Individual and consolidated financial statements as of
December 31, 2025 and 2024

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A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing individual and consolidated financial statements prepared in accordance with accounting policies adopted in Brazil and international accounting standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

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Independent Auditors' report on the individual company and consolidated financial statements

To the Shareholders and Management

Frasle Mobility S.A.

Caxias do Sul - RS

Opinion

We have audited the individual company and consolidated financial statements of Frasle Mobility S.A. (Company) and its subsidiaries, which comprise the individual company and consolidated balance sheet as of December 31, 2025 and the individual company and consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, and related notes, including significant accounting policies and other explanatory information.

In our opinion, the accompanying individual company and consolidated financial statements present fairly, in all material respects, the individual company and consolidated financial position of Frasle Mobility S.A. and its subsidiaries as of December 31, 2025, and its individual company and consolidated financial performance and cash flows for the year then ended, in accordance with Brazilian accounting policies and with International Financial Reporting Standards (IFRS Accounting Standards) issued by the *International Accounting Standards Board* (IASB).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of Individual Company and Consolidated Financial Statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants applicable to the audit of the financial statements of public-interest entities in Brazil. We also comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

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

Business combination – acquisition of Dacomsa (Kuo Refacciones)

See note 6.a to the individual company and consolidated financial statements

Key audit matters	How the audit addressed the issue
As mentioned in note 6.a to the individual company and consolidated financial statements, the Company completed the acquisition of Dacomsa S.A. de CV on December 31, 2025. This transaction was accounted for using the acquisition method, which requires, among other procedures, that the Company evaluate and apply the requirements set forth on CPC 15 - Business Combinations and IFRS 3 - *Business combinations* and, under these procedures, determine, among other aspects, the consideration transferred, the fair value of the assets acquired and the fair values of the liabilities acquired, deferred taxes and goodwill from expected future profitability. These procedures involve a high level of judgment and the development of estimates by management based on specific methodologies that involve assumptions related to the future performance of the business acquired by the Company that are subject to a high level of uncertainty. Due to the high level of judgment involved in applying accounting pronouncements and the methods and assumptions used to measure the fair value of tangible and intangible assets, including the uncertainties related to assumptions related to expected future revenues, costs and expenses and discount rates, inherent in measuring the fair value of intangible assets related to our client and trademark portfolio, As well as the methods and market data used to measure the fair value of tangible assets related to land, buildings and machinery and equipment, we considered this to be a key audit matter.	Our audit procedures primarily included: ▪ Reading the agreements entered into that formalized the business combination; ▪ Evaluating management's judgment in relation to the application of CPC 15 and IFRS 3 pronouncements; ▪ With the help of our corporate finance experts, we evaluated the methodology applied to measure the fair values of intangible assets acquired related to client and trademark portfolios and whether the assumptions about expected future revenues, costs and expenses and discount rates are adequate; ▪ with the help of our tangible asset valuation experts, we evaluated the methods and market data used by the Company to determine the fair values of identifiable tangible assets acquired related to land, buildings and machinery and equipment; ▪ we evaluated whether disclosures in the individual company and consolidated financial statements consider all relevant information. According to the evidence obtained by applying the procedures summarized above, we considered that the recognition and measurement of the tangible and intangible assets described above in connection with the acquisition of Dacomsa (Kuo Refacciones), as well as the related disclosures, are acceptable in the context of the individual company and consolidated financial statements taken as a whole for the year ended December 31, 2025.

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Other issues

Statements of value added

The individual company and consolidated statements of value added for the year ended December 31, 2025, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to the same audit procedures followed simultaneously with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the individual company and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual company and consolidated financial statements in accordance with accounting policies adopted in Brazil and with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of individual company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or have no realistic alternative to avoid shutting down operations.

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

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Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the individual company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We have planned and performed the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for directing, supervising and reviewing the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Porto Alegre, March 11, 2026

KPMG AUDITORES INDEPENDENTES

CRC SP-014428/F-7

Cristiano Jardim Seguecio

Accountant CRC SP-244525/O-9 T-RS

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Fras-le S.A

Parent company / Balance sheets Assets - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
1	Total assets	4.826.956	3.893.841
1.01	Current assets	987.107	1.452.851
1.01.01	Cash and cash equivalents	374.390	140.994
1.01.03	Trade accounts receivable	246.905	346.168
1.01.03.01	Clients	235.306	335.231
1.01.03.02	Other accounts receivable	11.599	10.937
1.01.04	Inventories	312.348	353.015
1.01.06	Taxes to be recovered	45.772	65.231
1.01.06.01	Current taxes recoverable	45.772	65.231
1.01.06.01.01	Taxes recoverable	45.772	65.231
1.01.08	Other current assets	7.692	547.443
1.01.08.03	Other	7.692	547.443
1.01.08.03.02	Dividends and interest on equity capital	7.692	11.962
1.01.08.03.03	Other investments	0	535.481
1.02	Noncurrent assets	3.839.849	2.440.990
1.02.01	Long-term receivables	230.369	160.195
1.02.01.01	Financial investments measured at fair value through profit or loss	47.723	43.127
1.02.01.01.01	Securities designated at fair value	47.723	43.127
1.02.01.04	Trade accounts receivable	8.537	15.875
1.02.01.04.01	Clients	6.915	14.055
1.02.01.04.02	Other accounts receivable	1.622	1.820
1.02.01.07	Deferred taxes	69.266	0
1.02.01.07.01	Deferred income and social contribution taxes	69.266	0
1.02.01.09	Related party receivables	59.249	64.751
1.02.01.09.02	Credits with subsidiaries	59.249	64.751
1.02.01.10	Other non-current assets	45.594	36.442
1.02.01.10.03	Court deposits	14.775	16.176
1.02.01.10.04	Taxes recoverable	9.776	105
1.02.01.10.05	Dividends receivable	10	16
1.02.01.10.08	Recoverable taxes on property, plant and equipment	21.033	20.145
1.02.02	Investments	2.928.824	1.702.431
1.02.02.01	Equity investments	2.900.952	1.702.431
1.02.02.01.01	Investments in direct and indirect affiliated companies	36.499	34.597
1.02.02.01.02	Investments in subsidiaries	2.864.453	1.667.834
1.02.02.02	Investment property	27.872	0
1.02.03	Property plant and equipment	581.761	477.678
1.02.03.01	Property and equipment in operation	485.475	441.261
1.02.03.02	Right to use in leases	96.286	36.417
1.02.04	Intangible	98.895	100.686
1.02.04.01	Intangible	98.895	100.686
1.02.04.01.02	Intangible assets in operation	98.895	100.686

Fras-le S.A

Parent company / Balance sheets Liabilities - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
2	Total liabilities	4.826.956	3.893.841
2.01	Current liabilities	526.266	724.218
2.01.01	Payroll and social charges	52.229	65.805
2.01.01.02	Payroll liabilities	52.229	65.805
2.01.01.02.01	Salaries, vacation pay and charges	35.741	41.639
2.01.01.02.02	Bonuses payable	16.488	24.166
2.01.02	Trade payables	152.308	216.933
2.01.02.01	Local suppliers	142.703	192.502
2.01.02.01.01	Local suppliers	136.588	188.158
2.01.02.01.02	Reverse factoring	6.115	4.344
2.01.02.02	Foreign suppliers	9.605	24.431
2.01.03	Tax liabilities	30.998	31.924
2.01.03.01	Federal tax liabilities	30.998	31.924
2.01.04	Loans and financing	123.676	260.357
2.01.04.01	Loans and financing	109.558	108.206
2.01.04.01.01	In local currency	80.691	77.700
2.01.04.01.02	In foreign currency	28.867	30.506
2.01.04.02	Debentures	14.118	152.151
2.01.05	Other liabilities	159.632	137.059
2.01.05.02	Other	159.632	137.059
2.01.05.02.02	Non-discretionary dividends payable	6	15
2.01.05.02.04	Advances from clients	27.073	42.751
2.01.05.02.06	Interest on equity capital payable	91.988	64.835
2.01.05.02.07	Accounts Payable for Business Combinations	11.954	10.622
2.01.05.02.08	Other Accounts	13.443	14.622
2.01.05.02.09	Leases	15.168	4.214
2.01.06	Provisions	7.423	12.140
2.01.06.02	Other provisions	7.423	12.140
2.01.06.02.01	Provisions for warranties	4.342	7.302
2.01.06.02.04	Provision for commissions	3.081	4.838
2.02	Noncurrent liabilities	1.840.856	950.773
2.02.01	Loans and financing	1.551.141	715.307
2.02.01.01	Loans and financing	302.294	471.162
2.02.01.01.01	In local currency	271.055	436.006
2.02.01.01.02	In foreign currency	31.239	35.156
2.02.01.02	Debentures	1.248.847	244.145
2.02.02	Other liabilities	196.925	150.760
2.02.02.02	Other	196.925	150.760
2.02.02.02.03	Other accounts payable	9.429	9.717
2.02.02.02.04	Rentals	89.034	37.768
2.02.02.02.05	Accounts Payable for Business Combinations	98.361	100.896
2.02.02.02.06	Bonuses payable	101	2.379
2.02.03	Deferred taxes	0	22.028
2.02.03.01	Deferred income and social contribution taxes	0	22.028
2.02.04	Provisions	91.853	61.203
2.02.04.01	Provisions for labor and civil lawsuits	91.853	61.203
2.02.04.01.01	Tax provisions	1.899	767
2.02.04.01.02	Provisions for social security and labor proceedings	84.619	60.401
2.02.04.01.04	Provisions for civil proceedings	5.335	35
2.02.06	Deferred income	937	1.475
2.02.06.03	Government grants	937	1.475
2.03	Equity	2.459.834	2.218.850
2.03.01	Paid-in capital	1.800.000	1.229.400
2.03.01.01	Capital	1.800.000	1.229.400
2.03.02	Capital reserves	-12.795	-16.556

Fras-le S.A

Parent company / Balance sheets Liabilities - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
2.03.02.07	Transaction costs on shares issuance	-32.624	-16.556
2.03.02.09	Gain/Loss on acquisitions of interest in controlled companies	19.829	0
2.03.04	Profit reserves	795.369	1.034.004
2.03.04.01	Legal Reserve	124.324	110.392
2.03.04.07	Tax incentive reserve	15.317	15.317
2.03.04.09	Treasury shares	-13.352	-13.352
2.03.04.10	Other profit reserves	669.080	921.647
2.03.08	Other comprehensive income	-122.740	-27.998
2.03.08.01	Deemed cost of property, plant and equipment	23.639	24.317
2.03.08.02	Other comprehensive income - subsidiaries' effects	-146.460	-68.323
2.03.08.03	Other comprehensive income	81	16.008

Fras-le S.A

Parent company / Statements of income - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
3.01	Revenue from the sale of goods and/or services	1.680.259	1.685.103
3.02	Cost of Goods and/or Services Sold	-1.188.566	-1.183.106
3.03	Gross profit	491.693	501.997
3.04	Operating expenses/income	-52.164	-139.306
3.04.01	Selling expenses	-172.924	-168.920
3.04.02	Administrative and general expenses	-133.153	-124.771
3.04.02.01	Administrative and general expenses	-127.013	-118.653
3.04.02.02	Management's compensation and profit sharing	-6.140	-6.118
3.04.04	Other operating income	46.755	24.163
3.04.05	Other operating expenses	-45.226	-61.831
3.04.06	Share of profit of equity-accounted investees	252.384	192.053
3.05	Profit (loss) before net finance income (costs) and taxes	439.529	362.691
3.06	Net finance costs	-246.237	22.205
3.06.01	Finance income	122.315	230.511
3.06.01.01	Finance income	105.225	190.203
3.06.01.02	Adjustment for inflation	17.090	40.308
3.06.02	Finance costs	-368.552	-208.306
3.07	Profit before income tax and social contribution	193.292	384.896
3.08	Income and social contribution taxes	83.603	-17.154
3.08.01	Current	-306	-15.015
3.08.02	Deferred	83.909	-2.139
3.09	Profit (loss) from continuing operations	276.895	367.742
3.11	Profit/Loss for the period	276.895	367.742

Fras-le S.A

Parent company / Statements of comprehensive income - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
4.01	Profit for the period	276.895	367.742
4.02	Other comprehensive income	-92.929	186.647
4.02.01	Cumulative translation adjustments	-79.564	173.804
4.02.02	Actuarial gain (loss), net	-234	-288
4.02.03	Derivatives - cash flow hedge	-19.896	19.896
4.02.04	Deferred taxes on derivatives	6.765	-6.765
4.03	Comprehensive income for the period	183.966	554.389

Fras-le S.A

Parent company / Statements of cash flows – Indirect method - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
6.01	Net cash from operating activities	822.857 -	273.097
6.01.01	Cash from operations	198.817	362.566
6.01.01.01	Profit for the year	276.895	367.742
6.01.01.02	Depreciation and amortization	45.478	42.653
6.01.01.03	Provisions for litigation	22.186	15.640
6.01.01.04	Allowance for impairment loss on trade receivables	-643	1.540
6.01.01.05	Impairment loss on obsolete inventories	9.358	1.062
6.01.01.06	Provision for current and deferred income and social contribution taxes	-83.603	17.154
6.01.01.07	Other provisions	-20.995	19.107
6.01.01.08	Residual cost of written-off and sold long-lived assets	1.100	429
6.01.01.09	Share of profit (loss) of equity-accounted investees	-252.384	-192.053
6.01.01.10	Changes in loans and leases	236.872	120.322
6.01.01.11	Government grant	-538	0
6.01.01.12	Compensation of escrow accounts - business combinations	-7.999	-2.472
6.01.01.13	Amortization of leases	11.094	9.802
6.01.01.14	Adjustment for inflation	-17.090	-40.308
6.01.01.15	Revenue from legal proceedings receivable	-14.023	-11.266
6.01.01.16	Impairment	-14.929	9.184
6.01.01.18	Consideration payable to customers	0	-467
6.01.01.19	Foreign exchange gains and losses and interest on leases	8.038	4.497
6.01.02	Changes in assets and liabilities	624.040	-635.663
6.01.02.02	Trade receivables	107.708	-94.264
6.01.02.03	Inventories	31.309	-66.285
6.01.02.04	Trade payables and reverse factoring	-64.625	32.802
6.01.02.05	Trade accounts payable	-5.561	68.119
6.01.02.06	Paid income and social contribution taxes	0	-14.875
6.01.02.07	Financial investments	530.885	-539.529
6.01.02.08	Court deposits	2.421	77
6.01.02.09	Recoverable taxes	21.903	-21.708
6.02	Net cash from investing activities	-1.103.112	-174.523
6.02.01	Acquisition of property, plant and equipment	-85.963	-87.089
6.02.02	Acquisition of intangible assets	-2.836	-3.953
6.02.04	Business combination	-10.872	-33.211
6.02.05	Paid-in capital associate	0	-2.028
6.02.06	Paid-in capital subsidiary	-1.084.497	-262.988
6.02.07	Receipt of profit and dividends from subsidiaries	81.056	214.746
6.03	Net cash from financing activities	513.651	-35.653
6.03.01	Payment of interest on equity capital and dividends	-163.658	-162.805
6.03.02	Loans obtained	1.279.135	389.455
6.03.03	Repayment of loans	-596.359	-151.759
6.03.04	Interest paid on loans	-220.495	-97.364
6.03.05	Lease payment	-16.554	-13.180
6.03.06	Capital contribution	247.650	0
6.03.07	Transaction costs on shares issuance	-16.068	0
6.05	Increase (Decrease) in cash and cash equivalents	233.396	-483.273
6.05.01	Beginning balance of cash and cash equivalents	140.994	624.267
6.05.02	Final balance of cash and cash equivalents	374.390	140.994

Fras-le S.A

Parent company / Statements of added value - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
7.01	Revenues	2.077.561	2.126.646
7.01.01	Sales of Merchandise, Products and Services	2.023.211	2.097.973
7.01.02	Other income	46.755	24.163
7.01.03	Revenues from construction of Own Assets	6.952	6.050
7.01.04	Provision/Reversal of impairment loss on trade and other receivables	643	-1.540
7.02	Input acquired from third parties	-1.225.846	-1.271.171
7.02.01	Costs of products and merchandise sold	-806.855	-760.833
7.02.02	Materials, Energy, Servs. third parties and other	-418.991	-510.338
7.03	Gross value added	851.715	855.475
7.04	Retentions	-56.572	-52.455
7.04.01	Depreciation, Amortization and Depletion	-56.572	-52.455
7.05	Net value added produced	795.143	803.020
7.06	Added value received in transfer	374.699	422.564
7.06.01	Share of profit of equity-accounted investees	252.384	192.053
7.06.02	Finance income	105.225	190.203
7.06.03	Other	17.090	40.308
7.06.03.01	Adjustment for inflation	17.090	40.308
7.07	Total value added to be distributed	1.169.842	1.225.584
7.08	Distribution of value added	1.169.842	1.225.584
7.08.01	Staff	340.707	333.010
7.08.01.01	Direct compensation	246.685	232.793
7.08.01.02	Benefits	48.065	45.135
7.08.01.03	F.G.T.S.	24.446	21.645
7.08.01.04	Other	21.511	33.437
7.08.01.04.01	Management fees and profit sharing	6.140	6.118
7.08.01.04.02	Employee Profit Sharing	14.009	26.128
7.08.01.04.03	Retirement plan	1.362	1.191
7.08.02	Taxes and contributions	166.904	302.039
7.08.02.01	Federal	129.370	178.339
7.08.02.02	State	36.367	122.737
7.08.02.03	Municipal	1.167	963
7.08.03	Third-party capital	385.336	222.793
7.08.03.02	Leases	16.784	14.487
7.08.03.03	Other	368.552	208.306
7.08.03.03.01	Interest and finance costs	368.552	208.306
7.08.04	Return on equity capital	276.895	367.742
7.08.04.01	Interest on equity capital	193.259	138.461
7.08.04.03	Retained earnings/Loss for the period	83.636	229.281

Fras-le S.A

Parent company / Statements of changes in shareholders' equity - year ended December 31, 2025

(In thousands of reais)

Account code	Description Of Account	Paid-up capital	Capital reserves, granted options and treasury shares	Profit Reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Beginning balances	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850
5.03	Adjusted beginning balances	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850
5.04	Capital transactions with shareholders	570.600	3.761	-322.950	-193.259	-1.134	379.968
5.04.01	Capital increases	570.600	0	-322.950	0	0	570.600
5.04.02	Transaction costs on shares issuance	0	-16.068	0	0	0	-16.068
5.04.07	Interest on equity capital	0	0	0	-193.259	0	-193.259
5.04.08	Change in interest in subsidiary	0	19.829	0	0	-1.134	18.695
5.05	Total comprehensive income	0	0	0	277.574	-93.608	183.966
5.05.01	Profit for the period	0	0	0	276.895	0	276.895
5.05.02	Other comprehensive income	0	0	0	679	-93.608	-92.929
5.05.02.04	Translation adjustments for the period	0	0	0	0	-79.564	-79.564
5.05.02.06	Depreciation of deemed cost of property, plant and equipme	0	0	0	679	-679	0
5.05.02.07	Actuarial valuation	0	0	0	0	-234	-234
5.05.02.09	Hedge accounting	0	0	0	0	-13.131	-13.131
5.06	Internal changes in equity	0	0	84.315	-84.315	0	-322.950
5.06.05	General profit reserve	0	0	70.383	-70.383	0	0
5.06.06	Legal Reserve	0	0	13.932	-13.932	0	0
5.06.07	Capital increase	0	0	0	0	0	-322.950
5.07	Final Balance	1.800.000	-12.795	795.369	0	-122.714	2.459.834

Fras-le S.A

Parent company / Statements of changes in shareholders' equity - year December 31, 2024

(In thousands of reais)

Account code	Description Of Account	Paid-up capital	Capital reserves, granted options and treasury shares	Profit Reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Beginning balances	1.229.400	-16.556	839.145	0	-213.801	1.838.188
5.03	Adjusted beginning balances	1.229.400	-16.556	839.145	0	-213.801	1.838.188
5.04	Capital transactions with shareholders	0	0	-35.266	-138.461	0	-173.727
5.04.06	Dividends	0	0	-35.266	0	0	-35.266
5.04.07	Interest on equity capital	0	0	0	-138.461	0	-138.461
5.05	Total comprehensive income	0	0	0	368.586	185.803	554.389
5.05.01	Profit for the period	0	0	0	367.742	0	367.742
5.05.02	Other comprehensive income	0	0	0	844	185.803	186.647
5.05.02.04	Translation adjustments for the period	0	0	0	0	173.804	173.804
5.05.02.06	Depreciation of deemed cost of property, plant and equipment	0	0	0	844	-844	0
5.05.02.07	Actuarial valuation	0	0	0	0	-288	-288
5.05.02.09	Hedge accounting	0	0	0	0	13.131	13.131
5.06	Internal changes in equity	0	0	230.125	-230.125	0	0
5.06.05	General profit reserve	0	0	211.738	-211.738	0	0
5.06.06	Legal Reserve	0	0	18.387	-18.387	0	0
5.07	Final Balance	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850

Fras-le S.A

Balance sheets Assets - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
1	Total assets	7.222.660	4.869.614
1.01	Current assets	3.418.527	3.078.097
1.01.01	Cash and cash equivalents	1.316.248	844.881
1.01.02	Financial investments	13.869	13.993
1.01.02.03	Financial investments measured at amortized cost	13.869	13.993
1.01.02.03.01	Financial investments	13.869	13.993
1.01.03	Trade accounts receivable	546.566	475.497
1.01.03.01	Clients	498.441	433.628
1.01.03.02	Other accounts receivable	48.125	41.869
1.01.04	Inventories	1.443.447	1.054.752
1.01.06	Taxes to be recovered	98.308	143.381
1.01.06.01	Current taxes recoverable	98.308	143.381
1.01.06.01.01	Taxes recoverable	98.308	143.381
1.01.08	Other current assets	89	545.593
1.01.08.01	Non-current assets for sale	0	9.450
1.01.08.02	Discontinued operation assets	89	0
1.01.08.03	Other	0	536.143
1.01.08.03.01	Derivative financial instruments	0	662
1.01.08.03.03	Other investments	0	535.481
1.02	Noncurrent assets	3.804.133	1.791.517
1.02.01	Long-term receivables	411.446	197.931
1.02.01.01	Financial investments measured at fair value through profit or loss	151.428	107.038
1.02.01.04	Trade accounts receivable	16.841	8.096
1.02.01.04.02	Other accounts receivable	16.841	8.096
1.02.01.07	Deferred taxes	139.794	0
1.02.01.07.01	Deferred income and social contribution taxes	139.794	0
1.02.01.10	Other non-current assets	103.383	82.797
1.02.01.10.03	Court deposits	29.302	25.141
1.02.01.10.04	Taxes recoverable	46.959	35.036
1.02.01.10.06	Recoverable taxes on property, plant and equipment	27.122	22.620
1.02.02	Investments	67.141	36.896
1.02.02.01	Equity investments	36.507	34.610
1.02.02.01.01	Investments in affiliated companies	36.507	34.610
1.02.02.02	Investment property	30.634	2.286
1.02.03	Property plant and equipment	1.450.996	969.831
1.02.03.01	Property and equipment in operation	1.164.913	808.201
1.02.03.02	Right to use in leases	286.083	161.630
1.02.04	Intangible	1.874.550	586.859
1.02.04.01	Intangible	1.874.550	586.859
1.02.04.01.02	Intangible	1.874.550	586.859

Fras-le S.A

Balance sheets Liabilities - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
2	Total liabilities	7.222.660	4.869.614
2.01	Current liabilities	1.420.074	1.499.219
2.01.01	Payroll and social charges	104.713	108.686
2.01.01.02	Payroll liabilities	104.713	108.686
2.01.01.02.01	Salaries, vacation pay and charges	58.460	61.840
2.01.01.02.02	Bonuses payable	46.253	46.846
2.01.02	Trade payables	624.902	617.387
2.01.02.01	Local suppliers	196.959	267.560
2.01.02.01.01	Local suppliers	189.427	262.348
2.01.02.01.02	Reverse factoring	7.532	5.212
2.01.02.02	Foreign suppliers	427.943	349.827
2.01.03	Tax liabilities	140.580	140.895
2.01.03.01	Federal tax liabilities	140.580	140.895
2.01.03.01.01	Income and social contribution taxes payable	14.294	14.294
2.01.03.01.02	Federal tax liabilities	126.286	126.601
2.01.04	Loans and financing	255.782	388.411
2.01.04.01	Loans and financing	241.664	236.260
2.01.04.01.01	In local currency	92.948	116.734
2.01.04.01.02	In foreign currency	148.716	119.526
2.01.04.02	Debentures	14.118	152.151
2.01.05	Other liabilities	284.776	230.046
2.01.05.02	Other	284.776	230.046
2.01.05.02.02	Non-discretionary dividends payable	22	15
2.01.05.02.04	Advances from clients	43.741	56.555
2.01.05.02.05	Interest on equity capital payable	91.988	64.835
2.01.05.02.06	Business Combination Accounts Payable	11.954	26.042
2.01.05.02.07	Other Accounts	83.474	58.512
2.01.05.02.08	Leases	53.597	24.087
2.01.06	Provisions	9.321	13.794
2.01.06.02	Other provisions	9.321	13.794
2.01.06.02.01	Provisions for warranties	6.160	8.773
2.01.06.02.04	Provision for commissions	3.161	5.021
2.02	Noncurrent liabilities	3.321.105	1.118.910
2.02.01	Loans and financing	2.493.018	722.767
2.02.01.01	Loans and financing	1.244.171	478.622
2.02.01.01.01	In local currency	300.359	438.933
2.02.01.01.02	In foreign currency	943.812	39.689
2.02.01.02	Debentures	1.248.847	244.145
2.02.02	Other liabilities	474.278	275.442
2.02.02.01	Related party liabilities	3.480	5.692
2.02.02.01.04	Payables to other related parties	3.480	5.692
2.02.02.02	Other	470.798	269.750
2.02.02.02.03	Other non-current liabilities	40.475	16.970
2.02.02.02.04	Leases	265.313	148.176
2.02.02.02.05	Accounts Payable for Business Combinations	164.909	100.896
2.02.02.02.07	Bonuses payable	101	2.600
2.02.02.02.08	Foreign suppliers	0	1.108
2.02.03	Deferred taxes	213.082	8.720
2.02.03.01	Deferred income and social contribution taxes	213.082	8.720
2.02.03.01.02	Adjustment for inflation	213.082	8.720
2.02.04	Provisions	139.790	110.506
2.02.04.01	Provisions for labor and civil lawsuits	139.790	110.506
2.02.04.01.01	Tax provisions	46.700	44.863
2.02.04.01.02	Provisions for social security and labor proceedings	87.750	65.598

Fras-le S.A

Balance sheets Liabilities - at December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
2.02.04.01.04	Provisions for civil proceedings	5.340	45
2.02.06	Deferred income	937	1.475
2.02.06.03	Government grants	937	1.475
2.03	Consolidated equity	2.481.481	2.251.485
2.03.01	Paid-in capital	1.800.000	1.229.400
2.03.01.01	Capital	1.800.000	1.229.400
2.03.02	Capital reserves	-12.795	-16.556
2.03.02.07	Transaction costs on shares issuance	-32.624	-16.556
2.03.02.08	Gain/Loss on acquisitions of interest in controlled companies	19.829	0
2.03.04	Profit reserves	795.369	1.034.004
2.03.04.01	Legal Reserve	124.324	110.392
2.03.04.07	Tax incentive reserve	15.317	15.317
2.03.04.09	Treasury shares	-13.352	-13.352
2.03.04.10	Other profit reserves	669.080	921.647
2.03.08	Other comprehensive income	-122.740	-27.998
2.03.08.01	Deemed cost of property, plant and equipment	23.639	24.317
2.03.08.02	Other comprehensive income - subsidiaries' effects	-146.460	-68.323
2.03.08.03	Other comprehensive income	81	16.008
2.03.09	Non-controlling interests	21.647	32.635

Fras-le S.A

Statements of income - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
3.01	Revenue from the sale of goods and/or services	5.490.878	3.965.776
3.02	Cost of Goods and/or Services Sold	-3.694.967	-2.635.267
3.03	Gross Profit	1.795.911	1.330.509
3.04	Operating expenses/income	-1.071.805	-811.338
3.04.01	Selling expenses	-563.965	-404.731
3.04.02	Administrative and general expenses	-489.950	-317.435
3.04.02.01	Administrative and general expenses	-475.205	-303.419
3.04.02.02	Management's compensation and profit sharing	-14.745	-14.016
3.04.04	Other operating income	71.793	52.984
3.04.05	Other operating expenses	-91.586	-142.631
3.04.06	Share of profit of equity-accounted investees	1.903	475
3.05	Profit (loss) before net finance income (costs) and taxes	724.106	519.171
3.06	Net finance costs	-403.209	24.129
3.06.01	Finance income	275.481	688.358
3.06.01.01	Finance income	251.870	575.936
3.06.01.02	Adjustment for inflation	23.971	112.422
3.06.02	Finance costs	-679.050	-664.229
3.07	Profit before income tax and social contribution	320.897	543.300
3.08	Income and social contribution taxes	-37.731	-168.597
3.08.01	Current	-131.299	-167.978
3.08.02	Deferred	93.568	-619
3.09	Profit (loss) from continuing operations	283.166	374.703
3.11	Consolidated profit (loss) for the period	283.166	374.703
3.11.01	Attributable to shareholders of the company	276.895	367.742
3.11.02	Attributable to NCI	6.271	6.961
3.99.01.01	ON	0,9984	1,3772

Fras-le S.A

Statements of comprehensive income - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
4.01	Consolidated profit for the period	283.166	374.703
4.02	Other comprehensive income	-92.929	186.647
4.02.01	Cumulative translation adjustments	-79.564	173.804
4.02.02	Actuarial gain (loss), net	-234	-288
4.02.03	Derivatives - cash flow hedge	-19.896	19.896
4.02.04	Deferred taxes on derivatives	6.765	-6.765
4.03	Consolidated comprehensive income for the period	190.237	561.350
4.03.01	Attributable to shareholders of the company	183.966	554.389
4.03.02	Attributable to NCI	6.271	6.961

Fras-le S.A

Statements of cash flows – Indirect method - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
6.01	Net cash from operating activities	1.530.042	113.984
6.01.01	Cash from operations	944.136	829.624
6.01.01.01	Profit for the period	283.166	374.703
6.01.01.02	Depreciation and amortization	201.677	124.338
6.01.01.03	Provision for litigation	21.947	14.243
6.01.01.04	Allowance for ECLs	2.485	2.022
6.01.01.05	Impairment loss on obsolete inventories	15.587	7.357
6.01.01.06	Provision for current and deferred income and social contribution taxes	37.731	168.597
6.01.01.07	Other provisions	-4.952	7.456
6.01.01.08	Residual cost of written-off and sold long-lived assets	27.041	13.630
6.01.01.09	Changes in loans and leases	338.402	149.420
6.01.01.10	Government grant	-538	0
6.01.01.11	Impairment loss	-16.936	6.100
6.01.01.12	Adjustment for inflation	-23.971	-112.422
6.01.01.13	Amortization of leases	44.332	34.374
6.01.01.14	Changes in derivative financial instruments	662	-662
6.01.01.15	Share of profit (loss) of equity-accounted investees	-1.903	-475
6.01.01.16	Compensation of escrow accounts - business combinations	-7.999	-2.472
6.01.01.18	Revenue from legal proceedings receivable	-14.773	-11.904
6.01.01.19	Amortization of inventories step-up	21.415	0
6.01.01.20	Foreign exchange gains and losses and interest on leases	20.763	55.319
6.01.02	Changes in assets and liabilities	585.906	-715.640
6.01.02.02	Trade receivables	155.977	-14.994
6.01.02.03	Inventories	233.123	-290.695
6.01.02.04	Trade payables and reverse factoring	-124.858	182.635
6.01.02.05	Trade accounts payable	-117.538	192.525
6.01.02.06	Paid income and social contribution taxes	-91.273	-92.092
6.01.02.07	Financial investments	491.215	-617.381
6.01.02.08	Court deposits	-3.006	30
6.01.02.10	Recoverable taxes	42.266	-75.668
6.02	Net cash from investing activities	-2.280.815	-201.082
6.02.01	Acquisition of property plant and equipment	-177.457	-159.867
6.02.02	Acquisition of intangible assets	-13.034	-5.976
6.02.03	Business combination	-2.090.324	-33.211
6.02.04	Paid-in capital in associates	0	-2.028
6.03	Net cash from financing activities	1.305.482	-118.433
6.03.01	Payment of interest on equity capital and dividends	-163.658	-162.805
6.03.02	Loans obtained	2.331.186	500.156
6.03.03	Repayment of loans	-701.030	-313.612
6.03.04	Interest paid on loans	-330.936	-102.928
6.03.05	Lease payment	-61.662	-39.244
6.03.06	Capital contribution	247.650	0
6.03.07	Transaction costs on shares issuance	-16.068	0
6.04	Foreign exchange gains and losses on cash and cash equivalents	-83.342	0
6.05	Increase (Decrease) in cash and cash equivalents	471.367	-205.531
6.05.01	Beginning balance of cash and cash equivalents	844.881	1.050.412
6.05.02	Final balance of cash and cash equivalents	1.316.248	844.881

Fras-le S.A

Statements of added value - year ended December 31, 2025 and 2024

(In thousands of reais)

Account code	Description Of Account	31/12/2025	31/12/2024
7.01	Revenues	6.472.194	5.000.484
7.01.01	Sales of Merchandise, Products and Services	6.394.781	4.942.650
7.01.02	Other income	71.793	50.330
7.01.03	Revenues from construction of Own Assets	8.105	9.526
7.01.04	Provision/Reversal of impairment loss on trade and other receivables	-2.485	-2.022
7.02	Input acquired from third parties	-4.087.098	-2.882.567
7.02.01	Costs of products and merchandise sold	-3.347.487	-2.034.077
7.02.02	Materials, Energy, Servs. third parties and other	-739.611	-848.490
7.03	Gross value added	2.385.096	2.117.917
7.04	Retentions	-267.424	-158.712
7.04.01	Depreciation, Amortization and Depletion	-267.424	-158.712
7.05	Net value added produced	2.117.672	1.959.205
7.06	Added value Received in Transfer	278.035	691.487
7.06.01	Share of profit of equity-accounted investees	1.903	475
7.06.02	Finance income	251.870	575.936
7.06.03	Other	24.262	115.076
7.06.03.01	Adjustment for inflation	23.971	112.422
7.06.03.02	Leases	291	2.654
7.07	Total value added to be distributed	2.395.707	2.650.692
7.08	Distribution of value added	2.395.707	2.650.692
7.08.01	Staff	622.678	642.622
7.08.01.01	Direct compensation	448.118	457.118
7.08.01.02	Benefits	89.810	91.706
7.08.01.03	F.G.T.S.	34.139	29.392
7.08.01.04	Other	50.611	64.406
7.08.01.04.01	Management fees and profit sharing	14.745	14.016
7.08.01.04.02	Employee Profit Sharing	22.983	41.098
7.08.01.04.03	Retirement plan	4.870	4.993
7.08.01.04.04	Sales commissions	8.013	4.299
7.08.02	Taxes and contributions	757.312	938.983
7.08.02.01	Federal	504.552	543.865
7.08.02.02	State	250.809	392.454
7.08.02.03	Municipal	1.951	2.664
7.08.03	Third-party capital	726.280	694.384
7.08.03.02	Leases	47.230	30.155
7.08.03.03	Other	679.050	664.229
7.08.03.03.01	Interest and finance costs	679.050	664.229
7.08.04	Return on equity capital	289.437	374.703
7.08.04.01	Interest on equity capital	200.675	143.302
7.08.04.03	Retained earnings/Loss for the period	82.491	224.440
7.08.04.04	Non-controlling interests in retained earnings	6.571	6.961

Fras-le S.A

Statements of changes in shareholders' equity - at December 31, 2025

(In thousands of reais)

Account code	Description Of Account	Paid-up capital	Capital reserves, granted treasury shares	Profit Reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Beginning balances	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850	32.635	2.251.485
5.03	Adjusted beginning balances	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850	32.635	2.251.485
5.04	Capital transactions with shareholders	570.600	3.761	-322.950	-193.259	-1.134	379.968	0	379.968
5.04.01	Capital increases	570.600	0	-322.950	0	0	570.600	0	570.600
5.04.02	Transaction costs on shares issuance	0	-16.068	0	0	0	-16.068	0	-16.068
5.04.07	Interest on equity capital	0	0	0	-193.259	0	-193.259	0	-193.259
5.04.08	Change in ownership interest in subsidiary	0	19.829	0	0	-1.134	18.695	0	18.695
5.05	Total comprehensive income	0	0	0	277.574	-93.608	183.966	-10.988	172.978
5.05.01	Profit for the period	0	0	0	276.895	0	276.895	6.271	283.166
5.05.02	Other comprehensive income	0	0	0	679	-93.608	-92.929	-17.259	-110.188
5.05.02.04	Translation adjustments for the period	0	0	0	0	-79.564	-79.564	-17.259	-96.823
5.05.02.06	Depreciation of deemed cost of property, plant and equipn	0	0	0	679	-679	0	0	0
5.05.02.07	Actuarial valuation	0	0	0	0	-234	-234	0	-234
5.05.02.09	Hedge accounting	0	0	0	0	-13.131	-13.131	0	-13.131
5.06	Internal changes in equity	0	0	84.315	-84.315	0	-322.950	0	-322.950
5.06.05	General profit reserve	0	0	70.383	-70.383	0	0	0	0
5.06.06	Legal Reserve	0	0	13.932	-13.932	0	0	0	0
5.06.07	Capital increase	0	0	0	0	0	-322.950	0	-322.950
5.07	Final Balance	1.800.000	-12.795	795.369	0	-122.740	2.459.834	21.647	2.481.481

Fras-le S.A

Statements of changes in shareholders' equity - year ended December 31, 2024

(In thousands of reais)

Account cod	Description Of Account	Paid-up capital	Capital reserves, granted treasury shares	Profit Reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Beginning balances	1.229.400	-16.556	839.145	0	-213.801	1.838.188	22.926	1.861.114
5.03	Adjusted beginning balances	1.229.400	-16.556	839.145	0	-213.801	1.838.188	22.926	1.861.114
5.04	Capital transactions with shareholders	0	0	-35.266	-138.461	0	-173.727	0	-173.727
5.04.06	Dividends	0	0	-35.266	0	0	-35.266	0	-35.266
5.04.07	Interest on equity capital	0	0	0	-138.461	0	-138.461	0	-138.461
5.05	Total comprehensive income	0	0	0	368.586	185.803	554.389	9.709	564.098
5.05.01	Profit for the period	0	0	0	367.742	0	367.742	6.961	374.703
5.05.02	Other comprehensive income	0	0	0	844	185.803	186.647	2.748	189.395
5.05.02.04	Translation adjustments for the period	0	0	0	0	173.804	173.804	2.748	176.552
5.05.02.06	Depreciation of deemed cost of property, pl	0	0	0	844	-844	0	0	0
5.05.02.07	Actuarial valuation	0	0	0	0	-288	-288	0	-288
5.05.02.09	Hedge accounting	0	0	0	0	13.131	13.131	0	13.131
5.06	Internal changes in equity	0	0	230.125	-230.125	0	0	0	0
5.06.05	General revenue reserve	0	0	211.738	-211.738	0	0	0	0
5.06.06	Legal Reserve	0	0	18.387	-18.387	0	0	0	0
5.07	Final Balance	1.229.400	-16.556	1.034.004	0	-27.998	2.218.850	32.635	2.251.485

Frasle Mobility

Financial statements as of December 31, 2025 and 2024

Notes to the financial statements

(In thousands of real, unless otherwise stated)

1 Information about the Company

Frasle Mobility S.A. ("Parent Company", together with its subsidiaries as "Consolidated", "Company"), referred to until December 31, 2025 as Frasle S.A., is a public corporation and its shares are traded on B3 S.A. – Brasil, Bolsa, Balcão (FRAS3), located at Rodovia RS 122, Km 66.1, number 10.945 in Caxias do Sul – RS - Brazil. The Company is part of B3's Corporate Governance Level 1 and is directly controlled by Randoncorp S.A., which holds the majority of its voting shares. It operates as a manufacturer of products and components for motion control on roads, rails and airstrips, serves diverse segments, such as heavy vehicles, automobiles, motorcycles, railway, aviation, agricultural and industrial and has been in the market for 70 years.

2 Basis of preparation and presentation of the parent company and consolidated financial statements

The financial statements are prepared in accordance with International Financial Reporting Standards (*IFRS Accounting Standards*) issued by the *International Accounting Standards Board - IASB* and Brazilian accounting policies (BRGAAP), including pronouncements, guidelines and interpretations issued by the Committee of Accounting Pronouncements (CPC) presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission in effect as of December 31, 2025.

According to OCPC Technical Guidance No. 7 and CVM Resolution No. 189/2023, the Company discloses only the information considered relevant and that helps users to make decisions. The information included in this report is that used by the Company's management.

For the year ended December 31, 2025, the financial statements were authorized for issue by the Board of Directors at a meeting held on March 11, 2026.

2.1 Accounting policies

The Company applies the accounting policies consistently and they are presented in each note.

2.2 Functional and presentation currency

These financial statements are presented in Brazilian real, which is the Company's functional currency, and whose balances have been rounded to the nearest thousand, except when otherwise indicated. For foreign subsidiaries that operate in a stable economic environment with another functional currency, the statements of profit or loss are translated into Reais at the monthly average exchange rate and assets and liabilities at the final rate. For companies operating in hyperinflationary economies, the financial statements are adjusted for the change in the general purchasing power of the currency, and the balances of assets, liabilities and accrued profit (loss) are translated using the final rate. Equity items are held at the historical rate in all scenarios.

The functional currency of each subsidiary is shown below:

Subsidiaries	Functional currency
AML Juratek Limited	Sterling Pound
ASK Frasle Friction Private Limited	Rupee
Bettaparts Limited	Sterling Pound
Dacomsa Motor, S.A de C.V	Mexican peso
Dacomsa S.A. de C. V.	Mexican peso
Fanacif S.A.	US dollar
Farloc Argentina S.A.I.C. YF	Argentinian peso
Frasle Andina Com. Y Repres. Ltda.	Chilean peso
Frasle Argentina S.A.	Argentinian peso
Frasle Europe B.V.	Euro
Frasle Europe GmBH	Euro
Frasle Friction Material Pinghu Co., Ltd	Renminbi
Frasle México S. De R.L. De C.V.	Mexican peso
Frasle North America, Inc.	US dollar
Frasle Panamericana S.A.S.	Colombian peso
Freios Controil Ltda	Real
Fricción y Tecnologia S.A. de C.V	Mexican peso
Jiaxing Bafu Trading Co., Ltd	Renminbi
Juratek Limited	Sterling Pound
Frasle Mobility Site Sorocaba	Real
Nakata Automotiva Ltda.	Real
Nakata Osasco Ltda	Real

2.3 Basis of consolidation and investments in subsidiaries

The Company has consistently applied all accounting policies and periods for consolidation purposes to all years presented in these parent company and consolidated financial statements.

a. *Subsidiaries*

The financial statements of subsidiaries are considered for consolidation purposes from the date that control commences and are disregarded when control ceases. Investments and profit (loss) of subsidiaries are recognized using the equity method in the parent company.

b. *Affiliated companies*

Affiliated entities are all entities over which the Company has significant influence, but does not have control, usually in conjunction with an ownership interest. Investments and profit (loss) of associates are recognized using the equity method in the parent company.

c. *Transactions eliminated on consolidation*

Intra-group balances, transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements comprise the Company and its subsidiaries as of December 31, 2025 and 2024, and are presented below:

Subsidiaries	Corporate purpose	Head office country	Ownership interest			
			2025		2024	
			Direct	Indirect	Direct	Indirect
AML Juratek Limited *(e)*	Holding	United Kingdom	–	100,00	–	100,00
ASK Frasle Friction Private Limited *(a)*	Manufacturing and selling auto parts	India	51,00	–	51,00	–
Bettaparts Limited *(f)*	Distribution of auto parts	United Kingdom	–	100,00	–	100,00
Dacomsa Motor, S.A de C.V (h)	Manufacture of parts and accessories for motor vehicles	Mexico	–	99,99	–	–
Dacomsa S.A. de C. V. (i)	Representation and trade of auto parts	Mexico	–	100,00	–	–
Fanacif S.A. *(a)*	Trade, representation and distribution of auto parts	Uruguay	100,00	–	100,00	–
Farloc Argentina S.A.I.C. YF *(c)*	Manufacture of brake fluid and coolants	Argentina	–	76,09	–	76,09
Frasle Andina Com. Y Repres. Ltda. *(a)*	Representation and trade of auto parts	Chile	99,00	–	99,00	–
Frasle Argentina S.A. *(a)*	Representation and trade of auto parts	Argentina	99,84	–	99,84	–
Frasle Europe B.V. *(a)*	Distribution of auto parts	Netherlands	100,00	–	100,00	–
Frasle Europe GmBH *(a)*	Representation and trade of auto parts	Germany	100,00	–	100,00	–
Frasle Friction Material Pinghu Co., Ltd *(a)*	Manufacturing and selling auto parts	China	100,00	–	100,00	–
Frasle México S. De R.L. De C.V.(a)	Representation and trade of auto parts	Mexico	80.22	–	99,66	–
Frasle North America, Inc. *(a)*	Manufacturing and selling auto parts	United States of America	100,00	–	100,00	–
Frasle Panamericana S.A.S.*(a)*	Representation and trade of auto parts	Colombia	100,00	–	100,00	–
Freios Controil Ltda. *(b)*	Manufacturing of parts and accessories for vehicles	Brazil	100,00	–	100,00	–
Fricción y Tecnologia S.A. de C.V. (h)	Manufacture of parts and accessories for motor vehicles	Mexico	–	100,00	–	–
Jiaxing Bafu Trading Co., Ltd *(d)*	Export of parts and accessories for vehicles	China	–	100,00	–	100,00
Juratek Limited *(f)*	Distribution of auto parts	United Kingdom	–	100,00	–	100,00
Frasle Mobility Site Sorocaba *(b)*	Manufacture of parts and accessories for motor vehicles	Brazil	100,00	–	100,00	–
Nakata Automotiva Ltda. *(b)*	Manufacturing and selling parts and accessories for motor vehicles	Brazil	100,00	–	100,00	–
Nakata Osasco Ltda. *(b)*	Combined office and administrative support services	Brazil	100,00	–	100,00	–

Affiliate	Corporate purpose	Head office country	Ownership interest			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Centro Tecnológico Randon Ltda *(g)*	Service, development and management of experimental research projects	Brazil	45,07	–	45,07	–

(a) Controlled companies – foreign.

(b) Domestic subsidiaries.

(c) Foreign subsidiary whose direct control is retained by Frasle Argentina S.A.

(d) Foreign subsidiary whose direct control is retained by Frasle Friction Material Pinghu Co. Ltd.

(e) Foreign subsidiary whose direct control is retained by Frasle Europe B.V.

(f) Foreign subsidiary whose direct control is retained by AML Juratek Limited.

(g) Affiliated company in Brazil.

(h) Foreign subsidiary whose direct control is retained by Dacomsa S.A.

(i) Foreign subsidiary whose direct control is retained by Frasle México S. de R.L. de C.V.

2.4 Increase in tariffs on exports to the United States

In July 2025, the U.S. government announced an increase in the import tariff to 50% on certain products originating in Brazil. Since then, the Company has been closely monitoring the developments of this matter and its potential impacts on business. During the year, it was possible to observe a drop down of demand in the North American automotive sector, a reflection of the tariff policies adopted and the political-economic scenario of that country.

3 Ineffective standards, amendments and interpretations

3.1 IFRS 18/CPC 51 Standard – Presentation and Disclosure of Financial Statements

IFRS 18/CPC 51 will replace CPC 26/IAS 1 Presentation of Financial Statements, introducing new requirements that will help the comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

IFRS 18/CPC 51 applies to annual reporting periods beginning on or after January 1, 2027.

The Company is assessing the impact of the new standard and how it will affect the financial statement structure.

4 Significant accounting judgments, estimates and assumptions

Estimates and related assumptions are made on the basis of historical experience considered relevant. They are reviewed on an ongoing basis and recognized prospectively. Actual results may differ from these estimates.

Information on judgments, uncertainties about assumptions and estimates with a significant risk of resulting in material adjustment in the year ended December 31, 2025 is included in the notes below:

Judgments
Note 6 - Business combinations and goodwill
Note 12 - Recoverable taxes
Note 16 – Impairment
Note 17 - Property, plant and equipment
Note 18 - Intangible assets
Note 19 - Leases
Note 22 - Provision for litigation
Note 29 – Net sales revenue

Assumptions and Estimates
Note 6 - Business combinations and goodwill
Note 10 – Trade receivables
Note 11 - Inventories
Note 12 - Recoverable taxes
Note 14 - pension plans and post-employment benefits for employees
Note 16 – Impairment
Note 17 - Property, plant and equipment
Note 18 - Intangible assets
Note 24 - Financial risk management objectives and policies
Note 28 - Income taxes
Note 29 – Net sales revenue

5 Public offering of shares

On June 30, 2025, the Company announced the start of the public offering of primary and secondary distribution of ordinary shares, with automatic registration with the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Resolution No. 160/22. The transaction is aimed exclusively at professional investors in Brazil, with priority given to the Company's shareholders when subscribing to shares, and to qualified investors abroad, according to applicable regulations.

The settlement of the offering at B3 S.A. – Brasil, Bolsa, Balcão took place on July 15, 2025, at the price per share of R$ 24.00, totaling the issuance of 10,318,748 shares and a capital increase of R$ 247,650. With the issue, the controlling shareholder became the owner of 50.6% of the Company's share capital. The Company's new share capital becomes R$1,477,050 (1,229,400 as of December 31, 2024), consisting of 280,335,091 (270,016,343 as of December 31, 2024) ordinary shares without par value.

Proceeds from the primary offering were fully allocated to increase capital, net of costs directly attributable to the transaction in the amount of (R$16,068), recognized as a reduction if equity. The Company did not receive funds from the secondary offering, which were intended solely for the selling shareholders.

The Company's purpose with the transaction is to strengthen its capital structure, supporting its organic and inorganic growth plans.

6 Business combinations and goodwill

They are recorded using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as well as the identifiable net assets acquired. For each business combination, the acquirer shall measure the non-controlling interests in the acquiree at fair value or based on their interest in the net assets identified in the acquiree. Costs directly attributable to acquisition are expensed as incurred.

The consideration transferred does not include amounts related to the payment of pre-existing relationships. These amounts are generally recognized in profit or loss in the period they are reported.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration is classified as equity instrument, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss in the period they occur.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. If consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain in profit or loss.

a. *Acquisitions in 2025*

- *Acquisition of Kuo Refacciones*

As disclosed in the second quarter of 2024, on June 24, 2024, the Company informed through its indirect subsidiaries Frasle México S. de RL de CV ("Frasle Mexico") and *Frasle North America*, Inc. the acquisition of 100% of the shares of *Dacomsa* and, indirectly through *Dacomsa, S.A de C.V. ("Dacomsa")*, of 99.99984017% of the shares of *Kuo Motor, S.A. de C.V. ("Kuo Motor*") and 100% of the shares of *Fricción y Tecnologia S.A. de C.V. ("Fritec"),* including tangible and intangible assets related to the businesses of the acquirees. The purpose of this transaction is part of the Company's strategy of internationalizing its business in the aftermarket segment through the diversification of products and expansion of brands in its portfolio.

The deal was effectively closed on January 14, 2025, after the fulfillment of all previous conditions included in the purchase and sale agreement, including regulatory approval in Mexico.

On May 28, 2025, a valuation report on the fair value of the assets acquired and liabilities assumed was completed, including the calculation and allocation of goodwill, in accordance with the requirements set by CPC 15 (R1) – Business Combinations (IFRS 3). Compared with the disclosure made on March 31, 2025, there were no changes that had an impact on the entries previously made.

Below is a summary of the assets acquired and liabilities assumed, considering *Kuo Refacciones*' balance sheet as of January 14, 2025, and the fair value adjustments estimated according to the experts' report.

	Carrying value	Fair value
Assets	**1.432.941**	**2.116.330**
Current	**922.121**	**942.817**
Cash and cash equivalents	52.511	52.511
Trade receivables	223.275	223.275
Inventories	639.274	659.970
Other assets	7.061	7.061
Non-current	**510.820**	**1.173.513**
Other non-current assets	31.686	31.686
Property, Plant and Equipment	199.884	319.514
Intangible assets	198.041	741.104
Leases	81.209	81.209
Liabilities	**324.978**	**529.995**
Current	**226.119**	**226.119**
Trade payables	131.265	131.265
Income and social contribution taxes	46.286	46.286
Leases	14.514	14.514
Other liabilities	34.054	34.054
Non-current	**98.859**	**303.876**
Leases	77.602	77.602
Deferred income tax	-	205.017
Other non-current liabilities	21.257	21.257
Assets net of liabilities	**1.107.963**	**1.586.335**
Goodwill arising from the acquisition has been recognized as follows:		
Consideration transferred (a)		2.180.831
Acquired equity		1.107.963
Adjustments to fair value of identifiable assets		
Inventories (b)		20.696
Property, plant and equipment (c)		119.630
Intangible assets (d)		543.063
(-) Deferred income and social contribution taxes		(205.017)
Goodwill resulting from the transaction		**594.496**

(a) The consideration transferred considers the fair value of all payments in that transaction. The total consideration paid by the acquired company was MXN 7,459,253 thousand, equivalent to R$2,180,831 on January 14, 2025. As of December 31, 2025, R$66,549 remains outstanding for the full settlement of the acquisition. 50% of the amount is expected to be settled within 12 months after the acquisition is closed and the remaining portion within 24 months after *the acquisition is* completed.

(b) The inventories of the acquiree on the date of acquisition consisted of finished goods. Inventories were taken and items were stated at fair value. The fair value adjustment allocated to inventories was MXN 69,895 thousand, equivalent to R$20,696 on January 14, 2025.

(c) The acquired company's property, plant and equipment on the acquisition date consisted mainly of land, buildings and machinery and equipment. For the fair value of property, plant and equipment the Company applied the direct comparison of market data and the historical cost and cost quantification method.

The first consists of analyzing the market conditions and transactions comparable to the asset that is being valued and thus determining the fair value where reliable and available data about sales can be found. The second method consists of assessing the value and the associated values for replacement, replacement or

reproduction of assets. Under the historical cost valuation method, the value of an asset is determined by adjusting for inflation its acquisition cost and calculated in accounting records and applying specific economic indexes, usually used by competent and official agencies. The fair value adjustment allocated to property, plant and equipment was MXN 404,018 thousand, equivalent to R$119,630 on January 14, 2025.

The step-up adjustment is depreciated over the remaining useful life of the property, plant and equipment.

(d) The identified intangible assets, whose value can be measured reliably by the Company, consist of client portfolio and trademarks. The client portfolio was valued using the Multi *Period Excess Earnings Method*, which is based on a calculation of discounting the cash flows from future economic benefits attributable to the client base, net of the elimination of the contribution obligations implied in their generation. In order to estimate the remaining useful life of the client portfolio, the Company applied a churn rate, estimated according to an analysis of the client portfolio and historical revenues, representing an economic useful life of 12.1 years. The fair value allocated to customer relationships on the acquisition date was MXN 1,215,710 thousand, equivalent to R$359,972 on January 14, 2025, which will be amortized over its useful life.

The trademarks were evaluated using the *"Relief from Royalties"* method, which consists of valuing the asset by capitalizing the royalties that are saved by having the intellectual property. In other words, the trademark owner makes a profit by owning the intangible asset instead of having to pay royalties for its use. The royalty savings were determined by applying a market royalty rate (expressed as a percentage on revenues) to the future revenues expected to be earned from the sale of the product or service associated with the intangible asset. The economic useful life considered for this intangible asset was 13 years and the fair value allocated on the date of acquisition was MXN 618,342 thousand, equivalent to R$183,091 on January 14, 2025, which will be amortized over the term of its useful life.

The goodwill reported in the amount of MXN 2,101,853 thousand, equivalent to R$594,496 on January 14, 2025, represents the future economic benefit expected from the synergies arising from the acquisition and expansion of its operations in the international auto parts market, in line with Frasle Mobility's strategic guidelines. *Kuo Reffaciones* contributed net revenue of R$1,396,155 and profit of R$87,578 from the date of acquisition through December 31, 2025 to profit or loss for the year. If the combination had occurred at the beginning of the year, the consolidated net revenue for 2025 would total R$5,535,744, and the consolidated profit for 2025 would total R$279,492.

b. *Updates for acquisitions and transactions prior to 2025*

- *Acquisition of Nakata Automotiva S.A.*

In the year ended December 31, 2025, amounts withheld in the business combination were paid in the amount of R$10,872 and an additional decrease was recorded in accounts payable for the business combination of R$845 (R$20,731 as of December 31, 2024) for the offset of the payment of contingencies that occurred in the year.

Subsidiary Nakata Automotiva Ltda, filed a lawsuit, obtaining the right to deduct the amounts paid to employees as maternity pay from the employer's social security contribution, for the period from October, 2009 to August 2020. The amount calculated by Nakata is linked to the clause of the agreement for the acquisition of the subsidiary in which former shareholders are entitled to gains from events prior to the acquisition. The amount due to sellers, in the amount of R$88, was provided for in other liabilities at Frasle Mobility S.A., net of taxes.

In the year ended December 31, 2025, the Company revised its estimates for future tax benefits, which resulted in a decrease in payables for business combination in the amount of R$7,154 (increase of R$2,016 as of December 31, 2024).

- *Acquisition of AML Juratek Limited.*

In the year ended December 31, 2025, amounts withheld in the business combination were paid in the amount of R$14,566 (R$15,420 as of December 31, 2024). This payment represents the full sttlement of any remaining obligations from the acquisition.

c. *Accounts payable for business combination*

The breakdown of balances payable for business combination as of December 31, 2025 and December 31, 2024, respectively, is shown below:

	Company		Consolidated	
	2025	2024	2025	2024
Armetal	**1.350**	1.178	**1.350**	1.178
Fremax	**14.349**	12.551	**14.348**	12.551
Nakata	**94.616**	97.789	**94.616**	97.789
AML Juratek	-	-	**-**	15.420
Dacomsa (Kuo Refacciones)	-	-	**66.549**	-
Total	**110.315**	**111.518**	**176.863**	**126.938**
Current	**11.954**	**10.622**	**11.954**	**26.042**
Non-current	**98.361**	**100.896**	**164.909**	**100.896**

Business combinations are adjusted for inflation, as established by contract, and are subject to exchange rate variation when they are not denominated in the country's functional currency.

7 Segment Reporting

The operating segments are presented consistently with the internal report provided to the Company's chief decision maker, who is the Board of Directors, responsible for the allocation of funds and for the assessment of performance of the operating segments. For management purposes, the Company is divided into business units based on products and services, with two operating segments subject to disclosure.

- **Aftermarket segment**: refers to Frasle Mobility's business area dedicated to the supply of products for the auto parts aftermarket. The Company produces and sells friction materials, components for brake systems, components for suspension and *powertrain* systems for the maintenance and repair of vehicles already in circulation. The aftermarket segment accounts for approximately 92% (percentage based on revenues) of Frasle Mobility's activities.
- **OEM:** refers to Frasle Mobility's business area dedicated to the supply of specific products to vehicle manufacturers, known as automakers. These products include friction materials, brake system components, and suspension system components, which are essential for the manufacture and operation of vehicles. The automaker segment accounts for approximately 8% of Frasle Mobility's activities.

a. *Segment reporting*

	Spare		OEM		Total	
	2025	2024	2025	2024	2025	2024
Net revenue	5.073.711	3.507.400	417.167	458.376	5.490.878	3.965.776
Third parties	5.073.711	3.507.400	417.167	458.376	5.490.878	3.965.776
Cost of goods sold and services rendered	(3.368.637)	(2.307.037)	(326.330)	(328.230)	(3.694.967)	(2.635.267)
Gross profit	1.705.074	1.200.363	90.837	130.146	1.795.911	1.330.509
Operating expenses *	–	–	–	–	(1.071.805)	(811.338)
Selling expenses	–	–	–	–	(563.965)	(404.731)
Administrative expenses	–	–	–	–	(489.950)	(317.435)
Other	–	–	–	–	(17.890)	(89.172)
Net finance income *	–	–	–	–	(403.209)	24.129
Profit (before income tax)	–	–	–	–	320.897	543.300
Income and social contribution taxes *	–	–	–	–	(37.731)	(168.597)
Profit *	–	–	–	–	276.895	367.742

* Operating expenses, finance income (costs), income and social contribution taxes, profit, assets and liabilities were not disclosed by segment, because these items are managed within the Company and are not reported separately to the person in charge of decision making.

b. *Net revenue from sales by shipping destination*

	2025	2024
Domestic market	2.577.134	2.403.571
USMCA (United States, Mexico, and Canada)	1.796.102	515.929
South America	509.492	523.412
Europe	345.640	317.983
Asia and Oceania	128.060	111.972
Africa	41.320	26.683
Other	93.130	66.226
Total	5.490.878	3.965.776

c. *Assets per geographic area*

	Assets*	
	2025	2024
Mexico	1.837.241	158
Brazil	1.319.209	1.203.180
Netherlands	140.392	9.260
Argentina	135.595	194.123
United States	65.734	78.724
China	42.010	53.235
India	33.780	44.542
England	13.698	161.501
Uruguay	8.695	13.326
Other	844	675
Total	3.597.198	1.758.724

*Total assets consist of total non-current assets less deferred taxes and investments.

8 Cash and cash equivalents

Balances comprise on demand deposits and short-term financial investments to meet short-term financial obligations and not for long-term investments or other purposes.

Financial investments are highly convertible into a known amount of cash with the issuer and are not subject to significant changes in value. They are recognized at cost plus income earned through the reporting dates, which do not exceed their market or realizable value.

	Index	Remuneration	Company		Consolidated	
			2025	2024	2025	2024
Cash and banks			**42.819**	7.022	**606.976**	102.694
Cash in transit (a)			**1.615**	9.235	**2.667**	9.562
Financial investments	CDI	50%-103% (85%-110% in 2024)	**329.956**	124.737	**706.605**	732.625
Total			**374.390**	**140.994**	**1.316.248**	**844.881**

(a) Cash in transit consists of export receipts held in a financial institution and remained outstanding on the date of the financial statements.

The credit risk policy is described in note 24.

9 Non-liquid financial investments

Consist of financial investments in certificates of bank deposit (CDBs) that are not readily convertible into cash considering the date of the transaction. The classification of financial investments depends on the purpose for which the investment was acquired, according to its category. When applicable, costs directly attributable to the acquisition of a financial asset are added to the amount originally recognized.

Application	Index	Remuneration	Company		Consolidated	
			2025	2024	2025	2024
Escrow Account - CDB	CDI	98% (96% in 2024)	**47.723**	43.127	**47.723**	43.127
Escrow Account - government bonds Mexico	Cetes (b)	75%	**-**	-	**66.550**	-
Bopreal securities (a)	Fixed p.a.	3.0%-5.0% (3.0%-5.0% in 2024)	**-**	-	**50.931**	77.803
Interest rate guarantee account	Fixed p.a.	7%(7% in 2024)	**-**	-	**93**	101
Total			**47.723**	**43.127**	**165.297**	**121.031**
Current			**-**	**-**	**13.869**	**13.993**
Non-current			**47.723**	**43.127**	**151.428**	**107.038**

a) Government debt securities issued by the Central Bank of the Argentine Republic (BCRA).

b) Index consists of certificates issued by the Treasury Department of the Federation of Mexico.

10 Trade receivables

They consist of the consideration for the sale of merchandise or the rendering of services over the Company's normal course of activities, taking into consideration all significant facts and circumstances when applying each stage of the model for contracts with its customers.

If the collection period is one year or less from the balance sheet date, or another period that complies with the Company's normal course of operations, trade receivables are classified into current assets. Otherwise they are classified into non-current assets.

Trade receivables are recognized at amortized cost, discounted to present value using the effective interest method, less the allowance for *impairment*.

	Company		Consolidated	
	2025	2024	2025	2024
In Brazil	**32.885**	**31.403**	**54.113**	**104.798**
From third parties	17.924	21.007	30.208	84.409
Related parties (note 13)	7.780	2.431	4.965	1.777
Vendor	7.181	7.965	18.940	18.612
External	**213.893**	**322.865**	**469.140**	**340.434**
From third parties	63.876	100.876	469.140	340.434
Related parties (note 13) (a)	150.017	221.989	-	-
Subtotal	**246.778**	**354.268**	**523.253**	**445.232**
Less:				
Discounted present value	(2.394)	(2.176)	(2.491)	(2.274)
ECL allowance	(2.163)	(2.806)	(22.321)	(9.330)
Total	**242.221**	**349.286**	**498.441**	**433.628**
Current	**235.306**	**335.231**	**498.441**	**433.628**
Non-current (a)	**6.915**	**14.055**	**-**	**-**

(a) As of December 31, the parent company has a balance of trade receivables in non-current years related to intercompany transactions.

As of December 31, 2025 and 2024, the average collection periods for the domestic third-party market were 52 and 33, respectively, and 49 and 51 days for the domestic market of related parties, respectively. For the foreign market, as of December 31, 2025 and December 31, 2024, the terms were 62 and 55 days for third parties, respectively, and 65 and 96 days for related parties, respectively.

The criterion for recognizing the impairment loss on trade receivables takes into consideration a specific allowance matrix that considers historical loss rates reported after 180 days of the portfolio's maturity and weighted by the percentage of default incurred at each *aging interval*. Rates are annually adjusted and factors such as payment history and economic conditions are evaluated, although at the moment there is no significant correlation between ECLs and macroeconomic variables.

Changes in the ECL allowance are shown below:

	Company		Consolidated	
	2025	2024	2025	2024
Balance at the beginning of the year	**(2.806)**	(1.266)	**(9.330)**	(7.308)
Additions	**(2.039)**	(2.671)	**(24.772)**	(8.779)
Addition per business combination	**-**	-	**(10.506)**	-
Write-offs/Realizations	**2.682**	1.131	**22.287**	6.757
Balance at the end of the year	**(2.163)**	(2.806)	**(22.321)**	(9.330)

As of December 31, 2025 and 2024, the aging schedule of trade receivables is as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Falling due	**160.512**	268.850	**481.930**	371.615
Past due:				
Within 1-30 days	**34.432**	34.408	**16.876**	58.563
Within 31-60 days	**5.140**	13.546	**9.416**	4.561
Within 61-90 days	**3.670**	3.572	**4.196**	3.172
Within 91 to 180 days	**13.694**	8.150	**4.710**	3.898
Over 181 days	**29.330**	25.742	**6.125**	3.423
Balance at the end of the year	**246.778**	354.268	**523.253**	445.232

The Company does not demand collateral for installment sales. The Parent company's balances include trade receivables past due for more than 181 days basically consisting of sales of products to subsidiaries (see note 13).

The exposure to credit and currency risk related to trade receivables is disclosed in note 24.

11 Inventories

Measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average costing principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

	Company		Consolidated	
	2025	2024	2025	2024
Finished goods	**158.796**	153.061	**905.067**	554.993
Work in progress	**44.912**	43.484	**142.201**	78.012
Raw materials	**107.990**	122.049	**307.770**	213.633
Auxiliary and maintenance materials	**16.445**	17.211	**44.697**	36.080
Advances to suppliers	**433**	163	**2.899**	4.611
Imports in progress	**2.723**	26.640	**118.844**	185.619
Effect of hyperinflation	**-**	-	**11.514**	12.665
Impairment loss on inventories	**(18.951)**	(9.593)	**(89.545)**	(30.861)
	312.348	**353.015**	**1.443.447**	**1.054.752**

The Company uses estimates to evaluate the realization of inventories. The realizable value is estimated considering the estimated selling price less the estimated costs of completion and selling expenses.

The impairment loss on inventories is recognized by evaluating the rotation factor of materials. The inventory portion of the material is measured within a twelve-month historical interval. The allowance percentage is applied to the unrealized portion of inventory within this interval. If materials are identified and documented as obsolete, the inventory amount of the material is fully provided for.

Changes in the impairment loss on inventories are shown as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Balance at the beginning of the year	**(9.593)**	(8.531)	**(30.861)**	(23.504)
Addition per business combination	**-**	-	**(43.097)**	-
Additions	**(19.123)**	(4.373)	**(35.206)**	(16.633)
Write-offs/Realizations	**9.765**	3.311	**19.619**	9.276
Balance at the end of the year	**(18.951)**	**(9.593)**	**(89.545)**	**(30.861)**

12 Recoverable taxes and contributions

Recoverable taxes are recognized according to the law in force and are subject to future revisions due to possible divergent understandings issued by the judiciary on general repercussions and/or repetitive appeals.

The impairment testing of these assets takes into consideration the most recent financial forecasts and budgets, which are prepared separately by management, in addition to tax and legal criteria for recognizing tax credits. If any asset is found to be recoverable within the period forecast by tax agencies, a loss is recognized in profit or loss for the year.

	Company		Consolidated	
	2025	2024	2025	2024
Income tax and social contribution	**26.838**	27.860	**35.887**	36.932
Contribution for Social Integration Program and Tax for Social Security Financing (PIS and COFINS)	**14.265**	13.217	**21.520**	16.957
Value-Added Tax on Sales and Services (ICMS)	**20.651**	14.052	**37.986**	29.673
Import taxes	**1.252**	7.891	**3.990**	12.065
REINTEGRA (Special Regime on Exports)	**695**	1.855	**722**	16.990
IPI (Federal VAT)	**77**	34	**103**	45
Value added tax (VAT)	**-**	-	**51.369**	58.301
Goods and Services Tax (GST) India	**-**	-	**733**	1.993
Green Mobility Program (MOVER)	**357**	19.962	**357**	19.963
Employer's social security contribution (a)	**12.308**	-	**12.308**	-
Other	**138**	610	**7.414**	8.118
Total	**76.581**	**85.481**	**172.389**	**201.037**
Current	**45.772**	**65.231**	**98.308**	**143.381**
Non-current	**30.809**	**20.250**	**74.081**	**57.656**

(a) **Employer's social security contribution on the constitutional third of vacation**: In June 2024, the Federal Supreme Court (STF) concluded the judgment on the modulation of effects of Theme 985, validating the incidence of employer's social security contribution on the constitutional third of vacation, with effects applicable as of September 15, 2020. As a result, taxpayers with lawsuits filed until that date are now entitled to the recovery of the amounts previously collected.

The parent company has a balance of assets resulting from a lawsuit on the issue and, according to the assessment made by its legal and tax counselors under CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, a favorable outcome was classified as virtually certain. As of December 31, 2025, the balance in the parent company was R$12,308, as recoverable social security contribution assets. The offsetting of the claim is subject to a final and unappealable decision.

13 Related parties

Related party sales transactions consist of sales of merchandise to supply the markets where they are located and sales of input used for producing and providing services. Purchases made from related parties consist of the supply of input used in the Company's production process. Other transactions carried out with the parent company comprise shared administrative services.

The balances of loan agreements between the parent company, subsidiaries and other related parties have a fixed maturity date. The rates of the last loan raised are used as reference, reflecting market rates, equivalent to the cost of raising funds with third parties.

Business transactions carried out with these related parties follow specific pricing policies and deadlines set on association agreements between the parties. The commercial agreement takes into account the term, volume and specificity of the products acquired by the related parties, which are not comparable to those sold to unrelated parties.

The Company uses the Interbank Deposit Certificate (CDI) as interest rate for the parent company's business transactions, which is the same reference rate for business transactions carried out with third parties. No interest is charged on business transactions that fall due in cash.

The main balances of assets and liabilities, as of December 31, 2025 and 2024, and transactions that had an impact on profit or loss for the year, with respect to transactions with related parties, result from transactions of the parent company and its subsidiaries, among themselves and with other related parties, which were carried out in accordance with the Company's Related Party Transactions Policy.

Transactions with subsidiaries	ASK Frasle Friction	Frasle Mexico	Frasle Argentina	Frasle Europe B.V.	Frasle Friction Pinghu	Frasle North America	Frasle Panamericana	Frasle Mobility Sorocaba	Nakata	Other subsidiaries	Total subsidiaries
Trade receivables	–	2.764	26.104	146	483	83.105	36.749	5.435	–	728	155.514
Interest on equity capital and dividends receivable	–	–	10	–	–	–	–	–	–	7.692	7.702
Related party loan receivable	4.167	–	55.082	–	–	–	–	–	–	–	59.249
Other receivables	–	–	1.660	–	–	–	–	–	–	148	1.808
Trade payables	(267)	(14)	–	(46)	(25)	(113)	–	(17)	(1.067)	(264)	(1.813)
Asset balance (liabilities) as of December 31, 2025	**3.900**	**2.750**	**82.856**	**100**	**458**	**82.992**	**36.749**	**5.418**	**(1.067)**	**8.304**	**222.460**
Sales of goods and services	–	4.074	68.197	1.284	1.401	213.793	36.924	15.847	–	3.508	345.028
Purchase of goods and services	(18.863)	–	–	(277)	(14.439)	(171)	–	(30.478)	(15.675)	(3.581)	(83.484)
Other operating revenues/finance costs, net	211	(1.992)	3.838	(235)	(696)	(1.317)	(392)	504	(12.677)	(1.371)	(14.127)
Profit or loss balance as of December 31, 2025	**(18.652)**	**2.082**	**72.035**	**772**	**(13.734)**	**212.305**	**36.532**	**(14.127)**	**(28.352)**	**(1.444)**	**247.417**

Transactions with subsidiaries	ASK Frasle Friction	Fanacif	FrasleArgentina	Frasle Europe B.V.	Frasle Friction Pinghu	Frasle North America	Frasle Panamericana	Frasle Mobility Sorocaba	Nakata	Other subsidiaries	Total subsidiaries
Trade receivables	1.328	–	60.426	874	869	120.886	36.259	1.907	–	1.447	223.996
Interest on equity capital and dividends receivable	–	–	16	–	–	–	–	–	7.846	4.116	11.978
Related party loan receivable	7.034	–	57.717	–	–	–	–	–	–	–	64.751
Other receivables	–	–	–	–	–	–	–	–	–	1.870	1.870
Trade payables	(457)	(1.073)	–	–	(181)	–	–	(817)	(9.395)	(70)	(11.993)
Asset (liability) balance as of December 31, 2024	**7.905**	**(1.073)**	**118.159**	**874**	**688**	**120.886**	**36.259**	**1.090**	**(1.549)**	**7.363**	**290.602**
Sales of goods and services	114	480	85.314	1.355	1.366	248.956	35.880	14.315	–	2.987	390.767
Purchase of goods and services	(2.770)	–	–	–	(26.045)	(210)	–	–	(11.534)	(32)	(40.591)
Other operating revenues/finance costs, net	313	–	3.521	(167)	(616)	(932)	(352)	–	(8.307)	(3.515)	(10.055)
Profit balance as of December 31, 2024	**(2.343)**	**480**	**88.835**	**1.188**	**(25.295)**	**247.814**	**35.528**	**14.315**	**(19.841)**	**(560)**	**340.121**

Transactions with other related parties	Banco Randon	Castertech	Dramd	Elisabetha Randon Institute	Instituto Hercílio Randon	Master	Randon S.A.	Other related parties	Total related parties
Trade receivables	–	–	–	–	–	1.877	–	406	2.283
Other receivables	–	–	–	–	–	–	2.920	–	2.920
Trade payables	–	–	–	–	–	–	(1.762)	(1.096)	(2.858)
Other liabilities	(7.182)	–	–	–	–	–	–	–	(7.182)
Drawee's risk	(6.115)	–	–	–	–	–	–	–	(6.115)
Interest on equity capital and dividends payable	–	–	(8.876)	–	–	–	(44.552)	–	(53.428)
Asset balance (liabilities) as of December 31, 2025	**(13.297)**	**–**	**(8.876)**	**–**	**–**	**1.877**	**(43.394)**	**(690)**	**(64.380)**
Sales of goods and services	–	8	–	–	–	49.991	838	1.223	52.060
Purchase of goods and services	–	(41)	–	–	–	–	(14.339)	(6.899)	(21.279)
Other operating revenues/finance costs, net (a)	(29.848)	(669)	–	–	–	(59)	(51.068)	(195)	(81.839)
Donations/charitable appropriations	–	–	–	(1.609)	–	–	–	–	(1.609)
Innovation projects	–	–	–	–	(5.270)	–	–	–	(5.270)
Profit or loss balance as of December 31, 2025	**(29.848)**	**(702)**	**–**	**(1.609)**	**(5.270)**	**49.932**	**(64.569)**	**(5.871)**	**(57.937)**

a) The amount of R$51,068 recognized as Other operating and net finance revenues/expenses consists of the administrative services of the Shared Solutions Center paid to parent company Randoncorp.

Transactions with other related parties	Banco Randon	Castertech	Dramd	Elisabetha Randon Institute	Instituto Hercílio Randon	Master	Randon	Other related parties	Total related parties
Trade receivables	–	–	–	–	–	44	33	346	423
Other receivables	–	–	–	–	–	–	27	–	27
Trade payables	–	–	–	–	–	–	(1.477)	(1.457)	(2.934)
Other payables	–	–	–	–	–	–	(446)	(4)	(450)
Other liabilities	(7.965)	–	–	–	–	–	–	–	(7.965)
Reverse factoring	(4.344)	–	–	–	–	–	–	–	(4.344)
Interest on equity capital and dividends payable	–	–	(8.165)	–	–	–	(32.898)	–	(41.063)
Asset (liability) balance as of December 31, 2024	**(12.309)**	**–**	**(8.165)**	**–**	**–**	**44**	**(34.761)**	**(1.115)**	**(56.306)**
Sales of goods and services	–	38	–	–	–	59.021	2.331	1.188	62.578
Purchase of goods and services	–	(36)	–	–	–	(24)	(17.335)	(8.758)	(26.153)
Other operating revenues/finance costs, net (a)	(23.640)	(258)	(177)	–	–	(96)	(63.402)	(443)	(88.016)
Donations	–	–	–	(1.287)	–	–	–	–	(1.287)
Innovation Projects	–	–	–	–	(5.900)	–	–	–	(5.900)
Profit balance as of December 31, 2024	**(23.640)**	**(256)**	**(177)**	**(1.287)**	**(5.900)**	**58.901**	**(78.406)**	**(8.013)**	**(58.778)**

13.1 Key management personnel compensation – the Company and its subsidiaries

The Company and its subsidiaries defined the following as key personnel: the Board of Directors, the Board of Executive Officers appointed as per the Company's by-laws, the Audit Committee, the Management team not appointed as per the Bank's by-laws and the main executives of the subsidiaries. Key management personnel compensation is as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Short and long-term benefits (a)	12.597	6.218	31.082	29.911
Post-employment benefits – Pension plan	383	133	383	163
Total	12.980	6.351	31.465	30.074

(a) Short-term benefits comprise salaries, wages, profit sharing, health care expenses and termination benefits. Long-term benefits consist of profit sharing, paid every three years in the position, according to the Company's results, and are linked to executive performance indicators.

The Company did not pay key management personnel any compensation based on termination benefits and share-based payments.

14 Pension plans and post-employment benefits

The Company sponsors a supplementary defined-contribution pension plan with a guaranteed minimum benefit equivalent to one basic contractual salary for every 10 years of service provided to Randoncorp, limited to 30 years, characterizing it as a mixed plan. The plan is administered by Randonprev Fundo de Pension, a Closed Supplementary Pension Fund Entity, and offers benefits such as normal and early retirement, disability retirement, death pension, and guaranteed minimum benefit.

Post-employment benefit obligations are actuarially measured using the projected unit credit method, considering assumptions such as salary growth rate, expected rate of return on the plan's assets and participants' retirement age. The discount rate used to measure these liabilities is based on long-term market rates. The plan's assets are measured at fair market value.

Actuarial assumptions include factors such as long-term inflation rate, turnover and mortality of participants, estimated according to adherence studies conducted by actuarial advisers. These assumptions have an impact on the Company's accounting recognition of benefits and the measurement of obligations.

The following tables summarize the components of the net benefit expense recognized in profit or loss, as well as the status and amounts recognized in the balance sheet.

	Company		Consolidated	
	2025	2024	2025	2024
Net benefit expense				
Current service cost	**(187)**	(193)	**(234)**	(235)
Interest cost on benefit obligations	**(323)**	(267)	**(397)**	(320)
Interest income on plan assets	**344**	317	**425**	383
Interest on the unrecoverable surplus	**(9)**	(17)	**(11)**	(21)
Defined benefit cost in profit or loss	**(175)**	**(160)**	**(217)**	**(193)**

	Company		Consolidated	
	2025	2024	2025	2024
Actual return on the plan's assets				
Return on the plan's assets	**(471)**	1.013	(376)	1.310
Interest income on plan assets	**344**	**-**	**425**	**-**
Actual return on the plan's assets	**(127)**	**1.013**	**49**	**1.310**

	Company		Consolidated	
	2025	2024	2025	2024
Benefit asset				
Defined benefit obligations	**(3.818)**	(3.350)	**(4.720)**	(4.226)
Fair value of the plan's assets	**3.630**	3.430	**4.488**	4.326
Adjustment	**-**	(80)	**-**	(100)
Benefit asset	**(188)**	**-**	**(232)**	**-**
Current	**-**	**-**	**-**	**-**

Changes in the present value of defined benefit liabilities are as follows:

	Company	Consolidated
Defined benefit liability as of December 31, 2023	**(3.318)**	**(4.073)**
Interest cost	(268)	(320)
Current service cost	(193)	(235)
Benefits paid	73	80
Actuarial losses on liabilities	356	474
Past service cost – benefit implementation	-	(152)
Defined benefit liability as of December 31, 2024	**(3.350)**	**(4.226)**
Interest cost	(324)	(397)
Current service cost	(186)	(234)
Benefits paid	843	965
Actuarial losses on liabilities	(812)	(839)
Past service cost – benefit implementation	11	11
Defined benefit liability as of December 31, 2025	**(3.818)**	**(4.720)**

Changes in the fair value of the plan's assets are as follows:

	Company	Consolidated
Fair value of the plan's assets as of December 31, 2023	**3.651**	**4.481**
Return on investment	(377)	(544)
Employer contribution	228	469
Benefits paid	(73)	(80)
Fair value of the plan's assets as of December 31, 2024	**3.429**	**4.326**
Return on investment	815	801
Employer contribution	240	337
Benefits paid	(843)	(965)
Amounts transferred	(11)	(11)
Fair value of the plan's assets as of December 31, 2025	**3.630**	**4.488**

The Company contributed R$2,228 to its defined benefit plans in 2025. The principal categories of the plan's assets, with a percentage of the fair value of the plan's total assets, are as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Actions	**871**	720	**1.077**	908
Titles	**2.759**	2.709	**3.411**	3.418
Total	**3.630**	**3.429**	**4.488**	**4.326**

The total expected asset yield rate is determined based on market expectations at that date, applicable to the period over which the obligation must be settled. These expectations are reflected in the key assumptions below.

	2025	2024
Discount rate	**11,56%**	10,82%
Growth rate for salaries	**6,61%**	6,61%
Life expectancy (years) in private pension plans for participants aged 60 years:		
Men	**24,63**	24,59
Women	**27,47**	27,42

The estimated defined benefit expected for the next year is the following:

Expected contributions for the next year	Company		Consolidated	
	2025	2024	2025	2024
Companies	**252**	222	**354**	311
Participants	**4.284**	3.788	**5.926**	5.032

The estimated defined benefit expectations for the next fiscal year are the following:

	Company	Consolidated
Defined benefit obligation maturity profile	917	1.271
Expected benefit payments in the years ending December 31, 2026-2034	4.033	5.083
Total	**4.950**	**6.354**
Analysis of the defined benefit obligation by participant category	3.818	4.721
Equity Information:		
Percentage of total allocation as of December 31, 2025		
Variable income	18%	18%
Fixed income	52%	52%
Other	30%	30%
Profit or loss for the year:		
Current service cost	210	269
Interest on liabilities / (assets) net	7	6
Profit or loss for the year	**217**	**275**

The table below shows the sensitivity analysis of the present value of liabilities as of December 31, 2025 and 2024:

Sponsor	Present value of liabilities (VPO) 2025	1% increase – effect on VPO	1% reduction – effect on VPO	Present value of liabilities (VPO) 2024	1 % increase – effect on VPO	1% reduction – effect on VPO
Frasle Mobility	3.818	(161)	177	3.350	(151)	168
Controil Brakes	301	(14)	15	262	(11)	14
Nakata	431	(10)	11	463	(10)	11
Frasle Sorocaba	170	(7)	8	151	(6)	7
Total	**4.720**	**(192)**	**211**	**4.226**	**(178)**	**200**

According to item 145 of CPC 33 (R1)/*IAS 19* Employee Benefits and the results of the study, the effect on the value of the VPO was calculated considering a higher and a lower percentage point in the discount rate. The combination of the actual discount rate and the inflation rate leads to a nominal discount rate equal to 12.56% p.a. as of December 31, 2025 (10.82% p.a., as of December 31, 2024).

15 Investments

Investments in subsidiaries and associates are accounted for on the equity method of accounting under CPC18 (R2)/*IAS* 28 for the parent company's financial statements. Other investments that do not fall within these asset classes are stated at acquisition cost, less impairment loss, when applicable.

15.1 Breakdown of balances

	Company		Consolidated	
	2025	2024	2025	2024
Equity in subsidiaries	**2.834.835**	1.619.636	**–**	–
Equity in associates	**36.499**	34.597	**36.499**	34.597
Other investments	**–**	–	**8**	13
Goodwill (a)	**50.455**	78.317	**–**	–
Unrealized profit on inventories	**(20.837)**	(30.119)	**–**	–
Total	**2.900.952**	**1.702.431**	**36.507**	**34.610**

(a) In 2025, the total effect of foreign exchange gain or loss of R$27,862 on the COE, which was designated as cash flow hedge, as shown in note 24.4, was reclassified to goodwill on investments in the parent company upon settlement of the transaction, and makes up the amount in reais of the consideration transferred in the business combination, as shown in note 6 of Business Combination.

12.2 Changes in balances

Changes in investments are as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Balances at the beginning of the year	**1.702.431**	1.266.677	**34.610**	32.109
Share of profit (loss) of equity-accounted investees	**252.384**	192.053	**1.903**	475
Adjustment for inflation (a)	**17.090**	40.308	**–**	–
Paid-in capital	**1.084.497**	265.016	**–**	2.028
Unrealized profit on inventories	**9.282**	(15.368)	**–**	–
Impairment	**14.820**	(9.591)	**–**	–
Acquisition of ownership interest in subsidiary	**7.044**	–	**–**	–
Distribution of dividends and interest on equity capital	**(77.287)**	(199.661)	**–**	–
Exchange rate effect (a)	**(24.889)**	5.597	**–**	–
Foreign exchange gain (loss) on investees	**(56.492)**	157.475	**(5)**	–
Goodwill adjustment arising from business combination – hedge	**(27.862)**	–	**–**	–
Actuarial valuation	**(66)**	(75)	**(1)**	(2)
Balances at the end of the year	**2.900.952**	**1.702.431**	**36.507**	**34.610**

(a) The foreign exchange effect and the inflation adjustment are applied on goodwill and other intangible assets.

15.3 Changes in balances by subsidiary

	Balance in 2024	Share of profit of equity-accounted investees	Cumulative translation adjustments	Adjustment for inflation	Exchange rate effect	Actuarial valuation	Impairment loss	Distribution of dividends	Payment of capital / Acquisition of ownership interest	Spin-off / Merger	Balance in 2025
Armetal	149.828	-	-	-	-	-	-	-	-	(149.828)	-
ASK Frasle Friction	17.897	4.488	(2.988)	-	-	-	-	-	-	-	19.397
Fanacif	26.035	(17.424)	(3.177)	-	(1.646)	-	14.820	-	-	-	18.608
Frasle Andina	246	376	23	-	-	-	-	-	-	-	645
Frasle Argentina	38.216	29.594	(39.207)	17.090	(23.244)	-	-	-	-	149.828	172.277
Frasle Europe	13.060	974	82	-	-	-	-	-	-	-	14.116
Frasle Europe BV	189.971	21.186	(11.993)	-	1	-	-	-	-	-	199.165
Frasle Friction	91.692	4.614	(6.759)	-	-	-	-	-	-	-	89.547
Frasle Mexico	4.214	42.770	22.664	-	-	-	-	-	1.084.497	-	1.154.145
Frasle North America	438.701	(3.409)	(16.743)	-	-	-	-	-	-	-	418.549
Frasle Panamericana	16.577	4.107	1.606	-	-	-	-	-	-	-	22.290
Controil Brakes	89.828	11.735	-	-	-	(14)	-	(10.322)	-	-	91.227
Frasle Mobility Sorocaba	75.319	7.819	-	-	-	(12)	-	-	7.044	-	90.170
Nakata	467.359	143.944	-	-	-	(39)	-	(66.965)	-	-	544.299
Nakata Osasco	693	(293)	-	-	-	-	-	-	-	-	400
Total	**1.619.636**	**250.481**	**(56.492)**	**17.090**	**(24.889)**	**(65)**	**14.820**	**(77.287)**	**1.091.541**	**-**	**2.834.835**

15.4 Acquisition of Jurid shares

On July 31, 2025, the Company completed the acquisition of the remaining 19.9% of the share capital of Jurid do Brasil Sistemas Automotivos Ltda., and became the owner of a 100% interest. The purpose of the transaction is to strengthen the Company's strategic position in the original and aftermarket markets and to expand the production capacity of brake pads, especially the ceramic line. Upon completion, the unit was renamed Frasle Mobility Site Sorocaba.

The transaction involved assuming contingencies that were covered by the *Joint Venture Agreement*, in which the seller had the obligation to reimburse Jurid in possible indemnities. In exchange for that, the remaining ownership interest and the properties owned by the selling partner, located next to the manufacturing unit, were transferred, which were recognized as investment property. The effects of the transaction were recognized directly in the parent company's equity.

15.5 Restructuring of subsidiary FANACIF

On April 16, 2024, the Company announced in a communication to the market the closure of the manufacturing activities of subsidiary FANACIF S.A. ("FANACIF") in Montevideo, Uruguay, as part of a footprint optimization strategy, in response to the business challenges faced over the past years. The Company will continue to operate in the Uruguayan market, maintaining its commercial and distribution operations in Brazil.

On December 31, 2025, the impacts related to FANACIC's restructuring on the subsidiary were of R$10,495 referring to the sale of property, plant and equipment and R$(5,457) on the parent company consisting of the

write-off of capital gains and reversal of *impairment*. The accounting effect on Frasle Mobility's consolidated profit was positive at R$5,038.

15.6 Merger of subsidiary Armetal into subsidiary Frasle Argentina

On January 1, 2025 subsidiary Armetal Autopartes S.A. was merged into subsidiary Frasle Argentina S.A. aiming at optimization, synergy and profitability for the Company, allowing more efficient and sustainable deliveries over time.

15.7 Merger of subsidiary Nakata Automotiva Ltda by parent company Frasle Mobility S.A

According to a significant fact disclosed on December 10, 2025, the Board of Directors of Frasle Mobility S.A. approved the merger of its wholly owned subsidiary Nakata Automotiva Ltda., headquartered in Osasco (São Paulo) and with industrial operations in Extrema (Minas Gerais).

The transaction was decided at an Extraordinary General Meeting held on December 31, 2025 and aims at simplifying the economic group's corporate structure, with the absorption of Nakata's activities by the Company, which will generate operational, economic, financial, tax, commercial and strategic benefits, especially by optimizing decision-making and operational processes. The accounting effects of the merger start to be reflected on the Company's financial statements as from January 1, 2026.

Because this is a wholly owned subsidiary, the transaction is between companies under common control. It does not generate additional economic effects on the Group's consolidated financial statements. Assets and liabilities are absorbed at their book values.

15.8 Changes in balances by associates

	Balance in 2024	Share of profit of equity-accounted investees	Actuarial valuation	Balance in 2025
Randon Technology Center	34.597	1.903	(1)	36.499
Total	**34.597**	**1.903**	**(1)**	**36.499**

16 Impairment

Management annually tests its assets for impairment or whenever there is an indication of impairment. The purpose is to identify possible impairment losses resulting from economic, operational or technological changes that may have an impact on the book value of assets.

The recoverable amount of an asset is the greater of its value in use, net of costs to sell. The estimate of value in use is obtained by projecting discounted cash flows according to macroeconomic, operating and industry assumptions consistent with the strategic plan approved by Management.

The fundamental assumptions used in the determination of the recoverable value include:

- **Forecast period:** financial projections cover a five-year period, and are adjusted on a perpetuity basis, when applicable.
- **Discount rate:** based on the Company's weighted average cost of capital (WACC), considering Frasle Mobilty's capital structure and adjusted according to the risk profile of each CGU, taking into consideration factors such as geographic location, exchange rate volatility, industry risk and cash flow projections.
- **Future growth:** growth rate based on industry projections and market expectations.

Assets with indefinite useful lives, such as goodwill, are not amortized and are annually tested for *impairment* to assess the need for an adjustment to their book value. These tests consider the value of the assets that were the basis for their measurement, ensuring that they remain aligned with the future profitability prospects of the corresponding cash-generating unit.

16.1 Recognition, Reversal and Allocation of *Impairment Losses*

An impairment loss on an asset is recognized in profit or loss for the year when its book value exceeds its recoverable value. If there is a significant change in the assumptions on which the estimate was originally based, reversal may be performed provided that the new recoverable value does not exceed the carrying amount that the asset would have had if no loss had been recognized. *Impairment* loss on goodwill cannot be reversed.

In cash-generating units, losses are primarily allocated to goodwill due to expected future profitability, if any. The remaining losses are recognized in the intangible assets determined by future cash flows as capital gains and finally in the most significant property, plant and equipment of the CGU.

16.2 Impairment testing

On December 31, 2025, the Company tested for impairment the units that showed signs of impairment, as well as intangible assets with indefinite useful lives and the goodwill paid for expected future profitability in a business combination. Units that showed no evidence of impairment loss or did not meet the established criteria were not submitted to the test. The tests carried out by our team have shown that the book values of the CGUs valued are recoverable on the base date of the testing, according to the following information:

Company	Note	Average gross margin	Discount rate	2025	2024
AML juratek Limited		40,99%	12.20% (13.03% in 2024)	Unidentified	Unidentified
ASK Frasle Friction		38,10%	14.08% (13.65% in 2024)	Unidentified	Unidentified
Frasle Argentina		34,43%	15.33% (18.93% in 2024)	Unidentified	Unidentified
Nakata		38,26%	14.50% (13.58% in 2024)	Unidentified	Unidentified
Fremax		38,77%	14.50% (13.58% in 2024)	Unidentified	Unidentified
Frasle Sorocaba		28,11%	14.50% (13.58% in 2024)	Unidentified	Unidentified
Fanacif	14.4	63,19%	18.34% (17.25% in 2024)	Unidentified	Unidentified
Frasle Friction Pinghu		27,58%	14.08% (12.49% in 2024)	Unidentified	Unidentified
Frasle Europe B.V.		27,21%	12.20% (13.03% in 2024)	Unidentified	Unidentified
Frasle Panamericana		21,71%	14.46% (14.31% in 2024)	Unidentified	Unidentified
Frasle North America		15,02%	11.43% (11.93% in 2024)	Unidentified	Unidentified

a. *Sensitivity analysis*

The Company conducted a sensitivity analysis projecting optimistic and pessimistic scenarios for its investments, considering the following assumptions: (i) lower and upper 2% EBTIDA and (ii) lower and higher 2% discount rate, and the result of the impairment test less book value is as follows:

Company	Real scenario	Optimistic scenario	Pessimistic scenario
Nakata	1.355.352	1.774.745	1.063.991
Fremax	173.989	289.836	93.743
Frasle Argentina	153.135	171.512	136.394
Frasle Sorocaba	50.733	66.123	37.808
Frasle North America	19.353	33.616	6.772
Fanacif	11.672	11.755	11.592
ASK Frasle Friction	11.445	14.207	8.933
AML Juratek Limited	80.466	148.614	34.562
Frasle Friction Pinghu (a)	5.975	9.440	2.763
Frasle Europe B.V.	1.613	2.286	978
Frasle Panamericana	178	317	42
Total	**1.863.911**	**2.522.451**	**1.397.578**

16.3 Changes in the allowance for impairment

The movement in the recoverable amount is as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Balances at the beginning of the year	**(27.730)**	(18.546)	(34.500)	(28.400)
Impairment recognition for the year *(a)*	**-**	(8.720)	(366)	(8.720)
Rollbacks/(updates) *(b)*	**14.929**	(464)	17.302	2.620
Balances at the end of the year	**(12.801)**	**(27.730)**	**(17.564)**	**(34.500)**

a) Additional amount of R$366 consisting of the impairment loss on the block production line in subsidiary Frasle North América (FNAI).

b) Consist of the movements reported during the year reported in the year of R$109 on property, plant and equipment, R$885 of adjustment for impairment loss on capital gains and reversal of R$13,935 in subsidiary Fanacif. Moreover, an impairment loss of R$1,983 was reversed in Frasle North América and R$390 was reversed for exchange rate fluctuations on impairment, according to note 15.5.

17 Property and equipment

a. *Recognition and measurement*

Property and equipment are measured at the historical cost of acquisition or construction, less accumulated depreciation and any *accumulated impairment losses* recognized. Cost includes expenditure directly attributable to the acquisition of the asset, such as materials, direct labor, dismantling, site restoration and finance costs for qualifying assets.

Management makes judgments and estimates to define which assets are to be capitalized and to segregate components with different useful lives. Subsequent expenditure is recognized as an asset when it adds future economic benefits to the Company, while ongoing repairs and maintenance are recognized in profit or loss. Likewise, assets are written off when they are disposed of or when economic benefits are not expected to be generated through the recognition of possible gains or losses in profit or loss for the year.

b. *Depreciation*

Inventories are recognized according to the estimated useful life of each asset or family of assets from the date they are available for use, using the straight-line method, so that their residual value after their useful life has elapsed is fully written off. Depreciation methods, useful lives and residual values are reviewed annually, and the effects of any changes in estimates are recorded prospectively. Land is not depreciated.

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

	Consolidated 2025		Consolidated 2024	
	Average useful life	% of year	Average useful life	% of year
Buildings	20 years	4,9	25 years	4,1
Machinery and equipment	6 years	15,8	8 years	11,8
Molds	7 years	14,7	9 years	11,5
Vehicles	7 years	13,5	8 years	13
Furniture and fixtures	8 years	13,2	8 years	12,9
Technology equipment	3 years	31	Four years	25,3

Company

Cost of property, plant and equipment	Land and buildings	Machinery, equipment and molds	Furniture and fixtures	IT equipment	Vehicles	Construction in progress	Total
Balance as of December 31, 2023	**143.458**	**592.350**	**13.276**	**12.839**	**885**	**49.697**	**812.505**
Acquisitions	1.161	25.137	2.531	1.758	23	84.431	115.041
Disposals	(23)	(6.907)	(207)	(26)	–	–	(7.163)
Transfers	7.373	28.015	1.323	23	19	(36.753)	–
Balance as of December 31, 2024	**151.969**	**638.595**	**16.923**	**14.594**	**927**	**97.375**	**920.383**
Acquisitions	18.233	33.189	1.386	978	6	35.331	89.123
Disposals	–	(2.371)	(1.184)	(3.543)	–	–	(7.098)
Transfers	22.627	59.570	1.607	1.530	25	(85.359)	–
Balance as of December 31, 2025	**192.829**	**728.983**	**18.732**	**13.559**	**958**	**47.347**	**1.002.408**
Depreciation and impairment loss							
Balance as of December 31, 2023	**(45.785)**	**(399.717)**	**(6.644)**	**(6.323)**	**(369)**	**–**	**(458.838)**
Depreciation charge for the year	(3.885)	(31.711)	(1.325)	(1.376)	(71)	–	(38.368)
Disposals	12	5.453	195	22	–	–	5.682
Transfers	(32)	46	(1)	(13)	–	–	–
Impairment losses	–	796	(389)	–	–	–	407
Balance as of December 31, 2024	**(49.690)**	**(425.133)**	**(8.164)**	**(7.690)**	**(440)**	**–**	**(491.117)**
Depreciation charge for the year	(5.417)	(32.306)	(1.420)	(1.544)	(71)	–	(40.758)
Disposals	–	2.032	1.061	2.905	–	–	5.998
Transfers	5	(5)	–	–	–	–	–
Impairment losses	–	–	109	–	–	–	109
Balance as of December 31, 2025	**(55.102)**	**(455.412)**	**(8.414)**	**(6.329)**	**(511)**	**–**	**(525.768)**
Residual value							
Balance as of December 31, 2024	102.279	213.462	8.759	6.904	487	97.375	429.266
Balance as of December 31, 2025	**137.727**	**273.571**	**10.318**	**7.230**	**447**	**47.347**	**476.640**

Consolidated

Cost of gross property, plant and equipment	Land and buildings	Machinery, equipment and molds	Furniture and fixtures	IT equipment	Vehicles	Construction in progress	Total
Balance as of December 31, 2023	**236.200**	**1.071.053**	**53.750**	**36.051**	**8.236**	**67.727**	**1.473.017**
Acquisitions	1.419	42.773	4.093	5.799	325	99.383	153.792
Disposals	(9.595)	(39.886)	(2.236)	(1.917)	(1.039)	(693)	(55.366)
Transfers	8.329	32.001	2.882	291	87	(43.590)	-
Foreign exchange gain (loss)	15.012	63.921	7.726	(857)	355	710	86.867
Effect of hyperinflation	-	7.593	1.133	1.180	1.921	3.861	15.688
Other	(22.401)	(1.869)	-	-	-	-	(24.270)
Balance as of December 31, 2024	**228.964**	**1.175.586**	**67.348**	**40.547**	**9.885**	**127.398**	**1.649.728**
Acquisitions	18.929	49.046	2.200	2.308	45	138.493	211.021
Additions by business combination	128.805	207.696	552	-	2.660	17.855	357.568
Disposals	(3.507)	(26.611)	(3.475)	(7.992)	(282)	(7.109)	(48.976)
Transfers	40.764	103.325	3.134	1.749	333	(149.305)	-
Foreign exchange gain (loss)	4.414	(31.476)	(5.910)	73	(2.593)	(2.861)	(38.353)
Effect of hyperinflation	2.847	5.993	1.370	2.050	2.387	(2.371)	12.276
Other	56.409	63.210	3	-	8	-	119.630
Balance as of December 31, 2025	**477.625**	**1.546.769**	**65.222**	**38.735**	**12.443**	**122.100**	**2.262.894**
Depreciation and impairment loss							
Balance as of December 31, 2023	**(87.336)**	**(672.755)**	**(29.590)**	**(22.913)**	**(4.830)**	**46**	**(817.378)**
Depreciation charge for the year	(6.908)	(65.701)	(4.580)	(4.220)	(499)	-	(81.908)
Disposals	5.287	33.595	1.563	1.291	893	-	42.629
Foreign exchange gain (loss)	(3.434)	(35.480)	(4.144)	(964)	(243)	13	(44.252)
Effect of hyperinflation	-	(5.440)	(583)	(780)	(1.408)	-	(8.211)
Impairment losses	(5.831)	4.007	(390)	-	-	-	(2.214)
Other (a)	14.820	-	-	-	-	-	14.820
Balance as of December 31, 2024	**(83.402)**	**(741.774)**	**(37.724)**	**(27.586)**	**(6.087)**	**59**	**(896.514)**
Depreciation charge for the year	(11.963)	(89.895)	(4.424)	(4.419)	(767)	-	(111.468)
Acquisitions of new businesses	(17.624)	(137.945)	(231)	-	(1.884)	-	(157.684)
Disposals	68	18.037	2.219	6.492	178	-	26.994
Transfers	(7.672)	7.209	183	285	47	(52)	-
Foreign exchange gain (loss)	(608)	18.033	2.537	1.562	1.708	(6)	23.226
Effect of hyperinflation	(123)	(3.987)	(214)	(414)	(371)		(5.109)
Impairment losses	-	1.626	2	107	-	-	1.735
Balance as of December 31, 2025	**(121.324)**	**(928.696)**	**(37.652)**	**(23.973)**	**(7.176)**	**1**	**(1.118.820)**
Residual value							
Balance as of December 31, 2024	145.562	433.812	29.624	12.961	3.798	127.457	753.214
Balance as of December 31, 2025	**356.301**	**618.073**	**27.570**	**14.762**	**5.267**	**122.101**	**1.144.074**

a) Amount stated in others include the reclassification to current assets held for the sale of Fanacif.

17.1 Breakdown of property, plant and equipment

The balance sheet balances of property, plant and equipment consist of the following amounts

	Company		Consolidated	
Breakdown of property, plant and equipment	**2025**	**2024**	**2025**	**2024**
Property, plant and equipment in operation	**476.640**	429.266	**1.144.074**	753.214
Advances to suppliers and imports in progress	**8.835**	11.995	**20.839**	54.987
Total	**485.475**	**441.261**	**1.164.913**	**808.201**

17.2 Construction in progress

Sundry liabilities basically consist of projects for expanding and optimizing industrial units, as listed below:

	Company		Consolidated	
	2025	**2024**	**2025**	**2024**
Toolmaking	**982**	1.066	1.558	6.608
Manufacturing and installation of machinery and equipment	**31.687**	63.332	54.201	83.524
Construction and improvements in real estate	**13.268**	29.274	15.891	30.853
Other	**1.410**	3.703	50.451	6.472
Total	**47.347**	**97.375**	**122.101**	**127.457**

17.2 Capitalization of interest on property, plant and equipment in progress

During the year ended December 31, 2025, the Company capitalized R$22,529 (R$0 as of December 31, 2024) related to borrowing costs associated with construction in progress.

Capitalization occurred during the period in which the qualifying assets remained under construction or acquisition. The amount that can be capitalized was determined by applying a weighted average rate, calculated according to the borrowing costs in effect in the year. In 2025, the average rate applied was 1.21% per month.

Interest capitalization ends when the assets are ready for use, at which time the related amounts start to be depreciated according to the estimated useful lives of the assets.

18 Intangible assets

a. *Software*

Acquired software licenses are capitalized according to costs incurred to acquire them and prepare them for use, and are amortized over their estimated useful lives, limited to six years. The decision on whether to capitalize or recognize the amount as an expense involves management's judgment, considering whether expenses generate future economic benefits for the Company.

Software maintenance costs are expensed as incurred, while development costs directly attributable to exclusive software projects controlled by the Company are recognized as intangible assets when the software is available for use or sale and when future economic benefits can be measured reliably. If these criteria are not met, expenses are recognized as expense. Development costs previously recognized as expenses may not be reclassified as assets in subsequent periods.

The measurement and amortization of intangible assets involve significant judgments and estimates, such as the definition of the economic useful life, the expectation of generating future benefits and the segregation of costs directly attributable to the development of the asset.

b. *Amortization*

Calculated to amortize the cost of intangible assets less their estimated residual values using the straight-line basis over their estimated useful lives and is generally recognized in profit or loss.

c. *Business combinations and goodwill*

Intangible assets acquired in a business combination basically consist of goodwill from acquisitions of investments, brands and customer relationships. In the consolidated financial statements, intangible assets acquired in a business combination and recognized separately from goodwill are recognized at fair value at acquisition date, which is equivalent to their cost, and are amortized over their estimated useful lives using the straight-line method.

Goodwill is the positive difference between the amount paid or payable and the net fair value of the acquired entity's assets and liabilities. The goodwill from the acquisition of subsidiaries is recognized as "intangible assets". If the acquisition results in bargain purchase, it must recognize the amount as gain in profit or loss on the acquisition date. Goodwill is annually tested for *impairment* and accounted for at cost less accumulated *impairment* losses, which are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Goodwill is allocated to cash generating units (CGUs) for *impairment* testing. Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination that originated the goodwill.

The current balance of goodwill originates from the business combinations of Armetal, Fanacif, Fremax, Juratek and Nakata.

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

	Consolidated 2025		Consolidated 2024	
	Average useful life	% of year	Average useful life	% of year
Software	6 years	16,7	6 years	16,7
Capital gain on the portfolio of clients	11 years	9,1	12 years	8,3
Trademarks	20 years	5,0	31 years old	3,2

Changes in intangible assets are as follows:

Company

Cost of intangible assets	Intangible assets in progress	Software and licenses	Client portfolio	Trademarks	Goodwill	Total
Balance as of December 31, 2023	**2.131**	**31.484**	**28.313**	**10.640**	**73.024**	**145.592**
Acquisitions	3.902	51	-	-	-	3.953
Transfers	(595)	595	-	-	-	-
Balance as of December 31, 2024	**5.438**	**32.130**	**28.313**	**10.640**	**73.024**	**149.545**
Acquisitions	2.836	-	-	-	-	2.836
Transfers	(6.343)	6.343	9.399	(9.399)	-	-
Balance as of December 31, 2025	**1.931**	**38.473**	**37.712**	**1.241**	**73.024**	**152.381**

Amortization

Balance as of December 31, 2023	**-**	**(28.530)**	**(13.513)**	**(2.437)**	**-**	**(44.480)**
Amortization expense for the year	-	(1.341)	(3.038)	-	-	(4.379)
Balance as of December 31, 2024	**-**	**(29.871)**	**(16.551)**	**(2.437)**	**-**	**(48.859)**
Amortization expense for the year	-	**(1.589)**	**(3.038)**	**-**	-	**(4.627)**

Consolidated

Cost of intangible assets	Intangible assets in progress	Software and licenses	Client portfolio	Trademarks	Goodwill	Active right-of-use	Total
Balance as of December 31, 2023	**2.260**	**49.451**	**335.225**	**135.061**	**188.462**	**1.322**	**711.781**
Acquisitions	4.681	1.295	–	–	–	–	5.976
disposals	–	(1.327)	–	–	–	–	(1.327)
Transfers	(595)	595	–	–	–	–	–
Foreign exchange gain (loss)	–	2.655	21.415	11.022	6.203	–	41.295
Effect of hyperinflation	–	391	35.994	4.314	19.397	–	60.096
Balance as of December 31, 2024	**6.346**	**53.060**	**392.634**	**150.397**	**214.062**	**1.322**	**817.821**
Addition per business combination	–	5.641	–	198.041	–	–	203.682
Acquisitions	10.212	2.822	–	–	–	–	13.034
disposals	–	(110)	–	(3.737)	–	(1.322)	(5.169)
Transfers	(8.149)	8.149	9.399	(9.399)	–	–	–
Foreign exchange gain (loss)	–	(1.834)	(1.728)	7.162	7.991	–	11.591
Effect of hyperinflation	–	139	15.342	1.746	8.341	–	25.568
Step-ups in business combination	–	–	359.973	183.090	–	–	543.063
Goodwill on business combination	–	–	–	–	594.496	–	594.496
Balance as of December 31, 2025	**8.409**	**67.867**	**775.620**	**527.300**	**824.890**	**–**	**2.204.086**
Amortization and impairment loss							
Balance as of December 31, 2023	**–**	**(42.973)**	**(84.340)**	**(25.714)**	**(4.190)**	**–**	**(157.217)**
Amortization expense for the year	–	(2.930)	(32.763)	(6.988)	–	–	(42.681)
Disposals	–	434	–	–	–	–	434
Foreign exchange gain (loss)	–	(1.388)	(6.995)	(3.154)	3.087	–	(8.450)
Effect of hyperinflation	–	(486)	–	–	(19.397)	–	(19.883)
Impairment losses	–	–	1.663	(4.828)	–	–	(3.165)
Balance as of December 31, 2024	**–**	**(47.343)**	**(122.435)**	**(40.684)**	**(20.500)**		**(230.962)**
Addition per business combination	–	(5.641)	–	–	–	–	(5.641)
Amortization expense for the year	–	(2.552)	(66.084)	(21.573)	–	–	(90.209)
Disposals	–	110	–	–	–	–	110
Transfers	–	–	(2.437)	2.437	–	–	–
Foreign exchange gain (loss)	–	639	(6.666)	(1.502)	12.765	–	5.236
Effect of hyperinflation	–	(120)	–	–	(8.341)	–	(8.461)
Impairment losses	–	–	–	391	–	–	391
Balance as of December 31, 2025	**–**	**(54.907)**	**(197.622)**	**(60.931)**	**(16.076)**	**–**	**(329.536)**
Residual value							
Balance as of December 31, 2024	6.346	5.717	270.199	109.713	193.562	1.322	586.859
Balance as of December 31, 2025	**8.409**	**12.960**	**577.998**	**466.369**	**808.814**	**–**	**1.874.550**

19 Leases

At the commencement date of each lease agreement, an assessment is made as to whether the contract is or contains a lease. The assessment consists on evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company uses a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Company and its subsidiaries adopt CPC 06 (R2) (*IFRS* 16) whereby assumed liabilities for lease agreements are accounted for with an offsetting entry to the related right of use.

19.1 Right-of-Use Asset

The right-of-use asset is recognized at the lease commencement date and is depreciated on a straight-line basis over the useful life of the lease or the useful life of the asset being leased. The cost of right-of-use assets includes recognized lease liabilities, initial direct costs incurred by the Company and lease payments made to the date of commencement less possible lease incentives received.

The estimated average useful lives of right-of-use assets for the current year are as follows:

	Consolidated 2025		Consolidated 2024	
	Average useful life	% of year	Average useful life	% of year
Machinery and equipment	5.0 years	20	5.3 years	19
Buildings	12.7 years	8	9.8 years	10
Vehicles	3.9 years	26	5.6 years	18

The composition and changes in right-of-use assets in the year ended December 31, 2025 are as follows:

	Company			
	Right to use machinery and equipment	Rights of use of buildings and land	Vehicle use rights	Total
As of December 31, 2023	**17.545**	**32.197**	**309**	**50.051**
Additions	4.268	1.508	84	5.860
Disposals	(9.591)	-	(101)	(9.692)
Amortization	(6.366)	(3.288)	(148)	(9.802)
As of December 31, 2024	**5.856**	**30.417**	**144**	**36.417**
Additions	65.146	7.767	16	72.929
Disposals	(1.966)	-	-	(1.966)
Amortization	(7.353)	(3.629)	(112)	(11.094)
As of December 31, 2025	**61.683**	**34.555**	**48**	**96.286**

	Consolidated			
	Right to use machinery and equipment	Rights of use of buildings and land	Vehicle use rights	Total
As of December 31, 2023	**18.942**	**128.597**	**396**	**147.935**
Additions	4.920	7.019	1.325	13.264
Disposals	(9.692)	(1.099)	(141)	(10.932)
Adjustment for inflation	-	40.215	-	40.215
Foreign exchange gain (loss)	148	5.354	20	5.522
Amortization	(7.108)	(26.841)	(425)	(34.374)
As of December 31, 2024	**7.210**	**153.245**	**1.175**	**161.630**
Addition per business combination	674	78.413	2.122	81.209
Additions	73.220	20.746	5.496	99.462
Disposals	(1.966)	(1.628)	-	(3.594)
Adjustment for inflation	-	8.970	-	8.970
Foreign exchange gain (loss)	(65)	(17.227)	30	(17.262)
Amortization	(8.697)	(33.486)	(2.149)	(44.332)
As of December 31, 2025	**70.376**	**209.033**	**6.674**	**286.083**

19.2 Lease liabilities

Are recognized at the lease commencement date and measured at the present value of the lease payments to be made over the lease term. The present value of leases is calculated using the incremental nominal rate.

Lease payments comprise fixed payments (including in-substance fixed payments)less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under a residual value guarantee. Lease payments also include the exercise price under a purchase option that is reasonably certain to be exercised and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Variable lease payments that do not depend on an index or rate are recognized as expenses in the year when the event or condition that generates these payments occurs.

The carrying amount of lease liabilities is remeasured in the case of changes in rates, lease payments or terms, and the effects are recognized in lease assets and in profit or loss.

Changes in lease liabilities as of December 31, 2025 are as follows

	Company	Consolidated
As of December 31, 2023	**55.549**	**154.973**
Additions	5.860	13.263
Disposals	(10.744)	(12.048)
Interest on leases	4.497	43.500
Payments	(13.180)	(39.244)
Foreign exchange gain (loss)	-	11.819
As of December 31, 2024	**41.982**	**172.263**
Addition per business combination	-	92.116
Additions	72.929	99.462
Disposals	(2.193)	(4.032)
Interest on leases	8.038	26.124
Payments	(16.554)	(61.662)
Foreign exchange gain (loss)	-	(5.361)
As of December 31, 2025	**104.202**	**318.910**
Current	**15.168**	**53.597**
Non-current	**89.034**	**265.313**

a. *Information supplementary to the cash flow*

	Company	Consolidated
Balance as of December 31, 2023	**55.549**	**154.973**
Cash changes:		
Payment	**(13.180)**	(39.244)
Total	**42.369**	**115.729**
Changes that don't affect cash:		
Interest expense	**4.497**	43.500
Additions/write-offs	**(4.884)**	1.215
Foreign exchange gain (loss)	**-**	11.819
Balance as of December 31, 2024	**41.982**	**172.263**
Cash changes:		
Payment	**(16.554)**	(61.662)
Total	**25.428**	**110.601**
Changes that don't affect cash:		
Interest expense	**8.038**	26.124
Additions/write-offs	**70.736**	187.546
Foreign exchange gain (loss)	**-**	(5.361)
Balance as of December 31, 2025	**104.202**	**318.910**

As of December 31, 2025, the balances of lease liabilities per maturity are as follows:

	Company		Consolidated	
Salaries	**2025**	**2024**	**2025**	**2024**
2025	**-**	4.214	**-**	24.087
2026	**15.168**	4.389	**53.597**	25.827
2027	**17.213**	4.702	**47.502**	23.901
2028	**18.997**	28.677	**48.583**	98.448
2029 and beyond	**52.824**	-	**169.228**	-
Total	**104.202**	**41.982**	**318.910**	**172.263**

The Company does not have sub-lease agreements and retro-lease transactions.

According to the guidelines issued by the CVM, the Company calculated future cash flows using the nominal rate. If the Company had adopted this rate on December 31, 2025, the depreciation impacts on the Company's profit or loss would be R$10,636 (Company) and R$44,295 (Consolidated), while interest from leases in the Company and Consolidated financial statements would be R$8,462 and R$27,851, respectively.

As a result of the approval of Constitutional Amendment No. 132/2023, payments related to leases will continue to generate PIS and COFINS credits only until December 31, 2026. As from that date, these taxes will be terminated and replaced by the Tax on Goods and Services (CBS), whose rate is still being regulated. As of December 31, 2025, the potential PIS and COFINS credit on the gross contractual flow of leases for 2026 totals R$848, an amount that, discounted to present value considering the weighted average term, totals R$790.

20 Trade payables

Trade payables consist of liabilities payable for the acquisition of goods or services, classified in current liabilities due to their maturity in up to one year. These amounts are recognized initially at fair value and then measured at amortized cost.

The balance of trade payables as of December 31, 2025 and 2024 is as follows:

	Company		Consolidated	
	2025	2024	2025	2024
In Brazil	**137.485**	**189.084**	**190.492**	**264.570**
From third parties	**133.542**	175.937	172.241	248.044
Related parties	**3.943**	13.147	18.251	16.526
External	**9.605**	**24.431**	**427.943**	**349.827**
From third parties	**8.877**	22.651	427.943	349.827
Related parties	**728**	1.780		-
Subtotal	**147.090**	**213.515**	**618.435**	**614.397**
Present value adjustment	**(897)**	(926)	(1.065)	(1.114)
Total	**146.193**	**212.589**	**617.370**	**613.283**
Current	**146.193**	**212.589**	**617.370**	**612.175**
Non-current	**-**	**-**	**-**	**1.108**

21 Reverse factoring

The Company has agreements with Banco Randon to allow its suppliers to advance their receivables through the transaction called reverse factoring. This is a transaction involving the supplier's transfer of its receivables to a financial institution. The Company keeps track of the composition of its portfolio and the conditions set with suppliers. Payment terms and amounts agreed upon with the original transactions were not changed.

As of December 31, 2025, the amount of reverse factoring transactions was R$6,115 (Company) and R$7,532 (Consolidated) (R$4,344 and R$5,212 as of December 31, 2024, respectively).

22 Provision for litigation

The Company and its subsidiaries are parties to lawsuits and administrative proceedings incidental to its business filed at court and government agencies, which involve the following issues:

Labor - provisions to support probable losses related to labor lawsuits mostly brought by former employees of the Company and service providers, as well as additional amounts not related to specific legal proceedings, recognized according to risk assessment and technical and prudential criteria.

Tax - provisions to support probable losses related to tax proceedings consisting of federal, state and municipal assessments of tax deficiency that are underway, partly at the administrative level and partly at the judicial level, resulting from disagreements about the Company's interpretation of tax law and tax authorities.

Civil and others – Provisions for probable losses on civil proceedings, consisting of damages lawsuits filed by clients and other actions, as well as additional amounts not related to specific legal proceedings, and are accrued according to risk assessment and technical and prudential criteria.

The Company's assessment of the likelihood of loss comprises an evaluation of available evidence, of the hierarchy of laws, of available court precedents, of the most recent appeals court decisions and their relevance to the legal system, as well as consultations with external lawyers. Provisions are revised and adjusted to consider changes in circumstances, such as the statute of limitations period applicable to the case, outcomes of tax inspections or further exposures, identified according to new matters or court decisions.

22.1 Provision for litigation

The estimated amounts of loss adjusted for inflation, according to the opinion of the Company's legal counselors, are:

	Company		Consolidated	
	2025	2024	2025	2024
Labor	**84.619**	60.401	**87.750**	65.598
Tax	**1.899**	767	**46.700**	44.863
Civil and other	**5.335**	35	**5.340**	45
Total	**91.853**	**61.203**	**139.790**	**110.506**

22.1.1 Changes in the provision for litigation

Procedure movements are as follows:

	Company					Consolidated				
	Balance in 2024	Addition	Write-off/Realization	Business combination (a)	Balance in 2025	Balance in 2024	Addition	Write-off/Realization	Business combination (a)	Balance in 2025
Labor	**60.401**	28.428	(7.374)	3.164	84.619	**65.598**	30.011	(11.022)	**3.163**	**87.750**
Tax	**767**	1.443	(311)	–	1.899	**44.863**	2.148	(311)	**–**	**46.700**
Civil and other	**35**	–	–	5.300	5.335	**45**	5	(10)	**5.300**	**5.340**
Total	**61.203**	**29.871**	**(7.685)**	**8.464**	**91.853**	**110.506**	**32.164**	**(11.343)**	**8.463**	**139.790**

a) Amount related to contingencies not filed assumed upon the full acquisition of the subsidiary Frasle Mobility Sorocaba, according to note 15.4.

The main tax proceedings for which provision has been accrued relate to lawsuits for relief from judgment filed against direct subsidiaries Frasle Mobility Sorocaba and Nakata, whose unfavorable outcome is probable as of December 31, 2025 in the amounts of R$7,580 (R$6,900 as of December 31, 2024) and R$37,146 (R$37,146 as of December 31, 2024), respectively.

The parent company is liable for labor claims mostly linked to claims for damages.

Provision amounts include amounts not linked to judicial proceedings, classified as risk, according to technical criteria and internal assessments, so as to reflect potential future contingencies. These additional amounts, which total R$3,164, are classified as risk, considering potential contingencies. This approach aims at reflecting in a more comprehensive and conservative manner the Company's exposure to possible future liabilities.

The provisions for civil lawsuits also include additional amounts not related to ongoing proceedings, totaling R$5,300.

22.2 Court deposits

Court deposits consist of amounts deposited in court for civil, tax, labor and social security lawsuits filed to ensure the enforcement of those lawsuits or to suspend enforceability of receivables pending collection.

	Company		Consolidated	
	2025	2024	2025	2024
Labor	5.887	7.779	6.854	8.670
Tax	8.821	8.295	22.381	16.369
Pension	67	67	67	67
Civil	-	35	-	35
Total	14.775	16.176	29.302	25.141

22.3 Contingent liabilities

The Company and its subsidiaries are parties to judicial and administrative proceedings in progress for which, when an unfavorable outcome is possible, no provisions for contingencies have been accrued.

	Company		Consolidated	
	2025	2024	2025	2024
Labor	78.563	53.149	101.312	64.239
Tax	38.449	36.604	73.211	65.154
Civil	1.143	1.085	2.234	2.070
Total	118.155	90.838	176.757	131.463

The main proceedings with possible risk of loss are the following:

Drawback – The Federal Revenue Service assessed issues in the IPI (Excise Tax), II (Import Tax), PIS (Contribution for Social Integration Program), COFINS (Tax for Social Security Financing), AFRMM (Contribution for Social Security Funding) charged on imports. Lawsuit is awaiting decision at the administrative level. The amount involved is R$10,289.

PIS and COFINS (Actions for rescission) – Subsidiaries Nakata and Frasle Mobility Sorocaba were cited in a lawsuit seeking the annulment of the decision that recognized the right of the companies to deduct the ICMS from the calculation base of PIS and COFINS. The amount of possible loss is R$15,726 for Nakata and R$556 for Frasle Mobility Sorocaba, totaling R$16,282 for both companies.

Import Tax - Subsidiary Nakata received a tax assessment from the Brazilian Federal Revenue Service consisting of the application of a tax benefit represented by a reduction in the import tax charged on auto parts used in manufacturing. The administrative decision on the claim is still pending. The amount involved is R$ 8,775.

Non-approved offsetting of PIS and COFINS - The parent company did not have approval of a statement offsetting PIS and COFINS credits on foreign exchange gains arising from exports. Lawsuit is awaiting decision at the administrative level. The amount involved is R$ 7,288.

ICMS – Subsidiary Nakata is discussing in court the collection of ICMS made by the State of Minas Gerais on an import made by the Company. The total amount involved is R$ 4,895.

ICMS (credits) – The State of Rio Grande do Sul is filing a demand for ICMS collection by the State in connection with the assessment related to the recognition of ICMS credits by the Company. The lawsuit is under appeal stage. The amount involved is R$ 2,670.

22.4 Contingent assets

The Company is a plaintiff in civil, social security and tax proceedings that may result in economic benefits. Under current accounting policies, these contingent assets are not recognized in the books until there is objective and concrete evidence that the realization of the gain is virtually certain, such as favorable and final legal decisions, with no possibility of further appeals.

Contingent civil assets arise mainly from judicial actions aimed at the recovery of receivables, such as collections and executions. An allowance for losses has already been recognized for these receivables. If the Company is successful in its actions, the provisions will be reversed.

As of December 31, 2025, the amounts involved total R$124 (Company) and R$222 (Consolidated) (R$138 and R$239 as of December 31, 2024, respectively).

23 Loans and financing

The balances of loans, financing and debentures are initially recognized at fair value upon the receipt of funds. They are then measured at amortized cost plus charges and interest calculated using the effective rate and monetary and foreign exchange adjustments incurred through the balance sheet dates.

	Index	Annual interest	Final maturity	Company		Consolidated	
				2025	2024	2025	2024
Current							
Local currency:							
Debentures	CDI+	From 0.75% to 1.22%	Dec/31	14.118	152.151	14.118	152.151
IFC	CDI+	1.50%	Apr/33	41.908	6.527	41.908	6.527
NCE	CDI+	From 1.18% to 1.29%	Jun/29	29.197	59.437	29.215	87.825
4.131	CDI+	1.09%	Mar/27	-	-	481	-
Vendor	CDI+	4.00%	Oct/25	7.182	7.964	18.940	18.610
Fundopem	IPCA+	From 1.50% to 1.75%	Jan/38	988	2.283	988	2.283
Finep	TJLP+	0.80%	Mar/30	1.416	1.420	1.416	1.420
Exim Pre-Shipment	CDI+	1.59%	Jun/29	-	69	-	69
Foreign currency:							
Working capital	FIXED	From 6.75% to 9.15%	Mar/28	-	-	23.002	88.662
Working capital	SOFR+	3.30%	May/2026	-	-	9.920	-
Working capital	TIEE (a)	2.39%	Jan/32	-	-	86.567	-
Fixed export premium	SOFR+	3.53%	Jul/25	-	30.426	-	30.426
ACC	FIXED	5.56%	Feb/26	28.791	-	28.791	-
Exim Pre-Shipment	SOFR 5A+	1.40%	Jun/29	76	80	76	80
Term Loan	FIXED	2.00%	Nov/28	-	-	360	358
Total				**123.676**	**260.357**	**255.782**	**388.411**
Non-current							
Local currency:							
Debentures	CDI+	From 0.75% to 1.22%	December 2031	1.248.847	244.145	1.248.847	244.145
IFC	CDI+	1,50%	Apr/33	214.853	247.913	214.853	247.913
NCE	CDI+	From 1.18% to 1.29%	June 2029	40.000	65.000	55.000	65.000
4.131	CDI+	1,09%	Mar/27	-	-	10.000	-
Fundopem	IPCA+	From 1.50% to 1.75%	Jan/38	11.657	7.353	15.961	10.280
Finep	TJLP+	0,80%	Mar/30	4.545	5.944	4.545	5.944
Exim Pre-Shipment	CDI+	1,59%	June 2029	-	109.796	-	109.796
Foreign currency:							
Working capital	FIXED	6,75%	Mar/28	-	-	22.285	-
Working capital	TIEE (a)	2,39%	Jan/32	-	-	886.092	-
Exim Pre-Shipment	SOFR 5A+	1,40%	June 2029	31.239	35.156	31.239	35.156
Term Loan	FIXED	2,00%	November 2028	-	-	4.196	4.533
Total				**1.551.141**	**715.307**	**2.493.018**	**722.767**
Total loans				**1.674.817**	**975.664**	**2.748.800**	**1.111.178**

(a) TIEE (Tasa de Interbancos de Equilibrio) is the base rate determined by Banco do México according to the quotations of credit institutions and is used as a reference for several financial transactions in Mexico.

In the year ended December 31, 2025, the Company had financing and loans secured by endorsements/sureties from Randoncorp S.A. in the amount of R$271,494 (R$266,454 as of December 31, 2024). Frasle Mobility provides endorsements and sureties to its subsidiaries in the amount of R$1,066,213 (R$125,306 as of December 31, 2024) and to its parent company in the amount of R$258,849 (R$256,817 as of December 31, 2024) in loans and financing and receivable discounts. Subsidiary *Dacomsa* S.A. has loans in the amount of R$972,658 endorsed by its subsidiaries *Dacomsa Motors S.A. and Fricción y* Tecnologia, S.A. Subsidiary *Frasle Europe B.V.* has loans in the amount of R$4,556 (R$4,890 as of December 31, 2024) that are collateralized by property, plant and equipment items.

a. *Sales finance operations ("Vendor")*

Vendor transactions are carried out with a right of recourse.

b. *Fundopem*

The Company benefits from a tax incentive set by the State of Rio Grande do Sul (Fundopem) whereby the payment of a portion of the ICMS debt generated monthly is deferred, with a grace period of 54 to 60 months and a payment period ranging from 61 to 90 months from each debt, adjusted for inflation using the IPCA (Extended Consumer Price Index) published by the Brazilian Institute of Geography and Statistics (IBGE) and interest rate ranging from 1.5% to 1.75% p.a.

c. *Debentures*

Consist of funding issued under private instruments for the placement and use of unsecured simple nonconvertible debentures under the underwriting regime, not convertible into shares.

						Company and Consolidated	
Date of issue	Issue number	Series	Maturity date	Index	Annual interest	Starting position	Current position
December 20, 2024	Fifth issue	Only	December 20, 2031	CDI+	1,22%	750.000	750.000
November 3, 2025	Sixth issue	Only	October 25, 2030	CDI+	0,75%	500.000	500.000

d. *Covenants*

The Company and its subsidiaries currently have financing agreements with banks and IFC, in addition to debenture and working capital transactions in the amount of R$2,495,961 (R$650,736 as of December 31, 2024) that set forth the fulfillment of financial commitments (*covenants*), calculated as the ratio of net debt to EBITDA.

Financial *covenants* are monitored by management on a quarterly basis and formally calculated on the reporting date. As of December 31, 2025, the consolidated net debt/consolidated EBITDA ratios are lower than or equal to 3.50 times, the cap set by contract, and therefore are fully complied with by the Company and its subsidiaries.

e. *Information supplementary to the cash flow*

	Company	Consolidated
Balance as of December 31, 2023	**715.010**	**877.253**
Cash changes:		
Receiving	**389.455**	**500.156**
Payment	**(151.759)**	**(313.612)**
Interest paid	**(97.364)**	**(102.928)**
Total	**855.342**	**960.869**
Changes that don't affect cash:		
Interest expense	106.171	116.662
Foreign exchange gain (loss)	14.151	32.758
Balance as of December 31, 2024	**975.664**	**1.110.289**
Cash changes:		
Receiving	**1.279.135**	**2.331.186**
Payment	**(596.359)**	**(701.030)**
Interest paid	**(220.495)**	**(330.936)**
Total	**1.437.945**	**2.409.509**
Changes that don't affect cash:		
Interest expense	**244.507**	**356.446**
Foreign exchange gain (loss)	**(7.635)**	**(18.044)**
Balance as of December 31, 2025	**1.674.817**	**2.747.911**

24 Financial risk management objectives and policies

The Company and its subsidiaries carry out transactions with financial instruments, all of which are recorded in balance sheet accounts, whose purpose is to meet their operating needs and to reduce exposure to financial risks, mainly credits and investments, market risks (exchange and interest rates), and the risk of high volatility of *commodities* and liquidity risks to which the Company understands it is exposed, according to its business nature and operating structure.

A portion of the Company's revenues derives from the sale of products to foreign markets, exposed to exchange rate fluctuations. Moreover, the Company enters into finance agreements in financial markets at fixed or floating rates, exposed to the risk of interest rate fluctuations.

Fair values are determined based on market price quotations, when available. The fair values of immediate-liquidity financial investments, trade receivables, short-term debt and trade payables approximate their book values. The fair values of other long-term assets and liabilities do not differ significantly from their book values.

These risks are managed by formulating strategies prepared and approved by the Company's management.

The Company's risks are described below.

24.1 Market risk

The Company and its controlled companies do not have speculative trading in derivatives or other risky assets.

Market risk is the risk that the fair value of future cash flows from a financial instrument fluctuates due to changes in market prices. Market prices comprise two types of risk: interest rate risk and exchange rate risk. Financial instruments affected by market risk include loans receivable and loans payable, financial instruments measured at fair value through profit or loss and derivative financial instruments.

Below is a comparison by class of the book value and fair value of the Company's financial instruments presented in the financial statements:

Company

			Carrying value		Fair value	
	Note	Hierarchy	2025	2024	2025	2024
Assets						
Fair value through profit or loss						
Cash and cash equivalents	8	2	**374.390**	140.994	**374.390**	140.994
Financial investments	9	2	**47.723**	43.127	**47.723**	43.127
Other investments	24.4	2	**-**	535.481	**-**	535.481
Amortized cost						
Trade receivables	10		**242.221**	335.231	**242.221**	335.231
Liabilities						
Liabilities at amortized cost						
Trade payables by business combination	6		**(110.315)**	(111.518)	**(110.315)**	(111.518)
Trade payables	20		**(146.193)**	(212.589)	**(146.193)**	(212.589)
Reverse factoring	21		**(6.115)**	(4.344)	**(6.115)**	(4.344)
Loans and financing	23	2	**(1.674.817)**	(975.664)	**(1.676.563)**	(978.854)
Total			**(1.273.106)**	**(249.282)**	**(1.274.852)**	**(252.472)**

Consolidated

			Carrying value		Fair value	
	Note	Hierarchy	2025	2024	2025	2024
Assets						
Fair value through profit or loss						
Cash and cash equivalents	8	2	**1.316.248**	844.881	**1.316.248**	844.881
Financial investments	9	2	**165.297**	121.031	**165.297**	121.031
Other investments	24.4	2	**-**	535.481	**-**	535.481
Amortized cost						
Trade receivables	10		**498.441**	433.628	**498.441**	433.628
Liabilities						
Fair value through profit or loss						
Liabilities at amortized cost						
Accounts payable by business combination	6		**(176.863)**	(126.938)	**(176.863)**	(126.938)
Trade payables	20		**(617.370)**	(612.175)	**(617.370)**	(612.175)
Reverse factoring	21		**(7.532)**	(5.212)	**(7.532)**	(5.212)
Related party loan payable			**(3.480)**	(5.692)	**(3.480)**	(5.692)
Loans and financing	23	2	**(2.748.800)**	(1.111.178)	**(2.750.546)**	(1.114.368)
Total			**(1.574.059)**	**73.826**	**(1.575.805)**	**70.636**

The fair values of cash and cash equivalents and financial investments are measured at the market value of investments. For investments with a grace period of less than or equal to 90 days, a 10% discount on the agreed-upon rate is considered, reflecting the average penalty charged by banks on early redemptions.

In the case of loans, when there is a trading price available, the value of the last negotiation is used. Otherwise, fair value is calculated considering the break *funding fee - BFF clauses* or, if there are no clauses, book value. Moreover, the costs incurred to issue debentures and commercial notes recognized in liabilities are disregarded to measure fair value.

a. Derivative financial instruments

The Company carries out derivative transactions to mitigate the risks of loan and financing transactions exposed to interest and exchange rates. The position of financial instruments as of December 31, 2025 and December 31, 2024 is as follows.

Consolidated

	Notional value		Fair value (credit) / debit		Cumulative effect In 2025 (credit)/ debit		Cumulative effect in 2024 (credit)/ debit	
	Notional – in thousands of R$							
Description/ Counterpart	2025	2024	2025	2024	Amount received	Amount paid	Amount received	Amount paid
Futures contract	–	32.510	–	662	–	–	–	–
Total	–	32.510	–	662	–	–	–	–

Asset (payable) financial instruments

Information supplementary to the cash flow	Consolidated
Balance as of December 31, 2023	–
Changes that don't affect cash:	
Foreign exchange gain (loss)	662
Balance as of December 31, 2024	662
Changes that don't affect cash:	
Foreign exchange gain (loss)	(662)
Balance as of December 31, 2025	–

24.2 Fair value hierarchy

The Company applies CPC 40 (R1) (*IFRS* 7) to financial instruments measured at fair value in the balance sheet, which requires the disclosure of fair value measurements by the levels in the fair value hierarchy:

- **Level one:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** other techniques for which all inputs that have a significant effect on fair value are observable, whether directly or indirectly;
- **Level 3:** techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers between levels 1, 2 and 3 during the year ended December 31, 2025.

24.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument fluctuates due to changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates basically consists of long-term obligations subject to floating interest rates.

The Company manages interest rate risk by maintaining a balanced portfolio between financial flows receivable and financial flows payable subject to fixed and variable rates. To mitigate these risks, the Company and its subsidiaries adopt the practice of diversifying their funding in terms of fixed or floating

rates, constantly assessing the risks posed by financial institutions and, in certain circumstances, assessing the need for entering into *hedging* instruments to curb the financial cost of transactions.

Gains from financial investments, as well as finance costs resulting from the Company's loans and financing, are affected by changes in interest rates, such as TJLP (Long-Term Interest Rate), IPCA (Extended Consumer Price Index), Libor and CDI (interbank deposit certificate) and fluctuations in US interest rates.

24.4 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows from a financial instrument fluctuates due to changes in exchange rates. The Company's exposure to the risk of exchange rate fluctuations relates mainly to its operating activities (when revenues or expenses are denominated in a currency other than its functional currency) and the Company's net investments in foreign subsidiaries.

The Company acts internationally and is exposed to the exchange rate risk arising from exposures to certain currencies, particularly the US dollar, which reported a negative fluctuation of 11.14% in the year ended December 31, 2025 (a positive 27.91% in the year ended December 31, 2024). Exchange rate risk also results from business and financial transactions, assets and liabilities recognized in the Company's books of account and net investments abroad. The Company and its subsidiaries manage their exchange rate risk in relation to their functional currency. In addition to the accounts receivable from exports to Brazil and investments abroad that constitute natural *hedges*, the Company constantly assesses its exchange rate exposure and, when necessary, enters into derivative financial instruments for the sole purpose of *hedging*.

a. Exchange rate exposure:

As of December 31, 2025 and December 31, 2024, the foreign exchange exposure of the Company and its subsidiaries for foreign currency transactions is as follows:

	US$ thousand			
	Company		Consolidated	
	2025	2024	2025	2024
A. Net assets in U.S. dollars	**407.453**	205.087	**139.256**	102.566
B. Loans/financing in USD	**(10.489)**	(10.604)	**(189.620)**	(25.712)
C. Fair value of derivative financial instruments	-	-	-	(107)
Net exposure: (A-B-C)	**396.964**	**194.483**	**(50.364)**	**76.747**

b. Certificate of Structured Transactions (COE)

On September 24, 2024, the Company entered into a Certificate of Structured Transactions (COE) to mitigate the exchange rate exposure related to the payment in Mexican pesos for the acquisition of Kuo Refacciones, as described in note 6 on business combination. Approximately 25% of the funds used in the transaction were originated from Brazil, which created a need for protection against exchange rate fluctuations between the Brazilian real and the Mexican peso.

The COE was designated as a cash flow hedge for this highly probable transaction as the transaction was directly linked to the amount of the acquisition. That financial instrument was recorded in Other Investments in the Company's current assets, and foreign exchange gains and losses on that investment were recognized in Other Comprehensive Income in equity.

On January 6, 2025, the Company settled the COE (Certificate of Structured Transactions) agreement, as shown below:

	Balance as of December 31, 2024	Foreign exchange gain (loss) on equity-accounted investees	Income (net finance income)	Settlement as of January 6, 2025	Balance as of December 31, 2025
Certificate of Structured Transactions (COE)	535.481	7.966	954	(544.401)	-
Total other investments	**535.481**	7.966	**954**	**(544.401)**	**-**

The total effect of the foreign exchange gain or loss of R$27,862 (R$7,966 in 2025 and R$19,896 in 2024) on the COE was reclassified to goodwill on investments in the parent company, as presented in note 15 on investments.

24.5 Sensitivity Analysis

The Company is exposed to fluctuations in exchange and interest rates that affect both the cost of its loans and financing and the yields on its financial investments. To analyze the possible impacts of these variations, a sensitivity analysis based on three scenarios was conducted: probable, reasonably possible and possible.

The probable scenario was built according to market projections of the US dollar-real exchange rates, Selic, CDI and IPCA, as projected by the Focus report disclosed by the Central Bank of Brazil (BCB). Bloomberg used projections for international exchange rates, such as SOFR and other exchange rates (euro, pound sterling, rupee and Argentinian peso). For the variables that do not have official market projections (TR, TJLP and TEC-3), we decided to adopt, in the probable scenario, current rates as of December 31, 2025.

The method used to calculate the potential impact of changes in exchange and interest rates involved the application of historical standard deviations from the rates reported over the past five years. Therefore, under the reasonably possible scenario the rates would range by about 1 standard deviation in relation to the probable scenario, while under the possible scenario fluctuations would reach three standard deviations. This approach reflects the volatility expected for each interest rate, taking into account the historical behavior of these variables.

The sensitivity analysis considers positions outstanding as of December 31, 2025, according to nominal values and interest on each instrument. The table below shows the fluctuations in the values of financial instruments under each scenario.

24.6 Capital structure risk

The primary objective of the Company's capital management is to ensure that the Company has a strong credit rating and a trouble-free capital ratio in order to support the business and maximize shareholder value.

The Company manages its capital framework and adjusts it taking into account changes in economic conditions. The capital structure or financial risk results from the choice between equity capital (capital contributions and retained earnings) and debt capital which the Company and its subsidiaries make to finance their transactions. In order to mitigate liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor indebtedness levels according to market standards and compliance with *covenants* set forth on loan and financing agreements.

The Company includes in its net debt loans and financing with charges, less cash, cash equivalents, financial investments and derivative instruments, as shown below:

Company

	Note	2025	2024
Loans and financing	23	**1.674.817**	975.664
Accounts payable by business combination	6	**110.315**	111.518
(-) Cash and cash equivalents and immediate-liquidity financial investments	8 and 9	**(422.113)**	(184.121)
(-) Other investments	24.4	**-**	(535.481)
Net debt		**1.363.019**	367.580
Equity		**2.459.834**	2.218.850
Equity and net debt		**3.822.853**	2.586.430

Consolidated

	Note	2025	2024
Loans and financing	23	**2.748.800**	1.111.178
Related party loan payable		**3.480**	5.692
Accounts payable by business combination	6	**176.863**	126.938
(-) Cash and cash equivalents and immediate-liquidity financial investments	8 and 9	**(1.481.545)**	(965.912)
Derivative financial instruments		**-**	(662)
(-) Other investments	24.4	**-**	(535.481)
Net debt		**1.447.598**	(258.247)
Equity		**2.459.834**	2.218.850
Equity and net debt		**3.907.432**	1.960.603

24.7 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its operating activities (mainly in relation to trade and other receivables) and financing, including financial institutions, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk on the reporting date is the recorded value of each class of contractual assets mentioned in Notes 8, 9 and 10.

a. Trade and other receivables

Each business unit manages the client's credit risk and is subject to procedures, controls and a policy established by the Company to address this risk. Credit limits are set for all clients according to internal classification criteria. The client's credit quality is assessed according to an internal classification system and loss history. Outstanding trade receivables are frequently tracked. The need for impairment loss is assessed at each reporting date on an individual basis for the main customers. The simplified approach is adopted to obtain expected loss percentages that are applied to the portfolio, according to the *aging list*. Annually, reported historical loss rates are adjusted for inflation, and the most recent portfolio is increased. Possible correlations between these rates and macroeconomic variables are evaluated.

According to each client's operational risk, the Company classifies accounts receivable taking into consideration the risk and collateral that each client has. The Company classifies clients in the following manner:

Company

	2025	2024
Minimum Risk	**66%**	65%
Low risk	**28%**	20%
Medium risk	**2%**	2%
High risk	**4%**	13%

Consolidated

	2025	2024
Minimum Risk	**58%**	57%
Low risk	**35%**	20%
Medium risk	**3%**	3%
High risk	**4%**	20%

b. Financial instruments and bank deposits

The credit risk of balances with banks and financial institutions is managed by the Company's Treasury Department according to established policy. Surplus funds are invested only in financial institutions that meet the guidelines set forth by the Financial Policy approved by the Board of Directors.

The Company uses the risk ratings of *Standard & Poor's, Moody's and Fitch* to determine the *risk ratings* of the counterparties to financial assets classified as cash, cash equivalents and financial investments, according to the limits established in its financial policy:

Company

Financial assets that are assessed for risk	2025	2024
AAA	**314.087**	719.525
AA+	**107.933**	4
AA-	**93**	73
Total	**422.113**	**719.602**

Consolidated

Financial assets that are assessed for risk	2025	2024
AAA	**1.254.532**	1.140.987
AA+	**108.655**	157.006
AA-	**93**	73
B- (a)	**118.265**	**197.419**
	1.481.545	**1.495.485**
Financial assets without risk assessment		
Other financial assets without risk assessment (b)	-	5.907
Total	**1.481.545**	**1.501.392**

a) Consist of banks located in Argentina, in accordance with the Finance Policy.

b) Unclassified investments.

24.8 Liquidity Risk

Liquidity risk consists of the possibility of the Company and its subsidiaries not having sufficient liquidity to meet their commitments due to the different currencies and settlement dates of their receivables and payables.

Management areas monitor the Company's and its subsidiaries' liquidity and cash flows on a daily basis to ensure that cash flows from operating activities and early fund-raising, if necessary, are sufficient to meet their schedule of commitments and do not pose liquidity risks to the Company or its subsidiaries.

The table below summarizes the maturity profile of the Company's and its subsidiaries' financial liabilities in the year ended December 31, 2025 and December 31, 2024, according to undiscounted contractual payments.

Company

For the year ended 31 December 2025	Note	Within 3 months	Within 3-12 months	Within 1-5 years	More than five years	Cash Flows	Carrying value
Loans and financing	23	60.531	267.385	2.502.542	65.326	2.895.784	1.674.817
Business Combinations	6	-	11.954	98.361	-	110.315	110.315
Trade payables	20	141.751	4.442	-	-	146.193	146.193
Reverse factoring	21	6.115	-	-	-	6.115	6.115
Total		**208.397**	**283.781**	**2.600.903**	**65.326**	**3.158.407**	**1.937.440**

For the year ended 31 December 2024	Note	Within 3 months	Within 3-12 months	Within 1-5 years	More than five years	Cash Flows	Carrying value
Loans and financing	23	63.695	262.736	806.920	104.432	1.237.783	975.664
Business Combinations	6	-	10.622	93.190	7.706	111.518	111.518
Trade payables	20	203.998	8.591	-	-	212.589	212.589
Reverse factoring	21	4.344	-	-	-	4.344	4.344
Total		**272.037**	**281.949**	**900.110**	**112.138**	**1.566.234**	**1.304.115**

Consolidated

For the year ended 31 December 2025	Note	Within 3 months	Within 3-12 months	Within 1-5 years	More than five years	Cash Flows	Carrying value
Loans and financing	23	92.823	366.839	3.210.390	295.158	3.965.210	2.748.800
Business Combinations	6	-	11.954	164.909	-	176.863	176.863
Trade payables	20	503.451	113.919	-	-	617.370	617.370
Reverse factoring	21	7.532	-	-	-	7.532	7.532
Total		**603.806**	**492.712**	**3.375.299**	**295.158**	**4.766.975**	**3.550.565**

For the year ended 31 December 2024	Note	Within 3 months	Within 3-12 months	Within 1-5 years	More than five years	Cash Flows	Carrying value
Loans and financing	23	139.755	314.371	808.398	105.882	1.368.406	1.111.178
Business Combinations	6	-	26.042	93.190	7.706	126.938	126.938
Trade payables	20	556.251	55.924	1.108	-	613.283	613.283
Reverse factoring	21	5.212	-	-	-	5.212	5.212
Total		**701.218**	**396.337**	**902.696**	**113.588**	**2.113.839**	**1.856.611**

24.9 Commodity high volatility risk

This risk is related to the possibility of significant fluctuations in the prices of the Company's main raw materials, such as steel, resins, rubber and other inputs used in production. Because the Company operates in a *commodity* market, the cost of goods sold by the Company may be affected by changes in the prices of the raw materials it buys. In order to mitigate this risk, the Company constantly monitors price variations in local and foreign markets, makes earlier purchases and fix prices with its main suppliers.

25 Information on share capital and reserves

25.1. Number of authorized shares

	As of December 31, 2025 and 2024
Ordinary shares	500.000

25.2 Shares issued and fully paid in

	In thousands of shares	In thousands of real
As of December 31, 2024	270.016	1.229.400
As of December 31, 2025	280.335	1.800.00

25.3 Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a debit in equity in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented as profit reserve, according to the allocation made by the Company's management. As of December 31, 2025 and 2024, the Company had 3,000 treasury shares, totaling R$13,352.

25.4 Profit reserves and retained earnings

a. *Statutory reserve*

The legal reserve is recognized at the rate of 5% of annual profit, less the tax incentive reserve, up to the limit of 20% of share capital, pursuant to article 193 of Act No. 6,404/76. As of December 31, 2025 the balance was R$124,324 (R$110,392 as of December 31, 2024).

b. *General profit reserve*

Its purpose is to maintain working capital. It is made using the balance of adjusted profit after the non-discretionary dividends, and will have as maximum limit the amount that may not exceed 80% of share capital. As of December 31, 2025 the balance was R$669,080 (R$921,647 as of December 31, 2024).

On December 31, 2025, the Company's board of directors approved the capitalization of the profit reserve in the amount of R$322,950, adjusted to share capital from R$1,477,050 to R$1,800,000, without the issue of new shares and which did not cause the dilution or change in equity interests.

c. *Tax incentive reserve*

Resulting from the Law 14.789/2023, the Company benefits from ICMS Fundopem and Rota 2030 tax incentives. As from 2024, Management no longer sets up a reserve due to a change in the law. Therefore, as of December 31, 2025 and 2024 the balance remains at R$15,317.

d. *Capital Reserve and capital transactions*

Capital reserves and transactions consist of expenses incurred with the issuance of shares. In the year ended December 31, 2025 the balance was R$(32,624) (R$(16,556) as of December 31, 2024).

25.5 Other comprehensive income

	Deemed cost of property, plant and equipment	Foreign exchange gain (loss) on investments	Foreign exchange gain (loss) on loans	Foreign exchange gain or loss on deferred taxes	Changes in percentagem of ownership	Hedge *accounting*	Actuarial valuations and onerous contracts	Total
Balances as of December 31, 2023	**25.162**	**(279.738)**	**5.791**	**33.247**	**-**	**-**	**1.737**	**(213.801)**
Additions (write-offs) in the year	**(844)**	**163.072**	**12.181**	**(1.449)**	**-**	**13.131**	**(288)**	**185.803**
Balances as of December 31, 2024	**24.318**	**(116.666)**	**17.972**	**31.798**	**-**	**13.131**	**1.449**	**(27.998)**
Additions (write-offs) in the year	**(679)**	**(81.381)**	**(6.473)**	**8.290**	**(1.134)**	**(13.131)**	**(234)**	**(94.742)**
Balances as of December 31, 2025	**23.639**	**(198.047)**	**11.499**	**40.088**	**(1.134)**	**-**	**1.215**	**(122.740)**

a. *Deemed cost of property, plant and equipment*

Results from the valuation of property, plant and equipment items at fair value in accordance with CPC 27 – Property, Plant and Equipment/*IAS 16* – and ICPC 10 at first adoption of IFRS, recorded according to a valuation report prepared by an expert company.

b. *Foreign exchange gain (loss) on investments*

Foreign currency differences consist of the recognition of foreign currency differences arising from the translation of the financial statements of foreign subsidiaries, in accordance with CPC 02 (R2)/*IAS 21 Technical* Pronouncement – The Effects of Changes in Foreign Exchange Rates.

c. *Foreign exchange gain (loss) on related party loan*

Foreign exchange gain (loss) on the loan with the subsidiary Frasle Argentina, considered to be part of the net investment in such subsidiary, in accordance with CPC 02 (R2)/*IAS 21* – The Effects of Changes in Foreign Exchange Rates.

d. *Hedge Accounting*

Contains the effective portion of *cash flow hedges* up to the balance sheet date.

e. *Actuarial valuation*

Results from the recognition of actuarial gains on the employee benefit plan pursuant to CPC33 (R1)/*IAS 19* – Employee Benefits.

26 Dividends and interest on equity capital paid and proposed

Under the Company's bylaws, common shares are entitled to minimum non-discretionary dividends of 25% of adjusted profit and were calculated as follows:

	2025	2024
Profit for the year	276.895	367.742
Statutory reserve (5%)	(13.845)	(18.386)
Depreciation of attributable cost	679	844
Profit base for distribution	263.729	350.200
Non-discretionary dividends (25%)	65.932	87.550
Interest on equity capital	193.259	138.461
Withholding income tax	(28.989)	(20.769)
Interest on equity capital, net of taxes	164.270	117.692
Balance of proposed dividends to be distributed	-	-

26.1 Interest on equity capital

As allowed by Act No. 9,249/95, the Company calculated and paid interest on equity capital, which was charged to dividends, as approved by the Board of Directors at a meeting, according to the long-term interest rate in effect in the year, which was accounted for as finance costs, as required by tax law. For the preparation of these financial statements, interest was eliminated from finance costs for the year and is presented in the retained earnings account.

Income and social contribution taxes for the year were reduced by R$65,708 (42,292 in 2024) in the Company and by R$71,634 (47,078 in 2024) in the consolidated financial statements, due to the deduction of these taxes by interest on equity capital credited to shareholders.

Period	R$/share	Number of shares	Credit	Payment	Value
3Q25	0,34024	267.016	31/07/2025	14/08/2025	90.851
4Q25	0,36926	277.335	30/12/2025	16/01/2026	102.408

Period	R$/share	Number of shares	Credit	Payment	Value
3Q24	0,24588	267.016	31/07/2024	14/08/2024	65.654
4Q24	0,27266	267.016	31/12/2024	23/01/2025	72.807

The amounts are presented as recorded in the minutes, gross of income tax.

26.2 Changes in cash flows

Changes in dividends and interest on equity capital paid are as follows:

Information supplementary to the cash flow	Company	Company
	Payable	Receivable
Balance as of December 31, 2023	**54.889**	**29.173**
Current	**54.889**	**29.157**
Non-current	**-**	**16**
Cash changes:		
Dividends and interest on equity capital received/paid	(162.805)	(214.746)
Total	**(107.916)**	**(185.573)**
Changes that don't affect cash:		
Distribution of dividends and interest on equity capital	172.766	197.551
Balance as of December 31, 2024	**64.850**	**11.978**
Cash changes:		
Dividends and interest on equity capital received (paid)	**(163.658)**	**(81.056)**
Total	**(98.808)**	**(69.078)**
Changes that don't affect cash:		
Distribution of dividends and interest on equity capital	**190.802**	**76.770**
Foreign exchange gain (loss)	**-**	
Balance as of December 31, 2025	**91.994**	**7.692**
Current	**91.994**	**7.692**

27 Earnings (loss) per share

The calculation of basic earnings per share is performed by means of dividing the profit for the year attributable to the holders of ordinary shares of the parent company, by the weighted average number of common shares available during the year.

Diluted earnings per share are calculated by dividing the profit attributable to the holders of ordinary shares of the parent company by the weighted average number of common shares available during the year. There are no potential dilutive shares. On July 15 the Company completed the settlement of the public offering of primary and secondary shares representing an increase of 10,318,748. Detailed information about the issue of shares is disclosed in note five.

The table below shows data about results and shares used to calculate basic and diluted earnings per share:

	Company and Consolidated	
	2025	2024
Profit for the year	**276.895**	367.742
Weighted-average number of shares issued (in thousands)	**277.335**	267.016
Basic and diluted earnings per share (in real)	**0,9984**	**1,3772**

28 Income taxes

Current and deferred income and social contribution taxes are calculated according to the rates in effect and legislation applicable to each country in which the Company operates.

Income and social contribution tax expenses comprise current and deferred taxes, both of which are recognized in profit or loss, except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

28.1 Current tax

Represents the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment in tax payable in respect of previous years. Current tax is measured at tax rates enacted or substantively enacted on the reporting date.

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

The breakdown of income and social contribution tax expenses in the years ended December 31, 2025 and 2024 is summarized as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Current income and social contribution taxes	**(306)**	(15.015)	**(131.299)**	**(167.978)**
Deferred income and social contribution taxes	**83.909**	(2.139)	**93.568**	**(619)**
Income and social contribution tax income/expenses presented in the statement of profit or loss	**83.603**	(17.154)	**(37.731)**	**(168.597)**

The reconciliation of tax expense to the result of the multiplication of book profit by the local tax rate in the year ended December 31, 2025 and 2024 is described below:

	Company		Consolidated	
	2025	2024	2025	2024
Book income before taxes	**193.292**	384.896	**320.897**	543.300
At the tax rate of 34%	**(65.719)**	(130.865)	**(109.105)**	(184.722)
Non-deductible expenses	**(6.014)**	(6.094)	**(7.662)**	(12.472)
Share of profit (loss) of equity-accounted investees *(a)*	**101.817**	75.697	**16.653**	10.559
Deductible expenses by tax incentives	**-**	5.042	**3.145**	8.054
Difference in the rate of subsidiaries	**-**	-	**7.469**	(62)
Tax-exempt revenues	**2.867**	1.388	**2.845**	1.543
Other revenues (expenses), non-deductible	**(9.130)**	(4.614)	**(16.784)**	(35.435)
Interest on equity capital	**59.782**	42.292	**65.708**	43.938
Income and social contribution taxes in profit or loss for the year	**83.603**	**(17.154)**	**(37.731)**	**(168.597)**
Effective rate	**-**	4,46%	**11,76%**	31.03%

a) Share of profit (loss) of equity-accounted investees net of amortization of goodwill

28.2 International Tax Reform Pillar Two Model Rules

Frasle Mobility, as an entity that is part of an economic group whose ultimate controlling party is DRAMD, conducted a prior analysis of the potential impacts arising from the application of Pillar 2 (Global Minimum Tax), according to the guidelines of the Organization for Economic Cooperation and Development (OECD) and Law No. 15,079/2024, according to information currently available for 2025. Considering the application of Safe Harbor tests, including the De Minimis Test and the calculation of the Simplified ETR, no need for calculating the Top-up Tax was identified at the group level.

28.3 Tax Reform

On January 16, 2025, Complementary Law No. 214/2025 was published, deriving from the conversion of Complementary Law Project No. 68/2024, regulating part of Constitutional Amendment No. 132/2023 and establishing a new consumption taxation model in Brazil. This rule created the Goods and Services Tax (IBS), the Contribution on Goods and Services (CBS) and the Selective Tax (IS), taxes that will gradually replace the ICMS, ISS, PIS and Cofins.

The transition to the new tax system will take place in the period from 2026 to 2032. The operational phase will start in 2026, when the test rates of 0.1% for IBS and 0.9% for CBS are mandatory for electronic invoices, without any actual payment in this period. During this phase, Frasle Mobility will make adjustments in systems, registers and internal processes to adapt to the new layouts and tax classification criteria defined by the competent agencies.

The final implementation of the new model depends on the publication of additional standards, including guidelines issued by the IBS Management Committee, industry regulations and rules issued by the Brazilian Federal Revenue Service. These standards will define essential aspects, such as final tax rates, credit granting rules, governance mechanisms and calculation, control and inspection procedures.

Given the lack of full regulation, it is not yet possible to definitively determine the impacts of the Tax Reform on the calculation of the aforementioned taxes, especially as from the beginning of the transition period. Therefore, there is no effect of the Amendment on the financial statements as of December 31, 2025. The Company is still assessing the potential impacts of the reform.

28.4 Deferred income and social contribution taxes

Trade and other receivables are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

• temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

There are uncertainties regarding the interpretation of complex tax regulations and the amount and timing of future taxable profit. Considering the extent of international business relationships, and the long-term nature and complexity of existing contractual instruments, differences between actual results and the assumptions adopted by the Company, or future changes in these assumptions, could require future adjustments in recognized tax income and expense.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income and social contribution tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Temporary differences are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. And it reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if some criteria are met.

As of December 31, 2025 and December 31, 2024 deferred income and social contribution taxes refer to:

Company

	Statement of financial position		Equity		Profit & loss	
	2025	2024	2025	2024	2025	2024
Capital gains and goodwill	(38.288)	(45.608)	10.012	(1.230)	(2.692)	(8.005)
Depreciation – useful life/tax	(21.055)	(20.296)	–	–	(759)	435
Deemed cost of property, plant and equipment	(12.377)	(12.527)	–	–	150	435
Discounted present value	4.257	1.733	–	–	2.524	714
Sundry provisions and others (a)	(1.190)	981	(9.477)	–	7.306	2.523
Actuarial valuation	(1.096)	(964)	86	(111)	(218)	196
Accelerated depreciation	969	468	–	–	501	629
ECL allowance	735	954	–	–	(219)	523
Provision for commissions and freight	731	2.411	–	–	(1.680)	992
Consideration payable to clients	–	–	–	–	–	(159)
Inventory valuation allowance	6.387	3.262	–	–	3.125	361
Unrealized profit on inventories	7.085	10.240	–	–	(3.155)	5.225
Impairment loss	4.353	9.428	–	–	(5.075)	3.123
Profit sharing	5.640	9.025	–	–	(3.385)	438
Adjustment for inflation of contingent consideration	5.293	4.820	–	–	473	–
Derivative transactions	–	(6.764)	6.764	(6.764)	–	–
Provision for litigation	28.352	20.809	–	–	7.543	5.318
Tax losses carried forward	79.470	–	–	–	79.470	(14.887)
Deferred income and social contribution tax expense	–	–	–	–	83.909	(2.139)
Deferred tax assets (liabilities)	69.266	(22.028)	–	–	–	–
Equity	–	–	7.385	(8.105)	–	–

a) R$9,477 consists of deferred tax recognized on investment property related to the acquisition of full interest in subsidiary Frasle Mobility Sorocaba, according to note 15.4.

Consolidated

	Statement of financial position		Equity		Result	
	2025	2024	2025	2024	2025	2024
Capital gains and goodwill	(259.634)	(70.786)	10.012	(1.230)	6.157	(33.183)
Depreciation – useful life/tax	(26.736)	(29.141)	–	–	3.427	(1.524)
Addition per business combination	–	–	–	–	–	22.484
Adjustment for inflation	(19.520)	(24.834)	11.038	(1.951)	(5.724)	21.183
Adjustment in the attributable value of property, plant and equipment	(12.745)	(13.529)	–	–	784	656
Discounted present value	6.560	4.039	–	–	2.521	1.428
Actuarial valuation	(1.016)	(907)	158	(119)	(267)	240
Indemnification assets	–	(1.322)	–	–	1.322	–
Accelerated depreciation	527	468	–	–	59	524
Sundry provisions and others (a)	11.034	(1.723)	(9.477)	–	9.770	(18.117)
Derivative transactions	–	(6.765)	6.765	(6.765)	–	–
Provision for commissions and freight	788	2.543	–	–	(1.755)	993
ECL allowance	6.393	2.648	–	–	436	1.028
Consideration payable to clients	–	–	–	–	–	(159)
Impairment loss	6.037	11.718	–	–	(5.681)	7.667
Inventory valuation allowance	27.724	11.177	–	–	2.913	4.597
Profit sharing	14.945	10.366	–	–	4.579	(5.235)
Adjustment for inflation of contingent consideration	5.293	4.820	–	–	473	–
Provision for litigation	43.955	36.880	–	–	7.075	3.588
Tax losses carried forward	123.107	55.628	–	–	67.479	(6.789)
Deferred income and social contribution tax expense	–	–	–	–	93.568	(619)
Deferred tax liabilities	(73.288)	(8.720)	–	–	–	–
Equity	–	–	18.496	(10.065)	–	–

a) R$9,477 consists of deferred tax recognized on investment property related to the acquisition of all subsidiary Frasle Mobility Sorocaba, according to note 15.4.

The Company and its subsidiaries have total recognized tax losses to offset of R$418,946 (R$212,956 as of December 31, 2024), which may be offset against future taxable profit of the company in which they were generated. The estimated recovery of tax credits on income and social contribution tax losses was based on taxable profit projections, considering several financial and business assumptions considered at year end. Therefore, estimates may not be fulfilled in the future considering the uncertainty about these provisions. The Company and its subsidiaries conduct impairment studies for its deferred assets and for the year ended December 31, 2025 studies show that they are recoverable for their subsidiaries.

The table below shows the realization of deferred taxes on tax losses with their expiration dates:

	Without deadline	Within 1-5 years	Within 5-10 years	10-15 years	More than 15 years
Expiration	91.079	5.098	19.411	3.762	3.757

29 Net sales revenue

Recognized at the amount that reflects the Company's expected consideration to be received for products and services sold to clients. Revenue is recognized in profit or loss to the extent that agreed performance obligations are met.

The amount recognized considers accounting estimates and judgments, including commercial discounts, structured rebate programs based on negotiated volumes and contractual criteria, as well as rights of return on products sold. In addition, discounts to present value are applied to long-term transactions and external factors, such as exchange rate fluctuations and hyperinflationary effects, are monitored to ensure the truthfulness of financial information.

Net sales revenue is as follows:

	Company		Consolidated	
	2025	2024	2025	2024
Gross revenue	**2.030.486**	2.102.284	**6.485.329**	**5.023.319**
In Brazil	**1.420.932**	1.450.584	**3.139.852**	**2.859.319**
External	**609.554**	651.700	**3.345.477**	**2.164.000**
Taxes on sales	**(342.952)**	(412.870)	**(903.903)**	**(976.874)**
Returns and other deductions *(a)*	**(7.275)**	(4.311)	**(90.548)**	**(80.669)**
Net revenue	**1.680.259**	1.685.103	**5.490.878**	**3.965.776**

a) The Company uses rebate practices for business purposes. As of December 31, 2025 the amount was R$51,398 (R$52,188 as of December 31, 2024) and was reflected on the "Returns and other deductions" line item.

30 Expenses by nature

The Company's statements of profit or loss are presented by function. Below is the breakdown of expenses by nature.

	Company		Consolidated	
	2025	2024	2025	2024
Expenses by function				
Cost of goods sold and services rendered	**(1.188.566)**	(1.183.106)	**(3.694.967)**	(2.635.267)
Selling expenses	**(172.924)**	(168.920)	**(563.965)**	(404.731)
Administrative and general expenses	**(133.153)**	(124.771)	**(489.950)**	(317.435)
Total	**(1.494.643)**	**(1.476.797)**	**(4.748.882)**	**(3.357.433)**
Expenses by nature				
Raw materials and consumables	**(654.201)**	(666.613)	**(2.630.314)**	(1.811.689)
Personnel expenses	**(378.984)**	(355.350)	**(901.145)**	(659.594)
Freight	**(72.931)**	(68.100)	**(169.369)**	(129.870)
Administrative services	**(93.341)**	(86.671)	**(167.095)**	(114.189)
Depreciation and amortization	**(56.572)**	(52.455)	**(267.424)**	(158.712)
Care and maintenance	**(55.928)**	(60.483)	**(117.481)**	(98.548)
Electricity	**(31.131)**	(33.662)	**(58.840)**	(54.834)
Rents	**(16.784)**	(14.487)	**(47.230)**	(30.155)
IT Advisory Services	**(2.714)**	(2.852)	**(33.852)**	(9.967)
Professional fees	**(23.276)**	(20.593)	**(31.919)**	(26.521)
Technical assistance	**(9.387)**	(8.199)	**(25.349)**	(9.268)
Export expenses	**(20.586)**	(15.353)	**(23.227)**	(17.142)
Commissions	**(11.155)**	(11.501)	**(19.954)**	(10.001)
Management personnel's compensation and profit sharing	**(6.140)**	(6.118)	**(14.745)**	(14.016)
Logistics services	**(2.463)**	(11.354)	**(449)**	(1.790)
Other expenses	**(59.050)**	(63.006)	**(240.489)**	(211.137)
Total	**(1.494.643)**	**(1.476.797)**	**(4.748.882)**	**(3.357.433)**

31 Personnel and profit sharing expenses

	Company		Consolidated	
	2025	2024	2025	2024
Wages and salaries	**(274.073)**	(258.137)	**(631.555)**	(487.445)
Social security costs	**(55.521)**	(52.483)	**(124.781)**	(83.246)
Vested benefits	**(49.390)**	(44.730)	**(144.809)**	(88.903)
Total	**(378.984)**	(355.350)	**(901.145)**	(659.594)

The profit sharing totaled R$16,751 as of December 31, 2025 (R$33,675 as of December 31, 2024).

32 Other operating income (expenses)

	Company		Consolidated	
	2025	2024	2025	2024
Other operating income:				
Reversal of the allowance for impairment	**13.935**	–	**15.942**	3.085
Tax incentives (a)	**13.538**	20.001	**15.802**	31.431
Sale of equity assets	**170**	–	**15.326**	10.707
Overstated assets in the business combination	**7.154**	–	**7.154**	–
Revenues from lawsuits	**5.571**	286	**5.647**	286
Revenue from substation electricity	**2.208**	–	**2.208**	–
Claim reimbursement revenue	**436**	11	**1.887**	11
Offsetting of amounts withheld business combination	**845**	2.472	**845**	2.472
Fair value Investment property	**–**	–	**476**	85
Rents	**–**	–	**291**	2.654
Other income	**2.898**	1.393	**6.215**	2.253
Total	**46.755**	24.163	**71.793**	52.984
Other operating expenses:				
Cost of disposal of permanent assets	**(1.100)**	(1.481)	**(27.041)**	(13.630)
Provision for litigation	**(22.186)**	(15.640)	**(21.947)**	(14.243)
Employee profit sharing	**(11.583)**	(22.805)	**(16.751)**	(33.675)
Expenses on legal proceedings	**(9.000)**	(8.309)	**(13.200)**	(15.316)
Taxes and fees	**(611)**	(526)	**(7.324)**	(2.485)
Impairment *loss*	**994**	(9.184)	**994**	(9.184)
Cost of taxes on the write-off of assets	**(29)**	(9)	**(37)**	(47)
Restructuring cost	**–**	–	**–**	(37.513)
Overstated assets in the business combination	**–**	(2.016)	**–**	(2.016)
Other expenses	**(1.711)**	(1.861)	**(6.280)**	(14.522)
Total	**(45.226)**	(61.831)	**(91.586)**	(142.631)

a) Amounts related to the Green Mobility Program (MOVER), tax recovery in subsidiaries and other tax incentives.

33 Net finance income (costs)

Interest income or expense is recognized using the effective interest method. The Company classifies loans and financing as financing activities because they consist of costs incurred to obtain funds.

	Company		Consolidated	
	2025	2024	2025	2024
Finance income:				
Foreign exchange gain (loss)	**33.878**	83.699	**122.485**	358.235
Income from financial investments	**33.080**	75.840	**89.559**	183.940
Discounted present value	**24.710**	19.337	**28.053**	20.917
Adjustment for inflation of appeal deposits and court proceedings	**9.450**	11.266	**10.124**	11.904
Other finance income	**4.107**	61	**1.649**	940
Total	**105.225**	190.203	**251.870**	**575.936**
Finance costs:				
Interest on financing agreements	**(219.598)**	(115.150)	**(324.020)**	(130.340)
Foreign exchange gain (loss)	**(60.015)**	(33.553)	**(155.084)**	(389.515)
Banking expenses	**(30.922)**	(23.755)	**(79.396)**	(53.075)
Discounted present value	**(27.613)**	(15.325)	**(42.824)**	(29.391)
Tax on financial transactions	**(13.377)**	(7.200)	**(25.719)**	(15.198)
Monetary fluctuations in business combination	**(12.596)**	-	**(12.895)**	-
Granted discounts	**(496)**	(285)	**(842)**	(1.954)
Late payment interest	**(249)**	-	**(324)**	-
Finance costs other	**(3.686)**	(13.038)	**(37.946)**	(44.756)
Total	**(368.552)**	(208.306)	**(679.050)**	(664.229)
Adjustment for inflation	**17.090**	40.308	**23.971**	112.422
Net finance income (costs)	**(246.237)**	22.205	**(403.209)**	24.129

34 Hyperinflationary economy

The financial statements of subsidiaries operating in hyperinflationary economies are adjusted for the change in the general purchasing power of the currency, so that their amounts are stated in the monetary unit of measurement at the end of the year, as determined by CPC 42/IAS 29 - Financial Reporting in Hyperinflationary Economies.

In 2025, Argentina recorded cumulative inflation of 31.5% in the first nine months of the year (117% as of December 31, 2024). The effects of those events are reflected in the table below:

Impact on finance income	2025	2024
Frasle Argentina	**6.881**	27.840
Frasle Parent Company	**17.090**	40.308
Armetal	**-**	44.274
Total	**23.971**	**112.422**

Moreover, the Argentinian peso depreciated by approximately 36.7% in the year, reflecting the country's economic and political uncertainties (and remained stable in the same period of 2024).