676	2,526	150	-	2,676
Bonus payable	1,562	429	(39)	1,952	1,562	429	(39)	1,952
Other provisions	-	-	-	-	355	67	(516)	(94)
Asset impairment losses	969	-	-	969	969	-	-	969
Cash flow hedge	-	-	(3,627)	(3,627)	-	-	(3,627)	(3,627)
Tax losses	174,563	-	(4,324)	170,239	248,646	-	(5,612)	243,034
Provision for profit sharing	4,751	9	(1,959)	2,801	4,684	85	(1,959)	2,810
Provision for slow-moving inventories	1,262	167	-	1,429	2,314	193	-	2,507
Provision for discounts and cancellations	353	1,551	-	1,904	353	1,551	-	1,904
Allowance for expected credit losses	9,986	2,694	-	12,680	12,591	2,694	(36)	15,249
Provision for realization of ICMS tax credit	22	-	(1)	21	22	-	(1)	21
Impairment	164	242	-	406	164	242	-	406
Provision for costs and expenses	70	314	-	384	70	314	-	384
Provision for tax, civil and labor risks	4,431	12	(428)	4,015	5,958	1,111	(428)	6,641
Stock options	13,544	895	-	14,439	13,544	895	-	14,439
Tax depreciation	-	-	(3,078)	(3,078)	-	-	(3,078)	(3,078)
Acquisition of Subsidiary - SK	-	-	-	-	1,514	-	(1,514)	-
Deferred income tax and social contribution liabilities - NEST	-	-	-	-	(165)	-	(26)	(191)
	230,131	7,724	(34,584)	203,271	310,876	9,108	(38,509)	281,475

c) Deferred taxes that are recognized directly in equity

The balance of deferred taxes recognized in equity for the period ended June 30, 2022 is R$6,012 (R$2,385 as at December 31, 2021). These refer to transactions recognized directly in equity, such as actuarial liability and cash flow hedge.

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

Nature	Bases for realization
Stock options	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
Provision for impairment	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 required payment suspended	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
Bonus 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, 2021 and concluded that there is sufficient evidence that taxable profits will be generated against which the recognized tax losses and other temporary additions can be utilized, within a period of less than 10 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, which was 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 the diversification of the customer base, increase in profitability in the Rental business unit, and focus on the adjustment of products and efforts to markets where the Company always had a higher differential: larger and higher complexity works, in the Formworks and 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 of the Group.

These pursued actions in the Company’s business plan are already reflected in profitable operations for the period ended June 30, 2022 and for the year ended December 31, 2021, indicating positive results and basis for the realization of the deferred tax assets recorded on these dates.

19. 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 recorded as at June 30, 2022, which were classified as probable losses:

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Tax (i)	109	149	455	486
Civil (2)	473	762	906	1,082
Labor (3)	9,326	8,962	13,883	12,891
Success fees (4)	1,868	1,987	2,035	1,987
Legal fees and costs (5)	-	1,176	-	1,176
	11,776	13,036	17,279	17,622

(1) Refers to ICMS and ISS tax assessment notices that are not significant.

(2) The Company has various lawsuits (not concentrated) filed against it relating to civil liability and indemnities claims related to its trading and operational transactions.

(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 and equal pay.

(4) Contingent fees are generally set at up to 10% of the amount of the claim, payable to outside legal counsel according to the success achieved in each claim. Payment is contingent upon an outcome of the lawsuits favorable to the Company.

(5) Legal fees and costs refer to the principle by which the losing party in a lawsuit is required to bear the winning party's attorney's fees.

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

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Opening balance	13,036	15,137	17,622	20,414
SK merger	153	-	153	-
Provision	2,287	3,693	5,003	6,815
Monetary adjustment	1,832	2,055	2,404	2,056
Reversals	(5,532)	(7,849)	(7,903)	(11,663)
Final balance	11,776	13,036	17,279	17,622

Breakdown of judicial deposits:

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Tax (i)	5,613	4,590	5,657	4,635
Labor (ii)	5,449	4,178	6,431	5,145
Civil (iii)	-	-	111	111
	11,062	8,768	12,199	9,891

(i) As at June 30, 2022, the composition of judicial deposits of a tax nature totaled R$5,657 in Consolidated and R$5,613 in Parent. This amount basically refers to the judicial deposits for MS proceedings 2004.001.104294-8 and 2004.002.018619-4, which total R$4,015.

(ii) Judicial deposits are linked to lawsuits in which the Company is defendant in several labor claims. Most of the lawsuits involve claims for compensation resulting from occupational diseases, overtime, hazardous duty and equal pay.

(iii) Judicial deposits related to a lawsuit for property damages and pain and suffering for 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 was recognized as estimated below:

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Tax (i)	97,077	90,541	117,638	110,025
Civil (ii)	7,235	7,226	9,640	9,581
Labor (iii)	7,123	7,959	8,750	8,394
	111,435	105,726	136,028	128,000

(i) Tax (main items):

(a) Tax Assessment Notice of ICMS (State VAT) received by Sullair (company merged into Solaris in 2020): Tax Assessment Notice of ICMS received of approximately R$59,000 of principal, which amounts to R$206,205 including fine and interest as at June 30, 2022 (R$200,000 as at December 31, 2021). In summary, this tax assessment notice challenges the payment of ICMS levied on the transportation of rental assets in 2012 and 2013. After administrative defense, the possible likelihood of loss amount was reduced to R$4,536, 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 tax is levied on the transaction. The other lawsuits refer basically to collection proceedings of tax credits overdue, INSS offsets on termination amounts paid and motions against the tax collection proceeding filed by the Federal Government, for the collection of differences of COFINS and tax credits arising from the increase in tax rate from 1% to 3%.

(b) Disallowance of allegedly nondeductible expenses included in PIS and COFINS, 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 carrying out the services that were previously carried out by the employees of the former Mills do Brasil. The updated amounts under discussion as at June 30, 2022 are R$11,052 (R$10,665 as at December 31, 2021).

(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 June 30, 2022 are R$4,075 (R$4,002 as at December 31, 2021).

(d) Imposition by the Federal Revenue of Brazil of fine allegedly due on installment payment of credits derived from voluntary reporting. The updated amounts under discussion as at June 30, 2022 are R$1,453 (R$1,388 as at December 31, 2021).

(e) Assessment by the Federal Revenue of Brazil of alleged deficiency in Tax on Profit (ILL), judged unconstitutional by the STF (Federal Supreme Court). The updated amounts under discussion as at June 30, 2022 are R$1,737 (R$1,693 as at December 31, 2021).

(f) 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 on June 30, 2022 makes up the total amount of R$23,890. 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 Solaris Participações Equipamentos e Serviços 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 of Brazil, the Company has presented its defense arguments in an administrative challenge 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.

(g) On September 1, 2021, the Tax Authorities notified Solaris Equipamentos e Serviços S.A. (“Subsidiary”) through the decision of the objection related to the tax assessment notice referring to administrative proceeding No. 11274.720224/2020-90, the obligation of paying IRPJ and CSLL, plus late payment fine (75%), isolated fine (50%), due to non-payment of estimates, and arrears interest, totaling R$5,886. According to the Tax Authorities, the Subsidiary could not have excluded, in the computation of the IRPJ and CSLL calculation bases, 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), to challenge the aforementioned objection to the tax assessment notice, challenging all allegations about the alleged taxes payable. The updated amounts under discussion as at June 30, 2022 are R$6,405 (R$5,886 as at December 31, 2021).

(ii) Civil

Lawsuits filed against the Company relating to compensation for pain and suffering and property damages. The variation between December 31, 2021 and June 30, 2022 was especially due to the update of these processes throughout the current year.

(iii) Labor

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

20. TAXES PAYABLE

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
IRPJ/CSLL (income tax and social contribution)	1,503	7,336	2,989	8,982
IRRF (withholding income tax) (*)	6,319	6,293	6,321	6,391
PIS and COFINS (taxes on revenue)*	9,326	10,177	9,854	10,464
INSS (Social Security Contribution)	418	322	421	326
ICMS (State VAT)	378	281	391	350
ISS (Service Tax)	207	242	215	248
Others	551	615	579	638
	18,702	25,266	20,770	27,399
Current	7,650	14,601	9,718	16,734
Noncurrent	11,052	10,665	11,052	10,665

(*) Non-approval, by the Federal Revenue of Brazil, of the credits of the negative balance compensation statements originated from the rectification of the DIPJ for the calendar years 2012 and 2013 and 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 a tax liability whose offset was considered improper by the Federal Revenue of Brazil, mainly PIS and COFINS and withholding taxes.

21. TAX DEBT REFINANCING PROGRAM (REFIS)

In November 2009 the Company enrolled in the Special Installment Payment Plan established by Law 11,941/2009 and Provisional Act 470/2009, with the purpose of equalizing and regularizing the tax liabilities under this special plan for installment payment of tax and social security obligations.

The general conditions of this installment payment can be summarized as follow:

a) The installment payment period was 180 months.

b) 60% reduction of voluntary and late payment fines, and 25% reduction of late payment interest.

c) Debts included in the installment payment plan were:

   i. PIS and COFINS (for the period from April 2002 to May 2004).

   ii. IRPJ (for December 2003, January 2004 and April 2004).

   iii. CSLL (for November 2003, January 2004 and April 2004).

   iv. INSS - Additional Occupational Accident Insurance (SAT) contribution. INSS - Additional Occupational Accident Insurance (SAT) contribution.

   The amounts relating to PIS/COFINS, IRPJ and CSLL had been offset against PIS and COFINS credits on rental (from September 1993 to January 1999), referring to rental and assembly of Company-owned leased assets. The origin of these credits was based on a decision by the Federal Supreme Court that does not consider the rental of chattel as provision of services.

   In light of the new case law set by the Superior Court of Justice (STJ) (1st Panel of the STJ - trial in September 2009 of Special Appeal No. 929.521), which set the understanding of the levy of COFINS on asset rental income, the Company decided to pay in installments the amount relating to the aforementioned debts.

   The debts were Consolidated on June 29, 2011, in accordance with Joint Administrative Rule PGFN/RFB 2/2011.

   As a result of the enrollment in this special installment payment plan, the Company undertook to pay the installments without late payment exceeding three months, and has paid the REFIS installments of the debt Consolidated in June 2011.

d) At the preliminary stage of consolidation of debts for installment payment, on June 30, 2010, the Company decided to include an INSS debt considering the change of the likelihood of a favorable outcome from probable to remote, according to the opinion of its outside legal counsel.

   Also at the preliminary stage of consolidation of debts for installment payment, PIS and COFINS debts considered expired by the outside legal counsel were excluded.

e) Still in the stage of consolidation of debts in June 2011, the Company identified that five debts, two relating to COFINS and three to CSLL, had not been made available at the RFB website for consolidation purposes.

	Balance at December 31, 2021	Payments	SELIC adjustments	Balance at June 30, 2022
PIS	626	(186)	65	505
COFINS	1,948	(578)	202	1,572
IRPJ	800	(237)	83	646
CSLL	75	(22)	8	61
INSS	364	(27)	27	364
	3,813	(1,050)	385	3,148
Current	1,483			1,520
Noncurrent	2,330			1,628

22. EQUITY

a) Share capital

At the Board of Directors meeting held on May 19, 2022, the Company's capital increase was approved, due to the exercise, by the beneficiary, of stock options under the 1/16 program, in the amount of R$769 thousand, from R$1,090,336 to R$1,091,105.

The Company's fully subscribed and paid up capital as at June 30, 2022 is R$1,091,105 (R$1,090,336 as at December 31, 2021), comprising 246,184 thousand (252,169 thousand as at December 31, 2021) 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:

	06/30/2022		12/31/2021	
Shareholders	Number of shares (in thousands)	%	Number of shares (in thousands)	%
Andres Cristian Nacht	13,599	5.52%	13,599	5.39%
Snow Petrel LLC	23,677	9.62%	23,677	9.39%
Other signatories of the Company Shareholders' Agreement (1)	22,957	9.33%	22,957	9.10%
Nacht Family (total)	60,233	24.47%	60,233	23.88%
Sun Fundo de Investimentos em Participações Multiestratégia (3)	51,557	20.94%	51,557	20.45%
Sullair Argentina S.A. (2)	22,096	8.98%	22,096	8.76%
Leblon Equities Gestão de Recursos Ltda (4)	13,970	5.67%	15,115	5.99%
Others	98,328	39.94%	103,168	40.91%
	246,184	100%	252,169	100.00%

(1) Signatories to the Shareholders' Agreement of the Nacht Family, excluding Andres Cristian Nacht and Snow Petrel S.L. Considers the position on 12/28/2016, already reported to the CVM, in accordance with CVM Instruction 358/02.

(2) On May 10, 2019, the Shareholders' Agreement was signed after the Business Combination with Solaris Equipamentos, and Sullair Argentina became the holder of 22,096,641 shares of the Company.

(3) On May 10, 2019, the Shareholders' Agreement was signed after the Business Combination with Solaris Equipamentos, 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.

(4) On April 8, 2021, it became the holder of a material ownership interest according to information officially received by the Company and disclosed to CVM.

b) Earnings reserves

b.1) Legal reserve

When profit is assessed by the end of the year ended December 31, the legal reserve is recognized by allocating 5% of the profit for the year until it reaches a ceiling of 20% of share capital. The purpose of the legal reserve is to ensure the integrity of the capital and it can be used only to offset losses and increase capital.

In the year ended December 31, 2021, the Company established an earnings reserve of R$5,984, with no change in the period ended June 30, 2022.

b.2) 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 Corporate Law.

In the year ended December 31, 2021, the Company established an earnings reserve of R$38,437, with no change in the period ended June 30, 2022.

c) Capital reserves (stock option premium)

On March 18, 2022, the Company's Board of Directors approved the cancellation of 6,197,374 treasury shares, equivalent to 67.0% of the share balance at that date, without capital reduction. Due to the cancellation of shares previously approved, the Company's 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 consign capital and the number of shares representing the Company's capital after the cancellation of the shares will be discussed at an Extraordinary General Meeting to be held on April 29, 2022.

The capital reserve is set up, among others, by a stock option premium reserve amounting to R$14,729 as at June 30, 2022, relating to stock option and restricted share plans for employees and long-term incentive programs for restricted shares (R$61,625 as at December 31, 2021).

d) Cost with issuance of shares

The costs with issuance of shares represent the transaction costs incurred in capital funding, which add up to R$18,448.

e) Cash flow hedge reserve

As resolved on April 1, 2022, the Company's Board of Directors signed the U.S. dollar Non-deliverable Forward (NDF) contract to hedge the Company against the exchange rate changes in the imports of assets that will comprise the Company's permanent assets, up to US$ 63,000 (sixty-three million dollars).

The Company adopted the hedge accounting strategy (cash flow hedge), with designation date April 4, 2022, considering as hedge the import of equipment in foreign currency and as hedge instrument a currency NDF to hedge against exchange rate changes.

The resulting accounting effects as at June 30, 2022 are as follows:

	Parent				
	Indexing	Hedge type	Hedge instrument	Recognition of hedge reserve	Foreign exchange gain (loss) in hedge instrument during the year
Mills - NDF	USD	Cash Flow	21,986	10,668	10,668
Closing balance at June 30, 2022			21,986	10,668	10,668

f) Treasury shares

The composition of treasury shares between the period ended December 31, 2021 and June 30, 2022 is presented in the table below:

Shareholders	Number of shares (in thousands)	Total amount (R$thousand)
Opening balance at 12/31/2021	8,730	70,155
Share buyback	4,740	34,467
Cancellation of shares	(6,197)	(48,919)
Payment 2019 Share Program	(609)	(4,859)
Closing balance at 06/30/2022	6,664	50,844

On March 18, 2022, the Company's Board of Directors discussed the creation of a third Share Buyback Plan, authorizing the acquisition of shares issued by the Company to be held in treasury for subsequent sale and/or cancellation, without capital reduction, in order to use them (i) in the Company's Long-term Incentive Programs; (ii) as an instrument for negotiation with potential targets (M&A); and/or (iii) for cancellation of part of the repurchased shares to maximize the generation of value for the shareholders and improve the Company's capital structure, under the following parameters:

i) The number of shares that may be purchase is up to 14,917,035 shares, equivalent to 6.06% of the Company's updated share capital at this date, respecting the limits for treasury shares of 10% of the shares outstanding in the market, pursuant to Article 8 of CVM Instruction 567/15;

ii) The maximum term for carrying out the operation currently authorized is 18 months, from March 25, 2022 to September 23, 2023, including that date.

iii) The shares will be acquired on B3 at the market price.

g) Interest on capital and Dividends

At December 31, 2021, the Company constituted mandatory minimum dividends in the amount of R$12,814 and the amount of R$12,812 was paid as additional dividends, equivalent to R$0.05327336035 per share, on May 13, 2022, based on the shareholding position on April 29, 2022.

On June 3, 2022, the Board of Directors approved the proposal of declaration of interest on capital for the first quarter of 2022, to be charged against the mandatory minimum dividend for 2022 in the total amount of R$21,411. Interest on capital in the amount of R$19,800 was credited to shareholders on June 30, 2022, net of withholding income tax, and the shareholding position was June 8, 2022 (record date), including the negotiations made on that date.

23. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares issued during the period.

	Parent			
	06/30/2022		06/30/2021	
	Three-month period	Six-month period	Three-month period	Six-month period
Profit attributable to owners of the Company	63,134	103,983	19,947	27,312
Weighted average number of common shares issued (thousands)	207,687	207,687	207,556	207,556
Basic earnings per share from continuing operations	0.30	0.50	0.10	0.13

	Consolidated			
	06/30/2022		06/30/2021	
	Three-month period	Six-month period	Three-month period	Six-month period
Profit attributable to owners of the Company	63,185	104,029	19,947	27,312
Weighted average number of common shares issued (thousands)	207,687	207,687	207,556	207,556
Basic earnings per share from continuing operations	0.30	0.50	0.10	0.13

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential 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			
	06/30/2022		06/30/2021	
	Three-month period	Six-month period	Three-month period	Six-month period
Profit attributable to owners of the Company	63,134	103,983	19,947	27,312
Weighted average number of common shares issued (thousands)	207,705	207,705	207,556	207,556
Diluted earnings per share from continuing operations	0.30	0.50	0.10	0.13

	Consolidated			
	06/30/2022		06/30/2021	
	Three-month period	Six-month period	Three-month period	Six-month period
Profit attributable to owners of the Company	63,185	104,029	19,925	27,290
Weighted average number of common shares issued (thousands)	207,705	207,705	207,556	207,556
Diluted earnings per share from continuing operations	0.30	0.50	0.10	0.13

24. 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			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Rentals	254,678	166,227	489,342	315,481	269,075	169,580	518,755	327,037
Sales of new equipment	881	2,139	1,844	4,460	10,390	3,766	14,606	8,465
Sales of semi new equipment	6,057	13,300	12,493	19,396	6,435	15,793	13,323	24,242
Sales of semi new equipment (others)	161	602	384	768	161	606	384	838
Technical assistance	1,495	798	2,847	2,126	1,924	1,115	3,543	2,716
Indemnities	2,268	1,661	7,309	4,728	2,268	1,661	7,309	4,728
Others (i)	3,868	3,208	7,482	5,246	3,983	3,289	7,762	5,456
Total gross revenue	269,408	187,935	521,701	352,205	294,236	195,810	565,682	373,482
Taxes on sales and services	(22,784)	(15,715)	(44,484)	(29,928)	(25,990)	(16,977)	(49,978)	(32,655)
Cancellations and discounts	(18,859)	(6,260)	(30,667)	(12,589)	(20,619)	(7,166)	(32,981)	(14,830)
	227,765	165,960	446,550	309,688	247,627	171,667	482,723	325,997

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

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

Cost of sales and services consist mainly of expenses on:

(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' equi pment.

(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, 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.

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.

Parent

	04/01/2022 to 06/30/2022			04/01/2021 to 06/30/2021			01/01/2022 to 06/30/2022			01/01/2021 to 06/30/2021		
Nature	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total
Personnel	(19,125)	(28,985)	(48,110)	(14,040)	(24,875)	(38,915)	(33,631)	(57,081)	(90,712)	(28,373)	(48,032)	(76,405)
Third parties	(1,076)	(12,648)	(13,724)	(614)	(9,319)	(9,933)	(1,804)	(25,511)	(27,315)	(1,103)	(17,823)	(18,926)
Freight	(12,557)	(732)	(13,289)	(5,861)	(496)	(6,357)	(20,400)	(1,384)	(21,784)	(10,520)	(1,255)	(11,775)
Construction/maintenance and repairs	(22,961)	(5,829)	(28,790)	(27,838)	(3,968)	(31,806)	(44,996)	(13,488)	(58,484)	(47,930)	(7,493)	(55,423)
Equipment rental and others	(599)	(2,121)	(2,720)	542	(1,138)	(596)	(1,232)	(4,240)	(5,472)	(850)	(1,980)	(2,830)
Travel	(3,126)	(2,208)	(5,334)	(1,765)	(1,488)	(3,253)	(5,136)	(3,614)	(8,750)	(3,242)	(2,561)	(5,803)
Cost of sales	(328)	-	(328)	(2,192)	-	(2,192)	(701)	-	(701)	(3,500)	-	(3,500)
Depreciation/amortization	(30,453)	(9,070)	(39,523)	(27,271)	(6,594)	(33,865)	(58,368)	(16,619)	(74,987)	(54,549)	(13,055)	(67,604)
Disposal of assets	(360)	-	(360)	(1,196)	-	(1,196)	(1,336)	-	(1,336)	(1,954)	-	(1,954)
Cost of sales of used assets - others	(5)	-	(5)	(19)	-	(19)	(13)	-	(13)	(90)	-	(90)
Stock options	-	(1,062)	(1,062)	-	(1,147)	(1,147)	-	(2,023)	(2,023)	-	(2,295)	(2,295)
Provisions	-	882	882	-	(1,221)	(1,221)	-	(601)	(601)	-	(1,302)	(1,302)
Profit sharing	-	(3,990)	(3,990)	-	(2,532)	(2,532)	-	(7,576)	(7,576)	-	(4,845)	(4,845)
Others	1,994	(5,485)	(3,491)	(1,645)	(3,666)	(5,311)	2,146	(10,617)	(8,471)	(2,221)	(6,694)	(8,915)
	(88,596)	(71,248)	(159,844)	(81,899)	(56,444)	(138,343)	(165,471)	(142,754)	(308,225)	(154,332)	(107,335)	(261,667)

Consolidated

Nature	04/01/2022 to 06/30/2022			04/01/2021 to 06/30/2021			01/01/2022 to 06/30/2022			01/01/2021 to 06/30/2021		
	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total
Personnel	(20,436)	(28,750)	(49,186)	(14,613)	(25,430)	(40,043)	(36,133)	(57,574)	(93,707)	(29,449)	(49,119)	(78,568)
Third parties	(1,531)	(13,362)	(14,893)	(725)	(10,029)	(10,754)	(2,419)	(26,816)	(29,235)	(1,447)	(19,382)	(20,829)
Freight	(12,949)	(740)	(13,689)	(6,081)	(528)	(6,609)	(21,244)	(1,444)	(22,688)	(11,095)	(1,362)	(12,457)
Construction/maintenance and repairs	(24,447)	(5,926)	(30,373)	(28,664)	(4,184)	(32,848)	(48,386)	(13,661)	(62,047)	(49,994)	(7,960)	(57,954)
Equipment rental and others	(586)	(2,254)	(2,840)	1,542	(993)	549	(1,772)	(4,347)	(6,119)	(80)	(2,066)	(2,146)
Travel	(3,235)	(2,289)	(5,524)	(1,880)	(1,509)	(3,389)	(5,299)	(3,707)	(9,006)	(3,479)	(2,626)	(6,105)
Cost of sales	(4,715)	-	(4,715)	(4,929)	-	(4,929)	(6,694)	-	(6,694)	(7,533)	-	(7,533)
Depreciation/amortization	(31,263)	(11,722)	(42,985)	(28,138)	(7,856)	(35,994)	(60,005)	(22,155)	(82,160)	(56,720)	(15,540)	(72,260)
Disposal of assets	(463)	-	(463)	(1,313)	-	(1,313)	(1,452)	-	(1,452)	(2,279)	-	(2,279)
Cost of sales of used assets - others	(5)	-	(5)	(19)	-	(19)	(13)	-	(13)	(90)	-	(90)
Stock options	-	(1,062)	(1,062)	-	(1,147)	(1,147)	-	(2,023)	(2,023)	-	(2,295)	(2,295)
Provisions	-	1,634	1,634	-	(686)	(686)	-	(1,374)	(1,374)	-	(923)	(923)
Profit sharing	-	(4,005)	(4,005)	-	(1,375)	(1,375)	-	(7,648)	(7,648)	-	(3,725)	(3,725)
Others	1,941	(6,996)	(5,055)	(1,657)	(4,230)	(5,887)	2,078	(12,558)	(10,480)	(2,268)	(7,928)	(10,196)
Total	(97,689)	(75,472)	(173,161)	(86,477)	(57,967)	(144,444)	(181,339)	(153,307)	(334,646)	(164,434)	(112,926)	(277,360)

26. FINANCE INCOME AND COSTS

a) Finance income

	Parent				Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Interest income	2,483	848	3,601	1,456	2,764	974	4,095	1,738
Investment income	12,201	2,099	14,998	3,468	14,303	2,637	19,036	4,409
Discounts obtained	380	53	683	68	382	75	688	89
Foreign exchange and monetary adjustment gains	424	273	717	575	630	1,910	1,146	3,492
Others	-	317	-	317	32	321	56	606
	15,488	3,590	19,999	5,884	18,111	5,917	25,021	10,334

b) Finance costs

	Parent				Consolidated			
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Interest on borrowings	(418)	(231)	(762)	(1,172)	(581)	(268)	(995)	(1,270)
Foreign exchange and monetary adjustment losses	(1,332)	(716)	(2,631)	(1,192)	(1,648)	(863)	(3,570)	(3,695)
Interest on debentures	(15,384)	(2,690)	(19,789)	(4,977)	(15,384)	(3,064)	(19,844)	(5,711)
Commissions and bank fees	(110)	(128)	(209)	(230)	(173)	(369)	(342)	(732)
IOF (tax on financial transactions)	(8)	(2)	(17)	(4)	(14)	(5)	(28)	(11)
Lease charges	(1,276)	(1,270)	(2,500)	(2,513)	(1,294)	(1,343)	(2,544)	(2,621)
Others	(1,287)	(2,142)	(1,901)	(2,573)	(1,508)	(2,534)	(2,293)	(2,864)
	(19,815)	(7,179)	(27,809)	(12,661)	(20,602)	(8,446)	(29,616)	(16,904)

27. ASSETS AND SEGMENT INFORMATION

Information by operating segment is being 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.

On September 28, 2015, aimed at obtaining synergy gains and greater productivity, the Company Consolidated the commercial management of the Heavy Construction and Construction business units. The result of such consolidation was the creation of the new business unit: Formworks and Shoring. From that date, segment information is presented according to this new structure.

a) Formworks and Shoring Business Unit

The Formworks and Shoring 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 do 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 and cut costs. With presence 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 and helping planning works, detailing projects, and overseeing the assembly.

b) Rental business unit

The Rental business unit operates in the aerial work platforms and telescopic handler's rental and sales market, for height works in all sectors of the construction, trade, and manufacturing industries. The BU ensures productivity, profitability and safety, has the most advanced product line for lifting people and cargo, and offers its customers operation training certified by the IPAF (world aerial access authority). Its presence in several Brazilian cities not only reinforces the agility of its commercial service but it also broadens the technical assistance through certified professionals.

Statement of profit or loss by business segment - Three-month period

	Formworks and Shoring		Rental		Others		Parent	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	64,828	41,974	381,722	267,714	-	-	446,550	309,688
(-) Costs	(17,825)	(15,100)	(89,276)	(84,682)	-	-	(107,101)	(99,782)
(-) Expenses	(19,891)	(19,652)	(106,517)	(74,425)	271	(204)	(126,137)	(94,281)
(-) Allowance for expected credit losses	(3,804)	(652)	(10,571)	(1,627)	-	-	(14,375)	(2,279)
(-) Depreciation and amortization	(17,562)	(22,722)	(57,425)	(44,882)	-	-	(74,987)	(67,604)
(+) Other operating income (expenses), net	183	297	161	387	-	-	344	684
(+) Share of profit (loss) of subsidiaries	-	-	6,224	(770)	-	-	6,224	(770)
Profit (Loss) before finance income (costs) and taxes	5,929	(15,855)	124,318	61,715	271	(204)	130,518	45,656

	Formworks and Shoring		Rental		Others		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	64,828	41,974	417,895	284,023	-	-	482,723	325,997
(-) Costs	(17,825)	(15,100)	(103,501)	(92,612)	-	-	(121,326)	(107,712)
(-) Expenses	(19,891)	(19,652)	(111,540)	(77,532)	271	(204)	(131,160)	(97,388)
(-) Allowance for expected credit losses	(3,804)	(652)	(10,605)	(3,301)	-	-	(14,409)	(3,953)
(-) Depreciation and amortization	(17,562)	(22,722)	(64,598)	(49,538)	-	-	(82,160)	(72,260)
(+) Other operating income (expenses), net	183	297	458	1,312	-	-	641	1,609
Profit (Loss) before finance income (costs) and taxes	5,929	(15,855)	128,109	62,352	271	(204)	134,309	46,293

Statement of profit or loss by business segment - Quarter

	Formworks and Shoring		Rental		Others		Parent	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	32,120	20,220	195,645	145,740	-	-	227,765	165,960
(-) Costs	(9,240)	(7,762)	(48,902)	(46,865)	-	-	(58,142)	(54,627)
(-) Expenses	(9,140)	(9,571)	(53,204)	(40,284)	164	4	(62,180)	(49,851)
(-) Allowance for expected credit losses	(1,786)	(343)	(4,530)	(688)	-	-	(6,316)	(1,031)
(-) Depreciation and amortization	(8,692)	(11,320)	(30,830)	(22,545)	-	-	(39,522)	(33,865)
(+) Other operating income (expenses), net	164	296	58	175	-	-	222	471
(+) Share of profit (loss) of subsidiaries	-	-	3,676	1,803	-	-	3,676	1,803
Profit (Loss) before finance income (costs) and taxes	3,426	(8,480)	61,913	37,336	164	4	65,503	28,860

	Formworks and Shoring		Rental		Others		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	32,120	20,220	215,507	151,447	-	-	247,627	171,667
(-) Costs	(9,240)	(7,762)	(57,179)	(50,578)	-	-	(66,419)	(58,340)
(-) Expenses	(9,140)	(9,571)	(54,781)	(40,543)	164	4	(63,757)	(50,110)
(-) Allowance for expected credit losses	(1,786)	(343)	(4,614)	(1,148)	-	-	(6,400)	(1,491)
(-) Depreciation and amortization	(8,692)	(11,320)	(34,293)	(24,674)	-	-	(42,985)	(35,994)
(+) Other operating income (expenses), net	164	296	302	391	-	-	466	687
Profit (Loss) before finance income (costs) and taxes	3,426	(8,480)	64,942	34,895	164	4	68,532	26,419

Assets by business segment

	Formworks and Shoring		Rental		Others		Parent	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Property, plant and equipment								
Acquisition cost	413,440	420,446	1,289,310	1,154,135	12,287	-	1,715,037	1,574,581
(-) Accumulated depreciation	(361,314)	(353,876)	(911,968)	(849,351)	(719)	-	(1,274,001)	(1,203,227)
Net PP&E	52,126	66,570	377,342	304,784	11,568	-	441,036	371,354
Other assets	368,740	261,855	984,012	766,143	(3,944)	26,748	1,348,808	1,054,746
Total assets	420,866	328,425	1,361,354	1,070,927	7,624	26,748	1,789,844	1,426,100

	Formworks and Shoring		Rental		Others		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Property, plant and equipment								
Acquisition cost	413,440	420,446	1,425,050	1,296,216	12,287	-	1,850,777	1,716,662
(-) Accumulated depreciation	(361,314)	(353,876)	(976,813)	(920,346)	(719)	-	(1,338,846)	(1,274,222)
Net PP&E	52,126	66,570	448,237	375,870	11,568	-	511,931	442,440
Other assets	368,740	261,855	946,859	718,909	(3,944)	26,748	1,311,655	1,007,512
Total assets	420,866	328,425	1,395,096	1,094,779	7,624	26,748	1,823,586	1,449,952

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

28. FINANCIAL INSTRUMENTS

28.1. Category of financial instruments

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

				Parent carrying amount		Consolidated carrying amount	
	Classification	Note	Level	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Financial assets							
Cash and cash equivalents	Amortized cost	3	-	376,053	112,997	450,928	202,719
Bank deposits	Amortized cost	3	-	18,674	11,911	18,674	11,911
Rohr Investment	Fair value through other comprehensive income	8	3	-	34,013	-	34,013
Derivative financial instruments	Fair value through other comprehensive income	22	-	10,668	-	10,668	-
Trade receivables	Amortized cost	4	-	183,347	145,472	200,627	155,232
Receivables from related parties	Amortized cost	16.c	-	1,016	1,008	-	-
Financial liabilities							
Borrowings and financing	Amortized cost	13	-	-	-	5,748	989
Loan operations	Amortized cost		-	1,030	-	1,030	-
Debentures	Amortized cost	14	-	419,106	143,323	419,106	147,268
Leases	Amortized cost	15		57,904	52,085	58,560	53,241
Trade payables	Amortized cost	12	-	81,846	35,824	97,347	43,177
Payables to related parties	Amortized cost	16.c	-	1,131	1,295	-	-

28.2. Fair value of financial instruments

A number of the Company's accounting policies and disclosures require a fair value measurement, for both financial and non-financial assets and liabilities. Fair value for measurement and/or disclosure purposes is determined according to the methods below. When applicable, additional information on the assumptions used to calculate the fair values is disclosed in specific notes applicable to such asset or liability.

The Company applies CPC 40/IFRS 7 for financial instruments measured in the balance sheets at fair value, which requires disclosure of fair value measurements at the level of the following fair value measurement hierarchy:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (e.g., as prices) or indirectly (e.g., derived from prices).
- Level 3 - inputs, for the asset or liability, but which are not based on observable market inputs (non-observable inputs).

28.3. 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 methodology as the calculation criterion, are substantially similar to the respective carrying amounts.

28.4. 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 June 30, 2022).

	Parent		
Short-term investments	Indicator	Accounting	Probable
Short-term investments and linked bank deposits	CDI	391,641	54,222
Debt	Indicator	Accounting	Probable
4th issue of debentures	CDI	65,377	10,737
5th issue of debentures	CDI	57,941	10,768
6th issue of debentures	CDI	301,436	50,819
		424,754	72,324
Derivative financial instruments	Indicator	Accounting	Probable
NDF	USD	10,668	8,323
		10,668	8,323

	Consolidated		
Short-term investments	Indicator	Accounting	Probable
Short-term investments	CDI	466,293	63,116
Debt	Indicator	Accounting	Probable
4th issue of debentures - Mills	CDI	65,377	10,737
5th issue of debentures - Mills	CDI	57,941	10,768
6th issue of debentures - Mills	CDI	301,436	50,819
Borrowings	CDI	5,748	676
		430,502	73,000
Derivative financial instruments	Indicator	Accounting	Probable
NDF	CDI	10,668	8,323
		10,668	8,323

The sensitivity analysis presented above takes into account changes in a certain risk, keeping steady the other variables, associated with other risks.

	06/30/2022
Scenarios	Probable
Active CDI (%) (i)	13.75%
Passive CDI (%)	13.75%
USD	5.200

The sensitivity analysis presented above takes into account changes in a certain risk, keeping steady he other variables, associated with other risks.

At June 30, 2022, the Company has no significant balances related to trade receivables and trade payables for the assessment of the foreign exchange risk.

(i) Regarding the interest rate risk, the Company's Management considered as a probable assumption for its financial instruments a rate of 13.75% p.a.; this information was extracted from the FOCUS report released by the Central Bank of Brazil on July 22, 2022, considering an increase in the CDI rate in line with the expected increase in the SELIC rate for the period ending June 30, 2022.

28.5. Liquidity risk

The table below analyzes the main financial liabilities by maturity bracket, corresponding to the remaining period in the balance sheet through the contractual maturity date, when the Company expects to make the payment. The interest rates (CDI and TJLP) estimated for future commitments reflect the market rates in each period.

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

	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	Over five years	Total Parent
At June 30, 2022								
Debentures	-	7,845	20,057	27,101	91,585	408,566	-	555,154
Leases payable - Properties	-	1,702	3,403	5,105	15,955	39,785	-	65,950
Leases payable – Vehicles	-	313	626	940	3,470	116	-	5,465
Derivative financial instruments	-	-	10,668	-	-	-	-	10,668
Trade payables	4,927	52,028	8,385	508	3,150	12,848	-	81,846
Payables to related parties	938	28	28	137	-	-	-	1,131
At December 31, 2021								
Debentures	-	7,615	8,055	46,629	54,457	55,285	-	172,041
Leases payable - Properties	-	1,367	2,693	12,116	11,726	29,990	-	57,892
Leases payable – Vehicles	-	316	630	2,822	3,469	98	-	7,335
Trade payables	650	32,795	654	831	403	491	-	35,824
Payables to related parties	-	1,295	-	-	-	-	-	1,295

	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	Over five years	Total Consolidated
At June 30, 2022								
Borrowings and financing	-	1,261	543	884	2,038	1,599	-	6,325
Debentures	-	7,845	20,057	27,101	91,585	408,566	-	555,154
Derivative financial instruments	-	-	10,668	-	-	-	-	10,668
Leases payable - Properties	-	1,738	3,475	5,214	16,462	39,785	-	66,674
Leases payable – Vehicles	-	313	626	940	3,470	116	-	5,465
Trade payables	9,475	57,828	9,350	3,010	5,837	12,848	-	98,348
At December 31, 2021								
Borrowings and financing	-	430	105	209	152	93	-	989
Debentures	-	9,627	10,042	46,629	54,457	55,285	-	176,040
Leases payable - Properties	-	1,460	2,879	12,601	12,162	30,062	-	59,164
Leases payable – Vehicles	-	316	630	2,822	3,469	98	-	7,335
Trade payables	41	38,928	905	1,187	480	1,634	-	43,177

28.6. Credit quality of financial assets

Cash and cash equivalents and restricted deposits

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Banks account (i)	3,086	2,285	3,310	3,062
Short-term investments in banks (i)	372,967	110,712	447,618	199,657
Total cash and cash equivalents	376,053	112,997	450,928	202,719
Restricted bank deposits (i)	18,674	11,911	18,674	11,911

(i) Main financial institutions with extensive operations in Brazil and among the banks with the highest total assets.

28.7. 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 its employees and stakeholders and a satisfactory return for shareholders. The Company's general strategy related to capital management has remained unchanged since 2020.

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 gearing ratio between the total net debt ratio (total bank debt less total cash and cash equivalents) and the Operating Cash Flow accumulated in the last 12 months.

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Total bank debt	424,755	146,060	430,502	150,994
Borrowings and financing	-	-	5,747	989
Gross debentures (see note 14)	424,755	146,060	424,755	150,005
Cash and cash equivalents	376,053	112,997	450,928	202,719
Restricted bank deposits	18,674	11,911	18,674	11,911
Net debt – Net cash	(30,028)	(21,152)	39,100	63,636
Equity	1,146,952	1,090,730	1,149,229	1,092,961
Net debt/net cash to equity ratio	(0.03)	(0.02)	0.03	0.06

The Company is not subject to any external capital requirement.

Credit facilities available

	Parent	
	06/30/2022	12/31/2021
Unsecured bank credit facilities, reviewed annually and with payment upon request:		
Used	-	-
Not used	150,000	400,000

28.8. Derivative financial instruments - hedge accounting

The Company will import machinery and equipment, and the Board of Directors approved the contracting of the U.S. dollar Non-deliverable forward (NDF) to hedge the Company against exchange rate changes.

Therefore, the hedge accounting structure has been implemented from April 2022, and its objective is the future import; the NDF in a cash flow hedge is designated as an instrument.

The risk management strategy adopted by the Company consists in hedging profit and loss for the year against the import exchange rate risk exposure by hedging itself against highly probable future expenses.

Gains or losses measured and classified as hedge reserve in equity will be recognized in profit and loss for the year or in the period in which the estimated and hedged transaction affects profit or loss.

29. 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	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Operational risks	2,164,067	2,313,123	2,282,510	2,428,764
Property damages	423,303	490,294	493,104	560,096
Civil liability	112,000	112,000	121,400	121,400

30. EVENTS AFTER THE REPORTING PERIOD

a) Agreement for the acquisition of Triengel Locações and acquisition of machinery in the Heavy Equipment industry.

On July 20, 2022, the Board of Directors approved the signing of a purchase and sale agreement, through its subsidiary Solaris Equipamentos e Serviços S.A., to acquire all the units of interest representing the share capital of Triengel Locações e Serviços Ltda., a limited liability company headquartered in the city of Assis, State of São Paulo.

Triengel is a Brazilian company that operates in the lease of yellow line equipment for earth moving. Triengel also performs other types of services, the most common currently are.

The Board of Directors also approved on the same date the acquisition of machinery from the Heavy Equipment industry during 2022 and the first quarter of 2023, which should correspond to a Capex of up to R$225 million.

This movement speeds up the arrival of Mills in the Heavy Equipment market as an average player in this sector, it also paves the way for the Company to have a significant and organic and inorganic growth and provides distinctive know-how in the sectors where it operates.

On August 12, the CADE (Brazilian antitrust authority) approved without restrictions the acquisition operation from the act of concentration resulting from the acquisition by Mill of all the shares of Triengel Locações e Serviços S.A.

b) Merger of Tecpar Equipamentos

On July 26, 2022, the Extraordinary General Meeting approved the merger of Tecpar Equipamentos into the Company, with no capital increase or issue of new shares under the terms of articles 224, 225 and 227 of Law No. 6,404 of December 15, 1976, as amended ("Law No. 6,404/76"); it was entered into by and between the Company and Tecpar on June 27, 2022 ("Protocol and Justification") and establishes the terms and conditions of the merger of Tecpar into Mills ("Merger") according to the Management Proposal.

c) Change in the corporate name

On July 26, 2022, the Extraordinary General Meeting approved the change in the Company's corporate name to "Mills Locação, Serviços e Logística S.A.", and consequently the Bylaws amendment and consolidation.