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**EARNINGS RELEASE
2022**

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FRAS

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Caxias do Sul, August 10, 2022. Fras-le S.A. (B3:FRAS3) announces its results for the second quarter of 2022 (2Q22) and First Half-Year Results (1H22). The Company's financial information is consolidated in compliance with the international standards IFRS – International Financial Reporting Standards. Monetary values are denominated in Reais, unless otherwise indicated. Comparisons are made with the second quarter of 2021 (2Q21) and First-Half of 2021 (1H21).

»» HIGHLIGHTS:



Consolidated Net Revenue was **R\$ 782.6 million** in 2Q22, 30.6% up from 2Q21 and reached **R\$ 1.5 billion** year-to-date (1H22), 20% up from 1H21.

Revenues from the International Market¹ amounted to **US\$ 60.7 million** in 2Q22, 37.6% up from 2Q21. Year-to-date results (1H22) amounted to **US\$ 117.2 million**, 35.2% up from 1S21.



Gross Margin was **29.4%** in 2Q22, 0.3 percentage points up from 2Q21. Gross margin in 1H22 reached **28.6%**, 0.7 percentage points down from 1H21.



EBITDA reached **R\$ 125.1 million**, 23.6% up from 2Q21 and reached **R\$ 231.1 million** in 1H22, 3.9% up from 1H21. **EBITDA margin** was **16.0%** in 2Q22, 0.9 percentage point down from 2Q21. In 1H22, EBITDA margin was **15.5%**, 2.4 percentage points down from 1H21.



Net Margin was **8.5%** in 2Q22, 1.3 percentage points down from 2Q21. In 1H22, net margin reached **6.4%**, 2.0 percentage points down from 1H21.



Investments² totalled **R\$ 26.1 million** in 1H22, of which 50.2% correspond to the Controlling Company and 49.8% to the controlled units.

MARKET CAP (June 30, 2022)

R\$ 2.6 bi

CLOSING QUOTE "FRAS3" R\$ 9,80

FREE FLOAT – 33.1%

Investor Relations

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Videoconference of Results 2Q22

August 11, 2022 (Thursday)

11:00 am Brasília | 10:00 am New York | 3:00 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 from our operations abroad, net of intercompany operations.

² Amount referring to organic investments.

»»» FRAS-LE UNIVERSE

Brands that are Loved - O Mecânico 2022 Survey

Fras-le, Nakata, Fremax and Lonaflex product brands stood up in the 2022 edition of O Mecânico survey, where they appear in the first places in 19 categories. Nakata gained the vice-leadership in the general ranking among all brands most liked and most purchased by repairers, for the fourth year in a row.

Integrated Logistics Project in Extrema/MG



Photos of the 1st Controil invoice and receipt of Fras-le products.

The Integrated Logistics Project for Fras-le, Nakata, Fremax and Controil aftermarket has made significant progress in recent months: Controil made its first sale, within the project, and *Extrema* began to receive Fras-le products.

As a reminder, as of Nakata acquisition, an opportunity was created to optimize Nakata's assets by increasing the efficiency of *Extrema's* warehouse. The project aims to make the *Extrema* warehouse responsible for the sales of

Fras-le, Nakata, Fremax and Controil products aimed at the aftermarket for the Southeast, Midwest, Northeast and North regions. This provides a positive experience for customers, as, through the project, products of all our brands are delivered simultaneously throughout Brazil with agility and efficiency, while reducing operating costs.

Gradually, the brands' products are being transferred from their manufacturing units to the new warehouse, where Controil's products have already been invoiced since July 4th. Fras-le has also recently started transferring its products to the *Extrema* unit.

The project is among the synergies mapped in Nakata's acquisition process. Annual savings reach approximately R\$ 16 million.

Subsequent Events

Payment of Interest on Equity (IOE)

According to the Notice to Shareholders released on July 13, 2022, the payment of interest on equity (R\$ 23.816.522,71) was approved at a meeting of the Company's Board of Directors, corresponding to the gross amount of R\$ 0.089195 per share (dividends for the fiscal year ending on December 31, 2022). All holders of common shares of the Company, on July 19, 2022, will be entitled to receive Interest on Equity. Shares to be traded "ex-right" to Interest on Equity as of July 20, 2022. Payment will start on August 24, 2022.

ESG

Smart Materials – New OEM Project

In August 2021, the Company launched its “Fras-le Smart Composites”, a new line of products developed from structural composite materials, mainly aimed at replacing parts currently produced in steel. These are high-performance materials that bring considerable gains in weight reduction, contributing to the reduction of pollutant gas emissions. The first project was dedicated to the manufacture of fender supports for RANDON's semi-trailers. At this moment the Company is already nominated and in the process of homologating parts for an automaker in Brazil. The funds raised in the follow-on will also be used to expand and automate this line. The approved investment of the project reaches R\$8.5 million.

Investments in renewable energies



Panels installed at Fras-le Asia

On June 27, Fras-le, together with Randon Companies, presented, to the market, the updates related to the ESG Ambition released last year. In addition, investments in renewable energies were disclosed. The first delivery in Brazil is a photovoltaic plant with about 2,300 solar panels, which will be installed at Randon Technological Center (CTR), in Farroupilha (RS), the second delivery is at Fras-le Pinghu, located in China, a photovoltaic plant project that has been in operation since June 28. This project was in partnership with the Chinese government and will supply 20% of the Unit's energy. To access the event's recording, [click here](#).

Sustainability Report 2021



On June 27, during the 2nd edition of Our ESG Ambition event, Fras-le's 2021 Sustainability Report was also released.

The report is a synthesis of results, indicators and initiatives, covering relevant aspects for employees, customers, suppliers, investors, communities and the society in general.

Watch the launch video with the highlights by clicking on the image above. To access

the full report, [click here](#).



»»» WORD FROM MANAGEMENT

“...the Company's level of maturity and capillarity allows the customer to see us as a one-stop-shop solution, an automotive consumption ecosystem, focused on serving the aftermarket market, bringing together quality products, with market leading brands that are loved by mechanics”.

The results reported this quarter demonstrate what it has been repeatedly commented on in our meetings with analysts and investors or in conferences: Fras-le stands out for its resilience! This is achieved because of its robust business model, which has been built over time, reinforced in recent years, and which will continue to be improved.

But, like the entire market, Fras-le closely monitors the macroeconomic impacts of inflation, high interest rates, conflict between Russia and Ukraine, logistical instability, scarcity of inputs, among others, that somehow influence the sectors of the economy. However, the Company's level of maturity and capillarity allows the customer to see us as a one-stop-shop solution, an automotive consumption ecosystem, focused on serving the aftermarket market, bringing together quality products, with market leading brands that are loved by mechanics.

Revenues from the aftermarket accounted for approximately 90% of the business, a segment that, even in times of recession, is resilient due to the need to service the current fleet and the difficulties in purchasing brand-new vehicles. In addition, exposure to the international market is approximately 40%, which also contributes to revenue resilience.

We also had important milestones in the second quarter of this year. We can't help mentioning the follow-on process, completed in April, which marked the beginning of yet another expansion cycle that is being designed for the Company. In addition, it is important to mention the substantial progress of the logistics integration process that is taking place at the Nakata complex, in Extrema, Southeast of Brazil: Controil brand products were invoiced there for the first time, and the first delivery of Fras-le products was received at the warehouse, both in the month of July. Another important advance was the implementation of an additional shift, in June, called 6x2 at our brake linings plant in Caxias do Sul, aiming to increase capacity and reduce delivery times in the aftermarket and commercial vehicle manufacturers.

Initiatives like these reflect the Company's momentum, capturing synergies and meeting, through more than 5,000 protagonists, strategic objectives, in which each one has a fundamental role in building the future, today.

»» MAIN FIGURES

	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Net Revenue	782.6	599.1	30.6%	704.8	11.0%	1,487.4	1,239.8	20.0%
Domestic Market	483.2	365.4	32.2%	408.4	18.3%	891.6	772.1	15.5%
Foreign Market	299.4	233.7	28.1%	296.4	1.0%	595.8	467.7	27.4%
Foreign Market US\$	60.7	44.1	37.6%	56.5	7.3%	117.2	86.7	35.2%
Exports - Brazil US\$	27.7	23.5	17.9%	26.4	5.0%	54.1	45.1	19.9%
Gross Profit	230.5	174.4	32.1%	194.5	18.5%	425.0	363.0	17.1%
Gross Margin	29.4%	29.1%	0.3 pp	27.6%	1.9 pp	28.6%	29.3%	-0.7 pp
Operating Profit	96.7	75.2	28.6%	78.0	24.0%	174.7	171.9	1.6%
Operating Margin	12.4%	12.5%	-0.2 pp	11.1%	1.3 pp	11.7%	13.9%	-2.1 pp
EBITDA	125.1	101.2	23.6%	106.0	18.1%	231.1	226.8	1.9%
EBITDA Margin	16.0%	16.9%	-0.9 pp	15.0%	1.0 pp	15.5%	18.3%	-2.8 pp
Net Profit	66.8	43.6	53.3%	27.9	139.6%	94.7	104.0	-9.0%
Net Margin	8.5%	7.3%	1.3 pp	4.0%	4.6 pp	6.4%	8.4%	-2.0 pp
Adjusted EBITDA	125.1	101.2	23.6%	106.0	18.1%	231.1	222.6	3.9%
Adjusted EBITDA Margin	16.0%	16.9%	-0.9 pp	15.0%	1.0 pp	15.5%	18.0%	-2.4 pp

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

(*) Includes intercompany sales

	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Average price of the US dollar	4.92	5.30	-7.1%	5.23	-6.0%	5.08	5.38	-5.7%



Business and market overview

Once again, the macroeconomic scenario was challenging, and the risk of a global recession is increasingly pointed out by experts.

Even so, the year 2022 has seen an increase in the number of times customers looked for mechanic shops and in the demand for parts (6.83% until July 09). Considering that the second half-year is traditionally more heated, CINAU – Central de Inteligência Automotiva Research (Survey Unit), BI-Business Intelligence and Consulting unit of Grupo Oficina Brasil project double-digit increase in demand for auto parts in the Brazilian aftermarket for 2022.

These data, combined with the resilient history of results and continuous growth in footprint through the various brands in the domestic market and expansion of its broad portfolio in the international market, demonstrate that Fras-le is on the right path.

SALES PERFORMANCE

Volume and Net Revenue by Family of Material

Sales Volumes by Product Line in millions of pieces or liters											
VOLUMES		2022		2021		Δ %	1H22		1H21		Δ %
	Friction Material	25.5		24.3		4.9%	49.3		51.1		-3.6%
	Components for the Brake System	2.2		2.2		0.0%	4.3		4.4		-2.7%
	Components for the Suspension, Steering and Powertrain	4.2		3.5		17.8%	8.1		7.6		7.4%
Sales Revenue by Material in R\$ million											
NET REVENUE		2022		2021		Δ %	1H22		1H21		Δ %
	Friction Material	386.2	49.3%	304.7	50.8%	26.8%	756.3	50.8%	614.4	49.6%	23.1%
	Components for the Brake System	147.4	18.8%	117.0	19.5%	26.0%	266.2	17.9%	228.2	18.4%	16.7%
	Components for the Suspension, Steering and Powertrain	208.9	26.7%	151.1	25.2%	38.3%	390.8	26.3%	313.5	25.3%	24.7%
	Other products	40.1	5.1%	26.4	4.4%	51.7%	74.2	5.0%	83.7	6.8%	-11.4%
Total Net Revenue	782.6	100.0%	599.1	100.0%	30.6%	1,487.4	100.0%	1,239.8	100.0%	20.0%	

The components are detailed at the end of this report.

When comparing both half-year periods, the friction material line showed a reduction in volumes, as well as the brake system components line, but it is important to remember that from the second half of 2020 to mid-2021 the demand for spare parts was higher than the historical average, due to the fear of shortages at that time. In the line of components for the suspension system, we see an increase that is attributed to the increased availability of imported products and to the new shock absorber plant. Below are some highlights of each product family:

Friction Materials

- Strong demand for brake linings for commercial vehicles both in the domestic and export markets.
- Domestic market with good demand, but sensitive to price, mainly in the lines of brake pads and brake shoes for light vehicles.
- New business in the India unit, supplying the local market through TATA MOTORS.

Components for the Brake System

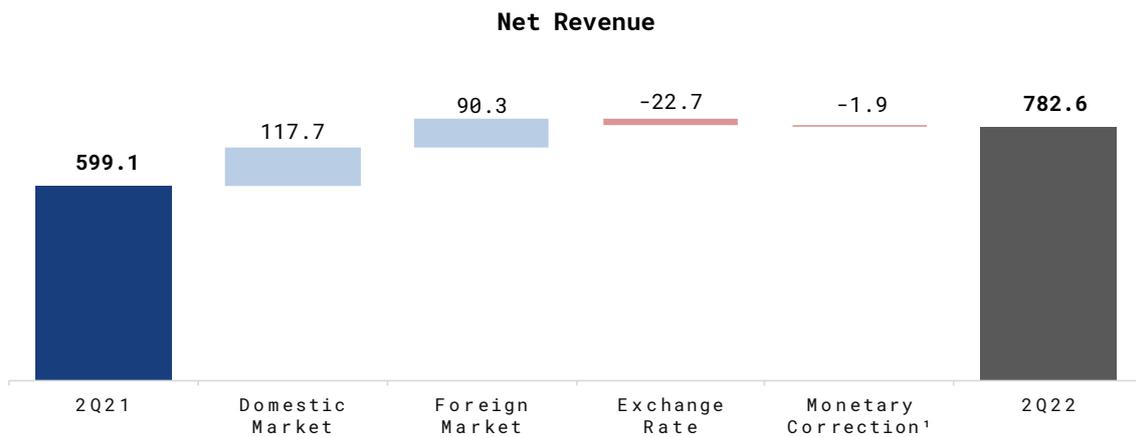
- Brake discs showing demand higher than current capacity, fuelled by the international market, especially the US and Mexico market.

Suspension, Steering and Powertrain Components

- The new Nakata shock absorber plant has been breaking productivity records month after month, which has been reflected in sales.
- The flow of incoming imported goods improved in 2Q22, even though there is still an imbalance in stock due to availability on ships, overbooking and delivery delays.

NOTE: It is important to point out that the performance of sales revenue by family of material does not necessarily reflect the same behaviour in volumes, since there are the effects of changes in exchange rates, product mix and prices. For more details on families, see Annex IV.

Below is the chart in causal format, with the effects that modified the performance of consolidated net revenue in 2Q22 when compared to 2Q21:



Amounts in BRL Millions

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

Revenue by Market

Markets	Net Revenue by Markets												
	2Q22		2Q21		Δ %	1Q22		Δ %	1H22		1H21		Δ %
DM Aftermarket	426.5	54.5%	325.9	54.4%	30.9%	354.6	50.3%	20.3%	781.1	52.5%	694.1	56.0%	12.5%
DM OEM	56.6	7.2%	39.5	6.6%	43.2%	53.8	7.6%	5.2%	110.4	7.4%	77.9	6.3%	41.7%
Domestic Market	483.2	61.7%	365.4	61.0%	32.2%	408.4	57.9%	18.3%	891.6	59.9%	772.1	62.3%	15.5%
FM Aftermarket	256.4	32.8%	195.6	32.7%	31.0%	253.4	36.0%	1.2%	509.8	34.3%	392.5	31.7%	29.9%
FM OEM	43.1	5.5%	38.1	6.4%	13.2%	43.0	6.1%	0.2%	86.1	5.8%	75.2	6.1%	14.4%
Foreign Market	299.4	38.3%	233.7	39.0%	28.1%	296.4	42.1%	1.0%	595.8	40.1%	467.7	37.7%	27.4%
Total Aftermarket Net Revenue	682.9	87.3%	521.5	87.0%	30.9%	608.0	86.3%	12.3%	1,290.9	86.8%	1,086.6	87.6%	18.8%
Total OEM Net Revenue	99.7	12.7%	77.6	13.0%	28.5%	96.8	13.7%	3.0%	196.5	13.2%	153.2	12.4%	28.3%
Total Net Revenue	782.6	100%	599.1	100%	30.6%	704.8	100%	11.0%	1,487.4	100%	1,239.8	100%	20.0%

Values in R\$ million

DOMESTIC MARKET (DM)

In 2Q22, revenue from the domestic market grew by 32.2% when compared to 2Q21. In 1H22, the increase was 15.5% when compared to 1H21. The reasons for that are:

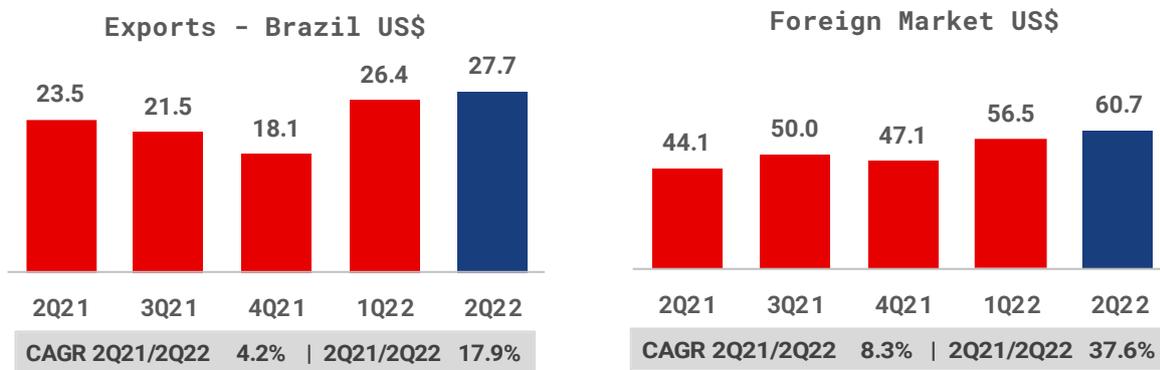
- Aftermarket was heated by the low availability of brand-new vehicles and the level of Brazilian economic activity that was encouraged by the release of benefits, such as withdrawals of FGTS (Government Severance Indemnity Fund for Employees) amounts.
- There is demand in the automakers market, but the shortage of inputs, which was exacerbated by the lockdowns in the first quarter in China, impacted the production chain, and some automakers ended up paralyzing or making production more flexible in recent months.

INTERNATIONAL MARKET (IM)

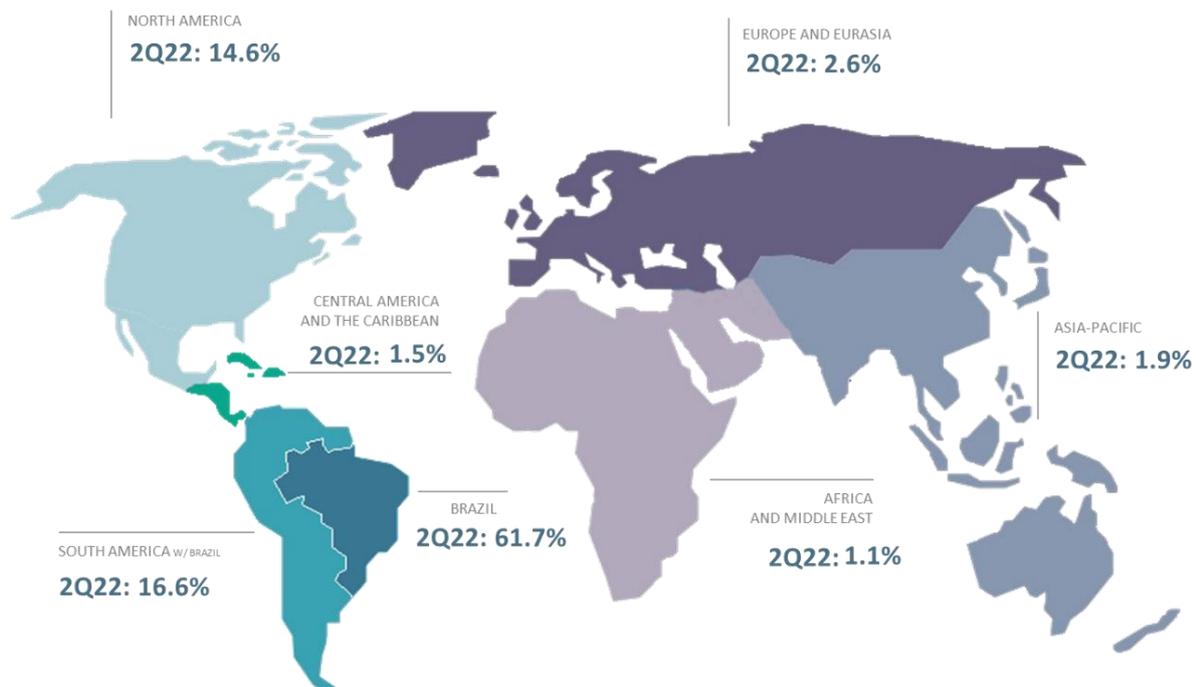
The international market (sum of exports out of Brazil, and revenues from operations abroad) grew by 28.1% quarter-over-quarter, and 27.4% in 1H22. The main highlights are:

- High demand in exports, mainly for friction materials for commercial lines and brake discs for light vehicles.
- China still affected by high freight prices, which encourages foreign markets to buy from Brazil.
- In the units abroad, the operations located in Argentina stand out positively, since, as a result of the country's hyperinflationary economy, inventories are strategic assets in the country. The Units in Germany and the Netherlands, on the other hand, showed a demand below that in 2Q21, impacted by the conflict in Ukraine.

Exports and International Breakdown in dollars:



Net Revenue Breakdown in the World



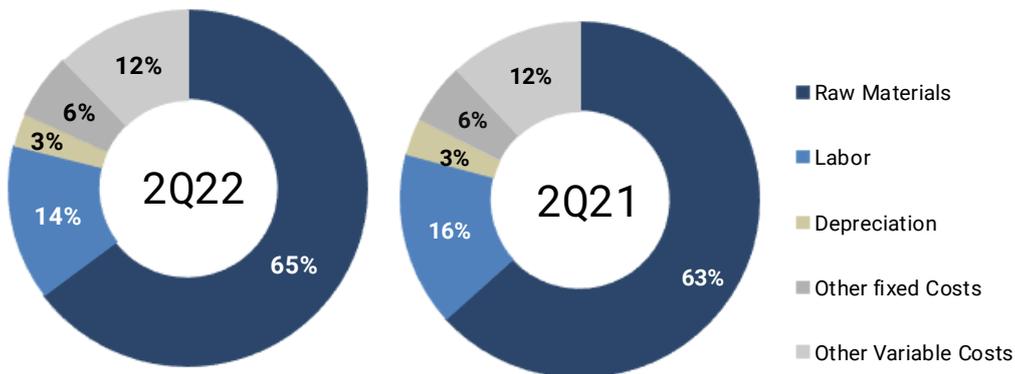
- In **North America**, the strong economic demand continued to reflect in good volumes. Even so, attention now turns to the increase in interest rates and inflation that may impact future demand.
- In **South America**, restrictions related to imports are increasingly severe in Argentina. There is a moderate level of economic activity in the country, but part of the volume is speculative and protectionist, and therefore, the teams in that region work with an austere delivery policy in order to keep regular supply in the market.
- In **Europe**, there was an impact related to the conflict in Ukraine, but the drop is not significant, since the market is still looking to recover from the scarcity of previous periods.
- In **Asia**, circulation restrictions in China were eased from late April to May. Since then, no difficulty has been faced regarding inputs or exports in the region.

OPERATING PERFORMANCE

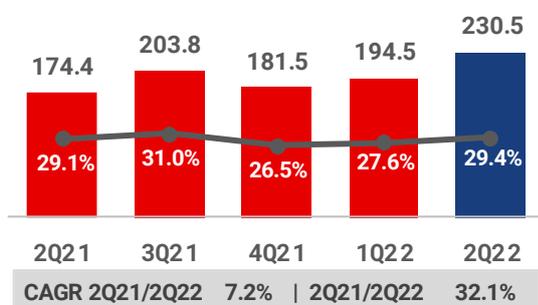
Cost of Products Sold and Gross Profit

In 2Q22, Cost of Products Sold totaled R\$ 552.1 million, which accounted for 70.6% of net revenue for the period, resulting in gross profit of R\$ 230.5 million and in 29.4% of gross margin. In 1H22, Cost of Products Sold totaled R\$ 1.1 billion, which accounted for 71.4% of net revenue, resulting in a gross margin of 28.6%, 0.7 percentage point lower than that in 1H21.

The Cost of Products Sold composition is shown in the chart below:



Gross Profit



Inflation continues to put pressure on production costs, especially in chemical inputs linked to the oil chain and international freight, which rose again after the lockdown in China. In addition, it stands out:

- The implementation of an additional shift at the block (heavy brake linings) plant at the Caxias do Sul unit, with the objective of increasing capacity by approximately 10% and reducing delivery times for the domestic and export markets (currently extended by lack of capacity). The shift started

operating on June 13, and by the end of June the Company had already hired 114 people for this special shift.

Operating Expenses and Income

	2Q22		2Q21		Δ %	1Q22		Δ %	1H22		1H21		Δ %
Selling Expenses	-70.9	-9.1%	-55.0	-9.2%	29.0%	-61.4	-8.7%	15.5%	-132.3	-8.9%	-110.0	-8.9%	20.3%
Variable Expenses w/ Sales	-24.7	-3.1%	-17.2	-2.9%	43.4%	-22.2	-3.2%	11.0%	-46.9	-3.2%	-35.3	-2.8%	32.8%
Other Expenses w/ Sales	-46.2	-5.9%	-37.8	-6.3%	22.4%	-39.2	-5.6%	18.1%	-85.4	-5.7%	-74.7	-6.0%	14.4%
Administrative Expenses	-50.4	-6.4%	-44.2	-7.4%	14.0%	-46.4	-6.6%	8.5%	-96.8	-6.5%	-86.1	-6.9%	12.4%
Other Net Expenses/Income	-12.5	-1.6%	-0.5	-0.1%	2478.9%	-8.7	-1.2%	44.0%	-21.2	-1.4%	4.6	0.4%	-561.3%
Other Operating Expenses	-18.4	-2.3%	-23.7	-4.0%	-22.6%	-14.7	-2.1%	24.7%	-33.1	-2.2%	-27.4	-2.2%	20.8%
Other Operating Income	5.8	0.7%	23.2	3.9%	-74.9%	6.0	0.9%	-3.2%	11.9	0.8%	32.0	2.6%	-62.9%
Equity Equivalence	0.0	0.0%	0.3	0.1%	-109.7%	0.0	0.0%	-13.7%	-0.1	0.0%	0.3	0.0%	-121.0%
Total Operating Exp/Income	-133.8	-17.1%	-99.3	-16.6%	34.8%	-116.5	-16.5%	14.8%	-250.3	-16.8%	-191.1	-15.4%	31.0%

Values in R\$ millions and % over Net Revenue

Selling and administrative expenses remain within the historical normality, accounting for 15.6% of net revenue in 1H22. The quarter highlights are:

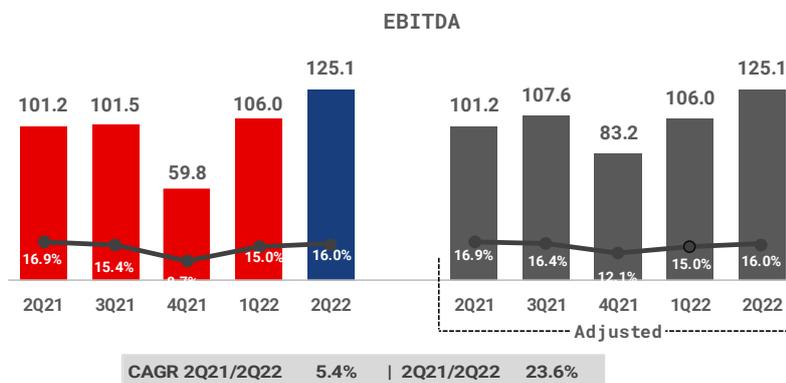
- Expenses related to fairs, exhibitions and travel have resumed, compared to the previous year.
- Strict budget controls and expense reduction efforts.

We did not record one-off expenses or income in 1H22, but it is important to remember that, in 1H21, the calculation of loss due to non-recoverability of the investment in the subsidiary Fanacif was updated, which resulted in the reversal of Impairment in the amount of R\$ 4, 3 million.

Adjusted EBITDA and EBITDA

EBITDA Reconciliation and Adjusted EBITDA	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Net Profit	66.8	43.6	53.3%	27.9	139.6%	94.7	104.0	-9.0%
Result using the Equity Method	0.0	-0.3	-100.0%	0.0	0.0%	0.0	-0.3	-100.0%
Financial Result	3.9	12.4	-69.0%	46.0	-91.6%	49.9	24.2	105.7%
Depreciation	28.5	26.4	7.9%	28.0	1.7%	56.5	55.3	2.2%
Income Tax / Social Contribution	26.0	19.1	35.9%	4.1	533.4%	30.1	43.6	-30.9%
EBITDA	125.1	101.2	23.6%	106.0	18.1%	231.1	226.8	1.9%
EBITDA Margin	16.0%	16.9%	-5.4%	15.0%	6.3%	15.5%	18.3%	-15.1%
Non-recurring Events	0.0	0.0	0.0%	0.0	0.0%	0.0	-4.3	-100.0%
Impairment of Assets	0.0	0.0	0.0%	0.0	0.0%	0.0	-4.3	-100.0%
Adjusted EBITDA	125.1	101.2	23.6%	106.0	18.1%	231.1	222.6	3.9%
EBITDA Margin - Adjusted	16.0%	16.9%	-5.4%	15.0%	6.3%	15.5%	18.0%	-13.4%

Values in R\$ million



Consolidated EBITDA in 2Q22 totaled R\$ 127.6 million, a margin of 16.3%, 26% higher than the amount achieved in 2Q21. In 1H22, the sum was R\$ 233.6 million, a margin of 15.7%, 3% higher than in 1H21.

Among the factors that contributed to this result are:

- Good supply management,
- mitigating

inflationary pressure on raw materials through strategic purchases and early negotiations.

- Re-composition of the prices of products sold, which, combined with the supply strategy, allowed margin gains.
- Continuity of good demand in the Company's markets, both domestically and abroad.
- Capturing synergies between the business units, such as the logistics integration in Extrema, mentioned under *Fras-le Universe* chapter.

Financial Result

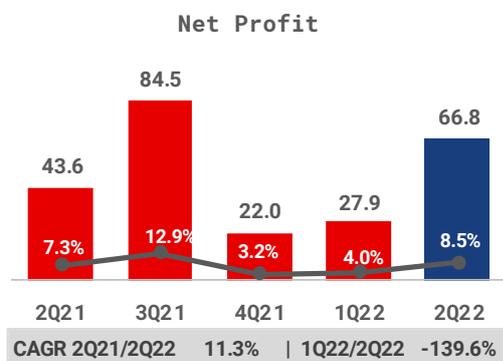
	2Q22	2Q21	Δ %	1Q22	Δ %	1H22	1H21	Δ %
Exchange Variation	49.6	13.3	274.0%	34.7	42.7%	84.3	61.6	36.8%
Interests on Capital Investment	26.3	4.6	472.6%	7.6	245.8%	33.9	9.0	276.2%
Present Value Adjust	3.7	0.7	432.6%	2.6	41.4%	6.4	1.2	419.3%
Other Financial Income	2.8	3.5	-19.8%	5.5	-49.5%	8.3	12.6	-33.9%
Monetary adjustment (IAS 29)	21.3	9.8	117.1%	7.8	173.2%	29.0	23.2	25.2%
Financial Income	103.6	31.8	225.7%	58.3	77.8%	161.9	107.6	50.5%
Exchange Variation	-45.1	-10.6	327.4%	-53.1	-15.0%	-98.1	-76.3	28.6%
Financing Interests	-28.2	-13.9	102.5%	-23.7	19.0%	-51.9	-21.1	145.3%
Present Value Adjust	-13.3	-3.7	258.9%	-5.3	151.1%	-18.6	-6.6	181.4%
Bank Expenses	-8.7	-5.6	57.2%	-12.4	-29.7%	-21.2	-10.3	104.9%
Other Financial Expenses	-12.2	-10.5	15.9%	-9.8	23.9%	-22.0	-17.5	25.9%
Financial Expenses	-107.5	-44.2	142.9%	-104.3	3.1%	-211.8	-131.9	60.6%
Financial Result	-3.9	-12.4	-69.0%	-46.0	-91.6%	-49.9	-24.2	105.7%

Values in R\$ millions

The Company's net financial result was a negative R\$ 3.9 million in 2Q22. Below are some highlights related to this result:

- Increase in interest paid on financing linked to CDI (Interbank Deposit Certificate), due to the 9.0 percentage point increase in the basic interest rate over the last twelve months.
- Increase in income from financial investments due to the increase in cash in post-follow-on event.
- Appreciation of 7.1% of the Real against the average US Dollar in 2Q22.
- Operations located in Argentina impact the financial result in hyperinflation (IAS 29), with exchange insurance costs as a result of the control on the outflow of dollars from the country.

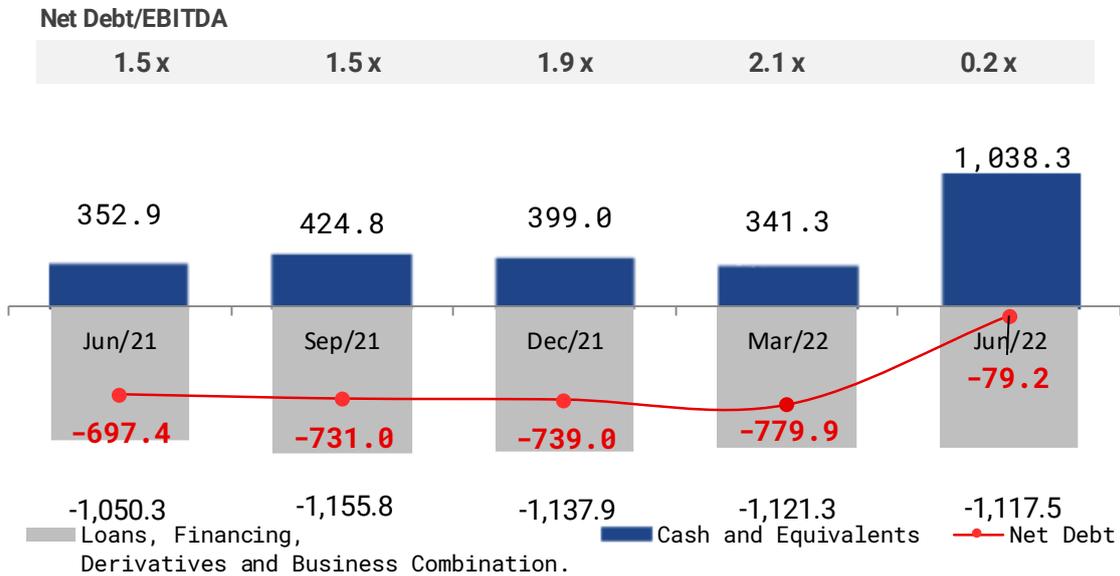
Net Profit



The combination of the above factors resulted in net income of R\$ 66.8 million in 2Q22 (8.5% net margin).

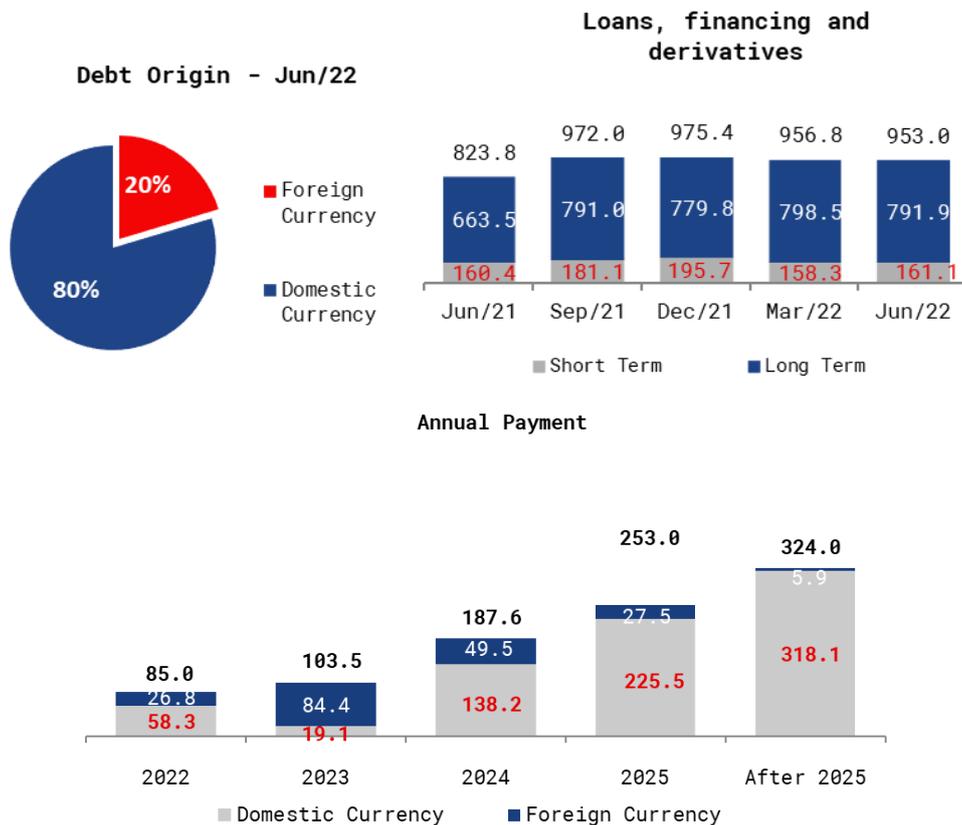
FINANCIAL MANAGEMENT

Net Debt



The main indexes of consolidated gross debt at the end of 2Q22 were: (i) lines in Reais indexed to CDI, which accounted for 77.06% (average cost of CDI + 1.86%), (ii) lines in Euros (Euro + 2.0% per year) with 0.55%, (iii) lines in Dollars (Dollars + an average of 4.3% per year) with 20.23%, and (iv) lines in Reais indexed to others that accounted for 2.16% (average CDI cost + 2.21%).

Charts showing debt breakdown:



Working Capital

	1H21	9M21	2021	1Q22	1H22
Resources Investment					
Customers	306.8	331.6	268.3	298.8	370.6
<i>In Days</i>	<i>38 d</i>	<i>37 d</i>	<i>29 d</i>	<i>32 d</i>	<i>37.1</i>
Inventory	612.8	783.4	825.2	794.7	786.1
<i>In Days</i>	<i>75 d</i>	<i>88 d</i>	<i>89 d</i>	<i>85 d</i>	<i>78.6</i>
Others Resources	153.3	164.0	150.6	141.8	122.7
Total of Resources Invested	1,072.9	1,278.9	1,244.2	1,235.3	1,279.3
Sources					
Suppliers	-279.2	-358.2	-348.4	-301.4	-345.5
<i>In Days</i>	<i>34 d</i>	<i>40 d</i>	<i>38 d</i>	<i>32 d</i>	<i>34.6</i>
Others Resources	-114.5	-147.2	-155.0	-159.4	-206.7
Total of Sources	-393.7	-505.4	-503.4	-460.8	-552.2
WC in R\$	679.2	773.5	740.8	774.5	727.0
<i>WC in Days</i>	<i>83 d</i>	<i>87 d</i>	<i>80 d</i>	<i>83 d</i>	<i>73 d</i>

Values in R\$ million

Regarding to working capital in the period, exchange rate appreciation is directly related to the reduction in all lines as a result of currency conversion by our international business Units. In addition, the following variations stand out:

- Increase in customer line as a result of higher sales volume in June 2022 (the highest net revenue in Company's history) when compared to March 2022.
- In 2021, inventory levels were increased to mitigate possible risks of shortages and inflation, but the Company is currently consuming these strategic inventories.

Free Cash Flow

	1H21	9M21	2021	1Q22	1H22
EBITDA	226.8	328.3	388.1	106.0	231.1
Investments	-47.6	-70.3	-115.6	-13.2	-26.1
Financial Result	-24.2	-35.5	-49.1	-46.0	-49.9
Income and Social Taxes	-43.6	-21.1	-15.4	-4.1	-30.1
Working Capital Variation	-73.3	-167.5	-134.8	-33.7	13.7
Operating Cash Flow	38.1	33.9	73.2	9.0	138.8
Dividends/ROE	-58.9	-78.9	-78.9	-23.0	-46.3
Capital Integr. / Business Acquis.	-6.1	-56.5	-57.6	0.0	614.3
Debt Exchange Variation	0.0	0.0	0.0	0.0	0.0
Others	-54.5	-13.5	-59.7	-26.9	-47.0
Free Cash Flow	-81.4	-115.0	-123.0	-40.9	659.8
NET DEBT (NET CASH)	-697.4	-731.0	-739.0	-779.9	-79.2

Values in R\$ million

The Company generated R\$ 141.2 million in cash from operating activities in 1H22, including:

- Investments of R\$ 26.1 million in 1H22, a reduction of 45.1% compared to 1H21, given the cautious moment in the macroeconomic scenario.
- Financial result impacted by exchange variation, cost of debt and income from investments linked to CDI.
- The Company carried out a public offering of shares (follow-on) in which 52,450 million common shares were issued at the price per share of R\$ 12.00, totaling the gross value of R\$ 629.4 million, and net value of R\$ 617.5 million. In addition, capital was paid up in the indirect subsidiary Centro Tecnológico Randon (CTR) in the amount of R\$ 2.7 million for the photovoltaic plant mentioned under Fras-le Universe chapter.

The combination of these factors resulted in the generation of R\$ 659.8 million cash available in the period.

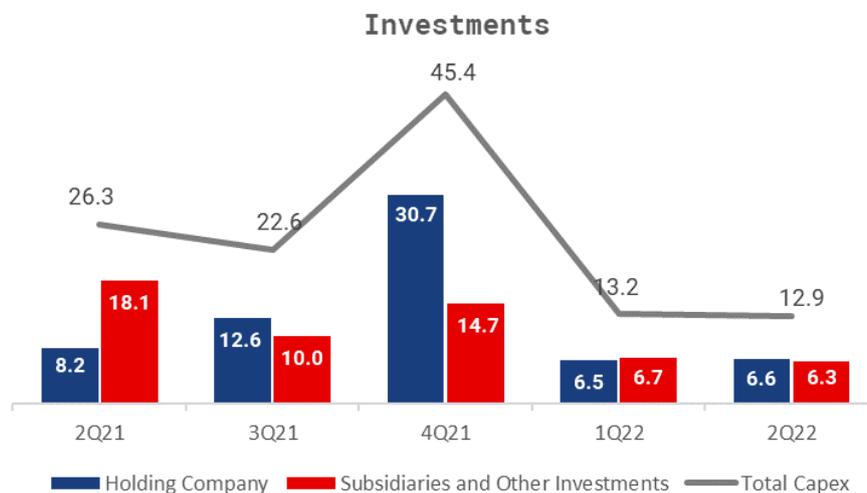
Dividends and Interest on Equity

The table below shows the history of payment of Interest on Equity and Dividends for the years 2021 and 2022:

Approval Date	Earnings	Amount	Value per common share	Date of Payment	Ex-dividend
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
12/16/2021	Interest on Equity	23.0	0.10724	01/19/2022	12/22/2021
07/19/2021	Interest on Equity	20.0	0.09320	08/18/2021	07/23/2021
04/13/2021	Remaining Dividends	21.4	0.09969	04/30/2021	04/19/2020

Values in R\$ million

Investments (Capex)

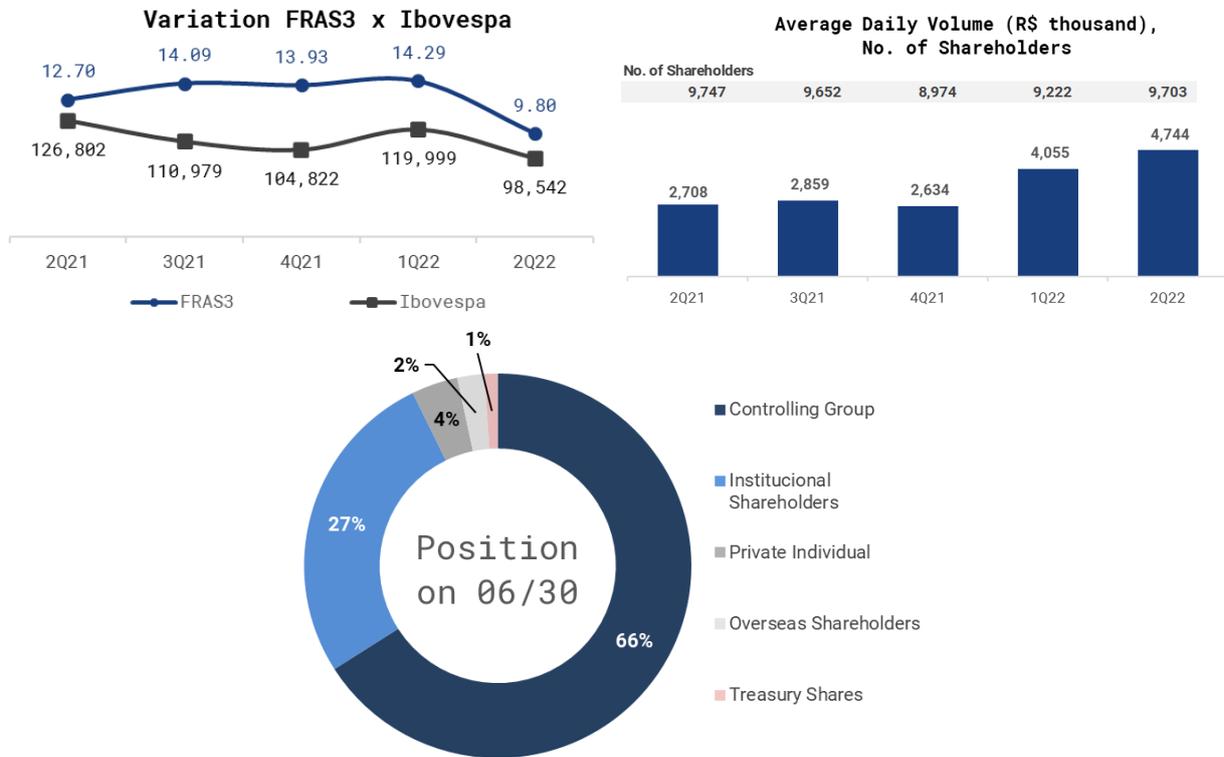


As for investments in 2Q22, we highlight:

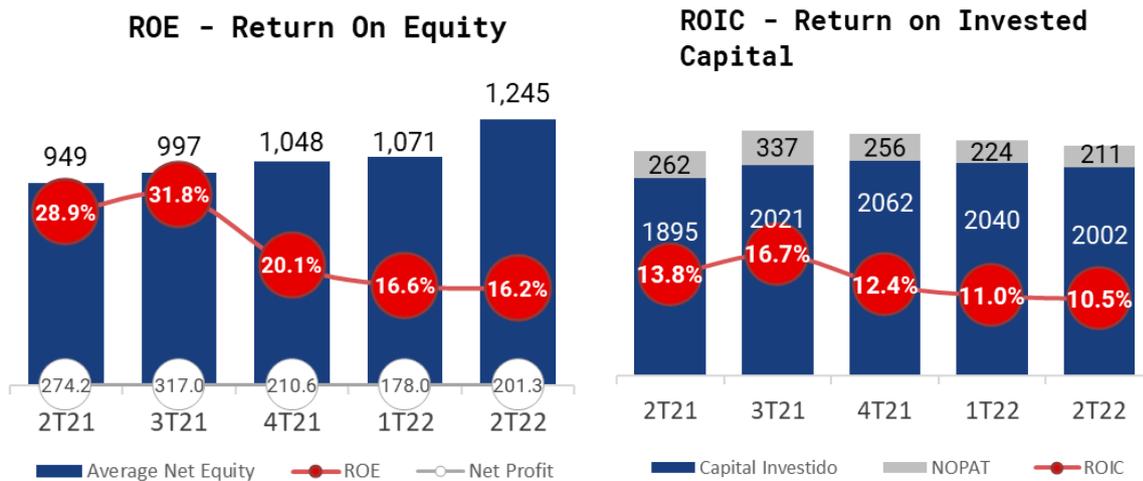
- Parent Company: the most relevant investments were focused on productivity and automation projects. It is also worth mentioning projects aimed at innovation, new products and expansion of our stamping facilities.
- Subsidiaries: investments focused on expansion, mainly in the acquisition of machinery, thus meeting the strategy of increasing the capacity of ASK Fras-le, Nakata, Controil and Fras-le North America business units.

»» CAPITAL MARKET

During 2Q22, 27.6 million “FRAS3” shares were traded. In this period, an average daily volume of business of R\$ 4.7 million was recorded, accounting for an increase of more than 67.7% when compared to the average daily volume of 2Q21. The Company's market value at the end of June 2022 reached R\$ 2.6 billion.



ROE and ROIC



ATTACHMENT I

CONSOLIDATED STATEMENT OF INCOME

Values in thousands of Reais

	2022		2021		1H22		1H21		Variations	
		%		%		%		%	2022/2021	1H22/1H21
Net Revenue	782,595	100.0%	599,133	100.0%	1,487,416	100.0%	1,239,788	100.0%	30.6%	20.0%
COGS – Cost of Goods Sold	-552,126	-70.6%	-424,686	-70.9%	-1,062,461	-71.4%	-876,816	-70.7%	30.0%	21.2%
Gross Profit	230,469	29.4%	174,447	29.1%	424,956	28.6%	362,972	29.3%	32.1%	17.1%
Selling Expenses	-70,890	-9.1%	-54,957	-9.2%	-132,254	-8.9%	-109,952	-8.9%	29.0%	20.3%
Administrative Expenses	-50,358	-6.4%	-44,172	-7.4%	-96,761	-6.5%	-86,070	-6.9%	14.0%	12.4%
Other Operation Expens./Incom.	-12,516	-1.6%	-485	-0.1%	-21,209	-1.4%	4,598	0.4%	2478.9%	-561.3%
Financial Result	-3,855	-0.5%	-12,425	-2.1%	-49,857	-3.4%	-24,235	-2.0%	69.0%	-105.7%
Financial Income	103,643	13.2%	31,822	5.3%	161,934	10.9%	107,630	8.7%	225.7%	50.5%
Financial Expenses	-107,497	-13.7%	-44,247	-7.4%	-211,791	-14.2%	-131,865	-10.6%	142.9%	60.6%
Income Before Tax	92,819	11.9%	62,736	10.5%	124,805	8.4%	147,640	11.9%	48.0%	-15.5%
Income and Social Tax	-26,013	-3.3%	-19,146	-3.2%	-30,120	-2.0%	-43,599	-3.5%	35.9%	-30.9%
Net Profit	66,806	8.5%	43,589	7.3%	94,684	6.4%	104,041	8.4%	53.3%	-9.0%
Attributable to non-controlling shar.	-16	0.0%	-1,360	-0.2%	582	0.0%	-1,593	-0.1%	-98.8%	-136.5%

Values in R\$ thousands

ATTACHMENT II

CONSOLIDATED BALANCE SHEET

Values in thousands of Reais

	06.30.22	06.30.21
Assets	3,719,952	2,780,724
Current Assets	2,296,163	1,358,409
Cash and Cash Equivalents	676,164	259,787
Receivables	370,127	306,759
Inventory	786,052	612,843
Financial Applications	328,602	19,869
Derivative Operations	0	3,794
Taxes Recoverable	92,989	131,883
Others Current Assets	42,229	23,474
Non-current Assets	1,423,788	1,422,315
Taxes Recoverable	47,111	42,837
Judicial Deposits	21,795	22,792
Deferred Taxes	0	41,329
Financial investments	33,558	69,440
Others Non-current Assets	14,975	5,597
Investments	31,400	24,110
Fixed Assets	629,889	586,172
Right of Use of Leases	157,761	133,226
Intangible	487,301	496,812
Liabilities	3,719,952	2,780,724
Current Liabilities	784,953	678,595
Accounts Payable	323,573	279,221
Loans and Financing	161,119	160,363
Derivative Financial Instruments	796	780
Taxes and Contributions	81,458	37,419
Salaries and Charges	69,271	56,802
Business combination	0	45,313
Lease	17,220	16,606
Others Obligations	131,515	82,092
Non-current Liabilities	1,171,368	1,073,539
Loans and Financing	791,892	663,454
Deferred Taxes	6,207	56,138
Provisions	44,767	23,509
Tax Incentive	2,013	2,281
Accounts payable per business combination	158,511	173,550
Lease	141,362	120,231
Others Obligations	26,617	34,376
Equity	1,763,631	1,028,589
Social Capital	1,229,400	600,000
Tax Incentive Reserve	10,745	7,626
Costs with Issue of Shares	-16,556	-4,622
Profit Reserves	549,889	417,362
Stocks in Treasury	-13,352	-13,352
Other Comprehensive Results	-5,243	12,424
Non-controlling Participation	8,748	9,152

Values in R\$ thousands

ATTACHMENT III

STATEMENTS OF CASH FLOW - INDIRECT METHOD

Values in thousands of Reais

	06.30.22	06.30.21
Operational Cash Flow		
Net operational cash	-171,184	37,475
Cash generated from operations	182,837	178,448
Income statement	94,684	104,042
Provision of income and social tax and deferred	30,120	43,598
Depreciation and amortization	56,474	55,259
Provision for disputes	5,262	-814
Allowance for doubtful accounts	-139	1,709
Obsolete inventory provision	1,522	-2,261
Other provisions	-18,715	-6,196
Cost of the fixed assets sold	4,574	-4,846
Offsetting retained amounts business combination	-3,847	0
Revenue from active lawsuits	-9,881	0
Monetary adjustment	-29,036	-23,189
Loans and leases variation	38,091	11,146
Assets and liabilities fluctuations	-340,293	-140,973
Financial applications	-330,179	-931
Judicial Deposits	922	-787
Receivables	-100,671	-18,503
Inventory	42,037	-115,305
Recoverable Taxes	44,994	0
Others assets	-13,179	54,527
Accounts payable	13,505	13,819
Others liabilities	7,079	-36,242
Paid income and social tax	-4,801	-37,551
Investment Cash Flow		
Net investment cash	-28,828	-48,765
Fixed assets acquisitions and intangible	-26,124	-46,982
Additions to intangible assets	0	-624
Payment of capital in subsidiary	-2,704	-1,159
Business combination	0	0
Cash From Financing Activities		
Net funding cash	512,577	-172,166
Paid-in Capital	629,400	0
Issuance Expenses	-11,933	0
Payment of the return over equity	-43,808	-54,733
Loans Taken	93,652	58,843
Loans and leases payments	-114,168	-157,167
Paid interests	-40,566	-19,109
Funding Cash Flow	312,565	-183,456

Values in R\$ thousands

ATTACHMENT 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>	