

Plascar Participações Industriais S.A.

2021 PRESS RELEASE

Plascar

General Informations

SHARE PRICE (31/12/21)

PLAS3 – R\$ 10.77

MARKET VALUE IN 31/12/21

R\$ 133.8 million

NUMBER OF SHARES

Common Shares: 12,425 M

ADMINISTRATIVE COUNCIL

Paulo Silvestri

Andrew C. de Araújo

Antonio Farina

Rui Chammas

Paulo Zimath

FISCAL COUNCIL

Marcelo Ferreira do Nascimento

Edson Luiz da Silva

Charles Dimetrius Popoff

IR CONTACT

Rodrigo Cartagena do Amaral

CFO and Director of Investor Relations

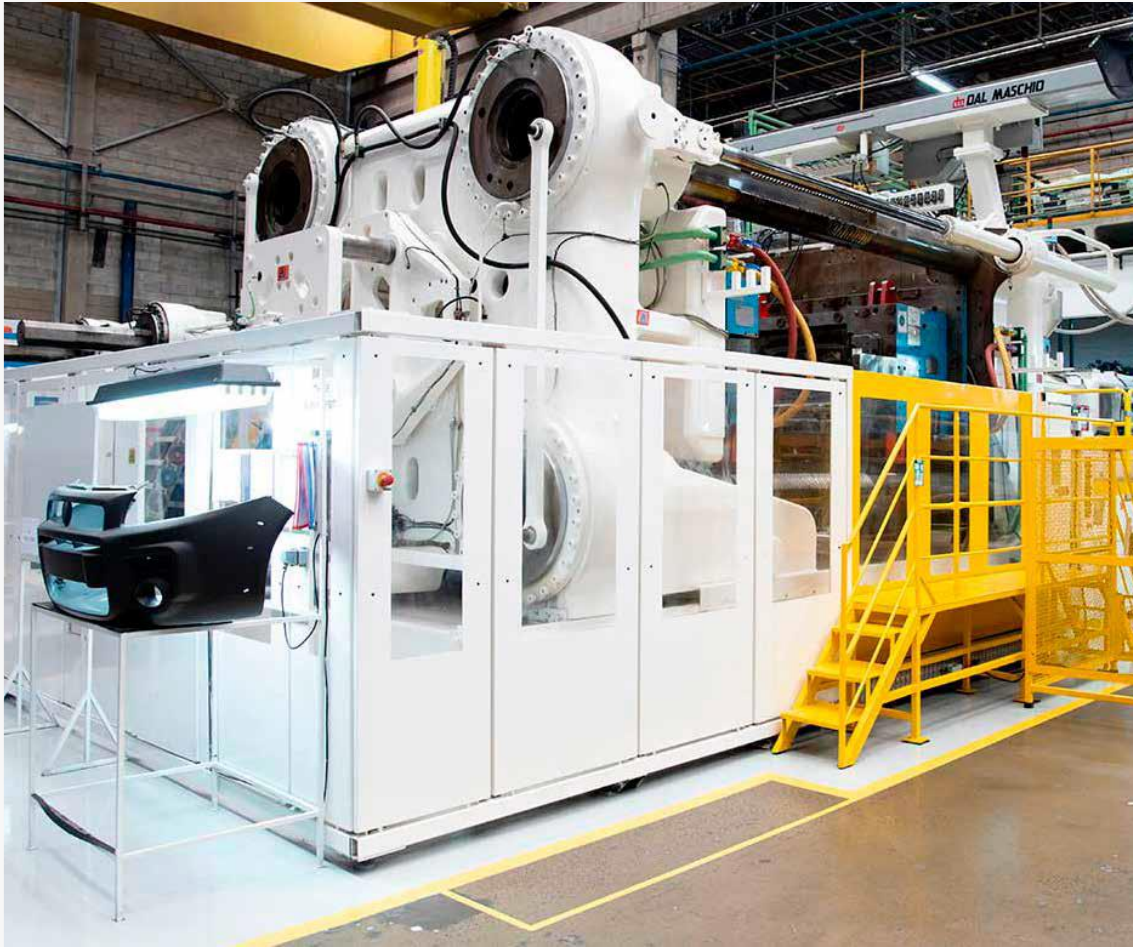
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CEP 13213-000

Plascar



Jundiaí, state of São Paulo, march 14th, 2022

Plascar Participações Industriais S.A. (Bovespa: PLAS3), operating company in the Brazilian market of parts and pieces for internal and external finishing of light and heavy motor vehicles, announces its results for 2021. The Company's operational and financial information, unless otherwise indicated, are consolidated and monetary values are expressed in Reais (BRL).

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2020 and 2021 Highlights

The **Consolidated Net Revenue** totaled **R\$ 163.9 million** in 4Q21, representing an **1.8%** increase compared to 3Q21.

The **Consolidated Net Revenue** in 2021 was **66.0%** higher than in 2020, reaching **R\$ 612.7 million**.

In 2021, **Gross Result** showed an increase of **8.9 percentage points** compared to 2020, reaching the mark of **R\$ 46.3 million** (Gross Margin of 7.6%).

Year-to-date **EBITDA** was **R\$ 17.4 million** (EBITDA margin of 2.8%), against a negative EBITDA of R\$ 22.3 million last year.

In 4Q21, EBITDA was R\$ 4.9 million, increase 3.8 percentage points compared to 3Q21.

Performance in the Period

R\$ in thousands	2021	2020	Var %
Gross Sales	757,842	452,530	67.5%
Net Revenue	612,684	369,188	66.0%
Gross Result	46,297	(4,692)	1,086.7%
Gross Margin	7.6%	(1.3%)	8.9p.p.
EBITDA	17,415	(22,277)	178.2%
EBITDA Margin %	2.8%	(6.0%)	8.8p.p.
Net Loss	(122,230)	(117,013)	-4.5%

DESEM

Elimination of non-recurring items NO PERIOD

R\$ mil	2021	2020
Impairment on tax credit (sep21)	20,629	-
Provision charges debts attorney	25,137	-
Net Loss Adjusted	(76,464)	(117,013)

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Management Comments



The year of 2021 was marked by a challenging scenario for the entire automotive sector, with a lack of semiconductors components and significant price increases of raw material, resulting from the crisis generated by COVID-19 and its consequences on the entire global supply chain.

Despite the challenging scenario, Plascar showed an important increase in volume and, consequently, in its net revenue, which reached R\$ 612,684 in 2021, an increase of 66% compared to 2020 (R\$ 369,188), driven, primarily, by the entry into production of new projects. Another factor that impacted the growth of volumes compared to 2020 was the resumption of production for the company's customers after the shutdowns resulting from COVID-19. Comparing to 3Q21, the 4Q21 maintained its growth rate and showed a improvement of 1.8% in its revenue in the compared quarters.

Despite the increase in volumes, the period brought several challenges to management. Automaker's stoppages due to the lack of raw material – mostly electronic components – required the company to spend a great deal of effort to adjust volumes and production capacity. The period also brought challenges related to rising raw material costs and the current inflationary environment. This situation has been fought by the company through an intense process of passing on prices to customers, engineering developments and the search for operational efficiency in order to mitigate the consequences of cost increases.

Regarding profitability, Plascar showed a slight improvement in its EBITDA. In the year 2021, the EBITDA was 2.8% or R\$ 17,415, Against a negative EBITDA of 6.0% or R\$ 22.277 negative. In comparison with the 4Q21, the EBITDA went from 2.3% or R\$ 3,135 in the 4Q20, to 3.0% or R\$ 4,884 in the 4Q21. This improvement in Results is mainly explained by the effect of the increase in the Company's volumes and revenues, and the consequent higher absorption of fixed costs. Compared to 3Q21, Plascar's EBITDA had a substantial recovery of 3.8 p.p. or R\$ 6,132.

The Company's net result, in turn, totaled a loss of R\$ 122,230 in 2021, eliminating the non-recurring items registered during the year, being i) R\$ 20,629 – Impairment on tax credit and ii) R\$ 25.137 – Provision charges debts attorney, which are in negotiation - installments.

The adjusted loss in 2021 totaled R\$ 76,464, while in the activities finished in December 31th, 2020, totaled a loss of R\$ 117,013. This result is still below what was expected by the Administration, since the reversal of this situation will occur through the increase in EBITDA, in future periods, through the growth of the Company's revenue resulting from the start of production of new projects, which should be sufficient to offset current depreciation and financial expense volumes.

The year 2021 was also highlighted by large investments by Plascar, the development of new projects and their respective molds caused an increase in inventories, in addition to "CAPEX" investments for equipment maintenance and the construction of a new manufacturing unit in Caçapava-SP.

2022 will still be marked by the challenges of Plascar's recovery, with the continued maintenance of production volume, start of production of new projects, recovery of margins and strengthening of cash generation. In this scenario, it is worth noting that, since the beginning of the pandemic, the Company has defined as a priority to protect the health and safety of its employees and their families, through the implementation of strict safety protocols. Such protocols were implemented in the return of production in 2020 and have been strictly maintained in order to ensure safety and health for its employees.

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About Plascar

The Company started its activities in October 1963 in Jundiaí/SP, in the Rubber Artifacts business. From 1973, it started operating in the automotive market, and in the mid-1980s, after several incorporations, the company gave a great boost to its activities, through a program of growth and modernization, which made it a leading company in the plastic parts market for the automotive sector.

On December 13th, 2018, the Company's debt restructuring was approved at the Extraordinary General Meeting. On January 31th, 2019, as the Notice to Shareholders and Material Fact disclosed to the market, there was an increase in the Company's capital stock with the payment through the use of credits held against Plascar Ltda by private subscription, in the amount of R\$ 449,483, upon issuance of 7,455,251 common shares, acquired by the company Pádua IV SA, thus concluding the Company's restructuring process.

After the completion of the Company's financial restructuring on January 31st, 2019, the shareholding control of Plascar SA became Pádua IV SA, with a 59.99% interest, which is also composed of Permali do Brasil Indústria and Comércio Ltda., with 18.44%, by Postalís Instituto de Seguridade Social dos Correios e Telegraphos with 7.12% and by other individual shareholders who jointly own 14.45%.



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Automotive Market

According to data from ANFAVEA, vehicle production in 2021 had an increase of 11.6% over the same period in 2020, totaling 2,248 million units in the country:

AUTOMOTIVE SCENARIO	SOURCE: ANFÁVEA – BRAZIL		
	2020	2021	VAR. %
VEHICLE PRODUCTION	2,014	2,248	11.6%
VEHICLE SALES	2,058	2,120	3.0%

Despite the result below expectations, the displayed volume is seen by the ANFAVEA as a scenario consistent with other markets like the united states for example, although there is a concern about the supply of components, whose imbalance that persists in the chain has affected the lines of many assemblers, which started to regularly stop production.

2022 Projections

Vehicles: Automobiles, Light Commercials, Trucks and Buses		Accomplished	Accomplished 2021		2022 Projection	
		2020	2021			
		thousand units	thousand units	Δ %	thousand units	Δ %
Licensing	Total	2,058	2,120	3.0	2,300	8.5
	Light vehicles	1,955	1,977	1.1	2,143	8.4
	Heavy vehicles	104	143	37.8	157	10.0
Exports	Total	324	376	16.0	390	3.6
	Light vehicles	307	349	13.8	361	3.3
	Heavy vehicles	17	27	55.1	29	7.7
Production	Total	2,014	2,258	11.6	2,460	9.4
	Light vehicles	1,905	2,071	8.7	2,268	9.5
	Heavy vehicles	109	178	62.5	192	8.2

according to ANFAVEA report

According to ANFAVEA, the projection for the year 2022 is a growth of 9.4% in relation to the year 2021. Despite an expressive number, it is below the average for the market.

The difficulties for 2022 begin with the shortage of electronic components, the economic scenario, the increase in the cost of inputs for the production of vehicles and the risk of aggravation of the pandemic.

It is worth noting that the production of trucks had a very expressive result in 2021, with 158.8 trucks produced. In comparison with 2020, the increase was 74.6%, and the expectation for 2022 is a growth of 8% in this segment.



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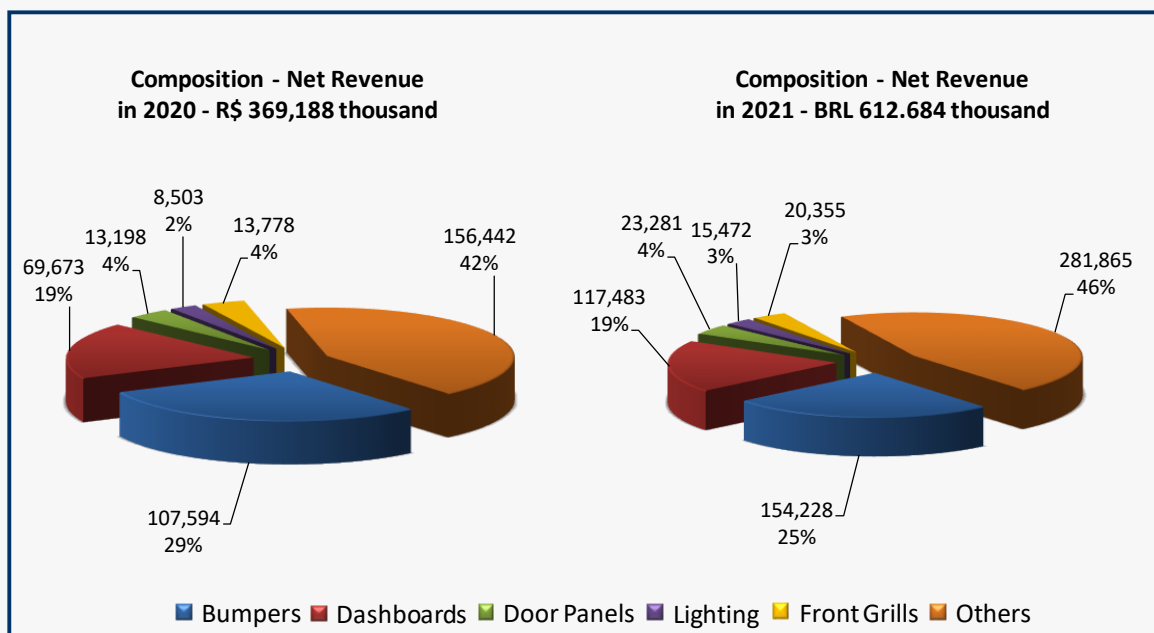
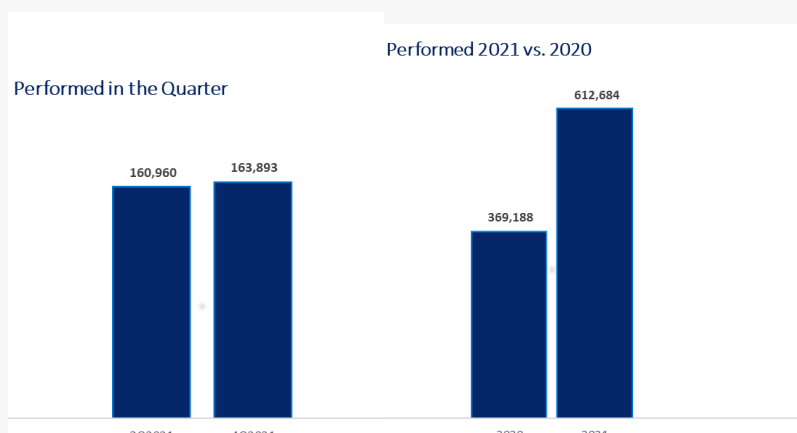
Operational and Financial Performance

Net Revenue

Plascar's Net Revenue grew 1.8% in comparison to 3Q21 and in the year to date already shows a result of 66% comparison to the same period of the previous year.

This increase in Plascar's sales is mainly due to the success of new projects started during the period, in addition to the advance in trucks and other business.

This movement is proven when analyzing the mix of products sold, where bumpers continue to be the main product sold by Plascar, representing 25% of sales, but we could observe a greater variety in the production mix, since the 5 main items sold had its share reduced from 60% to 55% of the total items sold.



Profitability

In 2021, the Company showed a significant improvement in its margins due to the inverse effect of the production stoppages of its customers in 2020 and the greater absorption of fixed costs due to the increase in revenues in 2021.

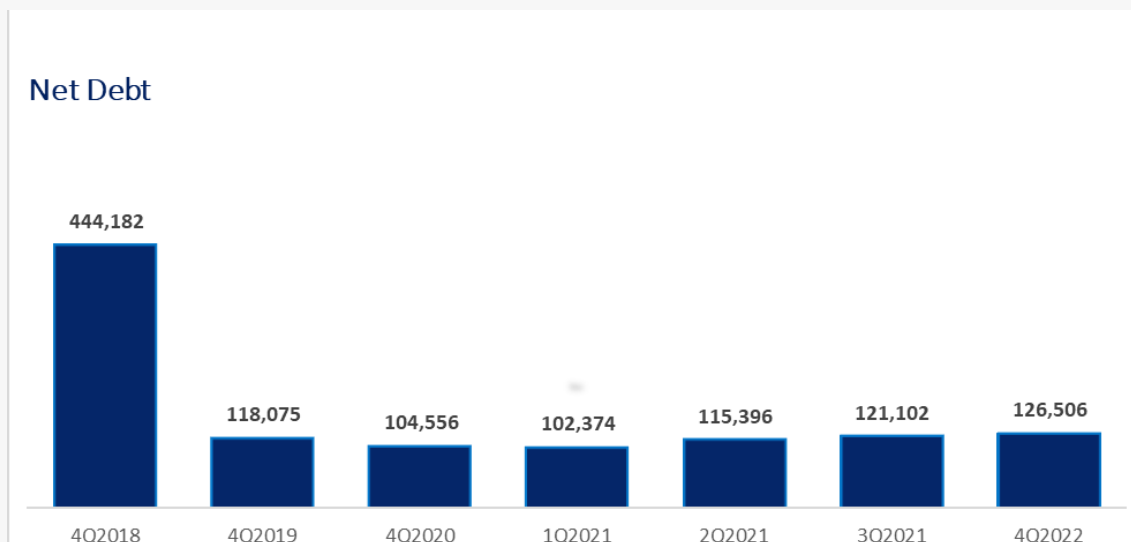
Plascar's gross result improved by R\$ 50,989, coming out of gross loss from R\$ 4,692 in 2020 to a gross profit of R\$ 46,297, with a gross margin in 7,6%, in 2021. EBITDA in 2021 totaled R\$ 17,415 positive against R\$ 22,277 negative in 2020, with margins of 2.8% and -6%, respectively. In the quarterly comparison, Plascar's EBITDA showed an increase from R\$ 1,749 compared to 3T21, reaching a result of R\$ 4,884.

The Company's net loss in 2021 was in line with that presented in 2020, totaling R\$ 122,230 in 2021, against R\$ 117,013 in 2020. Despite the increase in EBITDA, this was still not enough to offset the volumes of depreciation and current financial expenses, which ended up contributing to a result lower than expected for the period.

R\$ thousand	4Q21	4Q20	Δ%	3Q21	Δ%	2021	2020	Var %
Gross Result	17,215	8,022	114.6%	5,855	194.0%	46,297	(4,692)	1,086.7%
Gross Margin %	10.5%	5.9%	4.6p.p	3.6%	6.9p.p	7.6%	(1.3%)	8.9p.p
EBITDA	4,884	3,135	55.8%	(1,248)	291.3%	17,415	(22,277)	178.2%
EBITDA Margin %	3.0%	2.3%	0.7p.p	(0.8)%	3.8p.p	2.8%	(6.0%)	8.8p.p
Loss of the Period	(25,046)	(16,933)	47.9%	(60,671)	(41.9%)	(122,230)	(117,013)	4.5%

Net Debt

Management continues to monitor liabilities in order to adapt them to the Company's cash generation capacity. Over the years following the restructuring, certain liabilities were renegotiated, which have been kept in line with the management's low-leverage strategy



Human Resources

The Company invested in the professional development of its employees, with approximately 30.81 hours of teaching and training per employee (in the last 12 months), focused on SENAI learning courses, internships, in addition to internal training, with technical and operational development.

The Company ended December 31, 2021 with a workforce of 1,872 employees (1,728 in 2020).

Other Relevant Informations

Credit Exclusion of ICMS from the PIS/COFINS calculation basis

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 final and unappealable decision of the case occurred. In view of this, the Company began a procedure for raising amounts unduly paid as of 2005 and claiming their respective reimbursement. The Company calculated and measured the respective values reliably.

On August 19th, 2019, the Company obtained a favorable decision to use 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 taxes recoverable in the balance sheet to offset against current taxes administered by the Federal Revenue of Brazil in future periods. The principal amount of the credits, net of attorneys' success fees, was recognized as other operating income and the monetary restatement amount was recognized under financial income in the statement of income for the year.

The approval and qualification of R\$ 123,396 related to the part of said credit with the Federal Revenue of Brazil for future tax offset, occurred on January 3, 2020, and the remaining amount of 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 previously paid taxes. In the 3rd quarter of 2021, the Company revisited its financial projections for the years 2022 to 2024 and, considering the opening balance of R\$179,069, less the offsets made until the 3rd quarter of 2021 of R\$63,469 (R\$68,122 up to December 31 2021) and adding the monthly monetary restatement of the accumulated 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 2021. 2024. Accordingly, a provision (impairment) in the amount of R\$ 20,629 was recorded in the income for the year.

COVID-19 Impacts (Coronavirus)

The year 2021 saw the beginning of a recovery movement in the Brazilian vehicle market, after the global crisis caused by the effects of COVID-19. In light of this potential market recovery, the Company has already adopted some flexibility measures and the resumption of its production capacity, among which the following stand out:

- Resumption of full-time work;
- Flexibility of the home office regime;
- Resumption of third-party visits to the Company's facilities, upon prior appointment and following security protocols;
- Intensification of hygiene and health protocols to ensure the health of all employees, customers and partners of the Company.

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



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• Results Report

Income statements or the years ended December 31th, 2021 e 2020

(In thousands of Reais)

	Controller		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net operating revenue	-	-	612,684	369,188
Cost of sales	-	-	(566,387)	(373,880)
Gross profit / (loss)	-	-	46,297	(4,692)
Operating income (expenses)				
Selling expenses	-	-	(28,887)	(22,603)
General and administrative expenses	(1,808)	(1,549)	(55,883)	(52,411)
Equity pick-up	(120,487)	(115,525)	-	-
Other operating income (expenses), net	-	-	(2,383)	(3,941)
Operating expenses	(122,295)	(117,074)	(87,153)	(78,955)
Operating income before finance income (expenses)	(122,295)	(117,074)	(40,856)	(83,647)
Financial income (expenses)				
Financial expenses	(22)	(22)	(95,893)	(53,065)
Financial income	87	83	14,611	20,402
	65	61	(81,282)	(32,663)
Loss before income and social contribution taxes	(122,230)	(117,013)	(122,138)	(116,310)
Income and social contribution taxes				
Deferred	-	-	(92)	(703)
	-	-	(92)	(703)
Net loss for the period	(122,230)	(117,013)	(122,230)	(117,013)
Loss attributable to:				
Controlling shareholders	-	-	(122,230)	(117,013)
	-	-	(122,230)	(117,013)

Balance Sheet

Assets

Balance Sheet

(In thousands of Reais)

	Controladora		Consolidado	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current Assets				
Cash and cash equivalents	7,384	31,444	12,487	33,681
Trade accounts receivables	-	-	31,509	58,774
Inventories	-	-	118,357	43,008
Taxes recoverable	-	-	34,746	30,406
Other Assets	17	17	2,836	2,414
Total current assets	7,401	31,461	199,935	168,283
Non Current Assets	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Taxes recoverable	-	-	88,959	126,601
Judicial deposits	-	-	2,317	4,103
Other Assets	-	-	150	158
Investment property			8,362	8,452
Property, plant and equipment in operation	7	7	303,338	275,848
Right-of-use assets			15,604	21,672
Total noncurrent assets	7	7	418,730	436,834
Total Assets	7,408	31,468	618,665	605,117

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Balance Sheet

Liabilities

Balance Sheet

(In thousands of Reais)

	Controller		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current Liabilities				
Loans and financing	-	-	51,531	19,864
Lease Liabilities	-	-	1,546	23,175
Trade accounts payables	-	-	72,830	36,886
Taxes payable	27	32	78,896	46,848
Payroll, vacations and social charges payable	-	-	160,757	101,168
Advance from customers	-	-	51,608	15,184
Other Liabilities	-	-	40,265	30,919
Total current liabilities	27	32	457,433	274,044
Noncurrent Liabilities	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loans and financing	-	-	87,462	118,373
Lease liabilities	-	-	53,988	22,377
Related parties	22,148	44,460	8,132	7,450
Payroll, vacations and social charges payable	-	-	9,265	10,366
Taxes payable	-	-	94,333	110,592
Deferred income and social contribution taxes	-	-	19,297	19,205
Contingencies	-	-	6,502	11,550
Provision for capital deficiency	296,679	176,192	-	-
Other accounts payable	-	-	193,699	220,376
Total Noncurrent liabilities	318,827	220,652	472,678	520,289
	318,854	220,684	930,111	794,333
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	321	335	321	335
Accumulated losses	(1,243,222)	(1,121,006)	(1,243,222)	(1,121,006)
Attributed to the participation of controllers	(311,446)	(189,216)	(311,446)	(189,216)
Total Equity	(311,446)	(189,216)	(311,446)	(189,216)
Total liabilities and equity	7,408	31,468	618,665	605,117

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Cash Flow Statement

Statements of cash flows for the year ended December 31th ,2021 e 2020

(In thousands of Reais)

Cash flows from operational activities	Controller		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net loss for the year before income tax and social contribution	(122,230)	(117,013)	(122,138)	(116,310)
Adjustments to reconcile net income to cash from (used in) operational activities:				
Depreciation	-	-	34,983	37,774
Amortization	-	-	23,122	23,443
Interest and monetary variation, net	-	-	89,149	45,346
Provision for legal claims	-	-	6,061	11,052
Provision for adjustment of inventories at market value and obsolescence	-	-	23	47
Constitution (reduction) of provision for doubtful claims	-	-	984	1,747
Others	-	-	182	160
Equity pick-up	120,487	115,525	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	26,282	(34,461)
Inventories	-	-	(75,372)	1,384
Taxes to recover	-	-	12,673	27,794
Judicial deposits	-	-	1,786	689
Other asset accounts, net	-	-	(325)	25
Suppliers	-	-	35,779	14,044
Obligations with staff and social charges	-	-	47,218	31,589
Advances of customers	-	-	30,521	(8,456)
Taxes, contributions and installments to be collected	(5)	(3)	(6,136)	(17,082)
Provision for legal claims (payments)	-	-	(11,109)	(6,897)
Other accounts payable	-	-	(24,197)	23,957
Interest paid	-	-	(17,352)	(12,028)
Net cash from (applied in) operating activities	(1,748)	(1,491)	52,134	23,817
Cash flows from investing activities				
Acquisitions of fixed assets and intangible assets	-	-	(62,655)	(6,589)
Net cash used in investing activities	-	-	(62,655)	(6,589)
Cash flows from financing activities				
Borrowings	-	-	19,699	21,547
Payment of loans and financing (main)	-	-	(31,054)	(23,767)
Net increase in loans receivable from related parties	(22,312)	32,906	682	1,290
Net cash (used in) financing activities	(22,312)	32,906	(10,673)	(930)
(Reduction)/Increase in cash and cash equivalents	(24,060)	31,415	(21,194)	16,298
Cash and cash equivalents at the beginning of the period	31,444	29	33,681	17,383
Cash and cash equivalents at the end of the period	7,384	31,444	12,487	33,681
(Reduction)/Increase in cash and cash equivalents	(24,060)	31,415	(21,194)	16,298

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