A long-exposure photograph of a multi-lane highway at night. The image is dominated by vibrant red light trails from taillights, which curve along the road into the distance. The road surface is dark, and the surrounding landscape is mostly black, with some distant lights visible on the horizon.

***RESULTS FOR THE
FIRST QUARTER OF
2023***

Caxias do Sul, May 09, 2023. Frasle Mobility (Fras-le S.A.) (B3: FRAS3) announces its results for the first quarter of 2023 (1Q23). The Company's financial information is consolidated in compliance with the international standards IFRS – International Financial Reporting Standards and the monetary values are denominated in Reais, unless otherwise indicated. Comparisons are made with the first quarter of 2022 (1Q22).

HIGHLIGHTS



Consolidated Net Revenue was R\$ 838.8 million in 1Q23, 19.0% up from 1Q22.

Revenues from the International Market amounted to **US\$ 53.3 million** in 1Q23, 5.8% down from 1Q22.



Gross Margin reached 35.3% in 1Q23, 7.7 percentage points up from 1Q22 and 6.0 percentage points up from that of 4Q22 (29,3%).



EBITDA reached R\$ 177.1 million in 1Q23, 67.0% higher than that of 1Q22 and 110,5% from 4Q22 (R\$ 84.1 million).

EBITDA margin was 21.1% in 1Q23, which is 6.1 percentage points up from that reached in 1Q22 and 9.8 percentage points up from 4Q22.



Net Margin was 10.8% in 1Q23, which is 6.8 percentage points of growth as compared to 1Q22 and 6.1 percentage points as compared to 4Q22 (4,7%).



Investments amounted to **R\$ 31.2 million** in 1Q23.



Return on Invested Capital (ROIC) reached **13.3%** in 1Q23, 1,4 percentage point of growth as compared to 1Q22.



The **Fras-le Universe**, held in September 2022, has received the Best Meeting with Investors Award of **Apimec 2022**.

MARKET CAP (31/03/2023) R\$ 2,5 bi

CLOSING QUOTE "FRAS3" R\$ 9.29

FREE FLOAT – 33.1%

Hemerson Fernando de Souza

Jéssica Cristina Cantele

Marcelo Scopel Caberlon

Mônica Rech

Renata Schwaizer

Investor Relations

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ri@fras-le.com

Videoconference of Results 1Q23

May 10, 2023, (Wednesday)

11 am Brasília | 10 am New York | 3 pm London

WEBCAST (Portuguese/English): [Click here](#)

Forward-looking Statements. The statements contained in this report regarding FRAS-LE's business prospects, projections and results and the company's growth potential are merely forecasts and were based on management's expectations regarding the Company's future. These expectations are highly dependent on changes in the market, the general economic performance of the country and the sector and international markets, and may change.

¹ Amount referring to the sum of exports out of Brazil and revenues generated by operations abroad, net of intercompany operations.

² Amount referring to organic investments.

FRASLE MOBILITY UNIVERSE

ACQUISITION COMPLETION OF AML JURATEK

On February 16, the Company signed a stock purchase agreement between Fras-le Europa BV and AML Juratek Limited, headquartered in Doncaster, United Kingdom. On March 1, the equity interest was transferred, as well as the control and management of AML Juratek.

The acquisition resulted in Fras-le's operation to have five Business Units in Europe: a sales office located in Germany and four warehouses, one of which is located in the Netherlands, two in England – in Doncaster and in Bradford – and one in Northern Ireland. To access the Material Fact, [click here](#).



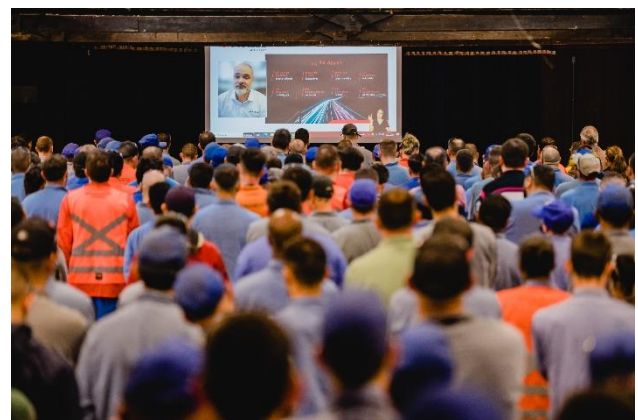
FRAS-LE WITHOUT BORDERS PROJECT

On March 8, Fras-le Caxias do Sul launched the Fras-le Without Borders Project with the People with Disabilities Development Center. The project aims at developing and adapting people with disabilities within the company, seeking to find the best position for each of them. The initiative goes beyond complying with legal quotas: it also promotes diversity, learning, teamwork, respect and recognition of individual differences. The development of people and diversity are connected to our ESG ambition.

SUBSEQUENT EVENTS

NEW CORPORATE BRAND

On April 6, the Company announced its new corporate brand, **Frasle Mobility**. The construction of the new identity repositions the Company as a house of brands, associated with the intense expansion cycles experienced over the last 10 years, with new companies, geographic growth, products and services incorporated into the portfolio of solutions, projecting a future of new possibilities for evolution and growth. To watch the Frasle Mobility manifesto [click here](#).



EVOLUTION OF THE *SMART COMPOSITES* BRAND.

On April 17, the Company announced its new brand of solutions in composite materials, the Composs, which represents the evolution of the Smart Composites brand, launched in 2021 to employ new technologies focused on structural composite materials in a pioneering way in the Latin American market.

Composites, the focus of Composs technology, are made from the combination of materials of different chemical natures and properties, resulting in new materials with superior performance. Composites have been successful as an alternative, mainly in replacing metallic components. To read the statement in full, [click here](#).



SUSTAINABILITY REPORT

On April 28, the Company released its 2022 Sustainability Report during the 3rd edition of the Our ESG Ambition event. The report is a summary of results, indicators and initiatives, addressing relevant aspects for employees, customers, suppliers, investors, communities and the society in general.



[Click here](#) to access the report.



[Click here](#) to watch Our ESG Ambition.

MESSAGE FROM MANAGEMENT

The first quarter of 2023 delivers record results for Frasle Mobility. The moment masterfully translates the global and diversified positioning of the product portfolio and the harmony of the individual performance of the Units. **It consolidates the positioning of a house of brands in the automotive aftermarket, showing resilience in performance and the dynamic vision of the combined businesses.**

The quarter's results also qualify, directly and simply, the dynamics of Frasle Mobility's businesses (which is closer to retail and consumption), differentiating it from the movements of the capital goods sector, more focused on the production of goods. Because it operates in the automotive market, the Company is usually compared with peers that have distinct markets and business strategies, which does not confirm the quality of its business model.

Revenues from the international market increased 11% when compared to the last quarter of 2022. The performance already reflects, in just one month, the increase brought by AML Juratek revenues (United Kingdom), which was acquired in March. The unit makes room for the expansion of operations in the European market and starts a new cycle of expansion, in tune with opportunities beyond the domestic market.

We are **Frasle Mobility**: a new brand aimed at reinforcing our mission to the market: to keep life in motion through an ecosystem of smart and sustainable solutions that includes our vision of being globally recognized for its mobility solutions.

Throughout this report we will share the detailed results.

Keep Life in Motion!

"The quarter's results also draw apart, in a direct and simple way, the dynamics of Frasle Mobility's business from the movements of the capital goods sector".

MAIN FIGURES

	1Q23	1Q22	Δ %	4Q22	Δ %
Net Revenue	838,8	704,8	19,0%	746,8	12,3%
Domestic Market	562,0	408,4	37,6%	496,9	13,1%
Foreign Market	276,7	296,4	-6,6%	249,9	10,7%
Foreign Market US\$	53,3	56,5	-5,8%	47,5	12,1%
Exports - Brazil US\$ *	25,6	26,4	-3,1%	27,0	-5,5%
Gross Profit	296,2	194,5	52,3%	219,1	35,2%
Gross Margin	35,3%	27,6%	7,7 pp	29,3%	6,0 pp
Operating Profit	147,2	78,0	88,7%	49,8	195,3%
Operating Margin	17,5%	11,1%	6,5 pp	6,7%	10,9 pp
EBITDA	177,1	106,0	67,0%	84,1	110,5%
EBITDA Margin	21,1%	15,0%	6,1 pp	11,3%	9,8 pp
Net Profit	90,4	27,9	224,4%	35,3	156,1%
Net Margin	10,8%	4,0%	6,8 pp	4,7%	6,1 pp
Adjusted EBITDA	177,1	106,0	67,0%	106,6	66,1%
Adjusted EBITDA Margin	21,1%	15,0%	6,1 pp	14,3%	6,8 pp
Investments	31,2	13,2	136,3%	59,5	-47,6%
ROIC	13,3%	11,9%	1,4 pp	13,9%	-0,6 pp

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

(*) Includes intercompany sales

	1Q23	1Q22	Δ %	4Q22	Δ %
Average price of the US dollar	5,19	5,23	-0,7%	5,26	-1,2%

BUSINESS OVERVIEW IN THE QUARTER

1Q23 is unique when analysing the consolidated history of Frasle Mobility and confirms the strategy that has been built by the house of brands which is available in different geographies around the world with diversified strategies for each performance.

For 69 years, the Company has been developing technologies and products and has innovated in the search for new businesses. The choice of markets and geographies dictates the history of the Company, that has been resilient, in addition to supporting different results, even in challenging macroeconomic scenarios.

Sales Performance

Volume and Net Revenue by Product Family

Sales Volumes by Product Line in millions of pieces or liters									
VOLUMES		1Q23		1Q22		Δ %	4Q22		Δ %
	Friction Material	24,8		23,8		4,0%	25,2		-1,6%
	Components for the Brake System	2,2		2,1		2,5%	2,2		-2,3%
	Components for the Suspension, Steering and Powertrain	4,7		4,0		17,7%	4,0		16,0%
Sales Revenue by Material in R\$ million									
NET REVENUE		1Q23		1Q22		Δ %	4Q22		Δ %
	Friction Material	397,0	47,3%	370,1	52,5%	7,3%	357,9	47,9%	10,9%
	Components for the Brake System	151,7	18,1%	118,8	16,9%	27,7%	158,2	21,2%	-4,1%
	Components for the Suspension, Steering and Powertrain	235,6	28,1%	181,8	25,8%	29,5%	201,2	26,9%	17,1%
	Other products *	54,6	6,5%	34,1	4,8%	59,8%	29,5	4,0%	84,9%
Total Net Revenue	838,8	100,0%	704,8	100,0%	19,0%	746,8	100,0%	12,3%	

The components are detailed at the end of this report.

(*) Other products are considering Juratek Mar/23's revenue of R\$ 13.9 million. In 1Q23, Juratek's Sales Volume was not considered.

The Company's global positioning and the strategies segmented by market fostered the growth of sales revenues in the first quarter of 2023. Below are the highlights of each family:

Friction Materials

- In the light line (brake pads), the performance is connected to the update of the product portfolio, added of the repositioning of some lines in the market and price review.
- In the brake linings line for commercial vehicles, sales campaigns contributed to continued growth.

Brake System Components

- Disc brakes remain in high demand in both the domestic and export markets.

Suspension, Steering and Powertrain Components

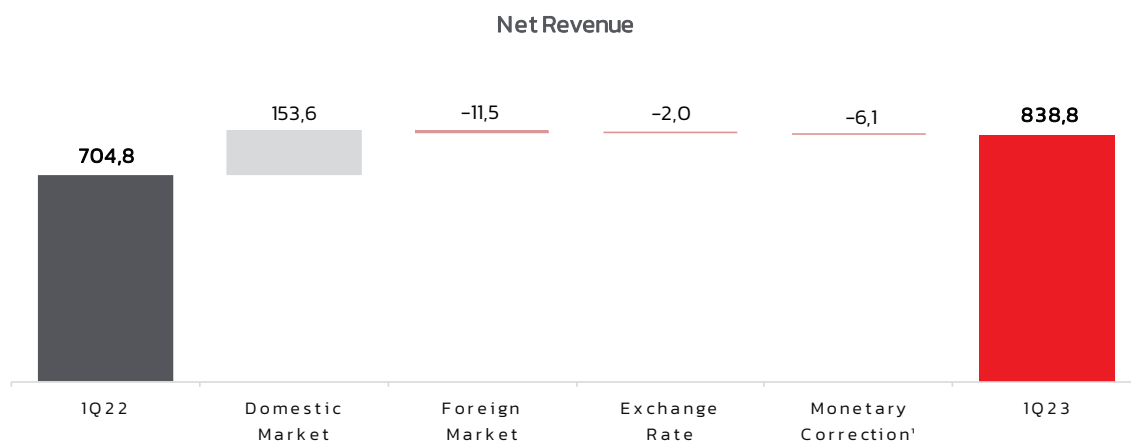
- The excellent performance of this item is driven by our subsidiary Nakata in the shock absorber line, which has been gaining market share and making room for other product portfolios in the market.

Compass

- The line of composite materials (within other products) entered into important agreements in 2022 and started to produce in scale, as of this quarter, support lines for fenders and taillights for commercial vehicles.

NOTE: It should be noted that the performance of sales revenue by family of material does not necessarily reflect the same behaviour in volumes, as there are effects of variation in the exchange rate, mix of products and prices negotiated. For more details on the families, see Appendix IV.

Below is a graph in causal format, with the effects that changed the performance of consolidated net revenue in 1Q23 when compared to 1Q22:



Amounts in BRL Millions

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

Revenues by Market

Net Revenue by Markets								
Markets	1Q23		1Q22		Δ %	4Q22		Δ %
DM Aftermarket	499,3	59,5%	354,6	50,3%	40,8%	445,6	59,7%	12,0%
DM OEM	62,8	7,5%	53,8	7,6%	16,6%	51,3	6,9%	22,3%
Domestic Market	562,0	67,0%	408,4	57,9%	37,6%	496,9	66,5%	13,1%
FM Aftermarket	239,1	28,5%	253,4	36,0%	-5,7%	208,9	28,0%	14,5%
FM OEM	37,7	4,5%	43,0	6,1%	-12,4%	41,0	5,5%	-8,2%
Foreign Market	276,7	33,0%	296,4	42,1%	-6,6%	249,9	33,5%	10,7%
Total Aftermarket Net	738,4	88,0%	608,0	86,3%	21,4%	654,5	87,6%	12,8%
Total OEM Net Revenue	100,4	12,0%	96,8	13,7%	3,7%	92,4	12,4%	8,7%
Total Net Revenue	838,8	100%	704,8	100%	19,0%	746,8	100%	12,3%

Values in R\$ million

DOMESTIC MARKET (DM)

Domestic market revenue grew when compared to the same period last year, with an increase of 37.6%, and 13.1% growth compared to 4Q22. Among the reasons for these variations are:

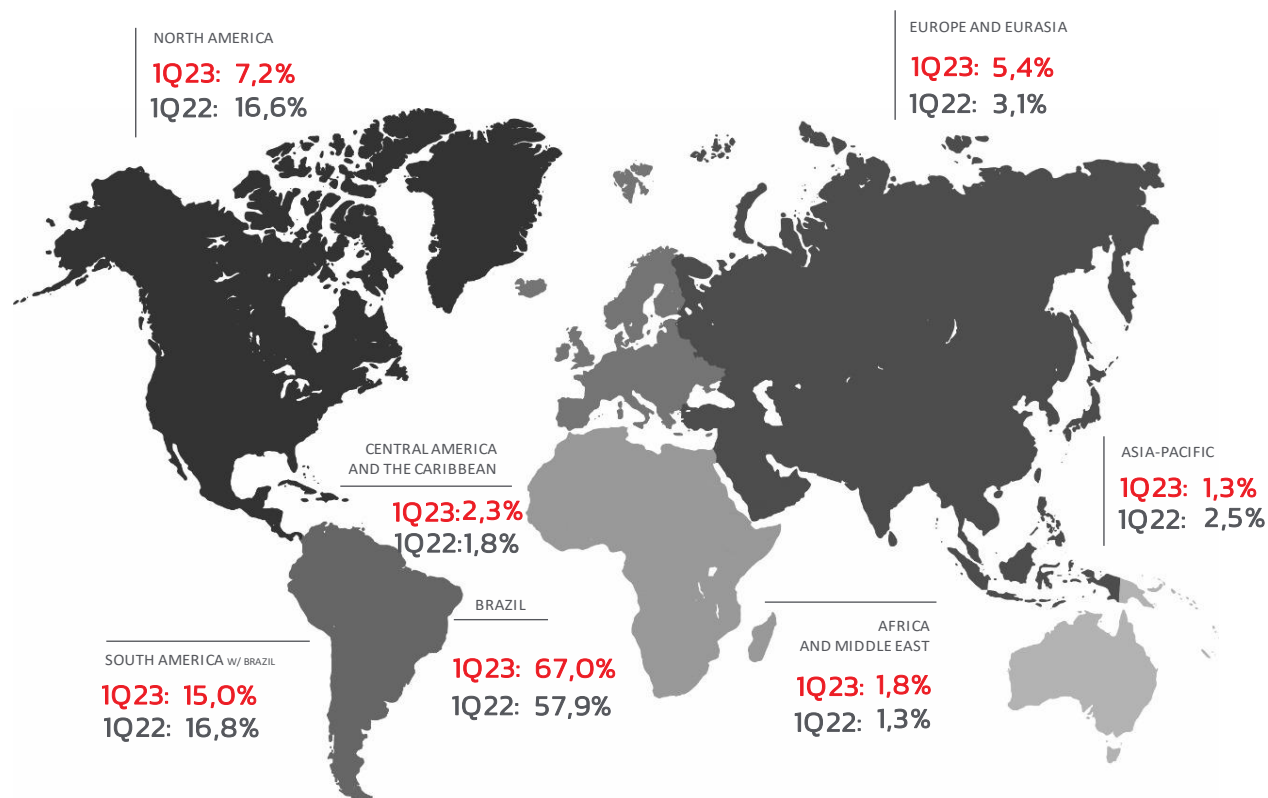
- In the Aftermarket sector, Fremax stands out in terms of sales and revenue performance, which is linked to product positioning, reflecting in high demand. The line of shock absorbers also contributed to the growth of this item and is linked to physical structure strategies (new industrial park) and operational strategies (revision of processes and increase in productivity).
- The domestic market for automakers was affected by plant shutdowns, but even so growth continued.

INTERNATIONAL MARKET (IM)

The international market, which corresponds to the sum of exports out of Brazil and revenues from operations abroad, showed a slowdown of 6.6% when compared to 1Q22 and growth of 10.7% when compared to the period of 4Q22. The main highlights were:

- In the aftermarket, demand remains strong for brake discs and friction materials, especially brake pads, which have been gaining new markets in Latin America, when comparing 1Q23 to 4Q22.
- The African continent and Asian countries, such as India and China, contributed to the increase in the replacement items due to strategies aimed at gaining market share when comparing 1Q23 to 4Q22.
- The drop in sales to automakers is due to some specific sales difficulties.

Net Revenue Breakdown in the Globe



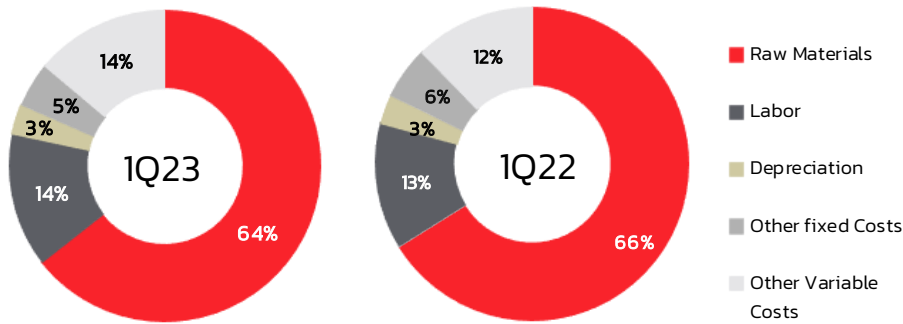
- **North America:** The United States was impacted by the slowdown in economic activity at the turn of the year, which increased the level of inventories at end customers and in sales performance. The Company remains optimistic with the scenario of stabilized inflation and regular consumption.
- **South America:** Import restrictions in the country and moderate economic activity are difficulties faced in Argentina.
- **Europe:** Effects of inflation and the Ukraine x Russia conflict were stabilized, and growth strategies were resumed. AML Juratek, the Company's new acquisition, also contributed to the increase in this indicator.
- **Asia:** India ended the first quarter with new commercial partnerships and excellent sales performance, which also boosted growth of the African market. The opening of post-Covid China strengthens commercial strategies to resume growth in this region.

Operating Performance

Cost of Goods Sold (COGS) and Gross Profit

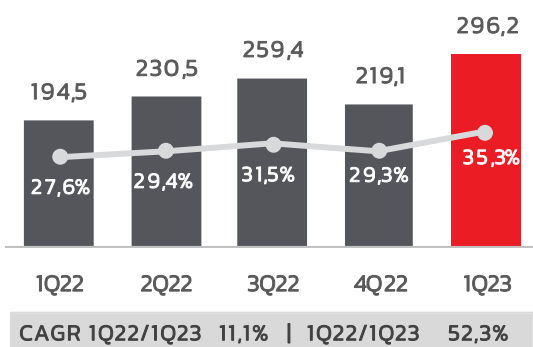
In 1Q23, the cost of goods sold amounted to R\$ 542.6 million, which accounts for 64.7% of net revenue for the period, resulting in gross profit of R\$ 296.2 million, with a gross margin of 35.3 %, around 7.7 percentage points above 1Q22 (margin of 27.6% and gross profit of R\$ 194.5 million).

The evolution of this indicator was also seen in the result of the fourth quarter, which ended at R\$ 219.1 million and 29.3%, accounting for 6.0 percentage points of growth when comparing 1Q23 to 4Q22. The chart below shows the breakdown of COGS:



*General Manufacturing Expenses

Gross Profit



The Company ended the first quarter of 2023 showing an increase in gross margin, which reflects the stabilization of inflation in markets such as the US, Europe and Brazil, in addition to lower freight costs. The increase in sales, boosted by sales campaigns, exchange rate variation in the period and continuous efforts to improve operational processes also contributed to this indicator.

Operating Expenses and Revenues

	1Q23		1Q22		Δ %	4Q22		Δ %
Selling Expenses	-79,2	-9,4%	-61,4	-8,7%	29,0%	-79,6	-10,7%	-0,5%
Variable Expenses w/ Sales	-26,5	-3,2%	-22,2	-3,2%	19,4%	-27,1	-3,6%	-2,3%
Other Expenses w/ Sales	-52,7	-6,3%	-39,2	-5,6%	34,5%	-52,4	-7,0%	0,4%
Administrative Expenses	-55,5	-6,6%	-46,4	-6,6%	19,6%	-60,1	-8,0%	-7,7%
Other Net Expenses/Income	-14,5	-1,7%	-8,7	-1,2%	66,5%	-29,4	-3,9%	-50,8%
Other Operating Expenses	-17,9	-2,1%	-14,7	-2,1%	21,8%	-46,0	-6,2%	-61,0%
Other Operating Income	3,5	0,4%	6,0	0,9%	-42,7%	16,5	2,2%	-79,0%
Equity Equivalence	0,1	0,0%	0,0	0,0%	-341,4%	-0,2	0,0%	-147,7%
Total Operating Exp/Income	-149,0	-17,8%	-116,5	-16,5%	27,9%	-169,3	-22,7%	-12,0%

Values in R\$ millions and % over Net Revenue

In 1Q23, operating expenses grew by 27.9% compared to the same period of the previous year, in total operating expenses and revenues. Regarding growth, the following stand out:

- Selling expenses accounted for 9.4% of net revenue for the period. The growth in selling expenses in the 1Q23 x 1Q22 comparison is due to sales campaigns added of freight and commission values.
- The increase in administrative expenses when comparing 1Q23 to 1Q22 is linked to personnel expenses. Compared to the last quarter, it remained flat, as the Company seeks effective control over the budget.

EBITDA and Adjusted EBITDA

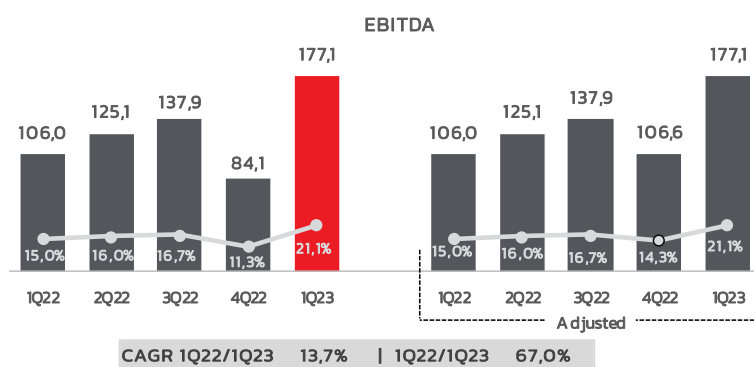
EBITDA Reconciliation and Adjusted EBITDA	1Q23	1Q22	Δ %	4Q22	Δ %
Net Profit	90,4	27,9	224,4%	35,3	156,1%
Result using the Equity Method	0,0	0,0	-100,0%	0,0	0,0%
Financial Result	20,8	46,0	-54,7%	23,2	-10,0%
Depreciation	29,9	28,0	6,8%	34,3	-12,8%
Income Tax / Social Contribution	35,9	4,1	773,4%	-8,6	-515,1%
EBITDA	177,1	106,0	67,0%	84,1	110,5%
EBITDA Margin	21,1%	15,0%	6,1 pp	11,3%	9,8 pp
Non-recurring Events	0,0	0,0	0,0%	22,5	-100,0%
Asset impairment	0,0	0,0	0,0%	0,7	-100,0%
Business combination update	0,0	0,0	0,0%	16,2	0,0%
Reversal of gains on tax litigation process	0,0	0,0	0,0%	5,6	-100,0%
Adjusted EBITDA	177,1	106,0	67,0%	106,6	66,1%
EBITDA Margin - Adjusted	21,1%	15,0%	6,1 pp	14,3%	6,8 pp

Values in R\$ million

Consolidated EBITDA in 1Q23 amounted to R\$ 177.1 million, with a margin of 21.1%, which is 6.1 percentage points higher than that achieved in the same period.

Among the factors that contributed to this result, we highlight:

- The purchasing strategy we put in place in the last quarter protected the Company from price transfers in the supply chain, which also helped margin performance.
- Dollar x Real variation, inflation in Argentina and synergies between all companies of the conglomerate contributed to the positive result.
- Heated demand at workshops/ service shops boosted the domestic market. Lower logistics prices, such as the cost of containers and imported products, strengthen the export market.



Financial Result

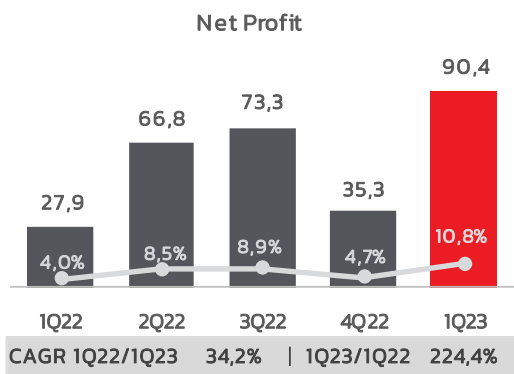
	1Q23	1Q22	Δ %	4Q22	Δ %
Exchange Variation	28,5	34,7	-18,0%	34,0	-16,1%
Interests on Capital Investment	25,1	7,6	230,9%	32,5	-22,5%
Present Value Adjust	4,7	2,6	78,0%	5,5	-14,3%
Other Financial Income	5,4	5,5	-3,2%	14,7	-63,6%
Monetary adjustment (IAS 29)	3,6	7,8	-54,2%	10,1	-64,7%
Financial Income	67,3	58,3	15,4%	96,7	-30,5%
Exchange Variation	-40,0	-53,1	-24,6%	-65,7	-39,2%
Financing Interests	-19,3	-23,7	-18,4%	-27,6	-29,9%
Present Value Adjust	-6,5	-5,3	22,6%	0,7	-1080,4%
Bank Expenses	-14,3	-12,4	15,2%	-13,5	5,9%
Other Financial Expenses	-8,0	-9,8	-18,8%	-13,7	-41,9%
Financial Expenses	-88,1	-104,3	-15,5%	-119,9	-26,5%
Financial Result	-20,8	-46,0	-54,7%	-23,2	-10,0%

Values in R\$ millions

The Company's net financial result amounted to a negative R\$ 20.8 million in 1Q23. The main factors for this are:

- Increase in interest on income from financial investments and interest paid on financing, due to the increase in the Selic rate of approximately 4.5 percentage points when compared to 1Q23 x 1Q22.
- Appreciation of 6.1% of the Real against the average US Dollar in 1Q23.
- Decrease in revenue related to the adjustment for inflation (IAS 29) in operations located in Argentina due to the high inflation rate added of government import barriers.

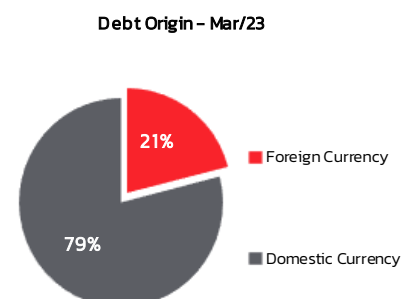
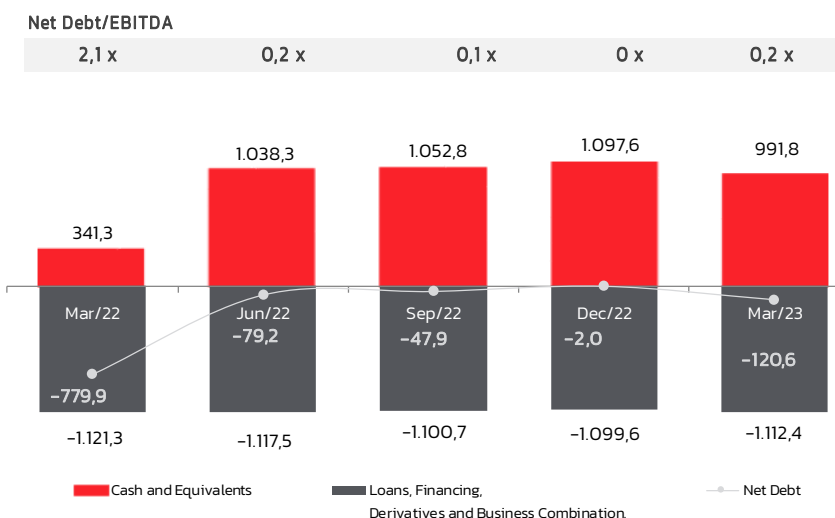
Net Profit



The combination of the aforementioned factors resulted in net income of R\$ 90.4 million in 1Q23, with a net margin of 10.8%.

Financial Management

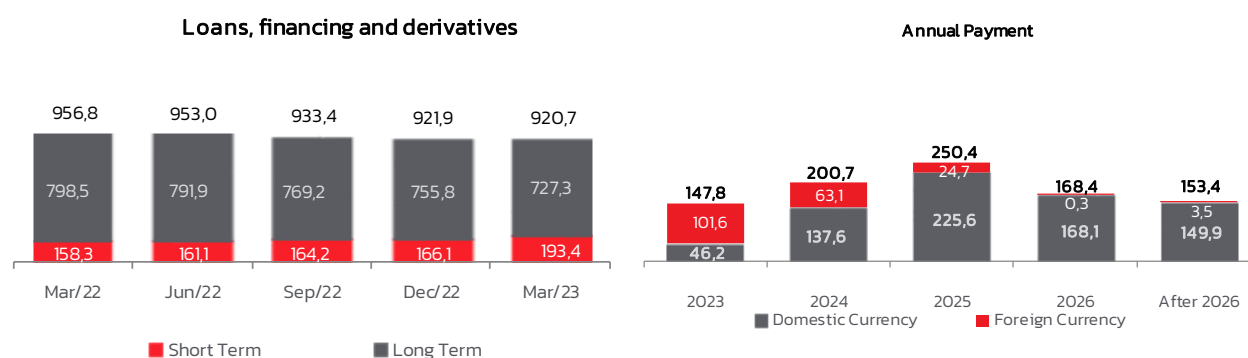
Net Debt



The main indexes of consolidated gross debt at the end of 1Q23 were:

- (i) lines in Reais indexed to the CDI, accounted for 77.00% (average cost CDI + 1.85%);
- (ii) lines in Euros (Euro + 2.0% pa) with 0.53%.
- (iii) lines in Pounds (Pounds + 1.78% pa) with 3.34%.
- (iv) lines in Dollars (US\$ + average of 3.3% per year) with 17.11%.
- (v) lines in Reais indexed to others which accounted for 2.02% (average CDI cost + 1.77%).

The following charts provide a breakdown of the debt:



Working Capital

	1Q22	2Q22	3Q22	4Q22	1Q23
Resources Investment					
Customers	298,8	370,6	319,9	271,7	354,1
<i>In Days</i>	32 d	37 d	30 d	25 d	31 d
Inventory	794,7	786,1	853,0	857,7	852,3
<i>In Days</i>	85 d	79 d	81 d	80 d	76 d
Others Resources	141,8	122,7	121,3	116,4	118,9
Total of Resources Invested	1.235,3	1.279,3	1.294,3	1.245,8	1.325,3
Sources					
Suppliers	-301,4	-345,5	-366,3	-388,2	-358,9
<i>In Days</i>	32 d	35 d	35 d	36 d	32 d
Others Resources	-159,4	-206,7	-184,4	-160,9	-239,0
Total of Sources	-460,8	-552,2	-550,7	-549,2	-597,9
WC in R\$	774,5	727,0	743,6	696,6	727,4
<i>WC in Days</i>	103 d	80 d	71 d	65 d	65 d

Values in R\$ million

Throughout 2022, the Company worked on working capital efficiency, which resulted in a first quarter with 38 days less than 1Q22 and in line with 4Q22. The most relevant impacts were:

- The increase in the customer balance is due to the addition of AML Juratek portfolio.
- Considering the return of normal supply in the market, the Company works to reduce inventory levels, a difficulty that was faced in the last two years due to the pandemic. The decrease in inventories also impacts suppliers.

Free Cash Flow

	1Q22	2Q22	3Q22	4Q22	1Q23
EBITDA	106,0	231,1	369,0	453,1	177,1
Investments	-13,2	-26,1	-46,9	-106,4	-31,2
Financial Result	-46,0	-49,9	-61,0	-84,2	-20,8
Income and Social Taxes	-4,1	-30,1	-54,2	-45,5	-35,9
Working Capital Variation	-33,7	13,7	-2,8	44,2	-30,8
Operating Cash Flow	9,0	138,8	204,1	261,2	58,4
Dividends/ROE	-23,0	-46,3	-70,1	-70,1	-46,7
Capital Integr. / Business Acquis.	0,0	614,3	613,4	595,8	-102,5
Debt Exchange Variation	0,0	0,0	0,0	0,0	0,0
Others	-26,9	-47,0	-57,6	-49,9	-27,7
Free Cash Flow	-40,9	659,8	689,7	737,0	-118,6
NET DEBT (NET CASH)	-779,9	-79,2	-49,2	-2,0	-120,6

Values in R\$ million

The Company reached R\$ 58.4 million in operating cash, an increase when compared to the R\$ 9.0 million in the first quarter of 2022. Regarding the Free Cash Flow results, the following stand out:

- Investments grow in the 1Q23 x 1Q22 analysis, because of the Company's continuous effort in innovation, technology and improvements in production processes.
- Payment of Interest on Equity in the amount of R\$46.7 million.
- In the business acquisition line, R\$ 101.1 million refer to the first payment of the business combination between Fras-le Europa BV and AML Juratek Limited. R\$1.4 million refer to Fras-le and Nakata results combined.

Dividends and Interest on Equity

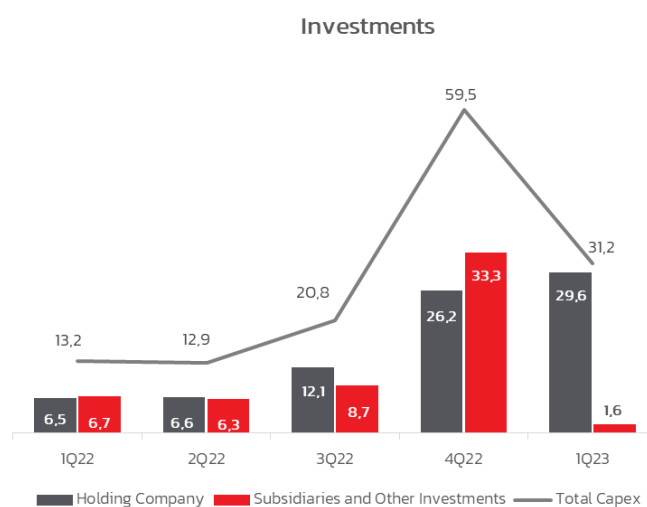
The table below shows the payment history of Interest on Equity and Dividends for 2022:

Approval Date	Earnings	Amount	Value per common	Date of Payment	Ex-dividend
12/14/2022	Interest on Equity	46,7	0,17503	01/19/2023	12/22/2022
07/13/2022	Interest on Equity	23,8	0,08920	08/24/2022	07/20/2022
04/12/2022	Remaining Dividends	23,3	0,08720	04/28/2022	04/19/2022

Values in R\$ million

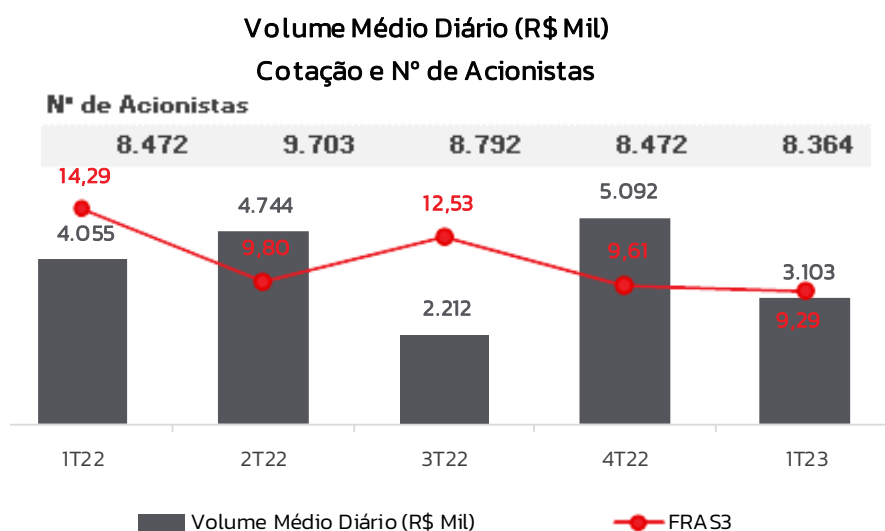
Investments (Capex)

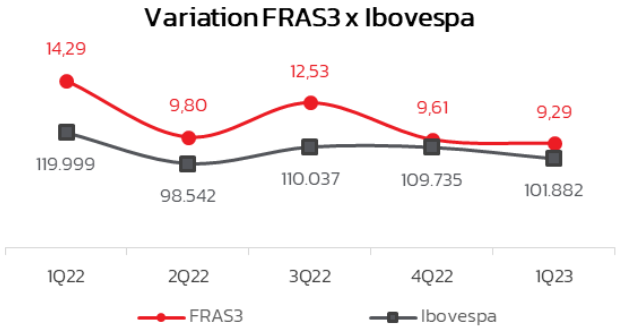
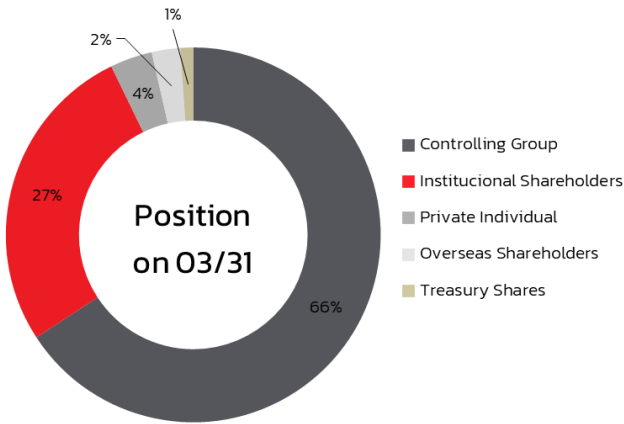
In the first quarter, investments were concentrated in the controlling company for a total of R\$ 29.6 million, with emphasis on investment in a new friction line and in the electric power substation at the manufacturing unit in Joinville (SC). In the subsidiaries, R\$ 1.6 million were invested in improvements in the production process.



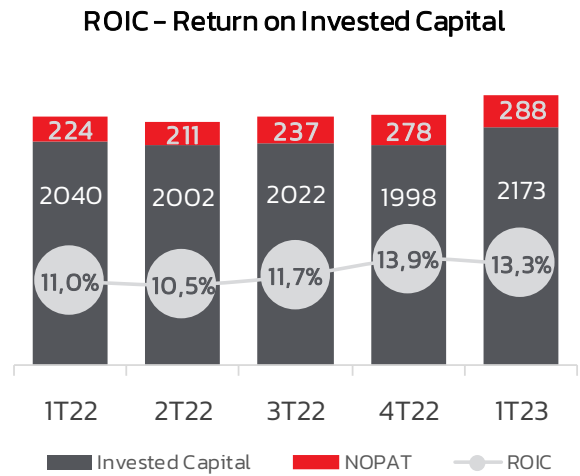
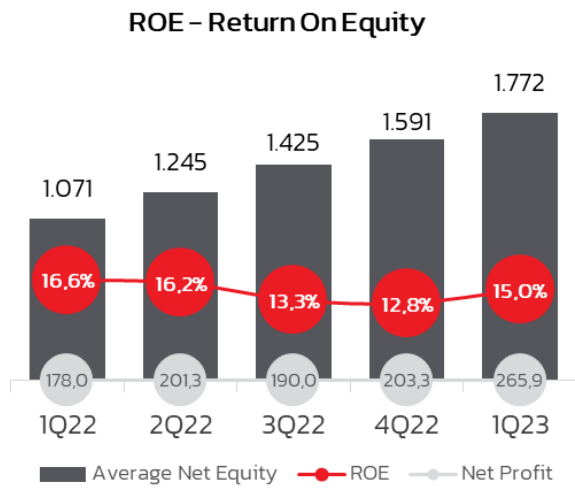
Capital Market

In 1Q23, 20.1 million "FRAS3" shares were traded. In this period, an average daily trading volume of R\$ 3.1 million was recorded, 23.5% lower than the turnover recorded in 1Q22. The Company's market value at the end of March reached R\$2.5 billion.





ROE and ROIC



APPENDICES

Appendix I

CONSOLIDATED STATEMENT OF INCOME

Values in thousands of Reais

	1Q23	%	1Q22	%	4Q22	%	Variations	
							1Q23/1Q22	2023/2022
Net Revenue	838.774	100,0%	704.822	100,0%	746.827	100,0%	19,0%	12,3%
COGS – Cost of Goods Sold	-542.574	-64,7%	-510.335	-72,4%	-527.699	-70,7%	6,3%	2,8%
Gross Profit	296.200	35,3%	194.486	27,6%	219.128	29,3%	52,3%	35,2%
Selling Expenses	-79.162	-9,4%	-61.364	-8,7%	-79.565	-10,7%	29,0%	-0,5%
Administrative Expenses	-55.499	-6,6%	-46.404	-6,6%	-60.099	-8,0%	19,6%	-7,7%
Other Operation Expens./Incom.	-14.476	-1,7%	-8.693	-1,2%	-29.443	-3,9%	66,5%	-50,8%
Financial Result	-20.832	-2,5%	-46.003	-6,5%	-23.157	-3,1%	54,7%	-10,0%
Financial Income	67.272	8,0%	58.292	8,3%	96.728	13,0%	15,4%	-30,5%
Financial Expenses	-88.104	-10,5%	-104.294	-14,8%	-119.885	-16,1%	-15,5%	-26,5%
Income Before Tax	126.320	15,1%	31.986	4,5%	26.677	3,6%	294,9%	373,5%
Income and Social Tax	-35.871	-4,3%	-4.107	-0,6%	8.641	1,2%	773,4%	-515,1%
Net Profit	90.450	10,8%	27.879	4,0%	35.318	4,7%	224,4%	156,1%
Attributable to non-controlling shar.	-1.070	-0,1%	598	0,1%	-365	0,0%	-279,1%	193,0%

Values in R\$ thousands

Appendix II

CONSOLIDATED BALANCE SHEET

Values in thousands of Reais

	03.31.23	03.31.22
Assets	3.864.459	2.975.361
Current Assets	2.259.105	1.559.182
Cash and Cash Equivalents	553.319	308.613
Financial Applications	402.515	49
Receivables	385.412	298.044
Inventory	852.259	794.675
Taxes Recoverable	65.484	112.188
Others Current Assets	116	45.613
Non-current Assets	1.605.354	1.416.179
Long-Term Realisable Assets	127.499	122.303
Investments	32.422	28.729
Fixed Assets and Leases	848.694	779.358
Intangible	596.739	485.789
Liabilities	3.864.459	2.975.361
Current Liabilities	884.712	731.955
Salaries and Charges	98.711	57.604
Suppliers	355.290	277.666
Tax Obligations	111.176	60.887
Loans and Financing	193.412	158.302
Others Obligations	98.652	156.596
Derivative Financial Instruments	0	3.846
Lease	17.777	17.054
Provisions	9.694	0
Non-current Liabilities	1.131.924	1.169.504
Loans and Financing	727.291	798.465
Others Obligations	27.368	27.641
Provisions	56.742	41.606
Subsidy Tax Incentive	1.744	2.013
Business Combination	165.607	155.881
Lease	143.036	143.898
Deferred Taxes	10.136	0
Equity	1.847.823	1.073.902
Social Capital	1.229.400	600.000
Profit Reserves	676.963	493.617
Other Comprehensive Results	-56.867	-20.506
Tax Incentive Reserve	13.178	9.938
Costs with Issue of Shares	-16.556	-4.623
Stocks in Treasury	-13.352	-13.352
Non-controlling Participation	15.057	8.828

Values in R\$ thousands

Appendix III

STATEMENTS OF CASH FLOW – INDIRECT METHOD

Amounts in thousands of Reais

	03.31.23	03.31.22
Operational Cash Flow		
Net operational cash	227.901	-15.204
Cash generated from operations	181.593	40.345
Net Income for the Period	90.448	27.879
Depreciation and Amortization	29.902	28.005
Provision for Disputes	2.883	2.101
Provision for Doubtful Settlement Credit	758	-499
Other Provisions	1.882	-6.899
Residual Cost of Assets and Leases Downloaded and Sold	585	843
Variation on Loans, Derivatives and Leases	25.324	-2.010
Equity	-89	37
Provision for Income Tax and Current and Deferred Social Contribution	35.872	4.107
Provision for Obsolete Inventories and Negative Margin	-77	1.876
Monetary Correction Adjustment	-3.562	-7.780
Revenue from active lawsuits	-426	-7.799
Impairment reduction	-500	484
Clearing retained amounts in business combination	-1.407	0
Changes in assets and liabilities	46.308	-55.549
Receivables	10.853	28.235
Accounts Receivable from Customers	-34.671	-49.144
Inventory	29.473	28.945
Suppliers	-45.962	-32.402
Accounts Payable	-1.470	-30.561
Income Tax and Social Contribution Paid	-4.952	-427
Financial Investments	91.406	-724
Judicial Deposits	124	529
Taxes to be recovered	1.507	0
Investment Cash Flow		
Net investment cash	-129.589	-13.192
Fixed and Intangible Purchases	-31.175	-13.192
Business combination	-98.414	0
Cash From Financing Activities		
Net funding cash	-112.848	-26.590
Payment Interest Equity and Dividends	-46.737	-20.518
Loans and Financial Instruments Taken	24.451	82.906
Payment of Loans and Financial Instruments	-51.371	-66.331
Interest Paid with Loans	-31.739	-16.429
Lease Payment	-7.452	-6.218
Funding Cash Flow	-14.536	-54.986

Values in R\$ thousands

Appendix IV COMPONENTS BY PRODUCT FAMILY

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

