



EARNINGS RELEASE

2022

CONFERENCE CALL | Mar 24<sup>th</sup>, 2023 | 11:00 BRT | 10:00 NYC | 14:00 GMT

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Barueri, March 23<sup>rd</sup>, 2023. ARMAC (Armac Locação, Logística e Serviços S.A. – B3: ARML3) announces today its results for the 4<sup>th</sup> quarter of 2022 (4Q22). The Company's interim financial statements for the periods ended December 31, 2022 and 2021 have been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial statements, which is consistent with the information used by management. The financial statements were prepared in Reais.

## CONSOLIDATED ANNUAL HIGHLIGHTS

- **FLEET:** addition of 3,258 machines and equipment, totaling 9,483 renting machines in December 2022.
- **INVESTMENTS:** organic CAPEX of R\$ 1,258.3 million in 2022, annual growth of 49% compared to the R\$ 841.7 million in 2021.
- **GROSS REVENUE:** R\$ 1,050.4 million, 143.4% growth vs. 2021 and 8.5x greater than 2020.
- **ADJUSTED EBITDA:** R\$ 434.5 million in 2022, 122.1% growth compared to 2021.
- **NET INCOME:** R\$ 148.6 million in 2022, 155.9% growth compared to 2021.
- **INDEBTEDNESS:** complete restructuring of our liabilities in 2022, extending our debt duration and reducing its average cost. The Company's leverage ended at 2,46x, with a cash position of R\$ 938.4 million, sufficient to pay all debt maturities until the second half of 2027.

R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
<b>Rental Fleet Size (# Equipment)</b>	<b>9,483</b>	<b>8,823</b>	<b>6,225</b>	<b>7.5%</b>	<b>52.3%</b>	<b>9,483</b>	<b>6,225</b>	<b>52.3%</b>
<b>CAPEX</b>	<b>250.5</b>	<b>538.5</b>	<b>465.4</b>	<b>(53.5%)</b>	<b>(46.2%)</b>	<b>1,258.3</b>	<b>1,137.3</b>	<b>10.6%</b>
<b>Gross Revenue</b>	<b>308.5</b>	<b>275.6</b>	<b>185.5</b>	<b>12.0%</b>	<b>66.3%</b>	<b>1,050.4</b>	<b>431.6</b>	<b>143.4%</b>
Gross Revenue from rental	289.9	255.2	183.6	13.6%	57.9%	989.8	426.6	132.0%
<b>Adjusted EBITDA</b>	<b>126.1</b>	<b>117.9</b>	<b>77.0</b>	<b>7.0%</b>	<b>63.7%</b>	<b>434.5</b>	<b>195.6</b>	<b>122.1%</b>
% net revenue from rental	48.3%	51.2%	46.7%	-3.0 p.p.	+1.6 p.p.	48.8%	50.8%	-2.1 p.p.
<b>Adjusted EBIT</b>	<b>83.1</b>	<b>81.9</b>	<b>53.5</b>	<b>1.5%</b>	<b>55.2%</b>	<b>297.3</b>	<b>141.0</b>	<b>110.9%</b>
% net revenue	31.8%	35.6%	32.4%	-3.8 p.p.	-0.6 p.p.	33.4%	36.6%	-3.3 p.p.
<b>Cash tax earnings</b>	<b>64.9</b>	<b>69.9</b>	<b>52.8</b>	<b>(7.1%)</b>	<b>23.1%</b>	<b>248.6</b>	<b>137.1</b>	<b>81.4%</b>
% net revenue	23.2%	27.9%	31.6%	-4.7 p.p.	-8.4 p.p.	26.1%	35.2%	-9.0 p.p.
<b>Net income</b>	<b>51.0</b>	<b>38.8</b>	<b>25.9</b>	<b>31.2%</b>	<b>96.6%</b>	<b>148.6</b>	<b>58.1</b>	<b>155.9%</b>
% net revenue	18.2%	15.5%	15.5%	+2.7 p.p.	+2.7 p.p.	15.6%	14.9%	+0.7 p.p.
<b>Net Debt</b>	<b>1,126.3</b>	<b>952.4</b>	<b>205.7</b>	<b>18.3%</b>	<b>447.5%</b>	<b>1,126.3</b>	<b>205.7</b>	<b>447.5%</b>
Net Debt / Adjusted EBITDA LTM	2.46x	2.38x	1.04x	3.3%	135.8%	2.46x	1.04x	135.8%
<b>Adjusted ROIC</b>	<b>27.2%</b>	<b>28.7%</b>	<b>29.8%</b>	<b>-1.5 p.p.</b>	<b>-2.6 p.p.</b>	<b>27.9%</b>	<b>31.6%</b>	<b>-3.8 p.p.</b>
<b>Adjusted ROE</b>	<b>20.9%</b>	<b>22.9%</b>	<b>18.3%</b>	<b>-2.0 p.p.</b>	<b>+2.7 p.p.</b>	<b>20.4%</b>	<b>25.0%</b>	<b>-4.6 p.p.</b>

## MESSAGE FROM MANAGEMENT

Dear Investors and Interested Parties,

We're releasing the earnings report of our first complete year as a listed company.

In 2022, we rapidly evolved in our mission of serving with excellence and efficiency the people who build this country – in the countryside and in cities.

Last year, both our revenue and net profit have multiplied by 2.5x. We are proud that 70% of this growth came from clients that already used our services before 2022.

Our business involves recurring service: customers' preference must be reconquered every day. We thank our clients for choosing ARMAC, and our team - mechanics, operational managers, drivers, and operators – for carrying the weight of our extraordinary growth in 2022. We express our gratitude for the hard work.

In 2022, confident in our customers' growth, we invested a record R\$ 1.3 billion in the acquisition of more than 3 thousand equipment. Despite short-term turbulence, like the increase in the cost of capital, we remain confident in ARMAC's long-term success for 4 main reasons:

1. Our business model is aligned with our customers' interests and the society's development: we only charge for working machines, we share equipment, we extend the assets' life cycle, and we recycle components.
2. Notable advances in our operational excellence: leaders are focused on using our scale to make our operations the safest in this market.
3. We are increasingly a Company made of mechanics: investments in education are turning our mechanics into the country's finest and creating new leaders internally. Our crew expanded from 1.4 thousand collaborators to 4 thousand since the IPO (1.5 year), we demanded 150 external talents monthly, on average, and naturally some friction was created. With double-digit growth ahead, we progressively see leadership positions occupied by talents developed in-house. Watching the career growth of those who fly our flag keeps us optimistic about the future.
4. Our customers are feeding the world and providing essential ores: we don't envision any demand risk for our services, considering the crucial role of Brazilian agribusiness and mining in the global supply chain.

We've surpassed the R\$ 1 billion gross revenue mark in 2022. The 4<sup>th</sup> quarter's results were expressive, with revenue, EBITDA and net income records, despite being negatively affected by 2 factors: the depreciation of the R\$ 700 million equipment inventory acquired between the third and fourth quarters, and the increase in our indirect-costs structure, focusing on preparing the company for the revenue threshold to be achieved when these equipment start working in operations.

We still see a strong demand for our services in the most resilient sectors of the Brazilian economy. Our top short-term priority is to enjoy our whole inventory's revenue potential, without a combined growth in indirect costs and expenses. The resulting growth in EBITDA should deleverage the Company by the second quarter and guarantee enough cash generation for new rounds of investment.

Our capital structure remains very healthy, with 50% of the assets financed by equity, and our Net Debt/EBITDA run rate in 2.07x. Our R\$ 938 million cash position is enough to honor all debt payments until the second half of 2027 and provides us with the flexibility to benefit from growth opportunities in 2023 without the need to raise capital in the short-term.

Finally, and beyond the quarterly results, we're an organization focused on creating long-term shared value. Our customers' operations are transgenerational and demand a trustworthy partner whose perspective encompass the same time span. It's with this view that we guide all of our management decisions, respecting present conditions,



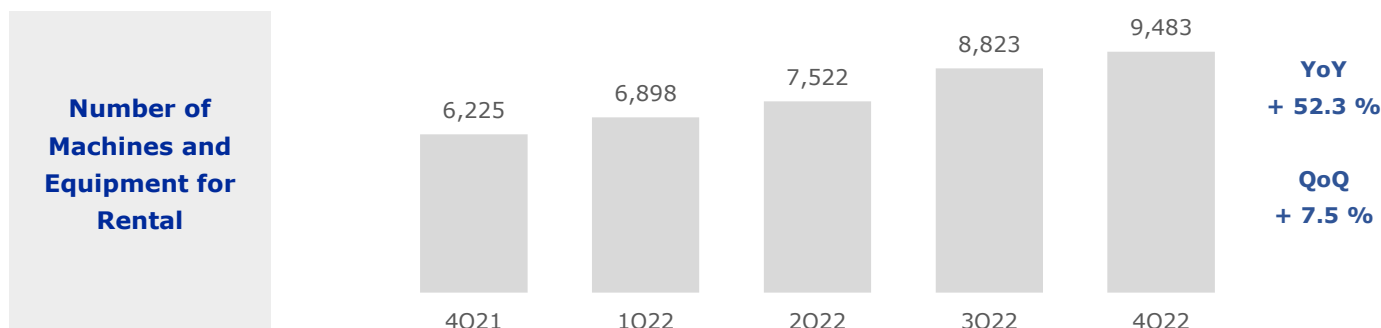
but without losing sight of the future. That's the foundation behind our large investments in training and education programs, in systems to support an efficient data infrastructure and in management innovations that make us more efficient in the way we serve our customers.

Thank you!

Fernando Aragão & José Aragão

## RENTAL FLEET AND INVESTMENTS

We ended the fourth quarter of 2022 with a rental fleet of 9,483 assets, consisting of yellow line machines, lifting platforms, forklifts, trucks, power generators and other equipment. This represents a 7.5% growth compared to 3Q22 and 52.3% compared to 4Q21.

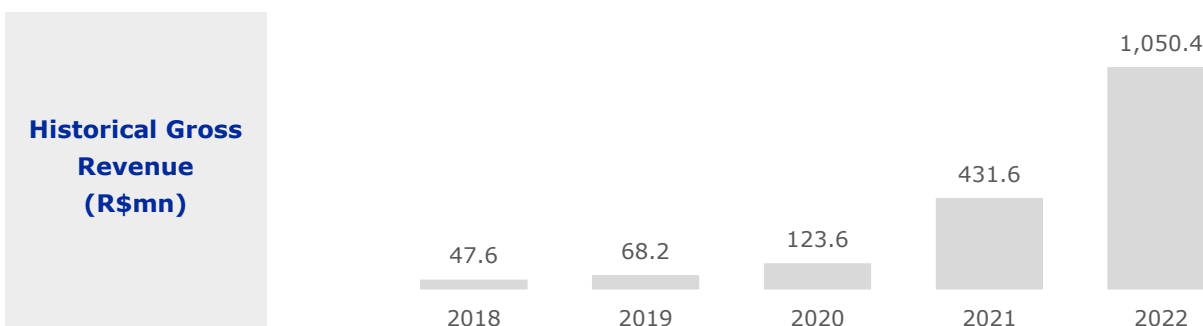


Organic CAPEX, which includes the expansion of the rental and support fleet, totalled R\$ 250.5 million in 4Q22. This represents an average monthly CAPEX of R\$ 83.5 million vs. R\$ 179.5 million in 3Q22. During 2022, the organic CAPEX totalled R\$ 1,258.3 million, a 49.5% growth compared to the R\$ 841.7 million in 2021.

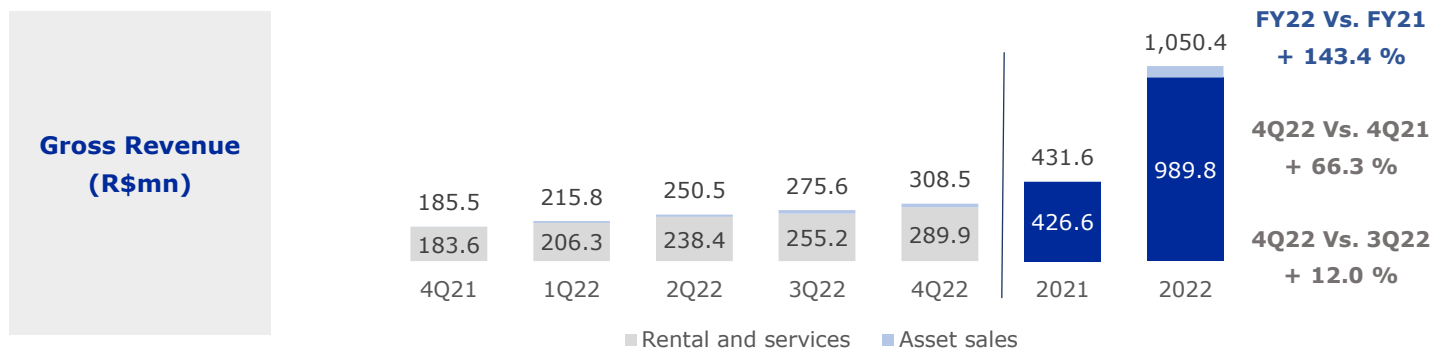
R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
Acquisition of fixed assets	151.6	421.9	162.7			1,017.5	645.8	
Other non-cash ops for the acquisition of Fixed Assets	79.1	88.3	48.8			167.5	157.2	
PIS/COFINS credits generated on the purchase of PP&E	16.6	27.4	-			68.4	37.6	
Purchase of intangible assets	3.1	0.8	0.6			4.9	1.1	
<b>Organic Capex</b>	<b>250.5</b>	<b>538.5</b>	<b>212.1</b>	<b>(53.5%)</b>	<b>18.1%</b>	<b>1,258.3</b>	<b>841.7</b>	<b>49.5%</b>
Monthly CAPEX	83.5	179.5	70.7	(53.5%)	18.1%	104.9	70.1	49.5%
Enterprise acquisition	-	-	253.3			-	295.6	
<b>Total CAPEX</b>	<b>250.5</b>	<b>538.5</b>	<b>465.4</b>	<b>(53.5%)</b>	<b>(46.2%)</b>	<b>1,258.3</b>	<b>1,137.3</b>	<b>10.6%</b>

## GROSS REVENUE

We ended 2022 with an annual gross revenue of R\$ 1,050.4 million, an 8.5x growth compared to 2020, and 2.4x compared to 2021, outperforming all our expectations during the IPO.

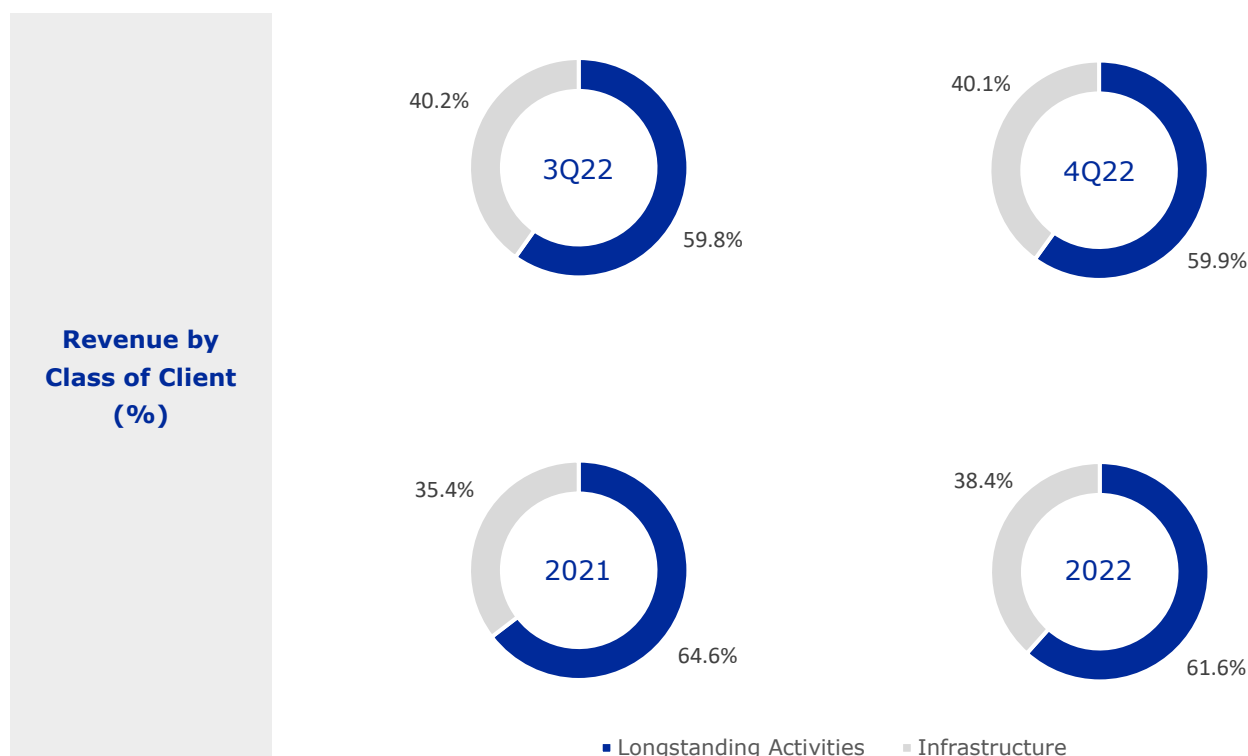


In 4Q22, gross revenue reached R\$ 308.5 million, a 12% growth against 3Q22 and 66.3% compared to 4Q21. The R\$ 1,050.4 million total gross revenue in 2022 represents a 143.4% annual growth. Our rental gross revenue followed the same trend within the year, reaching R\$ 989.8 million, a 132% growth.



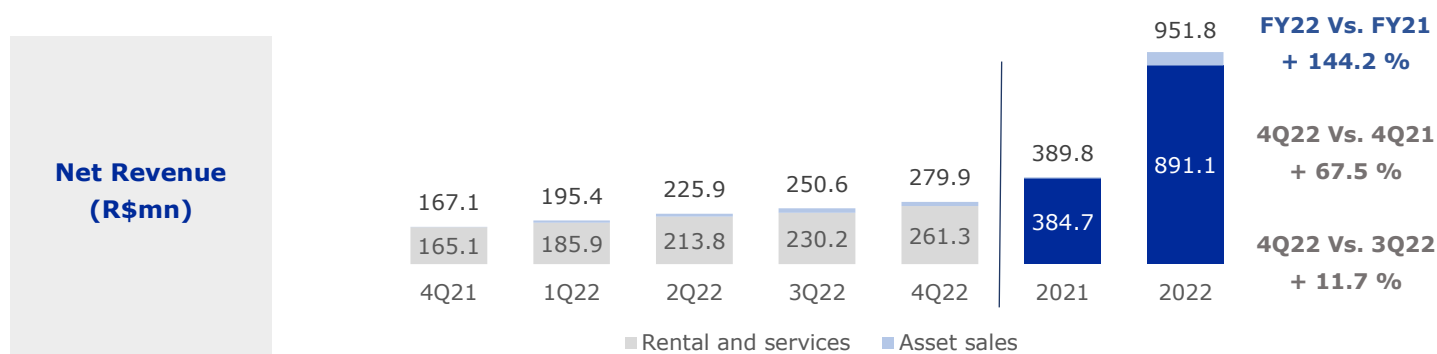
During 2022, we were able to significantly expand our market penetration through the company’s installed customer base. Decomposing our R\$ 563.2 million additional gross revenue from rental and services, only R\$ 169.3 million (30%) came from new customers, while the remaining R\$ 393.9 million (70%) derived from the same customer base we had built by the end of 2021. This evidence reinforces the customers’ satisfaction with our services, and the increase in share of wallet during the period, with the gross revenue generated by Armac’s 2021 customers almost doubling in 2022 (92% growth).

In 4Q22, rental to longstanding-activity sectors responded for 59.9% of our gross revenue, in line with the last quarter, when it represented 59.8%. In the annual perspective, these sectors represented 61.6% of the gross revenue, aligned with the company’s long-term strategy.



**NET REVENUE**

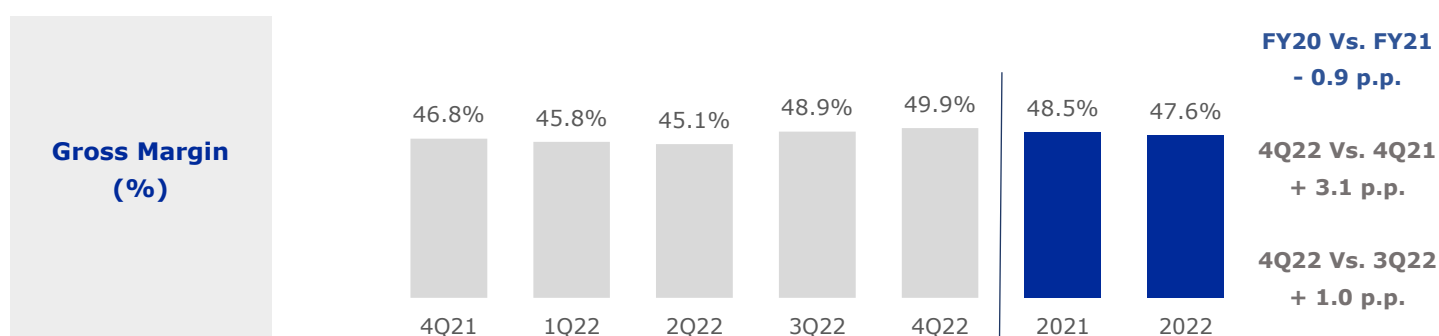
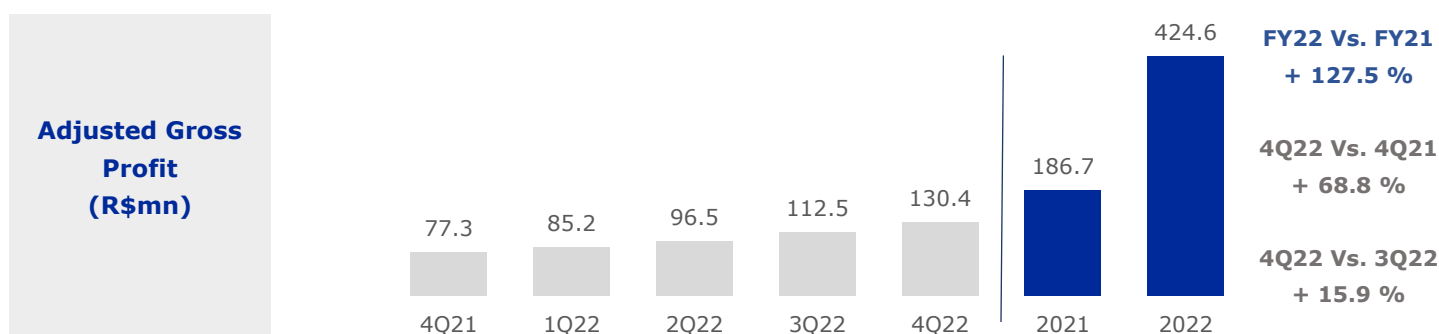
In 4Q22, net revenue reached R\$ 279.9 million, growth of 11.7% as compared to 3Q22 and 67.5% vs. 4Q21. We ended 2022 with a net revenue of R\$ 951.8 million, growing 144.2% against 2021. Net revenue from rentals totaled R\$ 891.1 million in the current year.



## ADJUSTED GROSS PROFIT

In 4Q22, adjusted gross profit, which excludes the result of the sale of fixed assets, reached R\$ 130.4 million, a growth of 15.9% as compared to 3Q22 and 68.8% to 4Q21. Gross margin was 49.9% in 4Q22 vs. 48.9% in 3Q22 and 46.8% in 4Q21.

In addition, the consolidated year registered an adjusted gross profit of R\$ 424.6 million, an increase of 127.5% against 2021. The gross margin in 2022 was 47.6%, 0.9 p.p. below 2021.



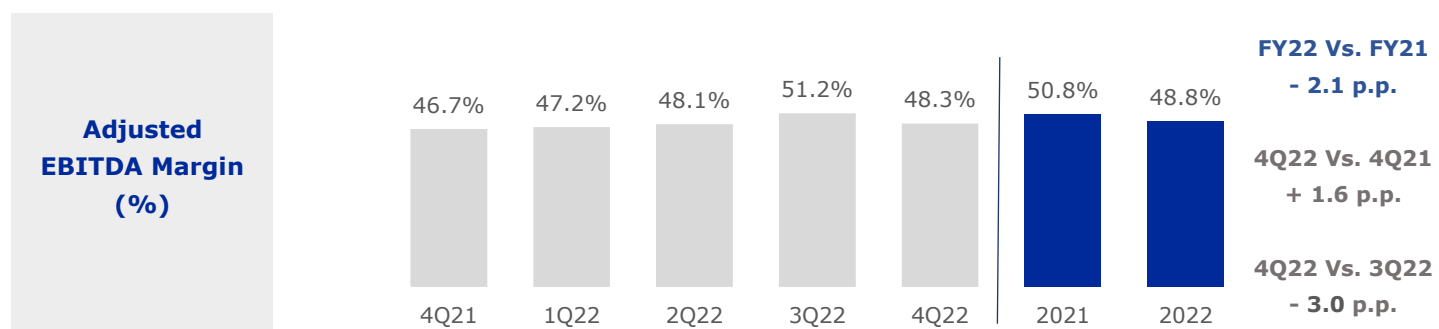
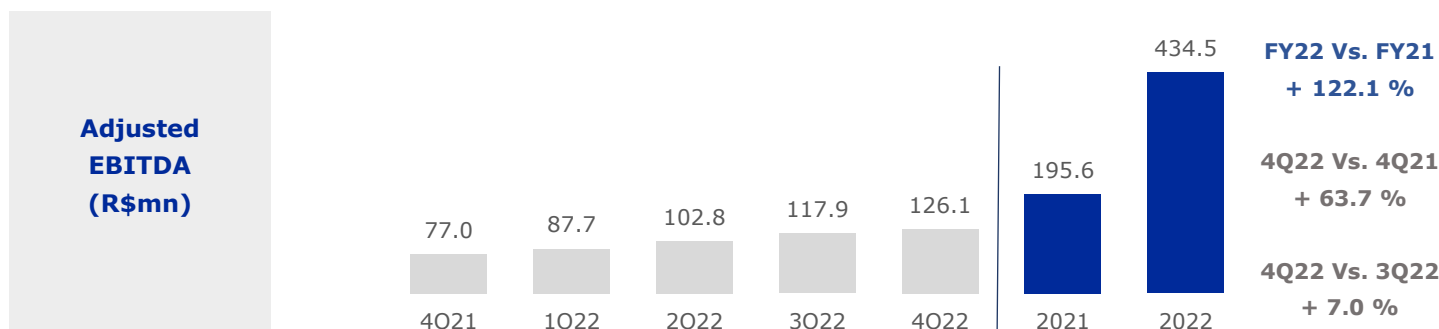
## EBITDA

In 4Q22, EBITDA reached R\$ 136.1 million, an 8.3% growth compared to 3Q22 and 73.9% against 4Q21. The company's Adjusted EBITDA, which excludes asset sales results, was R\$ 126.1 million, growing 7.0% as compared to 3Q22, and 63.7% against 4Q21. Adjusted EBITDA Margin was 48.3% in 4Q22 vs. 51.2% in the last quarter.

Regarding 2022, EBITDA reached R\$ 457.5 million, a 132.2% growth vs. 2021. In addition, Adjusted EBITDA totaled R\$ 434.5 million, a 122.1% growth against 2021. During the same period, Adjusted EBITDA Margin was 48.8% vs. 50.8% in 2021.



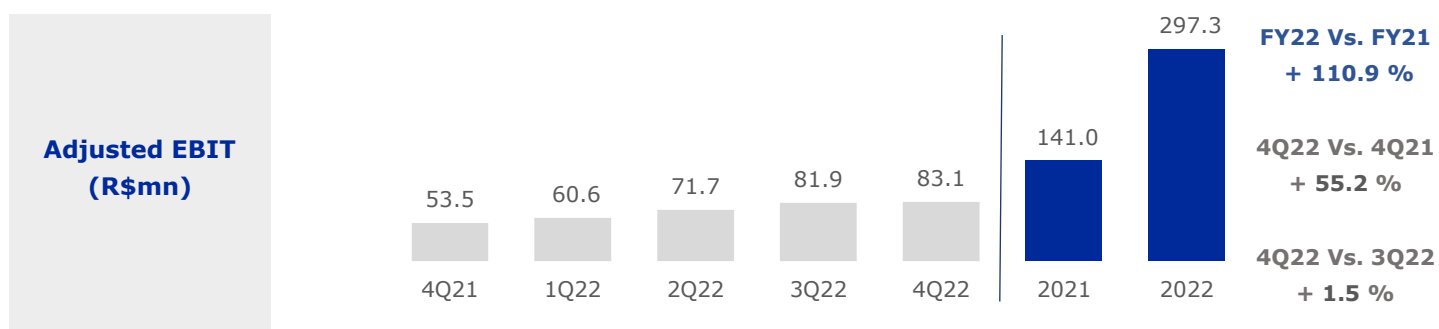
R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
<b>Net Income</b>	<b>51.0</b>	<b>38.8</b>	<b>25.9</b>	<b>31.2%</b>	<b>96.6%</b>	<b>148.6</b>	<b>58.1</b>	<b>155.9%</b>
Income tax and social contribution	(11.0)	11.8	13.5			19.4	31.5	
Financial expenses	80.7	70.4	32.6			279.3	67.5	
Financial income	(27.6)	(31.5)	(17.3)			(127.0)	(27.7)	
Depreciation and Amortization	43.1	36.1	23.5			137.2	54.6	
Non-recurring result	-	-	-			-	13.0	
<b>EBITDA</b>	<b>136.1</b>	<b>125.7</b>	<b>78.3</b>	<b>8.3%</b>	<b>73.9%</b>	<b>457.5</b>	<b>197.0</b>	<b>132.2%</b>
Result of the sale of assets	(10.0)	(7.8)	(1.2)			(23.0)	(1.4)	
<b>Adjusted EBITDA</b>	<b>126.1</b>	<b>117.9</b>	<b>77.0</b>	<b>7.0%</b>	<b>63.7%</b>	<b>434.5</b>	<b>195.6</b>	<b>122.1%</b>
% Adjusted EBITDA margin	48.3%	51.2%	46.7%	-3.0 p.p.	+1.6 p.p.	48.8%	50.8%	-2.1 p.p.

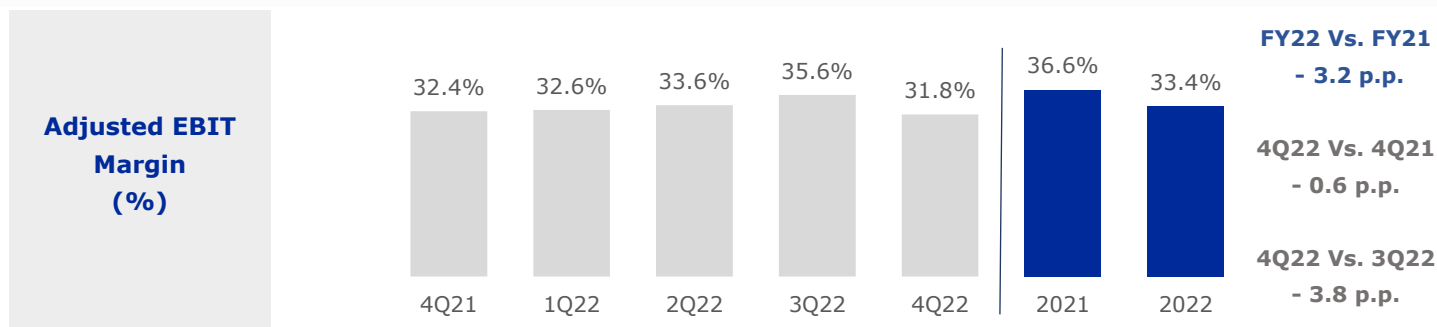


**EBIT**

In 4Q22, Adjusted EBIT, which excludes asset sales results, reached R\$ 83.1 million, a growth of 1.5% as compared to 3Q22 and 55.2% vs. 4Q21. Adjusted EBIT Margin was 31.8% in 4Q22 vs. 35.6% in 3Q22 and 32.4% in 4Q21.

Furthermore, 2022’s Adjusted EBIT reached R\$ 297.3 million, increasing 110.9% compared to 2021.





## NET INCOME AND CASH TAX EARNINGS

Net Income reached R\$ 51.0 million in 4Q22, a 31.2% growth compared to 3Q22, and 96.6% compared to 4Q21. Moreover, we had a non-recurring positive result regarding the accounting impact of Bauko's incorporation in November 2022, resulting in an Adjusted Net Income of R\$ 33.3 million in 4Q22. Also, Cash Tax Earnings in 4Q22 reached R\$ 64.9 million, a 23.1% growth against 4Q21, but a 7.1% decrease vs. 3Q22. Margin was 23.2% in 4Q22 vs. 27.9% in 3Q22 and 31.6% in 4Q21, when we still had a Brazilian interest rate (SELIC) below 10%.

Regarding 4Q22 Net Income, it's important to highlight that its result is affected by the inventory of equipment the company has acquired through the second half of 2022. These equipment are depreciating already, and since capital was employed, it also generates financial expenses. Therefore, although they're not generating revenue yet, and consequently EBITDA, it negatively affects income in the short term through depreciation and financial expenses.

In 2022, Net Income reached R\$ 148.6 million, a 155.9% growth compared to 2021. Adjusted Net Income followed the same trend, accomplishing a 96.5% annual growth in 2022, totaling R\$ 130.9 million. Cash Tax Earnings was R\$ 248.6 million, 81.4% growth vs. 2021. Consolidated Margin of Cash Net Income was 26.1%, decrease of 9.0 p.p. when compared to 2021, mainly affected by the increase in Brazilian interest rate (SELIC).

R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
<b>Net Income</b>	<b>51.0</b>	<b>38.8</b>	<b>25.9</b>	<b>31.2%</b>	<b>96.6%</b>	<b>148.6</b>	<b>58.1</b>	<b>155.9%</b>
% net revenue	18.2%	15.5%	15.5%	+2.7 p.p.	+2.7 p.p.	15.6%	14.9%	+0.7 p.p.
Net non-recurring result	(17.7)	-	-			(17.7)	8.6	
<b>Adjusted Net Income</b>	<b>33.3</b>	<b>38.8</b>	<b>25.9</b>			<b>130.9</b>	<b>66.6</b>	<b>96.5%</b>
% net revenue	11.9%	15.5%	15.5%	-3.6 p.p.	-3.6 p.p.	13.8%	17.1%	-3.3 p.p.
IRCS from Non-recurring income	6.7	9.3	10.4			31.0	28.0	
PIS/COFINS levied on revenue paid with tax credit	25.0	21.8	16.4			86.6	38.0	
IRCS from Non-recurring expenses	-	-	-			-	4.4	
<b>Adjusted Cash Tax Earnings</b>	<b>64.9</b>	<b>69.9</b>	<b>52.8</b>	<b>(7.1%)</b>	<b>23.1%</b>	<b>248.6</b>	<b>137.1</b>	<b>81.4%</b>
% Net Revenue	23.2%	27.9%	31.6%	-4.7 p.p.	-8.4 p.p.	26.1%	35.2%	-9.0 p.p.

## OPERATING CASH FLOW

In 4Q22, Managerial Operating Cash Flow generation was R\$ 63.0 million, a 71.4% decrease compared to 3Q22, and 165.7% growth against 4Q21. Operating Cash Flow in 4Q22 represented 50.0% of Adjusted EBITDA, vs. 186.6% in 3Q22 and 30.8% in 4Q21.

Regarding 2022, Managerial Operating Cash Flow was R\$ 431.5 million, a 222.1% growth against 2021. Operating Cash Flow represented 99.3% of Adjusted EBITDA vs. 68.5% in 2021.

R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
<b>Net cash from operating activities</b>	<b>(168.9)</b>	<b>(188.8)</b>	<b>(150.6)</b>			<b>(693.6)</b>	<b>(592.6)</b>	
Purchase of property, plant and equipment	151.6	421.9	162.7			1,017.5	645.8	
Proceeds from Sale of PP&E	(18.6)	(20.4)	(1.9)			(60.6)	(5.0)	
Interest on financing	109.5	13.1	20.8			232.7	49.5	
PIS/COFINS credits generated on the purchase of fixed assets	16.6	27.4	-			68.4	37.6	
Payment of right-of-use leases	(1.0)	(1.7)	(1.1)			(5.9)	(2.6)	
Installment issuance and payments	1.3	(0.1)	1.2			-	1.1	
Financial income	(27.6)	(31.5)	(17.3)			(127.0)	(27.7)	
Prepaid IPO Expenses	-	-	-			-	2.9	
Disbursements with non-financial debt on M&As	-	-	10.0			-	12.8	
Cash Effect from Non-recurring expenses	-	-	-			-	12.1	
<b>Managerial operating cash flow</b>	<b>63.0</b>	<b>220.1</b>	<b>23.7</b>	<b>(71.4%)</b>	<b>165.7%</b>	<b>431.5</b>	<b>134.0</b>	<b>222.1%</b>
% Adjusted EBITDA	50.0%	186.6%	30.8%			99.3%	68.5%	

## INDEBTEDNESS

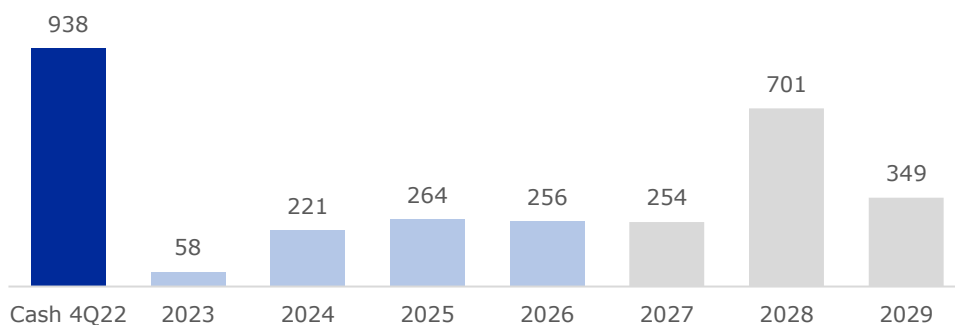
During 2022, we made a complete restructuring of the company's liabilities, paying off the lines of credit with smaller duration and higher cost, and shifting to lines of credit better adjusted to the company's current reality. Therefore, we ended 2022 with a smaller cost and an extended duration in our liabilities, besides a robust cash position, reducing the necessity of additional capital in 2023 and leaving us with enough cash to cover the debt amortizations until the second half of 2027.

Credit Line	Issuance	Position at 2021	Position at 2022
Debenture I	May-21	296	-
Debenture II	Dec-21	986	1,001
Debenture III	Nov-22	-	300
CRA (1st series)	Jul-22	-	97
CRA (2nd series)	Jul-22	-	388
Banco do Brasil	Dec-21	200	200
Banco Santander	Feb-21	102	-
BTG Pactual	Jan-20	78	-
Bocom BBM	Sep-20	10	-
Banco Safra	Oct-21	19	-
Banco Itaú	Aug-20	36	-
Banco ABC	Oct-21	39	-
Others	-	108	78
<b>Debt Position [R\$ Million]</b>		<b>1,874</b>	<b>2,065</b>
Spread (CDI +) [% p.y.]		3.5%	2.8%
Duration [months]		42	52

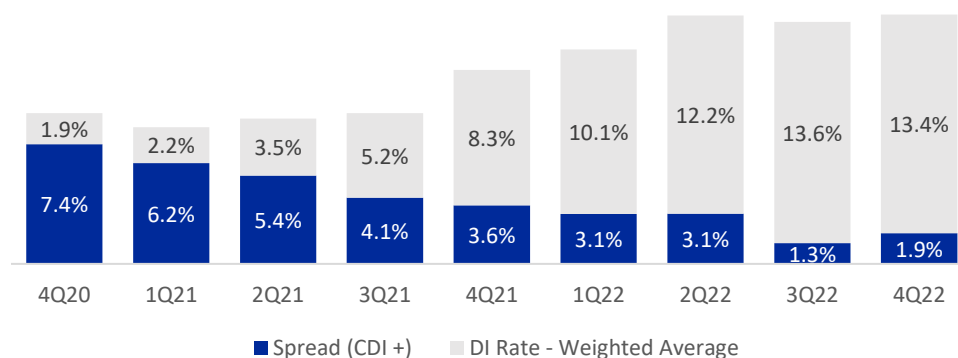
R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
Short term Debt	56.6	95.1	163.7			56.6	163.7	
Long term Debt	2,008.1	1,716.7	1,710.1			2,008.1	1,710.1	
<b>Gross Debt</b>	<b>2,064.7</b>	<b>1,811.8</b>	<b>1,873.8</b>	<b>14.0%</b>	<b>10.2%</b>	<b>2,064.7</b>	<b>1,873.8</b>	<b>10.2%</b>
Cash and cash equivalents	(938.4)	(859.4)	(1,668.1)	9.2%	(43.7%)	(938.4)	(1,668.1)	(43.7%)
<b>Net Debt</b>	<b>1,126.3</b>	<b>952.4</b>	<b>205.7</b>	<b>18.3%</b>	<b>447.5%</b>	<b>1,126.3</b>	<b>205.7</b>	<b>447.5%</b>
Net Debt / Adjusted EBITDA LTM	2.46x	2.38x	1.04x	3.3%	135.8%	2.46x	1.04x	135.8%

Company's Gross Debt ended 4Q22 in R\$ 2,064.7 million, with a R\$ 252.9 million growth compared to 3Q22, due to our third debenture's issuance of R\$ 300 million, duration of 7 years and cost of CDI + 2.25% yearly. The company's leverage ended 2022 at 2.46x, with a robust cash position of R\$ 938 million, sufficient to cover all debt maturities until the second half of 2027.

### Financial Debt Amortization Schedule (R\$m)



### Average Cost of Debt (% p.a.)



## PROFITABILITY

In 4Q22, Adjusted ROIC was 27.2% vs. 28.7% in 3Q22 and 29.8% in 4Q21. The consolidated year's ROIC reached 27.9% vs. 31.6% in 2021.

R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
Adjusted EBIT	83.1	81.9	53.5	1.5%	55.2%	297.3	141.0	110.9%
Current Income TAX	-	(2.5)	(3.1)	(100.0%)	(100.0%)	(6.1)	(3.5)	73.7%
<b>NOPAT</b>	<b>83.1</b>	<b>79.3</b>	<b>50.4</b>	<b>4.7%</b>	<b>64.8%</b>	<b>291.2</b>	<b>137.5</b>	<b>111.8%</b>
Working Capital	39.6	35.6	159.9	11.1%	(75.2%)	39.6	159.9	(75.2%)
Gross Fixed Asset/2	1,260.0	1,107.2	645.6	13.8%	95.2%	1,260.0	645.6	95.2%
<b>Invested Capital</b>	<b>1,299.6</b>	<b>1,142.8</b>	<b>805.5</b>	<b>13.7%</b>	<b>61.3%</b>	<b>1,299.6</b>	<b>805.5</b>	<b>61.3%</b>
Average Invested Capital	1,221.2	1,106.0	675.9	10.4%	80.7%	1,045.1	434.7	140.4%
<b>Adjusted ROIC</b>	<b>27.2%</b>	<b>28.7%</b>	<b>29.8%</b>	<b>-1.5 p.p.</b>	<b>-2.6 p.p.</b>	<b>27.9%</b>	<b>31.6%</b>	<b>-3.8 p.p.</b>

In 4Q22, Adjusted ROE was 20.9% vs. 22.9% in 3Q22 and 18.3% in 4Q21. Adjusted ROE in 2022 was 20.4% vs. 25% in 2021.

R\$ million	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	YoY
<b>Adjusted cash net income</b>	<b>64.9</b>	<b>69.9</b>	<b>52.8</b>	<b>(7.1%)</b>	<b>23.1%</b>	<b>248.6</b>	<b>137.1</b>	<b>81.4%</b>
Shareholders Equity	1,158.5	1,139.3	1,112.7	1.7%	4.1%	1,158.5	1,112.7	4.1%
Deferred Taxes	86.0	97.0	72.7	(11.3%)	18.3%	86.0	72.7	18.3%
<b>Shareholders Equity &amp; Deferred Taxes</b>	<b>1,244.5</b>	<b>1,236.3</b>	<b>1,185.4</b>	<b>0.7%</b>	<b>5.0%</b>	<b>1,244.5</b>	<b>1,185.4</b>	<b>5.0%</b>
Average Shareholders Equity & Deferred Taxes	1,240.4	1,221.7	1,154.7	1.5%	7.4%	1,217.7	547.4	122.4%
<b>Adjusted ROE</b>	<b>20.9%</b>	<b>22.9%</b>	<b>18.3%</b>	<b>-2.0 p.p.</b>	<b>+2.7 p.p.</b>	<b>20.4%</b>	<b>25.0%</b>	<b>-4.6 p.p.</b>

**INCOME STATEMENT (CONSOLIDATED)**

In thousands of Brazilian reais (R\$)

	4Q22	3Q22	4Q21	QoQ	YoY	2022	2021	FY22 vs. FY21
<b>Gross operating revenue</b>	<b>308,537</b>	<b>275,578</b>	<b>185,521</b>	<b>12.0%</b>	<b>66.3%</b>	<b>1,050,404</b>	<b>431,642</b>	<b>143.4%</b>
( - ) Sales tax	(28,659)	(24,981)	(18,459)	14.7%	55.3%	(98,650)	(41,888)	135.5%
% gross revenue	(9.3%)	(9.1%)	(9.9%)	-0.2 p.p.	+0.7 p.p.	(9.4%)	(9.7%)	+0.3 p.p.
<b>Net operating revenue</b>	<b>279,878</b>	<b>250,597</b>	<b>167,062</b>	<b>11.7%</b>	<b>67.5%</b>	<b>951,754</b>	<b>389,754</b>	<b>144.2%</b>
( - ) Cost of service	(139,463)	(130,307)	(88,586)	7.0%	57.4%	(504,134)	(201,903)	149.7%
% net revenue	(49.8%)	(52.0%)	(53.0%)	+2.2 p.p.	+3.2 p.p.	(53.0%)	(51.8%)	-1.2 p.p.
<b>Gross profit</b>	<b>140,415</b>	<b>120,290</b>	<b>78,476</b>	<b>16.7%</b>	<b>78.9%</b>	<b>447,620</b>	<b>187,851</b>	<b>138.3%</b>
% net revenue	50.2%	48.0%	47.0%	+2.2 p.p.	+3.2 p.p.	47.0%	48.2%	-1.2 p.p.
( - ) Operating expenses	(47,356)	(30,648)	(23,747)	54.5%	99.4%	(127,307)	(58,410)	118.0%
% net revenue	(16.9%)	(12.2%)	(14.2%)	-4.7 p.p.	-2.7 p.p.	(13.4%)	(15.0%)	+1.6 p.p.
<b>Operating income</b>	<b>93,059</b>	<b>89,642</b>	<b>54,729</b>	<b>3.8%</b>	<b>70.0%</b>	<b>320,313</b>	<b>129,441</b>	<b>147.5%</b>
% net revenue	33.2%	35.8%	32.8%	-2.5 p.p.	+0.5 p.p.	33.7%	33.2%	+0.4 p.p.
( + ) Financial Revenue	27,572	31,475	17,300	(12.4%)	59.4%	126,974	27,692	358.5%
( - ) Financial Expenses	(80,678)	(70,442)	(32,598)	14.5%	147.5%	(279,296)	(67,544)	313.5%
<b>Income before taxes &amp; Social Contribution</b>	<b>39,953</b>	<b>50,675</b>	<b>39,431</b>	<b>(21.2%)</b>	<b>1.3%</b>	<b>167,991</b>	<b>89,589</b>	<b>87.5%</b>
% net revenue	14.3%	20.2%	23.6%	-5.9 p.p.	-9.3 p.p.	17.7%	23.0%	-5.3 p.p.
( - ) Income tax & Social Contribution	11,002	(11,840)	(13,512)	(192.9%)	(181.4%)	(19,399)	(31,525)	(38.5%)
<b>Net income</b>	<b>50,955</b>	<b>38,835</b>	<b>25,919</b>	<b>31.2%</b>	<b>96.6%</b>	<b>148,592</b>	<b>58,064</b>	<b>155.9%</b>
% net revenue	18.2%	15.5%	15.5%	+2.7 p.p.	+2.7 p.p.	15.6%	14.9%	+0.7 p.p.

**BALANCE SHEET (CONSOLIDATED)**

In thousands of Brazilian reais (R\$)

	4Q22	3Q22	4Q21	QoQ	YoY
Cash & cash equivalents	938,358	859,354	1,668,121	9.2%	(43.7%)
Trade receivables	237,500	245,392	170,499	(3.2%)	39.3%
Inventories	34,811	30,874	17,299	12.8%	101.2%
Recoverable Taxes	68,330	45,278	33,061	50.9%	106.7%
Other assets	11,610	11,140	8,393	4.2%	38.3%
<b>Total current assets</b>	<b>1,290,609</b>	<b>1,192,038</b>	<b>1,897,373</b>	<b>8.3%</b>	<b>(32.0%)</b>
Recoverable taxes	-	18,593	-	(100.0%)	n.m.
Other assets	2,104	2,059	839	2.2%	150.8%
Property, plant and equipment	2,313,223	2,132,161	1,251,287	8.5%	84.9%
Intangible assets	125,039	123,927	131,988	0.9%	(5.3%)
<b>Total noncurrent assets</b>	<b>2,440,366</b>	<b>2,276,740</b>	<b>1,384,114</b>	<b>7.2%</b>	<b>76.3%</b>
<b>Total assets</b>	<b>3,730,975</b>	<b>3,468,778</b>	<b>3,281,487</b>	<b>7.6%</b>	<b>13.7%</b>
Trade payables	116,768	284,313	49,583	(58.9%)	135.5%
Suppliers under agreement	167,472	-	-	n.m.	n.m.
Borrowings and financing	56,580	95,102	163,742	(40.5%)	(65.4%)
Accounts payable due to company acquisitions	3,519	-	63,539	n.m.	(94.5%)
Lease payables for right of use	5,138	4,625	6,882	11.1%	(25.3%)
Payroll and related taxes	35,682	33,950	20,911	5.1%	70.6%
Taxes payable	154	153	383	0.7%	(59.8%)
Taxes obligations	5,822	8,228	5,398	(29.2%)	7.9%
Other current Liabilities	1,915	978	976	95.8%	96.3%
<b>Total current liabilities</b>	<b>393,050</b>	<b>427,349</b>	<b>311,414</b>	<b>(8.0%)</b>	<b>26.2%</b>
Borrowings and financing	2,008,093	1,716,675	1,710,082	17.0%	17.4%
Accounts payable due to company acquisitions	14,205	17,175	42,201	(17.3%)	(66.3%)
Lease payables for right of use	70,012	70,381	30,301	(0.5%)	131.1%
Taxes in installments	344	378	1,405	(9.0%)	(75.5%)
Deferred Taxes	86,028	97,018	72,696	(11.3%)	18.3%
Provision for labor litigations	722	535	692	35.0%	4.3%
<b>Total noncurrent liabilities</b>	<b>2,179,404</b>	<b>1,902,162</b>	<b>1,857,377</b>	<b>14.6%</b>	<b>17.3%</b>
Capital and reserves	1,081,010	1,078,525	1,088,074	0.2%	(0.6%)
Earnings Reserves	77,511	60,742	24,622	27.6%	214.8%
<b>Equity</b>	<b>1,158,521</b>	<b>1,139,267</b>	<b>1,112,696</b>	<b>1.7%</b>	<b>4.1%</b>
<b>Total liabilities and equity</b>	<b>3,730,975</b>	<b>3,468,778</b>	<b>3,281,487</b>	<b>7.6%</b>	<b>13.7%</b>

## CASH FLOW STATEMENT (CONSOLIDATED)

In thousands of Brazilian reais (R\$)

	4Q22	3Q22	4Q21	2022	2021
<b>Profit before income tax and social contribution</b>	<b>39,953</b>	<b>50,675</b>	<b>39,431</b>	<b>167,991</b>	<b>89,589</b>
<b>Adjusted for</b>					
Depreciation and amortization	43,058	36,067	23,696	137,166	54,614
Bonuses on goods	(1,927)	(2,368)	-	(8,005)	-
Decommissioned assets' write-off costs	-	-	(4,855)	-	-
Cost of disposal of damaged and demobilized assets	6,835	14,729	4,932	37,613	7,480
Provision of accounts payable	-	-	-	-	-
Monetary correction on accounts payables	6,085	(4,765)	1,337	3,639	1,337
Other changes	157	(135)	3,550	-	1,786
Share-based payment plan	2,464	787	-	4,814	-
Other non-operating income	2,728	(2,728)	(1,765)	-	(1,765)
Provision for doubtful debts	902	717	112	5,266	666
Financial discounts obtained	(146)	233	-	(3,222)	-
Charges on leased right-of-use assets	2,462	1,618	650	5,776	1,601
Interest on borrowings and financing	72,355	63,511	29,938	256,832	62,107
Other operating expenses (revenues)	64	-	-	64	-
<b>Changes in assets and liabilities:</b>					
Trade receivables	6,990	4,419	(30,814)	(72,267)	(106,896)
Recoverable taxes	(4,459)	(19,398)	4,111	(35,269)	(22,546)
Inventories	(2,010)	1,198	(4,241)	(9,507)	(10,040)
Other assets	(515)	715	(429)	(4,482)	(4,252)
Accounts payable	(79,209)	100,897	(18,694)	67,185	30,060
Payroll and related taxes	1,732	5,985	(1,588)	14,771	7,952
Taxes payable	24,755	(25,379)	36	424	3,389
Related Parties	-	-	(608)	-	(608)
Other payables	(24,675)	22,513	(10,135)	(351)	(11,591)
Interest on financing	(109,532)	(13,147)	(20,763)	(232,727)	(49,538)
Interest on leased right-of-use assets	(2,462)	(1,635)	(650)	(5,776)	(1,601)
Interest on taxes in instalments	-	48	(7)	-	(22)
Purchase of property, plant and equipment	(151,620)	(421,924)	(162,697)	(1,017,461)	(645,819)
Proceeds from the sale of property, plant and equipment	-	-	1,943	-	5,012
Income tax and social contribution paid in the year	(2,839)	(1,441)	(3,124)	(6,080)	(3,500)
<b>Net cash generated from operating activities</b>	<b>(168,854)</b>	<b>(188,808)</b>	<b>(150,634)</b>	<b>(693,606)</b>	<b>(592,585)</b>
Purchase of intangible assets	(3,093)	(784)	(635)	(4,912)	(1,138)
Financial investments	860,440	20,561	(1,581,502)	1,666,085	(1,581,502)
Corporate Acquisition	(5,390)	5,315	(113,677)	(84,473)	(135,344)
Cash Assumption	(1,406)	-	20,023	(1,406)	20,023
<b>Net cash generated from investing activities</b>	<b>850,551</b>	<b>25,092</b>	<b>(1,675,791)</b>	<b>1,575,294</b>	<b>(1,697,961)</b>
Borrowings and financing	295,466	483,088	1,200,476	778,554	1,639,961
Installments issuance and payment	1,257	(86)	1,202	-	1,123
Capital increase	-	-	(8,880)	-	991,643
Payment of dividends	(34,000)	(25,305)	(23,257)	(99,483)	(49,185)
Repayment of borrowings and financing	(5,393)	(291,618)	(156,716)	(611,810)	(288,519)
Payment of right-of-use leases	(989)	(1,658)	(1,071)	(5,914)	(2,624)
Stocks on Treasury	-	(4,748)	-	(8,119)	-
Share issuance costs	-	-	8,880	-	-
<b>Net cash provided by financing activities</b>	<b>256,341</b>	<b>159,673</b>	<b>1,020,634</b>	<b>53,228</b>	<b>2,292,399</b>
<b>Net increase in cash and cash equivalents</b>	<b>938,038</b>	<b>(4,043)</b>	<b>(805,792)</b>	<b>934,916</b>	<b>1,852</b>

## NON-GAAP METRICS

**CAPEX:** CAPEX aims to reflect the investment the Company's made in PP&E and Intangibles. It's calculated by adding (i) "Purchase of property, plant and equipment" account from the Cash Flow Statement, (ii) "Purchase of intangible assets" account from the Cash Flow Statement, (iii) acquisition of PP&E with debt, in which the payment is made directly to the supplier, (iv) PIS/COFINS credit generation from the acquisition of PP&E, paid to the supplier at the moment of the purchase and (v) acquisition of other enterprises.

**ADJUSTED GROSS PROFIT:** gross profit deducted by the sale of PP&E and non-recurring results. The Company does not see the result from sale of PP&E as a recurring result, seeing it as a marginal activity resulting from adjustments made in the composition of our fleet. Gross Adjusted Margin is calculated as the Adjusted Gross Profit divided by the net revenue from rental and services.

**ADJUSTED EBITDA:** consists of earnings (losses) adding back the Company's net financial result, taxes (current and deferred), depreciation and amortization, the non-recurring results, and the sale of PP&E. The adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by the net revenues from rental and services.

**ADJUSTED EBIT:** consists of EBIT deducted by the sale of PP&E and non-recurring results. The Adjusted EBIT margin is calculated by the division of Adjusted EBIT by the net revenue from rental and services.

**ADJUSTED NET INCOME:** consists of the net income deducting the effect of after-taxes non-recurring results.

**CASH TAX EARNINGS:** cash earnings are the sum of (i) adjusted net income, (ii) deferred taxes, (iii) taxes deducted from gross revenues generated in the current period that were paid using PIS/COFINS Credits, (iv) taxes on the non-recurring results. This KPI reflects the impact that the taxes actually paid in the period have on the company's earnings.

**MANAGERIAL OPERATING CASH FLOW:** The Managerial Operating Cash Flow is equivalent to the cash flow from operating activities, disregarding the effects of the sale and acquisition of PP&E, as well as interest income and expenses.

**ADJUSTED ROIC:** The Adjusted Return on Invested Capital is calculated by taking EBIT and deducting current income tax, then dividing the result by the period's average invested capital. The period's average invested capital is composed of the sum of (i) working capital and (ii) gross PP&E divided by two. The goal of using the gross PP&E divided by two is to present a perception of profitability in the mid-life of the company's typical equipment.

**ADJUSTED ROE:** The Adjusted Return on Equity, is calculated as the Cash Tax Earnings divided by the sum of the (i) period's average stockholders' equity and (ii) period's average deferred taxes. The goal of using the Cash Tax Earnings is to consider the effect of income tax deferrals and fiscal credits generated in the operation.

## DISCLAIMER

*The non-GAAP metrics presented in this report are not measures of financial performance, liquidity or indebtedness accepted by the BR GAAP or the IFRS, and they don't have standard meanings. Other companies may calculate the non-GAAP metrics presented in this report in a different way, thus affecting and disabling comparison between disclosures. All statements made in this report are related to the Company's perspective of its business, projections, results and to its potential growth and are all based on internal estimates made considering management's expectations on the future of the Company. These expectations can all be affected by the overall results of the country's economy, the sector and international market; thus, being subject to changes.*