

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

# **Ouro Verde Locação e Serviço S.A. and Subsidiary**

Individual and Consolidated Financial  
Statements for the Year Ended  
December 31, 2022 and  
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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## INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Management of  
Ouro Verde Locação e Serviço S.A.

### **Opinion**

We have audited the accompanying individual and consolidated financial statements of Ouro Verde Locação e Serviço S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2022, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Ouro Verde Locação e Serviço S.A. as at December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB.

### **Basis for opinion**

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

### **Key audit matters**

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

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## *Recognition of service revenue*

### Why it is a KAM

As described in notes 4a, 5 and 21 to the individual and consolidated financial statements, a significant portion of the Company's revenue corresponds to services provided, which include billed and unbilled amounts. In those cases, the revenue of services provided and not billed to the customer is calculated based on an estimate related to the period during which the services were provided, so as to adjust revenue recognition to the accrual basis.

Such matter was considered a key audit matter in our audit because: (i) the service revenue amounts correspond to a significant balance in the set of the Company's individual and consolidated financial statements; (ii) the transaction volume and customer portfolio are considerably high and their monitoring depends on the appropriate performance of internal control-related activities and automated systems; (iii) the Executive Board uses estimates that require judgment for part of the revenue recognized, relating to unbilled services; and (iv) there is an inherent risk of revenue being recognized without satisfying the minimum criteria necessary for its recognition.

### How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) obtaining an understanding of the flow of transactions of services provided considering the nature of the Company's transactions; (ii) assessing the design and implementation of significant internal controls over service revenue recognition; (iii) assessing and challenging whether the methods and assumptions used in the Company's calculation for the services provided and not billed within the year are consistent and appropriate; (iv) testing revenue transactions, on a sampling basis, on billed revenues arising from services provided, comparing the amounts recognized with the supporting documents; and (v) assessing the disclosures made by the Executive Board in the individual and consolidated financial statements.

Our procedures described above and the audit evidence obtained, supporting our tests, showed certain adjustments, not corrected by the Executive Board as they were considered immaterial, and internal control deficiencies in the revenue review process for services provided and not billed, which caused us to change our audit approach and expand the extent and nature of our initially planned substantive procedures to obtain sufficient and appropriate audit evidence.

Based on the audit procedures described above and the audit evidence obtained, we believe that the service revenue recognition criteria adopted by the Executive Board, as well as the related disclosures in the notes to the individual and consolidated financial statements, are acceptable within the context of the individual and consolidated financial statements taken as a whole.

### **Emphasis of matter**

#### *Restatement of the corresponding figures*

As described in note 5.4 to the individual and consolidated financial statements, the corresponding figures for the balance sheet balances for the year ended December 31, 2021, and the related statements of income, of comprehensive income, of changes in equity, of cash flows and of value added for the year then ended were adjusted and are being restated to reflect the necessary adjustments and reclassifications, as set forth in technical pronouncement CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors. Our opinion is not qualified in respect of this matter.

## **Other matters**

### *Statements of value added*

The individual and consolidated statements of value added (“DVA”) for the year ended December 31, 2022, prepared under the responsibility of the Company’s Executive Board and presented as supplemental information for purposes of the IFRSs, were subject to audit procedures performed together with the audit of the Company’s financial statements. In forming our opinion, we assess whether these statements of value added are reconciled with the other financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

### **Other information accompanying the individual and consolidated financial statements and the independent auditor’s report**

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

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

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

### **Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements**

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

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

Those charged with governance are responsible for overseeing the Company’s and its subsidiary’s financial reporting process.

## **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiary.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Curitiba, March 7, 2023

  
DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

  
Otávio Ramos Pereira  
Engagement Partner

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OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

BALANCE SHEETS AS AT DECEMBER 31, 2022  
(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent			Consolidated			LIABILITIES AND EQUITY	Note	Parent			Consolidated		
		12/31/2022	12/31/2021	01/01/21	12/31/2022	12/31/2021	01/01/21			12/31/2022	12/31/2021	01/01/21	12/31/2022	12/31/2021	01/01/21
											(Restated)	(Restated)		(Restated)	(Restated)
<b>CURRENT ASSETS</b>								<b>CURRENT LIABILITIES</b>							
Cash and cash equivalents	6	575,713	207,678	418,009	587,099	213,021	421,337	Trade payables	13	273,234	227,805	98,282	278,240	236,269	98,405
Trade receivables	7	277,855	171,438	112,946	280,175	172,384	113,084	Payor risk	13.1	54,951	-	-	54,951	-	-
Recoverable taxes		28,044	13,340	19,590	28,075	13,340	19,607	Borrowings and financing	14	76,779	5,699	4,162	76,779	5,699	4,162
Prepaid expenses		20,216	8,059	4,869	20,216	8,059	4,869	Leases	15	1,571	10,419	26,513	1,571	10,419	26,513
Assets for sale		-	-	-	20,182	13,492	-	Debentures	16	66,292	62,254	21,086	66,292	62,254	21,086
Other receivables	9	36,414	14,037	14,779	36,414	14,037	14,779	Advances from customers		28,354	19,319	5,992	28,582	19,504	6,000
Intragroup loans	8.b	8,910	-	-	-	-	-	Taxes and contributions payable		15,133	11,696	20,977	15,250	11,837	21,047
Derivative instruments	24	64,013	115,527	93,005	64,013	115,527	93,005	Payroll and vacation pay		27,871	20,544	15,717	27,871	20,544	15,717
		<u>1,011,165</u>	<u>530,079</u>	<u>663,198</u>	<u>1,036,174</u>	<u>549,860</u>	<u>666,681</u>	Distribution of profit	19.b	24,257	8,417	-	24,257	8,417	-
								Leniency agreement		-	-	4,841	-	-	4,841
<b>NONCURRENT ASSETS</b>								Right of use of leased assets	11.1	1,676	1,346	604	1,676	1,346	604
Trade receivables	7	6,170	29,226	62,476	6,170	29,226	62,476	Other payables		46	32	37	46	32	37
Escrow deposits	17	24,262	21,515	29,510	24,262	21,515	29,510	Derivative instruments	24	88,844	30,371	14,052	88,844	30,371	14,052
Other receivables	9	56	58	61	56	58	61			<u>659,008</u>	<u>397,902</u>	<u>212,263</u>	<u>664,359</u>	<u>406,692</u>	<u>212,464</u>
Intragroup loans	8.b	16,630	5,649	-	-	-	-	<b>NONCURRENT LIABILITIES</b>							
Investments	10	3,028	5,342	3,290	-	-	-	Borrowings and financing	14	1,603,843	1,226,056	795,421	1,603,843	1,226,056	795,421
Property, plant and equipment:	11							Leases	15	-	3,803	31,942	-	3,803	31,942
Vehicles, tractors, harvesters and other equipment								Debentures	16	1,581,574	946,843	713,850	1,581,574	946,843	713,850
subject to operating leases		3,791,337	2,652,798	1,418,567	3,791,337	2,652,798	1,418,567	Right of use of leased assets	11.1	10,562	10,907	7,200	10,562	10,907	7,200
Right of use of leased assets	11.1	9,430	10,595	7,582	9,430	10,595	7,582	Advances from customers		-	8,881	25,000	-	8,881	25,000
Other property, plant and equipment		16,912	16,009	14,618	16,912	16,009	14,618	Provision for risks	17	14,698	15,260	13,858	14,698	15,260	13,858
		<u>3,817,679</u>	<u>2,679,402</u>	<u>1,440,767</u>	<u>3,817,679</u>	<u>2,679,402</u>	<u>1,440,767</u>	Deferred income tax and social contribution	18	84,966	44,993	24,805	84,966	44,993	24,805
Intangible assets	12	77,937	38,651	26,634	77,937	38,651	26,634			<u>3,295,643</u>	<u>2,256,743</u>	<u>1,612,076</u>	<u>3,295,643</u>	<u>2,256,743</u>	<u>1,612,076</u>
		<u>3,945,762</u>	<u>2,779,843</u>	<u>1,562,738</u>	<u>3,926,104</u>	<u>2,768,852</u>	<u>1,559,456</u>	<b>EQUITY</b>							
								Capital	19.a	890,405	594,736	475,492	890,405	594,736	475,492
								Capital reserve	19.c	2,662	2,692	-	2,662	2,692	-
								Legal reserve	19.b	6,879	1,772	-	6,879	1,772	-
								Earnings retention reserve		128,848	56,077	-	128,848	56,077	-
								Accumulated losses		-	-	(73,895)	-	-	(73,895)
								Valuation adjustments to equity	19.d	(26,518)	-	-	(26,518)	-	-
								Total equity		<u>1,002,276</u>	<u>655,277</u>	<u>401,597</u>	<u>1,002,276</u>	<u>655,277</u>	<u>401,597</u>
<b>TOTAL ASSETS</b>		<u>4,956,927</u>	<u>3,309,922</u>	<u>2,225,936</u>	<u>4,962,278</u>	<u>3,318,712</u>	<u>2,226,137</u>	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>4,956,927</u>	<u>3,309,922</u>	<u>2,225,936</u>	<u>4,962,278</u>	<u>3,318,712</u>	<u>2,226,137</u>

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

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OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

(In thousands of Brazilian reais - R\$, except earnings (loss) per share)

	Note	Parent		Consolidated	
		12/31/2022	12/31/2021 (Restated)	12/31/2022	12/31/2021 (Restated)
NET OPERATING REVENUE	21	1,321,080	875,628	1,375,163	917,215
COSTS OF SERVICES AND FLEET SALE	22	(780,444)	(567,273)	(833,438)	(605,906)
GROSS PROFIT		540,636	308,355	541,725	311,309
OPERATING EXPENSES					
Selling expenses	22	(22,682)	(18,384)	(23,104)	(18,677)
General and administrative expenses	22	(79,512)	(66,350)	(79,512)	(66,350)
Share of profit (loss) of subsidiaries	10	(2,314)	2,060	-	-
Other operating expenses		(2,249)	(692)	(3,034)	(692)
OPERATING PROFIT BEFORE FINANCE INCOME (EXPENSE)		433,879	224,989	436,075	225,590
Finance income	23	126,660	21,167	125,239	21,164
Finance expense	23	(403,518)	(178,928)	(403,851)	(179,049)
FINANCE EXPENSES, NET		(276,858)	(157,761)	(278,612)	(157,885)
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		157,021	67,228	157,463	67,705
Current and deferred income tax and social contribution	18	(54,886)	(20,188)	(55,328)	(20,665)
PROFIT FOR THE YEAR		102,135	47,040	102,135	47,040
Earnings (loss) per share (in R\$)					
Basic		0.18885	0.11790	0.18885	0.11790
Diluted		0.18507	0.11469	0.18507	0.11469

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



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OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (Restated)	<u>12/31/2022</u>	<u>12/31/2021</u> (Restated)
PROFIT FOR THE YEAR	<u>102,135</u>	<u>47,040</u>	<u>102,135</u>	<u>47,040</u>
OTHER COMPONENTS OF COMPREHENSIVE INCOME THAT CAN BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS FOR THE				
Hedge Accounting - cash flow	(40,179)	-	(40,179)	-
Deferred income tax and social contribution - Hedge Accounting	<u>13,661</u>	-	<u>13,661</u>	-
	(26,518)	-	(26,518)	-
COMPREHENSIVE INCOME FOR THE YEAR	<u><u>75,617</u></u>	<u><u>47,040</u></u>	<u><u>75,617</u></u>	<u><u>47,040</u></u>

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

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OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In thousands of Brazilian reais - R\$)

	Note	Capital reserve		Earnings reserves		Accumulated losses	Valuation adjustments to equity	Equity
		Capital	Investment program	Legal reserve	Earnings retention reserve			
BALANCES AS AT JANUARY 1, 2021 (Restated)		475,492	-	-	-	(73,895)	-	401,597
Comprehensive income for the year:								
Profit for the year (Restated)		-	-	-	-	47,040	-	47,040
		-	-	-	-	47,040	-	47,040
Contributions of shareholders and distributions to the Company's shareholders:								
Capital payment		212,365	-	-	-	-	-	212,365
Capital decrease upon absorption of accumulated losses		(93,121)	-	-	-	93,121	-	-
Investment program - stock option	19.c	-	2,692	-	-	-	-	2,692
Allocations:								
Recognition of legal reserve		-	-	1,772	-	(1,772)	-	-
Mandatory dividends		-	-	-	-	(8,417)	-	(8,417)
Recognition of earnings retention reserve (Restated)		-	-	-	56,077	(56,077)	-	-
		119,244	2,692	1,772	56,077	26,855	-	206,640
BALANCES AS AT DECEMBER 31, 2021 (Restated)		594,736	2,692	1,772	56,077	-	-	655,277
Comprehensive income for the year:								
Profit for the year		-	-	-	-	102,135	-	102,135
Hedge accounting - cash flow	19.d	-	-	-	-	-	(40,179)	(40,179)
Deferred income tax and social contribution - hedge accounting"	19.d	-	-	-	-	-	13,661	13,661
		-	-	-	-	102,135	(26,518)	75,617
Contributions of shareholders and distributions to the Company's shareholders								
Capital payment	19.a	295,669	-	-	-	-	-	295,669
Investment program - stock option		-	(30)	-	-	-	-	(30)
Allocations:								
Recognition of legal reserve		-	-	5,107	-	(5,107)	-	-
Mandatory dividends		-	-	-	-	(24,257)	-	(24,257)
Recognition of earnings retention reserve (Restated)		-	-	-	72,771	(72,771)	-	-
		295,669	(30)	5,107	72,771	(102,135)	-	271,382
BALANCES AS AT DECEMBER 31, 2022		890,405	2,662	6,879	128,848	-	(26,518)	1,002,276

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

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**OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY**

STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
			(Restated)		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit for the year		102,135	47,040	102,135	47,040
Adjusted by:					
Depreciation and amortization	11 and 12	283,359	239,051	283,359	239,051
Allowance for expected credit losses	7 and 9	22,203	18,183	22,280	18,183
Provision for risks	17	485	3,293	485	3,293
Residual cost of property, plant and equipment disposed of and intangible assets	11 and 12	274,223	153,627	274,223	153,627
Deferred income tax and social contribution	18	53,634	20,188	53,634	20,188
Derivative instruments and exchange rate changes	16.1	94,120	49,791	94,120	49,791
Unrealized interest expense	16.1	235,862	130,649	235,862	130,649
Interest on unrealized financial assets		(3,621)	(4,600)	(1,731)	(4,451)
Share of profit (loss) of subsidiaries	10	2,314	(2,060)	-	-
		<u>1,064,714</u>	<u>655,162</u>	<u>1,064,367</u>	<u>657,371</u>
(Increase) decrease in assets:					
Trade receivables		(105,068)	(42,467)	(106,519)	(43,275)
Recoverable taxes		(14,704)	6,250	(14,735)	6,267
Prepaid expenses		(12,157)	(3,190)	(12,157)	(3,190)
Other receivables	9	(22,871)	(213)	(22,871)	(213)
Assets for sale		-	-	(6,690)	(13,492)
Purchase of property, plant and equipment for lease, net of the balance payable to suppliers	11 and 27	(1,639,743)	(1,498,177)	(1,639,743)	(1,498,177)
Increase (decrease) in liabilities:					
Trade payables and payor risk		58,994	13,741	55,536	22,082
Taxes and contributions payable		3,437	(9,281)	3,854	(8,733)
Payables and provisions		(2,985)	12,585	(2,941)	12,762
Lenuency agreement		-	(4,841)	-	(4,841)
Cash used in operating activities		<u>(670,383)</u>	<u>(870,431)</u>	<u>(681,899)</u>	<u>(873,439)</u>
Interest paid	16.1	(179,908)	(125,960)	(179,908)	(125,960)
Income tax and social contribution paid in the year		-	-	(442)	(477)
Cash used in operating activities		<u>(850,291)</u>	<u>(996,391)</u>	<u>(862,249)</u>	<u>(999,876)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Intragroup loans	8.b	(18,001)	(5,500)	-	-
Acquisition of other property, plant and equipment	11	(3,801)	(4,075)	(3,801)	(4,075)
Acquisition of intangible assets	12	(49,522)	(21,102)	(49,522)	(21,102)
Write-off of investment		-	8	-	8
Cash used in investing activities		<u>(71,324)</u>	<u>(30,669)</u>	<u>(53,323)</u>	<u>(25,169)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Capital payment	16.1 and 19.a	295,669	212,365	295,669	212,365
Empréstimos e debêntures captados	16.1	1,186,139	693,832	1,186,139	693,832
Borrowings, financing, debentures and leases paid	16.1	(102,104)	(71,106)	(102,104)	(71,106)
Right of use of leased assets paid	16.1	(2,812)	(908)	(2,812)	(908)
Derivative instruments and exchange rate changes realized	16.1	(87,212)	(20,146)	(87,212)	(20,146)
Investment program - stock option	16.1 and 19.c	(30)	2,692	(30)	2,692
Cash provided by financing activities		<u>1,289,650</u>	<u>816,729</u>	<u>1,289,650</u>	<u>816,729</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u><b>368,035</b></u>	<u><b>(210,331)</b></u>	<u><b>374,078</b></u>	<u><b>(208,316)</b></u>
<b>STATEMENT OF (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>					
At the beginning of the year	6	207,678	418,009	213,021	421,337
At the end of the year	6	575,713	207,678	587,099	213,021
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u><b>368,035</b></u>	<u><b>(210,331)</b></u>	<u><b>374,078</b></u>	<u><b>(208,316)</b></u>

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

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

OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

STATEMENTS OF VALUE ADDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	12/31/2022	12/31/2021 (Restated)	12/31/2022	12/31/2021 (Restated)
REVENUES (1)	1,405,512	930,643	1,459,970	972,648
Sale of goods, products and services	1,425,740	946,626	1,480,275	988,631
Other revenue	1,975	2,200	1,975	2,200
Allowance for doubtful debts	(22,203)	(18,183)	(22,280)	(18,183)
INPUTS ACQUIRED FROM THIRD PARTIES (2) (Includes taxes - ICMS, IPI, PIS and COFINS)	464,303	294,036	518,425	332,738
Cost of products, goods and services	434,989	271,797	487,983	310,499
Materials, power, outside services and other	28,171	22,081	29,299	22,081
Other	1,143	158	1,143	158
GROSS ADDED VALUE (1) - (2) = (3)	941,209	636,607	941,545	639,910
DEPRECIATION AND AMORTIZATION (4)	283,359	239,051	283,359	239,051
NET VALUE ADDED CREATED BY THE COMPANY (3) - (4) = (5)	657,850	397,556	658,186	400,859
ADDED VALUE RECEIVED IN TRANSFER (6)	124,346	23,227	125,239	21,164
Share of profit (loss) of subsidiaries	(2,314)	2,060	-	-
Finance income	126,660	21,167	125,239	21,164
TOTAL ADDED VALUE FOR DISTRIBUTION (5) + (6)	782,196	420,783	783,425	422,023
ADDED VALUE DISTRIBUTED	782,196	420,783	783,425	422,023
Personnel	139,828	118,144	139,828	118,144
Taxes, fees and contributions	134,383	74,431	135,610	75,666
LENDERS AND LESSORS	405,850	181,168	405,852	181,173
Interest	397,449	175,247	397,451	175,252
Rent	8,401	5,921	8,401	5,921
SHAREHOLDERS	102,135	47,040	102,135	47,040

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

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

OURO VERDE LOCAÇÃO E SERVIÇO S.A. AND SUBSIDIARY

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

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1. GENERAL INFORMATION

Ouro Verde Locação e Serviço S.A. (“Company” or “Ouro Verde”) is a publicly-held company, registered with the CVM as issuer under category “B”, headquartered in the City of Curitiba, State of Paraná.

On July 8, 2019, the Company was acquired by Cedar Fundo de Investimento em Participações Multiestratégia (“Fundo Cedar”), an investment fund managed by Brookfield Brasil Asset Management Investimentos Ltda. and controlled by Brookfield Asset Management, Inc.

The Company is engaged in the lease of heavy machinery and equipment and the outsourcing of light vehicles. Besides serving all regions in the Brazilian territory under long-term agreements, which terms range from one to eight years, it is a multi-brand company that has a relationship with the main Brazilian and foreign manufacturers.

On October 1, 2022, the Company’s controlling shareholder, Fundo Cedar, completed the acquisition of all shares of Unidas Locadora S.A., a company holding the assets of RaC (rent a car) and the disinvested used cars of Unidas S.A., including the Unidas brand and its sub-brands. After the acquisition, the Unidas Group was created, which started to operate in two business segments: Fleet Management and Outsourcing (GTF) and RaC (rent a car). There is no ownership interest between Ouro Verde and Unidas Locadora S.A., but both companies are controlled by Fundo Cedar and keep distinct CNPJ. As a member of the group in the GTF segment, Ouro Verde maintains its corporate name and CNPJ, but currently its Brand in the market is “Unidas Frotas”.

The Company has been making significant investments in its fixed assets to meet the demands from its current and new customers. During 2022, R\$1.7 billion were invested to increase and renew the fleet (R\$1.6 billion in 2021), which totaled 43,541 items as at December 31, 2022 (35,447 in 2021), of which 10,755 items represent heavy machinery and equipment and 32,786 items represent light vehicles (9,075 and 26,372 in 2021, respectively), an increase by 18.5% and 24,3% , respectively, when compared to the previous year. The carrying amount of the fleet reached R\$3.8 billion at the end of December 2022.

To finance these investments, the Company uses long-term resources from financial institutions, mainly in the form of foreign currency-denominated borrowings (note 14), debentures and promissory notes (note 16) and own funds such as cash and cash equivalents (note 6).

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of preparation

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC), and the International Financial Reporting Standards (“IFRSs”), issued by the International Accounting Standards Board (IASB), and disclose all significant information specific to the financial statements, and only this information, which is consistent with that used by Management in managing the Company.

The significant accounting policies adopted in preparing this individual and consolidated financial statements are described in note 5.

The individual and consolidated financial statements have been prepared based on the historical cost, except for the revaluation of certain properties and financial instruments measured at their fair values at the end of each reporting period, as described in the accounting policies below. The historical cost is generally based on the fair value of the consideration paid in exchange for assets and services.

The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates and the exercise of judgment by the Company's Management in the process of application of the Group's accounting policies. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the individual and consolidated financial statements, are disclosed in note 4.

The Company's Management asserts that all relevant information for the individual and consolidated financial statements, and only this information, is being disclosed and corresponds to the information used in managing the Company.

This individual and consolidated financial statements were approved by the Board of Directors and authorized for issue on March 7, 2023.

## 2.2. List of subsidiaries

The individual and consolidated financial statements comprise the financial statements of parent Ouro Verde Locação e Serviço S.A. and of subsidiary Ouro Verde Revenda Ltda. (collectively, "Group" or "Company") listed below:

	Ownership percentage		
	Control	2022	2021
Ouro Verde Revenda Ltda.	Direto	100%	100%

The accounting policies were consistently applied to the companies and are in accordance with those adopted in the prior year.

## 2.3. New and revised standards

The following standards and revised standards were recently issued and adopted for the first time for the year beginning on January 1, 2022:

- Amendment to IFRS 3 (CPC 15 (R1)) – Reference to the Conceptual Framework.
- Amendments to IAS 16 (CPC 27) – Property, Plant and Equipment - Proceeds before Intended Use.
- Amendments to IAS 37 (CPC 25) – Onerous Contracts – Cost of Fulfilling a Contract.
- Annual Improvements to IFRSs 2018-2020 Cycle – Amendments to IFRS 1 (CPC 37 (R1)), IFRS 9 (CPC 48) – Financial Instruments and IFRS 16 (CPC 06(R2)) - Leases.

The Group adopted the amendments to the standards, but such adoption did not give rise to any change in the amounts previously recognized, as the amendment to the standard was not material for the Group.

### 3. NEW STANDARDS AND INTERPRETATIONS NOT YET ISSUED

The main new standards or amendments to standards and interpretations not yet effective and not adopted by the Company are as follows:

- IFRS 17 (CPC 50) – Insurance Contracts.
- Amendments to IAS 1 (CPC 26(R1)) and practical expedient 2 of IFRS – Disclosure of Accounting Policies.
- Amendments to IAS 8 (CPC 23) – Definition of Accounting Estimates;
- Amendments to IAS 12 (CPC 32) – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Management is assessing the impacts of the standards above on the Company's financial statements, but it does not expect significant effects arising from their adoption.

### 4. USE OF ACCOUNTING ESTIMATES AND JUDGMENTS

The accounting estimates and judgments are revised on an ongoing basis and are based on past experience and other factors, including expected future events, which are considered to be reasonable under the circumstances.

The Group makes forward-looking estimates based on assumptions. By definition, the resulting accounting estimates may differ from the respective actual results. Those estimates and assumptions have a significant effect on the amounts recognized in the individual and consolidated financial statements are as follows:

#### a) Service revenue

Revenue from services correspond to the fair value received or receivable for the provision of services in the normal course of the Company's activities and are recorded on straight-line basis over the agreement term. Part of such revenue derives from the unbilled service revenue, which originates on the recognition of revenue from services provided, not billed to the customer, calculated based on the period during which the service was provided, so as to adjust revenue recognition to the accrual basis.

#### b) Residual value and depreciation rate of property, plant and equipment items

The Company analyzes the useful life of property, plant and equipment items and estimates the residual sales value of light vehicles and heavy machinery and equipment. Based on such residual value, the depreciation rate of the assets is estimated so that, at the end of the agreements entered into with customers, which in general match the useful life of the assets, the residual carrying value approximates the residual sales value. For some agreements, the useful life is adjusted considering the customer and history of use of the vehicles.

#### c) Allowance for expected credit losses

The Company estimates its doubtful debts considering the history of customers' default and expected losses based on the impairment tests of the credit risks of customers monitored by the credit and collection area, in line with the accounting policy described in note 5.

d) Realization of deferred income tax and social contribution assets

The Company tests the recoverability of the balances of deferred tax assets on an annual basis, based on the expected future taxable income, and assets are only recognized for the share of tax loss carryforwards and temporary differences about which the Company and its investee have projections on use within a reasonable period. Management uses significant assumptions on these studies, projecting its income, costs and expenses, based on the information obtained from the current long-term customer contract database and expectations to expand such database.

e) Analysis of the depreciation of property, plant and equipment and impairment test

The Company assesses at least annually whether any events or changes have occurred that would indicate that the carrying amount may not be recoverable. In case of any indication of impairment, an impairment test is conducted considering the level of the Cash-Generating Unit (CGU), which are the operating segments. Under such circumstance, the Company uses key assumptions in the determination of the projected cash flows.

In the year ended December 31, 2022, Management did not identify any indications that property, plant and equipment items might be impaired.

f) Right of use and lease liability

The Company recognizes a right-of-use asset and a lease liability at the lease inception date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of lease liabilities. The lease liability is initially measured at the present value of lease payments not paid at the inception date, discounted using the discount rate based on the rates applicable at the Brazilian market, adjusted to the Company's reality (credit spread). The Company uses significant assumptions when determining the discount rate to measure the present value of lease payments.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these individual and consolidated financial statements are defined below. These policies have been applied consistently for all the reporting periods presented, except for the hedge accounting adopted as from January 1, 2022, with the respective accounting policy described in "Derivative instruments and hedging activities".

### 5.1. Functional and presentation currency

These individual and consolidated financial statements are expressed in Brazilian reais, which is the functional currency of the Company and its subsidiary. All balances have been rounded to the nearest thousand, unless otherwise stated.

### 5.2. Consolidation

The accounting policies below are applied in the preparation of the individual and consolidated financial statements.

#### (i) Subsidiaries

Subsidiaries are all entities in which the Group holds control. The subsidiaries are fully consolidated when control is transferred to the Group. The consolidation is discontinued when the Group ceases to hold control.



Intragroup transactions, balances and unrealized gains are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset. The subsidiaries' accounting policies are changed, when necessary, to ensure consistency with the policies adopted by the Group.

#### Foreign currency

Transactions in foreign currency, i.e. all transactions that are not carried out in the functional currency, are translated at the exchange rate on the date of each transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Exchange gains and losses arising on translating monetary assets and liabilities are recognized in the statement of income.

#### Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments with original maturities of no more than three months at contracting date, which are subject to an insignificant risk of change in fair value and are used by the Company when managing short-term obligations. These short-term investments are highly liquid and stated at cost plus income earned through the end of the reporting period.

#### Financial assets

##### (i) Classification

The Group classifies its financial assets under the following measurement categories:

- Measured at fair value (either through other comprehensive income or through profit or loss).
- Measured at amortized cost.

Classification depends on the Group's business model to manage the financial assets and the contractual terms of the cash flows.

The Group classifies the following financial assets at fair value through profit or loss:

- Investments in debt securities that do not qualify for measurement at amortized cost or at fair value through comprehensive income.
- Equity investments held for trading; and equity investments for which the entity did not elect to recognize gains and losses through other comprehensive income.

For financial assets measured at fair value, gains and losses will be recorded in profit or loss or in other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made or not the irrevocable option, upon initial recognition, to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies investments in debt securities only when the business model used to manage these assets is changed.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date, that is, the date on which the Group agrees to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred, and the Group has transferred substantially all risks and rewards of ownership of the asset.

(iii) Measurement

Upon initial recognition, the Group measures a financial asset at fair value plus, for financial assets not measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recognized as expenses in profit or loss.

Financial assets with embedded derivatives are fully considered when determining whether their cash flows consist only of payment of the principal and interest.

(iv) Impairment

The Group assesses, on a prospective basis, the expected credit losses associated with debt securities stated at amortized cost and at fair value through other comprehensive income. The impairment method adopted depends on whether the credit risk has significantly increased or not.

For trade receivables, the Group applies the simplified approach as allowed by CPC 48/IFRS 9 and, therefore, it recognizes lifetime expected losses after the initial recognition of receivables.

(v) Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to set off recognized amounts and the intent to either settle them on a net basis, or to recognize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivative instruments and hedging activities

The Group uses derivative instruments to hedge against its exposure to the risk of foreign exchange fluctuations.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into, and, are subsequently remeasured at fair value. The method used to recognize the resulting gain or loss depends on whether the derivative is designated or not as a hedging instrument in the cases where hedge accounting is adopted. In this case, the method depends on the nature of the hedged item.

The Group prospectively adopted, beginning January 1, 2022, the hedge accounting and designated certain derivatives as:

- Hedge against a specific risk associated with an asset or liability recognized or a highly probable transaction (cash flow hedge).
- Fair value hedge of an asset or liability recognized or firm commitment (fair value hedge).

The fair values of derivative instruments used for hedge purposes are disclosed in note 24.

The variations in hedge amounts classified in "Valuation adjustments to equity" in equity are shown in the statement of changes in equity and statement of comprehensive income

a) Cash flow hedge

To mitigate the foreign exchange risk of foreign currency-denominated debts, the Company contracts derivatives and designates 100% of this exposure in a hedge accounting relationship.

There is the possibility of contracting forward derivatives to be designated as hedging instruments, and the hedge relationship starts only upon initial disbursement of the foreign currency-denominated debt. The derivative must be normally recognized (asset or liability with a contra entry in profit or loss) until the disbursement of the debt that will be designated as hedged item.

As set forth in item 6.5.2 of CPC 48/IFRS 9, the Company elected for the designation of a cash flow hedge, in order to hedge only the component of the exchange rate risk of the debts assumed pursuant to Law 4.131/1962 (foreign currency-denominated borrowings, granted by a foreign bank to a company headquartered in Brazil, to cover its working capital requirement), applying the exception set out in item 6.5.4 of CPC 48/IFRS 9, where the hedge of the firm commitment foreign currency risk can be accounted for as fair value hedge or cash flow hedge.

As defined in item 6.5.11 of CPC 48, while the cash flow hedge meets the qualification criteria of item 6.4.1, the hedge relationship must be accounted for as follows:

- (i) the separate component of equity associated with the hedged item will be adjusted at the lower of: (i) the accumulated gain or loss on the hedging instrument since the inception of the hedge; and (ii) the accumulated change in the fair value of the hedged item since the inception of the hedge.
- (ii) the portion of the gain or loss on the hedging instrument that is determined as effective hedge will be recognized in other comprehensive income.
- (iii) any remaining gain or loss on the hedging instrument will be considered as hedge ineffectiveness to be recognized in profit or loss.

The hedging instrument is measured using the mark-to-market approach (fair value calculation), which is defined in item 9 of CPC 46/IFRS 13. Accordingly, the mark-to-market considers the future flow projection up to maturity and discount it to the present value at the calculation reference date.

Eligible hedging instruments comprise five borrowing and financing agreements in foreign currency, corresponding to swap transactions with maturity of the last installment on December 15, 2026.

Agreement	Hedging instrument	Currency	Maturities	Nominal amount (USD)	Agreement closing rate	Contracted amount (BRL)	Hedge cost
219247993	Currency swap	Dollar	10/21/2024	37,500	4.0940	153,525	4,282
227076690	Currency swap	Dollar	01/07/2025	37,500	4.0554	152,078	4,009
255761120	Currency swap	Dollar	12/29/2025	30,000	5.1500	154,500	9,939
261576618	Currency swap	Dollar	03/03/2026	30,000	5.6844	170,532	9,479
287618918	Currency swap	Dollar	12/15/2026	40,000	5.6185	224,740	12,470
						<u>855,375</u>	<u>40,179</u>

These financial instruments are recorded in current and noncurrent liabilities in the Company's balance sheet in line item "Borrowings and financing", and the transactions are described in note 14.

The table below shows the variations in the cash flow hedge cost allocated to equity in the year:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Balance at the beginning of the year	-	-
Hedge accounting – cash flow	49,179	-
Deferred income tax and social contribution - hedge accounting	<u>(13,661)</u>	-
Balance at the end of the year	<u>26,518</u>	-

b) Fair value hedge

Under interest rate volatility scenarios, the Company considers derivative instruments to hedge against risks of interest rate fluctuation of certain issuances of debentures and debt instruments. The hedge strategy adopted considers the designation of 60-100% of this exposure in an economic relationship for hedge accounting purposes.

According to the guidelines set out in item 6.5.2 of CPC 48/IFRS 9, the Company elected to designate a fair value hedge, in order to hedge against the interest rate risk.

As defined in item 6.5.8 of CPC 48/IFRS 9, while the fair value hedge meets the qualification criteria of item 6.4.1, the hedge relationship must be accounted for as follows:

- (i) the gain or loss on the hedging instrument will be recognized in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the entity elected to present changes in the fair value in other comprehensive income, pursuant to item 5.7.5); and
- (ii) the hedged gain or loss on the hedged item must adjust the carrying amount of the hedged item (if applicable) and will be recognized in profit or loss.

The eligible hedging instrument comprises a debenture agreement, corresponding to interest rate swap transactions with maturity of the last installment on November 15, 2024.

<u>Agreement</u>	<u>Hedging instrument</u>	<u>Currency</u>	<u>Maturity</u>	<u>Contracted amount</u>	<u>Fair value through profit or loss incurred in the year</u>
OVSA19 SWAP	Interest rate swap	Real	11/15/2024	<u>71,772</u>	<u>1,074</u>
				<u>71,772</u>	<u>1,074</u>

This financial instrument is recorded in current and noncurrent liabilities in the Company's balance sheet in line item "Debentures", and the transactions are described in note 16.

c) Hedge accounting effectiveness test

During the first nine months of 2022 effectiveness tests were conducted that showed that the hedge accounting program implemented is highly effective. Considering the definitions in item 6.4.1 of CPC 48/IFRS 9, the Company elected to formally designate the hedge accounting structures on the designation date. The hedge structure effectiveness test will be conducted on a quarterly basis.

Trade receivables

Trade receivables correspond to the amounts receivable for the provision of services and sale of assets disposed of for purposes of fleet renewal in the normal course of the Group's business. The Group recognizes trade receivables to collect contractual cash flows and, therefore, these receivables are initially recognized at fair value and, subsequently, measured at amortized cost applying the effective interest method, less allowance for losses. If the collection term is equivalent to one year or less, trade receivables are classified in current assets. Otherwise, they are recognized in noncurrent assets.

Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are measured at the historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of Group-built assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition and place for their intended use, the costs of dismantling the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When components of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment (key components).

Gains and losses on the disposal of a property, plant and equipment item are calculated by comparing the disposal proceeds with the carrying amount of the property, plant and equipment item, and are recognized in line items "Operating income, net" and "Cost of fleet sale and services", respectively.

(ii) Subsequent costs

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as applicable, when, and only when, it is probable that future economic benefits associated to these assets that can be measured reliably will flow to the Company. The carrying amount of replaced items or parts is written off. All other maintenance and repair costs are recorded as a balancing item to profit or loss, when incurred.

(iii) Depreciation

Depreciation is calculated on the historical amount, which is the cost of an asset or another cost value after deducting its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company and its subsidiary will obtain ownership at the end of the lease term. Land is not depreciated.

The residual values and useful life of the assets are reviewed at each reporting date and potential adjustments are recognized as a change in accounting estimates. The depreciation rates for the light vehicle fleet and heavy machinery and equipment are disclosed in note 11.

Right of use of leased assets

An agreement is or contains a lease based on the new definition of lease. CPC 06 (R2)/IFRS 16 determines whether an agreement is or contains a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease inception date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of lease liabilities. The Company segregates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

The lease liability is initially measured at the present value of lease payments not paid at the inception date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the discount rate based on the rates applicable at the Brazilian market, adjusted to the Company's reality (credit spread).

Under CPC 06 (R2)/IFRS 16, right-of-use assets are tested for impairment in accordance with CPC 01.

For short-term leases (i.e., when the lease term is 12 months or less) and leases of low-value assets, the Company elected to recognize lease expenses on a straight-line basis pursuant to CPC 06 (R2)/IFRS 16.

### Intangible assets

#### (i) Software

Software licenses are capitalized based on the costs incurred to purchase the software and make it ready for use. These costs are amortized over the estimated useful life of the software.

The costs associated to software maintenance are expensed, as incurred. Development costs directly attributable to the project and the testing of identifiable, exclusive software products controlled by the Group are recognized as intangible assets.

Directly attributable costs that are capitalized as part of the software include the costs on employees allocated to software development and an adequate portion of the applicable indirect expenditures. Costs also include financing costs incurred during the software development period.

Other development costs that do not meet these capitalization criteria are expensed, when incurred. Previously expensed development costs are not recognized as assets in a subsequent period.

Software development costs recognized as assets are amortized during their estimated useful life.

### Impairment of nonfinancial assets

Assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts might not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the fair value of an asset less its costs to sell or its value in use.

For impairment test purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs), which are the operating segments.

Nonfinancial assets that have been impaired are subsequently reviewed to determine whether a reversal of the impairment might be recognized at the balance sheet date.

### Trade payables

Trade payables are obligations payable for goods or services acquired in the normal course of business and are recorded as current liabilities if the payment is due within the period of no more than one year. Otherwise, trade payables are recorded as noncurrent liabilities.

They are initially recognized at fair value and, subsequently, measured at their amortized cost applying the effective interest method.

### Borrowings

Borrowings are initially recognized at fair value, less transaction costs incurred, and subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the total amount payable is recognized in the statement of income during the period the borrowings remain outstanding, applying the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to be ready for its intended use or sale are capitalized as part of the cost of the asset when it is probable that future economic benefits associated with the item will flow to the entity and costs can be measured reliably. Other borrowing costs are recognized as expense when incurred.

#### Provisions

Provisions (labor, civil, environmental and tax) are recognized when: (i) the Group has a present or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the amount can be reliably estimated.

In case of a series of similar obligations, the likelihood of settling them is determined taking into consideration the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow related to any individual item included in the same class of obligations is low.

Provisions are measured at the present value of the disbursements that are expected to be required to settle the obligation, using a pretax rate that reflects current market valuations of the time value of money and the obligation-specific risks. The increase in the obligation as a result of the time elapsed is recognized as finance expense.

#### Current and deferred income tax and social contribution

Current and deferred income tax and social contribution for the year are calculated at the rates of 15% for income tax, plus a 10% surtax on taxable income exceeding R\$240, and 9% on taxable income for social contribution, considering the offset of tax loss carryforwards, limited to 30% of taxable income.

Income tax and social contribution expenses for the year include current and deferred taxes. Taxes on income are recognized in the statement of income, except to the extent that they are related to items recognized directly in equity or comprehensive income.

Current and deferred income tax and social contribution are calculated as prescribed by tax laws already enacted or substantially enacted at the end of the reporting period. Management periodically reviews the positions assumed by the Group in the income tax returns in cases where the applicable tax regulation gives rise to different interpretations and establishes provisions, when appropriate, based on the estimated amounts payable to tax authorities.

Current income tax and social contribution are stated at their net amounts by the taxpayer, in liabilities when there are amounts payable or in assets when prepaid amounts exceed the total amount due at the end of the reporting period.

Deferred income tax and social contribution are recognized using the liability method on the temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the individual and consolidated financial statements. However, deferred income tax and social contribution are not recorded if they result from the initial recognition of an asset or a liability in a transaction that is not a business combination, which, at the transaction date, does not affect the accounting profit or loss or the taxable income (tax loss).



Deferred income tax and social contribution assets are recognized to the extent that it is probable that future taxable income will be available against which those temporary differences can be utilized.

Deferred income tax assets and liabilities are stated at their net amount in the balance sheet when there is legal right and intention to offset them upon the determination of current taxes, generally related to the same legal entity and same tax authority.

#### Employee benefits

##### (i) Profit sharing

The Group recognizes a profit-sharing liability and expense based on the methodology that takes into consideration the profit attributable to the Company's shareholders after certain adjustment. The Group recognizes an accrual for profit sharing when it is contractually required or when there is a past practice that has created a constructive obligation.

#### Capital

Common shares are classified in equity.

Incremental costs directly attributable to the issuance of new shares are stated in equity as a deduction of the amounts raised, net of taxes.

#### Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the normal course of the Group's activities. Revenue is presented net of taxes, returns, rebates and discounts, as well as after the elimination of intragroup sales.

Operating revenue is recognized when all of the following criteria are met:

- When the parties to the agreement approve it (in writing, verbally, or pursuant to other usual business practices) and are committed to fulfilling their obligations.
- When the Group is capable of identifying the rights of each party regarding the goods or services to be transferred.
- When the Group is capable of identifying the payment terms for the goods or services to be transferred.
- When the agreement has business substance (i.e., it is expected that the risk, the timing or value of the Group's future cash flows change as a result of the agreement).
- When it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer. In assessing whether collectability of an amount of consideration is probable, and the Group considers only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Group is entitled may be less than the price stated in the agreement if the consideration is variable because the entity may offer the customer a price decrease.

(i) Service revenue

Revenue from services correspond to the fair value received or receivable for the provision of services in the normal course of the Company's activities and are recorded on straight-line basis over the agreement term.

Unbilled service revenue corresponds to the recognition of revenue from services provided, not billed to the customer, calculated based on the period the service was provided, so as to adjust revenue recognition on accrual basis.

(ii) Fleet sale

Net revenue from fleet sale, which is an activity accessory and supplemental to the services provided, is measured at the fair value of the consideration received or receivable, net of returns. If it is probable that discounts will be granted and the amount can be reliably measured, then such discounts are recognized as a reduction of net operating revenue as sales are recognized.

Finance income and expenses

Finance income is recognized according to the time elapsed on an accrual basis using the effective interest method.

Interest income on financial assets at fair value through profit or loss is included in the net gains (losses) on fair value of these assets. Interest income on financial assets at amortized cost and financial assets at fair value through other comprehensive income calculated using the effective interest method is recognized in the statement of income as part of the interest finance income.

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, other than financial assets that are subsequently subject to credit loss. In the case of financial assets subject to credit loss, the effective interest rate is applied to the net carrying amount of the financial asset (less the allowance for losses).

Finance expenses comprise mainly interest expenses on borrowings and financing and debentures and loss on hedge instruments.

Basic and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit or loss for the year attributable to the Company's shareholders, considering the weighted average number of shares in the year. Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potentially dilutive preferred shares.

Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to the Company's shareholders is recognized as a liability in the Group's individual and consolidated financial statements at the end of the reporting period, as set forth in the Company's bylaws. Any amounts in excess of mandatory minimum dividends can only be accrued on the date they are approved by the shareholders at a General Meeting.

The tax benefit of the interest on capital is recognized in the statement of income.

Segment reporting

Revenue and expenses from segments reported to the Board of Directors include items directly attributable to the segment, as well as those that may be allocated on a reasonable basis. Unallocated items comprise mainly finance income (expenses) and income tax and social contribution.

Management believes that the Company's and its subsidiary's operations comprise two identifiable operating segments, classified as lease of heavy machinery and equipment and outsourcing of light vehicles. The fleet renewal is inherent in the lease of heavy machinery and equipment and outsourcing of light vehicles and is not separable and, for this reason, it does not constitute a distinct segment.

Statements of value added

The presentation of the individual and consolidated statement of value added (DVA) is required by the Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly held companies. The purpose of this statement is to disclose the wealth created by the Company and its distribution during a given period. The DVA has been prepared according to the criteria set forth in technical pronouncement CPC 09 – Statement of Value Added. The IFRSs do not require the presentation of such statement. Consequently, the presentation of the Statement of Value Added is considered by the IFRSs as supplemental information, without prejudice to the set of individual and consolidated financial statements.

## 5.3. Company's stock investment program

On December 28, 2020, the Company launched its Stock Investment Program ("Program"), which consists of the onerous offer of the Company's call options or share subscription to certain key Management executives ("Eligible Investors"). The main terms and conditions of the Program are described in note 19.c. On the same date, the Program was approved at the Extraordinary General Meeting that attributed to the Company's Board of Directors the responsibility, through investment plans, for defining the Eligible Investors, number of options to be offered to each Eligible Investor, as well as the purchase price and exercise ("Plan"), in conformity with the criteria set out in the Program.

The Company's First Investment Plan was approved by the Board of Directors on December 28, 2020. The amount paid by the Eligible Investors that elected to join the Plan had as contra entry the recognition in the Company's equity, in capital reserve, in line item "Investment Program – Call option", with the expectation of subscription of preferred shares only in those cases where these options are exercised. These preferred shares will comprise the Company's capital.

## 5.4. Restatement of accounting balances

In the year ended December 31, 2022, the Company's Executive Board adjusted its accounting policy for recognition of PIS and COFINS credits on depreciation charges of property, plant and equipment items recognized in profit or loss for the year, so as to align with market practices. As a result, the Company started to no longer recognize the deferral of part of PIS and COFINS credits in liabilities. Accordingly, the prior-year amounts are being restated for better comparability of the information, as shown below.

## 5.4.1. Balance sheet

	Parent		
	12/31/2021		
	Published	Adjustments	Restated
<u>Assets</u>			
Current assets	530,079	-	530,079
Noncurrent assets	2,779,843	-	2,779,843
Total assets	<u>3,309,922</u>	<u>-</u>	<u>3,309,922</u>
<u>Liabilities</u>			
Current liabilities	397,902	-	397,902
Noncurrent liabilities	2,287,570	(30,827)	2,256,743
Deferred PIS and COFINS	46,708	(46,708)	-
Deferred income tax and social contribution	29,112	15,881	44,993
Other long-term liabilities	2,211,750	-	2,211,750
Total liabilities	<u>2,685,472</u>	<u>(30,827)</u>	<u>2,654,645</u>
Equity	<u>624,450</u>	<u>30,827</u>	<u>655,277</u>
	Consolidated		
	12/31/2021		
	Published	Adjustments	Restated
<u>Assets</u>			
Current assets	549,860	-	549,860
Noncurrent assets	2,768,852	-	2,768,852
Total assets	<u>3,318,712</u>	<u>-</u>	<u>3,318,712</u>
<u>Liabilities</u>			
Current liabilities	406,692	-	406,692
Noncurrent liabilities	2,287,570	(30,827)	2,256,743
Deferred PIS and COFINS	46,708	(46,708)	-
Deferred income tax and social contribution	29,112	15,881	44,993
Other long-term liabilities	2,211,750	-	2,211,750
Total liabilities	<u>2,694,262</u>	<u>(30,827)</u>	<u>2,663,435</u>
Equity	<u>624,450</u>	<u>30,827</u>	<u>655,277</u>

## 5.4.2. Income statements

	Parent		
	12/31/2021		
	Published	Adjustments	Restated
Net operating revenue	875,628	-	875,628
Cost of services and sales of fleet	(584,851)	17,578	(567,273)
Gross profit	290,777	17,578	308,355
Operating expenses	(83,366)	-	(83,366)
Finance costs, net	(157,761)	-	(157,761)
Profit before income tax and social contribution	49,650	17,578	67,228
Current and deferred income tax and social contribution	(14,211)	(5,977)	(20,188)
Effect on profit for the year	35,439	11,601	47,040
Earnings per share (in R\$):			
Basic	0.08882	0.02908	0.11790
Diluted	0.08641	0.02829	0.11469
	Consolidated		
	12/31/2021		
	Published	Adjustments	Restated
Net operating revenue	917,215	-	917,215
Cost of services and sales of fleet	(623,484)	17,578	(605,906)
Gross profit	293,731	17,578	311,309
Operating expenses	(85,719)	-	(85,719)
Finance costs, net	(157,885)	-	(157,885)
Profit before income tax and social contribution	50,127	17,578	67,705
Current and deferred income tax and social contribution	(14,688)	(5,977)	(20,665)
Effect on profit for the year	35,439	11,601	47,040
Earnings per share (in R\$):			
Basic	0.08882	0.02908	0.11790
Diluted	0.08641	0.02829	0.11469

## 5.4.3. Statements of comprehensive income (Parent and consolidated):

	12/31/2021		
	Published	Adjustments	Restated
Profit for the year	35,439	11,601	47,040
Comprehensive income for the year	35,439	11,601	47,040

## 5.4.4. Statement of changes in equity (Parent and consolidated):

	01/01/2021		
	Published	Adjustments	Restated
Capital	475,492	-	475,492
Accumulated losses	(93,121)	19,226	(73,895)
Total equity	382,371	19,226	401,597

	12/31/2021		
	Published	Adjustments	Restated
Capital	594,736	-	594,736
Capital reserve	2,692	-	2,692
Earnings reserve	27,022	30,827	57,849
Total equity	624,450	30,827	655,277

## 5.4.5. Statements of value added

	Parent		
	12/31/2021		
	Published	Adjustments	Restated
Revenues (1)	930,643	-	930,643
Inputs purchased from third parties (2)	311,614	(17,578)	294,036
Costs of sales and services	289,375	(17,578)	271,797
Gross value added (1) – (2) = (3)	619,029	17,578	636,607
Taxes, fees and contributions	68,454	5,977	74,431
Shareholders	208,129	5,977	208,129

	Consolidated		
	12/31/2021		
	Published	Adjustments	Restated
Revenues (1)	972,648	-	972,648
Inputs purchased from third parties (2)	350,316	(17,578)	332,738
Costs of sales and services	328,077	(17,578)	310,499
Gross value added (1) – (2) = (3)	622,332	17,578	639,910
Taxes, fees and contributions	69,689	5,977	75,666
Shareholders	208,282	5,977	208,282

## 5.4.6. Statements of cash flows

The adjustments abode did not impact cash from operating activities, cash from investing activities and cash from financing activities, originally disclosed.

## 6. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash and banks	906	2,048	907	2,198
Short-term investments	<u>574,807</u>	<u>205,630</u>	<u>586,192</u>	<u>210,823</u>
	<u>575,713</u>	<u>207,678</u>	<u>587,099</u>	<u>213,021</u>

The highly liquid short-term investments are immediately convertible into a known cash amount. They mainly refer to bank deposit certificates, yielding interest at an average rate of 103.6% of the Interbank Deposit (CDI) rate (104.09% in 2021).

## 7. TRADE RECEIVABLES

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Domestic customers	317,529	258,929	319,927	259,875
Unbilled services	87,290	41,090	87,290	41,090
(-) Adjustment to present value	(4,419)	(4,687)	(4,419)	(4,687)
(-) Allowance for expected credit losses	<u>(116,375)</u>	<u>(94,668)</u>	<u>(116,453)</u>	<u>(94,668)</u>
	284,025	200,664	286,345	201,610
(-) Installments classified in noncurrent assets	<u>(6,170)</u>	<u>(29,226)</u>	<u>(6,170)</u>	<u>(29,226)</u>
Current assets	<u>277,855</u>	<u>171,438</u>	<u>280,175</u>	<u>172,384</u>

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Current	279,894	221,757	282,292	222,703
Up to 30 days past due	10,079	5,832	10,079	5,832
31 to 60 days past due	6,927	461	6,927	461
61 to 90 days past due	3,973	445	3,973	445
Over 91 days past due	103,946	71,524	103,946	71,524
(-) Allowance for expected credit losses	(116,375)	(94,668)	(116,453)	(94,668)
(-) Adjustment to present value	(4,419)	(4,687)	(4,419)	(4,687)
	<u>284,025</u>	<u>200,664</u>	<u>286,345</u>	<u>201,610</u>

The allowance for expected credit losses is recognized in an amount considered sufficient by Management to cover probable losses on the collection of receivables. The allowance is calculated based on the individual assessment of the financial condition of each customer, and variations in the year are as follows:

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Opening balance	94,668	84,595	94,668	84,595
Addition to the allowance	36,468	23,475	36,546	23,475
Reversal of the allowance	(14,761)	(6,250)	(14,761)	(6,250)
Reclassification of receivables	-	(7,152)	-	(7,152)
Closing balance	<u>116,375</u>	<u>94,668</u>	<u>116,453</u>	<u>94,668</u>

## 8. RELATED PARTIES (PARENT AND CONSOLIDATED)

### 8.1. Transactions with related parties (Parent)

#### a) Balances and transactions

The main asset and liability balances as at December 31, 2022 and 2021 related to related-party transactions refer to the Company's heavy machinery and equipment and light vehicle lease agreements and services shared with other related parties, as shown below:

	Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Current assets</u>		
Trade receivables:		
BRK Ambiental Group (i)	3,661	3,728
Elera Renováveis Group (ii)	989	371
Arteris Group (iii)	4,735	2,108
Brokfield Brasil Participações Group (iv)	14	-



	<u>Consolidated</u>	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Current assets</u>		
Other receivables:		
Unidas Locadora (v)	250	-

	<u>Consolidated</u>	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Current liabilities</u>		
Trade payables:		
Unidas Locadora (vi)	837	-

- (i) Balance receivable from the lease agreement entered into with BRK Ambiental Group. Total revenue incurred as at December 31, 2022 was R\$37,080 (R\$20,253 as at December 31, 2021).
- (ii) Balance receivable from the lease agreement entered into with Elera Renováveis Group. Total revenue incurred as at December 31, 2022 was R\$5,260 (R\$2,719 as at December 31, 2021).
- (iii) Balance receivable from the lease agreement entered into with Arteris Group. Total revenue incurred up to December 31, 2022 was R\$25,028 (R\$21,508 as at December 31, 2021).
- (iv) Balance receivable from the lease agreement entered into with Brookfield Brasil Participações Group. Total revenue incurred up to December 31, 2022 was R\$21. In the year ended December 31, 2021, no revenue was incurred.
- (v) Balance receivable from common cost and expense apportionment with Unidas Locadora, relating to wages and general expenses related to the Executive Board. Total expense reimbursement incurred up to December 31, 2022 was R\$6,433. In the year ended December 31, 2021, no revenue was incurred.
- (vi) Balance payable from common cost and expense apportionment with Unidas Locadora. Total expense incurred up to December 31, 2022 was R\$2,283. In the year ended December 31, 2021, no expense was incurred.

## b) Intragroup loans

On March 30, 2022 and December 1, 2022, the meeting of the Board of Directors has decided to approve the execution of new Loan Agreements by the Company to its wholly-owned subsidiary Ouro Verde Revenda Ltda., in the amounts of R\$8,001 and R\$10,000, respectively, for use in the regular course of the subsidiary's business. The agreements are subject to compensatory interest of CDI + 1.95% p.a.

	Parent	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Current assets</u>		
Intragroup loans:		
Ouro Verde Revenda Ltda. (subsidiary) (i)	8,910	-
<u>Noncurrent assets</u>		
Intragroup loans:		
Ouro Verde Revenda Ltda. (subsidiary) (i)	16,630	5,649
	<u>25,540</u>	<u>5,649</u>

- (i) Balance receivable from the intragroup loan agreements entered into between Parent Ouro Verde Locação e Serviço S.A. and subsidiary Ouro Verde Revenda Ltda.

The total finance income incurred at the Parent (and finance expense incurred at the subsidiary) up to December 31, 2022 was R\$1,890 (R\$149 in 2021).

<u>Agreement</u>	<u>Average effective interest rate</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Agreement 09/16/2021	CDI + 2.50% p.a.	857	149
Agreement 03/30/2022	CDI + 1.95% p.a.	910	-
Agreement 12/01/2022	CDI + 1.95% p.a.	123	-
		<u>1,890</u>	<u>149</u>

## c) Compensation of key management personnel

Key management personnel is comprised of the Executive Board and Board of Directors. The amounts related to the compensation of key management personnel during the year ended December 31, 2022 as short-term benefits totaled R\$18,426 (R\$15,647 in 2021). The Company and its subsidiary do not offer long-term benefits to the key management personnel.

The Company's sole shareholder is Cedar Fundo de Investimento em Participações Multiestratégia.

## 9. OTHER RECEIVABLES

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Debit notes (a)	38,158	19,828	38,158	19,828
Other receivables	6,918	2,377	6,918	2,377
(-) Allowance for expected credit losses	<u>(8,606)</u>	<u>(8,110)</u>	<u>(8,606)</u>	<u>(8,110)</u>
	36,470	14,095	36,470	14,095
(-) Installments classified in noncurrent assets	<u>(56)</u>	<u>(58)</u>	<u>(56)</u>	<u>(58)</u>
Current assets	<u>36,414</u>	<u>14,037</u>	<u>36,414</u>	<u>14,037</u>

- (a) Trade receivables, the nature of which refers to the reimbursement for damages, fuel and traffic fines incurred in the normal course of activities, which is recognized in "Other receivables" in current assets and as a reduction of the respective costs of origin in the statement of income.

The variations in the allowance for expected credit losses are as follows:

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Opening balance	8,110	-	8,110	-
Addition to the allowance	1,213	958	1,213	958
Reversal of the allowance	(717)	-	(717)	-
Reclassification of receivables	<u>-</u>	<u>7,152</u>	<u>-</u>	<u>7,152</u>
Closing balance	<u>8,606</u>	<u>8,110</u>	<u>8,606</u>	<u>8,110</u>

## 10. INVESTMENTS

## 10.1. Breakdown of balances

	Parent	
	<u>12/31/2022</u>	<u>12/31/2021</u>
Ownership interest in subsidiary (a.1)	3,028	5,342
	<u>3,028</u>	<u>5,342</u>

## (a.1). Ownership interest in subsidiary - Ouro Verde Revenda

Variations in balances for the years

Balance as at December 31, 2020	3,282
Share of profit (loss) of subsidiaries	<u>2,060</u>
Balance as at December 31, 2021	5,342
Share of profit (loss) of subsidiaries	<u>(2,314)</u>
Balance as at December 31, 2022	<u>3,028</u>

10.2. Subsidiary information – Ouro Verde Revenda

The main information on the investee as at December 31, 2022 and 2021 is as follows:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Assets	33,919	19,781
Liabilities	30,891	14,439
Revenue	54,083	41,587
(Loss) profit for the year	(2,314)	2,060
Capital	10	10
Number of shares held (in thousands)	10	10
Equity	3,028	5,342
Interest in capital at the end of the year	100%	100%
Equity interest	3,028	5,342

## 11. PROPERTY, PLANT AND EQUIPMENT (PARENT AND CONSOLIDATED)

	Buildings	Right of use of leased assets	Company cars, tractors and harvesters (*)	Machinery and equipment (*)	Furniture and fixtures	Other property, plant and equipment	Total
<u>Cost</u>							
As at December 31, 2020	8,975	8,272	1,994,977	38,270	2,423	11,604	2,064,521
Additions	-	4,194	1,600,252	13,707	28	4,047	1,622,228
Write-offs	-	-	(386,010)	(2,836)	(357)	(11)	(389,214)
Transfers	225	-	1,028	-	8	(1,261)	-
As at December 31, 2021	<u>9,200</u>	<u>12,466</u>	<u>3,210,247</u>	<u>49,141</u>	<u>2,102</u>	<u>14,379</u>	<u>3,297,535</u>
As at December 31, 2021	9,200	12,466	3,210,247	49,141	2,102	14,379	3,297,535
Additions	-	693	1,679,278	1,851	353	3,448	1,685,623
Write-offs	(766)	-	(356,092)	(807)	(1)	(1,276)	(358,942)
Transfers	1,441	-	191	45	13	(1,690)	-
As at December 31, 2022	<u>9,875</u>	<u>13,159</u>	<u>4,533,624</u>	<u>50,230</u>	<u>2,467</u>	<u>14,861</u>	<u>4,624,216</u>
<u>Depreciation</u>							
As at December 31, 2020	(755)	(690)	(600,726)	(13,954)	(1,011)	(6,618)	(623,754)
Depreciation expenses	(365)	(1,181)	(221,914)	(5,261)	(204)	(1,041)	(229,966)
Write-offs	-	-	233,222	2,043	319	3	235,587
As at December 31, 2021	<u>(1,120)</u>	<u>(1,871)</u>	<u>(589,418)</u>	<u>(17,172)</u>	<u>(896)</u>	<u>(7,656)</u>	<u>(618,133)</u>
As at December 31, 2021	(1,120)	(1,871)	(589,418)	(17,172)	(896)	(7,656)	(618,133)
Depreciation expenses	(379)	(1,858)	(264,979)	(5,231)	(200)	(1,482)	(274,129)
Write-offs	168	-	83,548	735	-	1,274	85,725
As at December 31, 2022	<u>(1,331)</u>	<u>(3,729)</u>	<u>(770,849)</u>	<u>(21,668)</u>	<u>(1,096)</u>	<u>(7,864)</u>	<u>(806,537)</u>
<u>Net residual value</u>							
As at December 31, 2020	8,220	7,582	1,394,251	24,316	1,412	4,986	1,440,767
As at December 31, 2021	8,080	10,595	2,620,829	31,969	1,206	6,723	2,679,402
As at December 31, 2022	8,544	9,430	3,762,775	28,562	1,371	6,997	3,817,679
Depreciation rates - % p.a.	4	10	5.4 to 18.6	13.5 to 25.8	10	5 to 25	

(\*) Group of property, plant and equipment items subject to operating leases.

## 11.1. Right of use and lease liability

Lease amounts are recorded as right of use, under property, plant and equipment, and leased assets are depreciated over the contractual term.

The contractual term was considered to determine the lease term. If the contract contains a clause that determines automatic renewal for the same period or another period, and if the Company intends to remain at the property, the lease term will correspond to the sum of both terms. If not set forth in the contract or if the contract stipulates that the renewal will be extended only upon consent of both parties, the lease term will correspond to the term set out in the contract. Also, the Company is not a party to contracts with indeterminate terms.

The variations in lease liabilities due to right of use are as follows:

## a) Liabilities

Variations in liabilities	12/31/2022	12/31/2021
Balance at the beginning of the year	12,253	7,804
New transactions	693	4,194
Interest incurred	1,356	1,163
Payments	(2,064)	(908)
Balance at the end of the year	12,238	12,253
Current	1,676	1,346
Noncurrent	10,562	10,907
Total	12,238	12,253

The respective amounts are recorded as lease liabilities and the balance will be amortized by monthly payments. Future payments were adjusted to present value at the weighted average rate of 10.29% per year, for the contract term ending in 2030, and 9.49% per year, for the contract term ending in 2026.

As at December 31, 2022, the amount recorded as lease liabilities is disbursed (per year) as follows:

2023	3,029
2024	3,029
2025	3,029
2026	2,537
2027	1,849
2028	1,849
2029	1,849
2030	310
Total disbursements	17,481
Adjustment to present value	(5,243)
Total	12,238

## 11.2. Review of useful lives

The depreciation rates of property, plant and equipment were reviewed during the year, as prescribed by IAS 16/CPC 27 - Property, Plant and Equipment, and the Company did not identify the need to change the depreciation rates/useful lives used in the prior year.

## 11.3. Impairment of assets

Pursuant to the requirements in IAS 36/CPC 1 – Impairment of Assets, the Company's property, plant and equipment is tested for impairment at least annually, whenever there are indications that certain assets might be recognized at amounts that exceed their recoverable amounts.

## 12. INTANGIBLE ASSETS (PARENT AND CONSOLIDATED)

## 12.1. Software

The cost, accumulated amortization and net carrying amount are as follows:

<u>Cost</u>	
As at December 31, 2020	62,994
Additions	21,102
As at December 31, 2021	<u>84,096</u>
As at December 31, 2021	84,096
Additions (a)	49,522
Write-offs	(1,279)
As at December 31, 2022	<u>132,339</u>
<u>Amortization</u>	
As at December 31, 2020	(36,360)
Amortization expenses	(9,085)
As at December 31, 2021	<u>(45,445)</u>
As at December 31, 2021	(45,445)
Amortization expenses	(9,230)
Write-offs	273
As at December 31, 2022	<u>(54,402)</u>
<u>Net residual value</u>	
As at December 31, 2020	26,634
As at December 31, 2021	38,651
As at December 31, 2022	77,937
Amortization rates - % p.a.	20

(a) During the year ended December 31, 2022, transactions increased which required investment mainly boosted by IT Projects to improve the Company's system infrastructure, for alignment with the business growth strategy.

## 13. TRADE PAYABLES

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Company cars, machinery and equipment	184,377	197,943	184,377	197,943
Other	<u>88,857</u>	<u>29,862</u>	<u>93,863</u>	<u>38,326</u>
	<u>273,234</u>	<u>227,805</u>	<u>278,240</u>	<u>236,269</u>

## 13.1. Payor risk

The Company enters into agreements with financial institutions called “Payor Risk”, which consists of the prepayment of the suppliers’ receivables, where the bank advances the amount to the supplier on the request date and receives the amount due by the Company on the maturity date.

Suppliers have autonomy to decide on the prepayment of their receivables and to select the best option for them, also, indicate and/or opt for their own financial institution, allowing the better management of their needs. The decision to carry out this transaction is exclusively made by the supplier, which bears the finance charges of the transaction. These transactions do not differ from regular supply transactions, such as, for example, in relation to the payment terms and amounts adopted.

The credit limit for this transaction is approved by the financial institutions, based on the Company’s risk and there is no sharing among other lines made available, and there is no collaterals or covenants linked to the transaction.

Management assesses that there are no risks in this transaction for the Company and presents the amount in cash flows from operating activities, as it considers that, in essence, it best reflects the transaction carried out.

The payor risk position is as follows:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>
Payor risk (company cars, machinery and equipment)	54,951	-
	<u>54,951</u>	<u>-</u>



## 14. BORROWINGS AND FINANCING (PARENT AND CONSOLIDATED)

Type	Average effective interest rate	12/31/2022	12/31/2021
Foreign currency-denominated borrowing (a)	Dollar + 2.5650% p.a.	196,505	210,169
Foreign currency-denominated borrowing (a)	Dollar + 2.5328% p.a.	197,735	211,484
Foreign currency-denominated borrowing (b)	Dollar + 2.0225% p.a.	156,554	167,432
Foreign currency-denominated borrowing (b)	Dollar + 2.0225% p.a.	157,398	168,366
Foreign currency-denominated borrowing (c)	Dollar + 2.7200% p.a.	208,922	223,449
Working capital (CDI) (d)	CDI + 2.24% p.a. = 16.20% p.a.	515,349	-
Working capital (IPCA)	IPCA + 4.4% p.a. = 16.65% p.a.	18,355	18,746
Working capital (Pre)	8.50% p.a.	<u>232,109</u>	<u>232,109</u>
		<u>1,682,927</u>	<u>1,231,755</u>
(-) Transaction cost (e)		(2,305)	-
(-) Installments classified in current liabilities		<u>(76,779)</u>	<u>(5,699)</u>
Noncurrent liabilities		<u>1,603,843</u>	<u>1,226,056</u>

- (a) In October 2019 the Company has entered into a foreign borrowing transaction in accordance with Law 4.131/1962, upon the inflow of funds in two tranches (i) US\$37,500 on October 21, 2019, totaling R\$153,525 and (ii) US\$37,500 on January 7, 2020, totaling R\$152,078. To cover the risk of foreign exchange exposure, a corresponding swap transaction was contracted. The funds raised are being used in the normal course of the Company's business to acquire assets for investment. Interest is repaid semiannually.
- (b) In December 2020 the Company has entered into a new foreign borrowing transaction in accordance with Law 4.131/1962, upon the inflow of funds in two tranches (i) US\$30,000 on December 29, 2020, totaling R\$154,500 and (ii) US\$30,000 on March 3, 2021, totaling R\$170,532. To cover the risk of foreign exchange exposure, a corresponding swap transaction was contracted. The funds raised are being used in the normal course of the Company's business to acquire assets for investment. Interest is repaid semiannually.
- (c) In December 2021 the Company has entered into a new foreign borrowing transaction in accordance with Law 4.131/1962, upon the inflow of funds in one tranche of US\$40,000 on December 15, 2021, totaling R\$224,740. To cover the risk of foreign exchange exposure, a corresponding swap transaction was contracted. The funds raised are being used in the normal course of the Company's business to acquire assets for investment. Interest is repaid semiannually.
- (d) In November 2022 the Company entered into a borrowing transaction in the amount of R\$508,326. The funds raised are being used in the normal course of the Company's business and for investment. The transaction is subject to CDI + 2.24% and interest is repaid semiannually.
- (e) Transaction cost: Transaction costs incurred with the borrowing process, occurred in November 2022, not yet recorded in the Company's profit or loss, were stated reducing the liability balance and included in the effective interest rate. The balances of transaction costs will be recorded in profit or loss over the same maturity of the borrowing.

In certain borrowing agreements, under the categories of working capital and foreign currency-denominated borrowings from financial institutions, the Company and its subsidiary assumed the obligation to maintain certain financial ratios calculated on annual and quarterly basis, the main of which are:

- Financial covenants
- a) Net debt / property, plant and equipment < 0.95x
  - b) Net debt / adjusted EBITDA\* < 2.75x
  - c) Adjusted EBITDA\* / Net finance costs > 3.0x
- \* Adjusted EBITDA: comprises the EBITDA relating to the lease activity + revenue from the sale of assets.

As at December 31, 2022, the Company and its subsidiary are in compliance with all obligations and covenants required under borrowing and financing agreements.

As at December 31, 2022, the information on the maturities of borrowings and financing is summarized as follows:

Category	Amount	Maturity					
		2023	2024	2025	2026	2027	2027 onwards
Foreign currency-denominated borrowing	917,114	69,237	313,062	343,499	191,316	-	-
Working capital	765,813	7,542	-	-	-	535,406	220,560
	<u>1,682,927</u>	<u>76,779</u>	<u>313,062</u>	<u>343,499</u>	<u>191,316</u>	<u>535,406</u>	<u>220,560</u>

## 15. LEASE (PARENT AND CONSOLIDATED)

### a) Lessee

As at December 31, 2022, the Company and its subsidiary recognize the amount of R\$5,677 (R\$44,233 as at December 31, 2021) as property, plant and equipment (residual cost), mainly relating to vehicles subject to lease agreements.

The agreements are mainly subject to terms ranging from 24 to 36 months, including purchase option clauses after such date, which is exercised at the residual guaranteed amount.

In the year ended December 31, 2022, the Company and its subsidiary recognized the amounts of R\$1,008 (R\$5,545 in 2021) relating to finance expenses and R\$18,838 (R\$29,440 in 2021) relating to depreciation expense as expenses in profit or loss relating to lease.

The minimum future payments as at December 31, 2022 are broken down as follows:

	Present value of minimum payments	Interest	Minimum future payments
Up to one year	1,571	23	1,594
	<u>1,571</u>	<u>23</u>	<u>1,594</u>

The average interest rate applicable to lease agreements is 1.13% per month for fixed agreements and CDI plus interest of 0.33% per month for variable agreements. Leases are collateralized by the leased assets.

Lease agreements where the Company is the lessee do not contain any contingent payment clause that would have an impact on the lease expense recognized in profit or loss.

In March 2020, the Company entered into a lease agreement for the land and building where the new head office in Curitiba will be located for a 10-year period (beginning of term in 2021) and a lease agreement relating to a yard for the Mauá branch for a five-year period, both as mentioned in note 11.1. The future disbursement schedule is disclosed in the same note as mentioned above.

b) Lessor

The Company is a party to lease agreements related to its fleet entered into with customers, which term ranges from 1 to 8 years. These agreements are classified as operating leases. Vehicles, tractors and harvesters are sold to third parties when returned by customers. Fleet lease agreements may provide for preventive and corrective maintenance, replacement of vehicles and other accessory items, as defined by the customer.

The amounts in the table below refer to non-cancelable minimum payments (future cash generation) to be received relating to the outstanding lease agreements as at December 31, 2022:

	Up to 1 year	Between 2 and 3 years	Between 4 and 7 years	Over 7 years	Total
Non-cancelable future minimum payments to be received (future cash generation)	646,061	685,322	145,519	1,298	1,478,200

16. DEBENTURES (PARENT AND CONSOLIDATED)

Type	Charges	12/31/2022	12/31/2021
5 <sup>th</sup> issuance (a)	IPCA + 4.40% p.a. and 8.50% p.a.	283,269	283,869
6 <sup>th</sup> issuance (a)	IPCA + 4.40% p.a. and 8.50% p.a.	253,240	253,634
7 <sup>th</sup> issuance (a)	CDI + 0.70% p.a.	60,442	90,368
9 <sup>th</sup> issuance (b)	CDI + 1.50% p.a.	55,315	81,471
10 <sup>th</sup> issuance (c)	CDI + 2.40% p.a.	301,448	301,195
11 <sup>th</sup> issuance (d)	CDI + 2.45% p.a.	355,538	-
Promissory notes (e)	CDI + 2.25% p.a.	342,727	-
		<u>1,651,979</u>	<u>1,010,537</u>
(-) Transaction cost (f)		(4,113)	(1,440)
		<u>1,647,866</u>	<u>1,009,097</u>
(-) Portion classified in current liabilities		(66,292)	(62,254)
Noncurrent liabilities		<u>1,581,574</u>	<u>946,843</u>

- (a) Refer to the issue of simple, non-convertible debentures, pursuant to CVM Instruction 476, with payment term between 5 and 10 years, and interest payment in consecutive semiannual installments and principal repayment in equal annual, consecutive installments as from the end of each grace period. The net proceeds from the Offering were used in the normal course of the Company's business to acquire assets for investment.
- (b) Refer to the issue of simple, non-convertible debentures, pursuant to CVM Instruction 476, subject to floating guarantee, with payment term of 5 years, and semiannual interest payment and maturity scheduled for annual repayment as from the end of the 24<sup>th</sup> month. Of the total balance of R\$55,315 as at December 31, 2022, the amount of R\$37,235 is indexed to CDI + 1.5% based on the interest set forth in the 9<sup>th</sup> issuance indenture, and the amount of R\$18,080 is indexed to IPCA + 5% arising from the derivative instrument (interest rate swap) entered into by the Company, as described in note 24. The net proceeds from the Offering were used in the normal course of the Company's business to acquire assets for investment.
- (c) On June 20, 2021, the Company carried out the Restricted Offering for distribution of 300,000 simple, non-convertible, unsecured debentures, pursuant to CVM Instruction 476, issued in the registered and book-entry form, in a single series of the 10<sup>th</sup> issuance of the Issuer, with unit par value of R\$1,000, totaling R\$300,000. The maturity date of the single series will be five years, with semiannual interest payment and annual repayment as from the end of the 48<sup>th</sup> month. Debentures are unsecured and are not collateralized. The net proceeds from the Offering were used in the normal course of the Issuer's business to increase liquidity and strengthen the working capital structure.
- (d) On May 30, 2022, the Company carried out the Restricted Offering for distribution of 350,000 simple, non-convertible, unsecured debentures, pursuant to CVM Instruction 476, issued in the registered and book-entry form, in a single series of the 11<sup>th</sup> issuance of the Issuer, with unit par value of R\$1,000, totaling R\$350,000. The maturity date of the single series will be five years, with maturity expected for annual repayment as from the 48<sup>th</sup> month. The series interest will correspond to CDI + 2.45% p.a. Debentures are unsecured and are not collateralized. The net proceeds from the Offering were used in the normal course of the Issuer's business to increase liquidity and strengthen the working capital structure.
- (e) On January 18, 2022, the Company conducted the Restricted Offering of 60 non-convertible promissory notes, pursuant to CVM Instruction 476, issued in the form of certificate, in a single series, of the 3<sup>rd</sup> Issuer's issuance, at the unit par value of R\$5,000, totaling R\$300,000. The maturity date of the single series will be two years, with maturity expected for annual repayment on January 8, 2024. The par value of the promissory notes, as well as their interest, will be paid on the maturity date. The series interest will correspond to CDI + 2.25% p.a. Promissory notes are unsecured and are not collateralized. The net proceeds from the Offering were used in the normal course of the Issuer's business to increase liquidity and strengthen the working capital structure.
- (f) Transaction cost: Transaction costs incurred with the 10<sup>th</sup> and 11<sup>th</sup> debenture issuance, not yet recorded in the Company's profit or loss, were stated reducing the liability balance and included in the effective interest rate. The balances of transaction costs will be recorded in profit or loss over the same maturity of debentures.

The Company and its subsidiary assumed the obligation to maintain certain financial ratios determined on annual and quarterly basis with the financial institutions, as follows:

- Financial covenants
- (a) Net debt / property, plant and equipment < 0.95x
  - (b) Net debt / adjusted EBITDA\* < 2.75x
  - (c) Adjusted EBITDA\* / Net finance costs > 3.0x

\* Adjusted EBITDA: comprises the EBITDA relating to the lease activity + revenue from the sale of assets.

As at December 31, 2022, the Company and its subsidiary are in compliance with all obligations and covenants required under the debentures.

### 16.1. Variations in financing activities

	Borrowings and financing (note 14)	Leases (note 15)	Debentures (note 16)	Derivative liabilities (note 24)	Derivative assets (note 24)	Right-of-use lease (note 11.1)	Valuation adjustmen ts to equity (note 19)	Investment Program - Stock options (note 19)	Capital (note 19)	Closing balance
Balance as at December 31, 2021	(1,231,755)	(14,222)	(1,009,097)	(30,371)	115,527	(12,253)	-	(2,692)	(594,736)	(2,779,599)
Variation in cash flows from financing activities:										
Borrowings and debentures raised	(538,314)	-	(647,825)	-	-	-	-	-	-	(1,186,139)
Repayment of borrowings, financing, debentures and leases	32,293	12,582	57,229	-	-	-	-	-	-	102,104
Derivatives and exchange rate changes	139	-	-	-	87,073	-	-	-	-	87,212
Capital payment	-	-	-	-	-	-	-	-	(295,669)	(295,669)
Call option	-	-	-	-	-	-	-	30	-	30
Payments of right-of-use lease	-	-	-	-	-	2,812	-	-	-	2,812
Total variation in cash flows from financing activities	(505,882)	12,582	(590,596)	-	87,073	2,812	-	30	(295,669)	(1,289,650)
Exchange rate changes and fair value adjustment to derivatives	63,453	-	(692)	(58,473)	(138,587)	-	40,179	-	-	(94,120)
Other variations:										
Interest expenses	(47,587)	(1,008)	(185,163)	-	-	(2,104)	-	-	-	(235,862)
Interest paid	41,149	1,077	137,682	-	-	-	-	-	-	179,908
Right-of-use lease	-	-	-	-	-	(693)	-	-	-	(693)
Total other variations related to liabilities	(6,438)	69	(47,481)	-	-	(2,797)	-	-	-	(56,647)
Effect of deferred taxes on hedge accounting	-	-	-	-	-	-	(13,661)	-	-	(13,661)
Balance as at December 31, 2022	(1,680,622)	(1,571)	(1,647,866)	(88,844)	64,013	(12,238)	26,518	(2,662)	(890,405)	(4,233,677)

## 17. PROVISION FOR RISKS (PARENT AND CONSOLIDATED)

The Company and its subsidiary are parties to lawsuits and administrative proceedings before various courts and government agencies, arising in the normal course of operations, and involving tax, labor, civil, environmental and other matters.

Based on information from its legal counsel, an analysis of pending litigation and, with respect to labor lawsuits, based on past experience related to claimed amounts, Management recognized a provision in an amount considered sufficient to cover probable estimated losses on ongoing lawsuits, as follows:

	12/31/2022		12/31/2021	
	Provision	Escrow deposit	Provision	Escrow deposit
Civil and environmental	2,968	(42)	2,553	(42)
Tax (a)	6,605	(7,548)	6,588	(7,111)
Labor	5,125	(2,438)	6,119	(1,426)
IPVA lawsuit (b)	-	(14,234)	-	(12,936)
	<u>14,698</u>	<u>(24,262)</u>	<u>15,260</u>	<u>(21,515)</u>

	12/31/2021	12/31/2022			Closing balance
	Opening balance	Addition to provision	Use	Reversal	
Civil and environmental	2,553	2,092	(19)	(1,658)	2,968
Tax	6,588	265	(1)	(247)	6,605
Labor	6,119	4,205	(1,027)	(4,172)	5,125
	<u>15,260</u>	<u>6,562</u>	<u>(1,047)</u>	<u>(6,077)</u>	<u>14,698</u>

- (a) The lawsuit claiming the non-levy of PIS and COFINS on the ISS portion continues to be ongoing as at December 31, 2022, and the amount of R\$2,738 is recorded as escrow deposit in such line item.
- (b) The amount of R\$14,234 (R\$12,936 as at December 31, 2021) was due to the notification, where the Company challenges the payment of the IPVA collected in the State of São Paulo, due to the prior payment in the State of Paraná. The Company did not recognize a provision as it believes that these tax assessments infringe the Federal Constitution and the Brazilian Traffic Code.

There are other lawsuits involving tax, labor, civil and environmental matters, whose likelihood of loss was assessed by the legal counsel as possible, in the estimated amount of R\$77,388 (R\$92,800 as at December 31, 2021), for which no provision was recognized since accounting practices adopted in Brazil and the IFRS do not require its recognition. The breakdown by nature is as follows:

	12/31/2022	12/31/2021
Civil/environmental (i)	65,725	74,454
Tax	9,929	14,339
Labor	1,734	4,007
	<u>77,388</u>	<u>92,800</u>

- (i) Refer mainly to lawsuits addressing the civil liability for traffic accident, which are mostly covered by insurance.

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution reflect the future tax effects attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts.

The origin of deferred income tax and social contribution recognized as at December 31, 2022 and 2021 is as follows:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
<u>Noncurrent assets</u>		
Provision for risks, allowance for expected credit losses and adjustment to present value	64,398	40,374
Tax losses for offset	155,573	90,148
Hedge accounting (*)	13,661	-
Taxation on cash basis – exchange rate changes	<u>19,612</u>	<u>41,233</u>
	<u>253,244</u>	<u>171,755</u>
<u>Noncurrent liabilities</u>		
Lease adjustment (CPC 06)	2,273	9,376
Accounting depreciation adjustment (CPC 27)	330,719	178,418
Taxation on cash basis - hedge	<u>5,218</u>	<u>28,954</u>
	<u>338,210</u>	<u>216,748</u>
Deferred tax liabilities, net	<u>84,966</u>	<u>44,993</u>

(\*) The effect of hedge accounting does not impact profit or loss, and is shown in equity.

The effect of deferred income tax and social contribution in profit or loss for the year and comprehensive income is as follows:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
Opening balance	44,993	24,805
Effect on the statements of income for the year	53,634	20,188
Effect on other comprehensive income – Hedge Accounting	<u>(13,661)</u>	<u>-</u>
Closing balance	<u>84,966</u>	<u>44,993</u>



The Company and its subsidiary, based on a technical study approved by Management, related to the expected generation of future taxable income, recognize tax credits on tax loss carryforwards for prior years, which can be carried forward indefinitely and which offset is limited to 30% of annual taxable income. The carrying amount of deferred tax assets is periodically reviewed and projections are annually reviewed. Should any material events change these projections, the Company and its subsidiary revise them during the year.

Management considers that deferred assets resulting from temporary differences will be realized in proportion to the final resolution of the contingencies and events.

The reconciliation of tax expenses calculated by applying the combined tax rates and the income tax and social contribution expenses recognized in profit or loss is broken down as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021 (restated)	12/31/2022	12/31/2021 (restated)
Income for the year before taxes	157,021	67,228	157,463	67,705
Income tax and social contribution at statutory rates of 25% and 9%	(53,387)	(22,858)	(53,537)	(23,020)
Permanent additions and deductions and others:				
Share of profit (loss) of subsidiaries	(787)	701	-	-
Nondeductible expenses	(1,694)	(730)	(1,694)	(730)
Other additions/deductions	982	2,699	(97)	3,085
Income tax and social contribution in profit or loss:				
Current	(1,252)	-	(1,694)	(477)
Deferred	(53,634)	(20,188)	(53,634)	(20,188)
	<u>(54,886)</u>	<u>(20,188)</u>	<u>(55,328)</u>	<u>(20,665)</u>
Effective tax rate	35%	30%	35%	31%

## 19. EQUITY

### a) Capital

On September 09, 2021, the Extraordinary General Meeting approved the decrease of the Company's capital upon the absorption of accumulated losses recognized as at December 31, 2020, in the amount of R\$93,121.

On September 21, 2021, the Extraordinary General Meeting approved the increase of the Company's capital by the amount of R\$206,000, upon the issuance of 94,930,875 new registered common shares, without par value, at the issuance price of R\$2.17 per common share, which was fully subscribed and paid up on the same date by the Company's sole shareholder, Cedar Fundo de Investimento em Participações Multiestratégia.

On December 28, 2021, the Extraordinary General Meeting approved the increase of the Company's capital by the amount of R\$6,364, upon the issuance of 2,932,719 new registered common shares, without par value, at the issuance price of R\$2.17 per common share, which was fully subscribed and paid up on the same date by the Company's sole shareholder, Cedar Fundo de Investimento em Participações Multiestratégia.

On March 28, 2022 and May 10, 2022, the Extraordinary General Meeting approved the increase of the Company's capital by the amount of R\$170,499 and R\$125,170, respectively, upon the issuance of 56,971,545 and 41,954,558 new registered common shares, without par value, at the issuance price of R\$2.9927 and R\$2.9835 per common share, which was fully subscribed and paid up on the same date by the Company's sole shareholder, Cedar Fundo de Investimento em Participações Multiestratégia.

Capital in the amount of R\$890,405 is fully subscribed and paid in, and is comprised of 568,765,115 shares, without par value.

As at December 31, 2022, the Company's shares are held as follows:

Shareholder	Shares	%
Cedar Fundo de Investimento em Participações Multiestratégia	568,765,115	100.00
	568,765,115	100.00

#### Common shares

All shares have the same rights in relation to the Company's residual assets. Moreover, the holders of common shares are entitled to receive declared dividends, and are entitled to one vote per share at the Company's meetings.

#### b) Earnings reserves

##### Legal reserve

Calculated as 5% of annual profit, pursuant to article 193 of Law 6404/76, up to the limit of 20% of capital.

##### Dividends

The Company's Bylaws in effect determines the distribution to shareholders of a mandatory minimum dividend of 25% of profit for the year, pursuant to paragraph two, article 36, of the Bylaws, adjusted as prescribed by article 202 of Law 6.404/76.

As at December 31, 2022, dividends were calculated as follows:

	<u>12/31/2022</u>
Profit for the year	102,135
Legal reserve (5%)	(5,107)
Adjusted profit for the year, basis for dividends proposal	97,029
Mandatory minimum dividend (25%)	24,257

##### Earnings retention reserve

The earnings retention reserve is used for investments in expansion, working capital growth and loss absorption, if any.

c) Company's stock investment program

On December 28, 2020, the Company approved at the Extraordinary General Meeting the Company's Stock Investment Program ("Program"), offered to certain key Management executives ("Eligible Investors"). The purpose of the Program is to promote, retain and align the interests of the shareholders and executives, maximize the Company's value and attain the Company's goals.

The Program consists of the onerous offer of call options or subscription of preferred shares ("Options"), on voluntary basis, to the Eligible Investors selected by the Company's Board of Directors. The Option offering amount is determined based on the Black, Scholes & Merton ("BSM") model, calculated by a specialized consulting company.

Under the Option offer, through specific investment plans approved by the Board of Directors ("Plan"), the Eligible Investors will be able to voluntarily acquire the Company's shares at the date and price previously set.

The Program is limited to the offer of Options representing up to 3% of the Company's total capital, provided that the total number of shares issued or eligible for issue under the Program is always within the limit of the Company's authorized capital.

The Options will be exercisable under the Program and the Plan, at the percentage rate of 20% per year, as from the first year of the offer date, for a five-year period. The Options offered under the Program will continue to be valid between the first anniversary of the offer date up to the tenth anniversary of the offer date. After such period, the Options not exercised will be canceled.

In the year ended December 31, 2022, the Eligible Investors acquired the call options at the total amount of R\$2,662 (R\$2,692 as at December 31, 2021), which corresponds to the full fair value of the options granted and exercisable.

The amount paid by the Eligible Investors that elected to join the first Plan had as contra entry the recognition in the Company's equity in capital reserve. When exercised, they will be settled through the issuance of new preferred shares, while the current shareholders will continue to hold common shares. Up to December 31, 2022 no call Option was exercised.

d) Valuation adjustments to equity

In the year ended December 31, 2022, the Group recognized other comprehensive income in the amount of R\$26,518, net of deferred income tax and social contribution, relating to the effects of the hedge accounting on foreign currency-denominated borrowings.

The balance of valuation adjustment to equity as at December 31, 2022 is R\$26,518 (there are no amount as at December 31, 2021).

## 20. EARNINGS PER SHARE

## a) Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year attributable to the holders of the Company's common shares by the weighted average number of common shares outstanding in the period. The table below shows profit or loss information and the number of shares used in the calculation of basic earnings per share for each of the reporting periods of the statement of profit and loss:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
Profit for the year	102,135	47,040
Basic earnings per share:		
Weighted average number of outstanding common shares (units - thousand)	<u>540,827</u>	<u>398,982</u>
Basic earnings per share (in R\$)	<u>0.18885</u>	<u>0.11790</u>

## b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares during the period assuming the conversion of all potentially dilutive preferred shares. The Company has only the categories of potentially dilutive preferred shares: call options.

The table below shows the data on profit or loss and number of shares used to calculate diluted earnings per share for the periods indicated in the statement of income:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
Profit for the year	102,135	47,040
Diluted earnings per share:		
Weighted average number of outstanding common shares (units - thousand)	540,827	398,982
Potential effect of call options (units - thousand)	11,033	11,159
Weighted average number of common and preferred shares for diluted earnings per share (units - thousand)	551,860	410,141
Diluted earnings per share (in R\$)	<u>0.18507</u>	<u>0.11469</u>

## 21. NET OPERATING REVENUE

The table below shows the reconciliation between gross revenue and net revenue stated in the statement of income for the years:

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Service rendered	1,119,020	745,839	1,119,020	745,839
Assets disposed of for fleet renewal	358,501	228,263	414,596	272,223
Taxes on revenues	(104,659)	(70,998)	(105,111)	(71,416)
Returns and discounts	<u>(51,782)</u>	<u>(27,476)</u>	<u>(53,342)</u>	<u>(29,431)</u>
	<u>1,321,080</u>	<u>875,628</u>	<u>1,375,163</u>	<u>917,215</u>

The breakdown of the net revenue recognized during the year in each significant category is as follows:

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Service rendered	962,579	647,365	962,579	647,365
Assets disposed of for fleet renewal	<u>358,501</u>	<u>228,263</u>	<u>412,584</u>	<u>269,850</u>
	<u>1,321,080</u>	<u>875,628</u>	<u>1,375,163</u>	<u>917,215</u>

## 22. COSTS OF SERVICES AND SELLING, ADMINISTRATIVE AND GENERAL EXPENSES BY NATURE OF EXPENSES

	Parent		Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
<u>Costs</u>				
Cost of fleet sale	259,366	143,414	311,116	181,313
Expenses on employee benefits	115,702	97,071	115,702	97,071
Depreciation and amortization expenses	273,530	229,356	273,530	229,356
Maintenance and repairs	98,991	67,140	99,506	67,427
Outside services	14,488	10,840	14,563	10,840
Other	<u>18,367</u>	<u>19,452</u>	<u>19,021</u>	<u>19,899</u>
	<u>780,444</u>	<u>567,273</u>	<u>833,438</u>	<u>605,906</u>
<u>Sales (i)</u>				
Losses on receivables	22,203	18,183	22,280	18,183
Other	<u>479</u>	<u>201</u>	<u>824</u>	<u>494</u>
	<u>22,682</u>	<u>18,384</u>	<u>23,104</u>	<u>18,677</u>

	Parent		Consolidated	
	12/31/2022	12/31/2021 (restated)	12/31/2022	12/31/2021 (restated)
<u>General and administrative</u>				
Expenses on employee benefits	49,879	39,800	49,879	39,800
Depreciation and amortization expenses	9,829	9,695	9,829	9,695
Outside services	6,994	7,974	6,994	7,974
Other	12,810	8,881	12,810	8,881
	<u>79,512</u>	<u>66,350</u>	<u>79,512</u>	<u>66,350</u>

- (i) Due to the nature of the service provision by the Company, which contemplates the management of long-term agreements with customers, some selling expenses are recognized in line item "Cost of services".

#### 23. FINANCE INCOME (EXPENSES), NET

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
<u>Finance expenses</u>				
Interest on borrowings and financing	(47,587)	(36,409)	(47,588)	(36,412)
Interest on finance leases	(1,008)	(5,545)	(1,008)	(5,545)
Interest on debentures	(185,163)	(87,532)	(185,163)	(87,532)
Hedging expenses	(157,573)	(13,987)	(157,573)	(13,987)
Expenses on exchange rate changes	-	(35,789)	-	(35,789)
Other	(12,187)	334	(12,519)	216
	<u>(403,518)</u>	<u>(178,928)</u>	<u>(403,851)</u>	<u>(179,049)</u>
<u>Finance income</u>				
Interest on financial assets	62,124	21,108	62,594	21,254
Income on exchange rate changes	63,453	-	63,453	-
Other	1,083	59	(808)	(90)
	<u>126,660</u>	<u>21,167</u>	<u>125,239</u>	<u>21,164</u>
	<u>(276,858)</u>	<u>(157,761)</u>	<u>(278,612)</u>	<u>(157,885)</u>

#### 24. FINANCIAL INSTRUMENTS (CONSOLIDATED)

The Company and its subsidiary enter into transactions involving financial instruments. These financial instruments are managed through operating strategies and internal controls that aim at ensuring liquidity, profitability and security.

Financial instruments are contracted for hedging purposes based on a periodic analysis of the risk exposure that Management has the intention to hedge (exchange rates, interest rates, etc.). The control policy consists of an ongoing monitoring of contracted terms and conditions compared to market terms and conditions. The Company and its subsidiary do not make speculative investments in derivatives or any other risk assets.

All transactions with non-derivative financial instruments are recognized in the Company's and its subsidiary's individual and consolidated financial statements, as follows:



Fair value of financial instruments:

- The amounts of these instruments recognized in the balance sheet approximate their fair value.
- Short-term investments - The carrying amounts disclosed in the balance sheet are identical to their fair values as their yield rates are based on fluctuations in the CDI and Selic rates.
- Trade and other receivables - directly arise from the Company's operations, are measured at amortized cost and recorded at their original amounts, less the allowance for doubtful debts, when applicable. The carrying amount is equivalent to the fair value taking into consideration the very short period for settlement of these receivables (less than 90 days).
- Borrowings and financing, debentures and trade payables - classified as financial liabilities at amortized cost, according to the contractual terms. This definition has been adopted because the amounts are not held for trading, which according to Management's judgment, reflects the most significant accounting information.
- Derivative instruments – defined as assets/liabilities designated at fair value through profit or loss and comprehensive income.

Fair value hierarchy

Financial instruments measured at fair value through profit or loss, indicating derivative instruments, are fully classified at level II of the fair value hierarchy.

Derivative instruments

The Company's and its subsidiary's policy is to carry out derivative transactions to mitigate or eliminate risks inherent in the financial transactions denominated in US dollars.

The Company's and its subsidiary's Management constantly monitors the contracted derivative instruments through internal controls.

As at December 31, 2022, the Company carries out forward derivative transactions, under an agreement between the Company and the bank, for the purchase or sale of a given volume of foreign currency in the future, at a preset rate. There is no cash disbursement at the beginning of the transaction, and, on maturity, settlement is made based on the difference between the contracted rate and the effective currency rate. The main purpose is to hedge profit or loss and future cash flows from borrowings in foreign currency.

Derivatives are measured at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivative instruments are recognized in profit or loss for the year, except for the gain on the variation of the credit risk recorded in "Other comprehensive income".



As at December 31, 2022, the fair values of the outstanding derivative instruments are summarized below. As at December 31, 2022, the notional amount of the derivative instrument (currency swap) is US\$175,000 (R\$917,114).

Instrument (i)	Maturity	Asset – average rate (risk assumed)	Liability – average rate (hedged item)	2022	
				Assets	Liabilities
Currency swap	10/21/2024	US\$ + 2.5650% p.a.	CDI + 1.20% p.a.	33,113	-
Currency swap	01/07/2025	US\$ + 2.5328% p.a.	CDI + 1.20% p.a.	28,547	-
Currency swap	12/29/2025	US\$ + 2.0225% p.a.	CDI + 2.50% p.a.	-	12,820
Currency swap	03/03/2026	US\$ + 2.0225% p.a.	CDI + 2.50% p.a.	-	35,598
Currency swap	12/15/2026	US\$ + 2.7200% p.a.	CDI + 2.25% p.a.	-	40,426
Interest rate swap	11/15/2024	CDI + 1.50% p.a.	IPCA + 5.00% p.a.	2,353	-
				<u>64,013</u>	<u>88,844</u>

(i) Net exposure shown in the sensitivity analysis.

The estimated fair value of derivative instruments entered into by the Company was determined using available market inputs and a valuation method to project future cash flows discounted at present value. However, considerable judgment was required in interpreting market data to produce the estimate of fair value of each transaction. As a result, the estimates above do not necessarily indicate the amounts that will effectively be realized on the financial settlement of the transactions.

Derivative instruments are contracted with prime Brazilian financial institutions.

#### Credit risk

The credit policies established by Management are intended to minimize potential customer default risks. This objective is attained by Management through a careful selection of the customer portfolio, which takes into consideration the customer ability to pay (credit rating) and diversification (risk dilution). As at December 31, 2022, the allowance for expected credit losses amounted to R\$116,375, representing 28.7% of outstanding trade receivables. As at December 31, 2021, the allowance for expected credit losses amounted to R\$94,668, representing 31.6% of outstanding trade receivables.

Ouro Verde has an “Investment Committee” and an “Asset Sale Committee”, which meets weekly to approve the Company’s asset strategies, as well as all investments to be made. The executive board, corporate procurement, financial and controllership department participate and vote in this Committee. Accordingly, all fundamental aspects necessary to make any investment are assessed and documented, including: credit analysis, profitability, credit lines, business strategies, portfolio diversification, suppliers, etc.

#### Price risk

Arises from the possibility of fluctuation in the market prices of the services provided and other components used in the service provision. These price fluctuations may significantly change the Company's and its subsidiary's revenues and costs. In order to mitigate these risks, the Company and its subsidiary conduct an ongoing monitoring of local markets, seeking to anticipate price fluctuations.

Interest rate risk

Arises from the possibility of the Company and its subsidiary obtaining gains or incurring losses due to fluctuations in interest rates applied to their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiary seek to diversify their borrowings in terms of fixed and floating rates.

Sensitivity analysis

Finance income and expenses arising from the Company's and its subsidiary's financing in foreign currency are affected by exchange rate changes, such as the US dollar. However, the amounts of the Company's and its subsidiary's bank borrowings in US dollar were fully hedged, using future agreements that have the same notional value and mature on the same dates of the respective agreements.

The income from the Company's and its subsidiary's short-term investments and the finance costs arising on financing are affected by changes in interest rates such as the CDI rate.

The following tables comprise three scenarios; the probable scenario was adopted by the Company and its subsidiary. The market rates prevailing at the balance sheet date are considered under the probable scenario.

For Scenario 1 we considered a decrease by 25% for short-term investments and an increase by 25% for capitalization transactions in interest rate quotations and for Scenario 2, a decrease/increase by 50%. The benchmark rate used for the probable scenario was 13.65% p.a.

CDI decrease

	<u>Index</u>	<u>Risk</u>	<u>Base amount</u>	<u>Probable scenario</u>	<u>Scenario 1</u>	<u>Scenario 2</u>
Short-term investments	CDI	CDI decrease	586,192	80,015	60,011	40,008
			<u>586,192</u>	<u>80,015</u>	<u>60,011</u>	<u>40,008</u>
Effect on profit or loss					(20,004)	(40,007)
Foreign currency-denominated borrowing	CDI	CDI decrease	917,114	(125,186)	(93,890)	(62,593)
Working capital	CDI	CDI decrease	515,349	(70,345)	(52,759)	(35,173)
Debentures	CDI	CDI decrease	772,743	(105,479)	(79,110)	(52,740)
Promissory note	CDI	CDI decrease	342,727	(46,782)	(35,087)	(23,391)
			<u>2,547,933</u>	<u>(347,792)</u>	<u>(260,846)</u>	<u>(173,897)</u>
Effect on profit or loss					86,946	173,895
Final effect on profit or loss					66,942	133,888

CDI increase

	<u>Index</u>	<u>Risk</u>	<u>Base amount</u>	<u>Probable scenario</u>	<u>Scenario 1</u>	<u>Scenario 2</u>
Short-term investments	CDI	CDI increase	586,192	80,015	100,019	120,022
			<u>586,192</u>	<u>80,015</u>	<u>100,019</u>	<u>120,022</u>
Effect on profit or loss					20,004	40,007
Foreign currency-denominated borrowing	CDI	CDI increase	917,114	(125,186)	(156,482)	(187,778)
Working capital	CD	CDI increase	515,349	(70,345)	(87,930)	(105,517)
Debentures	CDI	CDI increase	772,743	(105,479)	(131,848)	(158,219)
Promissory note	CDI	CDI increase	342,727	(46,782)	(58,478)	(70,173)
			<u>2,547,933</u>	<u>(347,792)</u>	<u>(434,738)</u>	<u>(521,687)</u>
Effect on profit or loss					(86,946)	(173,895)
Final effect on profit or loss					(66,942)	(133,888)

Liquidity risk and capital framework

Arises from the choice made by the Company and its subsidiary between own capital (capital contribution and earnings retention) and debt capital to finance their operations. To mitigate the liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiary monitor on an ongoing basis the indebtedness levels according to market standards.

Liquidity risk is managed by the Investment Committee, considering cash and liquidity requirements in the short, medium and long terms.

The Company manages the liquidity risk by maintaining appropriate short-term financial resources in cash and cash equivalents and through: (i) cash provided by operating activities from services rendered, (ii) an increase in the cash flows provided by the sale of assets for fleet renewal, and (iii) access to pre-approved credit facilities with third parties (borrowings and financing). Management's projections indicate that the increase in proceeds from lease agreements in its portfolio as at December 31, 2022 will be sufficient to cover its short- and long-term obligations to creditors in general. The Company has a customer agreement portfolio, which terms range between 1 and 8 years and with expected cash generation of R\$1,478,200 (see note 15-b).

As at December 31, 2022 and December 31, 2021, the financial leverage ratios are summarized as follows:

	Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u> (restated)
Total borrowings and financing (note 14), leases (note 15), debentures (note 16) and derivative instruments (note 24)	3,354,890	2,169,918
(-) Cash and cash equivalents (note 6)	(587,099)	(213,021)
Net debt	2,767,791	1,956,897
Equity	<u>1,002,276</u>	<u>655,277</u>
	<u>3,770,067</u>	<u>2,612,174</u>
Financial leverage ratio	73%	75%

As at December 31, 2022 and December 31, 2021, the short-term liquidity ratios are summarized as follows:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Total current assets	1,036,174	549,860
Total current liabilities	<u>664,359</u>	<u>406,692</u>
Short-term liquidity ratio	<u>1.56</u>	<u>1.35</u>

The table below analyzes the Company's and its subsidiary's non-derivative financial liabilities, by maturity ranges, which correspond to the remaining year in the balance sheet through the contractual maturity date. The amounts disclosed in the table are the contracted discounted cash flows, net of transaction costs.

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>
<u>As at December 31, 2022</u>			
Borrowings and financing (note 14)	76,779	312,585	1,291,258
Leases (note 15)	1,571	-	-
Debentures (note 16)	66,292	398,622	1,182,952
Trade payables (note 13)	278,240	-	-
Payor risk (note 13.1)	<u>54,951</u>	<u>-</u>	<u>-</u>
	<u>477,833</u>	<u>711,207</u>	<u>2,474,210</u>

#### Exchange rate risk

The Company is not exposed to exchange rate risk as it enters into swap transactions tied to foreign currency-denominated borrowings.

Also, beginning January 1, 2022, the Company adopted a cash flow hedge accounting, considering borrowings and financing in foreign currency as hedged instruments. This policy is intended to mitigate the effects of the exchange rate changes in the Company's statement of income and show the effectiveness of the exchange rate risk management.

## 25. SEGMENT REPORTING (CONSOLIDATED)

An operating segment is a component of an entity that engages in business activities:

- (i) Which may earn revenues and incur expenses.
- (ii) Whose operating income/expenses are regularly reviewed by the main operating manager to make decisions on funds to be allocated to the segment and to assess its performance.
- (iii) For which there is individual financial information available.

Management has defined the operating segments based on the reports used by the Board of Directors to make strategic decisions. Two operating segments subject to information disclosure were identified, which are separately managed through reports supporting the decision-making process. These operating segments' accounting policies are the same as those described in note 4.

Lease of heavy machinery and equipment: provision of services through the preparation of specific projects for customers in different sectors, such as agribusiness, sanitation, mining, industry, civil construction, infrastructure, etc., including mainly, trucks, road implements (such as tow trucks and semi-trailers) and "yellow line" equipment (wheel loaders, backhoes, etc.), under agreements effective for terms ranging from three to seven years, with nationwide operation and diversified multi-brand fleet.

Outsourcing of light vehicles: provision of services to small-, mid- and big-sized companies, with a varied portfolio of vehicles from different brands and categories (such as economy cars, SUVs, executive cars and vans), under agreements effective for terms ranging from two to three years. Also, car, heavy machinery and equipment maintenance services, in addition to fleet management services (such as tracking and/or telemetry, additional and/or dedicated fleet, fine, loss and damage management, fuel, etc.) are provided to customers, both to their own and outsourced fleet.

The statements of income per operating segment are as follows:

	Lease of heavy machinery and equipment		Outsourcing of light vehicles		Total	
	12/31/2022	12/31/2021 (restated)	12/31/2022	12/31/2021 (restated)	12/31/2022	12/31/2021 (restated)
Net operating revenue:						
Services provided	531,440	373,568	431,139	273,797	962,579	647,365
Assets disposed of for fleet renewal	198,425	124,476	214,159	145,374	412,584	269,850
Costs	(446,476)	(337,282)	(386,962)	(268,624)	(833,438)	(605,906)
Gross profit or loss	<u>283,389</u>	<u>160,762</u>	<u>258,336</u>	<u>150,547</u>	<u>541,725</u>	<u>311,309</u>
Operating expenses:						
Sales	(19,612)	(14,834)	(3,492)	(3,843)	(23,104)	(18,677)
General and administrative	(44,505)	(36,597)	(35,007)	(29,753)	(79,512)	(66,350)
Other operating expenses	(1,449)	(662)	(1,585)	(30)	(3,034)	(692)
(+) Depreciation and amortization	163,005	142,536	120,354	96,515	283,359	239,051
EBITDA per segment	<u>380,828</u>	<u>251,205</u>	<u>338,606</u>	<u>213,436</u>	<u>719,434</u>	<u>464,641</u>
<u>EBITDA</u>						
(i) EBITDA reconciliation is as follows:						
Profit for the year					102,135	47,040
(+) Finance expenses, net					278,612	157,885
(+) Current and deferred income tax and social contribution					55,328	20,665
(+) Depreciation and amortization					283,359	239,051
EBITDA					<u>719,434</u>	<u>464,641</u>

## 26. INSURANCE COVERAGE

As at December 31, 2022, insurance coverage against operating risks amounted to R\$7,000 for property damages to its buildings and R\$50,000 for civil/environmental liability.

The Company takes out insurance with partial coverage for its vehicle fleet and equipment as unfeasible, as risks are monitored and considered in the Company's business. Therefore, it only has insurance policies against third parties, which cover property damages and bodily injuries, which amounts range between R\$500 and R\$2,000 per asset according to the category.

## 27. NON-CASH ITEMS

Transactions in the year not affecting the Company's cash flows are as follows:

	Parent and Consolidated	
	<u>12/31/2022</u>	<u>12/31/2021</u>
Non-cash items:		
Lease contracts recognized	693	4,194
Purchases of property, plant and equipment in installments	41,386	115,782

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