

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Unigel Participações S.A.

Report on Review of Interim
Financial Information
for the Three-month Period
Ended March 31, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of
Unigel Participações S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Unigel Participações S.A. and subsidiaries (“Company”), included in the Interim Financial Information Form (ITR), for the quarter ended March 31, 2023, which comprises the balance sheet as of March 31, 2023 and the related statements of income and of comprehensive income for the three-month period then ended, and the statements of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

The individual and consolidated interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's Executive Board and disclosed as supplemental information for IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and whether their form and content are consistent with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with such technical pronouncement and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

Corresponding amounts audited and reviewed by other independent auditors

The amounts corresponding to the individual and consolidated balance sheets as of December 31, 2022, presented for purposes of comparison, were originally audited by other independent auditors, who issued an unqualified opinion thereon dated March 30, 2023. The amounts corresponding to the individual and consolidated statements of income, of comprehensive income, of changes in equity, of cash flows and of value added for the quarter ended March 31, 2022, presented for purposes of comparison and herein were also reviewed by other independent auditors, who issued an unqualified conclusion thereon dated May 10, 2022.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 12, 2023

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Alessandro Costa Ramos
Engagement Partner

BALANCE SHEETS ON MARCH 31, 2023 AND DECEMBER 31, 2022

(In thousands of Reais)

| Assets | Note | Parent company | | Consolidated | |
|--------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Current | | | | | |
| Cash and cash equivalents | 4 | 9,020 | 12,068 | 685,808 | 908,564 |
| Trade accounts receivable | 5 | - | - | 349,875 | 404,018 |
| Inventories | 6 | - | - | 1,187,138 | 1,075,456 |
| Recoverable taxes | 8 | 13,651 | 13,578 | 437,135 | 402,201 |
| Advances to suppliers | - | 42 | 48 | 20,078 | 33,482 |
| Derivatives | 26 | - | - | 9,959 | 23,280 |
| Contract credits | - | - | - | 23,215 | 2,938 |
| Other assets | - | 70 | 155 | 70,639 | 25,802 |
| Total current assets | | 22,783 | 25,849 | 2,783,847 | 2,875,741 |
| Non-current | | | | | |
| Current account with related parties | 7 | 172 | 868 | - | - |
| Recoverable taxes | 8 | 9 | - | 293,138 | 242,199 |
| Deferred taxes | 9 | - | - | 761,169 | 691,118 |
| Judicial deposits | 16 | - | - | 15,933 | 15,933 |
| Derivatives | 26 | - | - | 63,524 | 50,438 |
| Contract credits | - | - | - | 3,359 | 3,359 |
| Other assets | - | 1,282 | 1,280 | 27,016 | 23,504 |
| Investments | 10 | 2,771,262 | 2,815,797 | - | - |
| Property, plants and equipment | 11 | 5,713 | 4,451 | 2,730,709 | 2,576,765 |
| Right-of-use assets | 12 | 15,245 | 15,925 | 416,676 | 422,006 |
| Intangible assets | - | 3,956 | 4,467 | 15,957 | 17,768 |
| Total non-current assets | | 2,797,639 | 2,842,788 | 4,327,481 | 4,043,090 |
| Total assets | | 2,820,422 | 2,868,637 | 7,111,328 | 6,918,831 |

The notes to individual and consolidate interim financial information are part of the financial statements.

(In thousands of Reais)

| Liabilities | Note | Parent company | | Consolidated | |
|---|------|------------------|------------------|------------------|------------------|
| | | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Current | | | | | |
| Loans, financing and debentures | 13 | 35,669 | 16,064 | 500,684 | 274,498 |
| Suppliers | 14 | 2,793 | 3,005 | 583,269 | 653,320 |
| Suppliers – Agreement | 14 | - | - | 378,256 | 305,756 |
| Lease liabilities | 12 | 6,965 | 6,581 | 112,748 | 101,476 |
| Dividends payable | 7 | 64,963 | 81,053 | 64,963 | 81,053 |
| Current account with related parties | 7 | 53 | 53 | - | - |
| Taxes payable | 15 | 2,063 | 2,056 | 37,165 | 61,288 |
| Salaries and payroll charges | - | - | - | 86,022 | 82,157 |
| Advancements from clients | - | - | - | 46,302 | 48,219 |
| Derivatives | 26 | - | - | 229,381 | 210,750 |
| Sundry provisions | - | 509 | 151 | 71,503 | 83,099 |
| Other liabilities | - | - | - | 9,589 | 15,344 |
| Total current liabilities | | 113,015 | 108,963 | 2,119,882 | 1,916,960 |
| Non-current | | | | | |
| Loans, financing and debentures | 13 | 496,287 | 495,994 | 3,336,388 | 3,266,474 |
| Lease liabilities | 12 | 8,849 | 10,218 | 342,663 | 357,087 |
| Current account with related parties | 7 | 1,241,782 | 1,225,222 | 18 | 46 |
| Taxes payable | 15 | - | - | 32,472 | 35,948 |
| Deferred taxes | 9 | 117,137 | 117,137 | 117,137 | 131,564 |
| Post-employment benefit | - | - | - | 36,168 | 39,190 |
| Derivatives | 26 | - | - | 241,799 | 218,195 |
| Provision for contingencies | 16 | 280 | - | 22,206 | 22,344 |
| Other liabilities | - | - | - | 19,523 | 19,920 |
| Total non-current liabilities | | 1,864,335 | 1,848,571 | 4,148,374 | 4,090,768 |
| Shareholders' equity | | | | | |
| Capital | - | 920,963 | 920,963 | 920,963 | 920,963 |
| Profit reserves | - | 354,503 | 354,503 | 354,503 | 354,503 |
| Equity valuation adjustments | - | (346,657) | (364,363) | (346,657) | (364,363) |
| Retained loss | - | (85,737) | - | (85,737) | - |
| Total shareholders' equity | 17 | 843,072 | 911,103 | 843,072 | 911,103 |
| Total liabilities and shareholders' equity | | 2,820,422 | 2,868,637 | 7,111,328 | 6,918,831 |

The notes to individual and consolidate interim financial information are part of the financial statements.

STATEMENTS OF INCOME FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(In thousands of Reais)

| | Note | Parent company | | Consolidated | |
|---|-----------|--------------------|--------------------|--------------------|--------------------|
| | | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Net revenue | 18 | - | - | 1,835,973 | 2,516,406 |
| Costs of goods sold | 19 | - | - | (1,746,306) | (1,968,356) |
| Gross income | | - | - | 89,667 | 548,050 |
| Sales expenses | 19 | - | - | (15,334) | (15,027) |
| Administrative expenses | 19 | (3,684) | (3,720) | (43,992) | (39,356) |
| Estimated credit loss | 5 | - | - | 804 | 1,121 |
| Other operating revenues (expenses) | 20 | 153 | 8 | (840) | 12,688 |
| Operating revenues (expenses) | | (3,531) | (3,712) | (59,362) | (40,574) |
| Equity in net income of subsidiaries | 10 | (63,691) | 311,333 | - | - |
| Income (loss) before financial income (loss) and taxes | | (67,222) | 307,621 | 30,305 | 507,476 |
| Financial revenues | | 368 | 5 | 13,154 | 10,148 |
| Financial expenses | | (20,368) | (905) | (237,935) | (260,199) |
| Net exchange-rate changes | | 35 | - | 9,113 | 123,349 |
| Net financial loss | 21 | (19,965) | (900) | (215,668) | (126,702) |
| Income (loss) before taxes | | (87,187) | 306,721 | (185,363) | 380,774 |
| Current | | - | - | (5,767) | (29,401) |
| Deferred | | - | - | 103,943 | (44,652) |
| Income tax and social contribution | 9 | - | - | 98,176 | (74,053) |
| Net income (loss) for the period | | (87,187) | 306,721 | (87,187) | 306,721 |
| Net income (loss) per share – basic and diluted - R\$ | 25 | (0.09467) | 0.52594 | (0.09467) | 0.52594 |
| Weighted average number of share throughout the period | | 920,962,726 | 583,185,901 | 920,962,726 | 583,185,901 |

The notes to individual and consolidate interim financial information are part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(In thousands of Reais)

| | Parent company | | Consolidated | |
|---|-----------------|----------------|-----------------|----------------|
| | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Net income (loss) for the period | (87,187) | 306,721 | (87,187) | 306,721 |
| Items that can be subsequently reclassified to income (loss) | | | | |
| Translation adjustments | (23,303) | (120,960) | (23,303) | (120,960) |
| Cash flow hedge | 42,459 | 206,491 | 42,459 | 206,491 |
| Total comprehensive income | (68,031) | 392,252 | (68,031) | 392,252 |

The notes to individual and consolidate interim financial information are part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(In thousands of Reais)

| | Profit reserves | | | | | Total |
|---|-----------------|---------------|---------------------------|-----------------------------|-------------------|------------------|
| | Capital | Legal reserve | Unrealized profit reserve | Equity valuation adjustment | Retained earnings | |
| Balances on January 1, 2022 | 276,185 | 48,340 | 644,778 | (309,793) | - | 659,507 |
| Net income for the period | - | - | - | - | 306,721 | 306,721 |
| Realization of equity valuation through depreciation | - | - | - | (3,519) | 3,519 | - |
| Capital increase approved by A.G.O.E. of March 16, 2022 | 644,778 | - | (644,778) | - | - | - |
| Other comprehensive income | | | | | | |
| Translation adjustments | - | - | - | (120,960) | - | (120,960) |
| Cash flow hedge | - | - | - | 206,491 | - | 206,491 |
| Balances on March 31, 2022 | 920,963 | 48,340 | - | (227,781) | 310,240 | 1,051,759 |

| | Profit reserves | | | Equity valuation adjustment | Retained loss | Total |
|--|-----------------|---------------|-------------------------------|-----------------------------|-----------------|----------------|
| | Capital | Legal reserve | Additional proposed dividends | | | |
| Balances on January 1, 2023 | 920,963 | 68,416 | 286,087 | (364,363) | - | 911,103 |
| Net loss for the period | - | - | - | - | (87,187) | (87,187) |
| Realization of equity valuation through depreciation | - | - | - | (1,450) | 1,450 | - |
| Other comprehensive income | | | | | | |
| Translation adjustments | - | - | - | (23,303) | - | (23,303) |
| Cash flow hedge | - | - | - | 42,459 | - | 42,459 |
| Balances of March 31, 2023 | 920,963 | 68,416 | 286,087 | (346,657) | (85,737) | 843,072 |

The notes to individual and consolidate interim financial information are part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(In thousands of Reais)

| | Note | Parent company | | Consolidated | |
|---|------|-----------------|----------------|------------------|----------------|
| | | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Cash flows from operating activities | | | | | |
| Net income (loss) for the period | | (87,187) | 306,721 | (87,187) | 306,721 |
| Adjustments for: | | | | | |
| Depreciation and amortization | 19 | 1,476 | 1,609 | 66,498 | 65,622 |
| Accrued interest on leasings | 12 | 338 | 793 | 10,651 | 11,210 |
| Provisions for contingencies | 16 | 310 | - | 2,740 | 890 |
| Provisions for inventories | 6 | - | - | (8,959) | 952 |
| Deferred taxes | 9 | - | - | (103,943) | 44,652 |
| Estimated credit loss | 5 | - | - | (804) | (1,121) |
| Derivatives | 26 | - | - | 115,215 | 9,446 |
| Accrued interest and exchange-rate change | 13 | 19,958 | 15 | 50,111 | (20,752) |
| Accrued interest on tax paid in installments | 21 | - | - | 2,066 | 1,915 |
| Income(loss) on the sale of property, plant and equipment | 20 | - | - | (356) | - |
| Equity in net income (loss) of subsidiaries | 10 | 63,691 | (311,333) | - | - |
| Accrued interest on overpaid taxes | 21 | - | - | (782) | - |
| Impairment of property, plant and equipment | 20 | - | - | - | (5,819) |
| Accrued interest from suppliers | 21 | - | - | 2,042 | 2,167 |
| | | (1,414) | (2,195) | 47,292 | 415,883 |
| Changes in: | | | | | |
| Trade accounts receivable | 5 | - | - | 33,881 | (298,894) |
| Inventories | 6 | - | - | (102,323) | (151,956) |
| Suppliers | 14 | (887) | (657) | 6,677 | 62,844 |
| Taxes payable and receivable | - | (75) | 10 | (129,229) | 8,373 |
| Contract credits | - | - | - | (20,277) | (718) |
| Other assets and liabilities | - | 417 | (1,565) | (34,220) | 7,019 |
| Cash flow from operating activities | | (1,959) | (4,407) | (198,199) | 42,551 |
| Interest paid | 13 | (10) | (16) | (26,859) | (21,460) |
| Income tax paid | - | - | - | (131) | (29,401) |
| Net cash flow from operating activities | | (1,969) | (4,423) | (225,189) | (8,310) |

(In thousands of Reais)

| | Note | Parent company | | Consolidated | |
|--|------|----------------|--------------|------------------|-----------------|
| | | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Cash flow from investment activities | | | | | |
| Acquisition of property, plant and equipment | 11 | (644) | (169) | (208,804) | (61,506) |
| Receipts from sales of property, plant and equipment | 11 | - | - | 2,575 | 367 |
| Advances made to related parties | 7 | - | 81 | (28) | - |
| Cash flow from investment activities | | (644) | (88) | (206,257) | (61,139) |
| Cash flow from financing activities | | | | | |
| Loans and financing | 13 | - | - | 427,733 | 54,378 |
| Payments of loans and financing | 13 | (50) | (45) | (134,075) | (46,655) |
| Derivatives | 26 | - | - | (35,487) | 54,999 |
| Leases | 12 | (1,551) | (1,445) | (32,521) | (28,861) |
| Dividends | 7 | (16,090) | (26,607) | (16,090) | (26,607) |
| Advances received from related parties | 7 | 17,256 | 32,382 | - | - |
| Cash flow from financing activities | | (435) | 4,285 | 209,560 | 7,254 |
| Cash flow | | (3,048) | (226) | (221,529) | (62,195) |
| Cash translation adjustments | | - | - | (1,227) | (22,664) |
| Changes in cash and cash equivalents | | (3,048) | (226) | (222,756) | (84,859) |
| Cash and cash equivalents on January 1 | | 12,068 | 473 | 908,564 | 849,338 |
| Cash and cash equivalents on March 31 | | 9,020 | 247 | 685,808 | 764,679 |

On March 31, 2023, the main transaction that didn't involve cash in the consolidated Cash Flow were:

- (i) Changes in property, plant and equipment suppliers of R\$ 14,982 (R\$ 4,666 on March 31, 2022);
- (ii) Changes in right-of-use assets against lease liabilities of R\$ 18,884 (R\$ 44,747 on March 31, 2022);
- (iii) Debt interest capitalization againsts property, plant and equipment of R\$ 21,809 (R\$ 0 on March 31, 2022).

The notes to individual and consolidate interim financial information are part of the financial statements.

STATEMENTS OF ADDED VALUE FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(In thousands of Reais)

| | Parent company | | Consolidated | |
|--|-----------------|----------------|--------------------|--------------------|
| | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Revenues | - | - | 2,027,711 | 2,787,143 |
| Sales of goods | - | - | 2,026,897 | 2,773,252 |
| Other revenues | - | - | 10 | 12,770 |
| Estimated credit loss | - | - | 804 | 1,121 |
| Inputs acquired from third-parties | (2,055) | (2,103) | (1,843,843) | (1,888,993) |
| Cost of goods sold | - | - | (1,641,921) | (1,696,346) |
| Materials, energy, services and others | - | - | (178,235) | (139,654) |
| Other | (2,055) | (2,103) | (23,687) | (52,993) |
| Gross added value | (2,055) | (2,103) | 183,868 | 898,150 |
| Depreciation and amortization | (1,476) | (1,609) | (66,498) | (65,622) |
| Net added value produced by the company | (3,531) | (3,712) | 117,370 | 832,528 |
| Added value received as transfer | (63,323) | 311,338 | 13,154 | 10,148 |
| Equity in net income (loss) of subsidiaries | (63,691) | 311,333 | - | - |
| Financial revenues | 368 | 5 | 13,154 | 10,148 |
| Total added value to distribute | (66,854) | 307,626 | 130,524 | 842,676 |
| Added value distribution | (66,854) | 307,626 | 130,524 | 842,676 |
| Personnel | - | - | 73,604 | 96,805 |
| Direct remuneration | - | - | 57,154 | 54,803 |
| Benefits | - | - | 15,496 | 15,980 |
| Other | - | - | 954 | 26,022 |
| Taxes and contributions | 70 | 66 | (82,757) | 311,365 |
| Federal | 70 | 66 | (85,247) | 72,146 |
| State | - | - | 2,475 | 239,200 |
| Municipal | - | - | 15 | 19 |
| Third-party capital remuneration | 20,263 | 839 | 226,864 | 127,785 |
| Financial expenses | 20,263 | 839 | 226,864 | 127,785 |
| Own capital remuneration | (87,187) | 306,721 | (87,187) | 306,721 |
| Retained earnings | (87,187) | 306,721 | (87,187) | 306,721 |

The notes to individual and consolidate interim financial information are part of the financial statements.

NOTES TO INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION AS OF MARCH 31, 2023

(In thousands of Reais, unless otherwise stated)

1. OPERATIONS

Unigel Participações S.A., incorporated on September 24, 2005 (hereinafter referred to as “Unigel” or “Company”), is a closely-held company recorded at Brazilian Securities and Exchange Commission (“CVM”) type B with main offices at Avenida Engenheiro Luís Carlos Berrini, nº 105, 11º andar, Bairro Brooklin, in the city of São Paulo, state of São Paulo. This individual and consolidated interim financial information (“Financial Information”) includes the Company and its subsidiaries (hereinafter referred to as “Group”), which are privately held corporations, with the exception of Unigel Distribuidora, which is a limited company.

The Company acts as a “holding” company, parent company of the companies engaged in the manufacturing, trading, import and export of chemicals in acrylic, styrene and fertilizers’ chain (“Agro”). It also advises its subsidiaries in the areas of corporate controllership, finance, legal, planning, people management, and information technology. The Company is a member of the Unigel Group, which was incorporated in 1964.

The corporate structure of the Group as of March 31, 2023, compared to December 31, 2022 is the same, as shown below:

| Companies | Country | % Participação | | Main products |
|--|------------|----------------|------------|---|
| | | 03/31/2023 | 12/31/2022 | |
| Proquigel Química S.A. | Brazil | 99.9% | 99.9% | Methyl and ethyl methacrylate, ethyl and methyl acrylates, sodium cyanide, ammonium sulfate, glacial methacrylic acid, urea and ARLA. |
| Unigel Distribuidora Ltda. | Brazil | 99.9% | 99.9% | Distributor of the Group’s products. |
| Unigel Luxemburgo S.A. | Luxembourg | 99.9% | 99.9% | Management of financial assets in capital markets. |
| Unigel Comercializadora de Energia Elétrica S.A. | Brazil | 99.9% | 99.9% | Energy trading. |
| Unigel Químicos S.A. | Brazil | 99.9% | 99.9% | Acrylic and acrylic resin plates. |
| Companhia Brasileira de Estireno e subsidiárias: | Brazil | 99.9% | 99.9% | Styrene, polystyrene, ethyl benzene, toluene, latex, acrylonitrile, hydrocyanic acid and hydrocyanic acetone. |
| Plastiglás de México, S.A. de C.V. | Mexico | 99.9% | 99.9% | Acrylic plates, resin plates, and resale of polycarbonate plates. |
| Metacril Holdings, S.A. de C.V. e subsidiárias: | Mexico | 99.9% | 99.9% | Intermediate holding company. |
| Unigel Inc. | USA | 99.9% | 99.9% | Distributor of the Group’s products. |
| Unigel Acrílicos, S.A. de C.V. | Mexico | 99.9% | 99.9% | Methyl and ethyl methacrylate, methyl and ethyl acrylates, sodium cyanide and ammonium sulfate |

2. PREPARATION BASIS

2.1. STATEMENT OF COMPLIANCE

The individual and consolidated interim financial information of the Company, contained in the Quarterly Information - ITR, related to the three-month period ended on March 31, 2023, comprises the individual and consolidated interim accounting information, prepared in accordance with the technical pronouncement CPC 21 - Interim Financial Statements and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as the rules issued by the Brazilian Securities and Exchange Commission ("CVM").

2.2. STATEMENT OF RELEVANCE

The Management applied technical guidance OCPC 7 and Brazilian Securities and Exchange Commission ("CVM") Deliberation No. 727/14 in the preparation of the individual and consolidated interim financial information, with the purpose of disclosing only relevant information that assists users of accounting information in making decisions, without neglecting minimum requirements. In addition, Management asserts that all relevant information is being disclosed and corresponds to that used in business management.

2.3. BASIS OF PREPARATION

The individual and consolidated interim financial information of the parent company and the consolidated company were prepared on the historical cost basis (except when a different criterion is required) and adjusted to reflect the fair value of assets and liabilities or mark-to-market, when such evaluations are required by accounting standards.

The individual and consolidated interim financial statements were prepared on a going concern basis, which assumes that Management has evaluated the Company's and its subsidiaries' ability to continue operating normally and in accordance with their cash flow projections, and believes that they have the resources to continue their business in the future. Additionally, Management is not aware of any material uncertainties that may generate significant doubts about the Company's ability to continue operating. Therefore, this Company's individual and consolidated interim financial information was prepared on the assumption of a going concern.

2.4. CONSOLIDATED INTERIM FINANCIAL INFORMATION

The consolidated interim financial information of the Company as of March 31, 2023 includes the operations of the subsidiaries mentioned in Note 1. This information was prepared in accordance with the following criteria: (a) elimination of balances between consolidated companies; (b) elimination of the parent company's investments in the respective equity, as applicable, of the investee company; (c) elimination of revenues and expenses resulting from transactions between consolidated companies; and (d) elimination of profit in inventories, when applicable, resulting from sales between consolidated companies.

These individual and consolidated interim financial information were authorized by Management on May 8, 2023.

3. MAIN ACCOUNTING POLICIES

There were no significant changes in the accounting policies and practices adopted by the Company for the period ended March 31, 2023. The main accounting policies applied in these individual and consolidated interim financial statements are consistent with those applied and disclosed in Note 6 of the individual and consolidated financial statements of the Company for the year ended December 31, 2022, filed with the CVM on March 30, 2023.

These individual and consolidated interim financial statements do not include all the requirements of annual or complete financial statements and should therefore be read in conjunction with the Company's financial statements for the year ended December 31, 2022. Therefore, the following notes were not repeated in these interim financial statements, either due to redundancy or relevance to what was already presented in the financial statements:

- Main accounting policies

- New standards, changes, and interpretations not yet adopted
- Post-employment benefits
- Financial instruments (policies, risk management structure, and measurement method)

The same accounting policies are applicable for the comparative period of 3 months ended on March 31, 2022.

4. CASH AND CASH EQUIVALENTS

| | Parent company | | Consolidated | |
|---|----------------|---------------|----------------|----------------|
| | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Cash in banks in Reais | 52 | 393 | 32,654 | 45,180 |
| Cash in banks in Dolars | - | - | 287,275 | 388,135 |
| Bank deposit certificates ⁽¹⁾ | 8,968 | 11,675 | 364,660 | 469,019 |
| Short-term investments in foreign currency ⁽²⁾ | - | - | 1,219 | 6,230 |
| | 9,020 | 12,068 | 685,808 | 908,564 |

- (1) Investments in bank deposit certificates – CDBs with daily liquidity and average yield of approximately 100.1% p.a. (100.1% p.a. as of December 31, 2022) of the Brazilian interbank deposit rate (CDI).
- (2) Investments with daily liquidity in Mexican pesos with an average rate of 3.6% p.a. (3.6% p.a. as of December 31, 2022).

The Group's cash equivalents consist of bank deposit certificates (CDBs) for companies located in Brazil and overnight deposits for subsidiaries in Mexico. These investments can be redeemed at any time without significant change in value.

5. TRADE ACCOUNT RECEIVABLE

| | Consolidated | |
|-----------------------------|----------------|----------------|
| | 03/31/2023 | 12/31/2022 |
| Domestic market | 270,161 | 313,281 |
| Foreign market | 88,549 | 87,506 |
| Related parties (Note 10) | 13,150 | 26,025 |
| | 371,860 | 426,812 |
| (-) Estimated credit loss | (21,985) | (22,794) |
| | 349,875 | 404,018 |

The Company's average collection period is largely less than 30 days, which is why the value of its accounts receivable is similar to their present value. The Company sells some of its customer accounts receivable through the sale of notes to funds that acquire receivables. These transactions are carried out entirely without recourse and with substantial transfer of the risks and benefits of the receivables, which is why the notes are written off at the time of the transaction.

The Company had sold notes to financial institutions, without recourse, in the amount of R\$ 200,834 (R\$ 155,564 as of December 31, 2022), on which we earned interest income of R\$ 9,711 (R\$ 4,155 as of March 31, 2022). (Note 21 - Financial Result).

The maturity of the accounts receivable notes is distributed as follows:

| | Consolidated | |
|------------------------|----------------|----------------|
| | 03/31/2023 | 12/31/2022 |
| Falling due | 323,161 | 365,673 |
| Overdue: | | |
| Between 1 and 30 days | 12,792 | 16,473 |
| Between 31 and 60 days | 8,124 | 16,855 |
| Between 61 and 90 days | 2,568 | 1,760 |
| Over 91 days | 25,215 | 26,051 |
| | 371,860 | 426,812 |

The changes in the provision for expected credit losses are described below:

| | Consolidated |
|---|-----------------|
| Balance as of January 1, 2022 | (48,568) |
| Additions and reversals | 1,121 |
| Write-offs | 72 |
| Exchange rate changes | 3,631 |
| Conversion adjustments – foreign subsidiaries | 145 |
| Balance as of March 31, 2022 | (43,599) |
| Additions and reversals | 2,432 |
| Write-offs | 23,689 |
| Exchange rate changes | (5,107) |
| Conversion adjustments – foreign subsidiaries | (209) |
| Balance as of December 31, 2022 | (22,794) |
| Additions and reversals | 804 |
| Exchange rate changes | (30) |
| Conversion adjustments – foreign subsidiaries | 35 |
| Balance as of March 31, 2023 | (21,985) |

6. INVENTORIES

| | Consolidated | |
|--|------------------|------------------|
| | 03/31/2023 | 12/31/2022 |
| Finished goods | 539,585 | 425,986 |
| Work in progress | 13,471 | 6,282 |
| Raw materials | 225,635 | 185,150 |
| Secondary materials | 81,047 | 87,709 |
| Maintenance material warehouse | 190,865 | 149,920 |
| Inventories in transit | 56,780 | 93,691 |
| Inventory in possession of third-parties | 79,755 | 126,718 |
| | 1,187,138 | 1,075,456 |

The inventory items are presented at cost or their net realizable value, whichever is lower. As of March 31, 2023, the amount of R\$ 19,537 (R\$ 28,906 as of December 31, 2022) was recognized as a reduction in inventory offsetting the result of the year, in the cost of goods sold.

The changes in the provision for losses on inventory net realizable value is shown below:

| | Consolidate |
|---|-----------------|
| Balance as of January 1, 2022 | (2,612) |
| Additions and reversals | 593 |
| Conversion adjustments – foreign subsidiaries | (261) |
| Balance as of March 31, 2022 | (2,280) |
| Additions and reversals | (26,797) |
| Conversion adjustments – foreign subsidiaries | 171 |
| Balance as of December 31, 2022 | (28,906) |
| Additions and reversals | 8,959 |
| Write-offs | 457 |
| Conversion adjustments – foreign subsidiaries | (47) |
| Balance as of March 31, 2023 | (19,537) |

The Group does not have inventory pledged as collateral for loans and financing in the periods presented.

7. RELATED PARTIES

7.1. BALANCES

| | Parent company | | | |
|-----------------------------------|----------------|-----------------|-----------------|--------------------|
| | 03/31/2023 | | | |
| | Assets | Liabilities | | |
| | Non-current | Current | | Non-current |
| Current Account | Dividends | Current Account | Current Account | |
| Cigel Participações S.A. | - | (64,693) | - | - |
| Unigel Químicos S.A. | - | - | - | (560) |
| Companhia Brasileira de Estireno | - | - | - | (982,905) |
| Proquigel Química S.A. | - | - | - | (224,341) |
| Unigel Distribuidora Ltda. | - | - | - | (33,976) |
| Plastiglas de México S.A. de C.V. | 168 | - | - | - |
| Other | 4 | - | (53) | - |
| Total | 172 | (64,693) | (53) | (1,241,782) |

| | Parent company | | | |
|-----------------------------------|----------------|-----------------|-----------------|--------------------|
| | 12/31/2022 | | | |
| | Assets | Liabilities | | |
| | Non-current | Current | | Non-current |
| Current Account | Dividends | Current Account | Current Account | |
| Cigel Participações S.A. | - | (81,053) | - | - |
| Unigel Químicos S.A. | 656 | - | - | - |
| Companhia Brasileira de Estireno | - | - | - | (963,580) |
| Proquigel Química S.A. | - | - | - | (227,667) |
| Unigel Distribuidora Ltda. | - | - | - | (33,975) |
| Plastiglas de México S.A. de C.V. | 208 | - | - | - |
| Outras | 4 | - | (53) | - |
| Total | 868 | (81,053) | (53) | (1,225,222) |

| | Consolidated | | | |
|---|---------------|-----------------|-----------------|-------------|
| | 03/31/2023 | | | |
| | Assets | Liabilities | | |
| | Current | Current | | Non-current |
| Trade account | Dividends | Suppliers | Current Account | |
| Cigel Participações S.A. | - | (64,963) | - | (18) |
| Compostos Plásticos de Engenharia Ltda. | 5,474 | - | - | - |
| Quimivita Fertilizantes Ltda. | 7,676 | - | - | - |
| Grupo Ergotrans | - | - | (1,227) | - |
| Total | 13,150 | (64,963) | (1,227) | (18) |

| | Consolidated | | | | |
|-------------------------------|---------------|-----------------------|-----------------|--------------|-----------------|
| | 12/31/2022 | | | | |
| | Assets | | Liabilities | | |
| | Current | | Current | | Non-current |
| | Trade account | Advances to suppliers | Dividends | Suppliers | Current Account |
| Cigel Participações S.A. | - | - | (81,053) | - | (46) |
| Quimivita Fertilizantes Ltda. | 26,025 | - | - | - | - |
| Grupo Ergotrans | - | 2,861 | - | (158) | - |
| Total | 26,025 | 2,861 | (81,053) | (158) | (46) |

The amounts classified as dividends will be paid or received within 12 months according to the availability of cash.

The amounts classified as current account refer to cash transactions between companies in the Group supported by contracts with an indefinite validity period or automatic renewal and are called "Current Account Contracts". In these contracts, the parties have established that there will be no interest charged or deadline for the repayment of amounts. Therefore, since these are transactions between related parties with no provision for repayment or settlement, the Group has classified these amounts as long-term.

The balances shown in accounts receivable refer to sales of products to related parties and the balances are referenced in the note No. 5 - Accounts Receivable, as well as the amounts shown in suppliers refer to the contracting of services, also with related parties, and are highlighted in note No. 14.

7.2. TRANSACTIONS WITH RELATED PARTIES

The transactions between the companies of the Unigel Group are shown below. All of these transactions have been eliminated from the consolidated statement of income and balance sheet.

| | Consolidated | | | |
|----------------------------------|--------------------|----------------|------------------|------------------|
| | Transaction amount | | | |
| | Sales | | Purchases | |
| | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Companhia Brasileira de Estireno | 495,097 | 477,265 | (491,104) | (479,516) |
| Unigel Acrílicos S.A. de C.V | - | - | (21,975) | (35,787) |
| Unigel Distribuidora Ltda. | 409,149 | 408,420 | (447,851) | (421,067) |
| Unigel Químicos S.A. | 8,425 | 6,287 | (7,071) | (9,084) |
| Proquigel Química S.A. | 80,616 | 73,893 | (25,286) | (20,411) |
| Total | 993,287 | 965,865 | (993,287) | (965,865) |

The commercial transactions with companies considered related to the Group are shown below. These transactions were carried out based on usual market prices and terms.

| | Consolidated | | | |
|-------------------------------|--------------------|---------------|------------------|------------------|
| | Transaction amount | | | |
| | Sales | | Purchases | |
| | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Compostos de Engenharia Ltda. | 9,920 | 15,838 | - | - |
| Quimivita Fertilizantes Ltda. | 45,554 | 4,885 | - | - |
| Grupo Ergotrans | - | - | (122,818) | (102,147) |
| Total | 55,474 | 20,723 | (122,818) | (102,147) |

Additionally, the Company recognized interest expenses on loans from related parties in the amount of R\$ 61,362 as of March 31, 2023 (R\$ 60,607 as of March 31, 2022). These loans from related parties originate from the transfer of funds to the operational companies of the Group referring to the Bond issuance made by Unigel Luxembourg and were carried out under

conditions similar to those agreed in the aforementioned market borrowing for interest rates and terms. The appropriated interest was eliminated in the consolidation process and allocated to the companies, as follows:

| | Consolidated | |
|----------------------------------|---------------|---------------|
| | 03/31/2023 | 03/31/2022 |
| Companhia Brasileira de Estireno | 37,482 | 37,021 |
| Proquigel Química S.A. | 23,880 | 23,586 |
| Total | 61,362 | 60,607 |

7.3. KEY MANAGEMENT PERSONNEL TRANSACTIONS

The aggregate value of the transactions with key management personnel is described below:

| | Consolidated | |
|------------------------------|--------------|---------------|
| | 03/31/2023 | 03/31/2022 |
| Salaries and payroll charges | 4,935 | 13,133 |
| Bonus | 457 | 299 |
| Short-term benefits | 5,392 | 13,432 |
| Post-employment benefits | 183 | 166 |
| Total | 5,575 | 13,598 |

The Group considered as key management personnel: (i) Statutory Directors and (ii) Members of the Board of Directors.

8. RECOVERABLE TAXES

| | Consolidated | |
|--|----------------|----------------|
| | 03/31/2023 | 12/31/2022 |
| PIS/COFINS – ICMS exclusion from calculation basis | 230,084 | 229,302 |
| ICMS | 66,657 | 49,448 |
| ICMS on property, plant and equipment | 27,961 | 21,815 |
| PIS and COFINS | 117,547 | 129,514 |
| PIS and COFINS on property, plant and equipment | 59,270 | 3,540 |
| REINTEGRA program | 13,134 | 13,308 |
| INSS | 12,954 | 13,409 |
| IPI | 4,000 | 2,826 |
| IVA | 69,972 | 63,557 |
| Income tax (IRPJ) | 91,442 | 88,073 |
| Social contribution (CSLL) | 19,920 | 19,913 |
| Other | 17,332 | 9,695 |
| | 730,273 | 644,400 |
| Current | 437,135 | 402,201 |
| Non-current | 293,138 | 242,199 |

8.1. ICMS EXCLUSION FROM CALCULATION BASIS OF PIS AND COFINS

On May 14th, 2021, the Federal Supreme Court (STF), through the trial of clarification appeals filed by the Union, established that the ICMS to be excluded from the calculation base of PIS and COFINS is the amount indicated on the invoice. Furthermore, the effects of this decision with general repercussion were decided to be modulated starting from March 15th, 2017, except for legal actions filed until that date. In summary, taxpayers who did not request the return of values will have the right to calculate and receive credits starting from the modulation date, i.e., March 15th, 2017. Taxpayers who legally challenged the aforementioned exclusion will be entitled to a refund of the last 5 years from the date of filing of the action.

The Group filed a lawsuit on March 7th, 2017, and obtained an injunction allowing the mentioned exclusion on May 5th, 2017, based on the value of the ICMS indicated on the invoices. The administration chose to exercise its right prospectively, meaning

from the date of the granted injunction until the final judgment of the issues under discussion. With the decision of the STF now established, the Company confirmed the understanding adopted in the exclusion of ICMS in the calculation base of PIS and COFINS referring to the values indicated on the invoices, and there is no adjustment to be recognized in the financial statements issued until then. However, the right to a refund of values related to the 5 years prior to the filing of the legal action, i.e., credits from April 2012 to March 2017, was assured, and these amounts are recorded in the referred item. The cases were judged in final instance on July 5th, 2022, and the credit amounts are in the process of being authorized by the Brazilian Federal Revenue Service. The values recognized as undue or overpayments have been accrued by SELIC since the recognition.

8.2. ICMS

Accumulated ICMS credits come from the purchase of raw materials. The Group expects to use these credits considering various possibilities, such as: intercompany transactions based on different ICMS rates (between different states of the Union), purchase of tax-exempt raw materials through drawback, and monetization of credits through negotiation with third parties.

8.3. ICMS, PIS AND COFINS ON PROPERTY PLANT AND EQUIPMENT

Fixed asset credits are used over a period that can vary from 48 to 60 months in some cases, and in other cases, they are used according to the depreciation of the reference asset, i.e., according to the useful life of each asset. The classification between short and long term of these credits is made considering these realization terms..

8.4. PIS AND COFINS

The PIS and COFINS credits of companies in the Group mainly come from export operations, meaning that the company acquires raw materials with taxes (credit) and has a significant portion of its sales destined for export without these taxes (debit), thus generating credit balances. In addition, the Company's subsidiaries calculate credits resulting from the exclusion of ICMS from the PIS and COFINS base on their revenues since 2017, as described in section 8.1 above, which contributed to the increase in credit balances.

In the third quarter of 2022, the Company reviewed the PIS and COFINS calculations of its subsidiaries for the last 5 years and identified overdue credits that were not recognized at the time, in the amount of R\$ 33,145, duly recognized during the fourth quarter of 2022.

Although the Group is fully offsetting federal taxes, management has been implementing judicial and administrative actions that allow the monetization of these credits, including hiring consulting and legal advisors whose objective is to implement various strategies for the faster realization of these credits.

9. INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution are recorded to reflect the future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective book values, as well as accumulated balances of tax losses and negative social contribution bases.

9.1. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

| | Consolidated | | | |
|--|------------------|-----------------|------------------|------------------|
| | 03/31/2022 | P&L | OCI | 01/01/2022 |
| Assets | | | | |
| OCI | | | | |
| Post-employment benefit | 9,167 | - | - | 9,167 |
| Cash flow hedge | 212,949 | 33,299 | (106,374) | 286,024 |
| Profit and loss | | | | |
| Estimated credit loss | 10,619 | (848) | - | 11,467 |
| Provision for contingencies | 2,601 | 5 | - | 2,596 |
| Unrealized currency exchange variation | (1,729) | (149,919) | - | 148,190 |
| Accumulated tax losses | 347,930 | (22,310) | - | 370,240 |
| PIS/COFINS ICMS exclusion | (76,048) | - | - | (76,048) |
| Freight | 8,291 | (1,206) | - | 9,497 |
| Derivatives | 3,904 | 131,111 | - | (127,207) |
| Foreign subsidiaries | 11,323 | (9,152) | - | 20,475 |
| Impairment | 3,002 | (1,953) | - | 4,955 |
| Other provisions | 9,607 | (26,132) | (694) | 36,433 |
| | 541,616 | (47,107) | (107,068) | 695,789 |
| Liabilities | | | | |
| OCI | | | | |
| Deemed cost | (46,497) | 2,453 | - | (48,950) |
| Profit and loss | | | | - |
| PIS/COFINS ICMS exclusion | (1,377) | - | - | (1,377) |
| Gains on corporate transactions | (117,137) | - | - | (117,137) |
| | (165,011) | 2,453 | - | (167,464) |
| Net deferred assets | 376,605 | (44,652) | (107,068) | 528,325 |
| Deferred tax assets | 493,742 | | | 645,462 |
| Deferred tax liabilities | (117,137) | | | (117,137) |
| Net deferred assets | 376,605 | | | 528,325 |

| | Consolidated | | | |
|--|------------------|-----------------|---------------|------------------|
| | 12/31/2022 | P&L | OCI | 03/31/2022 |
| Assets | | | | |
| OCI | | | | |
| Post-employment benefit | 9,468 | - | 301 | 9,167 |
| Cash flow hedge | 300,791 | (5,015) | 92,857 | 212,949 |
| Profit and loss | | | | |
| Estimated credit loss | 9,792 | (827) | - | 10,619 |
| Provision for contingencies | 6,507 | 3,906 | - | 2,601 |
| Unrealized currency exchange variation | 91,673 | 93,402 | - | (1,729) |
| Accumulated tax losses | 376,920 | 28,990 | - | 347,930 |
| PIS/COFINS ICMS exclusion | (70,639) | 5,409 | - | (76,048) |
| Freight | 5,760 | (2,531) | - | 8,291 |
| Derivatives | (70,097) | (74,001) | - | 3,904 |
| Foreign subsidiaries | 10,255 | (1,068) | - | 11,323 |
| Impairment | - | (3,002) | - | 3,002 |
| Other provisions | 66,761 | 57,598 | (444) | 9,607 |
| | 737,191 | 102,861 | 92,714 | 541,616 |
| Liabilities | | | | |
| OCI | | | | |
| Deemed cost | (44,275) | 2,222 | - | (46,497) |
| Profit and loss | | | | |
| PIS/COFINS ICMS exclusion | (1,799) | (422) | - | (1,377) |
| Gains on corporate transactions | (14,426) | (14,426) | - | - |
| | (117,137) | - | - | (117,137) |
| | (177,637) | (12,626) | - | (165,011) |
| Net deferred assets | | | | |
| Deferred tax assets | 559,554 | 90,235 | 92,714 | 376,605 |
| Deferred tax liabilities | 691,118 | | | 493,742 |
| Net deferred assets | (131,564) | | | (117,137) |
| Assets | 559,554 | | | 376,605 |

| | Consolidated | | | |
|--|------------------|----------------|-----------------|------------------|
| | 03/31/2023 | P&L | OCI | 12/31/2022 |
| Assets | | | | |
| OCI | | | | |
| Post-employment benefit | 9,468 | - | - | 9,468 |
| Cash flow hedge | 284,385 | 5,467 | (21,873) | 300,791 |
| Profit and loss | | | | |
| Estimated credit loss | 9,519 | (273) | - | 9,792 |
| Provision for contingencies | 6,675 | 168 | - | 6,507 |
| Unrealized currency exchange variation | 65,273 | (26,400) | - | 91,673 |
| Accumulated tax losses | 456,212 | 79,292 | - | 376,920 |
| PIS/COFINS ICMS exclusion | (70,639) | - | - | (70,639) |
| Freight | 6,007 | 247 | - | 5,760 |
| Derivatives | (31,216) | 38,881 | - | (70,097) |
| Foreign subsidiaries | 27,734 | 15,071 | 2,408 | 10,255 |
| Impairment | 56,595 | (10,166) | - | 66,761 |
| Other provisions | 820,013 | 102,287 | (19,465) | 737,191 |
| Liabilities | | | | |
| OCI | (43,008) | 1,267 | - | (44,275) |
| Deemed cost | | | | |
| Profit and loss | (1,799) | - | - | (1,799) |
| PIS/COFINS ICMS exclusion | (14,037) | 389 | - | (14,426) |
| Gains on corporate transactions | (117,137) | - | - | (117,137) |
| | (175,981) | 1,656 | - | (177,637) |
| Net deferred assets | 644,032 | 103,943 | (19,465) | 559,554 |
| Deferred tax assets | 761,169 | | | 691,118 |
| Deferred tax liabilities | (117,137) | | | (131,564) |
| Net deferred assets | 644,032 | | | 559,554 |

9.2. EFFECTIVE TAX RATE RECONCILIATION

| | Consolidated | |
|--|------------------|------------------|
| | 03/31/2023 | 03/31/2022 |
| Profit (loss) before income tax and social contribution | (185,363) | 380,774 |
| Combined tax rate | 34% | 34% |
| Expected income tax and social contribution expenses (credits) by combined tax rate | 63,023 | (129,463) |
| Additions: | | |
| Thin capitalization | - | (2,180) |
| Taxation on universal basis | - | (18,117) |
| Other permanent additions | (1,952) | (1,228) |
| Exclusions: | | |
| Tax benefits – Reintegra (Note 28) | 134 | 221 |
| Tax benefits – Desenvolve (Note 28) | 25,586 | 18,995 |
| Tax benefits – PSDI (Note 28) | - | 2,068 |
| Taxation on universal basis | 21,331 | - |
| Other permanent exclusions | - | 9 |
| | 108,122 | (129,695) |
| Effective rate | 58,33% | 34,06% |
| Other adjustments: | | |
| Tax losses and temporary differences not recognized | (9,257) | (1,521) |
| Tax losses and temporary differences – prior period | (689) | 9,300 |
| Tax benefits – SUDENE (Note 24.3) | - | 47,863 |
| Income tax and social contribution in income (loss) for the year | 98,176 | (74,053) |
| Current | (5,767) | (29,401) |
| Deferred | 103,943 | (44,652) |

TAXATION ON UNIVERSAL BASIS

In the process of taxation on universal basis, the results before taxes of subsidiaries located abroad are incorporated into the calculation bases of the parent company of these companies in Brazil, net of taxes paid abroad, in addition to other adjustments such as consolidation of results and offsetting of accumulated losses.

The tax rate for our subsidiaries in Mexico is approximately 30% and for our subsidiary in Luxembourg it can reach 25%.

In the reconciliation of the effective tax rate, we show the net value of these adjustments in a single line.

TAX LOSSES AND TEMPORARY DIFFERENCES NOT RECOGNIZED

These correspond to amounts of companies in the Group that, based on their history and current projections, do not indicate the generation of taxable profits sufficient to offset these amounts within a reasonable time frame. The total unrecognized balance is presented below:

| | Consolidado | |
|---------------------------|---------------|---------------|
| | 03/31/2023 | 12/31/2022 |
| Unigel Químicos S.A. | 70,096 | 68,829 |
| Unigel Participações S.A. | 21,935 | 13,945 |
| | 92,031 | 82,774 |

10. INVESTMENTS

10.1. CHANGES IN INVESTMENTS

| | Companhia Brasileira de Estireno | Proquigel Química S.A. | Unigel Luxemburgo | Unigel Distribuidora Ltda. | Unigel Químicos S.A. | Unigel Com. De Energia S.A. | Total |
|--------------------------------------|----------------------------------|------------------------|-------------------|----------------------------|----------------------|-----------------------------|------------------|
| Balance on January 1, 2022 | 1,897,288 | 320,910 | 130,833 | 62,149 | (18,819) | 999 | 2,393,360 |
| Equity in net income of subsidiaries | 90,054 | 237,940 | (20,299) | 4,381 | (741) | (2) | 311,333 |
| Cash flow hedge | 79,943 | 125,933 | - | - | 615 | - | 206,491 |
| Translation adjustments | (110,721) | - | (10,239) | - | - | - | (120,960) |
| Balance on March 31, 2022 | 1,956,564 | 684,783 | 100,295 | 66,530 | (18,945) | 997 | 2,790,224 |
| Increase in capital | - | - | - | - | 100,000 | - | 100,000 |
| Equity in net income of subsidiaries | (49,023) | 257,668 | (37,519) | 10,083 | (13,777) | (10) | 167,422 |
| Cash flow hedge | (23,743) | (159,622) | - | - | 3,113 | - | (180,252) |
| Post-employment benefits | (585) | - | - | - | - | - | (585) |
| Translation adjustments | 65,074 | - | (11,529) | - | - | - | 53,545 |
| Dividends and capital interest | - | (113,391) | - | (1,166) | - | - | (114,557) |
| Balance on December 31, 2022 | 1,948,287 | 669,438 | 51,247 | 75,447 | 70,391 | 987 | 2,815,797 |
| Equity in net income of subsidiaries | (8,415) | (67,666) | 14,976 | 2,054 | (4,639) | (1) | (63,691) |
| Cash flow hedge | 30,734 | 10,841 | - | - | 884 | - | 42,459 |
| Translation adjustments | (22,529) | - | (774) | - | - | - | (23,303) |
| Balance on March 31, 2023 | 1,948,077 | 612,613 | 65,449 | 77,501 | 66,636 | 986 | 2,771,262 |

10.2. CAPITAL BREAKDOWN

| Subsidiary | Date | Capital | Equity | Equity interest - % | Profit in inventories | Adjusted equity |
|----------------------------------|-------------------|------------------|------------------|---------------------|-----------------------|------------------|
| Companhia Brasileira de Estireno | 03/31/2023 | 629,291 | 1,964,323 | 99,99% | (16,246) | 1,948,077 |
| | 12/31/2022 | 629,291 | 1,968,467 | 99,99% | (20,180) | 1,948,287 |
| Proquigel Química S.A. | 03/31/2023 | 459,636 | 612,613 | 99,99% | - | 612,613 |
| | 12/31/2022 | 459,636 | 669,438 | 99,99% | - | 669,438 |
| Unigel Luxemburgo S.A. | 03/31/2023 | 127 | 65,449 | 99,99% | - | 65,449 |
| | 12/31/2022 | 127 | 51,247 | 99,99% | - | 51,247 |
| Unigel Distribuidora Ltda. | 03/31/2023 | 62,372 | 77,501 | 99,99% | - | 77,501 |
| | 12/31/2022 | 62,372 | 75,447 | 99,99% | - | 75,447 |
| Unigel Químicos S.A. | 03/31/2023 | 52,299 | 66,551 | 99,99% | 85 | 66,636 |
| | 12/31/2022 | 98,831 | 70,593 | 99,99% | (202) | 70,391 |
| Unigel Com. De Energia S.A. | 03/31/2023 | 1,000 | 986 | 99,99% | - | 986 |
| | 12/31/2022 | 1,000 | 987 | 99,99% | - | 987 |
| Total | 03/31/2023 | 1,204,725 | 2,787,423 | - | (16,161) | 2,787,423 |
| | 12/31/2022 | 1,251,257 | 2,836,179 | - | (20,382) | 2,815,797 |

10.3. EQUITY IN NET INCOME OF SUBSIDIARIES

| Subsidiary | Date | Profit in inventories | Profit (loss) | Equity interest % | Equity in net income (loss) |
|----------------------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------------|
| Companhia Brasileira de Estireno | 03/31/2023 | 3,729 | (12,144) | 99.99% | (8,415) |
| | 03/31/2022 | 1,909 | 88,145 | 99.99% | 90,054 |
| Proquigel Química S.A. | 03/31/2023 | - | (67,666) | 99.99% | (67,666) |
| | 03/31/2022 | - | 237,940 | 99.99% | 237,940 |
| Unigel Luxemburgo S.A. | 03/31/2023 | - | 14,976 | 99.99% | 14,976 |
| | 03/31/2022 | - | (20,299) | 99.99% | (20,299) |
| Unigel Distribuidora Ltda. | 03/31/2023 | - | 2,054 | 99.99% | 2,054 |
| | 03/31/2022 | - | 4,381 | 99.99% | 4,381 |
| Unigel Químicos S.A. | 03/31/2023 | - | (4,639) | 99.99% | (4,639) |
| | 03/31/2022 | 30 | (771) | 99.99% | (741) |
| Unigel Com. De Energia S.A. | 03/31/2023 | - | (1) | 99.99% | (1) |
| | 03/31/2022 | - | (2) | 99.99% | (2) |
| Total | 03/31/2023 | 3,729 | (67,420) | - | (63,691) |
| | 03/31/2022 | 1,939 | 309,394 | - | 311,333 |

11. PROPERTY, PLANT AND EQUIPMENT

11.1. CHANGES IN PP&E COSTS

| | 12/31/2022 | Additions | Write-offs | Transfers ⁽¹⁾ | Translation | 03/31/2023 |
|----------------------------|------------------|----------------|----------------|--------------------------|----------------|------------------|
| Buildings | 204,325 | - | - | - | (1,276) | 203,049 |
| Machinery and equipment | 1,522,237 | 47 | (504) | - | (7,465) | 1,514,315 |
| Facilities and instruments | 1,603,161 | - | - | 3,704 | (93) | 1,606,772 |
| Land | 114,353 | - | - | - | (281) | 114,072 |
| IT Equipment | 39,503 | 21 | - | - | (259) | 39,265 |
| Vehicles | 969 | - | - | - | (15) | 954 |
| Furniture and fixtures | 18,087 | 5 | - | - | (33) | 18,059 |
| Improvements | 57,790 | 3,895 | - | - | - | 61,685 |
| Spare parts | 2,275 | - | - | - | - | 2,275 |
| Advances to suppliers | 206,802 | 33,495 | - | (77,970) | 816 | 163,143 |
| Construction in progress | 562,837 | 193,150 | (2,089) | 50,077 | (903) | 803,072 |
| Impairment | (14,604) | - | - | - | - | (14,604) |
| Total | 4,317,735 | 230,613 | (2,593) | (24,189) | (9,509) | 4,512,057 |

(1) The remaining transfer balance refers substantially to the recognition of PIS and COFINS credits reclassified to the group of recoverable taxes.

| | 03/31/2022 | Additions | Write-offs | Transfers ⁽¹⁾ | Translation | 12/31/2022 |
|----------------------------|------------------|----------------|------------------|--------------------------|---------------|------------------|
| Buildings | 231,168 | - | (33,416) | 851 | 5,722 | 204,325 |
| Machinery and equipment | 1,572,864 | 26,112 | (201,077) | 96,511 | 27,827 | 1,522,237 |
| Facilities and instruments | 1,494,242 | - | (20,515) | 129,109 | 325 | 1,603,161 |
| Land | 113,371 | - | - | 2 | 980 | 114,353 |
| IT Equipment | 35,583 | 206 | (4,804) | 7,632 | 886 | 39,503 |
| Vehicles | 1,537 | 385 | (974) | 2 | 19 | 969 |
| Furniture and fixtures | 35,132 | 79 | (3,620) | (13,617) | 113 | 18,087 |
| Improvements | 38,143 | 112 | 553 | 18,982 | - | 57,790 |
| Spare parts | 2,491 | - | (214) | (2) | - | 2,275 |
| Advances to suppliers | 16,572 | 224,587 | - | (38,971) | 4,614 | 206,802 |
| Construction in progress | 200,294 | 587,502 | (24,893) | (203,384) | 3,318 | 562,837 |
| Impairment | (30,994) | - | 16,390 | - | - | (14,604) |
| Total | 3,710,403 | 838,983 | (272,570) | (2,885) | 43,804 | 4,317,735 |

(1) The remaining transfer balance refers substantially to transfers to intangible assets.

| | 01/01/2022 | Additions | Write-offs | Transfers ⁽¹⁾ | Translation | 03/31/2022 |
|----------------------------|------------------|---------------|--------------|--------------------------|-----------------|------------------|
| Buildings | 240,973 | - | - | (2) | (9,803) | 231,168 |
| Machinery and equipment | 1,605,964 | 2,103 | - | 12,358 | (47,561) | 1,572,864 |
| Facilities and instruments | 1,485,237 | - | - | 9,574 | (569) | 1,494,242 |
| Land | 115,095 | - | - | (2) | (1,722) | 113,371 |
| IT Equipment | 40,441 | 167 | - | (3,489) | (1,536) | 35,583 |
| Vehicles | 1,568 | - | - | (2) | (29) | 1,537 |
| Furniture and fixtures | 35,314 | 10 | - | (1) | (191) | 35,132 |
| Improvements | 38,143 | - | - | - | - | 38,143 |
| Spare parts | 2,491 | - | - | - | - | 2,491 |
| Advances to suppliers | 17,091 | - | - | (519) | - | 16,572 |
| Construction in progress | 164,509 | 63,824 | (367) | (21,892) | (5,780) | 200,294 |
| Impairment | (36,803) | - | 5,819 | - | - | (30,994) |
| Total | 3,710,023 | 66,104 | 5,452 | (3,975) | (67,191) | 3,710,403 |

(1) The remaining transfer balance refers substantially to transfers to intangible assets.

11.2. CHANGES IN PP&E DEPRECIATION

| | 12/31/2022 | Additions | Write-offs | Translation | 03/31/2023 |
|----------------------------|--------------------|-----------------|------------|--------------|--------------------|
| Buildings | (137,972) | (1,907) | - | 661 | (139,218) |
| Machinery and equipment | (912,991) | (13,304) | 18 | 3,245 | (923,032) |
| Facilities and instruments | (650,454) | (27,135) | - | 43 | (677,546) |
| IT Equipment | (19,832) | (1,242) | - | 199 | (20,875) |
| Vehicles | (562) | (31) | - | 5 | (588) |
| Furniture and fixtures | (7,874) | (577) | - | 20 | (8,431) |
| Improvements | (9,010) | (373) | - | - | (9,383) |
| Spare parts | (2,275) | - | - | - | (2,275) |
| Total | (1,740,970) | (44,569) | 18 | 4,173 | (1,781,348) |

| | 03/31/2022 | Additions | Write-offs | Transfers | Translation | 12/31/2022 |
|----------------------------|--------------------|------------------|----------------|----------------|-----------------|--------------------|
| Buildings | (149,363) | (6,063) | 20,073 | - | (2,619) | (137,972) |
| Machinery and equipment | (1,031,492) | (40,490) | 171,796 | 47 | (12,852) | (912,991) |
| Facilities and instruments | (592,901) | (76,887) | 19,527 | (52) | (141) | (650,454) |
| IT Equipment | (15,361) | (4,082) | 3,929 | (3,679) | (639) | (19,832) |
| Vehicles | (1,376) | (41) | 865 | - | (10) | (562) |
| Furniture and fixtures | (10,687) | (431) | 3,300 | - | (56) | (7,874) |
| Improvements | (6,583) | (2,428) | 1 | - | - | (9,010) |
| Spare parts | (2,432) | (56) | 213 | - | - | (2,275) |
| Total | (1,810,195) | (130,478) | 219,704 | (3,684) | (16,317) | (1,740,970) |

| | 01/01/2022 | Additions | Transfers | Translation | 03/31/2022 |
|----------------------------|--------------------|-----------------|--------------|---------------|--------------------|
| Buildings | (151,622) | (2,212) | - | 4,471 | (149,363) |
| Machinery and equipment | (1,034,559) | (18,668) | - | 21,735 | (1,031,492) |
| Facilities and instruments | (568,461) | (24,687) | 1 | 246 | (592,901) |
| IT Equipment | (19,395) | (679) | 3,633 | 1,080 | (15,361) |
| Vehicles | (1,377) | (23) | - | 24 | (1,376) |
| Furniture and fixtures | (10,205) | (573) | - | 91 | (10,687) |
| Improvements | (6,230) | (353) | - | - | (6,583) |
| Spare parts | (2,420) | (12) | - | - | (2,432) |
| Total | (1,794,269) | (47,207) | 3,634 | 27,647 | (1,810,195) |

11.3. CONSTRUCTION IN PROGRESS

The Group's main ongoing project is the new sulfuric acid plant with R\$ 558,334 in 2023 between assets under construction and advances to suppliers. The expectation is to complete this plant in the last quarter of 2023 with operations starting in the first quarter of 2024..

11.4. ADVANCES TO SUPPLIERS

Advances to suppliers for fixed assets, substantially constituted for the start of construction of the green hydrogen and sulfuric acid plants..

11.5. CAPITALIZATION OF INTEREST

The capitalized costs of loans and financing for the period ended March 31, 2023 were R\$ 21,809, equivalent to an average interest rate of 16.27% p.a. As of December 31, 2022, the value was R\$ 43,368 with an average interest rate of 15.80% p.a.

12. RIGH-OF-USE AND LEASE LIABILITIES

12.1. RIGHT-OF-USE

| | Consolidated | | | |
|-------------------------------------|-------------------|---------------------|---------------|----------------|
| | Industrial plants | Tanks and warehouse | Others | Total |
| Balance on January 1, 2022 | 324,069 | 44,873 | 40,307 | 409,249 |
| Additions and write-offs | 45,151 | 3,509 | (3,913) | 44,747 |
| Transfers | (5) | 1 | 4 | - |
| Translation adjustments | - | - | (2,541) | (2,541) |
| Depreciation | (7,880) | (7,824) | (1,975) | (17,679) |
| Balance on March 31, 2022 | 361,335 | 40,559 | 31,882 | 433,776 |
| Additions and write-offs | (36,519) | 90,266 | (3,275) | 50,472 |
| Transfers | 5 | (1) | (4) | - |
| Translation adjustments | - | - | 1,362 | 1,362 |
| Depreciation | (26,432) | (31,385) | (5,787) | (63,604) |
| Balance on December 31, 2022 | 298,389 | 99,439 | 24,178 | 422,006 |
| Additions and write-offs | 15,561 | (2,673) | 5,996 | 18,884 |
| Translation adjustments | - | - | (182) | (182) |
| Depreciation | (8,003) | (11,903) | (4,126) | (24,032) |
| Balance on March 31, 2023 | 305,947 | 84,863 | 25,866 | 416,676 |

12.2. LEASE LIABILITIES

| | Consolidated | | | |
|-------------------------------------|-------------------|----------------------|-----------------|------------------|
| | Industrial plants | Tanks and warehouses | Others | Total |
| Balance on January 1, 2022 | (364,242) | (52,323) | (38,404) | (454,969) |
| Additions and write-offs | (45,151) | (3,509) | 3,913 | (44,747) |
| Interest | (8,683) | (1,676) | (851) | (11,210) |
| Transfers | 451 | (1) | (450) | - |
| Translation adjustments | - | - | 1,133 | 1,133 |
| Payments | 15,173 | 10,769 | 2,919 | 28,861 |
| Balance on March 31, 2022 | (402,452) | (46,740) | (31,740) | (480,932) |
| Additions and write-offs | 36,519 | (90,266) | 3,275 | (50,472) |
| Interest | (26,445) | (4,390) | 266 | (30,569) |
| Transfers | 12,563 | 1 | (1,160) | 11,404 |
| Translation adjustments | - | - | 45 | 45 |
| Payments | 47,278 | 37,541 | 7,142 | 91,961 |
| Balance on December 31, 2022 | (332,537) | (103,854) | (22,172) | (458,563) |
| Current | | | | (101,476) |
| Non-current | | | | (357,087) |
| | | | | (458,563) |
| Balance on December 31, 2022 | (332,537) | (103,854) | (22,172) | (458,563) |
| Additions and write-offs | (15,561) | 2,673 | (5,996) | (18,884) |
| Interest | (7,885) | (2,090) | (676) | (10,651) |
| Translation adjustments | - | - | 166 | 166 |
| Payments | 16,369 | 12,606 | 3,546 | 32,521 |
| Balance on March 31, 2023 | (339,614) | (90,665) | (25,132) | (455,411) |
| Current | | | | (112,748) |
| Non-current | | | | (342,663) |
| | | | | (455,411) |

TRANSFER OF SPARE PARTS INVENTORY FROM FAFENS

The amount of R\$ 11,404 refers to maintenance spare parts inventory received in the lease of Unigel Agro plants and that were consumed in operations, which, as established in the lease agreement, must be replaced and returned to the lessee at the end of the contracted period. The Group initially classified these amounts in lease liability, but, according to the nature and essence of the values, they were transferred to the Other Liabilities account in 2022, not impacting their presentation between current and non-current groups.

12.3. FUTURE CONSIDERATIONS

The breakdown of future installment amounts by due date is as follows:

| | | 03/31/2023 | | | | | | |
|----------------------|---------------------------|------------|--------|--------|--------|--------|-----------|----------------|
| | | 2023 | 2024 | 2025 | 2026 | 2027 | Após 2027 | Total |
| Industrial plants | Current installment | 42,623 | 55,246 | 54,122 | 53,751 | 51,809 | 316,099 | 573,650 |
| | Average inflation | 4.41% | 5.89% | 5.80% | 5.72% | 5.76% | 6.07% | 5.88% |
| | Accrued installment | 43,498 | 59,639 | 61,808 | 64,883 | 65,971 | 419,443 | 715,242 |
| | Average interest rate | 9.85% | 9.84% | 9.85% | 9.90% | 9.73% | 9.54% | 9.64% |
| | Present value installment | 42,038 | 53,207 | 50,402 | 48,334 | 44,898 | 202,812 | 441,691 |
| Tanks and warehouses | Current installment | 32,274 | 32,188 | 32,188 | 5,365 | - | - | 102,015 |
| | Average inflation | 4.11% | 5.89% | 5.80% | 5.74% | - | - | 5.38% |
| | Accrued installment | 32,482 | 34,257 | 36,260 | 6,361 | - | - | 109,360 |
| | Average interest rate | 9.73% | 9.47% | 9.47% | 9.47% | - | - | 9.54% |
| | Present value installment | 31,504 | 30,696 | 29,677 | 4,934 | - | - | 96,811 |
| Others | Current installment | 9,032 | 7,751 | 2,585 | 2,086 | - | - | 21,454 |
| | Average inflation | 4.47% | 5.89% | 5.81% | 5.72% | - | - | 5.47% |
| | Accrued installment | 11,162 | 10,157 | 4,699 | 2,445 | - | - | 28,463 |
| | Average interest rate | 11.15% | 11.85% | 10.81% | 9.47% | - | - | 10.82% |
| | Present value installment | 10,702 | 8,807 | 3,705 | 1,788 | - | - | 25,002 |

| | | 12/31/2022 | | | | | | |
|----------------------|---------------------------|------------|--------|--------|--------|--------|-----------|----------------|
| | | 2023 | 2024 | 2025 | 2026 | 2027 | Após 2027 | Total |
| Industrial plants | Current installment | 53,766 | 52,682 | 51,621 | 51,155 | 49,350 | 305,176 | 563,750 |
| | Average inflation | 6,05% | 6,50% | 6,19% | 6,17% | 6,15% | 6,12% | 6,23% |
| | Accrued installment | 54,904 | 57,171 | 59,583 | 62,635 | 63,970 | 417,086 | 715,349 |
| | Average interest rate | 9,92% | 9,84% | 9,85% | 9,90% | 9,73% | 9,54% | 9,88% |
| | Present value installment | 52,497 | 49,881 | 47,519 | 45,637 | 42,577 | 196,424 | 434,535 |
| Tanks and warehouses | Current installment | 45,327 | 33,445 | 33,445 | 5,574 | - | - | 117,791 |
| | Average inflation | 6,00% | 6,50% | 6,19% | 6,13% | - | - | 6,21% |
| | Accrued installment | 45,555 | 35,768 | 38,054 | 6,696 | - | - | 126,073 |
| | Average interest rate | 9,73% | 9,47% | 9,47% | 9,47% | - | - | 9,54% |
| | Present value installment | 43,745 | 31,343 | 30,459 | 5,080 | - | - | 110,627 |
| Others | Current installment | 7,471 | 4,914 | 2,250 | 2,106 | - | - | 16,741 |
| | Average inflation | 6,04% | 6,51% | 6,21% | 6,17% | - | - | 6,23% |
| | Accrued installment | 9,639 | 7,220 | 4,360 | 2,481 | - | - | 23,700 |
| | Average interest rate | 10,56% | 11,33% | 10,64% | 9,47% | - | - | 10,50% |
| | Present value installment | 9,117 | 6,162 | 3,369 | 1,774 | - | - | 20,422 |

The projected inflation curve was built using futures contracts of IPCA, available in the B3 website.

13. LOANS AND DEBENTURES

13.1. BALANCES

| | | | Parent company | | | |
|--------------|--------------------|-----------|----------------|----------------------------|----------------|----------------------------|
| | | | 03/31/2023 | | 12/31/2022 | |
| Current | Category | Rate | Balance | Average Interest rate p.a. | Balance | Average Interest rate p.a. |
| BRL | Debentures | CDI | 531,621 | 15,77% | 511,672 | 15,77% |
| | Financing | Prefixado | 335 | 11,55% | 386 | 11,55% |
| Total | | | 531,956 | 13,66% | 512,058 | 13,66% |
| | Current | | 35,669 | | 16,064 | |
| | Non-current | | 496,287 | | 495,994 | |

| Currency | Category | Rate | Consolidated | | | |
|------------------|--------------------|----------------------|------------------|----------------------------|------------------|----------------------------|
| | | | 03/31/2023 | | 12/31/2022 | |
| | | | Balance | Average Interest rate p.a. | Balance | Average Interest rate p.a. |
| BRL | Debentures | CDI | 531,620 | 15.77% | 511,672 | 15.77% |
| | NCE | CDI | 30,071 | 16.70% | - | - |
| | Financing | IPCA | 150,502 | 7.95% | - | - |
| | | Prefixed | 335 | 11.55% | 386 | 11.55% |
| | Working capital | CDI | - | - | 31,854 | 17.93% |
| Total BRL | | | 712,528 | | 543,912 | |
| USD | Bond | Prefixed | 2,734,928 | 8.75% | 2,743,030 | 8.75% |
| | Working capital | Prefixed | 254,656 | 7.41% | 108,796 | 5.06% |
| | | Libor ⁽¹⁾ | 134,960 | 7.29% | 145,234 | 7.10% |
| Total USD | | | 3,124,544 | | 2,997,060 | |
| Total | | | 3,837,072 | 10.77% | 3,540,972 | 9.67% |
| | Current | | 500,684 | | 274,498 | |
| | Non-current | | 3,336,388 | | 3,266,474 | |

- (1) In 2017, the Financial Conduct Authority (“FCA”), the UK regulatory body, announced the end of the multi-currency overnight Libor rate in December 2021, and the end of Libor to USD as of June 30, 2023.

13.2. CHANGES IN BALANCE

| | Parent company |
|-------------------------------------|----------------|
| Balance on January 1, 2022 | 575 |
| Interest expenses | 343 |
| Interest paid | (390) |
| Balance on March 31, 2022 | 528 |
| Debentures emission | 494,377 |
| Interest expenses | 53,648 |
| Interest paid | (36,495) |
| Balance on December 31, 2022 | 512,058 |
| Interest expenses | 19,600 |
| Interest paid | (10) |
| Payment of principal | (51) |
| Transaction costs | 358 |
| Balance on March 31, 2023 | 531,955 |

| | Consolidated |
|--|------------------|
| Balance on January 1, 2022 | 3,324,134 |
| Funding of loans and financing | 54,378 |
| Interest expenses | 88,334 |
| Currency exchange adjustments in P&L | (412,721) |
| Currency exchange adjustments in OCI | (58,491) |
| Payment of principal | (46,655) |
| Interest paid | (21,460) |
| Translation adjustments – foreign subsidiaries | (22,995) |
| Balance on March 31, 2022 | 2,904,524 |
| Funding of loans, financing and debentures | 571,991 |
| Interest expenses | 289,391 |
| Capitalized interest | 43,367 |
| Currency exchange adjustments in P&L | 283,147 |
| Currency exchange adjustments in OCI | (13,687) |
| Payment of principal | (197,038) |
| Interest paid | (358,283) |
| Translation adjustments – foreign subsidiaries | 17,560 |
| Balance on December 31, 2022 | 3,540,972 |
| Funding of loans, financing and debentures | 427,733 |
| Interest expenses | 84,393 |
| Capitalized interest | 21,809 |
| Currency exchange adjustments in P&L | (50,150) |
| Currency exchange adjustments in OCI | (26,956) |
| Payment of principal | (134,075) |
| Interest paid | (26,859) |
| Transaction costs | 6,157 |
| Translation adjustments – foreign subsidiaries | (5,952) |
| Balance on March 31, 2023 | 3,837,072 |

13.3. BONDS

In October 2019, the Unigel Group concluded its second bond issue, raising US\$ 420 million at a rate of 8.75% and maturing in October 2026. In the first quarter of 2021, the Group carried out a retap of this funding, adding U\$ 110 million to the amount initially raised, totaling U\$ 530 million.

The bonds have cash flow exclusively from the payment of semi-annual interest on the amount of the outstanding principal. The amortization of the principal is of bullet type; that is, with only one amortization at the final maturity, on October 1, 2026.

Bonds have early redemption options in the following terms and amounts::

| Period | Repurchase price |
|--------------|------------------|
| 2022 to 2023 | 104.375% |
| 2023 to 2024 | 102.188% |
| 2024 to 2025 | 101.094% |
| After 2025 | 100.000% |

These early redemption options were identified as embedded derivatives, as described in Note 26 – Derivatives.

13.4. DEBENTURES

On April 12, 2022, the Company concluded the issuance of R\$ 500,000 in debentures in its first operation in the local capital market through its parent company Unigel Participações S.A. The maturity date of debentures is five years with semi-annual interest payments and a fixed rate of 100% of the CDI plus 2.10% YoY. The funding will guarantee adequate capital for investments in the production of the new sulfuric acid plant in the Camaçari Petrochemical Complex, in the state of Bahia.

The debentures were issued in accordance with CVM Instruction 476; that is, with restricted placement efforts, and were registered with Anbima. They are simple debentures, not convertible into the Company's shares and do not have monetary restatement.

The debentures have cash flow exclusively from the payment of principal and semi-annual interest on the amount of the outstanding principal. The amortization of principal occurs at three different times, as follows:

| Installment | Date | Percentage of remaining principal balance to be amortized |
|-------------|------------|---|
| 1 | 04/08/2025 | 33.33% do principal nesta data |
| 2 | 04/08/2026 | 50.00% do saldo remanescente do principal nesta data |
| 3 | 04/08/2027 | 100.00% do saldo remanescente do principal nesta data |

The Company may, at any time after November 8, 2024, carry out the total early redemption of debentures upon payment of a premium of 0.40% per annum, and the partial redemption in this modality is not allowed.

13.5. APPROVED CREDIT LINES

On December 27, 2022, subsidiary Proquigel Química S/A signed a credit agreement for financing in the amount of R\$ 294.4 million, to be provided with resources from the Northeast Constitutional Financing Fund ("FNE").

The Financing Agreement has a term of 12 years, with 3 years of grace period, at a total cost of IPCA + 2.69% p.a., considering the compliance bonus. The first disbursement occurred on March 3, 2023, in the amount of R\$ 150,000.

The funds are being used for the construction of a manufacturing plant, located in the Industrial Pole of Camaçari (Bahia), with a production capacity of 450,000 tons per year of sulfuric acid and 50,000 tons per year of oleum. In addition, the new plant will generate energy in the form of steam, which will be used in the Unigel styrenics and fertilizer plants located in Camaçari (BA).

13.6. DISBURSEMENT SCHEDULE

| Year | Consolidated | | | | | |
|------------|------------------|-------------------|------------------|------------------|-------------------|------------------|
| | 03/31/2023 | | | 12/31/2022 | | |
| | Disbursements | Transaction costs | Total | Disbursements | Transaction costs | Total |
| 2023 | 355,489 | (16,645) | 338,844 | 297,176 | (22,678) | 274,498 |
| 2024 | 167,465 | (22,153) | 145,312 | 13,218 | (22,740) | (9,522) |
| 2025 | 218,080 | (22,093) | 195,987 | 219,470 | (22,678) | 196,792 |
| 2026 | 2,874,556 | (18,608) | 2,855,948 | 2,932,048 | (19,098) | 2,912,950 |
| After 2027 | 301,389 | (408) | 300,981 | 166,666 | (412) | 166,254 |
| | 3,916,979 | (79,907) | 3,837,072 | 3,628,578 | (87,606) | 3,540,972 |

13.7. COLLATERALS

As a form of collaterals for loans and financing, the Group made available part of its property, plant and equipment, as disclosed in the Financial Statements of December 31, 2022.

13.8. COVENANTS

During the term of loan, financing, and debenture contracts, the Parent Company and some subsidiaries must maintain certain metrics for financial indicators. The indicators that are monitored at the consolidated level are related to the debentures, bonds, and global derivative contracts of the Group. The reference indicator for all these operations is net debt/EBITDA, which in the most restrictive contracts, including debentures and bonds, has a limit of 3.5x.

The Group's management periodically monitors whether covenant clauses are being met, and the Group has not identified any breaches in financial and non-financial metrics in the presented periods.

14. SUPPLIERS

| | Parent company | | Consolidated | |
|----------------------------------|----------------|--------------|----------------|----------------|
| | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Raw materials and services | 944 | 1,834 | 354,487 | 386,022 |
| Raw materials – Agreement | | - | 378,256 | 305,756 |
| Property, plant and equipment | 737 | 32 | 45,172 | 59,896 |
| Domestic market | 1,681 | 1,866 | 777,915 | 751,674 |
| Raw materials and services | 3 | - | 181,632 | 206,299 |
| Property, plant and equipment | 1,109 | 1,139 | 751 | 945 |
| Foreign market | 1,112 | 1,139 | 182,383 | 207,244 |
| Related parties (Note 10) | - | - | 1,227 | 158 |
| Suppliers | 2,793 | 3,005 | 583,269 | 653,320 |
| Suppliers Agreement | - | - | 378,256 | 305,756 |

14.1. SUPPLIERS AGREEMENT

Some of the Company's subsidiaries have entered into agreements with financial institutions, known as suppliers agreement. In these operations, suppliers transfer the right to receive the bills to financial institutions in exchange for receiving them in advance. The financial institutions, in turn, become creditors of the operations and the Company's subsidiaries settle these same bills on the same dates originally agreed with their suppliers, without changing the maturity dates, prices and conditions previously established. Such operations do not generate financial expenses for the Group companies.

The decision to participate in this type of operation is solely and exclusively up to the suppliers.

Therefore, these operations are presented in the statement of cash flows as a cash flow from operating activities. As of March 31, 2023, suppliers agreement operations totaled R\$ 378,256 (R\$ 305,756 as of December 31, 2022).

15. TAX PAYABLES

| | Consolidated | |
|--|---------------|---------------|
| | 03/31/2023 | 12/31/2022 |
| ICMS | 10,261 | 15,152 |
| PIS and COFINS | 1,180 | 11,008 |
| REFIS - Law nº. 11.941/09 | 8,327 | 9,720 |
| REFIS - Law nº. 13.043/14 | 5,336 | 5,478 |
| Tax installments programs - PRT and PERT | 19,740 | 21,606 |
| State tax installments program - PEP | 5,362 | 6,171 |
| Federal tax installments programs | 3,229 | 3,493 |
| Income tax (IRPJ) | 10,237 | 18,997 |
| Social contribution (CSLL) | 280 | 72 |
| Other | 5,685 | 5,539 |
| | 69,637 | 97,236 |
| Current | 37,165 | 61,288 |
| Non-current | 32,472 | 35,948 |

15.1. PARCELAMENTOS DE IMPOSTOS

TAX REGULARIZATION PROGRAM – LAW Nº 11.941/09

In November 2009, the Administration approved the adhesion to the Tax Regularization Program in accordance with Law nº 11.941/09.

WORLD CUP TAX REGULARIZATION PROGRAM – LAW Nº 13.043/14

In November 2014, the Group joined the program for reduction and installment of federal debts according to Law n. 13.043/14 (Refis da Copa).

TAX REGULARIZATION PROGRAM – PRT E PERT

In 2017, the Group joined the Tax Regularization Program - PRT and the Special Tax Regularization Program - PERT. These programs were created in accordance with Provisional Measures 766, 780 and 783 of 2017, respectively, which allowed for the partial settlement of certain federal tax debts, both administratively and judicially, through the use of tax losses and negative social contribution base.

STATE TAX REGULARIZATION PROGRAM - PEP

In April 2017, the Group joined the State Tax Regularization Program of the State of São Paulo ("PEP"). PEP was a program created by law that allowed for the installment of taxes (ICMS) in discussion or delayed with a reduction of fines and interest.

The due dates for long-term payable taxes are distributed as follows:

| | Consolidated | |
|------------|---------------|---------------|
| | 03/31/2023 | 12/31/2022 |
| 2024 | 5,436 | 7,773 |
| 2025 | 4,558 | 7,671 |
| 2026 | 7,267 | 7,515 |
| 2027 | 9,189 | 6,764 |
| After 2027 | 6,022 | 6,225 |
| | 32,472 | 35,948 |

16. JUDICIAL DEPOSITS AND PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to administrative and legal proceedings arising from the normal course of their operations. These proceedings involve labor, tax, environmental and civil matters. Based on the information and assessments of its internal and external legal advisors, Management measured and recognized provisions for contingencies in an estimated amount of the value of obligation and which reflect the expected and probable outflow of funds.

16.1. JUDICIAL DEPOSITS

The Group recorded R\$ 15,933 (R\$ 15,933 on December 31, 2022) in judicial deposits substantially related to tax proceedings.

16.2. PROVISION FOR CONTINGENCIES

| | Consolidated | | | |
|-------------------------------------|--------------|---------------|--------------|---------------|
| | Labor | Tax | Civil | Total |
| Balance on January 1, 2022 | 3,319 | 6,429 | - | 9,748 |
| Additions | - | 890 | - | 890 |
| Write-offs | (624) | - | - | (624) |
| Transfers | (1,531) | 1,531 | - | - |
| Balance on March 31, 2022 | 1,164 | 8,850 | - | 10,014 |
| Additions | 2,323 | 14,269 | 2,217 | 18,809 |
| Write-offs | (757) | (5,722) | - | (6,479) |
| Balance on December 31, 2022 | 2,730 | 17,397 | 2,217 | 22,344 |
| Additions | 41 | 2,699 | - | 2,740 |
| Write-offs | (612) | (2,206) | (60) | (2,878) |
| Balance on March 31, 2023 | 2,159 | 17,890 | 2,157 | 22,206 |

LABOR

Labor lawsuits represent various labor claims (such as payment of overtime, unhealthy or hazardous work conditions, and severance pay) in different stages of the legal process.

TAX

Tax provisions substantially refer to disputes related to ICMS, IPI, social security contributions, compensation of PIS and COFINS credits, and the incidence of PIS and COFINS on other revenues.

The additions related to the year ended December 31, 2022, refer to:

- (a) a fine for charging PIS/COFINS and CSLL on discounts given to customers in the amount of R\$5,684;
- (b) a fine related to the compensation with FINSOCIAL credits allegedly used twice, in the amount of R\$5,257;
- (c) a fine imposed after a tax audit to analyze the claims for reimbursement of PIS/COFINS credits, calculated due to the non-cumulative tax system, in the amount of R\$2,737;
- (d) a fine demanding ICMS from January 2014 to August 2017 on electricity in the free market, in the amount of R\$878;
- (e) refund and offset of the negative balance of IRPJ, referring to the calendar year 1998, due to tax withheld on financial investments, in the amount of R\$603.;

CIVIL

The Company is involved in a group of civil lawsuits, arbitration, and/or administrative proceedings with various claims. The provisions result from unfavorable decisions and/or probable loss in the normal course of the legal process with the expectation of financial outflow.

16.3. BALANCES EVALUATED WITH POSSIBLE RISK OF LOSS

The companies of the Group are parties to various legal proceedings for which Management, based on the assessment of its internal and external legal advisors, has assessed the risks of losses as possible. The obligations arising from these proceedings are considered as contingent liabilities, since it is not probable that an outflow of resources will be required to settle the obligation. The nature of the main contingent liabilities are:

| | Consolidated | |
|-------------|----------------|----------------|
| | 03/31/2023 | 12/31/2022 |
| Labor | 21,463 | 21,809 |
| Tax | 392,389 | 581,720 |
| Environment | 56,172 | 54,910 |
| Civil | 41,030 | 34,886 |
| | 511,054 | 693,325 |

LABOR

On March 31, 2023, the Group was a defendant in approximately 230 (228 on December 31, 2022) labor lawsuits. The Group did not record a provision for cases in which the risk of loss was classified as possible involving an estimated amount of R\$ 21,463 (R\$ 21,809 on December 31, 2022). In general terms, labor claims refer to disputes over overtime, severance pay, liabilities involving outsourced service providers, and certain union disputes regarding the implementation of collective rules in the workplace, among others.

Among these lawsuits, there are labor disputes involving unions, and in this case, the most important union lawsuit involving the Group, along with other petrochemical companies in Bahia, as interveners in a dispute between SINDIQUÍMICA (a union of petrochemical sector employees) and SINPEQ (an association of petrochemical companies).

TAX

The Group is involved in tax litigation classified as possible based on previous court rulings, and they believe that the outcomes will be favorable due to the current jurisprudence. The most relevant actions involve::

ICMS: (a) ICMS infraction notice for undue credit in the following situations i) recording of tax documents related to non-taxable operations, regarding the receipt of goods for the specific purpose of exportation; and ii) unproven operations, return of goods sent for packaging, and fine due to the issuance of invoices that do not correspond to the departure of goods from the establishment - R\$ 68,210 (R\$ 66,198 on December 31, 2022); (b) ICMS incidence on drawback - R\$ 18,503 (R\$ 17,957 on December 31, 2022); (c) ICMS collection on operations that would not be taxable, as they are covered by specific export invoices in the amount of - R\$ 10,917 (R\$ 10,595 on December 31, 2022); (d) Infraction notices arising from the reduction of the ICMS rate incident on electricity in the state of Bahia, after filing a thesis to this effect in the amount of - R\$ 6,532 (R\$ 6,339 on December 31, 2022).

IRPJ/CSLL and PIS/Cofins: (a) Tax benefits considered investment subsidies granted by the State of Bahia, deducted from the calculation base of IRPJ/CSLL - R\$ 82,795 (R\$ 80,352 on December 31, 2022); (b) PIS and COFINS collection on discounts applied to customers - R\$ 26,978 (R\$ 26,182 on December 31, 2022); (c) Discussion about tax credits of IRPJ and CSLL, PIS and COFINS used to offset amounts of taxes owed to the Federal Union - R\$ 92,289 (R\$ 93,159 on December 31, 2022); (d) Requests for reimbursement of negative balance of IRPJ and negative calculation base of CSLL calculated and offset with several debts - R\$ 13,947 (R\$ 15,622 on December 31, 2022); changes in values due to the archiving of some processes..

Outras contingências: (a) Infraction notices for the collection of an isolated fine of 50% on supposedly non-homologated federal compensation in the amount of R\$ 9,801 (R\$ 9,704 on December 31, 2022); (b) Requests for reimbursement of REINTEGRA credits with partially or fully non-homologated linked compensations in the amount of - R\$ 9,370 (R\$9,093 on December 31,

2022); (c) TRSD collection - Solid Waste Collection Fee in the amount of - R\$ 3,654 (R\$ 3,562 on December 31, 2022); (d) Other tax contingencies with diversified values in the amount of - R\$ 49,389 (R\$ 242,957 in December 2022).

ENVIRONMENT

On March 31, 2023, the Group was a defendant in 28 (28 on December 31, 2022) environmental lawsuits. The Group did not set up provisions for cases in which the risk of loss was classified as possible, involving R\$ 56,172 (R\$ 54,910 on December 31, 2022).

The most representative cases are presented below:

Together with approximately 200 other companies, the Group is a co-defendant in a class action filed by the Association of Residents of the Jardim Cristal and Jardim Marambaia neighborhoods. The plaintiffs allege that a company called Recobem was hired to recycle byproducts from the paint industry, and instead illegally disposed of the materials in the state of Paraná. The Group was named as a co-defendant because one of the barrels that was allegedly illegally disposed of had one of its logos. The Company has been contesting this allegation, as the barrel did not contain any materials that the Group uses or produces. The First Instance Court partially granted the motion and ordered certain defendants, including Proquigel, to compensate the plaintiff in the amount of R\$ 2,805, such that the amount involved for Proquigel is R\$ 1,117 (R\$ 1,081 on December 31, 2022).

In addition, the Group is a defendant in class actions filed by the Bahia Fishermen's Federation, which claim compensation due to the alleged release of chemical products into the waters of the São Paulo River Estuary and the Bay of All Saints, which occurred in 2009, above the parameters allowed by environmental legislation (Conama Resolution No. 357/2005), resulting in the interruption of fishing activities in that locality. Based on the opinions of technical experts and advisers, the substance found in the São Paulo River Estuary does not belong to the Group's product portfolio. The process is considered possible of loss, in the amount of R\$ 53,549 (R\$ 52,300 on December 31, 2022).

Other various environmental contingencies and scattered amounts total R\$ 1,506 (R\$ 1,529 on December 31, 2022)..

PROCESSOS CÍVEIS

As of March 31, 2023, the Group was a defendant in approximately 15 (15 on December 31, 2022) civil lawsuits, representing a total estimated loss of R\$ 41,030 (R\$ 34,886 on December 31, 2022).

In the most significant lawsuit, the Group is a defendant in a case brought by N.C. S/C Ltda., a former minority shareholder of Polo Ind. e Com. S/A ("Polo"), in the amount of R\$ 23,828. The plaintiff contends that, upon withdrawing from Polo, it should receive compensation due to the fact that the majority shareholders of the company - including Unigel - allegedly attempted to impose the change of its corporate type to become a corporation with authorized capital and removed it from the administration of the Company, facts that, according to N.C. S/C Ltda., incited its intention to discontinue its investment in the company. The Group was partially defeated in the first instance court, and the appeal to the São Paulo State Court of Justice was also partially defeated. The Group is being ordered to pay damages to the plaintiff, however, it is contesting the amount of damages owed.

17. EQUITY

17.1. CAPITAL

The capital stock as of March 31, 2023 is R\$ 920.963 (R\$ 920.963 on December 31, 2022), comprised by 920.962.726 (920.962.726 on December 31, 2022), book-entry shares, with no par value.

17.2. PROFIT RESERVES

LEGAL RESERVE

annually formed at 5% of net profit for the year up to the limit of 20% of Company's capital stock..

UNREALIZED PROFIT RESERVE

the balance on December 31, 2021 referred to the part of the profits calculated in the same year that was aimed at the capital stock increase, as proposed by Management and, later, ratified at the Annual and Extraordinary Shareholders' Meeting (AGOE) held on March 16, 2022, which approved the accounts for the year 2021.

EQUITY VALUATION ADJUSTMENTS

(i) Cash flow hedge

encompasses the actual portion of the accumulated net change in the fair value of the hedge instruments used in the cash flow hedge, net of taxes whose recognition in income (loss) is pending until cash flows or hedged items affect the income (loss);

(ii) Remeasurements of post-employment benefit liabilities/assets

comprise the effects of actuarial gains and losses, net of taxes;

(iii) Cumulated translation adjustments

includes all differences resulting from the translation of foreign operations, net of taxes into the functional currency in the financial statements;

(iv) Deemed cost

In the context of the adoption of IFRS for the first time in Brazil starting January 1, 2010, the Group carried out a revaluation of fixed assets at fair value (deemed cost) on the transition date. The portion calculated ed from this revaluation was accounted net of taxes as an equity valuation adjustment and has been realized against retained earnings in proportion to the depreciation, recorded in the income (loss) for the year, of property, plant and equipment items that gave rise to the aforementioned revaluation (realization of deemed cost).

17.3. DIVIDENDS

The Group's bylaws determine the distribution of a compulsory minimum dividend of 25% of income (loss) for the year, adjusted lawfully. There were no changes in the dividends' policy due to the adoption of the deemed cost.

The dividends as of December 31, 2022 were calculated as follows:

| | Amount |
|---|------------------|
| Income for the year as of 12/31/2022 | 388,717 |
| Realization of equity valuation through depreciation | 12,809 |
| Formation of legal reserve (5% of income for the year) | (20,076) |
| Adjusted net profit for the year (basis for minimum mandatory dividends) | 381,450 |
| Minimum mandatory dividends (25%) | (95,363) |
| Additional dividends proposed | (286,087) |

18. NET REVENUE

18.1. RECONCILIATION BETWEEN GROSS REVENUE AND NET REVENUE

| | Consolidate | |
|--|------------------|------------------|
| | 03/31/2023 | 03/31/2022 |
| Gross revenue | | |
| Sale of products | 1,545,274 | 2,093,231 |
| Related parties (Note 10) | 55,474 | 20,723 |
| Total sale of goods in domestic market | 1,600,748 | 2,113,954 |
| Sale of products | 443,527 | 663,815 |
| Sale of products - total foreign market | 443,527 | 663,815 |
| Total gross revenue | 2,044,275 | 2,777,769 |
| Sales taxes | (190,924) | (256,846) |
| Returns and discounts | (17,378) | (4,517) |
| Deductions from gross revenue | (208,302) | (261,363) |
| Total net revenue | 1,835,973 | 2,516,406 |

The Group does not have sales to clients individually that are higher than 10% of net sales for the year.

18.2. REVENUE BREAKDOWN

The Group generates revenues primarily from product sales in the chemicals and agro segments.

In the table below, revenues from contracts with clients are segregated by geographic market, market segment (Note 22 - Information on reported segments).

| Region | Date | Consolidated | | | |
|------------------------|------------|------------------|------------------|-----------------|------------------|
| | | Chemicals | Agro | Eliminations | Total |
| Brazil | 03/31/2023 | 729,251 | 637,925 | (49,911) | 1,317,265 |
| | 03/31/2022 | 894,849 | 881,919 | (78,583) | 1,698,185 |
| Americas (less Brazil) | 03/31/2023 | 271,593 | 139,139 | - | 410,732 |
| | 03/31/2022 | 545,566 | - | - | 545,566 |
| Asia | 03/31/2023 | 16,731 | - | - | 16,731 |
| | 03/31/2022 | 939 | 103,081 | - | 104,020 |
| Europe | 03/31/2023 | 18,494 | 85 | - | 18,579 |
| | 03/31/2022 | 43,822 | 84,950 | - | 128,772 |
| Middle-east | 03/31/2023 | 53,500 | - | - | 53,500 |
| | 03/31/2022 | 1,092 | - | - | 1,092 |
| Africa | 03/31/2023 | 19,166 | - | - | 19,166 |
| | 03/31/2022 | 38,771 | - | - | 38,771 |
| Total revenue | 03/31/2023 | 1,108,735 | 777,149 | (49,911) | 1,835,973 |
| | 03/31/2022 | 1,525,039 | 1,069,950 | (78,583) | 2,516,406 |

19. EXPENSES PER TYPE AND ROLE

| | Consolidated | |
|---|--------------------|--------------------|
| | 03/31/2023 | 03/31/2022 |
| Classified by function: | | |
| Cost of goods sold | (1,746,306) | (1,968,356) |
| Sales | (15,334) | (15,027) |
| Administrative | (43,992) | (39,356) |
| | (1,805,632) | (2,022,739) |
| Classified by nature: | | |
| Raw materials and materials for use and consumption | (1,421,821) | (1,637,400) |
| Personnel expenses | (96,301) | (106,302) |
| Outsourced services | (52,541) | (48,355) |
| Seguros | (12,640) | (366) |
| Restructuring (indemnities) | (7,457) | (483) |
| Provisions for contingencies | (2,740) | (890) |
| Depreciation of right-of-use asset | (24,032) | (17,679) |
| Depreciation and amortization | (42,466) | (47,943) |
| Logistics, freight and demurrage | (125,694) | (142,837) |
| Other expenses | (19,940) | (20,484) |
| | (1,805,632) | (2,022,739) |

19.1. COVID-19 PANDEMIC

In 2022, the Group's operations continued to be impacted by the COVID-19 pandemic. In this context, all expenses related to changes made to plants to prevent contamination were classified as "Pandemic-related expenses". These expenditures were classified as "Cost of goods sold" in the amount of R\$ 780 on March 31, 2022.

20. OTHER OPERATING (EXPENSES) INCOME

| | Consolidated | |
|--|----------------|---------------|
| | 03/31/2023 | 03/31/2022 |
| Consolidation of installment payments | - | 5,214 |
| Insurance indemnity | - | 519 |
| Scrap | 10 | 263 |
| Reversal of provision for fixed assets (note 11) | - | 5,819 |
| Recovery of taxes | - | 502 |
| Gain in sales of assets | 356 | - |
| Other operating income | - | 453 |
| Total other operating income | 366 | 12,770 |
| Pant stoppage | - | (82) |
| Other operating expenses | (1,205) | - |
| Total other operation expenses | (1,205) | (82) |
| | (839) | 12,688 |

21. FINANCIAL RESULT

| | Consolidated | |
|---|------------------|------------------|
| | 03/31/2023 | 03/31/2022 |
| Interest over bank deposits | 12,094 | 9,741 |
| Interest on receivables | 201 | 90 |
| Discounts obtained from suppliers | 71 | 61 |
| Interest on overpaid PIS/COFINS | 782 | - |
| Other financial income | 6 | 256 |
| Total financial income | 13,154 | 10,148 |
| Interest on loans, financing and debentures | (92,244) | (88,334) |
| Passive interest | (4,483) | (18,266) |
| Cost of hedge | (139,588) | (117,503) |
| Interest on leases | (10,651) | (11,210) |
| Banks expenses, taxes and commission on loans | (3,560) | (4,883) |
| Adjustment to fair value of derivatives | 14,670 | (9,213) |
| Other financial expenses | (2,079) | (10,790) |
| Total financial expenses | (237,935) | (260,199) |
| Net exchange variation | 9,113 | 123,349 |
| | (215,668) | (126,702) |

22. INFORMATION ON SEGMENTS

22.1. BASIS FOR SEGMENTATION

The Group is predominantly a producer of intermediate chemicals operating in the 2nd generation of the petrochemical industry chain. In general terms, the Group acquires basic petrochemical products, processes them and transforms them into intermediate and final chemical products which are supplied to producers or distributors. This business segment is determined as "Chemicals".

The Group is also a significant producer of nitrogen fertilizers in Brazil. In summary, the Group acquires certain basic raw materials, especially natural gas, and converts it into ammonium sulfate, urea ammonia, and ARLA. This segment is called "Agro".

The Executive Board (main manager of operations) evaluates the performance of businesses separately by their strategic divisions. These segments are managed separately as they require different technologies and different marketing strategies.

The following summary describes the operations of each segment::

CHEMICALS

The Chemicals segment substantially encompasses the production and sale of styrene, polystyrene, latex, toluene, acrylonitrile, methacrylates (MMA, EMA, and GMAA), sheets and acrylic resins, and sodium cyanide. These products are sold to various sectors of the economy, notably construction, automotive, mining, household appliances, electronics, textiles, building materials, packaging, and disposable plastics. These products are also sold to chemical product manufacturers and converters.

AGRO

This segment essentially comprises the production and sale of ammonium sulfate, ammonia, urea, and ARLA, which are mainly directed to the agribusiness market and, to a lesser extent, to chemical product manufacturers and converters.

The Group's management reviews the management reports of each segment on a monthly basis. The corporate headquarters performs treasury, legal, control, information technology, and human resources functions. The activity of the headquarters is not considered a segment as it is not a revenue-generating business for the Group, but it is included only for the purpose of reconciling with the income statement.

Information on geographic segregation was presented in note No. 18 - Net Revenue.

22.2. SEGMENTATION CHANGES

Starting on January 1st, 2023, the main decision-maker of the Unigel Group began evaluating the businesses considering the two segments: Chemicals and Agro. Until December 2022, the Group's segments were: Acrylics, Styrenics, and Agro.

The Company's management carried out an administrative and commercial restructuring, consolidating the structures of the styrenic and acrylic businesses into a single core with the objective of capturing several synergies, especially regarding similar productive characteristics, as well as similar customer profiles and distribution methods.

Due to the change, the Group restated in note No. 22.3 - Information on reported segments the results of 2022 considering the Chemicals and Agro segments.

22.3. INFORMATION ON REPORTED SEGMENTS

The information related to each reported segment is presented below. The profit (loss) of the segment before taxes is used to measure the performance of the business, as management believes that this information is the most relevant in evaluating the results of their respective segments compared to other entities operating in the same production chain.

| | Chemicals | Agro | Corporate | Elimination | Total |
|-------------------------------------|---------------|---------------|------------------|-------------|------------------|
| | 03/31/2023 | 03/31/2023 | 03/31/2023 | 03/31/2023 | 03/31/2023 |
| Net revenue | 1,108,735 | 777,149 | - | (49,911) | 1,835,973 |
| Cost of goods sold | (1,053,355) | (742,862) | - | 49,911 | (1,746,306) |
| Gross profit | 55,380 | 34,287 | - | - | 89,667 |
| Selling and administrative expenses | (38,713) | (11,581) | (8,228) | - | (58,522) |
| Other operating income (expenses) | (844) | (142) | 147 | - | (839) |
| Operating income (loss) | 15,823 | 22,564 | (8,081) | - | 30,306 |
| Financial result | - | - | (215,668) | - | (215,668) |
| Income (loss) before taxes | 15,823 | 22,564 | (223,749) | - | (185,362) |

| | Chemicals | Agro | Corporate | Elimination | Total |
|-------------------------------------|----------------|----------------|------------------|-------------|----------------|
| | 03/31/2022 | 03/31/2022 | 03/31/2022 | 03/31/2022 | 03/31/2022 |
| Net revenue | 1,525,039 | 1,069,950 | - | (78,583) | 2,516,406 |
| Cost of goods sold | (1,330,089) | (716,850) | - | 78,583 | (1,968,356) |
| Gross profit | 194,950 | 353,100 | - | - | 548,050 |
| Selling and administrative expenses | (34,139) | (12,615) | (6,508) | - | (53,262) |
| Other operating income (expenses) | 13,008 | (302) | (18) | - | 12,688 |
| Operating income (loss) | 173,819 | 340,183 | (6,526) | - | 507,476 |
| Financial result | - | - | (126,702) | - | (126,702) |
| Income (loss) before taxes | 173,819 | 340,183 | (133,228) | - | 380,774 |

23. FINANCIAL INSTRUMENTS

The Company engages in operations involving financial instruments, all of which are recorded in equity accounts, with the aim of maintaining investment capacity and growth strategy.

The amounts presented for the main financial assets and liabilities are thus shown by category:

23.1. FINANCIAL ASSETS

| | Note | Parent company | |
|---------------------------|------|----------------|---------------|
| | | 03/31/2023 | 12/31/2022 |
| Assets | | | |
| Amorized cost | | | |
| Cash and cash equivalents | 4 | 9,020 | 12,068 |
| Related parties | 7 | 172 | 868 |
| | | 9,192 | 12,936 |
| | | 9,192 | 12,936 |

| | Note | Consolidated | |
|---|------|------------------|------------------|
| | | 03/31/2023 | 12/31/2022 |
| Assets | | | |
| Fair value through profit and loss | | | |
| Derivatives | 26 | 9,959 | 23,280 |
| Embedded derivatives | 26 | 63,524 | 50,438 |
| Other receivables | - | - | 8,620 |
| | | 73,483 | 82,338 |
| Amortized costs | | | |
| Cash and cash equivalents | 4 | 685,808 | 908,564 |
| Trade accounts receivable | 5 | 349,875 | 404,018 |
| Contract credits | - | 26,574 | 6,297 |
| | | 1,062,257 | 1,318,879 |
| | | 1,135,740 | 1,401,217 |

23.2. FINANCIAL LIABILITIES

| | Note | Parent company | |
|-------------------------------------|------|--------------------|--------------------|
| | | 03/31/2023 | 12/31/2022 |
| Liabilities | | | |
| Amortized costs | | | |
| Suppliers | 14 | (2,793) | (3,005) |
| Loans and debentures ⁽¹⁾ | 13 | (531,956) | (512,058) |
| Dividends | 7 | (64,693) | (81,053) |
| Related parties | 7 | (1,241,782) | (1,225,275) |
| | | (1,841,224) | (1,821,391) |

(1) The fair value of loans and debentures on March 31, 2023 is (R\$ 534,932) ((R\$ 512,058) on December 31, 2022).

| | Note | Consolidated | |
|--|------|--------------------|--------------------|
| | | 03/31/2023 | 12/31/2022 |
| Liabilities | | | |
| Fair value through profit and loss | | | |
| Derivatives | 26 | (471,180) | (210,750) |
| | | (471,180) | (210,750) |
| Amortized cost | | | |
| Suppliers | 14 | (961,525) | (959,076) |
| Loans, financing and debentures ⁽¹⁾ | 13 | (3,837,072) | (3,540,972) |
| Dividends | 7 | (64,963) | (81,053) |
| Related parties | 7 | (18) | (46) |
| | | (4,863,578) | (4,581,147) |
| | | (5,334,758) | (4,791,897) |

(1) The fair value of loans and debentures on March 31, 2023 is (R\$ 3.597.725) ((R\$ 3.502.835) on December 31, 2022).

23.3. FAIR VALUE

There were no changes in the methodology for calculating the fair value of financial assets and liabilities compared to those presented in the financial statements as of December 31, 2022.

23.4. RISK MANAGEMENT STRUCTURE

There were no changes in the risk management structure and policy compared to those presented in the financial statements as of December 31, 2022.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. It mainly arises from the Group's receivables and cash equivalents.

| | | Consolidated | |
|---------------------------|------|----------------|----------------|
| | Note | 03/31/2023 | 12/31/2022 |
| Trade accounts receivable | 5 | 349,875 | 404,018 |
| Derivatives | 26 | 73,483 | 73,718 |
| Contract credits | - | 26,574 | 6,297 |
| Other assets | - | - | 8,620 |
| | | 449,932 | 492,653 |

The recorded value of financial assets represents the maximum credit exposure.

(i) Cash and cash equivalents

These values are held in banks and financial institutions with ratings between BB- and A- on a global scale, as rated by Standard & Poor's and Fitch (hereinafter referred to as rating agencies).

(ii) Derivatives

Derivatives are contracted with banks and financial institutions that have AA+ ratings from rating agencies.

(iii) Trade accounts receivable

The Group's exposure to credit risk for accounts receivable is mainly influenced by the individual characteristics of each customer. However, the Management also considers other factors that may influence the credit risk of its customer base, such as the standard risk associated with the industry and the country in which customers operate.

When monitoring customer credit risk, they are grouped according to their credit characteristics, including whether they are an individual or a legal entity, manufacturer or individual customer, their geographic location, commercial history with the Group, and the existence of past financial difficulties.

There are sales subject to guarantees, so in case of non-payment, the Group may have a secured credit.

Exposure to credit risk for accounts receivable by segment and market (Note 5):

| | Consolidated | | | | | |
|--------------------------|----------------|----------------|---------------|----------------|----------------|----------------|
| | Chemicals | | Agro | | Total | |
| | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Domestic market | 190,984 | 207,769 | 79,177 | 105,512 | 270,161 | 313,281 |
| Foreign market | 88,549 | 87,506 | - | - | 88,549 | 87,506 |
| Related parties (Note 7) | 5,475 | 9,192 | 7,675 | 16,833 | 13,150 | 26,025 |
| | 285,008 | 304,467 | 86,852 | 122,345 | 371,860 | 426,812 |

Below we demonstrate the aging by segment:

| | Consolidated | | | | | |
|--------------|----------------|----------------|---------------|----------------|----------------|----------------|
| | Chemicals | | Agro | | Total | |
| | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Falling due: | 240,037 | 248,873 | 83,124 | 116,800 | 323,161 | 365,673 |
| 01-30 | 12,459 | 14,324 | 333 | 2,149 | 12,792 | 16,473 |
| 31-60 | 8,124 | 16,855 | - | - | 8,124 | 16,855 |
| 61-90 | 2,568 | 1,760 | - | - | 2,568 | 1,760 |
| >90 | 21,820 | 22,655 | 3,395 | 3,396 | 25,215 | 26,051 |
| | 285,008 | 304,467 | 86,852 | 122,345 | 371,860 | 426,812 |

RISCO DE LIQUIDEZ

The liquidity risk is the risk that the Group may have difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group intends to maintain the level of cash and cash equivalents and other highly liquid investments by an amount that exceeds the expected cash outflows on current financial liabilities. The Group also monitors the level of expected cash inflows from customer receivables, along with expected cash outflows from accounts payable and others.

Below are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted and include contractual interest payments::

| Financial liabilities | Nota | Consolidated | | | | |
|-----------------------|------|------------------|-----------------|-----------------|------------------|--------------------|
| | | 03/31/2023 | | | | |
| | | 01 to 12 months | 13 to 24 months | 25 to 36 months | Over 36 months | Total future value |
| Loans and debentures | 13 | 743,518 | 561,064 | 761,823 | 3,417,366 | 5,483,771 |
| Suppliers | 14 | 961,525 | - | - | - | 961,525 |
| Other | | 9,589 | 19,523 | - | - | 29,112 |
| | | 1,714,632 | 580,587 | 761,823 | 3,417,366 | 6,474,408 |

| Financial liabilities | Nota | Consolidated | | | | |
|-----------------------|------|------------------|-----------------|-----------------|------------------|--------------------|
| | | 12/31/2022 | | | | |
| | | 01 to 12 months | 13 to 24 months | 25 to 36 months | Over 36 months | Total future value |
| Loans and debentures | 13 | 572,788 | 369,172 | 273,066 | 3,475,256 | 4,690,282 |
| Suppliers | 14 | 959,076 | - | - | - | 959,076 |
| Other | | 15,344 | 19,920 | - | - | 35,264 |
| | | 1,547,208 | 389,092 | 273,066 | 3,475,256 | 5,684,622 |

The interest payments on loans, financings, and debentures included in the table above reflect the market interest rates that were in effect at that time. These values may change as market interest rates change.

MARKET RISK

Market risk is the risk that changes in market prices such as exchange rates, interest rates, and prices will affect the Group's profit or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk to the extent that there is a mismatch between the currencies in which sales, purchases, loans, and financings are denominated and the respective functional currencies of the Group's companies. The Group's functional currency is the Real.

Generally, loans and financings are denominated in currencies that match the cash flows generated by the Group's underlying operations, primarily U.S. dollars and/or reais. In addition, interest on loans and financings is denominated in the currency of the loan. This provides an economic hedge without derivatives and hedge accounting (Note no. 23.4).

For the Bond operation, denominated in U.S. dollars, the Group uses cash flow swaps with barriers to protect against part of the foreign exchange risk.

With regard to other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is maintained at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The summarized quantitative data on the Group's exposure to foreign exchange risk reported to management is converted by the last conversion rate for the fiscal year reported by the Central Bank of Brazil (BACEN), as follows:

| | Note | Consolidated | | | | | |
|-------------------------------------|------|------------------|-----------------|--------------|------------------|-----------------|---------------|
| | | 03/31/2023 | | | 12/31/2022 | | |
| | | BRL | USD | MXM | BRL | USD | MXM |
| Conversion rate | | 1.0000 | 5.0804 | 0.2817 | 1.0000 | 5.2177 | 0.2666 |
| Bank deposits | 4 | 1,219 | - | 4,327 | 6,230 | - | 23,368 |
| Cash in banks in dollars | 4 | 287,275 | 56,546 | - | 388,135 | 74,388 | - |
| Trade account receivable | 5 | 88,549 | 17,430 | - | 87,506 | 16,771 | - |
| Loans and financings | 13 | (3,124,544) | (615,019) | - | (2,997,060) | (574,403) | - |
| Cross currency swaps ⁽¹⁾ | 26 | 1,016,080 | 200,000 | - | 1,043,540 | 200,000 | - |
| Cross currency swaps ⁽²⁾ | 26 | - | - | - | 573,947 | 110,000 | - |
| Cross currency swaps ⁽³⁾ | 26 | - | - | - | 1,147,894 | 220,000 | - |
| Cross currency swaps ⁽⁴⁾ | 26 | 1,676,532 | 330,000 | - | - | - | - |
| NDFs ⁽⁵⁾ | 26 | (166,220) | (30,272) | - | (239,714) | (43,391) | - |
| Suppliers | 14 | (182,383) | (35,899) | - | (207,244) | (39,719) | - |
| Net exposure | | (403,492) | (77,214) | 4,327 | (196,766) | (36,354) | 23,368 |

(1) Cross currency swaps with notional of US\$ 200 millions with barriers between R\$ 4,1500 and R\$ 5,6000;

(2) Cross currency swaps with notional of US\$ 110 millions with barriers between R\$ 5,1998 and R\$ 6,7500;

- (3) Cross currency swaps with notional of US\$ 220 millions with barriers between R\$ 5,099 and R\$ 6,7500;
- (4) Cross currency swaps with notional of US\$ 330 millions with barriers between R\$ 4,500 and R\$ 6,7500;
- (5) NDFs with a multitude of terms and average de R\$ 5,4909.

(i) Sensibility analysis

A reasonable appreciation (depreciation) of the US dollar and Mexican peso against the Real on March 31, 2023 would have affected the measurement of financial instruments denominated in foreign currency and consequently affected the equity and results of the Group by the values below. This analysis assumes that all other variables, particularly interest rates, remain constant and ignores any impact from planned sales and purchases.

| | Consolidated | | | |
|-----------------|-------------------|-------------|-------------------|-------------|
| | 03/31/2023 | | | |
| | Scenarios for USD | | Scenarios for MXM | |
| | BRL | USD | BRL | MXM |
| Conversion rate | 1.0000 | 5.0804 | 1.0000 | 0.2817 |
| Net exposure | (404,711) | (77,214) | 1,219 | 4,327 |
| | | | | |
| | BRL | BRL | BRL | BRL |
| Sensibility | Possible +25% | Remote +50% | Possible -25% | Remote -50% |
| Conversion rate | 6.3505 | 7.6206 | 0.2113 | 0.1409 |
| Net exposure | (474,254) | (1,113,642) | 914 | 609 |
| Effects | (69,543) | (708,931) | (305) | (610) |

| | Consolidado | | | |
|-----------------|-------------------|-------------|-------------------|-------------|
| | 12/31/2022 | | | |
| | Scenarios for USD | | Scenarios for MXM | |
| | BRL | USD | BRL | MXM |
| Conversion rate | 1.0000 | 5.2177 | 1.0000 | 0.2666 |
| Net exposure | (202,996) | (36,354) | 6,230 | 23,368 |
| | | | | |
| | BRL | BRL | BRL | BRL |
| Sensibility | Possible +25% | Remote +50% | Possible -25% | Remote -50% |
| Conversion rate | 6.5221 | 7.8266 | 0.2000 | 0.1333 |
| Net exposure | (181,807) | (702,209) | 4,672 | 3,115 |
| Effects | 21,189 | (499,213) | (1,558) | (3,115) |

INTEREST RATE RISK

The Group adopts a policy of ensuring that a portion of its exposure to interest rate risk is in a fixed rate.

The profile of the interest rates of the Group's interest-bearing financial instruments, as reported by management, is as follows:

| | Consolidated | |
|----------------------------------|--------------|-------------|
| | 03/31/2023 | 12/31/2022 |
| Prefixed instruments | | |
| Financial liabilities (Note 13) | (2,989,919) | (2,852,212) |
| Variable rate instruments | | |
| Financial assets (Note 4) | 365,880 | 475,249 |
| Financial liabilities (Note 13) | (696,651) | (688,760) |

(i) Sensitivity analysis

Financial instruments, including non-derivatives, are exposed to changes in fair value as a result of fluctuating interest rates. Sensitivity analyses of financial instruments to their variables are presented below:

The Group has selected two market risks that could strongly impact the values of the held financial instruments, which are changes in the Libor and CDI rates.

The possible scenarios consider changes of 25% and 50%, respectively, related to the relevant risk variable in relation to the base rate.

Sensitivity analysis of rate variations::

| | Consolidated | | | | Consolidated | | | |
|-----------------------|-------------------|-------------|---------------|-------------|-----------------|-------------|---------------|-------------|
| | 03/31/2023 | | | | 12/31/2022 | | | |
| | Cenários em Libor | | CDI | | Libor Scenarios | | CDI Scenarios | |
| | Libor | | CDI | | Libor | | CDI | |
| Rate | 2.1010% | | 13.6500% | | 4.0670% | | 13.6500% | |
| Financial liabilities | (134,960) | | (561,691) | | (145,234) | | (543,526) | |
| Effects on P&L | (2,836) | | (76,671) | | (5,907) | | (74,191) | |
| | Possible +25% | Remote +50% | Possible +25% | Remote +50% | Possible +25% | Remote +50% | Possible +25% | Remote +50% |
| Rate | 2.6263% | 3.1515% | 17.0625% | 20.4750% | 5.0838% | 6.1005% | 17.0625% | 20.4850% |
| Financial liabilities | (138,504) | (139,213) | (657,530) | (676,697) | (152,617) | (154,094) | (636,265) | (654,867) |
| Effects on P&L | (3,544) | (4,253) | (95,839) | (115,006) | (7,383) | (8,860) | (92,739) | (111,341) |

COMMODITY RISK

The company is exposed to fluctuations in the price of oil due to having contracts to purchase gas whose pricing mechanism is based on the monthly arithmetic average of the Brent price. In order to manage this risk, the Group enters into Brent crude oil call options as explained in note 23.5 (iii). These contracts aim to reduce the impact of contractual price fluctuations on gas purchases and, in turn, help predict cash flow by reducing the volatility of future outflows..

| | Consolidated | | | |
|---|--------------|-----------|------------|-----------|
| | 03/31/2023 | | 12/31/2022 | |
| | +25% | +50% | +25% | +50% |
| Brent Price (USD) – Base Scenario Brent U\$ 79.77 | 99.71 | 119.66 | 111.58 | 133.89 |
| Brent options | 125,448 | 156,151 | 397,180 | 568,972 |
| Hedged projected purchases | (125,448) | (156,151) | (379,180) | (568,972) |
| Effects on P&L | - | - | - | - |

23.5. CASH FLOW HEDGE DESIGNATED ASSETS AND LIABILITIES

The Group has chosen to maintain the hedge accounting model of CPC 48/IFRS 9.

(i) Cash flow hedge – Foreign currency loan exchange rate

The following table indicates the periods in which the cash flow associated with the cash flow hedge should occur and the respective balances of the hedging instruments.

| | Consolidated | | | |
|--------------|-------------------------------------|--|-------------------------------------|--|
| | 03/31/2023 | | 12/31/2022 | |
| | Assets – Projected sales in dollars | Liabilities – Loans and financing in dollars | Assets – Projected sales in dollars | Liabilities – Loans and financing in dollars |
| Balance | 371,905 | (371,905) | 398,382 | (398,382) |
| 1-12 months | 116,489 | (116,489) | 145,786 | (145,786) |
| 13-24 months | - | - | - | - |
| 25-35 months | - | - | - | - |
| >36 months | 255,416 | (255,416) | 252,596 | (252,596) |
| | 371,905 | (371,905) | 398,382 | (398,382) |

(ii) Cash flow hedge - Bond and Swaps

The Group has entered into derivative financial instruments to hedge against fixed interest rates and foreign exchange fluctuations on its issuance of Bonds overseas. Both instruments mature in 2026. The following is a reconciliation of the accrual values and the mark-to-market adjustment ("MtM") of the contracted derivatives recorded in the Group's balance sheet:

| | Consolidated | | | | | |
|--------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|
| | 03/31/2023 | | | 12/31/2022 | | |
| | Accrual | MtM | Fair value | Accrual | MtM | Fair value |
| Swap | (55,400) | (61,256) | (116,656) | (40,845) | (47,949) | (88,794) |
| Current | (55,400) | (61,256) | (116,656) | (40,845) | (47,949) | (88,794) |
| Swap | 172,779 | (414,579) | (241,800) | 245,548 | (463,743) | (218,195) |
| Non-current | 172,779 | (414,579) | (241,800) | 245,548 | (463,743) | (218,195) |
| Total | 117,379 | (475,835) | (358,456) | 204,703 | (511,692) | (306,989) |

The relationship between the derivative and the bond as of March 31, 2023 is shown below:

| Instrument | Currency | Barriers | Principal/ | Principal/ | Foreign |
|--------------|----------|-----------------|----------------|----------------|-----------|
| | | | Notional (USD) | Notional (BRL) | Exchange |
| Bond | USD | | (200,000) | (1,016,080) | (186,080) |
| Swaps | USD | 4.1500 – 5.6000 | 200,000 | 1,016,080 | 186,080 |
| Bond | USD | | (330,000) | (1,676,532) | 17,424 |
| Swaps | USD | 4.5000 – 6.7500 | 330,000 | 1,676,532 | (17,424) |
| Total | | | - | - | - |

The cash flows of both financial instruments have the same maturity.

The Company designated a cash flow hedge for this operation, with the hedging instrument being the contracted derivatives and the hedged item being the bond issued by the Company. This hedge accounting relationship establishes the accounting for the effective portion of the unrealized mark-to-market adjustment of the derivative in comprehensive income. As of March 31, 2023, the amount recorded in equity was R\$ 295,458 (R\$ 337,717 as of December 31, 2022), net of tax effects..

(iii) Cashflow hedge – Brent options

The Group entered into derivative financial instruments to protect projected purchases of Natural Gas in the agro segment, whose price in dollars is linked to the dollar price of Brent crude oil. The hedged item is the highly probable purchase transactions of Natural Gas, and the hedging instrument is monthly Brent call options according to the purchasing projection. This strategy makes almost all of the Natural Gas purchases protected against increases in the Brent crude oil price. Due to the protection instruments being options, if the dollar price of Brent crude oil falls, the Group benefits from the reduction, and if there is a rise in the price, the Group is protected.

The premiums of the contracted options are in Brazilian reais and have a maturity close to the options' exercise date and have been classified in the "Options premiums payable" account. However, the Group believes that, for a better balance of its operations and foreign currency exposures, the premium should be in dollars. To have the equivalent effect of a US dollar

operation, the Group entered into non-deliverable forward (NDF) currency derivatives in the same volume as the premiums to be paid.

The two hedge structures, therefore, aim to protect the costs of Natural Gas and balance the Group's foreign exchange exposures; however, they have a source of accounting asymmetry, since highly probable purchase transaction projections are only accounted for when they occur effectively, and options premiums payable are accounted for by amortized cost, while hedging instrument derivatives are accounted for at fair value. Therefore, to eliminate the accounting asymmetry of the fair value adjustments of the hedging instrument derivatives, the Group opted to establish a cash flow hedge structure for the strategy. Thus, the fair value adjustments of the derivatives, to the extent that the hedge structure is effective, are accounted for in equity accounts against equity accounts in other comprehensive income.

| Month | Hedged Brent Volume |
|-------------|---------------------|
| April/2023 | 372,000 |
| May/2023 | 360,000 |
| June/2023 | 372,000 |
| July/2023 | 360,000 |
| August/2023 | 168,000 |
| | 1,632,000 |

(iv) Cash flow hedge – Effects in P&L and OCI

(i) Loans and financing – Foreign Exchange rate

| | Consolidated | | | |
|---|-----------------|-----------------|----------------|-----------------|
| | 03/31/2023 | | 12/31/2022 | |
| | OCI | P&L | OCI | P&L |
| Foreign exchange on loans and financing | (26,956) | (20,508) | (1,662) | (68,990) |
| Deferred taxes on foreign exchange | 9,165 | 6,973 | 565 | 23,457 |
| | (17,791) | (13,535) | (1,097) | (45,533) |

(ii) Bond and swaps

| | Consolidated | | | |
|--|-----------------|-----------------|-----------------|------------------|
| | 03/31/2023 | | 03/31/2023 | |
| | OCI | OCI | OCI | OCI |
| Foreign exchange on loans and financing | - | 72,769 | - | 192,284 |
| Foreign exchange on swaps | - | (72,769) | - | (192,284) |
| Swap's interest | - | (42,725) | - | (146,586) |
| Fair value adjustment of swaps | (64,028) | - | (39,443) | 39,443 |
| Deferred taxes on fair value adjustments | 21,770 | - | 13,411 | (13,411) |
| | (42,258) | (42,725) | (26,032) | (120,554) |

(iii) Brent options

| | Consolidated | | | |
|--|---------------|--------------|---------------|---------------|
| | 03/31/2023 | | 03/31/2023 | |
| | OCI | OCI | OCI | OCI |
| Foreign Exchange on NDF | - | 6,401 | - | 32,369 |
| Fair value adjustment of NDF | (4,970) | - | 4,467 | 11,444 |
| Fair value adjustment of options | 31,621 | (174) | 76,393 | (15,411) |
| Deferred taxes on fair value adjustments | (9,061) | (2,117) | (27,492) | 1,349 |
| | 17,590 | 4,110 | 53,368 | 29,751 |

23.6. CAPITAL MANAGEMENT

The Company maintains a capital management policy aimed at balancing equity capital (capital transfers and retained earnings) and third-party capital that the Group raises to finance its operations. To mitigate potential liquidity risks and maintain the weighted average cost of capital at appropriate levels, the Group continuously monitors the results generated by this choice through its degree of indebtedness based on the calculation of net debt / EBITDA (Profit before taxes adjusted for financial results and depreciation).

24. GOVERNMENT GRANTS

24.1. STATE TAX INCENTIVE – DESENVOLVE/BAHIA

The Group receives various tax benefits under the Program for Industrial Development and Economic Integration of the State of Bahia - DESENVOLVE, where the furthest incentive will remain in force until April 2032. These tax incentives are associated with the production chain of styrenics, acrylics, and fertilizers (Agro segment). The Group benefits from a grace period of up to 72 (seventy-two) months for tax payments. In the case of early payments, the Group is eligible for a discount of up to 81% (eighty-one percent) of the monthly ICMS debt balance.

On March 31, 2023, the Group obtained a benefit of R\$ 75,254 (R\$ 55,869 on March 31, 2023), which was recorded as a tax reducer in the "sales taxes" item in the "income statements".

24.2. STATE TAX INCENTIVE PSDI – PROGRAMA SERGIPANO DE DESENVOLVIMENTO INDUSTRIAL

Proquigel is entitled to tax benefits under the Sergipano Industrial Development Program - PSDI until April 2030, associated with the production chain of fertilizers (Agro). The Company benefits from deferment on imports of raw materials and assets for fixed assets, as well as exemption from the payment of ICMS tax differential on interstate acquisitions of new capital goods. In addition, the benefit allows the Company to collect the equivalent percentage of 6.2% of the ICMS due in the month. The difference between the ICMS debt balance and the amount actually collected is recorded as a tax reducer in the "sales taxes" item in the income statements. In the period from January 1 to March 31, 2023, the Group did not calculate any benefit (R\$ 6,081 in the period from January 1 to March 31, 2022).

24.3. FEDERAL TAX INCENTIVE - LUCRO DA EXPLORAÇÃO

According to Constitutive Reports issued by the Northeast Development Superintendence (SUDENE), the Group is entitled to a 75% reduction in income tax on the results of operations of Companhia Brasileira de Estireno located in Camaçari/BA and Proquigel until the fiscal year 2028. Unigel Químicos S.A.'s benefit is being renewed with SUDENE and is currently under review. Once approved, the benefit will be retroactive to January 1, 2021.

This reduction, when calculated, is recorded as an income tax reducer in the "current income tax" item in the income statements.

On March 31, 2023, the Group did not calculate any benefit (R\$ 47,863 on March 31, 2022), which was recorded as a tax reducer in the "current income tax" item in the "income statements".

24.4. REINTEGRA – REINTEGRATION OF TAX VALUES FOR EXPORTING COMPANIES

The Group is covered by Law 13.043/14 - Reintegra - which grants tax credits when the Company exports products manufactured internally, which can be offset against its own debts, past or future, related to federal taxes.

On March 31, 2023, the Group obtained a benefit of R\$ 395 (R\$ 649 on March 31, 2022) through Proquigel, Companhia Brasileira de Estireno, and Unigel Químicos, which was recorded as a cost reducer in the "cost of goods sold" item in the "income statements".

24.5. REIQ – SPECIAL REGIME FOR THE CHEMICAL INDUSTRY

The Special Regime for the Chemical Industry ("REIQ") was established in 2013 by the Federal Government of Brazil and aims to recover and maintain the competitiveness of 1st and 2nd generation national petrochemical industries. In this context, the Group is benefited, until December 2024, by the tax exemption of part of the PIS and COFINS rates on the purchase of certain imported raw materials or those supplied by the 1st generation of the Brazilian petrochemical industry. On December 31, 2021, the Federal Government issued Provisional Measure 1,095, extinguishing the Special Regime for the Chemical Industry (REIQ) from April 1, 2022. Chemical companies filed a lawsuit against the effects of this Provisional Measure through the Brazilian Association of Chemical Industries - ABIQUIM, managing to restore the benefit until the final judgment of the request. However, at the time of conversion of the Provisional Measure into Law 14,374/2022, the National Congress modified the original wording and instead of extinguishing the benefit, it only determined its suspension until December/22, with the reductions and validity periods of the REIQ, as provided for in Law 14,183/2021, returning to force from January/2023, provided that beneficiary companies comply with certain additional requirements. The Group is awaiting the regulation of this new legislation to estimate any transitional impacts, especially the rules to be followed regarding the required commitments.

This benefit is recorded as a cost reducer in the "cost of goods sold" item in the "income statements".

On March 31, 2023, the Group did not determine any benefit (R\$ 13,880 on March 31, 2022), as the government did not make the aforementioned regulation required by current legislation.

25. EARNINGS PER SHARE

25.1. BASIC

The basic earnings per share were calculated based on the retained earnings for the years and respective average number of shares outstanding in these years, as per table below:

| | Consolidated | |
|---|------------------|---------------|
| | 03/31/2023 | 03/31/2022 |
| Net income (loss) for the period | (87,187) | 306,721 |
| Weighted average number of shares throughout the period | 920,962,726 | 583,185,901 |
| Earnings (losses) per share - R\$ | (0.09467) | 0.5294 |

25.2. DILUTED

Diluted earnings (losses) per share are calculated by adjusting to weighted average quantity of shares, assuming conversion of all shares that would possibly provoke dilution. The Company has no factor that dilutes its basic income.

26. DERIVATIVES

The Group holds derivative financial instruments to hedge its exposure to foreign currency, commodities and interest rate changes.

| | Consolidated | | | |
|--------------------------------------|---------------|------------------|---------------|------------------|
| | 03/31/2023 | | 12/31/2022 | |
| | Assets | Liabilities | Assets | Liabilities |
| Swaps | - | (116,656) | 17,406 | (106,201) |
| NDFs | - | - | 5,874 | - |
| Commodity Options – deferred premium | 9,959 | (112,725) | - | (104,549) |
| Current | 9,959 | (229,381) | 23,280 | (210,750) |
| Swaps | - | (241,799) | - | (218,195) |
| Embedded derivatives – Options | 63,524 | - | 50,438 | - |
| Non-current | 63,524 | (241,799) | 50,438 | (218,195) |
| | 73,483 | (471,180) | 73,718 | (428,945) |

26.1. EMBEDDED DERIVATIVES

OPTIONS FOR EARLY REPURCHASE OF BONDS

As reported in note 13.3, the Group's bonds have options for early repurchase. The Group may repurchase the bonds in whole or in part at certain time intervals, at the repurchase prices below (expressed as a percentage of principal), plus appropriate and unpaid interest:

| Period | Repurchase price |
|-----------|------------------|
| 2022-2023 | 104.375% |
| 2023-2024 | 102.188% |
| 2024-2025 | 101.094% |
| >2025 | 100.000% |

These repurchase options represent the right to acquire the Group's debt at a pre-defined price. They are separable from the main contract and considered embedded derivatives.

Since these options are valid for the period described above, the Group has calculated the fair value of these options as American options with the repurchase price as the strike price..

27. SUBSEQUENT EVENTS

The Group had some significant loan and financing changes after March 31, 2023.

On April 17, 2023, the second disbursement of the BNB credit line signed in December, as presented in the explanatory note on loans, financing, and debentures, for the financing of the new Sulfuric Acid plant, in the amount of R\$ 50 million, occurred.

On April 28, 2023, Unigel, through its subsidiary Proquigel Química S.A., entered into a financing agreement with Caixa Econômica Federal ("CEF"), in the total amount of R\$ 150 million, through.

* * *

Roberto Noronha Santos

Corporate Executive Officer

Daniel Zilberknop

Deputy CEO

Daniel Scarmeloti da Fonseca

Controller Director - CRC 1SP 219.079/O-4

Marcio Scatigno

Executive Controller Manager - CRC 1SP 218.247/O-7

