

A grayscale photograph of a multi-lane highway at night, with light trails from vehicles creating a sense of motion. The background shows city lights and streetlights.

MANAGEMENT
REPORT

2023

**FRAS-LE - TODAY THE PIONEERING FRASLE MOBILITY
BRAND - STARTED 70 YEARS AGO.**

A history built by enterprising, courageous and dedicated people since its founder Francisco Stédile who gave rise to the brand name, initially for brake linings.

Since its foundation and after being incorporated by Randoncorp in 1996, Fras-le, today under a new institutional identity - Frasle Mobility - has stood out for its commitments to quality and safety; ethical and responsible performance. These values are key to keeping up with the evolution of markets and vehicles and thus serving the most demanding consumers around the world.

With a strong DNA of innovation and technology that is always present, it has developed and expanded its production and relevance in the automotive market.

Fras-le's growth has been sustained above all by the hands and minds of thousands of people who, over the course of these seven decades, have been the main protagonists of a story that is intertwined with the history of the automobile industry in Brazil, transforming Fras-le into a model of excellence and global competitiveness, a world leader in friction materials and present in more than 125 countries.



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01. MESSAGE FROM THE PRESIDENT

The year 2023 will forever be marked in the history of Frasle Mobility, throughout its decades-long trajectory of resilience and solid business, which continues to grow and create value for all stakeholders that interact with the Company.

We presented to the world a new brand identity, which renews the mission of keeping life in motion through an ecosystem of smart and sustainable solutions. We are Frasle Mobility, a global company focused on safety, sustainability and innovation in its products and services.

In this context, our actions and movements have reinforced the market's recognition of what we have already achieved as a benchmark for offering a complete mix of products for motion control and services added to the Aftermarket. We began a new cycle of expansion with the acquisition of Juratek, which opened the UK market for our brands, in addition to incorporating new solutions into our portfolio. Over the months, we have assessed the importance

of the synergies already implemented and those yet to come, thus replicating in other geographies the powerhouse strategy already consolidated in Brazil.

We trust in our business model and in the competence of our people to design new deliveries and achieve strategic solutions in this new cycle that is beginning.

The exploration of synergies was also fundamental for the evolution and harmony between all of the Company's other operations, despite facing an even more challenging year for business, considering the political and economic contexts in some geographies where Frasle Mobility brands and Units have a strong presence.

In this ongoing cycle of movements, we begin and will end in 2024 the unification

of commercial teams, leveraging our best practices to better serve our markets

. This is also a year to celebrate. We achieved record production results in our business units, such as in the Extrema complex (MG) or in our Controil unit, in São Leopoldo (RS), in which we set up relevant projects with automakers for the manufacture of brake discs, among other important milestones. All of this, enhanced by the capacity and qualification of our teams, has brought us to our current level, with a better net revenue result in 2023, closing the year at R\$ 3.4 billion. This number is 11% higher than the previous year and means that the company has grown almost 2.5 times in the last five years.

We are sure that 2024 will be even more challenging and relevant for the company. This is a symbolic year, since we celebrate 70 years of our iconic brand Fras-le, pioneering, sustainable and transformative in the world of mobility. We trust in our

business model and in the competence of our people to design new deliveries and achieve strategic solutions in this new cycle that is just beginning.



Sergio L. Carvalho

President and CEO of Frasle Mobility

OUR ECOSYSTEM



02. OUR ECOSYSTEM / Who We Are

*We are the union of strong brands.
We are innovation, taking care of
people and the planet.*

*We are a global brand, with a keen
eye on the future.*

**Robust distribution
platform**

**Complete portfolio
of automotive parts
and solutions**

**A house of market-
Leading brands**

+125
COUNTRIES SERVED

R\$ 3.4 B
NET REVENUE*

R\$ 388.7 M
NET PROFFIT*

19.6%
ADJUSTED EBITDA*

MISSION

Keep life in motion through an ecosystem of smart and sustainable solutions

VISION

Globally recognized for its sustainable mobility solutions

PURPOSE

Connect people and wealth, generating prosperity

BUSINESS

Safety and innovation in motion control

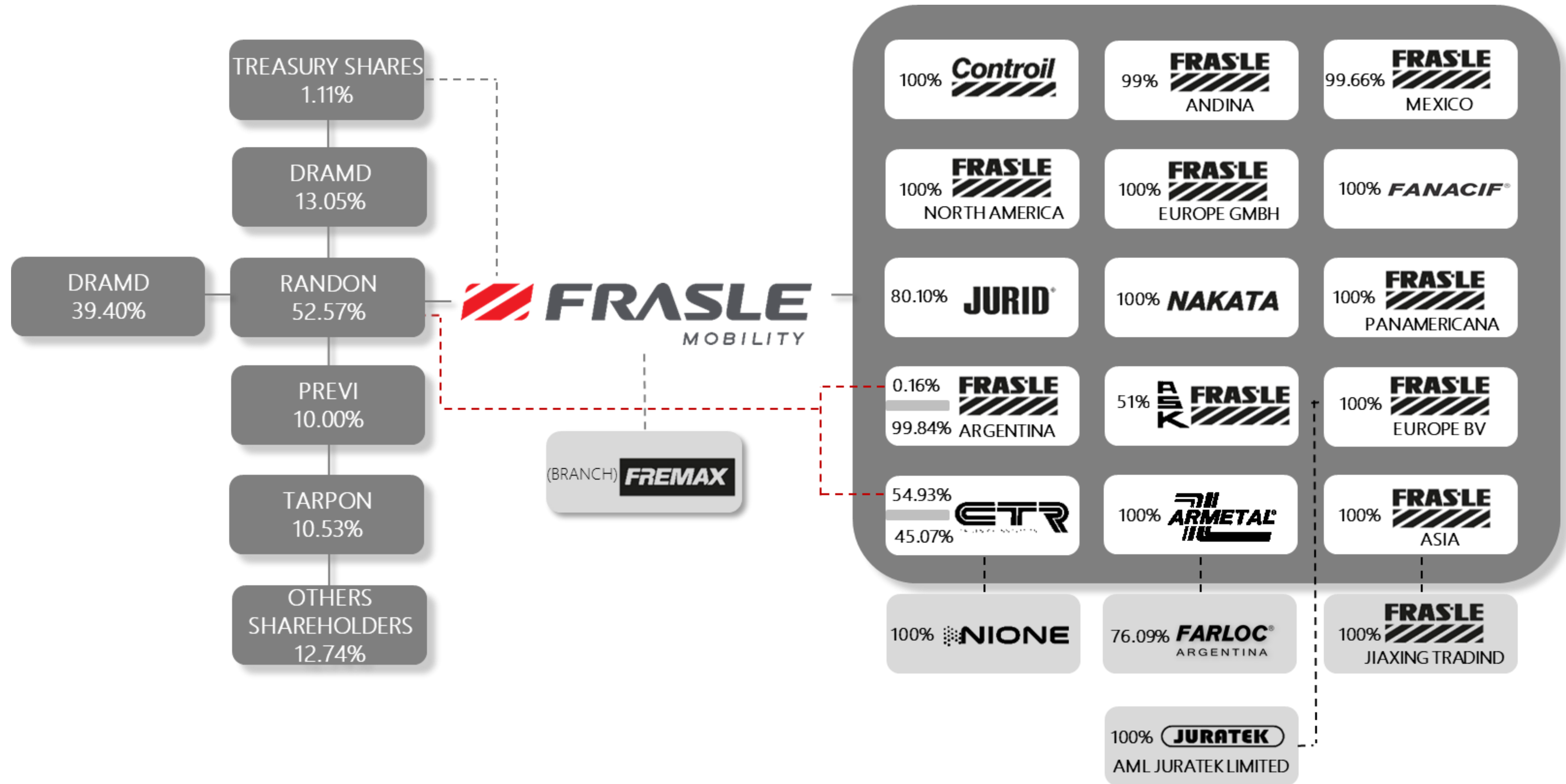
*2023 Figures

02. OUR ECOSYSTEM / Operational Structure



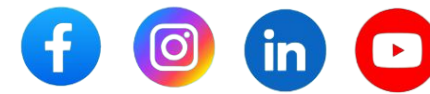
*The corporate composition of Randon Technological Center (CTR) is formed by 45.07% participation by Frasle Mobility and 54.93% by Randoncorp. The CTR controls Nione, from which Frasle Mobility is entitled to royalties representing 5% of sales.

02. OUR ECOSYSTEM / Shareholding Structure



02. OUR ECOSYSTEM / Our brands

Our portfolio of brands is recognized for its tradition, quality and delivery, with a high level of service and differentiated service, being a benchmark in its markets, both nationally and internationally.



The brand is a global leader in products and components for motion control on roads, rails and runways. It serves the most diverse segments, such as heavy vehicles, automobiles, motorcycles, rail, aviation, agricultural and industrial and has been in the market for 70 years.



Official sponsor of the Truck and Stock Car Cup



On the market for 67 years, the brand is a leader in the replacement segment of components for hydraulic brakes.



On the market for 38 years, Fremax is the main brand of brake discs and drums for light vehicles in Brazil, being also recognized for quality and safety in the most demanding automotive markets in the world.



Official sponsor of Stock Car and Porsche Cup



Marker leader in the suspension and steering segments for light and heavy vehicles, and motorcycles, having been on the market for 72 years.

Also part of our portfolio:



02. OUR ECOSYSTEM / Awards and Recognition



O Mecânico/Ipec Survey

MOST KNOWN AND MOST FREQUENTLY PURCHASED BRAKE PADS

O Mecânico/Ipec Award

FAVORITE BRAND BY MECHANICS FOR THE 3RD CONSECUTIVE YEAR

O Mecânico/Ipec Survey

BEST KNOWN AND MORE FREQUENTLY PURCHASED BRAND

**O Mecânico/Ipec Survey
BEST KNOWN AND MOST FREQUENTLY PURCHASED BRAND**

CINAUI/Workshop Brands Survey

MOST TRUSTED AND MOST EASILY FOUND BRAKE PADS

CINAUI/Workshop Brands

MOST FREQUENTLY PURCHASED BRAND

CINAUI/Workshop Brands Survey

MOST FREQUENTLY PURCHASED BRAND

CINAUI/Workshop Brands

MOST TRUSTED AND MOST EASILY FOUND IN THE SUPPLIER

Inova Award

BEST BRAKE PAD AND TECHNICAL SUPPORT

Inova Award

RESULTS OF PROMOTIONAL ACTIONS, INTERACTION IN DIGITAL MEDIA, CUSTOMER SERVICE AND TECHNICAL SUPPORT

Inova Award

BRAKE DISC

**Sindirepa – SP Award
SILVER SEAL FOR BRAKE PADS**

**Sindirepa – SP Award
BRONZE SEAL FOR WATER PUMP**

**Sindirepa – SP Award
GOLD SEAL FOR BRAKE DISC**



Iveco Group Supplier of the Year

SUPPLIER OF THE YEAR



British Aftermarket Federation Award

CAR SUPPLIER OF THE YEAR

[+ Learn more
On the Award](#)

OUR RESULTS



03. OUR RESULTS / Main figures and Guidance

	2023	2022	Δ %	2021	2020	2019
Net Revenue	3,388.7	3058.2	10.8%	2582.2	1,670.8	1,365.5
Domestic Market	2156.5	1882.1	14.6%	1590.6	920.2	675.3
Foreign Market	1232.2	1176.0	4.8%	991.5	750.5	690.2
Foreign Market US\$	246.1	227.7	8.1%	183.8	145.8	174.9
Exports – Brazil US\$*	108.5	105.7	2.7%	84.7	68.9	89.3
Gross Profit	1138.6	903.5	26.0%	748.3	479.9	349.7
Gross Margin	33.6%	29.5%	4.1 pp	29.0%	28.7%	25.6%
Operating Profit	542.6	333.0	62.9%	275.2	240.0	106.7
Operating Margin	16.0%	10.9%	5.1 pp	10.7%	14.4%	7.8%
EBITDA	667.2	453.1	47.3%	388.1	330.9	175.2
EBITDA Margin	19.7%	14.8%	4.9 pp	15.0%	19.8%	12.8%
Net Profit	388.7	203.3	91.2%	210.6	182.0	32.8
Net Margin	11.5%	6.6%	4.8 pp	8.2%	10.9%	2.4%
Adjusted EBITDA	664.7	475.6	39.8%	413.3	283.1	189.7
Adjusted EBITDA Margin	19.6%	15.6%	4.1 pp	16.0%	16.9%	13.8%
Investments	133.7	106.4	25.6%	115.6	56.0	83.2
ROIC	19.3%	13.8%	5.5 pp	12.6%	9.4%	4.4%

Values in R\$ million (except for exports, profit per share and percentage)

(*) Includes intercompany sales

	2023	2022	Δ %	2021	2020	2019
Average price of the US dollar	4.99	5.16	-3.3%	5.40	5.16	3.95

Drivers	Forecast 2023	Performed 2023
Consolidated Net Revenue	R\$ 3.3 ≤ X ≤ R\$ 3.7 billion	R\$ 3.4 billion
Foreign Market Revenues ¹	US\$ 230 ≤ X ≤ US\$ 280	US\$ 246 million
EBITDA Margin	18% ≤ X ≤ 22%	19.7%
Investments ²	R\$ 110 ≤ X ≤ R\$ 140 million	R\$ 134 million

¹ Value relative to all exports out of Brazil and those generated by our operations abroad, net of

² Value relative to organic investments.

At the end of 2023, the Company recorded an increase of 10.8% in net revenue. The domestic market was responsible for a large part of this growth, stimulated by the growing number of visits to workshops, fuel reduction and reduction in the Selic rate. In addition to the macroeconomic effects, the Company also worked on strengthening its brands and reviewing strategies, added of launches, sales campaigns and investments in production capacity, in order to offer greater product availability to customers, factors that helped the replacement market to grow.

In the international market, the Company's latest acquisition, AML Juratek Limited, contributes to the development of the powerhouse in the European region. Furthermore, the effects of the new political-economic guidelines by the government inaugurated in December, in Argentina, had accounting impacts on the income statement, especially in the fourth quarter. Even with challenging scenarios, an increase of 8.1% was achieved in this market.

The Company ends the year within the projections released to the market. The resilient trajectory and the capacity for synergy between operations, combined with an experienced team, renews optimism for the next cycle.

03. OUR RESULTS / Sales Performance

The Company delivered a year with growth in all product families, both in revenue and volume. Highlights:

Friction

- ✓ A booming domestic replacement market in workshop repairs stimulated growth in volume and revenue, in addition, the Company worked on repositioning lines, such as expanding the LonaFlex brand, launching the EHnergy tablet and renewing the Ceramaxx portfolio.
- ✓ In the heavy line (brake linings) the year was characterized by intense price competition and high stock levels in distributors. The drive to maintain consistent growth comes from effective sales campaigns and the solid influence of the Company's brands.

Components for the Brake system

- ✓ At Controil, the master cylinder stands out, focusing efforts on expanding the portfolio and reinforcing support with new product launches.
- ✓ At Fremax, the highlight was the new Maxcoating paint line, which has been adding value to products with protective coatings for brake discs. In December, the unit opened a second work shift to meet demand.

Sales Volumes by Product Line in millions of pieces or liters											
VOLUMES		2023			2022			2021			2020
				Δ %							
	Friction Material	103.8		5.4%	98.5		10.1%	102.1		94.7	
	Components for the Brake System	9.5		10.1%	8.7		17.1%	8.5		7.2	
	Components for the Suspension, Steering and Powertrain	19.4		17.1%	16.6			15.6		5.4	

Sales Revenue by Material in R\$ million											
NET REVENUE		2023			2022			2021			2020
				Δ %							
	Friction Material	1,635.4	48.3%	8.8%	1,502.7	49.1%	14.3%	1,262.9	48.9%	1,053.5	63.1%
	Components for the Brake System	676.0	19.9%	14.3%	591.6	19.3%	15.5%	492.9	19.1%	308.0	18.4%
	Components for the Suspension, Steering and Powertrain	948.6	28.0%	15.5%	821.0	26.8%		671.6	26.0%	209.7	12.5%
	Other products *	128.7	3.8%	-9.9%	142.8	4.7%		154.7	6.0%	99.6	6.0%
	Total Net Revenue	3,388.7	100.0%	10.8%	3,058.2	100.0%		2,582.2	100.0%	1,670.8	100.0%

The components are detailed at the end of this report.

NOTE: It is necessary to highlight that the performance of sales revenue by material family does not necessarily reflect the same behavior in volumes, as we have effects from changes in exchange rates, product mix and prices charged. For more details about the families, see Appendix V.

Components for the Suspension, Steering and Powertrain

- ✓ The Nakata subsidiary stood out notably throughout the year. The Unit focused on optimizing productivity, in addition to developing effective strategies for the acquisition of manufactured products. It also explored synergies with the warehouse, culminating in the expansion of market share, in addition to delivering impressive growth in volume and revenue indicators.

Other Products

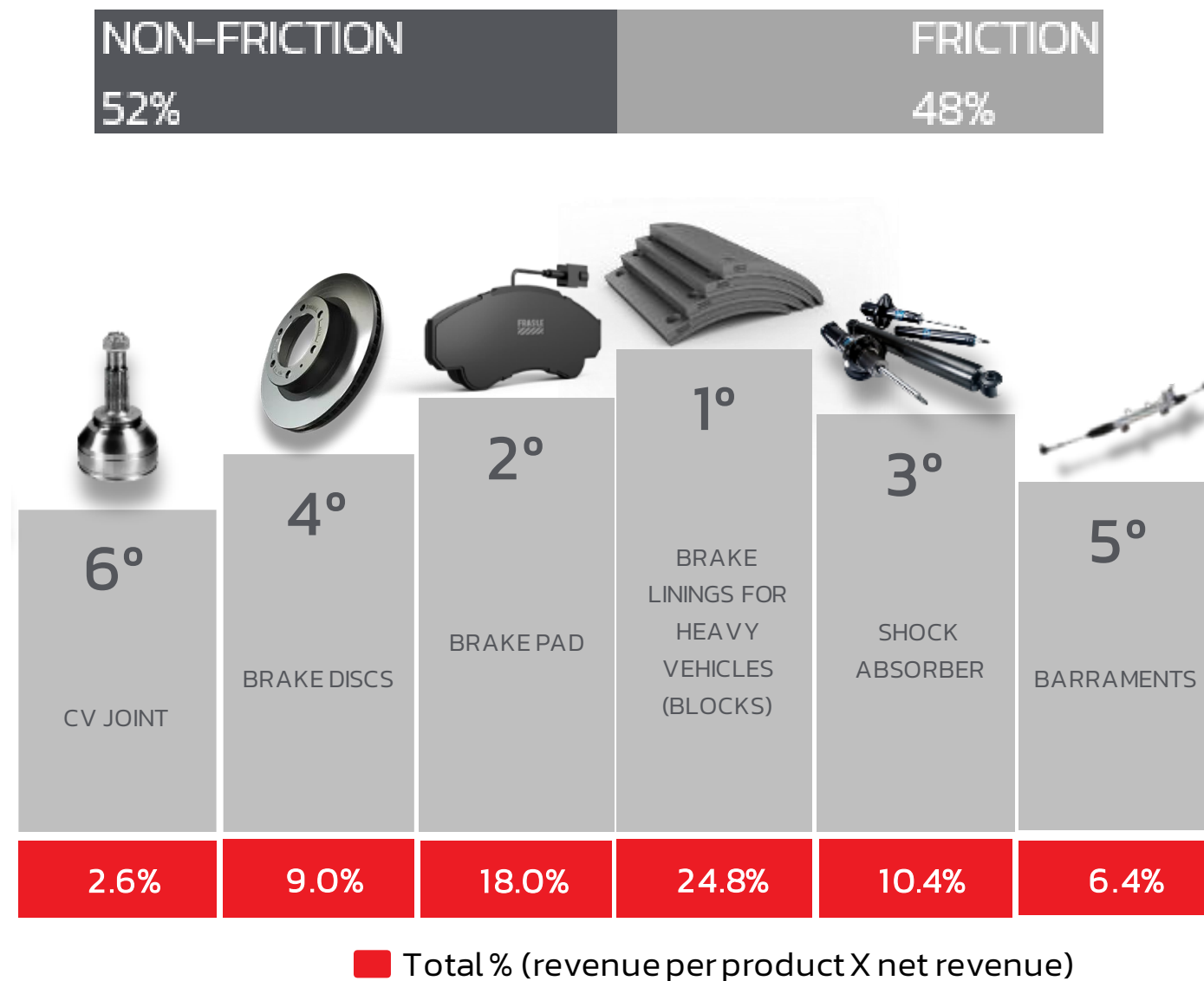
- ✓ The Composs unit began large-scale production of supports for fenders and taillights for commercial vehicles. Furthermore, the production line received significant investments in automation, aiming to meet the growing demand from new partnerships established for the year 2024.

03. OUR RESULTS / Sales Performance

Product Portfolio

For many years, friction materials dominated the composition of more than 80% of the Company's business. However, since 2017, this pattern has undergone a gradual transformation, driven by strategic acquisitions that promoted a significant expansion of the diversity of families and products. Currently, revenue from friction materials accounts for less than 50% of the total, highlighting a notable change in Frasle Mobility's business structure.

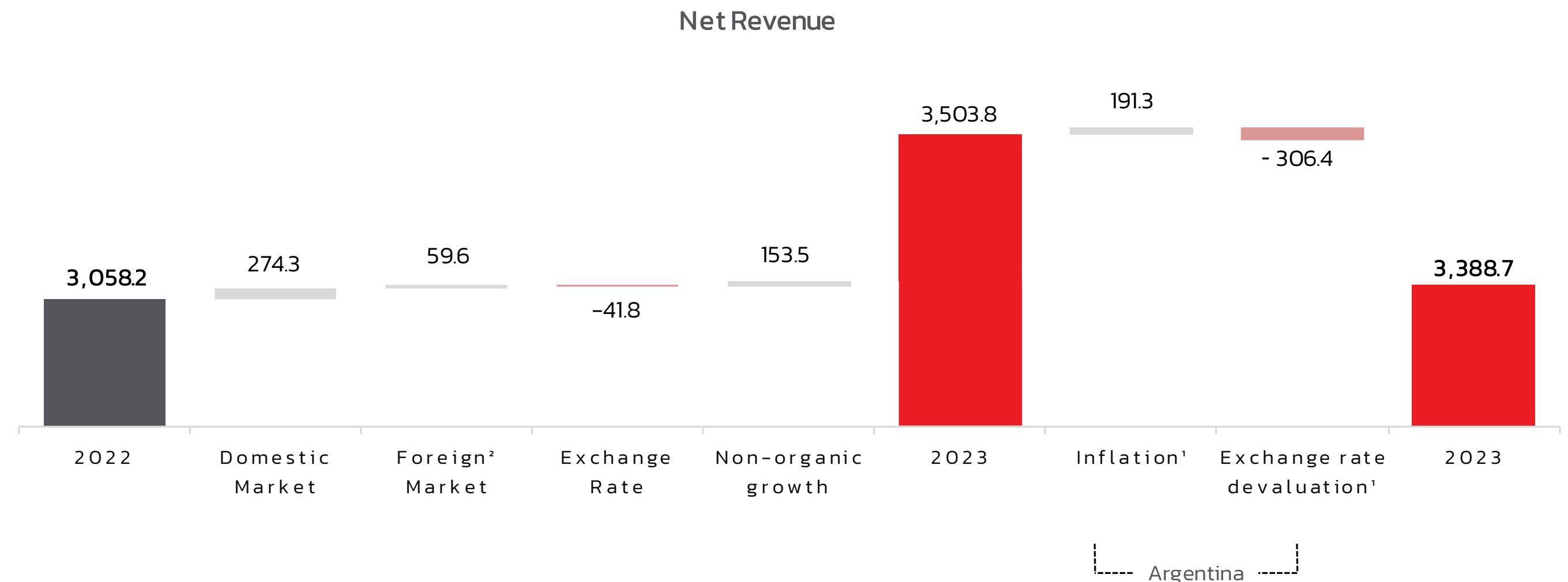
% over the 2023 Net Revenue



Just like the product portfolio, the dynamics related to market segmentation also underwent a significant change, previously concentrated predominantly on the Commercial Line and currently more focused on the Light Line, which ended the year accounting for 62% of Net Revenue.

Consolidated Net Revenue

In 2023 financial year, the Argentine peso suffered a strong devaluation, impacting revenues in the amount of negative R\$ 115.1 million. The graph below, in causal format, shows the effects that changed the performance of consolidated net revenue during 2023, compared to 2022.



Amounts in BRL Millions

¹ Economic update in highly inflationary economy as provided for in CPC 42/IAS 29

² Value excluding non-organic growth

03. OUR RESULTS / Sales Performance

Net Revenue by Markets										
Markets	2023		2022		Δ %	2021		2020		
DM Aftermarket	1,946.5	57.4%	1,660.1	54.3%	17.3%	1,425.4	55.2%	794.3	47.5%	
DM OEM	210.0	6.2%	222.0	7.3%	-5.4%	165.2	6.4%	126.0	7.5%	
Domestic Market	2,156.5	64%	1,882.1	61.5%	14.6%	1,590.6	61.6%	920.2	55.1%	
FM Aftermarket	1,037.7	30.6%	1,000.6	32.7%	3.7%	850.1	32.9%	672.1	40.2%	
FM OEM	194.4	5.7%	175.5	5.7%	10.8%	141.4	5.5%	78.5	4.7%	
Foreign Market	1,232.2	36%	1,176.0	38.5%	4.8%	991.5	38.4%	750.5	44.9%	
Total Aftermarket Net	2,984.2	88.1%	2,660.7	87.0%	12.2%	2,275.5	88.1%	1,466.3	87.8%	
Total OEM Net Revenue	404.4	11.9%	397.5	13.0%	1.8%	306.7	11.9%	204.5	12.2%	
Total Net Revenue	3,388.7	100%	3,058.2	100%	10.8%	2,582.2	100%	1,670.8	100%	

Values in R\$ million

Domestic Market

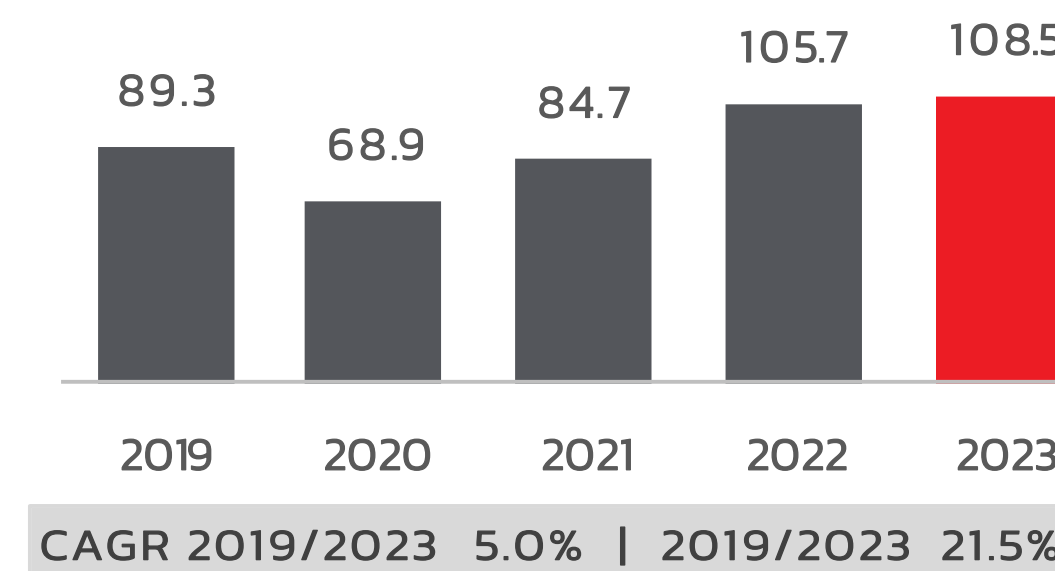
- ✓ In the replacement sector, growth is linked to the wide availability of products, driven by the increase in production and by the consolidation of the warehouse in Extrema/MG. Additionally, the portfolio review, sales promotional initiatives, restructuring of the commercial team and the intensification of customer relationships emerged as key elements that drove progress in this market.
- ✓ Production halts resulting from reduced demand had a significant impact on the automaker market. Obtaining new approvals in the sector was crucial to preserve results consistent with previous periods.

International Market

- ✓ In exports from Brazil, growth was seen from the second half of the year onwards with the regularization of stocks in the North American market, the company's main export market, and,

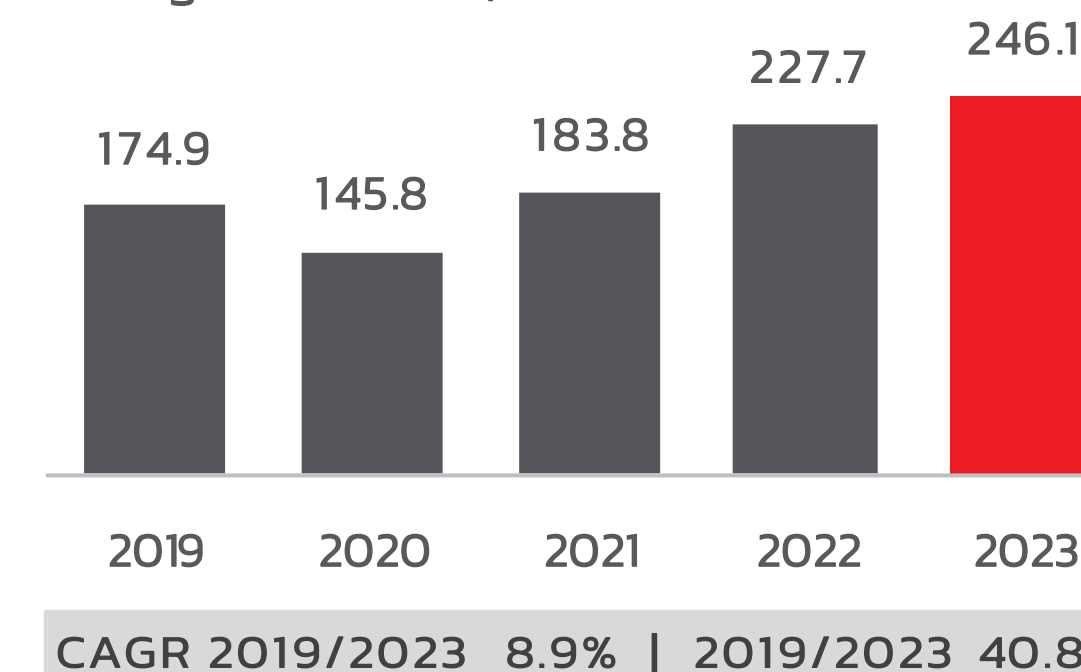
with the release of shipment of products for operations in Argentina.

Exports - Brazil US\$



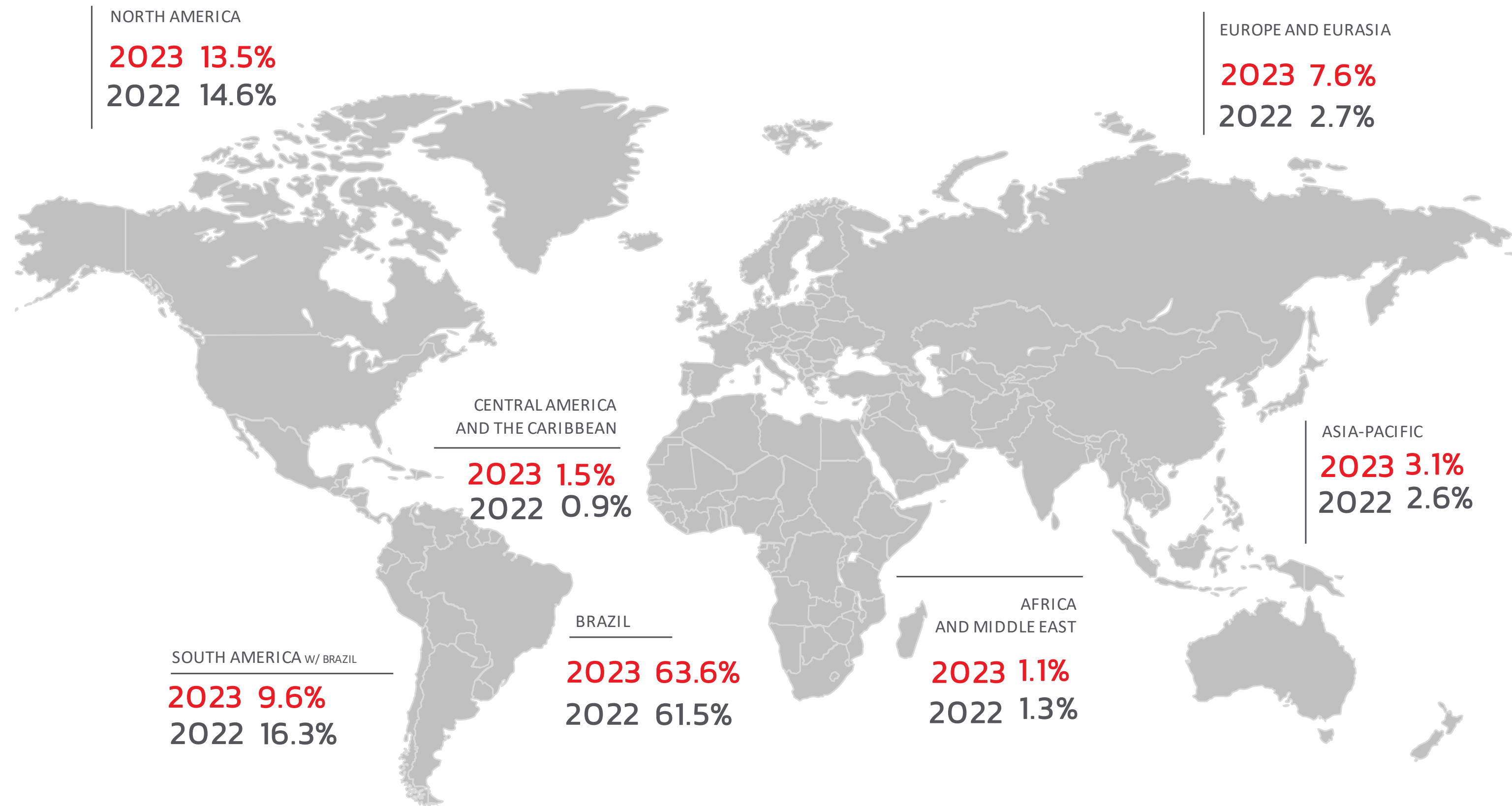
- ✓ In the international market, which comprises revenues from operations abroad and exports out of Brazil, there was progress linked to AML Juratek Limited, a recent acquisition, which contributed R\$ 153.5 million in the year;
- ✓ The warehouse in Colombia stands out for its wide product availability, with special emphasis on a complete portfolio of brake pads for light vehicles. Furthermore, our operation in India was successful in gaining new approvals from automakers.

Foreign Market US\$



03. OUR RESULTS / Sales Performance

Distribution of Net Revenue across the Globe



North America: In the first half of the year, the operation faced challenges due to the decrease in economic activity and high inventory levels in the market. Even with the persistence of high interest rates, from the second half of the year onwards we were able to expand our portfolio and win new business, contributing to sustaining growth in this market.

South America: Political changes in Argentina, combined with exchange rate devaluation and changes in import taxes, impacted revenue performance. The positive highlight of the year was the consolidation of Fras-le Panamericana warehouse, which focused on expanding the portfolio and strengthening the powerhouse.

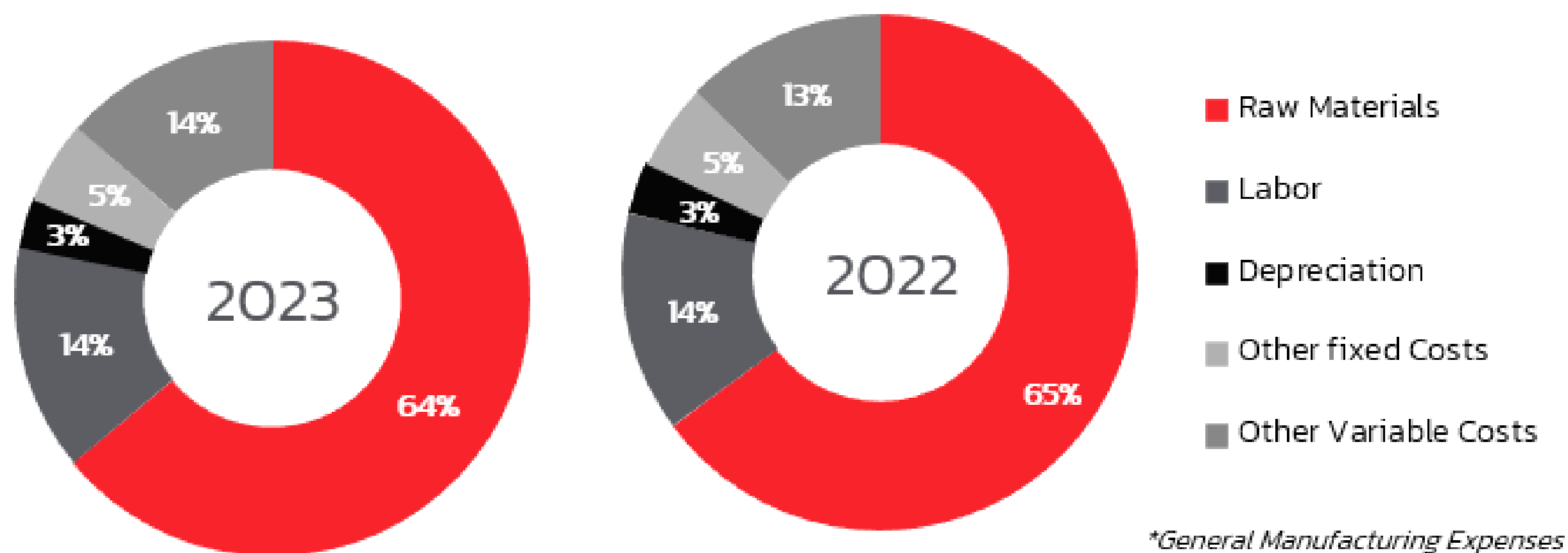
Europe and Eurasia: Growth in this region is directly linked to the recent acquisition of AML Juratek Limited, driving advances in the aftermarket. In 2023, our operations on the continent worked closely with Juratek, and, at the end of the year, significant gains in sales, supply and operational management synergies were delivered.

Asia and the Pacific: The operation in India ended the year with new approvals from carmakers and growth in the domestic aftermarket for commercial vehicles. In China, the unit resumed business after the post-Covid reopening, recording gains linked to replacement brake pads.

03. OUR RESULTS / Operational Performance

Cost of Products Sold and Gross Profit

Cost of products sold reached R\$ 2.3 billion during the 2023 financial year, accounting for 66.4% of net revenue for the period. This is 4.1 percentage points down when compared to 2022 (R\$2.2 billion, accounting for 70.5% of net revenue).

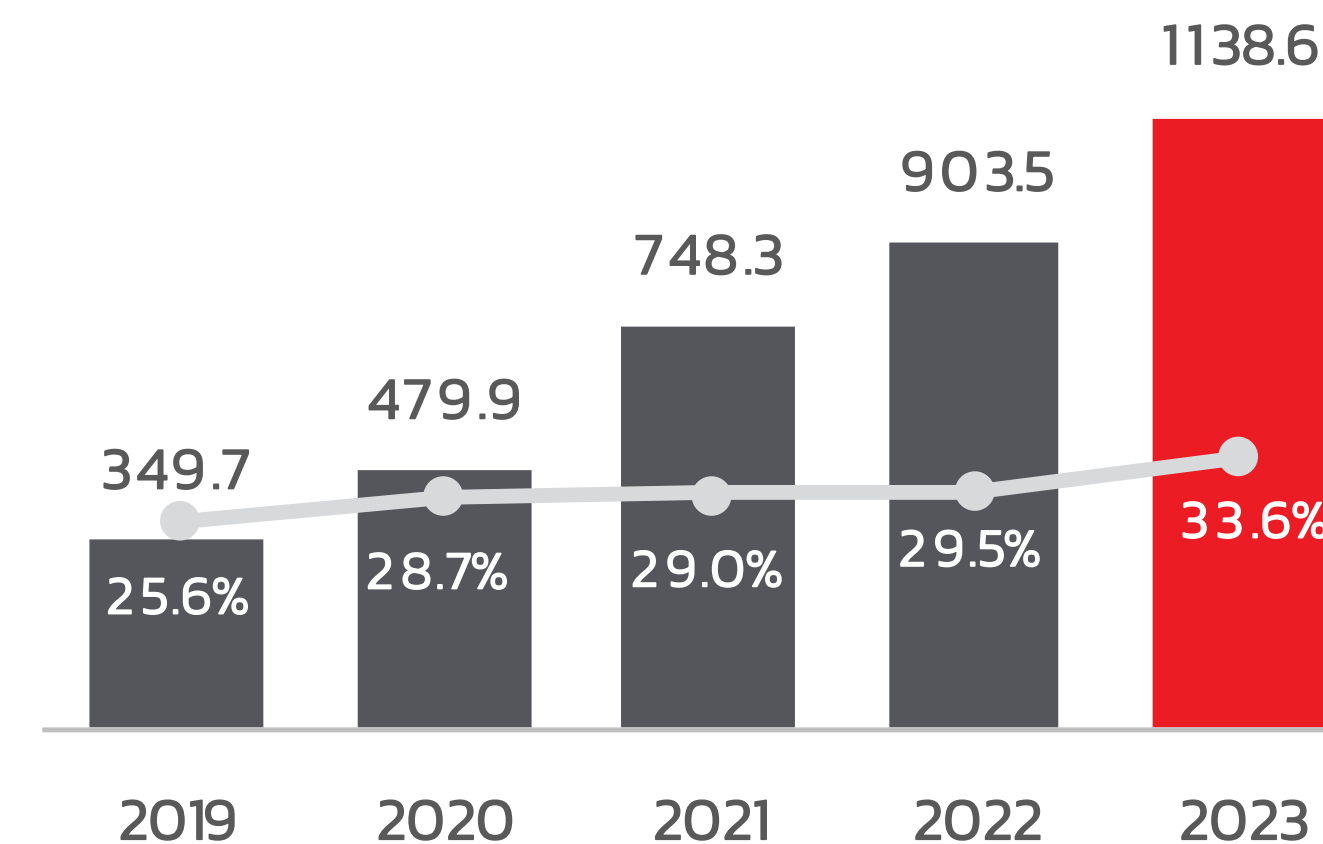


The year ended with an increase of 4.1 percentage points in gross margin. The highlights are:

- ✓ In July, the Argentine government, through a decree, formalized changes in exchange rate policy and promoted the expansion of the PAIS tax (Tax for an Inclusive and Solidary Argentina) which is levied on imports at a rate of 7.5%. Furthermore, in December, with the change of government, the rate was increased to 17.5%, which in the year to date generated an impact of R\$ 18.3 million on the cost of products sold line.

- ✓ Efficiency in operational management, achieved through supply acquisition strategies, price negotiation of manufactured products and initiatives aimed at reducing operational costs, associated with deflation in input costs, plays a significant role in the continuous expansion of margin.

Gross Profit



CAGR 2019/2023 34.3% | 2019/2023 225.6%

03. OUR RESULTS / Operational Performance

Operating Expenses

	2023		2022		Δ %	2021		2020		Δ %
Selling Expenses	-313.0	-9.2%	-291.6	-9.5%	7.3%	-237.2	-9.2%	-147.9	-8.9%	60.4%
Variable Expenses w/ Sales	-115.2	-3.4%	-101.5	-3.3%	13.5%	-77.1	-3.0%	-49.5	-3.0%	55.8%
Other Expenses w/ Sales	-197.9	-5.8%	-190.1	-6.2%	4.1%	-160.1	-6.2%	-98.4	-5.9%	62.7%
Administrative Expenses	-250.0	-7.4%	-211.1	-6.9%	18.5%	-187.2	-7.3%	-146.3	-8.8%	27.9%
Other Net Expenses/Income	-32.5	-1.0%	-67.8	-2.2%	-52.0%	-49.2	-1.9%	54.3	3.3%	-190.6%
Other Operating Expenses	-102.0	-3.0%	-101.0	-3.3%	1.1%	-91.2	-3.5%	-99.3	-5.9%	-8.2%
Other Operating Income	69.5	2.1%	33.2	1.1%	109.6%	41.9	1.6%	153.6	9.2%	-72.7%
Equity Equivalence	-0.5	0.0%	0.0	0.0%	-2929.8%	0.6	0.0%	0.0	0.0%	0.0%
Total Operating Exp/Income	-596.0	-17.6%	-570.4	-18.7%	4.5%	-473.1	-18.3%	-239.9	-14.4%	97.2%

Values in R\$ millions and % over Net Revenue

The highlights for operating expenses in 2023 are:

- ✓ Sales expenses increased compared to 2022 due to greater participation in national and international fairs and events.

Relevant effects on other operating expenses:

- ✓ Replacement of the water-based painting line for electrostatic powder at the subsidiary Nakata (R\$2.4 million);
- ✓ Impairment in the in the Controlling Company in the amount of (R\$ 0.8 million) and in the subsidiaries Fras-le Europe B.V. (R\$ 0.6 million) and Fanacif (R\$ 11.9 million);
- ✓ Provision for litigation in the subsidiary Nakata (R\$ 37.1 million).
- ✓ M&A expense of R\$ 1.4 million. Considering the materiality of the amount and the connection with the Company's M&A strategy, which is increasing in recurrence, these expenses will not be considered for adjusted EBITDA purposes.

The most relevant effects on other operating revenues are:

- ✓ Reversal of provision related to Nakata's supervenience of R\$ 28.5 million, which mainly refers to the update of the contractual projection linked to the use of tax credits that was amended by Law No. 14,789 of 2023. Subsidies Taxation Law, which establishes that the tax benefits granted by the state of Minas Gerais relating to ICMS are now taxed via Corporate Income Tax (IRPJ), Social Contribution on Net Profit (CSLL) and contributions to PIS and COFINS.
- ✓ The reversal of a provision regarding the subsidiary Nakata (R\$ 24.5 million) referring to the exclusion of ICMS in the PIS and COFINS calculation basis. For more information on this effect, see Note [number 18](#) of 2Q23.

NOTE: The costs for updating the Company's ERP from SAP ECC system to ERP SAP HANA were minimized by compensating other administrative services, thus not generating financial impact.

03. OUR RESULTS/ Operational Performance

EBTDA and Adjusted EBITDA

Consolidated EBITDA for the year was R\$ 667.2 million and a margin of 19.7%, which accounts for an increase of 4.9 percentage points compared to the previous year.

In 2023 financial year, the Company recorded a negative impact of R\$ 64.1 due to the devaluation of the Argentine peso, but despite the macroeconomic challenges, once again Frasle Mobility's business model proved to be shielded by the diversification of portfolio, markets and geographies which made it possible to end another year with positive results.

Adjusted EBITDA Margin had a notable growth of 4.1 percentage points, highlighting that the Company was able to optimize synergies to the point of reaching a new level of margins.

EBITDA Reconciliation and Adjusted EBITDA			
	2023	2022	Δ %
Net Profit	388.7	203.3	91.2%
Financial Result	15.9	84.2	-81.2%
Depreciation	124.7	120.1	3.8%
Income Tax / Social Contribution	137.9	45.5	203.1%
EBITDA	667.2	453.1	47.3%
EBITDA Margin	19.7%	14.8%	4.9 pp
Non-recurring Events	-2.5	22.5	-111.3%
Asset impairment	13.3	0.7	1803.8%
Rescission action Nakata	-24.5	0.0	0.0%
Business combination update	-28.5	16.2	-100.0%
Exclusion of ICMS from the PIS calculation base and COFINS	37.1	0.0	0.0%
Reversal of gains on tax litigation proceedings	0.0	5.6	-100.0%
Adjusted EBITDA	664.7	475.6	39.8%
Adjusted EBITDA Margin	19.6%	15.6%	4.1 pp

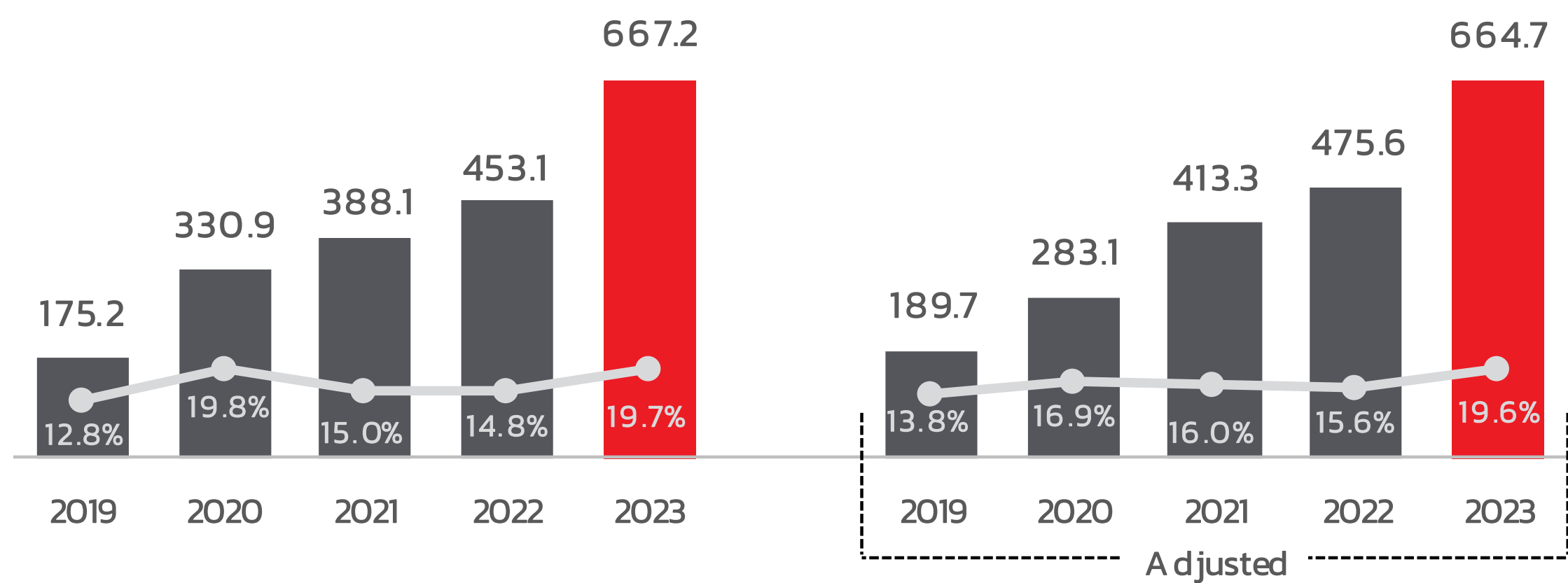
Values in R\$ million

The following factors have changed EBITDA:

- ✓ Impairment of assets in the amount of R\$ 13.3 million in the subsidiaries Fanacif (R\$11.9 million), Fras-le Europe B.V (0.6 million) and Controlling Company (R\$0.8 million).
- ✓ Reversal of accounts payable due to business combination of Nakata's supervenience, mentioned above in operating revenues, in the amount of R\$28.5 million.
- ✓ Exclusion of ICMS from the PIS and COFINS calculation base of R\$ 37.1 million referring to the reversal of a provision filed by the Attorney General of the National Treasury ("PGFN") to partially overturn a favorable ruling aiming to exclude the compensation of amounts relating to previous periods on March 15, 2017 (effects modulation) and, R\$ 24.5 million related to the balance held in an escrow account, effect of the explanation mentioned above.

+ Access The 2022 Annual Report to find out about the non-one-off events of the year

EBITDA



03. OUR RESULTS / Sales Performance

Financial Result and Net Profit

The Company's financial result was negative R\$ 15.9 million. The main highlights were:

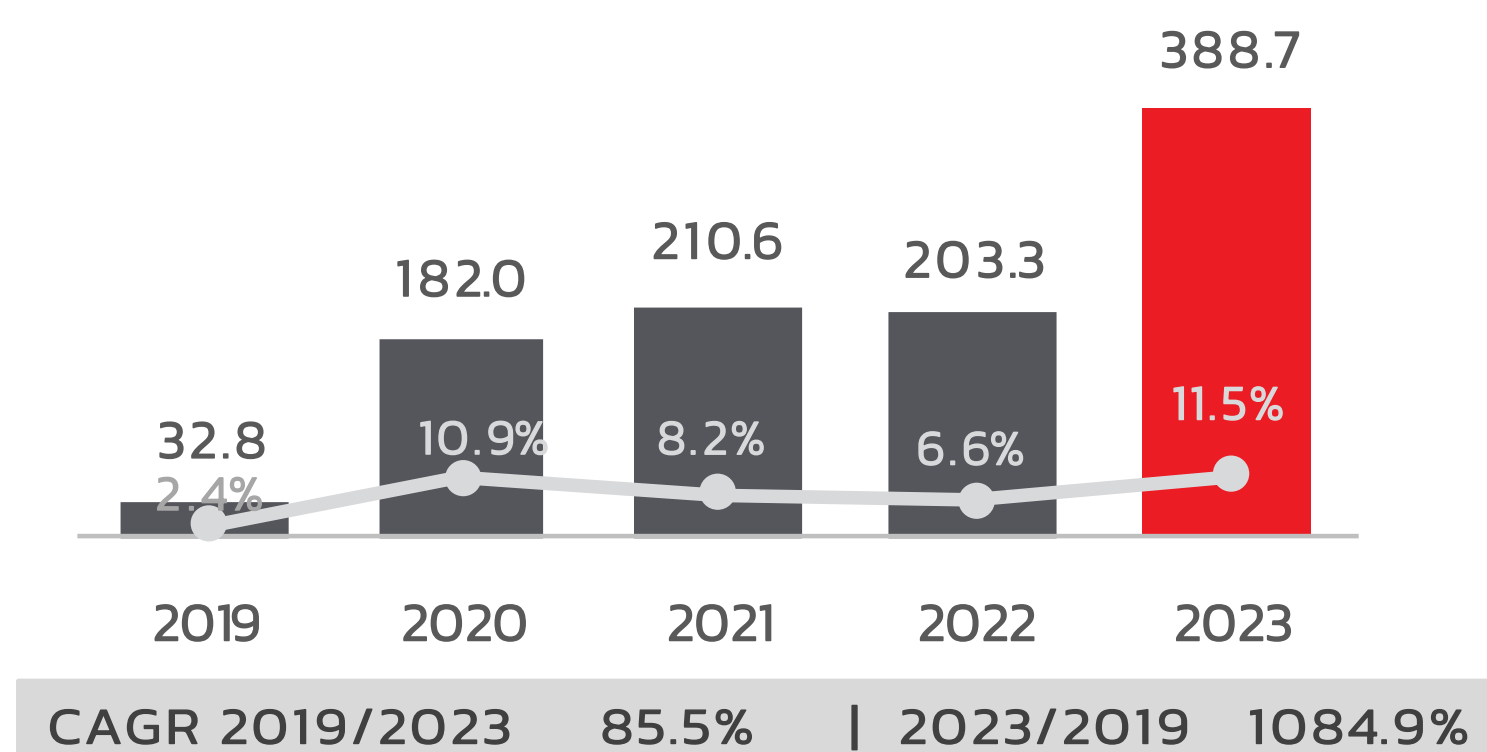
- ✓ Variation between dollar x real of 8.1 percentage points between 2023 and 2022 (R\$ 5.28 BRL/USD Dec/2022 vs. R\$ 4.85 BRL/USD Dec/2023);
- ✓ Interest on income from financial investments grows due to greater cash availability.
- ✓ Operations in Argentina had a positive impact on the financial result in the amount of R\$ 118.0 million in terms of inflation and re-conversion;
- ✓ Related to non-one-off events, the Company suffered a negative impact on the financial result of R\$ 11.8 referring to the update to present value of the Nakata business combination.

	2023	2022	Δ %	2021	2020	Δ %
Exchange Variation	93.3	175.9	-46.9%	129.4	178.2	-27.4%
Interests on Capital Investment	219.0	108.6	101.7%	25.5	13.3	92.6%
Present Value Adjust	19.7	17.2	14.0%	14.3	12.9	10.9%
Other Financial Income	5.4	21.7	-75.1%	24.0	57.8	-58.5%
Financial Income	337.4	323.5	4.3%	236.3	292.4	-19.2%
Exchange Variation	-201.2	-226.2	-11.0%	-152.9	-203.3	-24.8%
Financing Interests	-109.1	-112.0	-2.6%	-68.3	-34.4	98.8%
Present Value Adjust	-37.9	-27.5	37.8%	-21.6	-22.1	-2.4%
Bank Expenses	-47.1	-52.0	-9.4%	-16.3	-9.1	79.7%
Other Financial Expenses	-38.9	-45.2	-13.8%	-26.3	-8.9	194.5%
Financial Expenses	-434.2	-462.8	-6.2%	-285.4	-277.8	2.7%
Monetary adjustment (IAS 29)	80.9	55.2	46.7%	43.1	30.3	42.3%
Financial Result	-15.9	-84.2	-81.2%	-49.1	14.6	-437.2%

Values in R\$ millions

The combination of these factors resulted in net profit of R\$ 388.7 million in 2023, with a net margin of 11.5%.

Net Profit



03. OUR RESULTS / Value Creation

Frasle Mobility is made up of an experienced team with great ability to execute synergies and capture economies of scale through acquisitions, and this is shown in the infographic graphs on this page.

○ % OF GROWTH OF NET REVENUE FROM 2023 COMPARED TO NET REVENUE FROM THE ACQUISITION

+75%

- FREMAX**
- + PORTFOLIO EXPANSION
 - + LIGHT LINE
 - + STRONG BRAND
 - + PREMIUM PRODUCT

2018

+110%

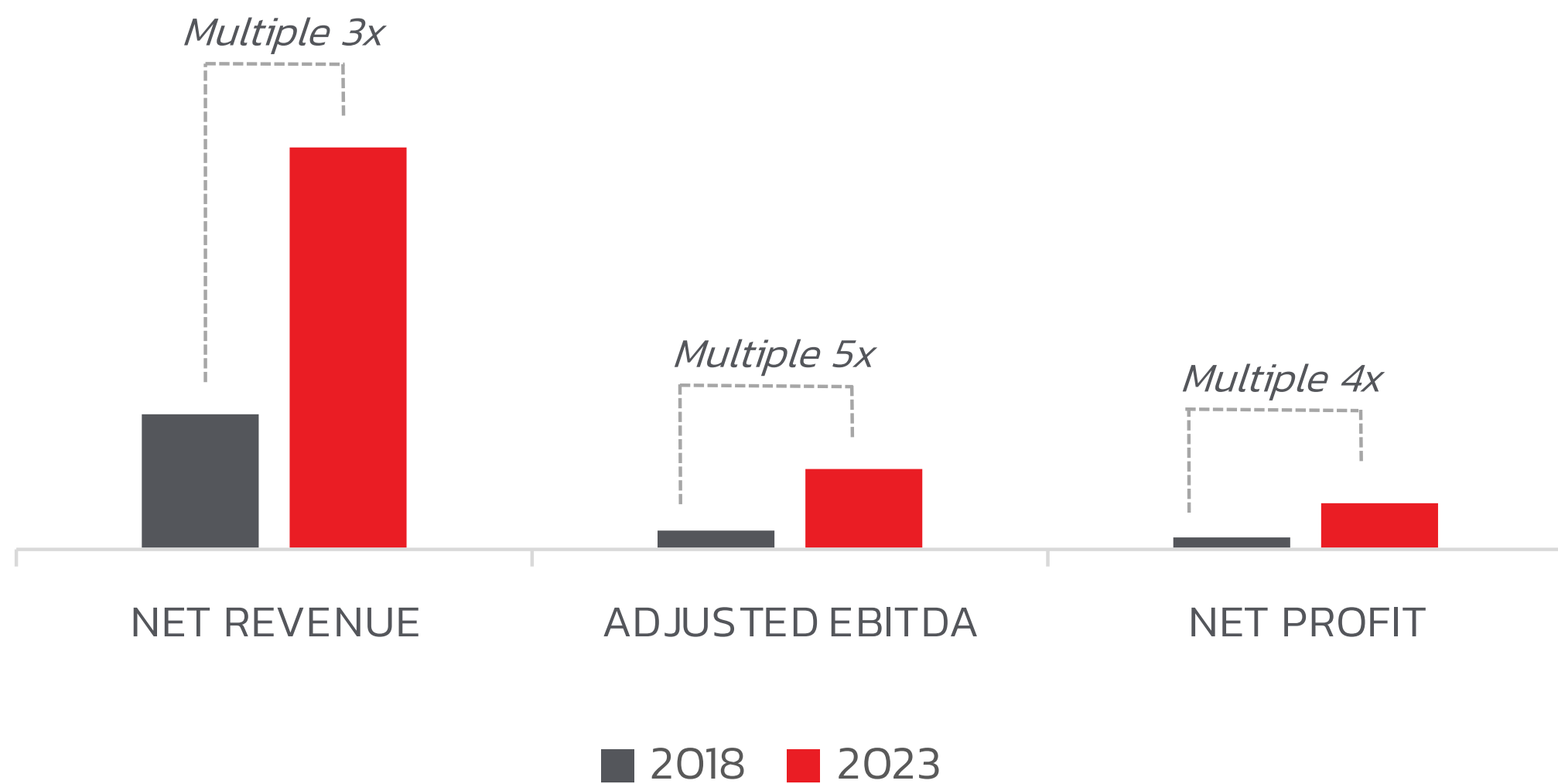
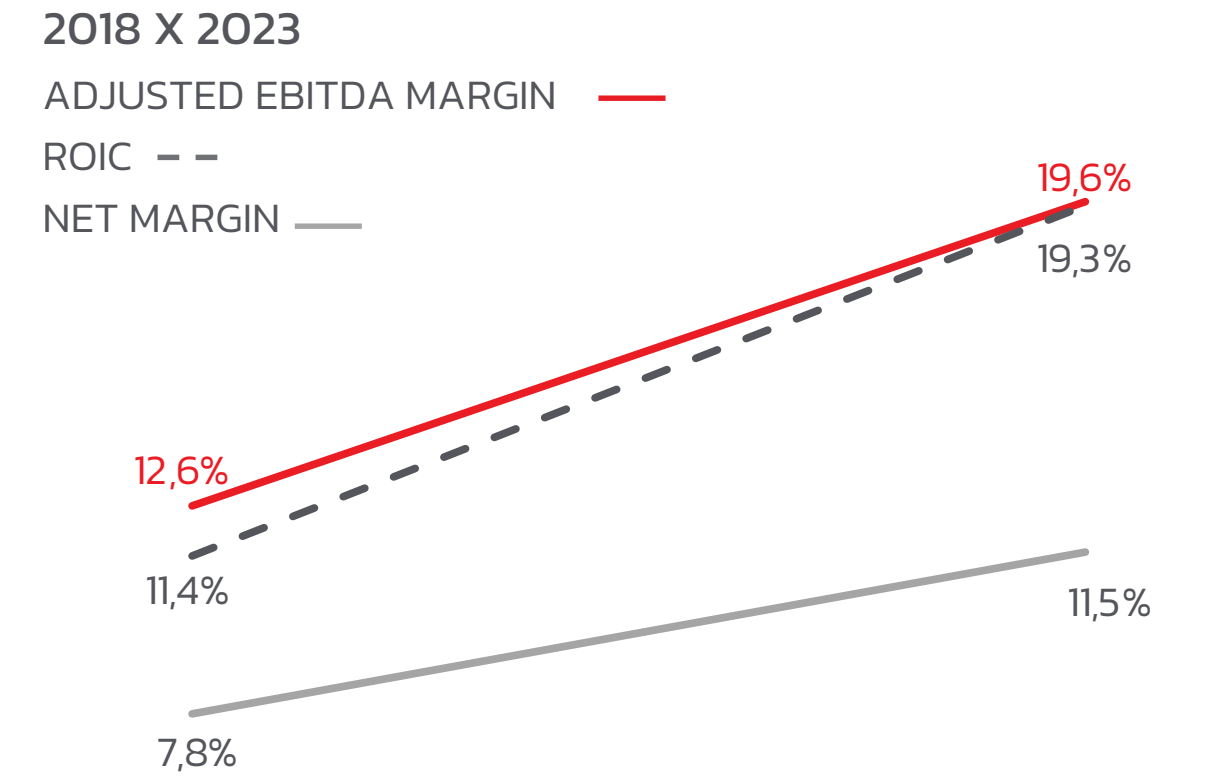
- NAKATA**
- + PORTFOLIO EXPANSION
 - + KNOW HOW- SOURCING
 - + BRAND REPUTATION
 - + ACCESS TO CHANNELS

2020

+35%

- AML JURATEK**
- + MARKET LEADER
 - + GLOBAL PRESENCE
 - + OEM FOR HEAVY VEHICLES

2023

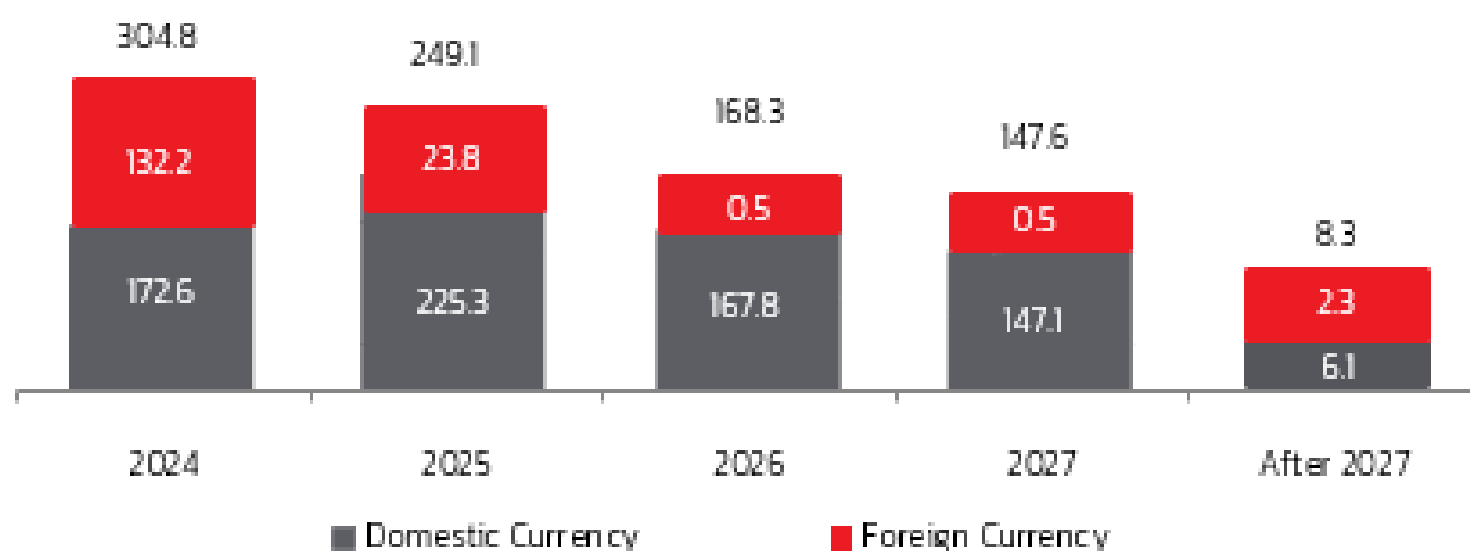


03. OUR RESULTS / Financial Management

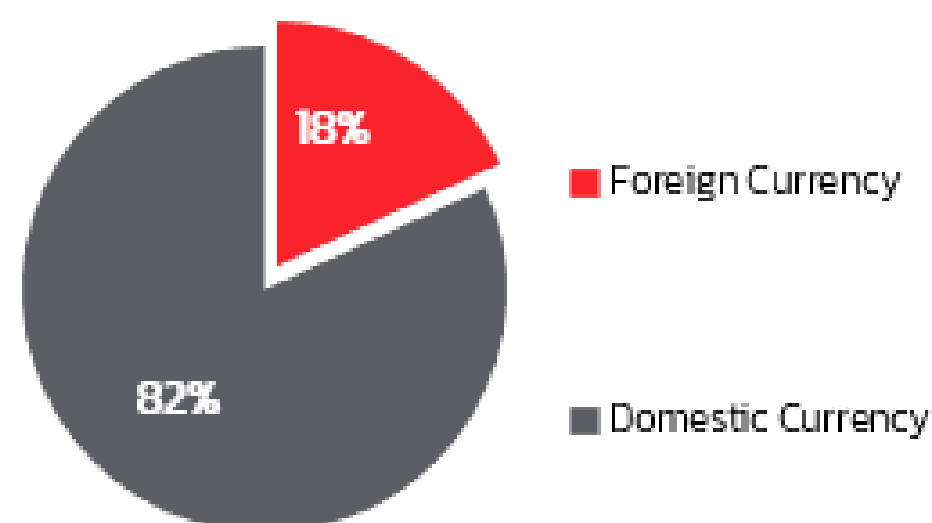
Financial Debt

In 2023, the Company amortized R\$ 161.2 million, of which the Controlling Company corresponded to R\$ 57.5 million in financial debt amortizations, while the controlled units disbursed R\$ 103.7 million in amortizations. New loans were made in the amount of R\$ 94.7 million, of which R\$ 3.9 million by the Controlling Company and R\$ 90.8 million by the controlled units.

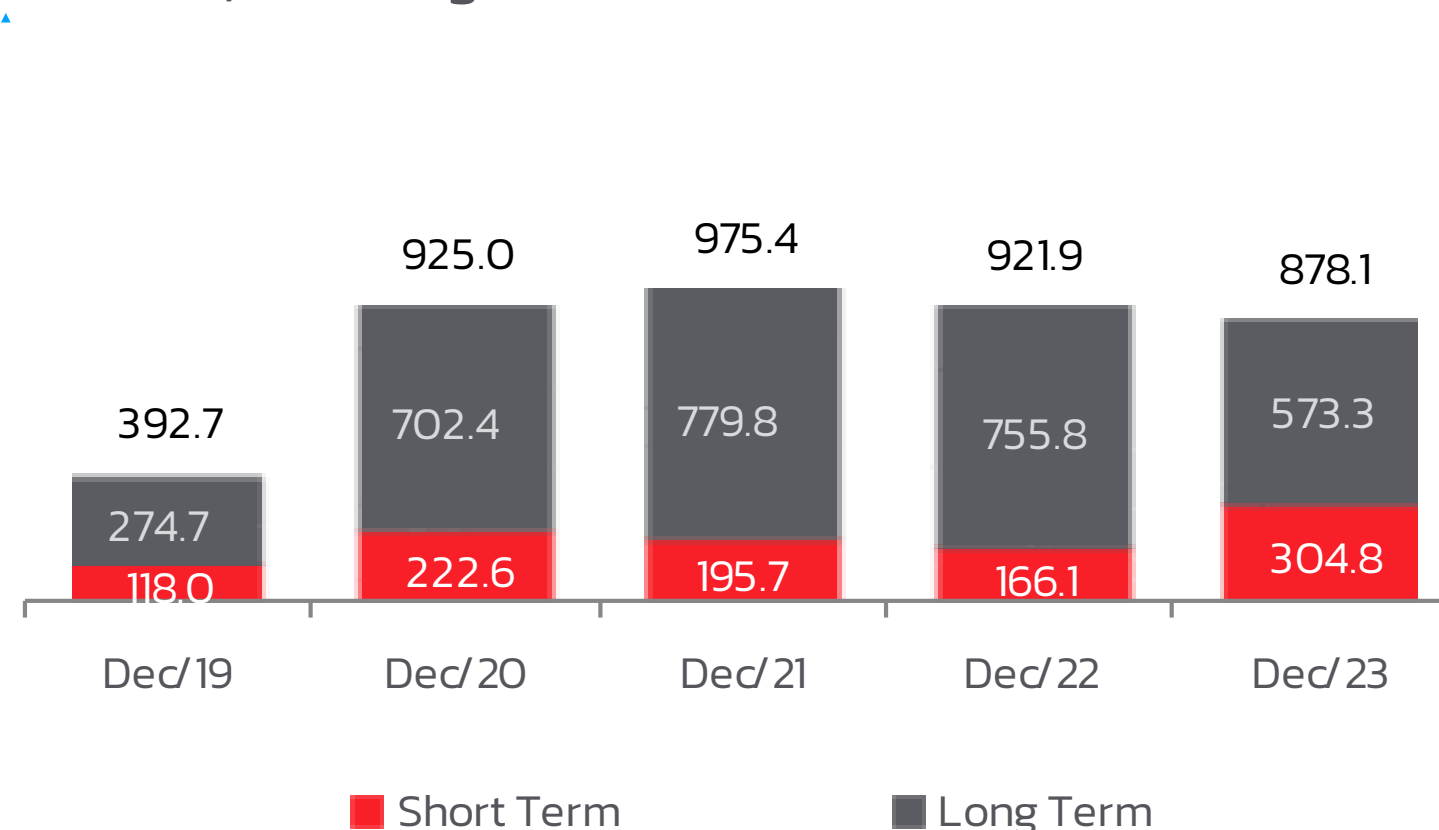
Annual Payment



Origin of debt (December/2023)



Loans, financing and derivatives



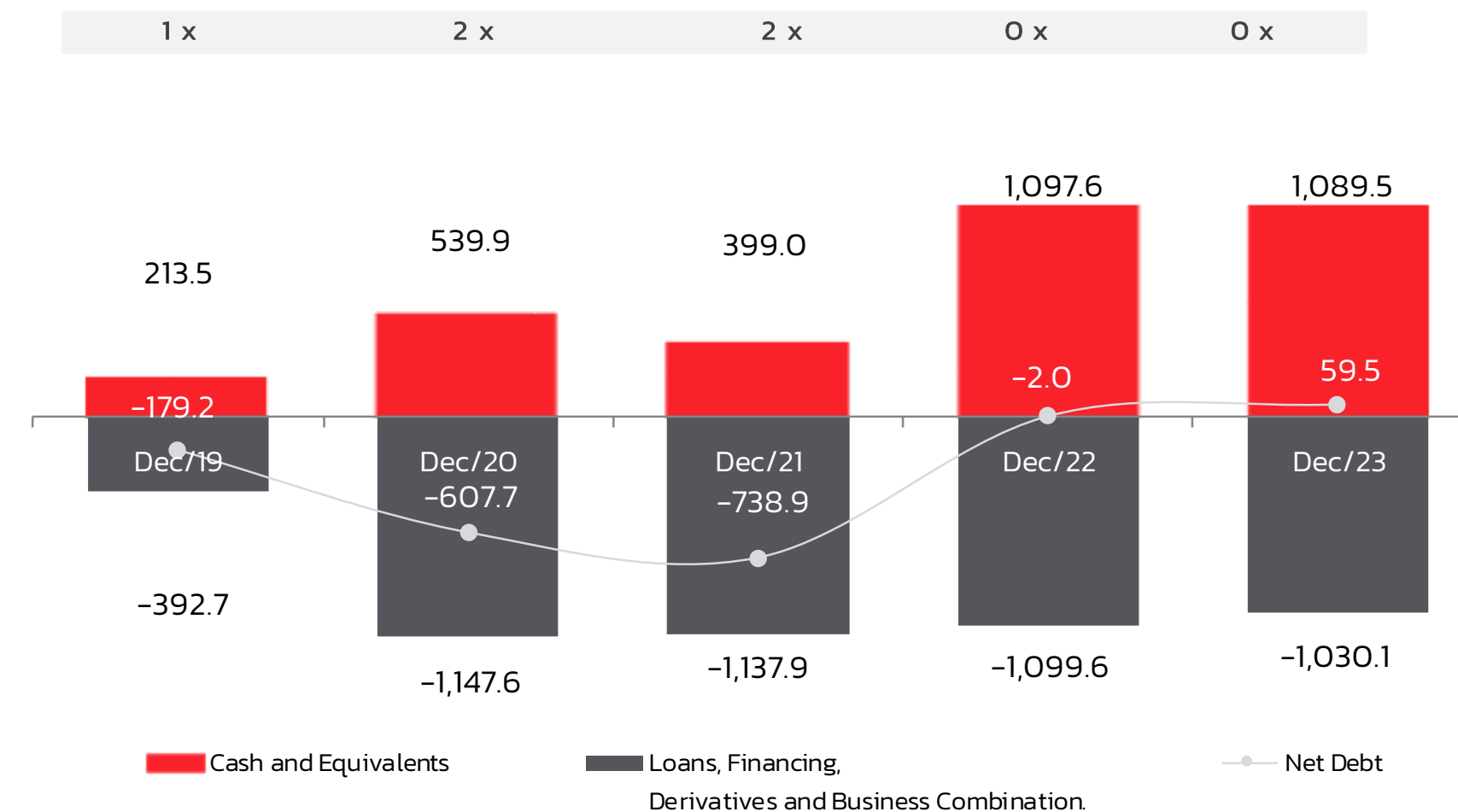
Consolidated gross financial debt, at the end of 2023, was R\$ 1.1 billion, of which R\$ 878.1 million in loans and financing (R\$ 304.8 million short-term and R\$ 573.3 million long-term term).

Additionally, R\$ 145.7 million refers to accounts payable due to business combinations.

The main indexes of consolidated gross debt at the end of 2023 were::

- ✓ In Reais indexed to CDI, which accounted for 79.75% (average cost CDI + 1,55%);
- ✓ Euros (Euro + 2.0% per year) with 0.50%;
- ✓ In Pounds (Pounds + 2.30% per year) with 1.87%;
- ✓ In Dollars (US\$ + average of 4.1% per year) with 15.78%, and
- ✓ In Reais indexed to others, which accounted for 2.11% (average CDI cost + 1.08%).

Net Debt/EBITDA



The graph above shows the composition of the Company's consolidated net debt and its multiple with EBITDA in recent years. Highlights are:

- ✓ 2019: most of the available cash resources were used to pay for acquisitions;
- ✓ 2020: the Company made two issues of debentures in order to use the resources to pay the purchase price of shares related to the acquisition of Nakata, and to reinforce cash;
- ✓ 2021: there were no significant movements related to net debt;
- ✓ 2022: the Company carried out a public offering of shares (follow-on) totaling gross R\$ 629.4 million;
- ✓ 2023: No significant movements related to net debt.

03. OUR RESULTS / Financial Management

Working Capital

	2019	2020	2021	2022	2023
Resources Investment					
Customers	123.4	289.2	268.3	271.7	420.7
<i>In Days</i>	<i>25 d</i>	<i>49 d</i>	<i>29 d</i>	<i>25 d</i>	<i>35 d</i>
Inventory	333.3	494.1	825.2	857.7	783.5
<i>In Days</i>	<i>69 d</i>	<i>84 d</i>	<i>89 d</i>	<i>80 d</i>	<i>65 d</i>
Others Resources	42.9	221.9	150.6	116.4	109.4
Total of Resources Invested	499.6	1,005.2	1,244.2	1,245.8	1,313.6
Sources					
Suppliers *	-93.7	-265.4	-348.4	-388.2	-435.9
<i>In Days</i>	<i>19 d</i>	<i>45 d</i>	<i>38 d</i>	<i>36 d</i>	<i>36 d</i>
Others Resources	-82.6	-133.9	-155.0	-189.3	-212.8
Total of Sources	-176.3	-399.3	-503.4	-577.5	-648.7
WC in R\$	323.3	606.0	740.8	668.2	664.8
<i>WC in Days</i>	<i>67 d</i>	<i>103 d</i>	<i>80 d</i>	<i>62 d</i>	<i>55 d</i>

Values in R\$ million

* Total value is the sum of the Suppliers and Drawn Risk accounts

The NCG in R\$ disclosed in 2022 was R\$696.6, but there were changes in the criteria for the composition of the "others resources" line and the value was changed to R\$668.2. The change in calculation was applied from 2023.

2023 financial year ended with a seven-day reduction in the need for working capital. The following factors stand out throughout the year: in the customer line, there was an increase due to the inclusion of the AML Juratek Limited portfolio and the reduction in financing in the portfolio (Vendor); stocks were impacted by the effects of exchange rate variation; and, in terms of suppliers, the Company made negotiations that optimized deadlines, providing greater margin for operation.

Free Cash Flow

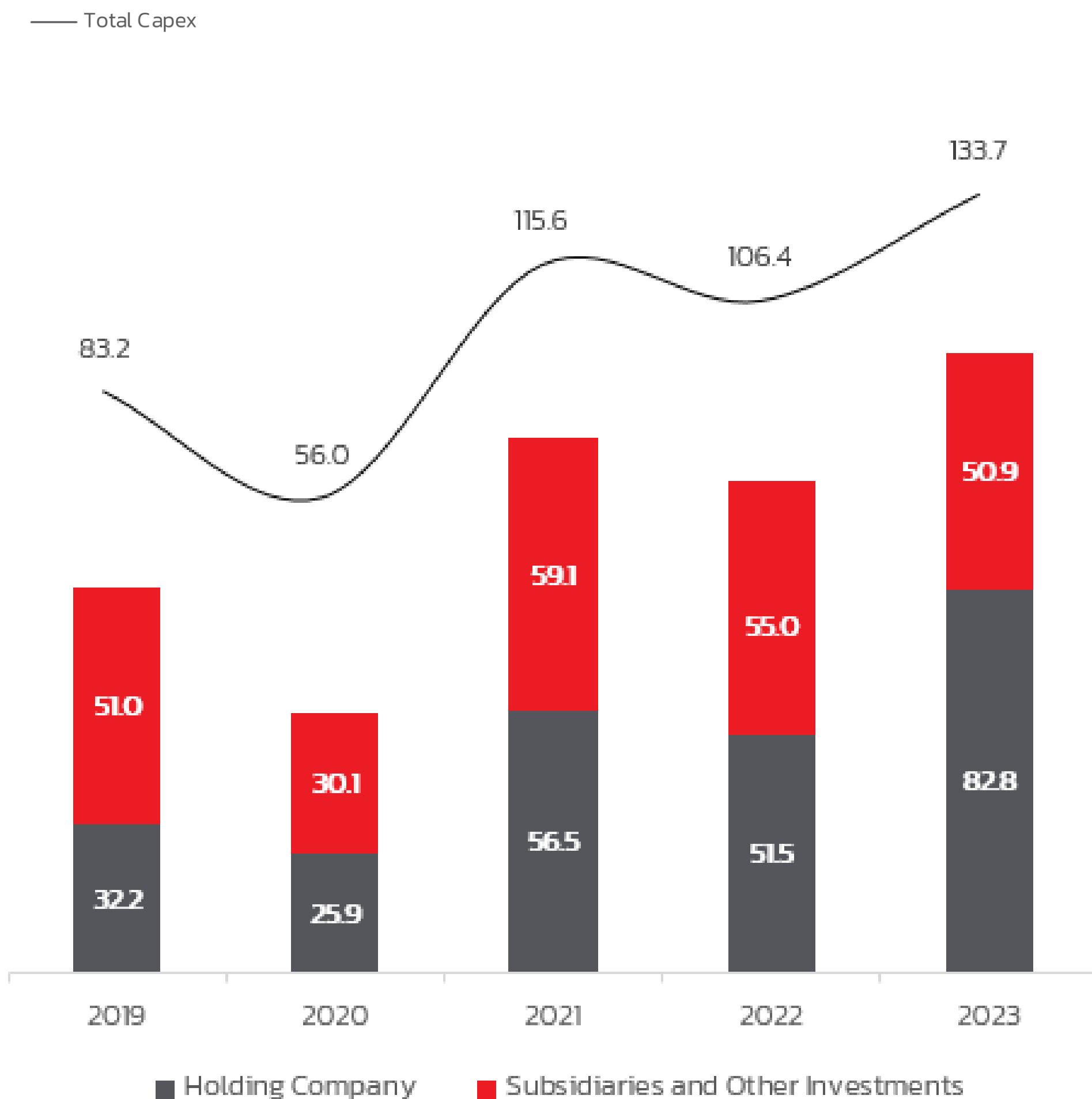
	2019	2020	2021	2022	2023
EBITDA	175.2	330.9	388.1	453.1	667.2
Investments	-83.2	-56.0	-115.6	-106.4	-133.7
Financial Result	-36.3	14.6	-49.1	-84.2	-15.9
Income and Social Taxes	-37.5	-72.5	-15.4	-45.5	-137.9
Working Capital Variation	52.7	-272.6	-134.8	44.2	1.2
Operating Cash Flow	70.8	-55.6	73.2	261.2	381.0
Dividends/ROE	-73.6	-15.5	-78.9	-70.1	-111.3
Capital Integr. / Business Acquis.	0.0	-283.4	-57.6	595.8	-110.3
Others	-35.3	-82.3	-59.7	-49.9	-98.0
Free Cash Flow	-38.0	-436.8	-123.0	737.0	61.4
NET DEBT (NET CASH)	-179.2	-616.0	-739.0	-2.0	59.5

Values in R\$ million

During the year, the Company recorded R\$ 61.4 million in cash available, highlighting the achievement of a historic level in gross cash generation. Investments were equivalent to 4% of net revenue, while the increase in net profit resulted in an increase in Income Tax (IR) and Social Contribution on Net Profit (CSLL). In the capital contribution, the most significant amount (R\$ 101.1 million), refers to the acquisition of AML Juratek Limited.

03. OUR RESULTS / Financial Management

Investments



Controlling Company

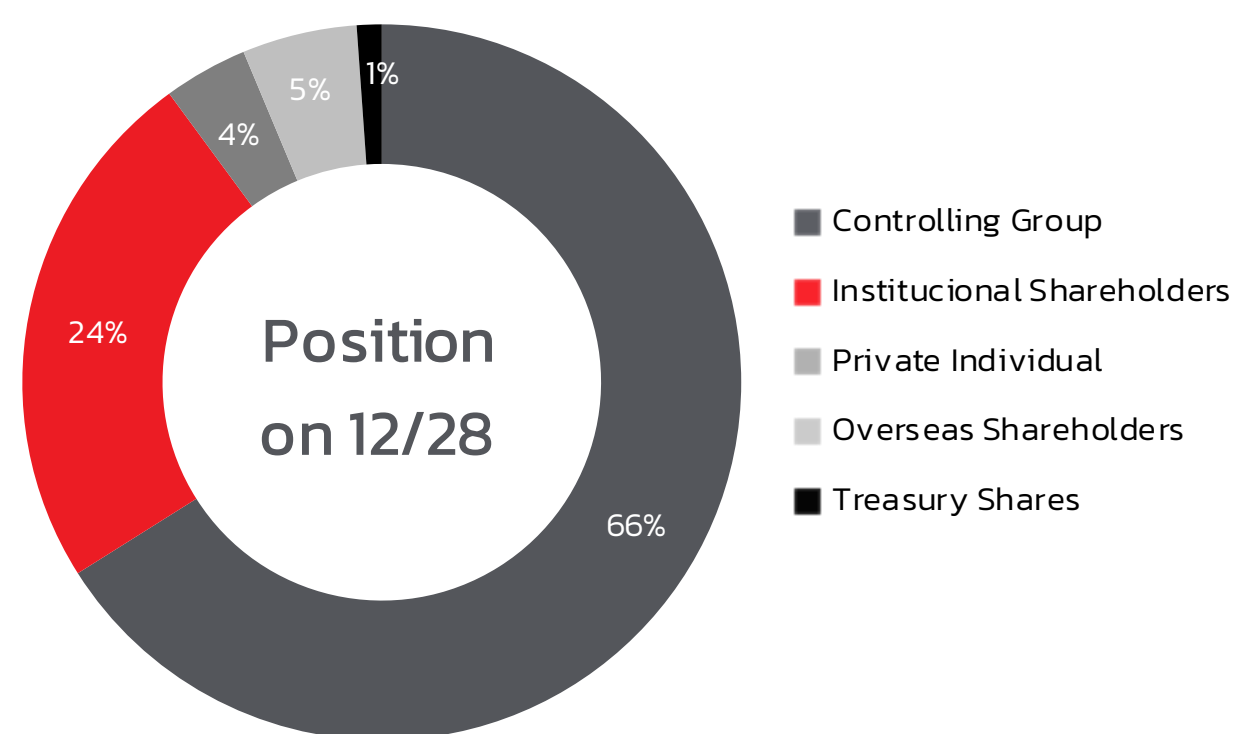
The Controlling Company focused its efforts on investments during 2023, by purchasing machines and developing projects to expand production capacity. In the last quarter, the company began to build *Caldeira Verde*, a source of clean energy intended to replace fossil fuel. This investment is in line with the Controlling Company's public commitment, in partnership with Randoncorp, to reduce Greenhouse Gas (GHG) emissions by 40% by 2030. *Caldeira Verde* accounts for 50% of this goal and is scheduled to open in early 2025.

Controlled Companies

The most significant investments included several key areas, such as: expansion of production capacity at Controil, focusing on piston and master cylinder machining lines; improvements to Jurid's production lines to meet new projects related to automakers; acquisition of machines for Fras-le North America; implementation of a new painting line for shock absorbers at Nakata; and restructuring the layout of Fras-le Argentina's and Armetal's warehouse.

03. OUR RESULTS / Capital Market

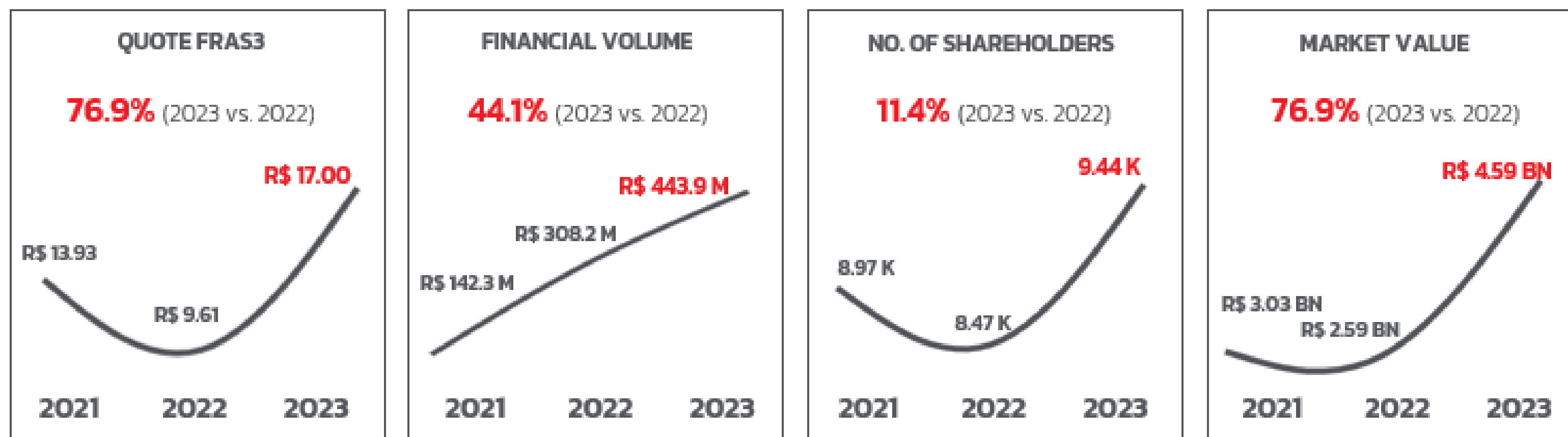
Shareholder profile



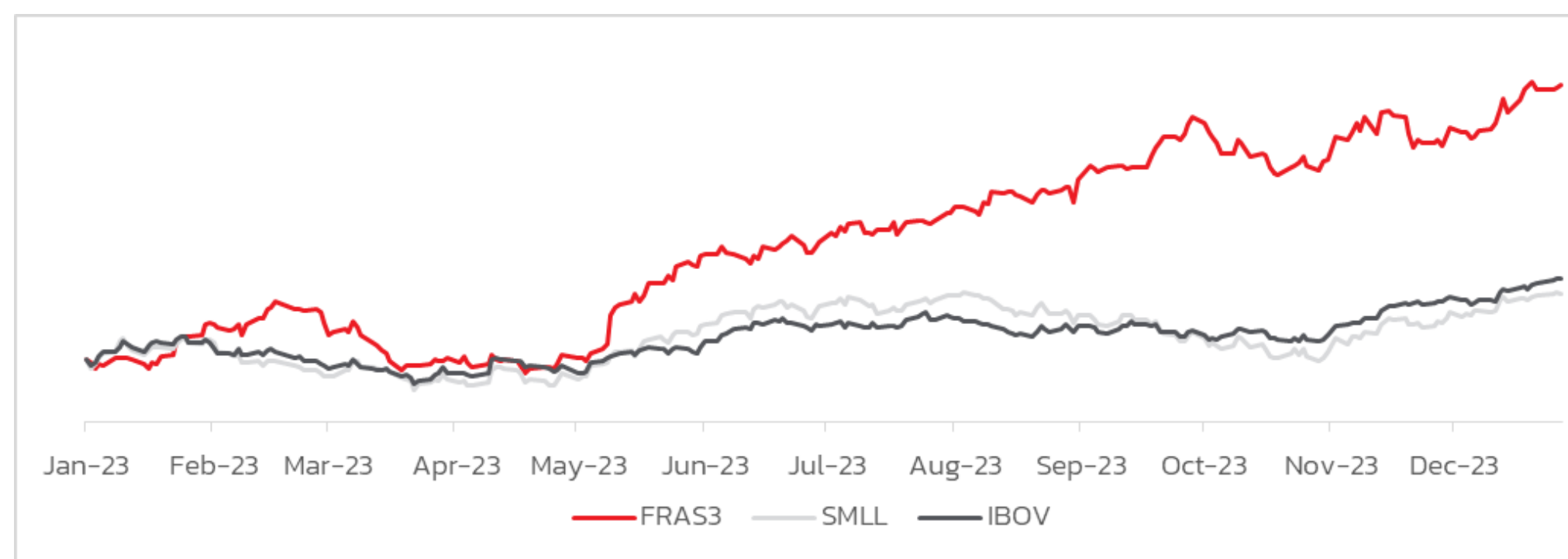
The Company's Free Float was 33.2% at the end of the year over the total paid-in shares, and the statutory provisions guarantee equal treatment to minority shareholders, which ensures a 100% Tag Along in the event of the Company's sale. Fras-le's shareholder base was made up of 9,441 shareholders at the end of the 2023 financial year.

Volume of FRAS3 Trades

In 2023, 463.31 thousand "FRAS3" shares were traded, 43.9% more than in the previous year. In terms of volume in the same period, we recorded 1.3 billion, which accounts for 28.4% growth compared to 2022. The Company's market value at the end of December 2023 reached R\$ 4.6 billion.



Shares Performance



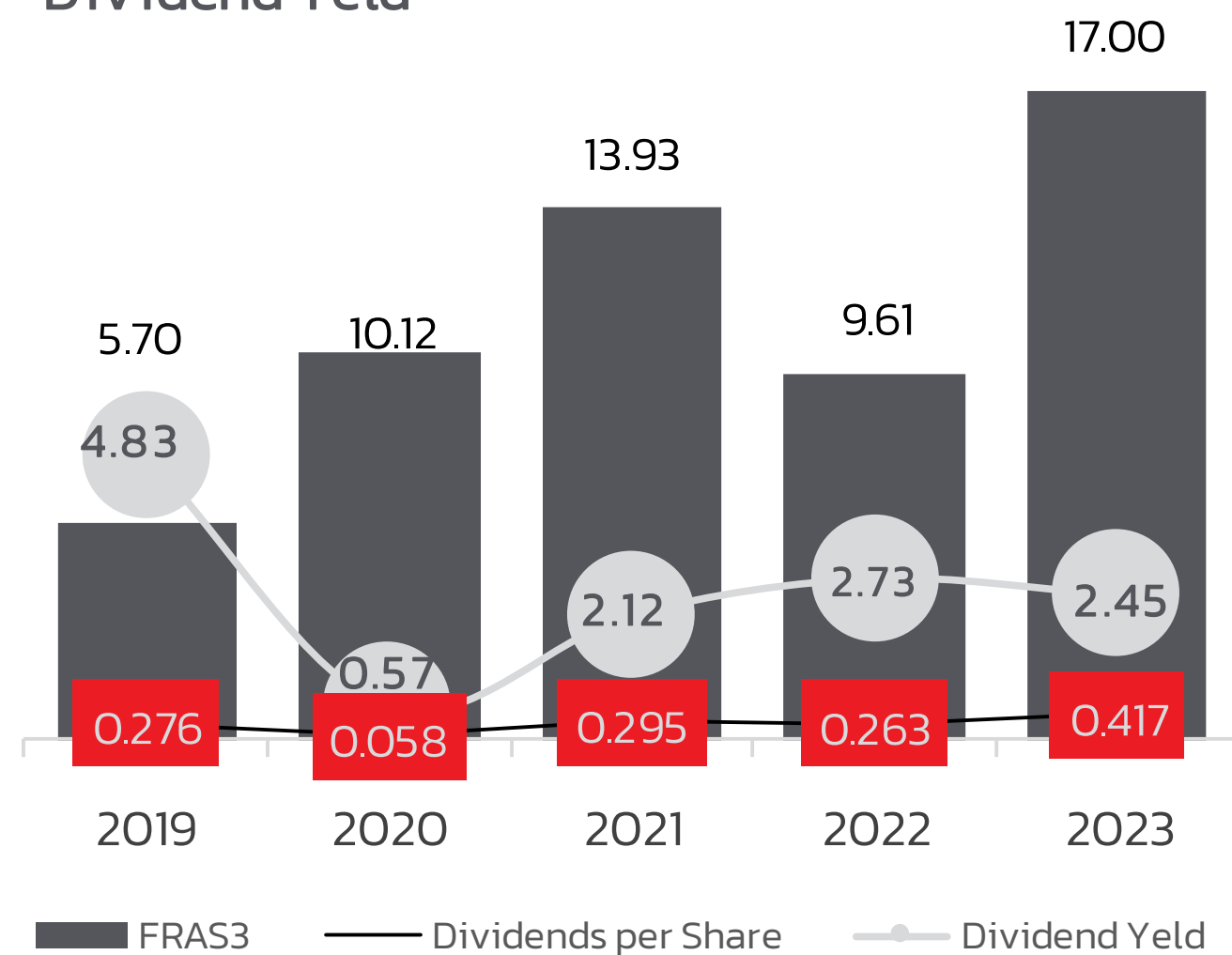
The value of the common share of Frasle Mobility (Fras-le S.A), traded on B3 S.A. - Brasil, Bolsa, Balcão with the code "FRAS3" was quoted, at the end of 2023, at R\$ 17.00. The IBOVESPA index, in turn, ended the same period at 134,185 thousand points and showed growth of 22.28% compared to 2022. In August 2023, the Company became part of the B3 Small Caps Index (SMLL).

03. NOUR RESULTS / Capital Market

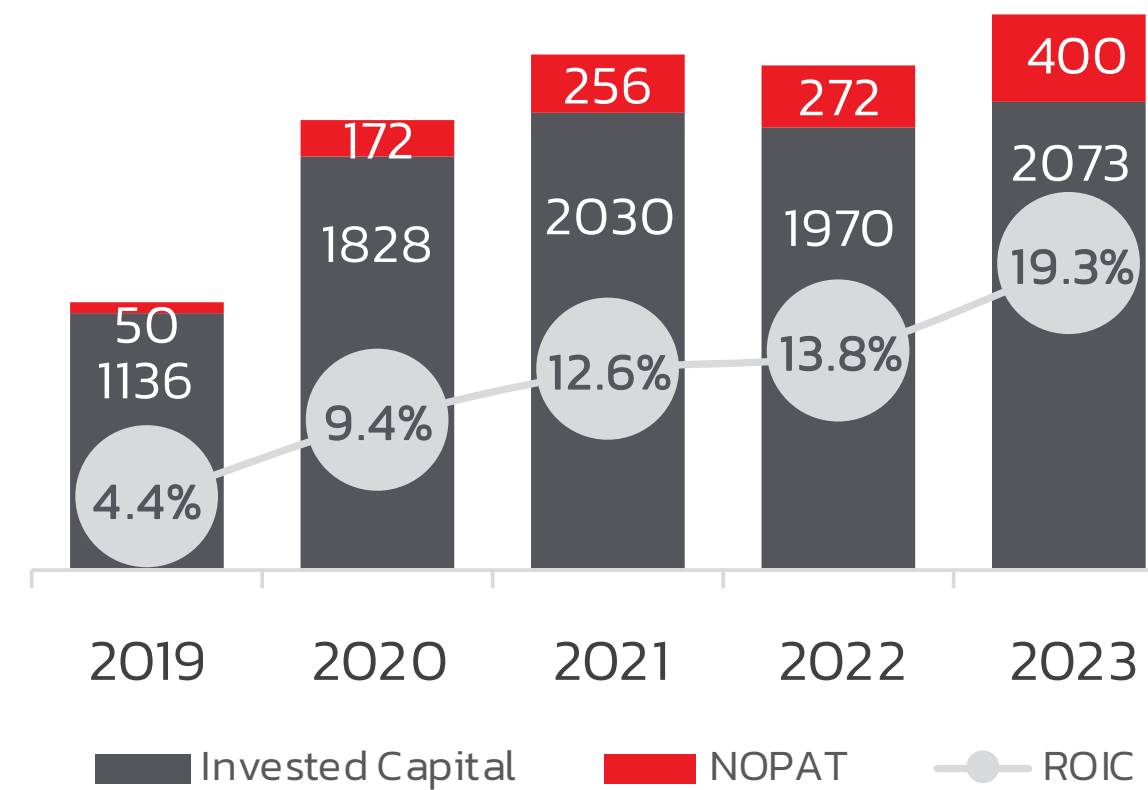
Shareholders' Remuneration

A The Company paid Interest on Equity to shareholders for the 2023 financial year, respecting the conditions and limits established by current legislation. The main details of this distribution include: (i) total amount credited and paid of R\$ 126.4 million, equivalent to R\$ 0.47353 per common share; (ii) payments were made on August 14, 2023 and January 23, 2024; (iii) the shares were traded ex-rights as of July 21, 2023 and December 21, 2023, respectively. During 2023, shareholders were remunerated with a net amount of R\$ 111.3 million (taxes excluded), an amount that may be attributed to dividends for the 2022 financial year, as resolved at the next Ordinary General Meeting, scheduled for April 2024.

Dividend Yield



ROIC – Return on Invested Capital



Return on Invested Capital (ROIC) recorded a significant increase of 6 percentage points, reaching 19.3% in 2023. This significant growth reflects our commitment to generating consistent returns. The improvement in Net Operating Profit After Taxes (NOPAT) was mainly driven by the performance of operating margins, which more than offset the growth in capital employed, in addition to the improvement in controlling working capital.

[Learn more](#)
On the Company's Interest on Equity and Dividends

03. OUR RESULTS / CVM Instruction no. 162/2022

In 2023, the Company paid fees to Ernst Young Auditores Independentes S/S in the amount of R\$ 2,24 million.

The Company's policy is to comply with the restrictions on the services of independent auditors, i.e. to ensure that there is no conflict of interest, loss of independence or objectivity in the services provided by independent auditors not related to external auditing. This independence is achieved through the provision of services by professionals from areas independent of the auditing company.

(a) Other services			
Period	Duration	Fees paid	% of value of external audit services
January to December	12 months	0.2	7.21%
<p>During the year ended December 31, 2022, additional fees were paid for Tax Compliance services. These services did not affect the restrictions of CVM Resolution 162/22, as they mainly refer to other specific work and were carried out by professionals in a totally different area from that in which the professionals who carry out the external audit services work, so they do not affect the independence and objectivity required of external audit services.</p>			
(b) Mandatory external audit services			
Period	Duration	Fees paid	% of value of external audit services
January to December	12 months	2.04	92.79%
<p>The mandatory legal external auditing services included the issuance of an annual report on the individual financial statements of the subsidiaries Freios Controil LTDA, Nakata Automotiva LTDA and Jurid do Brasil Sistemas Automotivos LTDA. In addition to reviewing quarterly information (ITRs) and supporting the acquisition of Juratek.</p>			

Amounts expressed in millions of Reais

03. OUR RESULTS / Projections

Outlook

For the year 2024, we reaffirm our conviction to expand our business in a sustainable and resilient way, even in a challenging scenario for the global economy. The global GDP growth projection, established by the IMF at 3.1%, requires a careful approach. However, we are optimistic that moderate growth will boost consumption, especially in Brazil, where inflation is under control and we are at an advanced stage in the interest rate reduction cycle, stimulating the real economy.

For us, the dynamics of the auto parts replacement market are intrinsically linked to consumption patterns, reflecting a constant demand for solutions that promote efficiency and durability in vehicles in circulation.

Recent investments made in recent years, aimed at increasing production capacity, process improvements and strategic acquisitions, not only enable us to sustain growth, but also to consolidate a more robust position, significantly expanding our market share.

In this sense, we foresee a positive year for Frasle Mobility, with a renewed commitment to creating sustainable solutions in the mobility ecosystem. We intend to comprehensively meet the expectations of all interested parties, while at the same time seeking to generate differentiated economic value in the sector.

Guidance 2024

Reaffirming our commitment to transparency, we disclosed to the market today, through a Material Fact, the projections for this current year as per the table below:

Drivers	2024 Guidance
Consolidated Net Revenue	R\$ 3.7 ≤ X ≤ R\$ 4.0 billion
Foreign Market Revenues ¹	US\$ 250 ≤ X ≤ US\$ 290 million
EBITDA Margin	17% ≤ X ≤ 21%
Investments ²	R\$ 130 ≤ X ≤ R\$ 170 million

¹ Value relative to all exports out of Brazil and those generated by our operations abroad, net of intercompany operations; ² Value relative to organic investments.



Access

The Guidance 2024 Material Fact

Acknowledgments

Even though it was a challenging period, 2023 brought countless reasons to celebrate. Commitment and dedication once again were the drivers of historic results and the Company expresses its gratitude and thanks to more than 5 thousand employees for their achievements. Not least, we congratulate the valuable collaboration of our customers and suppliers, and the trust placed by our investors. This union was fundamental to overcoming obstacles and achieving notable results.

Greetings and thanks to everyone who was part of another exceptional year in the history of Frasle Mobility. This synergy and commitment not only strengthens resilience in the face of challenges, but also motivates the culture of innovation towards an even more promising future.

Caxias do Sul, March 11, 2024

The Management

OUR LEGACY



04. OUR LEGACY

Frasle Mobility integrates the environmental, social, economic and governance (ESG) aspects to create and share value with our stakeholders, as this is what guarantees the continuity, competitiveness and responsibility of our businesses.

It is part of our management to actively listen to stakeholders through the materiality process, and in this sense, for the first year, we followed the dual materiality methodology, which accommodates the perspective of risks and impacts of internal and external flows in both risks and opportunities related to sustainability. The identification and prioritization of topics have considered the financial perspective and socio-environmental impacts. This process resulted in 9 priority themes that were grouped into 3 strategic pillars called PLANET, PEOPLE and BUSINESS.

Environmental = Planet

Identify and develop opportunities for eco-efficiency gains in our operations, with a focus on promoting circularity, the efficient use of resources and the fight against climate change, in addition to stimulating advances in the environmental management of suppliers and customers.

- Product life cycle management
- Climate change and air quality.

Social = People

Enhance the creation of value for our stakeholders, with support for employee development, a diverse and inclusive environment, stimulus to the development of sustainable practices in our suppliers and socioeconomic inclusion of communities.

- Attraction, development and retention of employees
- Human rights and labor relations
- Health, well-being and safety of employees

Governance = Business

Ensure business sustainability through innovation and technology, quality, safety and excellence, seeking advances in cargo transportation and in the value chain, enhancing sustainable development and maintaining ethics, transparency and accountability to all our stakeholders.

- Innovation and technology
- Data privacy and security
- Ethics, integrity and compliance
- Product safety and excellence



Throughout 2023, we honored our ESG commitments taken on together with Randoncorp, formalized through our ESG Ambition.

We had important achievements throughout this year, and it is worth highlighting some examples on the following pages.

+ Watch our 2023 ESG Ambition event

04. OUR LEGACY / Planet

Environmental responsibility

The Company's investments related to environmental conservation are guided by the Health, Safety and Environment Policy (HSE). Over the last year these investments totaled R\$ 7.4 million, an increase of 7.2% million when compared to the previous year.

In 2023 we were again Certified to ISO140001 (our subsidiary Nakata).

Eureciclo

Frasle Mobility is in a partnership with *Eureciclo*, a technology company that works to track the recycling chain and create value for all agents involved in the process. *Eureciclo* forwards waste for recycling with associations of recyclers and encourages measures by agents in this chain throughout the country in amounts equivalent to at least 22% of the total packaging generated with products from the the companies Fras-le, Controil, Fremax, Jurid and Nakata. This accounts for around 740 tons of waste recycled through compensation in the year 2023.

Photovoltaic Plant

In 2023, a photovoltaic plant was opened next to the Randon Technological Center (RTC), consisting of around 2,400 solar panels and the capacity to generate 1.3 MWp, enough energy to meet the current and future demand of the RTC itself.

Caldeira Verde Project

The project consists of installing a new boiler powered by biomass (wood chips), which will considerably reduce current levels of fossil fuel consumption (natural gas).

The impact will be 20% in reducing Randoncorp's emissions and 60% in reducing emissions considering only Frasl Mobility's Greenhouse Gas inventory.

The Construction is underway, and operations are expected to begin in January/2025.

Reverse Logistics

The Pro-Environment Program (Fras-le Caxias do Sul ONLY) serves fleet customers registered in the states of Rio Grande do Sul, Santa Catarina, Paraná, São Paulo, Rio de Janeiro and Minas Gerais, collecting used brake linings, which are sent to co-processing plants where they will be used as a source of energy in cement manufacturing furnaces.

At Fremax, the Safe Disposal Program carries out the reverse logistics of brake discs that are collected and sent to the foundry, in order to be reincorporated into the company's production process, generating new products. Today, around 15% of the raw material used comes from this process. We collect brake discs and drums from our customers in Santa Catarina, Rio Grande do Sul and Paraná and bring them back to our ovens, transforming them into new parts.



04. OUR LEGACY / People



We are 5,600 protagonists
keeping life in motion

Fras-le Without Borders

In 2023, Fras-le Caxias do Sul carried out a pilot project together with the PWD Development Center. Fras-le Without Borders project hired 11 employees who were distributed across administrative and operational areas with the aim of training and adapting people with disabilities within the company, in addition to boosting diversity, a sense of teamwork, and respect and recognition of individual differences. In 2024, new classes will continue the project.

Great Place to Work



Fras-le Panamericana was certified as one of the best companies to work for in Colombia. The unit was the first to win the title among Randoncorp's companies abroad.

People Valued and Respected

Affinity Groups: In 2022, Frasle Mobility, together with Randoncorp, formed affinity groups that brought together employees to talk about diversity and inclusion practices. In 2023, 380 employees participated in debates and promoted initiatives linked to diversity, inclusion and equity with the aim of connecting people and disseminating the purpose. The work themes of the affinity groups were Women, Race and ethnicity, LGBTQIAPN+ and PwD.

Career Mentoring: In March 2023, based on an action proposed by the women's affinity group, Career Mentoring was launched, which is a program for women only. The aim of the program is to enhance female protagonism, sonority, building connections and stimulus to the learning culture. In this cycle, 350 employees were selected from among mentors and mentees.

Health and Safety

Throughout 2023, the Company dedicated itself to developing projects to strengthen the topic of Occupational Safety and Health at all hierarchical levels. Some of the initiatives were:

- ✓ **Safety at the Workplace:** Carrying out a culture diagnosis and the creation of Multidisciplinary Safety Culture Groups to develop and work on the topic.
- ✓ **HSE Giro:** The Program encourages all hierarchical levels to carry out validations in the plants with a focus on safe behavior and risk identification.
- ✓ **DAY 5: Safety Is Our Greatest Value** is the motto of the annual campaign, which takes place in all shifts at Fras-le Caxias do Sul manufacturing park, with the aim of reinforcing the culture of safety and active care among all employees and service providers.

04. OUR LEGACY/ Business

Frasle Mobility: New positioning of corporate brand

In April, the Company released its new identity to reinforce its business strategy as a global company focused on safety and innovation in its products and services. Keeping life in motion through an ecosystem of intelligent and sustainable solutions is the mission that connects the Company's trajectory with the expansion cycles experienced in recent years with new companies, geographic growth, products and services incorporated into the solutions portfolio, designing a future of new possibilities for evolution and growth.

+ Watch
Our Manifesto

Compass: New brand of solutions in composite materials

Also in April, the Company announced a new brand of solutions in composite materials, Compass. The movement represents the evolution of the Smart Composites brand, launched in 2021 to enable new technologies focused on structural composite materials in a pioneering way in the Latin American market.

+ Watch
The Brand Manifesto

Sustainable Fund-Raising

In February 2024, the Company signed a financing agreement with the International Finance Corporation ("IFC") in the amount of R\$ 250 million. This loan is intended to promote sustainability projects.

+ Access
The Material Fact

Maxcoating

Fremax began selling the Maxcoating product line in June. The new line, the first one in the world, receives a protective coating containing niobium pentoxide nanoparticles, which act to increase paint performance and corrosion resistance. The Maxcoating project with nanopaint was developed in partnership with the Hercílio Randon Institute (IHR) and the company WEG Tintas, with a solution provided by NIONE. At the end of the year, a second production shift started to meet the increased demand for the new technology.

Investor Relations



Meeting with investors at Automec

The Company held a meeting with capital market analysts and investors at Automec, the largest business fair in Latin America that brings together the main replacement and repair brands with their solutions for light, heavy and commercial vehicles.



Frasle Mobility Universe

In December, the Investor Day was held in Joinville/SC at the Fremax manufacturing park.

+ Learn more
about the Company's strategies and news

04. OUR LEGACY / Business

Research, Development and Innovation

Frasle Mobility has the largest Research and Development Center in Latin America. In 2023, 1.2% of the Company's net revenue was applied to projects developing new technologies and innovation

New Composs line

In 2023, the new automated line for the production of fenders and taillights was opened to serve our partner Iveco Group. The investment has consolidated the expansion of production capacity and the supply of the first components in the domestic commercial vehicle market.

New Nione solution

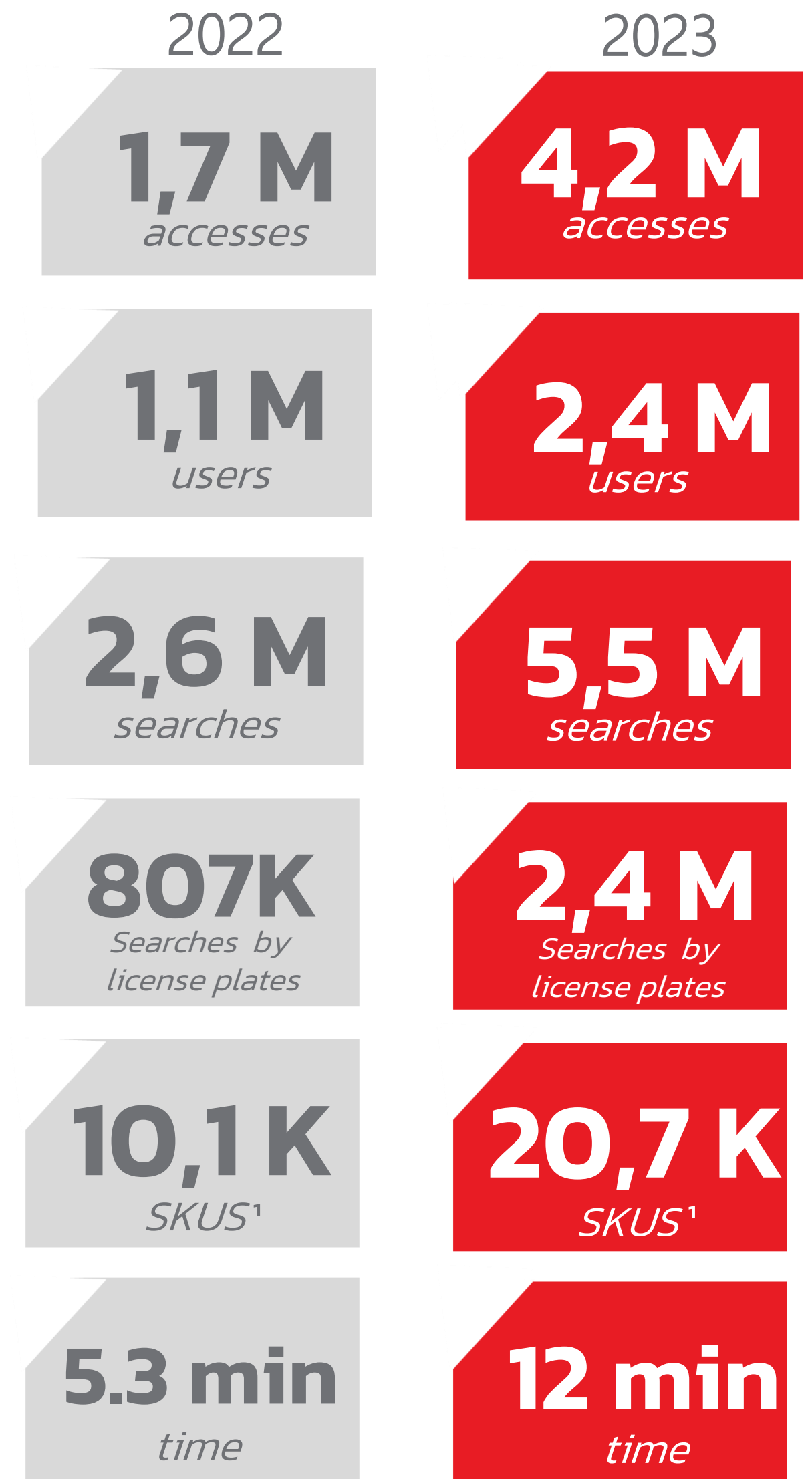
Solution developed in partnership with the company Klintex, a nanostructured additive with niobium oxide that helps in the treatment of metal surfaces and paint pre-treatment, increasing the corrosion resistance of these products by up to 70%. In 2024, Nione's research and generation of new businesses will remain active, focused on the following sectors: chemicals, metallurgy and steel, cosmetics, electronics and agriculture.

Auto Experts

In July, a new phase of the platform was launched, bringing together the digital catalogs of Frasle Mobility and Randoncorp Auto Parts brands. The update improved the user experience by making it possible to download content from catalogs with offline access, videos with guidance and instructions for use and product applications. Furthermore, it maintained new features such as searching by license plate and geolocating points of sale for components.

+ Get to know
The Auto Experts website

Auto Experts in numbers



¹ Stock Keeping Unitd (identifier code)

APPENDICES



05. APPENDICES/ I – Statement of Consolidated Results

	2023	%	2022	%	Variation 2023/2022
Net Revenue	3,388,657	100.0%	3,058,171	100.0%	10.8%
COGS – Cost of Goods Sold	-2,250,055	-66.4%	-2,154,694	-70.5%	4.4%
Gross Profit	1,138,602	33.6%	903,477	29.5%	26.0%
Selling Expenses	-313,025	-9.2%	-291,596	-9.5%	7.3%
Administrative Expenses	-250,044	-7.4%	-211,064	-6.9%	18.5%
Other Operation Expens./Incom.	-32,527	-1.0%	-67,792	-2.2%	-52.0%
Financial Result	-15,871	-0.5%	-84,200	-2.8%	-81.2%
Financial Income	337,397	10.0%	323,460	10.6%	4.3%
Financial Expenses	-434,203	-12.8%	-462,837	-15.1%	-6.2%
Income Before Tax	526,683	15.5%	248,841	8.1%	111.7%
Income and Social Tax	-137,950	-4.1%	-45,512	-1.5%	203.1%
Net Profit	388,733	11.5%	203,329	6.6%	91.2%
Attributable to non-controlling shar.	-11,348	-0.3%	1,509	0.0%	-851.8%

Values in R\$ thousands

05. APPENDICES II – Consolidated Balance Sheet

	12.31.23	12.31.22
Assets	3,911,999	3,765,876
Current Assets	2,372,623	2,289,336
Cash and Cash Equivalents	1,050,412	567,855
Financial Applications	52	494,133
Receivables	449,791	301,669
Inventory	783,465	857,667
Taxes Recoverable	88,903	68,012
Non-current Assets	1,539,376	1,476,540
Long-Term Realisable Assets	99,124	142,823
Investments	34,310	32,319
Fixed Assets and Leases	851,378	827,260
Intangible	554,564	474,138
Liabilities	3,911,999	3,765,876
Current Liabilities	1,113,326	862,126
Salaries and Charges	90,670	92,206
Suppliers	435,860	387,556
Tax Obligations	106,561	79,440
Loans and Financing	304,819	166,058
Others Obligations	169,262	127,369
Provisions	6,154	9,497
Non-current Liabilities	937,559	1,125,312
Loans and Financing	573,323	755,812
Others Obligations	266,498	313,897
Provisions	96,263	53,859
Profits and Revenues to Be Appropriated	1,475	1,744
Equity	1,861,114	1,778,438
Social Capital	1,212,844	1,212,844
Profit Reserves	839,145	587,153
Other Comprehensive Results	-213,801	-36,096
Non-controlling Participation	22,926	14,537

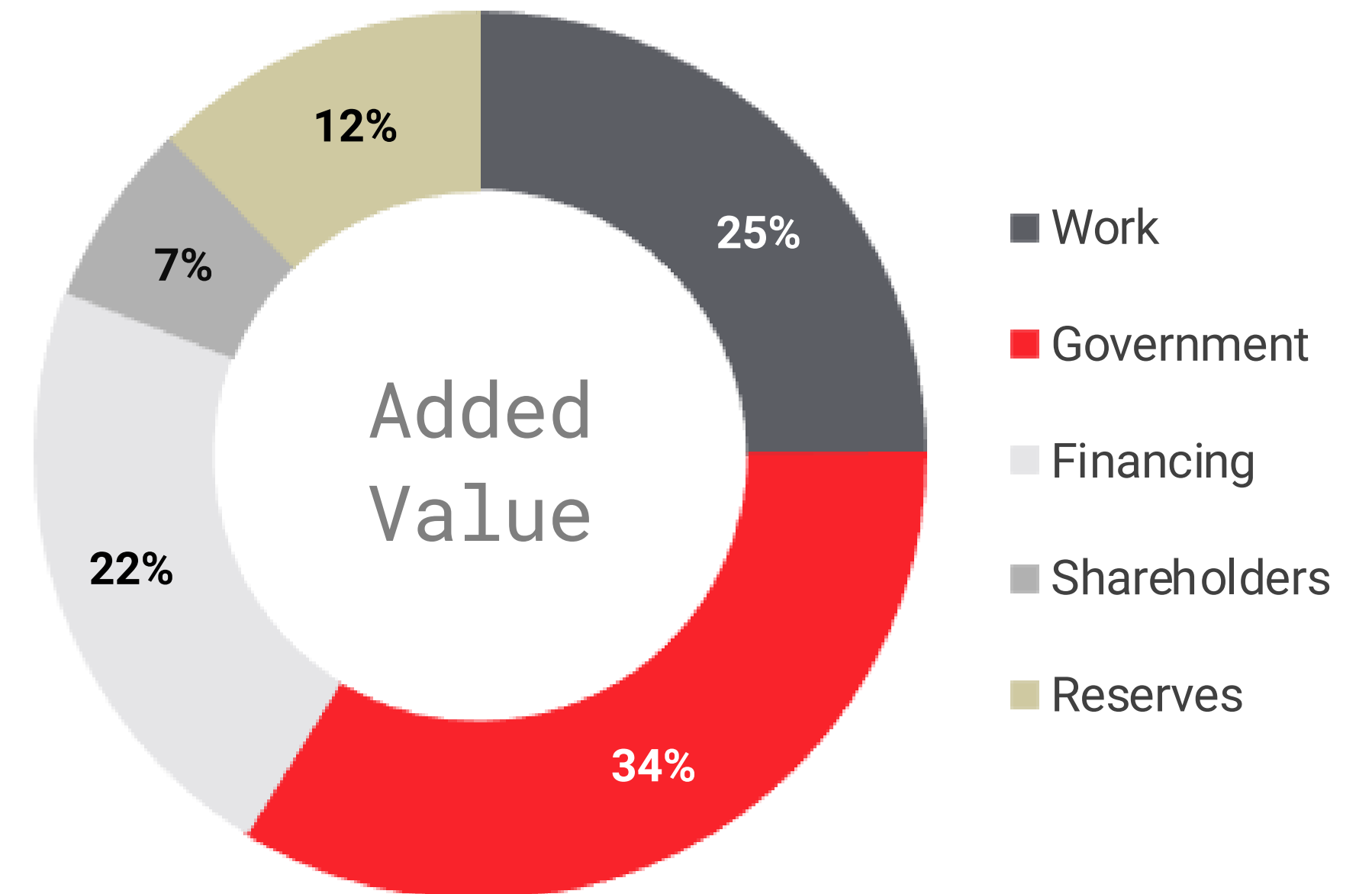
Values in R\$ thousands

05. APPENDICES / III – Statements of Cash Flow – Indirect method

	12.31.23	12.31.22
Operational Cash Flow		
Net Operational Cash	1,037,516	-105,071
Cash generated from operations	669,887	425,730
Net Income for the Period	388,732	203,329
Depreciation and Amortization	124,695	120,079
Provision for Disputes	42,404	14,354
Provision for Doubtful Settlement Credit	-529	583
Other Provisions	6,571	-1,891
Residual Cost of Assets and Leases Downloaded and Sold	5,511	6,449
Variation on Loans, Derivatives and Leases	106,312	91,464
Equity	452	-16
Provision for Income Tax and Current and Deferred Social Contribution	137,950	45,512
Provision for Obsolete Inventories and Negative Margin	-5,432	9,223
Monetary Correction Adjustment	-80,935	-55,178
Revenue From Active Lawsuits	-462	-11,304
Impairment Reduction	2,238	-2,834
Clearing Retained Amounts in Business Combination	-57,620	5,960
Changes in assets and liabilities	367,629	-530,801
Receivables	1,397	3,238
Accounts Receivable from Customers	-104,950	-24,056
Inventory	115,724	-37,024
Suppliers	34,608	75,562
Accounts Payable	-122,773	-94,252
Income Tax and Social Contribution Paid	-55,894	-18,662
Financial Investments	490,632	-497,782
Judicial Deposits	3,143	1,963
Taxes to be Recovered	5,742	60,212
Investment Cash Flow		
Net investment cash	-236,388	-87,381
Fixed and Intangible Purchases	-133,700	-84,136
Capital Payment in Affiliates	-1,803	-3,245
Business Combination	-100,885	0
Cash From Financing Activities		
Net funding cash	-318,571	396,708
Payment Interest Equity and Dividends	-111,267	-70,110
Loans and Financial Instruments Taken	94,734	157,686
Payment of Loans and Financial Instruments	-161,210	-199,192
Interest Paid with Loans	-108,813	-94,413
Lease Payment	-32,015	-26,663
Payment of Capital	629,400	0
Funding Cash Flow	482,557	204,256

Values in R\$ thousands

IV – Value Added Statement - DVA





05. APPENDICES / V – Detailed Description – Product Family

Detailed description - Product family	
Friction Material	Brake linings for commercial vehicles (Blocks), Brake Pads, Other Friction Materials ¹
Components for the Brake System	Discs, Drums, Master cylinders, Wheel Cylinders.
Components for Suspension System, Steering, Powertrain	Shock absorbers, shock absorber kits, suspension bushings, pivots, suspension trays, ball joints, homokinetic joints, linkage bars and wheel hubs.
Other Various Products	Engine components ² , Packed liquids ³ , Other ⁴ .
<p><i>¹(Braking linings for automobiles, railway shoes, brake shoes for commercial vehicles and automobiles, clutch facings, molded brake linings, universal sheets and industrial products)²(Pistons, Valves, Water Pumps, Oil Pumps, fuel pumps, Hoses, Air Filters and Gaskets ³ (Brake fluids, coolants, anticorrosive, antifreezes, concentrated Additives, Lubricators.) ⁴ (Servo brakes, Repair Kits, Actuators, Retaining Valves, Polymer materials that do not fall into the categories above, differential shaft components, Bearings, Crosspieces, Shafts, Repair Kits, Crowns, Pinions, homokinetic joints, Flanges, Tie Rod ends, Steering Bars, Connection Bars, Tie rod ends, CV joints, Braking plates, Riveting machines, Dies, Iron and Steel Scrap (and composite materials).</i></p>	

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