Individual and consolidated financial statements

Iochpe-Maxion S.A. and Subsidiaries

December 31, 2023

with Independent Auditor's Report

1) MESSAGE FROM THE CEO

The year 2023 was marked by a scenario of global economic and geopolitical uncertainties. Despite these uncertainties, production in the main automotive markets showed growth due to consistent improvements in the global supply chain.

The commercial vehicle segment in Brazil presented a production significantly below normal due to the transition from Euro 5 to Euro 6, negatively impacting the Company's mix and profitability. On the other hand, in other regions we observed growth in line with market performance, promoting the benefit of geographic diversification present in our business model.

According to IHS consultancy, global production of light vehicles, excluding China, grew by 5.0% in 4Q23 and 9.5% in 2023. And according to LMC consultancy, global production of commercial vehicles, excluding China, presented a drop of 7.3% in 4Q23 and a growth of 2.4% in 2023.

The Company's net operating revenue decreased by 16.3% in 4Q23, reaching R$ 3.5 billion and by 11.8% in 2023, reaching R$14.9 billion. The reduction is due to a lower cost of raw materials reflected in sales prices and the lower production volume of commercial vehicles in Brazil.

One highlight is the 17.3% growth in gross profit in 4Q23, with a margin of 10.9%, or an increase of 3.1 p.p. when compared to the same period of the previous year. The improvement is related to the stabilization of raw material prices in relation to the cost of inventory, improvement of the Company's operational efficiency and pass-through of cost increases.

EBITDA was R$ 289.4 million in 4Q23, a reduction of 0.7% compared to 4Q22. In 2023, EBITDA was R$ 1,252.9 million. Excluding non-recurring events in both periods, we had an EBITDA growth of 9.9% in 4Q23 and a reduction of 23.1% in 2023. The highlight during the 4Q23 is a 2 p.p. increase in the EBITDA margin.

We had a net debt reduction of R$ 242.1 million in 4Q23 or 6.2% compared to the net debt presented at the end of 4Q22. Financial leverage, measured by the ratio of net debt to EBITDA in the last 12 months, was 2.93x in 4Q23, compared to 2.26x in 4Q22. The main impact of such increase was the reduction in accumulated EBITDA over the last 12 months.

The cash position at the end of 4Q23 was R$ 2,962.4 million compared to R$ 2,287.1 million at the end of 4Q22. Additionally, we have an undrawn committed credit line (Revolver Credit Facility) of R$ 500.0 million. The liquidity ratio, measured by total liquidity divided by short-term debt, ended the quarter at 2.12x, compared to 2.67x in 4Q22.

In relation to ESG initiatives, we were included, for the third consecutive year, in B3's corporate sustainability index - ISE, with continuous improvement in our scores.

In our long-term agenda, we continue to ramp up volumes at our aluminum wheels factory in China, advance in the construction of the new forged aluminum wheels factory for commercial vehicles in Europe, and obtain new businesses in the electric vehicle segment in both divisions. All of this with discipline in capital allocation, in accordance with the Company's strategic priorities and seeking to reduce net debt.

Attentive to market changes, geopolitical issues, inflationary pressures and variations in our customers' production volumes, we quickly adapt our operations in different countries and in Brazil to meet the current demand for commercial vehicles in order to mitigate impacts to the profitability of our business units. We remain focused on productivity gains and operational efficiency, the launch of new products, developments of our advanced engineering, digitalization and innovation and strengthening our balance sheet, to continue generating value in a sustainable way, over time.

2) HIGHLIGHTS OF THE 4Q23 and 2023

- Net operating revenue of R$ 3,483.5 million in 4Q23, a decrease of 16.3%[1], and R$ 14,955.2 million in 2023, a decrease of 11.8%[1]
- Gross profit of R$ 380.2 million with gross margin of 10.9% in 4Q23, an increase of 17.3% and 3.1 p.p.[1]; and R$ 1,508.2 million with gross margin of 10.1% in 2023, a decrease of 16.6% and of 0.6 p.p.[1]
- 9.9% increase on recurring EBITDA[2] in 4Q23 with EBITDA margin of 8.3%, an increase of 2.0 p.p.[1]
- Leverage[3] of 2.93x in 4Q23, compared to 2.26x in 4Q22
- Reduction of R$ 242.1 million (6,2%) in net debt in 4Q23[1]
- Total liquidity of R$ 3,462.4 million[4] in 4Q23 compared to R$ 2,787.1 million in 4Q22. Liquidity ratio (total liquidity divided by short-term debt) of 2.12x, compared to 2.67x in 4Q22
- Participation, for the third consecutive year, in B3's ISE

[1] Compared to the same period of the previous year
[2] Not considering the non-recurring effects in both periods (item 4.5)
[3] Net debt/ EBITDA of the last 12 months
[4] Cash + revolving credit facilities

3) MARKET

Production of vehicles in regions where the Company's highest percentage of consolidated revenues are concentrated, presented the following behavior in the periods indicated (thousand):

	Light Vehicles[1]			Commercial Vehicles[2]		
Region	4Q22	4Q23	Var.	4Q22	4Q23	Var.
Brazil	560	540	-3.6%	53	34	-36.1%
India	1,233	1,291	4.7%	104	97	-7.0%
North America	3,552	3,762	5.9%	149	147	-1.6%
Europe[3]	4,046	4,276	5.7%	146	145	-1.1%
Global	21,905	24,174	10.4%	763	811	6.2%
Global Ex-China	14,702	15,439	5.0%	584	542	-7.3%

Region	2022	2023	Var.	2022	2023	Var.
Brazil	2,176	2,204	1.3%	194	121	-37.5%
India	5,113	5,441	6.4%	422	455	7.8%
North America	14,296	15,683	9.7%	575	616	7.3%
Europe[3]	14,818	16,703	12.7%	511	584	14.3%
Global	82,344	90,321	9.7%	3,003	3,352	11.6%
Global Ex-China	56,194	61,557	9.5%	2,191	2,244	2.4%

(1) Source: ANFAVEA (Brazil) and IHS (other regions)

(2) Source: LMC Automotive (Commercial Vehicles)

(3) Consider EU27 + UK + Turkey

The most recent forecasts from automotive consultants indicate a 1.7% reduction in the global production of light vehicles and a 3.0% reduction in the global production of commercial vehicles in 2024, both excluding China.

4) OPERATING AND FINANCIAL PERFORMANCE

Consolidated I.S - R$ thousand	4Q22	4Q23	Var.	2022	2023	Var.
Net Operating Revenue	4,159,955	3,483,501	*-16.3%*	16,947,869	14,955,220	*-11.8%*
Cost of Goods Sold	(3,835,919)	(3,103,262)	*-19.1%*	(15,139,227)	(13,446,975)	*-11.2%*
Gross Profit	324,036	380,239	*17.3%*	1,808,642	1,508,245	*-16.6%*
	7.8%	*10.9%*		*10.7%*	*10.1%*	
Operating Expenses	(210,048)	(196,552)	*-6.4%*	(742,589)	(757,579)	*2.0%*
Other Operating Expenses/Revenues	42,417	(9,199)	*-121.7%*	149,186	17,537	*-88.2%*
Equity Income	9,986	(1,203)	*-112.0%*	30,445	14,373	*-52.8%*
Operating Income (EBIT)	166,391	173,285	*4.1%*	1,245,684	782,576	*-37.2%*
	4.0%	*5.0%*		*7.4%*	*5.2%*	
Financial Results	(245,269)	(144,649)	*-41.0%*	(617,664)	(517,876)	*-16.2%*
Income Taxes	(14,442)	(11,686)	*-19.1%*	(223,848)	(158,809)	*-29.1%*
Minority Shareholders	(47,826)	(24,452)	*-48.9%*	(125,239)	(75,158)	*-40.0%*
Net Income (Loss)	(141,146)	(7,502)	*-94.7%*	278,933	30,733	*-89.0%*
	-3.4%	*-0.2%*		*1.6%*	*0.2%*	
EBITDA	291,489	289,375	*-0.7%*	1,736,915	1,252,864	*-27.9%*
	7.0%	*8.3%*		*10.2%*	*8.4%*	

4.1) Net Operating Revenue

Consolidated net operating revenue reached R$ 3,483.5 million in 4Q23 and R$ 14,955.2 million in 2023, a decrease of 16.3% and 11.8% compared to 4Q22 and 2022, respectively.

Net operating revenue in 4Q23 and in 2023 was negatively impacted by the drop in commercial vehicle production in Brazil, due to the change in engines from euro 5 to euro 6, and the global reduction in sales prices, due to the reduction in raw material costs.

The exchange rate variation had a negative impact of R$ 92.6 million in 4Q23 and R$ 312.9 million in 2023.

The table below shows the behavior of consolidated net operating revenue by region and by product, for the periods indicated.

Net Operating Revenue- R$ thousand	4Q22	4Q23	Var.	2022	2023	Var.
Aluminum Wheels (Light vehicles)	145,037	160,190	*10.4%*	600,365	667,710	*11.2%*
Steel Wheels (Light vehicles)	135,961	131,773	*-3.1%*	590,795	580,930	*-1.7%*
Steel Wheels (Commercial vehicles)	355,379	217,164	*-38.9%*	1,570,061	1,025,086	*-34.7%*
Structural Components (Light vehicles)	118,183	113,081	*-4.3%*	460,524	467,092	*1.4%*
Structural Components (Commercial vehicles)	506,447	279,039	*-44.9%*	1,944,960	1,206,450	*-38.0%*
South America	1,261,009 *30.3%*	901,248 *25.9%*	*-28.5%*	5,166,705 *30.5%*	3,947,266 *26.4%*	*-23.6%*
Aluminum Wheels (Light vehicles)	117,388	155,777	*32.7%*	552,078	634,389	*14.9%*
Steel Wheels (Light vehicles)	371,551	332,993	*-10.4%*	1,759,132	1,459,734	*-17.0%*
Steel Wheels (Commercial vehicles)	90,705	78,467	*-13.5%*	453,894	356,333	*-21.5%*
Structural Components (Commercial vehicles)	572,084	436,594	*-23.7%*	2,233,332	1,867,907	*-16.4%*
North America	1,151,727 *27.7%*	1,003,831 *28.8%*	*-12.8%*	4,998,437 *29.5%*	4,318,363 *28.9%*	*-13.6%*
Aluminum Wheels (Light vehicles)	683,953	539,783	*-21.1%*	2,436,834	2,459,877	*0.9%*
Steel Wheels (Light vehicles)	308,267	356,817	*15.7%*	1,272,499	1,314,815	*3.3%*
Steel Wheels (Commercial vehicles)	390,316	328,430	*-15.9%*	1,547,569	1,488,783	*-3.8%*
Europe	1,382,537 *33.2%*	1,225,030 *35.2%*	*-11.4%*	5,256,902 *31.0%*	5,263,475 *35.2%*	*0.1%*
Aluminum Wheels (Light vehicles)	224,228	195,849	*-12.7%*	904,799	828,823	*-8.4%*
Steel Wheels (Light vehicles)	49,841	44,009	*-11.7%*	218,096	193,826	*-11.1%*
Steel Wheels (Commercial vehicles)	90,613	113,534	*25.3%*	402,931	403,466	*0.1%*
Asia + Others	364,683 *8.8%*	353,392 *10.1%*	*-3.1%*	1,525,826 *9.0%*	1,426,115 *9.5%*	*-6.5%*
Iochpe-Maxion Consolidated	4,159,956 *100.0%*	3,483,501 *100.0%*	-16.3%	16,947,870 *100.0%*	14,955,220 *100.0%*	-11.8%
Maxion Wheels	2,963,242 *71.2%*	2,654,787 *76.2%*	*-10.4%*	12,309,054 *72.6%*	11,413,772 *76.3%*	*-7.3%*
Maxion Structural Components	1,196,714 *28.8%*	828,714 *23.8%*	*-30.8%*	4,638,816 *27.4%*	3,541,448 *23.7%*	*-23.7%*

4.2) Cost of Goods Sold

Cost of goods sold reached R$ 3,103.3 million in 4Q23 and R$ 13,447.0 million in 2023, a reduction of 19.1% compared to 4Q22 and of 11.2% compared to 2022.

This reduction in a percentage greater than the reduction in sales in 4Q23 is due to passthrough of inflation in the different cost components, better alignment between the cost of raw material inventory and sales prices.

4.3) Gross Profit

Gross profit of R$ 380.2 million in 4Q23 and R$ 1,508.2 million in 2023, an increase of 17.3% compared to 4Q22 and a decrease of 16.6% compared to 2022. Gross margin increased from 7.8% in 4Q22 to 9.9% in 4Q23.

4.4) Operational Expenses

Operating expenses (selling, general and administrative expenses, and management fees) reached R$ 196.6 million in 4Q23 and R$ 757.6 million in 2023, a decrease of 6.4% compared to 4Q22 and an increase of 2.0% compared to 2022.

4.5) Other Operating Expenses/Operating Income

Negative result of R$ 9.2 million in 4Q23 and a positive result of R$ 17.5 million in 2023, a reduction compared to the positive result of R$ 42.4 million presented in 4Q22 and R$ 149.2 million in 2022.

The main non-recurring items in this line during 2023 were: (i) gain from insurance reimbursement in the amount of R$ 17.5 million, (ii) gain from the exclusion of ICMS from the PIS/Cofins calculation basis in the amount of R$ 15.0 million, and (iii) restructuring expenses in the amount of R$ 14.4 million.

It is worth mentioning that in 4Q22 the non-recurring items were: (i) gain from insurance reimbursement in the amount of R$ 13.4 million, and (ii) gain from the exclusion of ICMS from the PIS/Cofins calculation basis in the amount of R$14.4 million. Likewise, during 2022, there were: (i) gain from insurance reimbursement in the amount of R$ 100.9 million, (ii) gain from the exclusion of ICMS from the PIS/Cofins calculation basis in the amount of R$ 61.8 million, and (iii) an expense of R$ 30.7 million relating due to the appreciation of the obligation to purchase equity interest in a subsidiary.

4.6) Equity Income

Negative result of R$ 1.2 million in 4Q23 and a positive result of R$ 14.4 million in 2023, a reduction compared to the positive results of R$ 10.0 million in 4Q22 and R$ 30.4 million in 2022.

The reduction in equity income is related to the lower result of Maxion Montich, mainly impacted by the devaluation of the Argentine peso, and the loss of Dongfeng Maxion in China, still in the initial phase of operations.

The following table sets forth the amounts corresponding to Iochpe-Maxion's ownership, which reflect the results of the equity income in the Company.

R$ thousand	4Q22				4Q23				Var.
	Amsted Maxion[1]	Maxion Montich[2]	Dongfeng Maxion[3]	Total	Amsted Maxion[1]	Maxion Montich[2]	Dongfeng Maxion[3]	Total	
Net Income (Loss)	1,325	11,328	(2,667)	9,986	3,585	(440)	(4,348)	(1,203)	*-112.0%*

R$ thousand	2022				2023				Var.
	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	Amsted Maxion	Maxion Montich	Dongfeng Maxion	Total	
Net Income (Loss)	9,267	34,957	(13,779)	30,445	9,782	23,578	(18,986)	14,373	*-52.8%*

[1] Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.: Related company in the railway segment (19.5% share)

[2] Maxion Montich S.A.: Joint business with factories of structural components in Argentina and Uruguay (50% stake)

[3] Dongfeng Maxion Wheels Ltd.: Related company that produces aluminum wheels in China (50% stake)

4.7) Earnings Before Interest and Tax (EBIT)

Operating profit of R$ 173.3 million in 4Q23 and R$ 782.6 million in 2023, an increase of 4.1% compared to 4Q22 and a reduction of 37.2% compared to 2022.

4.8) Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

EBITDA of R$ 289.4 million with EBITDA margin of 8.3% in 4Q23 and R$ 1,252.9 million with EBITDA margin of 8.4% in 2023, a reduction of 0.7% and 27.9% compared to 4Q22 and 2022, respectively.

Excluding the non-recurring effects (R$ 27.8 million in 4Q22), EBITDA in 4Q23 would have grown by 9.9% with EBITDA margin of 8.3% compared to EBITDA margin of 6.3% in 4Q22. Likewise, 2023 EBITDA would have shown a reduction of 23.1% with an EBITDA margin of 8.3%.

The table below shows the evolution of EBITDA.

EBITDA Reconciliation - R$ Thousand	4Q22	4Q23	Var.	2022	2023	Var.
Net Income (Loss)	(141,146)	(7,502)	*-94.7%*	278,933	30,733	*-89.0%*
Minority Shareholders	47,826	24,452	*-48.9%*	125,239	75,158	*-40.0%*
Income Taxes and Social Contribution	14,442	11,686	*-19.1%*	223,848	158,809	*-29.1%*
Financial Results	245,269	144,649	*-41.0%*	617,664	517,876	*-16.2%*
Depreciation / Amortization	125,098	116,090	*-7.2%*	491,231	470,288	*-4.3%*
EBITDA	291,489	289,375	*-0.7%*	1,736,915	1,252,864	*-27.9%*

4.9) Financial Result

Financial result was negative by R$ 144.6 million in 4Q23 and R$ 517.9 million in 2023, a decrease of 41.0% compared to 4Q22 and 16.2% compared to 2022.
It is worth mentioning that the financial result in 4Q22 was negatively impacted by R$ 97.7 million by the monetary update of the agreement at the administrative level with Mexican tax authorities in 2022.

4.10) Net Income

Net loss of R$ 7.5 million in 4Q23 (loss per share of R$ 0.04931) and net profit of R$ 30.7 million in 2023 (earnings per share of R$ 0.20415), an improvement over the net loss of R$ 141.1 million in 4Q22 (loss per share of R$ 0.45703) and a decrease compared to the net profit of R$ 278.9 million in 2022 (earnings per share of R$ 1.83996).

The net result in 2023 was impacted by deferred income tax on exchange rate variations of non-monetary items from the Company's subsidiaries that have an accounting functional currency different from the local currency, which generated an accounting (non-cash) impact on the tax line income of R$ 83.5 million. In 2022, the net result was impacted by the expense of the extrajudicial agreement at the administrative level with the Mexican authorities, which impacted financial expenses (as mentioned in item 4.9 above) and the income tax line by R$ 84.1 million, totaling R$181.8 million.

5) CAPITAL EXPENDITURES

Investments reached R$ 221,5 million in 4Q23 and R$ 551.9 million in 2023, a reduction of 13.9% compared to 4Q22 and 6.8% compared to 2022. The main investments in the period were related to the capacity increase to meet the demand of commercial vehicle segment in North America and the construction of the aluminum wheel plant for commercial vehicles in Europe.

6) LIQUIDITY AND INDEBTEDNESS

The cash and cash equivalents position on December 31, 2023, was R$ 2,962.4 million, 61.5% in reais and 38.5% in other currencies.

Consolidated gross indebtedness (borrowings, financing, and current and non-current) on December 31, 2023, reached R$ 6,765.5 million, of which R$ 1,631.6 million (24.1%) was recorded in current liabilities and R$ 5,133.9 million (75.9%) in non-current liabilities.

The liquidity ratio, the ratio of total liquidity (considering revolving credit lines) to short-term debt, was 2.12x at the end of 4Q23 compared to 2.67x at the end of 4Q22.

The main indicators of consolidated gross debt at the end of 4Q23 were: (i) lines in euros (euro + 4.6% per year) with 36.6%, (ii) lines in reais indexed to the CDI which represented 38,8% (CDI + 2.0% per year), and (iii) lines in dollars (US$ + 6.2% per year) with 14.6%.

Consolidated net debt[5] on December 31,2023 reached R$ 3,674.8 million, a decrease of 6.2% compared to the amount of R$ 3,916.9 million reached on December 31, 2022.

Net debt at the end of 4Q23 represented 2.93x EBITDA for the last 12 months, while at the end of 4Q22 it represented 2.26x.

7) SHAREHOLDERS´ EQUITY

Consolidated shareholders 'equity reached R$ 4,085.0 million (book value per share of R$ 26.57) on December 31, 2023, a decrease of 4.8% compared to shareholders' equity reached on December 31, 2022 (R$ 4,292.8 million and book value per share of R$ 27.93).

Shareholders' equity attributable to controllers reached R$ 3.693,6 million (book value per share of R$ 24.03) on December 31, 2023, a decrease of 5.8% compared to shareholders' equity attributed to controllers reached on December 31, 2022 (R$ 3,919.8 million and book value per share of R$ 27.93).

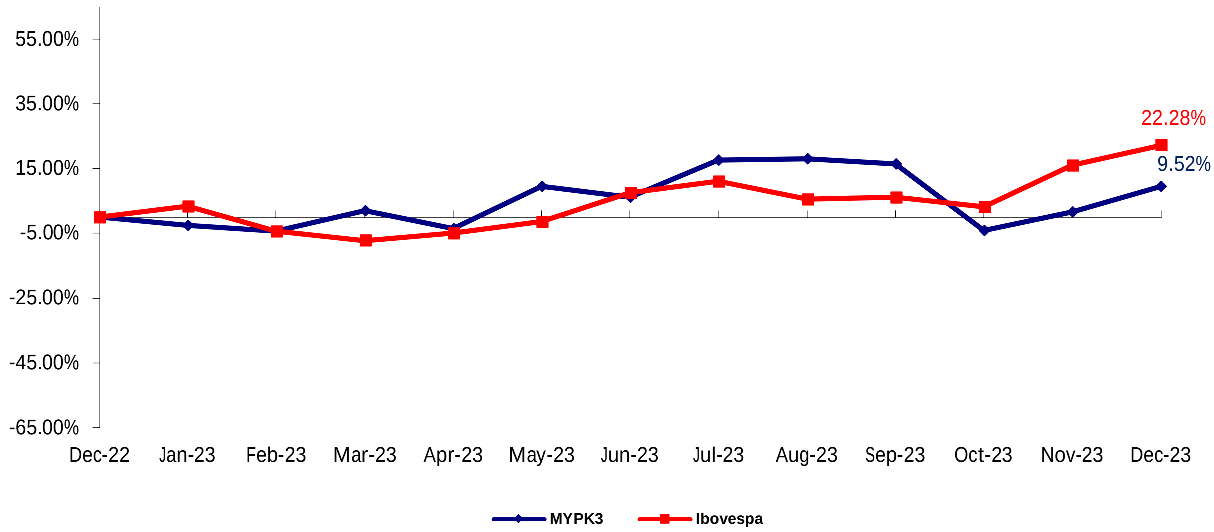
The change in shareholders' equity is related to the result for the period and the exchange rate variation that impacts the value of net assets abroad (equity valuation adjustment).

[5] Gross debt plus derivative financial instruments liabilities current and non-current, less cash and cash equivalents and derivative financial instruments current and non-current assets

8) CAPITAL MARKETS

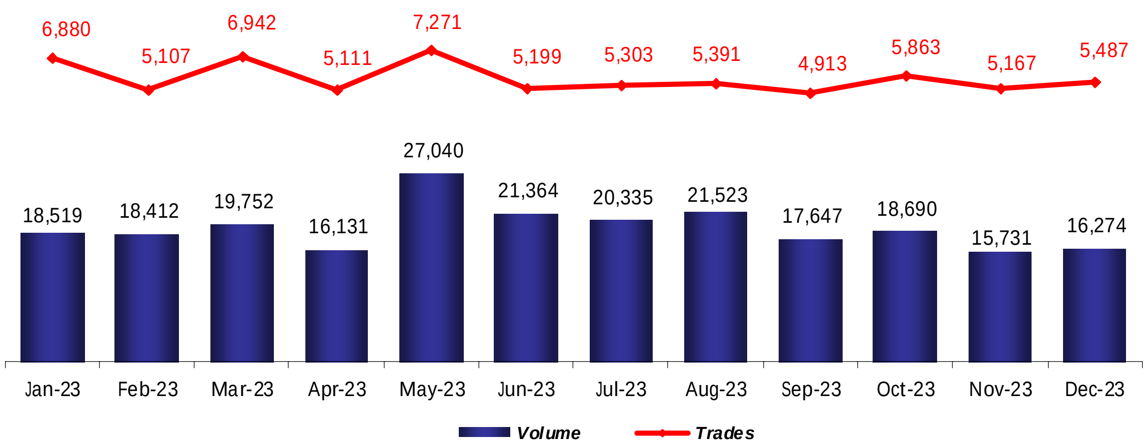
Iochpe-Maxion common shares (B3: MYPK3) closed the 4Q23 quoted at R$ 12.89, a decrease of 5.9% in the quarter and an increase of 9.5% in the last 12 months. At the end of 4Q23 Iochpe-Maxion reached a capitalization (*market cap*) of R$ 1,981.4 million (R$ 1,809.3 million at the end of 4Q22).

Share Performance – Last 12 months



Iochpe-Maxion's shares in 4Q23 had an average daily trading volume in B3 of R$ 18.5 million (R$ 22.5 million in 4Q22) and an average daily number of 6,282 trades (8,010 average number of trades in 4Q22).

Daily Average Volume



9) EARNINGS

Iochpe-Maxion´s by-laws provides for distribution of 37% of net income (after any accumulated losses from previous periods) as the mandatory dividend. Considering (i) the net income in 2023 of R$ 30.7 million, and (ii) the adoption of deemed cost to property, plant and equipment and its depreciation, which increased net income by R$ 4.8 million; the mandatory dividend amount related to 2023 is R$ 13.1 million, or R$ 0.0874037 per share, with the cut-off date for identifying shareholders who will be entitled to receive dividends is March 11, 2024.

10) ARBITRATION CLAUSE

The Company is bound to arbitration at the Arbitration Chamber of Novo Mercado, as provided for in the Arbitration Clause included in its By-laws.

11) MANAGEMENT´S STATEMENT

In compliance with the provisions contained in article 27 of CVM Resolution No. 80/22, the Board of Directors declares that it reviewed, discussed and agreed with the individual and consolidated financial statements as of December 31, 2023 and with the respective independent auditor's report.

The Company's financial statements presented here are in accordance with the criteria of Brazilian corporate legislation and prepared in accordance with accounting practices adopted in Brazil and with international financial reporting standards (IFRS), as issued by the International Accounting Standard Board.

EBITDA should not be considered as an alternative to net profit, as an indicator of the Company's operational performance, or as an alternative to cash flow as an indicator of liquidity.

The Company's Management believes that EBITDA is a practical measure to assess its operational performance and allow comparison with other companies.

The Company calculates EBITDA in accordance with CVM Resolution 156 regulated on 08/01/22. Therefore, EBITDA represents net profit (loss) before interest, Income Tax and Social Contribution and depreciation/amortization.

Cruzeiro, 06 March 2024.

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Independent auditor's report on individual and consolidated financial statements

To the
Shareholders, Board of Directors and Officers of
Iochpe-Maxion S.A. and Subsidiaries
Cruzeiro - SP

Opinion

We have audited the individual and consolidated financial statements of Iochpe-Maxion S.A. (the "Company"), identified as Parent and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2023, and its individual and consolidated financial performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the individual and consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Realization of deferred tax assets

As mentioned in Note 9, the Company and its subsidiaries record deferred tax assets on temporary differences, and tax losses carryforward and social contribution losses, based on the reasonable probability that these companies will generate future taxable profit in order to use such assets.

As at December 31, 2023, deferred tax assets amounted to R$ 45,639 thousand and R$255,413 thousand – individual and consolidated, respectively. Due to the uncertainties inherent in the business that had an impact on projections of future taxable profit and respective estimates to determine the ability to recover these deferred tax assets and the fact that the Company and its subsidiaries used significant judgment in determining the amount of future taxable profits, which are based on projected revenue, costs and finance income/(costs) and permanent tax additions and exclusions this was considered a key audit matter.

How our audit addressed this matter

We obtained an understanding of internal controls relating to projections of future taxable profits prepared by the Company and its subsidiaries. We assessed the nature of the temporary differences, as well as of the tax losses carryforward and social contribution losses that comprise the taxable base, considering applicability of the legislation in each country. We analyzed the calculation of deferred tax assets, with the assistance of our tax specialists.

Additionally, we assessed the assumptions and methodologies used by the Company in preparing projected profit/(loss), compared these assumptions with data obtained from external sources, when available, such as projected economic growth, conducted a sensitivity analysis on projected revenues and costs, and conducted mathematic tests on these projections. We analyzed consistency between the data used in preparing projected profit/(loss) and accounting records, when applicable, and confirmed that the information used in preparing projected profit/(loss) derives from the Company's business plan approved by those charged with governance. In addition, we compared the expected future taxable profit with the amount recorded as the Company's and its subsidiaries' deferred tax assets and analyzed whether the disclosures made by the Company were adequate.

As a result of these procedures, we identified audit adjustments relating to decrease in the deferred tax assets and increase in the deferred tax liabilities amounts. This adjustment was not recorded by directors, since it was considered immaterial on the individual and consolidated financial statements as a whole.

Based on the results of our audit procedures on the test of recoverability of deferred tax assets, which is consistent with director's assessment, we believe that the criteria and assumptions adopted by directors, as well as respective disclosures in the notes are acceptable in the context of the Company's individual and consolidated financial statements taken as a whole.

Impairment of goodwill

The Company recorded significant goodwill amounts that may present realization risk and, as such, be impaired. As at December 31, 2023, goodwill amounted to R$ 1,722,257 thousand. The Company's disclosures on accounting practices and balances are presented, respectively, in explanatory notes 4 and 13 to the financial statements as at December 31, 2023.

This risk arises not only due to the significance of the balances, but also to the impact of the local and global economic scenario for determining the growth and discount rate assumptions used in the annual evaluation of impairment of goodwill, conducted by the Company, and to the high level of judgment involved in determining the estimates by directors. As such, this was considered a key audit matter.

How our audit addressed this matter

Our audit procedures included an analysis of the business plans of the Company, globally and per cash-generating unit, with the technical support of our valuation specialists for analyzing the assumptions for discount rate and revenue increase used by directors in determining the recoverable amount of goodwill. Additionally, we analyzed the methodology and assumptions used by directors for preparing the profit/(loss) projections, conducted mathematic tests on these projections, analyzed consistency between the data used in preparing the projections and accounting records, when applicable and confirmed that the information used in preparing such projections derives from the Company's business plan approved by those charged with governance. We also analyzed whether the Company's disclosures on the matter are appropriate in Notes 4 and 13.

Based on the results of the audit procedures performed on the annual evaluation of goodwill impairment, which is consistent with director´s assumptions, we believe that these assumptions and premises adopted by directors, as well as respective disclosures, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of Company board of directors, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added, individual and consolidated, were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Board of directors is responsible for the other information, which comprise the Management Report.

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

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report 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 we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of board of directors and those charged with governance for the individual and consolidated financial statements

Board of directors is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, board of directors 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 board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors.
- Conclude on the appropriateness of board of directors' 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual 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 auditor's report. However, future events or conditions may cause the Company 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 and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance 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 requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 period and are therefore the key audit matters. We describe these matters in our auditor's 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.

São Paulo, March 06, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP034519/O

Márcio D. Berstecher
Contador CRC-SP259735/O

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AT DECEMBER 31, 2023
(In thousands of reais - R$)

		Parent		Consolidated	
ASSETS	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
CURRENT ASSETS					
Cash and cash equivalents	5	1,733,350	1,236,846	2,962,366	2,287,054
Trade receivables	6	121,395	578,102	1,261,050	2,053,692
Inventories	7	644,469	698,130	2,320,305	2,702,075
Recoverable taxes	8	346,904	246,444	717,498	600,748
Prepaid expenses		15,357	10,529	80,481	57,725
Derivative financial instrument	28	351	-	28,277	32,079
Other receivables		20,444	44,887	144,175	152,952
Total current assets		2,882,270	2,814,938	7,514,152	7,886,325
NONCURRENT ASSETS					
Recoverable taxes	8	91,871	215,075	234,431	338,745
Deferred income tax and social contribution	9.a	45,639	25,148	255,413	269,034
Judicial deposits		65,357	57,199	69,889	62,618
Derivative financial instrument	28	-	21,468	119,229	258,780
Other receivables		3,115	3,021	93,672	74,127
Investments	11	3,477,298	3,363,479	159,767	129,203
Property, plant and equipment	12	1,169,418	1,102,395	4,043,995	4,043,815
Intangible assets	13	87,376	85,358	1,969,307	2,085,571
Right of use	14	6,708	4,597	74,261	47,237
Total noncurrent assets		4,946,782	4,877,740	7,019,964	7,309,130
TOTAL ASSETS		7,829,052	7,692,678	14,534,116	15,195,455

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
CURRENT LIABILITIES					
Borrowings, financing and debentures	15	980,290	555,820	1,631,599	1,043,611
Trade payables	16	357,412	426,291	1,906,468	2,294,570
Taxes payable	17	16,641	35,104	126,797	317,483
Payroll and related taxes	18	121,092	180,773	451,023	502,106
Advances from customers		37,449	52,986	47,539	66,561
Derivative financial instrument	28	14,842	10,894	18,662	16,250
Dividends and interest on equity payable		13,465	105,573	13,465	125,623
Other payables		42,201	72,019	421,833	402,259
Total current liabilities		1,583,392	1,439,460	4,617,386	4,768,463
NONCURRENT LIABILITIES					
Borrowings, financing and debentures	15	2,466,995	2,253,387	5,133,934	5,433,377
Provision for labor, tax and civil risks	19	67,412	62,565	78,965	78,574
Deferred income tax and social contribution	9.a	-	-	47,568	42,904
Derivative financial instrument	28	-	1,591	489	1,591
Actuarial pension plan liabilities	20	-	-	424,222	462,259
Other payables		17,627	15,868	146,523	115,480
Total noncurrent liabilities		2,552,034	2,333,411	5,831,701	6,134,185
EQUITY					
Share capital	21.a	1,576,954	1,576,954	1,576,954	1,576,954
Recognized stock options granted		-	3,061	-	3,061
Earnings reserves		645,808	623,446	645,808	623,446
Capital reserve		3,061	-	3,061	-
Treasury shares	21.d	(55,539)	(41,448)	(55,539)	(41,448)
Valuation adjustments to equity		1,523,342	1,757,794	1,523,342	1,757,794
Resultado do período					
Equity attributable to controlling interests		3,693,626	3,919,807	3,693,626	3,919,807
Noncontrolling interests		-	-	391,403	373,000
Total equity		3,693,626	3,919,807	4,085,029	4,292,807
TOTAL LIABILITIES AND EQUITY		7,829,052	7,692,678	14,534,116	15,195,455

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMEBER 31, 2023
(In thousands of reais - R$, except earnings per share)

		Parent		Consolidated	
	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
NET SALES AND SERVICES REVENUE	25	3,775,608	5,083,187	14,955,220	16,947,869
COST OF GOODS SOLD AND SERVICES	26	(3,334,900)	(4,405,179)	(13,446,975)	(15,139,227)
GROSS PROFIT		440,708	678,008	1,508,245	1,808,642
OPERATING INCOME (EXPENSES)					
Selling expenses	26	(19,621)	(27,223)	(81,674)	(96,095)
General and administrative expenses	26	(164,309)	(147,065)	(658,158)	(627,523)
Management fees	10.a	(17,747)	(18,971)	(17,747)	(18,971)
Equity pickup	11.b	84,342	184,736	14,373	30,445
Other operating income (expenses), net	27	(43,698)	(7,344)	17,537	149,186
OPERATING INCOME BEFORE FINANCE INCOME (COSTS)		279,675	662,141	782,576	1,245,684
Finance income	23	183,143	94,861	216,151	114,455
Finance costs	23	(456,173)	(436,364)	(702,359)	(713,353)
Foreign exchange gains (losses), net	24	2,944	(14,871)	(31,668)	(18,766)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		9,589	305,767	264,700	628,020
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	9.b	(1,287)	(10,874)	(138,123)	(284,028)
Deferred	9.b	22,431	(15,960)	(20,686)	60,180
PROFIT FOR THE YEAR		30,733	278,933	105,891	404,172
ATTRIBUTABLE TO					
Controlling interests		30,733	278,933	30,733	278,933
Noncontrolling interests		-	-	75,158	125,239
EARNINGS PER SHARE FOR THE YEAR:					
BASIC - R$	30	0.20415	1.83996	0.20415	1.83996
DILUTED - R$	30	0.20415	1.83996	0.20415	1.83996

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMEBER 31, 2023
(In thousands of reais - R$)

		Parent		Consolidated	
	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
PROFIT FOR THE YEAR		30,733	278,933	105,891	404,172
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be subsequently reclassified to profit or loss:					
Losses on measurement of financial instruments, net		(739)	(868)	(739)	(868)
Losses on translation of financial statements of foreign subsidiaries		(222,359)	(369,022)	(187,544)	(462,798)
Hedge Accounting Transactions					
Fair value of cash flow hedge, net of taxes	28	56	(423)	(57,872)	44,531
Fair value of foreign net investment hedge, net of taxes	28	9,725	-	9,725	-
Items that will be subsequently reclassified to profit or loss:					
Effect of change in actuarial assumptions, net of taxes	11.b	(30,845)	79,469	(29,507)	74,060
Total other comprehensive income (loss)		(244,162)	(290,844)	(265,937)	(345,075)
TOTAL COMPREHENSIVE INCOME (LOSS)		(213,429)	(11,911)	(160,046)	59,097
Attributable to:					
Controlling interests		(213,429)	(11,911)	(213,429)	(11,911)
Noncontrolling interests		-	-	53,383	71,008
		(213,429)	(11,911)	(160,046)	59,097

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

IOCHPE-MAXION

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMEBER 31, 2023
(In thousands of reais - R$)

				Earnings reserve				Valuation adjustments to equity					
	Note	Share capital	Recognized stock options granted	Legal reserve	Bylaws reserve for investment and working capital	Capital reserve	Treasury shares	Deemed cost to property, plant and equipment	Other comprehensive income (loss)	Profit for the year	Equity	Noncontrolling interests	Total equity
BALANCES AT DECEMBER 31, 2021		1,576,954	3,061	123,801	326,408	(13,183)	(28,894)	56,867	1,996,730	-	4,041,744	356,375	4,398,119
Profit for the year		-	-	-	-	-	-	-	-	278,933	278,933	125,239	404,172
Other comprehensive income (loss)		-	-	-	-	-	-	-	(290,844)	-	(290,844)	(54,231)	(345,075)
Total comprehensive income (loss)		-	-	-	-	-	-	-	(290,844)	278,933	(11,911)	71,008	59,097
Treasury shares acquired	20.d	-	-	-	-	-	(12,554)	-	-	-	(12,554)	-	(12,554)
Write-off of goodwill on acquisition of noncontrolling interests		-	-	-	-	13,183	-	-	-	-	13,183	-	13,183
Realization of deemed cost, net of tax effects		-	-	-	-	-	-	(5,454)	-	5,454	-	-	-
Write-off of deemed cost, net of tax effects		-	-	-	-	-	-	(373)	868	-	495	-	495
Dividends allocated to noncontrolling interests		-	-	-	-	-	-	-	-	-	-	(54,383)	(54,383)
Allocations of profit for the year:													
Legal reserve		-	-	14,219	-	-	-	-	-	(14,219)	-	-	-
Bylaws reserve for investments and working capital		-	-	-	164,945	-	-	-	-	(164,945)	-	-	-
Interest on equity		-	-	-	(5,927)	-	-	-	-	-	(5,927)	-	(5,927)
Minimum mandatory dividends		-	-	-	-	-	-	-	-	(105,223)	(105,223)	-	(105,223)
BALANCES AT DECEMBER 31, 2022		1,576,954	3,061	138,020	485,426	-	(41,448)	51,040	1,706,754	-	3,919,807	373,000	4,292,807
Profit for the year		-	-	-	-	-	-	-	-	30,733	30,733	75,158	105,891
Other comprehensive income (loss)		-	-	-	-	-	-	-	(244,162)	-	(244,162)	(21,775)	(265,937)
Total comprehensive income (loss)		-	-	-	-	-	-	-	(244,162)	30,733	(213,429)	53,383	(160,046)
Treasury shares acquired	20.d	-	-	-	-	-	(14,091)	-	-	-	(14,091)	-	(14,091)
Hyperinflation effect on investment in jointly-controlled subsidiary		-	-	-	-	-	-	-	10,730	-	10,730	-	10,730
Write-off of options granted		-	(3,061)	-	-	3,061	-	-	-	-	-	-	-
Realization of deemed cost, net of tax effects		-	-	-	-	-	-	(4,762)	-	4,762	-	-	-
Reversal of deemed cost, net of tax effects		-	-	-	-	-	-	3,742	-	-	3,742	-	3,742
Dividends allocated to noncontrolling interests		-	-	-	-	-	-	-	-	-	-	(34,980)	(34,980)
Allocations of profit for the year:													
Legal reserve		-	-	1,775	-	-	-	-	-	(1,775)	-	-	-
Bylaws reserve for investments and working capital		-	-	-	20,587	-	-	-	-	(20,587)	-	-	-
Minimum mandatory dividends		-	-	-	-	-	-	-	-	(13,133)	(13,133)	-	(13,133)
BALANCES AT DECEMBER 31, 2023		1,576,954	-	139,795	506,013	3,061	(55,539)	50,020	1,473,322	-	3,693,626	391,403	4,085,029

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

IOCHPE-MAXION

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMEBER 31, 2023
(In thousands of reais - R$)

		Parent		Consolidated	
	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		30,733	278,933	105,891	404,172
Adjustments to reconcile profit for the year to net cash from (used in) operating activities:					
Depreciation and amortization	26	71,916	70,430	470,287	491,231
Income tax and social contribution	9.b	(21,144)	26,834	158,809	223,848
Residual value of property, plant and equipment and intangible assets written off	12, 13 e 14	5,892	4,416	18,742	21,899
Equity pickup	11.b	(84,342)	(184,736)	(14,374)	(30,445)
Provision for tax, civil, and labor risks, net of reversals and inflation adjustments	19	7,491	3,786	10,131	6,457
Inflation adjustment of judicial deposits		(4,677)	(3,791)	(4,249)	(4,014)
Interest, monetary variations and amortization of borrowing costs		194,680	394,578	412,700	561,901
Interest on lease liability		407	347	6,530	1,793
Expected credit losses		(433)	10,933	(2,616)	23,158
Allowance for inventory losses		(1,553)	(7,153)	(36,108)	23,066
Finance cost (net) of pension plans and post-employment benefits		-	-	29,731	12,922
Loss (gain) on sale of property, plant and equipment		(587)	3,919	(613)	1,233
Exclusion of ICMS from the PIS and COFINS base	23 e 27	(25,829)	(75,583)	(33,926)	(83,518)
Loss on valuation of stock option		-	-	-	30,662
Fair value of financial instruments		4,236	(3,963)	4,236	(3,963)
Decrease (increase) in assets:					
Trade receivables	6	457,140	(93,932)	709,781	(452,091)
Inventories	7	55,214	144,139	307,806	239,939
Other receivables and other accounts		63,382	30,987	82,915	(21,570)
Increase (decrease) in liabilities:					
Trade payables	16 e 33	791,576	804,368	682,242	973,934
Pension plan actuarial liabilities		-	-	(68,634)	(39,993)
Payments of tax, civil and labor risks	19	(2,644)	(10,034)	(9,765)	(18,080)
Payments of agreement arising from tax audit		-	-	(146,999)	-
Tax, labor and social security obligations		102,629	19,961	(68,359)	143,166
Other payables and other liabilities		(77,184)	5,050	50,113	70,904
		1,566,903	1,419,489	2,664,271	2,576,611
Payment of interest on borrowings and financing		(209,901)	(110,306)	(409,923)	(256,226)
Payment of interest on debentures		(184,031)	(184,588)	(184,031)	(184,588)
Payment of interest on lease liability		(54)	(347)	(3,165)	(2,397)
Payment of income tax and social contribution		-	-	(73,857)	(254,735)
		(393,986)	(295,241)	(670,976)	(697,946)
Net cash from operating activities		1,172,917	1,124,248	1,993,295	1,878,665
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital increase in subsidiaries	11.b	(251,153)	585,412	-	-
Capital increase in associates	11.b	(24,984)	-	(24,984)	-
Purchase of property, plant and equipment	12 e 33	(62,217)	(148,492)	(503,175)	(485,773)
Purchase of intangible assets	13	(25)	(902)	(2,013)	(2,873)
Net cash used in investing activities		(338,379)	436,018	(530,172)	(488,646)
CASH FLOWS FROM FINANCING ACTIVITIES					
Debentures raised	15	700,000	750,000	700,000	750,000
Borrowings and financing raised	15	1,045,768	814,391	2,291,506	3,040,617
Repayment of borrowings and financing - principal	15	(537,511)	(553,420)	(1,912,618)	(2,171,319)
Repayment of debentures - principal	15	(800,000)	(450,000)	(800,000)	(450,000)
Repayment of lease liabilities - principal		(3,208)	(4,037)	(34,298)	(32,630)
Repayment (Forfait)	15	(622,572)	(911,532)	(746,490)	(911,532)
Capitalization of borrowing costs		(1,179)	(7,935)	(1,179)	(14,990)
Payment of proposed and additional dividends		(105,241)	(200,870)	(105,241)	(200,870)
Dividends paid to noncontrolling interests	11.d	-	-	(52,939)	(34,663)
Acquisition of treasury shares	21.d	(14,091)	(12,554)	(14,091)	(12,554)
Net cash used in financing activities		(338,034)	(575,957)	(675,350)	(37,941)
INCREASE IN CASH AND CASH EQUIVALENTS		496,504	984,309	787,773	1,352,078
Exchange differences on cash and cash equivalents of foreign subsidiaries		-	-	(112,461)	(153,138)
Cash and cash equivalents at beginning of year		1,236,846	252,537	2,287,054	1,088,114
Cash and cash equivalents at end of year		1,733,350	1,236,846	2,962,366	2,287,054
INCREASE IN CASH AND CASH EQUIVALENTS		496,504	984,309	675,312	1,198,940

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE YEAR ENDED DECEMEBER 31, 2023
(In thousands of reais - R$)

		Parent		Consolidated	
	Note	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Sales of goods and assets	25	4,605,602	6,255,366	15,840,688	18,170,522
Expected credit losses	6	433	(10,933)	2,616	(23,158)
Other revenues		38,768	77,657	270,102	232,102
		4,644,803	6,322,090	16,113,406	18,379,466
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDING STATE VAT - ICMS AND FEDERAL VAT - IPI)					
Raw materials consumed		(2,147,197)	(3,018,356)	(8,946,080)	(10,565,885)
Materials, electric power, third-party services and other items		(476,851)	(581,194)	(2,274,238)	(2,309,417)
		(2,624,048)	(3,599,550)	(11,220,318)	(12,875,302)
GROSS VALUE ADDED		2,020,755	2,722,540	4,893,088	5,504,164
RETENTIONS					
Depreciation and amortization	26	(71,916)	(70,430)	(470,287)	(491,231)
NET VALUE ADDED PRODUCED BY THE COMPANY AND ITS SUBSIDIARIES		1,948,839	2,652,110	4,422,801	5,012,933
VALUE ADDED RECEIVED IN TRANSFER					
Equity pickup	11.b	84,342	184,736	14,373	30,445
Finance income	23	183,143	94,861	216,151	114,455
Foreign exchange gains (losses), net	24	2,944	(14,871)	(31,668)	(18,766)
		270,429	264,726	198,856	126,134
TOTAL VALUE ADDED TO BE DISTRIBUTED		2,219,268	2,916,836	4,621,657	5,139,067
DISTRIBUTION OF VALUE ADDED					
Personnel:					
Salaries and wages		868,051	942,757	2,648,720	2,435,420
Employees' profit sharing		34,552	43,395	85,825	112,137
Taxes:					
Federal		283,225	480,040	483,462	697,579
State		525,472	718,819	560,663	748,768
Municipal		152	154	152	154
Lenders:					
Finance costs	23	456,173	436,364	702,359	713,353
Rentals		20,910	16,374	34,585	27,484
Shareholders:					
Proposed and additional dividends	20.c	13,133	105,223	13,133	105,223
Retained profits		17,600	173,710	17,600	173,710
Noncontrolling interests in retained profits		-	-	75,158	125,239
		2,219,268	2,916,836	4,621,657	5,139,067

The accompanying notes are an integral part of the Individual and Consolidated Financial Statements.

1. Operations

Iochpe-Maxion S.A. ("Company") is a publicly held company headquartered at Rua Dr. Othon Barcellos, 83, in the city of Cruzeiro, São Paulo state, registered with B3 S.A. - Brasil, Bolsa, Balcão, under ticker symbol MYPK3.

The activities of the Company, its subsidiaries, joint ventures and associates are carried out at 9 facilities located in Brazil and 24 facilities located abroad. Information on the Company's main operations is presented in Note 2.

As communicated to the market, the Company is included in the B3 Corporate Sustainability Index ("ISE") portfolio for the third year in a row, with B being the Carbon Disclosure Project ("CDP") score in the "Climate Change" category. The current ISE portfolio, encompassing 78 companies, will be in force until December 31, 2024. The CDP is part of the ISE assessment under the climate change dimension. Presence at ISE reaffirms the Company's positioning and strategic direction toward the best environmental, social and governance practices.

(Amounts expressed in thousands of reais - R$, unless otherwise stated)

2. Group Companies

The activities of the Company and its subsidiaries are focused on the automotive segment and divided into the wheels and structural component divisions. The consolidation comprises the financial statements of the Company and of the following direct and indirect subsidiaries:

			12/31/2023		12/31/2022	
	Country	**Activities**	**Direct interest - %**	**Indirect interest - %**	**Direct interest - %**	**Indirect interest - %**
Iochpe-Maxion S.A. (Parent Company - Cruzeiro)	Brazil	(a) (d) (e)	**-**	**-**	-	-
São Paulo Branch	Brazil	-	**-**	**-**	-	-
Limeira Branch – Steel	Brazil	(b)	**-**	**-**	-	-
Limeira Branch – Aluminum	Brazil	(c)	**-**	**-**	-	-
Contagem Branch	Brazil	(e)	**-**	**-**	-	-
Resende Branch	Brazil	(d)	**-**	**-**	-	-
Maxion Wheels do Brasil Ltda.	Brazil	(c)	**100.00**	**-**	100.00	-
Maxion (Nantong) Wheels Co., Ltd.	China	(a)	**100.00**	**-**	100.00	-
Iochpe-Maxion Austria GmbH	Austria	(g)	**100.00**	**-**	100.00	-
Maxion Wheels Aluminum India Pvt. Ltd.	India	(c)	**-**	**100.00**	-	100.00
Maxion Wheels (Thailand) Co. Ltd.	Thailand	(c)	**-**	**100.00**	-	100.00
Maxion Inci Jant Sanayi, A.S.	Turkey	(a) (b) (c)	**-**	**60.00**	-	60.00
Iochpe Sistemas Automotivos de México, S.A. de C.V.	Mexico	(g)	**-**	**100.00**	-	100.00
Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Mexico	(d) (e)	**-**	**100.00**	-	100.00
Maxion Wheels de Mexico, S. de R.L. de C.V.	Mexico	(a) (b) (c)	**-**	**100.00**	-	100.00
Maxion Wheels U.S.A. LLC	USA	(f)	**-**	**100.00**	-	100.00
Maxion Wheels Sedalia LLC	USA	(b)	**-**	**100.00**	-	100.00
Maxion Wheels South Africa (Pty) Ltd.	South Africa	(c)	**-**	**100.00**	-	100.00
Maxion Wheels Japan K.K.	Japan	-	**-**	**100.00**	-	100.00
Maxion Wheels Czech s.r.o.	Czech Republic	(b) (c)	**-**	**100.00**	-	100.00
Maxion Wheels Holding GmbH	Germany	(g)	**-**	**100.00**	-	100.00
Maxion Wheels Werke GmbH	Germany	(a) (b)	**-**	**100.00**	-	100.00
Maxion Wheels Konigswinter GmbH	Germany	(g)	**-**	**100.00**	-	100.00
Maxion Wheels Immobilien GmbH	Germany	-	**-**	**100.00**	-	100.00
Kalyani Maxion Wheels Private Limited	India	(a) (b)	**-**	**85.00**	-	85.00
Maxion Wheels España S.L.	Spain	(b)	**-**	**100.00**	-	100.00
Hayes Lemmerz Barcelona, S.L.	Spain	-	**-**	**100.00**	-	100.00
Maxion Wheels Italia S.r.l.	Italy	(c)	**-**	**100.00**	-	100.00
Maxion Jantas Jant Sanayi ve Ticaret A.S.	Turkey	(a)	**-**	**60.00**	-	60.00

(a) Manufacturing and sale of steel wheels for commercial vehicles.

(b) Manufacturing and sale of steel wheels for light vehicles.

(c) Manufacturing and sale of aluminum wheels for light vehicles.

(d) Manufacturing and sale of structural components (complete frames, sidebars and crossbars) and metal stampings for commercial vehicles.

(e) Manufacturing and sale of structural components (metal stampings, hand brank levers, pedal assemblies, welded assemblies, structural pieces and other automotive components) for light vehicles.

(f) Sale of wheels for light and commercial vehicles.

(g) Company that holds controlling interests in one or more subsidiaries.

Interests in joint ventures

Maxion Montich S.A.

The Company, through its joint venture Maxion Montich S.A. (“Maxion Montich”), located in Cordoba, Argentina, is engaged in the manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars), metal stampings and welded assemblies for commercial and light vehicles.

At December 31, 2022 and 2023, investments in joint venture Maxion Montich representing 50% interests are accounted for by the equity pick-up method.

Interests in associates

Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.

The Company, through its associate Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. (“AmstedMaxion”), located in Cruzeiro, São Paulo state, is engaged in the manufacturing of industrial castings and railroad wheels.

AmstedMaxion, through Greenbrier Maxion Serviços e Equipamentos Ferroviários S.A. (“GreenbrierMaxionFerroviário”), its associate located in the city of Hortolândia, São Paulo state, is engaged in the manufacturing and sale of railway wagons.

At December 31, 2022 and 2023, the investment in AmstedMaxion representing 19.5% interests is accounted for by the equity pick-up method.

DongFeng Maxion Wheels Ltd.

The Company, through its associate DongFeng Maxion Wheels Ltd. (“DongFengMaxion”) located in Suizhou, Hubei Province, China, manufactures and sells aluminum wheels for light vehicles focused on the Chinese market.

The Company has significant influence on this associate, evidenced by the appointment of members of the Board of Directors and other rights arising from an Investment Agreement entered into with DongFeng Motor Chassis Systems.

At December 31, 2022 and 2023, the investment in associate DongFeng Maxion representing 50% interests is accounted for by the equity pick-up method.

(Amounts expressed in thousands of reais - R$, unless otherwise stated)

The main financial statement groups of joint ventures and associates are as follows:

	Maxion Montich		AmstedMaxion		DongFengMaxion	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Statements of financial position						
Current assets	**207,896**	235,998	**177,296**	202,619	**73,207**	31,675
Noncurrent assets	**72,347**	58,744	**407,135**	398,378	**158,999**	177,672
Current liabilities	**(129,990)**	(172,891)	**(162,035)**	(224,363)	**(47,275)**	(25,669)
Noncurrent liabilities	**(228)**	(11,048)	**(126,652)**	(117,155)	**(130,968)**	(137,496)
Equity attributable to controlling interests	**149,894**	110,689	**150,831**	132,334	**26,982**	23,091
Equity attributable to noncontrolling Interests	**131**	114	**144,913**	127,145	**26,981**	23,091
Total equity	**150,025**	110,803	**295,744**	259,479	**53,963**	46,182
Statements of profit or loss						
Net sales revenue	**971,084**	785,185	**548,208**	626,946	**25,606**	10,273
Cost of goods sold	**(848,421)**	(665,768)	**(448,024)**	(513,461)	**(49,121)**	(28,738)
Operating expenses	**(26,001)**	(21,000)	**(29,203)**	(40,113)	**(9,711)**	(6,333)
Net finance income (costs)	**(19,714)**	7,787	**(13,557)**	(15,374)	**(4,745)**	(2,760)
Income tax and social contribution	**(29,730)**	(36,141)	**(7,261)**	(10,476)	**-**	-
Loss for the year of noncontrolling Interests	**(63)**	(149)	**-**	-	**-**	-
Profit (loss) for the year	**47,155**	69,914	**50,163**	47,522	**(37,971)**	(27,558)

Interests in venture capital funds

In a partnership with Autotech Ventures Management III, LLC, the Company is a member of a private venture capital fund based in the United States, with investments in promising startups in the automotive and transportation sectors. In this connection, the Company will have access to research and development programs, in addition to priority in the acquisition of units of interest and shares in future IPOs of these companies. Participation in the fund is strategic for the Company's business, with a minimum duration of ten years, starting in calendar year 2022. The total capital committed to the fund is US$5,500 thousand, with an amount of contributions made up to December 31, 2023 being US$897 thousand. Until the approval for disclosure of this financial statement, the amount contributed was US$1,188 thousand. The transaction is a financial investment recorded as “Other receivables” in noncurrent assets. At December 31, 2023, the fair value of this participation is R$3,114.

Interests in special purpose companies

On January 20, 2023, the Company’s Indian subsidiaries entered into share subscription and solar energy purchase agreements, among others, seeking a strategic partnership with Vibrant Energy Holdings Private Limited, through a Specific Purpose Company (SPE) named Akamu Solar Energy Private Limited, which will operate exclusively in the generation and supply of clean and renewable energy to the Company’s subsidiaries in India, which will hold approximately 37.9% of the SPE's share capital, but without exercising significant influence. As such, that investment will be measured at fair value.

In March 2023, capital contributions were made to the SPE by the Indian subsidiaries in the total amount of R$5,697. As of December 31, 2023, the adjusted amount recorded as “Other receivables” corresponds to R$5,359.

Financial investments in shares

On May 4, 2023, the Company, through its direct subsidiary Iochpe-Maxion Austria GmbH, acquired 1,792,114 shares of Forsee Power S.A., a French company engaged in batteries and electromobility business listed on Euronext Paris, French stock exchange, for the total amount of €5,000 thousand, equivalent to R$27,581. At December 31, 2023, the fair value of this investment recorded as “Other receivables” is R$24,984.

3. Basis of preparation of the financial statements

The individual and consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil (“BR GAAP”).

The accounting practices adopted in Brazil comprise the rules set forth in Brazilian Corporation Law and the technical pronouncements, guidelines and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC) and by the Brazilian Securities and Exchange Commission (CVM).

Since there is no difference between consolidated equity and consolidated profit/(loss) attributable to the Parent´s shareholders, disclosed in the consolidated financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, and the Parent´s equity and profit or loss disclosed in the individual financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, the Company opted for presenting these individual and consolidated financial statements in a single set, using a side by side format.

Management represents that all relevant information for the financial statements, and only this information, is being disclosed and corresponds to the information used in managing the Company.

The financial statements were prepared based on the historical cost, except for the financial instruments measured at their revalued amounts or at fair value at the end of each reporting period. Historical cost is generally based on the fair value of consideration paid in exchange for assets and services.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a transaction between market participants at measurement date, whether or not this price may be directly observed or estimated using a different valuation technique. In estimating fair value of an asset or liability, the Company takes into consideration the characteristics of the asset or liability in case the market participants take these characteristics into account in pricing the asset or liability at measurement date. For purposes of measurement and/or disclosure in these financial statements, fair value is calculated on this base, except share-based payment operations included within the scope of IFRS 2 (CPC 10 (R1)), lease transactions within the scope of IFRS16 (CPC 06 (R2)) – Leases and measurements that have certain similarity with fair value but are not fair value, such as unrealized net amounts mentioned in IAS 2 (CPC 16 (R1)) - Inventories or value in use in IAS 36 (CPC 01 (R1)) – Impairment of Assets.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and of the entities controlled by the Company (its subsidiaries) prepared until December 31 each year. Control is obtained when the Company:

- Has power over the investee;
- Is exposed or has rights to variable returns from its involvement with the investee; and
- Has the ability to use this power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

When the Company does not hold most voting rights in an investee, the Company will have power over this investee when the voting rights are sufficient to enable the Company, in practice, to conduct this investee’s significant activities in a unilateral manner. In assessing whether the Company’s voting rights in an investee are sufficient to confer power on the Company, Management considers all significant facts and circumstances, including:

- The dimension of Company’s interests in the voting rights in relation to the dimension and dispersion of the interests of other voting right holders;
- Potential voting rights held by the Company, by other holders of voting rights or by other parties;
- Rights deriving from other agreements; and
- Any additional facts or circumstances that indicate that the Company has or does not have the ability to conduct significant activities when decisions must be made, including voting patterns in prior general meetings.

Consolidation of subsidiary begins when the Company obtains control over this subsidiary and ceases when the Company loses control over the subsidiary. All transactions, balances, revenues and expenses, and cash flows between the Company and its investees are eliminated in the consolidated financial statements.

Functional and presentation currency

In the preparation of the financial statements of each Company’s entity, transactions in foreign currency, i.e. any currency other than each company’s functional currency are recorded at current exchange rates, in effect at each transaction date. At the end of each reporting period, monetary assets and liabilities denominated in foreign currency are translated at those rates in effect at the end of each period. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Nonmonetary items measured at historical cost in foreign currency are not translated.

Exchange fluctuations are recorded in P&L for the period in which they occur, except:

- Exchange fluctuations deriving from borrowings and financing in foreign currency relating to assets in construction for future use in production, which form part of the cost of these assets when considered adjustments to interest expenses of referred to borrowings and financing in foreign currency.

- Exchange fluctuations deriving from transactions to hedge against exchange risk.

- In the consolidated financial statements, exchange fluctuations on monetary items receivable or payable relating to foreign operations whose settlement is not estimated or likely to occur (and which, therefore, are part of the net investment in the foreign operation), initially recognized in “other comprehensive income (loss)” and reclassified from equity to P&L by means of full or partial disposal of the net investment.

For the purposes of presentation of these consolidated financial statements, assets and liabilities relating to the Company’s foreign transactions are translated using the exchange rates in effect at year end. Gains or losses are translated at the average exchange rates for the period unless these exchange rates fluctuate significantly in the period, case in which the exchange rates at transaction date are used. Exchange fluctuations deriving from these translations, if any, are recorded in other comprehensive income (loss) and accumulated in a separate component of the reserve for foreign currency translation (attributed to non-controlling interests, as appropriate).

Upon disposal of a foreign operation (i.e. disposal of 100% of the Company’s interest in a foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation or partial disposal of interests in a joint venture or subsidiary that includes a foreign operation in which the interests held become a financial asset), the exchange fluctuation amount accumulated in the reserve for foreign currency translation referring to this operation attributable to Company owners is fully reclassified to P&L.

Additionally, in case of partial disposal of a subsidiary that includes a foreign operation that does not represent loss of control by the Company over the subsidiary, the corresponding accumulated exchange differences are proportionally reallocated to non-controlling interests and not recorded in P&L.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

For all remaining partial disposals (i.e. partial disposals of associates or joint ventures that do not represent significant loss of the Company's influence or joint control), the corresponding accumulated exchange differences is proportionally reclassified to P&L.

Goodwill and adjustments to fair value resulting from acquisition of a foreign operation are treated as foreign operation assets and liabilities and translated at the closing exchange rate. Exchange differences are recorded in other comprehensive income (loss).

Exchange rates

The exchange rates in Brazilian reais (R$) prevailing at the financial statement reporting date are as follows:

Closing rate	12/31/2023	12/31/2022
US dollars - US$	**4.8413**	5.2177
Euro - €	**5.3516**	5.5694
Average rate	**12/31/2023**	**12/31/2022**
US dollars - US$	**4.9950**	5.1648
Euro - €	**5.4021**	5.4440

Use of estimates and judgments

In applying the accounting practices described in Note 4, Management must make judgments and prepare estimates regarding the book value of assets and liabilities not easily obtained from other sources. Estimates and the respective assumptions are based on historical experience and on other factors deemed relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The effects of the reviews of accounting estimates are recorded in P&L as from the current year.

Significant areas involving accounting estimates and judgments are as follows:

- Expected credit losses;
- Inventory losses;
- PPE useful life and depreciation method;
- Impairment of goodwill and other nonfinancial assets;
- Income tax and social contribution;
- Provision for labor, tax and civil risks;

- Pension plan obligations;
- Risk and financial instrument management.
- Analysis on whether right-of-use assets are subject to impairment.

Investments in subsidiaries and joint ventures

An associate is an entity over which the Company has significant influence and which does not configure as a subsidiary or joint venture. Significant influence is the power to participate in decisions about the operating and financial policies of the investee, without exerting individual or joint control over these policies.

A joint venture is a joint arrangement through which the parties that hold joint control over the arrangement have rights over the net assets underlying such arrangement. Joint control is the contractually agreed sharing of control over a venture, applicable only when the decisions on significant activities require unanimous consent by the parties that share such control.

Profit (loss), assets and liabilities of associates or joint ventures are included in these financial statements using the equity pick-up method, in which the investment in an associate or joint venture is initially recognized in the consolidated statement of financial position at cost and subsequently adjusted to recognize the Company's interests in profit or loss and in other comprehensive income (loss) of the associate or joint venture.

Consolidation of financial statements

Consolidated financial statements – include the financial statements of the Company and its subsidiaries, at the same base date and consistent with the accounting practices adopted by the Company.

The main consolidation procedures include:

- Elimination of intercompany asset and liability balances;
- Elimination of the parent company's interests in equity of direct and indirect subsidiaries;
- Elimination of intercompany transactions, balances and unrealized gains and losses on intercompany transactions. Unrealized losses are also eliminated, unless the transaction has evidence of impairment on the transferred asset.

4. Significant accounting policies

4.1 ADOPTION OF NEW AND REVISED IFRS STANDARDS IN EFFECT IN THE CURRENT YEAR

4.1.1 IFRS 17 – Insurance Contracts.

Replacing IFRS 4 - Insurance Contracts, IFRS 17 establishes new principles for the recognition, measurement and disclosure of insurance contracts, introducing a general model that uses current assumptions to estimate the value, term and uncertainty of future cash flows, in order to explicitly measure the cost of this uncertainty. The model considers market interest rates as well as the influence of policyholders' options and guarantees.

The Company does not have any contracts that meet the definition of an insurance contract in accordance with IFRS 17.

4.1.2 Changes to IAS 1 – Presentation of Financial Statements and IFRS Statement of Practices 2 – Materiality judgments.

The Company adopted the amendments to IAS 1 in the year beginning January 1, 2023. The amendments modify the requirements contained in IAS 1 regarding the disclosure of accounting policies, replacing all examples of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered in conjunction with other information included in an entity's financial statements, it could reasonably influence the decisions of principal users of general purpose financial statements made on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information relating to immaterial transactions, other events or conditions is irrelevant and does not need to be disclosed. Accounting policy information may be material due to the nature of the corresponding transactions, other events or conditions, even if the amounts are not significant.

The IASB has also prepared guidance and examples to explain and demonstrate the application of the 'four-step materiality process', described in Practice Statement 2.

4.1.3. Amendments to IAS 12 - Income Taxes: Deferred Taxes related to assets and liabilities arising from a single transaction.

The amendments introduce an additional exception to the exemption from initial recognition of deferred taxes. Under the amendments, the Company would not apply the initial recognition exemption to transactions that result in similar taxable and deductible temporary differences. Depending on applicable tax legislation, similar temporary taxable and deductible differences may arise upon initial recognition of an asset and liability in a transaction that is not a business combination and that does not affect either profit as per books or taxable profit.

After the changes to IAS 12, the corresponding deferred tax asset and liability must be recognized, and the recognition of any deferred tax asset is subject to the recoverability criteria contained in IAS 12. The Company adopted the changes to IAS 12 for the first time in the year beginning January 1, 2023.

4.1.4. Amendments to IAS 12 - Income Taxes: International tax reform – Pillar Two model rules.

These amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that the Company does not recognize or disclose information about tax-related deferred assets and liabilities under the Pillar Two model rules published by the Organization Economic for Co-operation and Development (OECD).

The IASB's objective with the amendments is to clarify that IAS 12 will apply to income taxes arising from tax legislation substantially enacted to implement the new Pillar Two model rules, including tax legislation that will implement qualified national minimum taxes described in those rules. Therefore, as from the aforementioned changes effective as of January 1, 2023, the Company is now required to disclose that it applied the exception and to separately present its tax expense (or income) related to income taxes of the Pillar Two model.

It is worth noting that the Company is subject to the Global Minimum Tax rules, Pillar Two, promulgated in different jurisdictions in which it operates for years beginning on or after January 1, 2024. The Company applied the mandatory exception to the recognition and disclosure of information on deferred tax assets and liabilities related to Pillar Two income tax and performed the necessary analysis to comply with the model rules. Based on the analysis derived from information relating to the year ended 2023, the Company does not expect any exposure to Pillar Two complementary taxes.

4.2. NEW AND REVISED IFRSS ISSUED AND NOT YET APPLICABLE

At the date when these financial statements were authorized for issuance, Management adopted no new or revised IFRSs already issued and not applicable yet, as follows:

• Amendments to IFRS 10 and IAS 28: Sale or contribution in the form of assets between an investor and its associated or jointly controlled company

Still without an effective date defined by the IASB, the amendments to IFRS 10 - Consolidated Statements and IAS 28 - Investments in Associates, Subsidiaries and Joint Ventures address possible gains and losses arising from the loss of control of a subsidiary that involves the sale or contribution of assets between an investor and its associate or joint venture.

- Amendments to IAS 1: Classification of Liabilities as Current or Noncurrent

The amendments to IAS 1 - Presentation of Financial Statements concern only to the classification of liabilities as current or noncurrent, clarifying certain concepts and introducing a more precise definition of the term ‘settlement’. The classification of the liability must be based on the rights and the scenario existing at the reporting date, not being affected by future expectations regarding possible postponement of the settlement of the liability. These amendments are effective for annual periods beginning on or after January 1, 2024.

- Amendments to IAS 1 - Noncurrent Liabilities with covenants

In addition to the previous change, the IASB emphasizes that only covenants evaluated up to the date of the report would affect the right to postpone the settlement of a liability, and consequently influence its classification as current or noncurrent liability, even if the compliance with the covenant is mandatory after the reporting date. These amendments are effective for annual periods beginning on or after January 1, 2024.

- Amendments to IAS 16 – Lease liabilities in a “Sale and Leaseback” transaction

The amendments to IFRS16 - Leases add subsequent measurement requirements for sale and leaseback transactions, which satisfy the requirements of IFRS 15, for the purposes of accounting as a sale, with the introduction of an illustrative example in the standard of a sale and leaseback transaction with variable lease payments, which do not depend on an index or rate. These amendments are effective for annual periods beginning on or after January 1, 2024.

- Amendments to IAS 7 and IFRS 7 – Supplier financing agreements

The changes add disclosure elements to IAS 7 - Statement of Cash Flows that reinforce the need to present information about financing agreements with suppliers, allowing users of the financial statements to assess the possible effects of these agreements on the company's liabilities and cash flows. Additionally, IFRS 7 – Financial Instruments: Disclosures was amended to add financing agreements with suppliers as an example of the disclosure requirements regarding the Company's exposure to the concentration of liquidity risk.

Although the term “supplier financing agreement” is not defined by the standard, the changes greatly describe what information must be disclosed, such as the terms and conditions of the agreements, a comparison between the maturity ranges of financial liabilities that are part of a financing agreement with suppliers and normal accounts payable due dates, information on liquidity risk, as well as accounting balances and payment flow within the scope of said agreements.

The changes are applicable for annual periods beginning on or after January 1, 2024. Management understands that, unlike the other changes presented previously, the new disclosure requirements introduced by IAS 7 and IFRS 7 would have an impact on the presentation of individual and consolidated financial statements of the Company, especially in the Loans explanatory note and in the Cash Flow Statement.

4.3 SIGNIFICANT ACCOUNTING POLICIES

a) General principles and revenue recognition criteria

Revenue from sales of products

Revenue is recognized to the extent that economic benefits are likely to flow to the Company and when it can be reliably measured, irrespective of when payment is received. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and taxes or charges on sales. The Company measures revenue transactions in accordance with specific criteria to determine whether it is operating as an agent or a principal and eventually concluded that it has been operating as a principal in all its revenue agreements.

The Company provides no guarantee other than the guarantee set forth by law, in line with the industry practice.

Revenue from products sold is recognized when the Company transfers control over the asset to the customer, which usually occurs upon delivery. Usual DSO is from 30 to 90 days after delivery.

Rebates per volume

The Company offers rebates retrospectively to certain customers depending on volume when the quantity of products acquired in the period exceeds a limit specified by contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration of expected future discounts, the Company applies the most likely amount method for contracts with a single volume limit and the expected amount method for contracts with more than one volume limit. The method selected that best forecasts the variable consideration amount is promoted mainly by the number of volume limits established in the contract. Subsequently, the Company applies the requirements on restrictive estimates of variable consideration and recognizes a replacement liability for expected future rebates.

Services provided

Revenue from tooling manufacture is recognized based on percentage of completion. Construction progress is measured based on raw material and working hours incurred until a cut date, as a percentage of the total working hours estimated for each contract. When P&L of a contract may not be reliably measured, revenue is recognized only to the extent that the costs incurred may be recovered. This is generally observed in the initial manufacture phases, when tooling is subject to quality tests by the customer.

b) Cash and cash equivalents

These include cash, bank deposits and temporary investments redeemable within 90 days as from investment date, considered of immediate liquidity and convertible into a known cash amount, subject to a low risk of change in value, which are recorded at cost plus yield earned until the period closing date, and do not exceed market or realizable value.

c) Trade receivables

These are recorded and maintained in the statement of financial position for the transaction price of the invoices representing these receivables less expected credit losses, applying the simplified approach. Expected losses are recorded over the lifetime of the receivables under trade receivables.

The Company measures provision for expected credit losses at an amount equivalent to the expected credit loss on outstanding trade receivables. Expected credit losses on trade receivables are estimated considering the debtor's default history and analyzing the debtor's current financial position, adjusted based on specific debtor-related factors, economic conditions of the sector in which the debtor operates and an assessment of the current course of business and of projected conditions at reporting date. The Company records provision for losses for 100% of accounts receivable overdue for more than 180 days, once the historical experience indicates that these receivables are usually not recovered.

d) Treasury shares

Company equity instruments that are reacquired are recorded at cost less equity. No gain or loss is recorded in the statement of profit or loss upon purchase, sale, issue or cancellation of Company own equity instruments. Any difference between book value and the consideration is recorded as other capital reserves.

e) Inventories

These are recorded at average acquisition or build-up cost, adjusted to net realizable value and any losses, when applicable. Average cost includes expenses incurred upon acquisition, costs of production and transformation and other costs incurred to bring the inventories to the locations and selling conditions. In the case of manufacture inventories and products in process, cost includes a portion of manufacturing overhead base on normal operating capacity.

Net realizable value corresponds to the estimated selling price in the normal course of business, less estimated costs of completion and selling expenses.

The Company and its subsidiaries estimate provision for inventory losses in an amount deemed sufficient to cover probable losses on inventories, using the criteria presented below.

Provision for losses on slow-moving items is set up based on the policy defined by Management, which takes into consideration the history of consumption on an item-by-item basis in the past 12 months as compared with the balance of inventories existing at the financial statements' closing date. For the quantities that exceeded the historical consumption for the past 12 months and are not expected to be sold or used in the future, provision for inventory losses is recorded as the difference between book value and recoverable value.

f) Property, plant and equipment

Recognition and measurement

PPE items are recorded at acquisition or build-up cost and, when applicable, plus interest capitalized over the construction period for qualifying assets, net of accumulated depreciation and provision for impairment of assets for paralyzed assets or those without expectation to be reused or realized.

PPE includes, when applicable, all expenses that may be allocated to the items during their construction phase and/or pre-operating test phase.

Gains from and losses on disposal of a PPE item are computed by comparing the disposal amount with the book value of PPE, and are recognized net under other operating income (expenses) in P&L.

Machinery replacement parts, necessary for the normal operation of PPE items and which result in an increase to the useful life of these items in a period over 12 months, are classified as property, plant and equipment.

Subsequent costs

Replacement costs of a PPE item are recognized at book value of the item in case that economic benefits embodied in the item are likely to flow to the Company and its subsidiaries, and their cost can be reliably measured. Maintenance costs of property, plant and equipment are recognized in P&L as incurred.

Depreciation

Depreciation is calculated on the amount subject to such depreciation, which is the cost of an asset item, or an amount that replaces cost, less residual value.

Depreciation is recognized in P&L on a straight-line basis with respect to estimated useful life of each component of each part of a PPE item, as this is the method that more closely reflects the pattern of consumption of the future economic benefits embodied in the asset. Land and construction in progress are not subject to depreciation.

Depreciation methods, useful lives and net book values are reviewed at each financial year closing date, and any adjustments thereto are recognized as changes in accounting estimates.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Depreciation is recognized in order to write off in accounting the assets' cost or valuation, except land and construction in progress, less residual value based on annual useful life, on a straight-line basis, as follows:

	Parent	Consolidated
Buildings and improvements	**4%**	**5%**
Machinery and equipment	**5%**	**14%**
Spare parts	**10%**	**30%**
Tooling	**7%**	**40%**
Other	**4% to 33%**	**7% to 38%**

g) Intangible assets

Finite-lived intangible assets acquired separately are recorded at cost, less amortization and, when applicable, accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the assets, as follows:

	Consolidated
Relationship with customers	**11%**
Software and licenses	**10%**
Right of use of land	**2%**
Trademark	**13%**
Others	**1%**

The estimated useful life and the amortization method are reviewed at each year end, and the effect of any changes in estimates is accounted for prospectively.

Customer portfolio acquired from third parties was identified in the process of acquisition of subsidiary Maxion Wheels and has a remaining useful life to be fully amortized until January 31, 2033.

Software use licenses, including corresponding expenses with implementation, and corporate management systems acquired are capitalized and amortized also over the estimated life of the assets, and expenses associated with maintenance of these licenses are recorded as expenses, when incurred.

Rights-of-use of the land where subsidiary Maxion (Nantong) Wheels Co. Ltd. is located are amortized on a straight-line basis over 50 years, as provided for in the concession agreement entered into with the city government. Rights-of-use of the land where subsidiary Maxion Wheels Aluminum India Pvt. Ltd. is located is amortized on a straight-line basis over 86 years, as provided for in the concession agreement.

Trademark Hayes Lemmerz was an asset identified in process of acquiring subsidiary Maxion Wheels, and it is amortized on a straight-line basis until January 2035.

Expenses with research and development of products are recorded in the P&L as incurred.

Indefinite-lived intangible assets acquired separately are recorded at cost, less impairment losses, when applicable. Indefinite-lived intangible assets, substantially comprised of goodwill amounts acquired upon acquisition of subsidiaries, are annually reviewed for impairment as to their capacity of recovery or when indications of non-recovery are identified.

h) Impairment of assets

Assets

The Company and its subsidiaries annually assess whether there is evidence that the carrying amount of an asset with an indefinite useful life may not be recovered whereas for the other assets, this assessment is conducted when there are indications of impairment. In case such evidence is identified, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of:

(i) Its fair value less costs incurred to sell this asset;

(ii) Its value in use. Value in use equals the discounted cash flows (before taxes) derived from the asset's continuing use.

When book value exceeds the recoverable amount, a decrease in (provision for) book balance of this asset is recorded.

For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e., cash generating units - CGUs).

Goodwill

Goodwill is not amortized but is subject to impairment testing at least annually. For impairment purposes, goodwill is allocated to each of the Company's cash-generating unit that will benefit from the combination synergies. The cash-generating units to which goodwill was allocated are annually subject to impairment testing or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is lower than book value, impairment losses are firstly allocated to reduce the book value of goodwill allocated to the unit and subsequently to the other assets of the unit, in proportion to the book value of each asset. Upon disposal of the cash-generating unit, the amount attributable to goodwill is included in the calculation of profit or loss.

Financial assets (including receivables)

Financial assets not measured at fair value through profit or loss are assessed at year end to identify whether there is objective evidence of impairment.

i) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which take a substantial period of time to be ready for their intended use or sale are included in the cost of these assets until the date when ready for their intended use or sale.

Gains on temporary investment of the funds obtained from specific borrowings not yet spent with the qualifying asset are deducted from borrowing costs eligible for capitalization. All other borrowing costs are recorded in P&L for the period when incurred.

j) Provisions

General considerations

Provisions are recorded when the Company has a present obligation as a result of a past event, economic benefits are likely to be required to settle the obligation and a reliable estimate of the obligation amount can be made. When the Company expects that a provision will be reimbursed, in whole or in part, under an insurance agreement for instance, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is stated in the statement of profit or loss, net of any reimbursement.

Provision for labor, tax and civil risks

The Company is party to various legal and administrative proceedings. Provisions are set up for all contingent liabilities referring to legal proceedings the settlement of which is likely to result in an outflow of economic benefits, and a reliable estimate can be made.

Assessment of the likelihood of loss includes an evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. The provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, outcomes of tax inspections, or additional exposures that may be identified based on new issues or court decisions.

Restructuring

A provision is recorded when the Company designs a formal detailed restructuring plan in line with its business guidelines and there is a valid expectation that the restructuring will begin upon implementation of the plan or announcement of its main aspects. Measurement of the provision for restructuring includes only direct restructuring costs and not costs associated with the entity's ongoing activities.

k) Retirement benefits and other post-employment benefits

Defined-benefit plan and post-employment health benefits

The Company subsidizes a defined benefit pension plan, which requires that contributions be made to funds managed separately from the Company funds. In addition, the Company grants certain post-employment healthcare benefits to executive-level employees. These benefits are funded on a cash basis. The cost of the benefit granted under the defined benefit plan is established separately for each plan, using the projected unit credit method.

Measurements comprising actuarial gains and losses, the effect of the asset limit, excluding interest, and the return on plan assets (excluding net interest) are recognized immediately in the statement of financial position, with a corresponding debit or credit to retained earnings through other comprehensive income (loss) in the period in which they occur. Measurements are not reclassified to P&L in subsequent periods.

Net interest is calculated applying the discount rate to the asset or liability relating to the net defined benefit. The Company recognizes the following variations in the net defined benefit obligation in the consolidated statement of profit or loss:

- Services costs, comprising current costs of services, costs of past services, gains and losses deriving from a significant decrease in the expected working period and unusual settlements.

- Interest income/expenses, net.

Defined-contribution plan

Obligations relating to contributions to defined contribution retirement plans are recognized as expenses in P&L when the services that grant the right to these payments are provided. In the Company's case, the defined contribution plan is represented by an open plan characterized by fixed contributions subject to no actuarial risk or legal or constructive obligation of the Company to pay additional amounts.

l) Employee benefits

Profit sharing

The Company and its subsidiaries recognize a liability and an expense relating to employee profit sharing, which is linked to achievement of operating targets and specific objectives, established and approved at the beginning of each year. The Company and its subsidiaries recognize a provision when they are contractually obligated or there is a past practice that gave rise to a constructive obligation.

The liability is recognized at the value expected to be paid under the short-term cash bonus or profit sharing plans if the Company and its subsidiaries have a legal or constructive obligation to pay this amount because of past services provided by the employee, and the obligation may be reliably estimated.

Share-based payment

The Company and its subsidiaries have long-term incentive plans where the beneficiaries are entitled to receive cash awards based on: (i) Company equities appreciation on stock exchange; and (ii) return on capital invested in the Company.

m) Taxes

Current income tax and social contribution

Current tax assets and liabilities for the last and prior years are measured at the estimated amount recoverable from or payable to tax authorities. Tax rates and tax laws used to compute these amounts are those in force at statement of financial position date in the countries where the Company operates and generates taxable profit.

Current income and social contribution taxes related to items posted directly to equity are recognized in equity. From time to time, Management assesses the positions assumed in tax returns concerning situations in which applicable tax regulations are subject to different interpretations and records provisions, when applicable, based on the amounts expected to be paid to the tax authorities.

Deferred taxes

Deferred taxes arise from temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their book value. Deferred tax liabilities are recognized on all temporary differences, when applicable.

Deferred tax assets are recognized on all temporarily deductible differences, unused tax losses or credits to the extent that taxable profit is likely to be available so that temporarily deductible differences may be realized, and unused tax credits and losses may be used.

Book value of deferred tax assets is reviewed at each statement of financial position date and written off to the extent that taxable profit is no longer likely to be available to allow deferred tax assets to be fully or partially used. Deferred tax assets written off are reviewed at each statement of financial position date, and are recognized to the extent future taxable profit is likely to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate expected to be applied in the year when the asset or liability will be realized or settled, based on the tax rates (and tax legislation) in force at the statement of financial position date.

Deferred taxes relating to items recognized directly in equity are also recorded in equity rather than in the statement of profit or loss. Deferred tax items are recognized in accordance with the transaction that originated these taxes, in comprehensive income/(loss) or directly in equity.

Deferred tax assets and liabilities are presented net when there is a legal or constructive right to offset tax assets against tax liabilities, and deferred taxes relate to the same taxpaying entity and subject to the same tax authority.

n) Earnings per share

Basic earnings (loss) per share are calculated by means of profit (loss) attributable to controlling and non-controlling interests of the Company and the weighted average of common shares outstanding in the respective year.

Diluted earnings (loss) per share are calculated by means of referred to weighted average of outstanding common shares, adjusted for the stock option plan, with a dilutive effect on the years presented.

o) Financial instruments

Financial assets

Classification

The Company classifies its financial assets as follows: i) amortized cost; (ii) fair value through profit or loss; and (iii) fair value through other comprehensive income (loss). Classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

(i) Amortized cost

Financial assets held within a business model whose purpose is to hold financial assets in order to receive contractual cash flows are recorded at amortized cost. These flows are received on specific dates and constitute solely payment of principal and interest. The following are examples of assets classified into this category: Trade receivables and Other receivables.

(ii) Fair value through profit or loss

The following assets are recorded at fair value through profit or loss: (i) assets that do not fall into the business models through which they could be classified at amortized cost or fair value through other comprehensive income (loss); (ii) equity instruments designated at fair value through profit or loss; and (iii) financial asset that are managed in order to obtain cash flow from the sale of assets. The following is an example of assets classified into this category: “Derivative financial instruments that have not been classified as cash flow hedge accounting.”

(iii) Fair value through other comprehensive income

Derivative financial instruments designated as cash flow and foreign currency hedge accounting are recognized at fair value through other comprehensive income. The following is an example of assets classified into this category: “Swap of Notes Units issued by subsidiary Iochpe-Maxion Austria GmbH.”

Initial measurement

Upon initial recognition, the Company measures its financial assets and liabilities at fair value, considering transaction costs attributable to the acquisition or issuance of the financial asset or financial liability. Trade receivables are initially measured at transaction price.

Subsequent measurement

Assets are subsequently measured as follows:

(i) Amortized cost

These assets are accounted for using the effective interest rate method less expected credit losses. In addition, the principal amount paid is considered for amortized cost calculation purposes.

(ii) Fair value through profit or loss

Assets classified within this model are measured at fair value at the end of each period, and any fair value gains or losses are recognized in profit or loss to the extent that they are not part of a cash flow hedging relationship.

(iii) Fair value through other comprehensive income

Assets classified within this model are measured at fair value at the end of each period, and any fair value gains or losses are recognized in Equity under other comprehensive income.

(iv) Impairment of financial assets

The Company recognizes a provision for expected credit losses on accounts receivable. The Company measures provision for losses for a financial instrument in an amount equivalent to expected credit loss over the useful life if credit risk relating to this financial instrument increased significantly as from initial recognition, or if the financial instrument corresponds to a financial asset subject to impairment acquired or originated. The Company uses the simplified approach for measuring provision for losses in an amount corresponding to lifetime expected losses for accounts receivable, contract assets and lease amounts receivable in certain circumstances.

Derecognition

The Company derecognizes a financial asset only when the contract asset cash flows expire, or when the Company transfers the financial asset and substantially all risks and rewards of the asset ownership to another entity. If the Company neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its portion retained in the asset and a corresponding liability in relation to the amounts the Company may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred asset, it continues recognizing the financial asset and recognizes a guaranteed loan in relation to the funds received.

Financial liabilities

Classification

The Company classifies its financial assets into (i) amortized cost; (ii) Fair value through profit or loss; and (iii) Fair value through other comprehensive income.

Initial recognition

Financial liabilities are initially recognized at fair value plus transaction costs (in the case of borrowings, financing and debentures, and accounts payable). Company financial liabilities are accounts payable, borrowings, financing and debentures, and financial guarantee agreements.

Subsequent measurement

Liabilities are subsequently measured as follows:

(i) Amortized cost

Liabilities classified as amortized cost are accounted for using the effective interest rate method, whereby gains and losses are recorded in P&L upon write-off of the liabilities and recognition of amortization.

(ii) Fair value through profit or loss

Liabilities classified within this model are measured at fair value at the end of each period, and any fair value gains or losses are recognized in profit or loss to the extent that they are not part of a designated hedging relationship.

(iii) Fair value through other comprehensive income

Liabilities classified within this model are measured at fair value at the end of each period, and any fair value gains or losses are recognized in Equity under other comprehensive income.

Derecognition

A financial liability is derecognized when the obligation is definitively extinguished through settlement, offsetting, cancellation or expiration of the liability.

Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The method for recognizing the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument in cases of adoption of hedge accounting. In that case, the method depends on the nature of the item being hedged. The Company adopts hedge accounting and designates certain derivatives as:

(i) Derivative instruments designated for cash flow hedge

The Company, through its subsidiary Iochpe-Maxion Austria GmbH, has derivative financial instruments taken out to manage its exposure to exchange rate risks and designated as hedging instruments in relation to the cash flow hedge.

At the beginning of the hedging transactions, the Company documents the relationship between the hedging instrument and the hedged item, with its objectives and risk management strategy to undertake derivative instruments. In addition, at the hedge inception, and on an ongoing basis, the Company documents whether:

• There is an economic relationship between the hedged item and the hedging instrument that compensates the variations in cash flows attributable to the hedged risk, of the object and of the hedging instrument; and

• The credit risk does not prevail over changes in value resulting from that economic relationship.

The effective portion of changes in fair value of derivatives that are designated and qualified as cash flow hedge is recognized in “Other comprehensive income” and accumulated under “Cash flow hedge reserve”, limited to the accumulated variation of the fair value of the hedged item from the beginning of the relationship. Any gains or losses related to the ineffective portion are immediately recognized in the statement of profit or loss.

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to P&L in the periods in which the hedged item affects P&L, in the same account of the statement of profit or loss in which such item is recognized.

Hedge accounting discontinues only when the hedging relationship (or part of it) no longer meets the qualifying criteria. This includes circumstances in which the hedging instrument expires or is sold, terminated or exercised. Discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income (loss) and accumulated in the cash flow hedge reserve at that date remains in equity and is reclassified to profit or loss only when the projected transaction occurs. When the projected transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is immediately reclassified to profit or loss.

(ii) Derivative instruments designated as fair value hedge

Changes in the fair value of qualifying derivative instruments are recognized in Profit or loss, except when the derivative hedges an equity instrument designated at fair value through Other comprehensive income, and the change in fair value of the derivative instrument is also recognized in Other comprehensive income. When the fair value hedge gain or loss is recognized in Profit or loss, this is recognized under the same heading of the hedged item.

Fair value hedge accounting discontinues only when the hedging relationship (or part of it) no longer meets the qualifying criteria. This includes circumstances in which the derivative instrument expires or is sold, terminated or exercised. A discontinued hedging relationship is recorded prospectively, and any adjustment to fair value of the hedged item is amortized in Profit or loss as of that date.

(iii) Net investment hedge in foreign transactions

By means of its parent, the Company designated foreign-currency-denominated loans for net investment hedging in operations abroad. Any gain or loss deriving from exchange rate changes in foreign-currency-denominated forward contracts related to the effective hedge portion is recognized in Other comprehensive income and accumulated in Equity, under Valuation adjustments to equity. The gain or loss related to the ineffective hedging portion should be immediately recognized in Profit or loss.

The hedging instrument gains and losses retained in Equity are reclassified to Profit or loss through full or partial disposal of the hedged transaction abroad.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The financial instruments classification is summarized as follows:

Financial asset/liability	Classification - IFRS 9
Cash and cash equivalents	Amortized cost
Trade receivables	Amortized cost
Other receivables	Amortized cost
Derivative financial instruments	Fair value through profit or loss
Derivative financial instruments (hedge accounting)	Fair value through other comprehensive income
Judicial deposits	Amortized cost
Trade payables	Amortized cost
Other financial liabilities	Amortized cost

5. Cash and cash equivalents

	Parent		**Consolidated**	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Cash and banks:				
In Brazil	**12,021**	10,718	**12,253**	15,159
Abroad	**-**	-	**1,099,293**	977,915
	12,021	10,718	**1,111,546**	993,074
Highly liquid short-term investments:				
In Brazil	**1,721,329**	1,226,128	**1,810,929**	1,266,806
Abroad	**-**	-	**39,891**	27,174
	1,721,329	1,226,128	**1,850,820**	1,293,980
Total	**1,733,350**	1,236,846	**2,962,366**	2,287,054

Transactions	**Average yield at 12/31/2023**	**Liquidity**	**Country**	**Parent** 12/31/2023	**Parent** 12/31/2022	**Consolidated** 12/31/2023	**Consolidated** 12/31/2022
Bank Deposit Certificate (CDB)	102.5% CDI	Immediate	Brazil	**1,721,329**	1,214,223	**1,810,929**	1,252,071
Investment in Turkish liras	38.7% p.a.	Immediate	Turkey	**-**	-	**39,891**	27,174
Debentures under repurchase agreements	-	-	-	**-**	11,905	**-**	14,735
Total				**1,721,329**	1,226,128	**1,850,820**	1,293,980

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

6. Trade receivables

a) Breakdown

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
In Brazil	**46,080**	500,687	**55,894**	522,172
Abroad	**25,024**	20,264	**1,198,784**	1,522,942
Related parties (Note 10.b)	**53,996**	73,077	**25,228**	45,683
Allowance for expected credit losses	**(3,705)**	(15,926)	**(18,856)**	(37,105)
Total	**121,395**	578,102	**1,261,050**	2,053,692

Changes in allowance for expected credit losses

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance at beginning of year	**(15,925)**	(6,824)	**(37,105)**	(19,081)
Amounts recovered	**18,102**	11,692	**35,517**	19,372
Amounts written off as bad debt	**11,787**	1,831	**14,555**	3,451
Additional amounts	**(17,669)**	(22,625)	**(32,901)**	(42,530)
Exchange rate changes	**-**	-	**1,078**	1,683
Total	**(3,705)**	(15,926)	**(18,856)**	(37,105)

In the year ended December 31, 2023, some of the Company's investees carried out, in their normal course of the business, assignment of receivables (factoring) transactions.

Assignments of receivables with right of recourse, i.e. in which the Company has not substantially transferred the risks and rewards of ownership of the financial asset and which the customer has not paid by the end of the year, are recorded as financial liabilities. As at December 31, 2023 and 2022, the amounts recorded as liabilities correspond to R$23,393 and R$21,967, respectively.

Assignments of receivables without right of recourse, i.e., in which the Company substantially transferred the risks and rewards of the financial asset are derecognized at the time of assignment. In the years ended December 31, 2023 and 2022, R$523,951 and R$33,638 had already been derecognized by the Company in this type of transaction, respectively.

The financial cost of transactions was recorded as finance costs in the amount of R$10,155 and R$2,321 in the years 2023 and 2022, respectively.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

b) Breakdown by maturity

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Due	**46,602**	486,518	**1,088,275**	1,879,349
Overdue:				
1 to 30 days	**44,488**	49,413	**119,555**	109,853
31 to 60 days	**11,749**	13,454	**28,558**	25,388
61 to 90 days	**7,079**	13,528	**10,537**	16,061
91 to 180 days	**11,646**	17,624	**20,123**	33,358
Above 180 days	**3,536**	13,491	**12,858**	26,788
Total	**125,100**	594,028	**1,279,906**	2,090,797

7. Inventories

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Finished products	**97,437**	104,782	**657,972**	756,067
Work-in-process and semi-finished products	**194,117**	204,525	**528,371**	606,153
Tooling for resale in process	**54,397**	45,089	**112,866**	114,301
Raw materials	**175,270**	228,287	**587,677**	886,424
Auxiliary and packaging materials	**142,881**	132,514	**534,009**	489,776
Advances to suppliers	**4,908**	8,824	**14,602**	10,653
Imports in transit	**4,516**	4,719	**9,443**	5,017
Allowance for inventory losses	**(29,057)**	(30,610)	**(124,635)**	(166,316)
Total	**644,469**	698,130	**2,320,305**	2,702,075

Changes in the allowance for inventory losses

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance at beginning of year	**(30,610)**	(37,763)	**(166,316)**	(152,758)
Changes	**1,553**	7,153	**36,108**	(23,066)
Exchange rate changes	**-**	-	**5,573**	9,508
Total	**(29,057)**	(30,610)	**(124,635)**	(166,316)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

8. Recoverable taxes

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)	**122,038**	96,801	**250,714**	199,978
State Value Added Tax (ICMS)	**51,249**	49,982	**57,705**	56,473
Federal Value Added Tax (IPI)	**5,455**	241	**5,483**	258
Export tax credits - Brazilian Special Regime for Reinstatement of Taxes for Exporters (REINTEGRA)	**3,853**	3,545	**5,120**	4,783
Contribution on Gross Revenue for Social Security Financing (COFINS) (i)	**203,710**	252,967	**327,463**	372,771
Contribution on Gross Revenue for Social Integration Program (PIS) (i)	**44,038**	54,610	**70,771**	80,501
Other	**8,432**	3,373	**11,612**	5,834
Value Added Tax (VAT) - foreign subsidiaries				
Mexico	**-**	-	**176,882**	163,265
Turkey	**-**	-	**19,199**	27,748
Germany	**-**	-	**8,251**	14,838
Thailand	**-**	-	**6,539**	5,868
Other countries	**-**	-	**12,190**	7,176
Total	**438,775**	461,519	**951,929**	939,493
Current	**346,904**	246,444	**717,498**	600,748
Noncurrent	**91,871**	215,075	**234,431**	338,745

(i) On May 13, 2021, the Federal Supreme Court of Brazil ("STF") decided that the ICMS tax recorded in the invoice should not to be included in the PIS and COFINS tax bases (Extraordinary Appeal No. 574.706). This decision was the basis for the recognition of PIS and COFINS credits arising from the exclusion of the ICMS portion from the tax bases. In the period from January 1 to April 30, 2023, the Company recognized R$15,042 as PIS and COFINS credits under "Other operating income (expenses)", of which R$14,044 refer to the Parent Company and R$998 to one of its subsidiaries.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

9. Income tax and social contribution

a) Deferred taxes

Deferred income tax and social contribution recognized in noncurrent assets and liabilities are presented below:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Tax losses carryforwards	**101,299**	67,702	**202,767**	178,019
Social contribution losses carryforwards	**41,896**	29,669	**57,978**	46,336
Provision for labor, tax and civil risks	**22,920**	21,272	**46,608**	36,929
Provision for profit sharing	**12,976**	27,286	**17,583**	41,184
Allowance for inventory losses	**9,879**	10,407	**24,508**	23,785
Provision for expected credit losses	**1,260**	5,415	**15,942**	25,261
Actuarial pension plan liability	**-**	-	**57,268**	59,672
Intellectual property	**-**	-	**53,122**	60,678
Deferred tax on surplus value	**20,994**	20,036	**20,994**	20,036
Depreciation and amortization difference	**(104,059)**	(101,673)	**(230,072)**	(262,768)
Deemed cost - property, plant and equipment – CPC 27	**(19,769)**	(22,403)	**(21,762)**	(22,403)
Goodwill tax amortization	**(40,465)**	(40,465)	**(40,465)**	(40,465)
Other	**(1,292)**	7,902	**3,374**	59,866
Total	**45,639**	25,148	**207,845**	226,130
Deferred tax asset, net	**45,639**	25,148	**255,413**	269,034
Deferred tax liability, net	**-**	-	**(47,568)**	(42,904)

Breakdown of credits tax losses carryforwards and social contribution tax losses – consolidated

	12/31/2023	12/31/2022
Iochpe-Maxion S.A. (parent)	**143,195**	97,371
Maxion Wheels do Brasil Ltda.	**59,902**	62,113
Iochpe-Maxion Austria and subsidiaries	**57,648**	64,871
Total	**260,745**	224,355

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The Company also has unrecognized tax credits on tax losses carryforwards in the financial statements, arising for some of its subsidiaries due to insufficient taxable profit projections, as follows:

	12/31/2023			12/31/2022
Country	Amount	Statute of Limitation	Limit per year	Amount
United States of America - Federal	**671,959**	**2026 to 2034**	**(ii)**	662,252
United States of America - State	**157,457**	**2023 to 2033**	**(i)**	159,153
China	**4,852**	**2023 to 2025**	**-**	19,174
Spain	**204,389**	**No limitation**	**25% to 50%**	197,227
South Africa	**94,016**	**No limitation**	**(iii)**	111,592
Thailand	**108,558**	**2025 to 2028**	**No limitation**	92,208
Austria	**181,969**	**No limitation**	**75%**	52,775
India	**126,150**	**2026 to 2031**	**No limitation**	119,186
Total	**1,549,350**			1,413,567

(i) This depends on the State where the deferred tax credits were computed.

(ii) Federal tax losses are subject to various use rules in accordance with local tax law relating to the year in which each loss was generated and to taxable profit.

(iii) From 2023 onwards, the use of tax losses will be limited to the highest amount between South African Rand 1 million and 80% of the entity's taxable profit.

Based on taxable profit projections annually approved by Management, the Company expects to recover tax credits arising from income and social contribution tax losses recorded in the consolidated financial statements at December 31, 2023 as follows:

	12/31/2023
2024	**10,985**
2025	**36,692**
2026	**42,048**
2027	**47,916**
2028	**56,424**
2029 to 2033	**66,680**
Total	**260,745**

The estimated recovery of tax credits was based on taxable profit forecasts, taking into consideration financial and business assumptions.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

b) Reconciliation of income tax and social contribution credit (expense)

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Profit before income tax and social contribution	**9,591**	305,767	**264,703**	628,020
Combined rate - %	**34**	34	**34**	34
Income tax and social contribution expense at combined rate	**(3,261)**	(103,961)	**(89,999)**	(213,527)
Equity pickup	**28,676**	62,810	**4,887**	10,351
Nondeductible expenses (i)	**(4,588)**	(9,284)	**(52,184)**	(39,611)
Unrecognized tax credit on temporary differences and tax loss carryforwards	**-**	-	**(8,584)**	16,184
Withholding taxes and other non-income taxes	**-**	-	**(16,372)**	(20,977)
Tax rate difference of foreign subsidiary	**-**	-	**28,975**	85,382
Tax incentives from subsidiaries	**-**	-	**41,605**	42,580
Effect of translation (local currency versus functional currency) (ii)	**-**	-	**(79,095)**	(22,649)
Benefits from technological innovation projects	**2,084**	2,706	**2,914**	2,706
Benefit from interest on equity	**-**	22,313	**-**	22,313
Recognition of tax payable in Mexico deriving from tax audit (iii)	**-**	-	**-**	(84,058)
Other	**(1,767)**	(1,418)	**9,044**	(22,542)
Income and social contribution tax credit (expenses) in profit or loss	**21,144**	(26,834)	**(158,809)**	(223,848)
Current	**(1,287)**	(10,874)	**(138,123)**	(284,028)
Deferred	**22,431**	(15,960)	**(20,686)**	60,180

(i) Regarding the impacts of nondeductible expenses for the period, R$11,401 refers to the agreement signed with the Mexican tax authorities. According to local rules, the portion of the agreement referring to the monetary correction amounting to R$38,004 is nondeductible for income tax purposes.

(ii) The amount recorded in the year is mainly influenced by the appreciation and devaluation of local currencies in relation to the functional currencies of the Company's subsidiaries in Mexico, the Czech Republic and Turkey. In accordance with CPC 32 and IFRSs, the Company's subsidiaries whose functional currencies differ from their local currencies must recognize deferred income tax on foreign exchange rate changes associated with non-monetary items.. Deferred income tax is recognized on temporary difference between the tax base of non-monetary assets in local currency and the carrying amount of the same assets in functional currency.

(iii) As mentioned in Note 19.

c) Statutory income tax rate of parent company and its subsidiaries

Country	Rate (%)
Brazil	34.00
Mexico	30.00
United States of America	21.00
China	25.00
Germany	32.28
Spain	25.00
Italy	27.90
Czech Republic	19.00
Thailand	20.00
Turkey	25.00
India	25.17
South Africa	27.00
Japan	36.53
Austria	24.00

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The income tax rates of subsidiaries remain unchanged in relation to previous periods, excepting Turkish subsidiaries. As of July 1, 2023, the income tax rate for operations in Turkey increased from 20% to 25%, with retroactive effect to January 2023.

10. Related parties

a) Management compensation

	12/31/2023	12/31/2022
Board of Directors and Statutory Board	**17,747**	18,971
Key Management personnel (salaries and benefits)	**87,657**	82,745
Profit sharing agreed in Brazil (bonus)	**6,941**	10,356
Profit sharing agreed abroad (bonus)	**34,112**	37,040

In the year ended December 31, 2023, the Company made contributions to the private pension plan totaling R$1,428 (R$1,357 in 2022) on behalf of the statutory officers and key management personnel.

The balances of the provision for long-term incentive plan granted to the statutory officers and key management personnel are described in Note 22.

b) Transactions with related parties

Wheels and structural components sales transactions were performed in the normal course of business of the Company, its subsidiaries, associates and joint ventures. These transactions were carried out under prices, terms and payment conditions established among the parties, as if such transactions had been performed with non-related entities. The settlement terms of these transactions range from 30 to 45 days, in compliance with the other Company transactions. These transactions include, among others, intercompany loan agreements and provision of guarantees under the terms detailed below:

	12/31/2023			
	Assets	Liabilities	Profit or loss	
	Trade receivables	Trade payables	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	**2,271**	**-**	**30,170**	-
Iochpe-Maxion Austria and subsidiaries	**28,769**	**19**	**144,017**	-
Maxion Wheels do Brasil Ltda.	**-**	**-**	**668**	**21,411**
Maxion Montich S.A.	**22,956**	**-**	**123,192**	-
Total	**53,996**	**19**	**298,047**	**21,411**

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

	12/31/2022			
	Assets	Liabilities	Profit or loss	
	Trade receivables	Trade payables	Sales	Purchases
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	3,995	-	75,918	-
Iochpe-Maxion Austria and subsidiaries	27,394	-	226,311	17,347
Maxion Wheels do Brasil Ltda.	-	-	468	-
Maxion (Nantong) Wheels, Co. Ltd.	-	-	-	4,967
Maxion Montich S.A.	41,688	315	144,814	-
Total	73,077	315	447,511	22,314

c) Sureties granted

Through its parent company, the Company keeps the following amounts as sureties on transactions carried out by its subsidiaries and joint ventures, basically related to the borrowings and financing disclosed in Note 15:

Subsidiaries	12/31/2023	12/31/2022
Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	**99,048**	121,054
Iochpe-Maxion Austria GmbH	**2,447,038**	2,617,218
Maxion Wheels Aluminum India Pvt. Ltd. (i)	**87,317**	83,381
Maxion Wheels Czech s.r.o.	**-**	110,692
Maxion Wheels de Mexico, S. de R.L. de C.V.	**435,549**	467,574
Maxion Wheels (Thailand) Co. Ltd.	**55,726**	-

d) Intercompany loans

The Company conducts its intercompany loans in accordance with prevailing market conditions. These transactions are carefully monitored and documented, following applicable accounting, tax and regulatory standards. They are carried out in euros, US dollars and Czech koruna, with annual interest rates ranging from 2.75% to 7.47% for the euro, 5.56% for the US dollar and 9.14% for the Czech koruna.

11. Investments

a) Breakdown

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interests in subsidiaries	**3,317,531**	3,234,276	**-**	-
Interests in associates	**84,651**	73,690	**84,651**	73,690
Interests in joint ventures	**74,948**	55,344	**74,948**	55,344
Subtotal investments	**3,477,130**	3,363,310	**159,599**	129,034
Other investments	**168**	169	**168**	169
Total	**3,477,298**	3,363,479	**159,767**	129,203

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

b) Variations

	Balance at 12/31/2022	Capital increase (decrease)	Exchange rate changes on investments abroad	Effect of changes in actuarial assumptions	Equity pickup	Other	Balance at 12/31/2023
Iochpe Maxion Austria GmbH (i)	2,735,907	**251,153**	**(196,273)**	**(30,845)**	**42,018**	**-**	**2,801,960**
Maxion (Nantong) Wheels, Co. Ltd.	120,707	**-**	**(12,086)**	**-**	**4,319**	**-**	**112,940**
Maxion Wheels do Brasil Ltda.	377,662	**-**	**-**	**1,338**	**23,631**	**-**	**402,631**
DongFeng Maxion Wheels Limited (ii)	23,091	**24,984**	**(2,107)**	**-**	**(18,986)**	**-**	**26,982**
Maxion Montich S.A. (iii)(iv)	55,344	**-**	**(18,330)**	**-**	**23,578**	**14,355**	**74,947**
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	50,599	**-**	**-**	**-**	**9,782**	**(2,711)**	**57,670**
Total	3,363,310	**276,137**	**(228,796)**	**(29,507)**	**84,342**	**11,644**	**3,477,130**

(i) In April and May 2023, capital was increased by R$150,201 (€ 27,050 thousand). In September 2023, capital was increased by R$100,952 (USD 20,000 thousand).
(ii) In December 2023, capital was increased by R$24,984 (CNY 36,000 thousand).
(iii) In June 2023, dividends were declared in the amount of R$3,625.
(iv) Impacts deriving from Argentine economy, which was declared hyperinflationary, represented an increase in equity of Maxion Montich amounting to R$21,460, 50% of which was reflected in the investment increase, affset against other comprehensive income.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

	Balance at 12/31/2021	Capital increase (decrease)	Exchange rate changes on investments abroad	Effect of changes in actuarial assumptions	Equity pickup	Other	Balance at 12/31/2022
Iochpe Maxion Austria GmbH	3,455,721	(628,566)	(317,397)	79,469	134,560	12,120	2,735,907
Maxion (Nantong) Wheels, Co. Ltd.	108,560	27,604	(18,578)	-	3,121	-	120,707
Remon Resende Montadora Ltda.	2,191	-	-	-	469	(2,660)	-
Maxion Wheels do Brasil Ltda.	350,438	14,198	-	(5,409)	17,633	802	377,662
DongFeng Maxion Wheels Limited	42,648	-	(5,778)	-	(13,779)	-	23,091
Maxion Montich S.A.	52,928	-	(27,434)	-	34,957	(5,107)	55,344
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	43,090	-	-	-	9,267	(1,758)	50,599
Maxion Wheels (Thailand) Co. Ltd.	(1,088)	1,352	165	-	(1,492)	1,063	-
Total	4,054,488	(585,412)	(369,022)	74,060	184,736	4,460	3,363,310

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

c) Information on direct subsidiaries, joint ventures and associates

	12/31/2023								
	Number of shares or units of interest (in lot of thousands)	**Equity interest (%)**	**Assets**	**Liabilities**	**Capital**	**Equity attributable to controlling interests**	**Noncontrolling interests**	**Net revenue**	**Profit (loss) for the year**
Iochpe Maxion Austria GmbH (i)	**-**	**100**	**9,427,749**	**6,234,386**	**2,157,237**	**2,801,960**	**391,403**	**10,913,429**	**42,018**
Maxion (Nantong) Wheels, Co. Ltd. (i)	**-**	**100**	**148,458**	**35,518**	**408,480**	**112,940**	**-**	**107,289**	**4,319**
Maxion Wheels do Brasil Ltda.	**326,187,994**	**100**	**489,441**	**86,810**	**326,188**	**402,631**	**-**	**370,348**	**23,631**
DongFeng Maxion Wheels Limited (i)	**-**	**50**	**232,206**	**178,243**	**129,485**	**53,963**	**-**	**25,606**	**(37,971)**
Maxion Montich S.A.	**2,813**	**50**	**280,243**	**130,218**	**5,827**	**149,894**	**131**	**971,084**	**47,155**
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	**14,566,122**	**19.5**	**584,431**	**288,687**	**153,683**	**295,744**	**-**	**548,208**	**50,163**

	12/31/2022								
	Number of shares or units of interest (in lot of thousands)	**Equity interest (%)**	**Assets**	**Liabilities**	**Capital**	**Equity attributable to controlling interests**	**Noncontrolling interests**	**Net revenue**	**Profit (loss) for the year**
Iochpe Maxion Austria GmbH	-	100	10,179,553	7,070,646	1,988,659	2,735,907	373,000	11,708,471	134,560
Remon Resende Montadora Ltda.	-	100	-	-	-	-	-	2,202	469
Maxion (Nantong) Wheels, Co. Ltd.	-	100	147,063	26,356	453,434	120,707	-	104,694	3,121
Maxion Wheels do Brasil Ltda.	326,187,994	100	452,017	74,355	326,188	377,662	-	333,412	17,633
DongFeng Maxion Wheels Limited	-	50	209,347	163,165	89,267	23,091	23,091	10,273	(27,558)
Maxion Montich S.A.	2,813	50	294,742	183,939	4,755	110,689	114	785,185	69,914
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	14,566,122	19.5	600,997	341,518	153,683	132,334	127,145	626,946	47,522
Maxion Wheels (Thailand) Co. Ltd.	-	-	-	-	-	-	-	207,752	(18,291)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

d) Detailed information on non-controlling interests in subsidiaries:

Subsidiary	Main activity	Country	Noncontrolling interests 12/31/2023	Noncontrolling interests 12/31/2022
Maxion Inci Jant Sanayi, A.S.	Manufacture and sale of wheels	Turkey	40%	40%
Maxion Jantas Jant Sanayi ve Ticaret A.S.	Manufacture and sale of wheels	Turkey	40%	40%
Kalyani Maxion Wheels Limited	Manufacture and sale of wheels	India	15%	15%

The summarized financial statements of each subsidiary that records non-controlling interests are presented below, before elimination of transactions between other Company subsidiaries.

	Maxion Inci Jant Sanayi, A.S.		**Maxion Jantas Jant Sanayi ve Ticaret A.S.**		**Kalyani Maxion Wheels Limited**	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Statements of financial position						
Current assets	**641,276**	683,029	**258,633**	351,530	**237,958**	244,446
Noncurrent assets	**508,682**	478,956	**94,476**	101,442	**102,032**	107,583
Total assets	**1,149,958**	1,161,985	**353,109**	452,972	**339,990**	352,029
Current liabilities	**348,484**	430,727	**157,544**	239,754	**176,871**	195,421
Noncurrent liabilities	**66,445**	46,021	**9,135**	21,011	**10,990**	9,791
Equity	**735,029**	685,237	**186,430**	192,207	**152,129**	146,817
Total liabilities and equity	**1,149,958**	1,161,985	**353,109**	452,972	**339,990**	352,029

	Maxion Inci Jant Sanayi, A.S.		**Maxion Jantas Jant Sanayi ve Ticaret A.S.**		**Kalyani Maxion Wheels Limited**	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Statements of profit or loss						
Net sales revenue	**1,910,314**	1,947,706	**906,983**	863,285	**527,878**	581,117
Cost of goods sold	**(1,584,509)**	(1,650,995)	**(776,429)**	(717,910)	**(467,122)**	(525,794)
Gross profit	**325,805**	296,711	**130,554**	145,375	**60,756**	55,323
Operating and financial expenses, net	**(137,641)**	(87,948)	**(38,447)**	(46,517)	**(37,084)**	(34,210)
Income taxes	**(72,344)**	15,860	**(26,679)**	(16,309)	**(5,947)**	(5,309)
Profit for the year	**115,820**	224,623	**65,428**	82,549	**17,725**	15,804

	Maxion Inci Jant Sanayi, A.S.		**Maxion Jantas Jant Sanayi ve Ticaret A.S.**		**Kalyani Maxion Wheels Limited**	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Summarized operating cash flow						
Operating	263,486	90,171	55,217	24,404	39,321	41,397
Investments	(123,846)	(114,845)	(20,780)	(11,556)	(16,177)	(9,798)
Financing	(73,330)	(48,842)	(58,448)	(43,650)	2,415	(22,388)
Exchange rate differences on cash and cash equivalents	(531)	(11,716)	(2,225)	(2,211)	(5,264)	(10,394)
Increase (decrease) in cash and cash equivalents	65,780	(85,232)	(26,235)	(33,013)	20,295	(1,183)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

In 2022, the amounts of R$28,424 (€5,408 thousand) and R$25,959 (€4,800 thousand) were allocated as mandatory dividends for noncontrolling interests in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively. In the year ended December 31, 2022, the amounts of R$17,534 (€3,408 thousand) and R$17,129 (€3,200 thousand) were paid in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively.

In 2023, the amounts of R$11,049 (€2,000 thousand) and R$23,931 (€4,332 thousand) were allocated as mandatory dividends for noncontrolling interests in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively. In the year ended December 31, 2023, the amounts of R$21,403 (€4,000 thousand) and R$31,536 (€5,932 thousand) were paid in indirect subsidiaries Maxion Inci Jant Sanayi, A.S. and Maxion Jantas Jant Sanayi ve Ticaret A.S., respectively.

12. Property, plant and equipment

a) Parent

	Buildings and improvements	Machinery and equipment	Land	Construction in progress (i)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2021	226,686	433,156	26,452	220,195	19,821	7,055	67,043	1,000,408
Additions	-	2,395	-	148,666	-	-	17,387	168,448
Write-offs, net	(95)	(3,086)	-	-	(128)	-	(1,107)	(4,416)
Depreciation	(13,362)	(37,298)	-	-	(1,714)	(838)	(8,333)	(61,545)
Transfers	19,155	65,587	-	(77,861)	1,061	7	(8,449)	(500)
Balances at December 31, 2022	232,384	460,754	26,452	291,000	19,040	6,224	66,541	1,102,395
Additions	**-**	**82**	**-**	**82,358**	**-**	**-**	**11,456**	**93,896**
Borrowing costs capitalized (v)	**-**	**-**	**-**	**49,876**	**-**	**-**	**-**	**49,876**
Write-offs, net	**(56)**	**(2,411)**	**-**	**(996)**	**-**	**(17)**	**(2,250)**	**(5,730)**
Depreciation	**(14,846)**	**(39,183)**	**-**	**-**	**(1,973)**	**(774)**	**(8,810)**	**(65,586)**
Transfers	**75,677**	**106,090**	**-**	**(190,362)**	**1,937**	**698**	**527**	**(5,433)**
Balances at December 31, 2023	**293,159**	**525,332**	**26,452**	**231,876**	**19,004**	**6,131**	**67,464**	**1,169,418**
At December 31, 2022								
Cost	419,513	1,025,878	26,452	291,000	28,706	20,064	206,482	2,018,095
Accumulated depreciation	(187,129)	(565,124)	-	-	(9,666)	(13,840)	(139,941)	(915,700)
Carrying amount, net	232,384	460,754	26,452	291,000	19,040	6,224	66,541	1,102,395
At December 31, 2023								
Cost	**493,727**	**1,122,577**	**26,452**	**231,876**	**30,643**	**19,771**	**198,372**	**2,123,418**
Accumulated depreciation	**(200,568)**	**(597,245)**	**-**	**-**	**(11,639)**	**(13,640)**	**(130,908)**	**(954,000)**
Carrying amount, net	**293,159**	**525,332**	**26,452**	**231,876**	**19,004**	**6,131**	**67,464**	**1,169,418**

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

b) Consolidated

	Buildings and improvements	Machinery and equipment	Land	Construction in progress (ii)	Machinery spare parts	Tooling	Other	Total
Balances at December 31, 2021	946,698	2,164,044	366,716	495,060	79,774	73,225	127,617	4,253,134
Additions	2,198	16,347	-	454,654	27,978	7,937	80,305	589,419
Write-offs, net	(622)	(4,008)	(28)	(801)	(5,554)	(3,489)	(2,622)	(17,124)
Depreciation	(48,893)	(307,939)	-	-	(26,551)	(23,583)	(22,761)	(429,727)
Transfers	38,666	307,243	-	(348,978)	11,276	8,109	(12,409)	3,907
Exchange rate changes	(61,429)	(175,162)	(70,891)	(25,128)	(5,328)	(7,224)	(10,632)	(355,794)
Balances at December 31, 2022	876,618	2,000,525	295,797	574,807	81,595	54,975	159,498	4,043,815
Additions (iii)	**1,604**	**14,187**	**-**	**400,160**	**42,370**	**10,776**	**80,772**	**549,869**
Borrowing costs capitalized (v)	**-**	**-**	**-**	**53,228**	**-**	**-**	**-**	**53,228**
Write-offs, net	**(1,224)**	**(3,218)**	**-**	**(1,495)**	**(7,884)**	**(418)**	**(3,118)**	**(17,357)**
Depreciation	**(49,588)**	**(286,620)**	**-**	**-**	**(27,787)**	**(23,078)**	**(25,738)**	**(412,811)**
Transfers (iv)	**85,301**	**285,884**	**-**	**(380,156)**	**11,346**	**17,808**	**(25,744)**	**(5,561)**
Exchange rate changes	**(44,287)**	**(82,343)**	**(6,702)**	**(18,193)**	**(5,537)**	**(5,920)**	**(4,206)**	**(167,188)**
Balances at December 31, 2023	**868,424**	**1,928,415**	**289,095**	**628,351**	**94,103**	**54,143**	**181,464**	**4,043,995**
At December 31, 2022								
Cost	1,543,258	5,715,505	295,797	574,807	230,449	309,467	470,389	9,139,672
Accumulated depreciation	(666,640)	(3,714,980)	-	-	(148,854)	(254,492)	(310,891)	(5,095,857)
Carrying amount, net	876,618	2,000,525	295,797	574,807	81,595	54,975	159,498	4,043,815
At December 31, 2023								
Cost	**1,590,015**	**5,716,690**	**289,095**	**628,351**	**258,424**	**284,499**	**513,501**	**9,280,575**
Accumulated depreciation	**(721,591)**	**(3,788,275)**	**-**	**-**	**(164,321)**	**(230,356)**	**(332,037)**	**(5,236,580)**
Carrying amount, net	**868,424**	**1,928,415**	**289,095**	**628,351**	**94,103**	**54,143**	**181,464**	**4,043,995**

(i) At December 31, 2023, this comprises: (1) buildings, amounting to R$4,089 (R$23,024 at December 31, 2022); (2) machinery and equipment, amounting to R$186,587 (R$233,176 at December 31, 2022); and (3) other assets, amounting to R$41.200 (R$34,800 at December 31, 2022), relating to Cruzeiro unit.

(ii) At December 31, 2023, this comprises: (1) buildings, amounting to R$14,040 (R$26,449 at December 31, 2022); (2) machinery and equipment, amounting to R$554,267 (R$495,781 at December 31, 2022); and (3) other assets, amounting to R$60,044 (R$52,577 at December 31, 2022), mostly relating to the Cruzeiro, Mexico and Turkey units.

(iii) Of total additions for the year, most of the investments were made by the Turkey, Mexico, Cruzeiro and India units, in the amounts of R$144,625, R$143,268, R$55,094 and R$45,836, respectively.

(iv) In 2023, this comprises transfers between the "Property, plant and equipment" and "Intangible assets" in the amount of R$(6,510), and between "Property, plant and equipment" and "Inventories" in the amount of R$949. In 2022, these include transfers between "Property, plant and equipment" and "Intangible assets" in the amount of R$(1,974), and between "Property, plant and equipment" and "Inventories" in the amount of R$5,881.

(v) In the year ended December 31, 2023, the Company capitalized borrowing costs in the amount of R$53,228, including R$49,876 referring to finance costs related to long-term projects to increase production capital and revitalize the Parent Company's manufacturing areas and R$3,352 for the expansion of the plant and of production lines in a subsidiary in Mexico. The Company and its subsidiaries capitalize borrowing costs for all eligible assets and the average interest rate at December 31, 2023 was 14.26% p.a.

As at December 31, 2023, there is no indications of impairment of these assets, as described in Note 4.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

13. Intangible assets – consolidated

Assets with finite useful lives	Customer relationship	Software	Land use rights	Trademark	Other	Total
Balances at December 31, 2021	108,967	75,841	29,487	115,779	2,135	332,209
Additions	-	2,573	-	-	300	2,873
Amortization	(9,385)	(8,376)	(400)	(10,255)	(794)	(29,210)
Transfers (i)	-	2,198	(597)	-	373	1,974
Exchange rate changes	(13,173)	(725)	(4,401)	(13,934)	(246)	(32,479)
Balances at December 31, 2022	86,409	71,511	24,089	91,590	1,768	275,367
Additions	**-**	**2,002**	**-**	**-**	**11**	**2,013**
Write-offs, net	**-**	**-**	**-**	**-**	**(24)**	**(24)**
Amortization	**(9,313)**	**(7,574)**	**(387)**	**(10,041)**	**(491)**	**(27,806)**
Transfers (i)	**-**	**6,775**	**-**	**-**	**(265)**	**6,510**
Exchange rate changes	**(3,292)**	**(166)**	**(2,021)**	**(3,482)**	**(49)**	**(9,010)**
Balances at December 31, 2023	**73,804**	**72,548**	**21,681**	**78,067**	**950**	**247,050**
At December 31, 2022						
Cost	190,472	121,649	27,876	121,127	50,394	511,518
Accumulated depreciation	(104,063)	(50,138)	(3,787)	(29,537)	(48,626)	(236,151)
Carrying amount, net	86,409	71,511	24,089	91,590	1,768	275,367
At December 31, 2023						
Cost	**183,023**	**129,144**	**25,480**	**116,518**	**48,465**	**502,630**
Accumulated depreciation	**(109,219)**	**(56,596)**	**(3,799)**	**(38,451)**	**(47,515)**	**(255,580)**
Carrying amount, net	**73,804**	**72,548**	**21,681**	**78,067**	**950**	**247,050**

Assets with indefinite lives - Goodwill	Iochpe-Maxion Austria GmbH	Ingenieria y Maquinaria de Guadalupe, S.A. de C.V.	Meritor Comércio e Indústria de Sistemas Automotivos Ltda.	Iochpe Sistemas Automotivos de México S.A. de C.V.	Total
Balances at December 31, 2021	1,414,717	577,888	20,292	3,309	2,016,206
Exchange rate changes	(168,217)	(37,570)	-	(215)	(206,002)
Balances at December 31, 2022	1,246,500	540,318	20,292	3,094	1,810,204
Exchange rate changes	**(48,746)**	**(38,977)**	**-**	**(224)**	**(87,947)**
Balances at December 31, 2023	**1,197,754**	**501,341**	**20,292**	**2,870**	**1,722,257**

(i) Transfers between "Property, plant and equipment" and "Intangible assets" (see Note 12. b) item (iv)).

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

On December 31, 2023, the Company reached a market cap of R$1,981,446 and a total equity of R$4,085,029. The Company performed impairment tests on the goodwill balances shown in the previous table. The process for calculating value in use involves use of assumptions, judgments and estimates on cash flows, such as revenue increase rates, costs and expenses, estimated investments and future working capital, and discount rates. The assumptions on projected increase of future cash flows are based on the Company's business plan and comparable market data, and represent Management's best estimate of the economic conditions that will exist over the economic life of the various CGUs to which goodwill is related.

Value in use is assessed over a five-year period and, as from this period, perpetuity of the assumptions is considered, in view of the ability to continue as a going concern for an indefinite period. The discount rates used to extrapolate the projections for December 31, 2023 varied between 8.9% and 11.3% p.a., depending on the CGU analyzed, and the growth rate used was 2.4% p.a. to evaluate the value in use of the Ingenieria y Maquinaria de Guadalupe, S.A. de C.V. and 2% p.a. for the other CGUs.

The impairment test on the balances of goodwill and net assets of the Company and its subsidiaries did not result in the need to recognize losses in the year ended December 31, 2023. The Company conducted a sensitivity analysis of the discount rates and perpetuity increase rates, given their relevant impacts on cash flows and value in use. An increase or decrease of 0.5 percentage point in the cash flow discount rate of each CGU would not result in the need for recognition of loss.

14. Right of use – consolidated

Assets with finite useful lives	**IT equipment**	**Land**	**Machinery and equipment**	**Forklifts**	**Vehicles**	**Total**
Balances at December 31, 2021	3,967	15,045	6,015	16,135	11,856	53,018
Additions	4,379	10,034	10,029	3,696	7,206	35,344
Write-offs, net	(353)	(617)	-	(596)	(3,209)	(4,775)
Amortization	(4,281)	(8,764)	(3,874)	(10,105)	(5,294)	(32,318)
Transfers	-	(821)	-	-	821	-
Exchange rate changes	(86)	(1,330)	369	(1,703)	(1,282)	(4,032)
Balances at December 31, 2022	3,626	13,547	12,539	7,427	10,098	47,237
Additions	**980**	**18,056**	**11,201**	**16,863**	**13,776**	**60,876**
Write-offs, net	**(354)**	**-**	**(948)**	**(59)**	**-**	**(1,361)**
Amortization	**(1,098)**	**(8,481)**	**(4,536)**	**(9,788)**	**(6,031)**	**(29,934)**
Transfers	**229**	**716**	**(1,481)**	**475**	**61**	**-**
Exchange rate changes	**(5)**	**(1,473)**	**(416)**	**(345)**	**(318)**	**(2,557)**
Balances at December 31, 2023	**3,378**	**22,365**	**16,359**	**14,573**	**17,586**	**74,261**

At December 31, 2023, total accumulated lease expenses classified as short-term leases and leases of low-value assets amount to R$9,419 (R$6,333 at December 31, 2022).

Att December 31, 2023, there is no indications of impairment of these assets, as described in Note 4.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

15. Borrowings, financing and debentures

a) Parent

	Index	Average annual interest rate (%)	Last maturity date	Amortized transaction cost	Balance of unamortized transaction cost	12/31/2023	12/31/2022
Local currency							
Bank Credit Bill – CCB (i)	CDI +	2.10	February 2024	**-**	**-**	**100,260**	100,414
Bank Credit Bill – CCB long-term (ii)	Selic +	3.00	December 2027	**150**	**(225)**	**59,775**	74,765
FINAME (ii)	Selic +	3.04	May 2028	**208**	**(344)**	**328,935**	286,411
Export credit note – NCE (iii)	CDI +	2.44	April 2025	**-**	**-**	**555,693**	451,839
Export credit note – NCE (swap) (iv)	CDI +	2.25	March 2024	**-**	**-**	**226,774**	239,844
Forfait transactions (v)	-	13.05	March 2024	**-**	**-**	**298,156**	64,704
Total borrowings and financing – Local currency				**358**	**(569)**	**1,569,593**	1,217,977
Foreign currency							
Bank Credit Bill – EXIM – US$ (vi)	-	5.52	December 2028	**10**	**(608)**	**387,229**	-
Total borrowings and financing – Foreign currency				**10**	**(608)**	**387,229**	-
Total borrowings and financing				**368**	**(1,177)**	**1,956,822**	1,217,977
Debentures							
Simple debentures of 9th issuance – 1st series (vii)	-	-	-	**16,553**	**-**	**-**	352,168
Simple debentures of 9th issuance – 2nd series (vii)	-	-	-	**6,563**	**-**	**-**	114,088
Simple debentures of 10th issuance (vii)	CDI +	0.75	September 2024	**15,073**	**-**	**-**	357,755
Simple debentures of 11th issuance – 1st series	CDI +	2.00	April 2025	**2,359**	**(1,887)**	**357,788**	357,534
Simple debentures of 11th issuance – 2nd series	CDI +	2.60	April 2027	**1,230**	**(2,460)**	**409,085**	409,685
Simple debentures of 12th issuance – single series (viii)	CDI +	2.00	October 2028	**28**	**(533)**	**723,590**	-
Total debentures				**41,806**	**(4,880)**	**1,490,463**	1,591,230
Total borrowings, financing and debentures				**42,174**	**(6,057)**	**3,447,285**	2,809,207
Current liabilities						**982,809**	566,660
Unamortized costs						**(2,519)**	(10,840)
Total						**980,290**	555,820
Noncurrent liabilities						**2,470,533**	2,263,717
Unamortized costs						**(3,538)**	(10,330)
Total						**2,466,995**	2,253,387

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

b) Consolidated

	Index	Average annual interest rate %	Last maturity date	Amortized transaction cost	Balance of unamortized transaction cost	12/31/2023	12/31/2022
Local currency							
Bank Credit Bill – CCB (i)	CDI +	2.10	February 2024	-	-	100,260	100,414
Bank Credit Bill – CCB long term (ii)	Selic +	3.00	December 2027	150	(225)	59,775	74,765
FINAME (ii)	Selic +	3.04	May 2028	208	(344)	328,935	286,411
Export Credit Note – NCE (iii)	CDI +	2.44	April 2025	-	-	555,693	451,839
Export Credit Note – NCE (swap) (iv)	CDI +	2.25	March 2024	-	-	226,774	239,844
Forfait transactions (v)	-	13.05	March 2024	-	-	298,156	64,704
Total loan and financing - Local currency				358	(569)	1,569,593	1,217,977
Foreign currency							
Bank Credit Bill – EXIM – US$ (vi)	-	5.52	December 2028	10	(608)	387,229	-
Long-term loan – US$	-	-	-	16,529	-	-	121,056
Long-term loan – Rupee (ix)	1y MCLR +	0.15	January 2026	229	-	18,041	54,525
Long-term loan – Rupee (ix)	1m MCLR +	0.15	May 2025	-	-	7,276	13,158
Long-term loan – Rupee (ix)	3m T Bill +	3.58	February 2025	-	-	728	1,421
Long-term loan – Rupee (x)	3m T Bill +	3.22	April 2028	-	-	46,568	50,528
Sustainability-linked Notes Units – US$	-	5.00	May 2028	3,326	(5,085)	287,531	308,622
Sustainability-linked Notes Units – Euro (xi)	-	3.50	May 2028	18,170	(28,196)	1,629,740	1,750,060
Syndicated Loan – Euro (xii)	Euribor 3m +	3.00	November 2026	1,675	(4,457)	641,581	664,985
Working capital – US$ (xiii)	-	6.65	April 2024	-	-	63,832	68,698
Working capital – US$ (xiv) (xv)	SOFR 6m +	2.76	September 2025	-	-	183,234	90,254
Forfait transactions - US$ (v)	-	8.61	February 2024	-	-	68,742	84,897
Working capital – Euro (xvi) (xvii)	-	2.65	January 2027	-	-	29,427	49,011
Working capital – Euro	-	-	-	2,416	-	-	110,692
Working capital – Euro (xviii)	Euribor 3m +	2.10	June 2025	-	-	65,014	89,210
Working capital – Euro (xix)	Euribor 1y +	2.20	June 2025	-	-	110,703	112,962
Working capital – Rupee	-	9.05	December 2024	-	-	23,393	15,601
Working capital – Rupee (ix)		8.95	January 2024	-	-	9,032	-
Working capital – Rupee (ix)	1m MCLR +	0.40	December 2028	-	-	4,474	-
Working capital – Rupee (ix)	1m MCLR +	0.15	August 2024	-	-	47,766	14,276
Working capital – baht	-	4.15	December 2024	-	-	81,166	67,825
Total borrowings and financing - Foreign currency				42,355	(38,346)	3,705,477	3,667,781
Total borrowings and financing				42,713	(38,915)	5,275,070	4,885,758
Debentures							
Simple debentures of 9th issuance – 1st series (vii)	-	-	-	16,553	-	-	352,168
Simple debentures of 9th issuance – 2nd series (vii)	-	-	-	6,563	-	-	114,088
Simple debentures of 10th issuance (vii)	CDI +	0.75	September 2024	15,073	-	-	357,755
Simple debentures of 11th issuance – 1st series	CDI +	2.00	April 2025	2,359	(1,887)	357,788	357,534
Simple debentures of 11th issuance – 2nd series	CDI +	2.60	April 2027	1,230	(2,460)	409,085	409,685
Simple debentures of 12th issuance – single series (viii)	CDI +	2.00	October 2028	28	(533)	723,590	-
Total debentures				41,806	(4,880)	1,490,463	1,591,230
Total borrowings, financing and debentures				84,519	(43,795)	6,765,533	6,476,988
Current liabilities						1,641,801	1,065,091
Unamortized costs						(10,202)	(21,480)
Total						1,631,599	1,043,611
Noncurrent liabilities						5,167,527	5,487,111
Unamortized costs						(33,593)	(53,734)
Total						5,133,934	5,433,377

(i) This represents the nominal value of R$100,000 resulting from a loan raised by the Company in 2020 with a single bank. As of December 31, 2023, the balance of this loan on a consolidated basis is R$100,260.

(ii) On December 29, 2020, the Company signed a contract relating to a bank credit bill– CCB in the amount of R$75,000, in favor of Banco de Desenvolvimento de Minas Gerais - BDMG bank. This credit facility has a 7-years payment period and a 2-year grace period. This facility was fully withdrawn in April 2021. On February 10, 2021, the Company issued a bank credit bill - CCB, with security interest, in the amount of R$245,000, with the Agência Especial de Financiamento Industrial S.A. - FINAME. This credit facility has a 7-years payment period and a 2-year grace period. This facility was fully withdrawn between April and May 2021. At December 31, 2023, the balance of these loans is R$388,710, of which Finame is R$328,935 and bank credit bill R$59,775. Such financing is guaranteed by the fixed assets of Limeira and Contagem plants.

(iii) This represents the nominal value of R$550,000 resulting from a loan raised by the Company in 2021, 2022 and 2023 from the following banks: ABC Brasil, Banco do Brasil, Bradesco, Intesa Sanpaolo and Santander. At December 31, 2023, the balance of this loan on a consolidated basis is R$555,693.

(iv) To mitigate the exchange rate change risk, the Company linked cross-currency swap contracts to Export Credit Note (NCE) contracts in the total amount of US$45,000 thousand (equivalent to R$214,391), both exposure in US dollars and the interest established in the respective loan contracts was exchanged for exposure in reais at an interest rate of CDI plus 2.25% p.a. using the same critical terms as NCEs, thus characterizing a hedge accounting transaction. As of December 31, 2023, the balance of these loans in a consolidated basis is R$226,774. Further details in “Cross currency swap - Export Credit Notes” section below and in Note 28 - Risk management.

(v) In the parent company, Forfait transaction additions in the year ended December 31, 2023 totaled R$860,455 (R$712,121 in 2022), and amortization R$622,572 (R$911,532 in 2022), and net changes of R$237,883 (R$(199,411) in 2022). On a consolidated basis, Forfait transaction additions in the year ended December 31, 2023 totaled R$971,838 (R$797,549 in 2022), and amortization R$746,490 (R$911,532 in 2022), and net changes of R$225,348 (R$(113,983) in 2022). Such additions have no cash effect, as described in Note 33.

(vi) On December 14, 2023, the Company issued a bank credit bill - CCB with security interest, in the amount of R$396,640 equivalent to US$80,000 thousand, with Brazil's National Bank for Economic and Social Development - BNDES. This credit facility matures on December 15, 2028 with an average cost of 5.52% p.a. This credit facility was fully withdrawn in December 2023. This loan was designated as a hedging instrument to protect the net investment in the subsidiary Iochpe Sistemas Automotivos de México, S.A. de C.V, whose functional currency is the US dollar, with the purpose of mitigating the risk of the Company's exposure to currency risk on this investment. Further details in Note 28 - Risk management. As at December 31, 2023, the balance of this loan is R$387,229. Such financing is guaranteed by the fixed assets of the Cruzeiro plant.

(vii) Further details in “Optional Acquisition Offers” and “Redemption of Debenture” sections.

(viii) Further details in “Debentures” section.

(ix) As at December 31, 2023, the balance of loans with guarantee granted by the Company to subsidiary Maxion Wheels Aluminum India Pvt. Ltd is R$87,317.

(x) In the second quarter of 2022, subsidiary Maxion Wheels Aluminum India Pvt. Ltd. raised INR$800,000, equivalent to R$46,568 at December 31, 2023.

(xi) To mitigate the exchange rate change risk, subsidiary Iochpe-Maxion Austria contracted a derivative financial instrument. Further details in “Sustainability-linked Notes Units” section below and in Note 28 - Risk management.

(xii) In November 2022, the parent company Iochpe-Maxion Austria GmbH took out syndicated loans with a nominal value of €120,000 thousand with a two-year grace period, maturing in three annual installments, with the last installment due in November 2026. Part of these proceeds were used to settle the remaining balance of the Debenture of 8th issuance. As of December 31, 2023, the consolidated balance of this loan is R$641,581.

(xiii) In October 2022, indirect subsidiary Maxion Wheels de Mexico S. de R.L. De C.V. took out a working capital loan in the nominal amount of US$13,000 thousand, maturing in April 2023. In April 2023, this loan was renewed with maturity in April 2024. As at December 31, 2023, the consolidated balance of this loan is R$63,832.

(xiv) In May 2018, indirect subsidiary Maxion Wheels de Mexico S. de R.L. De C.V. took out a working capital loan in the nominal value of US$17,000 thousand. At December 31, 2023, the balance of this loan on a consolidated basis is R$84,186.

(xv) This refers to working capital in the amount of US$20,000 raised by indirect subsidiary Ingenieria y Maquinaria de Guadalupe, S.A. de C.V. (“Inmagusa”). As of December 31, 2023, the balance of this loan on a consolidated basis is R$99,048.

(xvi) In May 2020, indirect subsidiary Maxion Wheels España S.L. took out a working capital loan in the amount of €6,500 thousand, with monthly maturity starting in June 2022 and ending in May 2025. At December 31, 2023, the balance of this loan is R$16,894. The remaining amount of R$2,423 refers to a loan raised in July 2011 with final maturity in January 2027.

(xvii) In August 2020, indirect subsidiary Maxion Wheels Italia S.r.l. took out a working capital loan in the amount of €5,000 thousand, with quarterly maturity, starting in February 2021 and ending in August 2025. At December 31, 2023, the balance of this loan is R$10,110.

(xviii) This represents the nominal value of €12,148 thousand. In February 2022, subsidiary Iochpe-Maxion Austria GmbH took out a committed credit facility in the amount of €25,000 thousand with maturity in April 2023. On September 30, 2022, the maturity of this facility was extended to June 2025. At December 31, 2023, the balance of this loan on a consolidated basis is R$65,014.

(xix) In December 2021, subsidiary Iochpe-Maxion Austria GmbH contracted a credit facility in the amount of €20,000 thousand, which was fully withdrawn in February 2022 with maturity in February 2023. On August 9, 2022, the maturity of this facility was extended to August 2024. On September 22, 2022, it was extended to September 2024. And, on June 14, 2023 it was extended to June 2025. At December 31, 2023, the balance of this loan on a consolidated basis is R$110,703.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Changes in borrowings, financing and debentures

	Parent	Consolidated
Balances at December 31, 2021	2,335,354	5,532,210
Funds raised	1,564,391	3,790,617
Accrued interest and exchange rate change	394,629	561,952
Repayment of principal	(1,003,420)	(2,621,319)
Payment of interest	(294,894)	(440,814)
Unamortized costs	(7,935)	(14,990)
Exchange rate changes	20,544	(216,634)
Fair value adjustments	(51)	(51)
"Forfait" transactions, net	(199,411)	(113,983)
Balances at December 31, 2022	**2,809,207**	**6,476,988**
Funds raised	**1,745,768**	**2,991,506**
Accrued interest and exchange rate change	**428,611**	**649,983**
Repayment of principal	**(1,337,511)**	**(2,712,618)**
Payment of interest	**(393,932)**	**(593,954)**
Unamortized costs	**(1,179)**	**(1,179)**
Exchange rate changes	**(41,332)**	**(270,311)**
Fair value adjustment	**(230)**	**(230)**
"Forfait" transactions, net	**237,883**	**225,348**
Balances at December 31, 2023	**3,447,285**	**6,765,533**

As at December 31, 2023, the amounts recorded in noncurrent liabilities mature as follows:

	Parent	Consolidated
2025	**758,963**	**1,268,090**
2026	**278,574**	**503,981**
2027	**628,362**	**641,728**
2028	**801,096**	**2,720,135**
Total	**2,466,995**	**5,133,934**

The foreign currency-denominated working capital borrowings held by foreign subsidiaries are guaranteed by the Company's sureties, in the total net amount of R$535,308 (R$486,093 as of December 31, 2022).

Debentures

The outstanding debentures issued by the Company are simple, not convertible in shares, as follows: 11th issuance - ICVM No. 476, nominative and book-entry unsecured, in two series, and 12th issuance - ICVM No. 476, nominative and book-entry unsecured, in a single series. The issuances were approved at Board of Directors' meetings.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

On September 29, 2023, the Company informed its shareholders and the market in general about the closing of the 12th issuance, by the Company, of 700,000 simple, not convertible into shares, unsecured and in a single series, with a unit par value of R$1,000.00, totaling R$700,000, maturing on October 15, 2027 and October 16, 2028, entitled to the payment of semiannual convention interest equivalent to 100% of the CDI + 2% p.a., based on 252 business days.

These debentures Indentures are available on the Company's and CVM's pages on the world wide web.

The debentures were subscribed at the unit par value paid in one lump sum in local currency upon subscription, with interest being amortized on a semiannual basis, as follows:

Debentures	Category	Principal amount upon issuance	Issuance date	Final maturity	Finance charges	Amount at 12/31/2023
11th issuance – 1st series	Simple	350,000	04/15/2022	04/15/2025	100% CDI + 2% p.a.	**357,788**
11th issuance – 2nd series	Simple	400.000	04/15/2022	04/15/2027	100% CDI +2.6% p.a.	**409,085**
12th issuance – single series	Simple	700.000	09/13/2023	10/16/2028	100% CDI +2% p.a.	**723,590**

Covenants

The 11th and 12th issuances of debentures have early maturity clauses in the event of certain events (with specific exceptions), such as: (a) default of the Company's obligations; (b) loss of licenses or authorizations relevant to the Company's activities, (c) filing for bankruptcy or judicial recovery of the Company; (d) asset sale limit; (e) distribution of dividends in excess of the mandatory dividend pursuant to applicable corporate law, in the event of default by the Company or in case, on the date of deliberation, after consideration of the pro forma effect of such distribution and/or payment in excess of the mandatory dividend, the financial ratio (resulting from the division of net debt by the adjusted EBITDA) is greater than 3.50x; (f) restriction on the acquisition of control of the Company by third parties; (g) spin-off, merger, incorporation (in which the Company is incorporated) or incorporation of shares of the Company and/or of its significant subsidiaries; and (h) new debts incurred (except for certain permitted debts, as defined in the Indenture) in case, on the date of the event at issue, after consideration of the pro forma effect, the financial ratio is greater than 3.50x.

In the year ended December 31, 2023 and up until the date of approval of these financial statements, the Company was in compliance with all aforementioned clauses.

Optional Acquisition Offers

On March 28, 2023, the Company released notices of optional acquisition offers covering the simple debentures of the 9th and 10th issuances of the Company, aiming at their cancellation, as provided in the respective indentures.

On April 18, 2023, the Company announced that within the scope of said offers, 99.17% of the outstanding debentures of the 9th issuance of the 1st series, 83.16% of the outstanding debentures of the 9th issuance, 2nd series and 96.43% of the outstanding debentures of the 10th issuance were cancelled.

The price paid by the Company in relation to each of the 9th issuance debentures of the 1st series, the 9th issuance debentures of the 2nd series and the 10th issuance debentures, within the scope of the optional acquisition offers was lower than the updated nominal value of the debentures of the respective issuance/series, and was equivalent to the present value of the remaining installments of each issuance/series, calculated for the date of optional acquisition, considering as a discount rate the DI x Prefixed Rate plus a spread of (i) 1.50% per year for the debentures of the 9th issuance, 1st series; (ii) 2.00% per year, for debentures of the 9th issuance, 2nd series; and (iii) 1.50% per year for 10th issuance debentures.

The settlement of the acquisition of debentures held by debenture holders who adhered to the optional acquisition offers was carried out on April 20, 2023 in the amount of R$603,648.

Redemption of Debentures

On June 14, 2023, the 9th and 10th issue Debentures were redeemed, for their remaining principal amount plus interest on that date and redemption premium. The total amount paid on that date was R$21,207 and R$12,940 respectively.

Sustainability-linked Notes Units

The Company holds Notes Units linked to ESG (Environmental, Social and Governance) clauses in the foreign market in the aggregate principal amount of US$400,000 thousand, of which US$340,000 thousand in Senior Notes of Iochpe-Maxion Austria and US$60,000 thousand in Senior Notes of Maxion Wheels de Mexico. These units were issued at a discount of 1.45% on their face value and mature on May 7, 2028, at a fixed interest rate of 5% p.a., remunerated on a semiannual basis and denominated in US dollar.

Regarding ESG clauses, from November 7, 2026, the interest rate payable will be increased by 25 basis points to 5.25% p.a., unless the Company previously notifies the trustee, at least 30 days before the referred date, that, in relation to the year ending December 31, 2025, the goal of 30% reduction in carbon dioxide (CO^2) emission was achieved.

In addition, to hedge itself against foreign exchange risk, subsidiary Iochpe-Maxion Austria, whose functional currency is the Euro, took out a derivative instrument named cross currency swap (swap), using the same critical terms as the Senior Notes, through which the proceeds from exposure in dollar were exchanged for exposure in Euro.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The Notes Units issued by the Company are subject to covenants as to carrying out certain operations until their effective settlement, with emphasis on the occurrence of the ratio between adjusted net debt and adjusted EBITDA for the last twelve months equal to or less than: (i) 4.50 until May 7, 2023; and (ii) 3.50 after this date.

In the year ended December 31, 2023 and up until the date of approval of these individual and consolidated financial statements, the Company was in compliance with all aforementioned clauses.

Credit Facilities

The Company took out a Revolving Credit Facility in the amount of R$500,000, maturing in three years. As at December 31, 2023, the lines were available but not used.

16. Trade payables

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
In Brazil	**354,483**	420,481	**373,525**	435,017
Abroad	**2,910**	5,495	**1,532,943**	1,859,238
Related parties (Note 10.b)	**19**	315	**-**	315
Total	**357,412**	426,291	**1,906,468**	2,294,570

17. Taxes payable

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income tax of foreign subsidiaries	**-**	5,162	**52,589**	213,921
State Value Added Tax (ICMS)	**4,395**	14,492	**6,782**	15,097
Federal Value Added Tax (IPI)	**353**	782	**354**	782
Contribution on Gross Revenue for Social Security Financing (COFINS)	**9**	22	**9**	22
Withholding Income Tax (IRRF)	**8,721**	9,949	**10,377**	12,095
Other	**3,163**	4,697	**4,699**	13,186
VAT - foreign subsidiaries:				
Mexico	**-**	-	**46,022**	45,195
India	**-**	-	**644**	7,126
Turkey	**-**	-	**2,717**	6,277
Italy	**-**	-	**1,722**	2,329
Other countries	**-**	-	**882**	1,453
Total	**16,641**	35,104	**126,797**	317,483
Current	**16,641**	35,104	**126,797**	317,483

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

18. Payroll and related taxes

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Salaries	**-**	-	**106,026**	94,003
Social Charges	**16,485**	23,703	**76,235**	75,522
Vacation pay	**69,072**	78,401	**127,653**	119,724
Profit sharing	**35,535**	78,669	**141,109**	212,857
Total	**121,092**	180,773	**451,023**	502,106

19. Provision for labor, tax and civil risks

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before various courts and government bodies, arising in the normal course of business and involving tax, labor, civil and other matters.

Based on information from its legal counsel, Management analyzed ongoing proceedings and has recognized a provision in an amount considered sufficient to cover probable losses, which are presented below together with changes for the year:

	Parent				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balances at December 31, 2021	12,193	51,229	5,391	68,813	23,727	56,195	10,971	90,893
Additions	2,384	3,927	-	6,311	11,910	4,171	-	16,081
Payments	(2,965)	(4,455)	(2,614)	(10,034)	(9,065)	(4,710)	(4,305)	(18,080)
Reversals	(4,014)	(461)	(2,728)	(7,203)	(8,664)	(461)	(6,091)	(15,216)
Monetary adjustments	598	3,729	351	4,678	1,223	4,018	351	5,592
Transfers	(144)	-	144	-	(144)	-	144	-
Exchange rate changes	-	-	-	-	(183)	-	(513)	(696)
Balances at December 31, 2022	8,052	53,969	544	62,565	18,804	59,213	557	78,574
Additions	**2,137**	**3,726**	**102**	**5,965**	**7,717**	**3,772**	**123**	**11,612**
Payments	**(2,629)**	**-**	**(15)**	**(2,644)**	**(7,041)**	**(2,698)**	**(26)**	**(9,765)**
Reversals	**(3,268)**	**(383)**	**(144)**	**(3,795)**	**(7,103)**	**(404)**	**(147)**	**(7,654)**
Monetary adjustments	**634**	**4,651**	**36**	**5,321**	**1,261**	**4,875**	**37**	**6,173**
Transfers	**-**	**-**	**-**	**-**	**20**	**-**	**(20)**	**-**
Exchange rate changes	**-**	**-**	**-**	**-**	**24**	**2**	**(1)**	**25**
Balances at December 31, 2023	**4,926**	**61,963**	**523**	**67,412**	**13,682**	**64,760**	**523**	**78,965**

The proceedings classified as probable or possible loss, in which the Company and its subsidiaries figure as parties, are summarized below, according to their nature.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Proceeding of a labor nature

As at December 31, 2023, the Company and its subsidiaries figured as parties in labor claims. The main claims involve, but are not limited to, the payment of risk and health exposure premiums, recognition of employment status guarantees, lawsuits filed against third parties/service providers claiming joint/subsidiary liability of the Company and/or its subsidiaries, as well as indemnity claims deriving from work-related accidents or professional and occupational illnesses; however, no individual lawsuit involves significant loss amounts.

Proceedings of a tax nature

The tax proceedings rated as probable loss by legal advisors and in which the Company and its subsidiaries figure as parties are as follows:

	Parent		**Consolidated**	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
PIS/COFINS (a)	**11,001**	10,221	**12,972**	12,007
INSS (b)	**44,917**	37,573	**44,917**	37,573
FGTS (c)	**4,100**	4,024	**4,713**	4,626
Other	**1,945**	2,151	**2,158**	5,007
Total	**61,963**	53,969	**64,760**	59,213

In the individual and consolidated financial statements, accrued amounts refer mostly to:

(a) Legal discussion related to non-requirement of PIS/COFINS on finance income and on commission paid to agent and commercial representatives abroad.

(b) Legal discussion related to non-requirement of Accident Prevention Factor (FAP) in the calculation of Occupational Accident Insurance (SAT) and that social contribution on 1/3 vacation bonus be declared unconstitutional.

(c) Legal discussion related to non-requirement of additional 10% on deposits made by the Company referred to FGTS.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Risks classified as possible loss

The Company and its subsidiaries are parties to labor, tax and civil proceedings involving contingent liabilities for which a provision was not recorded since they involve a possible or remote loss, as determined by Management and its legal advisors. As at December 31, 2023, on a Consolidated basis, these lawsuits whose chance of loss is classified as possible are presented below, including the details of the main cases:

	Parent		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Labor	**78,463**	57,235	**132,424**	138,150
Tax	**525,233**	543,700	**548,035**	572,744
Civil	**807**	611	**807**	611
Total	**604,503**	601,546	**681,266**	711,505

(a) Administrative tax proceeding No. 3.127.787-1 filed against the Company, regarding: (i) the supposed failure to issue tax documents (invoices) arising from alleged inventory differences identified in a tax audit of activities involving the shipment for and return from manufacturing operations; (ii) the supposed receipt of goods without tax documents (invoices) arising from alleged inventory differences identified in a tax audit of activities involving the shipment for and return from manufacturing operations; (iii) the recording of ICMS tax credits (VAT) on acquisitions from entities subject to the so-called Simples (simplified taxation regime); and (iv) the filing of a digital file (SINTEGRA file) in violation of the template or format required by the Brazilian legislation. The item (i) of the aforementioned tax notice was definitively canceled at the administrative level, and a petition to reverse the decision was filed for the other items. On October 31, 2023, the Company was handed down a partially favorable decision, limiting the amount required as interest to the SELIC level; in view of the final administrative decision, the recalculation of the assessment notice amount and subpoena by the State Department of Finance is awaited, so that the Company can defend its interests in the legal level. The amount under dispute classified as a possible loss at September 30, 2023 was equivalent to R$154,910.

(b) Tax assessment notice issued by the State Department of Finance (SEFAZ) of Rio de Janeiro state against the Company in November 2021, for the period from January 2016 to September 2021, alleging noncompliance with the regulatory requirements set forth in SEFAZ Resolution No. 905/2015 for the application of the special ICMS deferral taxation regime established in State Law No. 6953/2015 in sales of the Resende branch, with the collection of ICMS tax for the period and application of a fine of 75%; administrative defense submitted; an administrative lower court decision is currently awaited, and the total amount discussed is classified as a possible loss corresponding to R$167,602.

(c) Administrative proceedings No. 16045.720012/2015-62 and No. 16045.720013/2015-15, requesting respectively: (i) the payment of IRPJ (corporate income tax) tax amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2011; and (ii) the payment of CSLL (social contribution) amounts as a result of the IRPJ tax amounts claimed in item (i), plus interest and a 75% automatic fine on both IRPJ and CSLL, as well as administrative proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 requesting the disallowance of income tax and social contribution losses balances for calendar year 2012, due to the supposedly incorrect deduction of income tax paid abroad mentioned in item (i) above. Administrative defenses were filed, on which decisions were handed down at the lower court. The case is pending decision at the administrative higher court, given the appeals filed by the National Treasury Department and by the Company against the partially favorable decisions for proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 (calendar year 2012); the total amount under dispute, assessed as a possible loss, is R$6,972. In view of the favorable decision in the lower court for proceedings No. 16045.720012/2015-62 and No. 16045.720013/2015-15 (calendar year 2011), the filling of records is awaited.

(d) Administrative proceedings No. 16048.720140/2017-48 and No. 16048.720.402/2017-74, requesting respectively: (i) the payment of IRPJ (income tax) tax amounts under allegations of incorrect deduction of income tax paid abroad for calendar year 2012; and (ii) the payment of CSLL (social contribution) amounts as a result of the IRPJ tax amounts claimed in item (i) above, plus interest, a 75% automatic fine, and a one-time fine on both IRPJ and CSLL. Administrative defenses were filed and decisions partially favorable to the Company were rendered at lower administrative level, while higher administrative level decisions are currently awaited due to appeals lodged by the National Treasury Department and by the Company. These cases are in connection with proceedings No. 10860.901849/2015-11 and No. 10860.901848/2015-76 (item c above). The amount under dispute, assessed as a possible loss, is R$76,440.

(e) Administrative proceeding No. 15746-725,694/2023-40, which request additional charge to GILRAT at the rate of 6% to finance the 25-year special retirement due to the exposure of employees to the harmful agent noise, supposedly not neutralized, in the Company's production establishments, from 01/01/2019 to 12/31/2020. Administrative defense submitted, an administrative lower court decision is awaited, the total amount discussed is classified as a possible loss corresponding to R$33,401.

(f) Administrative proceedings No. 13881.720061/2015-55, No. 10865-720.674/2020-60, No. 13603-720.924/2020-31 and No. 10860-720.538/2020-10, which request the payment of taxes relating to unapproved offsets, due to the supposed lack of proof of payment of tax credit amounts relating to the CACEX rate, plus interest and a 20% automatic fine. The protest letter was deemed unfounded and an appeal was filed by the Company for consideration at the administrative higher court. The amount under dispute, assessed as possible loss, corresponds to R$29,568.

Pursuant to a tax audit conducted by the Mexican tax authorities for the year ended December 31, 2012, the Company's subsidiary in Mexico, Maxion Wheels de México, S. de R.L. de C.V. received a tax assessment notice, which mainly alleged: (i) supposed non-deductibility for tax purposes of interest expenses relating to loan obtained in January 2012 from a financial institution to finance the acquisition of the Mexican company Ingeniería y Maquinaria de Guadalupe, S.A. de C.V.; and (ii) supposed omission of revenue based on the capital gain concept upon the intragroup disposal of said company, which took place in December 2012, with the relevant appeal having been filed at administrative level.

In order to avoid lawsuits on this matter, as well as the difficulties and costs deriving therefrom, and considering the significant amount involved, the Company sought an extrajudicial settlement to an end, within the administrative level, to the discussions in the scope of the tax audit referring to the year 2012 aforementioned, as well as the tax audits for the years 2013 to 2015, carried out by the Mexican tax authorities on the subsidiary Ingeniería y Maquinaria de Guadalupe, S.A. de C.V. upon the payment by the taxpayers of the total amount of approximately R$181,000. The total amount involved in these discussions, updated on September 30, 2022, corresponded to approximately R$1,146,428, according to the material fact disclosed on December 7, 2022.

At December 31, 2022, the agreement with the Mexican tax authorities had already been concluded to end audits at the subsidiary Ingeniería y Maquinaria de Guadalupe, S.A. de C.V. with the consequent payment of the amount of R$48,176 (recorded in the statement of profit or loss for the year ended December 31, 2022 under income tax and social contribution in the total of R$24,228 and interest and monetary adjustments under finance costs in the total of R$23,948). At March 31, 2023, negotiations were finished to put an end at administrative level as well, to the discussions within the scope of the tax audit at subsidiary Maxion Wheels de México, S. de R.L. de C.V. upon payment by the taxpayer of the amount of R$146,999, of which interest and monetary adjustments were recognized under finance costs in the total amount of R$1,815. The termination of said tax audit at Maxion Wheels de México, S. de R.L. de C.V. took place on April 28, 2023.

In June 2022, the premises of Maxion Wheels Holding GmbH (a subsidiary of the Company) in Königswinter, Germany, were inspected by the German antitrust body (Bundeskartellamt), in the context of an investigation concerning suspected noncompliance with competition laws related to light aluminum wheel manufacturers. The Company is fully cooperating with the authorities. In the event a violation of the applicable statutes is deemed to have occurred, such subsidiary could be subject to a fine or civil proceedings. This is an ongoing investigation and the Company is unable to anticipate the duration, scope or outcome of the investigation.

The Company is party to tax nature administrative proceedings related to the collection by the Brazilian Internal Revenue Service of a specific fine imposed in addition to applicable fine and interest for non-approval of offsets, premised on article 74, paragraph 17, of Law No. 9430/1996 and Revenue Procedure (IN) No. 1675 of 2016; administrative defenses were presented and a lower court decision is pending, with the total amount under discussion being R$30,487. On March 20, 2023, Brazil's Federal Supreme Court, in judgment of the Extraordinary Appeal (RE) 796939, with general resonance recognized through Topic 736, and the Direct Action of Unconstitutionality (ADI) 4905, decided for the unconstitutionality of the application of the specific fine in view of the mere refusal to approve tax offsets. Considering this decision, the legal advisors reclassified the cases in progress, assessing their risk as remote likelihood of loss.

Judicial deposits linked to provision - consolidated

These represent restricted assets of the Company and its subsidiaries referring to amounts deposited in court in connection with legal proceedings assessed as probable losses, which will be held by courts until a final decision is reached. As at December 31, 2023, the balance is R$63,813 (R$56,533 as at December 31, 2022).

20. Actuarial pension plan liabilities

a) Defined contribution – Pension Plan

Parent

The Company sponsors since August 1, 2004 a retirement plan managed by BrasilPrev Seguros e Previdência S.A., which offers retirement supplementary pension plans, lump-sum payment and health benefit. As at December 31, 2023, 5,172 Company employees participate in this plan (5,170 at December 31, 2022). The contributions made by the Company totaled R$2,969 at December 31, 2023 (R$2,696 at December 31, 2022).

Maxion Wheels

Indirect subsidiary Maxion Wheels sponsors a pension plan, substantially covering all employees of the units located in the United States of America. This subsidiary's contribution totaled R$3,158 (R$2,974 at December 31, 2022).

b) Defined benefit – Post-employment healthcare and pension plan – Consolidated

The Company, by means of its indirect subsidiary Maxion Wheels, sponsors certain defined benefit pension plans and post-employment healthcare plans ("Other plans"), as well as life insurance. The subsidiary supports pension benefits based on the funding requirements set forth by international laws and the regulations of referred to plans, prior to payment of the benefits. Moreover, the subsidiary supports other benefits to the extent that these benefits become available to the employees.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Changes in the present value of the defined benefit

	12/31/2023					12/31/2022				
	Defined benefit plan					Defined benefit plan				
Defined benefit obligations	Germany	Spain	Mexico	Other plans	Total	Germany	Spain	Mexico	Other plans	Total
Obligations assumed at beginning of year	**(359,343)**	**(22,140)**	**(6,731)**	**(130,725)**	**(518,939)**	(556,569)	(32,006)	(11,092)	(97,581)	(697,248)
Benefits paid by the plan	**25,472**	**2,182**	**629**	**35,763**	**64,046**	27,115	2,225	-	5,398	34,738
Current service costs and interest	**(20,452)**	**(967)**	**(962)**	**(27,628)**	**(50,009)**	(13,183)	(479)	847	(12,980)	(25,795)
Effect of changes in financial assumptions	**(16,615)**	**(319)**	**(81)**	**(20,780)**	**(37,795)**	107,731	3,784	2,289	(15,916)	97,888
Effect of experience adjustment	**5,679**	**137**	**(623)**	**3,095**	**8,288**	6,454	394	882	(31,558)	(23,828)
Exchange rate changes from translation of financial statements	**14,110**	**855**	**(446)**	**28,639**	**43,158**	69,109	3,942	343	21,912	95,306
Defined benefit obligations at end of year	**(351,149)**	**(20,252)**	**(8,214)**	**(111,636)**	**(491,251)**	(359,343)	(22,140)	(6,731)	(130,725)	(518,939)

	12/31/2023					12/31/2022				
	Defined benefit plan					Defined benefit plan				
Fair value of plan assets	Germany	Spain	Mexico	Other plans	Total	Germany	Spain	Mexico	Other plans	Total
Plan assets at beginning of year	**32,543**	**14,543**	**1,740**	**7,854**	**56,680**	48,332	21,904	1,676	8,541	80,453
Finance income	**1,231**	**524**	**155**	**497**	**2,407**	374	163	132	411	1,080
Contributions paid to the plan	**32,112**	**1,509**	**629**	**34,384**	**68,634**	33,765	740	-	5,488	39,993
Benefits paid by the plans	**(25,472)**	**(2,182)**	**(629)**	**(35,763)**	**(64,046)**	(27,115)	(2,225)	-	(5,398)	(34,738)
Return expected from plan assets	**5,901**	**(124)**	**16**	**-**	**5,793**	(16,843)	(3,328)	(50)	194	(20,027)
Exchange rate changes from translation of financial statements	**(1,404)**	**(566)**	**113**	**(582)**	**(2,439)**	(5,970)	(2,711)	(18)	(1,382)	(10,081)
Fair value of plan assets at end of year	**44,911**	**13,704**	**2,024**	**6,390**	**67,029**	32,543	14,543	1,740	7,854	56,680
Total noncurrent liabilities	**(306,238)**	**(6,548)**	**(6,190)**	**(105,246)**	**(424,222)**	(326,800)	(7,597)	(4,991)	(122,871)	(462,259)

	12/31/2023					12/31/2022				
	Defined benefit plan					Defined benefit plan				
Net cost of benefit	Germany	Spain	Mexico	Other plans	Total	Germany	Spain	Mexico	Other plans	Total
Service cost	**(7,390)**	**(176)**	**(360)**	**(9,945)**	**(17,871)**	(8,995)	(240)	1,578	(4,136)	(11,793)
Finance costs	**(13,062)**	**(791)**	**(602)**	**(17,683)**	**(32,138)**	(4,188)	(239)	(731)	(8,844)	(14,002)
Net cost of benefit	**(20,452)**	**(967)**	**(962)**	**(27,628)**	**(50,009)**	(13,183)	(479)	847	(12,980)	(25,795)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Actuarial assumptions used for calculating cost and obligations were as follows:

Weighted average of assumptions used	Pension	Other plans
Discount rate – foreign	5.42%	9.00%
Salary increase rate – foreign	4.62%	5.50%
Inflation growth rate – foreign	4.39%	4.00%

The discount rate was calculated using timely interest rates increasing a half percentage point for each of the following 30 years and based on information of price and profit for first-tier companies, maturing from 12 months to 30 years.

The Company does not have funding agreements and/or funding policies that could affect future contributions. Estimated expectations for the next financial year are as follows:

	Pension	Other plans
Expected contributions	7,356	645
Benefits payouts	26,640	8,130

Analysis of sensitivity of the obligations

As at December 31, 2023, changes in the discount rates used for valuation of the benefit obligations would have the following impacts on the obligations related to the defined benefit plan and on the weighted average duration of the defined benefit obligation (in years), as follows:

	Pension	Other plans
Scenario considering rate decrease of 50 base points to:	3.02%	13.42%
Increase in defined benefit obligations	18,832	6,570
Weighted average duration of defined benefit obligation (in years)	10	13
Scenario considering rate increase of 50 base points to:	4.02%	14.42%
Decrease in defined benefit obligations	17,857	6,178
Weighted average duration of the defined benefit obligation (in years)	10	13

By developing the assumption on expected long-term return rate of the assets, the historical return and expected future return for each class of asset were taken into consideration, as well as the allocation purpose of the pension plan asset portfolio.

Contributions paid to plans

In 2023, indirect subsidiary Maxion Wheels contributed R$34,250 to the defined benefit plans (R$34,505 at December 31, 2022).

21. Equity

a) Share capital

As at December 31, 2023, the Company's fully subscribed and paid-in capital is R$1,576,954,290.05 (one billion five hundred seventy-six million nine hundred fifty-four thousand two hundred ninety reais and five cents), comprising 153,719,601 (one hundred fifty-three million seven hundred nineteen thousand six hundred one) registered common shares with no par value.

Under the bylaws, as decided by the Board of Directors, regardless of amendment to the bylaws, the Company may increase its share capital, limited, however, to 82,000,000 registered common shares, nominative and without par value, through the issuance of new common shares. Out of the total limit, 58,856,229 shares have already been issued, and 23,143,771 new shares are subject to issuance.

Within the limit of authorized capital and in accordance with the plan approved by the Shareholders' General Meeting, the Company may grant stock options to its officers, employees or individuals who provide services to the Company, pursuant to paragraph 3, article 168 of Law No. 6404/76.

b) Reserve for investment and working capital

This reserve aims to ensure investments in production assets and increase in working capital, even by amortizing the Company's debts, as well as by capitalizing and financing subsidiaries and joint ventures. This reserve will comprise a minimum 10% and a maximum of 58% of net profit for the year, limited to the total amount of share capital plus the legal reserve.

c) Allocation of profit

The profit for the year, computed in accordance with the terms of article 191 of Law No. 6404/76, will be allocated as follows: (i) 5% to the legal reserve, which cannot exceed 20% of capital; (ii) 37% for distribution as mandatory dividends; and (iii) the remaining amount, which is not allocated to the investment and working capital reserve or retained as defined in the capital budget approved by the Annual Shareholders' Meeting, will be allocated as supplementary dividends to the shareholders.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

	12/31/2023	12/31/2022
Profit for the year	**30,733**	278,933
Realization of deemed cost depreciation, net of taxes	**4,762**	5,454
Total to be distributed	**35,495**	284,387
Allocation of profit:		
(-) Legal reserve (5%)	**(1,775)**	(14,219)
(-) / + Bylaws reserve for investments and working capital (58%)	**(20,587)**	(164,945)
(-) Minimum mandatory dividends (37%)	**(13,133)**	(105,223)
+ Interest on equity attributed to mandatory minimum dividends, net of IRRF tax	**-**	59,699
(-) Mandatory minimum dividends (Balance)	**(13,133)**	(45,524)
Proposed dividends	**13,133**	45,524
Interest on equity, gross	**-**	65,626
Total distributed	**13,133**	111,150
Total distribution	**37%**	39.1%

d) Treasury shares

On May 9, 2023, the Company concluded the share buyback program, 1,200,000 (one million two hundred thousand) own shares were acquired, for an average price of R$11.74, totaling R$14,091, which together with the shares already held in treasury would represent 2.65% of the outstanding shares.

As at December 31, 2023, the Company had 3,449,827 common shares in the amount of R$55,539 (2,249,827 common shares in the amount of R$41,448 as at December 31, 2022), as a commitment under the long-term incentive program.

The market value of the common shares held in treasury totals R$44,468, reflecting the price of R$12.89 per share as at December 31, 2023.

e) Valuation adjustments to equity

These are recorded as a result of revaluation of property, plant and equipment's items (deemed cost) based on appraisal reports prepared by independent valuation experts upon first-time adoption of CPCs and IFRSs. The corresponding income tax and social contribution are classified in noncurrent liabilities and are realized upon depreciation or write-off of the revalued assets matched against accumulated losses, net of taxes. Foreign exchange differences on foreign investments are allocated to Other comprehensive income (loss), whose functional currency is other than the Company's functional currency, and the effects of the monetary correction of balance of the financial position of the investment in Argentina, due to the hyperinflationary economy.

f) Legal reserve

This is a requirement for all Brazilian companies and represents allocation of 5% of profit for the year based on Brazilian legislation, up to the limit of 20% of the subscribed share capital.

g) Capital reserve

At December 31, 2023, this refers to granted options written off.

22. Long-term incentive plan

In 2020, 2021, 2022 and 2023, the Board of Directors approved the long-term incentive programs referring to the profit or loss for the years 2020 to 2023 ("Program 2020"), the profit or loss for the years 2021 to 2024 ("Program 2021"), the profit or loss for the years 2022 to 2025 ("Program 2022") and the profit or loss for the year 2023 to 2026 ("Program 2023"), respectively, in line with the Long-Term Incentive Plan, which is intended to: (i) promote the Company's good performance and meet the interests of its shareholders through a long-term commitment on the part of the Company's managers and employees; (ii) enable the Company to retain its main professionals, as well as attract new talent; and (iii) align the compensation and benefits granted to certain managers and employees of the Company with the performance of the shares issued by the Company on the stock exchange and with the economic and financial performance of the Company.

Under the terms and conditions of the Company's long-term incentive plan and respective programs, the beneficiaries of said programs will be entitled to cash premiums referenced (i) in the appreciation of the shares issued by the Company on the stock exchange; and (ii) the return on capital invested in the Company ("Return On Invested Capital" or "ROIC"). For the purposes of this plan, the receipt of premiums is called "Restricted Stock Unit" or "RSU", in the first case, and "Performance Share" or "PS", in the second case. Each unit granted, in the amount of R$23.32, R$15.02, R$15.19 and R$11.18 for the 2020, 2021, 2022 and 2023 Programs, respectively, is equivalent to the weighted average price of the shares (MYPK3) trade on B3 S.A. Brasil, Bolsa, Balcão, in the 20 (twenty) trading sessions prior to the period of 8 (eight) days prior to the respective grant dates in January of each of those years.

The RSUs will be settled in 3 annual tranches, starting on the second anniversary of the grant date, and each RSU will be equivalent to the weighted average price of shares (MYPK3) traded on B3 in the 20 (twenty) trading sessions prior to the settlement date. The PSs granted based on the programs for the years 2020, 2021, 2022 and 2023 will only be settled if the Company's average ROIC calculated (i) from January 1, 2020 to December 31, 2023, (ii) from January 1, 2021 to December 31, 2024, (iii) from January 1, 2022 to December 31, 2025, and (iv) from January 1, 2023 to December 31, 2026, respectively, is met in accordance with the targets set by the Board of Directors for each long-term incentive program.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The settlement dates for each program are as follows:

Program	Tranche	Maturity	Outstanding RSUs e PSs
RSU - 2020	33.3%	03/20/2024	53,707
PS - 2020	100%	03/20/2024	120,960
RSU – 2021	33.3%	03/20/2024	109,643
RSU – 2021	33.3%	03/20/2025	109,643
PS – 2021	100%	03/20/2025	329,259
RSU – 2022	33.4%	03/20/2024	139,802
RSU – 2022	33.3%	03/20/2025	139,383
RSU – 2022	33.3%	03/20/2026	139,383
PS – 2022	100%	03/20/2026	418,568
RSU – 2023	33.4%	03/20/2025	181,707
RSU – 2023	33.3%	03/20/2026	181,163
RSU – 2023	33.3%	03/20/2027	181,163
PS – 2023	100%	03/20/2027	544,033

As at December 31, 2023, the total provision recorded as “Other payables” is R$5,235 in the individual financial statements (R$3,364 at December 31, 2022) and R$13,747 in the consolidated financial statements (R$8,678 at December 31, 2022). Treasury shares held for purposes of making payments under the 2020, 2021, 2022 and 2023 Programs are described in Note 21.d).

23. Finance income (costs)

	Parent		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Finance income:				
Income from short-term investments	**134,885**	54,973	**149,176**	60,364
Pension plan interest income	**-**	-	**2,407**	1,080
Discounts obtained and interest on trade receivables	**5,114**	4	**5,114**	4
Financial gain on lawsuits	**4,797**	5,372	**5,141**	5,693
Finance income on PIS and COFINS credits (i)	**11,785**	17,001	**18,884**	21,758
Monetary adjustment on IRPJ/CSLL credits	**7,336**	8,974	**8,486**	10,184
Fair value of financial instruments	**8,784**	3,963	**8,784**	3,963
Other	**10,442**	4,574	**18,159**	11,409
Total	**183,143**	94,861	**216,151**	114,455
Finance costs:				
Interest expenses and finance charges	**(399,692)**	(392,458)	**(582,623)**	(514,383)
Pension plan interest expenses	**-**	-	**(32,138)**	(14,002)
Monetary adjustment of provisions for risks	**(5,320)**	(4,678)	**(6,173)**	(5,592)
Tax on Financial Transactions (IOF)	**(1,236)**	(4,369)	**(1,255)**	(4,395)
Amortized cost of debenture issues	**(16,166)**	(18,552)	**(16,166)**	(18,552)
Amortized cost (Sustainability-linked Notes Units)	**-**	-	**(7,876)**	(8,221)
Bank expenses	**(10,632)**	(6,937)	**(27,181)**	(21,563)
Charges and monetary adjustment of tax liabilities (ii)	**-**	-	**(1,815)**	(97,732)
Fair value of financial instruments	**(13,020)**	-	**(13,020)**	-
Other	**(10,107)**	(9,370)	**(14,112)**	(28,913)
Total	**(456,173)**	(436,364)	**(702,359)**	(713,353)

(i) As described in Note 8, item (i), plus financial adjustments on credits previously recognized.
(ii) As mentioned in Note 17.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

24. Foreign exchange gains (losses), net

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade receivables	**(369)**	(847)	**(162,205)**	(62,270)
Borrowings and financing	**2,366**	(14,142)	**(160)**	(21,156)
Trade payables	**309**	351	**122,271**	42,146
Short-term investments	**-**	-	**(3,660)**	2,852
Derivative financial instruments	**-**	-	**11,520**	17,465
Other	**638**	(233)	**566**	2,197
Total	**2,944**	(14,871)	**(31,668)**	(18,766)

25. Net sales and service revenue

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross sales and service revenue	**4,637,359**	6,281,559	**15,929,334**	18,229,091
Deductions:				
Sales taxes	**(829,994)**	(1,172,179)	**(885,468)**	(1,222,653)
Rebates, returns and cancelations	**(31,757)**	(26,193)	**(88,646)**	(58,569)
Total	**3,775,608**	5,083,187	**14,955,220**	16,947,869

26. Costs and expenses by nature

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Raw material	**(1,982,108)**	(2,860,465)	**(8,255,824)**	(10,090,883)
Salaries and benefits	**(889,957)**	(972,234)	**(2,723,153)**	(2,534,804)
Materials / Maintenance	**(222,427)**	(288,674)	**(975,010)**	(950,008)
Electric power	**(83,545)**	(88,492)	**(638,331)**	(664,587)
Depreciation and amortization	**(71,916)**	(70,430)	**(470,287)**	(491,231)
Third-party services	**(108,736)**	(112,320)	**(330,736)**	(332,957)
Freight	**(62,143)**	(91,708)	**(330,161)**	(361,865)
Management fees	**(17,747)**	(18,971)	**(17,747)**	(18,971)
Personnel transportation / communication	**(28,107)**	(26,488)	**(66,886)**	(58,502)
Other costs and expenses	**(69,891)**	(68,656)	**(396,419)**	(378,008)
Total	**(3,536,577)**	(4,598,438)	**(14,204,554)**	(15,881,816)
Classified as:				
Cost of goods sold and services	**(3,334,900)**	(4,405,179)	**(13,446,975)**	(15,139,227)
Selling expenses	**(19,621)**	(27,223)	**(81,674)**	(96,095)
General and administrative expenses	**(164,309)**	(147,065)	**(658,158)**	(627,523)
Management fees	**(17,747)**	(18,971)	**(17,747)**	(18,971)
Total	**(3,536,577)**	(4,598,438)	**(14,204,554)**	(15,881,816)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

27. Other operating income (expenses)

	Parent		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Revenue on the exclusion of ICMS from PIS/COFINS base (i)	**14,044**	58,582	**15,042**	61,760
Restructuring expenditures (ii)	**(7,356)**	(1,343)	**(14,419)**	(40)
Impairment of assets	**82**	617	**1,606**	3,465
Gain (loss) on the sale of assets	**587**	(3,919)	**613**	(1,233)
Expenses arising from intercompany transactions (iii)	**(24,891)**	(35,502)	**-**	-
Earnings from insurance reimbursements (iv)	**1,539**	-	**21,750**	100,858
Other operating income (expenses)	**(27,703)**	(25,779)	**(7,055)**	(15,624)
Total	**(43,698)**	(7,344)	**17,537**	149,186

(i) As per Note 8, item (i).

(ii) Due to the reduction in the volume produced in some locations and as a result of the development of automation of manufacturing processes, certain areas underwent structural reorganizations.

(iii) These are transactions between companies within the same Group, mainly relating to charges for corporate services and allocation of expenses. Such transactions are eliminated upon consolidation.

(iv) Out of the total earnings from insurance payments, R$5,600 were reimbursed to the Company for damage to its assets and facilities, while R$12,962 were reimbursed due to business interruption and R$3,188 as for other types of claims.

28. Risk management and financial instruments

a) General considerations and policies

The Company and its subsidiaries enter into transactions involving financial instruments, including derivatives, when applicable, all recorded in equity accounts, which are intended to meet their operating and financial needs. These instruments are represented by short-term investments, borrowings, financing and debentures, and intercompany loans, as well as derivative financial instruments.

These financial instruments are managed through policies, definition of strategies and establishment of control systems, being monitored by the Board of Directors, through the Financial Committee.

The policy related to financial instruments for hedging purposes is also approved by the Board of Directors, being subsequently and periodically analyzed in relation to the exposure to the risk that is intended to hedge. The results obtained from these transactions are consistent with the policies and strategies defined by the Company's Management. The Company and its subsidiaries do not make any speculative investments in derivatives or in any other risky asset.

The Company’s Board of Directors follows up on how Management monitors adherence to risk management policies and procedures and reviews the adequacy of the risk management model in relation to the risks accepted by the Company and its subsidiaries.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Classification of financial instruments by category

		Parent		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
	Note	Amortized cost	Amortized cost	Amortized cost	Amortized cost
Assets					
Cash and cash equivalents	5	**1,733,350**	1,236,846	**2,962,366**	2,287,054
Trade receivables	6	**121,395**	578,102	**1,261,050**	2,053,692
Total		**1,854,745**	1,814,948	**4,223,416**	4,340,746
Liabilities:					
Borrowings and financing	15	**1,956,822**	1,217,977	**5,275,070**	4,885,758
Debentures	15	**1,490,463**	1,591,230	**1,490,463**	1,591,230
Trade payables	16	**357,412**	426,291	**1,906,468**	2,294,570
Total		**3,804,697**	3,235,498	**8,672,001**	8,771,558

b) Fair values

In the case of the Company and its subsidiaries, the new financial instruments included in the statements of financial position, such as bank accounts, short-term investments, short-term trade receivables and trade payables are presented at values close to market. The current financial instruments are nonetheless already measured at their fair values (level 1).

At December 31, 2023, the comparison between the fair value and the amortized cost of borrowings, financing and debentures is as follows:

Book value	Fair value
6,765,533	**6,752,221**

c) Financial risk management

The operations of the Company and its subsidiaries are subject to the following risk factors:

Credit risk

This arises from the possibility of the Company and its subsidiaries incurring losses resulting from default by their counterparties or financial institutions where funds or financial investments are deposited. To mitigate these risks, the Company and its subsidiaries analyze the financial position of their counterparties and establish credit limits, constantly monitoring the outstanding positions. With respect to financial institutions, the Company and its subsidiaries only carry out transactions with financial institutions with a history of strong credit position, prioritizing security and soundness.

In relation to trade receivables, the Company believes that, due to (i) its strict credit rating analysis; (ii) continuous monitoring of outstanding balances; and (iii) the fact that its customers are large-sized car manufacturers that have good risk ratings, credit risk is under control.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The Company's Management believes that it accrues sufficient provisions to cover default amounts, according to information disclosed in Note 6.

Liquidity risk

Prudent of liquidity risk management implies maintaining sufficient cash, marketable securities, availability of funding through committed credit lines and the ability to settle market positions. Due to the dynamic nature of the Company's and its subsidiaries' business, the Treasury area maintains flexibility in funding by maintaining committed credit facilities.

Management monitors the Company's consolidated liquidity level, considering the expected cash flow as a counterpart to unused credit facilities and the amounts available in cash and cash equivalents. This forecast considers debt financing plans, compliance with internal balance sheet ratio targets and, where applicable, external regulatory or legal requirements (e.g. currency restrictions). Through its risk management, the Company sets a minimum consolidated cash limit and financial indicators for debt management.

The excess cash held by operating entities, in addition to the balance required for working capital purposes, is maintained within the entities themselves, but managed by the Corporate Finance department. The Company invests its liquidity according to its financial risk management, in financial investments with liquidity shorter than 90 days, through cash deposits in financial institutions.

The following table represents the non-derivative financial liabilities of the Company and its subsidiaries, by maturity range, corresponding to the period remaining in the statement of financial position until the contractual maturity date:

	12/31/2023							
	Parent				Consolidated			
	Less than 1 year	1 to 2 years	Above 2 years	Total	Less than 1 year	1 to 2 years	Above 2 years	Total
Trade payables	357,412	-	-	357,412	1,906,468	-	-	1,906,468
Borrowings, financing and debentures	1,366,765	1,032,325	2,113,284	4,512,374	2,174,023	1,684,595	839,626	4,698,244
Total	1,724,177	1,032,325	2,113,284	4,869,786	4,080,491	1,684,595	839,626	6,604,712

Interest rate risk

This arises from the possibility of the Company and its subsidiaries being subject to gains or losses from fluctuations in interest rates on their financial assets and liabilities. In order to mitigate this type of risk, the Company and its subsidiaries seek to diversify fundraising in terms of fixed or floating rates.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Foreign currency risk

This risk arises from the fluctuation in the exchange rates of foreign currencies used by the Company and its subsidiaries in obtaining financial instruments in foreign currency other than the functional currency of each entity, as well for the acquisition of materials, sale of products, and financial instruments the entities enter into. In addition to payables and receivables in foreign currencies, the Company and its subsidiaries invest in foreign direct and indirect subsidiaries and have operating cash flows involving purchase and sale in other currencies. The Company and its subsidiaries have a specific policy about hedge transactions to mitigate these risks.

As of December 31, 2023, the Company's balances denominated in foreign currency, which expose the Company and its subsidiaries to foreign currency risks, are as follows:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets:				
Trade receivables (i)	**25,024**	20,264	**1,198,784**	1,522,942
Derivative financial instruments	**-**	-	**147,156**	269,391
Foreign related parties	**28,769**	27,484	**-**	90
Total assets	**53,793**	47,748	**1,345,940**	1,792,423
Liabilities:				
Borrowings and financing (ii)	**387,229**	-	**3,705,477**	3,667,781
Trade payables (iii)	**2,910**	5,495	**1,532,943**	1,859,238
Derivative financial instruments	**-**	-	**4,310**	5,356
Foreign related parties	**19**	-	**-**	-
Total liabilities	**390,158**	5,495	**5,242,730**	5,532,375
Net exposure	**(336,365)**	42,253	**(3,896,790)**	(3,739,952)
(-) Foreign subsidiaries with local functional currency	**-**	-	**3,531,702**	3,754,816
(-) Hedge of net investments abroad	**387,304**	-	**387,304**	-
Total exposure for sensitivity analysis purposes	**50,939**	42,253	**22,216**	14,864

(i) In the Consolidated as of December 31, 2023, 95.1% (74.2% as of December 31, 2022) refer to trade receivables held by subsidiaries located abroad, denominated in US dollars, euros and yuan.

(ii) In the Consolidated as of December 31, 2023, out of the total balance of borrowings, financing and debentures, 54.8% (56.6% as of December 31, 2022) refer to loans obtained in local currency from subsidiaries located abroad, denominated in US dollars, as shown in Note 15.

(iii) In the Consolidated as of December 31, 2023, 80.4% (81.0% as of December 31, 2022) refer to trade payables held by subsidiaries located abroad, denominated in US dollars, euros and yuan.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Foreign currency risk arises from fluctuations in foreign exchange rates of foreign currency-denominated borrowings and financing, and trade receivables and payables. At December 31, 2023, part of such exposure is hedged with cross currency swap derivatives, and designated as cash flow hedge, as follows:

Cash flow hedge:

Hedging instruments	Hedged item	Hedged risk	Hedging period	Notional value - asset position (US$)	Notional value – liability position (Euro)	Fair value (Euro) at 12/31/23	Fair value (R$) at 12/31/23	Cash flow hedge balance (R$) at 12/31/23	Cash flow hedge balance (R$) at 12/31/22
Cross-Currency Swap - US$/Euro	Sustainability-linked Notes Units	Currency risk - Principal and Interest	05/07/2021 to 05/07/2028	340,000 thousand	279,835 thousand	27,498	147,156	(1,733)	56,195

Hedging instruments	Hedged item	Hedged risk	Hedging period	Notional value – asset position (US$)	Notional value – liability position (R$)	Fair value (R$) at 12/31/23	Cash flow hedge balance (R$) at 12/31/23	Cash flow hedge balance (R$) at 12/31/22
Cross-Currency Swap - US$/BRL	Export credit notes	Currency risk - Principal and Interest	03/31/2022 to 03/28/2024	30,000 thousand	142,290	351	(557)	(423)

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Foreign investment hedge:

In March 2023, two loans were raised in the total amount of US$39,200 thousand designated as a hedging instrument to protect the net investment in subsidiary Iochpe Sistemas Automotivos de México, S.A. de C.V. whose functional currency is the US dollar, with the objective of hedging against the Company's exposure to currency risk on this investment. Foreign exchange gains and losses arising from these financial liabilities are transferred to Other comprehensive income to offset any gains and losses on the translation of net investments in the subsidiary. The Company established a coverage ratio of 1:1 for the hedge relationship, as the underlying risk of the hedging instrument is identical to the hedged item component. In November 2023, these loans were fully repaid.

Hedging instrument	Hedged item	Hedged risk	Hedging period	Notional value of hedging instrument (US$)	Designated notional value of hedged item (US$)	Hedge balance (R$) at 12/31/2023	Hedge balance (R$) at 12/31/2022
Loan denominated in foreign currency (US$)	Iochpe Sistemas Automotivos de México, S.A. de C.V.	Currency risk	03/10/2023 to 11/30/2023	39,200 thousand	39,200 thousand	11,999	-

In December 2023, a loan was raised in the total amount of US$80,000 thousand designated as a hedging instrument to protect the net investment in subsidiary Iochpe Sistemas Automotivos de México, S.A. de C.V. whose functional currency is the US dollar, with the objective of hedging against the Company's exposure to foreign currency risk on this investment. Foreign exchange gains and losses arising from these financial liabilities are transferred to Other comprehensive income to offset any gains and losses on the translation of net investments in the subsidiary. The Company established a coverage ratio of 1:1 for the hedge relationship, as the underlying risk of the hedging instrument is identical to the hedged item component.

Hedging instrument	Hedged item	Hedged risk	Hedging period	Notional value of hedging instrument (US$)	Notional value designated as hedging object (US$)	Hedging balance (R$) at 12/31/2023	Hedging balance (R$) at 12/31/2022
Loan denominated in foreign currency (US$)	Iochpe Sistemas Automotivos de México, S.A. de C.V.	Currency risk	12/22/2023 to 12/15/2028	80,000 thousand	80,000 thousand	2,736	-

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

The gain or loss related to the hedging instrument recognized in Other comprehensive income is equivalent to the accumulated exchange rate variation of the principal of the loans, being the parameter for measuring the effectiveness of the hedging strategy.

Fair value options:

The Company chose to designate a protected liability (hedge object) to be recorded at fair value through profit or loss. The accounting effects are identical to what would be obtained through hedge documentation.

Financial instruments	Type of financial instrument	Hedged risk	Interest rate	Notional value (US$)	Balance (R$) at 12/31/2023	Balance (R$) at 12/31/2022	Effects on P&L (R$) for the year ended 12/31/2023
Export credit notes	Debt (hedging object)	Currency risk - Principal and Interest	US$ + 4.95%	15,000 thousand	78,758	81,206	2,448
Cross-Currency Swap - US$/BRL	Derivative		CDI + 2.25%		14,842	1,591	(13,251)
					93,600	**82,797**	**(10,803)**

Concentration risk

The Company's and its subsidiaries' products are usually sold under purchase orders of material amounts, regularly placed by a limited number of customers that represent a significant volume of sales. Currently, approximately 75% of their operating income comes from ten customers. The loss of a major customer or the decrease in the volume purchased by such customer could have an adverse impact on the Company and its subsidiaries.

Risk of fluctuation in steel and aluminum prices

A significant part of the Company's and its subsidiaries' operations depends on their ability to purchase steel and aluminum at competitive prices. If steel and aluminum prices increase significantly, and the Company and its subsidiaries are unable to transfer such price increase to final products or to reduce operating costs to offset it, the operating margin will be lower.

Sensitivity analysis - consolidated

Financial instruments, including derivatives, as applicable, are exposed to changes due to fluctuations in exchange rates, interest rates and CDI rate. The assessment about the sensitivity of financial instruments to those variables were considered by the Company's Management and are shown below:

(i) Selection of risks

The Company and its subsidiaries selected three market risks that could impact the value of their financial instruments: (1) US dollar/Brazilian real exchange rate; (2) interest rates on borrowings and financing (CDI), (SELIC), (TERM SOFR) and (EURIBOR); and (3) short-term investment yield rate (CDI).

(ii) Selection of scenarios

Three scenarios were considered in the risk sensitivity analysis for the indexes on these financial assets and financial liabilities, and the Company adopted the probable scenario. The Company also required two additional scenarios with a 25% and a 50% deterioration in the risk variables considered as of December 31, 2023.

The probable scenario considered by the Company is the actual Brazilian real versus U.S. dollar exchange rate, and CDI, SELIC, TERM SOFR and EURIBOR indexes at December 31, 2023. Accordingly, the Company used the website of Brazilian Central Bank (BACEN) as a source to obtain the U.S. dollar/Brazilian exchange rate, the B3 website for CDI rate, and Bloomberg portal for TERM SOFR and EURIBOR.

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

Sensitivity analysis of fluctuations in exchange rate changes

For the sensitivity analysis of foreign currency exposure at December 31, 2023, as shown in the table with the foreign currency exposure under “Foreign currency risk,” the balances of trade accounts receivable, trade accounts payable and borrowings and financing held by foreign subsidiaries were disregarded because they are denominated in the local functional currencies of each foreign subsidiary, and, therefore, the Company’s Management believes that there is no foreign currency risk that could affect the subsidiaries’ cash flows.

Considering the foreign currency exposure at December 31, 2023, the sensitivity analysis of outstanding position in the consolidated financial statements is as follows:

Company Risk	Possible Scenario	Remote Scenario
Reduction of the US dollar exchange rate	5,554	11,108

The possible scenario considers a 25% appreciation of the Brazilian real against the U.S. dollar based on the exchange rate at December 31, 2023, i.e., R$4.8413/US$1.00 (R$3.6310/US$1.00), and the remote scenario considers a 50% appreciation (R$2.4207/US$1.00).

Management did not use the probable scenario in the sensitivity analysis because it believes that it substantially reflects the currency rate fluctuations recognized in the financial statements for the year ended December 31, 2023.

Sensitivity analysis of interest rate changes - Company’s exposure to interest rate increase – Consolidated

The sensitivity analysis below takes into consideration the principal amount of borrowings and financing:

	Scenarios		
Borrowings and financing - CDI	Probable	Possible	Remote
CDI at December 31, 2023	**13.65%**	**17.06%**	**20.48%**
CDI-indexed borrowing - R$749,391			
Estimated finance costs	**102,292**	**127,846**	**153,475**
Effect - loss		**(25,554)**	**(51,183)**

	Scenarios		
Borrowings and financing - SELIC	Probable	Possible	Remote
SELIC at December 31, 2023	**13.75%**	**17.19%**	**20.63%**
SELIC-indexed borrowing - R$320,000			
Estimated finance costs	**44,000**	**55,008**	**66,016**
Effect - loss		**(11,008)**	**(22,016)**

(Amounts expressed in thousands of Brazilian reais - R$, unless otherwise stated)

	Scenarios		
Borrowings and financing - 6-month SOFR	Probable	Possible	Remote
6-month SOFR at December 31, 2023	**4.78%**	**5.98%**	**7.17%**
6-month SOFR-indexed borrowing - R$215,804			
Estimated finance costs	**10,318**	**12,905**	**15,473**
Effect - loss		**(2,587)**	**(5,155)**

	Scenarios		
Borrowings and financing - 1-month EURIBOR	Probable	Possible	Remote
1-month EURIBOR at December 31, 2023	**1.88%**	**2.36%**	**2.83%**
1-month EURIBOR-indexed loan – R$111,036			
Estimated finance costs	**2,092**	**2,620**	**3,142**
Effect - loss		**(529)**	**(1,050)**

	Scenarios		
Borrowings and financing - 3-month EURIBOR	Probable	Possible	Remote
3-month EURIBOR at December 31, 2023	**2.13%**	**2.67%**	**3.20%**
3-month EURIBOR-indexed loan – R$89,210			
Estimated finance costs	**1,902**	**2,382**	**2,855**
Effect - loss		**(480)**	**(953)**

	Scenarios		
Borrowings and financing - 1-year EURIBOR	Probable	Possible	Remote
1-year EURIBOR at December 31, 2023	**3.29%**	**4.11%**	**4.94%**
1-year EURIBOR-indexed loan – R$111,388			
Estimated finance costs	**3,666**	**4,578**	**5,503**
Effect - loss		**(912)**	**(1,837)**

	Scenarios		
Debentures - CDI	Probable	Possible	Remote
CDI at December 31, 2023	**13.65%**	**17.06%**	**20.48%**
Debentures indexed to 100% of CDI - R$1,550,000			
Estimated finance costs	**211,575**	**264,430**	**317,440**
Effect - loss		**(52,855)**	**(105,865)**

Sensitivity analysis of changes in short-term investments - Company's exposure to a potential decrease in interest rates

	Scenarios		
Short-term investments - CDI	Probable	Possible	Remote
CDI at December 31, 2023	**14.07%**	**10.55%**	**7.03%**
Short-term investments - 102.9% of CDI - R$1,266,806			
Estimated finance income	**178,240**	**133,648**	**89,056**
Effect - loss		**(44,592)**	**(89,183)**

Subsidiaries Maxion Jantas Jant Sanayi ve Ticaret A.S. and Maxion Inci Jant Sanayi A.S. have a natural hedge due to their transactions in other currencies. In case there is an outstanding balance not subject to natural hedge, these entities obtain forward contracts to prevent further impacts referring to such currency fluctuation.

As of December 31, 2023, outstanding transactions total thirteen contracts, with maturities dates between January 31, 2024 and August 29, 2024. In the year ended December 31, 2023, the Company recognized realized gains and unrealized losses in the amount of R$9,691 and R$(582), respectively. The amount was recorded under “Derivative financial instruments” (Note 24) in profit or loss for the year.

			Notional amount (in thousands)		Market value gain (loss)
Hedged item	**Risk**	**Counterparty**	**€**	**R$**	
Outstanding balance	Exchange rate changes	Akbank T.A.Ş.	8,068	43,325	149
Outstanding balance	Exchange rate changes	Türkiye Garanti Bankası A.Ş	16,278	86,391	(731)
		Total	**24,346**	**129,716**	(582)

The subsidiary Maxion Wheels (Thailand) Co. Ltd. has a natural hedge due to its transactions in other currencies. In case there is an outstanding balance not subject to natural hedge, this entity obtains forward contracts to prevent further impacts referring to such currency foreign fluctuation.

As of December 31, 2023, outstanding transactions total twenty-five contracts, with maturities dates between January 5, 2024 and July 5, 2024. In the year ended December 31, 2023, the Company recognized realized gains and unrealized losses in the amount of R$4,273 and R$(1,863), respectively. The amount was recorded under “Derivative financial instruments” (Note 24) in profit or loss for the year.

			Notional amount (in thousands)		Market value loss
Hedged item	**Risk**	**Counterparty**	**THB$**	**R$**	
Outstanding balance	Exchange rate changes	Bangkok Bank PCL.	190,559	26,869	(802)
Outstanding balance	Exchange rate changes	Kasikorn Bank PCL.	55,001	7,755	(97)
Outstanding balance	Exchange rate changes	The Hongkong and Shanghai Banking Corporation Limited	182,765	25,770	(964)
		Total	**428,325**	**60,394**	**(1,863)**

(Valores expressos em milhares de reais - R$, exceto quando de outra forma indicado)

29. Capital management

Company's Management seeks to keep a balance between the highest possible returns with the most appropriate levels of borrowing and the advantages and security afforded by a solid capital position. The main goal is to reach a rate of return in proportion with its cost of capital, which is annually reviewed using the Weighted Average Cost of Capital (WACC) approach.

The debt-to-equity ratio is as follows:

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Total borrowings, financing and debentures	**3,447,285**	2,809,207	**6,765,533**	6,476,988
Derivative financial instruments (i)	**14,491**	(8,983)	**(128,355)**	(273,018)
(-) Cash and cash equivalents	**(1,733,350)**	(1,236,846)	**(2,962,366)**	(2,287,054)
Net debt	**1,728,426**	1,563,378	**3,674,812**	3,916,916
Total equity	**3,693,626**	3,919,807	**4,085,029**	4,292,807
Net debt-to-equity ratio	**47%**	40%	**90%**	91%

(i) This refers to the total of the group Derivative financial instruments, current and noncurrent assets minus Derivative financial instruments, current and noncurrent liabilities.

30. Earnings per share

	12/31/2023	12/31/2022
Denominator:		
Weighted average number of shares	**153,719,601**	153,719,601
Weighted number of treasury share	**(3,167,071)**	(2,122,359)
Weighted average number of outstanding shares	**150,552,530**	151,597,242
Numerator - basic:		
Profit for the period - R$	**30,735,512**	278,932,959
Basic earnings per share for the period - R$	**0.20415**	1.83996
Denominator - diluted:		
Weighted average number of outstanding shares	**150,552,530**	151,597,242
Weighted average number of shares	**150,552,530**	151,597,242
Numerator - diluted:		
Profit for the period - R$	**30,735,512**	278,932,959
Diluted earnings per share for the period - R$	**0.20415**	1.83996

(Valores expressos em milhares de reais - R$, exceto quando de outra forma indicado)

31. Segment information

The Company and its subsidiaries operate in a single business segment (automotive), having adopted a matrix management structure that requires the decision-maker to review in detail only the sales revenue, as the products manufactured and sold by the Company and its subsidiaries are solely segregated into the Maxion Wheels and Maxion Structural Components divisions.

Net revenue is as follows:

	12/31/2023		12/31/2022	
	Net revenue	%	Net revenue	%
Aluminum Wheels (Light Vehicles)	**667,710**	**4.46%**	600,365	3.50%
Steel Wheels (Light Vehicles)	**580,930**	**3.88%**	590,795	3.50%
Steel Wheels (Commercial Vehicles)	**1,025,086**	**6.85%**	1,570,061	9.30%
Struct. components (Light Vehicles)	**467,092**	**3.12%**	460,524	2.70%
Struct. components (Commercial Vehicles)	**1,206,450**	**8.07%**	1,944,960	11.50%
Total for South America - Brazil	**3,947,268**	**26.39%**	5,166,705	30.50%
Aluminum Wheels (Light Vehicles)	**634,389**	**4.24%**	552,078	3.30%
Steel Wheels (Light Vehicles)	**1,459,734**	**9.76%**	1,759,132	10.40%
Steel Wheels (Commercial Vehicles)	**356,333**	**2.38%**	453,894	2.70%
Struct. components (Commercial Vehicles)	**1,867,906**	**12.49%**	2,233,332	13.20%
Total for North America	**4,318,362**	**28.88%**	4,998,436	29.50%
Aluminum Wheels (Light Vehicles)	**2,459,877**	**16.45%**	2,436,834	14.40%
Steel Wheels (Light Vehicles)	**1,314,815**	**8.79%**	1,272,499	7.50%
Steel Wheels (Commercial Vehicles)	**1,488,783**	**9.95%**	1,547,569	9.10%
Total for Europe	**5,263,475**	**35.19%**	5,256,902	31.00%
Aluminum Wheels (Light Vehicles)	**828,823**	**5.54%**	904,799	5.30%
Steel Wheels (Light Vehicles)	**193,826**	**1.30%**	218,096	1.30%
Steel Wheels (Commercial Vehicles)	**403,466**	**2.70%**	402,931	2.40%
Total for Asia and others	**1,426,115**	**9.54%**	1,525,826	9.00%
Total	**14,955,220**	**100.00%**	16,947,869	100.00%

32. Insurance coverage

The Company and its subsidiaries have insurance coverage for some inventory items, property, plant and equipment items, civil liability, and other assets. As of December 31, 2023, the insurance policies and coverage are as follows:

Insured assets	Coverage	Insured amount
Inventories and property, plant and equipment	Fire, lightning, explosion, windstorm, machinery breakdown and other risks	**1,345,740**
Warranty	Judicial, traditional and customs guarantees	**27,692**
Land cargo	Highway risk and cargo carrier liability and transportation risk in import and export transactions	**132,636**
General Civil Liability (RCG), Errors & Omissions (E&O)	Third-party claims, crimes	**970,959**

(Valores expressos em milhares de reais - R$, exceto quando de outra forma indicado)

33. Additional information to the statements of cash flows

Non-cash transactions

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Purchases of PP&E items recorded as “Trade payables”	**31,679**	19,956	**46,694**	103,646
Forfait transactions additions	**860,455**	712,121	**971,838**	797,549
Additions from right of use	**4,297**	5,024	**60,876**	35,344
IRPJ and CSLL offsetting	**2,016**	1,812	**5,088**	4,342
Capitalization of borrowing costs	**49,876**	-	**53,228**	-

34. Subsequent events

On the day of the disclosure and issuance of these financial statements, the Company’s Board of Directors approved the following:

(i) buyback program for shares issued by the Company, with the objective of mitigating possible impact deriving from Company’s obligations of its Long-Term Incentive Plan, in which up to 500,000 (five hundred thousand) shares of its own issue may be acquired by the Company. In addition to the existing treasury shares already held in Equity, this will represent 3.05% of the outstanding shares;

(ii) raising funds through a public offering of 750,000 (seven hundred and fifty thousand) simple unsecured nonconvertible debentures, in a single series, of the Company’s 13th issuance, with a unit par value of R$1,000 (one thousand reais) totaling R$750,000 (seven hundred and fifty million reais). The funds from this transaction will be fully used for refinancing, in whole or in part, of the simple debentures of the Company's 11th issuance and as a source of additional cash; and

(iii) carrying out an offer for the optional acquisition of simple debentures of the first and second series of the Company's 11 th issuance, at their respective restated unit par value, for purposes of continuing the process of managing the Company's consolidated debt profile.

35. Officers’ statement of compliance

Under the terms of CVM Ruling No. 80/22, the Company’s Executive Board represents that it has reviewed, discussed and agreed with the financial statements for the fiscal year ended December 31, 2023 and with the related independent auditor’s report. Moreover, for purposes of compliance with CVM Rule No. 152/22, the Company’s Executive Board states that all the relevant information specific to the financial statements, and only such information, is disclosed and corresponds to the information used to manage the Company’s operations.

36. Authorization to issue and disclose the financial statements

These financial statements were approved by the Company’s Board of Directors and authorized for disclosure and issue at the Board Meeting held on March 6, 2024.

Marcos S. de Oliveira
Managing Director and
Chief Investor Relations Officer

Renato J. Salum Junior
Chief Financial Officer

Paulo Marcio Almada dos Santos
Chief Human Resources Officer

Bruno Zarella
Accountant
CRC nº SP-289289/O-7 SP