MARCOPOLO S/A

CNPJ Nº 88.611.835/0001-29

CVM – 00845-1 / NIRE 43300007235

FINANCIAL STATEMENTS 2023

Independent auditors' report on the individual and consolidated financial statements

(A free translation of the original in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board - IASB)

To the Board of Directors and Shareholders of

Marcopolo S.A.

Caxias do Sul - RS

Opinion

We have audited the individual and consolidated financial statements of Marcopolo S.A. ("the Company"), referred to as parent company and consolidated, respectively, which comprise the balance sheet as of December 31, 2023, and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Marcopolo S.A. as of December 31, 2023, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the individual and consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements included in the Accountants Professional Code of Ethics ("Código de Ética Prossional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade"), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion on those individual and consolidated financial statements, and, therefore, we do not express a separate opinion on these matters.

Revenue recognition	
See Note 2.21(a) and 26 of the individual and consolidated financial statements	
Key audit matter	**How the matter was addressed in our audit**
As mentioned in Note 2.21(a), the Company recognizes its revenues when the performance obligation is satisfied and has objective evidences that all acceptance criteria have been met. Considering the volume of transactions involved, we focus our work on revenue recognition, as significant amount of sales are made and, due to the logistics of customer delivery, there may be a time interval between the issuance of the sales invoices of the products and the effective period of the transfer of control of the products sold to the Company's customers. The eventual revenue recognition, arising from units billed but not delivered by December 31, 2023, was considered as a key audit matter.	In this context, our audit procedures included, among others: the understanding of sales workflows, testing of design and implementation of revenue recognition control, evaluating the terms and responsibilities established for the transactions. On a sample basis, we carry out the inspection of the respective contracts, sales orders, invoices, subsequent proof of financial receipt and proof of delivery of the products sold. We performed procedures specifically for the period of revenue cut off, checking the recognition of revenue with the evidences of the effective product delivery. ▪ Assessment whether disclosures in the individual and consolidated financial statements consider relevant information. Based on the audit procedures summarized above, we considered acceptable the revenue recognition of the Company in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2023.

Impairment of goodwill	
See Note 2.6.5(d) and 14 of the individual and consolidated financial statements	
Key audit matter	**How the matter was addressed in our audit**
For impairment of goodwill, the Company identifies its different cash generating units ("CGUs") from those acquired in the respective countries, estimates the recoverable value of each CGU using a cash flow projected for each CGU and compares it with their booked amounts. The assessment and need to recognize a provision for impairment is supported by estimates of future profitability according to the business plan and budget prepared by the Company and approved by those charged with governance.	Our audit procedures included, among others: ▪ Understanding on the preparation and review of technical studies and analyses of the impairment provided by the Company; ▪ With the support of our corporate finance specialists, we evaluate significant assumptions and judgments in determining estimates of future cash flows, including volume of sales, operating costs and discount rates; and

Due to the level of complexity and subjectivity inherent in estimating future cash flows discounted at present value, and the impact that possible changes in assumptions such as discount rates and growth in sales over the forecast period and the perpetuity period, as well as the materiality of the balance, particularly in the CGU located in Argentina, we consider this to be a key audit matter.	▪ Analysis of disclosures made by the Company in the individual and consolidated financial statements. Based on the evidence obtained through the above procedures, we consider the measurement of impairment of goodwill is acceptable, in the context of the consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the financial statements and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all relevant respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditors' report

Management is responsible for this other information that includes the Management's Report.

Our opinion of the individual and consolidated financial statements does not cover the Management's Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management's report and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement in the Management's report, we are required to report on that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiaries' financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect possible existing material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Porto Alegre, February 26, 2024

KPMG Auditores Independentes Ltda.
CRC SP-014428/F-7

(Original report in Portuguese signed by)
Luis Claudio de Oliveira Guerreiro
Accountant CRC RJ-093679/O-1

MARCOPOLO S.A.
CNPJ no. 88.611.835/0001-29
Public Company
NIRE No.43 3 0000723 5

DECLARATION

André Vidal Armaganijan, Director (CEO), and José Antonio Valiati, Director Investor Relations of MARCOPOLO S.A., a company headquartered at Avenida Marcopolo, 280, Planalto District, in the city of Caxias do Sul, RS, registered with the CNPJ under No. 88.611.835/0001-29, pursuant to the provisions of items V and VI of Paragraph 1 of Article 27 of CVM Resolution No. 80, of 03.29.2022, declare that:

a) Reviewed, discussed and agree with the opinions expressed in the independent auditor's report of KPMG – Independent Auditors, regarding the Financial Statements for the financial year ended December 31, 2023; and
b) Reviewed, discussed and agreed with the Financial Statements of Marcopolo S.A. for the year ended December 31, 2023.

Caxias do Sul, February 26, 2024

André Vidal Armaganijan
Director (CEO)

Jose Antonio Valiati
Director of Investor Relations

MARCOPOLO S.A.
CNPJ No. 88.611.835/0001-29
NIRE No. 43 3 0000723 5
Publicly-Held Company

REPORT FROM THE AUDIT AND RISK COMMITTEE

Marcopolo S.A.'s Audit and Risk Committee (the Committee) hereby declares that, throughout 2023, bimonthly meetings were held in accordance with the Company's schedule of annual meetings in order to analyze matters falling within its scope of competence according to the Committee's internal regulations. The meetings were held in a hybrid manner (face-to-face and virtual), with the Committee's performance during the year focused on the following activities:

Governance, Risks, Compliance:

- Discussion of topics relevant to the organization's risks, such as: provisions for contingencies, insurance coverage against equity, financial position and default, position of tax credits and debts, regulatory changes that impact the company, inflation of costs related to the product, General Data Protection Law, among others.
- Monitoring of the Company's Compliance program;
- Evaluation of the internal control system and risk management based on the meetings and information provided.

Internal Audit:

- Evaluation of the scope and planning of the internal audit work for the year.
- Monitoring the execution of the work and discussion of the final reports issued, containing the shortcomings and recommendations identified.

Independent Audit:

- Knowledge of the Financial Statements and monitoring of the work performed under independent auditing;
- Evaluation of the report of recommendations for the improvement of internal controls, as well as the respective action plans of the responsible areas for the remediation of the points.

CONCLUSION:
Considering the existing internal control system, the adequacy of the Compliance program, the scope, depth and quality of the work carried out by the auditors - independent and internal - as well as the unqualified content of the preliminary opinion of the independent auditors, the Committee expresses that it is in agreement with the financial statements for the year ended December 31, 2023, understanding that they can be assessed by the Board of Directors, in the form presented.

Caxias do Sul, February 26, 2024.

Henrique Bredda
Coordinator of the Audit and Risk Committee

"REPORT BY THE FISCAL COUNCIL"

"The Fiscal Council of Marcopolo S.A., in compliance with the legal and statutory provisions, in accordance with article 163 of Law 6404/76 and subsequent amendments, has examined the management report and financial statements for the year ended December 31, 2023. Based on the examinations carried out, considering also the unqualified report of KPMG - Independent Auditors, dated 02.26.2024, as well as the information and clarifications received during the financial year, they unanimously believe that the said documents are in a position to be considered by the Ordinary General Meeting of Shareholders".

Caxias do Sul, February 26, 2024.

Francisco Sérgio Quintana da Rosa President	William Cordeiro	Cristiano Machado Costa

RESULTS OF THE 2023 FINANCIAL YEAR - Management Report

Dear Shareholders:

The Management of Marcopolo S.A. ("Marcopolo" or the"Company") hereby submits to your appreciation the Management Report and Financial Statements for the year ended December 31, 2023, together with the report of the independent auditors and opinions of the Audit Committee and the Audit and Risk Committee.

The financial statements are presented in accordance with accounting practices adopted in Brazil and with IFRS – *International Financial Reporting Standards*, established by the IASB - *International Accounting Standards Board.*

1. OPERATIONAL CONTEXT

Marcopolo is a publicly held joint stock corporation, based in Caxias do Sul, Rio Grande do Sul, founded on August 6, 1949, and its main object is the manufacture and sale of buses, bus bodies and components.

The product line covers a wide variety of models, consisting of the road, urban and micro bus groups, as well as the Volare micro bus family (complete bus, with chassis and body) and electric buses. The Company is also qualified to produce vehicles for collective transport of people on rails.

Bus manufacturing is carried out in eleven manufacturing units, three located in Brazil (two units in Caxias do Sul – RS and one in São Mateus – ES), and eight abroad, one in South Africa, three in Australia, one in China, one in Mexico, one in Argentina and one in Colombia.

Marcopolo also holds a 40% stake in Valeo (air conditioning and air conditioning), 30% in WSul (foams for seats) and 8.1% in the Canadian company NFI Group Inc. (“NFI”).

Marcopolo also holds full control of Banco Moneo S.A., established to support the financing of the Company's products, and Apolo Tecnologia em Polímeros, which has as its object solutions in plastics.

2. PERFORMANCE INDICATORS

The table below lists some indicators of relevance for the management and analysis of the Company's performance in 2023.

CONSOLIDATED DATA

(R$ in millions and percentage variation, unless otherwise indicated)

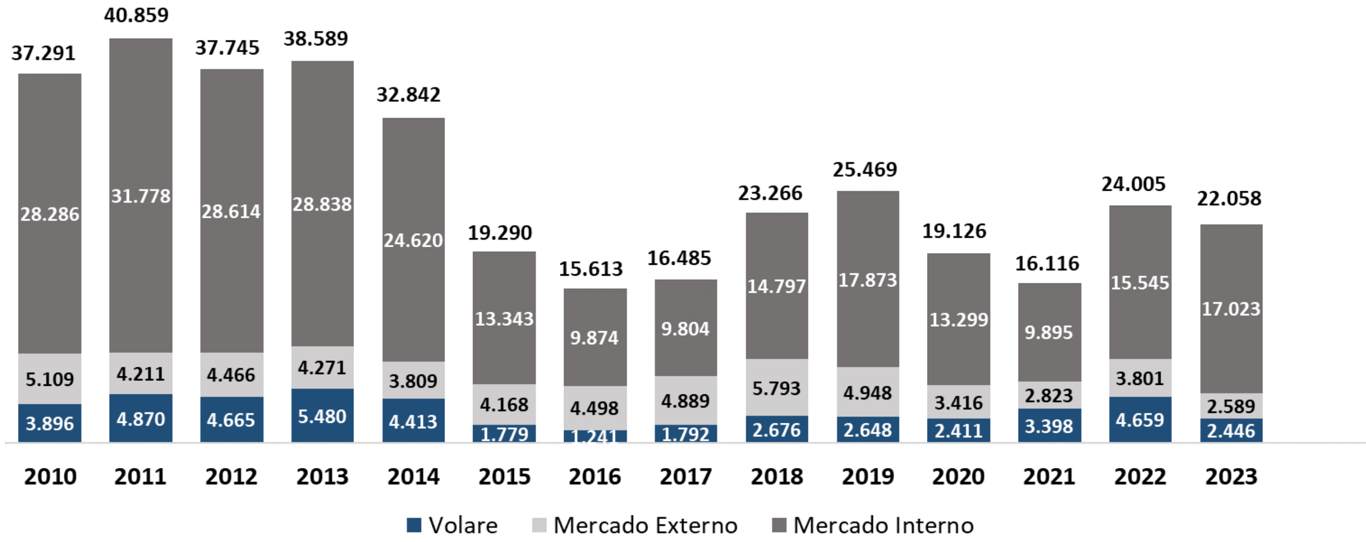
Operating Performance	2023	2022	Var. %
Net operating revenue	6,683.2	5,415.6	23.4
Revenues in Brazil	4,019.7	3,179.2	26.4
Export revenue from Brazil	830.1	1,018.6	-18.5
Revenue Abroad	1,833.4	1,217.8	50.5
Gross Profit	1,538.6	829.5	85.5
EBITDA [1]	946.9	385.6	145.6
Net Income	810.8	436.8	85.6
Profit per share in R$	0.861	0.464	85.4
Return on Invested Capital - ROIC (2)	16.4%	5.2%	11.2 pp
Return on Equity - ROE (3)	25.6%	15.0%	10.6 pp
Investments	154.0	97.4	58.0
Shareholders' Equity	3,545.7	3,162.4	12.1
Financial Position: Industrial Segment			
Cash, Cash Equivalents and Financial Investments[4]	1,556.1	1,185.4	31.3
Short-term financial liabilities	-482.6	-564.9	14.6
Long-term financial liabilities	-1,195.1	-1,268.8	5.8
Net Financial Liabilities	-121.5	-648.2	81.3
Financial Position: Industrial and Financial Segments			
Cash, Cash Equivalents and Financial Investments	1,605.7	1,241.9	29.3
Short-term financial liabilities	-721.2	-750.7	3.9
Long-term financial liabilities	-1,699.1	-1,618.3	-5.0
Net Financial Liabilities	-814.5	-1,127.1	27.7
Margins			
Gross Margin	23.0%	15.3%	7.7 pp
EBITDA Margin	14.2%	7.1%	7.1 pp
Net Margin	12.1%	8.1%	4.0 pp

Notes: [1] *EBITDA* = Profit before interest, taxes, depreciation and amortizations; [2] *ROIC* (*Return on Invested Capital*) = (Nopat of the last 12 months) / (customers + inventories + other accounts receivable + investments + fixed assets + intangible assets - suppliers - other accounts payable). The effects of Banco Moneo on the basis of assets and liabilities were excluded from the calculation. [3] *ROE* (*Return on Equity*) = Net Income of the last 12 months /Initial Shareholders' Equity; pp = percentage points.

3. PERFORMANCE OF THE BUS SECTOR IN BRAZIL

Brazilian bus production reached 22,058 units in 2023, 8.1% lower than the 24,005 units produced in 2022. Demand in the domestic market reached 17,023 units, 9.5% higher than in 2022 (15,545), while production destined for the foreign market was 2,589 units, a drop of 31.9% in relation to exports from the previous year (3,801). In the Volare segment, production was 2,446 units in 2023, a reduction of 47.5% compared to 4,659 units produced in 2022.

The following graph shows the evolution of the last years of Brazilian bus production:



BRAZILIAN BUS PRODUCTION - TOTAL (in units)

PRODUCTS	2023			2022			Var.
	MI	ME [1]	TOTAL	MI	ME [1]	TOTAL	%
Roadways	3,735	1,956	**5,691**	3,211	1,735	**4,946**	15.1%
Urban	10,065	451	**10,516**	8,040	1,795	**9,835**	6.9%
Mini	3,223	182	**3,405**	4,294	271	**4,565**	-25.4%
Volares	2,277	169	**2,446**	4,491	168	**4,659**	-47.5%
TOTAL	**19,300**	**2,758**	**22,058**	**20,036**	**3,969**	**24,005**	**-8.1%**

Sources: FABUS (National Association of Bus Manufacturers) and Marcopolo.
Notes: [1] Includes units exported in KD (disassembled).

4. MARCOPOLO PERFORMANCE

The Brazilian bus market was marked by inconstancy in 2023, from the transition of motorization from Euro 5 to Euro 6 and the absence of relevant volumes associated with the Caminho da Escola program, with substantial drops in the volumes of the micro and Volares segments. In international operations, volumes varied based on the strategy adopted by the Company for each of the markets, while in exports the lack of relevant packages in South America and Africa led to a drop in sales.

Even with a drop in deliveries, the Company achieved healthy results based on the recovery of the sales *mix*, with higher value-added vehicles gaining representativeness, and gradual improvement in the performance of its international operations.

The beginning of 2023 concentrated deliveries generated by anticipated demand in the context of the motorization transition. The higher cost of the Euro 6 standard chassis compared to the Euro 5 model increased sales at the end of 2022, reflecting the bus bodywork over the first three months of 2023. As of April, the Company observed the negative compensation of volumes in all segments, with an additional drop due to the postponement of the bidding for the Caminho da Escola program. The bus market gained traction again at the end of 3Q23, with the bus and coach segment showing an evolution based on higher passenger demand, maintaining a more intense pace until the end of the year.

Despite the drop in volumes, the Company preserved its labor levels in anticipation of the completion of phase 12 of the Caminho da Escola bidding process. The postponement of the bidding process ended up generating inefficiencies, especially during 2Q23 and 3Q23. However, it was not necessary to carry out collective vacations or lay-offs in 2023, with the Company taking advantage of periods of lower demand to carry out operational training.

The road market was the highlight of the year, with volume growth and consolidation of the G8 family of models. The charter sector surprised positively, maintaining representative volumes even after the strong demand of 2020 and 2021. Urban production also stood out in products with higher added value, with growth in articulated models. The application of new technologies and optional components, such as air conditioning, USB and Wi-Fi connections, have raised the demand of the segment as a whole. The micro and Volares segment was particularly affected by the postponement of the Caminho da Escola bidding, showing a strong decline in the annual comparison. The Volare business division remained the leader within the micro brands in Brazil.

On March 30, 2023, Marcopolo made changes in its corporate governance, as announced in March 2022, with changes related to the Board of Directors, and succession of the positions of Chairman of the Board of Directors, Chief Controllership and Finance Officer (CFO) and Chief Executive Officer (CEO).

On June 30, 2023, the Company informed the market about the merger of its subsidiary Ciferal Indústria de Ônibus Ltda. by Marcopolo S.A. The industrial plant known as Neobus/Ciferal, located in Caxias do Sul, RS, adopted a new name as a subsidiary, now called the São Cristóvão unit.

4.1 Units recorded in Net Revenue

In 2023, 13,304 units were recorded in net revenue, 9,742 of which were registered in Brazil (73.2% of the total), 1,300 exported from Brazil (9.8% of the total) and 2,262 produced and sold abroad (17.0% of the total), as shown in the following table:

OPERATIONS (in units)	2023	2022	Var. %
BRAZIL:			
- Domestic Market	9,742	10,161	-4.1%
- Foreign Market	1,371	2,027	-32.4%
SUBTOTAL	**11,113**	**12,188**	**-8.8%**
Exported KD eliminations (1)	71	97	-26.8%
TOTAL IN BRAZIL	**11,042**	**12,091**	**-8.7%**
FOREIGN:			
- South Africa	362	268	35.1%
- Australia	407	328	24.1%
- China	95	99	-4.0%
- Mexico	981	677	44.9%
- Argentina	417	691	-39.7%
TOTAL ABROAD	**2,262**	**2,063**	**9.6%**
GRAND TOTAL	**13,304**	**14,154**	**-6.0%**

Notes: (1) KD (Knock Down) =Partially or fully disassembled bodies.

4.2 Production

In 2023, Marcopolo's consolidated production totaled 13,035 units, 11.5% lower than the 14,725 units manufactured in 2022. Of this total, 83.0% was produced in Brazil and the remaining 17.0% overseas. Data on Marcopolo's global production is presented in the tables below:

MARCOPOLO - CONSOLIDATED WORLD PRODUCTION

OPERATIONS (in units)	2023	2022	Var. %
BRAZIL: (1)			
- Domestic Market	9,499	10,727	-11.4%
- Foreign Market	1,397	2,117	-34.0%
SUBTOTAL	**10,896**	**12,844**	**-15.2%**
Exported KD eliminations (2)	71	97	-26.8%
TOTAL IN BRAZIL	**10,825**	**12,747**	**-15.1%**
FOREIGN:			
- South Africa	360	237	51.9%
- Australia	407	325	25.2%
- China	116	102	13.7%
- Mexico	978	672	45.5%
- Argentina	349	642	-45.6%
TOTAL ABROAD	**2,210**	**1,978**	**11.7%**
GRAND TOTAL	**13,035**	**14,725**	**-11.5%**

Notes: (1) Includes the production of the Volare model; (2) KD (Knock Down) = Bodywork partially or totally disassembled.

MARCOPOLO – CONSOLIDATED WORLD PRODUCTION BY MODEL

PRODUCTS/MARKETS [2]	2023			2022		
(in units)	MI	ME [1]	TOTAL	MI	ME [1]	TOTAL
Roadways	2,171	1,419	**3,590**	1,387	1,133	**2,520**
Urban	3,793	1,849	**5,642**	4,079	2,586	**6,665**
Mini	1,258	146	**1,404**	770	208	**978**
SUBTOTAL	**7,222**	**3,414**	**10,636**	**6,236**	**3,927**	**10,163**
Volares [3]	2,277	193	**2,470**	4,491	168	**4,659**
TOTAL PRODUCTION	**9,499**	**3,607**	**13,106**	**10,727**	**4,095**	**14,822**

Notes: MI = Domestic Market; ME = Foreign Market; [1] The production of Volares is not part of SIMEFRE AND FABUS data, or the production of the sector. [2] The total ME production includes the units exported in KD (partially or totally disassembled bodies).

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS [2]	2023			2022		
(in units)	MI	ME [1]	TOTAL	MI	ME [1]	TOTAL
Roadways	2,171	931	**3,102**	1,387	826	**2,213**
Urban	3,793	151	**3,944**	4,079	915	**4,994**
Mini	1,258	146	**1,404**	770	208	**978**
SUBTOTAL	**7,222**	**1,228**	**8,450**	**6,236**	**1,949**	**8,185**
Volares [3]	2,277	169	**2,446**	4,491	168	**4,659**
TOTAL PRODUCTION	**9,499**	**1,397**	**10,896**	**10,727**	**2,117**	**12,844**

Note: See notes in the Consolidated World Production by Model table.

4.3 Market Share

Marcopolo maintained its leadership in the bus body market, ending the year with a 49.3% share. During the year, the decline in market share is explained by the absence of relevant deliveries for the Caminho da Escola program as of 2Q23, which negatively affected the contribution of the urban segment. The growth of 9.4 pp in the market share of the road segment is the highlight of 2023, with the strengthening of the G8 model family.

The table below highlights Marcopolo's market share in Brazilian production per product line:

PARTICIPATION IN BRAZILIAN PRODUCTION (%)

PRODUCTS [1]	2019	2020	2021	2022	2023
Roadways	67.9	48.2	49.6	44.7	54.1
Urban	39.6	54.4	42.1	50.8	37.4
Micros and Volares	75.6	72.4	77.3	61.1	65.8
TOTAL	**55.1**	**58.7**	**56.9**	**53.5**	**49.3**

Source: FABUS and Marcopolo.

Note: [1] The Volare models were computed as micro buses for market share purposes.

5. CONSOLIDATED NET REVENUE

The consolidated net revenue reached R$ 6,683.2 million in 2023, 23.4% higher than the R$ 5,415.6 million in 2022. The higher revenue, even with the retraction of volumes delivered, reflects the better sales mix in the road and urban segments, with a gain in representativeness of products with higher added value.

International operations also brought a significant increase in revenue, with volume growth in Mexico, Australia and South Africa, and an increase in average prices, especially associated with higher inflation, in Argentina.

Sales to the domestic market generated revenues of R$ 4,019.7 million or 60.1% of total net revenues (58.7% in 2022). Exports, added to business overseas, reached revenues of R$ 2,663.5 million or 39.9% of the total (41.3% in 2022).

Of the total consolidated net revenue in 2023, 74.5% came from body sales (67.1% in 2022), 19.0% from Volares sales (25.3% in 2022) and 6.5% from parts, Banco Moneo and chassis revenues (7.6% in 2022).

The revenues by product and destination market are presented in the table below:

TOTAL CONSOLIDATED NET REVENUE BY PRODUCTS AND MARKETS (R$ million)

PRODUCTS/MARKETS [1]	2023			2022		
	MI	ME	TOTAL	MI	ME	TOTAL
Roadways	1,141.5	1,394.0	**2535.5**	661.3	800.8	**1462.1**
Urban	1,144.8	990.9	**2135.7**	786.5	1,193.0	**1979.5**
Mini	267.1	38.8	**306.0**	146.5	45.9	**192.5**
Bodies subtotal	**2553.5**	**2423.7**	**4977.2**	**1594.3**	**2039.7**	**3634.0**
Volares [2]	1,201.9	66.4	**1268.3**	1,311.6	59.5	**1371.1**
Chassis	14.1	36.0	**50.1**	94.9	38.9	**133.8**
Bank Moneo	144.1	0.0	**144.1**	103.2	0.0	**103.2**
Parts and Others	106.1	137.4	**243.5**	75.2	98.3	**173.5**
GRAND TOTAL	**4,019.7**	**2,663.5**	**6,683.2**	**3,179.2**	**2,236.4**	**5,415.6**

Notes: [1] MI = Domestic Market; ME = Foreign Market; [2] Volares revenue includes chassis.

6. GROSS INCOME AND MARGINS

In 2023, gross profit totaled R$ 1,538.6 million, representing 23.0% of net revenue (R$ 829.5 million or 15.3% of net revenue in 2022).

The increase in gross margin reflects the evolution of the sales *mix* with an increase in volumes of products with higher added value, recovery of margins through the transfer of costs and greater operational leverage. International operations also showed an evolution of gross income and gross margin, contributing to the consolidated result.

7. SELLING EXPENSES

Sales expenses amounted to R$ 333.1 million in 2023, or 5.0% of net revenues, against R$ 231.3 million, or 4.3% of revenues, in 2022. The increase in commercial expenses in absolute terms reflects the commissioning on sales made by the Company.

The line of selling expenses was negatively and non-recurringly affected in 4Q23 by the constitution of a provision for doubtful accounts, in the amount of R$ 16.2 million, associated with delays in payment by municipalities under the Caminho da Escola program. Although the chance of effective default is remote, the recovery of the amounts may take a long time, which generates the need for the provision.

8. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R$ 305.7 million in 2023 and R$ 243.2 million in 2022, representing 4.6% and 4.4% of net revenues, respectively.

9. OTHER OPERATING REVENUE/EXPENSES

In 2023, R$ 60.6 million were accounted for as “Other Operating Expenses” against R$ 47.7 million as “Other Operating Expenses” in 2022.

The main negative impact recorded as "Other Operating Expenses" refers to the constitution of labor provisions related to terminations made during the pandemic period, in the total amount of R$ 47.1 million. The Company continues to work on the measures necessary for its defense, reduction of losses and mitigation of future labor risks.

The Company recognized, in 2Q23, a non-recurring effect of R$ 9.3 million as "Other Operating Revenues", arising from the advantageous purchase of NFI shares in a capital increase process carried out by the Canadian affiliated company. The difference between the amount paid for the shares by the Company and the quotation at the time of subscription makes up the amount recognized.

10. EQUITY IN EARNINGS RESULT

The equity method result in 2023 was negative by R$ 38.6 million, against negative R$ 41.5 million in 2022.

The main negative impact refers to the result of the operation of the Canadian NFI, penalizing the equity method by R$ 54.5 million against R$ 60.3 million also negative in 2022.

The other affiliated operations helped partially offset the losses calculated in the NFI, with emphasis on the operation of the Colombian affiliate Superpolo, which contributed R$ 11.3 million to the equity method.

The equity method benefited on a non-recurring basis by R$ 17.0 million, associated with the realization of the positive exchange variation accumulated in comprehensive income through the dissolution of subsidiary Marcopolo Canada, recognized in 1Q23.

The result of the equity equivalence is presented in detail in Note 11 to the Financial Statements.

11. NET FINANCIAL RESULT

The net financial result of 2023 was positive by R$ 65.0 million, against a positive result of R$ 147.5 million in 2022.

In 4Q23, the financial result suffered a non-recurring negative impact, in the amount of R$ 49.0 million arising from the hyperinflation and exchange rate devaluation of the Argentine Peso against the US Dollar in intercompany debts contracted in dollars from Argentine operations. Due to limitations imposed by Argentina both for remittance of capital between companies of the same group and for payment of suppliers located outside Argentina, the subsidiary maintains dollar-denominated obligations with the Company.

In 2023, the financial result benefited from the exchange rate variation generated by the appreciation of the Real against the US Dollar on the dollar order portfolio. The Company performs the export exchange hedge at the time of confirmation of sales orders, ensuring the business margin. As the products are delivered and invoiced, the Company captures the effects of the appreciation or devaluation of the Real on its operating margins or financial result, as happened in the 2023 aggregate result.

In 2022, the financial result had benefited on a non-recurring basis by R$ 81.2 million in relation to the financial effect of contributions made in the form of loans in favor of the Argentine subsidiary Metalsur. The amount of USD 14.0 million was used to meet dollar obligations recorded at the official exchange rate, especially associated with the maintenance of the business, such as suppliers and employees. The differences between the exchange of hospitalization of resources and the payment of obligations generated financial gains translated by the aforementioned amount.

The opening of the financial statements is presented in detail in Note 32 to the Financial Statements.

12. EBITDA

The EBITDA reached R$ 946.9 million in 2023, with a margin of 14.2%, against R$ 385.6 million and a margin of 7.1% in 2022.

The EBITDA was positively affected by the evolution of the sales mix with an increase in volumes of products with higher added value, recovery of margins in international operations and greater operating leverage. On a non-recurring basis, EBITDA was benefited by R$ 17.0 million, associated with the realization of the positive exchange variation accumulated in comprehensive income through the dissolution of subsidiary Marcopolo Canada, as well as by R$ 9.3 million, arising from the advantageous purchase of NFI's shares.

EBITDA was negatively impacted by R$ 54.5 million from the results of the Canadian subsidiary NFI and R$ 47.1 million from labor provisions. In addition, EBITDA was affected on a non-recurring basis in 4Q23 by the constitution of a provision for doubtful accounts, in the amount of R$ 16.2 million associated with the Caminho da Escola program.

The table below highlights the accounts that make up *EBITDA:*

R$ million	2023	2022
Result before IR and CS	865.5	413.3
Financial Revenues	-722.2	-657.7
Financial Expenses	657.2	510.2
Depreciation / Amortization	146.4	119.8
EBITDA	**946.9**	**385.6**

13. NET INCOME

Net income for 2023 reached R$ 810.8 million, with a net margin of 12.1%, against R$ 436.8 million and a net margin of 8.1% in 2022. The increase in results compared to 2022 is a reflection of the factors detailed in EBITDA and financial results. The result represents a historical record, achieved in a year of shrinking volumes and still negative influence of international operations on the consolidated, demonstrating the Company's resilience and strengthening.

14. FINANCIAL INDEBTEDNESS

Net financial indebtedness totaled R$ 814.2 million on 12.31.2023 (R$ 1,127.1 million on 12.31.2022). Of this total, R$ 693.0 million came from the financial segment (Banco Moneo) and R$ 121.2 million from the industrial segment.

It should be noted that the indebtedness of the financial segment comes from the consolidation of Banco Moneo's activities and must be analyzed separately, since it has characteristics different from that of the Company's industrial activities. Banco Moneo's financial liabilities are offset by the “Customers” account in the Bank's Assets. Credit risk is properly provisioned. Since these are FINAME onlendings, each disbursement from BNDES has an exact counterpart in Banco Moneo's receivables account, both in term and fixed rate. See Note 31 to the Financial Statements.

On December 31, the net financial debt of the industrial segment represented 0.1 times EBITDA for the last 12 months.

15. CASH GENERATION

In 2023, operating activities generated resources of R$ 1061.1 million. Investment activities, less dividends received from affiliated companies, demanded R$ 233.4 million, while financing activities consumed R$ 425.9 million.

As a result, the initial cash balance of R$ 1,241.9 million, considering unavailable financial investments and deducting R$ 38.1 million related to the difference between the exchange rate variation and the variation in the accounts related to unavailable financial investments, increased to R$ 1,605.7 million at the end of the year.

The cash flow statement of the industrial and financial segments is presented in detail in Note 32 to the Financial Statements.

16. PERFORMANCE OF SUBSIDIARIES AND AFFILIATES

16.1 Overseas subsidiaries

In 2023, the controlled units abroad delivered 2,262 units, 9.6% higher than 2022 (2,063 units).

Below are described the main highlights of the overseas subsidiaries:

MARCOPOLO SOUTH AFRICA (MASA) – In 2023, MASA, located in Johannesburg, delivered 362 units, an increase of 35.1% compared to 2022. Through the sale of higher value-added products and efficiency gains, the subsidiary continues to improve its profitability, presenting net income of R$ 11.6 million in 2023 (R$ 3.5 million in 2022).

MARCOPOLO ARGENTINA (METALSUR) – In 2023, Metalsur's Argentine operation, located in Rosario, delivered 417 units, a decrease of 39.7% compared to 2022. Throughout 2023, the subsidiary was able to update its prices and pass on accumulated inflation, concentrating its production on road buses. The price increase allowed Metalsur to reach break-even in 3Q23, also with an increase in its efficiency and delivery levels. At the end of 2023, however, with the devaluation of the Argentine Peso against the Dollar, the company suffered a setback in its financial result, as detailed above, concluding the year with a net loss of R$ 65.1 million (R$ 43.8 million also negative in 2022).

MARCOPOLO AUSTRALIA (VOLGREN) – Headquartered in Melbourne, Australia, Volgren delivered 407 units in 2023, an increase of 24.1% compared to 2022. A better market environment, added to the price recomposition due to the transfer of cost increases, allowed the subsidiary to reverse a negative result of R$ 20.9 million in 2022 to a net income of R$ 4.8 million in 2023.

MARCOPOLO CHINA (MAC) – MAC has a *sourcing* area, production of parts, components and bus bodies, as well as production of buses in *PKD* for export. The unit, which does not sell to the Chinese domestic market and exports to countries in Asia, Africa and Oceania, has become a body production unit for new types of propulsion, especially electric and hydrogen buses, as well as a center for the development of strategic partnerships.

MARCOPOLO MEXICO (POLOMEX) – Located in Monterrey, Mexico, Polomex delivered 981 units in 2023, 44.9% higher than 2022. The recovery of the road market, with the consolidation of the G8 model, contributed to the increase in the subsidiary's results. Polomex achieved net income of R$ 40.0 million in 2023 (R$ 1.1 million in 2022).

16.2 Overseas affiliates

SUPERPOLO – Located in Colombia, Superpolo presented increasing results in 2023, with evolution of volumes and composition of sales *mix*. The affiliate presented equity equivalence of R$ 11.3 million in 2023, against R$ 2.7 million in 2022.

NFI GROUP INC. – NFI, a company in which Marcopolo has an 8.1% equity interest, is the leading manufacturer of urban and highway buses in the United States and Canada, with industrial operations in Europe and assembly lines in Asia and Oceania. Headquartered in Winnipeg, Canada, the company has been suffering from component shortages and inflation over the long backlog of orders since the pandemic. In 2023, the affiliate recorded a negative result of R$ 54.4 million at the equity method. In 3Q23, the company promoted a capital increase, with Marcopolo's participation, carrying out a broad restructuring of its capital structure and its obligations with financial institutions.

16.3 Banco Moneo

The activities of Banco Moneo S.A. began in July 2005 to finance Marcopolo's products. The bank is authorized to operate in the leasing and credit, financing and investment portfolios. In 2023, the bank reported net income of R$ 28.3 million (R$ 15.5 million in 2022). The bank maintained the policy of prioritizing the quality of its loan portfolio, through a rigorous evaluation and approval system, expanding its operations in a structured manner as the Brazilian bus market itself evolved.

17. CORPORATE GOVERNANCE

Marcopolo seeks to adopt the best practices of Corporate Governance, following the principles of transparency, equity, accountability and corporate responsibility and its shares have been listed on Level 2 of Corporate Governance at B3 since 2002. The Company is bound to arbitration in the Market Arbitration Chamber, according to the Commitment Clause in its Bylaws.

Marcopolo's management is formalized based on the distinction between the roles and responsibilities of the Board of Directors and the Executive Board. The Board of Directors consists of seven members, six of whom are independent, two elected by minority shareholders, one by shareholders holding preferred shares and three by controlling shareholders.

The Chairman of the Board of Directors does not participate in the Executive Board. Furthermore, to assist, advise and support in the conduct of business, the Board of Directors has the following Committees: (i) Audit and Risks; (ii) Human Resources and Ethics; (iii) Strategy and Innovation; and, (iv) Compliance. The functions of each of these support Committees can be found on the Company's website, ri.marcopolo.com.br, in the Corporate Governance/Internal Regulations of the Committees menu. The training and professional history of each of the members of the Board of Directors are available in the Company's Reference Form, with financial, people and sector management specialists, among others. In addition, the Board of Directors also welcomes the diversity and complementarity of competencies.

The Company also has an Audit Committee composed of three members, one appointed by minority shareholders, one by preferred shareholders and one by controlling shareholders. The powers of each body are defined in the Company's Bylaws.

The Company provides fair and equal treatment to all minorities, whether of the capital or of other stakeholders. When disclosing information, it uses high standards of transparency, seeking to establish a climate of trust, both internally and in the company's relations with third parties.

In 2023, the Company held meetings with the Association of Capital Market Investment Analysts and Professionals (APIMEC), participated in several conferences and non-deal roadshows promoted by financial institutions in Brazil and abroad, and served analysts and investors. The Company also held its investor day in person, with live broadcast through its Investor Relations page. Marcopolo's Investor Relations website (ri.marcopolo.com.br) has updated content to serve the investing public.

18. COMPLIANCE PRACTICES

In addition to good governance and risk management practices, since 2014 Marcopolo has a Compliance Department, whose structure includes the Compliance Committee, composed of the Chairman and Vice Chairman of the Board of Directors, statutory officers, the Compliance Officer ("CCO") and a representative of the controlling shareholders. The CCO participates in all board meetings, where he ensures compliance with Compliance guidelines on all topics conducted by the organization's senior management. The Compliance structure also includes a compliance specialist, an assistant and internal agent who work in other areas of the company intermediating issues related to Compliance.

Since 2005, the Company has had a Code of Conduct that is approved and periodically reviewed by the Board of Directors, with its last update at the end of 2023. The Company's values are defined in the Code of Conduct, which are respect and appreciation of people, ethics and integrity, sustainability, making things happen with excellence, customer satisfaction, and teamwork. All employees receive a copy of the material and training regarding its guidelines. In addition to the Code of Conduct, the Company also has a Global Integrity Policy since 2018, which contains all the ethical values that must be observed. This material is periodically updated in accordance with current legislation and internal regulations. Specific training is provided as needed, and documents focused on risk mitigation are created, such as the Emergency Response Policy and the Consequence Management Policy, which are intended to be educational tools to stimulate desirable behaviors within the organization. The Marcopolo Insurance Contact is available to all employees and stakeholders, an exclusive channel for reporting practices that are in disagreement with internal policies and applicable legislation.

The training related to the Company's Values, Code of Conduct and Global Integrity Policy can be accessed by all employees via a digital platform at Marcopolo

University. The Compliance area also monitors compliance with the Compliance guidelines in the various areas of the Company, its factories and branches, performs integrity due diligence on partners and third parties, among other practices. In compliance with the Brazilian General Data Protection Law, the Company has already carried out the mapping and legal framework of all activities that process personal data, formally presented its person in charge of compliance and dialog with the supervisory authorities, and with the support of an external consultancy, the mapping is periodically reviewed with the inclusion of new activities and/or improvements. A specific and personalized training on the subject is also available at Marcopolo University.

19. INDEPENDENT AUDITORS

In compliance with CVM Resolution 162/22, Marcopolo declares that it has other contracts with its Independent Auditors that are not related to the audit of the Company's Financial Statements.

During the 2023 financial year, KPMG Auditores Independentes Ltda. ("KPMG") was engaged for financial statement audit services and other non-audit services. About non-audit services, the Company's procedure is to obtain prior approval from the Audit Committee, in order to avoid the existence of a conflict of interest, loss of independence or objectivity of its independent auditors.

Responsibility for the definitions inherent to the procedures performed and their application are Management's prerogatives, therefore, it is the understanding of both the Company and its external auditors that such services do not affect professional independence.

Audit and non-audit fees (R$ thousand)	**2023**
Audit fees	1,041
Non-audit fees	211
TOTAL	**1,252**

20. CAPITAL MARKET

20.1 Share Capital

On December 31, 2023, the Company's capital was R$ 1,334,052,461.60, divided into 946,892,882 shares, of which 341,625,744 were common shares (36.1%) and 605,267,138 (63.9%) were preferred shares, all nominative, book-entry and without par value.

On February 22, 2024, the Board of Directors approved a capital increase through the incorporation of profit reserves, within the limits of the authorized capital, in the amount of R$ 1,000.0 million, through a bonus in shares in the amount of 20%, that is, 2 new shares for every 10 shares held. The shares will be traded ex-bonification from March 8, 2024.

20.2 Performance of Marcopolo's Shares on the B3

In 2023, transactions with Marcopolo shares moved R$ 8,541.0 million. The participation of foreign investors in the share capital of Marcopolo totaled, on December 31, 53.0% of the preferred shares and 35.5% of the total share capital. At the end of the period, the Company had 53,150 shareholders.

The following table shows the evolution of the main indicators related to the capitals market:

INDICATORS	2023	2022
Transacted amount (R$ million)	8,541.0	3,638.1
Market value (R$ million) (1)(2)	6,675.6	2,679.7
Existing shares	946,892,882	946,892,882
Equity value per share (R$)	3.77	3.36
POMO4 quotation at the end of the period (R$)	7.05	2.83

Notes: (1) Quotation of the last transaction of the Preferred share period (POMO4), multiplied by the total of the shares (common and preferred) existing in the same period. (2) Of this total 5,382,474 preferred shares were in treasury on 12.31.2023.

21. DIVIDENDS/INTEREST ON SHAREHOLDERS' EQUITY

The total amount proposed for payment of interest as remuneration of equity, imputed to dividends for the year 2023, totals R$ 226.0 million or R$0.24 per share. The total amount to be distributed represents 27.9% of net income attributable to shareholders in 2023 and a yield (dividend per share/preferred share price at year-end) of 3.4%.

On February 22, 2024, the Board of Directors approved the payment of interest on shareholders' equity, at a rate of R$0.23 per share representing the company's share capital. The amounts of interest, net of withholding taxes, will be credited to each shareholder's individual account on February 29, 2024, based on the shareholder's position on February 29, 2024, and will be paid on March 12, 2024, and the Company's shares will trade ex-interest on and after March 1, 2024. The interest in question is imputed to the mandatory dividend declared in advance, due to the year 2024.

22. INVESTMENTS/FIXED ASSETS

In 2023, Marcopolo invested R$ 154.0 million in its fixed assets, of which R$ 92.0 million were spent in the parent company and invested as follows: R$ 54.1 million in machinery and equipment, R$ 21.0 million in buildings and improvements, R$ 11.5 million in computer equipment and software and R$ 5.4 million in other fixed assets. In the subsidiaries, R$ 62.0 million were invested, of which R$ 30.3 million in Apolo (Plastics), R$ 11.4 million in Volare Veículos (São Mateus), R$ 9.2 million in Marcopolo

Argentina, R$ 4.2 million in Marcopolo Mexico, R$ 2.4 million in Marcopolo Australia, R$ 1.8 million in Marcopolo South Africa and R$ 2.7 million in the other units.

In addition, in 2Q23, it subscribed a capital increase made by the Canadian affiliate NFI, through an investment of R$ 93.8 million.

23. SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Marcopolo incorporated the ESG - Environmental, Social and Corporate Governance approach into its practices as a way to demonstrate its concern with minimizing the impacts of its activities. It understands the importance of promoting sustainability and ensuring a healthy and livable future for future generations and recognizes that this challenge also depends on behavioral changes at the individual and collective levels.

The Marcopolo Solidarity Production System - SIMPS, which integrates the Marcopolo Way, applies the principles and fundamentals of the LEAN philosophy in the form of methods, tools and best practices of the organization in order to optimize the performance of processes. It also supports industrial management in the execution of the company's strategy for growth, market leadership, productivity, quality, employee safety, improvement of the work environment and profitability of products and services.

Marcopolo remains certified in the international management standards ISO 14.001 - Environment, ISO 9.001 – Quality and ISO 45001 – Health and Safety. These certifications support the process of building the trust and credibility of your business.

23.1 Social Responsibility

Marcopolo and its employees, through the Marcopolo Foundation, develop social responsibility projects aimed at their communities. Founded in 1998, the Marcopolo Foundation is a non-profit organization that operates in five fundamental pillars: education, culture, sport, doing good and social synergy. Its main focus is to serve young people from public schools in the vicinity of manufacturing plants and branches in Brazil. In 2023, the Foundation expanded its initiatives by introducing a new pillar, social synergy, aimed at uniting partners with the same vocation, including other institutions, companies, government entities and initiatives dedicated to promoting a better world.

Education

The Marcopolo Foundation is dedicated to training citizens through development programs for children and adolescents. In 2023, more than 25,000 public school students benefited from education programs. The Schools Project stands out, which for 14 years has been promoting improvement for teachers and principals in today's emergency topics. Furthermore, the Foundation carries out structural improvements and leisure activities, serving approximately 25,000 students. Participants of the Schools Project have the opportunity to join the Foundation's sports schools, which include football, volleyball, basketball, and the Marcopolo School of Creativity. Also noteworthy is the psychological support to more than 1,800 students from Caxias do Sul, helping them to face the challenges of youth.

Sport

The Marcopolo Foundation offers a recreational headquarters equipped with one of the best sports complexes in the state. Since 2022, the recreational headquarters generates its own energy through a photovoltaic system, reducing energy consumption by more than 80%.

Escolinha de Futebol, in partnership with sports incentive laws, offers 100 places for students of the Schools Project and children of employees. In addition, the Foundation promotes an annual calendar of games and tournaments for Marcopolo employees and families. In 2023, projects such as the Copinha Zona Norte and the Marcopolo Foundation cup were launched, serving about 180 young people and 900 participants, respectively. The Foundation has also collaborated with other sporting events in partnership with institutions.

Doing good [*Fazer o bem]*

In 2023, the Marcopolo Foundation played a key role with the SOS Enchentes RS Steering Committee, managing and supervising financial collections of about R$ 8.0 million. This action, carried out in partnership with other institutions in the State of Rio Grande do Sul, provided assistance to areas affected by extreme weather events. In addition, equipment, books, materials and computers were allocated to public schools in these regions. Campaigns to collect and distribute food, furniture, hygiene materials and clothing are also carried out, responding to emergencies in the cities near the company's plants. Furthermore, the Foundation offered continuous psychological counseling to about 60 young people from the homes of Caxias do Sul.

Festivities

The Marcopolo Foundation contributes to the festive celebrations of Marcopolo and the communities where it operates. Events such as Children's Day, Christmas, Entrevero (3 days of celebration of the company and traditions of Rio Grande do Sul) and the São João Festival are held, involving more than 50,000 people, including employees, their families, partners and communities.

Culture

With free access to culture as its driving force, the foundation works to expand the cultural repertoire of local youth. Workshops and activities in theatre, music, dance, crafts, creative writing, fashion and mathematics are offered, benefiting more than 1000 young people in ongoing activities in 2023. Partnerships, such as the Hip Hop Culture in Schools project, winner of educational awards, impacted more than 8,000 students. Other projects, such as the Special Festival for PCDs, stand out, as well as participation in events such as the Caxias do Sul Book Fair. In 2024, the Marcopolo School of Creativity will expand its activities, incorporating a laboratory dedicated to the sciences, including astronomy, chemistry and biology.

23.2 Employee Satisfaction

Marcopolo monitors the satisfaction of its employees through periodic surveys. In January 2023, a Global Survey was carried out, with the participation of 90% of employees, involving all companies in Brazil and abroad. The overall average favorability was 81%, up 10 percentage points from the 2018 Global Survey. The results of the surveys were used to implement action plans for the improvement opportunities identified in each unit.

The Company maintains ombudsman channels to receive and deal with the demands of employees related to the various matters that affect their lives in the company, in addition to Conduct and Compliance Committees to assess situations that are in conflict with the organization's Code of Conduct and Compliance Policy.

23.3 Education and Training

Marcopolo maintains permanent programs for the training of its employees. In 2023, 470,029 hours of training were carried out, with an average of 38.4 hours per employee/year. Marcopolo University offers employees to participate in online training. Currently, the University has more than 230 content titles in specific career preparation tracks, with a monthly average of 2,895 hits. The company also provides managers with several training programs and development of management skills.

The Marcopolo Professional Training School (EFPM) trained 42 apprentices in the Motor Vehicle Assembler course. The course is held in partnership with Senai and the Social Assistance Foundation (FAS). EFPM has as one of its main objectives the preparation of professionals for insertion in the labor market and for the first paid job.

23.4 Quality of Life

Quality of life programs for employees and their families are mainly coordinated by the Health and Wellness area and the Marcopolo Foundation, including health, education, leisure, culture and sports activities, which are generally extended to family members.

23.5 Environment

One of Marcopolo's permanent commitments is concern for the protection of the environment. This commitment is stated in the Integrated Business Management Policy. In order to minimize the impacts arising from the activities, appropriate controls are established in a sustainable and balanced manner, in accordance with the applicable legislation and the search for continuous improvement. All Marcopolo units in Brazil are certified in ISO 14.001 – Environmental Management System and since 2020 the Company has been carrying out the Greenhouse Gas Emission Inventory.

In 2023, indicators were monitored to demonstrate performance in relation to water consumption, energy consumption and solid waste generation. The search for the development of new materials that are lighter, more durable, safer and environmentally friendly remains present in the organization's strategy, as well as possible alternatives for the reuse of waste from the various materials used in the composition of bus bodies.

23.6 Remuneration

The remuneration of employees is composed of a fixed part, linked to competencies and skills and levels of seniority, and a variable part, resulting from the achievement of the goals of the Profit Sharing Program. Periodically, salary surveys are carried out to assess whether the amounts paid to employees are within compatible standards, allowing the company to maintain competitiveness in the labor market.

23.7 Long-Term Incentive Programs

The Regulations of the Stock Option Plan were approved by the shareholders at the Extraordinary Shareholders' Meeting held on December 22, 2005, as amended by the AGO/E of March 23, 2006 and by the Board of Directors at the meetings held in 2006, 2007, 2011, 2012 and 2013. The plan, whose participants are the executives of the Company and its subsidiaries (except controlling directors), has as main objectives: (i) align the interests of the participants with those of the shareholders; (ii) commit the participants to the short, medium and long term results of the Company; (iii) encourage and stimulate the feeling of ownership; and (iv) attract and retain talent. The Plan is monitored by the HR and Ethics Committee and approved by the Board of Directors.

The Company also has a Long Term Incentive Plan with Restricted Shares by Performance, proposed by the Board of Directors on February 12, 2015 and approved by the General Meeting on March 26, 2015. The plan aims to compose the remuneration package of the company's main executives, commit participants to long-term results, competitiveness with the market, attract and retain the best professionals and align the interests of executives and shareholders.

24. REMUNERATION OF MANAGEMENT

The overall annual amount of the fixed remuneration is established by the General Meeting and distributed among the directors by the Board of Directors. The highest individual annual remuneration of the Board of Directors totaled R$ 3,504.8 thousand in 2023, the average remuneration was R$ 1,198.9 thousand and the lowest was R$ 612.0 thousand. In the statutory management, the highest individual remuneration was R$ 4,901.6 thousand in 2023, the average was R$ 4,989.3 thousand and the lowest was R$ 4,901.6 thousand. In the Audit Committee, the highest individual remuneration was R$ 336.4 thousand in 2023, the average was R$ 281.1 thousand and the lowest was R$ 253.5 thousand.

25. STAFFING FRAMEWORK

No. OF EMPLOYEES	2023	2022	2021	2020	2019
Parent company	9,286	6,836	4,979	5,615	6,606
Subsidiaries in Brazil	2,227	3,400	2,291	2,462	3,134
Subsidiaries Overseas	1,957	1,792	1,640	1,524	1,595
Affiliates[1]	623	654	772	521	2,852
TOTAL	**14,093**	**12,682**	**9,682**	**10,123**	**14,187**

Notes: [1] Employees of the affiliates considered in proportion to the equity interest.

26. OUTLOOK FOR 2024

Even with the volume decline in the Brazilian bus market in 2023, the company achieved growth and healthy results, demonstrating the sustainability of its operations in an adverse scenario. The performance in 2023 establishes the volume base with which the Company starts 2024, in an environment prone to fleet renewal in Brazil and abroad, after years of subrenewal. The transition of motorization caused by the Proconve 7 standard, with an increase in prices in chassis, seems to have been overcome, not substantially affecting the market as of the end of 2023. There is also regularity in the delivery of components and the availability of chassis is normalized, including under the federal Caminho da Escola program.

In the road market, new orders for heavy vehicles, used in long-distance transport and tourism, continue to gain representation and guarantee a good order backlog in 2024. The G8 *double decker* model figures as the preference of the segment, consolidating itself as a vehicle differentiated by its structural, aerodynamic quality, reduced fuel consumption, safety, comfort and design. The charter sector continues to sustain good volumes, showing the Company's strength also in lighter products.

In urban areas, public investments and the consolidation of subsidies have contributed to the renewal of the fleet. The expansion of cities with reduced or zero fares encourages the use of public transport, connecting the most remote areas to the economic centers of the municipalities, promoting social integration and employment. Purchase intent has been gradually shifting to higher value-added products such as electric buses, encouraged by federal programs such as Mover, PAC 3 and Nova Indústria Brasil.

Marcopolo made the first sale of its Attivi electric integral buses, with 8 units to be delivered to Porto Alegre, RS. Public communications associated with the desire to purchase electric models already assemble more than 4,000 units throughout Brazil – an opportunity that the Company must explore through its integral vehicles or as a bodybuilder. Attivi has shown excellent operational performance, with emphasis on its autonomy in approval tests carried out in São Paulo and Curitiba.

The micro and Volares segment should continue to perform well, with increased sales to the private sector and substantial deliveries related to public procurement, especially under the federal Caminho da Escola program. In 2023, the Company delivered 631 urban, 489 micro and 423 Volares (a total of 1,543 units) to the Caminho da Escola program, covering the remaining volume of the 2022 bidding. In October

2023, the bidding for the new phase of the Caminho da Escola was carried out, where the Company was able to deliver, directly or indirectly, up to 7,720 vehicles (5,600 micro and 2,120 Volares). Deliveries of the new batches have already started and are expected to extend until 2025.

The Company expects export growth in 2024, with the return of relevant packages, especially from the second half of the year. The reopening of the Argentine market, a traditional importer of Brazilian buses, also shows potential, with Marcopolo switching between locally produced G7 models and G8 units imported from Brazil. Chile and Mexico are important destinations for exports, with opportunities also in G8 electric and road models.

International operations, one of the highlights of 2023, are expected to follow its path of earnings recovery in 2024. Marcopolo Mexico (Polomex) projects new market growth from the consolidation of the G8 in the country. Marcopolo Australia (Volgren) has a good order backlog, with prices updated from the cost transfers made in 2023. The main objective of the operation is to efficiently *ramp up* production, aiming to achieve one of the best years in its history. Marcopolo Argentina (Metalsur), operationally adjusted and with updated prices, faces short and medium-term challenges associated with macroeconomic issues. Marcopolo South Africa (MASA) continues to have a positive outlook, seeking to consolidate sales in products with higher added value and additional market share. Marcopolo China (MAC) has been consolidated as a center for the development of new technologies and strategic relationships with local automakers.

Among the affiliates, Colombian Superpolo is expected to maintain balanced results, with volume growth and a better sales *mix* in 2024. The Canadian NFI also indicates specific material supply problems and difficulties in reaching expected production volumes, with improvement compared to the 2023 scenario. Price recovery, with the debugging of the old portfolio by new orders or by updating costs on orders already confirmed, remains the keynote of the operation. NFI's order backlog remains healthy, fueled by public procurement.

In 2023, the Company showed the results of the maturation of the cultural transformation initiatives promoted between 2020 and 2023, aimed at the recovery and sustainability of the business, exceeding the historical result targets established in its strategic plan – with the recurring EBITDA margin exceeding 12% and ROIC above 15% after 10 years – in a still timid market environment, with volumes below 2019.

With good prospects for the bus market in the most diverse geographies, the Company has the ideal environment to propose new challenges, without losing sight of the competitive advantages of quality and technology that have brought it here. Investments aimed at alternative propulsion, automation of its production lines and innovative products, such as its own line of Volare chassis and railway cars, gain strength in 2024, paving the way for the future. Marcopolo aspires to continue growing and for this it relies on transparency, execution with excellence and the engagement of its teams for an even better 2024.

27. ACKNOWLEDGEMENTS

Marcopolo feels honored and thanks customers, suppliers, representatives, shareholders, financial institutions, government agencies, the community and especially the employees for their effort, dedication and commitment.

Caxias do Sul, February 26, 2024.

The Management.

Marcopolo S.A.

Company financial statements as of December 31, 2023 and 2022

Marcopolo S.A.

Balance sheets as of December 31

In thousands of Real

		Parent company		Consolidated	
Assets	**Note**	**2023**	**2022**	**2023**	**2022**
Current					
Cash and cash equivalents	7	991,481	720,650	1,536,121	1,171,473
Derivative financial instruments	5 and 7	49	542	63	598
Client accounts receivable	8	690,664	676,532	1,228,661	1,242,563
Inventories	9	1,025,686	485,245	1,618,848	1,338,351
Recoverable taxes	10	135,635	56,333	217,080	222,780
Recoverable income tax and social security contributions		61,869	38,256	66,509	48,891
Other accounts receivable		55,452	136,955	142,943	121,084
		2,960,836	2,114,513	4,810,225	4,145,740
Non-current assets					
Financial assets measured at amortized cost	7	155,492	145,095	69,523	69,864
Client accounts receivable	8	-	-	572,476	513,542
Recoverable taxes	10	330,428	272,268	337,452	377,818
Recoverable income tax and social security contributions		-	74,962	-	74,962
Deferred income tax and social security contributions	20	214,649	180,689	292,944	284,877
Deposits in court	18	59,480	37,224	60,026	63,471
Other accounts receivable		15,744	623	17,025	2,241
		775,793	710,861	1,349,446	1,386,775
Investments	11	1,951,474	2,424,285	459,541	459,429
Investment property	12	46,636	6,002	46,636	47,351
Property, plant and equipment	13	577,352	440,144	1,050,358	1,030,013
Intangible assets	14	43,955	12,124	243,097	326,042
		2,619,417	2,882,555	1,799,632	1,862,835
		3,395,210	3,593,416	3,149,078	3,249,610
Total Assets		6,356,046	5,707,929	7,959,303	7,395,350

		Parent company		Consolidated	
Liabilities and shareholders' equity	**Note**	**2023**	**2022**	**2023**	**2022**
Current					
Suppliers		559,179	387,719	793,849	653,253
Loans and financing	16	260,648	273,975	720,506	749,712
Derivative financial instruments	5 and 16	620	874	657	975
Salaries and vacations payable		187,573	130,254	254,066	203,956
Taxes and contributions payable		66,729	76,933	135,036	140,557
Client advances		50,701	39,485	122,063	158,058
Commissioned representatives		26,931	34,734	32,152	44,894
Interest on shareholders' equity and dividends		34,227	84,179	34,227	84,179
Management ownership interests		8,772	4,604	8,772	4,604
Leasing obligations	17	2,252	2,738	17,515	15,110
Provision for guarantees		76,878	44,562	97,877	87,735
Other accounts payable		67,343	39,100	170,146	145,899
		1,341,853	1,119,157	2,386,866	2,288,932
Non-current liabilities					
Loans and financing	16	1,180,020	1,221,893	1,699,078	1,618,315
Provision for loss on investments	11	120,877	75,736	66,074	53,149
Provision for contingencies	18	140,580	100,558	144,304	132,115
Other accounts payable		-	-	10	15,114
Leasing obligations	17	3,024	4,145	51,233	58,877
Obligations due to ownership interest		24,029	24,075	24,029	24,075
		1,468,530	1,426,407	1,984,728	1,901,645
Total liabilities		2,810,383	2,545,564	4,371,594	4,190,577
Shareholders' equity attributable to controlling shareholders	21				
Share capital		1,334,052	1,334,052	1,334,052	1,334,052
Capital reserves		110	1,840	110	1,840
Profit reserves		1,889,235	1,385,550	1,889,235	1,385,550
Proposed additional dividend		50,792	34,307	50,792	34,307
Equity valuation adjustments		292,757	432,319	292,757	432,319
Treasury shares		(21,283)	(25,703)	(21,283)	(25,703)
		3,545,663	3,162,365	3,545,663	3,162,365
Participation of non-controller shareholders		-	-	42,046	42,408
		3,545,663	3,162,365	3,587,709	3,204,773
Total liabilities and net equity		6,356,046	5,707,929	7,959,303	7,395,350

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Income statements
Years ended December 31
In thousands of Real, unless otherwise stated

	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Operations					
Net sales and services revenue	26	3,224,137	2,395,555	6,683,218	5,415,618
Cost of goods sold and services rendered	27	(2,536,098)	(2,063,279)	(5,144,577)	(4,586,109)
Gross profit		688,039	332,276	1,538,641	829,509
Selling expenses	27	(179,439)	(126,553)	(333,135)	(231,283)
Administrative expenses	27	(164,694)	(132,380)	(305,653)	(243,185)
Other income (expenses), net	29	(57,670)	(42,449)	(60,646)	(47,730)
Equity equivalence result	11	420,289	351,845	(38,633)	(41,532)
Operating profit		706,525	382,739	800,574	265,779
Financial revenues	28	388,356	423,054	722,189	657,712
Financial expenses	28	(292,378)	(381,270)	(657,213)	(510,207)
Financial result	28	95,978	41,784	64,976	147,505
Profits before income taxes and social contributions		802,503	424,523	865,550	413,284
Income tax and social contribution	20				
Current		10,769	(3,272)	(62,806)	(40,449)
Deferred		2,887	27,863	8,067	63,967
Net income for the period		816,159	449,114	810,811	436,802
Attributable to:					
Controlling shareholders		816,159	449,114	816,159	449,114
Ownership interests held by non-controlling shareholders		-	-	(5,348)	(12,312)
		816,159	449,114	810,811	436,802
Net income per share attributable to controlling shareholders for the period (expressed in R$ per share)					
Basic	30	0.86686	0.47758	0.86686	0.47758
Diluted	30	0.86193	0.47430	0.86193	0.47430

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Comprehensive income statements
Years ended December 31
In thousands of Real

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Net income for the period	816,159	449,114	810,811	436,802
Adjustment for hyperinflation	(73,116)	(24,524)	(73,116)	(24,524)
Differences in exchange rates used to convert foreign transactions	(66,446)	(50,742)	(61,460)	(47,248)
Total comprehensive income	676,597	373,848	676,235	365,030
Comprehensive income attributable to:				
Controlling shareholders	676,597	373,848	676,597	373,848
Ownership interests held by non-controlling shareholders	-	-	(362)	(8,818)
Total comprehensive income	676,597	373,848	676,235	365,030

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Statements of owners' equity
Years ended December 31
In thousands of Real

	Attributable to controlling shareholders														
		Capital reserves		Profit reserves											
	Share capital	Gain or loss on the sale of Company shares	Reserves for capital transactions	Legal reserve	Tax incentives	For future capital increase	For payment of interim dividends	For purchase of Company shares	Proposed additional dividend	Equity valuation adjustments	Treasury shares	Accumulated profits	Total shareholders' equity	Ownership interests held by non-controlling shareholders	Total shareholders' equity
As of December 31, 2021	1,334,052	(9,375)	12,019	93,520	198,165	511,473	133,406	133,406	18,288	507,585	(27,534)	-	2,905,005	51,226	2,956,231
Comprehensive income for the period															
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	449,114	449,114	(12,312)	436,802
Adjustment for hyperinflation	-	-	-	-	-	-	-	-	-	(24,524)	-	-	(24,524)	-	(24,524)
Exchange variation of investments abroad	-	-	-	-	-	-	-	-	-	(50,742)	-	-	(50,742)	3,494	(47,248)
Total comprehensive income	-	-	-	-	-	-	-	-	-	(75,266)	-	449,114	373,848	(8,818)	365,030
Contributions from shareholders and distributions to shareholders															
Sale of treasury shares	-	(804)	-	-	-	-	-	-	-	-	1,831	-	1,027	-	1,027
Additional dividend payment	-	-	-	-	-	-	-	-	(18,288)	-	-	-	(18,288)	-	(18,288)
Allocation															
Legal reserve	-	-	-	20,890	-	-	-	-	-	-	-	(20,890)	-	-	-
Reserve for tax incentives	-	-	-	-	31,317	-	-	-	-	-	-	(31,317)	-	-	-
Proposed additional dividend	-	-	-	-	-	-	-	-	34,307	-	-	(34,307)	-	-	-
Mandatory minimum dividend	-	-	-	-	-	-	-	-	-	-	-	(99,227)	(99,227)	-	(99,227)
Transfer between reserves	-	-	-	-	-	263,373	-	-	-	-	-	(263,373)	-	-	-
Total shareholder contributions and distributions to shareholders	-	(804)	-	20,890	31,317	263,373	-	-	16,019	-	1,831	(449,114)	(116,488)	-	(116,488)
As of December 31, 2022	1,334,052	(10,179)	12,019	114,410	229,482	774,846	133,406	133,406	34,307	432,319	(25,703)	-	3,162,365	42,408	3,204,773

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Statements of owners' equity
Years ended December 31
In thousands of Real

	Attributable to controlling shareholders														
		Capital reserves		Profit reserves											
	Share capital	Gain or loss on the sale of Company shares	Reserves for capital transactions	Legal reserve	Tax incentives	For future capital increase	For payment of interim dividends	For purchase of Company shares	Proposed additional dividend	Equity valuation adjustments	Treasury shares	Accumulated profits	Total shareholders' equity	Ownership interests held by non-controlling shareholders	Total shareholders' equity
As of December 31, 2022	1,334,052	(10,179)	12,019	114,410	229,482	774,846	133,406	133,406	34,307	432,319	(25,703)	-	3,162,365	42,408	3,204,773
Comprehensive income for the period															
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	816,159	816,159	(5,348)	810,811
Adjustment for hyperinflation	-	-	-	-	-	-	-	-	-	(73,116)	-	-	(73,116)	-	(73,116)
Exchange variation of investments abroad	-	-	-	-	-	-	-	-	-	(66,446)	-	-	(66,446)	4,986	(61,460)
Total comprehensive income	-	-	-	-	-	-	-	-	-	(139,562)	-	816,159	676,597	(362)	676,235
Contributions from shareholders and distributions to shareholders															
Sale of treasury shares	-	(1,730)	-	-	-	-	-	-	-	-	4,420	-	2,690	-	2,690
Additional dividend payment	-	-	-	-	-	(86,514)	-	-	(34,307)	-	-	-	(120,821)	-	(120,821)
Allocation															
Legal reserve	-	-	-	36,877	-	-	-	-	-	-	-	(36,877)	-	-	-
Reserve for tax incentives	-	-	-	-	78,613	-	-	-	-	-	-	(78,613)	-	-	-
Proposed additional dividend	-	-	-	-	-	-	-	-	50,792	-	-	(50,792)	-	-	-
Mandatory minimum dividend	-	-	-	-	-	-	-	-	-	-	-	(175,168)	(175,168)	-	(175,168)
Transfer between reserves	-	-	-	-	-	474,709	-	-	-	-	-	(474,709)	-	-	-
Total shareholder contributions and distributions to shareholders	-	(1,730)	-	36,877	78,613	388,195	-	-	16,485	-	4,420	(816,159)	(293,299)	-	(293,299)
As of December 31, 2023	1,334,052	(11,909)	12,019	151,287	308,095	1,163,041	133,406	133,406	50,792	292,757	(21,283)	-	3,545,663	42,046	3,587,709

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Statements of cash flows - indirect method
Years ended December 31
In thousands of Real

	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Cash flows from operating activities					
Net income for the period		816,159	449,114	810,811	436,802
Adjustments to reconcile the results to the availabilities generated by operating activities:					
Depreciation and amortization	13 and 14	59,475	44,260	146,369	119,808
Impairment of goodwill		-	-	70,963	-
Gain (loss) on sale of investment assets and fixed and intangible assets		5,713	3,158	3,352	3,614
Equity equivalence result	11	(420,289)	(351,845)	38,633	41,532
Expected credit losses	8	10,255	(1,173)	23,477	(13,510)
Current and deferred income tax and social contribution	20	(2,887)	(27,863)	(8,067)	(63,967)
Appropriated interest and change in exchange rate		62,315	(836)	150,286	68,533
Non-controlling interests		-	-	(5,348)	(12,312)
Assets measured at fair value		(9,904)	(38,967)	875	5,283
Bargain purchase		(9,290)	-	(9,290)	-
Provision for labor contingencies		45,189	39,236	47,096	42,470
Provision for guarantees		31,956	32,588	57,579	64,381
Provision for losses in inventories	9	9,867	955	30,681	(1,636)
Changes in assets and liabilities					
(Increase) decrease in accounts receivable from customers		125,934	(407,839)	(89,530)	(671,834)
(Increase) decrease in inventories		(327,007)	(128,646)	(396,888)	(420,305)
(Increase) decrease in other accounts receivable		122,762	(13,085)	17,919	(44,129)
Increase (decrease) in suppliers		92,680	205,739	234,353	251,709
Increase (decrease) in other accounts payable		(77,950)	81,490	(51,942)	248,201
Cash generated from operating activities		534,978	(114,039)	1,071,329	54,640
Taxes on profit paid		-	-	(10,203)	(9,273)
Net cash from operating activities		534,978	(114,039)	1,061,126	45,367
Cash flows from investment activities					
Capital contributions in subsidiaries and affiliates		(143,326)	(62,467)	(93,832)	-
Dividends from subsidiaries, jointly controlled entities and associates		20,425	189,609	9,499	2,306
Additions of property, plant and equipment	13	(88,302)	(48,261)	(148,468)	(90,326)
Intangible asset additions	14	(3,655)	(5,512)	(5,485)	(7,113)
Cash receipt from sale of investments, fixed and intangible assets		1,316	484	4,885	1,095
Cash receipt by merger of Ciferal		406,067	-	-	-
Net cash (used in)/from investing activities		192,525	73,853	(233,401)	(94,038)
Cash flows from financing activities					
Treasury shares		2,690	1,027	2,690	1,027
Loans from third parties		162,222	506,427	764,124	921,325
Loan payments – principal		(263,910)	(430,916)	(753,221)	(812,152)
Loan payments – interest		(22,019)	(44,355)	(103,825)	(104,378)
Payment of interest on shareholders' equity and dividends		(335,655)	(88,785)	(335,655)	(88,785)
Net cash (used in)/from investing activities		(456,672)	(56,602)	(425,887)	(82,963)
Effect of exchange rate changes on cash and cash equivalents		-	-	(37,190)	(19,868)
Net increase (decrease) in cash and cash equivalents		270,831	(96,788)	364,648	(151,502)
Cash and cash equivalents at the start of the period		720,650	817,438	1,171,473	1,322,975
Cash and cash equivalents at the end of the period		991,481	720,650	1,536,121	1,171,473

The management's explanatory notes are an integral part of these financial statements.

Marcopolo S.A.

Statements of value added
Years ended December 31
In thousands of Real

	Parent company		Consolidated (*)	
	2023	2022	2023	2022
Statements of value added				
Revenue	**3,681,556**	**2,699,605**	**7,580,820**	**6,169,106**
Sales of merchandise, products and services	3,657,519	2,669,189	7,449,501	6,043,346
Other revenue	34,292	29,243	154,796	112,393
Expected credit losses	(10,255)	1,173	(23,477)	13,367
Inputs acquired from third parties (includes ICMS and IPI)	**(2,638,885)**	**(2,115,783)**	**(5,476,591)**	**(5,046,595)**
Cost of products and services provided	(2,212,059)	(1,791,922)	(4,804,650)	(4,482,116)
Materials, energy, third party services and others	(334,864)	(252,169)	(463,428)	(403,691)
Loss of assets	(91,962)	(71,692)	(208,513)	(160,788)
Gross value added	**1,042,671**	**583,822**	**2,104,229**	**1,122,511**
Depreciation and amortization	(59,475)	(44,260)	(146,369)	(119,808)
Net value added generated by the entity	**983,196**	**539,562**	**1,957,860**	**1,002,703**
Value added received in transfer	**808,645**	**774,899**	**683,556**	**616,180**
Equity equivalence result	420,289	351,845	(38,633)	(41,532)
Financial revenues	388,356	423,054	722,189	657,712
Total value added to be distributed	**1,791,841**	**1,314,461**	**2,641,416**	**1,618,883**
Distribution of added value	**1,791,841**	**1,314,461**	**2,641,416**	**1,618,883**
Personnel	**706,727**	**547,666**	**1,141,471**	**810,214**
Direct remuneration	573,591	451,125	953,201	661,514
Benefits	91,993	64,304	137,236	105,252
FGTS	41,143	32,237	51,034	43,448
Taxes, fees and contributions	**(33,889)**	**(71,663)**	**16,020**	**(151,151)**
Federal	27,018	(20,264)	65,265	(114,499)
State	(62,835)	(53,073)	(51,444)	(38,755)
Municipal	1,928	1,674	2,199	2,103
Remuneration for third party capital	**302,844**	**389,344**	**673,114**	**523,018**
Financial expenses	292,378	381,270	657,213	510,207
Rentals	10,466	8,074	15,901	12,811
Profits for the year, interest on shareholders' equity and dividends	**816,159**	**449,114**	**810,811**	**436,802**
Interest on shareholders' equity and dividends	175,168	99,227	175,168	99,227
Retained earnings for the period	640,991	349,887	635,643	337,575

(*) The consolidated statement of value added is not part of the IFRS consolidated financial statements.

The management's explanatory notes are an integral part of these financial statements.

1 Operational context

Marcopolo S.A. ("Marcopolo") is a publicly held company, having its head office situated in Caxias do Sul, State of Rio Grande do Sul. The Company's individual and consolidated financial statements for the year ended December 31, 2023 include Marcopolo and its subsidiaries, joint ventures and investments in affiliates (referred to as "Company").

Marcopolo's core activity is the manufacturing and sale of buses, automotive vehicles, bodies, parts, agricultural and industrial machinery, and imports and exports, and may also acquire equity interests in other companies.

Marcopolo has its shares traded on B3 (Brasil, Bolsa, Balcão) under the acronyms "POMO3" and "POMO4" and is listed in the segment of corporate governance level 2.

2 Summary of the main accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied consistently throughout the years presented in these individual and consolidated financial statements.

2.1 Preparation basis

(a) Declaration of compliance

The Company's individual and consolidated financial statements were prepared and presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil (BR GAAP), considering pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities Commission (CVM) and the provisions contained in the Brazilian Corporations Act.

The Company's management states that all the relevant information in the financial statements, and only them, are being evidenced, and that they correspond to that used by it in its management.

The issuance of the individual and consolidated financial statements was authorized by the Board of Directors on February 26, 2024.

(b) Measurement basis

The individual and consolidated financial statements have been prepared on a historical cost basis as the value basis which, in the case of financial assets and liabilities (including derivative instruments) is adjusted to reflect the measurement at fair value as per Note 2.6.

(c) Use of estimates and judgments

In the preparation of these individual and consolidated financial statements, management used judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments in applying accounting policies and uncertainties in the assumptions and estimates that pose a significant risk of an adjustment in the next financial year have been included in the following notes:

- Note 2.2 (a, ii) - Subsidiaries;
- Note 2.2 (a, iv) - Investments in companies with joint ventures;
- Note 2.18 (a) - Uncertainty about the treatment of taxes on profit
- Note 8 - Expected credit losses;
- Note 14 (b) - Goodwill test for verification of *impairment*;
- Note 18 - Provisions for civil, labor-related and tax risks;
- Note 20 - Deferred taxes.

(d) Value added statement

The Company has prepared individual and consolidated statements of value added (DVA) in accordance with technical pronouncement CPC - 09 - Value Added Statement, which are presented as an integral part of the financial statements under BR GAAP applicable to publicly traded companies, while for IFRS they represent additional financial information.

2.2 Consolidation basis

(a) Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(i) Non-controller shareholder equity interest

The Company elected to measure any non-controlling interest in the acquired entity according to the proportional interest in the liquid assets identifiable at the acquisition date.

Any changes in the Company's interest in a subsidiary which does not entail loss of control are recorded as shareholders' equity transactions.

(ii) Subsidiaries

Subsidiaries are all entities (including specific purpose entities) in which the Company has the power to determine the financial and operating policies, generally accompanied by an interest of more than half of the voting rights (voting share). The existence and the effect of possible voting rights currently exercisable or convertible are taken into account when evaluating whether the Company controls another entity. The subsidiaries are totally consolidated from the date on which the control is transferred to the Company. The consolidation is interrupted on the date when the control ends. Financial information for controlled companies is recognized n the controlling company's individual financial statements using the equity method.

(iii) Transactions eliminated in the consolidation

Balances and transactions made within the Company, and any unrealized income or expenses derived from intercompany transactions at the Company are eliminated, with the exception of gains or losses stemming from transactions made in foreign currency. Unrealized gains arising from transactions with investees recorded by equity method are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

(iv) Investments in companies with joint ventures

A joint venture is a joint business that happens when an operator has rights over the liquid assets of the agreements and records the investment through the equity method.

(v) Associates

Associates are all entities over which the Company has a significant influence, but not control, usually together with an ownership interest of 20% to 50% of the voting rights.

Investments in associates are recorded through the equity method and are initially recognized at their cost value. The Company's investment in affiliates includes the goodwill identified in the acquisition, net of any accumulated impairment loss. See Note 2.11, on impairment of non-financial assets, including goodwill.

The Company's interest in the profits or losses of its associates post-acquisition is recognized in the income statement and its interest in the activity in post-acquisition reserves is recognized in the reserves. The post-acquisition cumulative transactions are adjusted against the investment's carrying amount. When the Company's interest in the losses of an associate is equal to or greater than its interest in that company, including any other accounts receivable, the Company does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associates are eliminated in proportion to the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of the associates have been changed when required to ensure consistency with the policies adopted by the Company.

If the ownership interest in the associate is reduced but significant influence is retained, only a proportional part of the amounts previously recognized in other comprehensive income shall be reclassified in income or loss, where appropriate.

Gains and losses resulting from dilution occurring in interests in associates are recognized in the income statement.

(vi) Adjustment for hyperinflation – IAS 29 (CPC 42)

With accumulated inflation exceeding 100% in the last three years in Argentina, the application of IAS 29 (CPC 42) – Accounting in a hyperinflationary economy – was required as of 2018. According to the standard, non-monetary assets and liabilities, shareholders' equity and income statement of investees operating in highly inflationary economies are adjusted by the change in the general purchasing power of the currency, applying a general price index.

The Company carried out an adjustment for inflation at its controlled company MP Argentina, its joint controlled company Loma and its affiliate Metalpar, with are headquartered in Argentina. Non-monetary assets and liabilities recorded at historical cost and shareholders' equity were adjusted for inflation. The impacts of the monetary restatement were recorded as equity valuation adjustment, in shareholders' equity, in the negative amount of R$73,116 (negative of R$24,523 in 2022) and in the consolidated income statement in the positive amount of R$198,731 (R$62,498 in 2022) under the equity item.

2.3 Presentation of information per segments

Information by operating segment is reported consistently with the internal report provided to the main operating decision makers. The main operating decision maker, responsible for the allocation of funds and performance evaluation of the operating segment, is the Board of Directors, also responsible for the Company's strategic decision-making.

2.4 Functional currency and presentation currency

The consolidated quarterly information is being presented in Brazilian Real (R$), which is Marcopolo's functional currency and the Company's reporting currency. All balances have been rounded to the nearest thousand, except when otherwise indicated.

Items included in each of the Company's businesses financial statements are measured using the currency of the main economy in which the company operates ("functional currency").

Each entity's functional currency is listed below:

Subsidiaries	**Denomination**	**Functional Currency**	**Country**
Apolo Soluções em Plásticos Ltda.	Apolo	Brazilian Real	Brazil
Arcanjos Investimentos e Participações Ltda.	Arcanjos	Brazilian Real	Brazil
Banco Moneo S.A.	Banco Moneo	Brazilian Real	Brazil
Ilmot International Corporation.	Ilmot	US Dollar	Uruguay
Marcopolo (Changzhou) Bus Manufacturing Co; Ltd.	MBC	Renminbi	China
Marcopolo Australia Holdings Pty Ltd.	MP Australia	Australian Dollar	Australia
Marcopolo Auto Components Co.	MAC	Renminbi	China
Marcopolo International Corp.	MIC	US Dollar	Virgin Islands
Marcopolo Middle East and Africa FZE.	MP Middle East	Dirham	United Arab Emirates
Marcopolo Next Serviços em Mobilidade Ltda.	MP Next	Brazilian Real	Brazil
Marcopolo South Africa Pty Ltd.	Masa	Rand	South Africa
Marcopolo Trading S.A.	MP Trading	Brazilian Real	Brazil
Marcopolo US LLC	MP US	US Dollar	United States
Metalsur Carrocerias S.R.L.	MP Argentina	Argentine Peso	Argentina
Moneo Investimentos S.A.	Moneo	Brazilian Real	Brazil
Neobus Chile SPA.	Neobus Chile	Chilean Peso	Chile
Polo Venture Participações Ltda.	Polo Venture	Brazilian Real	Brazil
Polomex S.A. de C.V.	Polomex	Mexican Peso	Mexico
San Marino Bus de México S.A. de C.V.	San Marino Mexico	Mexican Peso	Mexico
Syncroparts Comércio e Distribuição de Peças Ltda.	Syncroparts	Brazilian Real	Brazil
Volare Comércio e Distribuição de Veículos e Peças Ltda.	Volare Comércio	Brazilian Real	Brazil
Volare Veículos Ltda.	Volare Veículos	Brazilian Real	Brazil
Volgren Australia Pty Ltd.	Volgren	Australian Dollar	Australia

Jointly controlled entities	**Denomination**	**Functional Currency**	**Country**
Loma Hermosa S.A.	Loma	Argentine Peso	Argentina
Metalpar S.A.	Metalpar	Argentine Peso	Argentina
Superpolo S.A.	Superpolo	Colombian Peso	Colombia

Associates	**Denomination**	**Functional Currency**	**Country**
New Flyer Industries Inc.	New Flyer	US Dollar	Canada
Mercobus S.A.C.	Mercobus	Novo Sol	Peru
Spheros Thermosystems Colombia Ltda.	Spheros Colombia	Colombian Peso	Colombia
Valeo Climatização do Brasil – Veículos Comerciais S.A.	Valeo	Brazilian Real	Brazil
Valeo Thermal Commercial Vehicles Mexico, S.A C.V.	Valeo México	Mexican Peso	Mexico
WSul Espumas Indústria e Comércio Ltda.	WSul	Brazilian Real	Brazil

2.5 Foreign currency

(a) Transactions in foreign currency

Transactions in foreign currency are converted into the respective functional currencies of the Company entities by the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted to the functional currency at the exchange rate on that date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are reconverted to the functional currency using the effective exchange rate as of the base date for financial statements on which fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are converted at the exchange rate on the transaction date. The differences in foreign currency resulting from this conversion are generally acknowledged in the income or loss.
However, exchange differences resulting from the re-conversion of the items listed below are recognized in other comprehensive income:

- financial liability designated as a hedge of the net investment in a foreign operation, to the extent that the hedge is effective; and

- a qualified and effective cash flow hedge.

(b) Overseas operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments resulting from the acquisition, are translated into the Brazilian Real at the exchange rates determined on the balance sheet date. Income and expenses from foreign operations are translated into the Brazilian real at the exchange rates determined on the dates of the transactions.

Foreign currency differences generated on translation into the reporting currency are recognized in other comprehensive income and accumulated in equity valuation adjustments in equity. If the subsidiary is not a wholly-owned subsidiary, the corresponding portion of the conversion difference is attributed to non-controller shareholders.

When a foreign operation (a subsidiary, jointly controlled entity or associate) is transferred, the cumulative amount in the equity valuation adjustment account is reclassified to the income statement as part of profit or loss in the transfer. When only part of the investment of a subsidiary including a foreign operation is transferred, so that the control is maintained, the relevant part of such accumulated value is reassigned to the non-controlling interest. In any other partial transfer of a foreign transaction, the portion corresponding to the transfer is reclassified to profit or loss.

2.6 Financial instruments

The Company classifies financial assets and liabilities into the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") and at amortized cost.

2.6.1 Non-derivative financial assets and financial liabilities - recognition and derecognition

The Company initially recognizes loans and receivables and debt instruments on the date on which they were originated using the amortized cost. All other financial assets and liabilities are recognized on the trade date, when the entity becomes a party to the instrument's contractual provisions.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows from a financial asset in a transaction in which substantially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.6.2 Non-derivative financial assets - measurement

(a) Financial assets measured at the fair value through other comprehensive income

A debt instrument is measured at FVOCI only if it meets both conditions below:

- the asset is kept within a business model the purpose of which is achieve both through the collection of contractual cash flows and the sale of financial assets; and
- the contractual terms of the financial asset, on specific dates, originate cash flows representing payment of principal and interest on the outstanding principal amount.

(b) Financial assets measured at the amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions:

- the asset is kept within a business model for the purpose of collecting contractual cash flows; and
- the contractual terms of the financial asset, on specific dates, originate cash flows that are only payments of principal and interest on the outstanding principal amount.

All the other financial assets are classified as measured at the fair value through profit or loss.

Furthermore, upon initial recognition, the Company may irrevocably designate a financial asset meeting the requirements to be measured at amortized cost, FVOCI or even FVTPL. This designation has the purpose of eliminating or significantly reducing a possible accounting mismatch arising from the result produced by the respective asset.

2.6.3 Non-derivative financial assets - measurement

(a) Financial liabilities measured at the fair value through profit or loss

A financial liability is classified as being measured at fair value through profit or loss or designated as such upon initial recognition. The transaction costs are recognized in profit or loss as they are incurred. Financial liabilities measured at the fair value through profit or loss are measured at fair value and any changes in the fair value of these liabilities, including interest and dividend gains, are recognized in the profit or loss for the period.

(b) Financial liabilities measured at the amortized cost

Non-derivative financial liabilities are initially measured at fair value and, provided it is not an item measured at the fair value through profit or loss, increased by transaction costs directly attributable to its acquisition or issuance. Financial liabilities are measured using the effective interest rate method.

2.6.4 Repurchase and reissue of shares - Treasury Share

When shares recognized as shareholders' equity are repurchased, the amount of the consideration paid, which includes any directly attributable costs, is recognized as deduction from the shareholders' equity. The repurchased shares are classified as treasury share and stated as deduction from the shareholders' equity. When treasury share is subsequently sold or reissued, the amount received is recognizes as an increase in shareholders' equity and the gain or loss resulting from the transaction is stated as capital reserve.

2.6.5 Reduction to the recoverable value - Impairment

(a) Non-derivative financial assets

The Company assesses, on a prospective basis, the expected credit losses associated with debt securities recorded at amortized cost and fair value through other comprehensive income. The applied impairment methodology depends on whether or not there has been a significant increase in credit risk.

For the accounts receivable from customers, the Company applies the simplified approach as permitted by IFRS 9/CPC 48 and, therefore, recognizes the expected losses over the useful life from the initial recognition of the receivables.

(b) Financial assets measured by the amortized cost

The Company considers evidence of loss of value of assets measured at amortized cost at both on an individual and on a collective level. All the individually significant assets are evaluated for impairment loss. Those that have not suffered loss of value individually are then evaluated collectively for any loss of value that may have happened but not yet been identified. Assets that are not individually significant are evaluated collectively for loss of value based on a group of assets with similar risk characteristics.

When evaluating impairment loss collectively, the Company uses historical trends for recovery periods and lost amounts incurred, adjusted to reflect the Management's judgment on whether the current economic and credit conditions are such that the actual losses will likely be greater or smaller than those suggested by the historical trends.

Impairment loss is computed as the difference between the carrying amount and the present value of future estimated cash flows, discounted at the asset's original effective interest rate. The losses are recognized in profit or loss and reflected in an provision account. When the Company considers that there are no reasonable prospects of recovery, the amounts are reversed. When a subsequent event indicates a reduction in the loss of value, the reduction through loss of value is reversed by means of profit or loss.

(c) Investees accounted for under the equity method

An impairment loss concerning an investee appraised by the equity method is measured by comparing the investment's recoverable value against its carrying amount. An impairment loss is recognized in profit or loss and it is reversed if there has been any favorable change in the estimates used to determine the recoverable value.

(d) Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventory, income tax and active deferred social contribution, are reviewed at each reporting date to check whether there is any indication of impairment loss. If such indication is found, then the asset's recoverable amount is estimated. In case of goodwill and intangible assets with undefined useful lives, the recoverable amount is tested annually.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less associated disposal costs. The determined value in use is based on estimated future cash flows deducted in order to present value using a deduction rate net of tax that reflects current market assessments for the value of the currency and the specific risks associated with the asset or CGU.

An impairment loss is recognized if the asset or CGU's book value exceeds its recoverable amount.

2.7 Derivatives measured at fair value through profit or loss

Derivative instruments procured do not qualify for hedge accounting. The changes in the fair value of any of these derivative instruments are immediately recognized in the income statement under "financial revenue (expenses)".

2.8 Accounts receivable from customers

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of the Company's business. If the deadline for receipt is equivalent to a year or less (or another that meets the normal cycle of the Company's operations), accounts receivable are classified in the current assets. Otherwise, they are presented as noncurrent assets.

Client accounts receivable are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest rate method less any provisions for impairment.

2.9 Inventory

Inventories are measured at the lower between cost and net realizable value. The cost of inventories is based on the average cost principle and includes expenses incurred in the purchase of inventories, production, transformation and other costs incurred to bring them to their places and existing conditions. In the case of manufactured inventories and products in progress, the cost includes a portion of the manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, minus estimated costs of completion and selling expenses.

2.10 Property, Plant and Equipment

Recognition and measurement
Property, plant and equipment are measured at the historical cost of purchase of construction minus accumulated depreciation and accumulated (impairment) losses.

The cost includes expenses that are directly attributable to the purchase of an asset. Cost of assets built by the Company itself includes:

- Cost of materials and direct labor;
- Any other costs to place the asset in the necessary site and condition for it to operate as intended by the Management;
- Costs for disassembly and restoration of the site where such assets are located; and
- Loan costs on qualifiable assets.

When parts of an item of property, plant and equipment have different useful lives, they are recorded as separate items (major components) of property, plant and equipment.

Any gains and losses on the disposal of an item of property, plant and equipment are recognized in profit or loss.

Reclassification for investment property
When the property use changes from occupied by the owner to investment property, it is remeasured at fair value and reclassified as investment property.

Subsequent losses
Subsequent expenses are capitalized to the extent that it is likely that future benefits associated to the expenses will be derived by the Company. Recurring maintenance and repair expenses are recorded in profit or loss.

Depreciation
Items of property, plant and equipment are depreciated by the straight-line method in the statement of income for the year based on the estimated economic useful life of each component. Leased assets are depreciated for the shorter period between the estimated useful life of the asset and the term of the agreement, unless it is reasonably certain that the Company will obtain ownership of the asset at the end of the lease term. Land is not depreciated.

In thousands of Real, unless otherwise stated

Property, plant and equipment items are depreciated from the date they are installed and available for use or, in respect of assets built internally, from the date when the construction is completed and the asset is available for use.

The estimated useful lives for the current year are as follows:

	Years
Buildings	40-60
Machines	10-30
Vehicles	5-15
Furniture, fixtures and equipment	3-15

The depreciation methods, the useful lives and the residual values are reviewed at each balance sheet date and adjusted if appropriate.

2.10.1 Right-of-use asset

Recognition and measurement
The company applied practical standard proceedings according to which the asset with right of use corresponds to the deducted lease liabilities, using the incremental interest rate on the transition date. After the initial measurement, the values recorded as right of use are updated through the cost method; thus, any cumulative depreciation is deducted on a monthly basis, according to the criteria of CPC 27 – Property, Plant and Equipment in the depreciation of the asset with right of use and any re-measurement of the lease liability adjusted, depending on the specific case.

The estimated useful lives for the current year are according to the term of each contract.

2.11 Intangible assets and goodwill

(a) Goodwill
Goodwill consists of the positive difference between the amount paid or payable and the net amount of the acquired entity's assets and liabilities at fair value. Goodwill stemming from the acquisition of controlled companies are recorded as "intangible assets" in the Company's consolidated statements. The portion of this goodwill attributable to the controlling company is included in its individual balance sheet as part of the accounting balance for the investment. If the acquirer determines negative goodwill, it should record the amount as gain in profit or loss at period, on the date of acquisition. Goodwill is tested annually to check for likely impairment and recorded at cost minus accumulated impairment losses, which are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(b) Trademarks and licenses
Trademarks and licenses purchased separately are stated at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the date of acquisition, since they have a defined useful life and are accounted for at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses during their estimated useful life from 10 to 20 years.

(c) Software
The software licenses purchased are capitalized based on costs incurred to purchase the software and prepare it for use. These costs are amortized over their useful life of up to 5 years.

The costs associated with maintaining software are recognized as an expense, as incurred. Development costs directly attributable to the design and tests of identifiable and exclusive software products, controlled by the Company are recognized as intangible assets when the following criteria are met:

. it is technically feasible to complete the software so it is available for use;
. management intends to complete the software and use it or sell it;
. the software can be sold or used;
. the software will likely generate future and demonstrable economic benefits;
. technical, financial and other suitable resources are available to complete development for the use or sale of the software; and
. the expense attributable to the software during the development thereof can be measured safely.

Other development expenses that do not meet these criteria are recognized as expenses as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Research and Development

Expenses on research activities are recognized in the income statement as incurred.

Development costs are capitalized only if development costs can be measured reliably, if the product or process is technically and commercially viable, if the future economic benefits are probable, and if the Company has the intention and resources sufficient to complete the development and use or sell the asset. Capitalized expenditures include the cost of materials, direct labor, manufacturing costs that are directly attributable to the preparation of the asset for its proposed use, and borrowing costs. Other development expenses are recognized in the income statement as incurred.

After initial recognition, capitalized development expenses are measured at cost, less accumulated amortization and impairments.

(e) Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost, less accumulated amortization and any accumulated impairment losses.

(f) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenses, including expenses on goodwill generated internally and brands, are recognized in profit or loss as they are incurred.

(g) Amortization

Except for goodwill, amortization is recognized in profit or loss by the straight-line method considering the estimated useful lives of intangible assets, as of the date they are available for use.

2.12 Investment Property

Investment property is measured at the historical cost of purchase of construction minus accumulated depreciation and accumulated (impairment) losses.

Gains and losses in the transfer of investment property (calculated by the difference between the net amount received from the sale and the item's carrying amount) are recognized in profit or loss.
When investment property previously recognized as property, plant and equipment is sold, any amount recognized in equity valuation adjustment is transferred to accumulated profit.

2.13 Accounts payable to suppliers

Accounts payable to suppliers are obligations payable for goods or services that were purchased from suppliers in the ordinary course of business and are classified as current liabilities if payment is due within a period of up to 12 months. Otherwise, the accounts payable are presented as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the corresponding invoice.

The Company participates in a credit assignment agreement, in which its supplier may choose to receive payment of its invoice in advance by a bank, considering the amounts receivable from the Company. Under the terms of the agreement, a bank agrees to pay amounts to a participating supplier in relation to invoices for which payment is owed by the Company and receives a payment from the Company as of the bond's original payment due date. The main purpose of this agreement is to facilitate the processing of payments and allow suppliers to assign receivables owed by the Company to a bank prior to the payment due date, if they wish to do so. The Company did not derecognize the liability to which the agreement applies since a legal write-off was not executed and the original liability was not modified upon entering into the agreement. From the Company's perspective, the agreement does not extend the payment conditions beyond the normal terms agreed upon with the supplier. The Company does not incur additional interest from the bank on amounts owe to the supplier. Therefore, the Company discloses the amounts accounted for by the supplier in accounts payable, in the amount of R$15,693 as of December 31, 2023 (R$9,883 as of December 31, 2022) in the consolidated financial statements, because the nature and function of the financial liability remain the same as other accounts payable.

2.14 Loans and Financing

Loans and financing are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption value is recognized in the income statement while the loans are in progress, using the effective interest rate method.

Loans are classified as current liabilities, unless the Company has some unconditional right to defer the liability liquidation for at least 12 months after the balance sheet date.

2.15 Determining the adjustment to present value

Items subject to this value discount are:

- Trade accounts receivable comprised of the forward sale to customers of the Company with low credit risk. The discount rate used by Management for the discount to present value for these items is 100% of the monthly CDI for domestic market customers and the market rate for advancements provided under the foreign exchange contract for clients in the foreign market. The interest rate charged in a sales transaction is determined at the time of the initial registration of the transaction and is not adjusted subsequently; and

- Accounts payable to suppliers comprised of forward purchases from suppliers of the Company. The Company performed a calculation of the present value using the same assumptions used for accounts receivable.

2.16 Provisions

A provision is recognized on the basis of a past event if the Company has a legal or constructive obligation that may be estimated reliably and it is likely that economic funds are required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks for the liability. The financial costs incurred are recorded in the income statement.

2.17 Provision for warranties

A provision for warranties is recognized when the products or services are sold. The provision is based on historical warranty data and by weighting all the possible results in respect of the associated probabilities.

2.18 Income tax and social contribution

The income and social contribution taxes for the period, both current and deferred, are computed based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$240 for income taxes and 9% on taxable income for social contribution on net profit within the period, considering the offsetting of tax losses and negative basis of social contribution limited to 30% of the taxable income.

The income tax and social contribution expense encompasses both current and deferred income tax. Current tax and deferred tax are recognized in profit or loss unless they refer to a combination of businesses or items directly recognized in shareholders' equity or other comprehensive income.

The Company applies technical interpretation IFRIC 23/ICPC 22, which deals with the accounting of taxes on profit when there is uncertainty about the acceptability of certain tax treatment. If the organization concludes that the tax authority is not likely to accept uncertain tax treatment, the entity reflects the effect of uncertainty in determining taxable income.

(a) Income tax and social contribution expenses - current

Current tax expense is the estimated tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is recognized in the balance sheet as tax assets or liabilities by the best estimate of the expected value of taxes to be paid or received, reflecting the uncertainties inherent to the determination thereof, if any. It is measured based on the tax rates that have been decreed on the balance sheet date.

Current tax assets and liabilities are offset only if certain criteria are met.

(b) Income tax and social contribution expenses - deferred

Deferred tax assets and liabilities are recognized in relation to temporary differences between the carrying amount of assets and liabilities for financial statement purposes and those used for taxation purposes. The changes in deferred tax assets and liabilities in the year are recognized as a deferred income and social contribution tax expense. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect neither taxable profit or loss or net profit;
- temporary differences related to investments in subsidiaries, associates and joint ventures, to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future; and
- temporary taxable differences arising from the initial recognition of goodwill.

A deferred tax asset is recognized in respect of tax losses and deductible temporary differences not used, to the extent that it is probable that future taxable profits will be available against which they will be used. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that their realization is no longer likely.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the tax rates that have been enacted up to the balance sheet date.

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Company expects to recover or settle its assets and liabilities.
Deferred tax assets and liabilities are offset only if certain criteria are met.

2.19 Pension and post-employment benefits

The Company recognizes its obligations related to employee benefit plans and related costs, net of plan assets, in accordance with the following practices:

(i) The cost of pension and other post-employment benefits provided to employees is actuarially determined using the projected unit credit method and the Management's best estimate of expected investment performance for fund plans, salary increases, retirement age of employees and expected health care costs. The discount rate used to determine the obligation for future benefits is an estimate of the current interest rate at the balance sheet date;

(ii) Pension plan assets are evaluated at the market value;

(iii) Past service costs arising from plan adjustments are amortized on a straight-line basis over the remaining service period of active employees at the adjustment date;

(iv) Actuarial gains and losses are immediately recognized under comprehensive income for the period; and

(v) Plan reductions result from significant changes in the expected length of service of active employees. A net loss is recognized with reduction when the event is probable and can be estimated, while the net gain with reduction is deferred until its realization.

In accounting for pension and post-employment benefits, various statistics and other factors are used in an attempt to anticipate future events in the calculation of the expense and the obligation related to the plans.
These factors include assumptions about discount rate, expected return on plan assets, future increases in cost with health care, and rate of future compensation increases.

In addition, actuarial consultants also use subjective factors such as termination, turnover and mortality rates to estimate these factors. The actuarial assumptions used by the Company maybe materially different from actual results due to changes in economic and market conditions, regulatory events, court decisions, higher or lower termination rates or shorter or longer periods of life of participants.

2.20 Share Capital

Common shares
They are classified as shareholders’ equity. Additional costs directly attributable to the issuance of shares and options are recognized as a deduction from shareholders' equity, net of any tax effects.

Preferred Shares
They are classified in shareholders' equity if they are not redeemable, or redeemable only at the option of the Company, and any dividends are discretionary. Discretionary dividends are recognized as distributions in shareholders' equity on the date of their approval by the Company's shareholders. According to the Company's bylaws, the preferred shares differ from the common ones by the priority of repayment in the capital.

The distribution of minimum dividends and interest on shareholders' equity to Marcopolo’s shareholders is recognized as a liability in the Company's financial statements at the end of the year, based on Marcopolo’s articles of incorporation. Any amount in excess of the mandatory minimum is only provisioned for on the date it is approved by the shareholders at the annual general meeting.

2.21 Revenue recognition

Operating revenue is recognized when the performance obligation is satisfied, taking into consideration the following indicators of transfer of control: (i) the entity has a present right to pay for the asset; (ii) the client has legal ownership of the asset; (iii) the entity transferred the physical ownership of the asset; (iv) the costumer has the significant risks and benefits of ownership of the asset; and (v) the costumer accepted the asset. Revenue is measured net of returns, trade discounts and bonuses, as well as after elimination of intercompany sales.

(a) Bus sales

Revenue recognition does not occur until: (i) the cars have been delivered to the customer; (ii) the risks of obsolescence and loss have been transferred to the customer; (iii) the client has accepted the cars in accordance with the sales contract; and (iv) the acceptance provisions have been agreed, or the Company has objective evidence that all criteria for acceptance have been met.
Sales are recorded based on the price specified in the sales contracts and are discounted to the present value.

In thousands of Real, unless otherwise stated

(b) Financial services

We carry out financial intermediation operations through the controlled company Banco Moneo, for the purpose of providing financing for the acquisition of goods and services, aiming at best serving the Company's clients. This income is recognized on an accrual basis and accounted for in revenue accounts, based on the effective interest rate and pro rated interest method for transactions expiring up to the 59th day. After a period of 60 days of delay, these amounts are maintained in revenue that is to be appropriated and recognized upon the amounts being received.

2.22 Financial income and financial expenses

The Company's financial income and expenses comprise:

- revenue and interest expense;
- net gains/losses on disposal of available-for-sale financial assets;
- net gains/losses on financial assets measured at the fair value through profit or loss;
- net gains/losses from exchange rate change on financial assets and liabilities;
- impairment of fair value in contingent consideration classified as financial liabilities;
- impairment on financial assets (other than accounts receivable);
- net gains/losses in hedge instruments recognized in profit or loss; and
- reclassifications of net gains previously recognized in other comprehensive income.

Interest income and expense are recognized in the result using the effective interest method.

The Company classifies both the dividends and the interest on shareholders' equity received as cash flows from investing activities.

2.23 Merger

On July 1, 2023, Marcopolo S.A. incorporated the company Ciferal Industria de Ônibus Ltda (Ciferal), which ceased to exist and its operation was fully transferred to Marcopolo S.A., in order to use existing synergies between the companies. Ciferal was a wholly-owned subsidiary of Marcopolo S.A. Such operation did not generate any goodwill, being carried out at book value. Ciferal had equity interests in the following companies: Southern Routes, Neobus Chile and San Marino Mexico. After the date of the transaction, such entities became part of Marcopolo S.A., being controlled by it. The balance sheet values referring to the date of the merger are as shown in the table below:

	Parent company
Balance Sheet	**07/01/2023**
Assets	
Current	
Cash and cash equivalents	406,067
Accounts receivable from customers	150,321
Inventories	223,301
Recoverable income tax and social security contributions	55,825
Other accounts receivable	6,270
	841,784

In thousands of Real, unless otherwise stated

Non-current	
Deferred income tax and social contribution	39,373
Recoverable income tax and social security contributions	71,794
Judicial deposits	25,066
Investments	987
Investment property	41,314
Property, plant and equipment	85,246
Intangible assets	1,035
	264,815
Total Assets	**1,106,599**
Liabilities	
Current	
Suppliers	78,780
Loans and financing	3,113
Salaries and vacations payable	16,690
Taxes and contributions payable	24,251
Customer advances	1,943
Commissioned representatives	3,328
Creditors by contract	71,003
Other accounts payable	1,259
	200,367
Non-current	
Provision for contingencies	28,490
Provision for loss on investments	1,661
Other accounts payable	4
	30,155
Shareholders' Equity	**876,077**
Total Liabilities	**1,106,599**

3 Critical accounting estimates and judgments

The estimates and accounting premises are continuously evaluated and based on historic experience and other factors, including expectations for future events that are considered reasonable to the following statutory reserves:

Based on assumptions, the Company makes estimates concerning the future. By definition, the resulting accounting estimates will rarely be the same as their actual results. The estimates and assumptions that pose a significant risk, with the likelihood of causing a material adjustment to the carrying amount of assets and liabilities for the next year, are addressed below.

In thousands of Real, unless otherwise stated

(a) Estimated loss (impairment) of goodwill

The Company is testing goodwill for impairment annually, in accordance with the accounting policy presented in Note 2.11. The recoverable amounts of CGUs were determined based on calculations of the value in use, based on estimates.

(b) Income tax, social contributions and other taxes

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

(c) Expected credit losses

The credit analysis area of the Company evaluates and judges the credit quality of the customer, considering consideration of their financial position, the guarantees offered and past experiences, revisiting periodically the balances.

(d) Contingencies

The Company has labor, civil and tax lawsuits and has been discussing these issues both at the administrative and judicial levels. The allowances for possible losses arising from these lawsuits are estimated and updated by Management, based on the opinion of its external and internal legal advisors.

4 Management of financial risks

4.1 Risk Factors

(a) Market risk

(i) Foreign exchange risk

The Company's results are susceptible to variations, since its assets and liabilities are linked to the volatility of the exchange rate, mainly the US dollar.

As a strategy to prevent and reduce the effects of exchange rate fluctuation, the Management has adopted the policy of using natural hedges with the maintenance of related assets also susceptible to exchange variance.

As of December 31, 2023 and 2022, the Company had assets, liabilities and forwards denominated in foreign currency in the amounts described below:

				Consolidated
				2023
	Accounts receivable from customers	**Suppliers**	**Loans**	***Forwards***
Currencies				
Dirham	272	272	-	-
US Dollars	115,515	8,125	1,004,806	43,997
Australian Dollars	44,462	34,922	176,752	-
Argentine Pesos	3,505	17,589	1,647	-
South African Rand	23,439	7,027	1,733	-
Chinese Renminbis	6,795	7,351	19,008	-
Mexican Peso	127,199	44,948	2,092	-
	321,187	120,234	1,206,038	43,997

In thousands of Real, unless otherwise stated

	Consolidated			
	2022			
	Accounts receivable from customers	**Suppliers**	**Loans**	***Forwards***
Currencies				
Dirham	332	-	-	-
US Dollars	126,439	-	1,025,717	109,559
Australian Dollars	52,231	65,777	183,574	-
Argentine Pesos	10,268	28,927	30,001	-
Chilean Pesos	-	1,327	-	-
South African Rand	13,116	6,052	776	-
Chinese Renminbis	12,481	7,979	24,732	-
Mexican Peso	136,068	-	-	-
Singapore Dollar	-	-	-	1,947
	350,935	110,062	1,264,800	111,506

(ii) Interest rate risk

The Company's results are susceptible to losses due to fluctuations in interest rates that increase financial expenses related to loans and financing raised in the market, or decrease financial income related to financial investments. The Company continuously monitors the market interest rates in order to assess any requirement to contract new transactions to protect itself against the volatility risk of these rates.

(iii) Sale and purchase price risk

Considering that exports are equivalent to 17.7% of the expected revenues for 2024, the eventual volatility of the exchange rate actually represents a price risk that could change the results planned by Management.

On the other hand, the purchases of raw materials considered as commodities amount to approximately 22% of total purchases, and accordingly, the Company is subject to the effects of market price oscillations of these items. To mitigate these risks, the Company continuously monitors price developments.

(b) Credit risk

Credit risk is managed corporately. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit exposures to customers, including outstanding accounts receivable and committed transactions. If there is no independent rating, the credit analysis area evaluates the credit quality of the customer, taking into account their financial position, past experience and other factors. The individual risk limits are determined based on internal or external ratings or according to the limits established by the Board of Directors. The utilization of credit limits is monitored on a regular basis.

The Company also has expected credit losses in the amount of R$54,040 (parent company) and R$142,554 (consolidated) as of December 31, 2023 (R$30,045 and R$139,184 as of December 31, 2022) representing 7.3% and 7.3%, respectively, of the balance of accounts receivable of the parent company and the outstanding consolidated (4.3% and 7.3%, as of December 31, 2022), which was constituted to cover credit risk.

In thousands of Real, unless otherwise stated

(c) Liquidity risk

It is the risk that the Company may not have sufficient net funds to honor its financial commitments, as a result of the mismatch of term or volume between expected receipts and payments.

Future receipt and payment premises are established to manage cash liquidity in domestic and foreign currency, which are monitored on a daily basis by the Treasury Department.

					Consolidated
					2023
					Contractual cash flow
	Carrying Amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,419,584	2,746,226	764,271	1,834,106	147,849
Leasing obligations	68,748	72,910	36,990	34,374	1,546
Suppliers	793,849	793,849	793,849	-	-
Derivative financial liabilities					
Derivative financial instruments	657	657	657	-	-

					Consolidated
					2022
					Contractual cash flow
	Carrying Amount	Total	Between one and two years	Between two and five years	Over five years
Non-derivative financial liabilities					
Loans and financing	2,368,027	2,628,261	646,721	1,829,523	152,017
Leasing obligations	73,987	51,521	33,048	13,362	5,111
Suppliers	653,253	653,253	653,253	-	-
Derivative financial liabilities					
Derivative financial instruments	975	975	975	-	-

(d) Sensitivity analysis

The following table shows the sensitivity analysis of the financial instruments, which describes the risks that may cause material variations for the Company, with a more probable scenario (scenario I), according to an evaluation carried out by Management, considering a 12-month horizon when the next financial statements should be disclosed. Two more scenarios are presented which, if occurring, may generate adverse results for the Company, scenario II considering a possible deterioration of 25%; and scenario III, a deterioration of 50%.

Premises	Effects of accounts on net profit	Probable scenario (Scenario I)	(Scenario II)	(Scenario III)
CDI - %		9.00	11.25	13.50
TJLP - %		6.53	8.16	9.79
Exchange Rate - USD		4.90	6.12	7.35
SOFR - %		5.16	6.45	7.74
ACC cost discount - %		6.89	8.61	10.33
	Financial investments	99,098	123,872	148,645
	Interbank relations	151,007	160,678	170,349
	Loans and financing	(135,037)	(380,872)	(627,025)
	Forwards	1,228	15,639	30,051
	Accounts receivable subtracted from accounts payable	3,743	81,060	158,377
	Gain/(Loss)	120,039	377	(119,603)

4.2 Capital management

The Company's objective in managing capital is to safeguard the ability of its operational continuity, to guarantee return to shareholders, maintaining an optimized capital structure to reduce capital costs.
Seeking the sustainability and perpetuation of its business, in addition to social and environmental aspects, the Company places emphasis on the economic and financial results, which result in added value to the business and return to shareholders. In order to monitor the performance, the methodology known as Value-added Management was adopted in 2001, which focuses on operational actions which result in superior financial performance. The staff received training under this program on the development and use of measurement and control tools to accomplish targets, thus enabling the simulation and analysis of efficiency in the management of working capital and the effects of new investments on the Company's profitability. Simultaneously, Marcopolo adopted the concepts of BSC (Balanced Score Card) which translates each unit's strategy into objectives, drivers, targets and action plans, which are frequently monitored and managed. The tools related to the objectives are: WACC (_Weighted Average Cost Of Capital_), Net Debt/EBITDA (_Earnings Before Interest, Taxes, Depreciation and Amortization_) and Debt/Shareholders' Equity Ratio. In recent years, these key indicators have been:

WACC - between 8% and 15% p.a.
Net Debt/EBITDA - between 0.10 x and 2.50 x
Debt/Equity Ratio - between 5% and 80%
The financial leverage ratios as of December 31, 2023 and 2022 can be summarized as follows (Note 31):

	Consolidated		Industrial Segment		Financial Segment (*)	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Total loans	2,419,584	2,368,027	1,677,001	1,832,692	742,583	535,335
Derivative financial instruments	657	975	657	975	-	-
Less: cash and cash equivalents	(1,536,121)	(1,171,473)	(1,486,554)	(1,114,967)	(49,567)	(56,506)
Less: derivative financial instruments	(63)	(598)	(63)	(598)	-	-
Net debt (A)	884,057	1,196,931	191,041	718,102	693,016	478,829
Total shareholders' equity (B)	3,587,709	3,204,773	3,322,350	2,960,326	265,359	244,447
Financial leverage ratio - % (A/B)	25	37	6	24	261	196

(*) Banco Moneo maintains equity compatible with the degree of risk of the structure of its assets, according to Resolution 2.099/94 of the National Monetary Council and complementary legislation.

4.3 Estimated fair value

It is assumed that the balances of accounts receivable from clients and accounts payable to suppliers at book value are provided near fair values. The fair value of financial liabilities for reporting purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company applies CPC 46/IFRS 13 for financial instruments measured in the balance sheet at fair value, which requires disclosure of fair value measurements at the level of the following fair value measurement hierarchy:

. Quoted prices (unadjusted) on active markets for identical assets and liabilities (level 1);

. Information other than quoted prices included within level 1 that is adopted by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

. Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The table below shows the Company's assets and liabilities measured at fair value as of December 31, 2023 and 2022, which were fully classified in level 2:

	Consolidated	
	2023	**2022**
Assets		
Financial assets at fair value through profit or loss		
Derivatives for trading	63	598
	63	598
Liabilities		
Financial liabilities at fair value through profit or loss		
Derivatives for trading	657	975
	657	975

4.4 Other risk factors

The Company, upon the initiative of the Board of Directors, may perform internal evaluation procedures whenever external or internal factors indicate the possibility that distortions in the financial statements have occurred. Such procedures are performed independently, with or without the support of external experts, and their results are reported to the Board of Directors.

5 Financial instruments by category

(a) Financial assets measured at fair value through profit or loss

(i) Derivatives - The derivative instruments obtained by the Company are intended to protect its portfolio ordering operations and exposure to fluctuations risks in exchange rates and interest rates, and are not used for speculative purposes.

(b) Financial assets measured at the amortized cost

(i) Cash and cash equivalents - Checking account balances held at banks have their market values similar to the accounting balances, considering their characteristics and maturities;

(ii) Financial investments - Financial investments are measured at the amortized cost;

(iii) Trade accounts receivable - Trade accounts receivable for the sale of goods and services rendered; and

(iv) Related parties - Represented by loans.

(c) Financial liabilities measured at the fair value through profit or loss

(i) Derivatives - The derivative instruments obtained by the Company are intended to protect its portfolio ordering operations and exposure to fluctuations risks in exchange rates and interest rates and are not used for speculative purposes.

(d) Financial liabilities measured at the fair value through profit or loss

(i) Loans and financing - Loans and financing are recorded based on the contractual interest of each operation. The difference between the book value and the market value, determined by the discounted cash flow method, can be summarized as follows:

	Consolidated			
	2023		2022	
Nature of the asset	**Equity value**	**Market value**	**Equity value**	**Market value**
Loans and financing	2,419,584	2,438,542	2,368,027	2,396,250

(ii) Suppliers – Represented by amounts payable for the purchase of goods and services

(e) Derivative financial instruments

The table below presents an estimate of the market value of our position of Non-deliverable Forward (NDF) and Forward contracts. Unrealized gains and losses on derivative transactions are recorded (if loss) under the heading of derivative financial instruments or (if gain) under derivative financial instruments and the corresponding entry in the result in the heading financial income or expenses - exchange rate change, respectively.

In thousands of Real, unless otherwise stated

Assets

					Notional value	Fair value		Values receivable	
Company	**Counterpart**	**Position**	**Start**	**End**	**2023**	**2023**	**2022**	**2023**	**2022**
Marcopolo					USD thousand				
	FIBRA	Purchase	12.27.23	03.01.24	2,400	49	-	49	-
	PACTUAL	Purchase	-	-	-	-	542	-	542
						49	**542**	**49**	**542**
Masa					USD thousand				
	STD	Purchase	12.29.23	01.31.24	538	14	-	14	-
						14	**-**	**14**	**-**
Ciferal					USD thousand				
	BRADESCO	Sale	-	-	-	-	34	-	34
						-	**34**	**-**	**34**
MP Australia					SGD thousand				
	WESTERN UNION	Purchase	-	-	-	-	22	-	22
						-	**22**	**-**	**22**
						63	**598**	**63**	**598**

Liabilities

					Notional value	Fair value		Values payable	
Company	**Counterpart**	**Position**	**Start**	**End**	**2023**	**2023**	**2022**	**2023**	**2022**
Marcopolo					USD thousand				
	PACTUAL	Purchase	-	-	-	-	(331)	-	(331)
	SAFRA	Purchase	-	-	-	-	(543)	-	(543)
	FIBRA	Purchase	06.29.23	04.15.24	5,994	(528)	-	(528)	-
	VOTORANTIM	Purchase	07.05.23	01.17.24	695	(92)	-	(92)	-
						(620)	**(874)**	**(620)**	**(874)**
MP Mexico					USD thousand				
	Banco Monex	Purchase	-	-	-	-	(33)	-	(33)
						-	**(33)**	**-**	**(33)**
Masa					USD thousand				
	STD	Purchase	11.06.23	01.31.24	1,902	(37)	(68)	(37)	(68)
						(37)	**(68)**	**(37)**	**(68)**
						(657)	**(975)**	**(657)**	**(975)**

Marcopolo earned gains and losses on derivatives in the years ended December 31, 2023 and 2022 as follows:

	Realized gains/losses			
	Interest on derivatives		Exchange variation on derivatives	
	2023	2022	2023	2022
Marcopolo	(3,550)	(12,099)	(5,094)	(2,522)
Ciferal	544	563	2,409	2,151
Masa	-	-	(42)	607
MP Australia	-	-	-	250
MP Mexico	-	-	308	-

6 Consolidated financial statements

The consolidated financial statements include the statements of Marcopolo S.A. and its subsidiaries, as listed below:

(a) Subsidiaries

	Percentage participation					
	2023			2022		
	Direct	Indirect	Non-controlling	Direct	Indirect	Non-controlling
Apolo	65.00	-	35.00	65.00	-	35.00
Arcanjos	-	100.00	-	-	100.00	-
Banco Moneo	-	100.00	-	-	100.00	-
Ciferal (2)	-	-	-	99.99	0.01	-
Ilmot	100.00	-	-	100.00	-	-
MAC	100.00	-	-	100.00	-	-
Masa	100.00	-	-	100.00	-	-
MBC	100.00	-	-	100.00	-	-
MIC	100.00	-	-	100.00	-	-
Moneo	100.00	-	-	100.00	-	-
MP Argentina	43.99	26.01	30.00	43.99	26.01	30.00
MP Australia	100.00	-	-	100.00	-	-
MP Canada	-	-	-	100.00	-	-
MP Middle East	100.00	-	-	100.00	-	-
MP Next	99.99	0.01	-	99.99	0.01	-
MP Trading	99.99	0.01	-	99.99	0.01	-
MP US	100.00	-	-	-	-	-
Neobus Chile	-	100.00	-	-	100.00	-
Polomex	3.61	70.39	26.00	3.61	70.39	26.00
Polo Venture	99.99	0.01	-	99.99	0.01	-
Pologren (1), (2)	-	-	-	-	100.00	-
Rotas do Sul	-	-	-	-	100.00	-
San Marino Mexico	-	100.00	-	-	100.00	-
Syncroparts	100.00	-	-	100.00	-	-
Volare Comércio	100.00	-	-	100.00	-	-
Volare Veículos	100.00	-	-	100.00	-	-
Volgren (1)	-	100.00	-	-	100.00	-

(1) Consolidation in MP Australia.
(2) Subsidiaries incorporated in 2023.

The main practices adopted for the consolidated financial statements are highlighted below:

(i) Elimination of asset and liability account balances between consolidated companies;

(ii) Elimination of equity interests, reserves and retained earnings from controlled companies;

(iii) Elimination of the balances for revenue and expenses, as well as unrealized profits, arising from intercompany transactions. Unrealized losses are eliminated in the same manner, but only when there is no evidence of impairment of the related assets;

(iv) Elimination of tax contributions on the portion of unrealized profit presented as deferred taxes in the consolidated balance sheet; and

(v) Highlighting of the value of the non-controlling interest in consolidated financial statements.

(b) Joint ventures (unconsolidated)

	Percentage participation			
	2023		2022	
	Direct	Indirect	Direct	Indirect
Loma	51.00	-	51.00	-
Metalpar	1.00	49.00	1.00	49.00
Superpolo	20.61	29.39	20.61	29.39

The amount of the main balances of the financial statements of these companies is shown as follows:

	Assets		Liabilities		Net revenue		Profit	
	2023	2022	2023	2022	2023	2022	2023	2022
Superpolo	326,381	306,194	143,140	157,606	371,448	338,110	22,639	5,318

(c) Associates (non-consolidated)

	Percentage participation			
	2023		2022	
	Direct	Indirect	Direct	Indirect
Mercobus	40.00	-	40.00	-
New Flyer	-	8.15	-	8.54
Valeo	40.00	-	40.00	-
Setbus (1)	-	40.00	-	40.00
Spheros Colombia (1)	-	40.00	-	40.00
Valeo Mexico (1)	-	40.00	-	40.00
WSul	30.00	-	30.00	-

(1) Consolidated in the associates (unconsolidated) Valeo.

The amount of the main balances of the financial statements of these companies is shown as follows:

In thousands of Real, unless otherwise stated

	Assets		Liabilities		Net revenue		Profit (loss)	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
GBPolo (1)	-	-	-	-	-	6,849	-	(17,645)
Mercobus	8,777	5,689	3,864	1,871	12,465	4,711	4,758	328
Valeo	224,296	199,042	76,596	79,722	360,923	272,704	41,260	17,128
WSul	18,957	19,934	6,434	8,594	45,561	48,876	2,183	5,177

(1) Investment written off in December 2022.

The nature of ownership interests are presented below:

Apolo Soluções em Plásticos Ltda. - 65% ownership interest, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. The company's corporate purpose involves the injection of plastic parts, and the development, manufacture and trade of plastic products and materials.

Marcopolo Middle East and Africa FZE. - Wholly-owned subsidiary located in Dubai, United Arab Emirates. The objective of Marcopolo Middle East is the development of commercial relations with the Middle East.

Moneo Investimentos S.A. - Wholly-owned subsidiary, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Moneo's objective is to hold stakes in other companies, exclusively in those that are financial institutions or other institutions authorized to operate by the Central Bank of Brazil and has the following wholly-owned subsidiary:

Banco Moneo S.A. - located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. The company's corporate purpose involves banking activities in general, performed in the manner authorized by the Central Bank and operations carried out within the Brazilian marketplace.

Marcopolo Next Serviços em Mobilidade Ltda. – wholly-owned subsidiary, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Its purpose is to provide services and solutions in mobility.

Polo Venture Participações Ltda. – wholly-owned subsidiary, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Its main purpose is the participation in the capital of other companies in the country and abroad.

- Arcanjos Investimento e Participações Ltda. – Indirect subsidiary, located in the city and state of São Paulo, Brazil. Its main purpose is the participation in the share capital of other companies.

San Marino Bus de México S.A. de C.V. – A wholly-owned subsidiary, located in Toluca in the State of Mexico, Mexico. The company's corporate purpose involves the manufacturing bus bodies.

Neobus Chile SPA. – A wholly-owned subsidiary, located in Chile. The company's corporate purpose involves the commercialization of products and parts.

Ilmot International Corporation. – Wholly-owned subsidiary located in Uruguay. Ilmot is engaged in holding interests in other companies and has the following subsidiaries/associates:

- Polomex S.A. de C.V. – located in Monterrey, Nuevo León, Mexico. Polomex is a bus body manufacturer.

- Superpolo S.A.S. – located in Colombia. Superpolo's objective is to manufacture bus bodies.

Marcopolo Auto Components Co. – A wholly-owned subsidiary, located in ChangZhou City, China, which seeks to develop and promote sales of bus components.

Marcopolo Australia Holdings Pty Ltd. – Wholly-owned subsidiary, located in Melbourne, Australia. The objective of MP Australia is to hold shares in other companies and has the following subsidiary:

- Volgren Australia Pty Limited. – located in Melbourne, Australia. Holds a 100% ownership interest in terms of capital. Volgren's objective is to manufacture bus bodies.

Marcopolo (Changzhou) Bus Manufacturing Co. Ltd – A wholly-owned subsidiary, located in ChangZhou City, China. The Company's corporate purpose involves the development and manufacture of bus bodies and components.

New Flyer Industries Inc. – located in Canada, with an 8.15% interest in the capital. The objective of New Flyer is to manufacture buses.

Marcopolo International Corp. – wholly-owned subsidiary, located in the British Virgin Islands. The activities of this subsidiary are currently suspended.

Marcopolo South Africa Pty Ltd. – A wholly-owned subsidiary, located in Johannesburg, South Africa. The Company's purpose involves the manufacturing of bus bodies.

Marcopolo Trading S.A. – wholly-owned subsidiary, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Its purpose is to provide technical services related to foreign trade.

Marcopolo US LLC. – Wholly-owned subsidiary, located in Austin, Texas, United States. Its purpose is the representation and commercialization of products.

Syncroparts Com. e Distr. de Peças Ltda. – Wholly-owned subsidiary, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Its purpose is the trade and distribution of parts for motor vehicles, and interests in other companies.

Volare Veículos Ltda. – A wholly-owned subsidiary, located in São Mateus, in the State of Espírito Santo, Brazil. The Company's corporate purpose involves the manufacturing of bus and microbus bodies, as well as parts, components and accessories.

Volare Comércio e Distribuição de Veículos e Peças Ltda. – Wholesale subsidiary, located in São Paulo, in the State of São Paulo, Brazil. The Company's corporate purpose involves the wholesale trade of motor vehicle parts and accessories.

Loma Hermosa S.A. – Affiliate holding a 51% ownership interest in terms of capital, located in the Province of Buenos Aires, Argentina. Loma is engaged in holding interests in other companies and has the following subsidiaries/associates::

- Metalpar S.A. – Subsidiary, holding a 98% ownership interest in terms of capital, located in the Province of Buenos Aires, Argentina. Metalpar's objective is to manufacture bus bodies.

- Metalsur Carrocerias S.R.L. – Subsidiary, holding a 51% ownership interest in terms of capital, located in the Province of Santa Fe, Argentina. Metalsur's objective is to manufacture bus bodies.

Valeo Climatização do Brasil – Veículos Comerciais S.A. – Affiliate, holding a 40% ownership interest in terms of capital, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. Valeo's objective is the assembly, commercialization, import and export of refrigeration and air conditioning equipment and participation in other companies, with the following subsidiaries:

- Valeo Thermal Commercial Vehicles México S.A. de C.V. – Wholly-owned subsidiary, located in Mexico, the corporate purpose of which involves the assembly, commercialization, and import and export of refrigeration and air conditioning equipment.

- Spheros Thermosystems Colombia Ltda. – A wholly-owned subsidiary, located in Colombia, the corporate purpose of which involves the assembly, commercialization, and import and export of refrigeration and air conditioning equipment.

WSul Espumas Indústria e Comércio Ltda. – Affiliate holding a 30% ownership interest in terms of capital, located in Caxias do Sul, in the State of Rio Grande do Sul, Brazil. WSul's objective is the manufacture and commercialization of polyurethane foam, moldings and their derivatives.

7 Cash and cash equivalents, financial assets and derivatives

7.1 Cash and cash equivalents

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cash and bank deposits				
In Brazil	125,158	161,357	135,538	168,537
Overseas	71	62	152,404	59,554
Securities of immediate liquidity				
In Brazil (*)	866,252	559,231	1,229,713	885,909
Overseas	-	-	18,466	57,473
Total cash and cash equivalent	991,481	720,650	1,536,121	1,171,473

(*) Corresponds, substantially, to investments in Bank Deposit Certificates (CDBs), remunerated at rates ranging between 98.0% and 105.0% of the CDI, resulting in a weighted average of approximately 102.3% of the CDI on December 31, 2023.

7.2 Financial assets measured at amortized cost loss and derivative financial instruments

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Current				
Derivative financial instruments				
Derivatives - Non Deliverable Forwards	49	542	63	598
	49	542	63	598
Non-current				
At amortized cost				
Related parties	155,492	145,095	69,523	69,864
	155,492	145,095	69,523	69,864

Derivative financial instruments are presented as current assets or liabilities. The Company does not hold financial instruments that have been recorded under _hedge accounting_ in accordance with IFRS 9/CPC 48.

In thousands of Real, unless otherwise stated

8 Accounts receivable from customers

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Current				
In the domestic market	387,780	197,429	561,508	677,493
In the foreign market	226,751	213,460	432,791	381,823
Related parties	138,915	307,725	-	-
Interbank relations	-	-	348,468	285,430
Adjustment to present value	(8,742)	(12,037)	(9,481)	(22,476)
Expected credit losses	(54,040)	(30,045)	(104,625)	(79,707)
	690,664	676,532	1,228,661	1,242,563
Non-current				
In the foreign market	-	-	-	104,201
Interbank relations	-	-	610,405	468,818
Expected credit losses	-	-	(37,929)	(59,477)
	-	-	572,476	513,542
	690,664	676,532	1,801,137	1,756,105

Interbank relations refer to loans for bus financing by Banco Moneo, through onlending of the FINAME program of BNDES.

The composition of trade accounts receivable by maturity is as follows:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Amounts due	613,542	656,827	1,733,949	1,588,446
Overdue:				
Up to 30 days	9,166	17,980	46,605	125,853
Between 31 and 60 days	14,190	5,723	18,320	57,287
Between 61 and 90 days	3,852	2,023	9,561	35,114
Between 91 and 180 days	12,060	2,296	20,775	53,531
Over 181 days	100,636	33,765	123,962	57,534
Adjustment to present value	(8,742)	(12,037)	(9,481)	(22,476)
Expected credit losses	(54,040)	(30,045)	(142,554)	(139,184)
	690,664	676,532	1,801,137	1,756,105

The changes in expected credit losses are shown below:

	Parent company	**Consolidated**
Balance as of January 1, 2022	(38,210)	(160,521)
Provision recorded for the period	(3,974)	(18,924)
Reversal of provision for accounts receivable (write-off)	6,992	7,251
Recovery of provisioned credits	5,147	32,291
Exchange variation	-	719
Balance as of December 31, 2022	(30,045)	(139,184)
Provision recorded for the period	(14,774)	(41,650)
Reversal of provision for accounts receivable (write-off)	6,627	19,905

In thousands of Real, unless otherwise stated

	Parent company	Consolidated
Recovery of provisioned credits	4,519	18,173
Transfers (*)	(20,367)	-
Exchange variation	-	202
Balance as of December 31, 2023	(54,040)	(142,554)

(*) Refers to the merger of the company Ciferal, according to explanatory note 2.23.

Accounts receivable are denominated in the following currencies:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Brazilian Real	463,912	463,072	1,479,950	1,405,170
Dirham	-	-	272	332
US Dollar	226,752	213,460	115,515	126,439
Australian Dollar	-	-	44,462	52,231
Argentine Peso	-	-	3,505	10,268
Rand	-	-	23,439	13,116
Renminbi	-	-	6,795	12,481
Mexican Peso	-	-	127,199	136,068
	690,664	676,532	1,801,137	1,756,105

9 Inventory

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Finished products	226,627	72,601	338,568	406,917
Products in preparation	164,082	69,760	280,527	168,580
Raw and auxiliary materials	619,995	339,904	952,644	724,937
Current imports	32,332	8,971	73,367	52,071
Provision for losses in inventories	(17,350)	(5,991)	(26,258)	(14,154)
	1,025,686	485,245	1,618,848	1,338,351

The change in the provision for inventory losses is shown below:

	Parent company	Consolidated
Balance as of January 1, 2022	(5,361)	(16,486)
Reversal of provision	325	6,521
Provision recorded for the period	(955)	(4,885)
Exchange variation	-	696
Balance as of December 31, 2022	(5,991)	(14,154)
Reversal of provision	-	3,795
Provision recorded for the period	(9,867)	(34,476)
Transfers (*)	(1,492)	-
Exchange variation	-	18,577
Balance as of December 31, 2023	(17,350)	(26,258)

(*) Refers to the merger of the company Ciferal, according to explanatory note 2.23.

In thousands of Real, unless otherwise stated

10 Recoverable taxes

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Current				
Tax on Industrialized Products (IPI)	4,166	1,743	4,569	2,835
Tax on Circulation of Goods and Services (ICMS)	25,393	8,719	32,751	49,492
Social Integration Program (PIS)	17,708	1,613	26,505	16,552
Contribution to Social Security Financing (COFINS)	66,261	10,170	101,776	65,733
National Institute of Social Security (INSS)	-	-	584	584
Reintegra	1,195	820	1,195	1,195
Value Added Tax (VAT)	-	-	28,385	30,451
Pis/Cofins recoverable - ICMS exclusion from the calculation basis	-	15,209	-	37,645
Other	20,912	18,059	21,316	18,293
	135,635	56,333	217,081	222,780
Non-current				
Tax on Circulation of Goods and Services (ICMS)	3,341	3,022	3,685	3,243
Pis/Cofins recoverable - ICMS exclusion from the calculation basis	327,087	269,246	327,087	348,021
Value Added Tax (VAT)	-	-	6,680	26,554
	330,428	272,268	337,452	377,818
	466,063	328,601	554,533	600,598

11 Investments

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Subsidiaries	1,482,012	2,261,129	-	-
Jointly controlled entities	116,771	110,499	102,845	86,564
Associates	352,691	52,657	352,691	369,402
Other investments	-	-	4,005	3,463
	1,951,474	2,424,285	459,541	459,429

In thousands of Real, unless otherwise stated

(a) Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are as follows:
Subsidiaries:

	Apolo	Ciferal	Ilmot	Loma Metalsur	MAC	MP US	MBC	MP Australia	Masa	MP Argentina	MIC	Moneo	MP Canada	MP Middle East	MP Next	MP Mexico	Neobus Chile	Polo Venture	Rotas do Sul	San Marino Mexico	Syncro	MP Trading	Volare Vehicles	Volare Commerce	Total 2023	Total 2022
		(3)	(1)	(1), (2)	(1)	(1)	(1)	(1)	(1)	(1), (2)	(1)		(1),(5)	(1)		(1)	(1)		(4)	(1)						
Investment Data																										
Share capital	3,850	-	74,547	19,123	64,616	968	25,945	73,965	8,161	12,699	6,777	150,000	165,315	1,318	31,000	56,285	10,573	20,000	-	17,363	4,000	5,000	351,110	11.000		
Shareholders' equity	10,602	-	213,982	(51,030)	(1,977)	319	452	57,408	66,219	(70,576)	8,013	267,059	252,263	(3,376)	28,942	228,892	(1,239)	6,273	-	828	7,366	9,629	763,330	10,048		
Shares or quotas held	3,250,000	-	154,000	50,171,712	1	1	1	100	300	4,897,938	1,400,000	150,000	4,925,530	1	4,999,500	3,011,659	1,000	19,998,000	200,000	46,000	4,000,000	4,999,850	263,260,000	11,000,000		
% participation	65.00	-	100.00	26.01	100.00	100.00	100.00	100.00	100.00	43.99	100.00	100.00	100.00	100.00	99.99	3.61	100.00	99.99	100.00	99.99	100.00	99.99	100.00	100.00		
Net profit (loss) for the period	923	-	34,246	(27,324)	(12,261)	(517)	(5,367)	4,842	11,581	(65,097)	514	28,315	8,263	40	2,415	40,028	272	(444)	(52)	10	491	684	296,809	2,726		
Changes in Investments																										
Opening balances:																										
By the equity value	6,291	777,110	166,757	-	697	-	-	56,390	64,342	13,364	8,097	246,339	399,999	-	4,527	6,360	-	6,716	-	-	6,875	9,106	466,521	7,322	2,246,813	2,118,118
Reclassification of income for investment loss	-	-	-	(5,879)	-	-	(4,522)	-	-	-	-	-	-	(3,749)	-	-	-	-	-	-	-	-	-	-	(14,150)	(29,242)
Advance for capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,300
Payment of capital	-	-	-	-	10,227	841	10,086	-	-	-	-	-	-	-	21,997	-	-	-	-	-	-	-	-	-	43,151	39,367
Dividends received/reversed	-	-	(3,169)	-	-	-	-	-	-	-	-	(7,595)	-	-	-	-	-	-	-	-	-	(162)	-	-	(10,926)	(187,303)
Equity equivalence result	600	145,124	34,246	(16,932)	(12,261)	(517)	(5,367)	4,842	11,581	(28,636)	514	28,315	(73,796)	40	2,415	1,445	272	(444)	(52)	-	491	684	296,809	2,726	392,099	332,028
Cumulative conversion adjustments	-	(50)	16,148	17,123	(640)	(5)	255	(3,824)	(9,704)	28,959	(598)	-	(155,999)	333	-	458	151	-	-	7	-	-	-	-	(107,386)	(69,520)
Reduction in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,164)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	(70,476)	-	-	-	-	-	-	-	-	-	-	-	(70,476)	-
Exchange variation on dissolution/reduction of capital	-	-	-	-	-	-	-	-	-	-	-	-	152,535	-	-	-	-	-	-	-	-	-	-	-	152,535	10,944
Adjustment for hyperinflation / alienation	-	-	-	(12,670)	-	-	-	-	-	(21,428)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,098)	2,847
Transfers	-	(45,995)	-	-	-	-	-	-	-	-	-	-	(252,263)	-	-	-	-	-	-	-	-	-	-	-	(298,258)	(881)
Ciferal Incorporation	-	(876,077)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,662)	-	169	818	-	-	-	-	(876,752)	-
Amortization of added value	-	(112)	-	-	-	-	-	-	-	(682)	-	-	-	-	-	-	-	-	(117)	-	-	-	-	-	(911)	(831)
Closing balances:	6,891	-	213,982	(18,358)	(1,977)	319	452	57,408	66,219	(8,423)	8,013	267,059	-	(3,376)	28,939	8,263	(1,239)	6,272	-	825	7,366	9,628	763,330	10,048	1,421,641	2,232,663
Provision for loss of investment	-	-	-	18,358	1,977	-	-	-	-	35,421	-	-	-	3,376	-	-	1,239	-	-	-	-	-	-	-	60,371	28,466
By the equity value	6,891	-	213,982	-	-	319	452	57,408	66,219	26,998	8,013	267,059	-	-	28,939	8,263	-	6,272	-	825	7,366	9,628	763,330	10,048	1,482,012	2,261,129

(1) Enterprises overseas.
(2) These balances include investments and goodwill.
(3) Ciferal was merged into Marcopolo S/A on July 1, 2023 and its operation was fully transferred to Marcopolo.
(4) The company Rotas do Sul ended its activities on December 1, 2023.
(5) In March 2023, the management dissolved the subsidiary Marcopolo Canada, directly passing the interest in the Canadian affiliate NFI Group Inc. (NFI).

In thousands of Real, unless otherwise stated

Joint ventures:

	Loma (1), (2)	Metalpar (1)	Superpolo (1)	Joint ventures Total 2023	Joint ventures Total 2022
Investment Data					
Share capital	56,736	14,667	16,130		
Shareholders' equity	(117,237)	(71,500)	183,241		
Shares or quotas held	50,171,712	493,611	265,763		
% participation	51.00	1.00	20.61		
Net profit (loss) for the period	(44,808)	(22,200)	22,639		
Changes in investments					
Opening balances:					
By the equity value	33,233	-	30,624	63,857	73,918
Reclassification of provision for investment loss	-	(628)	-	(628)	(757)
Dividends received	-	-	(2,479)	(2,479)	(2,036)
Equity equivalence result	(22,852)	(222)	4,666	(18,408)	6,021
Cumulative conversion adjustments	48,085	771	4,954	53,810	13,441
Adjustment for hyperinflation	(38,382)	(636)	-	(39,018)	(27,370)
Transfers	-	-	-	-	881
Amortization of added value	(869)	-	-	(869)	(869)
Closing balances:	19,215	(715)	37,765	56,265	63,229
Provision for loss of investment	59,791	715	-	60,506	47,270
By the equity value	79,006	-	37,765	116,771	110,499
Goodwill on investment	(48,856)	-	-	(48,856)	(48,856)
Allocation of the purchase price	(18,921)	-	-	(18,921)	(18,749)
Indirect participation - Superpolo	-	-	53,851	53,851	43,670
By the consolidated equity value	11,229	-	91,616	102,845	86,564

(1) Enterprises overseas.
(2) These balances include investments and goodwill.

In thousands of Real, unless otherwise stated

Associates:

					Associates	
						Total
	Mercobus	**Valeo**	**WSul**	**New Flyer (*)**	**2023**	**2022**
	(1)			(1)		
Investment Data						
Share capital	764	30,000	6,100	4,784,354		
Shareholders' equity	4,913	147,700	12,523	3,422,580		
Shares or quotas held	232,000	244,898	1,830,000	9,687,834		
% participation	40.00	40.00	30.00	8.15		
Net profit (loss) for the period	4,758	41,260	2,183	(669,816)		
Changes in investments						
Opening balances:						
By the equity value	1,527	47,728	3,402	-	52,657	44,368
Acquisition of ownership interests	-	-	-	93,832	93,832	-
Reclassification of provision for investment of investment	-	-	-	-	-	(5,831)
Dividends received	(1,370)	(5,350)	(300)	-	(7,020)	(270)
Equity equivalence result	1,903	16,504	655	(54,523)	(35,461)	5,006
Cumulative conversion adjustments	(95)	198	-	(12,973)	(12,870)	5,336
Reduction in capital	-	-	-	-	-	6,202
Bargain Purchase Earned Adjustments	-	-	-	9,290	9,290	-
Exchange variation on capital reduction	-	-	-	-	-	(2,154)
Transfer	-	-	-	252,263	252,263	-
Closing balances:	1,965	59,080	3,757	287,889	352,691	52,657
Indirect participation - New Flyer	-	-	-	-	-	316,745
By the consolidated equity value	1,965	59,080	3,757	287,889	352,691	369,402

(1) Enterprise abroad.
(*) The Company recognized R$9,290 thousand in June 2023 from the bargain purchase of NFI Group Inc. in the process of capital increase, through the difference between the amount paid for the shares and the quotation at the time of subscription.

In thousands of Real, unless otherwise stated

12 Investment Property

The investment properties consist of two properties: one located in Três Rios and the other in Caxias do Sul.

The land located in Três Rios, in Rio de Janeiro has 140,000m², its constructed area is 20,378.87m². The property is measured at its book value of R$41,314 (R$41,349 as of December 31, 2022) and was valued at its fair value of R$41,971.

The land located in Caxias do Sul, in Rio Grande do Sul has 46,530.05m², its built area is 35,860.75m². The property is measured at its book value of R$5,322 (R$6,002 as of December 31, 2022) and was valued at its fair value of R$49,930.

The fair values are net of marketing expenses and were calculated by specialized valuers. There are no operating activities being carried out at the sites, which are maintained to earn rental income or for the appreciation of the property. There were only irrelevant expenses related to surveillance, insurance and energy were incurred during the 2023 fiscal year.

	Parent company			
	Land	**Buildings and Constructions**	**Machinery and Equipment**	**Total**
Balances as of December 31, 2022	2,609	3,160	233	6,002
Ciferal Incorporation	20,213	19,005	2,096	41,314
Write-offs	-	(112)	-	(112)
Depreciation	-	(522)	(46)	(568)
Balance as of December 31, 2023	22,822	21,531	2,283	46,636
Cost of the investment property	22,822	24,885	3,799	51,506
Accumulated depreciation	-	(3,354)	(1,516)	(4,870)
Residual value	22,822	21,531	2,283	46,636
Annual depreciation rates - %		5.4	14.1	

	Consolidated			
	Land	**Buildings and Constructions**	**Machinery and Equipment**	**Total**
Balances as of December 31, 2022	22,822	22,200	2,329	47,351
Write-offs	-	(112)	-	(112)
Depreciation	-	(557)	(46)	(603)
Balance as of December 31, 2023	22,822	21,531	2,283	46,636
Cost of the investment property	22,822	24,885	3,799	51,506
Accumulated depreciation	-	(3,354)	(1,516)	(4,870)
Residual value	22,822	21,531	2,283	46,636
Annual depreciation rates - %		5.4	14.1	

In thousands of Real, unless otherwise stated

13 Fixed Assets

(a) Summary of activity related to the controlled company's fixed assets

	Land	Buildings and Constructions	Machinery and Equipment	Furniture and fixtures	IT equipment	Vehicles	Other property, plant and equipment	Total	Building usage rights	Total
Balances as of January 1, 2022	15,659	137,201	260,266	2,821	9,947	1,496	175	427,565	5,897	433,462
Additions	-	5,848	34,530	685	6,520	678	-	48,261	2,209	50,470
Write-offs	-	-	(1,746)	(7)	(157)	(16)	(16)	(1,942)	-	(1,942)
Depreciation	-	(4,342)	(31,362)	(571)	(3,079)	(200)	-	(39,554)	(2,292)	(41,846)
Balances as of December 31, 2022	15,659	138,707	261,688	2,928	13,231	1,958	159	434,330	5,814	440,144
Cost of property, plant and equipment	15,659	212,657	474,041	10,141	35,413	6,169	159	754,239	11,578	765,817
Accumulated depreciation	-	(73,950)	(212,353)	(7,213)	(22,182)	(4,211)	-	(319,909)	(5,764)	(325,673)
Residual value	15,659	138,707	261,688	2,928	13,231	1,958	159	434,330	5,814	440,144
Balances as of December 31, 2022	15,659	138,707	261,688	2,928	13,231	1,958	159	434,330	5,814	440,144
Additions	1,562	20,982	54,080	1,312	8,500	1,786	80	88,302	1,699	90,001
Write-offs	-	(471)	(3,103)	(21)	(264)	(855)	(49)	(4,763)	(507)	(5,270)
Ciferal Incorporation	21,500	48,534	13,358	467	838	527	1	85,225	21	85,246
Transfers	16,518	7,076	-	-	-	-	-	23,594	-	23,594
Depreciation	-	(4,860)	(44,082)	(579)	(3,923)	(271)	-	(53,715)	(2,648)	(56,363)
Balance as of December 31, 2023	55,239	209,968	281,941	4,107	18,382	3,145	191	572,973	4,379	577,352
Cost of property, plant and equipment	55,239	296,712	601,681	14,746	44,314	8,086	191	1,020,969	12,893	1,033,862
Accumulated depreciation	-	(86,744)	(319,740)	(10,639)	(25,932)	(4,941)	-	(447,996)	(8,514)	(456,510)
Residual value	55,239	209,968	281,941	4,107	18,382	3,145	191	572,973	4,379	577,352
Annual depreciation rates - %		3.5	16.8	19.8	29.7	13.8				

In thousands of Real, unless otherwise stated

(b) Summary of activity involving consolidated fixed assets

	Land	Buildings and Constructions	Machinery and Equipment	Furniture and fixtures	Computer equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment in progress	Total	Building usage rights	Machine Use Rights	Total
Balances as of January 1, 2022	56,349	445,310	393,341	7,103	12,568	6,561	13,705	25,596	960,533	53,548	3,678	1,017,759
Exchange rate effect	(185)	(11,565)	(13,176)	(2,751)	-	(315)	(2,145)	(77)	(30,214)	(4,937)	-	(35,151)
Adjustment for hyperinflation	1,369	28,252	9,587	425	-	819	692	(2,527)	38,617	-	-	38,617
Additions	8,272	11,059	45,910	1,243	7,228	1,656	457	14,501	90,326	38,146	-	128,472
Write-offs	-	-	(2,300)	(24)	(262)	(692)	(41)	(1,387)	(4,706)	(82)	-	(4,788)
Transfers	-	-	-	-	182	-	-	(182)	-	-	-	-
Depreciation	-	(19,865)	(63,636)	(1,767)	(4,593)	(2,129)	(2,360)	(43)	(94,393)	(20,221)	(282)	(114,896)
Balances as of December 31, 2022	65,805	453,191	369,726	4,229	15,123	5,900	10,308	35,881	960,163	66,454	3,396	1,030,013
Cost of property, plant and equipment	65,805	586,193	886,659	24,031	44,018	19,215	38,483	35,881	1,700,285	132,321	11,526	1,844,132
Accumulated depreciation	-	(133,002)	(516,933)	(19,802)	(28,895)	(13,315)	(28,175)	-	(740,122)	(65,867)	(8,130)	(814,119)
Residual value	65,805	453,191	369,726	4,229	15,123	5,900	10,308	35,881	960,163	66,454	3,396	1,030,013
Balances as of December 31, 2022	65,805	453,191	369,726	4,229	15,123	5,900	10,308	35,881	960,163	66,454	3,396	1,030,013
Exchange rate effect	(2,737)	(47,812)	(4,483)	(495)	-	(1,192)	168	(1,141)	(57,692)	384	-	(57,308)
Adjustment for hyperinflation	2,316	41,293	17,130	1,477	-	1,494	4	738	64,452	-	-	64,452
Additions	7,690	43,471	73,452	2,268	10,762	2,338	2,851	5,636	148,468	13,984	-	162,452
Write-offs	-	(471)	(5,963)	(60)	(271)	(1,024)	(385)	(62)	(8,236)	(1,013)	-	(9,249)
Transfers	(1,168)	631	14,491	2,409	185	3,921	(7,193)	(13,276)	-	-	-	-
Depreciation	-	(24,761)	(82,034)	(2,461)	(5,540)	(2,535)	(1,257)	-	(118,588)	(21,015)	(399)	(140,002)
Balance as of December 31, 2023	71,906	465,542	382,319	7,367	20,259	8,902	4,496	27,776	988,567	58,794	2,997	1,050,358
Cost of property, plant and equipment	71,906	596,657	949,564	25,736	50,895	21,267	18,933	27,776	1,762,734	110,552	5,788	1,879,074
Accumulated depreciation	-	(131,115)	(567,245)	(18,369)	(30,636)	(12,365)	(14,437)	-	(774,167)	(51,758)	(2,791)	(828,716)
Residual value	71,906	465,542	382,319	7,367	20,259	8,902	4,496	27,776	988,567	58,794	2,997	1,050,358
Annual depreciation rates - %		5.5	22.2	58.2	36.6	43.0				31.6		

Land and buildings comprise mainly factories and offices.

(c) Guarantee

As of December 31, 2023, properties with a net book value of R$10,131 (R$11,140 as of December 31, 2022) are subject to a registered suretyship in order to guarantee bank loans and contingencies.

14 Goodwill and intangible assets

(a) Summary of the movement of the parent company's intangible assets

	Software	**Registered brands and licenses**	**Goodwill**	**Total**
Balances as of January 1, 2022	8,366	660	-	9,026
Additions	5,245	267	-	5,512
Amortizations	(2,334)	(80)	-	(2,414)
Balances as of December 31, 2022	11,277	847	-	12,124
Cost of intangible assets	68,391	1,337	-	69,728
Accumulated amortization	(57,114)	(490)	-	(57,604)
Residual value	11,277	847	-	12,124
Balances as of December 31, 2022	11,277	847	-	12,124
Additions	2,633	1,022	-	3,655
Write-offs	-	(486)	-	(486)
Ciferal Incorporation	12	1,023	30,739	31,774
Amortizations	(2,862)	(250)	-	(3,112)
Balance as of December 31, 2023	11,060	2,156	30,739	43,955
Cost of intangible assets	70,857	3,207	30,739	104,803
Accumulated amortization	(59,797)	(1,051)	-	(60,848)
Residual value	11,060	2,156	30,739	43,955
Annual amortization rates - %	25.4	29.5		

In thousands of Real, unless otherwise stated

(b) Summary of the movement of consolidated goodwill and intangible assets

	Software	**Registered brands and licenses**	**Client portfolio of customers**	**Other Intangible Assets**	**Goodwill**	**Total**
Balances as of January 1, 2022	9,482	9,794	22,987	365	309,760	352,388
Exchange rate effect	(324)	-	-	-	(29,402)	(29,726)
Adjustment for hyperinflation	1,182	-	-	-	-	1,182
Additions	6,845	268	-	-	-	7,113
Write-offs	(3)	-	-	-	-	(3)
Amortizations	(4,140)	(90)	(682)	-	-	(4,912)
Balances as of December 31, 2022	13,042	9,972	22,305	365	280,358	326,042
Cost of intangible assets	92,115	10,760	51,643	9,263	280,358	444,139
Accumulated amortization	(79,073)	(788)	(29,338)	(8,898)	-	(118,097)
Residual value	13,042	9,972	22,305	365	280,358	326,042
Balances as of December 31, 2022	13,042	9,972	22,305	365	280,358	326,042
Exchange rate effect	(1,417)	-	-	-	(11,850)	(13,267)
Adjustment for hyperinflation	2,167	-	-	-	-	2,167
Additions	4,404	1,059	-	22	-	5,485
Write-offs	-	(487)	-	-	(70,476)	(70,963)
Transfers	378	-	-	(378)	-	-
Amortizations	(5,140)	(253)	(974)	-	-	(6,367)
Balance as of December 31, 2023	13,434	10,291	21,331	9	198,032	243,097
Cost of intangible assets	85,519	11,374	48,836	6,934	198,032	350,695
Accumulated amortization	(72,085)	(1,083)	(27,505)	(6,925)	-	(107,598)
Residual value	13,434	10,291	21,331	9	198,032	243,097
Annual amortization rates - %	39.4	2.5	4.4			

Composition of goodwill:

					Goodwill
	Loma/ Metalsur	**Ciferal**	**New Flyer**	**MP Australia**	**Total**
Balances as of December 31, 2022	52,172	30,739	72,317	125,130	280,358
Exchange rate effect	-	-	(1,841)	(10,009)	(11,850)
Write-offs	-	-	(70,476)	-	(70,476)
Balance as of December 31, 2023	52,172	30,739	-	115,121	198,032

(c) Goodwill test for verification of *impairment*

(i) Business Unit Goodwill – Ciferal

Composed of the goodwill generated on the acquisition of the investment in San Marino, merged by Ciferal on March 31, 2022. Subsidiary Ciferal was merged into Marcopolo on July 1, 2023, with goodwill on the Ciferal business unit, in the amount of R$30,739. The projections to establish the recoverable value were prepared according to the value in use, and were made for a period of five years and in perpetuity. The following main premises were invoked as of December 31, 2023: (i) a gross margin of 21.32%, (ii) a growth rate of 20.49% p.a., and (iii) a discount rate calculated after tax of 14.99% p.a., taking past management experience, as well as expectations for growth of the Company's operating segment into consideration. The recoverable amount was compared with the book balance of the assets that make up the Cash Generating Unit (CGU) and, as a result of this analysis and application of the assumptions described on discounted cash flows to determine the need to reduce the recoverable value of goodwill, Management did not identify the need for impairment recognition for this CGU. According to CPC 01, the Company designed sensitivity scenarios, which would not result in the need for impairment.

(ii) **Goodwill of the subsidiary MP Australia**

Consists of the goodwill generated in acquisition of the investment in Volgren at an amount of R$115,121. The projections to establish the recoverable value were prepared according to the value in use, considering the projection in the five-year period and in perpetuity. The following main premises were invoked as of December 31, 2023: (i) a gross margin of 23.52% p.a., (ii) a growth rate of 8.29% p.a., and (iii) a discount rate calculated after tax of 17.5% p.a., taking past management experience, as well as expectations for growth of the Company's operating segment into consideration. The recoverable amount was compared with the book balance for assets that compose the CGU and, as a result of this analysis and application of the premise described regarding discounted cash flows in order to determine the need to reduce the recoverable amount of goodwill, the Company's Management did not identify the need for recognition of *impairment* for this CGU. According to CPC 01, the Company designed sensitivity scenarios, which would not result in the need for impairment.

(iii) Goodwill at subsidiary – Metalsur

Composed of goodwill generated from corporate reorganization in Argentina in the amount of R$52,172. The projections to establish the recoverable value were prepared according to the value in use, and were made for a period of five years and in perpetuity. The following main premises were invoked as of December 31, 2023: (i) a gross margin of 23.40% p.a., (ii) a growth rate of 9.85% p.a., and (iii) a discount rate calculated after tax of 20.6% p.a., taking past management experience, as well as expectations for growth of the Company's operating segment into consideration. The recoverable amount was compared with the book balance for assets that compose the CGU and, as a result of this analysis and application of the premise described regarding discounted cash flows in order to determine the need to reduce the recoverable amount of goodwill, the Company's Management did not identify the need for recognition of impairment for this CGU. According to CPC 01, the Company designed sensitivity scenarios, which would not result in the need for impairment.

15 Related Parties - Parent Company

(a) Related party balances and transactions

The main balances for assets and liabilities for related parties as of December 31, 2023, as well as the transactions that influenced results for the year, are described in the following table:

Related Parties	Asset balances by loan and current account	Accounts receivable from sales	Accounts payable for purchases	Sale of products/services	Purchase of products/services
Apolo	-	-	-	-	10,512
Brasa	-	29	-	144	-
Ciferal	-	-	-	127,296	16,063
Ilmot	1,160	-	-	-	-
Loma	69,523	-	-	-	-
Mac	-	106	152	1,475	5,687
Masa	-	18,703	-	60,555	-
MP Argentina	84,139	55,324	-	43,551	-
MP Australia	-	478	-	3,721	-
MP Mexico	-	29,403	-	82,075	-
MP Next	-	31	-	16	-
San Marino Mexico	-	688	-	-	-
Valeo	-	-	18,823	-	161,061
Volare Comércio	111	3,647	19	17,820	156
Volare Veículos	559	30,506	284	85,004	3,608
WSul	-	-	9,986	-	54,289
Balance in 2023	155,492	138,915	29,264	421,657	251,376
Balance in 2022	145,095	307,725	44,586	545,293	181,853

The balances of loans and current accounts of companies headquartered in Brazil are subject to financial charges equivalent to the variation of the CDI, and with companies abroad are subject to interest calculated at the semi-annual SOFR rate plus 3% p.a..

In thousands of Real, unless otherwise stated

(b) Remuneration of key management personnel

Key management personnel include the directors, officers and members of the Executive Committee. The remuneration paid or payable is as follows:

					2023
	Fixed	**Variable**	**Pension plan**	**Share-based payment**	**Total**
Board of Directors and statutory directors	13,156	4,049	170	-	**17,375**
Non-statutory directors	10,639	9,709	324	49	**20,721**
	23,795	13,758	494	49	**38,096**

During the year ended December 31, 2023, the purchase options of 1,097,057 recorded shares of preferred stock were exercised by Marcopolo's managers and employees at the price of R$2.40 per share and a discount of R$0.39 per share, using treasury shares, in accordance with the provisions set forth in Marcopolo's stock option plan. The transfer of 20,371 shares in the amount of R$2.92 was also carried out according to the Long-Term Incentive Plan - Restricted Stock Units.

					2022
	Fixed	**Variable**	**Pension plan**	**Share-based payment**	**Total**
Board of Directors and statutory directors	10,918	5,728	65	112	**16,823**
Non-statutory directors	8,707	8,570	333	297	**17,907**
	19,625	14,298	398	409	**34,730**

During the year ended December 31, 2022, the purchase options of 396,073 recorded shares of preferred stock were exercised by Marcopolo's managers and employees at the price of R$2.42 per share and a discount of R$0.40 per share, using treasury shares, in accordance with the provisions set forth in Marcopolo's stock option plan. The transfer of 86,080 shares in the amount of R$3.70 was also carried out according to the Long-Term Incentive Plan - Restricted Stock Units.

16 Loans and Financing

	Average rate weighted % p.a.	Year of Maturity	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Domestic currency						
FINAME	-	-	-	125	-	1,037
Bank loans	6.20	2027	-	-	4,818	6,081
Interbank deposits	12.10	2024 to 2026	-	-	5,471	4,808
FINEP	5.76	2024 to 2034	286,700	315,992	286,700	321,181
FDE – Development funds	3.00	2025	-	-	30,696	52,284
Fundepar – ES	-	2036	-	-	30,000	30,000
Export credit notes - Compulsory	11.18	2027	149,162	185,315	149,162	185,315
Related parties	CDI	-	-	13	-	-
Foreign currency						
Advances on exchange contracts	-	-	-	-	-	31,294
Pre-payment for export in US dollars	3.14	2026	40,231	67,576	40,231	67,576
Export Credit Notes – USD	4.28	2024 to 2028	964,575	926,847	964,575	926,847
Financing in Rand	12.02	2024 to 2028	-	-	1,733	776
Financing in Renminbi	6.42	2024	-	-	19,008	24,732
Financing in Australian Dollars	6.09	2024	-	-	176,752	183,574
Financing in Mexican pesos	5.07	2024	-	-	2,092	-
Financing in Argentine pesos	51.46	2026	-	-	1,647	30,001
Subtotal of domestic and foreign currency			1,440,668	1,495,868	1,712,885	1,865,506
Open market funding						
Domestic currency						
BNDES – Pre-fixed Operations	15.70	2026 to 2029	-	-	627,400	450,837
BNDES – Postfixed Operations	IPCA + 1.30	2027	-	-	7,486	21,317
BNDES – Postfixed Operations	-	-	-	-	-	1,236
BNDES – Postfixed Operations	SELIC + 1.38	2029	-	-	71,813	29,131
Subtotal of open market funding			-	-	706,699	502,521
Subtotal of loans and financing			1,440,668	1,495,868	2,419,584	2,368,027
Derivative financial instruments			620	874	657	975
Total loans and financing			1,441,288	1,496,742	2,420,241	2,369,002
Current liabilities			261,268	274,849	721,163	750,687
Non-current liabilities			1,180,020	1,221,893	1,699,078	1,618,315

In thousands of Real, unless otherwise stated

Long-term installments have the following payment schedule:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
13 to 24 months	500,215	222,545	724,548	396,147
25 to 36 months	426,983	462,166	542,681	579,596
37 to 48 months	109,102	386,240	213,193	461,066
49 to 60 months	58,904	45,641	101,344	74,173
After 60 months	84,816	105,301	117,312	107,333
	1,180,020	1,221,893	1,699,078	1,618,315

(a) Loans and Financing

FINAME financing is guaranteed through means of fiduciary sale of financed assets in the amount of R$10,131 carried out on December 31, 2023 (R$11,140 as of December 31, 2022).

(b) Open market funding

Open market funding refers to funding made by Banco Moneo, from BNDES, to finance FINAME operations.

The face value and fair value of funding in the open market are:

	Face value (future)		Fair value (present)	
	2023	**2022**	**2023**	**2022**
1 to 12 months	280,818	219,399	224,282	181,072
13 to 24 months	213,058	167,542	173,935	141,632
25 to 36 months	156,306	105,906	133,152	91,174
After 36 months	156,364	97,250	143,602	88,641
	806,546	590,097	674,971	502,519

The face value of current liabilities loans approximates their fair value.

(c) Debt reconciliation

	Consolidated			
	Bank loans	**Derivatives**	**Funding Open Market**	**Total**
Debt as of December 31, 2022	1,860,698	975	507,329	2,369,002
Movements that affected the cash flow	(198,020)	(318)	131,287	(67,051)
Movements that did not affect the cash flow				
Interest and exchange variations	44,736	-	73,554	118,290
Debt as of December 31, 2023	1,707,414	657	712,170	2,420,241

In thousands of Real, unless otherwise stated

17 Leasing obligations

The changes in the balances of the lease liabilities are shown below.

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Opening balance	6,883	6,721	73,987	59,626
Interest and exchange variations	839	1,046	7,662	(7,242)
Additions	1,989	2,205	12,919	45,406
Considerations paid	(4,435)	(3,089)	(25,820)	(23,803)
	5,276	6,883	68,748	73,987
Current	2,252	2,738	17,515	15,110
Non-current	3,024	4,145	51,233	58,877

The lease maturity schedule is shown below.

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
1 to 12 months	2,252	2,738	17,515	15,110
13 to 24 months	999	1,217	16,703	13,449
25 to 36 months	806	512	14,228	11,844
37 to 48 months	885	585	15,564	3,573
49 to 60 months	317	665	3,203	24,107
Over 60 months	17	1,166	1,535	5,904
Present value of contracts	5,276	6,883	68,748	73,987

The potential right of Pis/Cofins to recover embedded in the lease consideration is shown below.

	Parent Company and Consolidated		**Parent Company and Consolidated**	
	2023	**2023**	**2022**	**2022**
	Nominal	**Adjusted to present value**	**Nominal**	**Adjusted to present value**
Lease Consideration	3,581	3,154	2,937	2,671
Potential Pis/Cofins (9.25%)	331	309	272	247

In thousands of Real, unless otherwise stated

18 Provisions

(a) Passive contingencies

The Company is a party to labor, civil, tax and other lawsuits in progress and is discussing these issues both at the administrative and judicial levels. When applicable, the claims are supported by judicial deposits. The allowances for possible losses arising from these lawsuits are estimated and updated by Management, based on the opinion of its external and internal legal advisors.

The contingencies that, in the opinion of the Company's legal advisors, are considered as possible or probable losses on December 31, 2023 and December 31, 2022 are presented below. Contingencies considered as probable losses are provisioned.

	Parent company			
	2023		2022	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	3,991	64,265	1,565	31,345
Labor	101,291	98,126	83,082	117,271
Tax	35,298	740,787	15,911	263,035
	140,580	903,178	100,558	411,651

	Consolidated			
	2023		2022	
Nature	**Probable**	**Possible**	**Probable**	**Possible**
Civil	5,226	64,265	3,638	35,082
Labor	103,780	100,630	99,598	127,283
Tax	35,298	745,462	28,879	338,154
	144,304	910,357	132,115	500,519

	Parent company		Consolidated	
Judicial deposits	**2023**	**2022**	**2023**	**2022**
Civil	4,470	1,966	4,470	2,873
Labor	14,234	14,389	14,290	17,926
Tax	40,776	20,869	41,266	42,672
	59,480	37,224	60,026	63,471

(i) Civil and labor

The Company is a party to civil and labor lawsuits, among which are claims for indemnification of work accidents and occupational diseases. None of these cases refer to individually significant amounts.

In thousands of Real, unless otherwise stated

(ii) Taxes

The Company and its subsidiaries are parties to tax lawsuits. Below is a description of the nature of the main causes:

. Provisioned

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
REINTEGRA – credit appropriation (i)	662	663	662	663
Special Tax Regime – tax credit (ii)	901	822	901	822
IRPJ 2010, 2011 and 2012 (iii)	7,931	7,257	7,931	7,257
Other contingencies	25,804	7,169	25,804	20,137
	35,298	15,911	35,298	28,879

(i) Contingency related to REINTEGRA credit - contingency arising from divergence of procedure in the request for Reintegra credit related to the 1st and 2nd Quarter of 2012.
(ii) Contingency regarding the discussion of the procedures adopted for the enjoyment of tax benefits used in the commercialization of products.
(iii) Contingency related to the discussion of the procedures adopted to offset the income tax paid abroad.

. Not provisioned

The following contingencies were not provisioned because they are considered to have a possible risk of loss:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
PIS, COFINS and FINSOCIAL - offsets	3,096	2,291	3,096	2,291
COFINS - refund request (i)	27,463	25,708	27,463	25,708
PIS, COFINS - credit	11,802	11,639	11,802	11,639
PIS - offsets (ii)	18,648	14,485	18,648	14,485
IPI - credit	4,206	3,891	4,206	3,891
IRPJ - lower realized inflationary profit	3,381	3,235	3,381	3,235
IRPJ and CSLL - Negative Balance (iii)	19,387	18,170	19,387	18,170
IRPJ and CSLL - IR paid overseas	1,517	1,370	1,517	1,370
IRPJ and CSLL – profits from abroad (iv)	110,382	92,141	110,382	92,141
DCP – Monetary restatement (v)	34,874	32,188	34,874	32,188
REINTEGRA – Compensation (vi)	18,626	18,912	18,626	18,912
ICMS - outputs with reduced rate for non-taxpayers (vii)	8,490	-	8,490	6,452
ICMS – disreputable tax documents (viii)	2,519	2,327	2,519	2,327
INSS - services rendered by legal entities	5,407	5,063	5,407	5,063
IPI – classification (ix)	376,959	-	376,959	-
LC160 – compensation (x)	38,793	-	38,793	34,458
Other lower value contingencies	55,237	31,615	59,912	65,824
	740,787	263,035	745,462	338,154

(i) Contingencies related to procedures questioned by the inspection, regarding requests for refund of COFINS. The administrative process is ongoing at the Administrative Council for Tax Appeals – CARF.

(ii) Regarding amounts registered in active debt, arising from non-approved compensations derived from credits obtained in legal proceedings. The process is ongoing in the Administrative Council of Tax Appeals – CARF.

(iii) Regarding procedures questioned by the inspection, regarding requests for refund of negative balance of IRPJ and CSLL. The case is in progress before the Administrative Council of Tax Appeals.

(iv) Regarding the discussion on the disallowance of compensations made with foreign taxes. The case is in progress before the Administrative Council of Tax Appeals.

(v) Regarding the discussion on DCP credits, referring to the disallowance of monetary restatement and isolated fine applied as a result of non-approved statements. The case is in progress before the Administrative Council of Tax Appeals.

(vi) Regarding the discussion on Reintegra's credit, due to the divergence of procedure in the credit claim. The proceeding is in progress before the Regional Judgment Office (DRJ).

(vii) Contingency of a subsidiary, related to discussions on ICMS - exits at a reduced rate for non-taxpayers established outside the State. The lawsuit is in progress before the Taxpayers' Council of the State of Rio de Janeiro.

(viii) Regarding discussions on ICMS, for alleged issuance of tax documents with error in the application of the rate, in sales operations to non-taxpayers established outside the State. The lawsuit is in progress in the Court of Justice of the State of São Paulo.

(ix) Regarding the discussion on IPI, due to the divergence of procedure in the classification of the product. The proceeding is in progress before the Regional Judgment Office (DRJ).

(x) Regarding the discussion on the scope of the concept of subsidy for IRPJ and CSLL taxation purposes. The proceeding is in progress before the Regional Judgment Office (DRJ).

19 Employee pension and post-employment benefits plan

Marcopolo is the main sponsor of Marcoprev Sociedade de Previdência Privada, a non-profit civil society, incorporated in December 1995, whose main objective is to grant complementary benefits to those of Social Security to all employees of the sponsors: Marcopolo (main), Syncroparts, Trading, Banco Moneo and Marcopolo Foundation. In 2023, a total of R$9,781 (R$8,913 in 2022) was spent on contributions made at a consolidated level. The actuarial regime for determining the cost and contributions of the plan is the capitalization method. It is a mixed plan, of "defined benefits" where the contributions are the exclusive responsibility of the sponsor, and of "defined contribution" where the contributions are of the sponsor and the participant, optionally.

In thousands of Real, unless otherwise stated

As of the base date of December 31, 2023 and 2022, amounts related to post-employment benefits were determined as part of an annual actuarial valuation conducted by independent actuaries, and are recognized in the financial statements as presented below.

The amounts recognized in the balance sheet are as follows:

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Present value of actuarial liabilities	(322,630)	(296,462)	(326,946)	(300,309)
Fair value of the plan assets	373,950	359,247	378,952	363,905
Surplus not subject to reimbursement or reduction in future contributions	(51,320)	(62,785)	(52,006)	(63,596)
Liabilities to be recognized	-	-	-	-

According to the prerogatives contained in the regulations of the retirement plan and in the accounting portion of the supplementary retirement plan, there is no possibility of reimbursement, increase in benefit or reduction in future contributions. Consequently, assets arising from a surplus under plans were not accounted for as of December 31, 2023.

The movements in the defined benefit obligation during the period are shown below:

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Opening balance	-	-	-	-
Contributions from plan participants	4,855	4,619	4,880	4,644
Actuarial losses (gains)	(4,855)	(4,619)	(4,880)	(4,644)
Recognized net annual revenue (expense)	-	-	-	-
Closing balance	-	-	-	-

The changes in the fair value of the assets of the benefit plan in the years presented are as follows:

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Opening balance	359,247	348,872	363,905	353,467
Sponsors' contribution	4,855	4,619	4,880	4,644
Employee contribution	51	55	52	56
Benefits paid	(20,485)	(19,683)	(20,691)	(19,875)
Expected return on plan assets	30,282	25,384	30,806	25,613
Closing balance	373,950	359,247	378,952	363,905

In thousands of Real, unless otherwise stated

The changes in the actuarial obligation in the years presented are as follows:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Opening balance	296,462	301,061	300,309	305.014
Actuarial (gains) losses	17,475	(11,775)	17,776	(12,037)
Cost of current services	1,020	1,092	1,026	1,100
Financial cost	28,107	25,712	28,474	26,051
Employee contributions	51	55	52	56
Benefits paid	(20,485)	(19,683)	(20,691)	(19,875)
Closing balance	322,630	296,462	326,946	300,309

The amounts recognized in the income statement are:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cost of current services	1,020	1,092	1,026	1,100
Financial cost	(239)	(200)	(239)	(202)
Total included in personnel costs	781	892	787	898

The main actuarial assumptions at the balance sheet date are:

. **Economic hypotheses**

	Percentage p.a.			
	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Discount rate (*)	9.07	9.90	9.90	9.90
Expected rate of return on plan assets	9.07	9.90	9.90	9.90
Future salary increases	5.98	5.98	5.98	5.98
Inflation	3.50	3.50	3.50	3.50

(*) The discount rate consists of: inflation of 3.50% p.a. in addition to interest totaling 5.98% p.a. for 2023 (inflation of 3.50% p.a. in addition to interest of 5.98% p.a. for 2022).

. **Demographic assumptions**

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Mortality table	AT 2000(*)	AT 2000(*)	AT 2000(*)	AT 2000(*)
Mortality table and invalids	RRB 1983	RRB 1983	RRB 1983	RRB 1983
Disability entry table	RRB 1944	RRB 1944	RRB 1944	RRB 1944

(*) Table segregated by sex, based on the AT-2000 Basic smoothed by 10%.

In thousands of Real, unless otherwise stated

. Actuarial circumstances and analyses of sensitivity

The table below, of sensitivity analysis of the obligations of benefit plans, shows the impact on actuarial exposure (9.07% p.a.) by changing the premise in the discount rate by 1 p.p.:

(i) Current value of the obligation as of December 31, 2023.

- Total	322,630

(ii) Significant actuarial circumstances as of December 31, 2023.

		Sensitivity Analysis	Effect on VPO
Discount rate	10.07%	1% increase	290,064
Discount rate	8.07%	1% reduction	362,482

(iii) Methods and hypotheses used in sensitivity analyses.

The results presented were prepared by modifying only the actual hypotheses mentioned in each line.

20 Income tax and social contribution

(a) Deferred income tax and social contribution

The basis for the constitution of taxes is as follows:

	Parent company		Consolidated	
	2023	2022	2023	2022
Assets (liabilities)				
Provision for guarantees	77,636	44,566	105,562	86,118
Provision for commissions	27,834	34,457	30,922	53,355
Expected credit losses	22,955	8,646	90,212	29,782
Provision for profit sharing	81,567	60,286	92,016	65,521
Provision for contingencies	138,309	104,485	141,114	135,751
Provision for losses in inventories	17,350	5,991	22,649	8,103
Provision for third party services	34,779	5,027	34,779	78,850
Provision for contractual terminations	16,042	10,249	22,488	21,207
Unrealized inventories	10,195	8,628	10,195	8,628
Adjustment to present value	5,488	8,237	5,211	13,373
Suspended withholding income tax	13,045	11,024	13,045	11,024
(Tax depreciation)	(26,475)	(22,248)	(26,475)	(22,248)
(Appropriation of derivative gains/losses)	571	332	571	332
Exchange variation	(65,786)	(24,471)	(65,786)	(24,471)
Tax loss and negative basis of social contribution	273,959	263,004	339,147	364,821
Other provisions	3,851	13,226	45,952	7,728
Calculation Basis	631,320	531,439	861,602	837,874
Nominal rate - %	34	34	34	34
Deferred income tax and social contribution	214,649	180,689	292,944	284,877

(b) Estimated installments required for realization of deferred tax assets

The recovery of tax credits is based on projections of taxable income, as well as on the realization of temporary differences for the following years:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
1 to 12 months	74,086	44,834	128,988	84,931
13 to 24 months	41,163	37,502	49,660	55,185
25 to 36 months	21,175	19,650	33,063	47,649
37 to 48 months	19,645	18,928	22,467	37,028
Over 48 months	58,580	59,775	58,766	60,084
	214,649	180,689	292,944	284,877

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

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Reconciliation				
Income before income tax and social contribution	802,503	424,523	865,550	413,284
Nominal rate - %	34	34	34	34
	(272,851)	(144,338)	(294,287)	(140,517)
Permanent additions and exclusions				
Equity equivalence result	143,817	122,768	-	-
Interest on shareholders' equity	76,826	37,076	76,826	37,076
Profit sharing for managers	(3,264)	(2,330)	(3,264)	(2,330)
Worker's Food Program	13,254	-	13,254	-
Industrial Development Program (i)	6,890	-	6,890	-
Assumed ICMS credit	-	-	35,621	24,849
Tax loss of subsidiaries	-	-	24,227	83,649
Route 2030	1,708	2,223	1,708	2,223
Complementary Law 160	26,728	10,648	31,462	10,648
IRPJ/CSLL on the Selic rate	10,148	10,697	28,012	13,736
Other additions (exclusions)	10,400	(12,153)	24,812	(5,816)
	13,656	24,591	(54,739)	23,518
Income tax and social contribution				
Current	10,769	(3,272)	(62,806)	(40,449)
Deferred	2,887	27,863	8,067	63,967
	13,656	24,591	(54,739)	23,518
Effective rate - %	2	6	7	6

(i) It is a tax incentive focused on technological innovation. Marcopolo deducts from the IRPJ and CSLL tax bases the expenses incurred in the calculation period with technological research and development of technological innovation classified as operating expenses, according to Law 11.196/2005.

21 Shareholders' equity

(a) Share capital

The Company's authorized share capital is 2,100,000,000 shares, of which 700,000,000 are common shares and 1,400,000,000 are registered preferred shares with no par value.

As of December 31, 2023, the subscribed and paid-in share capital is represented by 946,892,882 (946,892,882 as of December 31, 2022) registered shares, of which 341,625,744 are shares of common stock and 605,267,138 preferred stock, with no par value. According to the Company's bylaws, the preferred shares differ from the common ones by the priority of repayment in the capital.

Of the total subscribed capital, 320,906,972 (249,269,214 as of December 31, 2022) registered preferred shares belong to shareholders abroad.

(b) Reserves

(i) Legal reserve
This is constituted at the rate of 5% of the net income ascertained in each fiscal year pursuant to article 193 of Law no. 6.404/76, up to the limit of 20% of the share capital.

(ii) Statutory reserves
Marcopolo allocates at least 25% (twenty-five percent) of the remaining profit to the payment of dividends to all shares of Marcopolo, as a minimum mandatory dividend. The remaining balance of the net profit will be allocated, in its entirety, to the formation of the following reserves:

Reserve for future capital increase to be used in future capital increases, to be formed by 70% of the remaining balance of the net profit for each year, not exceeding 60% of the share capital.

. The reserve for payment of interim dividends to be used for payment of interim dividends provided for in paragraph 1 of article 33 of the Company's Articles of Incorporation, which are to be formed using 15% of the remaining balance for net income for each year may not exceed 10% of the Company's
share capital.

Reserve for the purchase of own shares to be used for the acquisition of shares issued by Marcopolo, for cancellation, holding in treasury and/or respective disposal, to be formed by 15% of the remaining balance of the net profit for each year, not exceeding 10% of the share capital.

. The Company will approve at the Annual and Extraordinary General Meeting (AUG/E) of March 2024 the capitalization of profit reserves for the share capital.

(iii) Tax incentives
Based on Article 30 of Law 12.973/14, amended after the enactment of Complementary Law 160 on August 7, 2017, the tax incentives granted by the States and the Federal District are considered grants for investments and cannot be distributed as profit or dividends to shareholders. The adoption of this procedure is the basis for non-taxation of the subsidy for investments in income tax and social contribution.

In thousands of Real, unless otherwise stated

(c) Treasury shares

Corresponds to the hoarding of 5,380,139 registered preferred shares, acquired at an average cost of R$ 3.9558 (in Real) per share. During the fiscal year, 1,117,428 registered shares of preferred stock were sold at a weighted average price of R$2.4646 per share, generating a negative net result of R$1,729. The value of treasury shares as of December 31, 2023 corresponds to a total of R$21,283. The shares will be used to, under the terms of paragraph 3 of article 168 of the Brazilian Corporations Act and CVM Resolution No. 77, grant stock options to Marcopolo's managers and employees, in accordance with the Stock Option Plan approved at the Special Shareholders' Meeting held on December 22, 2005.

22 Interest on shareholders' equity - Federal Law No. 9.249/95 and dividends

According to the power provided for in Law no. 9.249/95, Marcopolo calculated interest on equity based on the Long-Term Interest Rate (TJLP) in force in the year, in the amount of R$225,959 (R$133,534 in 2022) being paid as of April 4, 2023, at the rate of R$0.240 and 0.142 respectively for each share, both for book-entry common shares and book-entry preferred shares, which were accounted for as financial expenses, as required by tax legislation. For the purpose of these financial statements, such interest has been eliminated from financial expenses for the year and is being presented in the retained earnings account against cash.

Income tax and social contribution for the year were reduced by R$76,826 (R$45,402 in 2022), approximately, as a result of the deduction of these taxes from interest on equity credited to shareholders.

Statement of the calculation of the mandatory minimum dividend:

	2023	**2022**
Net profit for the year (Subsidiary)	816,159	449,114
Tax incentive - Complementary law 160	(78,613)	(31,317)
Annual net profit (Parent company) after tax incentive	737,546	417,797
Legal reserve (5%)	(36,877)	(20,890)
Calculation basis for dividends	700,669	396,907
Amount of mandatory minimum dividends (25%)	175,168	99,227
Proposed dividends in addition to the mandatory minimum	50,792	34,307
Total dividends proposed by Company Management	225,960	133,534
Interest on equity imputed to dividends		
Gross amount	225,960	133,534
Withholding tax (15%)	(33,894)	(20,030)
Suspend withholding tax	7,951	4,181
Net amount of interest credited	200,017	117,685
Net value of interest, dividends credited and proposed	200,017	117,685

The total amount for referred to interest was attributed to the mandatory minimum dividend declared in advance for the current fiscal year in accordance with item III of CVM Resolution No. 683/2012.

In thousands of Real, unless otherwise stated

23 Insurance coverage

As of December 31, 2023, the Company had insurance coverage against fire and various risks for fixed assets and inventories, for amounts considered sufficient to cover any losses.

The main insurance coverages are:

		Consolidated	
Nature of the asset	**Equity value**	**2023**	**2022**
Inventories, buildings and contents	Fire and various risks	1,213,670	1,522,981
Vehicles	Collision and civil liability	120,188	145,949
		1,333,858	1,668,930

24 Surety and guarantees

The Company had contracted, on December 31, 2023, guarantees and/or sureties in the amount of R$108,215 (R$117,527 on December 31, 2022), granted to banks in financing operations to customers, which have as a counterpart the guarantee of the respective financed assets, as well as the residual book value of financed assets in the amount of R$10,131 (R$11,140 on December 31, 2022) given in guarantees of bank loans and contingencies. The company had guarantee insurance in force on December 31, 2023 in the amount of R$174,350 (R$168,412 on December 31, 2022).

25 Employee participation in profits and results

In the fiscal year 2023, in accordance with the provisions of Law No. 10.101 of December 19, 2000, the Management opted for the semi-annual payment, being paid in July 2023 an installment, and the balance will be paid in February 2024.

Ownership interests held by employees were calculated in the manner established under the Agreement for Implementation of Marcopolo's Profit Sharing Program (SUMAR).

The amounts are classified in the income statement for the year as follows:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cost of Products and Services Sold	50,501	32,186	52,322	36,876
Selling expenses	7,880	6,737	7,880	6,737
Administration expenses	9,790	8,724	11,704	10,526
	68,171	47,647	71,906	54,139

In thousands of Real, unless otherwise stated

26 Revenue

The reconciliation of gross sales to net revenue is as follows:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Gross sales of products and services	3,715,056	2,749,190	7,548,603	6,184,526
Taxes on sales and returns	(490,919)	(353,635)	(865,385)	(768,908)
Net revenue	3,224,137	2,395,555	6,683,218	5,415,618

27 Expenses by specific nature

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Raw materials and consumables	1,705,499	1,422,628	3,909,520	3,628,349
Third party services and others	334,864	252,168	463,428	403,691
Direct remuneration	565,074	443,126	986,042	686,901
Remuneration of management	22,708	16,813	22,708	16,813
Employee participation in profits and results	68,171	47,647	71,906	54,139
Depreciation and amortization charges	59,475	44,260	146,369	119,808
Private pension expenses	9,630	7,843	9,781	8,913
Other expenses	114,810	87,727	173,611	141,963
Total costs and expenses of sales, distributions and administrative expenses.	2,880,231	2,322,212	5,783,365	5,060,577
Cost of goods sold and services rendered	2,536,098	2,063,279	5,144,577	4,586,109
Selling expenses	179,439	126,553	333,135	231,283
Administrative expenses	164,694	132,380	305,653	243,185

28 Financial results

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial revenues				
Interest and monetary variations received	47,695	39,835	48,645	47,396
Interest on derivatives	-	448	544	1,011
Income from financial investments	70,887	73,750	150,299	175,493
Adjustment to present value of accounts receivable from customers	78,799	28,944	130,696	83,769
	197,381	142,977	330,184	307,669
Financial expenses				
Interest on loans and financing	(90,325)	(88,125)	(128,528)	(125,061)
Interest on derivatives	(3,550)	(12,547)	(3,550)	(12,547)
Bank expenses	(5,290)	(5,831)	(28,359)	(12,603)
Adjustment to present value of suppliers	(32,364)	(20,415)	(56,717)	(43,962)
	(131,529)	(126,918)	(217,154)	(194,173)
Currency variations				
Active exchange variation	187,906	258,322	384,813	323,184
Active exchange variation on derivatives	3,069	21,755	7,192	26,859
Passive exchange variation	(152,686)	(230,075)	(430,448)	(289,660)
Passive exchange variation on derivatives	(8,163)	(24,277)	(9,611)	(26,374)
	30,126	25,725	(48,054)	34,009
Net financial result	95,978	41,784	64,976	147,505

29 Other operating income (expenses)

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Bargain Purchase (*)	9,290	-	9,290	-
Exclusion of ICMS from the calculation basis of PIS and Cofins	-	1,465	-	8,481
Exclusion of monetary correction from the IRPJ/CSLL calculation basis in financial investments	-	15,551	-	15,551
IRPJ/CSLL on the Selic rate	-	(8,336)	-	(8,119)
Attorneys' fees	(20,078)	(6,533)	(22,468)	(12,444)
Provision for labor contingencies	(45,189)	(39,236)	(47,095)	(42,470)
Tax expenses	-	(6,840)	-	(6,840)
Other expenses	(1,693)	1,480	(373)	(1,889)
Total for other operating income (expenses)	(57,670)	(42,449)	(60,646)	(47,730)

(*) Its clarification is contained in the explanatory note 11 affiliates.

30 Earnings per share – shares of common and preferred stock

(a) Basic

Basic profit per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of shares issued during the year, excluding the shares purchased by the Company and held as treasury shares.

	2023	**2022**
Profit attributable to shareholders	816,159	449,114
Weighted average number of shares in circulation (thousands)	941,513	940,395
Earnings per share	0.86686	0.47758

(b) Diluted

Diluted profit per share are calculated by adjusting the weighted average number of common and preferred shares outstanding to assume the conversion of all potential diluted common shares.
The Company considers the exercise of stock options by employees and management as a dilution effect of common and preferred shares. The number of shares calculated as described above is compared with the number of shares issued, assuming the exercise of stock options.

	2023	**2022**
Profit attributable to shareholders	816,159	449,114
Weighted average number of shares in circulation (thousands)	941,513	940,395
Adjustments for:		
Exercise of stock options	5,380	6,498
Earnings per share	0.86193	0.47430

In thousands of Real, unless otherwise stated

31 Balance sheets and income statements by segment

The industrial segment produces bus bodies and spare parts. The financial segment is responsible for financing operations through Banco Moneo.

Balance sheets

	Consolidated		Industrial		Financial	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Assets						
Current						
Cash and cash equivalents	1,536,121	1,171,473	1,486,554	1,114,967	49,567	56,506
Derivative financial instruments	63	598	63	598	-	-
Accounts receivable from customers	1,228,661	1,242,563	905,927	980,577	322,734	261,986
Inventories	1,618,848	1,338,351	1,618,848	1,338,351	-	-
Other accounts receivable	426,532	392,755	349,164	347,899	77,368	44,856
	4,810,225	4,145,740	4,360,556	3,782,392	449,669	363,348
Non-current						
Financial assets measured at amortized cost	69,523	69,864	69,523	69,864	-	-
Accounts receivable from customers	572,476	513,542	-	101,375	572,476	412,167
Other accounts receivable	707,447	803,369	691,231	782,666	16,216	20,703
Investments	459,541	459,429	459,541	459,429	-	-
Investment properties	46,636	47,351	46,636	47,351	-	-
Property, plant and equipment	1,050,358	1,030,013	1,049,875	1,029,684	483	329
Intangible assets	243,097	326,042	242,172	324,801	925	1,241
	3,149,078	3,249,610	2,558,978	2,815,170	590,100	434,440
Total Assets	7,959,303	7,395,350	6,919,534	6,597,562	1,039,769	797,788
Liabilities						
Current						
Suppliers	793,849	653,253	793,849	653,253	-	-
Loans and financing	720,506	749,712	481,946	563,884	238,560	185,828
Derivative financial instruments	657	975	657	975	-	-
Other accounts payable	871,854	884,992	842,427	868,727	29,427	16,265
	2,386,866	2,288,932	2,118,879	2,086,839	267,987	202,093
Non-current						
Loans and financing	1,699,078	1,618,315	1,195,055	1,268,808	504,023	349,507
Other accounts payable	285,650	283,330	283,250	281,589	2,400	1,741
	1,984,728	1,901,645	1,478,305	1,550,397	506,423	351,248
Participation of non-controller shareholders	42,046	42,408	42,046	42,408	-	-
Shareholders' equity attributable to controlling shareholders	3,545,663	3,162,365	3,280,304	2,917,918	265,359	244,447
Total liabilities	7,959,303	7,395,350	6,919,534	6,597,562	1,039,769	797,788

In thousands of Real, unless otherwise stated

Income statements

	Consolidated		Industrial		Financial	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Operations						
Net sales and services revenue	6,683,218	5,415,618	6,539,149	5,312,481	144,069	103,137
Cost of goods sold and services rendered	(5,144,577)	(4,586,109)	(5,067,163)	(4,533,926)	(77,414)	(52,183)
Gross profit	1,538,641	829,509	1,471,986	778,555	66,655	50,954
Operating revenues (expenses)						
Selling expenses	(333,135)	(231,283)	(335,585)	(223,565)	2,450	(7,718)
Administrative expenses	(305,653)	(243,185)	(283,451)	(225,442)	(22,202)	(17,743)
Other net operating income (expenses)	(60,646)	(47,430)	(65,107)	(49,633)	4,461	1,903
Equity equivalence result	(38,633)	(41,532)	(38,633)	(41,532)	-	-
Operating profit	800,574	265,779	749,210	238,383	51,364	27,396
Financial result						
Financial revenues	722,189	657,712	722,189	657,712	-	-
Financial expenses	(657,213)	(510,207)	(657,213)	(510,207)	-	-
Profit before income tax and social contribution	865,550	413,284	814,186	385,888	51,364	27,396
Income tax and social contribution	(54,739)	23,518	(31,636)	35,503	(23,103)	(11,985)
Net income for the period	810,811	436,802	782,550	421,391	28,261	15,411

In thousands of Real, unless otherwise stated

32 Statement of cash flows by business segment - indirect method

	Consolidated		**Industrial Segment**		**Financial Segment**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Cash flows from operating activities						
Net income for the period	**810,811**	**436,802**	**782,550**	**421,391**	**28,261**	**15,411**
Adjustments to reconcile the results to the availabilities generated by operating activities:						
Depreciation and amortization	146,369	119,808	145,910	119,436	459	372
Gain (loss) on sale of assets of investments, property, plant and equipment and intangible assets	3,352	3,614	3,350	2,455	2	1,159
Impairment of goodwill	70,963	-	70,963	-	-	-
Equity equivalence result	38,633	41,532	38,633	41,532	-	-
Expected credit losses	23,477	(13,510)	25,927	(21,228)	(2,450)	7,718
Current and deferred income tax and social contribution	(8,067)	(63,967)	(31,170)	(75,952)	23,103	11,985
Appropriated interest and change in exchange rate	150,286	68,533	76,732	19,326	73,554	49,207
Bargain Purchase	(9,290)	-	(9,290)	-	-	-
Provision for labor contingencies	47,096	42,470	47,096	42,470	-	-
Provision for guarantees	57,579	64,381	57,579	64,381	-	-
Provision for losses in inventories	30,681	(1,636)	30,681	(1,636)	-	-
Non-controlling interests	(5,348)	(12,312)	(5,348)	(12,312)	-	-
Assets measured at fair value	875	5,283	875	5,283	-	-
Changes in assets and liabilities						
(Increase) decrease in accounts receivable from customers	(89,530)	(671,834)	129,077	(644,562)	(218,607)	(27,272)
(Increase) decrease in inventories	(396,888)	(420,305)	(396,888)	(420,305)	-	-
(Increase) decrease in other accounts receivable	17,919	(44,129)	45,944	(38,687)	(28,025)	(5,442)
Increase (decrease) in suppliers	234,353	251,709	234,353	251,709	-	-
Increase (decrease) in accounts payable and provisions	(51,942)	248,201	(52,255)	251,996	313	(3,795)
Cash generated by operating activities	**1,071,329**	**54,640**	**1,194,719**	**5,297**	**(123,390)**	**49,343**
Taxes on profit paid	(10,203)	(9,273)	(608)	(441)	(9,595)	(8,832)
Net cash generated by operating activities	**1,061,126**	**45,367**	**1,194,111**	**4,856**	**(132,985)**	**40,511**
Cash flows from investment activities						
Investments	(93,832)	-	(93,832)	-	-	-
Dividends from subsidiaries, jointly controlled entities and associates	9,499	2,306	9,499	2,306	-	-
Additions of property, plant and equipment	(148,468)	(90,326)	(148,178)	(90,077)	(290)	(249)
Intangible asset additions	(5,485)	(7,113)	(5,476)	(5,880)	(9)	(1,233)
Cash receipt on sale of investments, property, plant and equipment and intangible assets	4,885	1,095	4,885	1,095	-	-
Net cash used in investment activities	**(233,401)**	**(94,038)**	**(233,102)**	**(92,556)**	**(299)**	**(1,482)**
Cash flows from financing activities						
Treasury shares	2,690	1,027	2,690	1,027	-	-
Loans from third parties	764,124	921,325	343,806	669,957	420,318	251,368

In thousands of Real, unless otherwise stated

	Consolidated		Industrial Segment		Financial Segment	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Loan payments – principal	(753,221)	(812,152)	(527,142)	(581,086)	(226,079)	(231,066)
Loan payments – interest	(103,825)	(104,378)	(43,279)	(62,802)	(60,546)	(41,576)
Payment of interest on shareholders' equity and dividends	(335,655)	(88,785)	(328,307)	(84,240)	(7,348)	(4,545)
Net cash (used in)/from investing activities	**(425,887)**	**(82,963)**	**(552,232)**	**(57,144)**	**126,345**	**(25,819)**
Effect of exchange rate changes on cash and cash equivalents	(37,190)	(19,868)	(37,190)	(19,868)	-	-
Net increase (decrease) in cash and cash equivalents	**364,648**	**(151,502)**	**371,587**	**(164,712)**	**(6,939)**	**13,210**
Cash and cash equivalents at the start of the period	1,171,473	1,322,975	1,114,967	1,279,679	56,506	43,296
Cash and cash equivalents at the end of the period	1,536,121	1,171,473	1,486,554	1,114,967	49,567	56,506

33 Additional information

The industrial business segment operates in the geographical regions specified below. The financial business segment operates exclusively in Brazil.

(a) Net revenue by geographical region

	Consolidated	
	2023	**2022**
Brazil	4,849,984	4,198,012
Africa	156,788	115,949
Argentina	568,890	315,998
Australia	590,272	463,401
China	43,073	47,288
United Arab Emirates	5,088	3,620
Mexico	469,123	271,350
	6,683,218	5,415,618

In thousands of Real, unless otherwise stated

(b) Property, plant and equipment, goodwill and intangible assets by geographic region

	Consolidated	
	2023	**2022**
Brazil	1,019,056	973,698
Africa	14,462	15,806
Argentina	26,103	38,098
Australia	178,564	192,660
Canada	-	72,317
China	4,601	7,499
United Arab Emirates	226	285
United States	4	-
Mexico	50,353	55,599
Uruguay	86	93
	1,293,455	1,356,055

34 Subsequent events

(a) On February 22, 2024, the Board of Directors approved a capital increase by incorporating profit reserves in the amount of R$1,000,000 (one billion real), through a bonus in shares in the order of 20%, that is, 2 new shares for every 10 held. The shares will be traded ex-bonification from March 8, 2024.

(b) On February 22, 2024, the Board of Directors approved the payment of interest on shareholders' equity, at the rate of R$0.23 per share representing the company's share capital, interest to be imputed to the minimum mandatory dividend declared in advance on account of the current fiscal year and previous fiscal year.