Interim Financial Information

Plascar Participações Industriais S.A.

As of March 31, 2023

Plascar Participações Industriais S.A.

Individual and consolidated interim financial information
March 31, 2023

Summary

Performance Overview

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

Amounts expressed in thousands of Reais, unless otherwise indicated.

Gross Income

In the 1st quarter of 2023, the gross margin was 11% against 13.3% in the same period of 2022.

The drop in margin is mainly due to the failure to pass on prices to customers in the first quarter of 2023, which was done in the same period of the previous year.

Automotive Market

According to ANFAVEA data, vehicle production in the first quarter of 2023 increased

Source: ANFAVEA – BRAZIL			
	1Q /22	1Q /23	VAR. %
VEHICLE PRODUCTION	496	536	8.0%
VEHICLE SALES	406	472	16.3%

ANFAVEA revised projections for the Brazilian market this year, with sales growth of 3.0%, and 2.2% in vehicle production over 2022.


Projeção 2023

Anfavea

	2021 mil unidades	2022 mil unidades	Δ %	PROJEÇÃO 2023 mil unidades	PROJEÇÃO Δ % 2023 / 2022
Emplacamento	2.120	2.104	-0,7	2.168	3,0
LEVES	1.977	1.960	-0,8	2.040	4,1
PESADOS	143	144	0,9	128	-11,1
Exportação	376	481	27,8	467	-2,9
LEVES	349	450	28,9	439	-2,5
PESADOS	27	31	13,9	28	-8,7
Produção	2.248	2.370	5,4	2.421	2,2
LEVES	2.070	2.176	5,2	2.267	4,2
PESADOS	178	194	8,9	154	-20,4

Net income

The combined result of all the factors mentioned on March 31, 2023 resulted in a cash generation (EBITDA) of R$ 6,273 (2.8%) in the 1st quarter, as shown in the table below:

PLASCAR - CONSOLIDATED BRAZIL						
MONTH/YEAR	**NET SALES R$**	**GROSS PROFIT (LOSS)**		**EBITDA (YTD)**		**Accumulated Losses for the Period (R$)**
		R$	**% Sales**	**R$**	**% Sales**	
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)
sep/19	290,137	11,469	4.0%	(6,781)	-2.3%	(126,681)
dec/19	407,550	31,303	7.7%	67,051	16.5%	(6,825)
mar/20	**91,745**	**5,699**	**6.2%**	**2,631**	**2.9%**	**(26,684)**
jun/20	133,470	(13,203)	-9.9%	(14,637)	-11.0%	(64,057)
sep/20	232,065	(12,714)	-5.5%	(25,412)	-11.0%	(100,080)
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)
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%	(122,230)
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)
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)**

Human Resources

Despite the economic adversities in the country, the Company continues to invest in the professional development of its employees, with approximately 41.77 hours of education 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 March 31, 2023, the Company had 2,248 employees (1,965 on March 31, 2022).

Relationship with External Auditors

Despite the economic adversities in the country, the Company continues to invest in the professional development of its employees, with approximately 41.77 hours of education 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 March 31, 2023, the Company had 2,248 employees (1,965 on March 31, 2022).

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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, for the quarter ended March 31, 2023, which comprise the balance sheet on March 31, 2023 and the respective statements of income, comprehensive income and changes in equity net income and cash flows for the three-month period then ended, 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 Informação Intermedias 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 to the individual and consolidated interim financial information, which indicates that the Company incurred a loss of R$ 41,296 thousand (individual and consolidated) in the quarter ended March 31, 2023 and, according to the balance sheet on that date, the Company's current liabilities exceeded total current assets by R$ 402,021 thousand in the consolidated, in addition to presenting accumulated losses in the amount of R$ 1,381,633 thousand (individual and consolidated), negative shareholders' equity of R$ 449,863 thousand on 31 March 2023 and have R$ 221,109 thousand in loans and financing, of which R$ 106,926 thousand registered in current and R$ 114,183 thousand registered in Non-current. As presented in Note 1, these events or conditions, together with other matters described in the respective note, 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 aforementioned quarterly information includes the individual and consolidated added value statements (DVA) for the three-month period ended March 31, 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, May 15, 2023

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

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

Plascar Participações Industriais S.A.

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

Assets

	Individual		Consolidated	
Current Assets	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and cash equivalents	4,737	18,156	10,491	24,815
Trade accounts receivable	-	-	85,254	63,217
Inventories	-	-	106,014	120,288
Taxes recoverable	-	-	18,080	29,718
Other assets	17	17	-	-
Total current assets	4,809	18,214	219,839	238,038
Noncurrent assets	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Taxes recoverable	-	-	69,125	67,917
Judicial deposits	-	-	1,260	1,398
Other assets	-	-	100	110
Investment property			8,250	8,272
Property, plant and equipment in operation	7	7	330,130	330,485
Right-of-use assets			77,628	79,271
Total noncurrent assets	7	7	486.493	487.453
Total assets	4,816	18,221	706,332	725,491

Liabilities and equity

Current liabilities	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Loans and financing	-	-	132,094	116,879
Lease liabilities	-	-	25,168	25,168
Trade accounts payable	-	-	94,475	87,088
Taxes payable	32	185	94,567	84,965
Payroll, vacation pay and social charges payable	-	-	249,221	238,762
Advances from customers	-	-	22,106	33,736
Other liabilities	-	-	29,,397	43,041
Total current liabilities	32	185	621,860	604,471

Noncurrent liabilities	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Loans and financing	-	-	114,183	124,964
Lease liabilities	-	-	62,117	62,896
Related parties	21,333	34,209	7,292	7,329
Payroll, vacation pay and social charges payable	-	-	-	-
Taxes payable	-	-	83,368	86,328
Deferred income and social contribution taxes	-	-	-	-
Contingencies	-	-	50,171	38,169
Provision for capital deficiency	433,314	392,394	-	-
Other accounts payable	-	-	217,204	209,901
Total noncurrent liabilities	454,647	426,603	534,335	529,587
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	315	316	315	316
Accumulated losses	(1,381,633)	(1,340,338)	(1,381,633)	(1,340,338)
	(449,863)	(408,567)	(449,863)	(408,567)
Total equity	(449,863)	(408,567)	(449,863)	(408,567)
Total liabilities and equity	4,816	18,221	706,332	725,491

Plascar Participações Industriais S.A.

Income Statements for the period ended of March 31, 2023 and 2022
(In thousands of reais)

	Individual		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net operating revenue	-	-	224,267	192,762
Cost of goods sold	-	-	(199,606)	(167,045)
Gross profit / (loss)	-	-	24,661	25,717
Operating (expenses) and income				
Selling expenses	-	-	(12,675)	(7,026)
General and administrative expenses	(427)	(446)	(20,106)	(19,772)
Equity pick-up	(40,921)	(19,668)	-	-
Other operating income/(expenses), net	-	-	(527)	(33)
	(41,348)	(20,114)	(32,254)	(26,831)
Operating income before finance income (expenses)	(41,348)	(20,114)	(7,593)	(1,114)
Finance income (expenses)				
Finance income	103	7	3,241	3,77
Finance costs	(51)	(4)	(36,504)	(22,693)
	52	3	(33,263)	(18,916)
Loss before income and social contribution taxes	(41,296)	(20,111)	(40,856)	(20,030)
Income and social contribution taxes	-	-	(440)	(81)
Deferred	-	-	(440)	(81)
Net loss for the period	(41,296)	(20,111)	(41,296)	(20,111)

Plascar Participações Industriais S.A.

Statements of comprehensive income for the periods ended March 31, 2023 and 2022
(In thousands of reais)

	Individual			Consolidated
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net loss for the period	(41,296)	(20,111)	(41,296)	(20,111)
	(41,296)	(20,111)	(41,296)	(20,111)
Total comprehensive income	(41,296)	(20,111)	(41,296)	(20,111)

Plascar Participações Industriais S.A.

Statement of changes in shareholders' equity
Periods ended March 31, 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, 2023	931,455	-	(1,340,338)	316	(408,567)
Capital increase	-	-	-	-	-
Net Income for the Period	-	-	(41,296)	-	(41,296)
Internal changes in shareholders' equity	-	-	1	(1)	-
Realization of property, plant and equipament deemed cost	-	-	2	(2)	-
Realization of deferred taxes on property, plant and equipament deemed cost	-	-	(1)	1	-
Balance as of March 31, 2023	931,455	-	(1,381,633)	320	(449,863)
Balance as of January 1, 2022	931,455	-	(1,143,222)	321	(311,446)
Capital increase	-	-	-	-	-
Net Income for the Period	-	-	(20,111)	-	(20,111)
Internal changes in shareholders' equity	-	-	1	(1)	-
Realization of property, plant and equipament deemed cost	-	-	2	(2)	-
Realization of deferred taxes on property, plant and equipament deemed cost	-	-	(1)	1	-
Balance as of March 31, 2022	931,455	-	(1,263,332)	320	(331,557)

Plascar Participações Industriais S.A.

Cash flow statements for the period ended March 31, 2023 and the year ended December 31, 2022
(In thousands of reais)

	Individual		Consolidated	
Cash flows from operating activities	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Net loss for the year before income and social contribution taxes	(41,296)	(20,111)	(40,856)	(20,030)
Adjustments to reconcile net income to cash from (used in) operating activities:				
Depreciation	-	-	7,889	8,226
Amortization	-	-	4,845	4,497
Interest and monetary variation, net	-	-	33,772	20,297
Provision for legal claims	-	-	1,148	1,573
Provision for adjustment of inventories at market value and obsolescence	-	-	89	31
Constitution (reduction) of provision for doubtful claims	-	-	(635)	(1,219)
Others	-	-	-	-
Equity pick-up	40,921	19,668	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	(22,546)	(18,685)
Inventories	-	-	14,185	9,705
Taxes to recover	(14)	-	10,430	7,225
Judicial Deposits			138	(51)
Other asset accounts, net	-	-	1,174	127
Suppliers	-	-	6,978	11,717
Obligations with staff and social charges	-	-	13,162	16,012
Advance of customers	-	-	(11,630)	(1,077)
Taxes, contributions and installments to be collected	(154)	57	1,865	314
Provision for legal claims (payments)	-	-	(1,026)	(1,856)
Other accounts payable	-	-	(9,190)	(3,349)
Interest paid	-	-	(16,913)	(5,996)
Net cash from (applied in) operating activities	(543)	(386)	(6,037)	32,915
Cash flows from investment activities				
Acquisitions of fixed assets and intangible assets	-	-	-	-
Net cash used in investment activities	-	-	-	-
Cash flows from financing activities				
Borrowings	-	-	37,565	11,465
Payment of loans, financing and leasing (principal)	-	-	(37,197)	(16,403)
Net increase in receivables from related parties	(12,876)	(2,247)	(37)	(784)
Net cash from (used in) financing activities	(12,876)	(2,247)	331	(5,722)
(Reduction)/Increase in cash and cash equivalents	(13,419)	(2,633)	(14,324)	(4,892)
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	4,751	4,751	10,491	7,595
(Reduction)/Increase in cash and cash equivalents	(13,419)	(2,633)	(14,324)	(4,892)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Revenue				
Sales of Goods, Products and Services	-	-	272,461	230,329
	-	-	272,461	230,329
Purchased supplies				
Cost of products and services sold	-	-	(98,674)	(97,097)
Materials, energy, third-party services and others	(175)	(185)	(153,465)	(125,719)
Others	-	-	(89)	(31)
	(175)	(185)	118,996	104,610
Gross added value	(175)	(185)	118,996	104,610
Depreciations and amortization	-	-	(12,734)	(12,723)
Net Added Value Produced	(185)	(185)	106,262	91,887
Value added received in transfer				
Equity pick up	(40,921)	(19,668)	-	-
Finance income	103	7	3,241	3,777
Other revenues	-	-	57	85
	(40,818)	(19,661)	3,298	3,862
Total value added to distribute	(40,993)	(19,846)	109,560	95,749
Distribution of value added	(40,993)	(19,846)	109,560	95,749
Personnel	198	209	65,749	54,886
Salaries	154	165	52,041	43,849
Others	44	44	13,708	11,037
Taxes, charges and contributions	54	52	48,603	38,281
Federal taxes	-	-	22,128	18,486
State taxes	-	-	26,056	19,078
Local taxes	54	52	419	717
Remuneration of third-party capital	51	4	36,504	22,693
Interest	51	4	36,504	22,643
Equity remuneration				
Net losses	(41,296)	(20,111)	(41,296)	(20,111)
Total added value	(41,296)	(20,111)	(41,296)	(20,111)

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 (previously by Permali do Brasil Indústria e Comércio Ltda.), 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 ITRs was authorized by the Board of Directors on May 8, 2023.

Financial Condition

On March 31, 2023, the Company has an excess of current liabilities over current assets in the amount of R$ 402,021 (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$ 449,863 (BRL 408,567 on December 31, 2022).

Additionally, the Company presented a loss in the current and comparative period, maintaining an accumulated loss of R$ 1,381,633, in the parent company and consolidated (R$ 1,340,338 on December 31, 2022).

Financial expenses amount to R$ 36,504 in the 1st quarter of 2023 (R$ 22,693 in the 1st quarter of 2022), of which R$ 14,146 correspond to monetary restatement and fines related to outstanding taxes. Management is taking measures to reduce the impact of these expenses on the Company's results, mainly through the renegotiation of its tax liabilities.

The Company informs that it has been successful in raising new funds from financial institutions with better conditions, reflecting the growth of its operations and the strengthening of its credibility in the market.

In the 1st quarter of 2023, there was an increase in vehicle production in Brazil of 8.0%, when compared to the 1st quarter of 2022, according to ANFAVEA data. The Company's net revenue, in turn, increased by 16.3% when compared to the same quarter of 2022, thus showing the maintenance of gradual and consistent growth in volumes and an increase in its market share.

According to official data from ANFAVEA, vehicle production in 2023 points to an increase of 2.2%.

The Company continues to adopt measures to increase the revenue obtained from new projects, reduce its internal operating costs and improve margin and cash generation, through constant price negotiations with customers to pass on cost increases (labor, material 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.

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

The Company continues to monitor the situation, always ready to intervene if the pandemic situation worsens. Despite the demobilization of the crisis committee implemented at the beginning of the pandemic, it can 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 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 an Extraordinary General Meeting held on December 13, 2018, the Company's final debt restructuring plan 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.

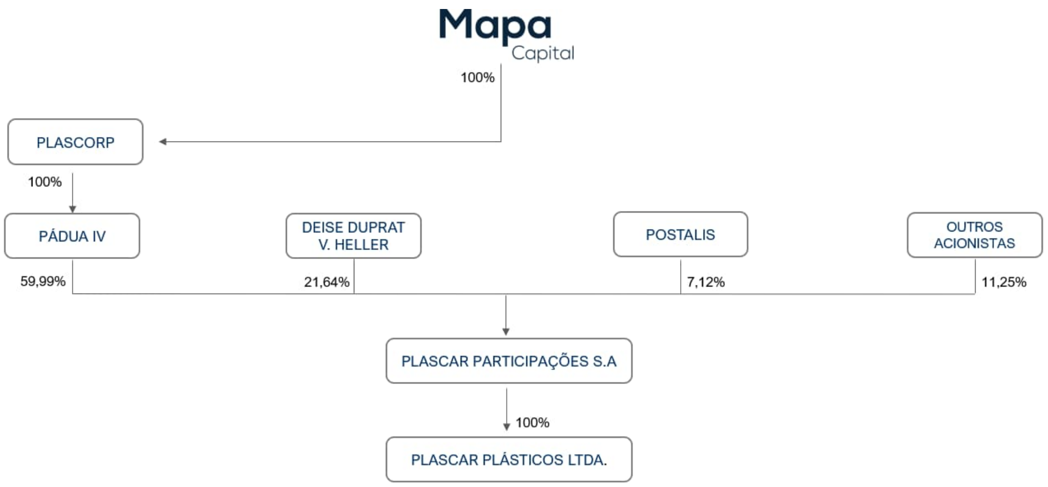
According to a material fact on November 18, 2022, Permali Indústria e Comércio Ltda concluded the sale of its entire shareholding in Plascar, representing 18.44% of the common shares issued by the Company, totaling 2,290. 953 common shares, in favor of Deise Duprat, an individual. As a result of the 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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

Below is the Corporate Structure:



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

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 basis of preparation 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:

	Direct Participation	
	03/31/2023	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.

(a) *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.

(b) *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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

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) *Exchange Variation 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 March 31, 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	
	03/31/2023	12/31/2022
Accounts receivable from customers (Note 7)	7,541	7,687
Suppliers (Note 16)	(3,520)	(2,709)
Net exposure	4,021	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).

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	Impacto n income for the period (1)		
	Scenario I	Scenario II	Scenario III
Financial liability	Likely	+25%	+50%
CDI	13.15%	16.44%	19.73%
Loans and financing	(30,534)	(35,169)	(39,742)
Lease Liabilities	(9,024)	(10,015)	(10,794)

(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 March 31, 2023.

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 March 31, 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 March 31, 2023, the Company had short-term funds in the amount of R$ 4.872 (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 March 31, 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 march 31, 2023						
Loans and financing	221,109	258,577	34,338	93,164	124,827	6,248
Lease Liabilities	87,285	93,059	4,105	13,734	71,015	4,205
Suppliers	94,475	94,475	94,475	-	-	-
Liabilities with related parties	7,292	7,292	-	-	7,292	-
Other liabilities	246,601	306,793	7,758	19,776	114,224	165,035
	656,762	760,196	140,676	126,674	317,358	175,488

	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	
	03/31/2023	12/31/2022
Total loans (Note 15)	221,109	216,675
(-) Cash and cash equivalents (Note 6)	(10,491)	(24,815)
Net debt	210,618	191,860
Total equity	(449,863)	(408,567)
	(239,245)	(216,707)
Financial leverage ratio - %	-	-

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

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:

	03/31/2023		03/31/2022		
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)	10,491	10,491	24,815	24,815	Level 2
Amortized cost					
Aaccounts receivable from customers (Note 7)	82,151	82,151	58,971	58,971	Level 2
Other Accounts Receivable	3,103	3,103	4,246	4,246	Level 2
Financial Liabilities					Level 2
Amortized cost					
Suppliers (Note 16)	94,475	94,475	87,088	87,088	Level 2
Loans and financing (Note 15)	221,109	221,109	216,675	216,675	Level 2
Lease liabilities (Note 14)	87,285	87,285	88,064	88,064	Level 2
Customer advance (Note 18)	22,106	22,106	33,736	33,736	Level 2
Related parties (Note 11)	7,292	7,292	7,329	7,329	Level 2
Other liabilities (Note 20)	246,601	246,601	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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

6. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and banks	1,692	15,072	5,619	19,898
financial investments	3,045	3,084	4,872	4,917
	4,737	18,156	10,491	24,815

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	
	03/31/2023	12/31/2022
Third parties in the country	49,567	28,341
Third parties abroad (Note 4.1)	7,541	7,687
Tooling accounts receivable in the country	33,546	32,081
	90,654	68,109
Provision for impairment – doubtful credits	(8,503)	(9,138)
	82,151	58,971

During the period ended on March 31, 2023 and the period ended on December 31, 2021, the movement in the allowance for expected credit losses was as follows:

	Consolidated	
	03/31/2023	12/31/2022
Current	46,170	25,646
Past Due:		
From 1 to 30 days	8,636	9,025
From 31 to 60 days	1,380	8,159
From 61 to 90 days	4,413	4,043
More than 90 days ago	30,055	21,236
	44,484	42,463
Total	90,654	68,109

The balance overdue for more than 90 days not provisioned for on March 31, 2023, refers to the sale of tooling, in the final stage of technical approvals with customers in the amount of R$ 20,439 (R$ 11,559 on December 31, 2022), for which management believes there will be no risk of loss.

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

	Consolidated	
	03/31/2023	12/31/2022
Opening balance	(9,138)	(8,760)
(Increase)/Reversal of provision	635	(378)
Final balance	(8,503)	(9,138)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

8. Inventory

	Consolidated	
	03/31/2023	12/31/2022
Tools and molds under development intended for sale	53,821	67,896
Finished products	5,318	5,822
Products under preparation	14,192	12,302
Raw materials	27,577	29,770
Import in progress	2,221	1,606
Maintenance and auxiliary materials	3,688	4,235
Advance to suppliers	1,497	868
Provision for adjustment to Market value and obsolescence	(2,300)	(2,211)
	106,014	120,288

During the period ended on March 31, 2023 and the period ended on December 31, 2022, the movement in the provision for adjustment to market value and obsolescence was as follows:

	Consolidated	
	03/31/2023	12/31/2022
Opening balance	(2,211)	(2,279)
Reversal of provision	171	8,386
Increase in provision	(260)	(8,318)
Net reduction (Note 24)	(89)	68
Final balance	(2,300)	(2,211)

9. Tributes to recover

	Consolidated	
	03/31/2022	12/31/2021
Credit exclusion of ICMS calculation base PIS/COFINS (1)	79,083	89,970
ICMS on fixed assets - CIAP	4,347	4,178
Funrural Process (Note 19)	2,237	2,237
Others	1,538	1,250
	87,205	97,635
Current	18,080	29,718
Non-current	69,125	67,917
	87,205	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 March 31, 2023 (In thousands of Reais, except when otherwise indicated)

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

The approval and authorization of R$ 123,396 related to the part of said credit with the Federal Revenue Service of Brazil for future tax compensation, took place on January 03, 2020, and the remaining amount of the credit in the amount of R$ 55,673, will be subject to analysis by the Federal Revenue Service 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 March 31, 2023, the Company offset the accumulated amount of R$115,670 and during the first quarter of 2023 the amount of R$12,285. Management revisited the projections for the first 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	
	03/31/2022	12/31/2021
Liabilities:		
Fixed Assets - Assigned Cost (1)	(449)	(450)
Depreciation - review of useful-economic life (2)	(20,492)	(20,052)
	(20,941)	(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.

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The Company has tax loss carryforward and social contribution balances of R$ 61,155 and R$ 72,157, respectively on March 31, 2023 (R$ 60,780 and R$71,782 on December 31, 2022, respectively). The subsidiary Plascar Ltda. has balances of tax loss and social contribution negative base of R$ 1,079,396 and R$ 1,074,340, respectively on March 31, 2023 (R$ 1,040,401 and R$ 1,035,345 on December 31, 2022, respectively) on which deferred tax assets were not constituted, as determined by CVM Instruction 371, since the Company does not expect to generate future taxable income. However, management considers the use of part of these amounts in the tax renegotiation under negotiation with the PGFN.

(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	1
Deferred taxes on depreciation difference	(440)
Balances as of March 31, 2023	(20,941)

(c) Reconciliation of income tax and social contribution expenses

	Consolidated	
	01/01/2023 a 03/31/2023	01/01/2022 a 03/31/2022
Loss before income tax and social contribution	(40,856)	(20,030)
Income tax and social contribution at current rates (34%)	13,891	6,810
Adjustments for effective rate statement:		
Tax effect on tax loss carryforwards and negative basis for the year unrecognized (1)	(14,331)	(6,891)
Deferred income tax and social contribution expense	(440)	(81)

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

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

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

In the periods ended March 31, 2023 and 2022, the total remuneration of the Directors was as follows:

	01/01/2023 a 03/31/2023	01/01/2022 a 03/31/2022
Annual fixed remuneration (1)	1,690	1,505
Administration fees	1,690	1,505

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

b) Balances and transactions

The Company and its subsidiary enter into loan agreements with related parties, so that cash needs are met immediately, waiving the approval processes required by financial institutions. Such contracts are subject to the availability of funds and the non-commitment of the lender's cash flow. Said loan agreements are signed in accordance with rates agreed between the parties.

Below are the main balances of assets and liabilities as of March 31, 2023 and 2022, as well as the transactions that influenced the results for the years:

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current liabilities				
Service contracts:				
Mapa Capital Participações e Consultoria Ltda. (Mapa) (a)	-	-	334	-
	-	-	334	-

(a) Recorded on suppliers.

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Non Current liabilities				
Loan agreement:				
Yatsivut Corporation Ltd.	-	-	4,056	4,166
Kielce Gestão de Ativos Ltda ME	-	-	3,236	3,163
Plascar Ltda.	21,333	34,209	-	-
	21,333	34,209	7,292	7,329

	Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Income Statment		
Serviços assessoria financeira - Mapa Capital Participações e Consultoria Ltda.	1,066	1,007
	1,066	1,007

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

c) Movement

	Individual	Consolidated
As of December 31, 2022,	34,209	7,329
(+) Additions	-	334
(-) Principal payment	(12,876)	
(+) Interest provision and IOF	-	72
(-) Exchange variation	-	(109)
As of March 31, 2023	21,333	7,626

On November 14, 2018, Plascar signed a financial advisory service agreement with Mapa Capital and this agreement remains in effect 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:

	03/31/2023	12/31/2022
Opening balance	(392,394)	(296,679)
Participation in the subsidiary's losses	(40,920)	(95,715)
Final balance	(433,314)	(392,394)

The relevant information regarding Plascar Ltda. are presented below:

	03/31/2023	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	(433,314)	(392,394)
Participation in Plascar Ltda.	(433,314)	(392,394)
Net loss for the period (1)	(40,920)	(95,715)
Equity Income	(40,920)	(95,715)

(1) In the three-month period ended March 31, 2022, Plascar Ltda. recorded a loss of R$ 19,667, 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 March 31, 2023 (In thousands of Reais, except when otherwise indicated)

13. Property, Plant and Equipment

a) Composition

	Consolidated				
	Annual depreciation rate %	03/31/2023			12/31/2022
		Cost	Depreciation	Net	Cost
Buildings	2 a 4	26,930	(3,408)	23,522	23,461
Machinery and equipment	4 a 13.79 (1)	938,720	(621,515)	317,205	316,696
Molds	6 a 21	47,658	(47,039)	619	669
Forniture and utensils	6 a 10	12,806	(12,488)	318	348
Vehicles	18.57 a 20	3,830	(3,737)	93	108
Computing equipment	15 a 33	4,866	(3,733)	1,133	1,169
Spare parts and materials		5,492	-	5,492	5,720
Advances to suppliers		44,687	-	44,687	45,253
Provision for impairment Advances and machines and equipments (2)		(62,939)	-	(62,939)	(62,939)
		1,022,050	(691,920)	330,130	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 operational and productive capacity of the Company's industrial units, made between 2010 and 2011 for the company Sandretto and financed with BNDES through the FINAME/PSI program in the amount of R$ 44,084. Of the amount recorded on December 31, 2018 and 2019, R$ 36,548 was advanced by financial institutions and R$ 7,536 was advanced to the supplier with its own resources. The Company, after careful 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 2018. The Company adopted all possible legal measures and will continue to seek its rights through legal. However, the Company considers the possibility of receiving these assets in the short term unlikely, despite the lawsuit still in progress.

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

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

b) Cost Movement

	Consolidated				
	Three-month period ended March 31, 2023				
	Opening Balance	Additions	Write-offs	Transfers	End Balance
Buildings	26,813	117	-	-	26,930
Machinery and equipment	936,497	8,205	(326)	-	944,376
Molds	47,658	-	-	-	47,658
Forniture and utensils	12,800	6	-	-	12,806
Vehicles	3,830	-	-	-	3,830
Computing equipment	4,866	-	-	-	4,866
Spare parts and materials	5,720	-	(228)	-	5,492
Advance to suppliers	45,253	290	(856)	-	44,687
Provision for impairment advance and machinery and equipment	(68,595)	-	-	-	(68,595)
	1,014,842	8,618	(1,410)	-	1,022,050

(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.

a) Depreciation movement

	Consolidated				
	Three-month period ended March 31, 2023				
	Opening Balance	Additions	Write-offs	Transfers	Closing Balance
Buildings	(3,352)	(56)	-	-	(3,408)
Machinery and equipment	(619,801)	(7,696)	326	-	(627,171)
Molds	(46,989)	(50)	-	-	(47,039)
Forniture and utensils	(12,452)	(36)	-	-	(12,488)
Vehicles	(3,722)	(15)	-	-	(3,737)
Computing equipment	(3,697)	(36)	-	-	(3,733)
Provision for impairment advance and machinery and equipment	5,656	-	-	-	5,656
	(684,357)	(7,889)	326	-	(691,920)

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.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

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	
	03/31/2023	12/31/2022
Opening balance	79,271	15,604
Additions (1)	-	79,862
Readjustment	3,202	2,184
Amortization	(4,845)	(18,379)
Final balance	77,628	79,271

Lease liabilities

	31/03/2023	31/12/2022
Opening balance	88.064	55.534
Additions (1)	-	79.862
Readjustment	3.202	2.184
write off (2)		(36.808)
Interest	2.479	10.536
Payments	(6.460)	(23.244)
Closing	87.285	88.064
Current	25.168	25.168
Non-current	62.117	62.896
	87.285	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).

(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 three-month period ended March 31, 2023, the Company recorded an expense of R$ 185 (R$ 72 on March 31, 2022) referring to short-term leases (less than 12 months of contract) or operations with assets of low value involved in the contracts.

b) Lease maturity schedule

	Consolidated
	03/31/2023
	Buildings
2023	19,741
2024	26,323
2025 onwards	41,221
	87,285

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

In accordance 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.

In order to protect the reliable representation of the information against 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 (real flow x nominal rate), and the estimated balances are provided inflated in the comparison periods (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 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:

	2023	2024	2025	2026 onwards
Lease Liabilities				
Actual projection and nominal rate (accounted)	(87,285)	(74,249)	(55,086)	(33,882)
Nominal projection and nominal rate	(93,059)	(80,742)	(61,011)	(38,021)
Right to use assets				
Actual projection and nominal rate (accounted)	77,628	63,093	43,710	24,531
Nominal projection and nominal rate	82,542	67,454	47,338	27,438
Financial Charges				
Actual projection and nominal rate (accounted for)	6,736	7,160	4,863	2,955
Nominal projection and nominal rate	7,200	7,771	5,351	3,289
Amortization expense of the right to use				
Actual projection and nominal rate (accounted)	14,536	19,382	19,180	24,531
Nominal projection and nominal rate	15,087	20,117	19,899	25,868

15. Loans and financing

a) Loan summary

		Consolidated	
Mode/purpose	Financial Charges on 03/31/2023	03/31/2023	12/31/2022
Floating capital – national currency	From 9.52% to 21.0% p.y.	221,109	216,675
Total		221,109	216,675
Current		106,926	91,711
Non-current		114,183	124,964
		221,109	216,675

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

Part of the composition of the balance of loans in the amount of R$ 16,653 is due to the debt with BNDES related to previous periods, which was renegotiated by the Company at the time. During the three-month period of 2023, the Company raised an amount of R$37,565 in new loans.

b) Movement

As of December 31, 2022, total working capital	216,675
(+) Funding	37,565
(-) Principal payment	(30,737)
(-) Interest payment	(16,282)
(+) Interest provision	13,888
As of March 31, 2023 total working capital	221,109

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

	Valor
2024	66,835
2025	28,285
2026	16,350
2027 onwards	2,713
	114,183

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 for the period ended March 31, 2023 and the year ended December 31, 2022.

16. Suppliers

	Consolidated	
	03/31/2023	12/31/2022
National Suppliers	90,955	84,379
International suppliers (Note. 4.1)	3,520	2,709
	94,475	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 forfait transactions on March 31, 2023 and December 31, 2022.

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

17. Payable wages, vacations and social security charges

	Consolidated	
	31/03/2023	12/31/2022
Social charges	228,298	209,421
Labor indemnities	239	61
Holiday and 13th salary provision	26,099	23,352
Provision for profit sharing	14,217	13,392
Other	2,347	3,074
	271,200	249,300
Current	249,221	238,762
Non-current	21,979	10,538

18. Customer advances

	Consolidated	
	03/31/2023	12/31/2022
Man	6,084	13,089
Fiat Automóveis	4,971	6,214
VW	737	4,119
Iveco	3,854	3,854
Mercedes Benz	2,523	2,523
Hyundai	2,133	2,133
Calsonic Kansei	955	955
Scania	629	629
Volvo	123	123
Others	97	97
	22,106	33,736

19. Commitments and provision for contingencies

a) Renegotiation of the rent debt

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).

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

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	
	03/31/2023	12/31/2022
Social security and labor provisions	7,251	7,129
	7,251	7,129

Changes in the provision for lawsuits in the three-month period ended March 31, 2023 are as follows:

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

Social Security and Labor

	March 31, 2023			
	Opening Balance	Additions	Payments	Final balance
Labor	7,129	1,148	(1,026)	7,251
	7,129	1,148	(1,026)	7,251

b) 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	
	03/31/2023	12/31/2022
Tributary	4,943	4,836
Labor	16,000	14,667
Civil	6,880	6,628
	27,823	26,131

c) Relevant contingent assets

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

(i) The lawsuit against ELETROBRÁS, whose ruling was favorable to the Company, is at an advanced procedural stage, and the Company had already started the process of provisional execution of the ruling, 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, by which the title and economic benefits arising from this process would be assigned to third parties. . Not having 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 a manifestation of the court.

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

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

20. Other liabilities

	Consolidated	
	03/31/2023	12/31/2022
Rents payable (Note 14)	182,927	183,467
Miscellaneous creditors - signed agreements	52,708	54,049
Other liabilities	10,966	15,426
	246,601	252,942
Current	29,397	43,041
Non-current	217,204	209,901
	246,601	252,942

21. Equity

a) Capital

On March 31, 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.

	03/31/2023 and 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, 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 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 bônus

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

The grant to its holders, jointly, grants the right to subscribe to Company shares representing 5% of the Company's capital after the issuance of such shares. The subscription price for 1 share issued in connection with the exercise of the Subscription Warrants will be R$ 0.01 “Exercise Price”. The subscription of shares resulting from the exercise of the Subscription Bonus will be given in a private manner, in the act of exercising the Subscription Right, and the payment of the shares then subscribed must be carried out upon payment in cash of the Exercise Price, in currency national current, in the act of subscription of such shares.

Considering that the Company did not reach the EBIDTA limits determined above, no share warrant was 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 results and shares data used in the calculation of profit or loss, basic and diluted per share for the period ended March 31, 2023 and 2022 (in thousands, except amounts per share):

	Basic	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Numerator:		
Loss of the period	(41,296)	(20,111)
Weighted average number of shares	12,425,418	12,425,418
Basic and diluted net loss per shares - R$	(3.32)	(1.62)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

23. Receita operacional líquida

	Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Gross sales revenue	275,218	238,042
Sales taxes	(48,194)	(37,567)
Returns and sales rebates	(2,757)	(7,713)
	224,267	192,762

Taxes levied on sales consist mainly of the 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%).

24. Cost and expense by nature

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

	Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Raw materials, inputs, materials for use and consumption and personnel expenses	(178,507)	(156,702)
Depreciation and amortization	(12,734)	(12,723)
Third party services	(17,182)	(8,789)
Freight on sale	(6,486)	(3,366)
Provision for adjustment to market value and obsolescence in inventories (Note 8)	(89)	(31)
Others	(17,389)	(12,232)
	(232,387)	(193,843)
Classified as		
Cost of goods sold	(199,606)	(167,045)
Selling expenses	(12,675)	(7,026)
Administrative and general expenses	(20,106)	(19,772)
	(232,387)	(193,843)

Management's Explanatory Notes for Quarterly Information - ITR, Individual and Consolidated, for the quarter ended on March 31, 2023 (In thousands of Reais, except when otherwise indicated)

25. Financial result

	Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Financial expenses		
Interest, fines and monetary restatement	(17,570)	(8,402)
Charges on overdue taxes/installments (1)	(14,146)	(9,538)
Adjustment to present value of leases (Note 14)	(2,479)	(2,666)
Passive exchange rate variations	(1,141)	(1,584)
IOF	(700)	(349)
Others	(468)	(154)
	(36,504)	(22,693)
Financial income		
Interest and monetary restatement (2)	1,558	1,416
Active exchange rate variations	1,677	2,339
Others	6	22
	3,241	3,777
Financial result	(33,263)	(18,916)

(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 March 31,2023 is R$ 177,935 and R$ 225,052 of payroll charges (R$ 171,293 and R$ 205,828 in 2022), of which R$ 12,671 is current taxes due, R$ 178,656 overdue current taxes and R$ 211,660 in installments (R$ 16,760, R$ 165,511 and R$ 194,850 respectively in 2022).

				Installments		
				Current		Non-
	Open	Current	Past due	Current	Open	Current
PGFN Extraordinary Transaction	47,235	-	-	7,660	638	38,937
Ordinary installments PIS/COF/IPI	30,863	-	-	8,417	22,446	-
PIS	481	481	-	-	-	-
COFINS	2,184	2,184	-	-	-	-
ICMS (Regularize - MG)	39,771	-	-	7,575	-	32,196
ICMS	33,696	3,207	4,297	12,120	1,938	12,134
IPI (Installments - MG)	342	-	-	342	-	-
IPI	106	106	-	-	-	-
Attorney charges - active debt	22,951	-	-	-	22,951	-
Others (ISS IPTU)	306	178	-	27	-	101
	177,935	6,156	4,297	36,141	47,973	83,368
IRRF (Employees)	1,170	1,170	-	-	-	-
Ordinary installments INSS	16,137	-	-	3,883	11,654	600
FGTS	7,525	936	-	1,083	-	5,506
INSS (Company)	177,942	3,427	158,107	3,454	-	12,954
INSS (Employees)	17,234	982	16,252	-	-	-
INSS instalments Sesi Senai (Company)	5,044	-	-	2,095	32	2,917
	225,052	6,515	174,359	10,515	11,686	21,977
Sum (Company)	384,583	10,519	162,404	46,656	59,659	105,345
Sum (Employees)	18,404	2,152	16,252	-	-	-
Total	402,987	12,671	178,656	46,656	59,659	105,345

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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 Ltd. joined the PERT on August 29, 2017. The balance of taxes due until April 2017, within the scope of the Attorney's Office, was paid in 120 installments, with the value of the installments in the first 12 months corresponding to 0.4% of the debt, 0.5% in the second year, 0.6% in the third year and remaining balance in 84 installments. The installment correction index is the Selic.

Additionally, MP 783/17 was converted into Law 13,496/17 on October 25, 2017, including a new installment method, where there is the possibility of using tax losses and negative basis of CSLL to deduct the consolidated debt within the scope of the Brazil's federal revenue.

Extraordinary Transaction PGFN

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.

27. Employees benefits

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

	Consolidated	
	01/01/2023 a 03/31/2023	01/01/2022 a 03/31/2022
Salaries and social charges	54,000	43,557
Profit sharing plan	2,537	1,798
Layoffs	254	3,392
Benefits provided by law	8,825	6,060
Additional benefits	133	79
	65,749	54,886

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 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 March 31, 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 in renewing any of the insurance policies and believes that the coverage is reasonable in terms of value and consistent with industry standards in Brazil.

29. Other relevant information

Renegotiation of tax liabilities:

Management concluded the renegotiation of all its tax liabilities with the Federal Revenue and PGFN, through the Individual Tax Transaction program established by Law 14,375/2022, whose regulatory ordinance was published on 08/01/2022.

The formalities for the signing of said transaction are in progress and the documents must be signed by the end of the second quarter of 2023.

Management estimates that after the conclusion of the agreement, there will be 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.

Board of Directors

Paulo Silvestri
Chairman of the Board of Directors

Rui Chammas
Counselor

André Luiz Helmeister
Counselor

Antonio Farina
Counselor

Paulo Alberto Zimath
Counselor

Maria Gustava Heller Brito
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

Cccountant CRC 1SP170282/O-9

Fiscal Council

Marcelo Ferreira do Nascimento
Counselor

Francisco Eduardo de Queiroz Ferreira
Counselor

Charles Dimetrius Popoff
Counselor