FRASLE MOBILITY

KEEP LIFE IN MOTION

Dacomsa commercial office, located in Mexico City.

EARNINGS RELEASE 1Q25

FRAS B3 LISTED N1 | IBRA B3 | IGC B3 | IGCT B3 | SMLL B3

ri.fraslemobility.com

Caxias do Sul, May 07, 2024. Frasle Mobility (Fras-le S.A. - B3: FRAS3) discloses its results for the first quarter of 2025 (1Q25). The Company`s Financial Information is consolidated in accordance with international standards IFRS – International Financial Reporting Standards and monetary vales are expressed in Reais, unless otherwise indicated. Comparisons are made with the frist quarter of 2024 (1Q24).

HIGHLIGHTS

NET REVENUE (R$)

1.3 B

+58.3% vs. 1Q24

GUIDANCE R$ 5.7 - 6.1 B

INTERNATIONAL MARKET[1] (US$)

124.6 M

+80.5% vs. 1Q24

GUIDANCE US$ 500 - 540 M

ADJUSTED EBITDA (R$)

253.0 M

+64.3% vs. 1Q24

MARGEM EBITDA[2] 19.0%

GUIDANCE[2] 17% - 21%

INVESTIMENTOS[3] (R$)

21.9 M

+1.2% vs. 1Q24

GUIDANCE R$ 170 - 210 M

MARKET CAP
R$ 8.0 B *(07/05/2025)*

CLOSING QUOTE "FRAS3"
R$ 29.52 *(07/05/2025)*

FREE FLOAT
33.4%

Videoconference of Results 1Q25
May, 08, 2025 (Thursday)

11 am Brasília
10 am New York
03 pm London

WEBCAST (Portuguese/English): **Click here**

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FORWARD-LOOKING STATEMENTS. The statements contained in this report regarding FRASLE MOBILITY's (FRAS-LE S.A.) business prospects, projections and results and the company's growth potential are merely forecasts and were based on management's expectations regarding the Company's future. These expectations are highly dependent on changes in the market, the general economic performance of the country, the sector, and international markets, and may undergo changes

[1] Value refers to the sum of exports from Brazil and revenues generated by operations abroad, net of intercompany transactions; [2] Percentage considers margin adjusted for non-recurring events; [3] Value refers to organic investments.

1Q25 EVENTS

ADVANCED ENGINEERING

In February, the manufacturing plant in Sorocaba (SP) inaugurated a new advanced engineering facility. The laboratory is an extension of Movetech – the largest advanced engineering center for friction materials in the Southern Hemisphere – whose main headquarters are located in Caxias do Sul (RS). The initiative aims to optimize the logistics of technological development and expand product testing and validation capabilities, mainly in the friction materials area. In addition to the new unit in Sorocaba, Frasle Mobility operates laboratories and development centers in Brazil and abroad, including facilities in China and India, strengthening its global presence in the automotive sector.

CLICK HERE TO LEARN MORE

CORPORATE GOVERNANCE CHANGES

On March 20, through a Material Fact, the Company informed the market of changes in its Corporate Governance structure, effective as of September 1, 2025. On that date, Sérgio de Carvalho, current CEO and President, will leave Frasle Mobility and become a Senior Advisor for strategic projects.
Executive leadership will be assumed by the current COO, Anderson Pontalti, who will take over as CEO, and by board member Daniel Randon, who will step down from the board to become President of the Company.

ACCESS THE MATERIAL FACT

GUIDANCE

On April 10, the Company disclosed to the market a Material Fact with the proposal of its 2025 Business Forecast ("Guidance"), with the following parameters: (i) Consolidated Net Revenue – R$5.7 ≤ x ≤ R$6.1 billion; (ii) Foreign Market Revenue – US$500 ≤ x ≤ US$540 million; (iii) EBITDA Margin – 17% ≤ x ≤ 21%; and (iv) Investments – R$170 ≤ x ≤ R$210 million.

ACCESS THE MATERIAL FACT

CONTROIL REBRANDING

Controil introduced its new visual identity to the market with a campaign that reinforces its positioning — 'Go with Confidence, Go with Controil' — and its authority as a manufacturer of hydraulic brakes

WATCH THE BRAND VIDEO

AESM

On April 23, the Company held its Annual and Extraordinary Shareholders' Meeting (AESM). To access the related documents, ***click here***.

AUTOMEC

On April 24, Frasle Mobility, together with Randoncorp, hosted a meeting with investors and capital market analysts during ***Automec – the largest trade fair of the automotive aftermarket and repair industry in Latin America***. The initiative aimed to strengthen ties with the market and present corporate strategies and ongoing projects.

Photo: Alexandre Takashi

BUSINESS OVERVIEW IN THE QUARTER

The first quarter of 2025 was a historic milestone for the company with the successful completion of the acquisition of Dacomsa — the largest transaction ever undertaken in its history. This move is aligned with the Company's strategy, which has had record results over the periods. Our growth path combines strong organic growth - underpinned by strong brands, close customer relationships and operational management focused on efficiency and productivity — with inorganic growth driven by acquisitions that expand our portfolio and open up new markets and geographies.

We are starting to reap the rewards of this acquisition with initial results evident in Q1. The Company’s consolidated net revenue delivered growth of 58.3% compared to the same period last year, of which approximately 20% of relates to organic expansion. This move is driven by the expansion of product lines in which the company operates: in addition to friction materials, Dacomsa is the leader in the Mexican market in engine items, such as gaskets, pistons, valves and other components.

Synergies have already begun to be explored through the establishment and initial operation of ten working fronts, and the outlook is very positive. According to what was already disclosed to the market at the time the acquisition was announced, in June 2024, the synergies added and estimated for the next 5 years reach at least R$ 300 million of incremental EBITDA, and the focus has been on cost opportunities, mainly strategic specific sourcing and co-manufacturing, which has proven successful in the other operations of Frasle Mobility, in addition to initiatives on the revenue front.

In this quarter, in the domestic market, workshop traffic continued at good levels, and distributor sell-out recorded growth, contributing to the momentum of our business, which is predominantly focused on replacement. This occurred despite a noticeable change in our customers' behavior, who, due to high capital costs, chose to reduce their inventory volumes.

In the international environment, even with the uncertainties and instability resulting from the trade war, our operations performed well. The environment in Argentina remains favorable following the market reopening, despite increased competition, where we are rebuilding inventory, promoting new launches and adjusting our offerings to match the normalized demand curve.

We remain confident in delivering another year of record-breaking performance, despite challenges, by continuing our well-defined strategy, focusing on productivity, cost management and accelerating our global portfolio. Our long-term plan is in place and with disciplined execution, we will continue to drive healthy business expansion and sustainable growth.

We remain confident in delivering another year of historical records, even in the face of challenges, based on the continuity of our well-defined strategy, focus on productivity, commitment to managing costs and accelerating the global portfolio.

KEY FIGURES

in R$ million, excluding foreign market, exports and %

	1Q25	1Q24	Δ %	4Q24	Δ %
ECONOMIC HIGHLIGHTS					
Net Revenue	**1,331.7**	841.3	**58.3%**	1,107.8	**20.2%**
Domestic Market	604.5	499.4	21.0%	668.6	-9.6%
Foreign Market	727.2	341.9	112.7%	439.2	65.6%
Foreign Market US$	124.6	69.0	80.5%	75.3	65.3%
Exports - Brazil US$	29.7	24.2	22.9%	38.5	-22.8%
Gross Profit	**455.2**	289.7	**57.1%**	394.4	**15.4%**
Gross Margin	34.2%	34.4%	-0.3 pp	35.6%	-1.4 pp
Operating Profit	**192.7**	116.9	**64.9%**	171.4	**12.4%**
Operating Margin	14.5%	13.9%	0.6 pp	15.5%	-1.0 pp
EBITDA	**261.0**	154.0	**69.4%**	220.4	**18.4%**
EBITDA Margin	19.6%	18.3%	1.3 pp	19.9%	-0.3 pp
Net Profit	**70.0**	109.1	**-35.9%**	135.1	**-48.2%**
Net Margin	5.3%	13.0%	-7.7 pp	12.2%	-6.9 pp
Adjusted EBITDA	**253.0**	154.0	**64.3%**	217.0	**16.5%**
Adjusted EBITDA Margin	19.0%	18.3%	0.7 pp	19.6%	-0.6 pp
FINANCIAL HIGHLIGHTS					
Investments	**21.9**	21.6	**1.2%**	79.9	**-72.6%**
Net Debt	- 2,071.3	94.7	-2287.0%	258.2	-902.1%
Net Leverage	2.6 x	-0.1 x	N/A	-0.4 x	N/A
ROIC	**9.0%**	15.7%	**-6.7 pp**	15.6%	**-6.6 pp**
ROE	**14.8%**	21.5%	**-6.7 pp**	20.0%	**-5.2 pp**
CAPITAL MARKET					
Market Value	**7,314.7**	4,833.3	**51.3%**	5,535.3	**32.1%**
Average Daily Traded Volume	7.3	4.5	61.9%	6.1	19.6%
Average Price of the US Dollar	5.84	4.95	18.0%	5.84	0.0%

**Dacomsa will be included in the quarter's results as of January 14, 2025, the date on which the acquisition is completed. For more information, see the notice to the market issued on that date.*

SALES PERFORMANCE

VOLUMES AND NET REVENUE BY PRODUCT FAMILY

in million of pieces

	1Q25	1Q24	Δ %	4Q24	Δ %
SALES VOLUMES BY PRODUCT LINE					
Friction Material	**26.9**	24.7	**8.7%**	28.4	**-5.2%**
Components for Brake System	**2.8**	2.2	**29.8%**	2.7	**4.9%**
Ride and Confort	**4.7**	3.9	**20.3%**	5.0	**-5.6%**
Components for Engine	**5.5**	1.6	**250.7%**	1.4	**289.8%**
Transmission and Powertrain Components	**1.3**	0.7	**83.1%**	1.0	**28.3%**
Other Products	**0.8**	0.8	**3.2%**	0.9	**-15.0%**
Total Sales Volume	**42.0**	33.9	**24.1%**	39.4	**6.6%**

in R$ million

	1Q25		1Q24		Δ %	4Q24		Δ %
SALES REVENUE BY MATERIAL								
Friction Material	**563.8**	42.3%	419.5	49.9%	**34.4%**	506.5	45.7%	**11.3%**
Components for Brake System	**207.4**	15.6%	147.1	17.5%	**41.0%**	206.1	18.6%	**0.6%**
Ride and Confort	**246.8**	18.5%	195.0	23.2%	**26.6%**	282.8	25.5%	**-12.7%**
Components for Engine	**196.4**	14.8%	11.9	1.4%	**1555.3%**	15.5	1.4%	**1163.4%**
Transmission and Powertrain Components	**93.9**	7.0%	50.3	6.0%	**86.7%**	66.7	6.0%	**40.8%**
Other Products	**23.4**	1.8%	17.6	2.1%	**32.9%**	30.1	2.7%	**-22.5%**
Total Net Revenue	**1,331.7**	100.0%	841.3	100.0%	**58.3%**	1,107.8	100.0%	**20.2%**

**The components are detailed at the end of this report. It is worth noting that the 2024 history has been adjusted to reflect the new opening of a product family.*
***Dacomsa is included in the quarter's results as of January 14, 2025, the date on which the acquisition is completed. For more information, see the notice to the market issued on that date.*

Friction Material

- The heavy vehicle segment saw increased price competitiveness, which led to the repositioning of the brake lining line. The volume decline is attributed to product mix, while revenue levels remained steady in this niche comparing Q125 to Q424.
- In light vehicles, brake pads contribute to the advancement of friction material, driven by steady workshop traffic and effective commercial actions focused on brand strengthening and well-executed pricing strategies.

Brake System Components

- Repositioning strategies for premium lines, combined with the restart of exports to Argentina, helped increase volume and revenue. The revenue variation between 1Q25 and 4Q24 primarily reflects the product mix effect.
- The São Leopoldo business unit, under the Controil brand, continues expanding into the LATAM market, increasing the portfolio from the development of products, mainly from the strategy of co-manufacturing.

Ride and Comfort

- The shock absorber line stood out in terms of growth, driven by focused efforts to increase availability. In addition, the restart of exports to Argentina, the brand's reputation and the strengthening of the portfolio were relevant factors when comparing 1Q25 to 1Q24. The decline between 1Q25 and 4Q24 is related to the dollar surge in the last months of 2024, prompting distributors to stock up ahead of potential further increases. With inventories at higher levels, new purchase orders became more selective.

Engine, Transmission and Powertrain Components

- The representativeness of these product lines increased following the acquisition of Dacomsa, completed on January 14, 2025. In the first quarter, consumers exhibited caution and moderation, closely monitoring the measures imposed by the US government and their potential impact on the Mexican economy.

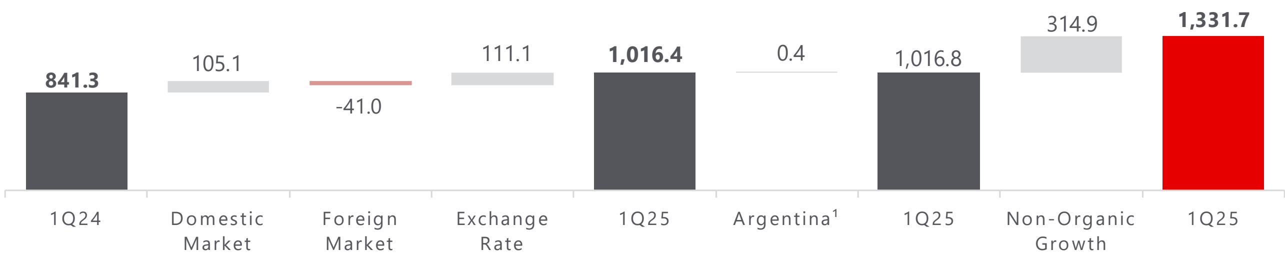
Other Products

- Compass continues to grow in volume and revenue in the OEM segment, with export advancements this quarter, while also investing in research and development of new technologies for its products.

NOTE: It is worth noting that revenue performance by material family does not necessarily mirror volume trends due to factors like currency fluctuations, product mix, and pricing. For more details on product families, see Annex IV.

The chart below illustrates the factors that influenced the change in consolidated net revenue in 1Q25 compared to 1Q24.

Net Revenue
in R$ million



[1] *Economic update in highly inflationary economy as provided for in CPC 42/IAS 29. Adjustments related to inflation and currency appreciation/devaluation.*

REVENUE BY MARKET

in R$ million

	1Q25		1Q24		Δ %	4Q24		Δ %
DOMESTIC MARKET	**604.5**	**45.4%**	499.4	59.4%	**21.0%**	668.6	60.4%	**-9.6%**
Aftermarket	534.2	40.1%	445.2	52.9%	20.0%	602.4	54.4%	-11.3%
OEM	70.2	5.3%	54.2	6.4%	29.7%	66.2	6.0%	6.1%
FOREIGN MARKET	**727.2**	**54.6%**	341.9	40.6%	**112.7%**	439.2	39.6%	**65.6%**
Aftermarket	674.0	50.6%	288.0	34.2%	134.1%	388.5	35.1%	73.5%
OEM	53.2	4.0%	53.9	6.4%	-1.2%	50.7	4.6%	5.0%
TOTAL NET REVENUE	**1,331.7**	**100.0%**	841.3	100.0%	**58.3%**	1,107.8	100.0%	**20.2%**
Aftermarket	1,208.3	90.7%	733.2	87.2%	64.8%	990.8	89.4%	21.9%
OEM	123.5	9.3%	108.0	12.8%	14.3%	116.9	10.6%	5.6%

Domestic Market (MI)

Replacement

- The 20% increase in revenue in 1Q25 versus 1Q24 mainly reflects the growth in replacement segment, as a result of works to increase productivity, availability, and assertive price and product positioning. On the other hand, economic uncertainties, intensified by the Selic rate hike and the US dollar`s appreciation, led distributors to adopt a more cautious stance, making more strategic purchases and reducing inventory levels, contributing to the decline when compared to 4Q24.

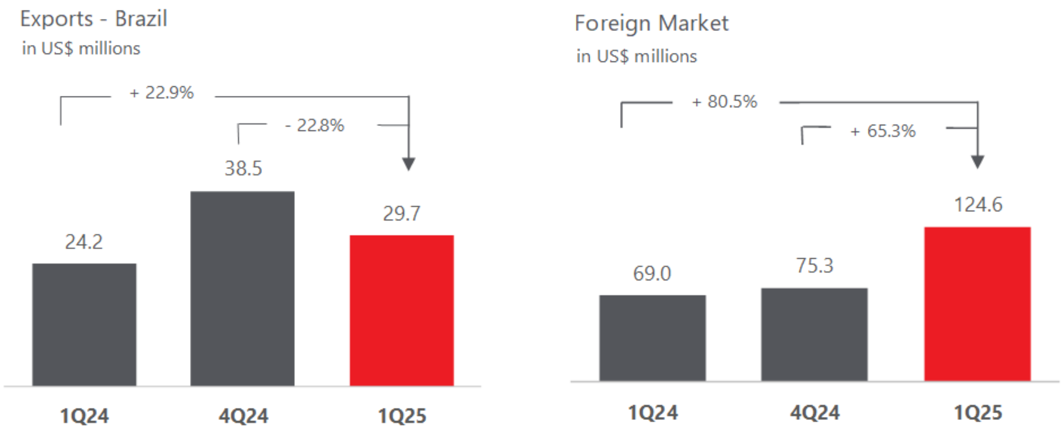
- It is worth noting that distributors' sell-out remains strong, which is why the Company continues to strengthen its production capacity, highlighting the addition of a 6-on, 2-off shift schedule for the automotive brake pad line this quarter.

Automakers

- In the heavy segment, it stands up the railway brake shoes line, driven by strong demand in the transportation sector. Brake linings are also driving growth thanks to a better product mix of sales and selective price adjustments for certain product lines.
- In the light segment, the portfolio expansion for OEM (Original Equipment Manufacturer) brake pads carried out over the past year is also contributing to revenue growth.

International Market (IM)

The international market consists of the sum of exports out of Brazil and revenue from our operations abroad.



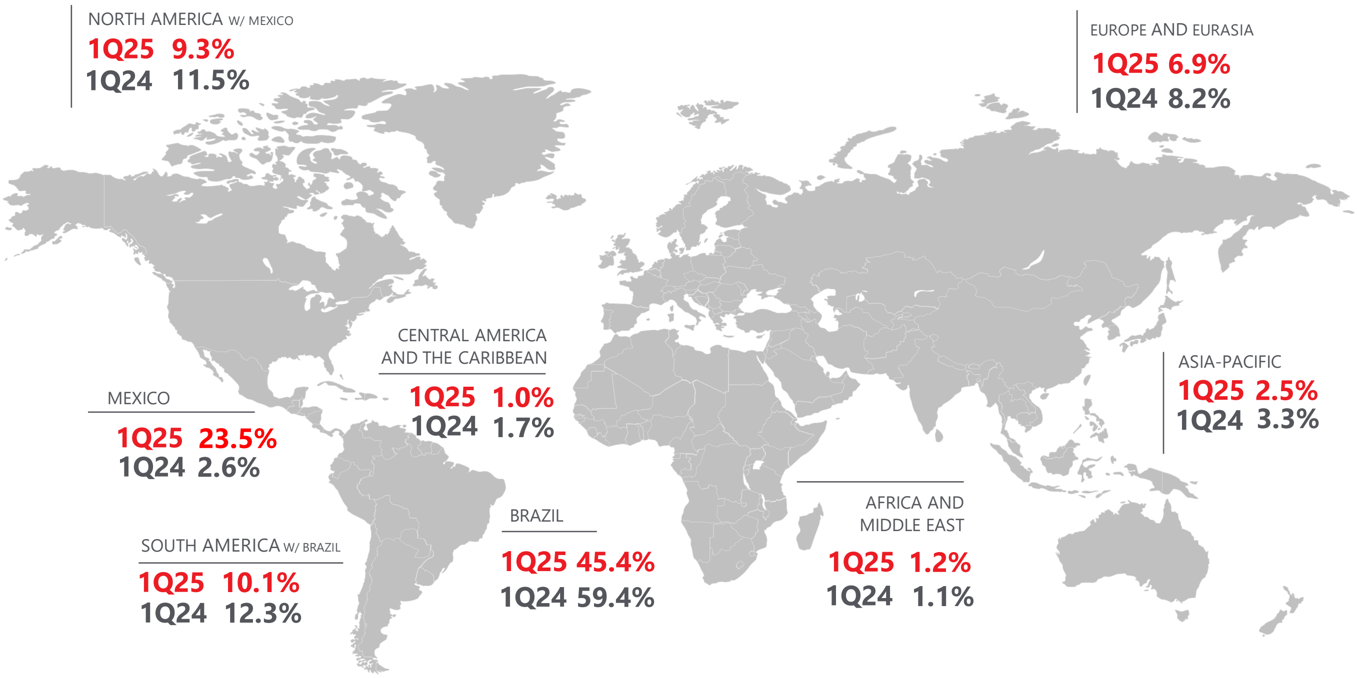
Replacement

- Heavy-duty brake pads produced and marketed in the United States saw significant growth compared to 4Q24, driven by increased demand, as the local market's caution regarding new vehicle purchases contributed to this trend.
- The growth is also related to our recent acquisition, Dacomsa, which has approximately 90% of its revenue linked to replacement in the Mexican domestic market.
- When comparing 1Q25 to 1Q24, the 22.9% growth in export revenue from Brazil is linked to the surge of exports to Latin America. On the other hand, the 22.8% decline when comparing 1Q25 to 4Q24 is related to the normalization of maritime logistics in 4Q24, which boosted shipments of products abroad.

Automakers

- The progress between 1Q25 and 4Q24 is related to the increase in Brazilian exports to the North American market. In this context, commercial strategies focused on sales by product family and the normalization of logistical bottlenecks are key highlights.
- A key concern for the automaker segment in the coming quarters is the regulatory uncertainty surrounding Class 8, as the lack of clarity on new emission limits impacts negatively the heavy-duty vehicle market, particularly regarding the sale of existing inventory.

REVENUE BREAKDOWN ACROSS THE GLOBE



- **North America:** logistical challenges have been overcome, and our local operation has worked on restoking, enhancing product delivery and delivering high-quality customer service to the replacement market. Quarter-over-quarter, the decrease in market share is connected to the expansion of our footprint in Mexico.

- **Mexico:** in Q1, Dacomsa focused on identifying sourcing synergies with manufacturing partners, negotiating friction material prices with suppliers and initiating a commercial expansion project for brake pads in the commercial vehicle segment. Additionally, we advanced in integrating its teams into the Frasle Mobility culture.

- **South America:** the Argentine market has shown signs of recovery in consumption, although it remains more competitive in terms of price. The local operation is in the process of readjusting its stock, developing its portfolio and strengthening its sales team. In January, the incorporation of Armetal Autopartes S.A. by Fras-le Argentina S.A. was completed. With this corporate move, the operations already centralized in a single distribution center, located in Garín, a city in the Province of Buenos Aires, simplify their corporate structure in order to optimize future synergies in areas such as stock, customer service and workforce management. It is important to note that the Armetal brand remains on the market.

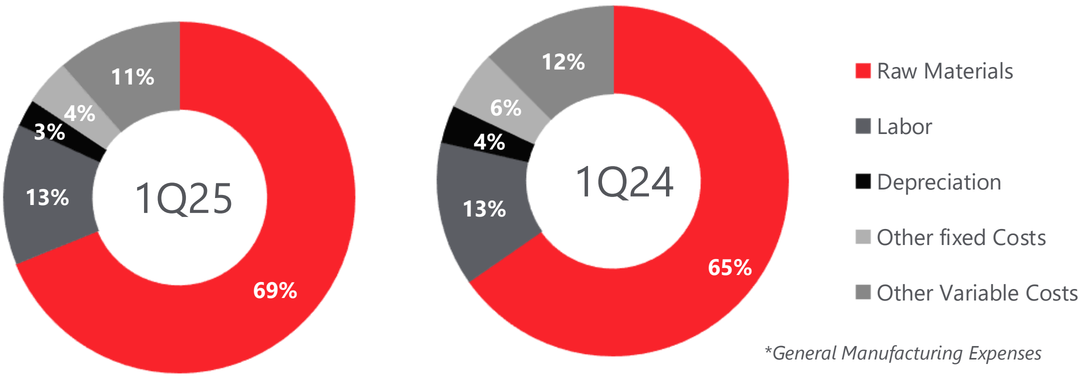
- **Europe and Eurasia:** the operation continues to focus on portfolio and business development, and our results are supported by the strong demand for used cars in the European market and new aftermarket businesses wins.

- **Asia-Pacific:** our Indian operation secured approval for another heavy-duty vehicle business. With consolidated presence in all major OEM's in the Indian market, we strengthened our market representation and expanded aftermarket growth opportunities. In China, we focused on product development to mitigate price competition, which had impacted our region representativeness.

OPERATING PERFORMANCE

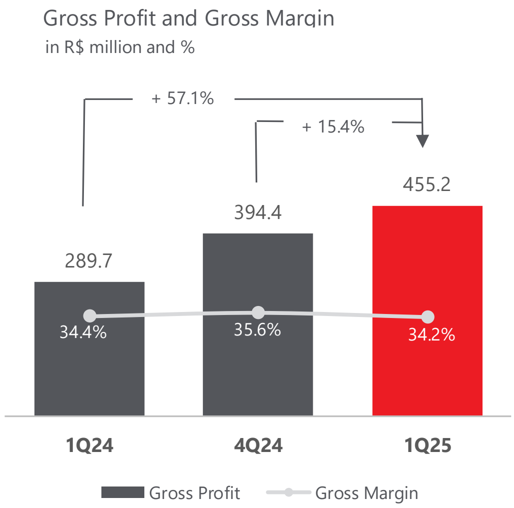
COST OF GOODS SOLD (COGS) AND GROSS PROFIT

In 1Q25, cost of goods sold totaled R$ 876.5 million, accounting for 65.8% of net revenue, resulting in gross profit of R$455.2 million and gross margin of 34.2%, 0.2 percentage points lower than in the same period of the previous year. The chart below shows the composition of COGS and the main highlights are shown below.



**General Manufacturing Expenses*

- Overall, the increase in COGS is driven by Dacomsa's operations. The acquired company has a production and manufacturing mix that helps maintain similar COGS levels and, consequently, gross profit.
- Removing the effect of Dacomsa, raw materials showed growth, especially in the Sorocaba site, driven by growth in volume associated with rebranding efforts, and in the Extrema site due to the import of co-manufactured products.
- Our Argentine warehouse updated its inventory management system in 1Q25, causing a one-week shutdown in operations. This factor increased COGS and impacted gross margin.



OPERATING EXPENSES AND REVENUE

in R$ million and % over Net Revenue

	1Q25		1Q24		Δ %	4Q24		Δ %
Selling Expenses	**- 134.8**	**-10.1%**	- 79.2	-9.4%	**70.1%**	- 129.4	-11.7%	**4.2%**
Variable Expenses with Sales	- 46.5	-3.5%	- 29.2	-3.5%	59.3%	- 43.2	-3.9%	7.8%
Other Expenses with Sales	- 88.2	-6.6%	- 50.0	-5.9%	76.4%	- 86.2	-7.8%	2.3%
Administrative Expenses	**- 128.0**	**-9.6%**	- 71.4	-8.5%	**79.3%**	- 85.5	-7.7%	**49.7%**
Other Net Expenses/Income	**- 0.3**	**0.0%**	- 22.1	-2.6%	**-98.7%**	- 8.3	-0.7%	**-96.5%**
Other Operating Expenses	- 38.2	-2.9%	- 32.3	-3.8%	18.3%	- 21.2	-1.9%	80.3%
Other Operating Income	37.9	2.8%	10.2	1.2%	271.2%	12.9	1.2%	194.1%
Equity Equivalence	**0.6**	**0.0%**	- 0.1	0.0%	**-654.0%**	0.3	0.0%	**110.1%**
Total Operating Exp/Income	**- 262.5**	**-19.7%**	- 172.8	-20.5%	**51.9%**	- 222.9	-20.1%	**17.7%**

1Q25 saw a 51.9% increase in operating expenses and revenues compared to the same period last year. Below are some highlights of the quarter:

- Sales expenses: Dacomsa contributed with increased freight, sales team, and marketing/advertising. Ex-Dacomsa, the variation between 1Q25 and 1Q24 is driven by commissions and freight in the domestic market due to increased fuel prices, and, in the international market, mainly due to higher volumes of exports to Argentina.
- Administrative expenses increased due to the integration of more than 2,000 employees resulting from the acquisition. In addition, M&A expenses totaled R$5.0 million in the quarter. Given the connection to the company's M&A strategy, which is increasing in frequence, these expenses won't be considered as adjustments to EBITDA, which can be readily adjusted by the market based on its understanding of the situation.
- The restructuring of Fanacif S.A., which began in 2Q24, had an impact on other operating revenues and expenses in the net amount of R$5.0 million in this quarter. More details are available in explanatory note 13.4.
- Increase in operating expenses due mainly to the amortization of the capital gain on the acquisition of Dacomsa (R$24.7 million). It should be noted that this amount has no impact on EBITDA.
- In other revenues, R$2.1 million was also recognized with Mover and with legal relevant proceedings of R$3.0 million (the main amount being R$3.7 million and R$0.7 million in fees). More information is available in note 11.

EBITDA AND ADJUSTED EBITDA

Consolidated EBITDA for 1Q25 amounted to R$261.0 million, with a margin of 19.6%, an increase of 1.3 percentage points compared to the same period last year.

in R$ million

	1Q25	1Q24	Δ %	4Q24	Δ %
EBITDA Reconciliationand Adjusted EBITDA					
Net Profit	**70.0**	109.1	**-35.9%**	135.1	**-48.2%**
Financial Result	98.8	-51.4	-292.1%	-2.0	-5065.3%
Depreciation	68.2	37.1	83.9%	49.0	39.3%
Income Tax / Social Contribution	23.9	59.2	-59.6%	38.3	-37.5%
EBITDA	**261.0**	154.0	**69.4%**	220.4	**18.4%**
EBITDA Margin	19.6%	18.3%	1.3 pp	19.9%	-0.3 pp
Non-recurring Events	**-8.0**	-	**0.0%**	-3.4	**135.1%**
Various litigation proceedings	-3.0	0.0	0.0%	0.0	0.0%
Sale of assets	-10.5	0.0	0.0%	0.0	0.0%
Asset impairment	5.5	0.0	0.0%	-2.4	-327.5%
Fanacif Restructuring	0.0	0.0	0.0%	-3.0	-100.0%
Business combination update	0.0	0.0	0.0%	2.0	-100.0%
Adjusted EBITDA	**253.0**	154.0	**64.3%**	217.0	**16.6%**
EBITDA Margin - Adjusted	19.0%	18.3%	0.7 pp	19.6%	-0.6 pp

One-off events were recorded in this quarter, resulting in adjusted EBITDA of R$253.0 million and adjusted EBITDA margin of 19.0%. Regarding these one-off events, we highlight:

- The amount of R$3.0 million refers to a gain from a tax case. More information is available in note 11.

- The restructuring of Fanacif generated gains this quarter of R$10.5 million related to the sale of the Uruguay plant land and losses of R$5.5 million related to the decrease in capital gains and write-off of impairment. For more details, see Note 13.4.

FINANCIAL RESULT

in R$ million

	1Q25	1Q24	Δ %	4Q24	Δ %
FINANCIAL INCOME	**70.9**	219.1	**-67.7%**	149.1	**-52.5%**
FINANCIAL EXPENSES	**- 178.7**	- 224.8	**-20.5%**	- 173.7	**2.9%**
Monetary adjustment (IAS 29)	9.0	57.2	-84.2%	26.6	-66.1%
FINANCIAL RESULT	**- 98.8**	51.4	**-292.1%**	2.0	**-5065.3%**

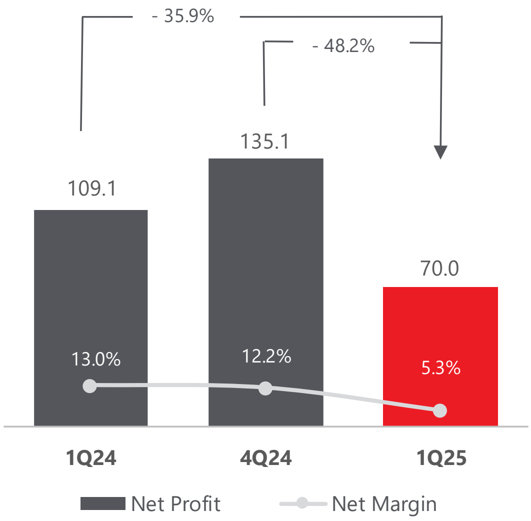
In Q1, the Company's financial result totaled negative R$98.8 million. Main highlights:

- In financial income, the lower cash availability caused by the acquisition payment made in January 2025 reduced the line of financial investments. In addition, gains from exchange rate variation were also lower, as a result of the stabilization of the Argentine peso between 1Q25 and 4Q24. Additional information on the hyperinflationary economy can be found in Note 28.
- In terms of financial expenses, the increase in interest on loans and bank fees is mainly related to the fifth debenture issuance. More details in Note 27.
- The monetary restatement gain related to the recognition of the tax process has a net value of R$4.9 million (R$5.1 million from the restatement and R$0.2 million from PIS and COFINS, since the restatement of tax debts is considered new revenue). More details are available in note 11.

NET INCOME

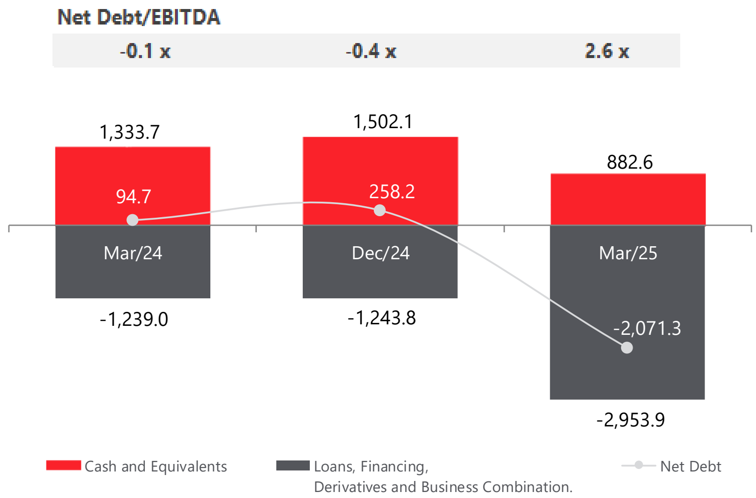
The combination of the factors mentioned above resulted in a net profit of R$70.0 million in 1Q25, with a net margin of 5.3%. The effective tax rate for the year was 25.5%, 9.7 percentage points lower than that of 1Q24, which ended at 35.2%. Relevant factors:

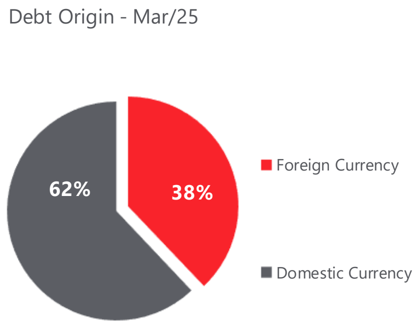
- The improvement in the tax rate is related to the reduction in taxable income as a result of the company's indebtedness due to the acquisition of Dacomsa. In addition, the restructuring of Fanacif S.A. and gains from tax proceedings had a positive impact on net income.



FINANCIAL MANAGEMENT

NET DEBT





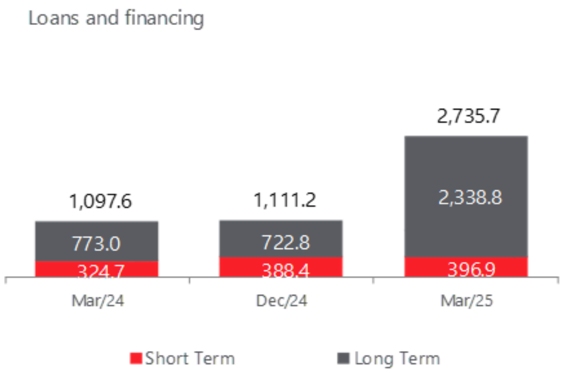
The company's financial leverage reached 2.6x in 1Q25, the main reason being the increase in financial expenses due to the higher indebtedness for the acquisition of Dacomsa. Considering the EBITDA (Pro-forma for the last 12 months of the acquired company Dacomsa), the company would end the quarter at 2.0x.

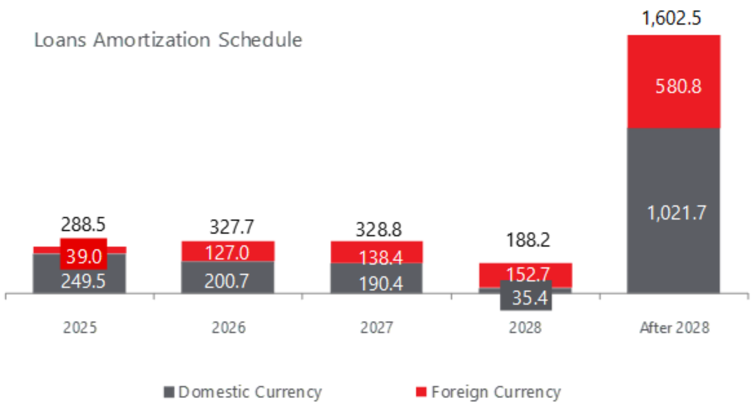
With regard to Dacomsa, it is worth noting that the amount paid for the transaction is R$2.2 billion, part of which was made in January 2025, as follows: (i) R$750.0 million raised through the 5th issuance of simple debentures; (ii) R$900.0 million raised by Dacomsa; (iii) and the remaining amount withdrawn from the Company's cash. At the end of March, the remaining balance was R$100.6 million for the full settlement of the transaction.

Consolidated gross debt indicators at the end of 1Q25 were:

- Lines in Reais indexed to the CDI, which accounted for 57.2% (average cost CDI + 1.3%);
- Lines in Euros (Euro + 2.0% per year) with 0.2%;
- Dollar lines (US$ + average of 0.7% per year) with 4.7%;
- Lines in Mexican Pesos (MXN + 2.4% per year) with 32.6%;
- Lines in Rupees (INR + average of 9.0% per year) with 0.4%;
- Lines in Reais indexed to others, accounting for 4.9% (average cost CDI + 1.4%).

The graphs below show the debt breakdown at the end of 1Q25:





WORKING CAPITAL REQUIREMENT

in R$ million

	1Q24	2Q24	3Q24	4Q24	1Q25
RESOURCES INVESTMENT					
Customers	337.1	441.2	386.6	434.4	**662.3**
In Days	*28 d*	*36 d*	*30 d*	*31 d*	*44 d*
Inventory	833.3	844.9	879.4	1,054.8	**1,676.3**
In Days	*69 d*	*69 d*	*69 d*	*76 d*	*111 d*
Others Resources	118.8	122.4	157.6	182.0	**213.8**
TOTAL OF RESOURCES INVESTED	1,289.2	1,408.4	1,423.5	1,671.2	**2,552.4**
SOURCES					
Suppliers*	-366.3	-436.7	-476.6	-619.0	**-641.1**
In Days	*30 d*	*36 d*	*37 d*	*45 d*	*42 d*
Others Resources	-233.9	-220.2	-247.2	-311.2	**-305.1**
TOTAL OF SOURCES	-600.2	-656.9	-723.9	-930.2	**-946.2**
WC IN R$	689.1	751.5	699.6	741.0	**1,606.2**
WC in Days	*57 d*	*61 d*	*55 d*	*54 d*	***106 d***

**Total value is the sum of the Suppliers and*

The quarter finished showing an increase in working capital requirement, driven mainly by the inclusion of the results of Dacomsa, our recent acquisition. It is worth noting that the acquired company had been working at a higher inventory level and with longer delivery times than those practiced by Frasle Mobility, and this point is being worked on as part of the post-acquisition synergies strategy.

- The increase in inventory was driven by the restart of product imports by our operations in Argentina. The Sorocaba site stands out for adopting a market penetration strategy for the ceramic line of brake pads for light vehicles, while the Extrema site has concentrated on supply chain support to drive sales.
- Suppliers have experienced growth stimulated by contract extensions in the end of 2024.

It is common for acquisition processes to initially required more working capital due to differences in market analysis and business strategies between companies incorporated into Frasle Mobility's portfolio. This is a key focus matter in our medium-term synergy plan. Previous experiences demonstrate the effectiveness of the adopted strategy, which has enabled inventory reduction, extended payment terms with suppliers, the use of banking instruments for customer financing and disciplined working capital allocation.

FREE CASH FLOW

in R$ million

	1Q24	2Q24	3Q24	4Q24	1Q25
EBITDA	154.0	266.3	457.5	677.9	**261.0**
Investments	-21.6	-41.7	-85.9	-165.8	-21.9
Financial Result	51.4	64.7	22.1	24.1	-98.8
Income and Social Taxes	-59.2	-107.7	-130.3	-168.6	-23.9
Working Capital Variation	-22.1	-84.5	-32.6	-74.0	-865.2
OPERATING CASH FLOW	102.6	97.1	230.8	293.6	**-748.9**
Dividends/ROE	-61.9	-97.2	-162.8	-162.8	-72.8
Capital Integr. / Business Acquis.	-12.5	-12.7	-34.1	-38.4	-2,089.3
Others	7.1	50.0	46.5	106.3	581.5
FREE CASH FLOW	35.2	37.2	80.4	198.8	**-2,329.5**
NET DEBT (NET CASH)	94.7	96.7	139.9	258.2	**-2,071.3**

The Company generated negative R$748.9 million in operating cash flow in Q125. Highlights:

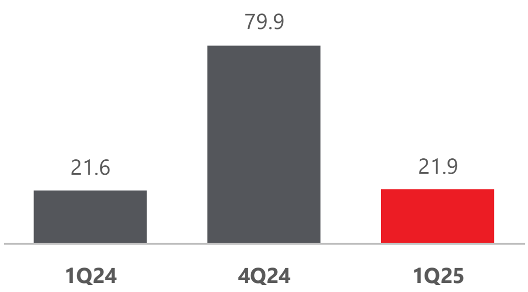
- In January, the Company paid R$72.8 million corresponding to gross amount of R$0.272669 per share in Interest on Equity.
- The capital integralization/business acquisition line had movements related to the business combination of the Extrema website (R$0.4 million) and AML Juratek (R$14.6 million). In addition, the Parent Company made the payment of the recently acquired Dacomsa (R$2.1 billion). More information is available in Note 5.

INVESTMENTS (CAPEX)

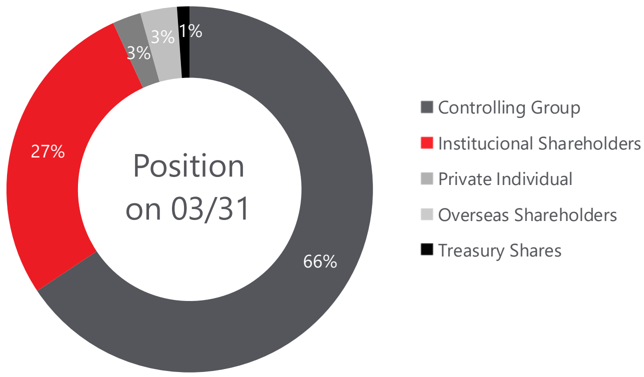
The quarter finished R$21.9 million in investment, the most relevant of which were:

- The Substation project at the Joinville site (R$5.1 million) which aims to increase the operation's production capacity by 25% and help reduce electricity bills. The project is scheduled for completion in the second half of this year. In addition, the Alabama and São Leopoldo sites acquired equipment (R$2.0 million), the Extrema site worked on software updates (R$1.1 million) and the Controlling Company continued projects focused on environmental protection (R$2.2 million).

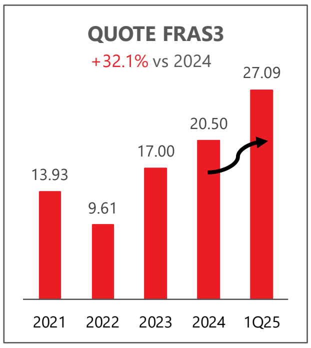
Investment (R$ million)

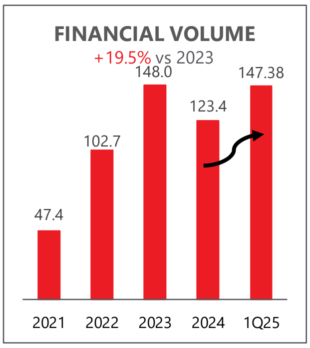


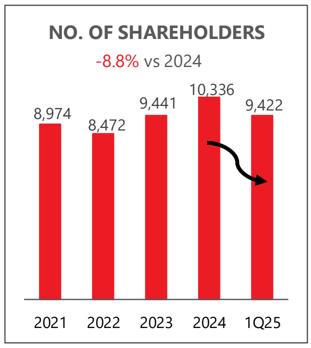
CAPITAL MARKET

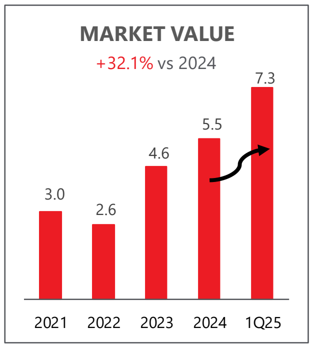


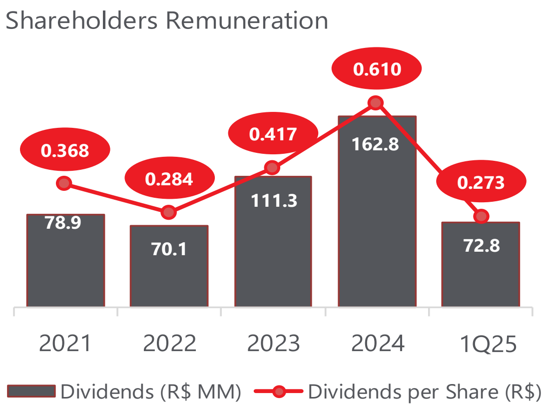
In 1Q25, 18.9 million "FRAS3" shares were traded. During this period, an average daily trading volume of R$7.3 million was recorded, an increase of 61.9% when compared to the movement recorded in 1Q24. The Company's market value at the end of March reached R$7.3 billion.

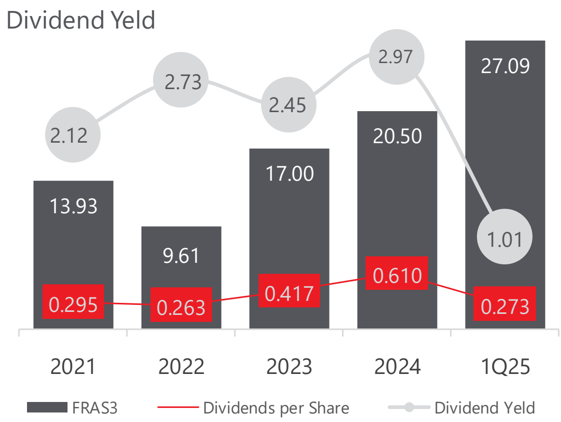


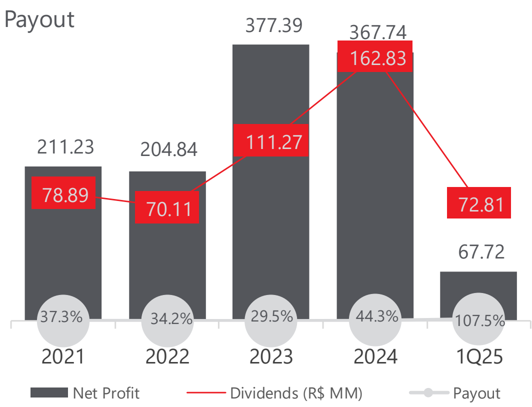












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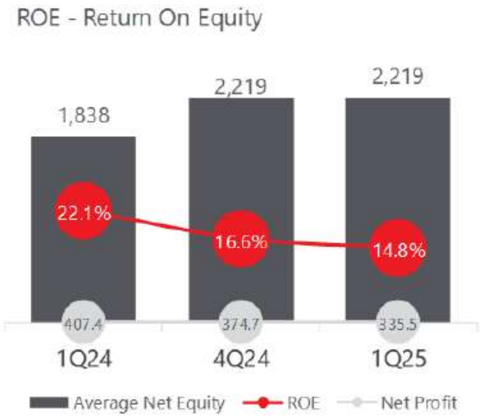

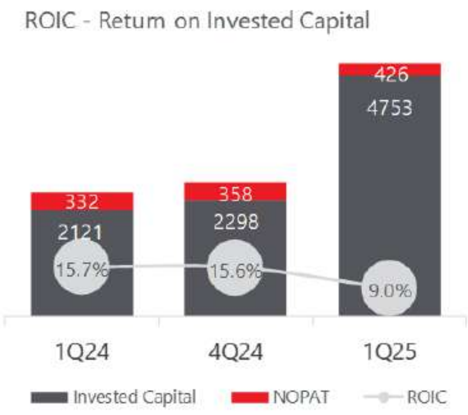

The first quarter of 2025 ended with a drop of 6.6 percentage points in ROIC compared to the last quarter of 2024. The drop is linked to the non-recurring effects of the restructuring of Fanacif and the acquisition of Dacomsa. Disregarding these factors, the company would end 1Q25 with a ROIC (Pro-forma) of 17.7%.

APPENDICES

Appendix I

CONSOLIDATED STATEMENT OF INCOME

Values in thousands of Reais

	1Q25	%	1Q24	%	4Q24	%	Variations 1Q25/1Q24	1Q25/4Q24
Net Revenue	**1,331,718**	**100.0%**	841,253	100.0%	1,107,759	100.0%	**58.3%**	**20.2%**
COGS – Cost of Goods Sold	- 876,529	-65.8%	-551,575	-65.6%	- 713,383	-64.4%	58.9%	22.9%
Gross Profit	**455,189**	**34.2%**	289,678	34.4%	394,376	35.6%	**57.1%**	**15.4%**
Selling Expenses	- 134,754	-10.1%	- 79,225	-9.4%	- 129,383	-11.7%	70.1%	4.2%
Administrative Expenses	- 124,756	-9.4%	- 68,220	-8.1%	- 80,958	-7.3%	82.9%	54.1%
Other Operation Expens./Incom.	- 289	0.0%	- 22,080	-2.6%	- 8,301	-0.7%	-98.7%	-96.5%
Financial Result	**- 98,815**	**-7.4%**	51,447	6.1%	1,990	0.2%	**-292.1%**	**-5065.3%**
Financial Income	70,856	5.3%	219,106	26.0%	149,091	13.5%	-67.7%	-52.5%
Financial Expenses	- 178,717	-13.4%	-224,810	-26.7%	- 173,748	-15.7%	-20.5%	2.9%
Monetary adjustment	9,046	0.7%	57,151	6.8%	26,647	2.4%	-84.2%	-66.1%
Income Before Tax	**93,909**	**7.1%**	168,344	20.0%	173,429	15.7%	**-44.2%**	**-45.9%**
Income and Social Tax	- 23,937	-2.2%	- 59,197	-8.0%	- 38,301	-4.6%	-59.6%	-37.5%
Net Profit	**69,972**	**5.3%**	109,147	13.0%	135,127	12.2%	**-35.9%**	**-48.2%**
Attributable to non-controlling shar.	- 2,248	-0.2%	- 1,496	-0.2%	- 1,403	-0.1%	50.3%	60.2%

Appendix II

CONSOLIDATED BALANCE SHEET

Values in thousands of Reais

	03.31.25	03.31.24
ASSETS	**6,847,708**	**4,164,426**
Current Assets	**3,284,206**	**2,540,144**
Cash and Cash Equivalents	713,069	1,073,105
Financial Applications	7,532	169,245
Receivables	729,423	369,654
Inventory	1,676,344	833,332
Taxes Recoverable	157,745	94,808
Other Current Assets	93	0
Non-current Assets	**3,563,502**	**1,624,282**
Long-Term Realisable Assets	379,615	158,040
Investments	37,470	34,206
Fixed Assets and Leases	1,324,419	864,583
Intangible	1,821,998	567,453
LIABILITIES	**6,847,708**	**4,164,426**
Current Liabilities	**1,501,411**	**1,022,610**
Salaries and Charges	113,297	97,138
Suppliers	634,017	361,604
Tax Obligations	130,507	120,346
Loans and Financing	396,903	324,688
Others Obligations	213,316	112,753
Provisions	13,371	6,081
Non-current Liabilities	**3,181,858**	**1,148,647**
Loans and Financing	2,338,764	772,960
Others Obligations	461,142	265,697
Deferred Taxes	267,551	468
Provisions	112,926	108,047
Profits and Revenues to Be Appropriated	1,475	1,475
Equity	**2,164,439**	**1,993,169**
Social Capital	1,229,400	1,229,400
Capital Reserves	-16,556	-16,556
Profit Reserves	1,101,915	947,026
Other Comprehensive Results	-183,397	-191,419
Non-controlling Participation	33,077	24,718

Appendix III

STATEMENTS OF CASH FLOW – INDIRECT METHOD

Values in thousands of Reais

	03.31.25	03.31.24
OPERATIONAL CASH FLOW		
Net Operational Cash	**545,276**	**-62,055**
Cash generated from operations	**178,251**	**202,479**
Net Income for the Period	69,971	109,147
Depreciation and Amortization	55,143	37,106
Provision for Disputes	2,420	11,784
Provision for Doubtful Settlement Credit	883	-983
Other Provisions	-7,346	343
Residual Cost of Assets and Leases Downloaded and Sold	2,236	937
Variation on Loans, Derivatives and Leases	66,940	40,810
Equity	-575	104
Provision for Income Tax and Current and Deferred Social Contribution	23,937	59,197
Provision for Obsolete Inventories and Negative Margin	-1,578	2,153
Monetary Correction Adjustment	-9,046	-57,151
Revenue From Active Lawsuits	-8,745	-6,694
Impairment Reduction	-15,947	6,916
Clearing Retained Amounts in Business Combination	-42	-1,190
Changes in assets and liabilities	**367,025**	**-264,534**
Receivables	37,817	-5,658
Accounts Receivable from Customers	-5,494	86,866
Inventory	36,601	-32,187
Suppliers	-113,868	-73,368
Accounts Payable	-28,413	14,023
Income Tax and Social Contribution Paid	-25,878	-24,564
Financial Investments	486,958	-221,478
Judicial Deposits	-4,330	305
Taxes to be Recovered	-16,368	-8,473
INVESTMENT CASH FLOW		
Net investment cash	**-2,149,821**	**-32,797**
Fixed and Intangible Purchases	-21,501	-21,783
Business Combination	-2,128,320	-11,014
CASH FROM FINANCING ACTIVITIES		
Net funding cash	**1,472,733**	**117,545**
Payment Interest Equity and Dividends	-72,807	-61,900
Loans and Financial Instruments Taken	1,755,874	271,596
Payment of Loans and Financial Instruments	-151,776	-55,495
Interest Paid with Loans	-46,309	-27,652
Lease Payment	-12,249	-9,004
FUNDING CASH FLOW	**- 131,812**	**22,693**

Appendix IV

DETAILING BY PRODUCT FAMILY

Detailed description - Product family	
Friction Material	Brake linings for commercial vehicles, Brake pads for commercial vehicles, automobiles, motorcycles and small-sized aircraft, Brake linings for automobiles, railway shoes, Brake Shoes for commercial vehicles and automobiles clutch facings, molded linings, universal sheets and industrial products.
Components for the Brake System	Brake Discs, Brake Drums, Master Cylinder, Vacuum Booster, Wheel Cylinder, Wheel hubs, repair kits, actuators, and retaining valves.
Ride and Confort	Shock absorbers, Suspension Plate, Bars, Pivots and Terminals, Rubber & Metal Rubber Parts, Motorcycle - Suspension & Brake, Suspension bushing kits, ball joints, Suspension springs.
Components for the Engine	Pistons, valves, water pumps, oil pumps, fuel pumps, hoses, air filters, Engine gaskets.
Transmission and Powertrain Components	CV joints, Wheel hubs, Crown and pinion sets, Cardan components, Crossheads, Motorcycle parts - Transmission,
Other Various Products	Packed liquids (Brake fluids, coolants, Antifreeze, anticorrosive, additives, Lubricants), Composite Materials, Other Various Products (Polymer materials that do not fall into the previous categories, Cardan shaft and accessories, bearings, cross pieces, axles, flange, linkage bar, reaction bar, side steering rod, rod ends, joints, backing plates, riveting machines, rivets, dies and iron and steel scrap).

FRASLE
MOBILITY

FRAS-LE NAKATA FREMAX CONTROIL

FRITEC FRICTION TECHNOLOGY MORESA TF VICTOR

AUTO EXPERTS COMPOSS