Interim Financial Information

Plascar Participações Industriais S.A.

As at September 30, 2020

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Independent auditor's review report on quarterly information

To the Board of Directors, Shareholders and Officers
Plascar Participações Industriais S.A.
Jundiaí - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Plascar Participações Industriais S.A. (the "Company"), for the quarter ended September 30, 2020, comprising the statement of financial position as of September 30, 2020 and the related statements of profit or loss and comprehensive income for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (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 auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the 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 quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Uma empresa-membro da Ernst & Young Global Limited

Emphasis of matter

Uncertainty about the Company's ability to continue as a going concern

We draw attention to Note 1 to the individual and consolidated interim financial information which describes that the Company through its subsidiary has recorded recurring losses in its operations and has presented accumulated losses in equity in the amount of R$ 1.104.081 thousand (R$ 1.004.063 thousand on December 31, 2019), in individual and consolidated and excess current liabilities over current assets at the end of the nine-month period ended September 30, 2020 in the amount of R$ 144.072 thousand (R$178.940 thousand on December 31, 2019) in the consolidated. As presented in Note 1, these events or conditions, together with other matters described in Note 1, indicate the existence of material uncertainty that may raise significant doubts as to the Company's ability to continue operating. Our conclusion does not contain a modification related to this matter.

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 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, consistently with the overall individual and consolidated interim financial information.

Campinas, November 11, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Cristiane Cléria S. Hilario
Partner-Accountant
CRC - 1SP243766/O-8

Assets

Statement of financial position

(In thousands of reais)

	Individual		Consolidated	
Current assets	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents	17,447	29	18,878	17,383
Trade accounts receivable	-	-	34,666	26,062
Inventories	-	-	47,054	44,439
Taxes recoverable	-	-	16,538	51,844
Other assets	17	17	2,026	2,389
Total current assets	17,464	46	119,162	142,117
Noncurrent assets	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Taxes recoverable	-	-	143,057	132,957
Judicial deposits	-	-	4,099	4,792
Investment property	-	-	8,475	8,542
Property, plant and equipment in operation	7	7	281,902	307,193
Right-of-use assets	-	-	24,243	35,766
Other assets	-	-	161	115
Total noncurrent assets	7	7	461,937	489,365
Total assets	17,471	53	581,099	631,482

Liabilities and equity

Statement of financial position
(In thousands of reais)

	Individual		Consolidated	
Current liabilities	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Loans and financing	-	-	29,248	35,296
Lease liabilities	-	-	20,215	17,562
Trade accounts payable	-	-	33,960	22,313
Taxes payable	23	35	40,692	47,145
Payroll, vacation pay and social charges payable	-	-	98,065	56,932
Advances from customers	-	-	17,645	20,785
Related parties	-	-	-	6,160
Other accounts payable	-	-	23,409	114,864
Total current liabilities	23	35	263,234	321,057
Noncurrent liabilities	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Contingencies	-	-	12,077	7,395
Related parties	29,998	11,554	7,811	-
Provision for capital deficiency	159,733	60,667	-	-
Loans and financing	-	-	97,260	100,162
Lease liabilities	-	-	21,800	42,736
Payroll, vacation pay and social charges payable	-	-	11,542	15,017
Deferred income and social contribution taxes	-	-	19,039	18,501
Taxes payable	-	-	113,452	116,286
Other accounts payable	-	-	207,167	82,531
Total noncurrent liabilities	189,731	72,221	490,148	382,628
	189,753	72,256	753,382	703,685
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	343	405	343	405
Accumulated losses	(1,104,081)	(1,004,063)	(1,104,081)	(1,004,063)
Total equity	(172,283)	(72,203)	(172,283)	(72,203)
Total liabilities and equity	17,471	53	581,099	631,482

Management's Explanatory Notes to Quarterly Information - ITR, Individual and Consolidated, for the quarter ended September 30, 2020 (In thousands of Reais, except when otherwise indicated)

Profit and Loss Statement for the three and nine-month periods ended of September 30, 2020 and 2019
(In Thousand of Reais)

	Individual				Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Net operating revenue	-	-	-	-	98,595	232,065	111,895	290,137
Cost of goods sold	-	-	-	-	(98,106)	(244,779)	(97,654)	(278,668)
Gross profit / (loss)	-	-	-	-	489	(12,714)	14.241	11,469
Operating (expenses) and income								
Selling expenses	-	-	-	-	(5,923)	(15,407)	(5,390)	(15,589)
General and administrative expenses	(338)	(1,062)	(459)	(1,191)	(15,782)	(39,160)	(16,217)	(45,053)
Equity pick-up	(35,698)	(99,066)	(23,620)	(125,500)	-	-	-	-
Other operating income/(expenses), net	-	-	-	-	(4,593)	(3,951)	(2,589)	(2,285)
Operating expenses	(36,036)	(100,128)	(24,079)	(126,691)	(25,809)	(71,232)	(9,955)	(51,458)
Operating income before finance income (expenses)	(36,036)	(100,128)	(24,079)	(126,691)	(25,809)	(71,232)	(9,955)	(51,458)
Finance income (expenses)								
Finance income	19	65	18	23	5,284	13,621	1,543	2,940
Finance costs	(6)	(17)	(7)	(13)	(15,366)	(41,931)	(15,263)	(76,845)
	13	48	11	10	(10,082)	(28,310)	(13,720)	(73,905)
Loss before income and social contribution taxes	(36,023)	(100,080)	(24,068)	(126,681)	(35,891)	(99,542)	(23,675)	(125,363)
Income and social contribution taxes								
Deferred	-	-	-	-	(132)	(538)	(393)	(1,318)
	-	-	-	-	(132)	(538)	(393)	(1,318)
Net loss for the period	(36,023)	(100,080)	(24,068)	(126,681)	(36,023)	(100,080)	(24,068)	(126,681)

Statements of comprehensive income for the three and nine-months period ended September 30, 2020 and 2019
(In thousands of Reais)

	Individual				Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Net loss for the period	(36,023)	(100,080)	(24,068)	(126,681)	(36,023)	(100,080)	(24,068)	(126,681)
	(36,023)	(100,080)	(24,068)	(126,681)	(36,023)	(100,080)	(24,068)	(126,681)
Total comprehensive income	(36,023)	(100,080)	(24,068)	(126,681)	(36,023)	(100,080)	(24,068)	(126,681)

Statement of changes in shareholders' equity – Company and Consolidated
(In thousands of Reais)

	Paid in capital	Capital reserve, options granted and treasury shares	Accumulated Profits or Losses	Other Comprehensive Results	Total
Balance as of January 1, 2019	481,972	-	(997,435)	1,158	(514,305)
Capital increase	449,483	-	-	-	449,483
Minority Interest - Absorption	-	-	-	(556)	(556)
Realization of property, plant and equipment deemed cost	-	-	239	(239)	-
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	(81)	81	-
Net loss for the period	-	-	(126,681)	-	(126,681)
Balance as of September 30, 2019	931,455	-	(1,123,958)	444	(192,059)
Balance as of January 1, 2020	931,455	-	(1,004,063)	405	(72,203)
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	94	(94)	-
Deferred taxes on realization of deemed cost	-	-	(32)	32	-
Net loss for the period	-	-	(100,080)	-	(100,080)
Balance as of September 30, 2020	931,455	-	(1,004,081)	343	(172,283)

Statement of value added for the three and nine-month period ended September 30, 2020 and 2019

(In thousands of Reais)

	Individual		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Revenue			281,323	346,488
Sales of Goods, Products and Services	-	-	281,323	347,002
Revenue related to the construction of own assets	-	-	-	(514)
	-	-	281,323	346,488
Purchased supplies				
Consumed raw materials	-	-	(99,960)	(116,516)
Materials, energy, third-party services and others	(499)	(505)	(45,115)	(70,613)
Others	-	-	(443)	184
	(499)	(505)	(145,518)	(186,945)
Gross added value	(499)	(505)	135,805	159,543
Depreciations and amortization	-	-	(45,696)	(30,411)
Net Added Value Produced	(499)	(505)	90,109	129.132
Value added received in transfer				
Equity pick up	(99,066)	(125,500)	-	-
Finance income	65	23	13,621	2,940
Other revenues	-	-	814	-
	(99,001)	(125,477)	14,435	2,940
Total value added to distribute	(99,500)	(125,982)	104,544	132,072
Distribution of value added	(99,500)	(125,982)	104,544	132,072
Personnel	413	502	112,474	123,461
Salaries	322	396	90,167	93,541
Others	91	106	22,307	29,920
Taxes, charges and contributions	150	184	50,219	58,447
Federal taxes	-	-	24,239	24,191
State taxes	-	-	25,537	33,479
Local taxes	150	184	443	777
Remuneration of third-party capital				
Financial expenses	17	13	41,931	76,845
Equity remuneration				
Net losses	(100,080)	(126,681)	(100,080)	(126,681)
Total added value	(100,080)	(126,681)	(100,080)	(126,681)

Statements of cash flows for the years ended September 30, 2020 and 2019

(In thousands of Reais)

	Individual		Consolidated	
Cash flows from operating activities	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Net loss for the year before income and social contribution taxes	(100,080)	(126,681)	(99,542)	(125,363)
Adjustments to reconcile net income to cash from (used in) operating activities:				
Depreciation	-	-	28,633	30,411
Amortization	-	-	17,063	14,133
Loss on disposal of assets	-	-	35,922	48,096
Interest and monetary variation, net	-	-	9,004	6,381
Provision for legal claims	-	-	443	(184)
Provision for adjustment of inventories at market value and obsolescence	-	-	2,377 355	415 429
Equity pick-up	99,066	125,500	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	(10,982)	(27,063)
Inventories	-	-	(3,058)	(10,397)
Taxes to recover	-	-	25,206	(2,143)
Judicial Deposits			693	24
Other asset accounts	-	-	385	3,557
Suppliers	-	-	11,163	8,135
Obligations with staff and social charges	-	-	32,320	15,829
Advance of customers	-	-	(5,110)	18,708
Taxes, contributions and installments to be collected	(12)	17	(19,059)	(8,200)
Provision for legal claims (payments)	-	-	(4,322)	(6,057)
Other accounts payable	-	-	3,599	9,995
Interest paid	-	-	(8,780)	(4,327)
Net cash from (applied in) operating activities	(1,026)	(1,164)	16,310	(27,621)
Cash flows from investment activities				
Acquisitions of fixed assets and intangible assets	-	-	(3,697)	(6,497)
Net cash used in investment activities	-	-	(3,697)	(6,497)
Cash flows from financing activities				
Borrowings	-	-	3,277	52,726
Payment of loans and financing (principal and interest)	-	-	(16,046)	(6,477)
Net increase in receivables from related parties	18,444	1,212	1,651	413
Net cash used in financing activities	18,444	1,212	(11,118)	46,662
Increase in cash and cash equivalents	17,418	48	1,495	12,544
Cash and cash equivalents at the beginning of the year	29	-	17,383	303
Cash and cash equivalents at the end of the year	17,447	48	18,878	12,847
Increase in cash and cash equivalents	17,418	48	1,495	12,544

Performance Overview

The non-financial information included in the report, as well as the derived percentages and EBITDA information, have not been reviewed by our independent auditors.

Amounts expressed in thousands of Reais, except where otherwise indicated.

Gross Income

According to data from ANFAVEA, in the third quarter of 2020, vehicle production in Brazil decreased by 23.2% compared to the same period in 2019. The decrease in the Company's revenues in the compared periods was 11.9%.

Also, according to ANFAVEA, there was an increase in vehicle production in September 2020 of around 4.4% in relation to August 2020. The Company showed a 13% increase in September in relation to August 2020 in its turnover, thus showing an important recovery in the main indicators of the Company in the 3rd quarter of 2020.

FONTE: ANFÁVEA – BRASIL							
	3Q/19	3Q/20	VAR. %		Accrued/19	Accrued/20	VAR. %
VEHICLE PRODUCTION	784	602	-23.2%		2,259	1,331	-41.1%
VEHICLE SALES	721	566	-21.6%		2,030	1,374	-32.3%

Vehicle production grows again in September and is the highest of the year

Increase in relation to August was 4.4%, but the 41.1% decrease in the year is still impressive.

According to Anfavea's monthly balance sheet, vehicle manufacturers registered a 4.4% increase in production in September compared to August. 220.2 thousand units were assembled, against 210.9 thousand in the previous month. Although the number looks promising, as it is the best mark of the year, in historical comparison the ninth month of this year is the worst September since 2016, according to Luiz Carlos Moraes, president of the association.

In the accumulated result for the year, the decline continues to be expressive, of 41.1% in comparison with 2019. 1.33 million vehicles were produced this year, against 2.26 million in the same period last year, that is, a difference of more from 900 thousand units to less that have not been recovered and correspond to something with three months of production. Anfavea's president noted that this is the worst result ever recorded in the period from January to September since 2003.

Moraes also stressed the fact that production at automakers is adapting to new demands. “The total number of licenses, for example, was 208 thousand units in September; discounting about 10% referring to imported models and adding the 31 thousand exported, we see that the industry is working at the new pace of the market”, he explained.

The sales results in September were not better because some products were lacking, which had production below demand. Asked if this situation could continue and affect the sector's performance this year, Moraes replied: “I don't think this is a chronic problem, but a temporary one, which should be resolved in the coming months. The industry is adjusting to the market, still trying to read what and how much it should produce. If there is no shortage of inputs and components, as there has not been until now, this shortage of some products should be overcome in a short time”.

Truck production grows 29% in September, but there is still a drop in the year

Domestic market demand pulls the pace of factories, but restrictions prevent it from meeting more quickly.

Truck production grew 29% in September compared to August, to 9,400 units, according to data released by Anfavea, the manufacturers' association. The result is a reflection of the domestic market demand. Despite this, the accumulated production of the year remains lower than that of 2019: in nine months, the industry delivered 58.3 thousand units, a decrease of 33% over the result of the same period last year.

Anfavea improves 2020 projections with reservations

Association of vehicle manufacturers assesses that numbers may still change until the end of the year.

After five consecutive months of recovery in the Brazilian vehicle market, which in September had the best month of the year with higher numbers than those recorded before the coronavirus pandemic hit the country, Anfavea presented new and improved projections for domestic sales, production and even predicts that exports will be better than expected. However, the manufacturers' association places a number of reservations on the new estimates, pointing out that there are still uncertainties in the horizon of the next three months that may change the numbers downwards or upwards, starting with the development of Covid-19 itself, which remains major threat to health and the economy.

With what you can see now, Anfavea's management has recalibrated its projections. The estimate is that the domestic market should consume 1.92 million vehicles (including automobiles, light commercial vehicles, trucks and buses), which represents a drop of 31% over 2019, still quite significant, but much better than the retraction estimate. 40% made in June.

Thanks to the faster pace of the domestic market, for production the re-forecast also indicates an improvement of 10 percentage points, with 1.91 million units assembled and a decrease of 35% compared to last year, in July the drop calculation was 45%.

Even for exports, the scenario improved, despite the fact that the main vehicle buying countries in Brazil experienced a severe economic retraction, mainly Argentina, the largest external customer. Anfavea expects its associates to export a total of 284,000 units this year, which represents a sharp 34% drop over 2019, still better than the 53% drop projected in July. In values, the entity calculates that the billing of foreign sales should add up to US $ 6.8 billion in 2020, an amount 30% below that determined last year, before the estimate was a contraction of 50%.

Net income

The drop-in market volumes led to a negative cash flow (EBITDA) of R$ 10,775 (10.9%) in the third quarter, and R$ 25,412 (11.0%) for the third quarter of 2020, as shown in the table below:

PLASCAR CONSOLIDATED BRAZIL						
Month / year	Net sales R$	Gross income		EBITDA (accumulated)		(Loss) Accumulated period (R$)
		R$	% Sales	R$	% Sales	
Dec/16	351,385	(35,499)	-10.1%	(71,160)	-20.3%	(251,836)
Mar/17	81,473	144	0.2%	(3,044)	-3.7%	(45.717)
Jun/17	175,268	1,892	1.1%	(8,314)	-4.7%	(83.161)
3Q/17	**101,451**	**9,858**	**9.7%**	**4,525**	**4.5%**	**(35,107)**
Sep/17	**276,719**	**11,750**	**4.2%**	**(3,789)**	**-1.4%**	**(118,268)**
Dec/17	389,175	22,034	5.7%	878	0.2%	(71,947)
Mar/17	82,136	2,457	3.0%	(3,663)	-4.5%	(39,431)
Jun/18	165,027	442	0.3%	(10,228)	-6.2%	(75,676)
3Q/18	**87,912**	**1,495**	**1.7%**	**(6,535)**	**-7.4%**	**(65,781)**
Sep/18	**252,939**	**1,937**	**0.8%**	**(16,763)**	**-6.6%**	**(141,457)**
Dec/19	346,821	10,883	3.1%	(85,090)	-24.5%	(257,254)
Mar/19	75,160	(5,421)	-7.2%	(13,155)	-17.5%	(57,670)
Jun/19	178,242	(2,772)	-1.6%	(12,291)	-6.9%	(102,613)
3Q/19	**111,895**	**14,241**	**12.7%**	**5,510**	**4.9%**	**(24,068)**
Set/19	**290,137**	**11,469**	**4.0%**	**(6,781)**	**-2.3%**	**(126,681)**
Dec/19	407,550	31,303	7.7%	67,051	16.5%	(6,825)
Mar/20	91,744	5,699	6.2%	2,631	2.9%	(26,684)
Jun/20	133,470	(13,203)	-9.9%	(14,637)	-11.0%	(64,057)
3Q/20	**98,595**	**490**	**0.5%**	**(10,775)**	**-10.9%**	**(36,023)**
Sep/20	**232,065**	**(12,714)**	**-5.5%**	**(25,412)**	**-11.0%**	**(100,080)**

Human Resources

Despite this extraordinary economic adversity in the country, the Company sought to preserve jobs and did not carry out any significant layoffs in the period. In addition, the Company continues to invest in the professional development of its employees, with approximately 27.30 hours of teaching and training per employee (in the last 12 months), focused on learning from SENAI, internships, supplementary, in addition to training in technical and operational development.

As of September 30, 2020, the Company had 1,751 employees (1,806 as of September 30, 2019).

Relationship with External Auditors

In compliance with CVM Instruction 381, we inform that the nine-month period ended September 30, 2020, the Company contracted R$ 22, from its auditors, a service not related to external audit.

The policy of the Company and its subsidiary in contracting services not related to external auditing with independent auditors is based on principles that preserve the independence of the independent auditor, which are: the auditor must not audit his own work; the auditor must not exercise a management role in his client and the auditor must not advocate for his client.

1 Operational Context

Plascar Participações Industriais SA ("Plascar SA" or "Company"), headquartered in the city of Jundiaí (Since February 11, 2019 - previously headquartered in the city of Campinas), in the State of São Paulo, is a public limited company traded on the BM & FBOVESPA (PLAS3). The Company's activity is represented by its interest in the subsidiary Plascar Indústria de Componentes Plásticos Ltda. ("Plascar Ltda."), which operates in the automotive sector and is engaged in the industrialization and sale of parts and parts related to the internal and external finishing of vehicles.

Plascar Ltda. has industrial sites located in the cities of Jundiaí/SP, Varginha/MG and Betim/MG.

The company's sites operate mainly in the automotive sector, focusing on serving vehicle manufacturers, providing bumpers, instrument panels, air diffusers, cup holders, door sides, door packages, among other components. Plascar also operates in the industrialization of non-automotive products, such as injection and assembly of supermarket carts, multipurpose boxes, pallets and ecological furniture, an activity that represents less than 10% of the total assets, net revenue and net income consolidated in the Company.

Following the completion of the financial restructuring of the Company and its subsidiary on January 31, 2019, the controlling interest of Plascar S.A. became Pádua IV Participações S.A., with a 59.99% stake in its capital, which is also composed of Permali do Brasil Indústria e Comércio Ltda., with 18.44%, by Postalis Instituto de Seguridade dos Correios e Telégrafos, with 7.12%, and by other individual shareholders who have , together, 14.45%.

The issuance of these individual and consolidated Quarterly Information – ITRs was authorized by the Board of Directors on November 04, 2020.

<u>Financial Situation</u>

As of September 30, 2020 the Company has excess current liabilities over current assets in the amount of R$ 144,072 (R$ 178,940 on December 31, 2019) in the consolidated and negative equity in the consolidated and in the parent company the amount of R$ 172,283 (R$ 72,203 on December 31, 2019).

Additionally, the Company posted losses in the current and comparative period, as well as maintaining an accumulated loss of R$ 1,104,081, in the individual and consolidated period (R$ 1,004,063 as of December 31, 2019).

Financial expenses totaled R$ 41,931 in September, 30 2020 (R$ 76,845 in September, 30 2019). Management is taking measures to reduce the impact of these expenses on the Company's results, mainly through the management and 'renegotiation of its tax and bank liabilities.

According to official ANFAVEA data published in January 2020, vehicle production in 2020 pointed to an increase of 7.3%, but with the crisis that began in March 2020 due to the PANDEMIC-COVID-19, the production estimate is pointing to a 35% drop.

The drop-in vehicle production of 23.2% in the third quarter, is mainly reflection due to the shutdown of automakers that began on third week of March 2020 due to the pandemic (COVID-19). The Company's net revenue, in turn, in the third quarter of 2020, dropped by 11,9% when compared to the same period in prior year.

The Company continues to adopt measures to increase revenue stemming from new projects and reduce its internal operating costs and improve margin, also promoting constant price negotiations with customers to pass on cost increases (labor, raw material, etc.), following the Company's restructuring process, as well as facing the crisis that began in March 2020 due to the COVID-19 pandemic.

The Company's Management is in the process of reviewing the projections, considering new projects and oscillation of volumes in the current scenario (COVID-19).

Impacts of COVID-19 (Coronavirus) on the Company's business

On March 11, 2020, the World Health Organization (WHO) declared the Coronavirus COVID-19 outbreak a pandemic on a global scale. The outbreak triggered significant decisions by governments and private sector entities, which added to the potential impact of the outbreak, increased the degree of uncertainty for economic agents and could generate impacts on financial statements. The world's main economies and major economic blocs have been studying packages of significant economic stimulus to overcome the potential economic recession that these measures to mitigate the spread of COVID -19 can provoke.

In Brazil, the Executive and Legislative Branches of the Union published several normative acts to prevent and contain the pandemic, as well as mitigate the respective impacts on the economy, especially Legislative Decree No. 6, published on March 20, 2020, which declares the state of public calamity. State and municipal governments have also published several normative acts seeking to restrict the free movement of people and commercial and service activities, in addition to enabling emergency investments in the health area.

Production suspensions have reached almost the entire sector in the country, with 123,000 workers stopped at 63 factories located in 40 cities in 10 states. Several automakers began outages in March even because of increased shortages. According to the president of Anfavea, about 7% of the market drop occurred exclusively because of the crisis caused by Coronavirus in Brazil. The vehicle’s productions drop on the third quarter of 2020 was 23,2% compared with the same period of 2019

Management has consistently evaluated the impact of the outbreak on the operations and equity and financial position of the Company and its subsidiary, with the objective of implementing appropriate measures to mitigate the impacts on operations. The Administration immediately activated its Crisis Committee to ensure the safety of its employees, service providers and serviced customers. Until the date of authorization for issuing this interim accounting information, the following measures have been taken and the main issues that are under constant monitoring are listed below:

- Implementation of a Crisis Management committee;
- Restrictions regarding the circulation and crowding of people on its premises, as a way to prevent the spread of the virus;
- Suspension of travel, on-site training and participation in events for all employees;
- Orientation of the home office regime for employees whose function allows this type of work and isolation of all employees classified as at greatest risk (over 60 years of age and with chronic illnesses, as advised by public entities);
- Intensification in internal communications of preventive measures, provision of 24-hour medical assistance channels to support employees and family members and provision of internal communication channels to employees, focused on the care related to the pandemic; and
- Optimization of the use of technology to ensure virtual service to its customers, impacting as little as possible their administrative and operational activities.

In order to reduce financial impacts, Management has also adopted the following measures

- Anticipation of collective vacations for its employees and on April 1, 2020, in line with the union responsible for the category, implemented the workload reduced by 50% for all employees;
- Renegotiation of terms of certain liabilities with banks, suppliers and other accounts payable;
- From the end of February to the beginning of March 2020, the Company implemented even greater control of its inventory management to keep them at the minimum necessary level;
- Management carried out benchmarking with other auto parts manufacturers and also with automakers to exchange information and measures for application in the Company.

The Company's operations for the quarter ended on September 30, 2020 were significantly impacted by the pandemic, contemplating a total drop in revenue of 11,9% when compared with the same period on 2019.

Despite the total shutdown of the automakers, which occurred in different periods between the months of March and June 2020, the three plants continued to function. However, the pace of work was very slow, focusing on specific projects and preventive maintenance activities. The costs related to the idle capacity of the plants in this quarter were measured by Management and recorded directly in the income for the period, in accordance with CVM guidance 24/92.

The Company's operations for the quarter ended September 30, 2020 were significantly impacted by the pandemic, contemplating a total drop in revenues of 11.9% when compared to the same period in 2019.

Management is monitoring the effects of the crisis for the coming months. After five months followed by the recovery of the Brazilian vehicle market, which in September 2020 had the best month of the year with higher numbers than recorded before the Coronavirus pandemic reach the country, ANFAVEA presented new and improved domestic sales projections, production and even predicts that exports will be better than expected. However, the association of manufacturers puts a series of reservations to the new estimates, pointing out that there are still horizon of the next three months uncertainties that can change the numbers down or down above, starting with the development of Covid-19 itself, which continues to be a threat important to health and economy. Also, according to ANFAVEA, there was an increase in the production of vehicles in September 2020 in the order of 4.4% in relation to August 2020. The Company showed a 13% increase in September in relation to August 2020 in its turnover, thus showing an important recovery in the main indicators of the Company in the 3rd quarter of 2020.

Due to this potential market recovery, the Company has already adopted some measures to flexibility and gradual resumption of its production capacity, where the following stand out:

- Resumption of the workday gradually from August 2020. From September 2020 all company employees have a full newspaper of job; Orientation of home office regime only for employees classified as greater risk (over 60 years old and with chronic diseases, as instructed by public);
- Resumption of visits by third parties to the Company's facilities, by appointment prior and following security protocols;
- Intensification of hygiene and health protocols to guarantee the health of all employees, customers and partners of the Company.
- Demobilization of the Crisis Committee implemented at the beginning of the pandemic. However, the committee remains available to be called upon when necessary.

Corporate and Financial Restructuring

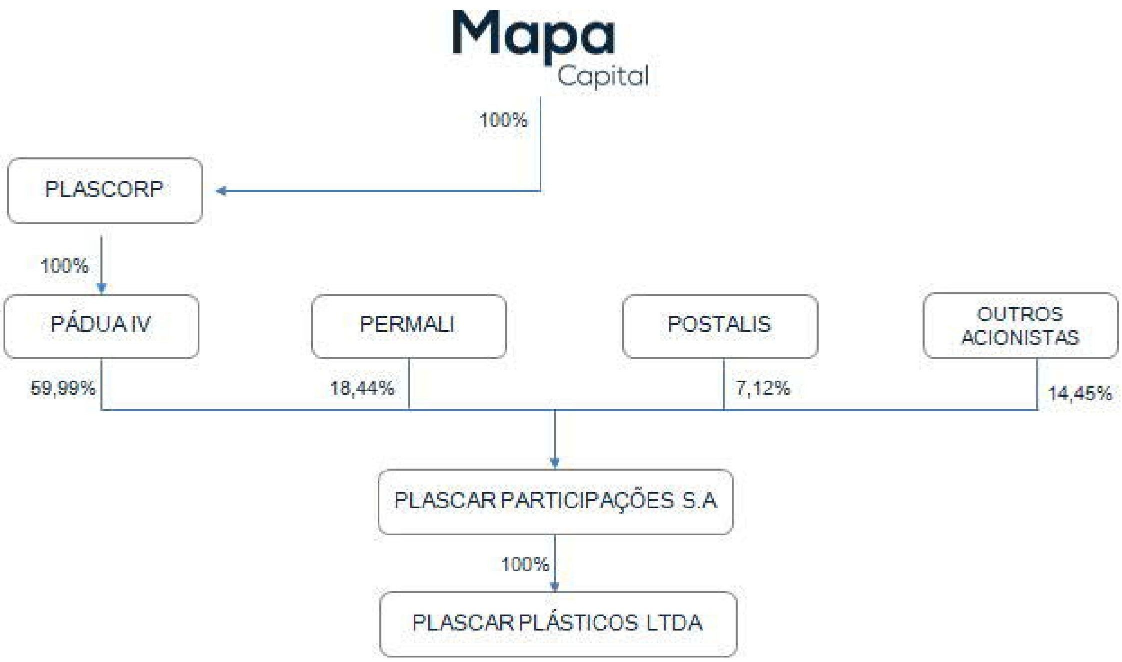
At the Extraordinary General Meeting, held on December 13, 2018, the final plan for the restructuring of the Company's debt was approved by unanimously of the votes of the shareholders present, which, in general terms, involves the assignment of approximately 90% of Plascar's existing debt by the Company's main creditors to the current parent company "Padua IV Participações S.A.".

On January 31, 2019, in accordance with the Notice to Shareholders and Material Fact disclosed to the market, the Company's capital was increased with payment made using credits held against Plascar Ltda., by private subscription, in the amount of R$ 449,483, through the issue of 7,455,251 common shares at the unit issue price of R$ 60.29 per common share. After the Capital Increase was carried out, the Company's capital, previously in the amount of R$ 481,972, divided into 4,970,167 common shares, became R$ 931,455, divided into 12,425,418 common shares.

With the conclusion of the Company's financial restructuring on January 31, 2019, the Company's equity and current liabilities were positively impacted by R$ 449,483, due to the capital increase.

Management continues to negotiate liabilities with several creditors, with the objective of adjusting them to the Company's cash generation capacity. Throughout 2019 and early 2020, certain liabilities were renegotiated, which are now reported in non-current liabilities.

The Corporate Structure is shown below, including the Company's new controlling shareholder - Pádua IV Participações S.A., after completing the Company's restructuring plan and subscribing for capital.



2. Summary of the main accounting policies and presentation of the trimestral information - ITR

The Company presents the individual and consolidated Quarterly Information in accordance with CPC 21 (R1) - Interim Statement, issued by CPC - Comitê de Pronunciamentos Contábeis and IAS 34 - Intermediate Financial Report, issued by IASB - International Accounting Standards Board, applicable to preparation of the Quarterly Information - ITR, and presented in a manner consistent with the rules established by CVM - Comissão de Valores Mobiliários.

In accordance with CVM/SNC/SEP Circular Letter No. 03/2011, the Company opted to present the explanatory notes in this quarterly information in a summary form in cases of redundancy in relation to that presented in the annual statements. In these cases, the location of the full explanatory note is indicated in the annual statement, to avoid prejudice to the understanding of the Company's financial position and performance during the interim period. Accordingly, this quarterly information should be read in conjunction with the annual financial statements for the year ended December 31, 2019.
The preparation basis and accounting policies are the same as those used in the annual financial statements for the year 2019. Therefore, the corresponding information should be read in notes 2 to those statements.

The consolidated interim financial information includes the financial statements of Plascar Participações Industriais S.A and its subsidiary detailed below:

	Direct Participation	
	09/30/2020	12/31/2019
Plascar Indústria de Componentes Plásticos Ltda. (Plascar Ltda.)	100%	100%

3. Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances.

Based on assumptions, the Company makes estimates regarding the future. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. The estimates and assumptions that present a significant risk, with the probability of causing a relevant adjustment in the book values of assets and liabilities for the next fiscal year, are contemplated below:

(a) Income tax, social contribution and other taxes

The Company is subject to income tax in all countries in which it operates. Significant judgment is required to determine the provision for income taxes in these countries.

In many operations, the final determination of the tax is uncertain. The Company also recognizes provisions due to situations in which it is probable that additional amounts of taxes will be due.

When the final result of these matters differs from the amounts initially estimated and recorded, these differences affect current and deferred tax assets and liabilities in the period in which the definitive amount is determined.

(b) Deferred taxes

Deferred tax is generated by temporary differences on the balance sheet date between the tax bases of assets and liabilities and their book values. Deferred tax liabilities are recognized for all temporary tax differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, on the date of transaction, does not affect accounting profit or tax profit or loss; and
- On temporary tax differences related to investments in controlled companies, in which the period of reversal of temporary differences can be controlled and it is likely that the temporary differences will not be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, credits unused tax losses and losses, to the extent that it is probable that the taxable profit will be available so that deductible temporary differences can be realized, and credits and losses unused taxes can be used, except:

- When the deferred tax asset related to the deductible temporary difference is generated initial recognition of the asset or liability in a transaction that is not an business combination and, at the date of the transaction, affects neither accounting profit nor taxable profit (or tax loss); and
- On deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences are reversed in the near future and taxable profit is available so that temporary differences can be used.

(c) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount, which represents the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (CGUs) as shown in Note 12.

4. Financial risk management

4.1 Financial risk factors

The Company's activities expose it to several financial risks: market risk (including currency risk and fair value risk associated with interest rates), credit risk and liquidity risk. The Company's global risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's treasury identifies, assesses and protects the Company against possible financial risks in cooperation with the Company's operating units.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from exposures of some currencies, basically in relation to the United States dollar. Foreign exchange risk arises from commercial operations, assets and liabilities.

As of September, 30 2020, and December 31, 2019, the Company presents assets and liabilities in foreign currency arising from import, export and loan transactions with related parties, in the amounts shown below:

	Consolidated	
	09/30/2020	12/31/2019
Accounts receivable from customers (Note 6)	8,433	6,067
Suppliers	(790)	(194)
Net exposure	7,643	5,873

As of September 30, 2020 and December 31, 2019, the Company did not have transactions with derivative financial instruments to manage exchange rate risk.

(ii) Cash flow risk or fair value associated with interest rate

The Company has no significant assets in which interest accrues.

The Company's interest rate risk arises from loans and financing. Loans at variable rates expose the Company to cash flow interest rate risk. Fixed rate loans expose the Company to the fair value risk associated with the interest rate.

The table below shows the sensitivity to a possible change in interest rates, keeping all other variables constant, in the Company's profit before taxation (it is affected by the impact of loans payable subject to variable rates).

	Impact on income for the period (1)		
Financial liabilities	Scenario I Likely	Scenario II +25%	Scenario III +50%
CDI	2.00%	2.51%	3.01%
Loans and financing	(4,859)	(5,362)	(5,856)

(1) Refers to the hypothetical scenario of interest to be incurred for the next 12 months or until the maturity date of the contracts, whichever is lower.

In the sensitivity analysis, the interest rate is based on the rates currently practiced in the market environment.

Sensitivity analyses were prepared based on the value of net debt and the fixed interest rate index against variable interest rates on the debt as of September 30, 2020.

(b) Credit risk

Credit risk is managed corporately. Credit risk arises from credit exposures to customers of original equipment ("OEM") and replacement / concessionaires ("DSH"), including open accounts receivable and repo operations. For banks and other financial institutions, only securities from top tier entities are accepted. The individual risk limits are determined based on internal or external ratings according to the limits determined by the Board of Directors. The use of credit limits is monitored regularly.
The possibility that the Company and its subsidiary may incur losses due to financial problems with their OEM customers is reduced due to the profile of these customers (vehicle manufacturers and other companies operating worldwide). As of September 30, 2020, and December 31, 2019, the Company and its subsidiary do not have significant balances receivable from customers in the DSH category.

No credit limit was exceeded during the year, and Management does not expect any loss due to default by these counterparties in excess of the amount already provisioned.

(c) Liquidity risk

The cash flow forecast is made at the Company's operating entity and aggregated by the Finance department. This department monitors the continuous forecasts of the Company's liquidity requirements to ensure that it has enough cash to meet operational needs. This forecast considers the Company's debt financing plans, compliance with clauses, compliance with the internal goals of the balance sheet quotient and, if applicable, external or legal regulatory requirements - for example, currency restrictions.

The Treasury invests any excess cash in bank accounts with interest, time deposits, short-term deposits and bonds and securities, choosing instruments with appropriate maturities or enough liquidity to meet the above-mentioned forecasts. On the balance sheet date, the Company maintained short-term funds in the amount of R$ 29, which are expected to promptly generate cash inflows to manage liquidity risk. The following table analyzes the Company's financial liabilities, by maturity, corresponding to the period remaining between the balance sheet date and the contractual maturity date. The amounts disclosed in the table are the discounted cash flows contracted and represent the expected actual disbursement flows, disregarding any bank requirements for early maturities.

	Consolidated				
	Up to three months	From four to 12 months	Between one and five years	Over five years	Total
As of September 30, 2020					
Loans and financing	17,139	12,109	65,692	31,568	126,508
Rental liabilities	6,217	13,998	21,800	-	42,015
Suppliers	33,960	-	-	-	33,960
Liabilities with related parties	-	-	7,811	-	7,811
Other liabilities	7,629	15,780	88,528	118,639	230,576
	64,945	41,887	183,831	150,207	440,870

	Consolidated				
	Up to six months	From four to 12 months	Between one and five years	Over five years	Total
As of December 31, 2019					
Loans and financing	18,981	16,315	64,453	35,709	135,458
Rental liabilities	4,391	13,171	42,736	-	60,298
Suppliers	22,313	-	-	-	22,313
Liabilities with related parties	6,160	-	-	-	6,160
Other liabilities	112,482	2,382	78,705	3,826	197,395
	164,327	31,868	185,894	39,535	421,624

4.2 Capital management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to provide shareholder returns and benefits to other stakeholders, in addition to maintaining an optimal capital structure to reduce this cost.

	Consolidated	
	09/30/2020	12/31/2019
Total loans (Note 14)	126,508	135,458
Less: cash and cash equivalents	(18,878)	(17,383)
Net debt	107,630	118,075
Total equity	(172,283)	(72,203)
Total capital	(64,653)	45,872
Financial leverage ratio - %	-	-

4.3 Fair value estimate

It is assumed that the balances of accounts receivable from customers and accounts payable to suppliers at book value, minus impairment in the case of accounts receivable, are close to their fair values. At present, the Company does not have liabilities recorded at fair value. However, below are the comparisons of financial assets recorded at amortized cost and their respective fair value:

	09/30/2020		12/31/2019	
	Book value	Fair Value	Book value	Fair Value
Loans and financing (Note 14)				
Floating capital – national currency	126,508	126,508	135,458	135,458
	126,508	126,508	135,458	135,458

5 Financial instruments by category

In the following table we perform the classification of the Company's consolidated financial instruments by category on each of the dates presented:

(a) Amortized cost

	Consolidated	
	09/30/2020	12/31/2019
Assets, according to the balance sheet		
Cash and cash equivalents	18,878	17,383
Accounts receivable from customers	34,666	26,062
Judicial deposits	4,099	4,792
Other assets	2,026	2,389
	59,669	50,626

(b) Fair value through profit or loss

	Consolidated	
	09/30/2020	12/31/2019
Liabilities, according to the balance sheet		
Suppliers	33,960	22,313
Loans and financing	126,508	135,458
Rental liabilities	42,015	60,298
Related parties	7,811	6,160
Other liabilities	230,576	197,395
	440,870	421,624

Cash and cash equivalents are classified as "Fair value through profit or loss"; accounts payable for related parties are classified as "Fair value through profit or loss"

6 Accounts receivable from customers

	09/30/2020	12/31/2019
Third parties in the country	32,004	25,173
Third parties abroad (Note 4.1)	8,433	6,067
Accounts receivable from tooling in the country	2,635	851
	43,072	32,091
Allowance for impairment - doubtful credits	(8,406)	(6,029)
	34,666	26,062

During the period ended September 30, 2020 and year ended December 31, 2019, the movement of the estimated loss to doubtful accounts was as follows:

	Consolidated	
	09/30/2020	12/31/2019
Initial Balance	(6,029)	(11,196)
(Increase) Reduction of provision	(2,377)	5,167
Final balance	(8,406)	(6,029)

As of September 30, 2020, and December 31, 2019, the opening of accounts receivable by maturity age was as follows

	Consolidated	
	09/30/2020	12/31/2019
Current	31,548	23,882
Past Due:		
From 1 to 30 days	1,022	1,647
From 31 to 60 days	585	189
From 61 to 90 days	296	43
More than 90 days ago	9,621	6,330
	11,524	8,209
Total	43,072	32,091

The Company's policy for provision for expected loss with doubtful accounts includes the balance overdue for more than 90 days. The balance overdue for more than 90 days not provisioned as of September 30, 2020, net of the expected loss for doubtful accounts, refers to the sale of tooling, for which management does not expect to record losses.

In addition, in line with CPC 48 (IFRS 9) Financial Instruments, the Company's policy also considers the expected credit losses for its receivables, these being the present value of the difference between the contractual cash flows due to the Company in accordance with the contract signed with the clients and the cash flows that the Company expects to receive.

7 Inventories

	Consolidated	
	09/30/2020	12/31/2019
Finished products	3,294	3,446
Products under preparation	10,387	8,307
Raw materials	16,163	16,240
Import in progress	1,105	1,690
Maintenance and auxiliary materials	1,761	1,396
Tools and molds under development intended for sale	16,844	15,489
Advances to suppliers	152	80
Provision for adjustment to market value and obsolescence	(2,652)	(2,209)
	47,054	44,439

During the period ended September 30, 2020, the movement of the provision for adjustment to market value and obsolescence was as follows

	Consolidated	
	09/30/2020	12/31/2019
Opening balance	(2,209)	(5,694)
Reversal of provision	1,070	5,439
Increase in provision	(1,513)	(1,954)
Net reduction (note 22)	(443)	3,485
Final balance	(2,652)	(2,209)

8 Tributes to recover

	Consolidated	
	09/30/2020	12/31/2019
Credit exclusion of ICMS calculation base PIS/COFINS (1)	155,963	181,140
Funrural Process (Note 17)	2,237	2,237
ICMS on fixed assets - CIAP	767	865
Others	628	559
	159,595	184,801
Current	16,538	51,844
Non-current	143,057	132,957
	159,595	184,801

(1) Credit Exclusion of ICMS from PIS/COFINS calculation base - Final transit accounting record

The Company informs that, in 2010, it issued a Writ of Mandamus in order to exclude ICMS from the PIS and COFINS calculation bases. In September 2017, the Company obtained a favorable decision at first instance and, in October 2019, it obtained a new favorable sentence in appeal (STF). In the same act, the process became final. In view of this, the Company initiated a procedure to collect amounts unduly paid as from 2005 and claim their respective reimbursement. The Company has reliably calculated and measured the respective amounts.

On August 19, 2019, the Company obtained a favorable sentence for using the ICMS highlighted in the invoices for calculating the credit.

In the fourth quarter of 2019, based on the opinion and report prepared by its advisors, the Company recorded the amount of R$ 179,069 in the caption of taxes to be recovered in the balance sheet to offset against current taxes administered by Receita Federal do Brasil in future periods. The principal amount of the credits, net of lawyers' success fees, was recognized as other operating income and the monetary restatement was recognized in the financial income item in the income statement for the year.

The approval and qualification of R$ 123,396 related to part of the referred credit with Receita Federal do Brasil for future tax compensation, occurred on January 3, 2020, and the remaining amount of the credit in the amount of R$ 55,673, will be subject to analysis by Receita Federal do Brasil for refund or future compensation of taxes previously paid in installments.

The Company offset up to September 30, 2020 the total amount of R$ 36,189.

9 Income tax and social contribution

Deferred income tax and social contribution are calculated on income tax loss carryforwards, the negative social contribution base and the corresponding temporary differences between the calculation bases for tax on assets and liabilities and the carrying amounts of the financial statements. The rates of these taxes, currently defined for determining deferred taxes, are 25% for income tax and 9% for social contribution.

Deferred tax assets, when applicable, are recognized to the extent that it is probable that future taxable profit will be available to be used to offset temporary differences / tax losses, based on projections of future results prepared and based on internal assumptions and scenarios. future economic conditions that may therefore change.

a) Composition of deferred income tax and social contribution

	Consolidated	
	09/30/2020	12/31/2019
Liabilities:		
Asset - assigned cost (1)	(464)	(495)
Depreciation - useful life review - economic (2)	(18,575)	(18,006)
	(19,039)	(18,501)

(1) Refers to deferred taxes calculated on the cost attributed to fixed assets resulting from the accounting of its fair value in the initial adoption of CPC 27 (IAS 16).

(2) It refers to deferred taxes calculated on the depreciation difference of fixed assets generated after a review of the useful life – economic of the goods. Until December 31, 2010, the Company, as permitted by tax law, also considered for tax purposes the depreciation calculated based on the new useful and economic lives of the goods. As of September 2011, the Company began to use for tax purposes the depreciation calculated based on the useful life allowed by the tax legislation and, consequently, recognized the corresponding deferred tax effects.

The Company has balances of fiscal loss and negative social contribution base of R$ 57,156 and R$ 68,158, respectively (R$ 56,142 and R$ 67,144 as of December 31, 2019, respectively), the subsidiary Plascar Ltda. has balances of tax loss and negative social contribution base of R$ 820,648 and R$ 815,592, respectively (R$ 729,876 and 724,820 as of December 31, 2019, respectively) on which no deferred taxes were constituted assets in their entirety, as determined by CVM Instruction 371, since the Company has no expectation of generating future taxable profits.

b) Reconciliation of income tax and social contribution expenses

	Consolidated			
	07/01/2020 to 09/30/2020	**07/01/2020 to 09/30/2020**	**07/01/2019 to 09/30/2019**	**07/01/2019 to 09/30/2019**
Loss before income tax and social contribution	(35,891)	(99,542)	(23,675)	(125,363)
Income tax and social contribution at current rates (34%)	12,203	33,844	8,050	42,623
Adjustments for effective rate statement:				
Tax effect on tax loss and negative basis for the unrecognized period (1)	(12,335)	(34,382)	(8,443)	(43,941)
Deferred income tax and social contribution expense.	(132)	(538)	(393)	(1,318)

(1) Tax effect on tax loss and negative social contribution base of Plascar S.A., which is not recorded due to the fact that there is no expectation of future taxable profits.

c) Movement of deferred tax liabilities

	Consolidated
	Liabilities
Balances as of December 31, 2019	(18,501)
Deferred taxes on the realization of the cost attributed to fixed assets arising from depreciation and retirement of these assets	31
Deferred taxes on depreciation difference	(569)
Balances as September 30, 2020	(19,039)

10 Related parties

a) Remuneration to Directors

The remuneration of the Board of Directors and the Supervisory Board is composed of fixed remuneration approved by the General Meeting, paid monthly.

The remuneration of the main executives and administrators of the Company and its subsidiary is composed of fixed, variable remuneration based on established goals and complementary benefits.

In the periods ended September 30, 2020 and 2019, the total remuneration of the Directors was as follows:

	Consolidated			
	07/01/2020 to 09/30/2020	**01/01/2020 to 09/30/2020**	**07/01/2019 to 09/30/2019**	**01/01/2019 to 09/30/2019**
Fixed remuneration (1)	1,164	3,650	1,619	4,700
Administration fees	1,164	3,650	1,619	4,700

(1) Refers to administration salaries and fees, vacations, 13th salary, private pension and social charges (contributions to social security - INSS, FGTS and others).

b) Balances and transactions

The Company conducts commercial transactions and loan transactions with its subsidiary and other related parties, in accordance with the criteria defined below:

The Company and its subsidiary enter into loan agreements with related parties, so that cash needs are met immediately, without the need for approval processes required by financial institutions. Such contracts are subject to the availability of funds and the non-commitment of the lender's cash flow. These loan agreements are entered at rates agreed between the parties.

Below are the main balances of assets and liabilities at 30 September, 2020 and December 31, 2019, as well as the transactions that influenced the results of the periods:

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2019	12/31/2019
Current liabilities				
Loan agreement:				
W&L Ross & Co., LLC	-	-	-	3,742
Permali do Brasil Ind. e Com. Ltda.	-	-	-	2,418
	-	-	-	6,160
Non-current liabilities				
Loan agreement:				
W&L Ross & Co., LLC	-	-	5,236	-
Permali do Brasil Ind. e Com. Ltda.	-	-	2,575	-
Plascar Ltda.	29,998	11,554	-	-
	29,998	11,554	7,811	-

The effects of the transactions on the result correspond to the monetary restatement and exchange variation recorded in the financial result.

The loan agreement between the Company (borrower) and Plascar Ltda. (lender) is not subject, exceptionally, to financial charges, as the Company is the direct holder of 100% of the share capital of Plascar Ltda. It is the only loan agreement in which the lender is a non-operating company and holds a direct interest in approximately 100% of the capital of the borrower, a circumstance that justified the non-incidence of interest. This agreement was signed on May 31, 2000, to adjust the cash flow of Plascar Ltda, with an indefinite maturity.

The loan agreement between Permali do Brasil Indústria e Comércio Ltda. (lender) and Plascar Ltda. (borrower) is subject to 0.8% monthly interest and matures indeterminate. This agreement was signed on March 31, 2009 to adjust the cash flow of Plascar Ltda.

11 Provision for loss on investments in subsidiary

The movement of investments is shown below:

	09/30/2020	12/31/2019
Opening balance	(60,667)	(504,388)
Minority interest (absorption)	-	(555)
Capital subscription in January 2019 (Note 1)	-	449,483
Losses of subsidiaries	(99,066)	(5,207)
Final balance	(159,733)	(60,667)

The relevant information relating to Plascar Ltda., is presented below:

	09/30/2020	12/31/2019
Equity	838,565	838,565
Total quotas	838,565,144	838,565,144
Shares owned	838,565,144	838,565,144
Participation	100%	100%
Subsidiary's equity	(159,733)	(60,667)
Participation in Plascar S.A.	(99,066)	(5,207)
Net loss for the period/year (1)	(99,066)	(5,207)

(1) In the nine-month period ended September 30, 2019, Plascar Ltda., Recorded a loss of R$ 125,500 resulting in an equity accounting recognized by the Company of R$ 125,500.

12 Property, Plant, and Equipment

a) Composition

	Consolidated				
	Annual depreciation rate %	09/30/2020			12/31/2019
		Cost	Depreciation	Net	Net
Buildings	2 to 4	10,737	(2,512)	8,225	8,361
Machinery and equipment	4 to 13,79 (1)	835,621	(550,182)	285,439	309,757
Molds	6 to 21	47,306	(46,659)	647	637
Furniture and utensils	6 to 10	12,620	(11,656)	964	1,278
Vehicles	18,57 to 20	4,346	(3,981)	365	501
Computing equipment	15 to 33	3,630	(3,204)	426	526
Spare parts and materials		3,778	-	3,778	4,006
Advances to suppliers		44,097	-	44,097	44,166
Provision for impairment advances and machines and equipment (2)		(62,039)	-	(62,039)	(62,039)
		900,096	(618,194)	281,902	307,193

(1) Weighted average rate of 7.82%.

The amount of R$ 28,229 (September 30, 2019 - R$ 30,066) related to the depreciation expense was recognized in the result in "Cost of sales", R$ 69 (September 30, 2019 - R$ 111) in "Expenses with sales "and R$ 335 (September 30, 2019 - R$ 234) in" Administrative expenses ".

(2) Refer to advances to suppliers for the purchase of machinery and equipment to expand the operational and productive capacity of the Company's industrial units, carried out between 2010 and 2011 for the company Sandretto and financed with BNDES through the FINAME / PSI program in the amount of R$ 44,084. Of the amount recorded in fiscal year 2018, R$ 36,548 were advanced by financial institutions and R$ 7,536 in advance to the supplier with own resources. The Company, after careful analysis with its legal advisors, decided to record a loss on the total amount outstanding, in the amount of R$ 44,084, in fiscal year 2018. The Company adopted all possible legal measures and will continue to seek its rights through the legal system. However, the Company considers it unlikely that these assets will be received in the short term, even though the lawsuit remains in progress.

In 2019, the Company recorded a provision for loss of R$ 17,955 related to machinery and equipment identified as non-operating in the year. The Company is raising with its technical staff the necessary investments and feasibility to adapt part of this equipment to production.

b) Cost movement

	Consolidated				
	nine-month period ended September 30, 2020				
	Initial Balance	Additions	Write-offs	Transfers	Final Balance
Buildings	10,666	100	-	(29)	10,737
Machinery and equipment	839,136	3,106	(851)	(114)	841,277
Molds	46,852	389	(57)	122	47,306
Furniture and utensils	12,681	7	(75)	7	12,620
Vehicles	4,437	-	(91)	-	4,346
Computing equipment	3,526	95	(6)	15	3,630
Spare parts and materials	4,006	-	(228)	-	3,778
Advances to suppliers	44,166	-	(68)	(1)	44,097
Provision for impairment advance and machinery and equipment	(67,695)	-	-	-	(67,695)
	897,775	3,697	(1,376)	-	900,096

c) Depreciation movement

	Consolidated				
	nine-month period ended September 30, 2020				
	Initial Balance	Additions	Write-offs	Transfers	Final Balance
Buildings	(2,305)	(207)	1	(1)	(2,512)
Machinery and equipment	(529,379)	(27,255)	795	1	(555,838)
Molds	(46,215)	(500)	57	(1)	(46,659)
Furniture and utensils	(11,403)	(320)	74	(7)	(11,656)
Vehicles	(3,936)	(134)	89	-	(3,981)
Computing equipment	(3,000)	(217)	5	8	(3,204)
Provision for impairment and machinery and equipment	5,656	-	-	-	5,656
	(590,582)	(28,633)	1,021	-	(618,194)

d) Test for non-financial asset impairment verification

The assets owned by the Company were evaluated according to the market value of each asset, obtained by the product between the replacement value and the depreciation coefficient, taking into consideration the useful life, age, remaining useful life, residual value and depreciation, resulting in a net sale value higher than their residual book value, thus not indicating the need for impairment.

The other information referring to this explanatory note has not undergone any significant changes in relation to that disclosed in Note 12 of the annual financial statements for the year ended December 31, 2019.

13) Right to Use Assets and Lease Liabilities

As of January 1, 2019, with the adoption of CPC 06 (R2) / IFRS16 - Leases, the Company started to record future rentals discounted to present value as Lease Liabilities. The initial impact on Assets and Liabilities was R$ 53,065. The amount was calculated considering the total term of the contract. Management considered 9.5% as an incremental rate for discounting debt to Present Value (AVP), which is the same rate considered when renewing loans with banks. During the nine-month period ended September 30, 2020, the Company recorded R$ 17,063 as an amortization expense in the result (R$ 14,133 on September 30, 2019).

a) Assumptions for recognition

The Company recognizes the Right to Use Assets and Liabilities for leases considering the following premises:

(i) Inclusion of contracts in the base at the beginning of their term, with their value of the right-of-use asset defined at this time.

(ii) Transactions with contracts signed for more than 12 months fall within the scope of the standard. The Company does not consider aspects of renewal in its methodology, given that the assets involved in its operation are not indispensable for the conduct of its business, and may be replaced at the end of the contract by new assets acquired or by other operations other than those agreed upon.

(iii) Contracts that involve the use of immaterial and low value assets are not considered.

(iv) Only transactions involving specific assets defined in the contract or for exclusive use over the period of the contract are considered.

(v) The methodology used to calculate the net present value of the contracts corresponds to the cash flow of the assumed installments discounted at the discount rate defined for the asset class.

(vi) The discount rate for the nine-month period ended September 30, 2020 used was 9.5% per year for the operations of administrative properties and industrial warehouses. The rates were obtained by financing operations for assets of these classes.

The Company's leasing operations in effect on September 30, 2020 and December 31, 2019 do not have any restriction clauses that impose the maintenance of financial ratios, nor do they have variable payment clauses that should be considered or guarantee clauses. residual value and call options at the end of the contracts.

b) Summary composition and movement of right-of-use assets and lease liabilities

Right to use assets	12/31/2019	Amortization	Readjustment	09/30/2020
Buildings	35,766	(17,063)	5,540	24,243
Total assets	35,766	(17,063)	5,540	24,243

Lease liabilities	12/31/2019	Payments	Interest	Renegotiation (1)	Readjust-ment	Transfer short term /long term	09/30/2020
Current liabilities	17,562	-	-	-	-	2,653	20,215
Non-current liabilities	42,736	(2,283)	2,992	(24,532)	5,540	(2,653)	21,800
Total liabilities	60,298	(2,283)	2,992	(24,532)	5,540	-	42,015

Right to use assets	01/01/2019	Amortization	Readjustment	09/30/2019
Buildings	53,065	(14,133)	-	38,932
Total assets	53,065	(14,133)	-	38,932

Lease liabilities	01/01/2019	Payments	Interest	Renegotiation (1)	Readjust-ment	Transfer short term /long term	09/20/2019
Current liabilities	8,584	-	3,893		-	4,356	16,833
Non-current liabilities	44,481	-	-	-	-	(4,356)	40,125
Total Liabilities	53,065	-	3,893	-	-	-	56,958

(1) After the debt renegotiation of loans overdue in January 2020, a Company reclassified part of the amount to other non-current liabilities, see Note 17.b.

In the nine-month period from September 30, 2020, no new contracts or short-term contracts were added or write off.
In the nine-month period ended on September 30, 2020, the Company registered R$ 94 (R$ 41 on September 30, 2019) for reference to short-term leases (less than 12 months of contract) or operations with low value assets involved in the contracts.

c) Lease maturity schedule

	Consolidated 09/30/2020
	Buildings
2020	6,217
2021	35,798
	42,015

14 Loans and financing

a) Loan summary:

Mode / purpose	Financial charges on 09/30/2020	Consolidated 09/30/2020	Consolidated 12/31/2019
Floating capital – national currency	CDI + Interest of 0,25% a.m, e interest of 1,12% a 1,48% a.m,	126,508	135,458
Total		126,508	135,458
Current		29,248	35,296
Non-current		97,260	100,162
		126,508	135,458

The maturity schedule for the non-current balance is shown below:

	Amount
2021	15,799
2022	20,341
2023	16,899
2024 onwards	44,221
	97,260

b) Loan details by financial institution

Loans Summary	BRASIL	FIBRA	BDMG	ITAÚ	BRADESCO	CEF	FIDIS	DAYCOVAL	SOFISA	UNION	ALFA	Total
Floating capital – national currency	22,415	15,746	24,243	15,357	18,364	13,894	3,525	5,126	5,399	700	1,739	126,508
% In relation to the total	17.7%	12.4%	19.2%	12.1%	14.5%	11.0%	2.8%	4.1%	4.3%	0.5%	1.4%	%

Part of the composition of the loan balance, R$ 29,290, is due to the new debt with BNDES for previous periods.
Loans for working capital contracted by the subsidiary Plascar Ltda., Are guaranteed by machinery and equipment (CAPEX) and the remaining balances are guaranteed by receivables and sureties.

On January 31, 2019, according to the Notice to Shareholders and Material Fact disclosed to the market, the Company's capital was increased with the payment of credits held against Plascar Ltda, by private subscription, in the amount of R$ 449,483, through the issue of 7,455,251 common shares at the unit issue price of R$ 60.29 per common share. After effecting the Capital Increase, the Company's capital stock, previously in the amount of R$ 481,972 and divided into 4,970,167 common shares, became R$ 931,455, divided into 12,425,418 common shares.

15 Salaries, vacations and social charges payable

	Consolidated	
	09/30/2020	12/31/2019
Social charges	67,966	46,335
Labor indemnities	1,809	600
Holiday provision / 13th salary	24,224	14,370
Provision for profit sharing	15,565	10,601
Other	43	43
	109,607	71,949
Current	98,065	56,932
Non-current	11,542	15,017

16 Customer advances

	Consolidated	
	09/30/2020	12/31/2019
Fiat Automóveis	6,188	14,755
Man	7,701	5,607
VW	1,802	-
Calsonic Kansei	905	59
Mercedes Benz	71	229
Volvo	273	-
Chery	149	-
Outros	556	135
	17,645	20,785

17 Commitments and provision for contingencies

a) Operating lease (Sale & Leaseback transaction)

During the year ended December 31, 2011, Plascar Ltda. carried out Sale & Leaseback transactions of the buildings and land of the industrial units of Varginha, Jundiaí and Betim. The rental contracts of the properties are valid for a period of 10 years and may be renewed for an additional period of 10 years after express manifestation of Plascar Ltda., with no option to purchase the properties at the end of the contracts.

As of January 1, 2019, according to CPC 06 (R2) / IFRS 16, the Company began to record future rents discounted at present value as Rental Liabilities. The impact on fixed assets and liabilities was R$ 53,065 (Note 13).

b) Renegotiation of rent debt

The Company concluded in January 2020 the renegotiation of its arrear's debt, the balance of which at December 31, 2019 was R$ 137 million, recorded under the heading "other liabilities" and "Leases liabilities" in the current year.

With the conclusion of this negotiation, the updated debt was split, with a grace period of more than one year to start payments. The balance was transferred to the item Other Liabilities in the non-current in January 2020.

c) Lawsuits - Amounts involved and accounting provision criteria for probable loss cases

The Company is involved in several labor (and social security), civil and tax processes that are currently underway. The criterion adopted by the Company for classifying the risk of loss is estimated as "remote", "possible" and "probable", and "remote" indicates minimal risk of loss, "possible" indicates moderate risk of loss and "probable" indicates high risk of judicial loss, and it is up to the external legal advisors, with the help of the Company's legal department, to analyze in detail each judicial process, new or in progress , classifying them according to their best outcome estimates.

These risk classifications are evaluated monthly and may be changed whenever the understanding of the legal advisor indicates this need. In addition, all processes also receive monthly monetary update, according to the legal indexes adopted by the courts, in order to reflect the most accurately the current economic situation of each process.

For all cases in which the external and internal legal advisors indicate the risk of loss as "probable", the Company constitutes an individual provision in an amount sufficient to cover the estimated amount of that loss, which is duly calculated and determined through judicial accounting (in the case of the court) or assistant accounting expert (in the case of the Company), based on the condemnatory sentences and / or any other decisions originating from higher levels (appeal level) that are issued by the courts and that indicate, without a doubt, that the Company is obliged to make the payment in the short term, due to the advanced stage of the process. In addition, the Company adopts a conservative practice and also makes the monthly provision for labor claims classified as “possible” loss risk, for the which the Company estimates that judicial agreements will be entered into to settle and close claims before the execution phases begin, after analysis carried out by legal advisors, the company reviewed the historical loss percentages that were recorded in the accounts and decided to increase these provisions. The impacts of this review were recorded in their entirety in the 3rd quarter of 2020,

Considering the cases with “probable” risk of loss, the Company has a total provision set up as indicated below:

	Consolidated	
	09/30/2020	12/31/2019
Social security and labor provisions	12,077	7,395
	12,077	7,395

The change in the provision for legal claims with a “probable” risk of loss, in the nine-month period ended September 30, 2020, is represented as follows:

	September 30, 2020			
	Initial Balance	Addition	Payments	Final Balance
Labor	7,395	9,004	(4,322)	12,077
	7,395	9,004	(4,322)	12,077

d) Estimate of "possible" losses, not provisioned in the balance sheet

For the other legal actions of the Company, whose risk of loss is classified by the external and internal legal advisors as "possible" or "remote", there is no accounting provision. Despite this, the Company recognizes the importance of informing the amounts involved in these processes, as a way of giving enough knowledge and information to the market about all the actions to which the Company is a party. For new shares, the amount informed by the Company considers the amount given to the cause (initial amount). As the lawsuit progresses, legal advisors determine the amounts involved in each proceeding with greater discretion, valuing each one more precisely as to the amounts involved, as well as their effective risk of loss.

Considering the processes with "possible" risk of loss, the Company informs that the amounts involved are as follows:

	Consolidated	
	09/30/2020	12/31/2019
Tax	7,741	7,702
Labor	16,658	27,557
Civil	4,029	4,256
	28,428	39,515

e) Relevant contingent assets

Currently, Plascar Ltda. appears as an active party in two lawsuits considered relevant against FUNRURAL and ELETROBRÁS, whose amounts involved are R$ 8,585 and R$ 19,249, respectively.

(i) The lawsuit against ELETROBRÁS, whose sentence was favorable to the Company, is at an advanced stage of the proceedings, and the Company had already started the process of provisional execution of the sentence, requiring payment of the amount due. However, in June 2020, through its external advisors, the Company became aware of an alleged assignment of rights, which would have been carried out in May 2003, whereby ownership and the economic benefits arising from this process would be assigned to third parties, having not identified elements internally that confirmed such assignment of rights, the Company manifested itself in the case file, requesting more information on the matter and, at this moment, awaits judgment.

(ii) The lawsuit against FUNRURAL was processed and judged on September 4, 2001, with Plascar being granted the net and certain right to receive the amount of R$ 2,237. This amount, however, was questioned by the Company regarding its monetary restatement, which was not considered by the court. A definition of said update is still pending and, consequently, the correct amount to be paid in favor of the Company, whose estimate by the legal advisors indicates the amount of R$ 8,585.

18 Other liabilities

	Consolidated	
	09/30/2020	12/31/2019
Rentals payable (Notes 13.b and 17.b)	137,754	109,057
Miscellaneous creditors - agreements signed	76,892	73,381
Other liabilities	15,930	14,957
	230,576	197,395
Current	23,409	114,864
Non-current	207,167	82,531
	230,576	197,395

19 Equity

(a) Capital

Capital increase and issue of shares

On January 31, 2019, according to the Notice to Shareholders and Material Fact disclosed to the market, the Company's capital was increased with the payment of credits held against Plascar Ltda., By private subscription, in the amount of R$ 449,483, through the issue of 7,455,251 common shares at the unit issue price of R$ 60.29 per common share. After effecting the Capital Increase, the Company's capital stock, previously in the amount of R$ 481,972 and divided into 4,970,167 common shares, became R$ 931,455, divided into 12,425,418 common shares.

The issue price of the shares was fixed, without unjustified dilution for the current shareholders of the Company, considering the methodologies allowed by article 170, paragraph 1, of the Brazilian Corporation Law, in view of the current financial situation of the Company, which has high indebtedness and negative equity.

Since the Brazilian Corporation Law does not establish a rigid formula for setting the issue price, this price was fixed in view of the criteria of article 170, paragraph 1, of the Brazilian Corporation Law, in respect of the Company's social interest. that the Company could carry out the restructuring as planned.

Subscription Bonus

The Company issued in favor and as an additional advantage to the subscribers of the Capital Increase shares, upon reaching Plascar Plásticos EBITDA targets in the years 2020, 2021 or 2022, 7,455,251 subscription bonus, in a single series and under the book-entry and nominative form, with 1 subscription bonus attributed to each share of the subscribed Capital Increase.

The granting to its holders, jointly, grants the right to subscribe shares of the Company representing 5% of the Company's capital after the issue of such shares. The subscription price for 1 share issued as a result of the exercise of the Subscription Bonus will be R$ 0.01 “Exercise Price”. The subscription of the shares resulting from the exercise of the Subscription Bonus is to be made in a particular way, in the act of exercising the Subscription Right, and the payment of the shares then subscribed must be made through the payment in cash of the Exercise Price, in currency national chain, upon the subscription of such shares.

b) Other comprehensive income

Equity valuation adjustments

Constituted by the accounting record of realization of the cost attributed to property, plant and equipment and respective taxes. This heading also includes the impacts on the change in the parent company's stake in the subsidiary from 99.89% to 100% after the financial restructuring that took place on January 31, 2019.

c) Compensation to shareholders

According to the Company's Bylaws, shareholders are entitled to receive a minimum annual dividend of 25% of net income for the year, adjusted pursuant to articles 189 and 202 of Law No. 6,404/76.

20 Earnings per share

The basic calculation of profit or loss per share is made by dividing the net profit or loss for the year, attributed to holders of common shares of the parent company, by the weighted average number of common shares available during the year.

Diluted earnings or loss per share is calculated by dividing the net profit or loss attributable to holders of common shares of the parent company by the weighted average number of common shares available during the year, plus the weighted average number of common shares that would be issued on conversion of all potential common shares diluted in common shares.

The table below shows the result and share data used in the calculation of basic and diluted losses per share for the quarter and the nine-month period ended September 30, 2020 and 2019 (in thousands, except per share amounts):

Basic loss per share:

	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Numerator:				
Loss for the period	(36,023)	(100,080)	(24,068)	(126,681)
Denominator:				
Weighted average number of shares	12,425,418	12,425,418	12,425,418	11,603,148
Basic and diluted net loss per share - R$	(2.90)	(8.05)	(1.94)	(10.92)

Loss diluted per share (*)

	07/01/2020 to 09/30/2020	07/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	07/01/2019 to 09/30/2019
Numerator:				
Loss for the period	(36,023)	(100,080)	(24,068)	(126,681)
Denominator:				
Weighted average number of shares	19,880,669	19,880,669	19,880,669	18,236,128
Basic and diluted net loss per share - R$	(1.81)	(5.03)	(1.21)	(6.95)

(*) It considers the potential shares to be issued when exercising the Subscription Right (Note 19.a).

21 Net operating revenue

	Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Gross sales revenue	121,036	284,151	129,292	349,420
Sales taxes	(21,086)	(49,258)	(16,625)	(56,865)
Returns and sales rebates	(1,355)	(2,828)	(772)	(2,418)
	98,595	232,065	111,895	290,137

Taxes on sales consist mainly of Tax on the circulation of goods and services - ICMS (rates of 4%, 7%, 12% and 18%), Tax on industrialized products - IPI (rates of 5% and 15%), social integration - PIS (1.65% and 2.30% rates), Social security financing contribution - COFINS (7.60% and 10.80% rates).

22 Costs and expenses by nature

The Company opted to present the statement of income by function and presents the details by nature below:

	Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Raw material, inputs, materials for use and consumption and personnel expenses	(88,774)	(212,433)	(85,485)	(244,677)
Depreciation and amortization	(14,991)	(45,696)	(15,332)	(44,544)
Third party services	(3,534)	(10,448)	(3,754)	(10,583)
Provision for adjustment to market value and obsolescence in inventories (Note 7)	(352)	(443)	(61)	184
Others	(12,160)	(30,326)	(14,629)	(39,690)
	(119,811)	(299,346)	(119,261)	(339,310)
Classified as				
Costs of products sold	(98,106)	(244,779)	(97,654)	(278,668)
Selling expenses	(5,923)	(15,407)	(5,390)	(15,589)
Administrative and general expenses	(15,782)	(39,160)	(16,217)	(45,053)
	(119,811)	(299,346)	(119,261)	(339,310)

23 Financial result

	Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Financial expenses				
Interest and fines	(3,834)	(17,289)	(8,197)	(55,815)
Charges on overdue / installment taxes (1)	(8,874)	(16,319)	(4,311)	(13,829)
Adjustment to present value of leases (Note 13)	(1,009)	(2,992)	(1,346)	(3,892)
Passive exchange variations	(1,373)	(4,650)	(1,109)	(2,346)
IOF	(220)	(525)	(235)	(835)
Others	(56)	(156)	(65)	(128)
	(15,366)	(41,931)	(15,263)	(76,845)
Financial income				
Interest and monetary restatement (2)	4,299	10,229	861	894
Exchange rate variations	963	3,300	677	2,039
Others	22	92	5	7
	5,284	13,621	1,543	2,940
Financial result	(10,082)	(28,310)	(13,720)	(73,905)

(1) Charges for overdue taxes and installments of PIS / COFINS and ICMS.
(2) The positive impact is mainly due to the accounting record of monetary restatement related to the ICMS exclusion credit in the PIS-COFINS calculation base.

24 Tax Obligations and Social Charges

The outstanding balance of taxes as of September 30, 2020 is R$ 154,144 and R$ 67,964 for payroll charges, of which,R$ 8,536 current taxes due, R$ 41,566 current taxes past due and R$ 172,006 in installments.

				Installments		
				Current		
	Open	Current	Past due	Current	Past due	Non-current
REFIS (PERT MP 783/17)	55,403	-	-	4,553	3,415	47,435
Parcel. Ordinário PIS/COF/IPI	25,611	-	-	6,985	4,657	13,969
PIS	243	243	-	-	-	-
COFINS	1,120	1,120	-	-	-	-
ICMS (Regularize – MG)	54,872	-	-	5,490	-	49,382
ICMS	15,182	907	-	5,088	7,390	1,797
IPI (Parcelamento – MG)	1,143	-	-	427	-	716
IPI	51	51	-	-	-	-
Others (ISS IPTU)	519	339	-	27	-	153
	154,144	**2,660**	**-**	**22,570**	**15,462**	**113,452**
IRRF (Employees)	529	529	-	-	-	-
Parcel. Ordinário INSS	13,746	-	-	3,302	2,202	8,242
FGTS	1,234	585	-	649	-	-
INSS (Company)	39,080	4,151	34,929	-	-	-
INSS (Employees)	7,248	611	6,637	-	-	-
INSS Installments Sesi Senai (Company)	6,127	-	-	1,786	1,042	3,299
	67,964	**5,876**	**41,566**	**5,737**	**3,244**	**11,541**
Total (Company)	**214,331**	**7,396**	**34,929**	**28,307**	**18,706**	**124,993**
Total (Employees)	**7,777**	**1,140**	**6,637**	**-**	**-**	**-**
Total	**222,108**	**8,536**	**41,566**	**28,307**	**18,706**	**124,993**

Regarding the amounts due, the Company registers a fine of 20% in addition to correction by the indexes provided for by the legislation.

Programa Especial de Regularização Tributária (PERT)

Plascar Ltda. joined PERT on August 29, 2017. The balance of taxes past due up to April 2017, under the Attorney General's Office, was divided into 120 installments, with the value of the installments in the first 12 months corresponding to 0.4% of the debt, 0.5% in the second year, 0.6% in the third year and the remaining balance in 84 installments. The installment correction index is the Selic.

Additionally, MP 783/17 was converted into Law No. 13.496 / 17 on October 25, 2017, including a new installment plan, where there is the possibility of using tax losses and a negative CSLL base to write off the consolidated debt in scope of the Receita Federal do Brasil

The installments in the areas of the Attorney General's Office and the RFB were fully consolidated during 2018.

Below, we briefly present the accounting effects of this transaction:

	Attorney General of the Ministry of the Economy	Receita Federal do Brasil (RFB) Tax	Receita Federal do Brasil (RFB) Non-Tax	Total
Original balance (a)	54,607	76,649	27,555	158,811
Use of tax loss and negative basis CSLL Law 13.496/17 (b)	-	(59,110)	(20,760)	(79,870)
Amortization of debt until September 30, 2020	(8,236)	(20,197)	(7,013)	(35,446)
Installment update	9,032	2,658	218	11,908
Total	55,403	-	-	55,403

(a) Total tax and non-tax debt updated on the date of PERT membership, including Social Integration Program - PIS, Social Security Financing Contribution - COFINS, Tax on Industrialized Products - IPI, and National Institute of Social Security - INSS (Exemption of Payroll).

(b) The Company migrated to this new modality. The amount involved to deduct the balance with tax losses and negative basis is R$ 79,870.

25 Employee benefits

The expenses with salaries, benefits and social charges are shown below:

	Consolidated			
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Salaries and social charges	36,982	94,899	36,403	109,188
Profit sharing plan	1,065	5,342	1,792	5,587
Layoffs	1,090	2,518	1,178	1,549
Benefits provided by law	3,685	9,666	2,727	7,041
Additional benefits	11	49	38	96
	42,833	112,474	42,138	123,461

Additional benefits

In addition to the usual benefits provided for in labor legislation, the Company and its subsidiary have the practice of granting their employees additional benefits contracted from third parties, such as: collective transportation, food, basic food basket, medical assistance and daycare assistance.

Profit Sharing Plan

The Company and its subsidiary have complementary variable compensation plans that consider meeting the established goals:

(i) Profit sharing plan (PPR): The Company remunerates its employees through profit sharing in accordance with the collective agreement established between the Company, the employees' commission and the union of the category, which establishes goals that are monthly measured and disclosed. This plan aims to stimulate development and productivity, providing opportunities for financial gains and conditions for effective participation in the Company's results.

(ii) Additional profit-sharing bonus plan (short-term PPR): The Company also grants a bonus to the Company's managers and directors with a different salary. Profit sharing due to employees occupying these functions is based on performance (individual and the Company), according to pre-established goals.

26 Insurance

In the semester ended September 30, 2020, there were no changes in insurance coverage, value of policies and risks involved. Accordingly, there were no changes in relation to the disclosures in note no. 26 of the annual financial statements of December 31, 2019.

The risk assumptions adopted, given their nature, are not part of the scope of an audit of financial statements, consequently they were not examined by our independent auditors.

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Board of Directors

Paulo Silvestri
Chairman of the Board of Directors

Rui Chammas
Counselor

Andrew Catunda de Araújo
Counselor

Edson Figueiredo Menezes
Counselor

Paulo Alberto Zimath
Counselor

Executive Board

José Donizeti da Silva
Director

Fabio Ernesto Isaia
Chief Executive Officer

Paulo Silvestri
Chief Financial Officer
Investor Relations Officer

Board of Directors (non-statutory)

Daniel Paulo Fossa
Commercial Director

Ana Lúcia de Aguiar Zacariotto
Human Resources Director

Claudio Batista
Accounting Manager
Accountant CRC 1SP170282/O-9

Supervisory Board

Antonio Farina
Counselor

Cleidir Donizete de Freitas
Counselor

Charles Dimetrius Popoff
Counselor