EARNINGS RELEASE

1Q 2023

CONFERENCE CALL | May 10th, 2023 | 10:00 BRT | 9:00 NYC | 14:00 London

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Barueri, May 9, 2023. ARMAC (Armac Locação, Logística e Serviços S.A. – B3: ARML3) announces today its results for the 1st quarter of 2023 (1Q23). The Company's interim financial statements for the periods ended March 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.

HIGHLIGHTS

- **FLEET:** net addition of 15 machines and equipment, totaling 9,498 renting machines in 1Q23, 37.3% growth vs. 1Q22
- **INVESTMENTS:** CAPEX of R$ 126.8 million in 1Q23, -49.4% vs. 4Q22 and monthly organic CAPEX of R$ 42.3 million.
- **GROSS REVENUE:** R$ 318.7 million in 1Q23, 3.3% growth vs. 4Q22 and 47.7% vs. 1Q22.
- **EBITDA:** R$ 135.4 million in 1Q23, -0.6% vs. 4Q22 and +50,9% vs. 1Q22. Adjusted EBITDA was R$ 119.9 million, -5.0% vs. 4Q22 and 36.9% growth vss. 1Q22.
- **ADJUSTED NET INCOME:** R$ 26.2 million in 1Q23, -21.2% vs. 4Q22 and -6.2% vs. 1Q22.
- **INDEBTEDNESS:** Company's net debt ended 1Q23 at R$ 1,258.8 million, with a cash position of R$ 869.4 million and gross debt of R$ 2,182.2 million. Leverage (net debt/EBITDA LTM) was 2.50x.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Rental Fleet Size (# Equipment)	**9,498**	**9,483**	**0.2%**	**6,898**	**37.7%**
CAPEX	**126.8**	**250.5**	**(49.4%)**	**228.3**	**(44.4%)**
Gross Revenue	**318.7**	**308.5**	**3.3%**	**215.8**	**47.7%**
Gross Revenue from rental	283.2	289.9	(2.3%)	206.3	37.3%
Adjusted EBITDA	**119.9**	**126.1**	**(5.0%)**	**87.7**	**36.8%**
% net revenue from rental	46.8%	48.3%	-1.4 p.p.	47.2%	-0.3 p.p.
Adjusted EBIT	**78.2**	**83.1**	**(5.9%)**	**60.6**	**28.9%**
% net revenue	30.5%	31.8%	-1.3 p.p.	32.6%	-2.1 p.p.
Cash tax earnings	**55.4**	**64.9**	**(14.7%)**	**53.5**	**3.4%**
% net revenue	19.0%	23.2%	-4.2 p.p.	27.4%	-8.4 p.p.
Adjusted net income	**26.2**	**33.3**	**(21.2%)**	**28.0**	**(6.2%)**
% net revenue	9.0%	11.9%	-2.9 p.p.	14.3%	-5.3 p.p.
Net Debt	**1,258.8**	**1,126.3**	**11.8%**	**438.0**	**187.4%**
Net Debt / Adjusted EBITDA LTM	2.50x	2.46x	1.6%	1.69x	48.3%
Adjusted ROIC	**23.0%**	**27.2%**	-4.2 p.p.	**27.5%**	**-4.4 p.p.**
Adjusted ROE	**17.9%**	**20.9%**	-3.0 p.p.	**17.8%**	**+0.1 p.p.**

MESSAGE FROM MANAGEMENT

Dear Investors,

We uphold our mission of supporting Brazil's development with our services, which are aligned with the interests of our customers and society, as we only charge for working machines and we recycle components that normally are discarded. Our focus remains in pursuing operational excellence and safety in our operations, which is an essential attribute for our sustainable growth. To achieve this, we continue heavily investing in Armac future, that includes our mechanics, operators, and drivers. In mechanics, only in the first months of 2023, we have already graduated more than 40 mechanics and 293 others are being instructed in our career progression programs. The commitment and creativity of these professionals are a central part to our success.

In addition to investing in our team of employees, we have started an important transformation in 2023 to make our operations the safest in our industry. Protecting who operates and does maintenance on machines is part of our reason to exist. As one of the biggest yellow line fleet owners in the world, we are seeking tools and methods that make safer the lives of those who work with our equipment. An important achievement already obtained was a 60% reduction in time-loss accidents in the first 4 months of 2023. Part of this process involved the evolution of our values, detailed below:

Regarding our financial results, we are not satisfied with first quarter's. A stronger than expected rainy season affected infrastructure, mining, and agribusiness customers. We had volume reduction, interruptions in port terminals in the state of PR and in some rail tracks in MG state. Due to raining, we postponed deployments expected to occur in this period. In the worst moment of the quarter, fleet occupation reached 60%, and average occupation was 65%. Even so, Armac grew 47.7% in Gross Revenue and 50.9% in EBITDA over 1Q22.

This one-off delay in the budgeted revenue for this quarter penalized us because of the anticipation of costs and expenses to sustain the growth of the following quarters and our structure of fixed costs. Even with operational deleveraging, we maintained EBITDA Margin around 47%, but below our goal. The trajectory of cost dilution and gains in EBITDA Margin is a compromise of Armac.

Despite the delay in deployments, we were successful in our commercial efforts through the first quarter. We signed contracts that will be deployed in the second and third quarters for most of the inventory, that once in full operation will generate a quarterly additional recurrence of more than R$ 80 million in revenues. Validating economically our investments of the second half of 2022.

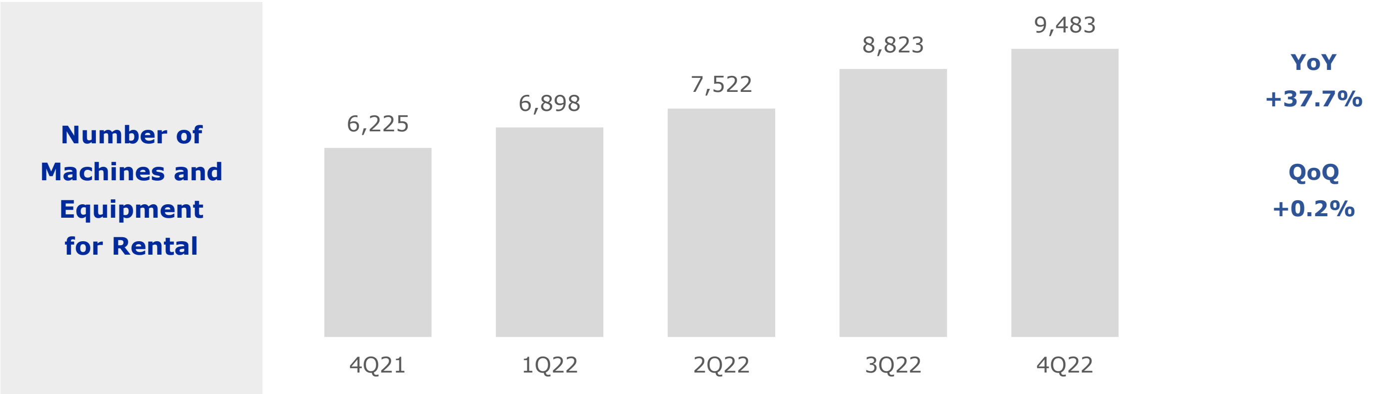
About capital allocation, we remain focused on concluding the mobilization of our inventory so then we can reaccelerate CAPEX and fleet expansion. The sectors we serve, notably agribusiness, mining, bioenergy and pulp and paper, remain with strong demand despite a challenging economic environment, what keeps us optimistic. Commercial projects pipeline remains robust and with great share of the inventory waiting for deployment, what should happen through second and third quarters of 2023. The R$ 126 million CAPEX of the first quarter was made in assets that we didn't have in stock, demanded by long-term projects (+4 years). Operating Cash Flow generation allowed us to maintain leverage around 2.5x, same level as 4Q22. We remain with discipline seeking even lower levels of Net Debt/EBITDA LTM. We comprehend this is efficient and prudent in the current scenario of elevated interest rate.

Finally, we would like to thank our collaborators, suppliers, and shareholders for another quarter of full of work and partnership. We still have a lot to do together.

Fernando Aragão

RENTAL FLEET AND INVESTMENTS

We ended the first quarter of 20233 with a rental fleet of 9,498 assets, consisting of yellow line machines, lifting platforms, forklifts, trucks, power generators and other equipment, with a net addition of 15 equipment, representing a 0.2% growth against 4Q22 and 37.7% against 1Q22.

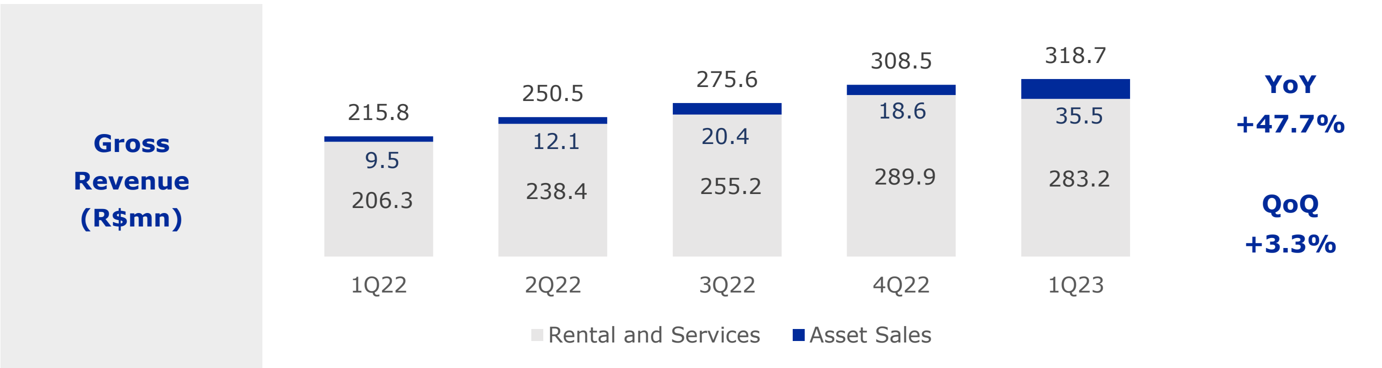


Organic CAPEX totalled R$ 126.8 million in 1Q23, with a 49.4% reduction against 4Q22 due to the large equipment inventory accumulated after acquisitions done in the second half of 2022. This investment represented a monthly average organic CAPEX of R$ 42.3 million vs. R$ 83.5 million in 4Q22.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Acquistion of fixed assets	46.6	151.6		215.7	
Non-cash ops for the acquisition of Fixed Assets	75.7	95.8		12.0	
Purchase of intangible assets	4.6	3.1		0.6	
Organic Capex	**126.8**	**250.5**	**(49.4%)**	**228.3**	**(44.4%)**
Monthly CAPEX	*42.3*	*83.5*	*(49.4%)*	*76.1*	*(44.4%)*
Enterprise acquisition	-	-		-	
Total CAPEX	**126.8**	**250.5**	**(49.4%)**	**228.3**	**(44.4%)**

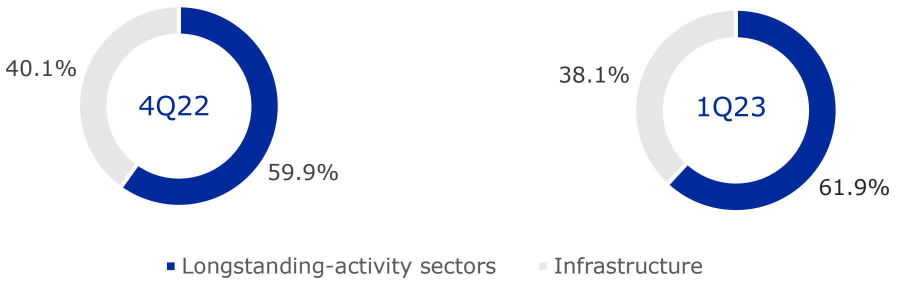
GROSS REVENUE

In 1Q23, gross revenue reached R$ 318.7 million, with a 3.3% expansion compared to 4Q22 and 47.7% against 1Q22. Gross revenue from rental and services reached R$ 283.2 million, 2.3% decrease against 4Q22 and a 37.3% growth compared to 1Q22.



In 1Q23, rental to longstanding-activity sectors responded for 61.9% of our gross revenue, a 2 p.p. growth when compared to the last quarter, remaining aligned with the company's long-term strategy.

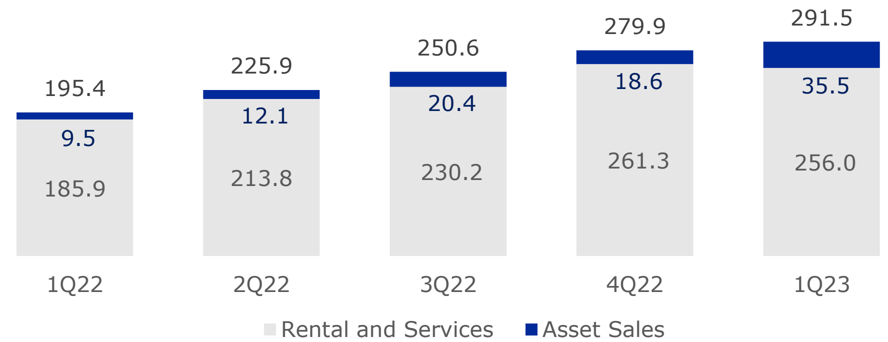
Revenue by Class of Client (%)



NET REVENUE

In 1Q23, net revenue reached R$ 291.5 million, expansion of 4.1% in relation to 4Q22 and 49.2% when compared to 1Q22. Net revenue from rentals totaled R$ 256 million, 2.0% decrease when compared to 4Q22 and a 37.7% growth vs. 1Q22.

Net Revenue (R$mn)

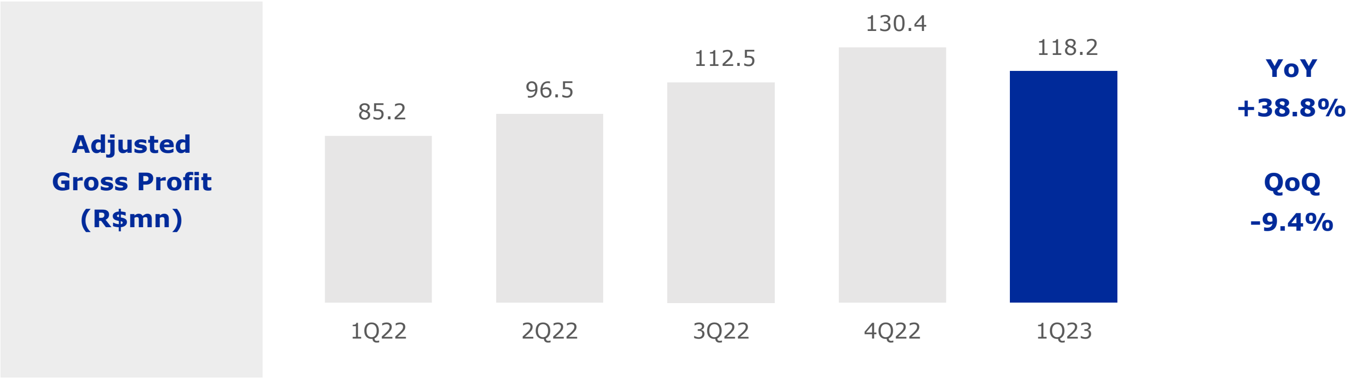


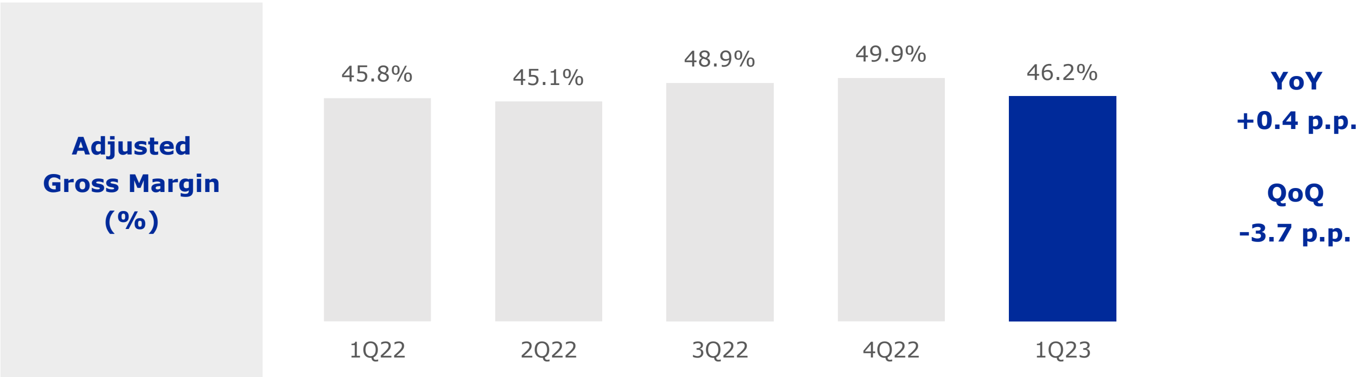
YoY +49.2%

QoQ +4.1%

ADJUSTED GROSS PROFIT

In 1Q23, adjusted gross profit, which excludes the result of the sale of fixed assets, reached R$118.2 million, 9.4% decrease compared to 4Q22 and 38.8% growth against 1Q22. Adjusted gross margin was 46.2% in 1Q23 vs. 49.9% in 4Q22 and 45.8% in 1Q22.

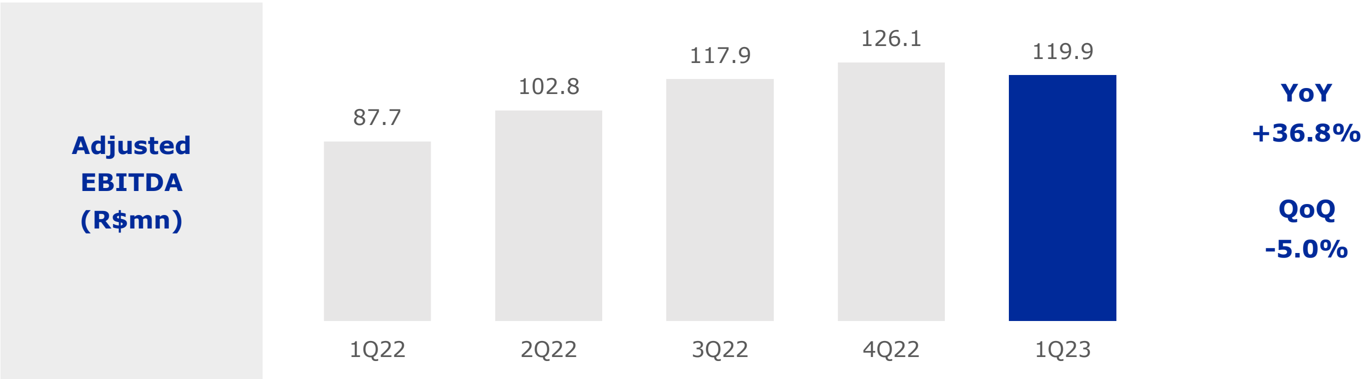


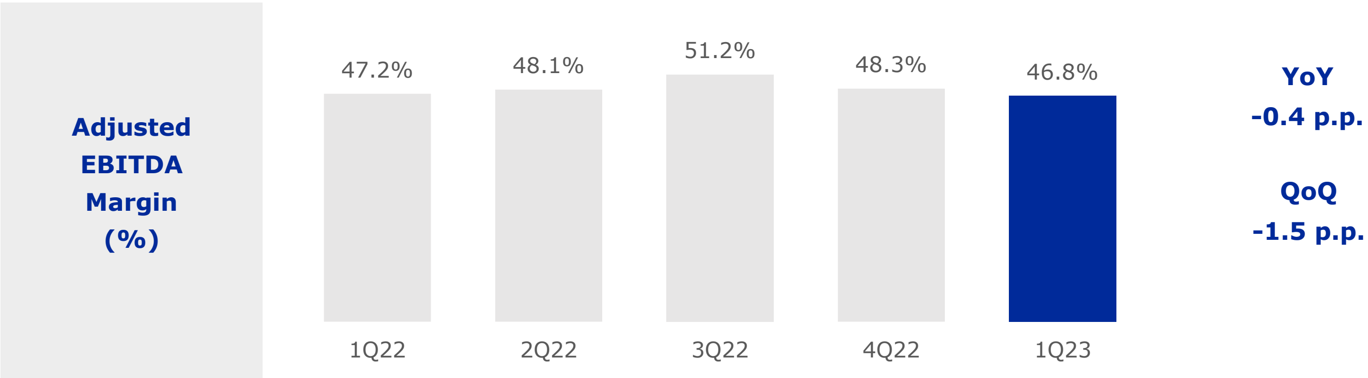


EBITDA

In 1Q23, EBITDA totaled R$ 135.4 million, -0.6% vs. 4Q22 and +50.9% vs. 1Q22. Adjusted EBITDA, which excludes asset sales results, reached R$ 119.9 million, a 5.0% decrease compared to 4Q22 and a 36.8% growth against 1Q22. Adjusted EBITDA Margin was 46.8% in 1Q23, a 1.4 p.p. reduction in relation to 4Q22.

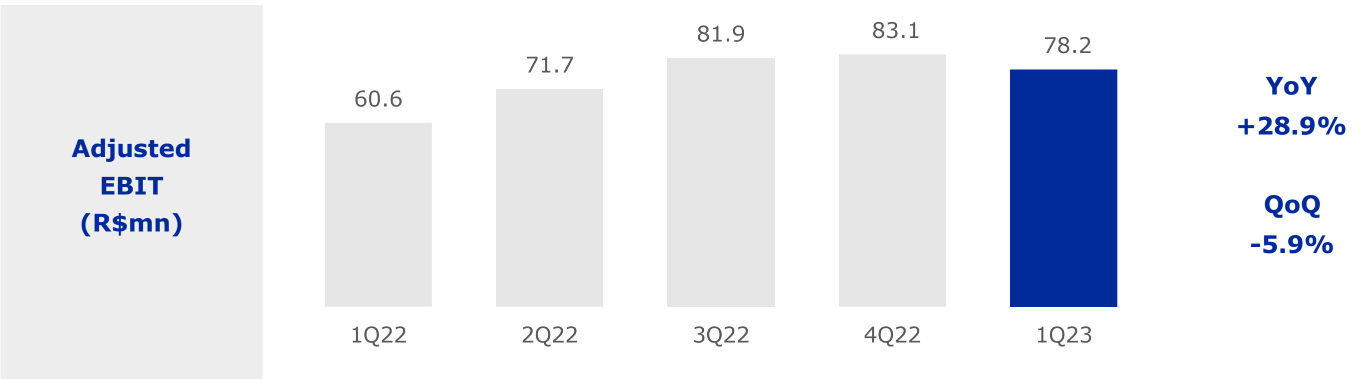
R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Net Income	**26.2**	**51.0**	**(48.5%)**	**28.0**	**(6.2%)**
Income tax and social contribution	4.5	(11.0)		8.9	
Financial expenses	91.0	80.7		64.5	
Financial income	(28.1)	(27.6)		(38.6)	
Depreciation and Amortization	41.7	43.1		27.0	
Non-recurring result	-	-		-	
EBITDA	**135.4**	**136.1**	**(0.6%)**	**89.7**	**50.9%**
Result of the sale of assets	(15.5)	(10.0)		(2.1)	
Adjusted EBITDA	**119.9**	**126.1**	**(5.0%)**	**87.7**	**36.8%**
% Adjusted EBITDA margin	46.8%	48.3%	-1.4 p.p.	47.2%	-0.3 p.p.

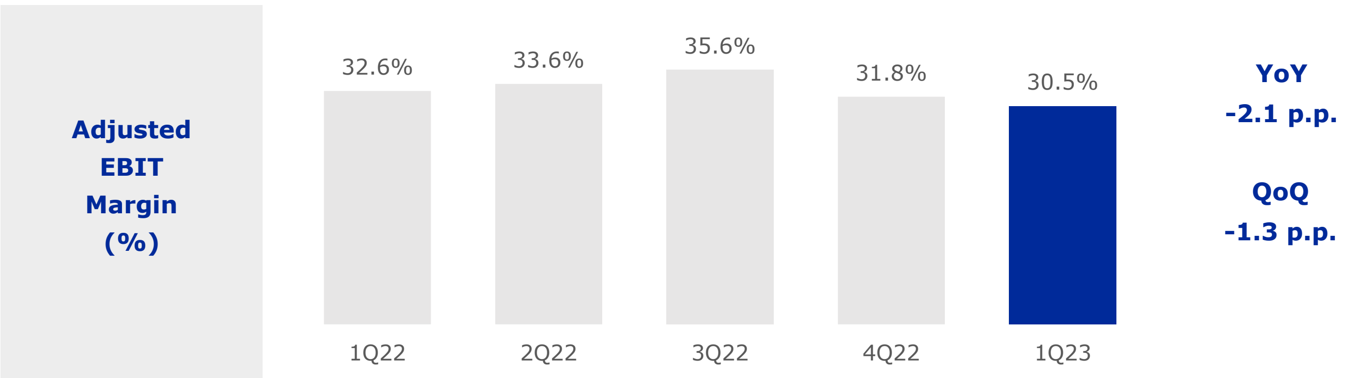




EBIT

In 1Q23, Adjusted EBIT, which excludes asset sales results, reached R$ 78.2 million, a 5.9% reduction in relation to 4Q22 and 28.9% increase when compared to 1Q22. Adjusted EBIT Margin was 30.5% in 1Q23 vs. 31.8% in 4Q22 and 32.6% in 1Q22.





NET INCOME AND CASH TAX EARNINGS

Adjusted Net Income reached R$ 26.2 million in 1Q23, 21.2% decrease when compared to 4Q22 and 6.2% in relation to 1Q22. On the other hand, Cash Tax Earnings, which considers the effect of PIS/COFINS and deferred taxes, totalled R$ 55.4 million, -14.7% when compared to 4Q22 and +3.4% vs. 1Q22. The margin was 19.0% in 1Q23 vs. 23.2% in 4Q22 and 27.4% in 1Q22.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Net Income	**26.2**	**51.0**	**(48.5%)**	**28.0**	**(6.2%)**
% net revenue	9.0%	18.2%	-9.2 p.p.	14.3%	-5.3 p.p.
Net non-recurring result	-	(17.7)		-	
Adjusted Net Income	**26.2**	**33.3**	**(21.2%)**	**28.0**	**(6.2%)**
% net revenue	9.0%	11.9%	-2.9 p.p.	14.3%	-5.3 p.p.
IRCS from Non-recurring income	4.5	6.7		7.1	
PIS/COFINS levied on revenue paid with tax credit	24.6	25.0		18.5	
Adjusted Cash Tax Earnings	**55.4**	**64.9**	**(14.7%)**	**53.5**	**3.4%**
% Net Revenue	19.0%	23.2%	-4.2 p.p.	27.4%	-8.4 p.p.

OPERATING CASH FLOW

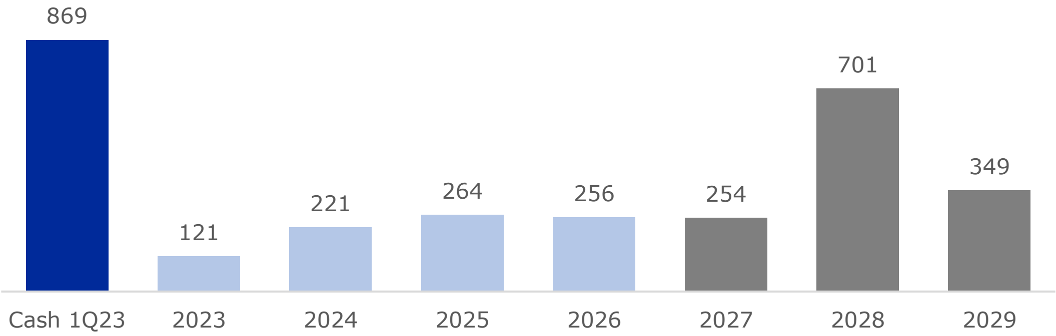
In 1Q23, Managerial Operating Cash Flow generation was R$ 71.1 million, a 12.8% growth compared to 4Q22. Operating Cash Flow in 1Q23 represented 59.3% of Adjusted EBITDA, vs. 50.0% in 4Q22 and 105.9% in 1Q22.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Net cash from operating activities	**76.1**	**(168.9)**		**(113.4)**	
Purchase of property, plant and equipment	46.6	151.6		215.7	
Proceeds from Sale of PP&E	(35.5)	(18.6)		(9.5)	
Interest on financing	9.0	109.5		29.2	
Interest on suppliers under agreement	4.6	-		-	
PIS/COFINS credits generated on the purchase of fixed assets	-	16.6		12.0	
Payment of right-of-use leases	(1.5)	(1.0)		(1.4)	
Installment issuance and payments	(0.0)	1.3		(1.2)	
Financial income	(28.1)	(27.6)		(38.6)	
Managerial operating cash flow	**71.1**	**63.0**	**12.8%**	**92.8**	**(23.4%)**
% Adjusted EBITDA	59.3%	50.0%	+9.3 p.p.	105.9%	-46.6 p.p.

INDEBTEDNESS

We ended the first quarter maintaining a robust cash position of R$ 869.4 million, enough to covert debt amortizations until the end of 2026 and execute our strategic plan through the next periods.

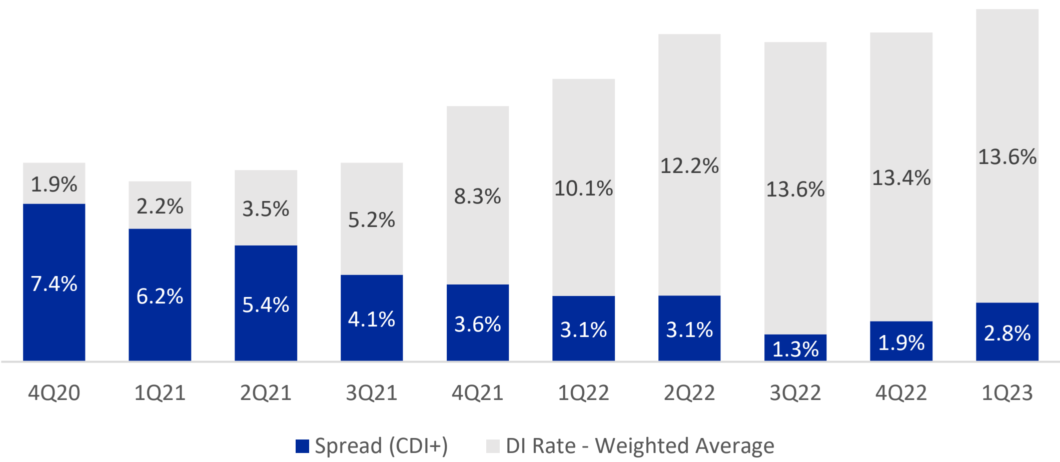
Financial Debt Amortization Schedule (R$mn)



Company's Gross Debt ended 1Q23 in R$ 2,128.2 million. Net debt ended the quarter in R$ 1,258.8 million vs. R$ 1,126.3 million in 4Q22, resulting in a LTM leverage of 2.50x. Annualizing 1Q23 EBITDA for the next 12 months (run rate), our leverage would be 2.32x, still in a comfortable position when compared to the Company's covenants, of 3.5x.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Short term Debt	126.7	56.6		190.4	
Long term Debt	2,001.5	2,008.1		1,600.6	
Gross Debt	**2,128.2**	**2,064.7**	**3.1%**	**1,791.0**	**18.8%**
Cash and cash equivalents	(869.4)	(938.4)	(7.3%)	(1,353.0)	(35.7%)
Net Debt	**1,258.8**	**1,126.3**	**11.8%**	**438.0**	**187.4%**
Net Debt / Adjusted EBITDA LTM	2.50x	2.46x	1.6%	1.69x	48.3%

Average Cost of Debt (%)



PROFITABILITY

In 1Q23, Adjusted ROIC was 23.0% vs. 27.2% in 4Q22 and 27.5% in 1Q22, still impacted by the equipment inventory accumulated through the second half of 2022.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Adjusted EBIT	78.2	83.1	(5.9%)	60.6	28.9%
Current Income TAX	-	-	-	(1.8)	(100.0%)
NOPAT	**78.2**	**83.1**	**(5.9%)**	**58.8**	**32.9%**
Working Capital	108.5	39.6	174.1%	159.7	(32.1%)
Gross Fixed Asset/2	1,304.5	1,260.0	3.5%	749.0	74.2%
Invested Capital	**1,413.1**	**1,299.6**	**8.7%**	**908.7**	**55.5%**
Average Invested Capital	*1,356.3*	*1,221.2*	11.1%	*857.1*	*58.2%*
Adjusted ROIC	**23.0%**	**27.2%**	**-4.2 p.p.**	**27.5%**	**-4.4 p.p.**

In 1Q23, Ajusted ROE was 17.9% vs. 20.9% in 4Q22 e 17.8% in 1Q22, affected by the same effects of ROIC, but accentuated by the impact of financial expenses generated by a relevant capital allocation that did not generate results for the Company yet.

R$ million	1Q23	4Q22	QoQ	1Q22	YoY
Adjusted cash net income	**55.4**	**64.9**	**(14.7%)**	**53.5**	**3.4%**
Shareholders Equity	1,139.7	1,158.5	(1.6%)	1,135.2	0.4%
Deferred Taxes	90.5	86.0	5.2%	79.7	13.5%
Shareholders Equity & Deferred Taxes	**1,230.3**	**1,244.5**	**(1.1%)**	**1,215.0**	**1.3%**
Average Shareholders Equity & Deferred Taxes	*1,237.4*	*1,240.4*	*(0.2%)*	*1,200.2*	*3.1%*
Adjusted ROE	**17.9%**	**20.9%**	**-3.0 p.p.**	**17.8%**	**+0.1 p.p.**

INCOME STATEMENT (CONSOLIDATED)

In thousands of Brazilian reais (R$)

	1Q23	4Q22	QoQ	1Q22	YoY
Gross operating revenue	**318,710**	**308,537**	**3.3%**	**215,790**	**47.7%**
(−) Sales tax	(27,219)	(28,659)	(5.0%)	(20,374)	33.6%
% gross revenue	(8.5%)	(9.3%)	+0.7 p.p.	(9.4%)	+0.9 p.p.
Net operating revenue	**291,491**	**279,878**	**4.1%**	**195,416**	**49.2%**
(−) Cost of service	(157,807)	(139,463)	13.2%	(108,171)	45.9%
% net revenue	(54.1%)	(49.8%)	-4.3 p.p.	(55.4%)	+1.2 p.p.
Gross profit	**133,684**	**140,415**	**(4.8%)**	**87,245**	**53.2%**
% net revenue	45.9%	50.2%	-4.3 p.p.	44.6%	+1.2 p.p.
(−) Operating expenses	(40,039)	(47,356)	(15.5%)	(24,555)	63.1%
% net revenue	(13.7%)	(16.9%)	+3.2 p.p.	(12.6%)	-1.2 p.p.
Operating income	**93,645**	**93,059**	**0.6%**	**62,690**	**49.4%**
% net revenue	32.1%	33.2%	-1.1 p.p.	32.1%	+0.0 p.p.
(+) Financial Revenue	28,107	27,572	1.9%	38,592	(27.2%)
(−) Financial Expenses	(91,020)	(80,678)	12.8%	(64,465)	41.2%
Income before taxes & Social Contribution	**30,732**	**39,953**	**(23.1%)**	**36,817**	**(16.5%)**
% net revenue	10.5%	14.3%	-3.7 p.p.	18.8%	-8.3 p.p.
(−) Income tax & Social Contribution	(4,510)	11,002	(141.0%)	(8,852)	(49.1%)
Net income	**26,222**	**50,955**	**(48.5%)**	**27,965**	**(6.2%)**
% net revenue	9.0%	18.2%	-9.2 p.p.	14.3%	-5.3 p.p.

BALANCE SHEET (CONSOLIDATED)

In thousands of Brazilian reais (R$)

	1Q23	4Q22	QoQ	1Q22	YoY
Cash & cash equivalents	869,390	938,358	(7.3%)	1,352,979	(35.7%)
Trade receivables	251,542	237,500	5.9%	222,996	12.8%
Inventories	44,637	34,811	28.2%	20,824	114.4%
Recoverable Taxes	59,467	68,330	(13.0%)	38,041	56.3%
Other assets	30,454	11,610	162.3%	7,227	321.4%
Total current assets	**1,255,490**	**1,290,609**	**(2.7%)**	**1,642,067**	**(23.5%)**
Recoverable taxes	-	-	-	202	(100.0%)
Court deposit	1,635	-	-	-	-
Other assets	2,637	2,104	25.3%	1,145	130.3%
Property, plant and equipment	2,373,128	2,313,223	2.6%	1,437,500	65.1%
Intangible assets	127,661	125,039	2.1%	126,672	0.8%
Total noncurrent assets	**2,505,061**	**2,440,366**	**2.7%**	**1,565,519**	**60.0%**
Total assets	**3,760,551**	**3,730,975**	**0.8%**	**3,207,586**	**17.2%**
Trade payables	83,735	116,768	(28.3%)	107,902	(22.4%)
Suppliers under agreement	155,376	167,472	(7.2%)	-	-
Borrowings and financing	126,671	56,580	123.9%	190,376	(33.5%)
Accounts payable due to company acquisitions	3,569	3,519	1.4%	-	-
Lease payables for right of use	4,979	5,138	(3.1%)	7,440	(33.1%)
Payroll and related taxes	44,745	35,682	25.4%	19,930	124.5%
Taxes payable	157	154	1.9%	127	23.6%
Taxes obligations	7,351	5,822	26.3%	8,646	(15.0%)
Interest on shareholders' equity payable	6,228	-	-	6,212	0.3%
Other current Liabilities	8,166	1,915	326.4%	2,774	194.4%
Total current liabilities	**440,977**	**393,050**	**12.2%**	**343,407**	**28.4%**
Borrowings and financing	2,001,548	2,008,093	(0.3%)	1,600,634	25.0%
Accounts payable due to company acquisitions	14,732	14,205	3.7%	16,119	(8.6%)
Lease payables for right of use	72,045	70,012	2.9%	31,336	129.9%
Taxes in installments	323	344	(6.1%)	415	(22.2%)
Deferred Taxes	90,538	86,028	5.2%	79,748	13.5%
Provision for labor litigations	656	722	(9.1%)	692	(5.2%)
Total noncurrent liabilities	**2,179,842**	**2,179,404**	**0.0%**	**1,728,944**	**26.1%**
Capital and reserves	1,083,227	1,081,010	0.2%	1,085,080	(0.2%)
Earnings Reserves	56,505	77,511	(27.1%)	50,155	12.7%
Equity	**1,139,732**	**1,158,521**	**(1.6%)**	**1,135,235**	**0.4%**
Total liabilities and equity	**3,760,551**	**3,730,975**	**0.8%**	**3,207,586**	**17.2%**

CASH FLOW STATEMENT (CONSOLIDATED)

In thousands of Brazilian reais (R$)

	1Q23	4Q22	1Q22
Profit before income tax and social contribution	**30,732**	**39,953**	**36,817**
Adjusted for			
Depreciation and amortization	41,718	43,058	27,027
Bonuses on goods	(4,000)	(1,927)	-
Decommissioned assets' write-off costs	-	-	-
Cost of disposal of damaged and demobilized assets	25,956	6,835	7,453
Provision of accounts payable	-	-	-
Monetary correction on accounts payables	577	6,085	1,813
Other changes	-	157	727
Share-based payment plan	2,217	2,464	-
Other non-operating income	-	2,728	-
Provision for doubtful debts	1,881	902	1,154
Financial discounts obtained	-	(146)	(3,054)
Charges on leased right-of-use assets	2,453	2,462	839
Interest on borrowings and financing	82,154	72,355	60,553
Accrued interest on suppliers under agreement	5,138	-	-
Other operating expenses (revenues)	(66)	64	-
Changes in assets and liabilities:			
Trade receivables	(15,923)	6,990	(63,168)
Recoverable taxes	8,863	(4,459)	(5,182)
Court deposits	(171)		
Inventories	(9,826)	(2,010)	(3,525)
Other assets	(16,841)	(515)	860
Accounts payable	(33,033)	(79,209)	58,319
Payroll and related taxes	9,063	1,732	(981)
Taxes payable	1,529	24,755	1,448
Related Parties	-	-	-
Other payables	6,251	(24,675)	1,800
Interest on financing	(8,964)	(109,532)	(29,220)
Interest on leased right-of-use assets	(2,453)	(2,462)	(822)
Interest on taxes in instalments	-	-	(23)
Interest on suppliers under agreement	(4,568)	-	-
Purchase of property, plant and equipment	(46,553)	(151,620)	(215,710)
Proceeds from the sale of property, plant and equipment	-	-	9,517
Income tax and social contribution paid in the year	-	(2,839)	-
Net cash generated from operating activities	**76,134**	**(168,854)**	**(113,359)**
Purchase of intangible assets	(4,615)	(3,093)	(599)
Financial investments	-	860,440	313,542
Corporate Acquisition	-	(5,390)	(84,398)
Cash Assumption	-	(1,406)	-
Net cash generated from investing activities	**(4,615)**	**850,551**	**228,545**
Borrowings and financing	-	295,466	-
Installments issuance and payment	(18)	1,257	(1,223)
Capital increase	-	-	-
Payment of dividends	(41,000)	(34,000)	-
Repayment of borrowings and financing	(9,644)	(5,393)	(114,148)
Payment of right-of-use leases	(1,490)	(989)	(1,416)
Payment of suppliers under agreement	(88,336)	-	-
Stocks on Treasury	-	-	-
Share issuance costs	-	-	-
Net cash provided by financing activities	**(140,487)**	**256,341**	**(116,787)**
Net increase in cash and cash equivalents	**(68,969)**	**938,038**	**(1,600)**

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.