

GPS Participações e Empreendimentos S.A.

**Parent company and consolidated interim
accounting information as at March 31, 2023**

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB)

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GRUPO **GPS**

Earnings Release 1Q23 May 2023

Results Check

Friday, May 5

In Portuguese and English:

10:00 a.m. (BRT)

09:00 a.m. (NYT)

Presenters

Marcelo Hampshire - **Executive Director IT, Corporate areas and M&A**

Marita Bernhoeft - **Investor Relations Officer**

São Paulo, May 4, 2023 - GPS Participações e Empreendimentos S.A. ("Company"), together with its subsidiaries ("GPS Group"), announce their results for the first quarter of 2023 (1Q23).

About GPS Group

GPS Group is a leader in outsourced services– facilities, security, indoor logistics, utility engineering, industrial services, catering, temporary labor services, field marketing and infrastructure services.

We operate throughout Brazil with a comprehensive portfolio of solutions, serving 4,122* Customers and having more than 140* thousand direct employees.

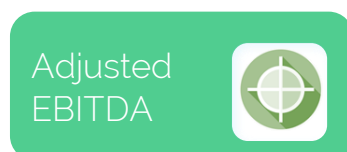
We have more than 60 years of operations and continue in a constant and robust growth process, supported by an agile business model and solid business management principles.

Our growth strategy combines the organic vertical, focused on developing new Customers and expanding services and solutions to the current Customer base, with the inorganic vertical, through the acquisition and integration of companies that favor gains in scale and greater penetration in regions or services converging with our business management model.

1. 1Q23 Highlights



- R\$ 2,528 million in 1Q23;
- 21% higher than 1Q22;
- 8% of organic growth compared to 1Q22.



- R\$ 294 million in 1Q23;
- 50% higher than 1Q22;
- 11.6% adjusted EBITDA margin in 1Q23.



- R\$ 138 million in 1Q23;
- 23% higher than 1Q22;
- 5.5% adjusted net margin in 1Q23.

** The numbers of employees, Customers, and contract managers don't include Engie Serviços e Facilities and Compart.*

In the first quarter of 2023, we maintained the pace of organic revenue expansion by acquiring new contracts and the transfer of contractual adjustments, historically concentrated in the first four months of the year.

We have already concluded the systems integration of Global Serviços, in February, of Engie Serviços e Facilities, in April, and we will have the integration of Compart concluded next June.

2. Operational capacity, service portfolio, and Customers

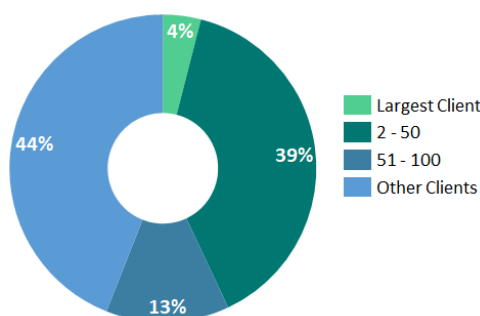
We have 140* thousand direct employees, serving 4,122* Customers nationwide. Our 492* contract managers focus on delivering services and improving our Customers' relationships to ensure a high level of satisfaction, reflected in our 74% NPS rate, calculated to December 31, 2022, considering that the survey is updated by semester.



* The numbers of employees, Customers, and contract managers don't include Engie Serviços e Facilities and Compart.

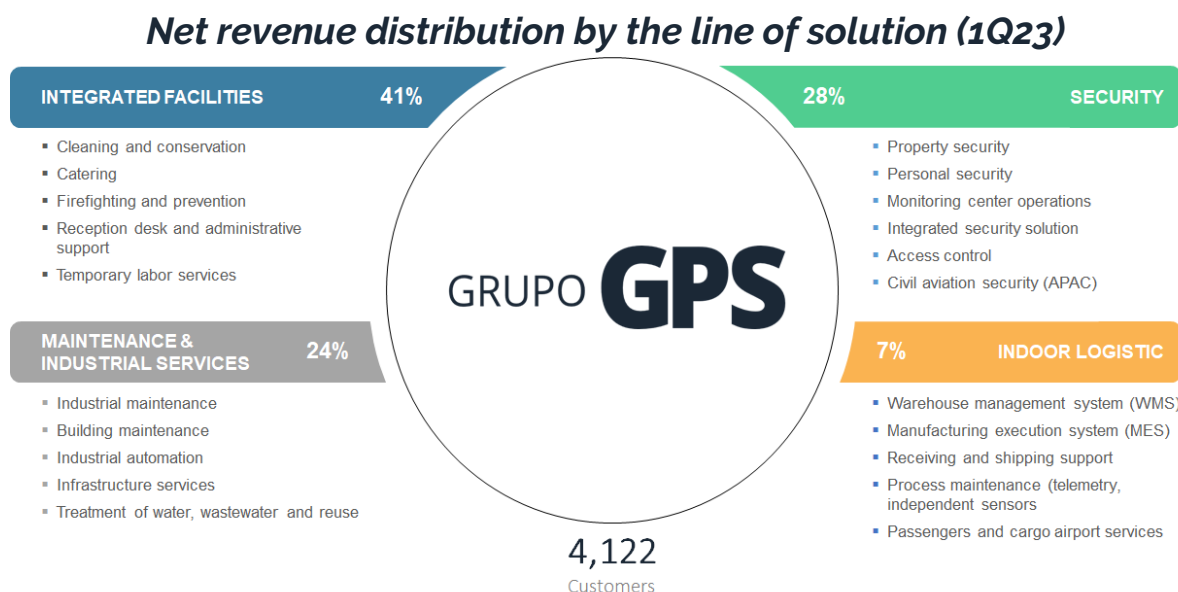
Our Customer base remains highly diversified and with a low revenue concentration.

Net revenue concentration by # of Customers (1Q23)



We have increasingly evolved towards a "one-stop shop" concept in services, in line with our strategy of building lasting and consistent relationships with our Customers.

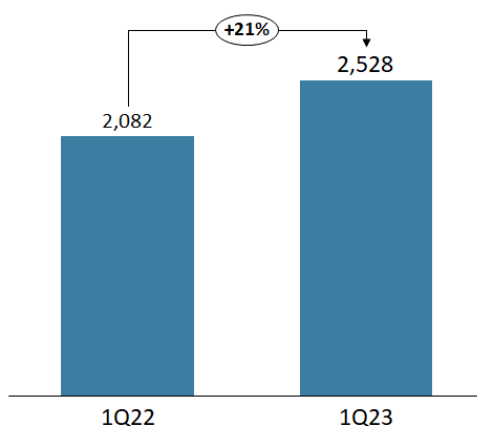
By offering the Customer several solutions, we deepen our commercial and operational relationship and create several opportunities for growth within our Customers' portfolio.



3. Net revenue

- Net revenue in 1Q23 of R\$ 2,528 million, 21% higher than the revenue for 1Q22;

The chart below shows the evolution of quarterly net revenue. Values are represented in millions of reais.



The table below shows the evolution of quarterly net revenue by organic and inorganic revenue. Values are represented in millions of reais.

Net revenue R\$ mi	Companies	1Q23 (a)	1Q22 (b)	Δ (a) / (b)
Organic*	Grupo GPS	2,161	1,993	8%
M&A (2022)	Comau/Force/Ormec/Sulzer/Motus/E-Vertical/Global Serv.	323	89	263%
M&A (2023)	Engie/Compart	44	-	-
Total net revenue		2,528	2,082	21%

* Organic net revenue includes M&A until 2021 (included), as detailed at Note. 26 (c).

It is important to highlight that organic growth, excluding the 2021 M&A effect, reached 14% in 1Q23 compared to 1Q22.

Contract adjustments made in the 2021 cohort generated a reduction in organic net revenue of around 6% in the period, but, on the other hand, allowed for an increase in EBITDA.

4. Acquisitions program

At the beginning of 2023, we completed the acquisitions of Engie Serviços e Facilities and Compart, the results of which are reflected from 1Q23 onwards.

We list below the total acquisitions included in the 2023 M&A program, with a combined gross revenue of R\$ 258 million, calculated in the 12 months prior to the signing of the purchase and sale agreements.

Company	Date	Gross revenue LTM (R\$ mi)	Status	Segment	M&A Program	
ENGIE SERVIÇOS E FACILITIES	Signing	11/08/22	113	System's integration concluded	Building Maintenance and Facilities	2023
	Closing	01/16/23				
	Go live	04/01/23				
COMPART	Signing	12/14/22	145	System's integration	Field marketing	2023
	Closing	01/31/23				
	Go live	06/01/23				

5. EBITDA and adjusted EBITDA

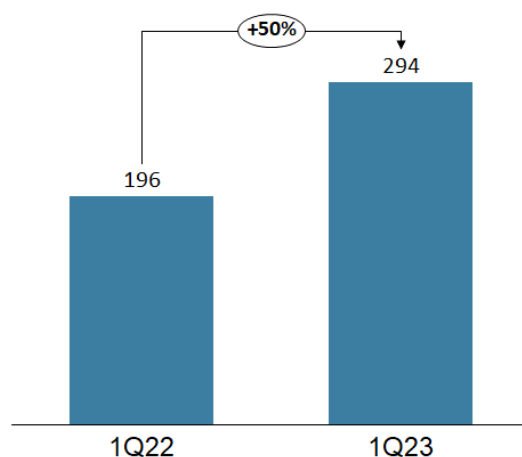
The table below shows the composition of the EBITDA calculation, as per CVM Instruction 527/2012, and the adjusted EBITDA.

EBITDA R\$ mi	1Q23 (a)	1Q22 (b)	△ (a) / (b)
Net profit	121	93	30%
Income tax and social contribution	63	46	37%
Net financial income (expenses)	74	30	144%
Depreciation of assets	24	17	38%
Amortization-customers, brands, property and equipment	26	28	-8%
EBITDA (iCVM 527)	308	215	43%
Provision for non-labor contingencies	4	(2)	-319%
Expenses with the acquisition of subsidiaries	3	4	-18%
Update of indemnity assets and contingent liabilities	(6)	(23)	-76%
Earn out write-off / update	2	1	41%
Reconciliation of acquired balances	(1)	-	-
(Constitution) Reversal of tax debt	0	-	-
Bargain purchase	(18)	-	-
Reconciliation of balances to be received	1	-	-
Adjusted EBITDA	294	196	50%
<i>Adjusted EBITDA / net revenue</i>	<i>11,6%</i>	<i>9,4%</i>	<i>2,2pp</i>

- Adjusted EBITDA of R\$ 294 million in 1Q23, 50% higher than the result for 1Q22;
- Adjusted EBITDA margin in 1Q23 of 11.6%, 2.2 p.p. higher than 1Q22;

The increase in the EBITDA margin is the result of adjustments to the profitability of contracts and the lower M&A effect in 1Q23.

The graph below shows the evolution of the quarterly adjusted EBITDA. Values are in millions of reais.



Adjusted EBITDA considers only three types of events:

- Events with non-operating characteristics, such as the reversal of civil and tax contingencies from previous periods and provisions for tax risks;
- Events related to the acquisition of subsidiaries, including amounts spent on legal and financial procedures and losses incurred that are subject to indemnification by the sellers of the acquired companies;
- Other revenues or expenses not related to the operation.

6. Net profit and adjusted net profit*

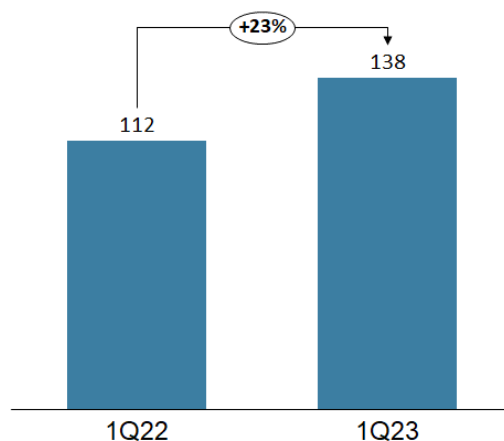
Adjusted net profit * R\$ mi	1Q23 (a)	1Q22 (b)	Δ (a) / (b)
Net profit	121	93	30%
Amortization-customers, brands, property and equipment **	17	19	-8%
Adjusted net profit	138	112	23%
<i>Adjusted net profit / net revenue</i>	5,5%	5,4%	0,1pp

* Adjusted net profit is not the basis for the distribution of dividends

** Net of tax effect IR/CSLL (34%)

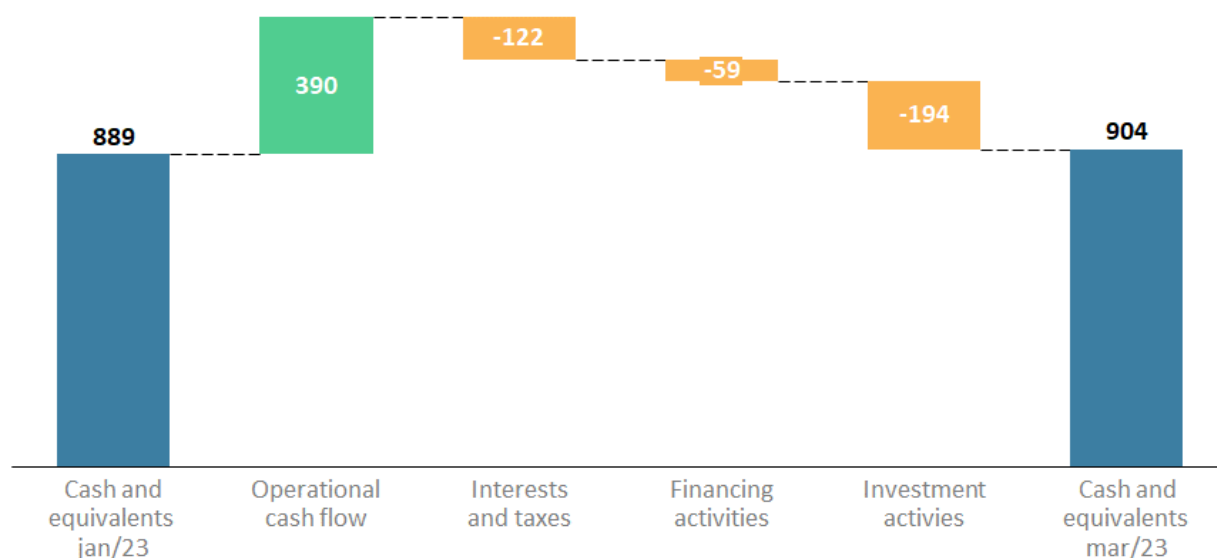
- Adjusted net profit in 1Q23 of R\$ 138 million, 23% higher than the adjusted net profit for 1Q22;
- Adjusted net margin for 1Q23 of 5.5%, 0.1 p.p. higher than the margin in 1Q22;

The graph below shows the evolution of the quarterly adjusted net profit. Values are in millions of reais.



7. Cash flow

The graph below shows the accounting cash flow statement. Values are in millions of reais.



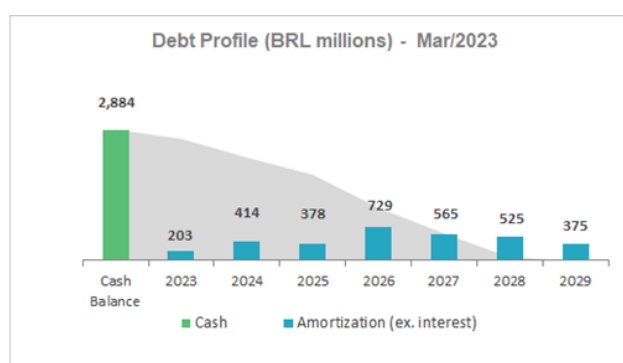
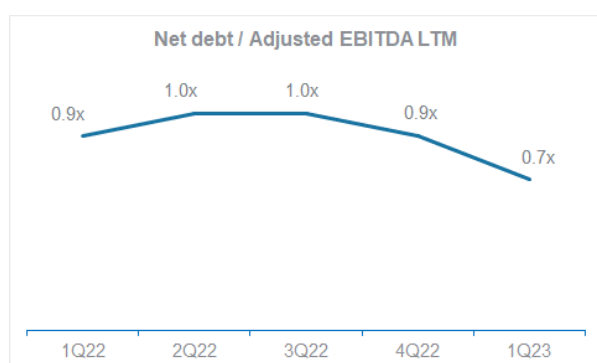
- Cash generation from operating activities in 1Q23 in the amount of R\$390 million, representing 113% of adjusted EBITDA, 53 p.p., above the 1Q22;
- Payment of interest and income tax in the total amount of BRL 122 million, higher than the amount paid in 1Q22, due to the increase in the Selic rate in the period;
- Net cash from financing activities negative of R\$ 59 million resulting from the amortization of loans and debentures in the amount of R\$ 77 million, and the positive inflow of R\$ 31 million due to the payment of capital from the issuance of shares related to the 2023 stock option program;

- Negative flow from investment activities of R\$194 million, resulting from financial investments in the amount of R\$169 million, and net expenses with the purchase of operating fixed assets, in the amount of R\$34 million. In the opposite direction, we had a net inflow of R\$ 5 million from loan agreements and R\$ 5 million from the acquisition of subsidiaries in 1Q23.

8. Leverage

Leverage R\$ mi	1Q23 (a)	4Q22 (b)	3Q22 (c)	2Q22 (d)	1Q22 (e)	△ (a) / (e)
Cash	2,878	2,700	1,300	1,420	1,590	81%
Cash and cash equivalents	904	889	846	787	694	30%
Financial investments	1,974	1,811	453	633	895	120%
Gross Debt	3,644	3,645	2,204	2,195	2,234	63%
Loans	577	635	668	702	718	-20%
Debentures	2,679	2,661	1,202	1,224	1,244	115%
Acquisition of subsidiaries	322	281	267	208	213	51%
Tax payable through installments	66	68	67	61	59	12%
Net debt	(766)	(945)	(904)	(775)	(644)	19%
Adjusted EBITDA LTM	1,106	1,008	911	814	742	49%
Net debt / adjusted EBITDA LTM	0,7	0,9	1,0	1,0	0,9	-20%

- We ended 1Q23 with a leverage ratio of 0.7x adjusted EBITDA, 0.2 p.p. lower than 4Q22. The large amount of cash, combined with the low level of leverage, will allow us to finance the M&A investments scheduled for 2023;
- Below we show the evolution of the GPS Group's leverage ratio and debt profile, which remains stable with a total portfolio duration of 41 months in 1Q23.



9. Final considerations

The results achieved in the 1Q23 reinforce our conviction that the Company's management model, based on decentralization, planned delegation, focus on generating results and exercising meritocracy, is the most relevant factor for the success of our growth strategy. It is through our competence in retaining and engaging people with an entrepreneurial spirit that we will expand our ability to build long-term relationships with Customers and the sustainability of our results.

We work to improve our short, medium and long-term motivation and retention tools and provide our team with an increasingly efficient and productive business environment.

We believe that 2023 will still be a challenging year and, therefore, we are prepared to continue in the direction of growth, combining the efforts of the commercial teams with new opportunities for acquiring companies, ensuring a balanced management of the risks that involve our business environment.

Legal considerations

Financial information is presented in millions of reais unless otherwise indicated. The GPS Group's individual and consolidated interim financial information was prepared in accordance with CPC 21(R1) - Interim Statement and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standard Board - IASB and presented in accordance with the standards issued by the Brazilian Securities Commission, applicable to the preparation of the Quarterly Information - ITR.

This report may include statements about future events subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of GPS Group Management taken to the best knowledge and information currently available to GPS Group. Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties, and assumptions because they refer to future events, depending, therefore, on circumstances that may or may not occur.

This report may include non-accounting metrics, which will be indicated where relevant. Such metrics are included because they are considered by Management as relevant for understanding the business, but they do not necessarily go through the same criteria for preparing the interim accounting information. Non-accounting data were not audited by the GPS Group's independent auditors.

10. Attachments

Consolidated			
Statements of profit or loss - <i>In thousands of Reais - except earnings per share</i>	Note	From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022
Net revenue from services rendered and goods sold	26	2,528	2,082
Costs of services rendered and goods sold	27	(2,103)	(1,775)
Gross profit		425	306
General and administrative expenses	27	(152)	(123)
Expected credit losses (reversal) on trade receivables	27	(27)	(8)
Other operating revenues	27	32	2
Other operating expenses	27	(20)	(8)
Income before net financial income (expenses), equity-accounted investees and taxes		258	170
Financial income	28	96	75
Financial expenses	28	(170)	(106)
Net financial income (expenses)		(74)	(30)
Profit before income tax and social contribution		185	140
Current income tax and social contribution	20 (c)	(63)	(47)
Deferred income tax and social contribution	20 (c)	0	1
Profit for the period		121	93
Profit attributable to:			
Controlling shareholders		121	93
Non-controlling shareholders		0	0
Basic and diluted earnings per share attributable to controlling shareholders that hold ordinary shares		0,18	0,14

Balance Sheet		Consolidated	
		03/31/2023	12/31/2022
Assets - R\$ million		Note	
Current			
Cash and cash equivalents	8	904	889
Financial investments	9	1,979	1,810
Derivative financial instruments	25 (c)	5	8
Trade receivables	10	1,931	1,949
Loans receivable	13.3	5	4
Inventories		12	12
Recoverable income tax and social contribution	11	204	196
Recoverable taxes	12	320	302
Other receivables		30	28
Total current assets		5,389	5,199
Non-current			
Long-term receivables			
Financial investments	9	0	0
Derivative financial instruments	25 (c)	-	3
Trade receivables	10	75	73
Loans receivable	13.3	21	27
Judicial deposits	22 (c)	206	192
Recoverable income tax and social contribution	11	20	20
Recoverable taxes	12	12	12
Indemnification assets	22 (d)	163	136
Deferred income tax and social contribution	20 (a)	533	504
Total long-term assets		1,031	967
Investments	14	-	3
Property and equipment	15	431	407
Right-of-use assets		64	69
Intangible assets	16	2,423	2,352
Total non-current assets		3,948	3,798
Total assets		9,338	8,996
		Consolidated	
Liabilities - R\$ million		Note	
Current			
Trade payables		111	125
Loans	17	188	199
Debentures	18	209	130
Derivative financial instruments	25 (c)	11	10
Leases payable		27	28
Payroll and social charges	19	1,017	968
Income tax and social contribution payable	20	45	66
Other tax obligations		154	155
Tax payable through installments agreement	21	22	22
Acquisition of subsidiaries	23	130	97
Dividends payable	13.5	123	123
Other liabilities		34	40
Total current liabilities		2,071	1,961
Non-current			
Loans	17	389	436
Debentures	18	2,470	2,532
Derivative financial instruments	25 (c)	2	-
Leases payable		38	42
Tax payment through installments agreement	21	43	46
Acquisition of subsidiaries	23	191	184
Provisions for contingencies and sub justice taxes	22 (a)(b)	1,386	1
Other liabilities		9	6
Total non-current liabilities		4,529	4,443
Equity			
Share capital	24 (a)	1,680	1,649
Earnings reserve	24 (d)	1,053	932
Other comprehensive income		3	6
Equity valuation adjustments	24 (f)	1	3
Equity attributable to the owners of the Company		2,737	2,590
Non-controlling interests		2	2
Total equity		2,739	2,592
Total Liabilities and equity		9,338	8,996

Cash Flows - R\$ million	Note	Consolidated	
		From 01/01/2023 to 03/31/2023	From 01/01/2022 to 12/31/2022
Cash flows from operating activities			
Net profit for the period		121	93
Adjustments for:			
Gain from disposal of property and equipment		(1)	(1)
Constitution (reversal) of provision for expected loss of billed services and to be billed	27	8	0
Constitution of provision for expected loss of billing services	27	19	8
Depreciation of property and equipment	15 (c)	18	12
Amortization of intangible assets	16 (c)	0	0
Right-of-use assets amortization		6	5
Surplus value amortization - customer portfolio, brands and non-competition agreement	16 (c)	23	26
Surplus value amortization - property and equipment	15 (c)	3	2
(Reversal) provision for sub justice taxes	22(b)	1	1
Reversal FAP from acquired companies	27	(18)	-
Income tax and social contribution	20(c)	63	46
Constitution of provision for tax, civil and labor risks	22(a)	3	5
Monetary update "S" System	22(a)	15	-
Interest of indemnity assets and contingent liabilities	27	(6)	(23)
Interest contingent portion - acquisition debt	23(a)	5	1
Interest contingent write-off - acquisition debt	23(a)	(3)	-
Profit (losses) on derivative financial instruments	25(c)	6	37
Monetary update indebt of Selic	11	(1)	-
Monetary update of judicial deposits	22(c)	(7)	(2)
Monetary update of loans to be receivable - mutual agreements	13.3	(1)	(1)
Adjustment of balance to be received from loans - mutual agreements	13.3	1	-
Exchange variation, interest and loan charges	17 (b)	16	(15)
Interest and charges on debentures	18 (c)	99	36
Financial charges on installments	21	2	1
Financial charges on leases		1	1
Monetary update on sub justice taxes	22(b)	10	5
Monetary update of acquisition of subsidiaries	23(a)	0	0
Settlement of cost incurred with issuance of debentures	18(c)	1	-
		388	237
Changes in:			
Trade receivables		46	(96)
Recoverable income tax and social contribution		(47)	(39)
Recoverable taxes		(17)	21
Judicial deposits		(6)	(2)
Indemnification assets		(0)	(0)
Trade payables		(18)	(12)
Payroll and social charges		66	85
Other tax obligations		(9)	(18)
Other assets and liabilities		(12)	(16)
		390	161
Cash from (used in) operating activities			
Interest paid on loans	17(b)	(25)	(21)
Interest paid on debentures	18(c)	(57)	(19)
Interest paid on installments	21	(1)	(0)
Income tax and social contribution paid		(38)	(35)
		268	85
Net cash from (used in) operating activities			
Cash flows from investment activities			
Financial investments		(169)	92
Proceeds from loans - (mutual agreements)	13.3	6	-
Granting of loans - (mutual agreements)	13.3	(1)	-
Proceeds from the sale of property and equipment		1	2
Acquisition of property and equipment	15(b)	(36)	(17)
Acquisition of intangible assets	16(b)	(0)	-
Acquisition of unconsolidated subsidiaries		-	(32)
Acquisition of subsidiaries, net of cash obtained in the acquisition	3	5	1
		(194)	47
Net cash (used in) from investment activities			
Cash flows from financing activities			
Capital increase through the issuance of shares	24(b)	31	-
Payments of tax installments	21	(4)	(3)
Payments of leases		(6)	(5)
Proceeds from the settlement of derivatives	25(c)	(2)	1
Loans amortization	17(b)	(52)	(58)
Amortization of debentures	18(c)	(25)	(25)
		(59)	(90)
Net cash from (used in) financing activities			
Net (decrease) increase in cash and cash equivalents			
		15	42
Cash and cash equivalents as at January 1		889	652
Cash and cash equivalents as at March 31		904	694

www.ri.grupogps.com.br

ri@gpssa.com.br

Maria Elsa Alba Bernhoeft
Investor Relations Officer

Marcelo Madi Andrada
Investor Relations Manager





KPMG Auditores Independentes Ltda.
Rua Verbo Divino, 1400 - Chácara Santo Antônio
CEP 04719-911, São Paulo – SP
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Report on Review of Quarterly Information

(A free translation of the original report in Portuguese, as filled with the Brazilian Securities Commission (CVM), prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB)

To the Board of Directors and Shareholders of
GPS Participações e Empreendimentos S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of GPS Participações e Empreendimentos S.A. (“the Company”), respectively referred to as Parent Company and Consolidated, included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, comprising the statement of financial position as at March 31, 2023 and the respective statements of profit or loss and comprehensive income, for the three-month period then ended, and changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB, such as for the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with the Brazilian and International standards on reviews of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and, consequently, does not enable us to obtain



assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial information included in the Quarterly Information (ITR) referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Other matters - Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added (DVA) for the three-month period ended at March 31, 2023, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to review procedures carried out together with the review of the Company's interim financial information to conclude that they are reconciled with interim financial information and accounting records, as applicable, and its form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that those statements were not prepared, in all material respects, in accordance with the criteria set forth in this Standards and consistently with respect to the parent company and consolidated interim financial information taken as a whole.

São Paulo, May 4, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
(Original report in Portuguese signed by)

Marcos A. Boscolo
Accountant CRC 1SP198789/O-0

GPS Participações e Empreendimentos S.A.

Statements of financial position as at March 31, 2023 and December 31, 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated			Note	Parent Company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022			03/31/2023	12/31/2022		
Assets						Liabilities					
Current						Current					
Cash and cash equivalents	8	46	33	904,215	889,159	Trade payables	-	-	110,746	124,732	
Financial investments	9	-	-	1,979,200	1,810,414	Loans	17	-	187,946	199,243	
Derivative financial instruments	25 (c)	-	-	4,928	7,519	Debentures	18	-	209,039	129,568	
Trade receivables	10	-	-	1,931,245	1,948,832	Derivative financial instruments	25 (c)	-	10,573	10,344	
Dividends receivable	13.4	122,899	122,899	-	-	Leases payable	-	-	27,155	28,081	
Loans receivable	13.3	1,625	1,275	4,683	4,019	Payroll and social charges	19	-	1,016,588	967,540	
Inventories	-	-	-	11,617	12,047	Income tax and social contribution payable	20	-	32	44,913	
Recoverable income tax and social contribution	11	-	-	203,519	196,291	Other tax obligations	49	52	153,752	154,702	
Recoverable taxes	12	87	87	320,173	301,974	Tax payable through installments agreement	21	-	16	22,452	
Other receivables	25	87	37	29,816	28,492	Acquisition of subsidiaries	23	-	-	130,376	
Total current assets		124,682	124,331	5,389,396	5,198,747	Dividends payable	13.5	122,712	122,712	122,712	
						Other liabilities	2	2	1	34,302	
Non-current						Total current liabilities		122,763	122,813	2,070,554	1,960,993
Long-term assets						Non-current					
Financial investments	9	-	-	366	366	Loans	17	-	-	388,937	435,681
Derivative financial instruments	25 (c)	-	-	-	2,684	Debentures	18	-	-	2,470,284	2,531,632
Trade receivables	10	-	-	75,006	73,294	Derivative financial instruments	25 (c)	-	-	2,089	-
Loans receivable	13.3	4,108	7,648	20,893	26,858	Leases payable	-	-	-	37,873	41,814
Other accounts receivable - with related parties	13.2	48,505	14,882	-	-	Tax payment through installments agreement	21	-	31	43,242	46,008
Judicial deposits	22 (c)	-	-	206,162	191,885	Acquisition of subsidiaries	23	-	-	191,379	184,336
Income tax and social contribution	11	-	-	20,157	19,593	Provisions for contingencies and sub judice taxes	22(a)/(b)	1,319	1,305	1,385,835	1,197,720
Recoverable taxes	12	-	-	12,260	12,328	Other liabilities	-	-	-	8,905	6,050
Indemnification assets	22 (d)	-	-	163,039	135,983	Total non-current liabilities		1,319	1,336	4,528,544	4,443,241
Deferred income tax and social contribution	20 (a)	411	411	532,633	504,120	Equity					
Total long-term assets		53,024	22,941	1,030,516	967,111	Share capital	24(a)	1,679,699	1,648,808	1,679,699	1,648,808
Investments	14	2,682,966	2,567,261	-	2,500	Earnings reserve	24(d)	1,052,709	931,849	1,052,709	931,849
Property and equipment	15	-	-	430,730	407,474	Other comprehensive income	-	3,006	6,461	3,006	6,461
Right-of-use assets	-	-	-	63,918	68,846	Equity valuation adjustments	24(f)	1,176	3,266	1,176	3,266
Intangible assets	16	-	-	2,423,332	2,351,821	Equity attributable to the owners of the Company		2,736,590	2,590,384	2,736,590	2,590,384
Total non-current assets		2,735,990	2,590,202	3,948,496	3,797,752	Non-controlling interests		-	-	2,204	1,881
Total assets		2,860,672	2,714,533	9,337,892	8,996,499	Total equity		2,736,590	2,590,384	2,738,794	2,592,265
						Total liabilities and equity		2,860,672	2,714,533	9,337,892	8,996,499

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Statements of profit or loss

For the three-month periods ended March 31, 2023 and 2022

(In thousands of Reals - except earnings per share)

	Note	Parent Company		Consolidated	
		01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net revenue from services rendered and goods sold	26	-	-	2,527,625	2,081,602
Costs of services rendered and goods sold	27	-	-	(2,102,575)	(1,775,248)
Gross profit		-	-	425,050	306,354
General and administrative expenses	27	(210)	(122)	(151,730)	(123,351)
receivable	27	-	-	(26,959)	(7,879)
Other operating revenues	27	-	-	31,869	2,259
Other operating expenses	27	(380)	(33)	(20,067)	(7,614)
Income before net financial income (expenses), equity-accounted investees and taxes		(590)	(155)	258,163	169,769
Financial income	28	227	383	96,266	75,385
Financial expenses	28	(26)	(19)	(169,820)	(105,539)
Net financial income (expenses)		201	364	(73,554)	(30,154)
Equity-accounted investees	14(a)	121,249	93,214	-	-
Profit before income tax and social contribution		120,860	93,423	184,609	139,615
Current income tax and social contribution	20(c)	-	(59)	(63,479)	(47,464)
Deferred income tax and social contribution	20(c)	-	-	53	1,237
Net profit for the period		120,860	93,364	121,183	93,388
Profit attributable to:					
Controlling shareholders		120,860	93,364	120,860	93,364
Non-controlling shareholders		-	-	323	24
Basic and diluted earnings per share attributable to controlling shareholders that hold ordinary shares	29	-	-	0.18	0.14

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Statements of comprehensive income

For the three-month periods ended March 31, 2023 and 2022

(In thousands of Reais)

	Parent Company		Consolidated	
	From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022	From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022
Net profit for the period	120,860	93,364	121,183	93,388
Net income on hedge	-	-	(3,455)	(3,105)
Comprehensive income for the period	120,860	93,364	117,728	90,283
Profit attributable to:				
Owners of the Company	120,860	93,364	117,405	90,259
Non-controlling shareholders	-	-	323	24

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Statements of changes in equity

For the three-month periods ended March 31, 2023 and 2022

(In thousands of Reais)

	Note	Earnings reserve					Others comprehensive income	Equity valuation adjustments	Total equity of owners of the Company	Non-controlling interests	Total
		Share capital	Legal reserve	Retained earnings	Costs of transaction	Retained Earnings					
As at January 1, 2022		1,615,382	63,764	474,923	(809)	-	8,294	33,558	2,195,112	1,493	2,196,605
Call options update		-	-	-	-	-	(1,270)	(1,270)	-	-	(1,270)
Net income on hedge		-	-	-	-	-	(3,105)	(3,105)	-	-	(3,105)
Net profit for the period		-	-	-	-	93,364	-	93,364	24	-	93,388
As at March 31, 2022		1,615,382	63,764	474,923	(809)	93,364	5,189	32,288	2,284,101	1,517	2,285,618
As at January 1, 2023		1,648,808	89,598	843,060	(809)	-	6,461	3,266	2,590,384	1,881	2,592,265
Issuance of ordinary shares	24(b)	30,891	-	-	-	-	-	30,891	-	-	30,891
Call options update	24(f)	-	-	-	-	-	(2,090)	(2,090)	-	-	(2,090)
Net income on hedge	25(c)	-	-	-	-	-	(3,455)	(3,455)	-	-	(3,455)
Net profit for the period		-	-	-	-	120,860	-	120,860	323	-	121,183
As at March 31, 2023		1,679,699	89,598	843,060	(809)	120,860	3,006	1,176	2,736,590	2,204	2,738,794

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Statements of cash flows – Indirect method

For the three-month periods ended March 31, 2023 and 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022	From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022
Cash flows from operating activities					
Net profit for the period		120,860	93,364	121,183	93,388
Adjustments for:					
Equity-accounted investees	14(a)	(121,249)	(93,214)	-	-
Gain from disposal of property and equipment		-	-	(761)	(1,247)
Constitution of provision for expected loss of billed service	27	-	-	7,958	334
Constitution of provision for expected loss of billing services	27	-	-	19,001	7,545
Depreciation of property and equipment	15(c)	-	-	18,091	12,427
Amortization of intangible assets	16(c)	-	-	149	89
Right-of-use assets amortization		-	-	5,657	4,800
Surplus value amortization - customer portfolio, brands and non-competition agreement	16(c)	-	-	22,510	26,190
Surplus value amortization - property and equipment	15(c)	-	-	3,477	1,955
Constitution of provision for sub judice taxes	22(b)	-	-	695	1,096
Gain on advantageous purchase	27	-	-	(17,696)	-
Income tax and social contribution	20(c)	-	59	63,426	46,227
Constitution of provision for tax, civil and labor risks	22(a)	-	-	3,424	4,534
Monetary update of System "S"	22(a)	-	-	15,442	-
Interest of indemnity assets and contingent liabilities	27	-	-	(5,511)	(22,620)
Interest contingent portion - acquisition debt	23(a)	-	-	4,865	1,340
Offsetting of acquisition debt	23(a)	-	-	(2,976)	-
Gain on derivative financial instruments	25(c)	-	-	6,400	36,636
Monetary update indebted of Selic	11	-	-	(563)	-
Monetary update of judicial deposits	22(c)	-	-	(7,020)	(2,229)
Monetary update of loans to be receivable - mutual agreements	13.3	(224)	(383)	(775)	(794)
Adjustment of balance to be receivable from loans loans - mutual agreements	13.3	381	-	1,279	-
Exchange rate variation, interest and charges on loans	17(b)	-	-	16,002	(14,624)
Interest and charges on debentures	18(c)	-	-	99,202	35,796
Financial charges on installments	21	1	1	1,729	819
Financial charges on lease		-	-	776	784
Monetary update on sub judice taxes	22(b)	14	-	10,229	4,556
Monetary update of acquisition of subsidiaries	23(a)	-	-	273	260
Settlement of cost incurred with issuance of debentures	18(c)	-	-	1,154	-
		(217)	(173)	387,620	237,262
Changes in:					
Trade receivables		-	-	46,406	(95,791)
Recoverable income tax and social contribution		-	-	(47,262)	(39,269)
Recoverable taxes		-	-	(17,129)	20,755
Judicial deposits		-	-	(6,232)	(1,525)
Indemnification assets		-	-	(415)	(178)
Trade payables		-	(34)	(18,074)	(11,544)
Payroll and social charges		-	-	66,379	84,845
Other tax obligations		(3)	(11)	(9,386)	(18,315)
Other accounts receivable - with related parties		(33,623)	-	-	-
Other assets and liabilities	13.2	11	66	(11,666)	(15,691)
Cash (used in) from operating activities		(33,831)	17	390,241	160,549
Interest paid on loans	17(b)	-	-	(25,476)	(21,493)
Interest paid on debentures	18(c)	-	-	(57,233)	(18,854)
Interest paid on installments	21	-	-	(945)	(356)
Income tax and social contribution paid		(32)	-	(38,167)	(35,058)
Net cash (used in) from operating activities		(33,863)	17	268,420	84,788
Cash flows from investment activities					
Financial investments		-	-	(168,786)	92,308
Proceeds from loans - (mutual agreements)	13.3	3,033	-	5,797	-
Granting of loans - (mutual agreements)	13.3	-	-	(1,000)	-
Proceeds from the sale of property and equipment		-	-	1,375	1,691
Acquisition of property and equipment	15(b)	-	-	(35,770)	(16,509)
Acquisition of intangible assets	16(b)	-	-	(452)	-
Acquisition of not consolidated subsidiaries		-	-	-	(31,610)
Acquisition of subsidiaries, net of cash obtained in the acquisition	3	-	-	4,775	1,457
Net cash from (used in) investment activities		3,033	-	(194,061)	47,337
Cash flows from financing activities					
Capital increase through the issuance of shares	24(b)	30,891	-	30,891	-
Payment of tax installments	21	(48)	(3)	(4,285)	(3,024)
Payment of leases		-	-	(6,186)	(5,220)
Derivative financial instruments	25(c)	-	-	(2,262)	1,468
Loans amortization	17(b)	-	-	(52,461)	(58,471)
Amortization of debentures	18(c)	-	-	(25,000)	(24,911)
Net cash from (used in) financing activities		30,843	(3)	(59,303)	(90,158)
Net increase in cash and cash equivalents		13	14	15,056	41,967
Cash and cash equivalents as at January 1		33	30	889,159	652,434
Cash and cash equivalents as at March 31		46	44	904,215	694,401

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Statements of value added

For the three-month periods ended March 31, 2023 and 2022

(In thousands of Reais)

	Note	Parent Company		Consolidated	
		From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022	From 01/01/2023 to 03/31/2023	From 01/01/2022 to 03/31/2022
Revenues (1)		-	-	2,737,798	2,272,954
Gross revenue from services rendered and good sold	26	-	-	2,732,888	2,278,574
Other revenues	27	-	-	31,869	2,259
Expected credit losses on trade receivable and to be receivable	27	-	-	(26,959)	(7,879)
Inputs acquired from third parties (2)		(601)	(174)	(304,500)	(191,423)
Costs of goods sold	27	-	-	(40,571)	(31,503)
Materials, third party services and other	27	(601)	(174)	(263,929)	(159,920)
Gross value added (3) = (1) + (2)		(601)	(173)	2,433,298	2,081,531
Depreciation and amortization (4)		-	-	(49,884)	(45,461)
Net value added produced (5) = (3) + (4)		(601)	(174)	2,383,414	2,036,070
Value added received in transfer (6)		121,476	93,597	96,266	75,385
Equity-accounted investees	14 (a)	121,249	93,214	-	-
Financial income	28	227	383	96,266	75,385
Total distributed value added (7) = (5) + (6)		120,875	93,423	2,479,680	2,111,455
Distribution of value added		(120,875)	(93,423)	(2,479,680)	(2,111,455)
Personnel		-	-	(1,602,795)	(1,398,832)
Direct compensation		-	-	(1,514,845)	(1,320,092)
Benefits		-	-	(45,367)	(37,546)
Social charges		-	-	(42,583)	(41,194)
Taxes and fees		-	(59)	(532,643)	(473,069)
Federal		-	(59)	(426,670)	(386,722)
State		-	-	(4,461)	(3,000)
Municipal		-	-	(101,512)	(83,347)
Remuneration of third parties' capital		(15)	-	(223,059)	(146,166)
Interests		(15)	-	(157,784)	(97,835)
Rentals		-	-	(65,275)	(48,331)
Equity remuneration		(120,860)	(93,364)	(121,183)	(93,388)
Retained earnings		(120,860)	(93,364)	(121,183)	(93,388)

The notes are an integral part of the parent company and consolidated interim financial information.

GPS Participações e Empreendimentos S.A.

Explanatory notes to the parent company and consolidated interim accounting information as at March 31, 2023.

Balance in thousands of reais, except as otherwise indicated.

1 Operating context

GPS Participações e Empreendimentos S.A. ("Parent Company" or "Company") is a holding company as a publicly-held registered in the Novo Mercado segment of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), characterizing it as the highest level of corporate governance in the Brazilian capital market, under the trading code GGPS3, with registered office at 1,215, Miguel Frias e Vasconcelos avenue, in the City of São Paulo, State of São Paulo.

The consolidated financial statements include the Company and its subsidiaries (collectively referred to as the "Group"). The Group's main activities are: (i) provision of property security services; (ii) provision of hygiene and cleaning services (facilities); (iii) provision of indoor logistics services; (iv) provision of electronic security services, implementation, operation, and building maintenance services; (v) provision of maritime hospitality services (on oil platforms); (vi) provision of kitchen services and sales of meals; (vii) provision of highway maintenance services; (viii) interest in companies by acquiring shares or quotas of the capital; and (ix) administration and management of temporary labor for third parties, pursuant to Law n° 6,019/74, as amended by Law n° 13,429/17; (x) financial business consulting and advisory, in the area of promotional events, planning, organization and execution of fairs, congresses, events and incentive campaigns; (xi) promotion of sales and distribution of promotional gifts; (xii) provision of industrial maintenance services; and (xiii) insurance brokerage of elementary branches, life insurance, health, pension and capitalization.

2 Description of the subsidiaries

The consolidated financial statements are composed of the financial statements of the parent company and the companies directly and indirectly controlled. As at March 31, 2023 and December 31, 2022, the consolidated interim accounting information include the consolidation of the following companies, all of which are domiciled in Brazil:

Direct subsidiary	Direct subsidiary	March 31, 2023	December 31, 2022
Top Service Serviços e Sistemas S.A. - (Top Service)	GPS Participações e Empreendimentos S.A.	100.00	100.00

Indirect subsidiary	Direct subsidiary	March 31, 2023	December 31, 2022
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Ecopolo Gestão de Águas, Resíduos e Energia Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
GPS Tec Sistemas Eletrônicos de Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Engeseg Empresa de Vigilância Computadorizada Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
In-Haus Industrial e Serviços de Logística Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proguarda Vigilância e Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proguarda Administração e Serviços Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Proteg Segurança Patrimonial Eireli	Top Service Serviços e Sistemas S.A.	100.00	100.00
Quattro Serv Serviços Gerais Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Servis Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
SECOPI - Segurança Comercial do Piauí Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Ultralimpo Empreendimentos e Serviços Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Polonorte Segurança da Amazônia Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Gol Segurança e Vigilância Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
BC2 Construtora Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
BC2 Infraestrutura Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00

Indirect subsidiary	Direct subsidiary	March 31, 2023	December 31, 2022
Top Service Facilities Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
LC Administração de Restaurantes Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Presidente Altino Participações e Comercialização de Imóveis Próprios Ltda. (formely called Onservice Gestão de Serviços Terceirizados Ltda.)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Eleva In-Haus Manutenção Industrial Ltda. (formely called Comau do Brasil Indústria e Comércio Ltda.)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Evimeria Corretagem de Seguros e Consultoria Ltda.	Top Service Serviços e Sistemas S.A.	80.00	80.00
Ormec Engenharia Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Serviços Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Serviços Empresariais de Mão de Obra Temporária Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Empregos Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Administração e Serviços Aeroportuários Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Central de Estágios Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Global Treinamento e Desenvolvimento Profissional Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Allis Soluções Inteligentes Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Rudder Segurança Ltda.	Top Service Serviços e Sistemas S.A.	100.00	100.00
Serviços de Cogeração Carioca Ltda.	Top Service Serviços e Sistemas S.A.	88.82	88.82
Allis Luandre Soluções em Trade e Pessoas Ltda. (formely called Allis Soluções em Trade e Pessoas Ltda.)	Top Service Serviços e Sistemas S.A.	100.00	100.00
Compart Marketing e Tecnologia Ltda. (a)	Top Service Serviços e Sistemas S.A.	100.00	-
GPS AIR - Serviços Auxiliares ao Transporte Aéreo Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Loghis Logística e Serviços Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Predial Axel Manutenção Industrial Ltda. (formely called Sulzer Brasil Indústria e Comércio Ltda.)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Motus Serviços Ltda.	In-Haus Industrial e Serviços de Logística Ltda.	60.00	60.00
Conbras Manutenção Ltda. (formely called ISS Manutenção e Serviços Integrados Ltda.)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
In-Haus Log Ltda. (formely called ISS Serviços de Logística Integrada Ltda.)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	100.00
Engie Brasil Serviços de Energia Ltda. (a)	In-Haus Industrial e Serviços de Logística Ltda.	100.00	-
	GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	100.00	100.00
Graber Sistemas de Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Visel Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Fortaleza Serviços de Vigilância Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Onseg Serviços de Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Onserv Serviços Terceirizados Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Poliservice - Sistemas de Segurança S.A.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Sunset Serviços Patrimoniais Ltda.	Graber Sistemas de Segurança Ltda.	55.00	55.00
Sunset Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	55.00	55.00
Global Segurança Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Force Vigilância Ltda.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Force Serviços Terceirizados Eireli.	Graber Sistemas de Segurança Ltda.	100.00	100.00
Rudder Serviços Gerais Ltda.	Rudder Segurança Ltda.	100.00	100.00
Eleva Facilities Ltda. (formely called Comau Facilities Ltda.)	Eleva In-Haus Manutenção Industrial Ltda.	100.00	100.00
Wrapper Sistemas Ltda.	Motus Serviços Ltda.	80.00	80.00
Evertical Comércio de Máquinas e Equipamentos de Informática Ltda.	GPS Tec Sistemas Eletrônicos de Segurança Ltda.	55.00	55.00
Evertical Tecnologia Ltda.	GPS Tec Sistemas Eletrônicos de Segurança Ltda.	55.00	55.00
Engie Facilities, Limpeza e Conservação Ltda. (a)	Engie Brasil Serviços de Energia Ltda.	100.00	-

(a) Acquisition of control by purchase of capital shares. About the business combination, see details in note nº 3.

3 Business combination

The Group’s strategic objective is to seek leadership in the market sectors in which it operates, for which purpose it has a structured program of inorganic growth. This program includes acquisitions from groups of companies or companies in the same business segments.

Such acquisitions are mainly aimed at:

- increasing the portfolio of services offered, strengthening the one stop shop position;
- expansion of the customers portfolio;
- the achievement of operational and fiscal synergies;
- the consolidation of presence in the regions in which it operates; and
- the expansion of the territorial base by entering new markets.

The evaluation techniques used to measure fair value of relevant acquired assets and liabilities are as follows:

Assets and liabilities acquired	Valuation method
Brand and customers portfolio	Income approach that considers future cash flows attributed to intangible assets discounted to present value.
Surplus value of fixed assets	To determine the value in use of these items, they were evaluated based on the market value of the equivalent products.
Contingent liabilities	The fair value of contingent liabilities was determined based on legal audit and due diligence reports issued by legal advisors and took into account the probability and magnitude of outflows of resources.

All partial acquisitions refers to the acquisition of control. For partial acquisitions of the shares of the acquired companies, the Group adopted the methodology of early acquisition in which, on the same acquisition date, a call-option instrument of the purchase and sale of the residual shares of the acquired companies is granted mutually between the parties. Since the acquisition of control occurs at this stage, its acquisitions are recorded in full (in 100%, even if the purchase on the acquisition date is partial), regardless of the shareholding held.

The fair value of acquired assets and liabilities assumed and transaction amounts on the acquisition date of 2022 acquisitions are parent company and consolidated financial statements as at December 31, 2022, published on March 2, 2023. The fair value of the assets acquired and liabilities assumed and the transaction values at the acquisition date for the 2023 acquisitions are presented below:

Acquired in 2023	Note	Engie Group 3.1	Compart 3.2	Total of 2023
Cash and cash equivalents		36,586	9,318	45,904
Trade receivables		26,586	30,904	57,490
Recoverable taxes		2,435	1,541	3,976
Deferred income tax and social contribution (i)		-	27,384	27,384
Judicial deposits		1,013	13	1,026
Property and equipment		9,267	741	10,008
Right-of-use assets		493	2,625	3,118
Intangible assets (ii)		11,703	32,779	44,482
Other assets (iii)		464	25,116	25,580
Loans		-	(3,894)	(3,894)
Leases payable		(493)	(2,625)	(3,118)
Trade and other payables		(11,505)	(2,562)	(14,067)
Payroll and social charges		(9,076)	(9,462)	(18,538)
Tax liabilities		(4,451)	(2,023)	(6,474)
Provision for contingencies (vi)		(5,202)	(11,716)	(16,918)
Sub justice taxes		(40,124)	(68,466)	(108,590)
Fair value of identifiable net assets (vii) (A)		17,696	29,673	47,369
Transferred consideration (B)	3.1 to 3.2 (a)	-	78,971	78,971
Cash payment on previously year (vi) (D)		-	2,500	2,500
Cash payment in the year (C)		-	41,129	41,129
Contingent consideration (E) = (B - C - D)		-	35,342	35,342
Balance payable from acquisition debt (E)		-	35,342	35,342
Cash and cash equivalents and financial investments (F)		(36,586)	(9,318)	(45,904)
Cash effect on the year = (D + F)		(36,586)	31,811	(4,775)
Goodwill (vii) (B - A)		-	49,298	49,298
Bargain purchase (viii)		(17,696)	-	(17,696)

- (i) Refers to taxes on temporary differences arising from the fair value of net assets acquired.
- (ii) Allocation determined to the client portfolio. The intangible of the client portfolio derives from the company's relationship with its clients who represent a stable and recurring source of income. The intangible of brands derives from the ease with which consumers identify a business by products and services. Deferred taxes are recognized in the acquiring company, which records the capital gains. The rate is 34% (income tax and social contribution).
- (iii) Refers to indemnification assets, advance expenses, advances and other trades to be receivable.
- (iv) Refers to the allocation of contingent liabilities (not recorded in the statement of financial position of the acquired company) and to the provisions themselves, recognized in the statement of financial position.
- (v) For the closing of the period March 31, 2023, the fair values of identifiable assets and liabilities assumed, collected on the date of acquisition are pending completion, thus, we report the provisional amounts until the completion of the evaluation is obtained, as instructed by CPC 15 / IFRS 3. The same applies to fair values of intangible assets (client portfolio, brands, fixed assets, indemnity assets and contingent liabilities), which were determined provisionally. If new information is established within the period of measurement (one year), as determined by CPC 15 / IFRS 3, from the date of acquisition, about facts and circumstances that existed on the date of acquisition, any adjustments in the amounts mentioned above, or any need for additional provision, the accounting of the acquisition will be reviewed.
- (vi) Payment made in 2022 by advance, therefore, with no effect on the statement of cash flows in 2023.
- (vii) The goodwill resulting from the acquisition, which comprises the amount of the difference paid and/or payable by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the workforce and the expected synergies in the integration of the acquired companies into the Group's existing businesses. See explanatory note n° 16 (a). In this sense, the tax treatment will occur from the moment of the realization of the investment, with the incorporation of the acquired company, which corresponds to the triggering of the tax benefit of the goodwill, under the terms of the legislation in force.
- (viii) The bargain purchase arises from the excess of the net value of the identified assets and liabilities assumed in relation to the consideration transferred by the control of the acquired. See details in note n° 3.1 (d) (i).

3.1 Engie Group

On January 16, 2023, the Group, through its indirect subsidiary In-Haus Industrial e Serviços de Logística Ltda., acquired 100% of the share capital, which also comprises 100% of the voting capital, from Engie Brasil Serviços de Energia Ltda., which is the parent company of Engie Facilities, Limpeza e Conservação Ltda., thus obtaining its control as of February 1, 2023.

a. Consideration transferred

The acquisition was carried out for the symbolic amount of R\$ 1 (BRL 1,00), depending on the identifiable liabilities and debtors. This amount was settled on the date of signing of the purchase and sale agreement on November 8, 2022.

b. Incorporated revenues and results

The Group consolidated in the period ended March 31, 2023 the amounts of net revenue and loss for the period from February 1 to March 31, 2023 arising from the acquisition of R\$ 16,152 and (R\$ 5,834), respectively (if the date of acquisition was at the beginning of the reporting period, such amounts would be R\$ 23,954 and (R\$ 7,838), respectively).

c. Acquisition costs

The Group incurs costs related to the acquisition in the amount of R\$ 529 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs were recorded as "Other operating expenses" in the income statement.

d. Gain on bargain purchase

The gain on bargain purchase recognized as a result of the acquisition was determined as follows:

Consideration transferred (A)	-
Bargain purchase - income (B) (i)	<u>17,696</u>
Total of the gain with bargain purchase (A - B)	17,696

- (i) The Group recorded in "Other operating revenues" in the income statement, a gain of R\$ 17,696 related to the bargain purchase in the acquisition of the companies Engie Brasil Serviços de Energia Ltda. and Engie Facilities, Limpeza e Conservação Ltda. As required in paragraph 36 of CPC 15 (R1) / IFRS 3 - Business Combination, the Group has carried out a review to ensure that all assets acquired and all liabilities assumed have been correctly identified, thus obtaining confirmation of the bargain purchase scenario. The result of the negotiation was mainly due to the seller's intention to withdraw from the business.

3.2 Compart

On January 31, 2023, the Group, through its indirect subsidiary Top Service Serviços e Sistemas S.A., acquired 100% of the share capital, which also comprises 100% of the voting capital, from Compart Marketing e Tecnologia Ltda., thus obtaining its control as of February 1, 2023.

a. Consideration transferred

The acquisition was made for the amount of R\$ 78,971, being:

- (i) R\$ 2,500 paid via bank transfer, on the date of signature of the purchase and sale agreement, as a signal, on December 14, 2022;
- (ii) R\$ 41,129 paid by bank transfer, on February 2, 2023;
- (iii) R\$ 18,038 to be paid within 60 months from the closing date on January 31, 2023; and
- (iv) R\$ 17,304 as an additional amount (Earn-out) to be paid up to 180 days after the end of the 2023 fiscal year, according to the fulfillment to contractual clauses establishing in the purchase and sale agreement

b. Incorporated revenues and income

The Group consolidated in the period ended March 31, 2023 the amounts of net revenue and net income for the period from February 1 to March 31, 2023 arising from the acquisition of R\$ 27,561 and R\$ 1,084, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R\$ 43,543 and R\$ 4,834, respectively).

c. Acquisition costs

The Group incurs costs related to the acquisition in the amount of R\$ 437 related to attorney's fees and due diligence costs. Attorney's fees and due diligence costs were recorded as "Other operating expenses" in the income statement.

4 Basis for preparation

4.1 Declaration of compliance (with respect to the Accounting Pronouncements Committee - CPC and International Financial Reporting Standards - IFRS)

The principal accounting practices applied in the preparation of this parent company and consolidated interim accounting information have not changed from those presented in the parent company and consolidated financial statements for the year ended December 31, 2022. Therefore, this parent company and consolidated interim accounting information should be read together with the Company's parent company and consolidated financial statements for the year ended December 31, 2022, published on March 2, 2023.

The parent company and consolidated interim accounting information was prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement and in accordance with the international standard IAS 34 - "Interim Financial Reporting" issued by the IASB "International Accounting Standards Board", applicable to the preparation of interim accounting information.

These guidelines have been consistently applied in the preparation of the Group's parent company and consolidated interim accounting information.

This information is being presented considering OCPC 07 - Disclosure in the Disclosure of General Purpose Accounting-Financial Reports, which reinforces basic disclosure requirements of existing standards and suggests a disclosure focused on: (i) information relevant to users, (ii) quantitative and qualitative aspects and (iii) risks.

All relevant information proper to the parent company and consolidated interim accounting information, and only these, are being evidenced, and correspond to that used by Management in its administration.

This parent company and consolidated interim accounting information was authorized for issuance by Management on May 04, 2023. After its issuance, only shareholders are empowered to change the financial statements.

4.2 Statement of value added

The presentation of the parent company and consolidated Statement of Value Added (DVA) is required by Brazilian corporate laws and accounting policies adopted in Brazil applicable to publicly-held companies. The DVA was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". IFRS does not require the presentation of this statement. Consequently, for IFRS purposes, this statement is presented as supplementary information, without prejudice to the set of parent company and consolidated interim accounting information.

4.3 Consolidation

The Group consolidates all entities controlled by it, that is, when it is exposed or has rights to variable returns from its involvement with the investee and is able to direct the relevant activities of the investee.

The subsidiaries included in the consolidation are described in note n° 2 and the accounting policies applied in the preparation of the consolidated interim accounting information are described in note n° 8 of the parent company and consolidated financial statements as at December 31, 2022, published on March 02, 2023.

4.4 Functional and presentation currency

This parent company and consolidated interim accounting information is presented in Reais, which is the Group's functional currency. All balances have been rounded up to the nearest thousand, except where otherwise specified.

4.5 Presentation of information by segment

The information by operating segments is presented in a manner consistent with the internal report provided to the main chief operations decision maker.

The Company's main decision-making body, responsible for defining the allocation of resources and evaluating the performance of the operating segments, is the Board of Directors.

Use of estimates and judgments

In preparing these parent company and consolidated interim accounting information, required Management to make judgments, estimates and assumptions that affect the application of the parent company's and its subsidiaries' accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Underlying estimates and assumptions are continuously reviewed. Estimates reviews are recognized on a prospective basis.

5.0 Judgments

There is no information on judgments made in the application of accounting policies that have significant effects on the amounts recognized in the interim accounting information.

5.1 Uncertainties regarding assumptions and estimates

Information about uncertainties related to assumptions and estimates as at March 31, 2023 that have a significant risk of resulting in a material adjustment in the carrying balances of assets and liabilities in the next fiscal year is included in the following notes:

- **Note n° 10** - Trade receivables: Measurement of expected credit loss for trade receivables;
- **Note n° 16** - Impairment test for intangible assets and goodwill: main assumptions regarding recoverable values and value in use of cash-generating units (CGU) based on discounted cash flow;
- **Note n° 20** - Deferred income tax and social contribution - recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax losses can be used;
- **Note n° 22** - Recognition and measurement of provisions for contingencies and sub judice taxes: main assumptions on likelihood and magnitude of outflows of funds;
- **Note n° 23** - Acquisition of subsidiary: Fair value of the consideration transferred (including contingent consideration) and assets acquired, and liabilities assumed; and
- **Note n° 25** - Financial instruments: The effectiveness of hedge: determined by prospective periodic assessments on effectiveness to ensure that there is an economic relationship between the protected item and the hedge instrument. Fair value of swap: the fair value is calculated based on the present value of estimated future cash flows.

6 Basis for measurement

The parent company and consolidated interim accounting information have been prepared on a historical cost basis, except for the following material items recognized in the statements of financial position:

- (i) Derivative financial instruments are measured at fair value.
- (ii) Non-derivative financial instruments measured at their fair value through profit or loss are measured at fair value; and
- (iii) Contingent liabilities assumed in a business combinations are measured at fair value.

Fair value measurement

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Group has access on that date. The fair value of a liability reflects its risk of non-performance.

A few of the Group's accounting policies and disclosures require the assessment of fair value, for both financial and non-financial assets and liabilities.

When available, the Group measures the fair value of an instrument using the price quoted in an active market for that instrument. A market is considered active if transactions for asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account when fixing the price of a transaction.

If an asset or liability measured at fair value has a purchase price and a sale price, the Group measures assets based on purchase prices and liabilities based on sale prices.

The best evidence of the fair value of a financial instrument on initial recognition is generally the price of the transaction - that is, the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted in an active market for an identical asset or liability or based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at the fair value to distinguish the difference between the fair value at initial recognition and the transaction price. Subsequently, this difference is recognized in profit or loss on an appropriate basis over the life of the instrument, or until such time as the valuation is fully supported by market observable inputs or the transaction is closed, whichever occurs first.

7 Information by segment

Information by operating segments is presented in a form that is consistent with the internal report provided to the principal operations decision taker. The main operating decision maker, responsible for allocating resources and evaluating the performance of operational segments, is the Board of Directors in accordance with the annual approval of the Business Plan, also responsible for making strategic decisions of the Group.

The determination of the Group's operating segments is based on its Corporate Governance framework, which divides the businesses for management and decision-making purposes into regional units, in the customers' geographical areas. The revenue and cost are used to define the respective management frameworks, based on the regional units. The Board of Directors monitors the results of each business unit at least bimonthly.

The revenues and costs of the segment are based on the customers' geographic location, which is the same metric used to define the respective management frameworks, based on regional units.

There is no customer that has contributed more than 10% of net operating revenue at March 31, 2023 and 2022. All revenues from contracts with customers of the Group are concentrated in a single geographic market (Brazil) and all products and services are transferred at a specific moment.

The following table contains summarized accounting information related to the geographical distribution of the Group's business operations as at March 31, 2023 and 2022:

	Net revenue		Costs		Gross profit (loss)	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Southeast	1,565,961	1,243,602	(1,280,008)	(1,034,543)	285,953	209,059
North and Northeast	377,725	283,959	(304,955)	(237,801)	72,770	46,158
South	354,718	213,971	(293,092)	(174,153)	61,626	39,818
Midwest	152,741	139,537	(126,760)	(117,411)	25,981	22,126
Unallocated (i)	76,480	200,533	(97,760)	(211,340)	(21,280)	(10,807)
Total	2,527,625	2,081,602	(2,102,575)	(1,775,248)	425,050	306,354

- (i) These amounts refer to consolidated balances that are not yet part of the Group's operating system, such as companies that have been acquired and have not yet been fully integrated. Since these acquisitions are still in the measurement period, the amounts are being presented provisionally in the Group's consolidated interim accounting information, in accordance with CPC 15 (R1) / IFRS 3 - Business Combination. The accounting records of results are classified by Result Centers, which carry information such as: segment, region, management structure, among others. Unlike the patrimonial accounting records, which are classified only by accounting accounts, so that it becomes impractical to present the equity items by regionalized segment.

8 Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and banks	46	33	90,188	93,065
Bank deposit certificates (a)	-	-	814,027	796,094
Total	46	33	904,215	889,159

- (a) Investments in bank deposit certificates referring to cash and cash equivalents as at March 31, 2023 are remunerated based on average rates equivalent to 101.29% p.a. (104.79% p.a. as at December 31, 2022) of the variation in the Interbank Deposit Certificates (CDI). These resources have prompt liquidity, are readily convertible into a known amount of cash, are used to cover payment of the Group's operating obligations and are subject to a negligible risk of value changes.

The balance of "Cash and cash equivalents" considers the average monthly turnover of the last six months, provided that it also cumulatively meets the criteria of CPC 03 / IAS 7. The cash surplus will be used for strategic purposes of the Group; therefore, it is classified under "Financial investments" in current and non-current assets.

Information on the Group's exposure to market and credit risks is included in note n° 25.

9 Financial investments

	Consolidated	
	03/31/2023	12/31/2022
Bank deposit certificates (i)	1,979,566	1,810,780
Current	1,979,200	1,810,414
Non-current	366	366

- (i) Financial investments in Bank deposit certificates as at March 31, 2023 are remunerated based on average rates equivalent to 102.94% p.a. (106.33% p.a. as at December 31, 2022) of the variation in the Interbank Deposit Certificates (CDI). These resources have prompt liquidity, are readily convertible into a known amount of cash and are subject to a negligible risk of value changes.

These financial investments, even if of immediate settlement, were separated from cash and cash equivalents because they are not intended to maintain the Group's operating cash flow.

Information on the Group's exposure to market and credit risks is included in note n° 25.

10 Trade receivables

	<u>Consolidated</u>	
	03/31/2023	12/31/2022
Billed services (a)	1,228,526	1,284,207
Services to be billed (a) (b)	826,065	757,304
Contractual withholdings (c)	73,327	72,491
Other trade receivables	90	81
Subtotal	2,128,008	2,144,083
Provision for expected loss from billed services	(85,198)	(74,612)
Provision for expected loss from services to be billed (b)	(36,559)	(17,345)
Total	2,006,251	2,022,126
Current	1,931,245	1,948,832
Non-current	75,006	73,294

- (a) Although CPC 15 (R1) / IFRS 3 instructs for the net recognition of assets and liabilities assumed in a business combination, presented at fair value on the date of acquisition, Management understands that such fair value, in the case of accounts receivable, should be presented in its own lines (for a better understanding of current movements and arising from balances of acquired companies). Thus, the amount of expected losses arising from business combinations was:

	<u>Consolidated</u>	
	2023	2022
Provision for expected loss from billed services	(2,628)	(14,844)
Provision for expected loss from services to be billed	(213)	(5,861)
	(2,841)	(20,705)

- (b) One part refers to the provision calculated in accordance with the policy mentioned in note n° 8.9 of the parent company and consolidated financial statements as at December 31, 2022, published on March 2, 2023 and the other part refers to the provision arising from acquired companies, which at March 31, 2023 was R\$ 213 (R\$ 5,861 at December 31, 2022).
- (c) Refers to retentions made by customers, contractually provided, which will be returned at the end of the contractual term.

The aging list of accounts receivable from invoiced services is presented in note n° 25.

The movement of the provision balance for expected losses of the invoiced services is shown below:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(74,612)	(56,848)
Provision incorporated with acquisitions	(2,628)	(14,501)
Constitution of the provision for loss	(7,958)	(334)
As at March 31,	(85,198)	(71,683)

The movement of the provision balance to expected losses of the services to be invoiced is shown below:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(17,345)	(4,627)
Provision from acquired of business combination	(213)	(817)
Constitution of loss provision	(19,001)	(7,545)
As at March 31,	(36,559)	(12,989)

There are fiduciary restraining arrangements for working capital loans, see note n° 17.

Information on the Group's exposure to credit, market and expected losses related to "Accounts receivable and other accounts receivable" is disclosed in note n° 25.

11 Recoverable income tax and social contribution

	<u>Consolidated</u>	
	03/31/2023	12/31/2022
Income tax from operating, net	121,197	118,513
Income tax from financial investments, net	1,055	1,052
Social contribution, net	81,268	76,726
Income tax credit arising from the Selic update on tax overpayments	12,913	12,913
Social contribution credit arising from the Selic update on tax overpayments	4,649	4,649
Selic's indebtedness for update currency	2,594	2,031
Total	223,676	215,884
Current	203,519	196,291
Non-current	20,157	19,593

The balance of income tax and social contribution to be recovered refer to the amounts withheld at source in the sales invoices/services provided.

12 Recoverable taxes

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Social Security Financing Contribution (COFINS) (i)	-	-	87,159	77,053
Social Integration Program Contribution (PIS) (i)	-	-	19,771	17,394
Contributions to the National Institute of Social Security (INSS) (i)	-	-	144,579	133,485
Tax Over Service Rendered (ISSQN) (i)	-	-	46,267	51,338
Others	87	87	34,657	35,032
Total	87	87	332,433	314,302
Current	87	87	320,173	301,974
Non-current	-	-	12,260	12,328

- (i) Recoverable taxes are substantially presented by the origin of taxes withheld at source regarding services provided to customers according to Law n° 10,833 of December 29, 2003. The payments made by legal entities to other private legal entities, for the provision of cleaning, conservation, maintenance, security, surveillance, transportation of valuables and rental of labor services, for the provision of credit and marketing consulting, management of credit, selection and risks, marketing, management of trade payables and receivables services, as well as remuneration for professional services, are subject to the withholding at source of COFINS and PIS/PASEP contribution, as disclosed at this note and the Social Contribution on Net income - CSLL, see note n° 14. Thus, the Group has in its current assets withholding of ISS (2% to 5%), PIS (0.65%), COFINS (3%), Income Tax (1% to 4.8%), Social Contribution (1%), and INSS (11%), which are used as a reducing source of its payable taxes.

13 Related parties

13.1 Ultimate controlling party

Control of the Company is exercised by a control block consisting of the following shareholders: José Caetano Paula de Lacerda, Carlos Nascimento Pedreira, NP Participações S.A., Valora Participações Ltda., Luis Carlos Martinez Romero and Marcelo Niemeyer Hampshire.

13.2 Other accounts receivable

The Group companies carry out among themselves operations with the nature of "current account" and single cash agreement, through debits and credits that involve the account holders and the company defined as the leader of the agreement, the subsidiary Top Service Serviços e Sistemas S.A. In this sense, the parent company recorded, on March 31, 2023, the amount of R\$ 48,505 receivables (R\$ 14,882 payable on December 31, 2022 in "Loans receivable from related parties", in non-current assets), of the subsidiary Top Service Serviços e Sistemas S.A.

13.3 Loans receivable

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Loans receivable (i)	5,733	8,923	25,576	30,877
Total	5,733	8,923	25,576	30,877
Current	1,625	1,275	4,683	4,019
Non-current	4,108	7,648	20,893	26,858

- (i) These are loans for Group executives. The term of the loan agreements is eight years with payments in eight annual installments. The amounts are updated monthly (pro rata temporis) by the accumulated variation in the remuneration of the CDI (Interbank Deposit Certificate) and, for loans granted in 2022, updates are based on the IPCA (Ample National Consumer Price Index).

	Parent Company		Consolidated	
	2023	2022	2023	2022
As at January 1,	8,923	12,265	30,877	25,448
Loan granted	-	-	1,000	-
Adjustment for inflation	224	383	775	794
Receipts	(3,033)	-	(5,797)	-
Others	(381)	-	(1,279)	-
As at March 31,	5,733	12,648	25,576	26,242

13.3.1 Compensation for key Management personnel

Key Management personnel includes the officers who are in the Company's Stock Options Plan. The remuneration paid for services provided as shown below:

	Consolidated	
	03/31/2023	03/31/2022
Salaries	6,893	3,918
Benefits	581	472
Charges	816	636
Profit and Results Share	24,513	18,002
Stock option plan premium (i)	3,087	-
Total	35,890	23,028

- (i) See note nº 24 (b).

The compensation of the Group's key Management personnel includes salaries and benefits (medical assistance, meal vouchers and food stamps).

13.4 Dividends receivable

As at March 31, 2023, the parent company has dividends to receivable of R\$ 122,899 (same amount as at December 31, 2022) from its subsidiary Top Service Sistemas e Serviços S.A.

13.5 Dividends payable

As at March 31, 2023, the parent company has dividend amounts to be payable to its shareholders of R\$ 122,712 (same amount as at December 31, 2022).

13.6 Guarantees, sureties, and collaterals with related parties

The Group also has transactions in which the parent company provides endorsement in contracts made by the direct subsidiary Top Service Serviços e Sistemas S.A. and the indirect subsidiaries Loghis Logística e Serviços Ltda. and Ormec Engenharia Ltda, at no cost to the subsidiaries, as follows:

Type	03/31/2023	12/31/2022
Loans (i)	569,856	626,031
Debentures	2,679,323	2,661,200
Total	3,249,179	3,287,231

- (i) As at March 31, 2023, of the total amount of R\$ 576,883 (R\$ 634,924 as at December 31, 2022) of loans, R\$ 569,856 (R\$ 626,031 as at December 31, 2022) is guaranteed by the Company in contracts made by subsidiaries.

13.7 Other transactions with related parties

The Group also has transactions with related operational parties with elimination in the consolidated. As at March 31, 2023, the elimination between revenue and cost was R\$ 1,292 (R\$ 6,151 as at December 31, 2022), due to services provided by GPS Tec Sistemas Eletrônicos de Segurança Ltda., Top Service Serviços e Sistemas S.A., In-Haus Industrial e Serviços de Logística Ltda., LC Administração de Restaurantes Ltda., Loghis Logística e Serviços Ltda., Evertical Tecnologia Ltda., e Allis Luandre Soluções em Trade e Pessoas Ltda..

14 Investments

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Investments in controlled companies (i)	2,614,837	2,499,132	-	-
Investment in the acquisition process (ii)	-	-	-	2,500
Goodwill on investment acquisition	68,129	68,129	-	-
Total	2,682,966	2,567,261	-	2,500

- (i) For the partial acquisitions of the shares of the acquired companies, the Group adopted the early acquisition methodology where, on the same acquisition date, a put and call option instrument for residual shares of the capital of the companies is mutually agreed upon between the acquired companies. Due to the adoption of the early acquisition method, the Group records all of its acquisitions in full, regardless of the ownership interest acquired.
- (ii) On December 14, 2022, the approval of the acquisition of 100% of the shares and the signing of the purchase and sale agreement was carried out, by the direct subsidiary Top Service Serviços e Sistemas S.A., of the company Compart Marketing e Tecnologia Ltda. Also occurring on the same date, payment by way of signal in the amount of R \$ 2,500, with agreed balance to be paid on the closing date in national currency. Compart provides field marketing, merchandising, promotions and events services, with a presence in 7 states and a strong presence in the Southeast region. The completion of the acquisition occurred as described in note nº 3.2.

a. Information on investments

As at March 31, 2023	Interest	Profit / (loss) for the fiscal year	Equity-accounted investees	Assets	Liabilities	Equity
Direct subsidiary						
Top Service Serviços e Sistemas S.A.	100%	121,249	121,249	8,178,502	5,563,665	2,614,837
As at December 31, 2022	Interest	Profit / (loss) for the fiscal year	Equity-accounted investees	Assets	Liabilities	Equity
Direct subsidiary						
Top Service Serviços e Sistemas S.A.	100%	517,471	517,471	7,673,407	5,174,275	2,499,132

b. Changes in investments

	<u>Parent Company</u>	
	2023	2022
As at January 1,	2,567,261	2,204,812
Equity-accounted investees	121,249	93,214
Capital transaction (i)	(5,544)	(4,375)
As at March 31,	<u>2,682,966</u>	<u>2,293,651</u>

- (i) According to the advance acquisition method, the balance refers to the distribution of dividends from subsidiaries to shareholders or minority shareholders, treated in the parent company as a capital transaction, and also adjustments in the net equity of subsidiaries identified during the validation process of the initial balances that occurs in conjunction with the allocations of the purchase price as instructed by CPC 15 (R1) / IFRS 3, such as equity valuation adjustments and other comprehensive results.

c. Changes in investments per direct subsidiary

Direct subsidiary	Balance as at 12/31/2022	Capital transactions with indirect investees	Equity-accounted investees	Balance as at 03/31/2023
Top Service Serviços e Sistemas S.A.	2,499,132	(5,544)	121,249	2,614,837
Total	<u>2,499,132</u>	<u>(5,544)</u>	<u>121,249</u>	<u>2,614,837</u>

Direct subsidiary	Balance as at 12/31/2021	Capital transactions with indirect investees	Equity-accounted investees	Balance as at 03/31/2022
Top Service Serviços e Sistemas S.A.	2,136,683	(1,702)	93,214	2,228,195
Total	<u>2,136,683</u>	<u>(1,702)</u>	<u>93,214</u>	<u>2,228,195</u>

15 Property and equipment - consolidated

a. Breakdown of property and equipment

	Marchinery, utensils, and tools	Buildings and lands (i)	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Assets in progress	Total
Annual average depreciation rates	10%	From 4% to 25%	20%	20%	20%	33%	20%	33%	-	-
Breakdown as at March 31, 2023										
Total cost	429,930	43,126	86,346	228,937	21,057	24,964	11,093	20,388	30,171	896,012
Accumulated depreciation	(216,268)	(5,884)	(56,007)	(137,440)	(16,019)	(18,033)	(7,125)	(8,506)	-	(465,282)
Net property and equipment	213,662	37,242	30,339	91,497	5,038	6,931	3,968	11,882	30,171	430,730
Breakdown as at December 31, 2022										
Total cost	399,580	43,126	79,942	222,408	21,178	23,995	11,093	12,589	31,358	845,269
Accumulated depreciation	(203,581)	(5,321)	(51,969)	(129,670)	(15,732)	(17,035)	(6,894)	(7,593)	-	(437,795)
Net property and equipment	195,999	37,805	27,973	92,738	5,446	6,960	4,199	4,996	31,358	407,474

- (i) In cost of buildings and lands, R\$ 21,470 refers to the land acquired in 2020, R\$ 2,228 of balance arising from acquisitions in 2022, R\$ 7,132 of allocation of capital gain by the acquisition of the subsidiary Top Service Facilities Ltda. (formerly ISS Servisystem do Brasil Ltda.), and R\$ 12,296 from the allocation of capital gains for the acquisition subsidiary Predial Axel Manutenção Industrial Ltda. (formerly Sulzer Brasil Indústria e Comércio Ltda.). The added value has a useful life of 4 years, with depreciation of 25% per year. The land is not depreciated.

b. Changes in cost of property and equipment

	Machinery, utensils, and tools	Buildings and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Assets in progress	Total
Balances as at December 31, 2022	399,580	43,126	79,942	222,408	21,178	23,995	11,093	12,589	31,358	845,269
Acquisitions	16,649	-	3,128	6,435	125	687	-	-	8,746	35,770
From acquired companies	13,180	-	3,447	1,099	-	-	-	-	-	17,726
Write-offs	(1,141)	-	(173)	(1,005)	(246)	(3)	-	(33)	(152)	(2,753)
Transfers	1,662	-	2	-	-	285	-	7,832	(9,781)	-
Balances as at March 31, 2023	429,930	43,126	86,346	228,937	21,057	24,964	11,093	20,388	30,171	896,012
Balances as at December 31, 2021	291,126	28,602	67,699	138,652	17,404	20,104	10,836	9,767	7,441	591,631
Acquisitions	7,161	-	1,849	3,807	168	283	-	-	3,241	16,509
From acquired companies	17,524	-	140	225	-	-	-	-	-	17,889
Write-offs (i)	(10,751)	-	(4,171)	(6,056)	(11)	(73)	-	(1,193)	(19)	(22,274)
Transfers	82	-	(816)	(47)	866	-	-	1,060	(1,145)	-
Balances as at March 31, 2022	305,142	28,602	64,701	136,581	18,427	20,314	10,836	9,634	9,518	603,755

- (i) The companies acquired in 2021, which were within the measurement period, as instructed by CPC 15 (R1) / IFRS 3, suffered losses in inventory of fixed assets in the net amount of R\$ 6,613 (R\$ 21,216 in cost and R\$ 14,603 of accumulated depreciation). These adjustments were recorded in the measurement of initial balances, with an impact on the shareholders' equity of the acquired companies and on the allocation of the goodwill of the acquirers, without impact on the result and cash flow statement for the period.

c. Changes in accumulated depreciation

	Marchinery, utensils, and tools	Buildings and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Total
Balance as at December 31, 2022	(203,581)	(5,321)	(51,969)	(129,670)	(15,732)	(17,035)	(6,894)	(7,593)	(437,795)
Surplus value of property and equipment	-	(542)	-	(2,935)	-	-	-	-	(3,477)
From acquired companies	(5,030)	-	(1,675)	(1,012)	-	-	-	-	(7,717)
Depreciation	(8,321)	(21)	(2,465)	(4,709)	(425)	(1,000)	(231)	(919)	(18,091)
Write-offs (i)	664	-	102	886	139	2	-	6	1,798
Balance as at March 31, 2023	(216,268)	(5,884)	(56,007)	(137,440)	(16,018)	(18,033)	(7,125)	(8,506)	(465,282)
	Marchinery, utensils, and tools	Buildings and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Treatment equipment	Monitoring center	Total
Balance as at December 31, 2021	(143,617)	(2,202)	(43,891)	(91,818)	(12,055)	(13,259)	(5,990)	(6,166)	(318,998)
Surplus value of property and equipment	-	(634)	-	(1,321)	-	-	-	-	(1,955)
From acquired companies	(14,395)	-	(108)	(221)	-	-	-	-	(14,724)
Depreciation	(6,027)	-	(1,985)	(2,406)	(428)	(1,098)	(215)	(268)	(12,427)
Write-offs (i)	7,373	-	2,015	5,825	11	45	-	-	15,269
Transfers	204	-	2,113	153	(2,470)	-	-	-	-
Balance as at March 31, 2022	(156,462)	(2,836)	(41,856)	(89,788)	(14,942)	(14,312)	(6,205)	(6,434)	(332,835)

- (i) The companies acquired in 2021, which were within the measurement period, as instructed by CPC 15 (R1) / IFRS 3, suffered losses in inventory of fixed assets in the net amount of R\$ 6,613 (R\$ 21,216 in cost and R\$ 14,603 of accumulated depreciation). These adjustments were recorded in the measurement of the initial balances, with an impact on the shareholders' equity of the acquired companies and on the allocation of the goodwill of the acquirers, with no impact on the result and cash flow statement for the period, the remaining losses that occurred in the period are sprayed and occurred in the group's normal operating flow.

d. Assessment of the useful life of the property and equipment

The Group, considering the provisions contained in CPC 27 / IAS 16 reviews every year and, if necessary, adjusts its criteria for determining the useful life and residual value of property and equipment.

e. Provision for impairment

The Group's assets are recorded at amounts that do not exceed their recoverable values, with no need for recognition of devaluation by setting up a provision for losses. In order to ensure that the assets are not accounted for at a higher value than the value recoverable from their use or disposal, the Group makes an analysis based on external and internal factors provided for in CPC 01 (R1) / IAS 36, and runs an impairment test based on the expected income (loss) at least on a yearly basis. As at March 31, 2023, Management has not identified factors that would indicate the need for a new valuation.

f. Guarantee

In 2023 and 2022, there is no property and equipment sin given in guarantee of financial leases.

16 Intangible assets

a. Breakdown of intangible assets

	Useful life	Amortization rate	Consolidated	
			03/31/2023	12/31/2022
Acquisition costs			03/31/2023	12/31/2022
Goodwill generated in stock mergers	Undefined	-	66,970	66,970
Goodwill operations from acquired companies	Undefined	-	1,676,979	1,627,681
Customers portfolio	Defined	From 6% to 55%	766,974	734,991
Brands	Defined/Undefined	From 3% to 100%	219,070	214,070
Surplus value of softwares	Defined	Up to 20%	10,767	3,268
Non-compete agreement	Defined	Up to 20%	21,700	21,700
Provision for surplus and goodwill	Undefined	-	1,158	1,158
Customers portfolio, brands, softwares and non-compete agreement			2,763,618	2,669,838
Softwares from third parties	Defined	Up to 20%	12,088	11,636
Others	Defined	Up to 20%	682	682
			12,770	12,318
Total costs			2,776,388	2,682,156
Accumulated amortization				
Softwares	-	-	(8,439)	(8,228)
Customers portfolio, brands, non-compete agreement and softwares	-	-	(344,087)	(321,577)
Others	-	-	(530)	(530)
Total of accumulated amortization			(353,056)	(330,335)
Net intangible assets			2,423,332	2,351,821

b. Changes in cost

	Surplus value								Provision of surplus value and goodwill	Total
	Incorporation of shares	Goodwill	Customers portfolio	Brands	Non-compete agreement	Softwares	Softwares	Others		
Balance as at December 31, 2022	66,970	1,627,681	734,990	214,070	21,700	3,268	11,636	682	1,158	2,682,156
Engie	-	-	11,703	-	-	-	-	-	-	11,703
Compart	-	49,298	20,280	5,000	-	7,499	-	-	-	82,077
Business combination effect	-	49,298	31,983	5,000	-	7,499	-	-	-	93,780
Other additions	-	-	-	-	-	-	452	-	-	452
Balance as at March 31, 2023	66,970	1,676,979	766,974	219,070	21,700	10,767	12,088	682	1,158	2,776,388

	Surplus value								Provision of surplus value and goodwill	Total
	Incorporation of shares	Goodwill	Customers portfolio	Brands	Non-compete agreement	Softwares	Softwares	Others		
Balance as at December 31, 2021	66,970	1,364,770	577,352	156,733	16,740	2,649	8,821	573	1,158	2,195,766
Eleva	-	42,636	19,644	-	-	-	-	-	-	62,280
Global	-	(2,190)	-	-	-	-	-	-	-	(2,190)
Rudder	-	(3,113)	6,329	-	-	-	-	-	-	3,216
Única	-	(4,541)	4,514	-	-	-	-	-	-	(27)
Business combination effect	-	32,792	30,487	-	-	-	-	-	-	63,279
Other additions	-	-	-	-	-	-	307	109	-	416
Balance as at March 31, 2022	66,970	1,397,562	607,839	156,733	16,740	2,649	9,128	682	1,158	2,259,461

c. Changes in accumulated amortization

	Customers portfolio	Brands	Non-competes agreement	Softwares	Others	Total
As at December 31, 2022	(289,580)	(24,640)	(7,357)	(8,228)	(530)	(330,335)
Amortization	(19,519)	(1,973)	(1,018)	(149)	-	(22,659)
Others	-	-	-	(62)	-	(62)
As at March 31, 2023	<u>(309,099)</u>	<u>(26,613)</u>	<u>(8,375)</u>	<u>(8,439)</u>	<u>(530)</u>	<u>(353,056)</u>
	Customers portfolio	Brands	Non-competes agreement	Softwares	Others	Total
As at December 31, 2021	(201,483)	(21,631)	(1,042)	(7,421)	(530)	(232,107)
Amortization	(19,727)	(5,623)	(657)	(89)	(180)	(26,276)
As at March 31, 2022	<u>(221,210)</u>	<u>(27,254)</u>	<u>(1,699)</u>	<u>(7,510)</u>	<u>(710)</u>	<u>(258,383)</u>

17 Loans

a. Breakdown of balances

Credit facilities used	Annual interest rate	Currency	Consolidated	
			03/31/2023	12/31/2022
Working capital	CDI + up to 2%	R\$	189,641	209,367
Working capital	CDI + 2.1% to 2.5%	R\$	204,257	228,185
Working capital	CDI + 2.6% to 3.0%	R\$	7,370	8,810
Working capital	Prefixed 8.7% to 8.9%	R\$	-	12,880
Working capital	Prefixed 12.6% to 18.9%	R\$	11,584	-
Working capital (i)	LIBOR + 2.40% to 3.09%	USD	147,117	159,379
Commercial papers (ii)	CDI + 1.94%	R\$	16,914	16,303
Total			<u>576,883</u>	<u>634,924</u>
Current			187,946	199,243
Non-current			388,937	435,681

- (i) The Group has loans operations in foreign currency denominated in US\$ (US Dollar), but with swap in amount consistent with the estimated future cash flow, eliminating the foreign currency variation and converting the entire operation to 100% of the Interbank Deposit Certificate (CDI) rate, plus interest of 2.00% to 2.47% per year, in compliance with risk management criteria. See note n° 25 (c).
- (ii) In May 2019, subsidiary Top Service Serviços e Sistemas S.A. issued private debt securities, as commercial papers, amounting to R\$ 50,000. The commercial papers will circulate by endorsement, with no guarantee, of a mere transfer of ownership, as provided for in paragraph 1, article 4, of the Instruction of the Brazilian Securities and Exchange Commission ("CVM") n° 566. The unit par value of each series will be remunerated at 100% of the Interbank Deposit Certificate (CDI) rate, plus a percentage of 1.94% p.a. The remuneration will be paid, together with the unit par value of the respective series, in a single installment at the maturity date, or, even, at the date of possible early maturity of the commercial papers as a result of a default event. The commercial papers will have a guarantee provided universally by GPS Participações e Empreendimentos S.A. and are exempt from registration with the CVM in accordance with CVM Instruction n° 476/2009.

The amounts recorded in non-current liabilities as at March 31, 2023 present the following amortization schedules until 2027:

Maturity	03/31/2023
2024 (from April)	117,643
2025	127,287
2026	104,007
2027	<u>40,000</u>
Total	<u><u>388,937</u></u>

Guarantees

The balances of working capital loans are subject to the financial charges mentioned in the table and are substantially guaranteed by fiduciary assignments of receivables with simple domicile without balance withholding.

The commercial notes are guaranteed universally by the Company.

b. Changes in balance

	<u>Consolidated</u>	
	2023	2022
As at January 1,	634,924	812,698
Agreements from acquired companies	3,894	-
Provisioned exchange variation	(2,790)	(32,075)
Provisioned interest and charges	<u>18,792</u>	<u>17,451</u>
Payments		
Principal	(52,461)	(58,471)
Interest paid	<u>(25,476)</u>	<u>(21,493)</u>
As at March 31,	<u><u>576,883</u></u>	<u><u>718,110</u></u>

c. Covenants

The Group holds secured bank loans that, according to the terms of the contract, will be paid in installments over the next six years. With the exception of contracts signed with Banco Bradesco in December 2017, all contracts contain covenants that are monitored in a timely manner and establish that at the end of each fiscal year the group's net debt amount must be less than or equal to a multiple ranging from 2.5 to 3.5 times its EBITDA for the same fiscal year, observing that for the cases of covenants with net debt limit established at 2.5 times, in case of operational leverage proven generated by acquisitions in a given fiscal year, the financial index corresponding to the same fiscal year, exclusively, should be less than or equal to 3.5 times its EBITDA.

18 Debentures

	<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>
Current liabilities		
Issuance of guaranteed debt securities	214,156	134,688
Transaction cost	<u>(5,117)</u>	<u>(5,120)</u>
	<u>209,039</u>	<u>129,568</u>
Non-current liabilities		
Issuance of guaranteed debt securities	2,487,500	2,550,000
Transaction cost	<u>(17,216)</u>	<u>(18,368)</u>
	<u>2,470,284</u>	<u>2,531,632</u>
Total	<u>2,679,323</u>	<u>2,661,200</u>

In November 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the first issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476/2009, automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with unit par value of R\$ 1.00, for the issued and traded amount of five hundred thousand (five hundred thousand) debentures, with the transaction amounting to R\$ 500,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 1.60% p.a.

In December 2021, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the third issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476/2009, automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with unit par value of R\$ 1.00, for the issued and traded amount of seven hundred and fifty thousand (seven hundred and fifty thousand) debentures, with the transaction amounting to R\$ 750,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 2.15% p.a.

In December 2022, through its subsidiary Top Service Serviços e Sistemas S.A., carried out the second issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, with additional personal guarantee, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction n° 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction n° 476/2009, automatically exempted from the distribution register covered by Article 19 of Law n° 6,385/76. The offer is registered with Anbima - Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were booked with a nominal unit value of R\$ 1.00, an amount issued and negotiated of 1,500,000 (one million and five hundred thousand) debentures and the amount of the operation in the amount of R\$ 1,500,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI) + 2.15% p.a.

a. Terms and debt repayment schedule

The remuneration shall be paid, without prejudice to payments as a result of early maturity, and the optional early redemption and the offer of full early redemption of the Debentures, pursuant to the deed of Issuance. The balance of the nominal unit value of the first and second issuance debentures will be amortized, in 20 (twenty) quarterly and successive installments, from the eighth quarter of grace, while the third issuance is 16 successive quarterly installments from the 12 grace quarters. The net resources obtained by the Group with the Issuance will be used for cash reinforcement.

The debentures will have a fiduciary guarantee under the terms of article 822 of Law n° 10,406/2002. The Company provides sureties in favor of the debenture holders. The debentures of the second and third issuance are only secured by GPS Participações e Empreendimentos S.A. in favor of debenture holders.

The table below highlights the characteristics defined for the first and second issuance carried out:

Issuance	Series	Beginning	Maturity	DI + spread p.a.	Number of securities	Unit par value	Total amount issued	Position on 03/31/2023
First	Single	11/20/2019	10/25/2026	15.25%	500,000	1	500,000	384,976
Second	Single	12/27/2021	10/25/2028	15.80%	750,000	1	750,000	770,710
Third	Single	12/28/2022	10/18/2029	15.80%	1,500,000	1	1,500,000	1,545,970
Total					2,750,000	1	2,750,000	2,701,656

Issuance	Series	Beginning	Maturity	DI + spread p.a.	Number of securities	Unit par value	Total amount issued	Position on 12/31/2022
First	Single	11/20/2019	10/25/2026	15.25%	500,000	1	500,000	410,875
Second	Single	12/27/2021	10/25/2028	15.80%	750,000	1	750,000	771,167
Third	Single	12/28/2022	10/18/2029	15.80%	1,500,000	1	1,500,000	1,502,646
Total					2,750,000	1	2,750,000	2,684,688

Maturity	03/31/2023
2024 (from April)	187,500
2025	250,000
2026	625,000
2027	525,000
2028	525,000
2029	375,000
Total	<u>2,487,500</u>

b. Covenants

The deed of debentures contains covenants, which are monitored in a timely manner and establish that at the end of each fiscal year, the amount of net financial debt divided by EBITDA for the respective year must be less than or equal to 2.5 times, observing that, in case of operational leverage proven generated by acquisitions in a given fiscal year, the financial index corresponding to the same fiscal year, should be less than or equal to 3.5 times.

c. Changes in balances

	Consolidated	
	2023	2022
As at January 1,	2,661,200	1,252,207
Settlement of cost incurred with issuance of debenture	1,154	-
Provisioned interest and charges	99,202	35,796
Payments		
Primary	(25,000)	(24,911)
Interest	(57,233)	(18,854)
As at March 31,	<u>2,679,323</u>	<u>1,244,238</u>

19 Payroll and social charges

	Consolidated	
	03/31/2023	12/31/2022
Salaries and wages	230,791	221,013
Social charges	171,926	162,733
Provision for vacation and social charges	479,392	458,614
Provision for 13 th salary and social charges	98,607	-
Provision for bonus (a)	35,872	125,180
Total	<u>1,016,588</u>	<u>967,540</u>

(a) The changes of the provision for bonuses can be presented as follows:

	2023	2022
As at January 1,	<u>125,180</u>	<u>98,450</u>
Write-off of provision for payment	(119,605)	(93,261)
Constitution of the provision	<u>30,297</u>	<u>22,974</u>
As at March 31, (i)	<u><u>35,872</u></u>	<u><u>28,163</u></u>

(i) The amount of the provision for bonus is presented net of pro-labore's advance (wage compensation for corporate officers) at R\$ 37,172 (R\$ 30,494 as at March 31, 2022).

20 Income tax and social contribution

a. Breakdown of current and deferred tax credits

The parent company and certain subsidiaries present the following balances to be offset, deducted or added in the calculation basis of future taxable income to be assessed based on taxable income. Additionally, there are differences to be deducted in future fiscal years, as indicated below:

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2023	12/31/2022	03/31/2022	12/31/2022
Credits to be offset with future taxable income:				
Tax losses and negative basis of social contribution	-	-	179,823	171,425
Business combinations effects:				
Goodwill portion amortized for tax purpose on future profitability	-	-	(275,877)	(259,713)
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	-	-	5,007	5,007
Amortization of surplus value allocation with defined useful life	-	-	132,050	135,296
Amortization of customers portfolio, brands and property and equipment	-	-	241,938	228,440
Adjustment to fair value - acquisition debt	-	-	16,801	13,636
Temporary differences:				
Constitution of provision for expected loss of services billed and to be billed	-	-	104,784	91,957
Constitution of provision for credit loss from contractual withholding	-	-	2,135	4,285
Provision for labor agreement or execution	-	-	193,320	210,281
Provision for tax agreement or execution	-	-	475,750	361,624
Provision for civil agreement or execution	-	-	33,533	34,175
Graber indemnity assets (see note n° 24 (d))	-	-	(60,060)	(58,350)
Income tax and social contribution credit arising from the Selic update on tax overpayments	-	-	(16,176)	(17,562)
Provision for variable remuneration	-	-	31,599	125,180
Derivative instruments - unrealized swap	-	-	7,734	141
Sub judice Taxes	1,319	1,305	524,497	446,089
Other temporary differences	(111)	(96)	(30,290)	(9,206)
Calculation basis	<u>1,208</u>	<u>1,209</u>	<u>1,566,568</u>	<u>1,482,705</u>
Deferred income tax and social contribution assets (34%)	<u>411</u>	<u>411</u>	<u>532,633</u>	<u>504,120</u>
Total deferred tax assets	449	444	652,351	621,363
Total deferred tax liabilities	(38)	(33)	(119,718)	(117,243)
Net deferred tax assets	<u><u>411</u></u>	<u><u>411</u></u>	<u><u>532,633</u></u>	<u><u>504,120</u></u>

The tax loss and the negative calculation basis of the social contribution do not have limitation periods, and their offsetting is limited to 30% of the calculation bases to be determined in each future base year.

Deferred tax liabilities refer to the tax amortization of future profitability goodwill related to merged subsidiaries and will only be realized in the event of investment disposal or write-off due to impairment.

b. Changes in deferred tax assets and liabilities balances (consolidated)

	<u>Balance as at March 31, 2023</u>						
	Net Balance as at January 1, 2023	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Net debt	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:							
Tax losses and negative basis of social contribution	58,285	2,855	-	-	61,140	61,140	-
Business combinations effects:							
Goodwill portion amortized on future profitability	(88,302)	(5,496)	-	-	(93,798)	-	(93,798)
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	1,702	-	-	-	1,702	1,702	-
Amortization of surplus value allocation with defined useful life	46,001	(1,104)	-	-	44,897	44,897	-
Amortization of customers portfolio, brands and property and equipment	77,670	4,589	-	-	82,259	82,259	-
Adjustment to fair value - acquisition debt	4,636	-	1,076	-	5,712	5,712	-
Temporary differences:							
Provision for expected loss of services billed and to be billed	31,265	4,114	-	247	35,626	35,626	-
Constitution of provision for credit loss from contractual withholding	1,457	(731)	-	-	726	726	-
Provision for labor agreement or execution	71,496	(5,886)	-	119	65,729	65,729	-
Provision for tax agreement or execution	122,952	34,708	-	4,095	161,755	161,755	-
Provision for civil agreement or execution	11,620	(219)	-	-	11,401	11,401	-
Graber indemnity assets	(19,839)	(581)	-	-	(20,420)	-	(20,420)
Income tax and social contribution credit arising from the Selic update on tax overpayments	(5,971)	471	-	-	(5,500)	-	(5,500)
Provision for variable remuneration	42,561	(31,817)	-	-	10,744	10,744	-
Derivative instruments - unrealized swap	48	2,582	-	-	2,630	2,630	-
<i>Sub judice</i> Taxes	151,670	3,049	-	23,610	178,329	178,329	-
Other temporary differences	(3,131)	(6,481)	-	(687)	(10,299)	(10,299)	-
Assets (liabilities) net taxes	504,120	53	1,076	27,384	532,633	652,351	(119,718)

	<u>Balance as at March 31, 2022</u>							
	Net Balance as at January 1, 2022	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Others	Net debt	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:								
Tax losses and negative basis of social contribution	65,738	5,591	-	-	-	71,329	71,329	-
Business combinations effects:								
Goodwill portion amortized on future profitability	(66,319)	(5,496)	-	-	-	(71,815)	-	(71,815)
Accounting amortization of surplus value allocation with defined useful life prior to Law n° 11,638/07	1,702	-	-	-	-	1,702	1,702	-
Amortization of surplus value allocation with defined useful life	51,237	(1,611)	-	-	-	49,626	49,626	-
Amortization of customers portfolio, brands and property and equipment	53,418	7,399	-	-	-	60,817	60,817	-
Adjustment to fair value - acquisition debt	(11,425)	456	654	-	-	(10,315)	-	(10,315)
Temporary differences:								
Provision for expected loss of services billed and to be billed	20,902	2,891	-	4,996	-	28,789	28,789	-
Constitution of provision for credit loss from contractual withholding	1,457	-	-	-	-	1,457	1,457	-
Provision for loss debt tax credit	6,614	-	-	-	-	6,614	6,614	-
Provision for labor agreement or execution	61,930	4,193	-	3,150	-	69,273	69,273	-
Provision for tax agreement or execution	63,680	9,206	-	3,802	-	76,688	76,688	-
Provision for civil agreement or execution	16,381	(6,450)	-	-	-	9,931	9,931	-
Graber indemnity assets	(18,714)	(106)	-	-	-	(18,820)	-	(18,820)
Income tax and social contribution credit arising from the Selic update on tax overpayments	(5,795)	-	-	-	-	(5,795)	-	(5,795)
Provision for variable remuneration	33,473	(29,097)	-	5,199	-	9,575	9,575	-
Derivative instruments - unrealized swap	(9,832)	11,989	2,022	-	-	4,179	4,179	-
Sub justice Taxes	134,717	1,921	-	5,475	-	142,113	142,113	-
Other temporary differences	3,001	351	429	758	1,062	5,603	5,603	-
Assets (liabilities) net taxes	402,165	1,237	3,106	23,380	1,062	430,951	537,696	(106,745)

c. Reconciliation of income tax and social contribution with the corresponding expenses in the income

The reconciliation between income tax (IRPJ) and social contribution (CSLL) at the nominal and effective tax rates is shown below:

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income for the period	120,860	93,364	121,183	93,388
Equity-accounted investees	(121,249)	(93,214)	-	-
Adjusted accounting profit (loss) without equity-accounted (IRPJ/CSLL)	(389)	150	121,183	93,388
	-	59	63,426	46,227
Profit (Loss) before income tax and social contribution	(389)	209	184,609	139,615
Income tax and social contribution at nominal rate (34%)	(132)	(71)	(62,767)	(47,469)
(Write-offs) / Permanent Additions (i)	(48)	(23)	896	199
Donations / Worker's Meal Program (PAT) / additional (ii)	-	7	1,252	1,056
Others (iii)	(84)	28	(2,807)	(13)
Income tax and social contribution expenses	-	(59)	(63,426)	(46,227)
Current taxes	-	(59)	(63,479)	(47,464)
Deferred taxes	-	-	53	1,237
Effective rate	0.00%	28.23%	34.36%	33.11%

- (i) Permanent additions are made up of traffic fines, union dues, gifts, and infraction notice fines. Permanent deletions are comprised of chargebacks, discounts, and credit corrections.
- (ii) These refers to deductions incurred in the period as set forth in the IRPJ regulations
- (iii) The differences and non-constituted tax loss of companies with no prospect of future profitability.

21 Tax payment through installments agreement

Type	Monthly financial charges	Parent Company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
REFIS IV	Selic	-	47	23,737	21,562
PPI	Selic	-	-	11,373	11,180
Simplified Social Security	Selic	-	-	30,584	35,128
Total		-	47	65,694	67,870
Current		-	16	22,452	21,862
Non-current		-	31	43,242	46,008

The Group has REFIS IV-type installment plans, referring to Law n° 11,941/09, Law n° 12,973/14 and Law n°12,996/14 administered by the RFB (Brazilian Federal Revenue Office) and PGFN (Office of the General Counsel for the National Treasury), as well as municipal PPI in the city of São Paulo and in 2017 based on Law n° 13,496/17, the simplified installment plans were included in the "NEW REFIS" known as PERT (Special Program Tax Regularization) and administered by the RFB and PGFN.

Change in the amounts due is shown below:

	<u>Parent Company</u>		<u>Consolidated</u>	
	2023	2022	2023	2022
As at January 1,	47	58	67,870	62,511
Financial charges	1	-	1,729	819
Payments made of principal	(47)	(3)	(4,285)	(3,024)
Payments made of interest	(1)	-	(945)	(356)
Offsets	-	-	-	(1,234)
From acquired companies	-	-	1,325	-
New installments	-	-	-	182
As at March 31,	-	55	65,694	58,898

The non-current installments have the following maturity schedule:

Year	<u>Consolidated</u>
	03/31/2023
2024 (from April)	13,088
2025	14,230
2026	8,843
2027 onwards	7,081
Total	43,242

22 Provision for contingencies, indemnification assets, judicial deposits and sub justice taxes

	<u>Parent Company</u>		<u>Consolidated</u>	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Provision for tax, civil and labor risks (a)	-	-	820,232	751,631
Sub justice taxes (b)	1,319	1,305	565,603	446,089
Total	1,319	1,305	1,385,835	1,197,720

a. Provision for tax, civil and labor risks

The Group is subject to various legal proceedings and tax, labor and civil administrative procedures. As at March 31, 2023, the Group had a provision equivalent to R\$ 816,300 (R\$ 751,631 as at December 31, 2022), considered adequate and sufficient by management based on legal advisor's opinions.

	<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>
Labor (i)	210,939	210,281
Tax (ii)	96,969	84,270
Civil (iii)	38,694	34,176
"S" System (iv)	313,222	277,354
Monetary update of "S" System (iv)	49,247	33,805
Provision for tax, civil and labor risks	<u>709,071</u>	<u>639,886</u>
Allocation of contingent liabilities (v)	111,161	111,745
Total	<u>820,232</u>	<u>751,631</u>

- (i) The main demands of labor demands are: differences in overtime, additional dangerousness, unhealthiness and additional nocturnal.
- (ii) The main nature of the demands are: (i) non-homologation of tax credits of IRPJ, CSLL, PIS and COFINS declared in PER/DCOMP; (ii) non-homologation of INSS credits used in PER/DCOMP for INSS compensation; (iii) questioning about non-collection/retention of the ISS; (iv) no incidence of INSS on indemnity funds (vacation, 1/3 vacation sums, 15 days prior to sickness or accident aid, indemnified notice).
- (iii) The main civil proceedings do not involve individually relevant values and are mainly related to: (i) contractual discussions with customers and (ii) reparation for material damage.
- (iv) For compulsory contributions to the "S" System, 38 cases, being 23 active companies and 15 companies already incorporated from the Group that have injunctions / judgments, in lawsuits, which allow the limitation of the calculation base of INSS to 20 times the highest minimum wage in force, with regard to the collection to SENAC institutions, SESC, SESI, SENAI, SEBRAE, INCRA and salary education. For certain companies/actions the success is partial and covers only part of these third parties, and in cases of decision-making, the differences are being provisioned. The provision recorded in relation to such processes is determined by management, based on the analysis of its legal advisors, and reflects the risk of probability of probable loss estimated for the current scenario that is still undefined. Such analyses include the evaluation of available evidence, the hierarchy of laws, the available jurisprudence, the most recent decisions in the courts and their relevance in the legal system. In January 2021, supported by the injunctions mentioned above, the Group ceased to settle such obligations and began to recognize them as provision for contingencies. Prior to this date, the calculations of the "S" System were settled in its entirety, thus, with no risk prior to January 2021.
- (v) Refers to an allocation made in the acquisitions of companies, recognized in the acquiring company, broken down in a PPA - Purchase Price Allocation report, arising from legal processes and risks raised in due diligence of civil, labor and tax spheres evaluated with a possible expectation of loss.

Change in provision for contingencies can be summarized as follows:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	751,631	564,058
Contingency update against indemnity assets	1,710	(18,673)
“S” System	35,868	37,267
Monetary update of “S” System	15,442	1,761
From acquisition - Comau	-	16,827
From acquisition - Engie	690	-
From acquisition - Compart	11,716	-
Others	335	(829)
Reversal of provision	-	(27,381)
Provision supplement	3,424	31,915
Subtotal	820,816	604,946
Allocation of contingent liabilities (i)	(584)	(234)
As at March 31,	820,232	604,712

(i) The movement of contingent liabilities allocation occurred as detailed below:

Consolidado	12/31/2022	Addition	Write-off	Update	03/31/2023
Proguarda	86	-	(86)	-	-
Fortaleza	205	-	-	-	205
Graber	1	-	-	-	1
Onseg	14	-	-	-	14
Poliservice	107	-	-	-	107
RZF	167	-	-	-	167
Magnus	120	-	-	-	120
Algar	67	-	(16)	2	53
Quattro	31	-	-	-	31
Jam	521	-	-	-	521
Servis	157	-	(66)	(7)	84
Polonorte	351	-	-	-	351
Gol	492	-	(13)	2	481
BC2	245	-	(13)	-	232
Sunset	144	-	-	12	156
Conbras	14,873	-	-	238	15,111
Luandre	613	-	(325)	-	288
ISS	20,498	-	(1,718)	177	18,957
Vivante	14,673	-	(335)	(183)	14,155
Loghis	371	-	(104)	11	278
Única	2,120	-	(166)	4	1,958
Rudder	9,247	-	(49)	(1,883)	7,315
Allis	13,443	-	(323)	(105)	13,015
Comau	22,386	-	(72)	88	22,402
Force	2,587	-	(43)	(99)	2,445
Ormec	1,041	-	(55)	39	1,025
Sulzer	673	-	-	-	673
Global Emplegos	6,370	-	-	-	6,370
Motus	32	-	-	-	32
Evertical	110	-	(8)	-	102
Engie	-	580	-	-	580
Total	111,745	580	(3,392)	(1,704)	107,229

Consolidado	12/31/2021	Addition	Write-off	03/31/2022
Proguarda	86	-	-	86
Fortaleza	224	-	-	224
LC	2,435	-	-	2,435
Graber	4,165	-	-	4,165
Onseg	183	-	-	183
Poliservice	236	-	-	236
RZF	520	-	-	520
Magnus	933	-	-	933
Algar	570	-	-	570
Quattro	453	-	-	453
Jam	2,417	-	-	2,417
Servis	1,033	-	-	1,033
Polonorte	1,402	-	-	1,402
Gol	998	-	-	998
Proteg	-	-	-	-
BC2	1,572	-	-	1,572
Sunset	82	-	-	82
Conbras	15,261	-	-	15,261
Luandre	1,082	-	-	1,082
ISS	61,199	-	(22,620)	38,579
Vivante	22,270	-	-	22,270
Loghis	277	-	-	277
Única	2,330	-	-	2,330
Rudder	8,001	-	-	8,001
Allis	18,708	-	-	18,708
Comau	-	22,386	-	22,386
Total	146,437	22,386	(22,620)	146,203

The Group, in accordance with accounting practices, provides its contingencies whose risk rating of loss is likely, according to the analysis of its legal advisors. The main process is:

Tax action filed by the Brazilian Internal Revenue Service against the subsidiary Graber, for the collection of social security compensation (INSS) that occurred in 2015 and 2016. Challenge dismissed in 2018, voluntary appeal filed and awaiting trial. It is noteworthy that the debt is the responsibility of the sellers of the Graber Group and in relation to which the Group has withholding payment as a contingent and asset installment indemnified according to the position agreed and described in the purchase and sale contract, in the amount of R\$ 60,060 as at March 31, 2023 (R\$ 58,350 as at December 31, 2022). The estimated loss as at March 31, 2023 is R\$ 60,060 (R\$ 58,350 as at December 31, 2022). This value is estimated by legal advisors based on the results of current and expected legal proceedings.

Possible losses not provisioned in the statement of financial position

Actions involving risk of loss classified by the Group as possible, based on the assessment of its legal advisors, for which there is no provision constituted on March 31, 2023, total R\$ 840,518, of which R\$ 371,817 are tax, R\$ 113,131 civil and R\$ 355,570 labor (R\$ 865,794 as at December 31, 2022, of which R\$ 389,270 were tax, R\$ 132,149 civil and R\$ 344,376 labor). The nature of these actions are the same as described in the item "(a.) Provision for tax, civil and labor risks".

Due to the publication on May 2, 2023 of the STF Judgments in RE's 949,297 and 955,227 - Items 881 and 885 - the Company is evaluating any possible consequences arising therefrom.

b. Sub judice taxes

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Municipal taxes	-	-	10,902	10,130
Federal taxes (i)	1,319	1,305	481,797	364,307
State taxes (ii)	-	-	732	732
Labor and social security risks (iii)	-	-	72,172	70,920
Total	1,319	1,305	565,603	446,089

- (i) Federal taxes: all of which came from the acquired companies. Such balances are recorded to cover tax risks not accrued by the previous management and are mainly related to federal debits with suspended eligibility;
- (ii) State taxes: mainly refer to the appropriation of ICMS credits on goods on which tax had already been withheld in the previous transaction by the systematic of tax replacement; and
- (iii) Labor and social security risks: such provision was made to cover labor risks arising from acquired companies for non-adherence to some aspects of the CLT (Consolidation of Labor Laws). Such risks are mainly related to the lack of payment of the Accident Prevention Factor (FAP) in previous years regarding social contributions, lack of payment of INSS on basic food basket, salary supplement by invoice and absence of registration in the Worker's Meal Program (PAT).

Change in sub judice taxes can be summarized as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
As at January 1,	1,305	1,371	446,089	396,226
Update currency	14	-	10,229	4,556
From acquisition - Comau	-	-	-	16,103
From acquisition - Engie (a)	-	-	40,124	-
From acquisition - Compart (a)	-	-	68,466	-
Provision for tax risks	-	-	-	(61)
Provision supplement	-	-	695	1,052
Reversal update currency	-	-	-	104
As at March 31,	1,319	1,371	565,603	417,980

- (a) For more details, see note n° 3.

c. Judicial deposits

They represent restricted assets of the Group and are related to the amounts deposited and held in court until the settlement of the disputes to which they relate. The judicial deposits held by the Group as at March 31, 2023 and December 31, 2022 are as follows:

	Consolidated	
	03/31/2023	12/31/2022
Labor judicial deposits	76,892	75,217
Non-labor appeal deposit	90,416	84,704
Update currency	38,854	31,964
Total	206,162	191,885

Change in judicial deposits can be summarized as follows:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	191,885	136,702
Update currency	7,020	2,229
Deposits	9,996	1,525
Write-offs	(3,765)	-
From acquired companies	1,026	16,230
As at March 31,	<u>206,162</u>	<u>156,686</u>

d. Indemnification assets

The Group has withholding of payouts as contingent portion and assets indemnifiable according to the position agreed and described in the sale agreements.

	<u>Consolidated</u>	
	03/31/2023	12/31/2022
Graber Group	60,060	58,350
Allocation of indemnity assets	102,979	77,633
Total	<u>163,039</u>	<u>135,983</u>

The composition per company of the allocation of indemnity assets can be summarized as follows:

Consolidated	12/31/2022	Deposits	03/31/2023
Fortaleza	123	-	123
Graber	20,479	-	20,479
Onseg	930	-	930
Poliservice	535	-	535
RZF	1,419	-	1,419
Magnus	1,196	-	1,196
Proteg	220	-	220
Jam	4,547	-	4,547
Servis	6,907	415	7,322
Gol	1,709	-	1,709
BC2	-	-	-
Sunset	557	-	557
Luandre	1,845	-	1,845
Loghis	830	-	830
Rudder	12,961	-	12,961
Comau	11,614	-	11,614
Ormec	4,956	-	4,956
Motus	32	-	32
Evertical	403	-	403
Global Empregos	6,370	-	6,370
Compart	-	24,931	24,931
Total	<u>77,633</u>	<u>25,346</u>	<u>102,979</u>

Consolidated	12/31/2022	Deposits	Write-off	03/31/2023
Fortaleza	123	-	-	123
Grabber	20,479	-	-	20,479
Onseg	930	-	-	930
Poliservice	535	-	-	535
RZF	1,693	-	-	1,693
Magnus	1,196	-	-	1,196
Proteg	220	-	-	220
Jam	4,571	-	-	4,571
Servis	6,729	178	-	6,907
Gol	1,709	-	-	1,709
BC2	505	-	-	505
Sunset	557	-	-	557
Luandre	1,849	-	-	1,849
Loghis	830	-	-	830
Rudder	30,000	-	(18,985) (i)	11,015
Comau	-	14,756	-	14,756
Total	71,926	14,934	(18,985)	67,875

- (i) On March 11, 2022, the pecuniary fine was paid in the amount of R\$ 18,985 and the extinction of all penalties and prohibitions imposed in administrative proceedings.

23 Acquisition of subsidiaries

Through of business combinations, the Group registers the purchase options of the remaining quotas in the capital of investees, in addition to the contractual contingent installments.

As at March 31, 2023 and December 31, 2022, the breakdown of these financial liabilities was registers as follows:

	Consolidated	
	03/31/2023	12/31/2022
Servtec	-	2,976
Proevi	1,307	1,301
Grabber (i)	53,072	52,823
JAM	1,773	1,718
Luandre	7,298	7,071
Sunset (ii)	45,243	43,985
Única	10,951	-
Comau (iii)	34,653	33,515
Ormec (iv)	46,525	52,013
Evertical (v)	68,054	68,626
Motus	14,643	14,181
Compart (vi)	35,342	-
Other acquisition amounts	2,894	2,876
Total	321,755	281,085
Currents assets	130,376	96,749
Non-current assets	191,379	184,336

- (i) Refers to the "retained price" of the consideration transferred in the acquisition, initially scheduled for discharge in 3 installments, maturing for 20, 40 and 60 months from the date of the business combination, May 31, 2017. Considering that the parties are in negotiation regarding the deductions of materialized contingencies and/or indemnifications of the retained price, these installments should be settled by May 31, 2025 as provided in the Purchase and Sale Agreement (CCV). Such installments are corrected by the accumulated variation of the CDI and will be adjusted, subtracting any materialized losses and/or indemnities corresponding to the occurrences described in the CCV, on the date of settlement;

- (ii) The Group has an option to purchase the remaining 45% of the Sunset Group, which may be exercised in full and only once, during the period of 90 days from the delivery of the annual statement of financial position of December 31, 2023. The year-end price, whether a purchase option or a sales option, will be defined by a formula indicated in the contract, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On May 13, 2022, the additional amount (earnout) was paid in the amount of R\$ 15,835, calculated based on EBITDA calculated in the period from January 1, 2021 to December 31, 2021. As at March 31, 2023, R\$ 46,525 registered is equivalent to an open payment, referring to the adoption of the early acquisition method;
- (iii) Refers to supervening assets, arising from taxes to be recovered ("tax credits"), referring to the period of competence of the sellers, which will be reimbursed by the Group to the extent that said tax credits are used, upon request for compensation and/or credit of the claim for refund;
- (iv) Refers to the "additional amount" of the consideration transferred in the acquisition, which will be calculated based on EBITDA that exceeds the amount of R\$ 17,210, multiplied by the multiple of 5.5 and that will be calculated in the period from January 1, 2022 to December 31, 2022, limited to 12% of Net Revenue for this period. This amount will be increased or subtracted the variation of Gross Debt, Cash and Cash and Working Capital, calculated between the closing statement of financial position (January 31, 2022) and the statement of financial position as at December 31, 2022; and
- (v) Refers to the additional amount (earn-out) to be paid up to 150 days after the end of the year 2022, in accordance with contractual clauses establishing the criteria to be met by the parties (based on multiples of EBITDA calculated in the period from January 1, 2022 to December 31, 2022). The Group also has an option to purchase the remaining 45% of the Evertical Group, which may be exercised in full and only once, during the period of 90 days from the delivery of the annual statement of financial position of December 31, 2024. The year-end price, whether a purchase option or a sales option, will be defined by a formula indicated in the contract, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On March 31, 2023, R\$ 52,224 registered is equivalent to an open payment, referring to the adoption of the early acquisition method.
- (vi) See note n° 3.2

a. Changes of acquisition liabilities of subsidiaries

	12/31/2022	Acquisition record	Update option	Write-off earn-out	Update earn-out	Update currency	Payment price of acquisition	Previous year's payments	03/31/2023
Servtec	2,976	-	-	(2,976)	-	-	-	-	-
Proevi	1,301	-	-	-	-	6	-	-	1,307
Graber	52,823	-	-	-	-	249	-	-	53,072
JAM	1,718	-	-	-	55	-	-	-	1,773
Luandre	7,071	-	-	-	227	-	-	-	7,298
Sunset	43,985	-	1,258	-	-	-	-	-	45,243
Única	-	-	-	-	10,951	-	-	-	10,951
Comau	33,515	-	-	-	1,138	-	-	-	34,653
Ormec	52,013	-	-	-	(5,488)	-	-	-	46,525
Evertical	68,626	-	1,723	-	(2,295)	-	-	-	68,054
Motus	14,181	-	185	-	277	-	-	-	14,643
Compart (i)	-	78,971	-	-	-	-	(41,129)	(2,500)	35,342
Others trades payable	2,876	-	-	-	-	18	-	-	2,894
Total	281,085	78,971	3,166	(2,976)	4,865	273	(41,129)	(2,500)	321,755

	12/31/2021	Acquisition record	Update option	Update earn-out	Adjustments	Update currency	Previous year's payments	03/31/2022
Servtec	2,976	-	-	-	-	-	-	2,976
Proevi	1,274	-	-	-	-	6	-	1,280
Sempre	1,050	-	-	-	(1,050)	-	-	-
Graber	51,842	-	-	-	-	241	-	52,083
JAM	19,393	-	447	63	-	-	-	19,903
Gol	3,916	-	103	-	-	-	-	4,019
BC2	7,203	-	-	189	-	-	-	7,392
Luandre	35,239	-	760	167	-	-	-	36,166
Sunset	31,334	-	614	210	-	-	-	32,158
Loghis	7,214	-	-	266	-	-	-	7,480
Única	12,652	-	-	445	-	-	-	13,097
Comau (i)	-	139,044	-	-	-	-	(105,537)	33,507
Others trades payable	2,808	-	-	-	2	13	-	2,823
Total	176,901	139,044	1,924	1,340	(1,049)	260	(105,537)	212,884

- (i) Refers to the total amount paid for the acquisition of the company. In the cash flow statements, the net value is presented of the cash obtained in the acquisition. For more details, see note n° 3.

24 Equity

a. Share capital

The share capital fully subscribed and paid as at March 31, 2023 is R\$ 1,738,167 (R\$ 1,707,276 as at December 31, 2022), divided into 672,170,267 common shares (669,708,835 common shares as at December 31, 2022) all nominative with no par value and distributed as follows:

	31/03/2023		31/12/2022	
	Total shares	Interests	Total shares	Interests
Control block	279,290,445	41.55%	278,264,021	41.55%
Managers	10,544,694	1.57%	5,022,816	0.75%
Miscellaneous	382,335,128	56.88%	386,421,998	57.70%
Total	672,170,267	100%	669,708,835	100%

Share capital fully subscribed and paid is presented net of expenses with issuance of shares in the amount of R\$ 58,468, is R\$ 1,679,699 at March 31, 2023 (R\$ 1,648,808 as at December 31, 2022).

b. Common shares

Events 2023 - On March 29, 2023, the Company's Board of Directors approved a capital increase within the authorized capital limit, with the issuance of new shares, as a result of the approval of the proposal of the Committee of People & Organization with respect to the Company's Stock Option Program for the calendar year 2023 (PROCA-23) and consequent issuance of common shares in the context of said PROCA-23.

The total amount of the Company's capital increase was R\$ 30,891, which increased from R\$ 1,707,276 to R\$ 1,738,167 through the issuance of 2,461,432 common shares, registered book-entry and without nominal value of the Company, representing 0.37% of the Company's capital stock prior to such issuance, at the issuance price calculated based on the average quotation of the 5 trading sessions corresponding to the period from March 8 to 14, 2023, of R\$ 12.55 per option, and a 10% discount to be paid as a premium, corresponding to the amount of R\$ 1.26 per option, with a total value of R\$ 3,101, for subscription by the selected partners, increasing the Company's capital stock from 669,708,835 to 672,170,267 common shares, nominative, book-entry and without par value, excluding the preemptive right of the current shareholders in the subscription of the common shares issued by the Company. The amount actually paid as a prize was R\$ 3,087, as disclosed in note n° 13.3.1.

c. Destination of proposed profits and dividends

According to the articles of partnership, from the net income for the fiscal year, after offsetting accumulated losses, 5% will be applied to constituting the legal reserve up to 20% of the share capital, and 25% will be allocated to the distribution of the minimum mandatory dividend, respecting the priority of payment of fixed dividends.

d. Earnings reserve

The earnings retention reserve corresponds to the remaining profits after destination for legal reserve and proposal for distribution of dividends, mainly aiming to meet its investment projects. The net income for the period, after the offsets and deductions provided for by law and according to statutory forecast.

e. Capital transactions

Capital transactions correspond to transactions with the members, without passing through the parent company's income. Reflects the events affecting the subsidiaries and indirectly the parent company through capital transactions.

f. Equity valuation adjustments

Equity valuation adjustments mainly include net changes in the fair value of contingent consideration from call option agreements and other contingent consideration specified in the sale agreement on the acquisition date, which are updated each reporting period, see more details in note n° 23 (a). The amounts recorded in equity valuation adjustments are fully or partially reclassified to the income (loss) for the fiscal period/year, in whole or in part, when the assets/liabilities to which they relate are disposed.

	03/31/2023	12/31/2022
Fair value	1,782	4,948
Deferred income tax and social contribution	(606)	(1,682)
Total	1,176	3,266

The movement of equity valuation adjustments can be summarized as:

	<u>Consolidated</u>	
	2023	2022
As at January 1,	3,266	33,558
Fair value	(3,166)	(1,924)
Deferred income tax and social contribution	1,076	654
As at March 31,	1,176	32,288

25 Financial instruments

a. Accounting classification and fair values

The table below shows the carrying amounts and the fair values of the financial assets and liabilities, including their levels in the hierarchy of fair value. It does not include information on the fair value of the financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approach of the fair value.

Consolidated assets	Note	Carrying amount			Fair value		
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Level 2	Level 3	Total
March 31, 2023							
Financial assets measured at fair value							
Financial investments (i)	8 e 9	2,793,593	-	2,793,593	2,793,593	-	2,793,593
Derivative financial instruments (iii)	25 (c)	4,928	-	4,928	4,928	-	4,928
Total		2,798,521	-	2,798,521	2,798,521	-	2,798,521

Consolidated assets	Note	Carrying amount			Fair value	
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Total	
March 31, 2023						
Financial assets not measured at fair value						
Cash and cash equivalents (i)	8	-	90,188	90,188	90,188	
Trade receivables	10	-	2,006,251	2,006,251	2,006,251	
Loans receivable (ii)	13.3	-	25,576	25,576	25,576	
Other receivables		-	124	124	124	
Total		-	2,122,139	2,122,139	2,122,139	

- (i) In cash and cash equivalents and financial investments, the fair value is a reasonable approximation of the carrying amount since all of the Group's investments have daily liquidity and, therefore, the balance presented by the bank is the exact balance available for use.
- (ii) In loans receivable, the fair value is a reasonable approximation of the carrying amount since all agreements have a term of receipt and monthly correction index.
- (iii) The swap agreements have been designated for hedge accounting.

Consolidated liabilities		Carrying amount			Fair value		
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Level 2	Level 3	Total
March 31, 2023	Note						
Financial liabilities measured at fair value							
Derivative financial instruments (i)	25 (c)	(12,662)	-	(12,662)	(12,662)	-	(12,662)
Acquisition of subsidiaries	23	(321,755)	-	(321,755)	-	(321,755)	(321,755)
Total		(334,417)	-	(334,417)	(12,662)	(321,755)	(334,417)

Consolidated liabilities		Carrying amount			Fair value	
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Total	
March 31, 2023	Note					
Financial liabilities not assessed at fair value						
Trade payables		-	(110,746)	(110,746)	(110,746)	
Loans	17	-	(576,883)	(576,883)	(667,411)	
Debentures	18	-	(2,679,323)	(2,679,323)	(3,583,313)	
Leases payable		-	(65,028)	(65,028)	(65,028)	
Other trade payables		-	(20,376)	(20,376)	(20,376)	
Total		-	(3,452,356)	(3,452,356)	(4,446,874)	

(i) Swap contracts were assigned to hedge accounting.

Consolidated assets		Carrying amount			Fair value		Total
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Level 2	Level 3	
December 31, 2022	Note						
Financial assets measured at fair value							
Financial investments (i)	8 e 9	2,606,874	-	2,606,874	2,606,874	-	2,606,874
Derivative financial instruments (iii)	25 (c)	10,203	-	10,203	10,203	-	10,203
Total		2,617,077	-	2,617,077	2,617,077	-	2,617,077

Consolidated assets		Carrying amount			Fair value	
		Financial assets measured at fair value through profit or loss	Financial assets at amortized cost	Total	Total	
December 31, 2022	Note					
Financial assets not measured at fair value						
Cash and cash equivalents	8	-	93,065	93,065	93,065	
Trade receivables	10	-	2,022,126	2,022,126	2,022,126	
Loans receivable (ii)	13.3	-	30,877	30,877	30,877	
Others receivables		-	243	243	243	
Total		-	2,146,311	2,146,311	2,146,311	

- (i) In cash and cash equivalents, the fair value is a reasonable approximation of the carrying amount since all of the Group's investments have daily liquidity and, therefore, the balance presented by the bank is the exact balance available for use.
- (ii) In loans receivable, the fair value is a reasonable approximation of the carrying amount since all agreements have a term of receipt and monthly correction index.
- (iii) Swap contracts were assigned to hedge accounting.

Consolidated liabilities		Carrying amount			Fair value		
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Level 2	Level 3	Total
December 31, 2022	Nota						
Financial liabilities measured at fair value							
Derivative financial instruments (i)	25 (c)	(10,344)		(10,344)	(10,344)		(10,344)
Acquisition of subsidiaries	23	(281,085)	-	(281,085)	-	(281,085)	(281,085)
Total		(291,429)	-	(291,429)	(10,344)	(281,085)	(291,429)

Consolidated liabilities		Carrying amount			Fair value
		Financial liabilities at fair value	Financial liabilities at amortized cost	Total	Total
December 31, 2022	Nota				
Financial liabilities not assessed at fair value					
Trade payables		-	(124,732)	(124,732)	(124,732)
Loans	17	-	(634,924)	(634,924)	(750,578)
Debentures	18	-	(2,661,200)	(2,661,200)	(3,647,099)
Leases payable		-	(69,895)	(69,895)	(69,895)
Other trade payables		-	(32,937)	(32,937)	(32,937)
Total		-	(3,523,688)	(3,523,688)	(4,625,241)

(i) Swap contracts were assigned to hedge accounting.

Level 1 - The fair value of assets traded in active markets (such as securities held for trading and at fair value through other comprehensive income) is based on market prices quoted on the statement of financial position reporting date. Assets included in Level 1 mainly comprise IBOVESPA 50 ranking of shares equity investments classified as trading securities or at fair value through other comprehensive income.

Level 2 - The fair value of assets and liabilities that are not traded in active markets (e.g., over-the-counter derivatives) is determined using valuation techniques. If all relevant assumptions used to determine the fair value of an asset or liability can be observed in the market, it will be included in Level 2.

Level 3 - If one or more relevant pieces of information are not based on data adopted by the market, such as investments in shares or unquoted debts, the asset or liability is included in Level 3.

b. Fair value measurement

(i) Assessment techniques and significant non-observable inputs

The tables below present the valuation techniques used to measure Level 2 and 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant non-observable inputs used. The valuation processes are described in note n° 8.4 parent company and consolidated financial statements as at December 31, 2022, published on March 2, 2023.

Financial instruments measured at fair value

Type	Assessment Techniques	Significant non-observable inputs	Relationship between significant and non-observable inputs and fair value measurement
Swap	Swap Models: fair value is calculated on the basis of estimated future cash flows at present value. Estimates of future cash flows of post-fixed rates are based on quoted swap rates, futures prices and interest rates on interbank loans. Estimated cash flows are discounted using a curve built from similar sources, reflecting the relevant interbank benchmark rate used by the market participant for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment reflecting the credit risk of the Group and the counterparty, calculated based on credit spreads derived from credit default swaps or current prices of traded securities.	Not applicable.	Not applicable.
Liabilities from acquisitions of subsidiaries - Call options	Discounted Cash Flow: The valuation model uses a projection of up to 10 years, although the maturity of the options is between 1 and 4 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model was adopted, in which there is a base scenario projection, an optimistic scenario and a pessimistic scenario, being considered the average value of the options of these scenarios. The calculation is annual, based on the month of June, and is corrected quarterly by the discount rate used in the calculation.	Revenue growth initial period: (2023: 16.0% to 2.0%, average 8.9%; 2022: 16.0% to 2.0%, average 8.9%). Projected EBTIDA Margin: (2023: 12.7% to 3.4%, average 8.5%; 2022: 12.7% to 3.4%, average 8.5%). Risk-adjusted discount rate: (2023: 11.94%, average 11.94%; 2022: 11.94%, average 11.94%).	The fair value of the options would rise (fall) if: The estimated revenue growth would be higher (lower) The estimated EBITDA margin would be higher (lower) The discount rate would be lower (higher)
Liabilities from acquisition of subsidiaries - earn-outs	Discounted Cash Flow: The valuation model uses a projection of up to 10 years, although the maturity of the earn outs is between 1 and 5 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model was adopted, in which there is a base scenario projection, an optimistic scenario and a pessimistic scenario, being considered the average value of the options of these scenarios. The calculation is annual, based on the month of June, and is corrected quarterly by the discount rate used in the calculation.	Revenue growth initial period: (2023: 16.0% to 2.0%, average 8.9%; 2022: 16.0% to 2.0%, average 8.9%). Projected EBTIDA margin: (2023: 12.7% to 3.4%, average 8.5%; 2022: 12.7% to 3.4%, average 8.5%). Risk-adjusted discount rate (2023: 11.94%, average 11.94%; 2022: 11.94%, average 11.94%).	The fair value of earn-outs would rise (fall) if: The estimated revenue growth would be higher (lower) The estimated EBITDA margin would be higher (lower) The discount rate would be lower (higher)

c. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (c)(ii));
- Liquidity risk (see (c)(iii)); and
- Market risk (see (c)(iv)).

(i) Structure of risk management

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, in order to define appropriate limits and controls for the risk, and also to monitor risks and compliance with limits. The risk management policies and systems are frequently revised to reflect changes in market conditions and in the activities of the Group. The Group, through its training and management standards and procedures, aims to keep a disciplined and controlled environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of the Group incurring financial losses if a customer or financial instrument counterparty fails to comply with contractual obligations. Such risk arises mainly from the Group's trade receivables and financial instruments.

Carrying amounts of financial assets and agreement assets represent the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer, respectively. Details on the concentration of revenue are in note n° 7.

The Group limits its exposure to trade receivables credit risk by establishing a maximum payment term of one and three months for individual and corporate customers, respectively.

The Group does not require guarantees in relation to trade and other receivables. The Group has no trade receivables or contract assets for which no loss provision is recognized because of the guarantee.

As at March 31, 2023, the carrying amount of the Group's most important customer (a petrochemistry company) is R\$ 107,545. As at December 31, 2022 it was R\$ 144,641 (a petrochemistry company).

*Assessment of expected loss of credit customers***a. Contractual financial assets**

The Group uses the simplified approach of CPC 48 / IFRS 9 for measuring the recoverable amount of trade receivables due to their characteristics of not containing significant financing components, thus the calculation is based on a risk matrix for measuring the expected credit loss with trade receivables.

Loss rates are calculated by using the “rollover” method based on the probability of a value receiving advancing through successive stages of default to full write-off. Rollover rates are calculated separately for exposures on clients in different segments such as those in legal recovery, legal action or bankruptcy. We take into account the rating, for customers who disclose such information, and more conservative percentages for those who do not disclose the rating.

The following table provides information on credit risk exposure and expected credit losses for trade receivables and contractual assets for individual customers as at March 31, 2023 and December 31, 2022:

As at March 31, 2023	Weighted-average loss rate	Gross accounting balance	Provision for estimated loss
Due	0.95%	991,155	(9,416)
Overdue 1-30 days	6.15%	85,264	(5,244)
Overdue 31-60 days	15.98%	27,159	(4,340)
Overdue 61-90 days	26.12%	12,496	(3,264)
Overdue 91-180 days	52.06%	23,339	(12,150)
Overdue 181-360 days	59.62%	8,528	(5,084)
More than 360 days	56.71%	80,585	(45,700)
Total		1,228,526	(85,198)

As at December 31, 2022	Weighted-average loss rate	Gross accounting balance	Provision for estimated loss
Due	0.84%	1,045,598	(8,783)
Overdue 1-30 days	5.46%	112,834	(6,161)
Overdue 31-60 days	16.14%	19,261	(3,109)
Overdue 61-90 days	25.01%	11,940	(2,986)
Overdue 91-180 days	42.55%	10,572	(4,498)
Overdue 181-360 days	57.36%	8,313	(4,768)
More than 360 days	58.54%	75,689	(44,307)
Total		1,284,207	(74,612)

Loss rates are based on actual credit loss experience over the past seven years. These rates were multiplied by factors of scale, to reflect the differences between economic conditions in the period in which historical data were collected, the current conditions, and the Group's view of economic conditions throughout the receivables expected life.

b. Non-contractual financial assets

The market value of these assets does not differ from the amounts shown in the parent company and consolidated interim accounting information (see notes n° 8 and n° 9). The agreed rates reflect the usual market conditions. The “Cash and cash equivalents” and “financial investments” are maintained with banks and financial institutions that have a rating between BB- and AAA, based on Fitch and Moody’s credit rating agencies.

The Group adopts the following assumptions for determining impairment loss on non-contractual financial assets:

- A financial asset has no credit risk when its rating is equivalent to the globally accepted definition of “investment grade” or has the same risk grading as the Federative Republic of Brazil. The Group considers this to be baa3 or above according to the Moody’s credit rating agency or BBB- or higher by the Fitch’s credit rating agency;
- For financial assets with risk within the definition of globally accepted grading of “speculative grade”, the Group adopts a graded matrix from 0.95% to 59.62% to be applied on the balance of financial assets; and
- For financial assets rated as “default risk” by agencies, the Group considers a 100% provision for impairment losses.

The estimated impairment in cash and cash equivalents was calculated based on the expected loss of 12 months and reflects the short maturities of risk exposures. The Group considers that its cash and cash equivalents do not have credit risk based on the external credit ratings of the counterparties.

c. Derivative financial instruments

Derivatives are contracted from banks and financial institutions with which the Group has a relationship. Currently, derivatives are only with Citi.

The following are described the types of contracts in force and their protected risks (cash flow hedge):

- (i) Credit Agreements Bacen Resolution No. 4131 with Banco Citibank:
Swap: active edge of the Group that considers "USD exchange variation + 3-month USD Libor rate" versus passive edge of the Group that considers "100% of CDI + prefixed rate per year", in order to protect the Group from exchange rate and interest fluctuations in foreign currency arising from a debt contracted in dollars.

		Consolidated			
		Notional amount		Fair value	
	Currency	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Debt protection					
Assets					
(i) Bacen Resolution nº 4131	R\$	146,643	154,450	<u>148,074</u>	<u>164,521</u>
Subtotal				<u>148,074</u>	<u>164,521</u>
Liabilities					
(i) Bacen Resolution nº 4131	R\$	146,643	154,450	<u>155,808</u>	<u>164,662</u>
Subtotal				<u>155,808</u>	<u>164,662</u>
Total				<u>(7,734)</u>	<u>(141)</u>

The swap transactions carried out by the Group aim to protect the agreed foreign currency loans against the risk of exchange and international interest rate fluctuations, converting the entire operation to 100% of the Interbank Deposit Certificate (CDI), plus interest from 2% to 3% per annum, following the management criteria of risks shown in the table below:

	<u>Consolidated</u>	
	03/31/2022	12/31/2022
Net swap transactions - Assets	4,928	10,203
Net swap transactions - Liabilities	<u>(12,662)</u>	<u>(10,344)</u>
Total	<u>(7,734)</u>	<u>(141)</u>
Current assets	4,928	7,519
Non-current assets	-	2,684
Current liabilities	(10,573)	(10,344)
Non-current liabilities	(2,089)	-

The amount recorded in long-term assets on March 31, 2023 present the following settlement schedules until 2026:

Maturity	03/31/2023
2024 (from April)	(4,143)
2025	851
2026	<u>1,203</u>
Total	<u>2,089</u>

It should be stressed that the swap at fair value (MtM) does not represent the obligation of immediate disbursement or cash receipt as, since this effect will only occur on the dates of contractual verification or expiration of each transaction, when the result will be calculated, as the case may be and under the market conditions on the referred dates.

Changes in financial instruments derivatives

	<u>Consolidated</u>	
	2023	2022
As at January 1,	(141)	28,918
Loss recognized on income (i)	(6,400)	(36,636)
Loss recognized on OCI	(3,455)	(432)
Resources from derivatives liquidation	<u>2,262</u>	<u>(4,141)</u>
As at March 31,	<u>(7,734)</u>	<u>(12,291)</u>

- (i) The Group chose to designate from April 1, 2021 hedge accounting according to CPC 48 / IFRS 9.

Hedge accounting designation

On April 1, 2021, the Group chose to designate the hedge accounting according to CPC 48 / IFRS 9. The Group documents the hedge relation, the purpose and the risk management strategy for hedge identifying the instrument, the hedged item, the nature of the risk being hedged and assesses if the hedge relation meets the hedge effectiveness requirements. This required the Group to ensure that the hedge relations are in line with its purposes and risk management strategies that aim to protect the cashflow and the Group's property against interest and foreign exchange rates fluctuations.

The Group uses swap agreements to protect cash flows variation. The active edge of the Group considers the “foreign exchange USD + rate USD Libor 3 months (or pre-fixed rate)” and the passive edge of the Group as “100% CDI + prefixed rate per year”, with the purpose of protecting the Group from interest and foreign exchange variation arising from a debt undertaken in dollars.

The actual portion of the fair value variations in the hedge instruments is accrued in a cash flow hedge reserve as a separate component within the equity (OCI). According to CPC 48 / IFRS 9, such amounts are reclassified for the income of the same period in which the expected cash flows affect the income as a reclassification adjustment.

The Group carries out a qualitative assessment of hedge effectiveness, which is determined through periodic prospective assessments to ensure that an economic relationship exists between the protected item and the hedge instrument.

The Group contracts swaps with critical terms that are identical to the protected item, with the benchmark rate, redefinition dates, payment dates, maturities and benchmark values. Since the key terms corresponded during the period, the economic relationship was 100% effective and, therefore, did not present ineffective portion to be recognized in the result. The exposure management is carried out by the Group’s treasury.

Guarantees

The parent company's policy is to provide financial guarantees only to obligations of its subsidiaries. As at March 31, 2023 and December 31, 2022, the parent company had issued guarantees to certain banks in relation to credit facilities granted to its subsidiaries (see note n° 13.6).

(iii) *Liquidity risk*

Liquidity risk is the risk of the Group facing difficulties meeting obligations associated with its financial liabilities that are settled with spot cash payouts or with another financial asset. The Group’s approach to management of liquidity is assuring, as far as possible, that it always has sufficient liquidity to meet its obligations as they mature, under normal and stressful conditions, without causing losses that are unacceptable or have the risk of being detrimental to the Group’s reputation. The Group seeks to maintain the level of its 'Cash and cash equivalents' and other investments with active market in an amount higher than cash outflows for settlement of financial liabilities (except 'Trade payables') for the next 30 days. The Group also monitors the expected level of cash inflows from 'Trade and other receivables', jointly with the expected cash outflows related to 'Trade payables, Salaries and charges’.

Liquidity risk exposure

Below are the contractual maturity dates of financial liabilities on the date of the interim financial information. These amounts are presented gross, without deductions, including estimated interest payouts and excluding the effects of offsetting agreements.

Consolidated						
As at March 31, 2023	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial cash flow	Carrying amount
Trade payables	110,746	-	-	-	110,746	110,746
Other payables	18,934	1,442	-	-	20,376	20,376
Loans	236,921	419,385	76,879	-	733,185	576,883
Debentures	524,227	1,050,118	1,608,589	1,042,000	4,224,934	2,679,323
Leases payable	27,322	26,939	10,930	4,989	70,180	65,028
Acquisition of subsidiaries	135,935	60,152	174,167	-	370,254	321,755
Total	1,054,085	1,558,036	1,870,565	1,046,989	5,529,675	3,774,111

Consolidated						
As at December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial cash flow	Carrying amount
Trade payables	124,732	-	-	-	124,732	124,732
Other payables	31,387	1,550	-	-	32,937	32,937
Loans	260,020	388,062	161,038	-	809,120	634,924
Debentures	449,013	1,207,566	1,608,473	1,042,000	4,307,052	2,661,200
Leases payable	33,463	25,810	9,008	5,510	73,791	69,895
Acquisition of subsidiaries	105,613	135,789	82,853	-	324,255	281,085
Total	1,004,228	1,758,777	1,861,372	1,047,510	5,671,887	3,804,773

Inflows (outflows) shown in the above table represent undiscounted contractual cash flows related to non-derivative financial liabilities held to manage risk, and which are normally closed off before contractual maturity. Net cash flows are shown for derivatives settled in cash, based on their net exposure, and gross cash flows for inflows and outflows of derivatives with simultaneous gross settlement.

As disclosed in explanatory notes nº 17 and nº 18, the Group has bank loans and debentures that contain a restrictive contractual clause (covenant). Failure to comply with this restrictive contractual clause may require the Group to repay the loan before the date indicated in the table above. The restrictive contractual clause is regularly monitored by the treasury and periodically reported to management to ensure that the contract is being fulfilled. Interest payments on loans at a post-fixed interest rate and the debt securities included in the table above reflect the fixed-term market interest rates on the statement of financial position date and these amounts may change as post-fixed interest rates change.

(iv) Market Risk

Market risk is the risk that changes in market prices - such as exchange rates, interest rates and stock prices - may affect the Group's earnings or the value of financial instruments. The purpose of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All these transactions are carried out within the guidelines set by the Risk Management Committee.

Foreign exchange risk

Foreign exchange risk arises when future trading transactions recorded as assets or liabilities are held in a currency other than the Group's functional currency.

Exchange rate risk arises from the Group's exposure to variations in the US Dollar due to loans in that currency (note n° 17(a) (i)). The risk management policy is to *hedge* 100% of its foreign exchange exposure through an adequate derivative financial instrument, to be made by the Group's Treasury.

Thus, loans in foreign currency are fully protected by currency *swap*, which equates these financial instruments to others exposed to the CDI variation.

Management believes that any impacts of exchange rate variation on the Group's exposure to currency variations would not generate relevant effects on its parent company and consolidated financial statements information. Therefore, it did not disclose the sensitivity analysis resulting from this subject.

See below the Group's exposure in foreign exchange risk and for more details on the instruments contracted to cover this exposure, see Note 25(c) (ii):

As at March 31, 2023	Maturity 1 to 6 months	6 to 12 months	Over one year
Foreign exchange risk			
Loan agreements			
Net exposure	20,650	22,409	104,057

As at December 31, 2022	Maturity 1 to 6 months	6 to 12 months	Over one year
Foreign exchange risk			
Loan agreements			
Net exposure	21,064	19,143	119,172

(v) *Interest rate risk*

The associated risk arises from the possibility of the Group incurring losses due to floating interest rates that would increase financial expenses related to liabilities raised in the market. Interest rates on loans and borrowings are mentioned in note n° 17. Contracted interest rates on financial investments are mentioned in note n° 8 and note n° 9. The Group does not execute derivatives agreements to hedge interest rate risks involving CDI; however, constantly monitors market interest rates in order to assess any need to contract operations to hedge the volatility risk of these rates.

Exposure to CDI rate	03/31/2023	12/31/2022
Assets		
Certificates of bank deposit	2,793,593	2,606,874
Liabilities		
Working capital loans	(412,852)	(459,242)
Swap transactions	(147,117)	(159,379)
Commercial papers	(16,914)	(16,303)
Debentures	<u>(2,679,323)</u>	<u>(2,661,200)</u>
Net exposure	<u>(462,613)</u>	<u>(689,250)</u>

Sensitivity analysis

Sensitivity analysis was developed considering the exposure to CDI variation, the sole indexer of the loans taken out by the Group, as well as its financial investments. There are also mutual contracts that are linked to the CDI in the amount of R\$ 25,576, which we did not evidence the sensitivity analysis because we understand that the effect is not relevant.

Transaction	Amounts	Risk	Probable (i)	Possible (ii)	Remote (iii)
Working capital subject to CDI variation	(412,852)	CDI Increase	(52,639)	(54,703)	(56,767)
Swap transactions subject to CDI variation	(147,117)	CDI Increase	(18,757)	(19,493)	(20,229)
Commercial papers subject to CDI variation	(16,914)	CDI Increase	(2,157)	(2,241)	(2,326)
Debentures subject to CDI variation	(2,679,323)	CDI Increase	<u>(341,614)</u>	<u>(355,010)</u>	<u>(368,407)</u>
Subtotal			<u>(415,167)</u>	<u>(431,447)</u>	<u>(447,729)</u>
Investments subject to CDI variation	2,793,593	CDI Decrease	<u>356,183</u>	<u>370,151</u>	<u>384,119</u>
Subtotal			<u>356,183</u>	<u>370,151</u>	<u>384,119</u>
Net exposure	(462,613)		<u>(58,984)</u>	<u>(61,296)</u>	<u>(63,610)</u>

Indexer	100 bps drop	50 bps drop	Probable scenario	50 bps increase	100 bps increase
CDI	11.75%	12.25%	12.75%	13.25%	13.75%

- (i) Interest calculated based on the Focus Report from the Brazilian Central Bank, March 31, 2023 (based on the aggregate median of expectations for the reference rate - Selic - for the end of 2023).
- (ii) Interest calculated considering an increase of 50 bps in the variation of the CDI - based on the latest adjustments of the Monetary Policy Committee of the Central Bank of Brazil (whose mode in the recurring basis corresponds to 50 bps).
- (iii) Interest calculated considering a 100-bps increase in the CDI variation - based on the latest adjustments of the Monetary Policy Committee of the Central Bank of Brazil (which would consider two consecutive base adjustments of 50 bps - as per item (ii), above).

26 Net revenue from services rendered and goods sold

As described in note n° 1, the Group generates operating revenue mainly by providing services related to asset security, cleaning and sanitation services, indoor logistics, electronic security, implementation, operation, and maintenance of buildings, and maritime hospitality. Additionally, revenues are generated to a lesser extent from kitchen services, meal sales, and road maintenance.

a. Revenue flow and breakdown

The reconciliation between the gross taxable revenues and the revenues presented in the statement of profit or loss for the period is shown below:

	<u>Consolidated</u>	
	03/31/2023	03/31/2022
Gross revenue from services	2,655,692	2,227,633
Gross sales revenue	<u>77,196</u>	<u>50,941</u>
Subtotal	2,732,888	2,278,574
Taxes on revenue		
ISS	(101,512)	(83,347)
COFINS (i)	(81,723)	(90,902)
PIS (i)	(4,461)	(3,000)
ICMS	<u>(17,567)</u>	<u>(19,723)</u>
Subtotal	<u>(205,263)</u>	<u>(196,972)</u>
Net revenue	<u>2,527,625</u>	<u>2,081,602</u>

(i) The values of PIS and COFINS are presented in net amounts of credits for inputs under the non-cumulative.

b. Net revenues by type of service

	<u>Consolidated</u>	
	03/31/2023	03/31/2022
Facilities	1,034,805	934,259
Security	705,965	646,048
Industrial maintenance and services	614,982	376,943
Indoor logistics	171,817	124,319
Others	<u>56</u>	<u>33</u>
Net revenue	<u>2,527,625</u>	<u>2,081,602</u>

c. Net revenues by operation

	<u>Consolidated</u>	
	03/31/2023	03/31/2022
Net revenue from organic operations	1,194,297	915,015
Net revenue from inorganic operations (i)	<u>1,333,328</u>	<u>1,166,587</u>
Net revenue	<u>2,527,625</u>	<u>2,081,602</u>

(i) Revenue stemming from inorganic transactions corresponds to all agreements with customers concluded in conjunction with the acquired companies, with no set deadline. In this sense, the new contracts signed after the date of acquisition are considered "organic". Opening of net revenue from inorganic operations by harvests that include contracts with customers in conjunction with the acquired companies, without a defined term:

Net revenue - Inorganic operations (Crops)

	Consolidated	
	03/31/2023	03/31/2022
Before 2018	235,327	245,309
2018	39,706	43,248
2019	122,645	124,037
2020	272,645	310,637
2021	296,474	354,426
2022	322,816	88,930
2023	43,715	-
Net revenue	1,333,328	1,166,587

d. Performance obligations and revenue recognition policies

The revenue is measured based on the consideration specified in the contract with the customer. The Group recognizes revenue when it transfers control over the product or when it provides services to customer, as follows:

Type of product/service	Nature and time of fulfilment of the performance obligations, including significant payment terms	Recognition of revenue
Services in general*	Contracts are usually signed based on an agreed number of hours per month of certain services provided by certain teams. Contracts are usually for 12 months and may or may not be renewed. Payment must be made monthly.	Services under a single contract will be allocated based on their individual selling prices in each period. Revenue is recognized during the time the service is provided. The stage of completion determines the amount of revenue to be recognized and is evaluated based on the measurement of the work performed.
	Measurements of services rendered are made and their revenues recognized at the end of the month, at the time the service was rendered.	If the service under a specific contract is provided in different reporting periods then consideration is allocated based on the stage of measurement.
	Invoices for services are issued subsequently and normally paid within 30 days at most. Additional services not considered in contract.	For variable consideration, the service provided up to the reporting date is monitored, measured, and billed to the customer.

(*) Services in general refer to: (i) asset security; (ii) sanitation and cleaning services (facilities); (iii) indoor logistics; (iv) electronic security services, implementation, operation, and building maintenance; (v) maritime hospitality service (on oil platforms); and (vi) kitchen services and the sale of meals (when they do not cover the sale of meals).

27 Costs of services rendered, general and administrative expenses and other operating revenues and expenses

The Group chose to present the opening costs of the services provided and general and administrative expenses, in its consolidated statement, by nature:

a. Expenses by nature

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Spending with personnel (vii)	-	-	(1,821,382)	(1,591,157)
Employee benefits (i)	-	-	(45,366)	(37,546)
Provision for bonus	-	-	(30,297)	(22,974)
Stock option plan awards (iv)	-	-	(3,087)	-
Cost of goods sold	-	-	(40,571)	(31,503)
Maintenance and third-party services	(57)	(72)	(74,085)	(55,310)
Rentals (iii)	-	-	(65,275)	(48,331)
Material and supplies	-	-	(74,831)	(54,391)
Provision for labor contingencies	-	-	195	(6,185)
Provision for non-labor contingencies	-	-	(3,619)	1,651
Payments non-labor lawsuits	-	-	(1,470)	(482)
Payments labor lawsuits	-	-	(28,290)	(20,643)
Provision for tax risks (ii)	-	-	-	61
Taxes and fees	-	(1)	(15,620)	(9,591)
Provision for expected loss of billed services (v)	-	-	(7,958)	(334)
Provision for expected loss of services to be billed (v)	-	-	(19,001)	(7,545)
Depreciation of assets	-	-	(23,898)	(17,316)
Amortization - customers portfolio, brands, property and equipment	-	-	(25,987)	(28,145)
Update and write-off of indemnity assets and contingent liabilities (vi)	-	-	5,511	22,620
Earn out update	-	-	(4,865)	(1,340)
Earn out write-off	-	-	2,976	-
Expenses with the acquisition of subsidiaries	-	-	(3,412)	(4,152)
Reconciliation of balances to be received	(381)	-	(1,279)	-
Expenses with telephone and travel	-	-	(4,545)	(6,154)
Constitution of tax debts	-	-	162	-
Reconciliation of balances adjustment	-	-	964	-
Bargain purchase	-	-	17,696	-
Others	(152)	(82)	(2,128)	6,934
Total	(590)	(155)	(2,269,462)	(1,911,833)
Cost of services rendered	-	-	(2,102,575)	(1,775,248)
General and administrative expenses	(210)	(122)	(151,730)	(123,351)
Expected credit losses on trade receivables	-	-	(26,959)	(7,879)
Other operating revenues	-	-	31,869	2,259
Other operating expenses	(380)	(33)	(20,067)	(7,614)
Total	(590)	(155)	(2,269,462)	(1,911,833)

- (i) Employee benefits mean amounts related to: food vouchers, meal vouchers, transportation vouchers, and medical and dental assistance.
- (ii) See note n° 22 (b).
- (iii) See note n° 30.
- (iv) See note n° 24 (a).
- (v) See note n° 10.

- (vi) Refers substantially to the updates and write-offs of contingent liabilities identified at the time of acquisition of subsidiaries, with a possible prognosis of realization, and the revaluations are made according to the new position of the Group's legal advisors and according to the prescription of tax risks. The main drop in contingency and tax risks was the acquired "ISS Group", with the extinction of tax executions through the conversion of judicial deposits into income and with the prescription of risks related to the years 2016 and 2017.
- (vii) Personnel costs are not impacted by the System S provision, as the provision affects the obligation to be paid with wages and charges.

28 Financial income and financial expenses

Financial income	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Income from financial investments	-	-	76,566	37,464
Update currency assets	224	383	12,346	5,018
Foreign exchange variation	-	-	5,637	32,102
Others financial revenues	3	-	1,717	801
Total	227	383	96,266	75,385

Financial expenses	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Interest on loans	-	-	(18,792)	(17,451)
Interest on debentures	-	-	(99,202)	(35,796)
Bank expenses	-	-	(1,189)	(1,142)
MTM income (i)	-	-	(6,400)	(36,636)
Foreign Exchange variation (i)	-	-	(2,931)	(57)
Interest on sub judice taxes	(14)	-	(10,229)	(4,556)
Interes on "S" System	-	-	(15,442)	(1,761)
Interest on acquisition debt	-	-	(273)	(260)
Interest on leases payable	-	-	(776)	(785)
Interest on installments	(1)	-	(1,729)	(819)
Settlement of cost incurred with issuance of debentures	-	-	(1,154)	-
Others financial expenses	(11)	(19)	(11,703)	(6,276)
Total	(26)	(19)	(169,820)	(105,539)

- (i) The Group has lease operations in foreign currency denominated in US\$ (US Dollar), but with swaps in amount consistent with the estimated future cash flow, eliminating the foreign currency variation and converting the entire operation to 100% of the compensation of the Interbank Deposit Certificate (CDI) rate, plus interest of 1.96% to 2.47% per year, in compliance with risk management criteria. Derivative transactions, as of April 1, 2021, have been designated for hedge accounting. This change generated, from April 2021 onwards, in the monthly effects, the net effect as a result of the CDI plus spread agreed by contract. All volatility is now shown and shown in Other Comprehensive Results in Shareholders Equity (note 25 (c)).

29 Earnings per share

The calculation of basic earnings per share is made by dividing the net income of the period, attributed to the holders of common shares of the parent company, by the weighted average amount of common shares available during the year.

Diluted earnings per share is calculated by dividing the net income attributed to the holders of the parent company's common shares by the weighted average amount of common shares available during the year plus the average amount of common shares that would be issued in the conversion of all potential common shares diluted into common shares.

The following is earnings per share information for the periods ended March 31, 2023 and 2022:

(i) Basic earnings and diluted per share

The basic calculation of earnings per share is done by dividing the net income for the period by weighted average of the common shares available during the period:

	R\$ - Net income attributable to holders of common shares	Weighted average of shares	R\$ - Earnings per share
03/31/2023	120,860	670,119,074	0.18
03/31/2022	93,364	667,490,790	0.14

30 Operating leases

a. Leases as lessee

The Group leases a series of vehicles and machines for operation as allocated in the contracts, under operating leases. These contracts do not transfer risks and rewards to the user of the assets. These operating leases typically last from 12 to 24 months, with an option to renew the lease after this period, excluded from application of CPC 06 (R2) / IFRS 16. Lease payments are adjusted annually to reflect market values. For certain operating leases, the Group is prevented from entering into any sublease agreement.

The rent paid to the lessor is adjusted at regular intervals according to market prices, and the Group does not participate in the residual value of the leased assets. Consequently, it has been determined that basically all risks and benefits of the assets fall on lessor.

(i) Future minimum operating lease payments

As at March 31, 2023, the minimum future payouts for non-cancellable operating leases are:

	<u>Consolidated</u>
	03/31/2023
Less than one year	171,345
Between one and five years	<u>202,812</u>
Total	<u><u>374,157</u></u>

31 Transactions not affecting cash

Below is the list of transactions during the period which did not affect cash and cash equivalents:

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income on hedge	3,455	432	3,455	432
Fair value adjustment of call Options of acquisitions (i)	3,166	1,924	3,166	1,924
Contingency update in return for indemnity assets	-	-	1,710	-
Property and equipment assets adjustments of inventory from acquired companies	-	-	-	6,613

(i) See note n° 23 (a) and note n° 24 (f).

32 Subsequent events

a. Payment of dividends

At the Annual General Meeting of April 5, 2023, the payment of dividends for the fiscal year ended December 31, 2022, in the amount of R\$ 174,124, and an amount of R\$ 0.2590 per common share issued by the Company, was approved. The dividend payment took place on April 17, 2023.

On April 14, 2023, the Company received R\$ 125,507 in dividends from subsidiary Top Service Serviços e Sistemas S.A.

Director's statement

In compliance with the provisions contained in article 25 of Securities and Exchange Commission Instruction nº 480, of December 7, 2009, as amended, the Company's Executive Officers declare that (a) they have reviewed, discussed and agreed with the parent company and consolidated interim accounting information of GPS Participações e Empreendimentos S.A. for the three-month period March 31, 2023, and (b) have reviewed, discussed and agreed with the opinion presented in the KPMG Auditores Independentes Ltda. auditor report, issued on May 04, 2023, on the parent company and consolidated interim accounting information for the three-month period March 31, 2023.

* * *

Luis Carlos Martinez Romero
Chief Executive Officer

Guilherme Nascimento Robortella
Chief Financial Officer

Anderson Nunes da Silva
Controller - CRC: 1SP232030/O-9