Interim Financial Information

Plascar Participações Industriais S.A.

As of September 30, 2022

Plascar Participações Industriais S.A.

Individual and consolidated interim financial information
September 30, 2022

Summary

Performance Overview

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

Amounts expressed in thousands of Reais, unless otherwise stated.

Gross Income

In 3rd quarter of 2022, the gross margin was 16.9% Against 3.6% in the same period de 2021.

Automotive Market

According to data from ANFAVEA, vehicle production in the 9M2022 of 2022 increase by 6.3% over the same period in 2021, totaling 1.756 million units in the country.

SOURCE: ANFAVEA – BRASIL						
	3º Q/21	3 Q/22	VAR. %	9M /21	9M /22	VAR. %
VEHICLE PRODUCTION	504	665	32.0%	1,653	1,756	6.3%
VEHICLE SALES	503	585	16.1%	1,578	1,503	-4.7%

ANFAVEA decided to support the projections in the Brazilian market this year, with sales growth of 1.0%, and 4.1% in vehicle production over 2021.

ANFAVEA Projection 2022

Vehicles: Automobiles, Light Commercials, Trucks and Buses		Accomplished 2021	2022	PROJECTIONS 2022	
		thousand units	thousand units	thousand units	∆ %
Licensing	**Total**	**2,120**	**2,300**	**2,140**	1.0
	Light vehicles	1,977	2,143	1,994	0.9
	Heavy vehicles	143	157	146	2.3
Exports	**Total**	**376**	**390**	**460**	22.2
	Light vehicles	349	361	433	23.9
	Heavy vehicles	376	29	460	22.2
Production	**Total**	**2,248**	**2,460**	**2,340**	4.1
	Light vehicles	2,070	2,268	2,162	4.4
	Heavy vehicles	178	192	178	0

Net income

The combined result of all the factors mentioned on September 30, 2022 resulted in a cash generation (EBITDA) of R$ 48,104 (7.7%) in the 3rd quarter, as shown in the table below:

CONSOLIDATED PLASCAR BRASIL						
Month/Year	Net Sale R$	Gross Margin		EBITDA (Accumulated)		(Loss) Accumulated of the Period (R$)
		R$	% Sales	R$	% Sales	
3º Trim/18	**87,912**	**1,495**	**1.7%**	**(6,535)**	**-7.4%**	**(65,781)**
set/18	**252,939**	**1,937**	**0.8%**	**(16,763)**	**-6.6%**	**(141,457)**
dez/18	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)
3º Trim/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)**
dez/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)
3º Trim/20	**98,595**	**489**	**0.5%**	**(10,775)**	**-10.9%**	**(36,023)**
set/20	**232,065**	**(12,714)**	**-5.5%**	**(25,412)**	**-11.0%**	**(100,080)**
dez/20	369,188	(4,692)	-1.3%	(22,277)	-6.0%	(117,013)
mar/21	142,345	15,238	10.7%	9,179	6.4%	(14,208)
jun/21	287,831	23,227	8.1%	13,779	4.8%	(36,513)
3º Trim/21	**160,960**	**5,855**	**3.6%**	**(1,248)**	**-0.8%**	**(60,671)**
set/21	**448,791**	**29,082**	**6.5%**	**12,531**	**2.8%**	**(97,184)**
dez/21	612,684	46,297	7.6%	17,415	2.8%	(122,230)
mar/22	192,762	25,717	13.3%	11,748	6.1%	(20,111)
jun/22	389,702	56,156	14.4%	28,215	7.2%	(36,847)
3º Trim/22	**233,259**	**39,461**	**16.9%**	**19,889**	**8.5%**	**(23,516)**
set/22	**622,961**	**95,617**	**15.3%**	**48,104**	**7.7%**	**(60,363)**

Human Resources

Despite the economic adversities in the country, the Company continues to invest in the professional development of its employees, with approximately 37.14 hours of teaching and training per employee (in the last 12 months), focused on SENAI learning, internships, supplementary training, in addition to training technical and operational development.

As of September 30, 2022, the Company had 2,148 employees (1,810 as of September 30, 2021).

Relationship with External Auditors

In compliance with CVM Instruction no. 381, we inform that in the nine-month period ended September 30, 2022, the Company did not contract with its auditors, a service not related to the external audit.

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

Edifício Trade Tower
Av. José de Souza Campos, 900
1º andar - Nova Campinas
13092-123 - Campinas - SP - Brasil
Tel: +55 19 3322-0500
Fax:+55 19 3322-0559
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil

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 individual and consolidated interim financial information of Plascar Participações Industriais SA ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2022, which comprises the balance sheet on September 30, 2022, and the respective statements of income and comprehensive income for the three and nine months periods ended on that date, and changes in shareholders' equity and cash flows for the nine-month period ended on that date, including the explanatory notes.

The Company's management is responsible for preparing the individual and consolidated interim financial information in accordance with NBC TG 21 - Interim Statement and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation this information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with Brazilian and international standards for the review of interim financial information (NBC TR 2410 Review of Interim Information Performed by the Entity Auditor and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, mainly of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and, consequently, has not allowed us to obtain assurance that we are aware of all significant matters that could be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the interim financial information, individual and consolidated, included in the quarterly information was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

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

We call attention to Note 1 of the interim financial information, individual and consolidated, which describes that the Company through its subsidiary has recorded recurring losses in its operations and has presented accumulated losses in shareholders' equity in the amount of R$ 1,303,582 thousand, in individual and consolidated and demand support from third-party resources to face its operations, situations that have resulted in excess current liabilities over current assets at the end of the period ended September 30, 2022, in the amount of R$ 343,371 thousand in the consolidated, in addition to a negative equity situation of R$ 371,809 thousand on September 30, 2022. As presented in Note 1, these events, or conditions, together with other matters described in Note 1, indicate the existence of significant uncertainty that may raise significant doubts as to the Company's ability to continue operating. Our conclusion does not contain a reservation related to the matter.

Other matters

Statements of value added

The quarterly information includes the individual and consolidated statements of added value (DVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, to determine whether they are reconciled with the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 Statement of Added Value. Based on our review, we are not aware of any fact that leads us to believe that these statements of added value were not prepared, in all material respects, in accordance with the criteria defined in this Standard and in a consistent manner in relation to the individual interim financial information. and consolidated figures taken together.

Campinas, November 10, 2022

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP027623/F

Cristiane Cléria S. Hilario
Sócia-Contadora
CRC 1SP243766/O

Balance Sheets
Period ended September 30, 2022 and Year ended December 31, 2021
(In thousands of reais)

Assets

	Individual		Consolidated	
Current Assets	**09/30/2022**	**12/31/2021**	**09/30/2022**	**12/31/2021**
Cash and cash equivalents	8,333	7,384	18,294	12,487
Trade accounts receivable	-	-	60,682	31,509
Inventories	-	-	116,207	118,357
Taxes recoverable	30	-	38,223	34,746
Other assets	17	17	2,778	2,836
Total current assets	**8,380**	**7,401**	**236,184**	**199,935**
Noncurrent assets	**09/30/2022**	**12/31/2021**	**09/30/2022**	**12/31/2021**
Taxes recoverable	-	-	66,810	88,959
Judicial deposits	-	-	1,969	2,317
Other assets	-	-	120	150
Investment property			8,295	8,362
Property, plant and equipment in operation	7	7	327,499	303,338
Right-of-use assets			83,916	15,604
Total noncurrent assets	**7**	**7**	**488,609**	**418,730**
Total assets	**8,387**	**7,408**	**724,793**	**618,665**

Liabilities and equity

	Individual		Consolidated	
Current liabilities	**09/30/2022**	**12/31/2021**	**09/30/2022**	**12/31/2021**
Loans and financing	-	-	92,909	51,531
Lease liabilities	-	-	25,168	1,546
Trade accounts payable	-	-	78,346	72,830
Taxes payable	183	27	78,175	78,896
Payroll, vacation pay and social charges payable	-	-	220,109	160,757
Advances from customers	-	-	38,551	51,608
Other liabilities	-	-	46,297	40,265
Total current liabilities	**183**	**27**	**579,555**	**457,433**
Noncurrent liabilities	**09/30/2022**	**12/31/2021**	**09/30/2022**	**12/31/2021**
Loans and financing	-	-	97,882	87,462
Lease liabilities	-	-	66,671	53,988
Related parties	24,189	22,148	7,408	8,132
Payroll, vacation pay and social charges payable	-	-	11,956	9,265
Taxes payable	-	-	89,057	94,333
Deferred income and social contribution taxes	-	-	20,076	19,297
Contingencies	-	-	7,151	6,502
Provision for capital deficiency	355,824	296,679	-	-
Other accounts payable	-	-	216,846	193,699
Total noncurrent liabilities	**380,013**	**318,827**	**517,047**	**472,678**
Total liabilities	**380,196**	**318,854**	**1,096,602**	**930,111**
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	318	321	318	321
Accumulated losses	(1,303,582)	(1,243,222)	(1,303,582)	(1,243,222)
	(371,809)	**(311,446)**	**(371,809)**	**(311,446)**
Total equity	**(371,809)**	**(311,446)**	**(371,809)**	**(311,446)**
Total liabilities and equity	**8,387**	**7,408**	**724,793**	**618,665**

Income Statements for the periods ended of September 30, 2022 and 2021

In thousands of reais)	Individual			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Net operating revenue	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit / (loss)	**-**	**-**	**-**	**-**
Operating (expenses) and income				
Selling expenses	-	-	-	-
General and administrative expenses	(439)	(1,360)	(456)	(1,371)
Equity pick-up	(23,204)	(59,145)	(60,224)	(95,873)
Other operating income/(expenses), net	-	-	-	-
	(23,643)	**(60,505)**	**(60,680)**	**(97,244)**
Operating income before finance income (expenses)	**(23,643)**	**(60,505)**	**(60,680)**	**(97,244)**
Finance income (expenses)				
Finance income	153	176	15	77
Finance costs	(26)	(34)	(6)	(17)
	127	**142**	**9**	**60**
Loss before income and social contribution taxes	**(23,516)**	**(60,363)**	**(60,671)**	**(97,184)**
Income and social contribution taxes	**-**	**-**	**-**	**-**
Deferred	-	-	-	-
Net loss for the period	**(23,516)**	**(60,363)**	**(60,671)**	**(97,184)**

Income Statements for the periods ended of September 30, 2022 and 2021

(In thousands of reais)	Consolidated			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2022 to 09/30/2021**	**01/01/2022 to 09/30/2021**
Net operating revenue	233,259	622,961	160,960	448,791
Cost of goods sold	(193,798)	(527,344)	(155,105)	(419,709)
Gross profit / (loss)	**39,461**	**95,617**	**5,855**	**29,802**
Operating (expenses) and income				
Selling expenses	(9,781)	(26,008)	(7,755)	(21,647)
General and administrative expenses	(22,593)	(60,378)	(12,749)	(40,674)
Equity pick-up	-	-	-	-
Other operating income/(expenses), net	(405)	(159)	(2,486)	(2,441)
	(32,779)	**(86,545)**	**(22,990)**	**(64,762)**
Operating income before finance income (expenses)	**6,682**	**9,072**	**(17,135)**	**(35,680)**
Finance income (expenses)				
Finance income	3,437	10,468	795	13,162
Finance costs	(33,246)	(79,124)	(44,301)	(74,640)
	(29,809)	**(68,656)**	**(43,506)**	**(61,478)**
Loss before income and social contribution taxes	**(23,127)**	**(59,584)**	**(60,641)**	**(97,158)**
Income and social contribution taxes	**(389)**	**(779)**	**(30)**	**(26)**
Deferred	(389)	(779)	(30)	(26)
Net loss for the period	**(23,516)**	**(60,363)**	**(60,671)**	**(97,184)**
Non-controlling shareholders	-	-	-	-
Controlling shareholders	(23,516)	(60,363)	(60,671)	(97,184)
	(23,516)	**(60,363)**	**(60,671)**	**(97,184)**

Statements of comprehensive income for the period ended September 30, 2022 and 2021

(In thousands of Reais)

	Individual			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Net loss for the period	(23,516)	(60,363)	(60,671)	(97,184)
	(23,516)	(60,363)	(60,671)	(97,184)
Total comprehensive income	**(23,516)**	**(60,363)**	**(60,671)**	**(97,184)**

	Consolidated			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Net loss for the period	(23,516)	(60,363)	(60,671)	(97,184)
	(23,516)	(60,363)	(60,671)	(97,184)
Total comprehensive income	**(23,516)**	**(60,363)**	**(60,671)**	**(97,184)**

Statement of changes in shareholders' equity
Periods ended September 30, 2022 and 2021
(In thousands of reais)

	Paid capital	Capital reserve, options granted and treasury shares	Accumulated Profits or Losses	Other Comprehensive Results	Total
Balance as of January 1, 2022	**931,455**	**-**	**(1,243,222)**	**321**	**(311,446)**
Net loss for the period	-	-	(60,363)	-	(60,363)
Internal changes in shareholders' equity	-	-	3	(3)	-
Realization of property, plant and equipment deemed cost	-	-	5	(5)	-
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	(2)	2	-
Balance as of September 30, 2022	**931,455**	**-**	**(1,303,582)**	**318**	**(371,809)**
Balance as of January 1, 2021	**931,455**	**-**	**(1,121,006)**	**335**	**(189,216)**
Net loss for the period	-	-	(97,184)	-	(97,184)
Internal changes in shareholders' equity	-	-	13	(13)	-
Realization of property, plant and equipment deemed cost	-	-	20	(20)	-
Realization of deferred taxes on property, plant and equipment deemed cost	-	-	(7)	7	-
Balance as of September 30, 2021	**931,455**	**-**	**(1,218,177)**	**322**	**(286,400)**

Plascar Participações Industriais S.A.

Cash flow statements for the period ended September 30, 2022 and the year ended December 31, 2021
(In thousands of reais)

	Individual		Consolidated	
Cash flows from operating activities	**09/30/2022**	**12/31/2021**	**09/30/2022**	**09/30/2021**
Net loss for the period before income and social contribution taxes	**(60,363)**	**(97,184)**	**(59.584)**	**(97,158)**
Adjustments to reconcile net income to cash from (used in) operating activities:				
Depreciation	-	-	25,257	27,368
Amortization	-	-	13,743	20,739
Loss (gain)on disposal of PP&E	-	-	7,527	-
Interest and monetary variation, net	-	-	70,275	68,865
Provision for legal claims	-	-	5,164	4,399
Provision for adjustment of inventories at market value and obsolescence	-	-	1,193	340
Constitution (reduction) of provision for doubtful claims	-	-	(121)	671
Others	-	-	-	132
Equity pick-up	59,145	95,873	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	(29,052)	20,138
Inventories	-	-	957	(57,524)
Taxes to recover	(30)	-	18,671	9,431
Judicial Deposits		-	349	1,267
Other asset accounts, net	-	-	155	(18)
Suppliers	-	-	4,795	12,253
Obligations with staff and social charges	-	-	44,754	37,275
Advance of customers	-	-	(19,777)	19,013
Taxes, contributions and installments to be collected	156	-	(11,583)	(11,062)
Provision for legal claims (payments)	-	-	(4,515)	(8,264)
Other accounts payable	-	-	(9,038)	(9,367)
Interest paid	-	-	(26,352)	(9,741)
Net cash from (applied in) operating activities	**(1.218)**	**(1,311)**	**32,819**	**28,757**
Cash flows from investment activities				
Acquisitions of fixed assets and intangible assets	-	-	(56,956)	(36,856)
Net cash used in investment activities	**-**	**-**	**(56,956)**	**(36,856)**
Cash flows from financing activities				
Borrowings	-	-	98,726	9,191
Payment of loans, financing and leasing (principal)	-	-	(68,057)	(21,215)
Net increase in receivables from related parties	(2,041)	(18,880)	(725)	407
Net cash from (used in) financing activities	**(2,041)**	**(18,880)**	**29,944**	**(11,617)**
(Reduction) in cash and cash equivalents	**949**	**(20,191)**	**5,807**	**(19,716)**
Cash and cash equivalents at the beginning of the period	7,384	31,444	12,487	33,681
Cash and cash equivalents at the end of the period	8,333	11,253	18,294	13,965
(Reduction) in cash and cash equivalents	**949**	**(20,191)**	**5,807**	**(19,716)**

Statements of value added for the period ended of September 30, 2022 and 2021
(In thousands of reais)

	Individual		Consolidated	
	09/30/2022	**09/30/2021**	**09/30/2022**	**09/30/2021**
Revenue				
Sales of Goods, Products and Services	-	-	750,441	544,738
	-	-	750,441	544,738
Purchased supplies				
Cost of products and services sold	-	-	(290,431)	(206,365)
Materials, energy, third-party services and others	(569)	(572)	(110,899)	(90,908)
Others	-	-	(1,193)	(340)
	(569)	(572)	(402,523)	(297,613)
Gross added value	**(569)**	**(572)**	**347,918**	**247,125**
Depreciations and amortization	-	-	(39,001)	(48,107)
Net Added Value Produced	(569)	(572)	308,917	199,018
Value added received in transfer				
Equity pick up	(59,145)	(95,873)	-	-
Finance income	176	77	10,468	13,085
Other revenues	-	-	501	320
	(58,969)	(95,976)	10,969	13,405
Total value added to distribute	**(59,538)**	**(96,368)**	**319,886**	**212,423**
Distribution of value added	**(59,538)**	**(96,368)**	**319,886**	**212,423**
Personnel	606	595	172,219	137,508
Salaries	474	463	136,304	108,090
Others	132	132	35,915	29,418
Taxes, charges and contributions	**185**	**204**	**128,905**	**97,459**
Federal taxes	-	-	60,235	43,517
State taxes	-	-	67,237	52,983
Local taxes	185	204	1,433	959
Remuneration of third-party capital	**34**	**17**	**79,125**	**79,640**
Interest	34	17	79,125	79,640
Equity remuneration				
Net losses	(60,363)	(97,184)	(60,363)	(97,184)
Total added value	**(60,363)**	**(97,184)**	**(60,363)**	**(97,184)**

1. Operational context

Plascar Participações Industriais S.A. ("Plascar S.A." or "Company"), headquartered in the city of Jundiaí, State of São Paulo, is a publicly traded company, with its shares traded at BM&FBOVESPA (PLAS3). ("Plascar Ltda." or "Plascar"), which operates in the automotive sector and has as its operational activity the industrialization and commercialization of parts and pieces related to the internal and external finishing of automotive vehicles. Plascar Ltda. has industrial plants located in the cities of Jundiaí/SP, Varginha/MG, Betim/MG and Caçapava/SP.

On September 24, 2021, the Company informed the market about the installation of a new industrial unit in the city of Caçapava/SP. Start-up is scheduled for the September of 2022 and, in principle, the new unit will supply assemblers installed in the Vale do Paraíba region.

The plants operate mainly in the automotive sector, with a focus on serving vehicle assemblers, supplying bumpers, instrument panels, air diffusers, cup holders, door sides, and package holders, among other components. Plascar also operates in the industrialization of non-automotive products, such as, for example, injection and assembly of supermarket carts, multipurpose boxes, pallets, and ecological furniture, an activity that represents less than 6% of the Company's total consolidated assets, net revenue, and net income.

After the completion of the financial restructuring of the Company and its subsidiary on January 31, 2019, the controlling interest in Plascar S.A. is now held by Pádua IV Participações S.A., with 59.99% of its capital, which is also composed of Permali do Brasil Indústria e Comércio Ltda. with 18.44%, Postalis Instituto de Seguridade Social dos Correios e Telégrafos with 7.12%, and other individual shareholders that together hold 14.45%, Note 21.

The issue of these individual and consolidated Quarterly Financial Statements (ITRs) was authorized by the Board of Directors on November 9, 2022.

<u>Financial Condition</u>

On September 30, 2022, the Company presents an excess of current liabilities over current assets in the amount of R$ 343.371 (R$ 257,498 on December 31, 2021) in the consolidated and negative shareholders' equity in the parent company and consolidated in the amount of R$ 371.809 (R$ 311,446 on December 31, 2021). Additionally, the Company presented a loss for the current and comparative periods and maintains an accumulated loss of R$ 1.303.582 in the parent company and consolidated (R$ 1,243,222 on December 31, 2021).

Financial expenses totaled R$ 79.124 on September 30, 2022 (R$ 74.640 on September 30, 2021). Management is taking measures to reduce the impact of these expenses on the Company's results, mainly through management, with efficiency improvement plans and renegotiation of its tax and banking liabilities.

Management is taking steps to renegotiate the totality of its tax liabilities with the Federal Revenue Service and PGFN, through the tax transaction program instituted by Law 14.375/2022, whose regulation ordinance was published on 08/01/2022. With the successful conclusion of this transaction, the Company will achieve an important reduction of late payment charges, in addition to the possibility of using part of its tax loss balance, as authorized by the Law, thus reducing its financial cost and need to generate cash to meet the obligations assumed in this negotiation. The expectation is to conclude this transaction still in the 4th quarter of 2022.

The Company informs that it has been successful in new fundraising with financial institutions with better conditions, reflecting the resumption of credibility with the market.

In the 3rd quarter of 2022, there was an increase in the production of vehicles by 32%, when compared to the 3rd quarter of 2021, according to data from ANFAVEA. The Company's net revenue, in turn, in the 3rd quarter of 2022, presented an increase of 44.9% when compared to the same quarter of 2021, thus showing the maintenance of a gradual and consistent recovery in volumes.

According to official ANFAVEA data, vehicle production in 2022 shows an increase of 4.1%.

The Company continues adopting measures to increase the revenue obtained from new projects, reduce its internal operational costs and improve the margin and cash generation, through 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 started in March 2020 due to the COVID-19 pandemic.

Additionally, Management believes that the new projects that have been started over the last few quarters, added to the projects still under development and that should start production in the coming months, will allow the Company to reverse the quarterly losses. The accumulated net revenue of nine months in 2022 already exceeds the total sales of the year 2021. This trend can already be seen by the growing operating profit, obtained mainly by absorbing fixed costs, due to its high degree of operating leverage.

The Company's management is in the process of reviewing the projections, considering new projects and oscillation of volumes in view of the current scenario.

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

The Company continues to monitor the situation, always ready to intervene in the event of a worsening of the pandemic situation. Despite the demobilization of the crisis committee implemented at the beginning of the pandemic, the committee be activated immediately, if necessary.

Impacts of the conflict and sanctions related to Ukraine, Russia and/or Belarus on the Company's business

With the launch of a large-scale military invasion by Russia against Ukraine in February 2022, many countries started to impose sanctions to Russia, causing this whole scenario of conflict to affect the global economy. Until the present moment the war has not had significant consequences for the Brazilian automotive sector, the Administration continues to systematically monitor the possible impacts and monitor the potential effects on the supply chains, being prepared to adopt measures, if necessary.

Corporate and Financial Restructuring

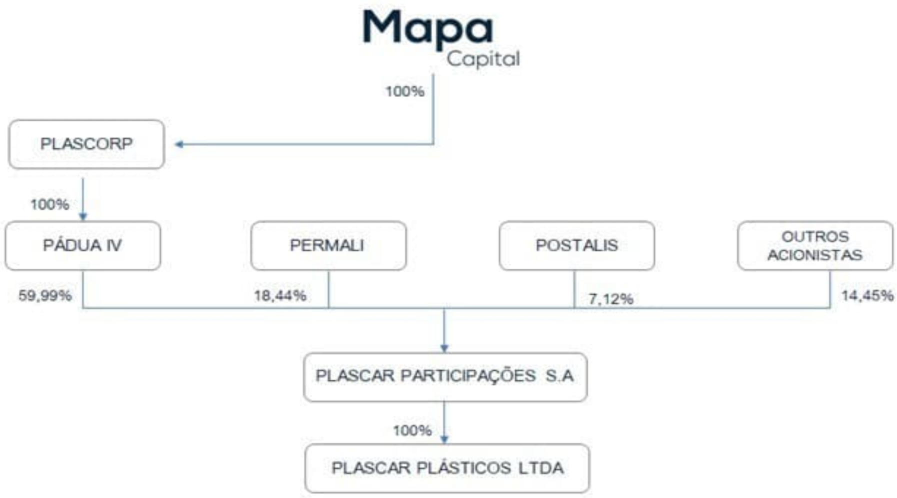
At the Extraordinary General Meeting, held on December 13, 2018, the final plan to restructure the Company's debt was approved by unanimous vote of the shareholders present, which, in general terms, involves the assignment of approximately 90% of Plascar's existing debt by the Company's main creditors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

On January 31, 2019, according to the Notice to Shareholders and Material Fact disclosed to the market, the Company's capital increase took place with payment through the use of credits held against Plascar Ltda., by private subscription, in the amount of R$ 449,483, through the issuance of 7,455,251 common shares at a unit issue price of R$ 60,29 per common share. After the Capital Increase, the Company's capital stock, previously amounting to R$ 481,972, divided into 4,970,167 common shares, became R$ 931,455, divided into 12,425,418 common shares.

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

Corporate Structure below:

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)



2. Summary of main accounting policies and presentation of quarterly information – ITR

The Company presents the individual and consolidated Quarterly Information in accordance with CPC 21 (R1) - Interim Financial Statements, issued by the CPC - Accounting Pronouncements Committee and IAS 34 - Interim Financial Reporting, issued by the IASB - International Accounting Standards Board, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards established by the CVM - Brazilian Securities Commission.

According to the Circular Letter CVM/SNC/SEP No. 03/2011, the Company chose to present the explanatory notes in this quarterly information in summarized form in cases of redundancy in relation to what is presented in the annual statements. In these cases, the location of the full explanatory note in the annual statement is indicated, to avoid prejudice to the understanding of the financial position and performance of the Company during the interim period. Accordingly, this quarterly information should be read in conjunction with the annual financial statements for the year ending December 31, 2021.

The basis of preparation and accounting policies are the same as those used in the annual financial statements for fiscal year 2021. Therefore, the corresponding information should be read in note 2 of those financial statements.

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

	Direct participation	
	30/09/2022	**31/12/2021**
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 that are believed to be reasonable under the circumstances.

Based on assumptions, the Company makes estimates concerning the future. By definition, the accounting estimates will rarely equal the respective actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the relevant amounts of assets and liabilities within 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 ultimate tax determination is uncertain. The Company also recognizes provisions for situations in which it is probable that additional amounts of tax will be due.

Where the ultimate outcome of these matters is different from the amounts initially estimated and recorded, these differences affect current and deferred tax assets and liabilities in the period in which the ultimate value is determined.

(b) *Deferred taxes*

Deferred tax is generated by temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. 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 other than a business combination and, at the date of the transaction, does not affect the accounting profit or tax profit or loss; and

- On temporary tax differences related to investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognized for all deductible temporary differences and unused tax credits and losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be realized, and unused tax credits and losses can be utilized, except when deferred tax assets related to the deductible temporary difference is generated in the initial recognition of assets or liabilities in a transaction that is not a business combination and, on the date of the transaction, does not affect either accounting profit or 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 will reverse in the near future and taxable profit is available against which the temporary differences can be utilized.

(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 greater of an asset's fair value less costs to sell and its value in use. For impairment assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGUs) as shown in Note 13.

4. Financial risk management

4.1. Financial risk factors

The Company's activities expose it to various financial risks: market risk (including currency risk and fair value risk associated with the interest rate), 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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

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) *Cambial Risk*

The Company operates internationally and is exposed to foreign exchange risk arising from the exposure to certain currencies, basically in relation to the U.S. dollar. The foreign exchange risk arises from commercial operations, assets and liabilities.

At September 30, 2022 and December 31, 2021, 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	
	09/30/2022	**12/31/2021**
Accounts receivable from customers (Note 7)	**8,353**	9,264
Suppliers (Note 16)	**(1,643)**	(1,298)
Net exposure	**6,710**	7,966

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

The Company does not have significant assets that bear interest.

The Company's interest rate risk arises from loans and financing. Variable rate loans expose the Company to cash flow interest rate risk. Fixed rate loans expose the Company to 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 liability	**Scenario I Likely**	**Scenario II +25%**	**Scenario III +50%**
CDI	13.15%	16.44%	19.73%
Loans and financing	(20,916)	(24,798)	(28,643)

(1) Refers to the hypothetical interest rate scenario to be incurred for the next 12 months or until the contract expiration date, 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 amount of net debt and the ratio of fixed interest rates to variable interest rates on debt as of September 30, 2022.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

b) Credit risk

Credit risk is managed on a corporate basis. Credit risk arises from credit exposures to original equipment ("OEM") and replacement/dealership ("DSH") customers, including outstanding accounts receivable and repurchase agreements. For banks and other financial institutions, only bonds from top-tier entities are accepted. The individual risk limits are determined based on internal or external classifications in accordance with the limits determined by the Board of Directors. The use of credit limits is regularly monitored.

The possibility of the Company and its subsidiary incurring losses due to financial problems with its OEM customers is reduced due to the profile of these customers (vehicle manufacturers and other companies operating worldwide). As of September 30, 2022, and December 31, 2021, the Company and its subsidiary did not have significant balances receivable from DSH category customers.

No credit limit was exceeded during the period, and Management does not expect any loss arising from default by these counterparties more than the amount already provisioned.

c) Liquidity risk

Cash flow forecasting is performed in the Company's operating entities and aggregated by the Finance department. This department monitors the continuous forecasting of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs. This forecast considers the Company's debt financing plans, compliance with covenants, meeting internal balance sheet quotient targets and, if applicable, external or legal regulatory requirements - for example, currency restrictions.

The Treasury invests any excess cash in interest-bearing bank accounts, time deposits, short-term deposits, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to meet the forecasts. As of September 30, 2022, the Company maintained short-term funds in the amount of R$ 6,863 (R$ 2,295 on December 31, 2021), which are expected to readily generate cash inflows to manage liquidity risk.

The following table analyzes the Company's financial liabilities by maturity ranges corresponding to the remaining period between the balance sheet date and the contractual maturity date. The amounts disclosed in the table are the contracted discounted cash flows and represent the expected actual (undiscounted) disbursement flows, disregarding any requirements of banks for early maturity.

	Balance	**Financial Flow**	**Up to three months**	**From four to 12 months**	**Between one and five years**	**Up to five years**
On September 30, 2022						
Loans and financing	190,791	271,283	48,415	58,825	134,580	29,463
Lease Liabilities	91,839	135,867	6,292	20,577	102,434	6,564
Suppliers	78,346	78,346	78,346	-	-	-
Liabilities with related parties	7,408	7,881	-	-	7,881	-
Other liabilities	263,143	325,570	17,324	24,912	98,612	184,722
	631,527	818,947	150,377	104,314	343,507	220,749

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

	Balance	Up to three months	From four to 12 months	Between one and five years	Up to five years
On December 31, 2021					
Loans and financing	138,993	15,910	35,621	67,595	19,867
Lease Liabilities	55,534	387	1,159	12,670	41,318
Suppliers	72,830	72,830	-	-	-
Liabilities with related parties	8,132	-	-	8,132	-
Other liabilities	233,964	14,558	25,707	95,305	98,394
	509,453	103,685	62,487	183,702	159,579

4.2. Capital management

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

	Consolidated	
	09/30/2022	12/31/2021
Total loans (Note 15)	190,791	138,993
(-) Cash and cash equivalents (Note 6)	(18,294)	(12,487)
Net debt	172,497	126,506
Total equity	(371,809)	(311,446)
	(199,312)	(184,940)
Financial leverage ratio - %	-	-

5. Financial instruments by fair and accounting value category

The book value of the main financial instruments does not differ from their respective fair values, and they are classified below:

	09/30/2022		12/31/2021		
Consolidated	Book value	Fair value	Book value	Fair value	Fair value measurement
Financial Assets					
Fair value through profit or loss					
Cash and cash equivalents (Note 6)	18,294	18,294	12,487	12,487	Level 2
Amortized cost					
Aaccounts receivable from customers (Note 7)	60,682	60,682	31,509	31,509	Level 2
Other Accounts Receivable	2,778	2,847	2,836	2,836	Level 2
Financial Liabilities					Level 2
Amortized cost					
Suppliers (Note 16)	78,346	78,346	72,830	72,830	Level 2
Loans and financing (Note 15)	190,791	190,791	138,993	138,993	Level 2
Lease liabilities (Note 14)	91,839	91,839	55,534	55,534	Level 2
Customer advance (Note 18)	38,551	38,551	51,608	51,608	Level 2
Related parties (Note 11)	7,408	7,408	8,132	8,132	Level 2
Other liabilities (Note 20)	263,143	263,143	233,964	233,964	Level 2

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

Hierarchy

The classification of financial assets and liabilities at amortized cost or at fair value through profit or loss is based on the business model and the cash flow characteristics expected by the Company for each instrument.

The fair value of a security corresponds to its maturity value (redemption value) brought to present value by the discount factor (referring to the security's maturity date) obtained from the market yield curve in reais. The three levels of the fair value hierarchy are:

- Level 1: prices quoted in an active market for identical instruments;
- Level 2: observable information other than quoted prices in an active market that are observable for the asset or liability, directly (such as prices) or indirectly (derived from prices); and
- Nível 3: instruments whose relevant factors are not observable market data.

6. Cash and cash equivalents

	Controller		Consolidated	
	09/30/2022	**12/31/2021**	**09/30/2022**	**12/31/2021**
Cash and banks	**8,333**	7,384	**11,431**	10,092
financial investments	**-**	-	**6,863**	2,395
	8,333	7,384	**18,294**	12,487

Banks and available earn interest at floating rates based on daily short-term bank deposit rates. The funds are used depending on the Company's immediate cash needs.

7. Accounts receivable from customers

	Consolidated	
	09/30/2022	**12/31/2021**
Third parties in the country	**33,699**	20,629
Third parties abroad (Note 4,1)	**8,353**	9,264
Tooling accounts receivable in the country	**27,269**	10,376
	69,321	40,269
Provision for impairment – doubtful credits	**(8,639)**	(8,760)
	60,682	31,509

As of September 30, 2022, and December 31, 2020, the breakdown of accounts receivable by age of maturity was as follows:

	Consolidated	
	09/30/2022	**12/31/2021**
Current	**40,861**	24,878
Past Due:		
From 1 to 30 days	**6,475**	3,296
From 31 to 60 days	**1,085**	1,799
From 61 to 90 days	**1,703**	

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

		335
More than 90 days ago	**19,197**	9,961
	28,460	15,391
Total	**69,321**	40,269

The balance overdue for more than 90 days not provisioned on September 30, 2022, net of the provision for expected credit losses, refers to the sale of tooling in the amount of R$ 10,828 (R$ 1,201 on December 31, 2021), for which management does not expect to record losses.

During the period ended on September 30, 2022 and the period ended on December 31, 2021, the movement in the allowance for expected credit losses was as follows:

	Consolidated	
	09/30/2022	12/31/2021
Opening balance	**(8,760)**	(7,776)
Increase in provision	**(1,603)**	(1,849)
Reversal of provision	**1,724**	865
Final balance	**(8,639)**	(8,760)

8. Inventory

	Consolidated	
	09/30/2022	12/31/2021
Tools and molds under development intended for sale	**69,010**	76,275
Finished products	**6,842**	4,651
Products under preparation	**12,740**	10,826
Raw materials	**25,659**	23,146
Import in progress	**1,692**	2,247
Maintenance and auxiliary materials	**3,368**	3,278
Advance to suppliers	**368**	213
Provision for adjustment to Market value and obsolescence	**(3,472)**	(2,279)
	116,207	118,357

During the period ended on September 30, 2022 and the period ended on December 31, 2021, the movement in the provision for adjustment to market value and obsolescence was as follows:

	Consolidated	
	09/30/2022	12/31/2021
Opening balance	**(2,279)**	(2,256)
Reversal of provision	**531**	806
Increase in provision	**(1,724)**	(829)
Net reduction (Note 24)	**(1,193)**	(23)
Final balance	**(3,472)**	(2,279)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

9. Tributes to recover

	Consolidated	
	09/30/2022	**12/31/2021**
Credit exclusion of ICMS calculation base PIS/COFINS (1)	**97,739**	119,005
ICMS on fixed assets – CIAP	**3,916**	1,722
Funrural Process (Note 19)	**2,237**	
Others	**1,141**	741
	105,033	123,705
Current	**38,223**	34,746
Non-current	**66,810**	88,959
	105,033	123,705

(1) Credit Exclusion of ICMS from the PIS/COFINS calculation base - Accounting record final and unappealable.

The Company informs that, in 2010, it filed a Writ of Mandamus seeking the exclusion of ICMS from the PIS and COFINS tax bases. In September 2017, the Company obtained a favorable decision in a lower court and, in October 2019, obtained a new favorable decision on appeal (STF). In the same act, the process became final and unappealable. In view of this, the Company started a procedure to collect the amounts unduly paid as of 2005 and claim their respective reimbursement. The Company has calculated and reliably measured the respective amounts. On August 19, 2019, the Company obtained a favorable ruling to use the ICMS highlighted on the invoices to calculate 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 under the heading of taxes recoverable in the balance sheet to offset against current taxes administered by the Federal Revenue Service in future periods. The principal amount of the credits, net of the lawyers' success fees, was recognized as other operating income and the monetary restatement amount was recognized under the financial income heading in the income statement for the year.

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

In the 3rd quarter of 2021, the Company revisited its financial projections for the years 2022 to 2024 and, considering the initial balance of R$ 179,069, less the compensations made until the 3rd quarter of 2021 of R$ 63,469 and adding the monthly monetary adjustment of the accumulated credit of R$ 27,694, the Company concluded that it will not be possible to compensate 100% of the current balance during the 5-year statute of limitations, starting in October 2019 and ending in October 2024. Thus, an impairment provision in the amount of R$ 20,629 was recorded in the result for the year. The Company has compensated up to September 30, 2022 the amount of R$ 94,091 and expects to compensate all credits within the statute of limitations. Management revisited the projections for the third quarter of 2022 and there was no need to supplement the provision.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

10. Income tax and social contribution

(a) Composition of deferred income tax and social contribution

	Consolidated	
	09/30/2022	**12/31/2021**
Liabilities:		
Fixed Assets - Assigned Cost (1)	**(450)**	(452)
Depreciation - review of useful-economic life (2)	**(19,626)**	(18,845)
	(20,076)	(19,297)

(1) Refers to deferred taxes calculated on the cost attributed to property, plant and equipment arising from the accounting of its fair value in the first-time adoption of CPC 27 (IAS 16).

(2) Refers to deferred taxes calculated on the difference in depreciation of property, plant and equipment generated after review of the economic useful life of the assets. Until December 31, 2010, the Company, as permitted by tax legislation, also considered for tax purposes the depreciation calculated based on the new economic useful lives of the assets. Since September 2011, the Company has used the depreciation calculated based on the useful life allowed by tax legislation for tax purposes and, consequently, recognized the corresponding deferred tax effects.

The Company has tax loss and negative social contribution basis balances of R$ 60,592 and R$ 71,594, respectively on September 30. The subsidiary Plascar Ltda. has tax loss and negative social contribution basis balances of R$ 1,006,928 and R$ 1,001,872, respectively on September 30, 2022 (R$ 960,587 and R$ 955,531 on December 31, 2021, respectively) on which deferred tax assets have not been recognized, as determined by CVM Instruction 371, since the Company does not expect to generate future taxable income. However, the administration considers the use of part of these amounts in the tax renegotiation in negotiation with PGFN.

(b) Movement of deferred tax liabilities

	Consolidated
	Liabilities
Balances on December 31, 2021	(19,297)
Deferred taxes on the realization of the cost attributed to property, plant and equipment arising from the depreciation and write-off of these assets	2
Deferred taxes on depreciation difference	(781)
Balances as of September 30, 2022	(20,076)

(c) Reconciliation of income tax and social contribution expenses

	Consolidado			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Loss before income tax and social contribution	(23,127)	(59,584)	(60,641)	(97,158)
Income tax and social contribution at current rates	7,863	20,258	20,617	33,033
Adjustments for effective rate statement:				
Tax effect on tax loss carryforwards and negative basis for the year unrecognized (1)	(8,252)	(21,037)	(20,647)	(33,059)
Deferred income tax and social contribution expense	**(389)**	**(779)**	**(30)**	**(26)**

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

(1) Tax effect on tax loss carryforwards and negative basis of social contribution of Plascar S.A., which is not recorded as there is no expectation of future taxable income.

11. Related parties

a) Remuneration to Directors

The compensation of the Board of Directors and the Fiscal Council consists of fixed compensation approved at the General Meeting of Stockholders, paid monthly.

The compensation of the key executives and managers of the Company and its subsidiary is comprised of fixed compensation, variable compensation based on established targets, and fringe benefits.

For the three- and nine-month periods ended September 30, 2022 and 2021, the total compensation of Directors was as follows:

	Consolidated			
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Annual fixed remuneration (1)	1,569	4,594	1,408	4,563
Variable salary (2)	-	1,503	-	486
Administration fees	1,569	6,097	1,408	5,049

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

b) Balances and transactions

The Company and its subsidiary enter into loan agreements with related parties so that cash needs can be met immediately, waiving the approval processes required by financial institutions. Such contracts are conditioned to the availability of funds and not compromising the lender's cash flow. These loan agreements are signed in accordance with rates agreed upon between the parties.

The main balances of assets and liabilities at September 30, 2022 and December 31, 2021, as well as the transactions that influenced the results of the years are shown below:

	Controller		Consolidated	
	09/30/2022	12/31/2021	**09/30/2022**	12/31/2021
Current liabilities				
Loan agreement:				
W&L Ross & Co,, LLC	**-**	-	**4,317**	5,254
Permali do Brasil Ind, E Com, Ltda,	**-**	-	**3,091**	2,878
Plascar Ltda,	**24,189**	22,148	**-**	-
	24,189	22,148	**7,408**	8,132

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

c) Movement of Balances and transactions

	Controladora	Consolidado
On December 31, 2021	**22,148**	**8,132**
Principal increase	2,041	-
Interest and IOF provision	-	212
Exchange variation	-	(936)
On September 30, 2022	**24,189**	**7,408**

The effects of transactions on income correspond to monetary update and exchange variation recorded in financial results.

The loan agreement between the Company (lender) and Plascar Ltda. (borrower) is not subject, exceptionally, to financial charges, depending on the company being directly held by 100% of the share capital of Plascar Ltda.

The loan agreement between Permali do Brasil Indústria e Comércio Ltda. (lender) and Plascar Ltda. (lender) is subject to the monthly interest rate of 0.80% and has an indefinite maturity. That contract was concluded on March 31, 2009 to adjust Plascar Ltda's cash flow.

12. Provision for loss on investments in subsidiary

The movement of investments in shown below:

	09/30/2022	12/31/2021
Opening balance	**(296,679)**	(176,192)
Participation in the subsidiary's losses	**(59,145)**	(120,487)
Final balance	**(355,824)**	(296,679)

The relevant information regarding Plascar Ltda. are presented below:

	09/30/2022	12/31/2021
Share Capital	838,565	838,565
Total Shares	838,565,144	838,565,144
Shares owned	838,565,144	838,565,144
Participation	100%	100%
Subsidiary’s equity	(355,824)	(296,679)
Participation in Plascar S,A,	(355,824)	(296,679)
Net loss for the period (1)	(59,145)	(120,487)
Equity Income	(59,145)	(120,487)

(1) In the nine-month period ended September 30, 2021, Plascar Ltda. ascertained a loss of R$ 95,873 resulting in an equity equivalence recognized by the Company in the same amount.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

13. Property, Plant and Equipment

a) Composition

	Consolidated				
	Annual depreciation rate %	09/30/2022			12/31/2021
		Cost	Depreciation	Net	Net
Buildings	2 to 4	**26,812**	**(3,208)**	**23,604**	14,348
Machinery and equipment	4 to 13.79 (1)	**921,064**	**(606,813)**	**314,251**	294,902
Molds	6 to 21	**47,658**	**(46,989)**	**669**	781
Forniture and utensils	6 to 10	**12,770**	**(12,203)**	**567**	589
Vehicles	18.57 to 20	**3,830**	**(3,711)**	**119**	198
Computing equipment	15 to 33	**4,384**	**(3,684)**	**700**	525
Spare parts and materials		**5,188**	**-**	**5,188**	4,270
Advances to suppliers		**45,340**	**-**	**45,340**	49,764
Provision for impairment Advances and machines and equipments (2)		**(62,939)**	**-**	**(62,930)**	(62,039)
		1,004,107	**(676,608)**	**327,499**	303,338

(1) Weighted average rate of 6.24%.

(2) Refers to advances to suppliers for the acquisition of machinery and equipment to expand the operating and production capacity of the Company's industrial units, made between 2010 and 2011 for Sandretto and financed with BNDES through the FINAME/PSI program in the amount of R$ 44,084. Of the amount recorded at December 31, 2018 and 2019, R$ 36,548 was advanced by financial institutions and R$ 7,536 advanced to the supplier with own funds. The Company, after detailed analysis with its legal advisors, decided to record a loss on the total amount outstanding, in the total amount of R$ 44,084 still in fiscal year 2018. The Company has adopted all possible legal measures and will continue to pursue its rights by legal means. However, the Company considers unlikely the possibility of receiving these assets in the short term, notwithstanding the lawsuit is still in progress.
In 2019 the Company recorded impairment of R$ 17,955 referring to machinery and equipment identified as non-operational in the year. The Company is surveying 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, 2022				
	Opening Balance	Additions	Write-offs	Transfers	Final Balance
Buildings	17,208	**7,340**	**(47)**	**2,312**	**26,813**
Machinery and equipment (1)	885,958	**45,621**	**(2,340)**	**(2,519)**	**926,720**
Molds	47,838	**2**	**(218)**	**36**	**47,658**
Forniture and utensils	12,626	**93**	**(85)**	**136**	**12,770**
Vehicles	4,302	**-**	**(473)**	**-**	**3,829**
Computing equipment	4,040	**310**	**-**	**34**	**4,384**
Spare parts and materials	4,270	**1,217**	**(299)**	**-**	**5,188**

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

Advance to suppliers	49,764	**2,373**	**(6,798)**	**1**	**45,340**
Provision for impairment advance and machinery and equipment	(67,695)	**-**	**(900)**	**-**	**(68,595)**
	958,311	**56,956**	**(11,160)**	**-**	**1,004,107**

(1) The additions correspond substantially to the investment made in the new Caçapava plant inaugurated in September 2022

c) Depreciation movement

	Consolidated				
	Nine-month period ended September 30, 2022				
	Opening Balance	**Additions**	**Write-offs**	**Transfers**	**Final Balance**
Buildings	(2,860)	**(355)**	**-**	**7**	**(3,208)**
Machinery and equipment	(591,056)	**(24,364)**	**2,909**	**41**	**(612,470)**
Molds	(47,057)	**(145)**	**213**	**-**	**(46,989)**
Forniture and utensils	(12,037)	**(177)**	**59**	**(48)**	**(12,203)**
Vehicles	(4,104)	**(57)**	**451**	**-**	**(3,710)**
Computing equipment	(3,515)	**(169)**	**-**	**-**	**(3,684)**
Provision for impairment advance and machinery and equipment	5,656	**-**	**-**	**-**	**5,656**
	(654,973)	**(25,267)**	**3,632**	**-**	**(676,608)**

d) Test for non-financial asset impairment verification

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

The other information referring to this explanatory note did not undergo significant changes in relation to that disclosed in Note 2.8 of the annual financial statements for the year ended December 31, 2021.

14. Right to Use Assets and Lease Liabilities

a) Composition and summary movement of the right to use lease assets and liabilities

Right to use assets:

	Buildings	
	09/30/2022	**12/31/2021**
Opening balance	**15,604**	21,672
Additions (1)	**79,862**	17,054
Remeasurements	**2,184**	-
Amortization	**(13,734)**	(23,122)
Final balance	**83,916**	15,604

Lease liabilities:

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

	09/30/2022	12/31/2021
Opening balance	**55,534**	45,552
Additions (1)	**79,862**	17,054
Readjustments	**2,184**	-
Write-offs (2)	**(36,808)**	-
Interest	**8,015**	4,160
Payments	**(16,948)**	(11,232)
Final balance	**91,839**	55,534
Current	**25,168**	1,546
Non-current	**66,671**	53,988
	91,839	55,534

(1) In the first quarter of 2022 the lease agreements of the properties located in Jundiaí-SP, Varginha-MG and Betim-MG were renewed. The initial impact on assets and liabilities was R$ 79,054. Management considered an incremental rate of 12.25% to discount debt to present value (AVP). In the third quarter of 2022 a vehicle rental contract was recorded. The initial impact on assets and liabilities was R$ 808. The incremental rate used for this contract was 15.75% to discount the debt to present value (AVP).

(2) In the second quarter of 2022, the Company signed a contract to renegotiate its overdue rent debt for the period from January 2020 to December 2021, under the same conditions as the January 2020 renegotiation contract. The renegotiated amount was R$ 47,333, and was recorded under "Other liabilities".

In the nine-month period ended September 30, 2022 the Company calculated an expense of R$ 300 referring to short-term leases (less than 12 months of contract) or operations with low value assets involved in the contracts.

b) Lease maturity schedule

	Consolidated
	09/30/2022
	Buildings
2022	6,292
2023	25,166
2024 onwards	60,381
	91,839

c) Additional information – Circular Letter CVM/SNC/SEP no. 2.2019

In accordance with the CIRCULAR OFFICE/CVM/SNC/SEP/No. 02/2019, the Company adopted as accounting policy the requirements of CPC 06 (R2) / IFRS 16 in the measurement and remeasurement of its usage right, making use of the discounted cash flow technique without considering inflation.

In order to safeguard the faithful representation of the information in relation to the requirements of CPC 06 (R2) and to meet the guidelines of the technical areas of the CVM, the liability balances without inflation, effectively recorded (real flow x nominal rate), and the estimated inflated balances in the comparison periods (nominal flow x nominal rate) are provided.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

Other assumptions, such as the maturity schedule of liabilities and interest rates used in the calculation are disclosed in other items of this same explanatory note, as well as the inflation indexes are observable in the market, so that the nominal flows can be prepared by the users of the financial statements.

The comparison of the balances of lease flows, with and without the inflation projection, is shown below:

	2022	2023	2024	2025 onwards
Lease Liabilities				
Actual projection and nominal rate (accounted)	**(91,839)**	(88,060)	(71,750)	(53,491)
Nominal projection and nominal rate	**(106,551)**	(103,195)	(86,152)	(65,546)
Right to use assets				
Actual projection and nominal rate (accounted)	**83,916**	79,271	59,691	42,108
Nominal projection and nominal rate	**94,952**	89,694	68,659	47,626
Financial Charges				
Actual projection and nominal rate (accounted for)	**2,521**	8,859	6,908	7,673
Nominal projection and nominal rate	**2,572**	8,959	7,122	8,238
Amortization expense of the right to use				
Actual projection and nominal rate (accounted)	**4,645**	18,581	18,581	42,109
Nominal projection and nominal rate	**4,724**	18,894	18,894	43,347

15. Loans and financing

a) Loan summary

		Consolidated	
Mode/purpose	**Financial Charges on 09/30/2022**	**09/30/2022**	**12/31/2021**
Floating capital – national currency	From 9.52% to 18.00% p.y	**190,791**	138,993
Total		**190,791**	138,993
Current		**92,909**	51,531
Non-Current		**97,882**	87,462
		190,791	138,993

Part of the composition of the balance of loans in the amount of R$ 22,804 is due to the debt with the BNDES related to previous periods that was renegotiated by the Company at the time. During the first half of 2022, the Company raised an amount of R$ 98,726 in new loans.

b) Movement

As of December 31, 2021, total working capital	**138,993**

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

(+) Funding	**98,726**
(-) Principal payment	**(51,100)**
(-) Interest payment	**(24,643)**
(+) Interest provision	**28,815**
As of Septemeber 30, 2022 total working capital	**190,791**

The maturity schedule of the non-current balance is presented below:

	Value
2023	**11,357**
2024	**37,039**
2025	**20,535**
2026 onwards	**28,951**
	97,882

c) Details of loans by financial institution

Loan Summary	BRASIL	FIBRA	BDMG	ALFA	ITAÚ	BRADESCO	CEF	DAYCOVAL	SOFISA	Others	Total
Floating capital – national currency	**17,423**	**14,059**	**22,656**	**5,957**	**25,096**	**14,646**	**8,256**	**6,878**	**10,249**	**65,571**	**190,791**
% In relation to the total	**9,1**	**7,4**	**11,9**	**3,1**	**13,2**	**7,7**	**4,3**	**3,6**	**5,4**	**34,3**	**100**

The working capital loans contracted by Plascar Ltda. are guaranteed by machinery and equipment (CAPEX) and the remaining balances are guaranteed by receivables and guarantees.

The Company monitors the status of restrictive clauses in its loans with financial institutions for the period ending September 30, 2022 and the year ending December 31, 2021

16. Suppliers

	Consolidated	
	09/30/2022	**12/31/2021**
National Suppliers	**76,703**	71,532
International suppliers (Note, 4,1)	**1,643**	1,298
	78,346	72,830

The terms and conditions of the financial liabilities referred to above reflect the outstanding balance of accounts payable with suppliers, with an average payment term of 35 days (the same average payment term on December 31, 2021).

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

17. Salaries, vacations and social charges payable

	Consolidated	
	30/09/2022	12/31/2021
Social charges	**183,216**	136,922
Labor indemnities	**443**	419
Holiday provision	**32,615**	19,150
Provision for profit sharing	**12,542**	12,789
Other	**3,249**	742
	232,065	170,022
Current	**220,109**	160,757
Non-Current	**11,956**	9,265

In September 2021, the Company was notified by the Federal Revenue Service, through a tax assessment notice and the imposition of a fine, which required the collection of social security contributions and third-party contributions on amounts paid as profit (PLR) to employees in 2017, in noncompliance with Law 10,101/2000. The corrected amount of the tax assessment notice at December 31, 2021 is R$ 5,081 and, after exhausting the discussion at the administrative level, the Company opted to settle the liability by joining the tax transaction program authorized by PGFN ordinance 11/2021, in installments and with discounts to be applied after ratification of the transaction. The Company recorded a provision for this amount, which is duly entered in the line item "Social charges" against Other operating expenses (original amount) and financial expenses (charges). The updated value on September 30, 2022 of this provision is R$ 3,419.

18. Customer advances

	Consolidated	
	09/30/2022	12/31/2021
Man	**15,699**	23,344
Fiat Automóveis	**4,096**	3,268
VW	**7,695**	17,672
Iveco	**3,854**	-
Hyundai	**2,133**	-
Mercedes Benz	**235**	1,077
Volvo	**1,139**	2,432
DAF	**1,950**	2,000
Others	**1,750**	1,815
	38,551	51,608

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

19. Commitments and provision for contingencies

a) Renegotiation of the rent debt

The Company concluded in January 2020, the renegotiation of its rent arrears debt whose balance at December 31, 2019 was R$ 137,754, recorded under "Other liabilities" and "Lease liabilities" in current liabilities.

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

In the second quarter of 2022 a contract was signed for the renegotiation of its overdue rent debt for the period between January 2020 and December 2021 (Note 14a).

Legal proceedings - amounts involved and accounting provision criteria for cases of probable loss

The Company is a party to several labor and social security, civil and tax lawsuits that are currently in progress. The criterion adopted by the Company for classification of the risk of loss is estimated as "remote", "possible" and "probable", where "remote" indicates minimum risk of loss, "possible" indicates moderate risk of loss, and "probable" indicates high risk of loss. The external legal advisors, with the assistance of the Company's legal department, are responsible for analyzing in detail each new or ongoing lawsuit, classifying them according to their best estimate of results.

These risk classifications are assessed on a monthly basis, and may be changed whenever the legal counsel's understanding indicates the need to do so. Besides this, all the lawsuits also receive monthly monetary updating, in accordance with the legal indexes adopted by the courts, in order to reflect as accurately as possib le the current economic situation of each lawsuit.

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 face the estimated value of this loss, which is duly calculated and ascertained through a legal accountant (in the case of the court) or an accounting expert (in the case of the Company), based on the condemnatory sentences and/or any other decisions coming from higher courts (appeals) that are issued by the courts and that indicate, with no margin of doubt, that the Company is obliged to make the payment in a short term due to the advanced stage of the process. In addition, the Company adopts the policy of making a monthly provision for labor lawsuits classified as "possible" risk of loss, for which the Company estimates that judicial agreements will be reached for settlement and closure of the claims before the execution phase begins. After analysis made by the legal advisors, the Company reviewed the percentages of historical agreements made and decided to supplement these provisions by R$ 3,142. The impacts of this revision were recorded in their entirety in Q3 2020.

Considering the lawsuits with risk of loss, the Company has a total provision recorded as indicated below:

	Consolidated	
	09/30/2022	**12/31/2021**
Social security and labor provisions	**7,151**	6,502
	7,151	6,502

The movement in the provision for lawsuits in the 1st quarter of 2022 is as follows:

Social Security and Labor

	September 30, 2022			
	Opening Balance	**Additions**	**Payments**	**Final Balance**

Labor	6,502	**5,164**	**(4,515)**	**7,151**
	6,502	**5,164**	**(4,515)**	**7,151**

Estimate of “possible” losses, not provisioned in the balance sheet

For the Company's other lawsuits, which have their risk of loss classified by external and internal legal advisors as “possible” or “remote”, no accounting provision is recorded. Despite this, the Company recognizes the importance of informing the amounts involved in these processes, as a way of providing the market with sufficient knowledge and information about all the actions in which the Company is a party. For new shares, the value informed by the Company takes into account the value given to the case (initial value). As the process progresses, the legal advisors determine the amounts involved in each case with greater criteria, valuing each one of them more precisely in terms of the amounts actually involved, as well as their effective risk of loss.

Considering the processes with a risk of “possible” loss, not provisioned, the Company informs that the amounts involved are thus constituted:

	Consolidated	
	30/09/2022	**12/31/2021**
Tributary (1)	**4,758**	4,444
Labor	**14,421**	10,971
Civil	**6,471**	4,185
	25,650	19,600

(1) It is mainly due to tax debts which are under negotiation with the Attorney General's Office.

b) Relevant contingent assets

Plascar Ltda. is currently a party to two lawsuits considered to be relevant, against FUNRURAL and ELETROBRÁS, for amounts of 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, and the Company had already started the process of provisional execution of the sentence, requiring the payment of the amount due. In July 2020, however, through its external advisors, the Company became aware of a supposed assignment of rights, which would have taken place in May 2003, whereby the ownership and the economic benefits arising from this process would be assigned to third parties. Having not identified internally elements that would confirm such an assignment of rights, the Company manifested itself in the records, requesting more information on the subject and, at this moment, is awaiting a manifestation from the court.

(ii) The lawsuit against FUNRURAL was processed and judged on September 4, 2001, and Plascar was granted the right to receive the amount of R$ 2,237 (Note 9). This amount, however, was questioned by the Company in relation to its monetary restatement, which was not considered by the court. A decision on the monetary restatement is still pending and, consequently, the correct amount to be settled in favor of the Company, which the legal advisors estimate to be R$ 8,585.

20. Other liabilities

	Consolidated	
	30/09/2022	12/31/2021
Rents payable (Note 14)	**184,007**	137,754
Miscellaneous creditors - signed agreements	**60,417**	82,018
Other liabilities	**18,719**	14,192

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

	263,143	233,964
Current	**46,297**	40,265
Non current	**216,846**	193,699
	263,143	233,964

21. Equity

a) Capital

As of September 30, 2022, and December 31, 2021 the Company's capital stock is R$ 931,455, divided into 12,425,418 registered common shares, with no par value.

	09/30/2022 and 12/31/2021	
Shareholders	**Number of shares**	**Participation**
Pádua IV Participações	**7,454,491**	**60.0%**
Permali do Brasil	**2,290,953**	**18.4%**
Postalis	**884,712**	**7.1%**
Other Shareholders	**1,795,262**	**14.5%**
	12,425,418	**100%**

The issue price of the shares was set, without unjustified dilution for the Company's current shareholders, considering the methodologies allowed by article 170, paragraph 1, of the Brazilian Corporation Law, in view of the Company's financial situation at that time, with high indebtedness and negative net equity.

Subscription Bonus

The Company issued, in favor and as an additional benefit to the subscribers of the Capital Increase shares, upon the achievement of Plascar Ltda.'s EBITDA targets in 2020, 2021 or 2022, 7,455,251 subscription warrants, in a single series and in book-entry registered form, with one subscription bonus for each Capital Increase share subscribed.

The grant to its holders, in aggregate, grants the right to subscribe for shares of the Company representing 5% of the Company's capital after the issuance of such shares. The subscription price for 1 share issued as a result of the exercise of the warrants will be R$ 0.01 "Exercise Price". The subscription of the shares resulting from the exercise of the warrants will be made privately, upon exercise of the Subscription Right, and the payment of the subscribed shares shall be made through cash payment of the Exercise Price, in local currency, upon subscription of such shares.

b) Reserves

Equity valuation adjustments

Consisting of the accounting record of the realization of the cost attributed to the fixed assets and respective taxes. This item also records the impacts of the change in the parent company's interest in the subsidiary from 99.89% to 100% after the financial restructuring that took place on January 31, 2019.

c) Remuneration to shareholders - distribution of dividends

According to the Company's Bylaws, shareholders are entitled to receive a minimum annual dividend of 25% of the net income for the year, adjusted in accordance with articles 189 and 202 of Law 6,404/76. Due to the losses calculated, no distribution of dividends was made on December 31, 2021 and 2020.

22. Earnings per share

The basic calculation of earnings 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 the parent's common shares 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 presents the results and shares data used in the calculation of profit or loss, basic and diluted per share for the period ended September 30, 2022 and 2021 (in thousands, except amounts per share):

Basic loss per share:

	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Numerator:				
Period loss	**(23,516)**	**(60,363)**	(60,671)	(97,184)
Denominator:				
Weighted average number of shares	**12,425,418**	**12,425,418**	12,425,418	12,425,418
Basic net loss per shares - R$	**(1,89)**	**(4,86)**	(4,88)	(7,82)

Diluted loss per share (*):

	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Numerator:				
Period loss	**(23,516)**	**(60,363)**	(60,671)	(97,184)
Denominator:				
Weighted average number of shares	**19,880,669**	**19,880,669**	19,880,669	19,880,669
Diluted net loss per shares - R$	**(1,18)**	**(3,04)**	(3,05)	(4,89)

(*) It considers the potential shares to be issued when exercising the Subscription Right (Note 21.a).

23. Net operating revenue

	Consolidated			
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Gross sales revenue	**285,978**	**764,853**	198,858	551,590
Sales taxes	**(49,009)**	**(127,480)**	(34,691)	(95,947)
Returns and sales rebates	**(3,710)**	**(14,412)**	(3,207)	(6,852)
	233,259	**622,961**	160,960	448,791

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

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

24. Cost and expense by nature

The Company chose to present the income statement by function and presents, below, the details by nature:

	Consolidated			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Raw materials, inputs, materials for use and consumption and personnel expenses	**(179,493)**	**(491,143)**	(139,392)	(362,785)
Depreciation and amortization	**(13,197)**	**(39,001)**	(15,838)	(48,107)
Third party services	**(11,633)**	**(27,534)**	(8,923)	(25,020)
Provision for adjustment to market value and obsolescence in inventories (Note 8)	**(682)**	**(1,193)**	122	(340)
Others	**(21,167)**	**(54,859)**	(11,578)	(45,778)
	(226,172)	**(613,730)**	(175,609)	(482,030)
Classified as				
Cost of goods sold	**(193,798)**	**(527,344)**	(155,105)	(419,709)
Selling expenses	**(9,781)**	**(26,008)**	(7,755)	(21,647)
Administrative and general expenses	**(22,593)**	**(60,378)**	(12,749)	(40,674)
	(226,172)	**(613,730)**	(175,609)	(482,030)

25. Financial result

	Consolidated			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Financial expenses				
Interest, fines and monetary restatement	**(18,034)**	**(38,452)**	(25,769)	(36,197)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

Charges on overdue taxes/installments (1)	**(10,420)**	**(24,594)**	(15,532)	(29,537)
Adjustment to present value of leases (Note 14)	**(2,652)**	**(8,015)**	(1,292)	(3,579)
Passive exchange rate variations	**(1,484)**	**(5,390)**	(1,161)	(3,546)
IOF	**(408)**	**(1,913)**	(200)	(596)
Others	**(248)**	**(760)**	(347)	(1,185)
	(33,246)	**(79,124)**	(44,301)	(74,640)
Financial income				
Interest and monetary restatement (2)	**1,950**	**5,022**	104	10,102
Active exchange rate variations	**1,476**	**5,358**	662	3,019
Others	**11**	**88**	29	41
	3,437	**10,468**	795	13,162
Financial result	**(29,809)**	**(68,656)**	(43,506)	(61,478)

(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.

26. Tax Obligations and Social Charges

The outstanding balance of taxes on September 30, 2022 is R$ 167,232 and R$ 179,726 of payroll charges (R$ 173,229 and R$ 131,562 in 2021), of which R$ 11,740 are current taxes due, R$ 145,902 current taxes due, and R$ 189,316 in installments (R$ 9,391, R$ 101,587, and R$ 193,813 respectively in 2021).

				Installments		
				Current		Non-
	Open	Current	Past due	Current	Past due	current
REFIS (PERT MP 783/17)	47,565	-	-	7,225	-	40,340
Ordinary installments PIS/COF/IPI	28,993	-	-	7,907	21,086	-
PIS	284	284	-	-	-	-
COFINS	1,285	1,285	-	-	-	-
ICMS (Regularize - MG)	41,232	-	-	7,171	-	34,061
ICMS	25,021	1,862	1,677	6,704	379	14,399
IPI (Installments - MG)	503	-	-	355	-	148
IPI	282	282	-	-	-	-
Attorney charges - active debt	21,527	-	-	21,527	-	-
Others (ISS IPTU)	540	402	-	27	-	111
	167,232	4,115	1,677	50,916	21,465	89,059

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2022 (In thousands of Reais, except when otherwise indicated)

IRRF (Employees)	1,174	1,174	-	-	-	-
Ordinary installments INSS	15,182	-	-	3,652	9,146	2,384
FGTS	7,768	911	-	1,042	-	5,815
INSS (Company)	128,771	4,600	124,171	-	-	-
INSS (Employees)	20,994	940	20,054	-	-	-
INSS instalments Sesi Senai (Company)	5,837	-	-	2,029	52	3,756
	179,726	7,625	144,225	6,723	9,198	11,955
Sum (Company)	324,790	9,626	125,848	57,639	30,663	101,014
Sum (Employees)	22,168	2,114	20,054	-	-	-
Total	346,958	11,740	145,902	57,639	30,663	101,014

On overdue amounts, the Company records a 20% fine in addition to correction by the indices provided for by legislation.

Special Tax Regularization Program (PERT)

Plascar Ltda. joined the PERT program on August 29, 2017. The balance of the taxes due until April 2017, under the Attorney General's Office, was paid in 120 installments, with the amount 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 adjustment index for the installments is the Selic rate.

Additionally, MP 783/17 was converted into Law 13,496/17 on October 25, 2017, including a new modality of installment payment, where there is the possibility of using tax losses and negative basis of CSLL to abate the consolidated debt under the Brazilian IRS.

PGFN Extraordinary Transaction

On May 30, 2022 the Company adhered to the Extraordinary Transaction under the PGFN to settle the outstanding balance previously paid in installments under PERT. The total amount involved is R$ 47,749 in 84 installments.

27. Employees benefits

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

	Consolidated			
	07/01/2022 to 09/30/2022	**01/01/2022 to 09/30/2022**	**07/01/2021 to 09/30/2021**	**01/01/2021 to 09/30/2021**
Salaries and social charges	**52,966**	**142,773**	39,777	116,548
Profit sharing plan	**1,902**	**5,573**	2,029	4,485
Layoffs	**23**	**4,402**	112	3,027
Benefits provided by law	**6,928**	**18,982**	5,058	13,839
Additional benefits	**266**	**488**	164	350
	62,085	**172,218**	47,140	138,249

Additional benefits

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

Profit Sharing Plan

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

(i) (i) Profit sharing plan (PPR): the Company pays its employees through profit sharing according to the collective agreement established between the Company, the employees' committee and the union of the category, which establishes targets that are measured and disclosed monthly. 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 provides a differentiated amount of salary bonus to the Company's managers and directors. The profit sharing due to the employees occupying these functions is based on performance (individual and the Company), in accordance with pre-established goals.

28. Insurance

The Company and its subsidiary maintain insurance policies of various natures, contracted with the main insurance companies in the country. These policies were defined according to the group's program and take into consideration the nature and degree of risk involved.

In the semester ended September 30, 2022, the insurance coverage against operational risks combined with loss of profits was R$ 750,000 (R$ 629,300 in December 31, 2021), and R$ 10,000 (R$ 10,000 in December 31, 2021) for civil liability.

The Company does not anticipate having any difficulties in renewing any of the insurance policies and believes that the coverage is reasonable in terms of value and compatible with industry standards in Brazil.

Board of Directors

Paulo Silvestri
Chairman of the Board of Directors

Rui Chammas
Counselor

Andrew Catunda de Araújo
Counselor

Antonio Farina
Counselor

Paulo Alberto Zimath
Counselor

Executive Board

José Donizeti da Silva
Director

Paulo Silvestri
Chief Executive Officer

Rodrigo Cartagena do Amaral
Chief Financial Officer
Investor Relations Officer

Board (non-statutory)

Daniel Paulo Fossa
Commercial Director

Marcelo Casagrande
Director of Industrial Operations

Ana Lúcia de Aguiar Zacariotto
Human Resources Director

Claudio Batista
Accounting Manager

Accountant CRC 1SP170282/O-9

Fiscal Council

Marcelo Ferreira do Nascimento
Counselor

Edson Luiz da Silva
Counselor

Charles Dimetrius Popoff
Counselor