Interim Financial Information

Plascar Participações Industriais S.A.

As of September 30, 2023

Plascar Participações Industriais S.A.

Individual and consolidated interim financial information

September 30, 2023

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 the 3nd quarter of 2023, the gross margin was 14,6% Against 16,9% in the same period of 2022.

The drop in margin is mainly due to the various stoppages of automakers in the period, as this scenario of constant uncertainty caused an increase in the Company's operational inefficiency due to the difficulty in planning production, as well as reduced sales volume, thus increasing the representativeness of fixed costs.

Automotive Market

According to data from ANFAVEA, vehicle production in the third quarter of 2023 had a drop of 6.9% over the same period in 2022, totaling 0.619 million units in the country.

SOURCE: ANFÁVEA – BRAZIL							
	3nd Qtr/22	3nd Qtr/23	VAR. %		9 months/22	9 months/23	VAR. %
VEHICLE PRODUCTION	665	619	-6.9%		1,756	1,751	-0.3%
VEHICLE SALES	585	631	7.9%		1,503	1,630	8.5%

ANFAVEA revised projections for the Brazilian market this year, with sales growth of 6.0%, and 0.1% in vehicle production over 2022.

PROJECTIONS 2023 - ANFAVEA					
				PROJECTION	
	2021	2022	%	2023	%
PRODUCTION	**2,248**	**2,370**	5.4%	**2,374**	**0.1%**
LIGHT	2,070	2,176	5.1%	2,246	3.2%
HEAVY	178	194	9.0%	128	-34.2%

Tax Renegotiation

Management concluded the renegotiation of all its liabilities with the PGFN, which comprises the debts accrued up to January 2023 through the Individual Tax Transaction program, as detailed in note 26 and all effects, deductions of fines and interest, as well as the use of Tax loss and CSLL negative basis were recognized in the 2nd Quarter of 2023.
After the accounting record of this Transaction, a positive impact on the Company's result of R$ 177,210 was observed, including fine discounts of R$ 75,894, interest discounts of R$ 40,612 and use of tax losses of R$ 60,704

Net Income

The combined result of all the factors mentioned on September 30, 2023, resulted in a cash generation (EBITDA) of R$ 16,950 (7.0%) in the 3nd quarter, as shown in the table below.

CONSOLIDATED PLASCAR BRAZIL						
MONTH/YEAR	NET SALES R$	GROSS INCOME		EBITDA (Accumulated)		(Loss) Accumulated for the Period (R$)
		R$	SALES	R$	SALES	
3nd Qtr/19	111,895	14,241	12.7%	5,510	4.9%	(24,068)
sep/19	290,137	11,469	4.%	(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)
3nd Qtr/20	98,595	0,489	0.5%	(10,775)	-10.9%	(36,023)
sep/20	232,065	(12,714)	-5.5%	(25,412)	-11,0%	(100,08)
Dec/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)
3nd Qtr/21	160,960	5,855	3.6%	(1,248)	-0.8%	(60,671)
sep/21	448,791	29,082	6.5%	12,531	2.8%	(97,184)
Dec/21	612,684	46,297	7.6%	17,415	2.8%	(122,23)
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)
3nd Qtr/22	233,259	39,461	16.9%	19,889	8.5%	(23,516)
sep/22	622,961	95,617	15.3%	48,104	7.7%	(60,363)
Dec/22	848,190	119,988	14.1%	56,482	6.7%	(97,121)
mar/23	224,267	24,661	11.0%	6,273	2.8%	(41,296)
jun/23	449,390	44,263	9.8%	79,089	17.6%	81,960
3nd Qtr/23	242,399	35,337	14.6%	16,950	7.0%	(30,833)
sep/23	691,789	79,600	11.5%	96,039	13.9%	51,127

Human Resources

The Company continues to invest in the professional development of its employees, with approximately 42.9 hours of teaching and training per employee (in the last 12 months), focused on SENAI learning, internships, supplementary education, in addition to technical and operational development training.

On September 30, 2023, the Company had 2,497 employees (2,148 on September 30, 2022).

Relationship with External Auditors

In compliance with CVM Instruction No. 381, we inform that for the nine-month period ended September 30, 2023, the Company did not hire its auditors for a service unrelated 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 should not audit their own work; the auditor must not perform a management role in his client and the auditor must not advocate for his client.

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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 reviewed the individual and consolidated interim financial information of Plascar Participações Industriais S.A. ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2023, which comprise the balance sheet on September 30, 2023, and the related statements of income and comprehensive income for the three and nine-month periods ended on that date, changes in equity and cash flows for the nine-month period ended on that date, including the explanatory notes.

The board is responsible for preparing the individual and consolidated interim financial information in accordance with NBC TG 21 - Interim Statements and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of these information in accordance 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 the Brazilian and international standards for reviewing interim financial information (NBC TR 2410 Revisão de Informações Intermediárias executed by the Auditor of the Entity 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, primarily 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, did not allow us to obtain assurance that we became aware of all the 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 fact that leads us to believe that the individual and consolidated interim financial information included in the aforementioned 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 accordance with the rules issued by the Brazilian Securities Commission.

Emphasis of matter

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

We draw attention to Note 1 of the individual and consolidated interim financial information, which indicates that the Company has an excess of current liabilities over current assets in the amount of R$ 258,815 thousand in the consolidated, in addition to presenting accumulated losses in the amount of R$ 1,289,207 thousand (individual and consolidated), negative shareholders' equity of R$ 357,440 thousand on September 30, 2023 and R$ 201,930 thousand in loans and financing, of which R$ 107,297 are recorded in current and R$ 94,633 thousand in non-current. 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 doubt as to the Company's ability to continue as a going concern. Our conclusion is unqualified with respect to this matter.

Other matters

Statements of value added

The quarterly information includes the individual and consolidated value-added statements (DVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Management and presented as supplementary information for IAS purposes 34. These statements were submitted to review procedures carried out together with the review of the quarterly information, with the objective of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 Value Added Statement. Based on our review, we are not aware of anything that causes us to believe that these added value statements have not been prepared, in all material respects, in accordance with the criteria set out in this Standard and consistently with the individual interim financial information. and consolidated taken together.

Campinas, November 10, 2023.

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

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

Plascar Participações Industriais S.A.

Balance Sheets
Period ended September 30, 2023 and Year ended December 31, 2022
(In thousands of reais)

Assets

	Individual		Consolidated	
Current Assets	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and cash equivalents	7,036	18,156	12,076	24,815
Trade accounts receivable	-	-	74,696	63,217
Inventories	-	-	99,679	120,288
Taxes recoverable	19	41	6,007	29,718
Other assets	0	17	-	-
Total current assets	7,055	18,214	192,458	238,038
Noncurrent assets		12/31/2022		12/31/2022
Taxes recoverable	-	-	62,994	67,917
Judicial deposits	-	-	1,313	1,398
Other assets	-	-	87	110
Investment property	-	-	8,205	8,272
Property, plant and equipment in operation	7	7	322,922	330,485
Right-of-use assets			78,938	79,271
Total noncurrent assets	7	7	474,459	487,453
Total assets	7,062	18,221	666,917	725,491

Liabilities and equity

Current liabilities	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Loans and financing	-	-	107,297	91,711
Lease liabilities	-	-	30,712	25,168
Trade accounts payable	-	-	81,262	87,088
Taxes payable	65	185	20,641	4,347
Taxes payable in installments	-	-	47,743	97,551
Payroll, vacation pay and social charges payable	-	-	107,959	221,829
Advances from customers	-	-	27,730	33,736
Other liabilities	-	-	27,929	43,041
Total current liabilities	65	185	451,273	604,471

Noncurrent liabilities	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Loans and financing	-	-	94,633	124,964
Lease liabilities	-	-	65,136	62,896
Related parties	24,410	34,209	7,388	7,329
Taxes payable in installments	-	-	164,431	96,866
Deferred income and social contribution taxes	-	-	21,977	20,502
Contingencies	-	-	7,736	7,129
Provision for capital deficiency	340,027	392,394	-	-
Other accounts payable		-	211,783	209,901
Total noncurrent liabilities	364,437	426,603	573,084	529,587
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	312	316	312	316
Accumulated losses	(1,289,207)	(1,340,338)	(1,289,207)	(1,340,338)
	(357,440)	(408,567)	(357,440)	(408,567)
Total equity	(357,440)	(408,567)	(357,440)	(408,567)
Total liabilities and equity	7,062	18,221	666,917	725,491

Plascar Participações Industriais S.A.

Income Statements for the period ended of September 30, 2023 and 2022
(In thousands of reais)

	Individual		Consolidated	
	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Net operating revenue	-	-	691,789	622,961
Cost of goods sold	-	-	(612,189)	(527,344)
Gross profit / (loss)	-	-	79,600	95,617
Operating (expenses) and income				
Selling expenses	-	-	(39,575)	(26,008)
General and administrative expenses	(1,446	(1,360)	(60,592)	(60,378)
Equity pick-up	52,367	(59,145)		-
Other operating income/(expenses), net	-	-	72,961	(159)
	50,921	(60,505)	(27,206)	(86,545)
Operating income before finance income (expenses)	50,921	(60,505)	52,394	9,072
Finance income (expenses)				
Finance income	308	176	7,958	10,468
Finance costs	(102)	(34)	(68,455)	(79,124)
			(60,497)	(68,656)
Loss before income and social contribution taxes	51,127	(60,363)	(8,103)	(59,584)
Income and social contribution taxes	-	-	59,230	(779)
Deferred	-	-	59,230	(779)
Net Income (loss) for the period	51,127	(60,363)	51,127	(60,363)

Plascar Participações Industriais S.A.

Statements of comprehensive income for the periods ended September 30, 2023 and 2022
(In thousands of reais)

	Individual			Consolidated
	04/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	04/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Net profit (loss) for the period	51,127	51,127	(60,363)	(60,363)
Total comprehensive income	51,127	51,127	(60,363)	(60,363)

Plascar Participações Industriais S.A.

Statement of changes in shareholders' equity
Periods ended September 30, 2023 and 2022
(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	-	(1,121,006)	335	(189,216)
Capital increase	-	-	-	-	-
Net Income for the Period	-	-	(97,184)	-	(97,184)
Internal changes in shareholders' equity	-	-	13	(13)	-
Realization of property, plant and equipament deemed cost	-	-	20	(20)	-
Realization of deferred taxes on property, plant and equipament deemed cost	-	-	(7)	7	-
Balance as of September 30, 2022	931,455	-	(1,218,177)	322	(286,400)
Balance as of January 1, 2023	931,455	-	(1,340,338)	316	(408,567)
Capital increase	-	-	-	-	-
Net Income for the Period	-	-	51,127	-	51,127
Internal changes in shareholders' equity	-	-	4	(4)	-
Realization of property, plant and equipament deemed cost	-	-	6	(6)	-
Realization of deferred taxes on property, plant and equipament deemed cost	-	-	(2)	2	-
Balance as of September 30, 2023	931,455	-	(1,289,207)	312	(357,440)

Plascar Participações Industriais S.A.

Cash flow statements
for the period ended September 30, 2023 and the year ended December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
Cash flows from operating activities	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net loss for the year before income and social contribution taxes	51,127	(60,363)	(8,103)	(59,584)
Adjustments to reconcile net income to cash from (used in) operating activities:				
Depreciation	-	-	24,278	25,267
Amortization	-	-	15,694	13,734
loss/gain on the disposal of fixed assets	-	-	1,986	7,527
Interest and monetary variation, net	-	-	101,517	70,275
Provision for legal claims	-	-	3,741	5,164
Provision for adjustment of inventories at market value and obsolescence	-	-	440	1,193
Constitution (reduction) of provision for doubtful claims	-	-	655	(121)
Interest discount and fines on individual transaction	-	-	(116,507)	-
Equity pick-up	(62,367)	59,145	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	(13,048)	(29,052)
Inventories	-	-	20,169	957
Taxes to recover	22	(30)	28,634	18,671
Judicial Deposits	-	-	85	349
Other asset accounts, net	-	-	1,003	155
Suppliers	-	-	(6,844)	4,795
Obligations with staff and social charges	-	-	32,282	44,754
Advance of customers	-	-	(6,006)	(19,777)
Taxes, contributions and installments to be collected	(121)	156	20,023	(11,583)
Provision for legal claims (payments)	-	-	(3,134)	(4,515)
Other liabilities, net	18	-	(14,946)	(9,038)
Interest paid	-	-	(48,825)	(26,352)
Net cash from (applied in) operating activities	(1,321)	(1,092)	33,094	32,819
Cash flows from investment activities				
Acquisitions of fixed assets and intangible assets	-	-	(18,701)	(56,956)
Net cash used in investment activities	-	-	(18,701)	(56,956)
Cash flows from financing activities				
Borrowings	-	-	87,978	98,726
Payment of loans, financing and leasing (principal)	-	-	(115,169)	(68,057)
Net increase (decrease) in accounts receivable from related parties	(9,799)	2,041	59	(725)
Net cash from (used in) financing activities	(9,799)	2,041	(27,132)	29,944
(Reduction)/Increase in cash and cash equivalents	(11,120)	949	(12,739)	5,807
Cash and cash equivalents at the beginning of the period	18,156	7,384	24,815	12,487
Cash and cash equivalents at the end of the period	7,036	8,333	12,076	18,294
(Reduction)/Increase in cash and cash equivalents	(1,321)	(1,092)	33,094	32,819

Statements of value added
for the period ended September 30, 2023 and the year ended December 31, 2023
(In thousands of reais)

	Individual		Consolidated	
	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Revenue				
Sales of Goods, Products and Services	-	-	844,601	750,441
Purchased supplies				
Cost of products and services sold	-	-	(308,037)	(290,431)
Materials, energy, third-party services and others	(527)	(569)	(155,447)	(110,899)
Others			(440)	(1,193)
Gross added value	(527)	(569)	380,677	347,918
Depreciations and amortization	-	-	(39,972)	(39,001)
Net Added Value Produced	-	-	-	-
Value added received in transfer				
Equity pick up	52,367	(59,145)	-	-
Finance income	308	176	7,958	10,468
Other revenues	-	-	133,608	501
	52,675	(58,969)	141,566	10,969
Total value added to distribute	52,148	(59,538)	482,271	319,886
Distribution of value added				
Personnel	734	606	164,448	136,304
Salaries	569	474	164,448	136,304
Others	165	132	43,479	35,915
Taxes, charges and contributions				
Federal taxes	-	-	69,277	60,235
State taxes	-	-	84,170	67,237
Local taxes	185	185	1,315	1,433
Remuneration of third-party capital				
Interest	102	34	68,455	79,125
Equity remuneration				
Net losses	51,127	(60,363)	51,127	(60,363)
Total added value	51,127	(60,363)	51,127	(60,363)

1. Operational Context

Plascar Participações Industriais S.A. ("Plascar S.A." or "Company"), headquartered in the city of Jundiaí, in the State of São Paulo, is a publicly traded company, with its shares traded at BM&FBOVESPA (PLAS3). The Company's activities are represented by its interest in the subsidiary Plascar Indústria de Componentes Plásticos Ltda. ("Plascar Ltda."), 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. The start of activities is scheduled for the 3rd quarter of 2022 and, at first, the new unit will serve automakers installed in the region of Vale do Paraíba.

The plants act mainly in the automotive sector, with focus in serving the vehicles' assemblers, supplying bumpers, instrument panels, air diffusers, cup holders, door sides, package holders, among other components. Plascar Ltda. 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 5% of the Company's total consolidated assets, net revenue, and net income.

After the conclusion of the financial restructuring of the Company and its subsidiary on January 31, 2019, the shareholding control of Plascar S.A. became the property of Pádua IV Participações S.A., with a 59.99% interest in its capital, which is also composed of Deise Duprat., with 18.44%, by Postalis Instituto de Seguridade Social dos Correios e Telégrafos with 7.12% and by other individual shareholders who jointly own 14.45%, Note 21

The issuance of this Quarterly Information - individual and consolidated quarterly was authorized by the Board of Directors on November 8, 2023.

Financial Condition

On September 30, 2023, the Company has an excess of current liabilities over current assets in the amount of R$ 258,815 (R$ 366,433 on December 31, 2022) in the consolidated and negative shareholders' equity in the parent company and consolidated in the amount of R$ 357,440 (BRL 408,567 on December 31, 2022). Additionally, the Company has an accumulated loss of R$ 1,289,207 in the parent company and consolidated (R$ 1,340,338 on December 31, 2022).

On July 7, 2023, the Company concluded the renegotiation of its tax liability with the PGFN, adhering to the Individual Transaction (Note 26) with a discount of the relevant portion of monetary restatement and fines.

The Company still needs to raise funds from financial institutions, but it has managed to obtain these funds on favorable terms and conditions.

In the 3rd quarter of 2023, we saw a drop in vehicle production in Brazil of 6.9%, when compared to the 3rd quarter of 2022, according to data from ANFAVEA. The Company's net revenue, in turn, it showed an increase of 3.9% when compared to the same quarter in 2022, thus showing the maintenance of gradual and consistent growth in volumes and an increase in their Market share. However, although the Company was able to pass on some price adjustments to its customers, the reduction in the Company's gross margin is still mainly a reflection of the various stoppages of those assembled during the period, given that this scenario of constant uncertainty and lack of predictability caused an increase in the Company's operational inefficiency due to the difficulty in planning of production.

According to official data from ANFAVEA, vehicle production in 2023 now points to stagnation, high of just 0.1%. Management believes that, with the beginning of the cycle of declines in the basic interest rate, the market should present a gradual improvement in its performance and increase in vehicle sales and, consequently, production for the Company.

The Company continues to adopt measures to increase the revenue obtained from new projects with the main automakers it operates, reduce its internal operating costs and improve margin and cash generation through constant price negotiations with customers to pass on cost increases (hand -of work, raw materials, etc.), continuing the Company's restructuring process, as well as facing the crisis that began in March 2020 due to the COVID-19 pandemic. In addition, these measures also seek to balance the impact of unforeseen stoppages by automakers caused by both a decrease in demand and a lack of components.

Additionally, Management believes that the new projects which started over the last few quarters, added to the projects still under development and which should go into production in the coming months, will allow the Company to reverse the quarterly losses.

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 began to impose sanctions the first time, causing this whole conflict scenario to affect the global economy. Although up to the present moment the war has not brought significant consequences for the Brazilian automotive sector, the Management 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 for restructuring the Company's debt was approved, by unanimous vote of the shareholders present, which, in general terms, involves the assignment of approximately 90% of the existing debt of the Plascar by the main creditors of the Company to the current parent company "Pádua IV Participações S.A.".

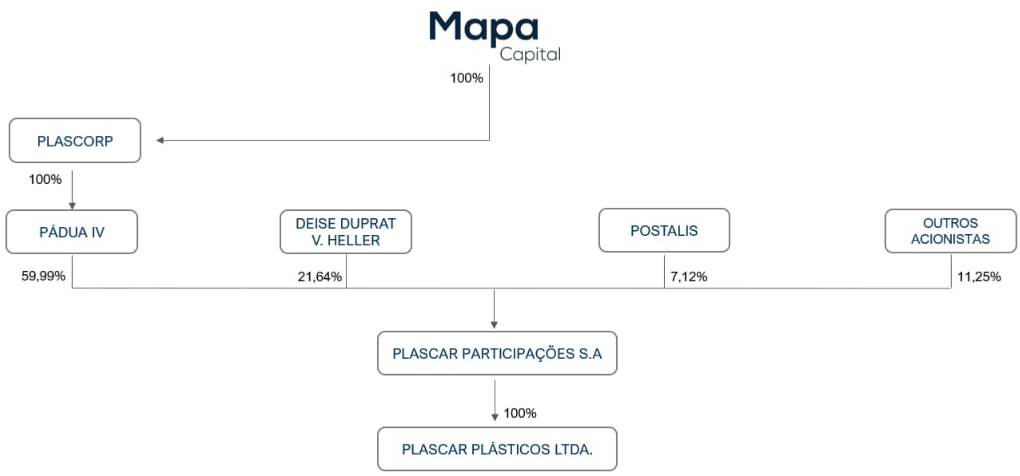
On January 31, 2019, as per the Notice to Shareholders and Material Fact disclosed to the market, the Company's capital stock was increased with payment through the use of credits held against Plascar Ltda., by private subscription, in the amount of R$ 449,483, through the issuance of 7,455,251 common shares at the unit issue price of R$ 60.29 per common share. After the execution of 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 the capital increase.

According to a material fact on November 18, 2022, Permali Indústria e Comércio Ltda concluded the sale of its entire shareholding in Plascar, representing 18.44% of the common shares issued by the Company, totaling 2,290.953 common shares, in favor of Deise Duprat, an individual. As a result of the sale of Plascar's shares, Permali no longer holds any shareholding in the Company, while Deise Duprat now holds, as of this date, a total and significant amount of 21.64% of Plascar's shares, represented for 2,689,653 shares issued by the Company.

Permali participated in the Company's control group, being an integral part of the Shareholders that was signed on January 31, 2019. With the sale of the shareholding, the said Shareholders' Agreement ceases to produce its legal effects, being considered terminated by operation of law.

Below is the Corporate Structure:



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.

Pursuant to Circular Letter CVM/SNC/SEP No. 03/2011, the Company chose to present the explanatory notes in this quarterly information in a summarized manner in cases of redundancy in relation to what is presented in the annual statements. In these cases, the location of the complete explanatory note in the annual statement is indicated, to avoid prejudice to the understanding of the Company's financial position and performance during the interim period. Therefore, this quarterly information should be read together with the annual financial statements for the year ended December 31, 2022.

The preparation basis and accounting policies are the same used in the annual financial statements for the year 2022. Therefore, the corresponding information should be read in explanatory 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:

	Ownership	
	09/30/2023	12/31/2022
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 and significant judgment is required to determine the provision for income taxes, the final determination of which may be uncertain. The Company also recognizes provisions for situations in which it is likely that additional tax amounts 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 final amount 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:
- 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
- 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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

(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.

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 exposure to certain currencies, primarily with respect to the US dollar. Foreign exchange risk arises from commercial operations, assets, and liabilities.

As of September 30, 2023 and December 31, 2022, the Company has assets and liabilities in foreign currency arising from import, export and loan transactions with related parties, in the amounts shown below:

	Consolidated	
	09/30/2023	12/31/2022
Accounts receivable from customers (Note 7)	7,399	7,687
Suppliers (Note 16)	(2,362)	(2,709)
Net exposure	5,037	4,978

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).

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

	Impact on income for the period (1)		
Passivo financeiro	Scenario I Likely	Scenario II +25%	Scenario III +50%
CDI	11,00%	13,75%	16,50%
Loans and financing	(23,605)	(26,844)	(30,032)
Lease Liabilities	(5,594)	(6,213)	(6,686)

(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 analyzes 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, 2023.

b) 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, 2023, and December 31, 2022, 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

The cash flow forecast is performed at the Company's operating entity and aggregated by the Finance department. This department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operating needs. This forecast considers the Company's debt financing plans, compliance with clauses, compliance with internal balance sheet quotient targets and, if applicable, external regulatory or legal 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 aforementioned forecasts. As of September 30, 2023, the Company had short-term funds in the amount of R$ 3,880 (R$ 4.917 on 31 de December de 2022), which are expected to promptly generate cash inflows to manage liquidity risk.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

The following table analyzes the Company's financial liabilities by maturity, 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 flows of effective disbursement (not discounted), disregarding any bank requirements for early maturities.

	Accounting Balance	Financial Flow	Up to three months	From four to 12 months	Between one and five years	Up to five years
On September 30, 2023						
Loans and financing	201,930	257,267	39,574	90,948	120,190	6,555
Lease Liabilities	95,848	99,683	10,989	16,520	69,490	2,684
Suppliers	81,262	81,262	81,262	-	-	-
Liabilities with related parties	7,388	7,388	7,388	-	-	-
Other liabilities	239,712	295,908	9,652	26,576	107,468	152,212
	626,140	741,508	148,865	134,044	297,148	161,451

	Accounting Balance	Financial Flow	Up to three months	From four to 12 months	Between one and five years	Up to five years
On december 31, 2022						
Loans and financing	216,675	287,225	29,600	82,626	162,304	12,695
Lease Liabilities	88,064	98,573	4,091	12,273	78,203	4,006
Suppliers	87,088	87,088	87,088	-	-	-
Liabilities with related parties	7,329	7,329	-	-	7,329	-
Other liabilities	252,942	315,425	15,445	17,888	115,867	166,225
	652,098	795,640	136,224	112,787	363,703	182,926

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	
	09/30/2023	12/31/2022
Total loans (Note 15)	201,930	216,675
(-) Cash and cash equivalents (Note 6)	(12,076)	(24,815)
Net debt	189,854	191,860
Total equity	(357,440)	(408,567)
	(167,586)	(216,707)
Financial leverage ratio - %	-	-

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

5. Instrumentos financeiros por categoria de valor justo e contábil

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

Consolidated	09/30/2023 Book value	09/30/2023 Fair value	12/31/2022 Book value	12/31/2022 Fair value	Fair value measurement
Financial Assets					
Fair value through profit or loss					
Cash and cash equivalents (Note 6)	12,076	12,076	24,815	24,815	Level 2
Amortized cost					
Aaccounts receivable from customers (Note 7)	71,363	71,363	58,971	58,971	Level 2
Other Accounts Receivable	75,932	75,932	81,943	81,943	Level 2
Financial Liabilities					
Amortized cost					
Suppliers (Note 16)	81,262	81,262	87,088	87,088	Level 2
Loans and financing (Note 15)	201,930	201,930	216,675	216,675	Level 2
Lease liabilities (Note 14)	95,848	95,848	88,064	88,064	Level 2
Customer advance (Note 18)	27,730	27,730	33,736	33,736	Level 2
Related parties (Note 11)	7,388	7,388	7,329	7,329	Level 2
Other liabilities (Note 20)	239,712	239,712	252,942	252,942	Level 2

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

	Individual 09/30/2023	Individual 12/31/2022	Consolidated 09/30/2023	Consolidated 12/31/2022
Cash and banks	3,821	15,072	8,196	19,898
financial investments	3,215	3,084	3,880	4,917
	7,036	18,156	12,076	24,815

Financial investments refer substantially to Certificates of Deposit made with institutions that operate in the national financial market, with low daily liquidity characteristics credit risk and remuneration is 100% of the

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

Interbank Deposit Certificate (CDI). The resources are used depending on the Company's immediate cash needs.

7. Trade accounts receivables

	Consolidated	
	09/30/2023	12/31/2022
Third parties in the country	61,241	28,341
Third parties abroad (Note 4.1)	7,399	7,687
Tooling accounts receivable in the country	11,878	32,081
	80,518	68,109
Provision for impairment – doubtful credits	(9,155)	(9,138)
	71,363	58,971

During the period ended on September 30, 2023 and the period ended on December 31, 2022, the movement in the allowance for expected credit losses was as follows:

	Consolidated	
	09/30/2023	12/31/2022
Current	56,026	25,646
Past Due:		
From 1 to 30 days	6,432	9,025
From 31 to 60 days	1,909	8,159
From 61 to 90 days	1,640	4,043
More than 90 days ago	14,511	21,236
	24,492	42,463
Total	80,518	68,109

The balance overdue for more than 90 days not provisioned for on September 30, 2023, mainly refers to the sale of tooling, in the final stage of technical approvals with customers in the amount of R$ 4,811 (R$ 11,559 on December 31, 2022), for which Management believes there is no risk of loss.

During the period ended September 30, 2023 and the year ended December 31, 2022, changes in the provision for expected credit losses were as follows:

	Consolidated	
	09/30/2023	12/31/2022
Opening balance	(9,138)	(8,760)
(Increase)/Reversal of provision	(17)	(378)
Final balance	9,155	(9,138)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

8. Inventory

	Consolidated	
	09/30/2023	12/31/2022
Tools and molds under development intended for sale	53,776	67,896
Finished products	5,728	5,822
Products under preparation	13,115	12,302
Raw materials	21,630	29,770
Import in progress	2,993	1,606
Maintenance and auxiliary materials	3,784	4,235
Advance to suppliers	1,304	868
Provision for adjustment to Market value and obsolescence	(2,651)	(2,211)
	99,679	120,288

The Company calculates the obsolescence provision in accordance with internal policy, for items not delivered in 180 days. During the period ending September 30, 2023 and the year ending December 31, 2022, the delivery of the provision for adjustment to market value and obsolescence was as follows:

	Consolidated	
	09/30/2023	12/31/2022
Opening balance	(2,211)	(2,279)
Reversal of provision	536	8,386
Increase in provision	(976)	(8,318)
Net reduction (Note 24)	(440)	68
Final balance	(2,651)	(2,211)

9. Tax recoverable

	Consolidated	
	09/30/2023	12/31/2022
Credit exclusion of ICMS calculation base PIS/COFINS (1)	62,421	89,970
ICMS on fixed assets - CIAP	4,901	4,178
Funrural Process (Note 19)	-	2,237
Others	1,679	1,250
	69,001	97,635
Current	6,007	29,718
Non-current	62,994	67,917
	69,001	97,635

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

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

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

The ratification and authorization of R$ 123,396 related to part of said credit with the Federal Revenue of Brazil for future tax compensation, took place on January 3, 2020, and the remaining amount of the credit in the amount of R$ 55,673 is subject to analysis by the Federal Revenue of Brazil for refund or future 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, minus the offsets made until the 3rd quarter of 2021 of R$ 63,469 and adding the monthly monetary restatement of the credit of R$ 27,694, the Company concluded that it will not be possible to offset 100% of the current balance during the 5-year statute of limitations, starting in October 2019 and ending in October 2024. Accordingly, a provision (*impairment*) was recorded in the amount of R$ 20,629 in the income statement for that period. Up to September 30, 2023, the Company offset the accumulated amount of R$ 133,724 and during the third quarter of 2023 the amount of R$ 30,339. Management revisited the projections for the third quarter of 2023 and there was no need to supplement the provision.

10. Income tax and social contribution

(a) Composition of deferred income tax and social contribution

	Consolidated	
	09/30/2023	12/31/2022
Liabilities:		
Fixed Assets - Assigned Cost (1)	(448)	(450)
Depreciation - review of useful-economic life (2)	(21,529)	(20,052)
	(21,977)	(20,502)

(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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

The Company has tax loss carryforward and social contribution balances of R$ 62,020 and R$ 73,022, respectively on September 30, 2023 (R$ 60,780 and R$ 71,782 on December 31, 2022, respectively). The subsidiary Plascar Ltda. has balances of tax loss and social contribution negative base of R$ 969,889 and R$ 964,833, respectively on September 30, 2023 (R$ 1,040,401 and R$ 1,035,345 on December 31, 2022, respectively) on the which deferred tax assets were not recorded, as determined by CVM Instruction 371, since the Company does not expect to generate future taxable income.

As part of the tax renegotiation with the PGFN signed on July 7, 2023 (Note 26), the Company used R$ 178,542 to offset social security debts

(b) Movement of deferred tax liabilities

	Consolidated
	Liabilities
Balances on December 31, 2022	(20,502)
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	(1,477)
Balances as of September 30, 2023	(21,977)

(c) Reconciliation of income tax and social contribution expenses social

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Gain (Los before income tax and social contribution	(30,280)	(8,103)	(23,127)	(59,584)
Income tax and social contribution at current rates (34%)	10,295	2,755	7,863	20,258
Adjustments for effective rate statement:				
Use of tax losses and negative basis in tax renegotiation	-	60,704		
Tax effect on tax loss and base			-	-
Tax effect on tax loss carryforwards and negative basis for the year unrecognized (1)	(10,848)	(4,229)	(8,252)	(21,037)
Deferred income tax and social contribution Income (expense)	(553)	59,230	(389)	(779)

(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. The discounts granted in the Individual Transaction with the PGFN are deductible in the calculation of the Income Tax and Social Contribution according to Law 13988/20 article 11 paragraph 12.

11. Related parties

a) Remuneration to Directors

The remuneration of the Board of Directors and the Audit Committee consists of fixed remuneration approved at the General Meeting, paid monthly. The remuneration of the main executives and managers of the Company and its subsidiary is composed of fixed remuneration, variable remuneration based on established targets and supplementary benefits.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

11. Related parties--Continued

In the periods ended September 30, 2023 and 2022, the total remuneration of the Directors was as follows:

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	01/04/2022 a 09/30/2022	01/01/2023 a 09/30/2023
Annual fixed remuneration (1)	1,898	5,304	1,569	4,594
Variable remuneration (2)	-	1,366	-	1,503
Administration fees	1,898	6,670	1,569	6,097

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

b) Balances and transactions

The Company and its subsidiary enter into loan agreements with related parties, so that cash needs are met immediately, with the waiver of approval processes required by financial institutions. Such contracting is conditioned to the availability of resources and the non-commitment of the lender's cash flow. Said loan agreements are signed in accordance with rates agreed between the parties. The main asset and liability balances as of September 30, 2023 and December 31, 2022 are as follows, as well as the transactions that influenced the result for the period and year:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current liabilities				
Service contracts:				
Serviços assessoria financeira – Mapa Capital Participações e Consultoria Ltda.	-	-	334	-
	-	-	334	-

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Non Current liabilities				
Loan agreement:				
Yatsivut Corporation Ltd.	-	-	3,998	4,166
Kielce Gestão de Ativos Ltda ME	-	-	3,990	3,163
Plascar Ltda.	24,410	34,209	-	-
	24,410	34,209	7,388	7,329

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2022	04/01/2022 a 09/30/2023	01/01/2022 a 09/30/2022
Income Statment				
Serviços assessoria financeira – Mapa Capital Participações e Consultoria Ltda.	1.066	3,199	1.007	3,021
	1.066	3,199	1,007	3,021

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

c) Movement

	Individual	Consolidated
As of December 31, 2022,	34,209	7,329
(+) Funding	-	334
(-) Principal payment	(9,799)	-
(+) Interest provision and IOF	-	227
(-) Exchange variation	-	(168)
As of September 30, 2023	24,410	7,722

On November 14, 2018, Plascar signed a financial advisory service agreement with Mapa Capital and this agreement remains in force to date.

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

The loan agreement between the Company (lender) and Plascar Ltda. (borrower) is exceptionally not subject to financial charges, as the Company is the direct holder of 100% of the capital stock of Plascar Ltda. This contract was entered into on May 31, 2000, to adjust the cash flow of Plascar Ltda., with indeterminate maturity.

12. Provision for loss on investments in subsidiary

The movement of investments in shown below:

	09/30/2023	12/31/2022
Opening balance	(392,394)	(296,679)
Participation in the subsidiary's losses	52,367	(95,715)
Final balance	(340,027)	(392,394)

The relevant information regarding Plascar Ltda. are presented below:

	09/30/2023	12/31/2022
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	(340,027)	(392,394)
Participation in Plascar Ltda.	(340,027)	(392,394)
Net loss for the period (1)	52,367	(95,715)
Equity Income	52,367	(95,715)

In the six-month period ended September 30, 2022, Plascar Ltda. recorded a loss of R$ 59,145, resulting in an equity pickup 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, 2023 (In thousands of Reais, except when otherwise indicated)

13. Property, Plant and Equipment

a) Composition

	Consolidated				
	Annual depreciation rate %	09/30/2023 Cost	09/30/2023 Depreciation	09/30/2023 Net	12/31/2022 Cost
Buildings	2 to 4	27,023	(3,568)	23,455	23,461
Machinery and equipment	4 to 13.79 (1)	943,669	(633,997)	309,672	316,696
Molds	6 to 21	47,656	(47,140)	516	669
Forniture and utensils	6 to 10	12,873	(12,523)	350	348
Vehicles	18.57 to 20	2,800	(2,741)	59	108
Computing equipment	15 to 33	4,889	(3,800)	1,089	1,169
Spare parts and materials		6,040	-	6,040	5,720
Advances to suppliers		44,680	-	44,680	45,253
Provision for impairment Advances and machines and equipments (2)		(62,939)	-	(62,939)	(62,939)
		1,026.691	(703,769)	322,922	330,485

(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 the company Sandretto and financed by the BNDES through the FINAME/PSI program in the amount of R$ 44,084. Of the amount recorded on December 31,2018 and 2019, R$ 36,548 was advanced by financial institutions and R$ 7,536 was advanced to the supplier with own funds. The Company, after careful analysis with its legal advisors, decided to record a loss on the total outstanding amount, in the total amount of R$ 44,084 still in fiscal year 2018. The Company adopted all possible legal measures and will continue to seek its rights through the legal. However, the Company considers the possibility of receiving these assets in the short term to be unlikely, despite the fact that the lawsuit is still in progress. In 2019, the Company recorded impairment of R$ 17,955 referring to machinery and equipment identified as non-operating in the year.

b) Cost Movement

	Consolidated				
	Nine-month period ended September 30, 2023				
	Opening Balance	Additions	Write-offs	Transfers	End Balance
Buildings	26,813	210	-	-	27,023
Machinery and equipment (1)	936,497	16,967	(4,139)	-	949,325
Molds	47,658	-	(2)	-	47,656
Forniture and utensils	12,800	93	(20)	-	12,873
Vehicles	3,830	-	(1,030)	-	2,800
Computing equipment	4,866	23	-	-	4,889
Spare parts and materials	5,720	702	(382)	-	6,040
Advance to suppliers	45,253	706	(1,279)	-	44,680
Provision for impairment advance and machinery and equipment	(68,595)	-	-	-	(68,595)
	1,014,842	18,701	(6,852)	-	1,026,691

(1) The additions correspond to the investment made in the new plant in Caçapava inaugurated in September 2022, as well as adaptations of machines to start production of new projects.

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c) Depreciation movement

	Consolidated				
	Nine-month period ended September 30, 2023				
	Opening Balance	Additions	Write-offs	Transfers	End Balance
Buildings	(3,352)	(216)	-	-	(3,568)
Machinery and equipment	(619,801)	(23,688)	3,836	-	(639,653)
Molds	(46,989)	(151)	-	-	(47,140)
Forniture and utensils	(12,452)	(71)	-	-	(12,523)
Vehicles	(3,722)	(49)	1,030	-	(2,741)
Computing equipment	(3,697)	(103)	-	-	(3,800)
Provision for impairment advance and machinery and equipment	5,656	-	-	-	5,656
	(684,357)	(24,278)	4,866	-	(703,769)

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, 2022.

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	
	09/30/2023	12/31/2022
Opening balance	79,271	15,604
Additions (1)	11,644	79,862
Readjustment	3,717	2,184
Amortization	(15,694)	(18,379)
Final balance	78,938	79,271

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Lease liabilities

	09/30/2023	12/31/2022
Opening balance	88,064	55,534
Additions (1)	11,644	79,862
Readjustment	3,717	2,184
Disposals (2)	-	(36,808)
Interes	7,564	10,536
Payments	(15,141)	(23,244)
Final balance	95,848	88,064
Current	30,712	25,168
Non-current	65,136	62,896
	95,848	88,064

(1) In the 1st quarter of 2022, the lease agreements for 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% for discounting the debt at present value (AVP). In the 2nd quarter of 2022, a vehicle rental contract was registered. The initial impact on assets and liabilities was R$ 808. The incremental rate used for this contract was 15.75% to discount the debt at present value (AVP). In the 2nd quarter of 2023, a forklift rental contract was registered. The initial impact on assets and liabilities was R$ 2,881. The incremental rate used for this contract was 16.75% to discount the debt at present value (AVP). In the 3rd Quarter of 2023, contracts were registered of IT equipment rentals. The initial impact on assets and liabilities was R$1,797. The rate incremental used for this contract was CDI + 3% p.a.% to discount the debt to present value (AVP) and additional rental contract for the Caçapava-SP unit. The initial impact on assets and liabilities was of R$6,966. The incremental rate used for this contract was CDI + 3% p.a.% to discount the debt at present value (AVP).

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

In the nine-month period ended September 30, 2023, the Company recorded an expense of R$ 1,079 (R$ 30 on September 30, 2023) referring to short-term leases (less than 12 months of contract) or operations with assets of low value involved in the contracts.

b) Due dates

	Consolidated				
	09/30/2023				
	Buildings	Forklifts	Vehicles	Equipment IT	Total
2023	13,318	426	76	180	14,000
2024	27,49	1,708	304	720	30,222
2025 onwards	50,42	308	62	836	51,626
	91,228	2,442	442	1,736	95,848

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

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

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In order to safeguard the faithful representation of the information in view of the requirements of CPC 06 (R2) and to meet the guidelines of the technical areas of the CVM, the liability balances without inflation, effectively accounted for (actual flow x nominal rate), and the estimate of the balances inflated in the periods of comparison (nominal flow x nominal rate).

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 indices that are observable in the market, so that nominal flows can be prepared by users of the financial statements.

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

	2023	2024	2025	2026 onwards
Lease Liabilities				
Actual projection and nominal rate (accounted)	(95,848)	(84,754)	(62,408)	(38,900)
Nominal projection and nominal rate	(99,683)	(88,694)	(66,667)	(42,402)
Right to use assets				
Actual projection and nominal rate (accounted)	78,938	73,261	50,554	29,176
Nominal projection and nominal rate	82,278	76,408	52,919	30,760
Financial Charges				
Actual projection and nominal rate (accounted for)	2,437	8,179	5,523	4,054
Nominal projection and nominal rate	2,542	8,624	5,958	4,671
Amortization expense of the right to use				
Actual projection and nominal rate (accounted)	5,676	22,708	21,381	29,176
Nominal projection and nominal rate	5,872	23,492	22,160	30,760

15. Loans and financing

a) Loan summary

		Consolidated	
Mode/purpose	Financial Charges on 09/30/2023	09/30/2023	12/31/2022
Floating capital – national currency	From 9.52% to 59.0% p,y,	201,930	216,675
Total		201,930	216,675
Current		107,297	91,711
Non-Current		94,633	124,964
		201,930	216,675

Part of the composition of the balance of loans in the amount of R$ 11.695 is due to the debt with BNDES relating to prior periods, which was renegotiated by the Company at the time. During the nine-month period of 2023, the Company raised an amount of R$ 87,978 in new loans.

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b) Movement

As of December 31, 2021, total working capital	216,675
(+) Funding	87,978
(-) Principal payment	(100,028)
(-) Interest payment	(46,080)
(+) Interest provision	43,385
As of September 30, 2023, total working capital	201,930

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

	Value
2024	23,529
2025	36,172
2026	16,528
2027 onward	18,404
	94,633

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 covenants in its loans from financial institutions and is in compliance with all of them for the period ended September 30, 2023, and the year ended December 31, 2022.

16. Suppliers

	Consolidated	
	09/30/2023	12/31/2022
National Suppliers	78,900	84,379
International suppliers (Note. 4.1)	2,362	2,709
	81,262	87,088

The terms and conditions of the aforementioned financial liabilities reflect the outstanding balance of accounts payable with suppliers, with an average payment term of 35 days (same average term on December 31, 2022).

The Company has no risk transactions drawn on September 30, 2023 and December 31, 2022.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

17. Payroll, vacation pay and social charges payable

	Consolidated	
	09/30/2023	12/31/2022
Social charges (1)	54,587	181,950
Labor indemnities	420	61
Holiday provision	37,480	23,352
Provision for profit sharing	14,687	13,392
Other	785	3,074
	107,959	221,829

(1) The Company concluded the renegotiation of its tax liabilities with the PGFN, which comprises the debts accumulated up to January 2023. As part of the tax renegotiation, the Company obtained discounts on fines and interest in the total amount of R$ 86,197 from social security debts and also used R$ 60,704 of tax losses for compensation. Finally, the Company offset R$ 521 with escrow deposits and R$ 4,859 with precatorios receivable (Note 19).

18. Customer advances

	Consolidated	
	09/30/2023	12/31/2022
Man	2,354	13,089
Fiat Automóveis	6,441	6,214
VW	10,310	4,119
Iveco	-	3,854
Mercedes Benz	5,000	2,523
Hyundai	2,133	2,133
Calsonic Kansei	206	955
Scania	-	629
Volvo	-	123
Others	1,286	97
	27,730	33,736

19. Commitments and provision for contingencies

a) <u>Renegotiation of the rent debt</u>

In January 2020, the Company concluded the renegotiation of its overdue rent debt whose balance on December 31, 2019 was R$ 137,754, recorded under “Other liabilities” and “Lease liabilities” in current.

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

In the 2nd quarter of 2022, an agreement was signed to renegotiate its overdue rent debt for the period from January 2020 to December 2021 (Note 14a).

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b) 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 proceedings that are currently in progress. The criteria adopted by the Company to classify the risk of loss is estimated as “remote”, “possible” and “probable”, with “remote” indicating minimal risk of loss, “possible” indicating moderate risk of loss and “probable” indicating high risk of judicial loss, and it is up to external legal advisors, with the help of the Company's legal department, to analyze in detail each legal process, new or in progress, classifying them according to their best results estimates.

These risk ratings are evaluated monthly and may be changed whenever the legal advisor's understanding indicates this need. In addition, all cases also receive monthly monetary restatement, according to the legal indices adopted by the courts, in order to accurately reflect the current economic situation of each case.

For all cases in which the external and internal legal advisors indicate the risk of loss as "probable", the Company sets up an individual provision in an amount sufficient to cover the estimated value of this 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 convictions and/or any other decisions coming from higher courts (appeal degree) 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 policy of making a monthly provision for labor lawsuits classified as a “possible” risk of loss, for which the Company estimates that legal agreements will be entered into to settle and close the claims before the execution stages begin.

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

	Consolidated	
	09/30/2023	12/31/2022
Social security and labor provisions	7,736	7,129
	7,736	7,129

The changes in the provision for lawsuits in the nine-month period ended September 30, 2023 are as follows:

Social security and labor:

	September 30, 2023			
	Opening Balance	Additions	Payments	Final balance
Labor	7,129	3,741	(3,134)	7,736
	7,129	3,741	(3,134)	7,736

c) 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.

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

	Consolidated	
	09/30/2023	12/31/2022
Tributary	5,182	4,836
Labor	17,361	14,667
Civil	7,154	6,628
	29,697	26,131

d) Relevant contingent assets

Currently, Plascar Ltda. is a plaintiff 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 judgment was favorable to the Company, is at an advanced procedural stage, and the Company had already started the process of provisional execution of the judgment, requesting the payment of the amount due. In July 2020, however, through its external advisors, the Company became aware of an alleged assignment of rights, which would have been carried out in May 2003, whereby the ownership and economic benefits arising from this process would be transferred to third parties. Having not internally identified elements that would confirm such assignment of rights, the Company manifested itself in the records, requesting more information on the matter and, at this moment, awaits the judgment of the court.

(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 (Note 9). Said amount, however, was questioned by the Company regarding its monetary restatement, which was not considered by the court. The Company offset this entire credit in the restated amount of R$ 4,859 (Note 17) in the Individual Transaction with PGFN signed on July 7, 2023.

20. Other liabilities

	Consolidated	
	09/30/2023	12/31/2022
Rents payable (Note 14)	181,847	183,467
Miscellaneous creditors - signed agreements	45,290	54,049
Other liabilities	12,575	15,426
	239,712	252,942
Current	27,929	43,041
Non current	211,783	209,901
	239,712	252,942

(1) Consult with the collaboration of the debt confession agreement regarding the commercial operation and restructuring debt owed to the customer.

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21. Equity

a) Capital

As of September 30, 2023 and December 31, 2022, the Company's capital stock is R$ 931,455 divided into 12,425,418 registered common shares, with no par value.

	09/30/2023 e 12/31/2022	
Shareholders	Number of shares	Participation
Pádua IV Participações	7,454,491	60.00%
Deise Duprat (1)	2,689,653	21.64%
Postalis	884,712	7.12%
Other Shareholders	1,396,562	11.24%
	12,425,418	100%

(1) According to a material fact on November 18, 2022, Permali Indústria e Comércio Ltda concluded the sale of its entire shareholding in Plascar, representing 18.44% of the common shares issued by the Company, amounting to of 2,290,953 common shares, in favor of Deise Duprat, an individual. As a result of the sale of Plascar's shares, Permali no longer holds any shareholding in the Company, while Deise Duprat now holds, as of this date, a total and significant amount of 21.64% of Plascar's shares, represented for 2,689,653 shares issued by the Company.

Permali participated in the Company's controlling group, being an integral part of the Shareholders' Agreement that was signed on January 31, 2019. With the sale of the shareholding, the said Shareholders' Agreement ceases to produce its legal effects, being considered terminated full right.

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

Subscription bonus

The Company issued in favor of and as an additional advantage to subscribers of the Capital Increase shares, upon achievement of Plascar Ltda.'s EBITDA targets. in the years 2020, 2021 or 2022, 7,455,251 subscription warrants, in a single series and in book-entry and nominative form, with 1 subscription warrant assigned for each share of the Capital Increase subscribed.

The grant to their holders, together, grants the right to subscribe for Company shares representing 5% of the Company's capital after the issuance of such shares. The subscription price for 1 share issued due to the exercise of the Subscription Warrants will be R$ 0.01 “Exercise Price”. The subscription of shares arising from the exercise of Subscription Warrants shall be given to privately, in the

act of exercising the Subscription Right, and the payment of the subscribed shares must be carried out upon payment of the Exercise Price in cash, in national currency, upon the subscription of such shares.

Considering that the Company did not reach the EBITDA limits determined above, no share warrants were subscribed.

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 assured the right to receive a minimum annual dividend of 25% of net income for the year, adjusted in accordance with articles 189 and 202 of Law 6,404/76. Due to the losses incurred, no distribution of dividends was carried out on December 31, 2022 and previous years.

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 earnings and share data used in the calculation of basic and diluted losses per share for the quarter and nine-month periods ended September 30, 2023 and 2022 (in thousands, except amounts per share):

	Basic			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Numerator:				
Period loss	(30,833)	51,127	(23,516)	(60,363)
Denominator:				
Weighted average number of shares	12,425,418	12,425,418	12,425,418)	12,425,418
Basic and diluted net profit (loss) per shares - R$	(2,48)	4,11	(1,89)	(4,86)

23. Net operating revenue

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Gross sales revenue	306,143	863,206	285,978	764,853
Sales taxes	(55,120)	(153,467)	(49,009)	(127,480)
Returns and sales rebates	(8,624)	(17,950)	(3,710)	(14,412)
	242,399	691,789	233,259	622,961

Taxes levied on sales consist mainly 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 for financing social security - COFINS (rates of 7.60% and 10.80%).

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24. Cost and expense by nature

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

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Raw materials, inputs, materials for use and consumption and personnel expenses	(188,182)	(551,977)	(179,493)	(491,143)
Depreciation and amortization	(14,054)	(39,972)	(13,197)	(39,001)
Third party services	(11,696)	(43,385)	(11,633)	(27,534)
Freight on sale	(6,618)	(20,165)	(5,390)	(13,207)
Provision for adjustment to market value and obsolescence in inventories (Note 8)	(160)	(440)	(682)	(1,193)
Tax renegotiation - fine discounts (Note 26)	-	75,984	-	-
Others	(20,142)	(59,350)	(16,182)	(41,811)
	(240,852)	(639,395)	(226,577)	(613,889)
Classified as				
Cost of goods sold	(207,062)	(612,189)	(193,798)	(527,344)
Selling expenses	(13,644)	(39,575)	(9,781)	(26,008)
Administrative and general expenses	(20,121)	(60,592)	(22,593)	(60,378)
Other operating income	(25)	72,961	(405)	(159)
	(240,852)	(639,395)	(226,577)	(613,889)

25. Financial result

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Financial expenses				
Interest, fines and monetary restatement	(21,035)	(56,520)	(18,034)	(38,452)
Charges on overdue taxes/installments (1)	(7,559)	(38,320)	(10,420)	(24,594)
Repactuação fiscal – descontos de juros (Nota 26)	-	40,612	-	-
Tax renegotiation - interest discounts (Note 26)	(2,613)	(7,564)	(2,652)	(8,015)
Passive exchange rate variations	(1,000)	(3,341)	(1,482)	(5,390)
IOF	(594)	(1,577)	(408)	(1,913)
Others	(839)	(1,745)	(248)	(760)
	(33,640)	(68,455)	(33,246)	(79,124)
Financial income				
Interest and monetary restatement (2)	1,213	4,137	1,950	5,022
Active exchange rate variations	570	3,748	1,476	5,358
Others	30	73	11	88
	1,813	7,958	3,437	10,468
Financial result	(31,827)	(60,497)	(29,809)	(68,656)

(1) Overdue and installments taxes over PIS/COFINS e ICMS.

26. Tax obligations and social charges

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The outstanding balance of taxes on September 30, 2023 is R$ 207,523 and R$ 74,628 of payroll charges (R$ 171,293 and R$ 205,828 in 2022), of which R$ 14,559 current taxes due, R$ 52,714 overdue current taxes and R$ 214,878 in installments (R$ 16,760, R$ 165,511 and R$ 194,850 respectively on December 31, 2022)

				Installments		
				Current		Non-
	Open	Current	Past due	Current	Open	Current
PGFN Extraordinary Transaction	99,476	-	-	6,302	-	93,174
Ordinary installments PIS/COF/IPI	16,906	-	-	-	16,906	-
PIS	2,360	658	1,702	-	-	-
COFINS	10,765	3,011	7,754	-	-	-
ICMS (Regularize - MG)	37,974	-	-	7,995	-	29,979
ICMS	39,804	3,592	2,152	10,986	3,153	19,921
IPI (Installments - MG)	164	-	-	164	-	-
IPI	74	74	-	-	-	-
	207,523	7,335	11,608	25,447	20,059	143,074
IRRF (Employees)	1,153	1,153	-	-	-	-
FGTS	7,263	1,002	-	1,089	-	5,172
INSS (Company)	53,753	4,017	33,915	3,716	-	12,105
INSS (Employees)	8,243	1,052	7,191	-	-	-
INSS instalments Sesi Senai (Company)	4,216	-	-	1,918	34	2,264
	74,628	7,224	41,106	6,723	34	19,541
Sum (Company)	272,755	12,354	45,523	32,170	20,093	162,615
Sum (Employees)	9,396	2,205	7,191	-	-	-
Total	282,151	14,559	52,714	32,170	20,093	162,615

(1) The balance referring to this installment will be migrated to the Individual Transaction with the PGFN signed on July 7, 2023 with all the discounts and rebates provided for in the signed Term.

On overdue amounts, the Company registers a fine of 20% in addition to correction according to the indices established by law.

PGFN Extraordinary Transaction

On May 30, 2022, the Company adhered to the Extraordinary Transaction within the scope of the PGFN to settle the overdue balance previously paid in PERT. The total amount involved is R$ 47,749 in 84 installments. The balance of this transaction was fully transferred to an Individual Transaction with the PGFN signed on July 7, 2023, with all the discounts provided for in the Transaction.

Individual Transaction - PGFN

Management concluded the renegotiation of its entire tax liability with the PGFN, which comprises debts accrued up to January 2023, through the Individual Tax Transaction program established by Law 14,375/2022, whose regulatory ordinance was published on 8/1 /2022. The signing of said transaction took place on July 7, 2023 and all effects, discounts of fines and interest, as well as the use of tax loss and CSLL negative basis were recognized in the 2nd Quarter of 2023.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on September 30, 2023 (In thousands of Reais, except when otherwise indicated)

All social security and farm debts were negotiated, namely:

1) Social security debts: deduction of fine and interest in the total amount of R$ 86,197, equivalent to 38% of the debt, use of the tax loss balance and negative base of Social Contribution in the amount of R$ 60,704, equivalent to 27% of the debt. The remaining balance, paid in 60 installments.
2) Treasury debts: deduction of fine and interest in the total amount of R$ 30,309, equivalent to 49% of the debt. The remaining balance, paid in 120 installments.

After the accounting record of this Transaction, there was a substantial decrease in current liabilities, an improvement in income and an increase in shareholders' equity, in addition to the use of part of the Company's accumulated tax losses. The positive impact on the Company's result was R$ 177,210, including fines of R$ 75,894, interest discounts of R$ 40,612 and use of tax losses of R$ 60,704.

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

	PGFN - Social Security Debts	PGFN - Treasury Debts	Total
Original balance	226,003	61,392	287,395
Precatory rebates and others	(5,381)	(5,934)	(11,315)
Use of tax losses and CSLL negative basis	(60,704)	-	(60,704)
Compensation of fines and legal charges	(86,197)	(30,309)	(116,506)
Debt repayment until September 30, 2023	(918)	(31)	(949)
Installment update	1,863	(308)	1,555
Total	74,666	24,81	99,476

27. Employees benefits

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

	Consolidated			
	04/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	04/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Salaries and social charges	59,200	170,098	52,966	142,773
Profit sharing plan	2,874	8,188	1,902	5,573
Layoffs	(306)	227	23	4,402
Benefits provided by law	10,241	29,014	6,928	18,982
Additional benefits	145	400	266	488
	72,154	207,927	62,085	172,218

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) 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 types, contracted with the main insurers in the country. These policies were defined according to the group's program and took into account the nature and degree of risk involved.

As of September 30, 2023, insurance coverage against operational risks combined with loss of profits, was BRL 750,000 (BRL 750,000 as of December 31, 2022), and BRL 10,000 (BRL 10,000 as of December 31, 2022) for civil liability.

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

Board of Directors

André Luiz Helmeister
Chairman of the Board of Directors

Maria Gustava Heller Brito
Vice- Chairman of the Board of Directors

João Luís Gagliardi Palermo
Counselor

Paulo André Porto Bilyk
Counselor

Paulo Alberto Zimath
Counselor

Antonio Farina
Counselor

Daniel Alves Ferreira
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

Charles Dimetrius Popoff
Chairman of the Fiscal Counsil

Francisco Eduardo de Queiroz Ferreira
Counselor