Earnings Release MILLS 1Q22

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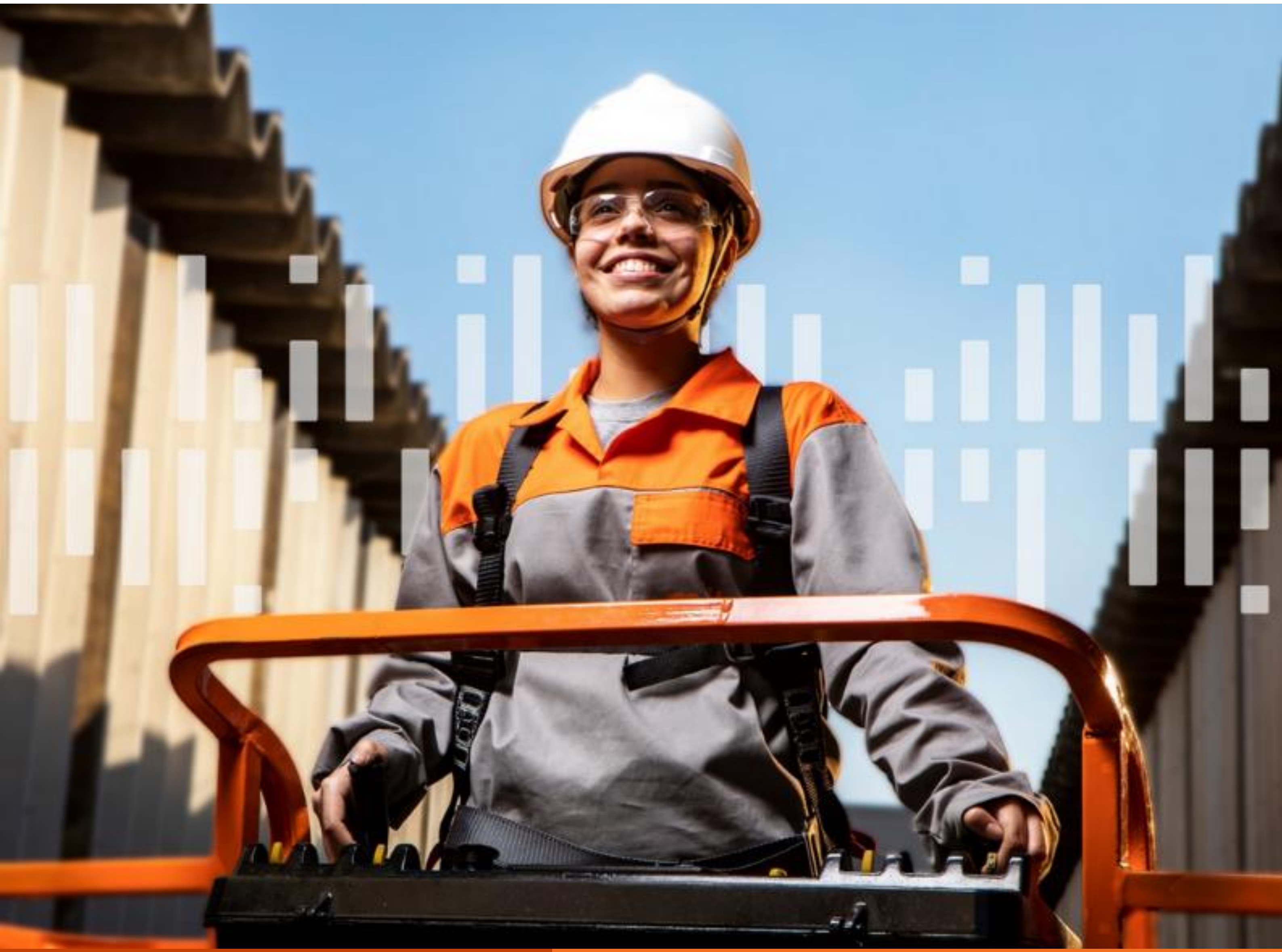
mills



Conference call and Webcast:
Date: Thursday,
May 12, 2022
Time: 9 a.m. (Brazil)
Live Broadcast of Results: click here

The financial and operational information contained in this press releasoe, except as otherwise indicated, is in accordance with the accounting policies adopted in Brazil, which are in compliance with the International Financial Reporting Standards - IFRS.

1. Management Comments

Rio de Janeiro, May 11, 2022 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) announces its results for the first quarter of 2022 (1Q22).

In 1Q22 we achieved expressive results, reflecting the dedication of our employees and the implementation of several initiatives over the last few years. The results achieved so far solidify our path towards strategic leaps that are currently accelerating the Company towards even stronger goals.

2022 continues to impose many challenges to the macro scenario. In Brazil, uncertainties increase as the elections approach, and with inflation and interest rates on a rising path. In the global economy, in turn, persistent inflation, rising interest rates, military conflict and the new lockdown in China have brought even more pressure on the global supply chain and economic uncertainties.

Despite this macro context, Mills showcases its operational and financial strength with a strong balance sheet position and consistent results. Our business units performed positively. Adjusted EBITDA from Rental was R$ 96.7 million, with 47.8% Adjusted EBITDA margin and Formwork and Shoring Adjusted EBITDA reached R$ 10.6 million in the same period, with Adjusted EBITDA margin at 32.3%. Mills recorded consolidated net revenue of R$ 235.1 million in 1Q22, 53.0% higher than in 1Q21, with adjusted EBITDA at R$ 107.2 million and 45.6% Adjusted EBITDA margin. Consolidated net income was R$ 40.8 million in the period, with 17.4% margin, the highest quarterly profit since 2013. Annualized ROIC for the quarter amounted to 18.9%.

We continue witnessing a strong demand in various sectors of the economy, including the infrastructure sector, which has a robust pipeline of construction projects planned for the year.

In Rental business unit, we ended March with a fleet of 8,636 lifting platforms and reached a utilization rate of 62.7% in the quarter. Net revenue grew 53.5% and we reached EBITDA margin of 47.8%. We recorded 24.1% ROIC in the quarter for Rental, 16.9 p.p. higher than 7.2% recorded in 1Q21.

1. Management Comments

We believe that the key to our success lies in the relentless pursuit of putting the customer at the core, focusing on people for their development and engagement and capital allocation discipline. In this sense, we continue to invest to provide the best solutions and equipment, quality service, reliability and safety.

We proceed on our path of innovation, technology, and digitalization. At each stage of our processes, we seek transformation, whether in the operation, in the interface with customers, suppliers and employees. These initiatives pave our culture of being increasingly agile and connected, with an eye to the future. The technology embedded into our daily activities also enables us to have efficient maintenance and extend the useful life of the machinery, increasing the return on our investment.

The challenges posed by supply chain stress have been very well managed by our team. We remain confident in our ability to absorb the growth in demand, as the concept of using lifting platforms penetrates among the various segments and sectors of the Brazilian economy. We will foster solutions that will benefit our entire ecosystem.

We concluded in March the 6th Issue of Debentures by Mills, in the total amount of R$ 300 million at an average rate of CDI + 2.73% p.a., having extended our average payment term to 2.8 years and reduced our average cost of debt to CDI + 2.90% p.a. In addition, our rating was upgraded by Moody's Local agency, rising from BBB+ to A- (domestic scale) in April 2022. The Company closes one more quarter with a net cash position higher than its indebtedness by R$ 98.2 million and fulfilled its financial covenants.

Our priorities for 2022 are: (i) product diversification with new growth verticals; (ii) focus on M&A opportunities and acceleration in the integration learning curve; (iii) organic growth, through equipment acquisition and the opening of new branches; (iv) evolution of processes and systems to improve performance and expand margins and (v) progress in our ESG journey towards B-system certification and generate even more positive impacts on our society.

1. Management Comments

From the point of view of our inorganic growth in the market for lifting platforms, we made two important advances this year: i) the completion of the second and final part of the transaction to acquire Altoplat, in a total amount of R$ 30.6 million, whereby the amount of R$ 26.6 million was disbursed in 1Q22 and ii) the execution of an agreement for the purchase and sale of shares and other covenants of Tecpar Comercio e Locação de Equipamentos LTDA, for R$ 45.8 million, which, in addition to increasing the Company's fleet , also increases its customer base in São Paulo state, and brings the potential for synergies with the optimization of operations.

We were pleased to announce to our investors the payment of additional dividends totaling R$ 12.8 million, referring to the net income earned in 2021, as approved at our Annual Shareholders' Meeting held on April 29, 2022, in a total amount of R$ 58.9 million in annual yield. The 3rd Share Buyback Plan was also created in this quarter, in force from March 25, 2022 to September 23, 2023, with the acquisition of up to 14.9 million shares. We also canceled 6.2 million shares held in treasury and, as a result, we were able to increase the generation of value for shareholders and improved the Company's capital structure.

Finally, we are proud to introduce you to our new Chief Financial and Investor Relations Officer, Caroline Pepe, who joined the team on May 9. We wish Caroline Pepe a successful journey in our Company, and we are confident that our team will remain strong and engaged under her leadership and the other Mills executive officers, renewing our commitment to **"enchant, grow and transform".**

Have a good reading!

Sergio Kariya

Mills CEO

2. Highlights

The main economic and financial highlights were:

Growing economic and financial performance:

- Higher total consolidated net revenue, reaching **R$ 235.1 million** in 1Q22, up 53.0% versus 1Q21 and up 7.3% versus 4Q21;
- Consolidated adjusted EBITDA* amounted to **R$ 107.2 million** in 1Q22, with 45.6% margin;
- 24.1% ROIC in Rental and 18,9% Consolidated (1Q22 LTM)
- Closing of the offering of the 6th issue of debentures in the amount of R$ 300 million at an average rate of CDI + 2.73% p.a.;
- Rating upgrade by Moody's from BBB+ to A- (domestic scale) in April 2022;

Organic and inorganic growth:

- Completion of the second and final part of Altoplat acquisition transaction, totaling R$ 30.6 million, with R$ 26.6 million disbursed in 1Q22;
- Execution of the agreement for the purchase and sale of shares and other covenants of Tecpar Comercio e Locação de Equipamentos LTDA;

Shareholders:

- Approval for the payment of R$ 58.9 million as IoE and dividends referring to the net income earned in the year;
- Cancellation of 6.2 million shares held in treasury and, aiming to maximize the generation of value for shareholders and improve the Company's capital structure.
- Creation of the 3rd Share Buyback Plan, in force from March 25, 2022 to September 23, 2023, with the acquisition of up to 14.9 million shares.

ESG:

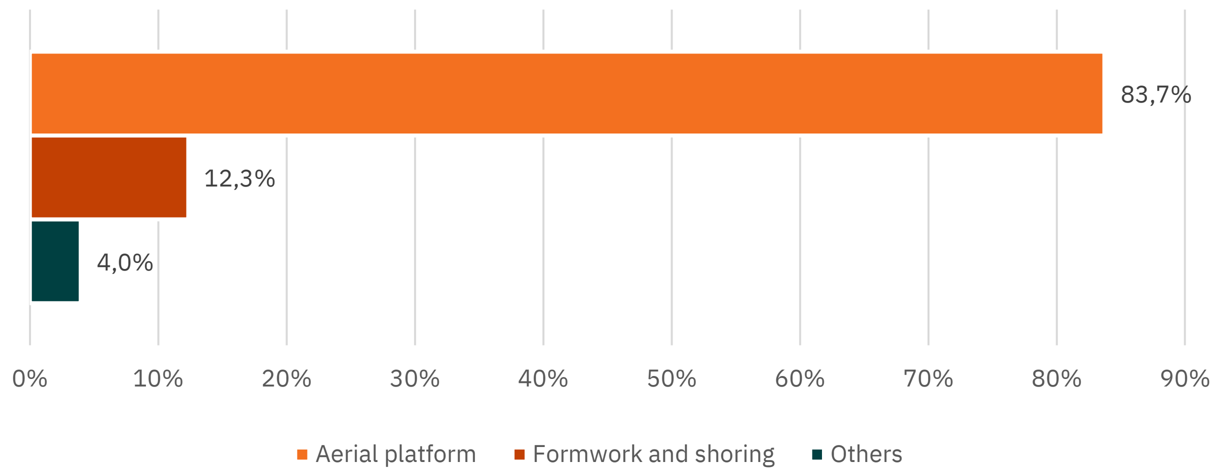
- Progress in the preparation of the 2021 Sustainability Report;
- Progress in our journey to become a B Company.

Consolidated Data in R$ million	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Net revenue	153.6	219.2	235.1	53.0%	7.3%
CVM EBITDA	56.1	92.6	105.0	86.9%	13.3%
CVM EBITDA margin (%)	36.5%	42.3%	44.6%		
EBIT	19.9	55.5	64.7	225.7%	16.6%
EBIT margin (%)	12.9%	25.3%	27.5%		
Adjusted EBITDA*	54.3	93.4	107.2	97.6%	14.9%
Adjusted EBITDA margin* (%)	35.3%	42.6%	45.6%		
Loss for the year	**7.4**	**43.6**	**40.8**	**454.5%**	**-6.3%**
ROIC LTM (%)	3.1%	15.1%	18.9%		
Adjusted operating cash flow[1]	36.2	66.0	69.1	91.0%	4.7%
Adjusted free cash flow to the firm[1]	29.5	-71.3	34.2	15.9%	-147.9%

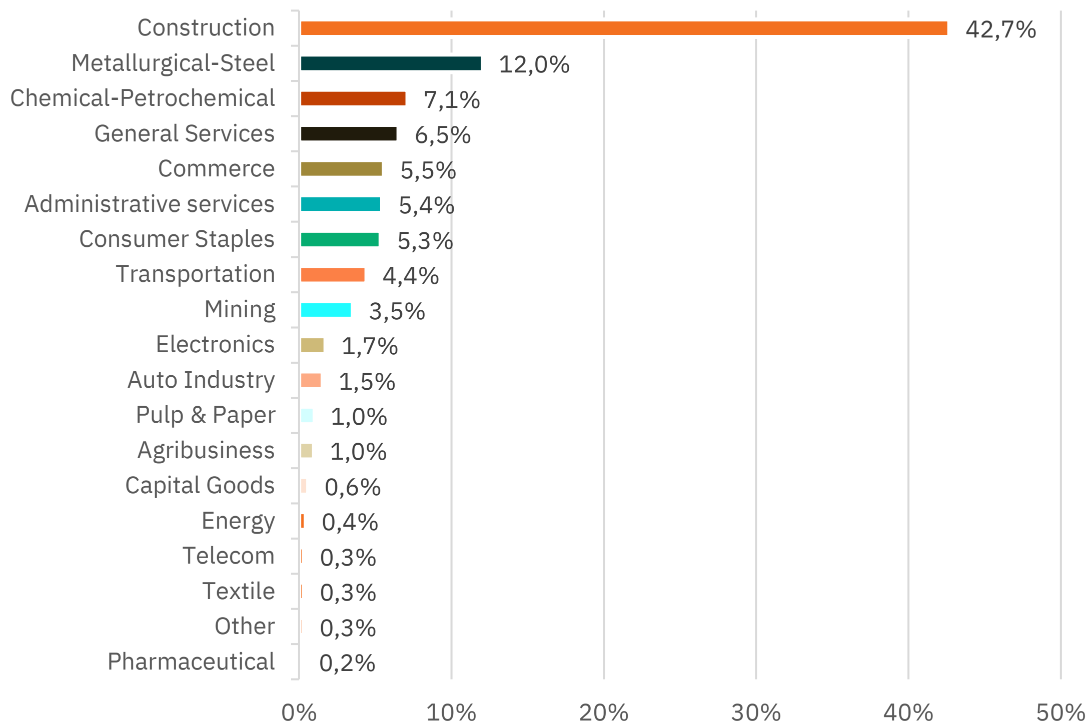
*Excluding IFRS 16 effects and non-recurring items. Unaudited information.
[1]For adjusted operating cash flow, interest on debentures and Finame, investment in lease, interest and inflation adjustments in assets and liabilities (cash) are not included. Expenses related to IFRS16 are included. For adjusted free cash flow to the firm, interest on debentures and Finame, interest, and inflation adjustments in assets and liabilities (cash) are not included. Unaudited information.

2. Highlights

Rental Net Revenue 1Q22 - per product

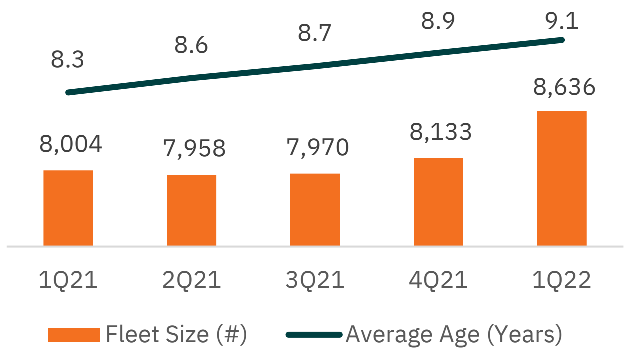


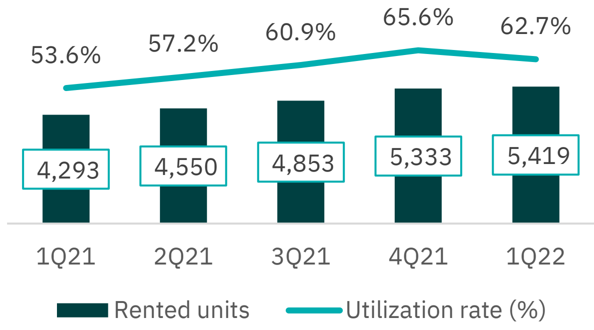
Rental Net Revenue 1Q22 - per activity segment



3. Rental

Fleet





1Q22 fleet was impacted by the completion of the second and final stage of the acquisition of Altoplat's assets and by the divestment in Rohr, carried out in March this year.

As mentioned in 4Q21 Earnings Release, since we are pioneers in the lifting platform rental market, we have trained and qualified more than 2,000 technicians over the years. Our highly experienced and qualified operational team is recognized as a reference in the market and has achieved the highest international standards. The distinguished quality of equipment maintenance has a direct impact both on our customers' satisfaction, as well as on the reduction of the total cost of ownership (TCO) and the longer useful life of the assets in the rental fleet.

We are also an international benchmark in the application of *Lean* methodology in equipment maintenance operations, which allows us to reduce waste and maximize the efficiency of our teams in our workshops and field operations, ensuring the best equipment availability and service agility for our customers.

Our extensive experience with maintenance allows us to prove that with equipment that is up to 12 and 15 years old, we can achieve outstanding safety and quality performance. We count on the expertise in our branches throughout Brazil to renew the equipment with original parts and leave it in conditions equivalent to new machines, including advanced technology that allows remote management of the fleet. As a result, we believe that outstanding operational management extends the useful life of the assets in the rental fleet, maximizes the profitability cycle, and ensures excellent customer service.

3. Rental

Results

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total Net Revenue	**131.9**	**189.9**	**202.4**	**53.5%**	**6.6%**
Rental	119.4	174.8	189.1	58.3%	8.1%
Sales	9.6	12.0	9.6	-0.4%	-20.2%
Other	2.8	3.1	3.7	33.1%	22.0%
Total COGS, ex-depreciation	**-41.4**	**-47.7**	**-47.0**	**13.6%**	**-1.5%**
Rental	-38.0	-45.2	-44.4	17.0%	-1.6%
Sales	-3.4	-2.5	-2.6	-24.4%	6.1%
Other	0.0	-0.1	0.0	-	-
Gross Profit, ex-depreciation and IFRS16	**90.5**	**142.2**	**155.4**	**71.8%**	**9.3%**
Gross Margin	*68.6%*	*74.9%*	*76.8%*	-	-
Gross Margin - Rental	*68.2%*	*74.2%*	*76.5%*	-	-
Gross Margin - Sales	*64.2%*	*79.6%*	*72.8%*	-	-
SG&A, ex-depreciation, IFRS16 and ECL	**-38.9**	**-54.6**	**-59.8**	**53.7%**	**9.5%**
Expenses	-36.7	-48.3	-52.7	43.7%	9.1%
Non-recurring items	-2.2	-6.3	-7.1	216.8%	12.4%
ECL	**-2.2**	**-5.1**	**-6.0**	**178.3%**	**17.4%**
EBIT	**29.3**	**66.3**	**69.4**	**137.2%**	**4.7%**
EBIT margin (%)	*22.2%*	*34.9%*	*34.3%*	-	-
Adjusted EBITDA[1]	**51.6**	**88.7**	**96.7**	**87.3%**	**9.0%**
Adjusted EBITDA margin (%)	39.1%	46.7%	47.8%	-	-
Depreciation	-22.4	-22.5	-27.3	22.1%	21.6%
ROIC LTM[2](%)	7.2%	21.4%	24.1%	-	-

[1]Excluding IFRS 16 effects and non-recurring items. Non-GAAP – Information unaudited by the independent auditors.

In 1Q22, net revenue reached R$ 202.4 million, with 6.6% increase as compared to the previous quarter and 53.5% compared to 1Q21, due to higher rental revenue, which increased 58.3% in the period.

The R$ 69.6 million growth in rental revenue was due to the 32% increase in the average ticket (price and mix) and 26% growth in volume leased versus the same period of the previous year.

Sales revenue in 1Q22 was similar to 1Q21, but with higher margins (64% in 1Q21 versus 73% in 1Q22) mainly as a result of the increase in prices of used equipment, due to the international context, which appreciated the price of used equipments due to the stress on the supply chain. When compared to the previous quarter, sales revenue dropped 20.2%.

In 1Q22, consolidated costs (excluding depreciation and IFRS16) reached R$ 47.0 million, of which: R$ 21.4 million refers to consumables (such as batteries, inks, electrical, hydraulic equipment, etc.) which are directly linked to the volume leased, R$ 10.5 million related to personnel costs and R$ 2.6 million related to selling costs. A significant improvement can be seen in rental gross margin, of 68.2% in 1Q21 versus 76.5% in 1Q22, despite the increase in the cost of some inputs, as a result of better operational management.

When compared to 4Q21, consolidated costs showed similar levels. Consumption of parts has decreased at the beginning of 1Q22 due to the medical leave of some technicians with COVID and the increased focus on the release of high-turnover equipment, reaching the level of unavailability of Dec/21. March saw an increase in production and the resumption of work on higher complexity machinery and maintenance costs.

Results - continued

Expenses (excluding depreciation and IFRS16) amounted to R$ 65.8 million in the quarter. The 60.2% increase over 1Q21 is mainly due to: i) 33% increase in personnel expenses and profit sharing; ii) non-recurring expenses, which will be addressed in item 6 of this Earnings Release; and (iii) provision for contingencies; and (iv) higher ECL expenses. ECL expense accounted for 3.0% of net revenue in the period.

Compared with 4Q21, the amount is 10.1% higher as a result of the 12% increase in personnel expenses and expenses with provisions for contingencies.

During 2021, we increased our workforce, as we believe that human capital is a key factor for our long-term differentiation. With this, we want everyone engaged with Mills' vision of the future, always seeking to **enchant, grow, transform,** maximizing the generation of value to our stakeholders.

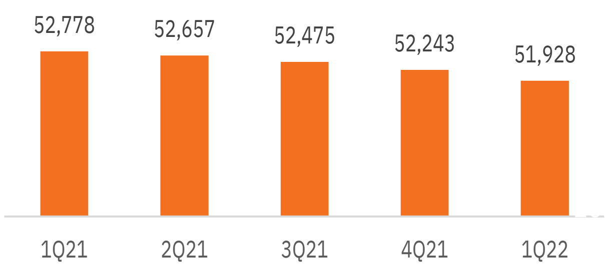
As a percentage of net revenue, operating and administrative expenses (ex depreciation, IFRS16 and non-recurring items) in 1Q22 showed similar levels in both periods, at approximately 29%.

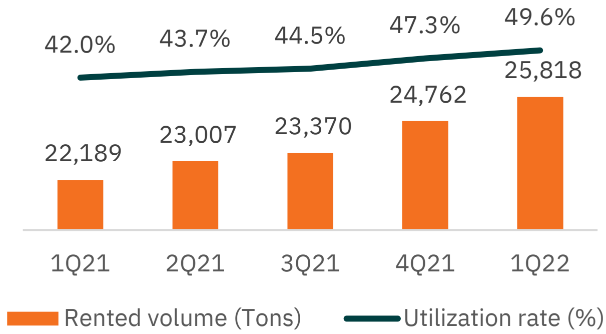
In 1Q22, Adjusted EBITDA amounted to R$ 96.7 million with 47.8% margin, 87.3% higher compared to 1Q21, representing a margin increase of 8.7 p.p. When compared to 4Q21, Adjusted EBITDA had a 9.0% growth and 1.1 p.p. margin expansion. The consistent growth path reflects the initiatives implemented by Mills to improve performance and results.

ROIC LTM in 1Q22 was 24.1% versus 21.4% in 4Q21 and 7.2% in 1Q21.

4. Formwork and Shoring

Available Weight (Tons)





Once again, we saw a significant increase, of 16%, in the average volume leased in the annual comparison for the formwork and shoring unit, which reinforces the heating up of demand in the infrastructure sector.

As already widely informed, the Company has reduced its formwork and shoring capacity over the past few years, currently standing at around 50 thousand tons. Even with this adjustment, the Company is able to meet the construction pipeline expected for the coming years.

Results

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total net revenue	**21.8**	**29.3**	**32.7**	**50.4%**	**11.7%**
Rental	17.2	24.6	26.6	54.7%	8.0%
Sales	1.3	2.7	0.3	-75.5%	-88.1%
Other	3.2	1.9	5.8	78.6%	198.9%
Total COGS, ex-depreciation and IFRS 16	**-7.3**	**-11.5**	**-8.7**	**18.0%**	**-25.0%**
Rental	-6.9	-8.9	-8.3	20.1%	-7.2%
Sales	-0.3	-1.9	-0.2	-28.7%	-88.9%
Other	-0.1	-0.7	-0.2	15.0%	-76.7%
Gross Profit, ex-depreciation and IFRS16	**14.4**	**17.7**	**24.0**	**66.8%**	**35.5%**
Gross Margin	*66.3%*	*60.6%*	*73.5%*	-	-
Gross Margin - Rental	*59.9%*	*63.8%*	*68.8%*	-	-
Gross Margin - Sales	*77.3%*	*29.3%*	*33.8%*	-	-
SG&A, ex-depreciation, IFRS16 and ECL	**-11.4**	**-11.5**	**-11.9**	**4.4%**	**3.9%**
ECL	**-0.3**	**-1.6**	**-2.0**	**552.8%**	**25.7%**
Adjusted EBIT	**-7.5**	**-5.1**	**2.8**	**-137.6%**	**-155.5%**
Adjusted EBIT margin (%)	*-34.6%*	*-17.4%*	*8.7%*		
Adjusted EBITDA[1]	**2.7**	**4.6**	**10.6**	**295.6%**	**-127.4%**
Adjusted EBITDA margin (%)	*12.3%*	*15.8%*	*32.3%*		
Depreciation	-10.2	-9.7	-7.7	-24.3%	-20.7%

[1]Excluding IFRS 16 effects and non-recurring items. Non-GAAP – Information unaudited by the independent auditors.

4. Formwork and Shoring

Results - continued

In 1Q22, net revenue showed 50.4% growth as compared to 1Q21, due the increased rental revenue, which recorded 54.7% increase in the period. This R$ 9.4 million increase was due to the 39% growth in the average ticket (price and mix) and 16% growth in volume leased versus 1Q21. Compared to 4Q21, net revenue recorded 11.7% growth, mainly due to higher rental and indemnity revenue, partially offset by lower sales revenue.

Consolidated costs (excluding depreciation and IFRS16) reached R$ 8.7 million in 1Q22, 18.0% higher than 1Q22, reflecting the higher volume leased and higher costs of consumables used in maintenance. Gross leasing margin grew 5.0 p.p. versus 4Q21 and 8.9 p.p. versus the previous quarter. Compared to 4Q21, the amount was down 25.0% as a result of lower selling costs.

Expenses (excluding depreciation and IFRS16) amounted to R$ 14.0 million in the quarter, of which R$ 3.8 million refer to personnel expenses (commercial, domestic operations and administrative staff), in line with the previous quarter and 18.8% higher than 1Q21.

ECL expense accounted for 6.2% of net revenue in 1Q22.

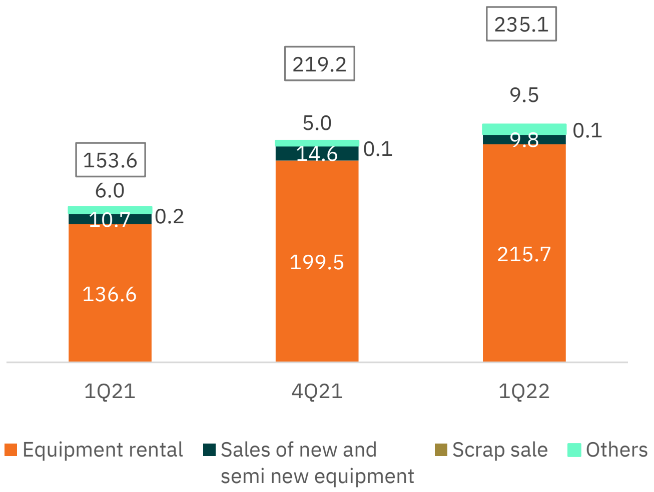
As a percentage of net revenue, operating and administrative expenses (ex-depreciation, IFRS16 and non-recurring items) accounted for 41.3% in 1Q22, versus 54.0% in 1Q21.

In 1Q22, adjusted EBITDA amounted to R$ 10.6 million, 295.6% higher than 1Q21, with 32.3% adjusted EBITDA margin in the period, 20.0 p.p. higher in the annual comparison.

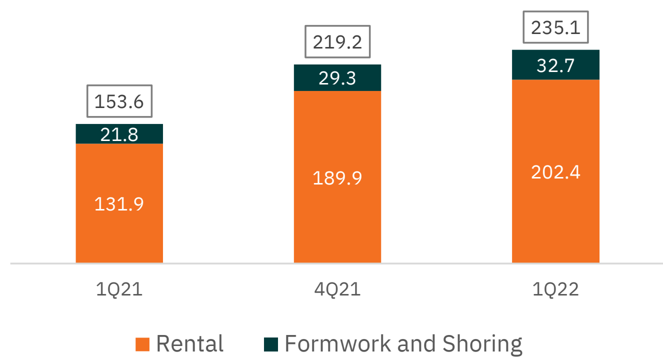
5. Financial Highlights (Consolidated)

in R$ million

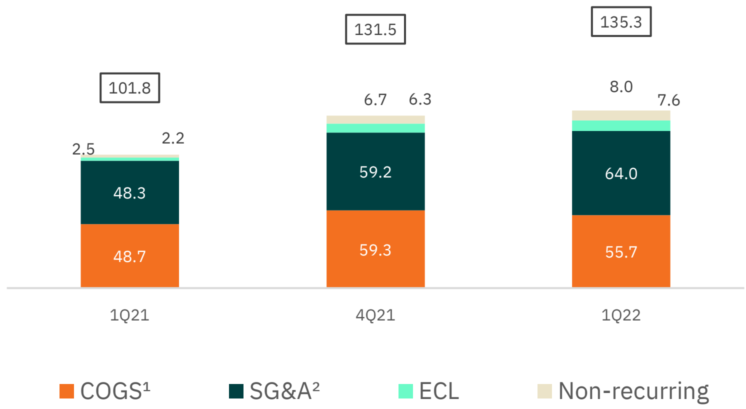
Net revenue by type



Net revenue by business unit

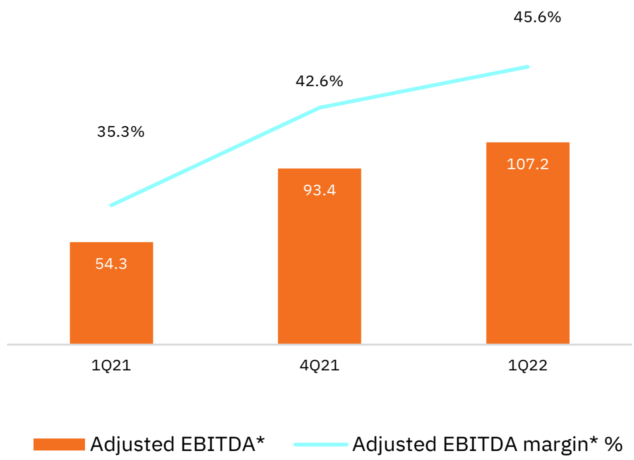


Costs & Expenses

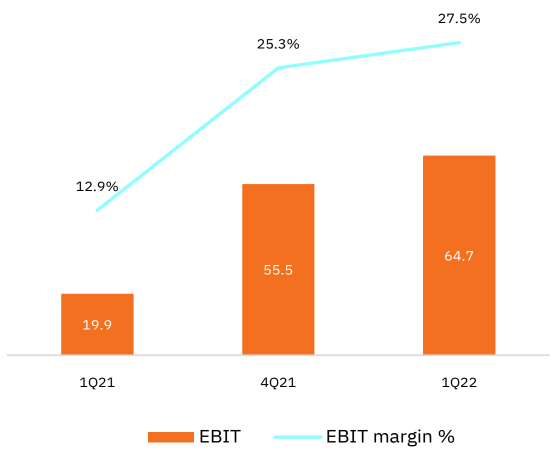


¹ Excluding and IFRS 16 effect and depreciation. Non-GAAP – Information unaudited by the independent auditors.

Adjusted EBITDA



EBIT



*Excluding IFRS 16 effects and non-recurring items Non-GAAP – Information unaudited by the independent auditors.

6. Non-recurring Items

In 1Q22, increased expenses on non-recurring items were related to the fleet adaptation project, aiming at increasing the availability of the lifting platforms. This project aims to allow an increase in rental revenue without the need for relevant investments.

This project has a total amount, considering capex and opex, of approximately R$50 million. As of March 31, 2022, the Company disbursed R$ 26.6 million, of which R$ 8.3 million in 2022, divided into 58% opex and 42% capex.

Non-recurring items* - in R$ million	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total non-recurring expenses	**-2.4**	**-5.7**	**-7.5**	**207.1%**	**32.2%**
Fleet adequacy	-1.3	-1.0	-4.8	281.0%	362.3%
Other incorporation expenses	-0.5	0.0	-	-	-
Branches demobilization	-	-1.3	-1.1	-	-15.4%
M&A Projects	-0.4	-4.0	-1.7	283.7%	-58.0%
Mills SI Expenses	-0.2	0.6	0.1	-151.6%	-83.0%

*Non-GAAP – Information unaudited by the independent auditors.

7. Financial Result

Ex-IFRS 16

Consolidated data in R$ million	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Net financial result	**-2.8**	**1.7**	**-0.9**	**67.1%**	**-153.4%**
Financial Revenues	4.4	8.8	6.9	56.0%	-21.4%
Financial expenses	-7.2	-7.1	-7.8	8.6%	10.5%

Financial result in 1Q22 improved R$ 1.9 million when compared to 1Q21 due to higher income from financial investments as a result of the higher amount of cash in the period, R$ 528.8 million in 1Q22 compared to R$ 214.6 million in 1Q21. CDI hike was the main reason for the higher cost of debt and the increased yield on financial investments.

4Q21 result was positively impacted by the receipt of dividends from Rohr in the amount of R$ 1.8 million in the quarter.

8. Net income

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Net income (Loss)	**7.4**	**43.6**	**40.8**	**454.5%**	**-6.3%**
Income tax and social contribution expenses	-8.5	-13.4	-22.8	169.6%	-70.9%
Profit (Loss) before Income tax and social contribution	**15.8**	**56.9**	**63.7**	**302.1%**	**11.8%**
Financial Result	-4.0	0.5	-2.1	48.0%	560.9%
Depreciation	-36.3	-36.2	-39.2	-8.0%	-8.3%
CVM EBITDA	**56.1**	**92.6**	**105.0**	**86.9%**	**13.3%**
IFRS 16 Impact	-4.3	-4.9	-5.2	-20.8%	-5.0%
Non-recurring items*	-2.4	-5.7	-7.5	207.1%	-32.2%
Adjusted EBITDA* (ex-non-recurring items and IFRS16 impact)	**54.3**	**93.4**	**107.2**	**97.6%**	**14.9%**

*Non-GAAP – Information unaudited by the independent auditors.

In 1Q22, Mills net income amounted to R$ 40.8 million, 4.5x higher than the R$7.4 million profit recorded in 1Q21, reflecting:

(+) R$ 53.0 million increase in Adjusted EBITDA;
(-) R$ 2.5 million increase in depreciation;
(-) R$ 5.0 million with higher expenses on non-recurring items
(+) R$ 1.9 million with lower net financial expenses; and
(-) R$ 14.4 million increase in income tax and social contribution, due to higher taxable income

9. Investments

Completion of the second and final part of Altoplat's assets acquisition transaction, totaling R$ 30.6 million, with R$ 26.6 million disbursed in the period;

On April 19, 2022, the Company entered into a purchase and sale agreement to acquire all the shares representing the capital stock of Tecpar Comercio e Locação de Equipamentos LTDA ("Tecpar Equipamentos"). Founded in 2007, Tecpar Equipamentos specializes in leasing and selling elevating platforms, in addition to offering technical assistance with the support of qualified professionals. With a fleet with an average age of 6 years, comprising 298 machines, in addition to 53 machines under operating lease, Tecpar Equipamentos is a company with a strong presence in the State of São Paulo and also operating in Minas Gerais, with a diversified customer base and balanced across multiple regions and long-term agreements. The transaction involved an amount of R$ 45.8 million. The completion of the Transaction is subject to the fulfillment of certain conditions precedent, usual in this type of transaction.

Strategic Rationale:

The transactions are in line with Mills' strategic objectives related to: (i) Market penetration; (ii) Gain of scale; (iii) Synergies; (iv) Fleet Renewal; and (v) Discipline in capital allocation.

This Transaction, as well as the other three acquisitions completed in 2021, proves the Company's ability to allocate capital and absorb operations with discipline, also seeking inorganic growth and maximization of return to shareholders.

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total Capex	**-6.6**	**-137.3**	**-36.5**	**-453.4%**	**73.4%**
Rental equipment	**-3.8**	**-45.8**	**-27.2**	**626.1%**	**40.6%**
Formwork ans Shoring	-0.1	-0.1	-0.3	302.0%	250.4%
Rental	-3.7	-45.7	-27.0	632.7%	41.1%
Corporate and use goods	**-2.9**	**-16.9**	**-9.3**	**-226.1%**	**45.1%**
M&As	**0.0**	**-74.5**	**0.0**		

Divestment in Rohr S/A Estruturas Tubulares (Rohr)

On March 11, 2022, after approval by its Board of Directors, Mills entered into a binding agreement with Rohr's current controlling shareholders to exchange assets, through which it will dispose of its equity interest of 27.47% (excluding treasury shares) in Rohr and, in return, it will receive other Rohr's assets ("Transaction"), which will be earmarked to the Company's growth.

Since 2011, Mills has held the aforementioned stake in Rohr, a company specialized in access engineering and providing solutions for civil construction, and has no influence on its management, so that the investment is classified as a financial asset at its fair value, amounting to R$ 34.0 million as of December 31, 2021 and is subject to impairment on an annual basis.

As a result of the Transaction, Mills will receive the total fleet of 146 Rohr's lifting platforms and respective inventories of parts, corresponding to the total amount of R$ 13.0 million, which will be added to the Company's core business. Additionally, Mills will receive agreements in force and the customer base, valued at R$ 1.9 million, as well as R$ 4.9 million in national currency, in addition to properties amounting to R$ 14.2 million, which will be promptly put up for sale, so that the proceeds can also be invested in the Company's growth.

10. ROIC and ROE

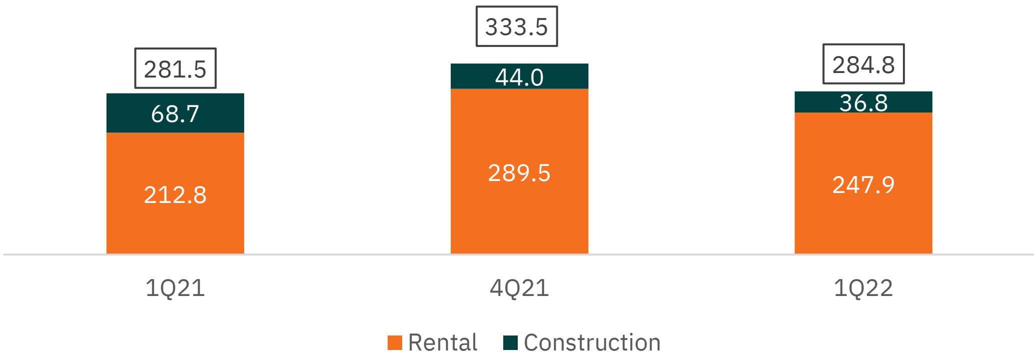
R$ million	1Q21	4Q21	1Q22
EBIT	29.5	142.4	187.6
IT/SC	- 10.0	- 48.4	- 63.8
NOPAT	**19.5**	**94.0**	**123.8**
Average Invested Capital	**638.2**	**621.9**	**654.4**
Working capital (Average LTM)	102.4	137.7	150.9
PP&E (Average LTM)	535.9	484.2	503.4
ROIC LTM	**3.1%**	**15.1%**	**18.9%**

R$ million	1Q21	4Q21	1Q22
Net Income (LTM)	3.6	102.3	135.8
Average net equity*	1,098.2	1,098.8	1,105.2
ROE	**0.3%**	**9.3%**	**12.3%**

* average of the last four quarters

11. Property, plant and equipment

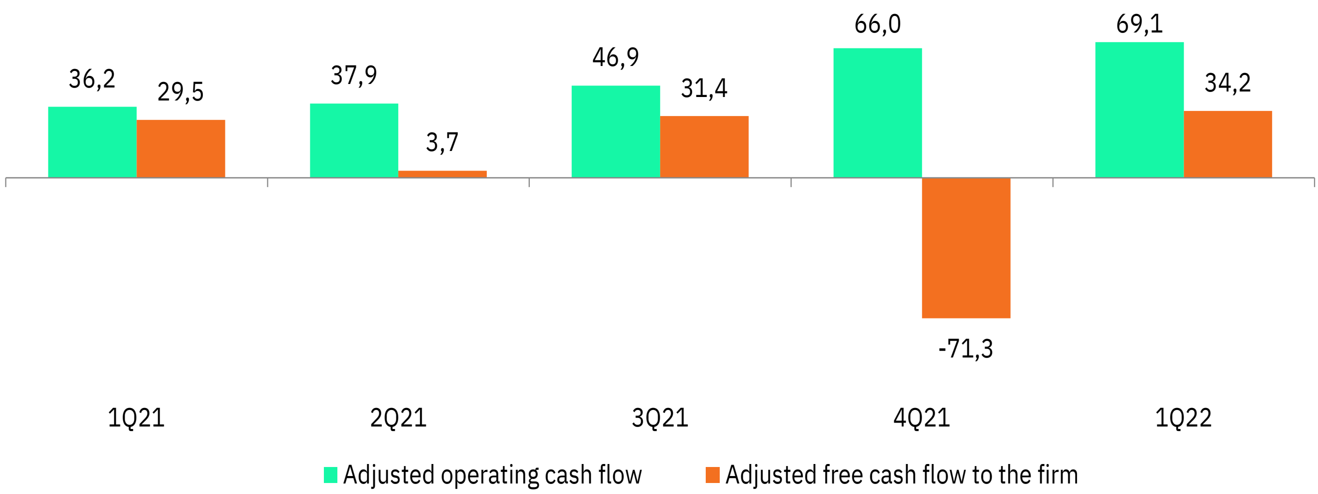
PP&E, net of lease



Our machinery fleet had an average age of 9.1 years in 1Q22. The company is working to maximize the life cycle of the machinery: buying, leasing, and selling. The sale price of used machinery is currently **30% to 35%, on average, of the value of a new asset**.

12. Adjusted Cash Flow

Adjusted consolidated operating cash flow[1] showed a positive balance of R$ 69.1 million in the quarter, reflecting the Company's actions for growth and expansion, balanced by the revenue growth and gross margin improvement achieved in the period. Free cash flow for the firm was R$ 34.2 million in 1Q22.



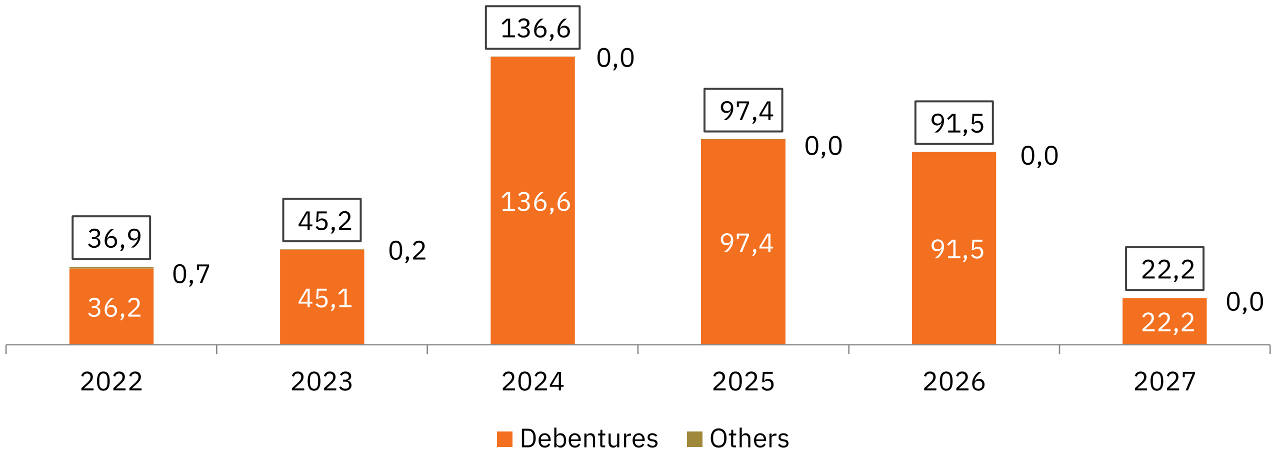
13. Indebtedness

In March, Mills completed its 6th issue of debentures, in the amount of R$ 300.0 million, at an average rate of CDI + 2.73% p.a., resulting in an extension of the debt and a decrease in the Company's average cost.

1Q22 ended with a gross debt of R$ 429.9 million, excluding issuance cost. The average maturity for paying Mills total indebtedness is 2.8 years, at an average cost of CDI + 2.90% p.a.

The Company remains as an operating cash generator, with R$ 528.8 million in cash and net cash of R$ 98.2 million as of March 31, 2022, evidencing a solid liquidity situation and comfortable leverage levels to enhance its organic and inorganic growth.

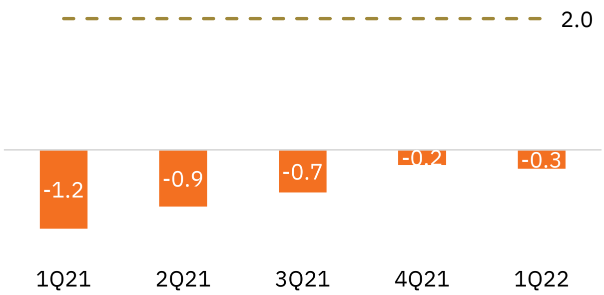
Debt payment schedule
R$ million



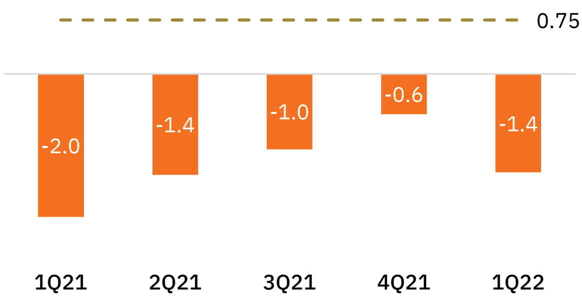
Debt Indicators

As of March 31, 2022, Mills complied again with its financial covenants and recorded a Net Debt / LTM Adjusted Ebitda ratio of -0.3x and ST Net Debt / LTM Adjusted EBITDA at -1.4x, as follows:

Net Debt / LTM Adjusted EBITDA



ST Net Debt / LTM Adjusted EBITDA



14. ESG

Qualitative and quantitative information was not audited by the independent auditors.

In 2022, we want to continue transforming through our actions, contributing to the growth of society and our employees and enchanting with a culture that prioritizes the development of a sustainable, inclusive and diverse business.

In this sense, we have mapped out some significant challenges for this year. Among them, we can highlight:

- Obtaining B-System certification, which will recognize our positive impacts on the pillars of Governance, Workers, Customers, Community and Environment;
- The tangibility and penetration of our ESG strategy across the company, which will strengthen our culture with employees who are better qualified and trained to contribute to this process;
- Provide visibility to all stakeholders on the initiatives of action on social, environmental and governance issues.

As a result of the heavy rains that hit the city of Petrópolis in February, we held a special edition of the Partilhar Program to help affected families. More than 6,500 items were donated, such as food, personal hygiene and cleaning materials, blankets, clothes and shoes. The Company also mobilized the employees of the branches closest to the region (Curicica and Guerenguê) to increase the collection of items distributed to the population.

We are currently in the final stages of preparing the Global Reporting Initiative for 2021. This report will provide visibility to Mills' social, environmental and economic performance during this period, reporting actions, the Company's detailed materiality process, the corresponding commitments and goals for each topic, and the paths we are taking concerning our Sustainability Journey. Initially, the release of this report was scheduled for April 2022, but this term has been changed to the second quarter of 2022.

14. ESG

Qualitative and quantitative information was not audited by the independent auditors.

Aiming to promote the inclusion of different cultural groups within the Company, we held in March the creation of our diversity group, ‘Nós pela diversidade’ (We for diversity), comprising 10 employees of minority groups. This group will follow a path towards identifying improvements in the Company's practices and strategies, aiming to increase equity at all levels of the Mills hierarchy.

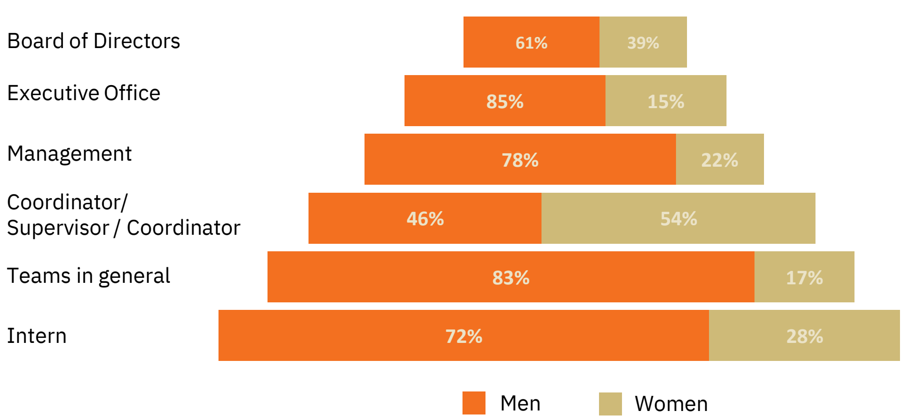
The next step on this journey: Expansion of TransFORMAR Program to other cities where our branches are located.

Social indicators (1Q22)

Diversity Indicators	Men	Women
Blacks*	**73**	**19**
Brown*	282	65
Caucasian / White*	485	161
Asian/Yellow*	3	2
Indigenous*	0	0
Not informed	406	117
TOTAL	**1249**	**364**
PwD	**6**	**4**
Refugees	11	0
Average age (years)	33	30
Time with the company (years)	4	3

* Informed by self-declaration

Gender distribution by hierarchical level*



14. ESG

Qualitative and quantitative information was not audited by the independent auditors.

Environmental indicators (1Q22)

2,169 m³
average monthly water consumption at branches.

1.3 m³ per month
average water consumption per employee.

240 thousand kwh
average monthly energy consumption.

149 kW/month
relative average consumption, per employee.

551 tonnes
of total waste disposal in 2022.

192 tonnes
destined for recycling in 2022.

15. Tables

Consolidated Data in R$ million

Table 1 - Rental net revenue per product

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total Rental Net Revenue	**136.6**	**199.5**	**215.7**	**57.8%**	**8.1%**
Aerial platforms	118.2	168.9	180.6	52.8%	6.9%
Formwork and Shoring	17.2	24.6	26.6	54.7%	8.0%
Others	1.2	5.9	8.5	582.7%	44.4%

Table 2 - Cost of products and services sold (COGS) and Operating, general and administrative expenses (SG&A), ex. depreciation and IFRS16

	1Q21	%	4Q21	%	1Q22	%
COGS total, ex-depreciation	**(48.7)**	**47.9%**	**(59.3)**	**45.1%**	**(55.7)**	**41.2%**
Rental costs (maintenance, personnel, warehouses, etc)[1]	(44.9)	44.1%	(54.1)	41.1%	(52.7)	39.0%
Costs of sales of new equipment	(2.8)	2.8%	(2.1)	1.6%	(2.2)	1.6%
Costs of sales of semi new equipment	(0.8)	0.8%	(2.3)	1.7%	(0.6)	0.4%
Cost of scrap sale	(0.1)	0.1%	(0.0)	0.0%	(0.0)	0.0%
Costs of indemnity	(0.1)	0.1%	(0.8)	0.6%	(0.2)	0.1%
SG&A, ex-depreciation and ECL[1]	**(50.6)**	**49.7%**	**(65.5)**	**49.8%**	**(71.6)**	**52.9%**
Commercial, Operational and Administrative	(35.2)	34.6%	(41.6)	31.6%	(45.0)	33.2%
General Services	(9.6)	9.4%	(9.6)	7.3%	(10.7)	7.9%
Other expenses	(5.8)	5.7%	(14.3)	10.9%	(16.0)	11.8%
ECL	**(2.5)**	**2.4%**	**(6.7)**	**5.1%**	**(8.0)**	**5.9%**
COGS + SG&A Total	**(101.8)**		**(131.5)**		**(135.3)**	

*Excluding IFRS 16 effect. Non-GAAP information, not revised by independent auditors

Table 3 - Reconciliation of Adjusted EBITDA

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Net income (Loss)	**7.4**	**43.6**	**40.8**	**454.5%**	**-6.3%**
Income tax and social contribution expenses	-8.5	-13.4	-22.8	169.6%	-70.9%
Profit (Loss) before Income tax and social contribution	**15.8**	**56.9**	**63.7**	**302.1%**	**11.8%**
Financial Result	-4.0	0.5	-2.1	48.0%	560.9%
Depreciation	-36.3	-36.2	-39.2	-8.0%	-8.3%
CVM EBITDA	**56.1**	**92.6**	**105.0**	**86.9%**	**13.3%**
IFRS 16 Impact	-4.3	-4.9	-5.2	-20.8%	-5.0%
Non-recurring items*	-2.4	-5.7	-7.5	207.1%	-32.2%
Adjusted EBITDA* (ex-non-recurring items and IFRS16 impact)	**54.3**	**93.4**	**107.2**	**97.6%**	**14.9%**

*Excluding IFRS 16 effect and non-recurring items (Formwork and shoring unit restructuring expenses, liabilities from Industrial Services business unit and others)

15. Tables

Consolidated Data in R$ million

Table 4 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

	1Q22
EBITDA CVM	**105.0**
Non cash items	**17.7**
Provision for tax, civil and labor risks	0.0
Accrued expenses on stock options	1.0
Post Employment Benefits	0.2
Residual value of property, plant and equipment and intangible assets sold and written off	1.2
Provision (reversal) for impairment loss on trade receivables	8.0
Provision (reversal) for impairment	0.0
Provision (reversal) for slow-moving inventories	0.8
IFRS 9/CPC 48 Adjustment	0.0
Result of share in investments	0.0
Provision for Profit Sharing	3.6
Other provisions	2.8
EBITDA ex-non cash provisions	**122.7**
Cash	**-74.2**
Interest and monetary and exchange gains and losses (cash)	5.3
Trade receivables	-29.4
Acquisitions of rental equipment	-27.2
Inventories	0.2
Taxes recoverable	-0.4
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-0.5
Judicial deposits	-0.6
Other assets	0.2
Suppliers	-1.0
Payroll and related taxes	2.5
Taxes payable	0.0
Other liabilities	0.3
Profit participation to pay	0.0
Paid income and social contribution taxes	-17.2
Law suits settled	-2.1
Interest paid	-4.3
Cash flows from operating activities according to the financial statements	**48.4**
Interest and monetary and exchange gains and losses (cash)	-5.3
Acquisitions of rental equipment	27.2
Interest paid	4.3
Leasing IFRS16	-5.5
Adjusted Operating Cash Flow	**69.1**

15. Tables

Consolidated Data in R$ million

Table 5 - Investment per business unit

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total Capex	**-6.6**	**-137.3**	**-36.5**	**-453.4%**	**73.4%**
Rental equipment	**-3.8**	**-45.8**	**-27.2**	**626.1%**	**40.6%**
Formwork ans Shoring	-0.1	-0.1	-0.3	302.0%	250.4%
Rental	-3.7	-45.7	-27.0	632.7%	41.1%
Corporate and use goods	**-2.9**	**-16.9**	**-9.3**	**-226.1%**	**45.1%**
M&As	**0.0**	**-74.5**	**0.0**		

Table 6 - Formwork and shoring Business Unit*

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total net revenue	**21.8**	**29.3**	**32.7**	**50.4%**	**11.7%**
Rental	17.2	24.6	26.6	54.7%	8.0%
Sales of new equipment	0.1	0.0	0.1	6.1%	146.8%
Sales of semi new equipment	1.1	2.6	0.2	-85.1%	-93.7%
Scrap Sale	0.1	0.1	0.1	-61.6%	-53.5%
Technical Assistance	0.1	0.4	0.4	241.0%	-10.8%
Indemnity and Expenses Recovery	3.1	1.5	5.4	72.7%	259.3%
Total COGS, ex-depreciation	**-7.3**	**-11.5**	**-8.7**	**18.0%**	**-25.0%**
Rental costs (maintenance, personnel, warehouses, etc)[1]	-6.9	-8.9	-8.3	20.1%	-7.2%
Cost of sales of new equipment	0.0	0.0	0.0	14.5%	124.3%
Cost of sales of semi new equipment	-0.2	-1.9	-0.2	-14.9%	-91.4%
Cost of scrap sale	-0.1	0.0	0.0	-88.6%	-14.5%
Cost of assets write-offs and Provision of recoverable value	-0.1	-0.7	-0.2	15.0%	-76.7%
SG&A, ex-depreciation and ECL	**-11.4**	**-11.5**	**-11.9**	**4.4%**	**3.9%**
ECL	**-0.3**	**-1.6**	**-2.0**	**552.8%**	**25.7%**
CVM EBITDA	**4.0**	**6.1**	**11.4**	**182.6%**	**85.8%**
EBITDA margin (%)	18.5%	20.9%	34.8%		
Adjusted EBITDA	2.7	4.6	10.6	295.6%	-127.4%
Adjusted EBITDA margin (%)	12.3%	15.8%	32.3%		
Depreciation	-10.2	-9.7	-7.7	-24.3%	-20.7%
Equipment rental capex	-0.1	-0.1	-0.3	302.0%	250.4%
Rental gross fixed assets	440.0	431.9	430.7	-2.1%	-0.3%
Quantity of equipment in the end of the period (thousand tons)	52.7	52.2	51.9	-1.5%	-0.6%
Active contracts	446.0	476.0	446.0	0.0%	-6.3%
Utilization Rate for the Quarter	42.0%	47.3%	49.6%		
Utilization Rate LTM	41.9%	44.4%	46.3%		

* Excluding IFRS 16 effect. Non-GAAP – Information unaudited by the independent auditors.

15. Tables

Consolidated Data in R$ million

Table 7 - Rental Business Unit*

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Total Net Revenue	**131.9**	**189.9**	**202.4**	**53.5%**	**6.6%**
Rental	119.4	174.8	189.1	58.3%	8.1%
Sales of new equipment	3.8	3.8	3.5	-7.5%	-5.6%
Sales of semi new equipment	5.7	8.2	6.0	5.8%	-26.9%
Scrap Sale	0.1	0.0	0.0	-96.4%	32.6%
Technical Assistance	0.7	0.8	0.7	-0.7%	-10.1%
Indemnity and Expenses Recovery	2.1	2.2	3.0	45.2%	33.7%
Total COGS, ex-depreciation	**-41.4**	**-47.7**	**-47.0**	**13.6%**	**-1.5%**
Rental costs (maintenance, personnel, warehouses, etc)[1]	-38.0	-45.2	-44.4	17.0%	-1.6%
Cost of sales of new equipment	-2.8	-2.1	-2.2	-22.4%	6.1%
Cost of sales of semi new equipment	-0.6	-0.4	-0.4	-33.0%	6.2%
Cost of scrap sale	0.0	0.0	0.0		
Cost of assets write-offs and Provision of recoverable value	0.0	-0.1	0.0		
SG&A, ex-depreciation and ECL	**-38.9**	**-54.6**	**-59.8**	**53.7%**	**9.5%**
ECL	**-2.2**	**-5.1**	**-6.0**	**178.3%**	**17.4%**
CVM EBITDA	**52.3**	**85.9**	**93.5**	**78.6%**	**8.8%**
EBITDA margin (%)	39.7%	45.2%	46.2%		
Adjusted EBITDA	51.6	88.7	96.7	87.3%	9.0%
Adjusted EBITDA margin (%)	39.1%	46.7%	47.8%		
Depreciation	-22.4	-22.5	-27.3	22.1%	21.6%
Equipment rental capex	-3.7	-45.7	-27.0	632.7%	-41.1%
Rental gross fixed assets	1052.7	1091.3	1121.4	6.5%	2.8%
Quantity of MEWPs in the end of the period (units)	7,970	7,916	8,636	8.4%	9.1%
Active contracts	2,926	3,524	3,786	29.4%	7.4%
Utilization Rate Quarter	53.6%	65.6%	62.7%		
Utilization Rate LTM	46.4%	59.3%	61.6%		

* Excluding IFRS 16 effect. Non-GAAP – Information unaudited by the independent auditors.

16. Income Statement

Consolidated Data in R$ million

	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Net revenue from sales and services	153.6	219.2	235.1	53.0%	7.3%
Cost of products sold and services rendered	(77.2)	(85.4)	(83.6)	8.3%	-2.1%
Gross Profit	**76.4**	**133.7**	**151.4**	**98.3%**	**13.2%**
Selling, general and administrative expenses	(55.0)	(71.6)	(77.8)	41.6%	8.7%
ECL	(2.5)	(6.7)	(8.0)	225.3%	19.4%
Other revenues	0.9	1.0	0.2	-81.4%	-83.3%
Loss before Financial Result	**19.9**	**56.5**	**65.8**	**231.0%**	**16.5%**
Financial expenses	(8.5)	(8.3)	(9.0)	6.6%	8.4%
Financial revenues	4.4	8.8	6.9	56.4%	-21.2%
Financial result	**(4.0)**	**0.5**	**(2.1)**	**-48.0%**	**-560.9%**
Loss before taxes	**15.8**	**56.9**	**63.7**	**302.1%**	**11.8%**
Income tax and social contribution	(8.5)	(13.4)	(22.8)	169.6%	70.9%
Profit (Loss) for the year	**7.4**	**43.6**	**40.8**	**454.5%**	**-6.3%**

17. Balance Sheet

Consolidated Data in R$ million

In R$ million	1Q21	4Q21	1Q22
Assets			
Current assets			
Cash and cash equivalents	392.5	202.7	516.8
Restricted bank deposits	6.8	11.9	12.0
Trade receivables	113.4	155.2	183.8
Inventories	54.7	74.1	73.1
Inventories - other assets held for sale	-	-	-
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	6.3	8.5	9.0
Taxes recoverable	4.6	6.3	6.7
Advances to suppliers	4.4	6.0	7.9
Other receivables - sale of investee	-	-	-
Assets held for sale	5.0	7.3	6.0
Total Current Assets	587.6	472.1	815.3
Assets held for sale	10.3	6.2	19.5
Non-current Assets			
Deferred taxes - IRPJ and CSLL	312.2	310.9	307.5
Taxes recoverable	0.3	0.1	0.1
Judicial deposits	8.7	9.9	10.7
Other assets	0.6	-	0.1
Financial derivative instruments	-	0.1	-
	321.7	321.0	318.4
Available-for-sale financial assets	39.3	34.0	-
Property, plant and equipment	359.9	393.8	399.9
Right of Use (IFRS 16)	53.4	48.6	48.8
Intangible assets	121.8	174.3	179.5
	574.5	650.7	628.2
Total Non-current Assets	896.2	971.7	946.6
Total Assets	**1,494.1**	**1,450.0**	**1,781.4**

In R$ million	1Q21	4Q21	1Q22
Liabilities			
Current liabilities			
Trade payables	41.0	43.2	43.5
Borrowings and financing	3.3	0.8	0.8
Leases payable	16.4	16.3	17.9
Debentures	68.3	51.4	47.0
Income tax and social contribution	2.2	25.6	28.1
Payroll and related taxes	22.1	9.0	10.5
Tax debt refinancing program (REFIS)	1.5	1.5	1.5
Taxes payable	4.0	7.8	8.6
Profit sharing payable	9.6	14.1	17.8
Dividends and interest on equity payable	-	12.8	12.8
Provision for tax, civil and labor risks	-	(0.0)	-
Other liabilities	0.7	1.3	1.6
Total Current Liabilities	169.0	183.6	189.9
Non Current Liabilities			
Borrowings and financing	-	0.2	0.2
Leases payable	41.2	36.9	35.5
Debentures	130.1	95.9	382.0
Tax debt refinancing program (REFIS)	3.4	2.3	2.0
Provision for tax, civil and labor risks	20.6	17.6	19.2
Taxes payable	10.4	10.7	10.8
Provision for post-employment benefits	12.1	8.9	9.1
Other liabilities	0.9	0.8	0.7
Total non-current Liabilities	218.7	173.3	459.6
Total Liabilities	387.7	357.0	649.5
Equity			
Share capital	1,089.6	1,090.3	1,090.3
Capital reserves	58.2	61.6	13.7
Shares issuance	(18.4)	(18.4)	(18.4)
Earnings reserves	0.9	44.4	44.4
Treasury shares	(15.1)	(70.2)	(24.1)
Equity adjustments	(16.1)	(17.0)	(17.0)
Accumulated losses	7.4	-	40.8
Equity attributed to controlling shareholders	1,106.4	1,090.7	1,129.7
Non-controlling shareholders		2.2	2.2
Total Equity	1,106.4	1,093.0	1,131.9
Total Liabilities and Equity	**1,494.1**	**1,450.0**	**1,781.4**

18. Indirect Cash Flow

Consolidated Data in R$ million

in R$ million	1Q21	4Q21	1Q22
Cash flows from operating activities			
Profit for the year	**7.4**	**43.5**	**40.8**
Non cash adjustments:	**50.1**	**59.4**	**67.7**
Depreciation and amortization	36.3	36.2	39.2
Deferred income and social contribution taxes	2.5	0.1	3.4
Provision (reversal) for tax, civil and labor risks	-0.3	-2.2	0.0
Accrued expenses on stock options	1.1	1.1	1.0
Post-employment benefit	0.2	0.2	0.2
Residual value of property, plant and equipment and intangible assets sold and written off	1.1	3.5	1.2
Interest and monetary exchange gains and losses, net	3.8	4.8	6.2
Leasing interest	1.3	1.4	1.2
Provision (reversal) for impairment loss on trade receivables	2.5	6.7	8.0
Impairment loss on inventories held for sale	0.0	0.0	0.0
Provision (reversal) for impairment and fair value	0.0	-0.1	0.0
Provision (reversal) for slow-moving inventories	0.4	0.1	0.8
Provision for rental equipment inventory adjustment	0.0	0.0	0.0
IFRS 9/CPC 48 Adjust	0.0	0.0	0.0
Result of participation in investments	0.0	0.0	0.0
Provision for Profit Sharing	2.3	6.1	3.6
Other provisions	-1.0	1.5	2.8
Variations on assets and liabilities:	**-12.6**	**-57.6**	**-36.4**
Trade receivables	-7.0	-28.0	-29.4
Acquisitions of rental equipment	-3.8	-45.8	-27.2
Acquisition of leased assets through capital reduction in subsidiary	0.0	0.0	0.0
Inventories	-14.3	5.8	0.2
Inventory acquisitions through capital reduction subsidiary	0.0	0.0	0.0
Taxes recoverable	0.9	2.9	-0.4
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-0.4	-1.2	-0.5
Judicial deposits	-0.9	-0.2	-0.6
Other assets	0.6	1.6	0.2
Trade payables	4.2	-4.3	-1.0
Payroll and related taxes	2.8	-4.2	2.5
Profit Sharing	0.0	0.0	0.0
Taxes payable	5.3	15.6	19.4
Other liabilities	0.0	0.3	0.3
Paid income and social contribution taxes	**-6.6**	**-11.3**	**-17.2**
Lawsuits settled	**-0.5**	**-1.5**	**-2.1**
Interest paid	**-1.9**	**-3.7**	**-4.3**
Net cash generated by operating activities	**35.8**	**28.8**	**48.4**
Cash flows from investing activities:			
Acquisition of cash resulting from the incorporation of a subsidiary	0.0	-89.8	0.0
Net increase (decrease) in cash and cash equivalents	0.0	15.3	0.0
Acquisition of PP&E for own use and intangible assets	-3.4	-16.9	-9.3
Acquisition of assets for own use through capital reduction in subsidiary	0.5	0.0	0.0
Proceeds from sale of investments	0.0	0.0	0.0
Interest on capital received	0.0	0.0	1.6
Net cash generated from investing activities	**-2.9**	**-91.5**	**-7.7**
Cash flows from financing activities			
Lease operations (IFRS16)	-4.4	-5.6	-5.5
Capital increase/decrease	0.0	0.0	0.0
Restricted bank deposits	-6.8	-4.5	-0.1
Borrowing and debentures	0.0	-0.1	297.2
Share issue cost	0.0	0.0	0.0
Amortization of borrowings and debentures	-8.1	-17.4	-15.4
Capital Increase	0.0	0.0	0.0
Share buyback	0.0	-8.2	-2.8
Interest on equity paid	0.0	-18.8	0.0
Dividends paid	0.0	-0.1	0.0
Lease operations	0.0	0.0	0.0
Net cash used in financing activities	**-19.3**	**-54.9**	**273.3**
Net increase (decrease) in cash and cash equivalents	**13.6**	**-117.5**	**314.0**
Cash and cash equivalents at the beginning of the period	378.9	320.3	202.7
Cash and cash equivalents at the end of the period	392.5	202.7	516.8
Net increase (decrease) in cash and cash equivalents	13.6	-132.8	314.0
Operating Cash Flow	**35.8**	**28.8**	**48.4**
Interest Paid	1.9	3.7	4.3
Acquisitions of rental equipment	3.8	45.8	27.2
Interest and monetary exchange net gains and losses (non-cash)	-1.0	-6.7	-5.3
Financial Result Income Statement	-4.4	-5.6	-5.5
Adjusted Operating Cash Flow	**36.2**	**66.0**	**69.1**

*Information and reconciliations not audited by the independent auditors.

19. MILS3 History

Mills common shares are traded on B3's Novo Mercado under ticker MILS3.

The closing price of Mills' share on B3, as of March 31, 2022, was R$ 7.62, with a 14.9% increase versus the closing price of the same period in 2021, while IBOVESPA index was up 2.9% in the same period. As of 1Q22 closing, Mills market cap amounted to R$ 1,874.3 million.

The average daily traded volume of Mills shares in B3 amounted to R$ 7.9 million in 1Q22, 9.2% lower versus the recorded in the same quarter of the previous year.

MILS3 Performance	1Q21 (A)	4Q21 (B)	1Q22 (C)	(C)/(A)	(C)/(B)
Final share price (R$)	**6.63**	**6.39**	**7.62**	**14.9%**	**19.2%**
Maximum[1]	6.76	8.97	7.62	12.7%	-15.0%
Minimum[1]	4.94	4.82	5.09	3.0%	5.7%
Average[1]	5.97	6.80	6.17	3.3%	-9.2%
Market Cap at the end of the period (R$ million)	**1,670.5**	**1,611.4**	**1,874.3**	**12.2%**	**16.3%**
Average daily traded volume (R$ million)	**8.71**	**8.60**	**7.91**	-9.2%	-8.0%
Qty. of Shares (million)	**251.95**	**252.17**	**245.97**	**-2.4%**	**-2.5%**

20. Glossary

(a) Write-off of Assets - linked to the revenue from Indemnities, this amount is the cost of writing off the indemnified asset in our property, plant and equipment.

(b) Capex (Capital Expenditure) - Acquisition of tangible and intangible assets for non-current assets.

(c) Invested capital - For the company, invested capital is defined as the sum of equity (net equity) plus third party capital (including all onerous, bank and non-bank debts), both being the average values in the period. By business segment, it is the average amount of the company's invested capital in the period, weighted by average assets of each business segment (net current capital plus fixed assets). The asset base for the year is calculated as the average of the asset base for the last thirteen months.

(d) Adjusted Operational Cash Flow - based on the Company's Consolidated Financial Statements, net cash provided by operating activities, excluding interest and inflation adjustments in net assets and liabilities, acquisitions of property, plant and equipment for rental and interest paid;

(e) Rental cost (maintenance, personnel, deposits, etc.) - includes: (i) personnel for the supervision of works and technical assistance; (ii) personnel for the assembly and disassembly of material, when performed by Mills own workforce; (iii) equipment transportation freight, when under Mills responsibility; (iv) cost of materials used in maintenance of equipment; and (v) rental of equipment from third parties.

(f) Cost of warehouse - This cost includes expenses directly related to the management of the warehouse, storage, handling and maintenance of assets for rent and resale, including expenses with labor, PPE used in the warehouse activities (handling, storage and maintenance), inputs (forklift gas, welding gases, plywood, paints, timber battening, among others) and maintenance of machinery and equipment (forklifts, welding machines, jetting machines, hoists and tools in general).

(g) Cost of sales - cost of selling new products is linked to revenue from new sales. The cost of sales of used equipment is linked to the revenue from sales of used equipment and is equivalent to the write-off of these fixed assets (residual cost).

(h) General and administrative expenses - (i) Commercial, Operational and Administrative SG&A includes current expenses, such as salaries, benefits, travel, representations, from the various departments, including Commercial, Marketing, Engineering and administrative back office departments, such as HR and Finance; (ii) General Services encompasses equity expenses of the head office and several branches (mainly rents, fees, security and cleaning); and (iii) Other expenses are mostly non-cash items, such as provisions for stock option programs, provisions for contingencies, provisions for slow-moving inventories and some non-permanent disbursements.

(i) Net debt - Gross debt less cash and cash equivalents.

(j) EBITDA - EBITDA is a non-accounting measurement prepared by the Company, reconciled with our financial statements, subject to the provisions of CVM Circular Letter No. 01/2007, when applicable. We calculate our EBITDA as our operating earnings before financial result, the effects of depreciation of assets in use and rental equipment and the amortization of intangible assets. EBITDA is a measure not recognized by the Accounting Practices Adopted in Brazil, IFRS or US GAAP, it does not have a standard meaning and may not be comparable to measures with similar securities provided by other companies. We disclose EBITDA as we use it to measure our performance. EBITDA shall not be considered on a standalone basis or as a substitute for net income or operating profit, as indicators of operating performance or cash flow or to measure liquidity or the ability to pay debts.