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

Mills Locação,
Serviços e Logística S.A.

Individual and Consolidated Interim Financial Information
for the Quarter Ended September 30, 2022 and Report
on Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

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

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

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Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added - DVA for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for the international standard IAS 34 purposes. These statements were subject to review procedures performed together with the review of ITR to reach a conclusion on whether they were reconciled with the interim financial information and accounting records, as applicable, and if their form and content are consistent with the criteria set forth by technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the individual and consolidated interim financial information taken as a whole.

Convenience translation

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

Rio de Janeiro, November 10, 2022

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Fernando de S. L.
Fernando de Souza Leite
Engagement Partner

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

		Parent		Consolidated	
ASSETS	Note	09/30/2022	12/31/2021	09/30/2022	12/31/2021
CURRENT ASSETS					
Cash and cash equivalents	3	381,386	112,997	397,644	202,719
Restricted bank deposits	3	19,223	11,911	19,223	11,911
Receivables from third parties	4	198,435	145,472	216,509	155,232
Receivables from related parties	16.c	917	1,008	-	-
Inventories	5	70,091	69,029	77,846	74,088
Income tax and social contribution recoverable	6	15,944	2,539	24,156	8,504
Taxes recoverable	6	11,783	2,802	15,520	6,335
Advances to suppliers		4,481	3,000	5,075	6,002
Other assets		5,805	6,606	6,351	7,266
		708,065	355,364	762,324	472,057
Assets held for sale	7	19,525	6,193	19,525	6,193
		727,590	361,557	781,849	478,250
NONCURRENT ASSETS					
Deferred income tax and social contribution	18	201,732	230,131	275,685	310,876
Taxes recoverable	6	1	1	1	70
Judicial deposits	19	10,461	8,768	11,597	9,891
Other assets		992	-	992	135
		215,186	238,900	290,275	320,972
Financial assets at fair value through other comprehensive income	8	-	34,013	-	34,013
Investments	9	318,424	374,674	1	-
Property, plant and equipment	10	523,544	371,354	713,854	442,440
Intangible assets	11	102,000	45,602	192,314	174,277
		943,968	825,643	906,169	650,730
TOTAL ASSETS		1,886,744	1,426,100	1,978,293	1,449,952

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

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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(In thousands of Brazilian Reais - R$)

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

		Parent				Consolidated			
	Note	07/1/2022 to 09/30/2022	07/1/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Net revenue from sales and services	24	265,380	182,871	711,930	492,559	282,311	192,949	765,034	518,946
Cost of sales and services	26	(103,086)	(77,877)	(268,556)	(232,210)	(113,904)	(85,266)	(295,243)	(249,700)
GROSS PROFIT		162,294	104,994	443,374	260,349	168,407	107,683	469,791	269,246
Selling, general and administrative expenses	25	(84,008)	(58,767)	(226,762)	(166,102)	(85,045)	(62,020)	(238,352)	(174,948)
Allowance for expected credit losses	4	(4,664)	(1,896)	(19,040)	(4,175)	(4,908)	(2,008)	(19,317)	(5,961)
Share of profit (loss) of subsidiaries	9	10,835	(879)	17,058	(1,649)	-	-	-	-
Other operating income (expenses), net		1,374	285	1,720	969	12,049	324	12,691	1,934
PROFIT BEFORE FINANCE INCOME (COSTS) AND TAXES		85,831	43,737	216,350	89,392	90,503	43,979	224,813	90,271
Finance income	26	21,815	6,205	41,814	12,089	24,652	7,825	49,673	18,159
Finance costs	26	(22,491)	(5,583)	(50,300)	(18,244)	(24,004)	(7,277)	(53,620)	(24,181)
Finance income (costs), net		(676)	622	(8,486)	(6,155)	648	548	(3,947)	(6,022)
PROFIT BEFORE TAXES		85,155	44,359	207,864	83,237	91,151	44,527	220,866	84,249
Current income tax and social contribution	18	(15,066)	(8,298)	(25,000)	(18,632)	(16,857)	(8,954)	(31,062)	(20,053)
Deferred income tax and social contribution	18	(5,166)	(4,568)	(13,958)	(5,801)	(9,419)	(4,134)	(20,900)	(5,467)
PROFIT FOR THE PERIOD		64,923	31,493	168,906	58,804	64,875	31,439	168,904	58,729
PROFIT ATTRIBUTABLE TO:									
Owners of the Company		-	-	-	-	64,923	31,493	168,906	58,804
Non-controlling interests		-	-	-	-	(48)	(54)	(2)	(75)
BASIC AND DILUTED EARNINGS PER SHARE - R$	23	0.31	0.15	0.81	0.28	0.31	0.15	0.81	0.28

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

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

	Parent				Consolidated			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
PROFIT FOR THE PERIOD	64,923	31,493	168,906	58,804	64,875	31,439	168,904	58,729
Cash flow hedge reserve	5,105	-	5,105	-	5,105	-	5,105	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	70,028	31,493	174,011	58,804	69,980	31,439	174,009	58,729
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company					70,028	31,493	174,011	58,804
Non-controlling interests					(48)	(54)	(2)	(75)

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

		Capital reserves			Earnings reserves						
	Subscribed share capital	Stock option cost	Share issue cost	Treasury shares	Legal reserves	Retained earnings	Equity adjustments patrimonial	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
AT DECEMBER 31, 2020	1,089,642	57,036	(18,448)	(15,056)	860	-	(16,135)	-	1,097,899	-	1,097,899
Capital increase	694	-	-	-	-	-	-	-	694	-	694
Stock option premium	-	3,442	-	-	-	-	-	-	3,442	-	3,442
Purchase of shares	-	-	-	(46,863)	-	-	-	-	(46,863)	-	(46,863)
Addition of non-controlling stockholders due to business combination	-	-	-	-	-	-	-	-	-	2,335	2,335
Profit for the period	-	-	-	-	-	-	-	58,804	58,804		58,804
Interest on equity	-	-	-	-	-	-	-	(25,947)	(25,947)	-	(25,947)
AT SEPTEMBER 30, 2021	1,090,336	60,478	(18,448)	(61,919)	860	-	(16,135)	32,857	1,088,029	2,335	1,090,364
AT DECEMBER 31, 2021	1,090,336	61,625	(18,448)	(70,155)	5,984	38,437	(17,049)	-	1,090,730	2,231	1,092,961
Capital increase	1,224	-	-	-	-	-	-	-	1,224	-	1,224
Stock option premium	-	3,900	-	4,859	-	-	-	(6,576)	2,183	-	2,183
Sale of shares	-	-	-	17,299	-	-	-	696	17,995	-	17,995
Repurchase of shares	-	-	-	(42,389)	-	-	-	-	(42,389)	-	(42,389)
Cancellation of shares	-	(48,919)	-	48,919	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	168,906	168,906	(2)	168,904
Interest on capital	-	-	-	-	-	-	-	(34,899)	(34,899)	-	(34,899)
AT SEPTEMBER 30, 2022	1,091,560	16,606	(18,448)	(41,467)	5,984	38,437	(17,049)	128,127	1,203,750	2,229	1,205,979

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

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

MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	168,906	58,804	168,904	58,804
ADJUSTMENTS FOR:				
Depreciation and amortization	118,117	101,971	130,365	108,684
Deferred income tax and social contribution	13,958	5,801	20,899	5,467
Provision for tax, civil and labor risks	(4,554)	(2,110)	(5,827)	(2,740)
Accrued expenses on stock options	3,900	3,442	3,900	3,442
Post-employment benefits	661	745	661	745
Residual value of PP&E and intangible assets sold and written off	3,089	4,107	2,791	4,499
Interest and monetary exchange gains and losses, net	34,626	10,848	35,981	11,197
Interest on leases	4,309	3,132	4,369	3,252
Allowance for expected credit losses	19,040	4,175	19,317	5,961
Provision for slow-moving inventories	662	(1,133)	894	(1,201)
Provision for profit sharing	13,774	8,066	13,907	6,992
Share of profit (loss) of subsidiaries	(17,058)	1,649	-	-
Result of advantageous purchase on investments	-	-	(10,414)	-
Other provisions (reversals)	1,150	1,060	233	1,324
(INCREASE)/DECREASE IN ASSETS AND INCREASE/(DECREASE) IN LIABILITIES:				
Trade receivables	(76,551)	(37,944)	(83,483)	(36,241)
Acquisitions of rental equipment	(120,176)	(31,545)	(158,222)	(31,635)
Inventories	(1,330)	(35,773)	(4,125)	(36,826)
Taxes recoverable	(8,981)	(3,915)	(9,136)	(3,256)
IRPJ (Corporate income tax) and CSLL (social contribution)	(13,405)	(799)	(15,841)	(1,368)
Judicial deposits	(1,156)	(532)	(1,171)	(1,239)
Other assets	16	(905)	2,326	(167)
Suppliers	35,643	13,261	33,433	15,353
Payroll and related taxes	13,985	9,710	13,760	9,557
Provision for profit sharing	(13,339)	(5,969)	(13,478)	(6,149)
Taxes payable	35,258	17,947	40,211	19,427
Other liabilities	894	146	374	26
Lawsuits settled	(4,107)	(3,198)	(4,479)	(3,762)
Income tax and social contribution paid	(38,210)	(14,324)	(43,589)	(16,010)
Interest paid	(35,172)	(6,879)	(35,959)	(8,204)
NET CASH FROM OPERATING ACTIVITIES	133,949	99,838	106,601	105,932
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of subsidiary	(19,055)	-	(45,432)	(5,100)
Acquisition of cash due to merger of subsidiary	18,929	-	1,837	-
Acquisition of PP&E for own use and intangible assets	(38,376)	(19,540)	(38,413)	(19,540)
Sale of interest in investment	4,936	-	4,936	-
Interest on equity received	1,582	-	1,582	-
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	(31,984)	(19,540)	(75,490)	(24,640)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Capital increase	1,224	694	1,224	694
Restricted bank deposits	(7,312)	(7,400)	(7,312)	(7,400)
Funding (costs) of borrowings and debentures	296,397	(478)	302,397	(328)
Acquisition of treasury shares	(25,090)	(46,862)	(25,090)	(46,862)
Interest on equity paid	(32,243)	(16,185)	(32,243)	(16,185)
Dividends paid	(12,812)	(7,938)	(12,812)	(7,938)
Amortization of borrowings and debentures	(34,850)	(28,847)	(42,755)	(45,399)
Leases paid	(18,890)	(15,669)	(19,595)	(16,429)
NET CASH GENERATED BY (USED IN) FINANCING ACTIVITIES	166,424	(122,685)	163,814	(139,847)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	268,389	(42,387)	194,925	(58,555)
Cash and cash equivalents at the beginning of the period	112,997	285,993	202,719	378,905
Cash and cash equivalents at the end of the period	381,386	243,606	397,644	320,350
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	268,389	(42,387)	194,925	(58,555)

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

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MILLS LOCAÇÃO, SERVIÇOS E LOGÍSTICA S.A.

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

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
REVENUES:				
Sales of goods and services	822,678	558,983	888,895	593,206
Cancellations and discounts	(40,109)	(19,072)	(45,056)	(22,068)
Other revenues	1,788	1,047	13,038	2,110
Allowance for expected credit losses	(19,040)	(4,175)	(19,317)	(5,961)
	765,317	536,783	837,560	567,287
INPUTS PURCHASED FROM THIRD PARTIES:				
Cost of sales and services	(1,334)	(4,666)	(12,491)	(15,254)
Materials, energy, outsourced services and others	(208,334)	(159,075)	(217,383)	(154,855)
Disposal of assets	(3,089)	(4,107)	(3,841)	(4,499)
Gross value added	552,560	368,935	603,845	392,679
Depreciation, amortization and depletion	(118,117)	(101,971)	(130,365)	(108,684)
Wealth created by the Company	434,443	266,964	473,480	283,995
WEALTH RECEIVED IN TRANSFER:				
Finance income	41,814	12,089	49,674	18,159
Share of profit (loss) of subsidiaries	17,058	(1,649)	-	-
Total wealth for distribution	493,315	277,404	523,154	302,154
DISTRIBUTION OF WEALTH				
Personnel and charges	136,811	101,721	141,015	103,283
Salaries and wages	108,259	81,679	111,773	82,269
Benefits	22,012	15,337	22,387	16,178
Severance pay fund (FGTS)	6,540	4,705	6,855	4,836
Taxes and contributions	131,460	93,549	152,996	101,868
Federal	129,090	91,821	147,957	97,763
State	633	961	3,237	3,292
Municipal	1,737	767	1,802	813
Lenders and lessors	56,138	23,330	60,239	38,274
Interest and foreign exchange gains (losses)	48,334	17,763	51,195	23,575
Rentals	7,804	5,567	9,044	14,699
Shareholders	168,906	58,804	168,904	58,729
Interest on capital	34,899	17,883	34,899	17,883
Stock option premium	6,576	-	6,576	-
Disposal of shares	(696)	-	(696)	-
Minimum mandatory dividends	-	8,064	-	8,064
Profit for the period	128,127	32,857	128,127	32,857
Non-controlling interests	-	-	(2)	(75)
Wealth distributed	493,315	277,404	523,154	302,154

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

1. GENERAL INFORMATION

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

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

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

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

The Company's bylaws also establish the following activities:

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

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

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

1.1. COVID-19 impacts

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

As disclosed in the previous quarter, as at September 30, 2022, the Company did not observe impacts on its economic and financial performance due to the pandemic. Evidently, actions taken in response to the crisis, especially to protect employees, such as the ones presented below were maintained:

- Adoption of a hybrid work model (three days working on-site and two days working from home) for 100% of the corporate group;

- The operating group will work on-site for the maintenance of activities;

- Reinforcing prevention through videos and other communication processes;
- Disclosing and enforcing the policy of consequences.

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

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

1.2. Business combinations in 2022

<u>Acquisition of Tecpar Comércio e Locação de Equipamentos Ltda.</u>

On April 18, 2022, the Company entered into an agreement to purchase and sell units of interest and other covenants to acquire the full amount of the units of interest representing the capital of Tecpar Comércio e Locação de Equipamentos Ltda. ("Tecpar Equipamentos").

Established in 2007, Tecpar Equipamentos is specialized in rental and sale of lifting platforms, as well as in the provision of technical assistance with the support of qualified professionals. The average age of Tecpar's fleet is six years and it is made up of 298 machines, in addition to 53 machines under operating leases. This company, which has a strong footprint in the state of São Paulo, as well as operations in the state of Minas Gerais, has a diversified customer base well balanced across multiple regions and long-term contracts.

This transaction is in line with Mills' strategic goals related to: (i) Market penetration - this transaction makes it possible for the Company to expand its already diversified customer base, with an increased footprint in the state of São Paulo; (ii) Gains of scale - it increases Mills' fleet by approximately 4%, expanding the Company's ability to negotiate equipment and parts with major world suppliers even further; (iii) Synergies - the optimized operations and synergies created boost the profitability of Tecpar Equipamentos; (iv) Fleet renewal - the transaction helps Mills to renew its fleet, considering the average age of Tecpar's fleet, coupled with machinery purchases already in progress; and (v) Discipline in capital allocation - this transaction, together with the other three transactions completed in 2021, shows the Company's ability to allocate capital and absorb operations in a disciplined manner, while seeking inorganic growth and maximizing shareholder returns.

a) Consideration transferred

The consideration due for the acquisition of the units of interest, totaling R$30,476 (thirty million, four hundred and seventy-six reais), paid by the Company, as follows:

(i) R$19,055 (nineteen million, fifty-five thousand reais) as a down payment, five business days after the closing date of the transaction, pursuant to the purchase and sale agreement;

(ii) R$12,000 (twelve million reais) was withheld to ensure the fulfillment of indemnification obligations and/or any amounts due, but does not correspond to the maximum cap. This amount is adjusted at the CDI rate from the transaction closing date to its release, which will take place on the dates and at the rates provided for in the agreement, within five years.

(iii) The Company received R$ 579 (five hundred and seventy-nine thousand) as an adjustment to the amount paid for the net debt, working capital and unrecognized guarantee.

b) Identifiable assets acquired and liabilities assumed

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

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

Assets	On acquisition date	Adjustments	Fair value
Current assets			
Cash and cash equivalents	1,836	-	1,836
Trade receivables	2,576	-	2,576
Inventories	50	-	50
Advances	36	-	36
Taxes recoverable	142	-	142
Prepaid expenses	31	-	31
Noncurrent assets			
Judicial deposits	1	-	1
Contract deposits	5	-	5
Property, plant and equipment	24,249	11,866	36,115
Intangible assets	6	8,195	8,201
Assets acquired	28,932	20,061	48,993

Liabilities	On acquisition date	Adjustments	Fair value
Current liabilities			
Trade payables	1,933	-	1,933
Related parties	3,737	-	3,737
Borrowings and financing	7,592	-	7,592
Leases	1,225	-	1,225
Taxes payable	331	-	331
Payroll and related taxes	165	-	165
Advances from customers	15	-	15
Payables	6	-	6
Provisions for labor lawsuits	205	-	205
Noncurrent liabilities			
Borrowings and financing	2,339	-	2,339
Leases	975	-	975
Other liabilities - loan	463	-	463
Liabilities assumed	18,986	-	18,986
Net assets acquired	9,946	20,061	30,007
Distribution of fair value of assets acquired:			
Total			100%
Carrying amount of net assets	9,946	-	9,946
Surplus value of property, plant and equipment (i)	11,866	-	11,866
Surplus value of intangible assets (ii)	8,195		8,195
Goodwill	-	-	469
Consideration transferred	-	-	(30,476)

(i) The appraisal report on Tecpar Equipamentos' net assets issued by an independent appraisal company stated a fair value adjustment of R$11,866, related to the surplus value of machinery and equipment. Such surplus value of the net assets acquired is due to the operational life and residual value of the assets.
In the individual financial statements, this amount is presented in the investments line item. In the consolidated financial statements, this amount is presented as property, plant and equipment (see note 10).

(ii) The appraisal report on Tecpar Equipamentos’ net assets, issued by an independent appraisal company, stated a fair value adjustment of R$8,195, related to the surplus value of the customer portfolio. The surplus value of net assets acquired derives from customer relationships that give rise to a future economic benefit and the workforce, which is an identifiable asset, and in this respect, it comprises the calculation of the customer portfolio assets and works as a contributory asset. In the individual financial statements, this amount is presented in the investments line item. In the consolidated financial statements, this amount is presented as intangible assets (see note 11).

c) Fair value measurement

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

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

Assets acquired	Valuation method
Customer portfolio	The following intangible assets were identified to calculate the value of the customer portfolio: (i) Customer relationships: the Multi-period Excess Earnings Method (MPEEM) Income Approach methodology was used; the income approach estimates the fair value based on the future cash flows that the intangible asset will generate over its remaining useful life. The application of this approach involves projecting the cash flows that the intangible assets will generate, based on current expectations and assumptions about future conditions. MPEEM in multiple periods considers that the cash flows are calculated based on a detailed forecast of the cash inflows and outflows related to the appraised asset. In general, cash inflows and outflows arise from projected financial information provided by Management. These cash flows were stated at present value at the variable discount rate, according to the projection of inflation, CPI and Selic rate plus a 1.5% premium, as a relationship risk, and (ii) Workforce: the Cost Approach - Replacement Cost methodology was used, under which the value of an asset is estimated based on the current cost for acquisition or replacement of this asset. The cost approach reflects the idea that the fair value of an asset should not exceed the cost to obtain a substitute asset of comparable features and functionality.

Assets acquired	Valuation method
Property, plant and equipment	To arrive at the final value, a combination of the market and cost approaches was used. The dimensions and characteristics of the assets were based on the documents provided by Management, as well as on a technical inspection and inventory count performed by an independent appraisal company. The estimates and calculations presented are based on market expectations, as well as on existing macroeconomic conditions at the date of the work, which may be different in the future and, consequently, impact the amounts defined.

On July 26, 2022, subsidiary Tecpar Comércio e Locação de Equipamentos Ltda. was merged.

Acquisition of Triengel Locações e Serviços Ltda

On September 13, 2022, under an agreement to purchase and sell units of interest and other covenants, the Company, through its subsidiary Mills Pesados – Locação, Serviços e Logística., completed the acquisition of the total units of interest comprising the capital of Triengel Locações e Serviços Ltda. ("Triengel").

Established in 2020, through the combination of Triex Locação de Serviços Portuários Ltda. ("Triex") and Hengel Locações e Serviços Ltda. ("Hengel"), two experienced and well-known companies from the Yellow Line sector, Triengel specializes in the rental of Yellow Line equipment and the provision of technical assistance, with the support of highly qualified technicians. With a fleet made up of 245 machines with an average age of two years, Triengel has a strong presence in the agribusiness and port services sectors, holding major customers and long-term contracts in its portfolio.

This transaction is in line with the Company's growth and diversification strategy, through efficient capital allocation, consolidating its position in the machinery and equipment rental market with distinct competitive advantages.

d) Consideration transferred

The consideration due for the acquisition of the units of interest, totaling R$54,372 (fifty-four million, three hundred seventy-two thousand reais), subject to a potential price adjustment, is to be paid as follows:

(i) R$26,377 (twenty-six million, three hundred seventy-seven thousand reais) as a down payment on the closing date of the transaction, pursuant to the purchase and sale agreement;

(ii) R$17,995 (seventeen million, nine hundred ninety-five thousand reais) to be paid on behalf of the subsidiary, by the Company, five business days after the closing date of the transaction, in common shares issued by the Company;

(iii) R$ 10,000 (ten million reais) was withheld to be released after the fulfillment of indemnification obligations and/or the settlement of any amount due. This amount is adjusted at the CDI rate from the transaction closing date to its release, which will take place on the dates and at the rates provided for in the agreement, within five years.

e) Identifiable assets acquired and liabilities assumed

This transaction affected the Company's consolidated results of operations as from the closing date, with the equity of Triengel Locações e Serviços Ltda. being appraised at its fair value on the acquisition date, based on an economic and financial report on the allocation of the price paid, issued by an independent appraisal company.

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

Assets	On acquisition date	Adjustments	Fair value
Current assets			
Cash and cash equivalents	325	-	325
Trade receivables	6,346	-	6,346
Inventories	1,512	-	1,512
Advances	2	-	2
Taxes recoverable	57	-	57
Prepaid expenses	34	-	34
Noncurrent			
Property, plant and equipment	95,681	61,126	156,807
Assets acquired	103,957	61,126	165,083

Liabilities	On acquisition date	Adjustments	Fair value
Current liabilities			
Trade payables	37,971	-	37,971
Borrowings and financing	27,089	-	27,089
Taxes payable	494	-	494
Labor liabilities	80	-	80
Noncurrent liabilities			
Loans and financing	34,664	-	34,664
Liabilities assumed	100,298	-	100,298
Net assets acquired	3,659	61,126	64,785
Distribution of fair value of assets acquired:			
Total			100%

Liabilities	On acquisition date	Adjustments	Fair value
Carrying amount of net assets	3,659	-	3,659
Surplus value of property, plant and equipment (i)	61,126	-	61,126
Advantageous purchase (ii)	-	-	(10,414)
Consideration transferred	-	-	(54,372)

(i) The appraisal report on Triengel’s net assets, issued by an independent appraisal company, stated a fair value adjustment of R$61,126, related to the surplus value of machinery and equipment. Such surplus value of the net assets acquired is due to the operational life and residual value of the assets.
In the individual financial statements, this amount is presented in the investments line item. In the consolidated financial statements, this amount is presented as property, plant and equipment (see note 10).

(ii) The increase in prices of rental assets of Yellow Line in recent years was the main factor that generated the bargain purchase. This increase in prices had a positive impact on the assets’ fair values, according to technical calculations made by the experts hired by the Company to prepare the Price Allocation Report.

f) Fair value measurement

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

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

Assets acquired	Valuation method
Property, plant and equipment	To arrive at the final value, a combination of the market and cost approaches was used. The dimensions and characteristics of the assets were based on the documents provided by Management, as well as on a technical inspection and inventory count performed by an independent appraisal company. The estimates and calculations presented are based on market expectations, as well as on existing macroeconomic conditions at the date of the work, which may be different in the future and, consequently, impact the amounts defined.

1.3. Acquisition of Altoplat's noncurrent assets (machinery and equipment/ intangible assets)

On December 22, 2021, the Company completed the first phase of the transaction for the acquisition of machinery and equipment for rental from the companies Altoplat Locações de Plataformas Aéreas Ltda. and Equipamentos e Locação Juceli Ltda. ("Altoplat").

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

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

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

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

With respect to the workforce, the transfer of the respective Altoplat employees (from the operational and commercial areas) to Mills was not part of agreement for acquisition of these assets. Certain supplies and maintenance inventories related to the machinery and equipment in Porto Alegre, which have an assigned value of R$ 2,616, were not transferred in the first phase due to non-fulfillment of the conditions precedent.

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

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

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

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

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

On February 24, 2022, the Company paid R$6,000 of the withheld amount to Altoplat upon the fulfillment of all obligations established in the agreement signed. In addition, on March 9, 2022, a payment of R$3,500 was made to Altoplar upon the actual delivery of the free and clear noncurrent assets to Mills, with a remaining withheld amount of R$4,000 to be settled within three years from the acquisition date and unencumbered real estate provided as collateral, as mentioned above in the first closing.

The Company has established, based on a report issued by external experts, a useful life of ten years for the intangible assets (customer portfolio) acquired in this transaction.

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

1.4. War in Ukraine

With regard to the conflict in Eastern Europe between Russia and Ukraine, the Company has not identified any material impacts on its operations to date. However, the Company will continue to monitor the developments of this conflict, aiming to mitigate potential effects on its operations, and hopes that peace negotiations will bring this conflict to an end as soon as possible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

The Company's interim accounting information comprises the individual and consolidated interim accounting statements and has been prepared in accordance with Technical Pronouncement CPC 21 (R1), which addresses interim financial reporting, and in accordance with International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board - IASB.

This interim financial information does not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the financial statements of Mills for the year ended December 31, 2021, which have been prepared in accordance with accounting policies adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the IASB.

In compliance CVM Circular Letter 003/2011, of April 28, 2011, we present below the notes to the most recent annual financial statements (for the year ended December 31, 2021), which, in view of the lack of significant changes in the quarter ended September 30, 2022, are not being reproduced in full in this interim financial information.

The notes not included in the period ended September 30, 2022 are the following: “significant accounting policies”, “effective standards”, “revised and non-mandatory standards”, “significant accounting judgments, estimates and assumptions”, and “financial risk management”, which are reflected in the financial statements for 2021, in notes 2.4, 2.5, 2.6, 3 and 4, respectively.

These financial statements were filed with the Brazilian Securities Commission (CVM) on March 24, 2022 and published in the *Valor Econômico* newspaper on April 4, 2022.

2.2. Basis of preparation

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

2.3. Basis of consolidation

The consolidated quarterly information comprises the quarterly information of the parent and its subsidiaries, using the same reporting date and the same accounting practices.

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

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

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

The Company's subsidiaries at September 30, 2022 are as follows:

Subsidiary	Core business	Control	Ownership interest (%) 09/30/2022	12/31/2021
Mills Pesados – Locação, Serviços e Logística S.A.	Equipment sale and rental and provision of maintenance and technical assistance services.	Direct	100%	100%
Nest Locação e Revenda de Máquinas Ltda.	Rental of Low-Level Access Platforms (up to 6 meters high)	Indirect (*)	51%	51%
SK Rental Locação de Equipamentos Ltda.	Rental of platforms	Direct (**)	-	100%
Acquisition of Tecpar Comércio e Locação de Equipamentos Ltda.	Rental of machinery and equipment	Direct (***)	-	-
Triengel Locação e Serviços Ltda.	Rental of yellow-line equipment	Indirect (*)	100%	-

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

(**) On May 17, 2022, the merger of the subsidiary SK Rental Locação de Equipamentos Ltda. was carried out.

(**) On July 26, 2022, the merger of the subsidiary Tecpar Comércio e Locação de Equipamentos Ltda. was carried out.

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

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

(ii) Asset and liability balances between consolidated entities;

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

3. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash and banks	29,871	2,285	33,732	3,062
Short-term investments	351,515	110,712	363,912	199,657
	381,386	112,997	397,644	202,719
Restricted bank deposits (*)	19,223	11,911	19,223	11,911

(*) The amount of R$19,223 is restricted for debt payment purposes at September 30, 2022, referring to the outstanding balance of the 4th, 5th and 6th issues of debentures.

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

At September 30, 2022, short-term investments consist of bank deposit certificates - CDBs and shares in fixed-income funds referenced to the DI (Interbank Deposit) rate with daily liquidity, bearing average interest of 103.57% of the interbank deposit certificate – CDI (99.66% at December 31, 2021).

4. RECEIVABLES FROM THIRD PARTIES

	Parent					
	09/30/2022			12/31/2021		
Business unit	Gross receivables	ECL	Net receivables	Gross receivables	ECL	Net receivables
Shoring	71,822	(37,793)	34,029	65,430	(38,937)	26,493
Rental	214,840	(50,434)	164,406	157,669	(38,690)	118,979
	286,662	(88,227)	198,435	223,099	(77,627)	145,472
Current	241,471	(43,036)	198,435	178,942	(33,470)	145,472
Noncurrent liabilities	45,191	(45,191)	-	44,157	(44,157)	-

	Consolidated					
	09/30/2022			12/31/2021		
Business unit	Gross receivables	ECL	Net receivables	Gross receivables	ECL	Net receivables
Shoring	71,822	(37,793)	34,029	65,430	(38,937)	26,493
Rental	248,731	(66,251)	182,480	187,403	(58,664)	128,739
	320,553	(104,044)	216,509	252,833	(97,601)	155,232
Current	260,513	(44,004)	216,509	190,968	(35,736)	155,232
Noncurrent liabilities	60,040	(60,040)	-	61,865	(61,865)	-

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

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Balance at the beginning of the year	(77,627)	(84,673)	(97,601)	(108,346)
Merger of SK Rental	(889)	-	-	-
Balance after the merger	(78,516)	(84,673)	(97,601)	(108,346)
Net impact of ECL on P&L:	(19,040)	(11,471)	(19,317)	(12,876)
Provision	(19,148)	(15,949)	(20,153)	(18,450)
Reversal	108	4,478	836	5,574
Write-offs (*)	9,329	18,517	12,874	23,621
	(88,227)	(77,627)	(104,044)	(97,601)

(*) In the period ended September 30, 2022, the Company wrote off bills up to five years past due, totaling R$12,735 in consolidated (R$9,329 in parent), which are not recognized in the statement of cash flows because they do not reflect changes in cash.

Aging list of gross trade receivables:

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Not yet due	191,093	134,893	204,787	141,206
Not yet due (bills with original due dates extended)	4,206	2,445	4,206	2,445
1-60 days past due (*)	18,844	22,369	20,238	24,647
61-120 days past due (*)	7,652	6,215	10,547	6,560
121-180 days past due (*)	8,351	3,608	8,836	4,199
180-360 days past due (*)	11,325	9,410	11,899	11,907
Over 360 days past due (*)	45,191	44,159	60,040	61,869
	286,662	223,099	320,553	252,833

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

5. INVENTORIES

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Goods for resale	683	1,158	1,043	2,275
Spare parts and supplies	74,094	71,582	84,715	78,830
Provision for slow-moving inventories (*)	(4,686)	(3,711)	(7,912)	(7,017)
	70,091	69,029	77,846	74,088

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

Provision for slow-moving inventories	Parent company	Consolidated
Balances at 12/31/2021	(3,711)	(7,017)
Provision	(3,841)	(4,110)
Reversal	3,180	3,215
Merger of SK Rental	(314)	-
Balances at 09/30/2022	(4,686)	(7,912)

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

6. TAXES RECOVERABLE

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) (*)	15,944	2,539	24,156	8,504
PIS and COFINS (taxes on revenue) (**)	10,010	2,221	11,163	4,761
ICMS (State VAT) (***)	121	192	865	780
Other	1,653	390	3,493	864
	27,728	5,342	39,677	14,909
Current	27,727	5,341	39,676	14,839
Noncurrent	1	1	1	70

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

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

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

The Company is proceeding with the revision of any PIS and COFINS credits, including for the subsidiary Mills Pesados.

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

7. ASSETS HELD FOR SALE

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

In June 2020, through an instrument of accord and satisfaction following a court-supervised reorganization plan of a defaulted customer, the Company agreed to receive chattels to settle a credit of R$ 18,906, based on the assumption that the sale of these assets would take place within 90 days of the transfer of their ownership. With regard to this agreement, there is a net residual value of R$502 under negotiation for sale at September 30, 2022.

In addition, on March 11, 2022, the Company performed the divestiture of its ROHR investment (note 8); part of the payment was received in the form of properties totaling R$13,492, net of sales commissions.

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

	Parent and Consolidated (*)	
	9/30/2022	12/31/2021
Assets held for sale	22,379	9,532
Asset impairment loss (i)	(2,854)	(3,339)
	19,525	6,193

(*) The balances presented at September 30, 2022 and December 31, 2021 refer to the parent.

The movement in the period ended September 30, 2022 refers to the divestiture of the ROHR investment carried out on March 11, 2022, as disclosed in note 18.

(iv) The provision for impairment of assets held for sale, which is assessed annually, is the result of the difference between the book value and the market value of the assets at September 30, 2022 and December 31, 2021 (net of expenses inherent to the sale), according to appraisal reports prepared by real estate experts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

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

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

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

- Assignment and transfer of property and indirect ownership of the property, plant and equipment items that are not leased, appraised at R$7,948, which were recorded in property, plant and equipment up to the period ended September 30, 2022 (note 10);
- Assignment and transfer of property and indirect ownership of maintenance inventories, appraised at R$394, which will be recorded in inventories;
- The current customer base related to assets, appraised at R$1,911, was recorded in customer portfolio within intangible assets (note 11).

In addition to the payment in kind, the Company received the net amount of R$4,935, through a transfer, with all taxes on this amount borne by the debtor.

9. INVESTMENTS

a) Assets accounted for under the equity method

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

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

Variations in investments in subsidiaries	Parent company
Balance at December 31, 2021	285,162
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(2,820)
Profit for the period	20,904
Investment for acquisition of subsidiary	15,178
Balance at September 30, 2022	318,424

Information on the subsidiary	Mills Pesados	
	09/30/2022	12/31/2021
Ownership interest (%)	100%	100%
Current assets	38,399	97,975
Noncurrent assets	188,415	90,384
Current liabilities	7,812	14,591
Noncurrent liabilities	14,318	5,166
Equity	204,684	168,602
	09/30/2022	09/30/2021
Net revenue	35,580	34,782
Costs and expenses	(4,732)	(32,575)
Profit before taxes	30,848	2,207
Current and deferred income tax and social contribution	(9,944)	(993)
Profit for the period	20,904	1,214

On September 21, 2022, the Extraordinary General Meeting approved the change of the Company's name from Solaris Equipamentos e Serviços S.A. To Mills Pesados – Locação Serviços e Logística S.A.

<u>Reach Locações S.A.</u>

On March 4, 2022, Mills and Mills Pesados decided to incorporate a joint stock company under the name Reach Locações S.A.

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

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

b) Mills Pesados subscribed 01 (one) registered common share, with no par value.

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

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

b) Assets merged in 2022:

<u>SK Rental Locação de Equipamentos Ltda.</u>

SK Rental Locação Equipamentos Ltda is a non-listed company engaged in the sale, rental and distribution of aerial work platforms, telescopic handlers, generators, earth moving equipment, lightning towers, air compressors and other equipment, spare parts and components, and the provision of technical assistance and maintenance services. This company is located in the south of Brazil.

An Extraordinary General Meeting held on May 17, 2022 approved the merger of SK Rental into the Company, without a capital increase and issue of new shares.

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

The balances of the assets and liabilities merged into the Company are presented below:

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

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

Tecpar Comércio e Locação Equipamentos Ltda.

Established in 2007, Tecpar Equipamentos specializes in the rental and sale of lifting platforms, as well as in the provision of technical assistance with the support of qualified professionals, with a strong footprint in the state of São Paulo, as well as operations in the state of Minas Gerais.

Variations in investments in subsidiaries	Parent
Balance at December 31, 2021	-
Acquisition of interest in subsidiary	9,947
Surplus value of property, plant and equipment and intangible assets	20,061
Goodwill	469
Amortization and depreciation of surplus value of property, plant and equipment and intangible assets	(1,529)
Profit for the period	1,395
Surplus value of property, plant and equipment and intangible assets at July 30, 2022	(19,002)
Merger - Equity at July 26, 2022	(11,341)
Balance at September 30, 2022	-

An Extraordinary General Meeting held on July 26, 2022 approved the merger of Tecpar into the Company, without a capital increase and issue of new shares.

Information on the subsidiary	Tecpar Equipamentos 07/26/2022
Ownership interest (%)	100%
Current assets	3,330
Noncurrent assets	23,007
Current liabilities	10,837
Noncurrent liabilities	4,159
Equity	11,341

	07/26/2022
Net revenue	4,859
Costs and expenses	(2,776)
Profit before taxes	2,083
Current and deferred income tax and social contribution	(688)
Profit for the period	1,395

10. PROPERTY, PLANT AND EQUIPMENT

Cost of PP&E, gross	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Parent
Balances at December 31, 2020	1,297,729	-	1,297,729	25,235	21,117	17,472	1,766	10,277	14,330	66,018	11,535	-	1,938	169,688	1,467,417
Acquisitions	16,746	22,822	39,568	1,860	-	4,942	305	-	1,331	-	-	-	9,946	18,384	57,952
Acquisition of Altoplat (note 1.3)	37,808	-	37,808	-	-	-	-	-	-	-	-	-	-	-	37,808
Addition for capital decrease in Mills Pesados	63,422	-	63,422	628	-	494	-	-	51	-	-	-	-	1,173	64,595
Right-of-use assets	-	-	-	-	-	-	-	-	-	10,162	2,639	-	-	12,801	12,801
Write-offs/disposals	(64,458)	-	(64,458)	(342)	-	(36)	(977)	-	(6)	-	-	-	-	(1,361)	(65,819)
Adjustment for PIS and COFINS credits	(431)	-	(431)	-	-	-	-	-	-	-	-	-	-	-	(431)
Transfer	22,822	(22,822)	-	3,427	-	-	-	-	-	-	-	-	(3,169)	258	258
Balances at December 31, 2021	1,373,638	-	1,373,638	30,808	21,117	22,872	1,094	10,277	15,706	76,180	14,174	-	8,715	200,943	1,574,581
Acquisitions	104,435	-	104,435	1,095	-	4,583	736	119	717	-	-	-	18,358	25,608	130,043
Acquisition of Altoplat (note 1.3)	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition due to divestiture of Rohr (note 8)	12,571	-	12,571	-	-	-	-	-	-	-	-	-	-	-	12,571
Addition due to merger of SK Rental (note 9)	63,871	-	63,871	-	-	251	-	803	199	-	-	-	-	1,253	65,124
Addition due to merger of Tecpar (note 9)	44,053	-	44,053	-	-	90	-	9	34	-	-	-	-	133	44,186
Right-of-use assets	-	-	-	-	-	-	-	-	-	30,032	3,879	9,349	-	43,260	43,260
Write-offs/disposals	(36,536)	-	(36,536)	-	-	(21)	(346)	-	(3)	-	-	-	-	(370)	(36,906)
Adjustment for PIS and COFINS credits	(8,181)	-	(8,181)	-	-	-	-	-	-	-	-	-	-	-	(8,181)
Transfer	-	-	-	8,704	-	269	-	78	(229)	-	-	-	(9,207)	(385)	(385)
Balances at September 30, 2022	1,570,585	-	1,570,585	40,607	21,117	28,044	1,484	11,286	16,424	106,212	18,053	9,349	17,866	270,442	1,841,027

Accumulated depreciation	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fixtures	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Parent
Balances at December 31, 2020	(1,001,811)	-	(1,001,811)	(15,231)	(5,236)	(15,795)	(1,281)	(6,401)	(11,103)	(21,562)	(4,417)	-	-	(81,026)	(1,082,837)
Depreciation	(109,528)	-	(109,528)	(2,526)	(617)	(902)	(151)	(874)	(853)	(12,698)	(3,297)	-	-	(21,918)	(131,446)
Cost of depreciation for capital decrease in Mills Pesados	(49,662)	-	(49,662)	(480)	-	(252)	-	-	(10)	-	-	-	-	(742)	(50,404)
Disposals	61,294	-	61,294	242	-	30	746	-	5	(511)	-	-	-	512	61,806
Adjustment for PIS and COFINS credits	-	-	-	(257)	-	-	-	(89)	-	-	-	-	-	(346)	(346)
Balances at December 31, 2021	(1,099,707)	-	(1,099,707)	(18,252)	(5,853)	(16,919)	(686)	(7,364)	(11,961)	(34,771)	(7,714)	-	-	(103,520)	(1,203,227)
Depreciation	(91,842)	-	(91,842)	(3,813)	(463)	(1,403)	(124)	(667)	(636)	(11,916)	(2,696)	(408)	-	(22,126)	(113,968)
Depreciation of SK Rental	(22,011)	-	(22,011)	-	-	(229)	-	(698)	(181)	-	-	-	-	(1,108)	(23,119)
Depreciation of Tecpar	(10,605)	-	(10,605)	-	-	(36)	-	(1)	(14)	-	-	-	-	(51)	(10,656)
Disposals	33,842	-	33,842	-	-	9	90	-	3	-	-	-	-	102	33,944
Adjustment for PIS and COFINS credits	-	-	-	(389)	-	-	-	(68)	-	-	-	-	-	(457)	(457)
Transfer	-	-	-	-	-	(71)	-	-	71	-	-	-	-	-	-
Balances at September 30, 2022	(1,190,323)	-	(1,190,323)	(22,454)	(6,316)	(18,649)	(720)	(8,798)	(12,718)	(46,687)	(10,410)	(408)	-	(127,160)	(1,317,483)
Annual depreciation rates - %	12/10/2015	-	-		4	20	20	10	10	-	-	-	-	-	-
Property, plant and equipment, net															
Balance at December 31, 2021	273,931	-	273,931	12,556	15,264	5,953	408	2,913	3,745	41,409	6,460	-	8,715	97,423	371,354
Balance at September 30, 2022	380,262	-	380,262	18,153	14,801	9,395	764	2,488	3,706	59,525	7,643	8,941	17,866	143,282	523,544

Cost of PP&E, gross	Rental for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fittings	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of use assets - equipment	Construction in progress	Total assets in use	Total Consolidated
Balances at December 31, 2020	1,431,956	111	1,432,067	26,515	21,117	18,054	2,370	10,282	14,498	73,572	13,753	-	1,938	182,099	1,614,166
Addition due to acquisition of indirect subsidiary - Nest	2,897	-	2,897	-	-	9	-	31	2	-	-	-	-	42	2,939
Addition due to acquisition of direct subsidiary - SK	26,215	-	26,215	-	-	413	-	799	198	2,001	-	-	-	3,411	29,626
Surplus value of property, plant and equipment due to acquisition of subsidiary - Nest	485	-	485	-	-	-	-	-	-	-	-	-	-	-	485
Surplus value of property, plant and equipment due to acquisition of subsidiary - SK	27,248	-	27,248	-	-	-	-	-	-	-	-	-	-	-	27,248
Acquisition	20,073	22,822	42,985	1,860	-	4,947	305	4	1,343	-	-	-	9,975	18,434	61,329
Acquisition of Altoplat (note 1.3)	37,808		37,808									-			37,808
Right-of-use assets	-	-	-	-	-	-	-	-	-	11,300	2,729	-	-	14,029	14,029
Write-offs/disposals and transfer to inventories held for sale	(68,921)	-	(68,921)	(802)	-	(37)	(1,004)	(24)	(6)	-	-	-	-	(1,873)	(70,794)
Adjustment for PIS and COFINS credits	(431)	-	(431)	-	-	-	-	-	-	-	-	-	-	-	(431)
Transfer	22,822	(22,934)	(112)	3,427	-	-	-	-	112	-	-	-	(3,169)	370	258
Balance at December 31, 2021	1,500,152	(1)	1,500,151	31,000	21,117	23,386	1,671	11,092	16,147	86,873	16,482	-	8,744	216,512	1,716,663
Initial balance - acquisition of Tecpar	35,531	-	35,531	-	-	84	457	7	30	-	-	-	-	578	36,109
Initial balance - acquisition of Triengel	97,247	-	97,247	-	-	65	1,541	-	2,075	-	-	-	-	3,681	100,928
Acquisition	141,700	1	141,701	1,096	-	4,755	1,859	134	725	-	-	-	18,358	26,927	168,628
Acquisition of Altoplat (note 1.3)	16,734	-	16,734	-	-	-	-	-	-	-	-	-	-	-	16,734
Acquisition due to divestiture of Rohr (note 8)	12,571	-	12,571	-	-	-	-	-	-	-	-	-	-	-	12,571
Right of use	-	-	-	-	-	-	-	-	-	30,158	3,899	9,349	-	43,406	43,406
Write-offs/disposals	(37,930)	-	(37,930)	-	-	(183)	(803)	-	(4)	(2,060)	-	-	(29)	(3,079)	(41,009)
Adjustment for PIS and COFINS credits	(8,181)	--	(8,181)	-	-	-	-	-	-	-	-	-	-	-	(8,181)
Surplus value - subsidiary Tecpar	11,866	-	11,866	-	-	-	-	-	-	-	-	-	-	-	11,866
Surplus value - subsidiary Triengel	58,991	-	58,991	-	-	-	1,196	-	939	-	-	-	-	2,135	61,126
Reversal of deferred income tax and social contribution - merger of SK	13,790	-	13,790	-	-	-	-	-	-	-	-	-	-	-	13,790
Transfer	-	-	-	8,704	-	269	-	78	(229)	-	-	-	(9,207)	(385)	(385)
Balances at September 30, 2022	1,842,471	-	1,842,471	40,800	21,117	28,376	5,921	11,311	19,683	114,971	20,381	9,349	17,866	289,775	2,132,246

Accumulated depreciation	Equipment for rental and operational use	Rental equipment in progress	Total equipment for rental and operational use	Leasehold improvements	Buildings and land	Computers and peripherals	Vehicles	Facilities	Furniture and fittings	Right-of-use assets - Properties	Right-of-use assets - Vehicles	Right-of-use assets - equipment	Construction in progress	Total assets in use	Total Consolidated
Balances at December 31, 2020	(1,082,410)	-	(1,082,410)	(16,265)	(5,236)	(16,131)	(1,713)	(6,402)	(11,205)	(28,287)	(6,634)	-	-	(91,873)	(1,174,283)
Addition due to acquisition of indirect subsidiary - Nest	(417)	-	(417)	-	-	(4)	-	(7)	-	-	-	-	-	(11)	(428)
Addition due to acquisition of indirect subsidiary - SK	(21,490)	-	(21,490)	-	-	(375)	-	(674)	(176)	(1,652)	-	-	-	(2,877)	(24,367)
Surplus value of property, plant and equipment due to acquisition of subsidiary – Mills Pesados	(3,773)	-	(3,773)	-	-	-	-	-	-	-	-	-	-	-	(3,773)
Surplus value of property, plant and equipment due to acquisition of indirect subsidiary - Nest	(73)	-	(73)	-	-	-	-	-	-	-	-	-	-	-	(73)
Surplus value of property, plant and equipment due to acquisition of subsidiary - SK	(479)	-	(479)	-	-	-	-	-	-	-	-	-	-	-	(479)
Depreciation	(113,197)	-	(113,197)	(2,561)	(617)	(906)	(157)	(881)	(872)	(13,937)	(3,306)	-	-	(23,237)	(136,434)
Write-offs/disposals and transfer to inventories held for sale	64,991	-	64,991	664	-	30	773	7	6	(511)	-	-	-	969	65,960
Adjustment for PIS and COFINS credits	-	-	-	(257)	-	-	-	(89)	-	-	-	-	-	(346)	(346)
Balances at December 31, 2021	(1,156,848)	-	(1,156,848)	(18,419)	(5,853)	(17,386)	(1,097)	(8,046)	(12,247)	(44,387)	(9,940)	-	-	(117,375)	(1,274,223)
Opening balance - acquisition of Tecpar	(11,643)	-	(11,643)	-	-	(32)	(171)	(1)	(13)	-	-		-	(217)	(11,860)
Opening balance - acquisition of Triengel	(40,300)	-	(40,300)	-	-	(10)	(687)	-	(767)	-	-	-	-	(1,464)	(41,764)
Depreciation	(97,490)	-	(97,490)	(3,814)	(463)	(1,419)	(184)	(687)	(688)	(12,545)	(2,713)	(408)	-	(22,921)	(120,411)
Write-offs/disposals	34,941	-	34,941	-	-	161	272	-	3	2,059	-	-	-	2,495	37,436
Adjustment for PIS and COFINS credits	-	-	-	(389)	-	-	-	(68)	-	-	-	-	-	(457)	(457)
Surplus value - subsidiary Mills Pesados	(2,820)	-	(2,820)	-	-	-	-	-	-	-	-	-	-	-	(2,820)
Surplus value - subsidiary SK	(2,874)	-	(2,874)	-	-	-	-	-	-	-	-	-	-	-	(2,874)
Surplus value - subsidiary Nest	(81)	-	(81)	-	-	-	-	-	-	-	-	-	-	-	(81)
Surplus value - subsidiary Tecpar	(1,338)	-	(1,338)	-	-	-	-	-	-	-	-	-	-	-	(1,338)
Transfer	-	-	-	-	-	(71)	-	-	71	-	-	-	-	-	-
Balances at September 30, 2022	(1,278,453)	-	(1,278,453)	(22,622)	(6,316)	(18,757)	(1,867)	(8,802)	(13,641)	(54,873)	(12,653)	(408)	-	(139,939)	(1,418,392)
Annual depreciation rates - %	12/10/2015	-	-	-	4	20	20	10	10	-	-	-	-	-	-
Property, plant and equipment, net															
Balance at December 31, 2021	343,304	(1)	343,303	12,581	15,264	6,000	574	3,046	3,900	42,486	6,542	-	8,744	99,137	442,440
Balance at September 30, 2022	564,018	-	564,018	18,178	14,801	9,619	4,054	2,509	6,042	60,098	7,728	8,941	17,866	149,836	713,854

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

We present below the main acquisitions accumulated through the period ended September 30, 2022, by group of assets:

	Parent	Consolidated
	09/30/2022	09/30/2022
Shoring	833	833
Platforms (*)	131,444	208,956
Compressors	-	10
Tractors	-	92,304
Suspended scaffolding and access structures	815	815
Machinery and equipment	648	867
Vehicles	736	3,857
Facilities	119	141
Construction in progress (**)	18,358	18,358
Furniture and fixtures	717	2,830
Leasehold improvements	1,095	1,095
Computers and peripherals	4,583	4,904
	159,348	334,970

(*) Assignment and transfer of property and indirect ownership of the property, plant and equipment items, arising from the divestiture of Rohr (note 8) in the amount of R$12,571, from the transaction with Altoplat (note 1.3) amounting to R$16,734, from other acquisitions in the amount of R$ 102,139. Furthermore, the consolidated balance includes the addition of property, plant and equipment items from subsidiaries, in the total amount of R$ 77,512.

(**) Construction, renovation and adaptation works that have not yet been fully completed in the branches all over Brazil.

As at September 30, 2022, the depreciation for the period allocated to cost of services and general and administrative expenses amounts to R$95,164 and R$35,201 (R$84,228 and R$24,456 as at September 30, 2021), respectively.

Certain items of the Company's property, plant and equipment have been pledged as collateral for borrowings (notes 13 and 14).

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

a) Provision for impairment of assets

As the Company had a positive performance in the period ended September 30, 2022 and in the year ended December 31, 2021 and there was no indication of technological obsolescence of its property, plant and equipment, Management did not identify indicators of impairment for the Rental and Formworks and Shoring Business Units under the terms of CPC 01 (IAS 36).

Accordingly, the Company did not need to extend its internal analyses in order to assess the recoverability of its property, plant and equipment using market references or value-in-use financial models for the period ended September 30, 2022 and the year ended December 31, 2021.

11. INTANGIBLE ASSETS

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill on investments	Total Parent
Balances at December 31, 2020	58,372	3,156	-	5,093	13,376	79,997
Acquisitions	1,989	-	-	8,287	-	10,276
Acquisition of Altoplat (note 1.4)	-	50	7,773	-	-	7,823
Addition due to capital decrease in subsidiary	246	-	-	-	-	246
Transfer	5,360	-	-	(5,618)	-	(258)
Balances at December 31, 2021	65,967	3,206	7,773	7,762	13,376	98,084
Acquisition	641	-	26	7,484		8,151
Acquisition of Altoplat	-	-	3,622	-	-	3,622
Acquisition due to divestiture of Rohr (note 8)	-	-	1,911	-	-	1,911
Merger of SK Rental	-	-	4,307	-	35,417	39,724
Merger of Tecpar	-	-	8,194	-	469	8,663
Transfer	5,545	1,466	-	(6,626)	-	385
Balances at September 30, 2022	72,153	4,672	25,833	8,620	49,262	160,540
Accumulated amortization						
Balances at December 31, 2020	(41,573)	(878)	-	-	(4,232)	(46,683)
Amortization	(5,176)	-	-	-	-	(5,176)
Addition due to capital decrease in subsidiary	(95)	-	-	-	-	(95)
Adjustment for PIS and COFINS credits	(528)	-	-	-	-	(528)
Balances at December 31, 2021	(47,372)	(878)	-	-	(4,232)	(52,482)
Amortization	(4,408)	-	(1,001)	-	-	(5,409)
Amortization - merger of Tecpar	-	-	(206)	-	-	(206)
Adjustment for PIS and COFINS credits (*)	(443)	-	-	-	-	(443)
Balances at September 30, 2022	(52,223)	(878)	(1,207)	-	(4,232)	(58,540)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
Balances at December 31, 2021	18,595	2,328	7,773	7,762	9,144	45,602
Balances at September 30, 2022	19,930	3,794	24,626	8,620	45,030	102,000

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

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

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill on investments	Total Consolidated
Balances at December 31, 2020	58,681	3,164	-	5,093	101,387	168,325
Goodwill on acquisition of subsidiary - Nest	-	-	-	-	2,196	2,196
Goodwill on acquisition of subsidiary - SK	-	-	-	-	35,417	35,417
Surplus value of intangible assets due to acquisition of subsidiary - Nest	-	-	75	-	-	75
Surplus value of intangible assets due to acquisition of subsidiary - Nest	-	-	2,950	-	-	2,950
Acquisitions	1,989	-	-	8,287	-	10,276
Acquisition of Altoplat (note 1.4)	-	50	7,773	-	-	7,823
Transfer	5,360	-		(5,618)	-	(258)
Balances at December 31, 2021	66,141	3,214	10,798	7,762	139,000	226,915

	Software	Trademarks and patents	Customer portfolio	Intangible assets in progress (**)	Goodwill on investments	Total Consolidated
Opening balance - acquisition of Tecpar	6	-	-	-	-	6
Acquisitions	641	-	26	7,484	-	8,151
Acquisition of Altoplat	-	-	3,622	-	-	3,622
Acquisition due to divestiture of Rohr (note 8)	-	-	1,911	-	-	1,911
Surplus value - subsidiary Tecpar	-	-	8,194	-	469	8,663
Reversal of deferred income tax and social contribution - merger of SK	-	-	1,506	-	-	1,506
Transfer	5,545	1,466	-	(6,626)	-	385
Balances at September 30, 2022	72,333	4,680	26,057	8,620	139,469	251,159
Accumulated amortization						
Balances at December 31, 2020	(41,718)	(878)	-	-	(4,232)	(46,828)
Addition due to acquisition of subsidiary - SK	(68)	-	-	-	-	(68)
Surplus value of intangible assets due to acquisition of subsidiary - Nest	-	-	(5)	-	-	(5)
Surplus value of intangible assets due to acquisition of subsidiary - Nest	-	-	(27)	-	-	(27)
Amortization	(5,182)	-	-	-	-	(5,182)
Disposals	1	-	-	-	-	1
Adjustment for PIS and COFINS credits (*)	(528)	-	-	-	-	(528)
Balances at December 31, 2021	(47,495)	(878)	(32)	-	(4,232)	(52,637)
Amortization	(4,416)	-	(1,001)	-	-	(5,417)
Disposals	14	-	-	-	14	28
Surplus value - subsidiary SK	-	-	(161)	-	-	(161)
Surplus value - subsidiary Nest	-	-	(9)	-	-	(9)
Surplus value - subsidiary Tecpar	-	-	(206)	-	-	(206)
Adjustment for PIS and COFINS credits (*)	(443)	-	-	-	-	(443)
Balances at September 30, 2022	(52,340)	(878)	(1,409)	-	(4,218)	(58,845)
Annual amortization rates - %	20	-	10	-	-	-
Intangible assets, net						
Balances at December 31, 2021	18,646	2,336	10,766	7,762	134,768	174,277
Balances at September 30, 2022	19,993	3,802	24,648	8,620	135,251	192,314

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

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

a) Goodwill in the Parent

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

b) Goodwill in the Consolidated

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

c) Goodwill impairment testing

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

The respective flows in goodwill impairment testing were discounted at a discount rate of 11.6% p.a., both for the Rental and Shoring Units. A growth rate of 1% in actual terms in perpetuity was considered for both Business Units.

Management has not identified any fact or event that would justify the need to record a provision for impairment of goodwill recorded in Parent and Consolidated at September 30, 2022 and in December 2021.

12. TRADE PAYABLES

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Domestic suppliers - Third parties	82,892	35,109	96,975	40,584
Foreign suppliers - Third parties	4,800	715	7,311	2,593
	87,692	35,824	104,286	43,177
Current	69,143	35,824	75,737	43,177
Noncurrent (*)	18,549	-	28,549	-

(*) Installments not yet due in connection with the purchase of equipment from Altoplat and of the Tecpar and Triengel investments.

As at September 30, 2022 and December 31, 2021, trade payables balances refer basically to purchases of spare parts and supplies, services and PP&E, payable in installments.

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

13. BORROWINGS AND FINANCING

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

The loans and financing existing as at September 30, 2022 were contracted at an average cost of CDI + 2.84% per year.

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current	1,618	-	30,472	783
Noncurrent	1,794	-	38,810	206
	3,412	-	69,282	989

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

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

The table below shows the outstanding guarantees provided at September 30, 2022 and December 31, 2021:

	Subsidiary		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Guarantees provided:				
Collateral assignment	3,191	-	93,946	1,147

The installments falling due at the end of the period ended September 30, 2022 are shown below:

	Parent	Consolidated
2022	636	7,657
2023	1,474	32,619
2024	904	18,900
2025	398	6,919
2026	-	1,976
2027	-	1,211
	3,412	69,282

In the period ended September 30, 2022, the Company was in compliance with the covenants of its borrowing agreements.

14. DEBENTURES

						Parent		Consolidated	
Description	Series	Issued amount	Beginning	Maturity	Finance charges	09/30/2022	12/31/2021	09/30/2022	12/31/2021
1st issue – Mills Pesados (i)	Single	80,000	Mar/14	Feb/22	CDI + 5%	-	-		3,945
4th issue - Mills (ii)	Single	100,000	Mar/20	Mar/25	CDI + 2.35%	59,462	77,129	59,462	77,129
Issue cost						(1,315)	(1,724)	(1,315)	(1,724)
						58,147	75,405	58,147	75,405
5th issue - Mills (iii)	Single	84,000	Dec/20	Oct/24	CDI + 4.25%	52,355	68,932	52,355	68,932
Issue cost						(746)	(1,014)	(746)	(1,014)
						51,609	67,918	51,609	67,918
6th issue - Mills (iv)	1st series	100,000	Mar/22	Mar/27	CDI + 2.30%	100,540	-	100,540	-
Issue cost						(1,142)	-	(1,142)	-
						99,398	-	99,398	-
6th issue - Mills (iv)	2nd series	200,000	Mar/22	Mar/27	CDI + 2.95%	201,125	-	201,125	-
Issue cost						(2,041)	-	(2,041)	-
						199,084	-	199,084	-
Total						408,238	143,323	408,238	147,268
Current						69,716	47,417	69,716	51,362
Noncurrent						338,522	95,906	338,522	95,906

(i) 1st issue of debentures (subsidiary – Mills Pesados Equipamentos)

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

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

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

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

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

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

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

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

Covenants

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

(1) The financial ratio resulting from the division of Net Debt (i) by EBITDA (ii) should be equal to or less than 2.

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

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

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

For the period ended September 30, 2022, the Company complied with all the covenants applicable to this issue of debentures.

In the period ended September 30, 2022, the Company has guarantees contracted in the amount of R$138,983.

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

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

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

The Issue comprised 84,000,000 Debentures with a unit value of R$ 1,000.00, totaling R$ 100,000, with the respective guarantees provided in the Issue documents, which were offered with restricted placement efforts, under the terms of CVM Instruction 476 of January 16, 2009, as effective ("Restricted Offering"). The principal will be amortized quarterly, with interest corresponding to CDI rate + 4.25% per year.

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

Covenants

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

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

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

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

ii. “Net Financial Expenses” mean, based on the Company’s four immediately preceding consolidated financial statements, the balance of the difference between the Consolidated gross financial income and the Consolidated gross financial expenses.

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

Therefore, for the period ended September 30, 2022 the Parent Company complied with all the covenants to which it was subject. The covenants are measured at the end of each fiscal year (December 31).

In the period ended September 30, 2022, the Company has guarantees contracted in the amount of R$101,581.

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

On March 18, 2022, the Company’s Board of Directors approved the 6th issue of simple, non-convertible, secured debentures, in the amount of R$300,000,000.00, with maturity in 60 months and quarterly amortization of the principal as from the 24th month (“Debentures”), for public distribution with restricted placement efforts, pursuant to CVM Instruction No. 476, of January 16, 2009.

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

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

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

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

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

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

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

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

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

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

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

As at September 30, 2022, the balances of debentures, including transaction costs, are R$71,339 in current liabilities and R$342,143 in noncurrent liabilities. The net amounts of transaction costs are, respectively, R$69,716 and R$ 338,522 (as at December 31, 2021, the gross balance of debentures is R$52,264 in current liabilities and R$97,741 in noncurrent liabilities, and R$51,362 and R$95,906 net of transaction costs).

In the period ended September 30, 2022, the Company has outstanding guarantees contracted in the amount of R$102,767.

15. LEASES

Variations in right-of-use assets and lease liabilities during the period ended September 30, 2022 and the year ended December 31, 2021 were as follows:

a) Variations in right-of-use assets

	Parent		Consolidated	
Right-of-use assets	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Vehicles				
Balance at January 1	6,460	7,118	6,460	7,118
Additions/updating of agreements	3,905	2,929	3,905	2,929
Write-offs	(26)	(290)	(26)	(290)
Depreciation for the period	(2,697)	(3,297)	(2,697)	(3,297)
Net PP&E	7,642	6,460	7,642	6,460
Properties				
Balance at January 1	41,409	44,455	42,486	45,284
Additions/updating of agreements	30,711	13,031	30,837	14,565
Write-offs	(680)	(2,870)	(680)	(2,760)
Depreciation for the period	(11,915)	(13,207)	(12,545)	(14,603)
Net PP&E	59,525	41,409	60,098	42,486
Equipment				
Balance at January 1	-	-	-	-
Additions/updating of agreements	9,349	-	9,349	-
Depreciation for the period	(408)	-	(408)	-
Net PP&E	8,941	-	8,941	-

b) Variations in lease liabilities

	Parent		Consolidated	
Lease liabilities	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Vehicles				
Balance at January 1	6,735	7,143	6,735	7,143
Updating of agreements	3,905	2,929	3,905	2,929
Write-offs	(26)	(290)	(26)	(290)
Payments	(3,060)	(3,733)	(3,060)	(3,733)
Finance charges	405	686	405	686
Leases payable - Vehicles	7,959	6,735	7,959	6,735

Lease liabilities	Parent 09/30/2022	Parent 12/31/2021	Consolidated 09/30/2022	Consolidated 12/31/2021
Properties				
Balance at January 1	45,350	48,472	46,506	50,149
Updating of agreements	30,711	13,031	30,837	13,653
Write-offs	(680)	(2,870)	(783)	(2,817)
Payments	(15,344)	(17,355)	(15,960)	(18,934)
Finance charges	4,103	4,072	4,166	4,455
Leases payable – Properties	64,140	45,350	64,766	46,506
Equipment				
Balance at January 1	-	-	-	-
Updating of agreements	9,349	-	9,349	-
Payments	(486)	-	(486)	-
Finance charges	143	-	143	-
Leases payable	9,006	-	9,006	-
Total leases payable	81,105	52,085	81,731	53,241
Current	25,985	15,143	26,402	15,944
Noncurrent	55,120	36,942	55,329	37,297

c) Contractual flows by terms and discount rates

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

Agreement terms	Properties	Vehicles	Machinery
2022	8.00%	16.00%	7.00%
2023	30.00%	65.00%	27.00%
2024	24.00%	12.00%	27.00%
2025	19.00%	7.00%	27.00%
2026	12.00%	-	12.00%
2027	5.00%	-	
2028	1.00%	-	
2029	1.00%	-	

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

		Parent			Consolidated		
Payment terms	Projected inflation (*)	Properties	Vehicles	Equipment	Properties	Vehicles	Equipment
2022	3.44%	6,427	1,327	728	6,551	1,327	728
2023	4.08%	21,423	4,965	2,914	21,917	4,965	2,914
2024	4.23%	18,155	1,550	2,914	18,237	1,550	2,914
2025	4.43%	15,331	855	2,914	15,331	855	2,914
2026 to 2027	4.56%	14,279	-	1,174	14,279	-	1,174
2028 to 2029	4.69%	3,918	-	-	3,918	-	-
Total nominal flow of future payments		79,533	8,697	10,644	80,233	8,697	10,644
Embedded finance charges		15,393	738	1,638	15,467	738	1,638
Total actual flow of future payments		64,140	7,959	9,006	64,766	7,959	9,006
Current		18,930	4,644	2,410	19,348	4,644	2,410
Noncurrent		45,210	3,315	6,596	45,418	3,315	6,596

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

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

		Parent		Consolidated	
	Tax rate	Nominal	Present value	Nominal	Present value
Consideration		98,874	81,105	99,574	81,731
Potential PIS/COFINS	9.25%	9,146	7,502	9,211	7,560

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

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Short-term lease payments and low-value underlying assets	4,934	3,775	5,519	4,075

16. RELATED PARTIES

a) Transactions with officers and key personnel

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

As at September 30, 2022 and December 31, 2021, the Company had no consulting service agreements with members of the Board of Directors.

b) Management compensation

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

	Parent				Consolidated			
	09/30/2022		09/30/2021		09/30/2022		09/30/2021	
	Three-month period	Year-to-date	Three-month period	Year-to-date	Three-month period	Year-to-date	Three-month period	Year-to-date
Salaries and payroll charges - officers	2,654	6,801	2,481	6,796	2,654	6,801	2,481	6,796
Fees paid to Board of Directors members	1,177	3,534	1,026	3,078	1,177	3,534	1,026	3,078
Profit sharing	1,486	3,215	565	1,413	1,486	3,215	-	1,451
Bonuses	-	446	-	965	-	446	-	965
Share-based payments	2,787	4,343	833	2,498	2,787	4,343	-	-
	8,104	18,339	4,905	14,750	8,104	18,339	3,507	12,290

These amounts reflect direct and indirect benefits, bonuses and profit sharing, as well as payroll and social security charges, when applicable, paid to the Company's key management personnel. As at September 30, 2022, the Company offers medium or long-term benefits to these executives, according to notes 17.b and 17.c.

c) Related-party transactions

Company	09/30/2022 Trade receivables	09/30/2022 Trade payables	12/31/2021 Trade receivables	12/31/2021 Trade payables
Mills Pesados	249	1,044	826	1,264
Nest	668	125	182	31
	917	1,169	1,008	1,295

	09/30/2022		09/30/2021	
Company	Revenue	Cost	Revenue	Cost
Mills Pesados	539	424	1,114	8,376
Nest	409	204	-	-
SK Rental	126	-	-	-
Tecpar	81	449	-	-
	1,155	1,077	1,114	8,376

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

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

In the period ended September 30, 2022, this amount was adjusted and fully settled by the indirect subsidiary.

17. EMPLOYEE BENEFITS

a) Post-employment benefits - healthcare plan

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

The amounts related to these benefits were calculated based on a valuation prepared by an independent actuary as at December 31, 2021, and are recognized in the quarterly financial information in accordance with IAS 19 (CPC 33 R1).

	Parent and Consolidated (*)	
	09/30/2022	12/31/2021
Opening balance	8,920	11,868
Cost of current service	57	120
Interest on net liabilities (assets), net	603	873
Equity adjustments to liabilities (assets)	-	(3,941)
Final balance of post-employment benefits	9,580	8,920

(*) The balances presented at September 30, 2022 and December 31, 2021 refer to the parent.

b) Stock option plans

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

			Stock options in thousands		
Plans	Grant date	Final exercise date	Share options granted	Share options exercised	Share options canceled
2010 Program	05/31/2010	05/31/2016	1,475	(1,369)	(106)
2011 Program	04/16/2011	04/16/2017	1,184	(597)	(587)
2012 Program	06/30/2012	05/31/2018	1,258	(402)	(856)
2013 Program	04/30/2013	04/30/2019	768	(91)	(677)
2014 Program	04/30/2014	04/30/2020	260	-	(260)
2016 Program	04/28/2016	04/28/2024	1,700	(864)	(836)

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

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

Program	Grant	Weighted average fair value by option - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum strike period at the grant date
2010	First	3.86	11.95	11.50	31.00%	1.52%	6.60%	6 years
2010	Second	5.49	14.10	11.50	31.00%	1.28%	6.37%	6 years
2011	Single	6.57	19.15	19.28	35.79%	1.08%	6.53%	6 years
2012	Basic	21.75	27.60	5.86	37.41%	0.81%	3.92%	6 years
2012	Discretionary	12.57	27.60	19.22	37.41%	0.81%	3.92%	6 years
2013	Basic	24.78	31.72	6.81	35.34%	0.82%	3.37%	6 years
2013	Discretionary	11.92	31.72	26.16	35.34%	0.82%	3.37%	6 years
2014	Basic	22.46	28.12	7.98	33.45%	0.75%	12.47%	6 years
2014	Discretionary	11.16	28.12	30.94	33.45%	0.75%	12.47%	6 years
2016	Discretionary	2.63	4.31	2.63	71.45%	1.51%	14.25%	8 years

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

The table below presents the accumulated balances of the plans in the balance sheet and the effects on the statement of profit or loss at September 30, 2022 and December 31, 2021.

	09/30/2022	12/31/2021
2002 Plan:		
Capital reserve	-	1,446
Number of options exercised (in thousands)	3,920	3,920
Top Mills, Special CEO and former-CEO Plans:		
Capital reserve	-	1,148
Number of options exercised (in thousands)	1,055	1,055
Mills Rental Executive Plan:		
Capital reserve	-	4,007
Number of options exercised (in thousands)	391	391
2010 Plan:		
Capital reserve	-	5,693
Number of options exercised (in thousands)	1,369	1,369
Number of options canceled (in thousands)	106	106
2011 Program (2010 Plan):		
Capital reserve	-	7,329
Number of options exercised (in thousands)	597	597
Number of options canceled (in thousands)	587	587
2012 Program (2010 Plan):		
Capital reserve	-	14,161
Number of options exercised (in thousands)	402	402
Number of options canceled (in thousands)	856	856

	09/30/2022	12/31/2021
2013 Program (2010 Plan):		
Capital reserve	-	11,900
Number of options exercised (in thousands)	91	91
Number of options canceled (in thousands)	677	677
2014 Program (2010 Plan):		
Capital reserve	1,467	4,701
Number of options canceled (in thousands)	260	260
2016 Program		
Capital reserve	3,468	2,927
Number of exercisable options (in thousands)	-	338
Number of options exercised (in thousands)	864	526
Number of options canceled (in thousands)	836	836
Total recognized as equity (accumulated)	4,935	53,313
Effect on profit or loss for the period	542	407

In March 2022, the balances of the stock option plans of R$ 48,919 were reversed, as mentioned in note 22.c.

c) Restricted shares incentive program

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

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

In order to price the cost of the restricted stock plan relating to its equity component, the applicable volatilities were determined at the risk-free rates, the dividend yield and the stock prices, with the Black-Scholes model being used to calculate the fair value.

In the period ended September 30, 2022, at Board of Directors’ Meetings, the Company approved the granting of restricted share options to beneficiaries under the 2021 and 2022 Restricted Stock Incentive Programs (“2021 Restricted Stock Program” and “2022 Restricted Stock Program”).

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

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

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

Program	Grant date	Weighted average fair value per share - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2019	08/14/2019	7.43	7.44	0.00	55.71%	0.00%	2.36%	29 months

Program	Grant date	Weighted average fair value per share - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2020	10/14/2020	6.11	6.12	0.00	75.89%	0.00%	0.58%	27 months

Program	Grant date	Weighted average fair value per share - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2021	03/25/2022	7.22	7.42	0.00	57.94%	0.00%	1.04%	31 months
2021	02/02/2022	6.15	6.26	0.00	57.39%	0.00%	1.23%	16 months
2021	02/02/2022	6.08	6.26	0.00	57.39%	0.00%	1.23%	28 months

Program	Grant date	Weighted average fair value per share - R$	Weighted average price of the share at the grant date - R$	Strike price at the grant date - R$	Volatility at the grant date	Dividend yield at the grant date	Annual risk-free interest rate at the grant date	Maximum exercise period at the grant date
2022	05/09/2022	6.47	6.56	0.00	53.83%	0.00%	1.18%	13 months
2022	05/09/2022	6.38	6.56	0.00	53.83%	0.00%	1.18%	28 months
2022	06/22/2022	6.05	6.27	0.00	53.81%	0.00%	1.23%	34 months

	09/30/2022	12/31/2021
2019 Plan:		
Capital reserve	6,387	6,387
Number of exercisable options (in thousands)	-	859
Number of options exercised (in thousands)	840	-
Number of options canceled (in thousands)	19	-
2020 Plan:		
Capital reserve	2,993	1,925
Number of exercisable options (in thousands)	502	566
Number of options canceled (in thousands)	64	-
2021 Plan:		
Capital reserve	1,559	-
Number of exercisable options (in thousands)	680	-
2022 Plan:		
Capital reserve	732	-
Number of exercisable options (in thousands)	1,088	-
Total recognized as equity (accumulated)	11,671	8,312
Effect on profit or loss	3,359	4,183

d) Profit sharing program

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

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

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

As at September 30, 2022, the liability amount is R$14,403 in the Parent and R$14,545 in the Consolidated (R$13,967 and R$14,146, respectively, as at December 31, 2021).

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

18. INCOME TAX AND SOCIAL CONTRIBUTION

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

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

	Parent				Consolidated (**)			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Profit for the period before income tax and social contribution	85,155	44,359	207,864	83,237	91,151	44,510	220,866	84,229
Statutory income tax and social contribution tax rate	34%	34%	34%	34%	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(28,953)	(15,082)	(70,674)	(28,300)	(30,991)	(15,133)	(75,094)	(28,638)
Nondeductible provisions (*) and permanent differences	5,019	2,189	24,310	3,463	4,715	2,114	23,132	3,212
Equity in the results of subsidiary	3,702	27	7,406	404	-	-	-	-
Total current and deferred income tax and social contribution	(20,232)	(12,866)	(38,958)	(24,433)	(26,276)	(13,019)	(51,962)	(25,426)
Effective rate	26%	29%	19%	29%	25%	29%	22%	30%

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

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

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

	Parent				Consolidated			
Description	12/31/2021	Additions	Write-offs	09/30/2022	12/31/2021	Additions	Write-offs	09/30/2022
GP Andaimes Sul Locadora goodwill	(672)	-	-	(672)	(672)	-	-	(672)
Jahu goodwill	(2,437)	-	-	(2,437)	(2,437)	-	-	(2,437)
IFRS 9 adjustment – Cash and cash equivalents	(30)	-	-	(30)	(30)	-	-	(30)
Finance leases	1,430	-	-	1,430	(1)	1	-	-
Monetary adjustment of judicial deposits	(1,150)	-	(170)	(1,320)	(1,150)	-	(170)	(1,320)
Debentures	(931)	-	(852)	(1,783)	(931)	-	(852)	(1,783)
Accelerated depreciation	(754)	565	-	(189)	(1,194)	610		(584)
Property, plant and equipment hedge	(231)	-	(160)	(391)	(231)	-	(160)	(391)
Exchange gain - accrual basis	1	-	-	1	1	-	-	1
SCG III goodwill	-	-	-	-	982	-	(618)	364
Fair value adjustment (Rohr)	18,150	-	(18,150)	-	18,150	-	(18,150)	-
IFRS 9 adjustment – Cash and cash equivalents	36	-	-	36	36	-	-	36
Adjustment to ECL on initial adoption of CPC 48/IFRS 9	588	-	-	588	1,219	-	-	1,219

Description	Parent 12/31/2021	Parent Additions	Parent Write-offs	Parent 09/30/2022	Consolidated 12/31/2021	Consolidated Additions	Consolidated Write-offs	Consolidated 09/30/2022
Lease IFRS 16	1,421	589	-	2,010	211,520	691	(102)	2,109
Post-employment benefits	507	-	-	507	507	-	-	507
Post-employment benefits (initial adjustment)	2,526	225	-	2,751	2,526	225	-	2,751
Bonuses payable	1,562	350	-	1,912	1,562	350	-	1,912
Other provisions	-	-	-	-	355	65	(484)	(64)
Asset impairment loss	969	-	-	969	969	-	-	969
Tax losses	174,563	-	(10,967)	163,596	248,646	-	(12,988)	235,658
Provision for profit sharing	4,751	149	-	4,900	4,684	245	-	4,929
Provision for slow-moving inventories	1,262	332	-	1,594	2,314	378	-	2,692
Provision for discounts and cancellations	353	957	-	1,310	353	957	-	1,310
Allowance for expected credit losses	9,986	2,002	-	11,988	12,591	2,052	-	14,643
Provision for realization of ICMS tax credit	22	-	(4)	18	22	-	(4)	18
Impairment	164	242	-	406	164	242	-	406
Provision for costs and expenses	70	261	-	331	70	261	-	331
Provision for tax, civil and labor risks	4,431	-	(570)	3,861	5,958	1,111	(570)	6,499
Stock options	13,544	1,491	-	15,035	13,544	1,491	-	15,035
Tax depreciation	-	-	(4,815)	(4,815)	-	-	(4,815)	(4,815)
Acquisition of subsidiary SK	-	-	-	-	1,514	-	(1,514)	-
Deferred income tax and social contribution liabilities - NEST	-	-	-	-	(165)	-	(29)	(194)
Deferred IRPJ/CSLL - Bargain purchase	-	-	-	-	-	-	(3,540)	(3,540)
Taxes with suspended payment - INSS	-	126	-	126	-	126	-	126
	230,131	7,289	(35,688)	201,732	310,876	8,805	(43,996)	275,685

c) Deferred taxes that are recognized directly in equity

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

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

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

The Company prepared the impairment analysis of the deferred tax asset recognized as at December 31, 2021 and concluded that there was sufficient evidence that taxable profits would be generated against which the recognized tax losses and other temporary additions may be offset, within a period not greater than ten years. The determination of the amount of future taxable profits is based on projections of revenues, costs and finance income and costs, which reflect the Company’s economic and operational environments, supported by the Company’s business plan duly approved by its governance bodies.

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

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

The actions pursued in the Company's business plan are already reflected in the profitability of the operations for the period ended September 30, 2022 and year ended December 31, 2021, indicating positive results and basis for realization of the deferred tax assets recorded at those reporting dates.

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

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

Based on the opinion of the Company's outside legal counsel, management understands that the appropriate legal measures already taken in each situation are sufficient to cover potential losses and preserve the Company's equity, being reassessed periodically.

The Company does not have any contingent assets recognized.

Breakdown of the provision for tax, civil and labor risks classified as probable losses as at September 30, 2022:

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Tax (1)	162	149	515	486
Civil (2)	545	762	969	1,082
Labor (3)	8,707	8,962	11,631	12,891
Success fees (4)	1,947	1,987	2,115	1,987
Burden of defeat (5)	-	1,176	40	1,176
	11,361	13,036	15,270	17,622

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

(2) The Company has various lawsuits (not concentrated) filed against it relating to civil liability and damage claims related to its commercial and operating activities.

(3) The Company is a defendant in various labor lawsuits (not concentrated in any specific labor regulations). Most of the lawsuits involve claims for compensation due to occupational diseases, overtime, hazardous duty premium and equal pay.

(4) Attorney's fees are generally set at up to 10% of the amount of the claim, ensuring that the external legal counsel's fees are proportional to the success achieved in the claim.
Payment is contingent upon an outcome that is favorable to the Company in the lawsuits.

(5) Burden of defeat refers to the principle by which the losing party in a lawsuit is required to pay the winning party's legal fees.

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

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Opening balance	13,036	15,137	17,622	20,414
Merger of SK	152	-	152	-
Additions	2,533	3,693	5,269	6,815
Monetary adjustment	2,740	2,055	3,440	2,056
Reversal	(7,100)	(7,849)	(11,213)	(11,663)
Closing balance	11,361	13,036	15,270	17,622

Breakdown of judicial deposits:

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Tax (i)	5,595	4,590	5,640	4,635
Labor (ii)	4,846	4,178	5,827	5,145
Civil (iii)	20	-	130	111
	10,461	8,768	11,597	9,891

(i) As at September 30, 2022, the judicial deposits of a tax nature totaled R$5,595 in the Consolidated and R$5,640 in the Parent. This amount basically refers to the judicial deposits for MS proceedings 2004.001.1042948 and 2004.002.0186194, totaling R$3,976.

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

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

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

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Tax (i)	88,863	90,541	107,074	110,025
Civil (ii)	7,295	7,226	9,513	9,581
Labor (iii)	9,497	7,959	10,386	8,394
	105,655	105,726	126,973	128,000

(i) Tax (main items):

(a) ICMS (State VAT) Tax Assessment Notice received by Sullair (company merged into Mills Pesados in 2020): ICMS Tax Assessment Notice with a principal of approximately R$59,000, which amounts to R$211,047 including fine and interest as at September 30, 2022 (R$200,000 as at December 31, 2021). In summary, this tax assessment notice challenges the payment of ICMS levied on the transportation of rental assets in 2012 and 2013. After an administrative defense, the amount of the possible loss was reduced to R$4,643, as it was recognized that most of the assets included in the Tax Assessment Notice were for lease and not inventories for resale, and that no ICMS is levied on this transaction. The other lawsuits refer basically to proceedings for collection of tax credits overdue, offset of INSS against termination amounts, and appeals against a tax proceeding filed by the Federal Government to collect COFINS differences and tax credits arising from the increase in the tax rate from 1% to 3%.

(b) Disallowance of allegedly nondeductible expenses included in the PIS and COFINS credit calculation basis, by the Federal Revenue Service of Brazil, involving former Mills Formas, due to agreements entered into with various customers, under which Mills Formas was responsible for performing services that were previously performed by the employees of the former Mills do Brasil. The updated amounts under discussion as at September 30, 2022 are R$11,290 (R$10,665 as at December 31, 2021).

(c) Non-recognition by the INSS (National Institute of Social Security) of the possibility of offsetting payments improperly made as social security contributions, based on the method established by Law 9,711/98. The updated amounts under discussion as at September 30, 2022 are R$4,121 (R$4,002 as at December 31, 2021).

(d) Imposition by the Federal Revenue of Brazil of a fine allegedly due on installment payment of credits upon spontaneous confession of nonpayment of taxes. The updated amounts under discussion as at September 30, 2022 are R$1,493 (R$1,388 as at December 31, 2021).

(e) Assessment by the Federal Revenue Service of Brazil of an alleged underpayment of Tax on Profit (ILL), ruled unconstitutional by the STF (Federal Supreme Court). The updated amounts under discussion as at September 30, 2022 are R$1,765 (R$1,693 as at December 31, 2021).

(f) On June 22, 2021, the Company received a tax assessment notice issued by the Federal Revenue Service of Brazil for the collection of withholding income tax, related to a taxable event that allegedly took place on May 10, 2019, with a late payment fine (75%) and late payment interest, in the total amount of R$ 21,683, which monetarily adjusted as at September 30, 2022 makes up the total amount of R$23,390. According to the allegations contained in the Tax Audit Report accompanying the tax assessment notice, Sullair Argentina S.A., a legal entity based abroad, allegedly earned capital gain, subject to withholding income tax, when Mills Pesados – Locação, Serviços e Logística S.A. was merged into the Company.

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

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

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

(g) On September 1, 2021, the Tax Authorities notified the investee Mills Pesados – Locação, Serviços e Logística S.A. (“Subsidiary”), through a decision on the appeal against the tax assessment notice referring to administrative proceeding No. 11274.720224/2020-90, of the obligation to pay IRPJ and CSLL, plus late payment fine (75%), isolated fine (50%), due to non-payment of estimates, and arrears interest, totaling R$5,886 thousand.
According to the Tax Authorities, the Subsidiary could not have excluded, in the computation of the IRPJ and CSLL tax base, from 2015 to 2018, the installments related to the goodwill originated from the acquisition of its shares by SCG IIIA Holding Ltda.
The Subsidiary filed, on a timely basis, on October 1, 2021, through its legal counsel, a voluntary appeal to the Administrative Board of Tax Appeals (CARF), challenging the tax assessment notice and all the alleged taxes payable. The updated amounts under discussion as at September 30, 2022 are R$6,621 (R$5,886 as at December 31, 2021).

(ii) Civil

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

(iii) Labor

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

20. TAXES PAYABLE

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
IRPJ/CSLL	3,861	7,336	4,995	8,982
IRRF (withholding income tax) (*)	6,489	6,293	6,508	6,391
PIS and COFINS (taxes on revenue)*	11,041	10,177	11,258	10,464
INSS (National Institute of Social Security)	472	322	479	326
ICMS (State VAT)	535	281	687	350
ISS (Service Tax)	326	242	330	248
Other	593	615	602	638
	23,317	25,266	24,859	27,399
Current	12,027	14,601	13,569	16,734
Noncurrent	11,290	10,665	11,290	10,665

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

21. TAX DEBT REFINANCING PROGRAM (REFIS)

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

The general terms and conditions of this installment payment are as follows:

a) The installment payment period was 180 months.

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

c) The following debts were included in the installment payment plan:

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

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

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

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

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

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

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

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

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

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

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

	Balance at December 31, 2021	Payments	SELIC adjustments	Balance at September 30, 2022
PIS	626	(250)	68	444
COFINS	1,948	(777)	211	1,382
IRPJ	800	(319)	87	568
CSLL	75	(30)	8	53
INSS	364	(29)	29	364
	3,813	(1,405)	403	2,811
Current	1,483			1,544
Noncurrent	2,330			1,267

22. EQUITY

a) Subscribed share capital

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

The Board of Directors' meeting held on August 22, 2022 approved an increase in the Company's share capital, due to the exercise, by the beneficiary, of stock options granted under the 1/16 Program, in the amount of R$455 thousand, from R$1,091,105 to R$1,091,560.

The Company's fully subscribed and paid up share capital as at September 30, 2022 is R$1,091,560 (R$1,090,336 as at December 31, 2021), divided into 246,309 thousand (252,169 thousand as at December 31, 2021) registered common shares without par value. Each common share entitles to one vote in the shareholders' meetings.

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

	09/30/2022		12/31/2021	
Shareholders	Number of shares (in thousands)	%	Number of shares (in thousands)	%
Andres Cristian Nacht	13,599	5.52%	13,599	5.39%
Snow Petrel LLC	23,677	9.61%	23,677	9.39%
Other signatories to the Company's Shareholders' Agreement (1)	22,957	9.32%	22,957	9.10%
Nacht Family (total)	60,233	24.45%	60,233	23.88%
Sun Fundo de Investimentos em Participações Multiestratégia (3)	51,557	20.93%	51,557	20.45%
Sullair Argentina S.A. (2)	25,218	10.24%	22,096	8.76%
Leblon Equities Gestão de Recursos Ltda. (4)	-	-	15,115	5.99%
Others	109,301	44.38%	103,168	40.91%
	246,309	100.00%	252,169	100.00%

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

(2) On May 10, 2019, the Shareholders' Agreement was signed after the Business Combination with Mills Pesados – Locação, Serviços e Logística S.A., and Sullair Argentina became the holder of 22,096,641 Company shares.

On August 22, 2022, its shareholding increased on an aggregate basis, totaling 25,217,641 Company shares.

(3) On May 10, 2019, the Shareholders' Agreement was signed after the Business Combination with Mills Pesados – Locação, Serviços e Logística S.A., and Sullair Argentina became the holder of 51,556,496 Company shares. On November 23, 2020, these shares were fully transferred to the investment fund Sun Fundo de Investimento em Participações Multiestratégia.

(4) On April 8, 2021, it became the holder of a material ownership interest according to information officially received by the Company and disclosed to CVM. In the period ended September 30, 2022, its ownership interest, of less than 5%, is no longer material.

b) Earnings reserves

b.1) Legal reserve

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

In the year ended December 31, 2021, the Company had a legal reserve totaling R$5,984, an amount which remained unchanged in the period ended September 30, 2022.

b.2) Retained earnings

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

In the year ended December 31, 2021, the Company had a revenue reserve totaling R$38,437, an amount which remained unchanged in the period ended September 30, 2022.

c) Capital reserves (stock option premium)

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

The cancellation of treasury shares was backed up by stock option programs until 2014, when it included the balance of capital reserves.

The capital reserve is made up of a stock option premium reserve amounting to R$16,606 as at September 30, 2022, relating to stock option plans for employees and long-term restricted stock incentive programs (R$ 61,625 as at December 31, 2021).

Share issue costs

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

e) Cash flow hedge reserve

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

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

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

	Parent				
	Index	Type of hedge	Hedging instrument	Recognition of hedge reserve	Foreign exchange gain (loss) on hedging instrument during the year
Mills - NDF	USD	Cash flow	21,986	-	5,105
Closing balance at September 30, 2022			21,986	-	5,105

f) Treasury shares

The analysis of the shares held in treasury between the year ended December 31, 2021 and September 30, 2022 is presented in the table below:

Shareholders	Number of shares (in thousands)	Total amount (R$ thousand)
Opening balance at 12/31/2021	8,730	70,155
Repurchase of shares	5,873	42,389
Cancellation of shares	(6,197)	(48,919)
Payment - 2019 Share Program	(609)	(4,859)
Investment in subsidiary – Mills Pesados	(2,295)	(17,299)
Closing balance at 09/30/2022	5,502	41,467

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

i) A maximum of 14,917,035 shares may be repurchased, equivalent to 6.06% of the Company's share capital at the reporting date, respecting the limits for treasury shares of 10% of the shares outstanding in the market, pursuant to Article 8 of CVM Instruction 567/15;

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

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

g) Interest on equity and dividends

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

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

On September 1, 2022, the Board of Directors approved the interest on equity proposed for the second quarter of 2022, to be charged against the mandatory minimum dividend for 2022, in the total amount of R$13,488. Interest on equity of R$12,443 was credited to the shareholders on September 30, 2022, net of withholding income tax, based on the shareholding position as of September 8, 2022 (record date), including the negotiations held on that date.

23. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing the profit attributable to stockholders of the Company by the weighted average number of common shares outstanding during the period.

	Parent			
	09/30/2022		09/30/2021	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit attributable to owners of the Company	64,923	168,906	31,493	58,804
Weighted average number of common shares (thousands)	207,745	207,745	207,601	207,601
Basic earnings per share from continuing operations	0.31	0.81	0.15	0.28

	Consolidated			
	09/30/2022		09/30/2021	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit attributable to owners of the Company	64,875	168,904	31,493	58,804
Weighted average number of common shares issued (thousands)	207,745	207,745	207,601	207,601
Basic earnings per share from continuing operations	0.31	0.81	0.15	0.28

b) Diluted

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

	Parent			
	09/30/2022		09/30/2021	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit attributable to owners of the Company	64,923	168,906	31,493	58,804
Weighted average number of common shares issued (thousands)	207,745	207,745	207,601	207,601
Diluted earnings per share from continuing operations	0.31	0.81	0.15	0.28

	Consolidated			
	09/30/2022		09/30/2021	
	Quarter	Year-to-date	Quarter	Year-to-date
Profit attributable to owners of the Company	64,875	168,904	31,493	58,804
Weighted average number of common shares issued (thousands)	207,745	207,745	207,601	207,601
Diluted earnings per share from continuing operations	0.31	0.81	0.15	0.28

24. NET REVENUE FROM RENTAL, SALES AND SERVICES

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

	Parent				Consolidated			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Rentals	281,243	184,876	769,104	500,358	297,158	190,270	814,433	517,307
Sales of new equipment	1,762	1,276	3,606	5,736	7,046	4,141	21,651	12,606
Sales of used equipment	11,407	12,901	23,900	32,297	11,828	17,304	25,150	41,546
Sales of used equipment (others)	194	1,704	578	2,472	201	1,705	585	2,543
Technical assistance	1,922	1,292	4,769	3,418	2,383	1,462	5,925	4,179
Indemnities	2,316	1,286	9,624	6,013	2,316	1,286	9,624	6,013
Others (i)	3,614	3,444	11,097	8,689	3,632	3,556	11,396	9,012
Total gross revenue	302,458	206,779	822,678	558,983	324,564	219,724	888,764	593,206
Taxes on sales and services	(26,155)	(17,424)	(70,639)	(47,352)	(28,699)	(19,537)	(78,676)	(52,192)
Cancellations and discounts	(10,923)	(6,484)	(40,109)	(19,072)	(13,554)	(7,238)	(45,054)	(22,068)
	265,380	182,871	711,930	492,559	282,311	192,949	765,034	518,946

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

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

Cost of sales and services consist mainly of expenses incurred with:

(i) Personnel for supervising the works, technical assistance, assembly, handling, maintenance of equipment and designers.

(ii) Freight for equipment transportation, when the responsibility lies with the Company, and for equipment transfers.

(iii) Rental of third-party equipment.

(iv) Expenses directly related to warehouse management, storage, handling and maintenance of rental and resale assets, comprising expenses on personal protective equipment (PPE) used in operating activities (handling, storage and maintenance), inputs (gas of pilers, gases for welding, wood, paints, among others) and maintenance of machinery and equipment (pilers, welding machines, hydroblasting equipment, carving equipment and tools in general).

(v) Provisions for slow-moving inventories and for impairment, according to notes 5 and 8, respectively.

Selling, general and administrative expenses refer to current expenses, such as salaries, benefits, trips, representations of various departments, including Sales, Marketing, Engineering and Administrative Backoffice (HR, Finance and Investor Relations); and corporate expenses of the head office and the various branches (rents, fees, security, upkeep and cleaning, mainly); provision for stock option programs, provision for contingencies, and some non-permanent disbursements.

Parent

	07/01/2022 to 09/30/2022			07/01/2021 to 09/30/2021			01/01/2022 to 09/30/2022			01/01/2021 to 09/30/2021		
Nature	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total	Direct project and rental costs	General, administrative and other expenses	Total
Personnel	(20,358)	(30,299)	(50,657)	(14,916)	(22,953)	(37,869)	(53,989)	(87,381)	(141,370)	(43,289)	(70,985)	(114,274)
Third parties	(1,961)	(11,371)	(13,332)	(508)	(8,389)	(8,897)	(3,764)	(36,882)	(40,646)	(1,612)	(26,213)	(27,825)
Freight	(13,756)	(585)	(14,341)	(7,272)	(354)	(7,626)	(34,155)	(1,969)	(36,124)	(17,792)	(1,609)	(19,401)
Construction/maintenance and repairs	(28,813)	(12,725)	(41,538)	(25,504)	(7,042)	(32,546)	(73,808)	(26,213)	(100,021)	(73,434)	(14,535)	(87,969)
Equipment rental and others	(815)	(1,518)	(2,333)	(286)	(1,251)	(1,537)	(2,046)	(5,758)	(7,804)	(1,136)	(3,231)	(4,367)
Travel	(2,768)	(3,087)	(5,855)	(2,051)	(1,953)	(4,004)	(7,904)	(6,701)	(14,605)	(5,293)	(4,514)	(9,807)
Cost of sales	(633)	-	(633)	(1,166)	-	(1,166)	(1,334)	-	(1,334)	(4,666)	-	(4,666)
Depreciation/amortization	(32,052)	(11,078)	(43,130)	(26,600)	(7,767)	(34,367)	(90,420)	(27,697)	(118,117)	(81,149)	(20,822)	(101,971)
Disposal of assets	(1,471)	-	(1,471)	(1,807)	-	(1,807)	(2,807)	-	(2,807)	(3,761)	-	(3,761)
Cost of sales of used assets - others	(1)	-	(1)	(40)	-	(40)	(14)	-	(14)	(130)	-	(130)
Stock options	-	(1,877)	(1,877)	-	(1,147)	(1,147)	-	(3,900)	(3,900)	-	(3,442)	(3,442)
Provisions	-	197	197	-	151	151	-	(404)	(404)	-	(1,151)	(1,151)
Profit sharing	-	(6,199)	(6,199)	-	(3,221)	(3,221)	-	(13,774)	(13,774)	-	(8,065)	(8,065)
Others	(458)	(5,466)	(5,924)	2,273	(4,841)	(2,568)	1,685	(16,083)	(14,398)	52	(11,535)	(11,483)
	(103,086)	(84,008)	(187,094)	(77,877)	(58,767)	(136,644)	(268,556)	(226,762)	(495,318)	(232,210)	(166,102)	(398,312)

Consolidated

Nature	07/01/2022 to 09/30/2022 Direct project and rental costs	07/01/2022 to 09/30/2022 General, administrative and other expenses	07/01/2022 to 09/30/2022 Total	07/01/2021 to 09/30/2021 Direct project and rental costs	07/01/2021 to 09/30/2021 General, administrative and other expenses	07/01/2021 to 09/30/2021 Total	01/01/2022 to 09/30/2022 Direct project and rental costs	01/01/2022 to 09/30/2022 General, administrative and other expenses	01/01/2022 to 09/30/2022 Total	01/01/2021 to 09/30/2021 Direct project and rental costs	01/01/2021 to 09/30/2021 General, administrative and other expenses	01/01/2021 to 09/30/2021 Total
Personnel	(21,692)	(29,508)	(51,200)	(15,690)	(23,161)	(38,851)	(57,825)	(87,082)	(144,907)	(45,139)	(72,280)	(117,419)
Third parties	(2,154)	(12,157)	(14,311)	(647)	(9,106)	(9,753)	(4,573)	(38,973)	(43,546)	(2,094)	(28,488)	(30,582)
Freight	(14,249)	(596)	(14,845)	(7,618)	(377)	(7,995)	(35,493)	(2,040)	(37,533)	(18,713)	(1,739)	(20,452)
Construction/maintenance and repairs	(30,569)	(12,774)	(43,343)	(26,974)	(7,411)	(34,385)	(78,956)	(26,435)	(105,391)	(76,968)	(15,371)	(92,339)
Equipment rental and others	(1,541)	(1,597)	(3,138)	(369)	(1,347)	(1,716)	(3,313)	(5,944)	(9,257)	(450)	(3,413)	(3,863)
Travel	(2,938)	(3,135)	(6,073)	(2,091)	(1,961)	(4,052)	(8,237)	(6,842)	(15,079)	(5,570)	(4,587)	(10,157)
Cost of sales	(3,549)	-	(3,549)	(4,788)	-	(4,788)	(10,243)	-	(10,243)	(12,321)	-	(12,321)
Depreciation/amortization	(35,160)	(13,046)	(48,206)	(27,507)	(8,917)	(36,424)	(95,164)	(35,201)	(130,365)	(84,228)	(24,456)	(108,684)
Disposal of assets	(1,581)	-	(1,581)	(1,807)	-	(1,807)	(3,034)	-	(3,034)	(4,086)	-	(4,086)
Cost of sales of used assets - others	(1)	-	(1)	(40)	-	(40)	(14)	-	(14)	(129)	-	(129)
Stock options	-	(1,877)	(1,877)	-	(1,147)	(1,147)	-	(3,900)	(3,900)	-	(3,442)	(3,442)
Provisions	-	1,876	1,876	-	(161)	(161)	-	502	502	-	(1,085)	(1,085)
Profit sharing	-	(6,259)	(6,259)	-	(3,267)	(3,267)	-	(13,907)	(13,907)	-	(6,992)	(6,992)
Others	(470)	(5,972)	(6,442)	2,265	(5,165)	(2,900)	1,609	(18,530)	(16,921)	(2)	(13,095)	(13,097)
Total	(113,904)	(85,045)	(198,949)	(85,266)	(62,020)	(147,286)	(295,243)	(238,352)	(533,595)	(249,700)	(174,948)	(424,648)

26. FINANCE INCOME AND COSTS

a) Finance income

	Parent				Consolidated			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Interest income	1,249	2,435	4,850	3,891	1,874	2,581	5,969	4,318
Investment income	13,590	3,072	28,588	6,540	15,743	3,958	34,779	8,367
Discounts obtained	386	53	1,069	120	412	60	1,100	149
Foreign exchange and monetary adjustment gains	1,485	303	2,202	878	1,508	388	2,654	3,880
Others	5,105	342	5,105	660	5,115	838	5,171	1,445
	21,815	6,205	41,814	12,089	24,652	7,825	49,673	18,159

b) Finance costs

	Parent				Consolidated			
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Interest on borrowings	(652)	(288)	(1,414)	(1,460)	(917)	(377)	(1,912)	(1,646)
Foreign exchange and monetary adjustment losses	(1,653)	(640)	(4,284)	(1,831)	(1,894)	(1,272)	(5,463)	(4,967)
Interest on debentures	(16,824)	(3,282)	(36,614)	(8,260)	(16,824)	(3,604)	(36,668)	(9,316)
Commissions and bank fees	(112)	(89)	(321)	(319)	(201)	(197)	(543)	(929)
IOF (tax on financial transactions)	(4)	(2)	(21)	(6)	(102)	(10)	(130)	(21)
Lease charges	(1,809)	(619)	(4,309)	(3,132)	(1,826)	(631)	(4,369)	(3,252)
Others	(1,437)	(663)	(3,337)	(3,236)	(2,240)	(1,186)	(4,535)	(4,050)
	(22,491)	(5,583)	(50,300)	(18,244)	(24,004)	(7,277)	(53,620)	(24,181)

27. SEGMENT INFORMATION

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

The Company's reportable segments are business units that offer different products and services and are managed separately since each business requires different technologies and market strategies. The main information used by Management to assess the performance of each segment is as follows: total property, plant and equipment since these are the assets that generate the Company's revenue, and the profit before finance income and costs reported by each segment to evaluate the return on these investments. The information on liabilities by segment is not being reported since it is not used by the Company's chief decision makers to manage the segments. Management does not use analyses by geographic area to manage its businesses.

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

On September 28, 2015, in order to achieve synergy gains and greater productivity, the Company consolidated the commercial management of the Heavy Construction and Construction business units. The result of such consolidation was the creation of the new business unit: Shoring. Since then, segment information is presented according to this new structure.

a) Formworks and Shoring Business Unit

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

b) Rental business unit

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

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

	Shoring		Rental		Other		Parent	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	105,946	65,955	605,984	426,604	-	-	711,930	492,559
(-) Costs	(29,557)	(22,538)	(148,600)	(128,524)	-	-	(178,157)	(151,062)
(-) Expenses	(29,741)	(28,453)	(169,564)	(116,828)	261	2	(199,044)	(145,279)
(-) Allowance for expected credit losses	(5,435)	(1,000)	(13,605)	(3,175)	-	-	(19,040)	(4,175)
(-) Depreciation and amortization	(26,373)	(34,491)	(91,744)	(67,480)	-	-	(118,117)	(101,971)
(+) Other operating income (expenses), net	1,358	423	362	546	-	-	1,720	969
(+) Share of profit (loss) of subsidiaries	-	-	17,058	(1,649)	-	-	17,058	(1,649)
Profit (loss) before finance income (costs) and taxes	16,198	(20,104)	199,891	109,494	261	2	216,350	89,392

	Shoring		Rental		Other		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	105,946	65,955	659,088	452,991	-	-	765,034	518,946
(-) Costs	(29,557)	(22,538)	(170,494)	(142,934)	-	-	(200,051)	(165,472)
(-) Expenses	(29,741)	(28,453)	(173,699)	(122,040)	261	2	(203,179)	(150,491)
(-) Allowance for expected credit losses	(5,435)	(1,000)	(13,882)	(4,961)	-	-	(19,317)	(5,961)
(-) Depreciation and amortization	(26,373)	(34,491)	(103,992)	(74,194)	-	-	(130,365)	(108,685)
(+) Other operating income (expenses), net	1,358	423	11,333	1,511	-	-	12,691	1,934
Profit (loss) before finance income (costs) and taxes	16,198	(20,104)	208,354	110,373	261	2	224,813	90,271

Statement of profit or loss by business segment - Quarter

	Shoring		Rental		Other		Parent	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	41,117	23,981	224,263	158,890	-	-	265,380	182,871
(-) Costs	(11,732)	(7,437)	(59,322)	(43,842)	-	-	(71,054)	(51,279)
(-) Expenses	(9,851)	(8,801)	(63,050)	(42,403)	(9)	206	(72,910)	(50,998)
(-) Allowance for expected credit losses	(1,632)	(348)	(3,032)	(1,548)	-	-	(4,664)	(1,896)
(-) Depreciation and amortization	(8,811)	(11,769)	(34,319)	(22,598)	-	-	(43,130)	(34,367)
(+) Other operating income (expenses), net	1,175	126	199	159	-	-	1,374	285
(+) Share of profit (loss) of subsidiaries	-	-	10,835	(879)	-	-	10,835	(879)
Profit (loss) before finance income (costs) and taxes	10,266	(4,248)	75,574	47,779	(9)	206	85,831	43,737

	Shoring		Rental		Other		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	41,117	23,981	241,194	168,968	-	-	282,311	192,949
(-) Costs	(11,732)	(7,437)	(66,990)	(50,327)	-	-	(78,722)	(57,764)
(-) Expenses	(9,851)	(8,801)	(62,161)	(44,503)	(9)	206	(72,021)	(53,098)
(-) Allowance for expected credit losses	(1,632)	(348)	(3,276)	(1,660)	-	-	(4,908)	(2,008)
(-) Depreciation and amortization	(8,811)	(11,769)	(39,395)	(24,655)	-	-	(48,206)	(36,424)
(+) Other operating income (expenses), net	1,175	126	10,874	198	-	-	12,049	324
Profit (loss) before finance income (costs) and taxes	10,266	(4,248)	80,246	48,021	(9)	206	90,503	43,979

Assets by business segment

	Shoring		Rental		Other		Parent	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Property, plant and equipment								
Acquisition cost	414,899	420,446	1,414,101	1,154,135	12,027	-	1,841,027	1,574,581
(-) Accumulated depreciation	(368,800)	(353,876)	(947,230)	(849,351)	(1,453)	-	(1,317,483)	(1,203,227)
Property and equipment, net	46,099	66,570	466,871	304,784	10,574	-	523,544	371,354
Other assets	398,999	261,855	967,544	766,143	(3,343)	26,748	1,363,200	1,054,746
Total assets	445,098	328,425	1,434,415	1,070,927	7,231	26,748	1,886,744	1,426,100

	Shoring		Rental		Other		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Property, plant and equipment								
Acquisition cost	414,899	420,446	1,705,320	1,296,217	12,027	-	2,132,246	1,716,662
(-) Accumulated depreciation	(368,800)	(353,876)	(1,048,139)	(920,346)	(1,453)	-	(1,418,392)	(1,274,222)
Property, plant and equipment, net	46,099	66,570	657,181	375,871	10,574	-	713,854	442,440
Other assets	398,999	261,855	868,783	718,908	(3,343)	26,748	1,264,439	1,007,512
Total assets	445,098	328,425	1,525,964	1,094,779	7,231	26,748	1,978,293	1,449,952

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

28. FINANCIAL INSTRUMENTS

28.1. Category of financial instruments

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

				Parent carrying amount		Consolidated carrying amount	
	Classification	Note	Level	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Financial assets							
Cash and cash equivalents	Amortized cost	3	-	381,386	112,997	397,644	202,719
Bank deposits	Amortized cost	3	-	19,223	11,911	19,223	11,911
Rohr Investment	Fair value through other comprehensive income	8	3	-	34,013	-	34,013
Trade receivables	Amortized cost	4	-	198,435	145,472	216,509	155,232
Receivables from related parties	Amortized cost	16.c	-	917	1,008	-	-
Financial liabilities							
Borrowings and financing	Amortized cost	13	-	3,412	-	69,282	989
Debentures	Amortized cost	14	-	408,238	143,323	408,238	147,268
Payables to third parties	Amortized cost	12	-	87,692	35,824	104,286	43,177
Payables to related parties	Amortized cost	16.c	-	1,169	1,295	-	-

28.2. Fair value of financial instruments

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

The Company applies CPC 40/IFRS 7 to financial instruments measured at fair value in the balance sheet, which requires disclosure of fair value measurements according to the following hierarchy:

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

28.3. Financial instrument at amortized cost

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

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

28.4. Sensitivity analysis

The following table presents a sensitivity analysis of the financial instruments, describing the risks that could generate material losses to the Company. The probable scenario was determined based on Management's assessment, considering a one-year time horizon (ending September 30, 2023).

	Parent		
Short-term investments	Indicator	Accounting	Probable
Short-term investments and restricted bank deposits	CDI	400,609	50,087

Debt	Indicator	Accounting	Probable
4th issue of debentures	CDI	59,462	9,766
5th issue of debentures	CDI	52,355	9,730
6th issue of debentures	CDI	301,664	50,858
Borrowings	CDI	3,412	480
		416,893	70,834

	Consolidated		
Short-term investments	Indicator	Accounting	Probable
Short-term investments	CDI	416,867	51,195

Debt	Indicator	Accounting	Probable
4th issue of debentures - Mills	CDI	59,462	9,766
5th issue of debentures - Mills	CDI	52,355	9,730
6th issue of debentures - Mills	CDI	301,664	50,858
Borrowings	CDI	69,282	9,601
		482,763	79,955

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

	09/30/2022
Scenarios	Probable
Active CDI (%) (i)	13.75%
Passive CDI (%)	13.75%
USD	

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

(i) Regarding the interest rate risk, the Company's Management considered as a probable assumption for its financial instruments a rate of 13.75% p.a.; this information was extracted from the FOCUS report released by the Central Bank of Brazil on October 21, 2022, considering an increase in the CDI rate in line with the expected maintenance of the SELIC rate at the same level for the period ending September 30, 2023.

28.5. Liquidity risk

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

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

	Past due	Up to one month	More than one month and less than three months	More than three months and less than one year	Between one and two years	Between two and five years	Total Parent
At September 30, 2022							
Borrowings and financing	-	145	241	1,306	1,305	614	3,611
Debentures	-	7,838	19,730	69,617	150,099	232,686	479,970
Leases payable – Properties	-	2,142	4,284	16,479	18,853	37,775	79,533
Leases payable - Vehicles	-	443	885	3,954	2,187	1,228	8,697
Leases payable - Equipment	-	243	486	2,185	2,914	4,816	10,644
Payables to third parties	3,094	43,681	18,483	3,884	5,122	13,428	87,692
Payables to related parties	584	69	110	406	-	-	1,169

	Past due	Up to one month	More than one month and less than three months	More than three months and less than one year	Between one and two years	Between two and five years	Total Consolidated
At September 30, 2022							
Borrowings and financing	-	3,132	6,204	29,228	27,709	14,960	81,233
Debentures	-	7,838	19,730	69,617	150,099	232,686	479,970
Leases payable – Properties	-	2,183	4,366	16,974	18,935	37,775	80,233
Leases payable - Vehicles	-	443	885	3,954	2,187	1,228	8,697
Leases payable - Equipment	-	243	486	2,185	2,914	4,816	10,644
Payables to third parties	3,128	48,435	20,185	3,989	5,122	23,427	104,286

28.6. Credit quality of financial assets

Cash and cash equivalents and restricted deposits

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Bank account (i)	29,871	2,285	33,733	3,062
Short-term investments with banks (i)	351,515	110,712	363,911	199,657
Total cash and cash equivalents	381,386	112,997	397,644	202,719
Restricted bank deposits (*)	19,223	11,911	19,223	11,911

(i) Major financial institutions widely operating in Brazil, among the ten banks with the largest total assets.

28.7. Capital management

The purpose of managing the Company's desirable capital structure is to protect its equity, allow for business continuity, offer good conditions for employees and stakeholders and a satisfactory return for shareholders. The Company's general strategy related to capital management has remained unchanged since 2020.

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

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

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Total bank debt	416,894	146,060	482,764	150,994
Borrowings and financing	3,412	-	69,282	989
Gross debentures (note 14)	413,482	146,060	413,482	150,005
Cash and cash equivalents	381,386	112,997	397,644	202,719
Restricted bank deposits	19,223	11,911	19,223	11,911
Net debt – net cash	(16,285)	(21,152)	(65,897)	63,636
Equity	1,203,750	1,090,730	1,205,979	1,092,961
Net debt/net cash to equity ratio	(0.01)	(0.02)	(0.05)	0.06

The Company is not subject to any external capital requirement.

Credit facilities available

	Parent	
	09/30/2022	12/31/2021
Unsecured bank credit lines, reviewed annually and with payment upon request:		
Drawn	-	-
Undrawn	150,000	400,000

	Consolidated	
	09/30/2022	12/31/2021
Unsecured bank credit lines, reviewed annually and with payment upon request:		
Drawn	5,365	-
Undrawn	155,000	400,000

29. INSURANCE

	Parent		Consolidated	
Nature	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Operational risks	2,542,784	2,313,123	2,703,428	2,428,764
Property damages	554,783	490,294	574,461	560,096
Civil liability	112,000	112,000	114,000	121,400

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

30. EVENTS AFTER THE REPORTING PERIOD

On October 3, 2022, the Board of Directors approved the creation of the Extraordinary Restricted Stock Program, under the scope of the Restricted Stock Plan approved at the Company's General Meeting held on July 18, 2018.