ITR – QUARTERLY FINANCIAL INFORMATION AT JUNE 30, 2022

UNIGEL

CONTENTS

EARNINGS RELEASE
2Q22

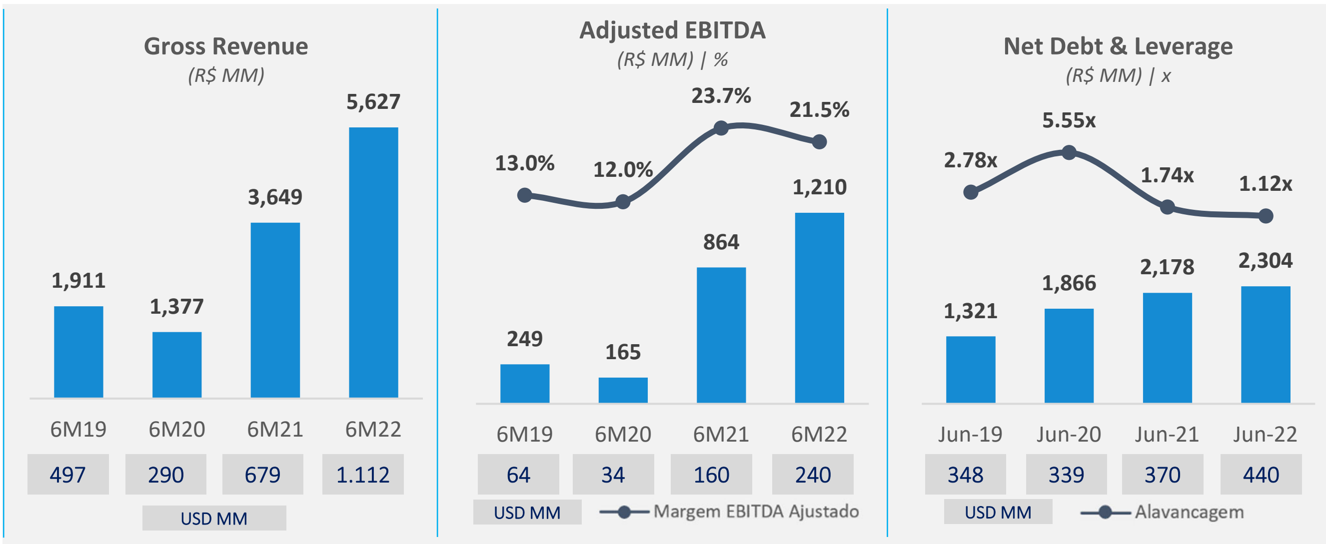
UNIGEL

UNIGEL MAINTAINS GROWTH TRAJECTORY WITH RECORD EARNINGS IN 2Q22

2Q22 revenue reaches R$2.6 billion (+34% YoY) and adjusted EBITDA reaches R$642 million (+30% YoY), resulting in a net profit of R$203 million and net leverage of only 1.12x

Except as otherwise specified, all operating and financial information reported herein relating to 2Q2022 earnings is denominated in Brazilian reais, pursuant to Technical Pronouncement CPC 21 (R1) – Interim Financial Statements, standard accounting practice in Brazil, and the International Financial Reporting Standards (IFRS), and should be read in conjunction with the financial statements for the fiscal year ended December 31, 2021. In addition, the operating and financial information set out in this earnings release is subject to rounding, and the total amounts stated in tables and charts may therefore differ from the direct numerical aggregation of the preceding numbers. Moreover, all amounts stated in US dollars were converted by the monthly average exchange rates (earnings and cash flow statements) or the end-of-period exchange rate (balance sheet). This report makes comparisons based on data relating to the second quarter of 2022 (“2Q22”), second quarter of 2021 (“2Q21”), first quarter of 2022 (“1Q22”), and six months year-to-date 2022 (“6M22”) and 2021 (“6M21”).

6M22 Highlights



1. MANAGEMENT COMMENTARY

Operations

In 2Q22, Unigel upheld its recent track record of delivering record quarterly earnings. The Company's adjusted EBITDA was R$642 million (+30% YoY), maintaining net leverage at 1.1x as of June 30, 2022. Our year-to-date adjusted EBITDA was R$1.2 billion (+40% YoY), with net earnings of R$490 million (-31% YoY).

The Agro segment merits special emphasis, as high prices for our main products were combined with an assertive strategy to hedge the cost of raw materials through derivative contracts. In addition, the uptrend in Styrenics prices continued to be observed across the entire chain, supporting wide spreads. In Acrylics, we successfully allocated volumes to markets with better market conditions, improving our margins in 2Q22 compared to 1Q22.

The global outlook remains quite uncertain for the second half of 2022, in light of the ongoing military conflict between Russia and Ukraine, coupled with the contractionist monetary policies currently being applied by central banks around the world, increasing the risk of a global recession. Even so, we expect to deliver solid results through the end of the year, maintaining a comfortable liquidity profile.

Investments and Cash Generation

Unigel's net cash from operating activities was R$196 million at 6M22, driven mainly by strong operating profits and partially mitigated by investments, accounts receivable, and inventory. This is explained mainly by higher prices across the chain, in addition to our strategy of increasing inventory levels for the Agro segment in order to meet demand during the agricultural harvest season, which is concentrated in the second half of the year.

We invested R$201 million in Capex, of which R$56 million were allocated to Unigel's new sulfuric acid plant with expected start-up in the first half of 2023. The Company's other expenses were primarily related to maintenance projects and initial expenditures on our green hydrogen and green ammonia projects.

Finally, much of the funds raised through our debenture issue on the Brazilian market was reserved as cash in hand, as reflected in our R$1.14 billion (approximately US$218 million) cash balance as of June 30, 2022. As a result, our net debt/EBITDA indicator remained at 1.1x, underlining Unigel's commitment to maintaining a conservative financial management policy while simultaneously delivering strategic growth projects.

Green Hydrogen and Green Ammonia

On July 25, 2022, we officially announced the start of investments in the construction of the first green hydrogen plant in Brazil. With an initial investment of US$120 million, the facility is expected to start operating by the end of 2023. At that time, the integrated green hydrogen and green ammonia project will be the largest in the world. Unigel will rely on technology from the world leader in high-efficiency electrolysis, Thyssenkrupp Nucera, based in Germany.

Located at the Camaçari Industrial Complex in the state of Bahia, the new plant will initially operate with a production capacity of 10,000 tonnes/year of green hydrogen and 60,000 tonnes/year of green ammonia. During the project's second stage, expected to roll out by 2025, the Company expects to quadruple its production of green hydrogen and green ammonia.

2. CONSOLIDATED EARNINGS

Consolidated Income Statement	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Gross revenue	**3%**	**2,778**	**2,850**	**2,122**	**34%**	**5,627**	**3,649**	**54%**
Net revenue	**2%**	**2,516**	**2,571**	**1,923**	**34%**	**5,087**	**3,260**	**56%**
Cost of goods sold	-1%	(1,968)	(1,950)	(1,432)	36%	(3,918)	(2,409)	63%
Gross profit	**13%**	**548**	**621**	**491**	**26%**	**1,169**	**851**	**37%**
Gross margin	*2.4p.p.*	*21.8%*	*24.2%*	*25.5%*	*-1.4p.p.*	*23.0%*	*26.1%*	*-3.1p.p.*
Sales, general and adm. (SG&A) expenses	25%	(53)	(66)	(48)	38%	(119)	(88)	35%
Other operating income (expenses)	-138%	13	(5)	241	-102%	7	243	-97%
Operating income (expenses)	**8%**	**507**	**550**	**684**	**-20%**	**1,057**	**1,006**	**5%**
Net financial results	153%	(127)	(321)	16	-2106%	(448)	(107)	319%
Income tax and social contribution	-65%	(74)	(26)	(145)	-82%	(100)	(190)	-47%
Net income	**-34%**	**307**	**203**	**555**	**-63%**	**509**	**709**	**-28%**

Net Revenue

At 6M22, Unigel's net revenue was R$5.09 billion, up 56% from 6M21. This was driven primarily by the consolidation of our Agro operations, which started running at full capacity in August 2021.

In a year-over-year comparison, our net revenue in 2Q22 was R$2.57 billion, up 34% from 2Q21, also driven mainly by the Agro segment, which began operating at full capacity in late 3Q21. Our net revenue in the reported period grew 2% compared to 1Q22, due primarily to higher Styrenics prices.

Cost of Goods Sold (COGS) and Gross Margin

Unigel's total COGS at 6M22 was R$3.92 billion, a 63% increase from 6M21. In the same comparison, our consolidated gross profit was R$1.17 billion, representing a 37% growth. Both growth figures are explained by the consolidation of the Agro segment.

Unigel's COGS for 2Q22 was R$1.95 billion, resulting in a gross profit of R$621 million, up 26% from 2Q21, when the Agro segment was still operating solely with the plant in Bahia State. Compared to 1Q22, the Company's gross profit grew 13%, supported by higher margins in the Acrylics and Agro segments.

Sales, General, and Administrative Expenses (SG&A)

Unigel's sales, general, and administrative expenses (SG&A) were R$119 million at 6M22 and R$66 million in 2Q22, up 35% and 38% YoY, driven primarily by expansions of administrative and sales structure on account of Unigel Agro operations. Compared to 1Q22, our SG&A rose 25% on account of legal fees and contingencies related to tax proceedings from previous years.

Adjusted EBITDA

Adjusted EBITDA Calculation	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Net income	**-34%**	**307**	**203**	**555**	**-63%**	**509**	**709**	**-28%**
Income tax and social contribution	-65%	74	26	145	-82%	100	190	-47%
Net financial results	153%	127	321	(16)	2106%	448	107	319%
Depreciation and amortization	5%	66	69	50	38%	134	97	38%
EBITDA	**8%**	**573**	**618**	**734**	**-16%**	**1,192**	**1,102**	**8%**
EBITDA Margin	*1.3p.p.*	*22.8%*	*24.1%*	*38.2%*	*-14.1p.p.*	*23.4%*	*33.8%*	*-10.4p.p.*
(Losses) Gains in the sale of assets	117%	(6)	1	0	100%	(5)	0	-100%
Recovery of ICMS on PIS/COFINS base	0%	-	-	(240)	-100%	-	(240)	-100%
Plant Shutdown and non-operating Expenses	600%	1	7	1	600%	7	2	250%
Transaction cost write-off	100%	-	16	-	100%	16	-	100%
Adjusted EBITDA	**13%**	**568**	**642**	**495**	**30%**	**1,210**	**864**	**40%**
Adjusted EBITDA margin	*2.4p.p.*	*22.6%*	*25.0%*	*25.7%*	*-0.8p.p.*	*23.8%*	*26.5%*	*-2.7p.p.*

Unigel's consolidated adjusted EBITDA was R$1.21 billion at 6M22 (+40% YoY), supported mainly by the Agro segment, which started operating at full capacity in August 2021. In light of this, the Company's consolidated adjusted EBITDA margin was 23.8% at 6M22, down 2.7 p.p. from 6M21.

Our adjusted EBITDA for the reported quarter was R$642 million, up 30% from 2Q21, also driven by the Agro segment. Compared to 1Q22, the Company's adjusted EBITDA grew 13% due to higher margins in the Acrylics and Agro segments.

ROIC

ROIC Calculation	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Operating income (LTM)	**37%**	**1,375**	**1,882**	**639**	**195%**	**1,882**	**639**	**195%**
Theoretical income tax (34%)	37%	(467)	(640)	(217)	195%	(640)	(217)	195%
Return (NOPAT)	**37%**	**907**	**1,242**	**421**	**195%**	**1,242**	**421**	**195%**
Net Debt	11%	2,070	2,304	2,178	6%	2,304	2,178	6%
Shareholder's equity	13%	1,052	1,188	681	74%	1,188	681	74%
Invested Capital	**12%**	**3,121**	**3,492**	**2,858**	**22%**	**3,492**	**2,858**	**22%**
ROIC (NOPAT/Invested Capital)	**6.5p.p.**	**29.1%**	**35.6%**	**14.7%**	**20.8p.p.**	**35.6%**	**14.7%**	**20.8p.p.**

Unigel's consolidated ROIC was 35.6% in the 12 months ended on June 30, 2022, up 20.8 p.p. compared to the 12 months ended on June 30, 2021, driven mainly by strong operating profits generated by the Agro segment.

Financial Results

Consolidated Income Statement	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Financial income	**70%**	**10**	**17**	**16**	**6%**	**28**	**19**	**47%**
Interest on financial assets	50%	10	15	5	200%	25	7	257%
Revenue from interest on loans and receivables	100%	0	2	11	-82%	3	11	-73%
Discount obtained from suppliers	0%	0	0	0	0%	0	0	0%
Other financial income	0%	0	0	0	0%	0	0	0%
Financial expenses	**-17%**	**(133)**	**(110)**	**(110)**	**0%**	**(243)**	**(205)**	**19%**
Interest on loans	3%	(88)	(91)	(86)	6%	(179)	(164)	9%
Interest on lease liabilities	-9%	(11)	(10)	(8)	25%	(22)	(16)	38%
Taxes and banking fees	40%	(5)	(7)	(11)	-36%	(11)	(13)	-15%
Interest on other liabilities	-83%	(18)	(3)	(4)	-25%	(21)	(7)	200%
Other financial expenses	109%	(11)	1	(2)	150%	(10)	(5)	100%
Financial Result before exchange variation	**-25%**	**(123)**	**(92)**	**(94)**	**-2%**	**(216)**	**(186)**	**16%**
Exchange rate variation and derivatives	7533%	(3)	(229)	110	-308%	(232)	79	-394%
Net Financial Result	**153%**	**(127)**	**(321)**	**16**	**-2106%**	**(448)**	**(107)**	**319%**

Unigel's financial results before exchange variation and results of derivatives were a total expense of R$216 million at 6M22, an increase of 16% compared to 6M21, driven mainly by additional interest related to the debentures issued in April this year, combined with the rise in Brazilian interest rates and their direct impact on the interest applicable to our CDI-indexed loans.

Our financial results before exchange variation and results of derivatives were a R$92 million expense, down 2% from 2Q21 and -25% from 1Q22.

3. CASH FLOW

Operating Cash Flow - Management	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Adjusted EBITDA	**13%**	**568**	**642**	**495**	**30%**	**1.210**	**864**	**40%**
Non-recurring and/or non-cash items	-100%	(0)	(7)	19	-137%	(7)	20	-135%
(=) EBITDA "Cash"	**12%**	**568**	**635**	**514**	**24%**	**1.203**	**884**	**36%**
Changes on working capital [1]	-25%	(403)	(302)	(27)	1019%	(704)	(531)	33%
Net financial result (cash) [2]	46%	(123)	(180)	11	-1736%	(303)	(15)	1920%
Operating cash flow	**258%**	**43**	**154**	**498**	**-69%**	**196**	**338**	**-42%**
Income tax paid	533%	(21)	(133)	(131)	2%	(154)	(144)	7%
Interest paid on loans	-97%	(29)	(1)	(46)	-98%	(30)	(70)	-57%
Cash generated by operating activities	**-350%**	**(8)**	**20**	**320**	**-94%**	**12**	**124**	**-90%**

Cash Flow Statement	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Cash generated by operating activities	-350%	(8)	20	320	-94%	12	124	-90%
Cash flow from investment activities	128%	(61)	(139)	(274)	-49%	(200)	(519)	-61%
Cash flow from financing activities	6857%	7	487	(80)	-709%	494	439	13%
Currency translation adjustment (CTA)	-148%	(23)	11	(14)	-179%	(12)	4	-400%
Increase (decrease) in cash & cash equivalents	**-546%**	**(85)**	**379**	**(48)**	**-890%**	**294**	**49**	**500%**

Net Cash from Operating Activities

Unigel's consolidated operating cash flow was R$196 million at 6M22, down 42% YoY on account of higher working capital expenditures driven mainly by (i) higher global prices for oil and natural gas, impacting the prices of products and raw materials across the chain; and (ii) inventory-building in the Agro segment on account of seasonality, as sales are concentrated in the second half of the year. In light of this, we expect to recover a significant part of these expenditures over the course of the second semester.

Net Cash Used in Investment Activities

Unigel's net cash used in investment activities was a total outlay of R$200 million. In addition to maintenance projects, these expenses include approximately US$10 million related to our sulfuric acid plant and US$8 million related to our green hydrogen and green ammonia project.

Net Cash from Financing Activities

Unigel's net cash from financing activities was an income of R$494 million at 6M22, driven mainly by the R$500 million raised by our debenture offering on the Brazilian market in April 2022.

Translation Adjustments

Effect generated by currency conversions of financial information from our subsidiaries in Mexico and Luxembourg.

4. DEBT AND LEVERAGE

Net Debt and Leverage	In millions of Reais			In millions of Dollars		
millions R$ | US$	Jun-22	Dec-20	Δ (%) YoY	Jun-22	Dec-21	Δ (%) YoY
Current	401	333	20%	77	60	28%
Non-current	3,265	2,992	9%	623	536	16%
Gross Debt	**3,667**	**3,324**	**10%**	**700**	**596**	**17%**
(-) Swap Accrual	(220)	(411)	-46%	(42)	(74)	-43%
(-) Cash & Equivalents	(1,143)	(849)	35%	(218)	(152)	43%
Net Debt	**2,304**	**2,064**	**12%**	**440**	**370**	**19%**
(/) Adjusted EBITDA (LTM)	2,063	1,717	20%	396	317	25%
(=) Financial Leverage	**1.12x**	**1.20x**	**0.09x**	**1.11x**	**1.17x**	**0.06x**

Unigel's net debt was R$2.30 billion as of June 30, 2022, a 12% increase compared to December 31, 2021, explained by the R$500 million debenture issue completed on April 12, 2022, of which a significant part of the raised funds was retained as cash in hand through the end of the period.

In terms of leverage, our 20% growth in adjusted EBITDA over the past 12 months ended June 30, 2022 outpaced the increase in net debt, lowering the Company's net leverage to 1.12x as of June 2022, compared to 1.20x in December 2021.

With regard to our foreign exchange hedging strategy, we have maintained our conservative strategy of hedging 100% of the amount of our 2026 Bond (US$530 million) into Brazilian reais under the following terms:

- US$200 million with lower bound 4.1500 R$/US$; higher bound 5.6000 R$/US$; and financial cost 100% of the CDI rate minus 2.97%;
- US$220 million with lower bound 5.0999 R$/US$; higher bound 6.7500 R$/US$; and financial cost 39.70% of the CDI rate for the 3 upcoming payments and 60.18% of the CDI rate for all remaining payments until maturity;
- US$110 million with lower bound 5.1998 R$/US$; higher bound 6.7500 R$/US$; and financial cost 39.70% of the CDI rate for the 3 upcoming payments and 77.35% of the CDI rate for all remaining payments until maturity.

ATTACHMENT I

CONSOLIDATED BALANCE SHEET

Assets	in millions of reais		
R$ millions	Jun-22	Dec-21	Δ (%) YoY
Cash and cash equivalents	1,143	849	35%
Accounts receivable	744	488	52%
Inventories	1,240	950	31%
Taxes recoverable	255	222	15%
Advances to suppliers	94	125	-25%
Derivatives	128	27	374%
Other current assets	54	29	86%
Total Current Assets	**3,658**	**2,690**	**36%**
Deferred taxes	542	645	-16%
Taxes recoverable	223	234	-5%
Judicial deposits	16	16	0%
Derivatives	105	129	-19%
Other non-current assets	24	37	-35%
Right-of-use asset	395	409	-3%
Property, plant & equipment and intangible	2,040	1,932	6%
Total Non-Current Assets	**3,345**	**3,403**	**-2%**
TOTAL ASSETS	**7,003**	**6,093**	**15%**

Liabilities	in millions of reais		
R$ millions	Jun-22	Dec-21	Δ (%) YoY
Loans and financing	401	333	20%
Suppliers	756	766	-1%
Lease liability	102	96	6%
Taxes payable	46	69	-33%
Advances from clients	68	84	-19%
Derivatives	129	149	-13%
Dividend Payables	115	182	-37%
Other current liabilities	153	185	-17%
Total Current Liabilities	**1,769**	**1,865**	**-5%**
Loans and financing	3,265	2,992	9%
Right-of-use obligations	327	359	-9%
Taxes and contributions payable	41	51	-20%
deferred taxes	117	117	0%
post-employment benefits	41	39	5%
Other long-term liabilities	254	11	2209%
Total Non-Current Liabilities	**4,046**	**3,568**	**13%**
Total Equity	**1,188**	**660**	**80%**
TOTAL LIABILITIES	**7,003**	**6,093**	**15%**

ATTACHMENT II

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Gross revenue	**3%**	**2,778**	**2,850**	**2,122**	**34%**	**5,627**	**3,649**	**54%**
Net revenue	**2%**	**2,516**	**2,571**	**1,923**	**34%**	**5,087**	**3,260**	**56%**
Cost of goods sold	-1%	(1,968)	(1,950)	(1,432)	36%	(3,918)	(2,409)	63%
Gross profit	**13%**	**548**	**621**	**491**	**26%**	**1,169**	**851**	**37%**
Gross margin	*2.4p.p.*	*21.8%*	*24.2%*	*25.5%*	*-1.4p.p.*	*23.0%*	*26.1%*	*-3.1p.p.*
Sales, general and adm. (SG&A) expenses	25%	(53)	(66)	(48)	38%	(119)	(88)	35%
Other operating income (expenses)	-138%	13	(5)	241	-102%	7	243	-97%
Operating income (expenses)	**8%**	**507**	**550**	**684**	**-20%**	**1,057**	**1,006**	**5%**
Net financial results	153%	(127)	(321)	16	-2106%	(448)	(107)	319%
Income tax and social contribution	-65%	(74)	(26)	(145)	-82%	(100)	(190)	-47%
Net income	**-34%**	**307**	**203**	**555**	**-63%**	**509**	**709**	**-28%**

Adjusted EBITDA Calculation	Quarter					Year-to-date		
R$ million	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Net income	**-34%**	**307**	**203**	**555**	**-63%**	**509**	**709**	**-28%**
Income tax and social contribution	-65%	74	26	145	-82%	100	190	-47%
Net financial results	153%	127	321	(16)	2106%	448	107	319%
Depreciation and amortization	5%	66	69	50	38%	134	97	38%
EBITDA	**8%**	**573**	**618**	**734**	**-16%**	**1,192**	**1,102**	**8%**
EBITDA Margin	*1.3p.p.*	*22.8%*	*24.1%*	*38.2%*	*-14.1p.p.*	*23.4%*	*33.8%*	*-10.4p.p.*
(Losses) Gains in the sale of assets	117%	(6)	1	0	100%	(5)	0	-100%
Recovery of ICMS on PIS/COFINS base	0%	-	-	(240)	-100%	-	(240)	-100%
Plant Shutdown and non-operating Expenses	600%	1	7	1	600%	7	2	250%
Transaction cost write-off	100%	-	16	-	100%	16	-	100%
Adjusted EBITDA	**13%**	**568**	**642**	**495**	**30%**	**1,210**	**864**	**40%**
Adjusted EBITDA margin	*2.4p.p.*	*22.6%*	*25.0%*	*25.7%*	*-0.8p.p.*	*23.8%*	*26.5%*	*-2.7p.p.*

ATTACHMENT III

CONSOLIDATED CASH FLOW

Cash Flow Statement	Quarter				Year-to-date		
R$ millions	Δ (%) QoQ	1Q22	2Q22	2Q21	Δ (%) YoY	6M22	6M21	Δ (%) YoY
Net income (loss) for the year	**-34%**	**307**	**203**	**555**	**-63%**	**509**	**709**	**-28%**
Adjustments due to:	**118%**	**109**	**238**	**(80)**	**398%**	**347**	**77**	**351%**
Depreciation and amortization	5%	66	69	50	38%	134	97	38%
Lease liabilities interest	-9%	11	10	8	25%	22	16	38%
Provision for civil, tax and labor risks	1300%	1	14	4	250%	15	5	200%
Allowance for credit loss on trade receivables	0%	(1)	(1)	4	-125%	(2)	4	-150%
Accrual (reversal) of inventories losses	100%	1	2	12	-83%	3	13	-77%
Deferred taxes	-76%	45	11	96	-89%	56	106	-47%
Derivatives	-1789%	9	(152)	103	-248%	(143)	(30)	377%
Interest and foreign exchange variation of loans	1410%	(21)	275	(106)	359%	254	116	119%
Interest on tax installments	-50%	2	1	0	100%	3	1	200%
(Gain) loss on sale of fixed assets	100%	-	2	0	100%	2	0	100%
ICMS (VAT) on the Pis and Cofins calculation	0%	-	-	(240)	-100%	-	(240)	-100%
Interest on suppliers	-100%	2	0	1	-100%	2	1	100%
Update on PIS/COFINS credits	-100%	-	(2)	(11)	-82%	(2)	(11)	-82%
Impairment	-83%	(6)	(1)	-	-100%	(7)	-	-100%
Charges on anticipated receivables	100%	-	8	-	100%	8	-	100%
Adjusted net income (loss) for the year	**6%**	**416**	**441**	**475**	**-7%**	**857**	**785**	**9%**
Changes in assets and liabilities:	**-23%**	**(373)**	**(287)**	**22**	**-1405%**	**(660)**	**(447)**	**48%**
Trade accounts receivable	107%	(299)	21	(102)	121%	(278)	(307)	-9%
Inventories	-1%	(152)	(150)	(134)	12%	(302)	(275)	10%
Suppliers	-224%	63	(78)	175	-145%	(15)	184	-108%
Taxes (net, recoverable - payables)	-950%	8	(68)	18	-478%	(59)	19	-411%
Contractual credits	200%	(1)	1	(10)	110%	0	(86)	-100%
Others (net, credits - payables)	-286%	7	(13)	75	-117%	(6)	17	-135%
Operating cash flow	**258%**	**43**	**154**	**498**	**-69%**	**196**	**338**	**-42%**
Interest paid on loans	533%	(21)	(133)	(131)	2%	(154)	(144)	7%
Income tax paid	-97%	(29)	(1)	(46)	-98%	(30)	(70)	-57%
Cash generated by operating activities	**350%**	**(8)**	**20**	**320**	**-94%**	**12**	**124**	**-90%**
Cash flow from investment activities	**128%**	**(61)**	**(139)**	**(274)**	**-49%**	**(200)**	**(519)**	**-61%**
Acquisition of PP&E and intangibles	124%	(62)	(139)	(256)	-46%	(201)	(500)	-60%
Proceeds from sale of fixed assets	0%	0	(0)	(1)	-100%	0	2	-100%
Repayments to related parties cash pooling	0%	-	(0)	(20)	-100%	(0)	(20)	-100%
Cash generation after investment activities	**72%**	**(69)**	**(119)**	**46**	**-359%**	**(189)**	**(394)**	**-52%**
Cash flow from financing activities	**6857%**	**7**	**487**	**(80)**	**709%**	**494**	**439**	**13%**
Proceeds from loans and financing	850%	54	513	151	240%	567	828	-32%
Derivatives	-72%	(47)	(13)	(183)	-93%	(60)	(305)	-80%
Lease liabilities	5%	55	58	(36)	261%	113	(35)	423%
Payments of loans	3%	(29)	(30)	(25)	20%	(59)	(49)	20%
Increase (decrease) in cash & cash equivalents	**694%**	**(62)**	**368**	**(34)**	**1182%**	**306**	**45**	**580%**
Cash position at the beginning of the period	-10%	849	764	721	6%	849	624	36%
Currency translation adjustment (CTA)	148%	(23)	11	(14)	179%	(12)	4	-400%
Cash position at the end of the period	50%	764	1.143	673	70%	1.143	673	70%

INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/2003 and SNC/SEP Circular Letter 01/2007, the Company informs that, during the year 2022, KPMG Auditores Independentes Ltda. performed independent audit services related to the quarterly financial information of 2022.

Company's policy towards its auditors with respect to service provision not related to independent audit is covered by the principles that preserve auditors' independence. These principles are based on the fact that the auditor should not audit their own work, perform managerial functions, or act as a lawyer for their client. During the period ended June 30, 2022, KPMG Auditores Independentes Ltda. provided independent audit services to the Company. In the period ended June 30, 2022, no services other than those related to the external audit were contracted.

KPMG Auditores Independentes Ltda.
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Independent Auditors' Report on Review of Individual and Consolidated Interim Financial Statements

To
the Shareholders, Counselors and Board of Directors of Unigel Participações S.A.
São Paulo - SP

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Unigel Participações S.A. ("The Company"), contained in the Quarterly Financial Information – ITR Form for the quarter ended as of June 30, 2022, comprising the balance sheets, as of June 30, 2022 and related statements of income, of comprehensive income, changes in equity and cash flows for the three and six-months period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly 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 Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements 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 International 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 individual and consolidated interim financial information included in the Quarterly Financial Information (ITR) referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters - Statements of value added
The individual and consolidated statements of value added for the six-month period ended June 30, 2022, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34, were subjected to review procedures performed in connection with the review of the individual and consolidated interim financial statements of the Company. To form our conclusion, we evaluated whether these statements reconciled with the interim financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined 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 the these individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements taken as a whole.

São Paulo, August 12, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by

Wagner Bottino
Accountant CRC 1SP196907/O-7

BALANCE SHEETS AT JUNE 30, 2022 AND DECEMBER 31, 2021

(IN THOUSANDS OF REAIS)

		Parent company		Consolidated	
Assets	Note	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Current assets					
Cash and cash equivalents	4	58,996	473	1,143,412	849,338
Trade accounts receivable	5	-	-	744,192	488,392
Inventories	6	-	-	1,240,393	950,014
Current account with related parties	7	173	-	-	-
Dividends receivable	7	4,218	4,218	-	-
Taxes recoverable	8	622	96	242,132	221,741
Prepaid expenses	-	373	170	32,679	10,173
Advances to suppliers	-	69	63	92,640	123,777
Operations with derivatives	27	-	-	128,050	26,621
Contractual credits	23.2	-	-	2,470	2,489
Other assets	-	922	824	19,753	17,441
Total current assets		**65,373**	**5,844**	**3,645,721**	**2,689,986**
Non-current assets					
Current account with related parties	7	3,364	3,049	-	-
Taxes recoverable	8	-	-	235,702	233,710
Deferred taxes	9	-	-	542,321	645,464
Judicial deposits	16	-	-	15,933	16,209
Operations with derivatives	27	-	-	104,683	129,398
Contractual credits	23.2	-	-	3,359	3,359
Other assets	-	76	13,519	20,754	33,765
Investments	10	2,982,770	2,412,179	-	-
Property, plant and equipment	11	4,349	3,938	2,026,561	1,915,744
Right-of-use	12	18,391	17,379	395,381	409,249
Intangible assets	-	4,630	5,579	12,988	16,349
Total non-current assets		**3,013,580**	**2,455,643**	**3,357,682**	**3,403,247**
Total assets		**3,078,953**	**2,461,487**	**7,003,403**	**6,093,233**

(IN THOUSANDS OF REAIS)

		Parent company		Consolidated	
Liabilities	Note	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Current liabilities					
Loans and financing	13	13,700	190	401,406	332,623
Suppliers	14	1,480	2,717	755,644	766,135
Lease liabilities	12	6,616	4,869	101,971	96,387
Dividends payable	7	114,821	182,349	114,821	182,349
Current account with related parties	7	985	79	-	-
Taxes and contributions payable	15	198	110	45,785	69,427
Salaries and charges	-	-	-	63,295	74,440
Advances from clients	-	-	-	68,267	84,129
Operations with derivatives	27	-	-	128,600	149,095
Sundry provisions	-	77	135	73,230	102,747
Other liabilities	-	6	470	16,211	8,041
Total current liabilities		**137,883**	**190,919**	**1,769,230**	**1,865,373**
Non-current liabilities					
Loans and financing	13	494,436	385	3,265,479	2,991,511
Lease liabilities	12	14,558	13,975	327,339	358,582
Current account with related parties	7	1,103,119	1,460,745	91	144
Taxes and contributions payable	15	-	-	41,360	51,142
Deferred taxes	9	117,137	117,137	117,137	117,137
post-employment benefits	-	-	-	40,502	38,670
Operations with derivatives	27	-	-	218,195	-
Provision for contingencies	16	-	-	22,452	9,748
Provision for inventory loss	10	23,574	18,819	-	-
Other liabilities	-	-	-	13,372	1,419
Total non-current liabilities		**1,752,824**	**1,611,061**	**4,045,927**	**3,568,353**
Equity	**17**				
Capital	-	920,963	276,185	920,963	276,185
Profit reserves	-	48,337	693,115	48,337	693,115
Equity evaluation adjustments	-	(299,437)	(309,793)	(299,437)	(309,793)
Income (loss) for the period	-	518,383	-	518,383	-
Total equity		**1,188,246**	**659,507**	**1,188,246**	**659,507**
Total liabilities and equity		**3,078,953**	**2,461,487**	**7,003,403**	**6,093,233**

STATEMENTS OF INCOME FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021

(IN THOUSANDS OF REAIS)

		Parent company				Consolidated			
		Three-month period		Six-month period		Three-month period		Six-month period	
	Note	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	18	-	-	-	-	2,571,001	1,923,178	5,087,407	3,260,481
Cost of goods sold	19	-	-	-	-	(1,949,726)	(1,432,006)	(3,918,082)	(2,409,276)
Gross profit		**-**	**-**	**-**	**-**	**621,275**	**491,172**	**1,169,325**	**851,205**
Sales expenses	19	-	-	-	-	(15,902)	(11,152)	(30,929)	(20,642)
Administrative and general expenses	19	(2,607)	(1,674)	(6,327)	(3,283)	(50,817)	(33,012)	(90,173)	(64,092)
(Provision) Reversal of impairment of financial assets	5	-	-	-	-	655	(3,606)	1,776	(3,606)
Other operating (expenses) income	20	(16,402)	(195)	(16,394)	109	(5,481)	240,976	7,207	242,890
Operating income (expenses)		**(19,009)**	**(1,869)**	**(22,721)**	**(3,174)**	**(71,545)**	**193,206**	**(112,119)**	**154,550**
Equity in net income of subsidiaries	10	235,026	557,172	546,362	712,414	-	-	-	-
Income (loss) before financial result and taxes		**216,020**	**555,303**	**523,641**	**709,240**	**549,730**	**684,378**	**1,057,206**	**1,005,755**
Financial income		2,317	-	2,322	-	17,458	16,100	27,606	18,567
Financial expenses		(15,752)	(348)	(16,657)	(526)	(205,979)	(101,429)	(466,178)	(176,875)
Net exchange rate changes		(41)	-	(41)	-	(132,745)	101,308	(9,396)	51,056
Net financial result	**21**	**(13,476)**	**(348)**	**(14,376)**	**(526)**	**(321,266)**	**15,979**	**(447,968)**	**(107,252)**
Income before income tax and social contribution		**202,544**	**554,955**	**509,265**	**708,714**	**228,464**	**700,357**	**609,238**	**898,503**
Current income tax and social contribution		-	-	-	-	(14,673)	(49,219)	(44,074)	(83,905)
Deferred income tax and social contribution		-	-	-	-	(11,247)	(96,183)	(55,899)	(105,884)
Income tax and social contribution	**9**	**-**	**-**	**-**	**-**	**(25,920)**	**(145,402)**	**(99,973)**	**(189,789)**
Net profit for the period		**202,544**	**554,955**	**509,265**	**708,714**	**202,544**	**554,955**	**509,265**	**708,714**
Net earnings per share - basic and diluted - R$	**26**	**0.2199**	**1.3395**	**0.5530**	**1.7106**	**0.2199**	**1.3395**	**0.5530**	**1.7106**
Weighted average number of shares throughout the year		**920,962,726**	**414,297,488**	**920,962,726**	**414,297,488**	**920,962,726**	**414,297,488**	**920,962,726**	**414,297,488**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021

(IN THOUSANDS OF REAIS)

	Parent company				Consolidated			
	Three-month period		Six-month period		Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net profit for the period	**202,544**	**554,955**	**509,265**	**708,714**	**202,544**	**554,955**	**509,265**	**708,714**
Other comprehensive income								
Foreign operations – translation adjustments	54,846	(86,932)	(66,114)	(29,663)	54,846	(86,932)	(66,114)	(29,663)
Items that can be subsequently reclassified to income (loss)								
Cash flow hedge	(120,903)	278,408	85,588	(46,967)	(120,903)	278,408	85,588	(46,967)
Total comprehensive income	**136,487**	**746,431**	**528,739**	**632,084**	**136,487**	**746,431**	**528,739**	**632,084**

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2022

(IN THOUSANDS OF REAIS)

		Profit reserve				
	Capital stock	Legal reserve	Unrealized profit reserve	Equity valuation adjustments	Retained earnings	Total
Balances at January 1, 2022	**276,185**	**48,337**	**644,778**	**(309,793)**	**-**	**659,507**
Capital stock increase (Note 17.1)	644,778	-	(644,778)	-	-	-
Net profit for the period	-	-	-	-	509,265	509,265
Realization of equity valuation through depreciation and write-off of property, plant and equipment, net of tax effects	-	-	-	(9,118)	9,118	-
Other comprehensive income						
Foreign operations – translation adjustments	-	-	-	(66,114)	-	(66,114)
Cash flow hedge	-	-	-	85,588	-	85,588
Balances at June 30, 2022	**920,963**	**48,337**	**-**	**(299,437)**	**518,383**	**1,188,246**

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2021

(IN THOUSANDS OF REAIS)

		Profit reserve				
	Capital	Legal reserve	Unrealized profit reserve	Equity valuation adjustments	Retained earnings	Total
Balances at January 1, 2021	**276,185**	**3,092**	**9,038**	**(230,832)**	**-**	**57,483**
Net profit for the period	-	-	-	-	708,714	708,714
Realization of equity valuation through depreciation and write-off of property, plant and equipment, net of tax effects	-	-	-	(4,538)	4,538	-
Other comprehensive income						
Foreign operations – translation adjustments	-	-	-	(29,663)	-	(29,663)
Cash flow hedge	-	-	-	(46,967)	-	(46,967)
Allocations						
Additional dividends distributed	-	-	(9,038)	-	-	(9,038)
Balances at June 30, 2021	**276,185**	**3,092**	**-**	**(312,000)**	**713,252**	**680,529**

STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021

(IN THOUSANDS OF REAIS)

		Parent company		Consolidated	
		Six-month period		Six-month period	
	Note	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash generated by operating activities					
Net profit for the period		**509,265**	**708,714**	**509,265**	**708,714**
Adjustments for:					
Depreciation and amortization	19	6,308	3,280	134,310	96,671
Accrued interest and lease AVP	12	1,353	313	21,532	15,935
Provisions for contingencies	16	-	(16)	15,066	5,136
Allowance (reversal) for losses and obsolescence of inventories	6	-	-	3,340	13,073
Deferred taxes	9	-	-	55,899	105,884
Provision for estimated credit losses	5	-	-	(1,776)	3,606
Income (loss) from derivative operations	-	-	-	(142,792)	(30,424)
Accrued interest and exchange variation	-	15,053	40	254,141	115,731
Interest on tax installments	21	-	-	3,334	870
Income (loss) in the sale of fixed assets	20	-	-	2,143	50
Equity in net income of subsidiaries	10	(546,362)	(712,414)	-	-
Recognition of ICMS at PIS/COFINS basis	20	-	-	-	(240,325)
Provision (reversal) for impairment and fixed assets' inventory	11	-	-	(6,820)	-
Restatement on PIS/COFINS credit	21	-	-	(1,954)	(10,617)
Charges on discounted trade notes	5	-	-	8,496	7,248
Interest on suppliers	-	-	-	2,415	1,027
		(14,383)	**(83)**	**856,599**	**792,579**
Changes in:					
Trade accounts receivable	5	-	-	(278,051)	(306,660)
Inventories	6	-	-	(301,959)	(282,141)
Taxes recoverable	8	-	-	(35,585)	(28,952)
Contractual credits	23.2	-	-	19	(86,163)
Other short and long-term assets	-	11,715	(3,611)	19,489	(42,037)
Suppliers	14	(986)	(837)	(15,341)	184,348
Taxes and contributions payable	15	983	178	(23,632)	48,155
Other short and long-term liabilities	-	(522)	(218)	(25,173)	58,915
Cash generated by (used in) operating activities		**(3,193)**	**(4,571)**	**196,366**	**338,044**
Interest paid from loans and financing	13	(29)	(6)	(154,286)	(143,889)
Income tax and social contribution paid	-	-	-	(30,491)	(69,806)
Cash flow (used in) generated by operating activities		**(3,222)**	**(4,577)**	**11.589**	**124,349**
Cash flow from investment activities					
Acquisition of property, plant and equipment and intangible assets	11	(3,451)	(1,197)	(200,577)	(500,468)
Proceeds from sale of fixed assets	11	-		250	2,260
Advances made to related parties	7	(488)	(1,379)	(53)	(20,350)
Net cash flow used in investment activities		**(3,939)**	**(2,576)**	**(200,380)**	**(518,558)**
Cash flow from financing activities					
Proceeds from loans and financing	13	492,537	-	567,480	827,937
Payments of loans	13	-	(116)	(59,551)	(304,520)
Derivative (receipts) payments	-	-	-	113,373	(35,144)
Lease payments	12	(2,605)	(1,675)	(59,321)	(48,972)
Dividends paid	-	(67,528)	-	(67,528)	-
Cash advances obtained from related parties	7	(356,720)	8,943	-	-
Cash flow generated by financing activities		**65,684**	**7,152**	**494,453**	**439,301**
Increase (decrease) in cash & cash equivalents		**58,523**	**(1)**	**305,662**	**45,092**
Statement of changes in cash and cash equivalents					
Increase (decrease) in cash and cash equivalents in the period		**58,523**	**(1)**	**305,662**	**45,092**
Cash and cash equivalents at January 1st	4	473	120	849.338	624.039
Translation adjustments	-	-	-	(11.588)	3.720
Cash and cash equivalents on June 30th	4	58.996	119	1.143.412	672.851

STATEMENTS OF ADDED VALUE FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021

(IN THOUSANDS OF REAIS)

	Parent company		Consolidated	
	Six-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues	**43**	**109**	**5,637,891**	**3,872,329**
Sales of goods and products	-	-	5,609,703	3,632,612
Other revenues	43	109	26,412	243,323
(Provision) Reversal of impairment of financial assets	-	-	1,776	(3,606)
Inputs acquired from third parties (includes: ICMS, IPI, PIS, and COFINS)	**(16,456)**	**(3)**	**(4,257,996)**	**(2,720,358)**
Cost of goods and services sold	-	-	(3,745,389)	(2,496,780)
Materials, energy, outsourced services and other	-	-	(478,336)	(218,009)
Recovery (loss) of asset values	-	-	(2,143)	(50)
Other	(16,456)	(3)	(32,128)	(5,519)
Gross added value	**(16,413)**	**106**	**1,379,895**	**1,151,971**
Depreciation and amortization	(2,570)	(999)	(95,297)	(62,449)
Depreciation of right-of-use assets	(3,738)	(2,281)	(39,013)	(34,222)
Net value added produced by the Company	**(22,721)**	**(3,174)**	**1,245,585**	**1,055,300**
Added value received as transfer	**548,684**	**712,414**	**27,606**	**18,567**
Equity in net income of subsidiaries	546,362	712,414	-	-
Financial income	2,322	-	27,606	18,567
Total added value payable	**525,963**	**709,240**	**1,273,191**	**1,073,867**
Distribution of added value	**525,963**	**709,240**	**1,273,191**	**1,073,867**
Personnel	**-**	**-**	**123,628**	**74,179**
Direct remuneration	-	-	73,449	41,907
Benefits	-	-	32,844	21,545
Other	-	-	17,335	10,727
Taxes, duties and contributions	**244**	**189**	**175,786**	**172,204**
Federal	244	189	178,084	188,679
State	-	-	(2,338)	(16,509)
Municipal	-	-	40	34
Third-party capital remuneration	**16,454**	**337**	**464,512**	**118,770**
Interest	16,454	337	464,512	118,770
Remuneration of own capital	**509,265**	**708,714**	**509,265**	**708,714**
Net profit for the period	509,265	708,714	509,265	708,714

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION AS OF JUNE 30, 2022

(In thousands of reais - R$, unless otherwise indicated)

1. OPERATIONS

Unigel Participações S.A., incorporated on September 24, 2005 (hereinafter referred to as "Unigel" or "Company"), is a closely-held company, recorded in the Brazilian Securities and Exchange Commission ("CVM") 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, Styrenics and fertilizer 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 on June 30, 2022 is the same as of December 31, 2021 and has the following subsidiaries:

		Interest %		
Companies	Country	06/30/2022	12/31/2021	Main products
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 Luxemburg S.A.	Luxembourg	99.9%	99.9%	Financial asset management on the capital market.
Unigel Comercializadora de Energia Elétrica S.A.	Brazil	99.9%	99.9%	Energy trading.
Unigel Plásticos S.A.	Brazil	99.9%	99.9%	Acrylic plates and resins.
Companhia Brasileira de Estireno and subsidiaries:	Brazil	99.9%	99.9%	Styrene, polystyrene, ethylbenzene, toluene, acrylonitrile, hydrogen cyanide and cyanide acetone.
. Unigel Inc.	USA	99.9%	99.9%	Distributor of the Group's products.
. Plastiglás de México, S.A. de C.V.	Mexico	99.9%	99.9%	Acrylic, acrylic resin plates, and resale of polycarbonate plates.
. Unigel Holdings, S.A. de C. V. and subsidiaries:	Mexico	99.9%	99.9%	Intermediate holding company.
. 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.
. Metacril, S.A. de C.V.	Mexico	99.9%	99.9%	Rendering of services to third parties.
. Distribuidora de Productos Plastiglas, S.A. de C.V.	Mexico	99.9%	99.9%	Distributor of the Group's products.

1.1 INVESTMENTS IN A NEW HYDROGEN AND GREEN AMMONIA PLANT

We officially announced the start of investments in the construction of the first green hydrogen plant in Brazil on July 25, 2022. With an initial investment of US$ 120 million (Note 11), the plant should start operating by the end of 2023. On that occasion, the integrated green hydrogen and green ammonia project is expected to be the largest in the world. Unigel relies on the world's leading technology for high-efficiency electrolysis from Thyssenkrupp Nucera in Germany.

Located in the Camaçari Industrial Complex (BA), the new plant, in its first phase, will have a production capacity of 10 thousand tons/year of green hydrogen and 60 thousand tons/year of green ammonia. In the second phase of the project, scheduled to start operating by 2025, the Company is expected to quadruple the production of green hydrogen and ammonia.

2. PREPARATION BASIS

The interim financial information identified as "Parent Company" and "Consolidated", respectively, was prepared in accordance with Technical Pronouncement CPC 21 – Interim Statements and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the Standards issued by the Brazilian Securities and Exchange Commission ("CVM").

This individual and consolidated interim financial information was authorized by the Management on August 12, 2022.

All own relevant evaluations and information in the Financial Information, and only they, are being highlighted, and correspond to those used by Management in its management.

No changes occurred in the measurement basis, functional and presentation currencies and in the use of estimates and judgments, in comparison with those presented in financial statements for the year ended December 31, 2021.

Accordingly, this individual and consolidated interim financial information should be read together with the financial statements of that year.

3. SIGNIFICANT ACCOUNTING POLICIES

In the period ended June 30, 2022, there were no changes in accounting policies applied by the Company and its subsidiaries, as disclosed in financial statements for the year ended December 31, 2021, and consistency was maintained in all periods presented in this individual and consolidated interim financial information.

Accordingly, this individual and consolidated interim financial information should be read together with the financial statements of that year.

The IFRS issuances and amendments made by the IASB that are effective for the year beginning on January 1, 2022 had no impact on this interim financial information.

(i) *Onerous Contracts – costs to fulfill a contract (amendments to CPC 25 / IAS 37)*

These amendments specify which costs an entity must include to determine the cost of fulfilling a contract to assess if the contract is onerous. The amendments apply to annual periods beginning on/after January 01, 2022 for existing contracts, on the date such changes are adopted for the first time. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other components of the equity, as appropriate. The comparisons are not restated. The Group did not determine significant effects from the adoption of the new standard in 2022.

4. CASH AND CASH EQUIVALENTS

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.

	Parent company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and banks in Reais	301	473	36,572	78,245
Cash and banks in Dollars	-	-	407,037	354,023
Bank Deposit Certificates(1)	58,695	-	694,534	366,801
Short-term investments in foreign currency(2)	-	-	5,269	50,269
	58,996	**473**	**1,143,412**	**849,338**

(1) Investments in bank deposit certificates (CDB) with daily liquidity and average yield of approximately 99.60% YoY (99.50% YoY as of December 31, 2021) of the CDI rate. These investments can be redeemed at any time without prejudice to the remuneration already appropriated.
(2) Investments with daily liquidity in Mexican pesos with average rate of 3.6% YoY (3.6% YoY as of December 31, 2021).

The credit and market risk analysis of banks that maintains cash and cash equivalents with the Group is disclosed in Note 23.3 - Risk management framework.

5. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	06/30/2022	12/31/2021
Domestic market	461,842	330,172
Foreign market	319,425	189,362
Related parties (Note 7)	8,110	17,426
	789,377	**536,960**
(-) Estimated credit loss	(45,185)	(48,568)
	744,192	**488,392**

The Company's average collection period is mostly 30 days, reason why the value of its accounts receivable corresponds to its fair value. The Company realizes part of its trade accounts receivable through the sale of trade notes to funds intended for the acquisition of receivables. Said operations are fully carried out without the right of recourse and with substantial transfer of risks and rewards of the receivables, reason why the trade notes are written-off upon at the time of the transaction. On June 30, 2022, the Company recorded the interest amount of R$ 8,496 (R$ 7,248 as of June 30, 2021), recorded in "Interest expenses on bank loans" caption (Note 21 – Financial Result).

Estimated credit loss in accounts receivable: refers to the estimated loss for the effectiveness period of contract unless there is a collateral or if there is an expectation of recovery of the value, in the view of the Group's credit committee. The security is definitely written off when there is no expectation of recovery.

The maturities of trade accounts receivable are distributed as follow:

	Consolidated	
	06/30/2022	12/31/2021
Falling due	682,269	436,739
Overdue (days):		
01–30	41,318	43,852
31–60	17,832	3,809
61–90	2,481	2,053
>91	45,477	50,507
	789,377	**536,960**

Changes in allowance for credit loss on trade receivables

	Consolidated
Balance at January 1, 2021	**(43,091)**
Additions	(3,606)
Write-offs	309
Exchange variation	838
Translation adjustments - foreign subsidiaries	(24)
Balance at June 30, 2021	**(45,574)**
Additions	(165)
Write-offs	10
Exchange variation	(2,492)
Translation adjustments - foreign subsidiaries	(347)
Balance at December 31, 2021	**(48,568)**
Additions	(190)
Reversals	1,966
Write-offs	185
Exchange variation	1,476
Translation adjustments - foreign subsidiaries	(54)
Balance at June 30, 2022	**(45,185)**

The analysis of the credit and market risk of clients is disclosed in Note 23.3 – Risk management framework.

6. INVENTORIES

	Consolidated	
	06/30/2022	12/31/2021
Finished goods	606,185	418,461
Work in process	6,631	3,490
Raw material	207,803	212,132
Secondary materials	66,720	61,906
Storeroom	133,789	97,038
Inventories in transit	29,401	72,344
Inventories held by third parties	189,864	84,643
	1,240,393	**950,014**

Inventory items are stated at cost or net realizable value, whichever is lower. However, only finished products have a provision for losses at net realizable value. As of June 30, 2022, the amount of R$ 2,522 (R$ 2,612 as of December 31, 2021) was recognized as a inventory impairment as a contra-entry to income (loss) for the year, under cost of goods sold.

Changes in provision for losses on reduction to net realizable value of inventories are as follows:

	Consolidated
Balance at January 1, 2021	**(3,636)**
Additions	(13,073)
Write-offs	1,282
Translation adjustments – foreign subsidiaries	(155)
Balance at June 30, 2021	**(15,582)**
Reversal of additions	7,533
Write-offs	5,295
Translation adjustments – foreign subsidiaries	142
Balance at December 31, 2021	**(2,612)**
Additions	(3,340)
Write-offs	3,517
Translation adjustments – foreign subsidiaries	(87)
Balance at June 30, 2022	**(2,522)**

There were no inventories pledged as a collateral as of June 30, 2022 and December 31, 2021 for loans and financing.

7. RELATED PARTIES

7.1 ASSET BALANCES

	Parent company					
	06/30/2022					
	Assets			Liabilities		
	Current		Non-current	Current		Non-current
	Current account[2]	Dividends[1]	Current account[2]	Current account[2]	Dividends	Current account[2]
Cigel Participações S.A.	-	-	-	-	(114,821)	-
Unigel Plásticos S.A.	-	4,218	3,364	-	-	-
Companhia Brasileira de Estireno	-	-	-	-	-	(734,351)
Proquigel Química S.A.	-	-	-	-	-	(333,627)
Unigel Distribuidora Ltda.	-	-	-	-	-	(35,141)
Plastiglas de Mexico S.A. de C.V.	173	-	-	-	-	-
Unigel Holding S.A. de C.V.	-	-	-	(932)	-	-
Other associated companies	-	-	-	(53)	-	-
	173	**4,218**	**3,364**	**(985)**	**(114,821)**	**(1,103,119)**

	Parent company				
	12/31/2021				
	Assets		Liabilities		
	Current	Non-current	Current		Non-current
	Dividends[1]	Current account[2]	Current account[2]	Dividends	Current account[2]
Cigel Participações S.A.	-	-	-	(182,349)	-
Unigel Plásticos S.A.	4,218	2,483	-	-	-
Companhia Brasileira de Estireno	-	-	-	-	(1,083,123)
Proquigel Química S.A.	-	2	-	-	(342,479)
Unigel Distribuidora Ltda.	-	5	-	-	(35,143)
Plastiglas de Mexico S.A. de C.V.	-	559	(27)	-	-
Other associated companies	-	-	(52)	-	-
	4,218	**3,049**	**(79)**	**(182,349)**	**(1,460,745)**

	Consolidated				
	06/30/2022				
	Assets		Liabilities		
	Current		Current		Non-current liabilities
	Accounts receivable	Advances to suppliers	Dividends[1]	Suppliers	Current account[2]
Cigel Participações S.A.	-	-	(114,821)	-	(91)
CPE – Compostos Plásticos de Engenharia Ltda.	8,110	-	-	-	-
Transchemical Transportes e Logística Ltda. (Ergotrans)	-	9,245	-	(209)	-
	8,110	**9,245**	**(114,821)**	**(209)**	**(91)**

	Consolidated				
	12/31/2021				
	Assets		Liabilities		
	Current		Current		Non-current liabilities
	Accounts receivable	Advances to suppliers	Dividends[1]	Suppliers	Current account[2]
Cigel Participações S.A.	-	-	(182,349)	-	(144)
CPE – Compostos Plásticos de Engenharia Ltda.	17,426	-	-	-	-
Transchemical Transportes e Logística Ltda. (Ergotrans)	-	45,724	-	(209)	-
	17,426	**45,724**	**(182,349)**	**(209)**	**(144)**

(1) Dividends to be paid or received in 12 months according to cash availability.

(2) The amounts classified as current accounts refer to cash transactions between the Group's companies supported by contracts with an indefinite term or with automatic renewal and are referred to as "Current Account Contracts". In said contracts, the parties established that there will be no interest charge or deadline for returning the amounts. Thus, as they are transactions between related parties, with no expected refund or settlement, the Group classified these amounts in the long term.

The balances presented in accounts receivable refer to sales of products to related parties and the balances are referenced in Note 5 – Accounts receivable, as well as the amounts shown in suppliers refer to engagement of services, also from related parties, and are highlighted in Note 14.

7.2 TRANSACTIONS AMONG COMPANIES OF THE SAME ECONOMIC GROUP

The transactions between the companies belonging to the Unigel Group are presented below. All these transactions were eliminated from the income (loss) for the period and from the consolidated balance sheet.

	Consolidated			
	Transaction amount			
	Sales		Purchases	
	Six-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Companhia Brasileira de Estireno	1,064,672	442,329	(1,051,581)	(405,652)
Unigel Acrilicos S.A. de C.V	-	7,224	(83,252)	-
Unigel Distribuidora Ltda.	920,457	372,000	(943,384)	(331,607)
Unigel Plásticos S.A.	13,187	25,994	(16,472)	(15,682)
Proquigel Química S.A.	134,786	101,965	(38,413)	(196,571)
	2,133,102	**949,512**	**(2,133,102)**	**(949,512)**

The commercial transactions with companies considered to be linked to the Unigel Group are presented below.

	Consolidated			
	Transaction amount			
	Sales		Purchases/ services	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
CPE – Compostos Plásticos de Engenharia Ltda.	29,495	35,569	-	-
Quimivita Fertilizantes Ltda.	42,207	-	-	-
Transchemical Transportes e Logística Ltda. (Ergotrans)	-	-	(229,570)	(64,931)
	71,702	**35,569**	**(229,570)**	**(64,931)**

Additionally, the Company appropriated interest expenses of related parties' loans in the amount of R$ 119,579 on June 30, 2022 (R$ 114,190 on June 30, 2021). These loans from related parties originate from the transfer of amounts to the Group's operating companies referring to the Bond funding made by Unigel Luxemburg and were carried out under conditions similar to the conditions agreed in the aforementioned market funding for interest and terms. The accrued interest was eliminated in the consolidation process and allocated to the companies, as follows:

	Consolidated	
	Six-month period	
	06/30/2022	06/30/2021
Companhia Brasileira de Estireno	73,099	53,884
Proquigel Química S.A.	46,480	49,501
Unigel Plásticos S.A.	-	5,403
Unigel Distribuidora S.A.	-	5,402
	119,579	**114,190**

7.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	Consolidated	
	Six-month period	
	06/30/2022	06/30/2021
Salaries and payroll charges	17,893	8,442
Bonus and charges	608	577
Short-term benefits	**18,501**	**9,019**
Post-employment benefits	318	238
	18,819	**9,257**

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

8. RECOVERABLE TAXES AND CONTRIBUTIONS

	Consolidated	
	06/30/2022	12/31/2021
ICMS exclusion from PIS/COFINS(1)	227,735	225,782
COFINS(4)	66,384	44,125
Recoverable VAT	55,209	38,974
Income Tax (IRPJ)	28,733	29,920
Social contribution (CSLL)	4,312	4,048
ICMS(2)	26,155	38,283
ICMS on property, plant and equipment(3)	12,888	11,866
PIS(4)	12,608	15,192
REINTEGRA program	13,565	13,313
INSS	6,574	4,641
IPI	4,524	3,766
Other	19,147	25,541
	477,834	**455,451**
Current	**242,132**	**221,741**
Non-current (1)(3)	**235,702**	**233,710**

(1) On May 14, 2021, the Federal Supreme Court, by means of the judgment of Motions for Clarification filed by the Federal Government established the understanding that the ICMS to be excluded from the PIS and COFINS calculation basis is that amount highlighted in the invoice. Moreover, the Company also decided to modify the effects of this decision with general repercussions as of March 15, 2017, except for the lawsuits filed up to that date. In summary, taxpayers who have not claimed the refund of amounts will be entitled to calculate and receive credits from the date of modulation; that is, March 15, 2017. Taxpayers who have questioned the aforementioned exclusion in court will be entitled to a refund of the last 5 years as of the filing date of the lawsuit. The Group filed a lawsuit on March 7, 2017, and obtained an injunction authorizing the aforementioned exclusion on May 5, 2017, based on the ICMS amount highlighted in the invoices. Management chose to exercise its right prospectively; that is, as of the date of the injunction granted until the final and unappealable decision of the matters under discussion. With the decision of the Federal Supreme Court (STF) established herein, the Company confirmed the understanding adopted in the exclusion of ICMS from the PIS and COFINS calculation basis referring to the amounts highlighted in the invoices. Therefore, there is no adjustment to be recognized in the interim financial information issued until then. However, the right to return the amounts referring to the 5 years prior to the filing of the lawsuit was ensured, that is, credits from April 2012 to March 2017, which are accounted for in said item. The amounts recognized as overpayments were updated by the SELIC rate upon recognition.

(2) Accumulated ICMS (state VAT) deriving from the purchase of raw material. The Group expects to use these credits considering various possibilities, such as: intercompany transactions based on different ICMS tax rates (between different states in Brazil), purchase of raw materials with drawback exemption, and monetization of credits through negotiation with third parties.

(3) The credits of property, plant and equipment are both used during a period from 48 to 60 months and classified, as applicable, as current and non-current.

(4) The PIS and COFINS credits of the Group's companies mainly arise from export operations; that is, the company acquires raw materials with taxes (credit) and has a relevant portion of its sales destined for export without the incidence of these taxes (debit), thus generating credit balances. The Group's legal team has been implementing legal actions that allow monetization of these credits. The Group did not monetize PIS, COFINS and IPI credits based on Ordinance 348/2010 ("Fast Line") during the year 2022 due to the fact that it was performing full offsets with other federal taxes subject to offsetting (R$ 2,807 were monetized on December 31, 2021). In addition, the Company's subsidiaries calculate credits arising from the exclusion of ICMS from the PIS and COFINS calculation basis since 2017. The Group recognized the credits after the final and unappealable decision handed down by the Federal Supreme Court with general repercussions. The Company's subsidiaries continued recording these credits monthly using the same calculation methodology discussed in the lawsuit that had a favorable decision in the court, i.e., the credits are calculated based on the ICMS amount highlighted in the invoices.

9. INCOME TAX AND SOCIAL CONTRIBUTION

The deferred income tax and social contribution are recognized to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and respective book value and accumulated balances of tax losses and negative calculation bases of social contribution.

Management assesses whether the deferred income tax assets can be realized by presenting projections and strategies that demonstrate the projection of future income, the potential for offsetting tax losses, the reversal of taxable temporary differences, in addition to tax planning opportunities. Future taxable income projections are based on its corporate strategies and macroeconomic scenarios.

Changes in deferred income tax and social contribution are stated as follows:

	Consolidated						
	06/30/2022	DRE	ORA	12/31/2021	DRE	ORA	01/01/2021
Assets							
Amounts recognized in OCI							
Post-employment benefit	9,167	-	-	9,167	-	5,731	3,436
Hedge accounting - exchange variation	244,170	5,887	(47,741)	286,024	(28,549)	239,683	74,890
Amounts recognized in income (loss)							
Estimated credit loss	10,396	(1,071)	-	11,467	1,279	-	10,188
Provision for contingencies	6,477	3,881	-	2,596	(8,647)	-	11,243
Unrealized exchange variation	89,562	(58,628)	-	148,190	64,940	-	83,250
Accumulated tax losses	322,732	(47,508)	-	370,240	(124,220)	-	494,460
PIS/COFINS - Exclusion of ICMS	(72,438)	3,610		(76,048)	(76,048)	-	-
Freight	5,154	(4,343)	-	9,497	4,692	-	4,805
Derivatives	(65,976)	61,231	-	(127,207)	(83,010)	-	(44,197)
Foreign operations	13,420	(7,055)	-	20,475	3,196	-	17,279
Impairment	-	(4,955)	-	4,955	4,955	-	-
Other provisions	26,920	(9,515)	-	36,435	24,429	-	12,006
	589,584	**(58,466)**	**(47,741)**	**695,791**	**(216,983)**	**245,414**	**667,360**
Liabilities							
Amounts recognized in OCI							
Deemed cost	(45,464)	2,989	497	(48,950)	15,085	-	(64,035)
Amounts recognized in DRE							
Other provisions	(1,799)	(422)	-	(1,377)	(2,615)	(399)	1,637
Fair value – investment properties	-	-	-	-	-	2,087	(2,087)
Gain in corporate transactions	(117,137)	-	-	(117,137)	-	-	(117,137)
	(164,400)	**2,567**	**497**	**(167,464)**	**12,470**	**1,688**	**(181,622)**
Deferred net assets	**425,184**	**(55,899)**	**(47,244)**	**528,327**	**(204,513)**	**247,102**	**485,738**
Deferred tax assets	542,321			645,464			602,875
Deferred tax liabilities	(117,137)			(117,137)			(117,137)
Deferred net assets	**425,184**			**528,327**			**485,738**

The reconciliation between the tax expense as calculated by the combined statutory rates and the income tax and social contribution expense calculated in income (loss) is presented below:

	Consolidated	
	06/30/2022	06/30/2021
Income before taxes	**609,238**	**898,503**
Combined rate	34%	34%
Income tax and social contribution at the combined rate	**(207,141)**	**(305,491)**
Additions:		
Non-deductible interest - thin capitalization	(5,797)	(14,233)
Taxation on a universal basis – companies abroad(1)	(6,927)	-
Other permanent additions	(1,520)	(3,236)
Exclusions:		
Tax benefits – Reintegra (Note 24.4)	384	325
Tax benefits – Desenvolve (Note 24.1)	43,080	27,686
Tax benefits – PSDI (Note 24.2)	3,018	-
Taxation on a universal basis – companies abroad(1)	-	25,951
Other permanent exclusions	9	-
Total	**(174,894)**	**(268,998)**
Effective rate	**29%**	**30%**
Other adjustments:		
Unrecognized tax losses and temporary differences(2)	(13,944)	-
Temporary differences from prior periods	9,564	39,864
Tax incentive – SUDENE (Note 24.3)	79,301	39,345
Income tax and social contribution in income for the year	**(99,973)**	**(189,789)**
Current	(44,074)	(83,905)
Deferred	(55,899)	(105,884)

(1) Adjustment related to the difference in rates of our subsidiaries abroad. The rate for our subsidiaries in Mexico is approximately 30% and for our subsidiary in Luxembourg it can be as high as 25%.

(2) These balances are related to tax losses, negative social contribution tax base and temporary differences of Group companies which, based on historical and current projections, do not currently indicate sufficient taxable income to offset these amounts in a medium term horizon. The total balance of tax losses, negative social contribution tax base and temporary differences not recognized until June 30, 2022 is presented below:

	Consolidated	
	06/30/2022	12/31/2021
Unigel Plásticos S.A.	66,491	61,014
Unigel Participações S.A.	12,210	12,012
Unigel Distribuidora Ltda.	-	262
	78,701	**83,431**

9.1 RECOGNITION OF TAX LOSSES

We present below the expected realization of deferred taxes on tax losses year by year for the entire reasonable period of realization:

Realization of tax losses	
2023	56,265
2024	41,435
2025	31,794
2026	14,721
2027	67,762
2028	82,500
>2028	28,255
	322,732

10. INVESTMENTS

10.1 CHANGES IN INVESTMENTS:

	Companhia Brasileira de Estireno	Proquigel Química S.A.	Unigel Luxemburgo S.A.	Unigel Distribuidora Ltda.	Unigel Plásticos S.A.	Unigel Com. de Energia S.A.	Total
Balance at January 1, 2021	**1,314,854**	**90,142**	**87,310**	**46,098**	**15,630**	**1,000**	**1,555,034**
Equity in net income of subsidiaries	636,600	60,724	29,544	(300)	(14,154)	-	712,414
Cash flow hedge	(55,371)	(10,386)	-	8,985	9,805	-	(46,967)
Accumulated translation adjustment	(29,774)	-	111	-	-	-	(29,663)
Balance at June 30, 2021	**1,866,309**	**140,480**	**116,965**	**54,783**	**11,281**	**1,000**	**2,190,818**
Equity in net income of subsidiaries	(64,550)	260,271	3,537	7,496	(30,791)	(1)	175,962
Cash flow hedge	20,192	(79,841)	-	(130)	691	-	(59,088)
Post-employment benefit	492	-	-	-	-	-	492
Accumulated translation adjustment	74,845	-	10,331	-	-	-	85,176
Balance at December 31, 2021	**1,897,288**	**320,910**	**130,833**	**62,149**	**(18,819)**	**999**	**2,393,360**
Assets	**1,897,288**	**320,910**	**130,833**	**62,149**	**-**	**999**	**2,412,179**
Liabilities	**-**	**-**	**-**	**-**	**(18,819)**	**-**	**(18,819)**
Balance at December 31, 2021	**1,897,288**	**320,910**	**130,833**	**62,149**	**(18,819)**	**999**	**2,393,360**
Equity in net income of subsidiaries	126,359	418,847	(2,545)	9,539	(5,835)	(3)	546,362
Cash flow hedge	15,360	69,148	-	-	1,080		85,588
Accumulated translation adjustment	(43,725)	-	(22,389)	-	-	-	(66,114)
Balance at June 30, 2022	**1,995,282**	**808,905**	**105,899**	**71,688**	**(23,574)**	**996**	**2,959,196**
Assets	**1,995,282**	**808,905**	**105,899**	**71,688**	**-**	**996**	**2,982,770**
Liabilities	**-**	**-**	**-**	**-**	**(23,574)**	**-**	**(23,574)**
	1,995,282	**808,905**	**105,899**	**71,688**	**(23,574)**	**996**	**2,959,196**

10.2 BREAKDOWN OF CAPITAL

	Companhia Brasileira de Estireno		Proquigel Química S.A.		Unigel Luxemburgo S.A.		Unigel Distribuidora Ltda.		Unigel Plásticos S.A.		Unigel Com. de Energia S.A.		Total	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Capital	629,291	629,291	459,636	459,636	127	127	62,372	62,372	98,831	98,831	1,000	1,000	1,251,257	1,251,257
Equity	1,999,000	1,902,425	808,905	320,910	105,898	130,833	71,688	62,149	(23,639)	(18,643)	997	999	2,962,849	2,398,673
Equity interest in capital stock, at the end of the year - %	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%		
Income from inventories	(3,718)	(5,137)	-	-	-	-	-	-	65	(176)	-	-	(3,653)	(5,313)
Total adjusted equity	**1,995,282**	**1,897,288**	**808,905**	**320,910**	**105,898**	**130,833**	**71,688**	**62,149**	**(23,574)**	**(18,819)**	**997**	**999**	**2,959,196**	**2,393,360**
Income from inventories	1,415	(5,195)	-	-	-	-	-	-	98	(68)	-	-	1,513	(5,263)
Income (loss) for the period	124,944	577,245	418,847	320,995	(2,545)	33,081	9,539	7,196	(5,933)	(44,877)	(3)	(1)	544,849	893,639
Equity interest in capital stock, at the end of the period – %	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%		
Equity in net income of subsidiaries	**126,359**	**572,050**	**418,847**	**320,995**	**(2,545)**	**33,081**	**9,539**	**7,196**	**(5,835)**	**(44,945)**	**(3)**	**(1)**	**546,362**	**888,376**

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated											
Cost	**Buildings**	**Machinery and equipment**	**Facilities, tools and instruments**	**Land**	**IT Equipment**	**Vehicles**	**Furniture and fixtures**	**Improvements**	**Spare material**	**Advance to suppliers of property, plant and equipment[(2)]**	**Property, plant and equipment in progress**	**Total**
Balance at 01/01/2021	**224,547**	**1,421,326**	**864,657**	**114,308**	**30,825**	**2,614**	**16,678**	**34,608**	**2,491**	**4,001**	**269,900**	**2,985,955**
Additions	-	955	-	-	399	-	6	-	-	13,090	726,576	741,026
Write-offs	(326)	(424)	(1,977)	-	(72)	(723)	-	-	-	-	(4,018)	(7,540)
Transfers[(1)]	12,461	162,973	622,305	2	8,639	(356)	18,543	3,535	-	-	(830,729)	(2,627)
Translation effect	4,291	21,134	252	785	650	33	87	-	-	-	2,780	30,012
Balance at 12/31/2021	**240,973**	**1,605,964**	**1,485,237**	**115,095**	**40,441**	**1,568**	**35,314**	**38,143**	**2,491**	**17,091**	**164,509**	**3,746,826**
Additions	-	2,531	-	-	241	29	89	84	-	66,678	144,612	214,264
Write-offs	-	(2,146)	(156)	-	-	(2)	(2)	320	(2)	-	(488)	(2,475)
Write-offs by inventory	(20,202)	(158,415)	(20,433)	-	(4,804)	(972)	(3,618)	(8)	(214)	-	-	(208,666)
Transfers[(1)]	-	13,715	27,066	-	357	-	-	69	-	(13,706)	(27,690)	(189)
Translation effect	(3,985)	(19,216)	(230)	(700)	(612)	(8)	(73)	-	-	-	(2,352)	(27,176)
Balance at 06/30/2022	**216,786**	**1,442,433**	**1,491,484**	**114,395**	**35,623**	**615**	**31,710**	**38,608**	**2,275**	**70,063**	**278,591**	**3,722,583**
Accumulated depreciation	**Buildings**	**Machinery and equipment**	**Facilities, tools and instruments**	**Land**	**IT Equipment**	**Vehicles**	**Furniture and fixtures**	**Improvements**	**Spare material**	**Advance to suppliers of property, plant and equipment**	**Property, plant and equipment in progress**	**Total**
Balance at 01/01/2021	**(141,010)**	**(954,717)**	**(505,245)**	**-**	**(17,476)**	**(2,132)**	**(8,698)**	**(4,987)**	**(2,373)**	**-**	**-**	**(1,636,638)**
Additions	(8,914)	(73,644)	(58,512)	-	(1,385)	(1,395)	(1,495)	(1,224)	(47)	-	-	(146,616)
Write-offs	299	-	40	-	-	686	-	-	-	-	-	1,025
Transfers	2	3,200	(4,632)	-	(61)	1,486	24	(19)	-	-	-	-
Translation effect	(1,999)	(9,398)	(112)	-	(473)	(22)	(36)	-	-	-	-	(12,040)
Balance at 12/31/2021	**(151,622)**	**(1,034,559)**	**(568,461)**	**-**	**(19,395)**	**(1,377)**	**(10,205)**	**(6,230)**	**(2,420)**	**-**	**-**	**(1,794,269)**
Additions	(4,314)	(33,648)	(49,612)	-	(1,926)	(37)	(1,137)	(709)	(10)	-	-	(91,393)
Write-offs	-	71	11	-	-	-	-	-	-	-	-	82
Write-offs by inventory	16,191	149,252	19,526		3,929	865	3,300	1	213			193,277
Transfers[(1)]	-	-	1	-	-	-	-	-	-	-	-	1
Translation effect	1,780	8,550	100	-	410	12	32	-	-	-	-	10,884
Balance at 06/30/2022	**(137,965)**	**(910,334)**	**(598,435)**	**-**	**(16,982)**	**(537)**	**(8,010)**	**(6,938)**	**(2,217)**	**-**	**-**	**(1,681,418)**
Provision for impairment on 12/31/2021	-	-	-	-	-	-	-	-	-	-	-	**(36,813)**
Provision for impairment on 06/30/2022	-	-	-	-	-	-	-	-	-	-	-	**(14,604)**
Net property, plant & equipment at 01/01/2021	**83,537**	**466,609**	**359,412**	**114,308**	**13,349**	**482**	**7,980**	**29,621**	**118**	**4,001**	**269,900**	**1,349,317**
Net property, plant & equipment at 12/31/2021	**89,351**	**571,405**	**916,776**	**115,095**	**21,046**	**191**	**25,109**	**31,913**	**71**	**17,091**	**164,509**	**1,915,744**
Net property, plant & equipment at 06/30/2022	**78,821**	**532,099**	**893,049**	**114,395**	**18,641**	**78**	**23,700**	**31,670**	**58**	**70,063**	**278,591**	**2,026,561**

(1) The remaining balance in transfers is related to the transfer to intangible assets and the offsetting of advances from suppliers.

(2) Fixed assets adjustments in 2022 configured in an operational context for the start of construction of green hydrogen production, as described in note 1 – and steam.

Capitalized loans and financing costs for the quarter ended June 30, 2022 totaled R$ 11,388, referring to loans and financing not directly attributable to the Company's property, plant and equipment with an average interest rate of 23.17% YoY.

11.1 IMPAIRMENT TEST

In December 2021, the Group assessed, based on internal and external sources of information, whether cash-generating units of fixed assets could be impaired and, based on this assessment, concluded that there are indications of impairment in the amount of R$ 19,918. This amount corresponds mainly to the polycarbonate plant of the subsidiary Unigel Plásticos, which was dormant. In 2022, the report was concluded and the provision was reduced by R$ 1,621. Furthermore, also in 2022, write-offs of R$ 3,693 related to this cash-generating unit were made, leaving a balance of provision for losses of R$ 14,604.

Also in 2021, the Group started a physical inventory of assets that initially indicated a possible loss of R$16,895, which was provisioned as an impairment loss. With the continuity of the works, during the first half of 2022, this amount was reassessed and indicated a loss value of R$ 11,695, which was fully realized in the second quarter of 2022.

Part of the Group's property, plant and equipment is pledged as collateral for loan operations. For further information, see Note 25 – Collaterals and Sureties.

12. RIGHT-OF-USE AND LEASE LIABILITY

12.1 RIGHT-OF-USE

	Consolidated			
	Industrial plants	Tanks and warehouses	Other	Total
Balance at January 1, 2021	**272,476**	**65,985**	**17,532**	**355,993**
Additions	79,632	8,891	34,096	122,619
Transfers	337	(545)	208	-
Translation adjustment	-	-	2,905	2,905
Depreciation	(28,376)	(29,458)	(14,434)	(72,268)
Balance at December 31, 2021	**324,069**	**44,873**	**40,307**	**409,249**
Additions	23,118	6,672	-	29,790
Write-offs	-	-	(3,561)	(3,561)
Transfers	(7)	1	6	-
Translation adjustment	-	-	(1,084)	(1,084)
Depreciation	(16,746)	(17,093)	(5,174)	(39,013)
Balance at June 30, 2022	**330,434**	**34,453**	**30,494**	**395,381**

12.2 LEASE LIABILITIES

	Consolidated			
	Industrial plants	Tanks and warehouses	Other	Total
Balance at January 1, 2021	**(293,042)**	**(76,785)**	**(18,699)**	**(388,526)**
Additions	(92,742)	(8,891)	(34,096)	(135,729)
Interest	(28,003)	(4,489)	(484)	(32,976)
Transfers	(1,516)	276	1,240	-
Translation adjustment	-	-	(3,048)	(3,048)
Payments	51,061	37,566	16,683	105,310
Balance at December 31, 2021	**(364,242)**	**(52,323)**	**(38,404)**	**(454,969)**
Contractual revaluations	(23,118)	(6,672)	3,561	(26,229)
Interest	(16,983)	(1,572)	(2,977)	(21,532)
Transfers[(1)]	-	(1,065)	14,079	13,014
Translation adjustment	-	-	1,085	1,085
Payments	31,840	22,461	5,020	59,321
Balance at June 30, 2022	**(372,503)**	**(39,171)**	**(17,636)**	**(429,310)**
			06/30/2022	**12/31/2021**
Current			(101,971)	(96,387)
Non-current			(327,339)	(358,582)
			(429,310)	**(454,969)**

(1) Amount referring to inventories received in the lease of Unigel Agro plants, which were consumed in operations and, therefore, must be returned at the end of the lease agreement. The Group initially classified said amounts together with lease liabilities, but according to the nature and essence of the amounts, they were transferred to the item Other Liabilities, not impacting their presentation between current and non-current groups.

12.3 FUTURE CONSIDERATIONS

The breakdown of the installments in their future value by maturity is as follows:

	06/30/2022			
Years:	**Industrial plants**	**Tanks and warehouses**	**Other**	**Total**
up to 1	28,550	23,693	4,425	56,668
2–5	271,990	17,173	15,460	304,623
>5	262,375	-	-	262,375
	562,915	**40,866**	**19,885**	**623,666**

	12/31/2021			
Years:	**Industrial plants**	**Tanks and warehouses**	**Other**	**Total**
up to 1	51,384	40,885	7,380	99,649
2–5	247,716	14,764	19,209	281,689
>5	258,390	-	-	258,390
	557,490	**55,649**	**26,589**	**639,728**

13. LOANS, FINANCING AND DEBENTURES

			Parent company			
			06/30/2022		12/31/2021	
Currency	**Type**	**Rate**	**Amount**	**Average rate for the year**	**Amount**	**Average rate for the year**
R$	Debentures[1]	CDI	507,654	15.28%	-	-
	Financing	Fixed rate	482	11.55%	575	11.55%
Total			**508,136**	**13.42%**	**575**	**11.55%**
	Current		13,700		190	
	Non-current		494,436		385	

			Consolidated			
			06/30/2022		12/31/2021	
Currency	**Type**	**Rate**	**Amount**	**Average rate for the year**	**Amount**	**Average rate for the year**
R$	Debentures	CDI	507,654	15.28%	-	-
R$	Financing	IPCA	-	-	25,804	15.70%
		Fixed rate	483	11.55%	575	11.55%
	Working capital	CDI	98,105	17.43%	97,147	13.43%
Total BRL			**606,242**		**123,526**	
USD	Bond	Fixed rate	2,742,107	8.75%	2,910,465	8.75%
	Working capital	Fixed rate	167,840	4.43%	124,101	4.82%
		Libor	150,696	3.59%	166,042	3.03%
Total – USD			**3,060,643**		**3,200,608**	
Total			**3,666,885**	**9.47%**	**3,324,134**	**8.51%**
	Current		401,406		332,623	
	Non-current		3,265,479		2,991,511	

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13.1 CHANGES IN LOANS, FINANCING, AND DEBENTURES

	Parent company
January 1, 2021	**744**
Amortizations	(82)
Interest expenses	40
Interest paid	(40)
Balance at June 30, 2021	**662**
Amortizations	(87)
Interest expenses	36
Interest paid	(36)
Balance at December 31, 2021	**575**
Proceeds from loans and financing(2)	492,537
Interest expenses	15,053
Interest paid	(29)
Balance at June 30, 2022	**508,136**

	Consolidated
January 1, 2021	**2,600,379**
Proceeds from loans and financing(1)	827,937
Interest expenses	164,446
Gain (loss) on exchange variation in the stat. of income	(86,642)
Gain (loss) on exchange variation in OCI	(33,084)
Payment of principal	(304,520)
Interest paid	(143,889)
Translation adjustments – foreign subsidiaries	(3,152)
Balance at June 30, 2021	**3,021,475**
Proceeds from loans and financing(1)	501,511
Interest expenses	187,263
Gain (loss) on exchange variation in the stat. of income	308,882
Gain (loss) on exchange variation in OCI	4,689
Payment of principal	(541,401)
Interest paid	(172,836)
Translation adjustments – foreign subsidiaries	14,551
Balance at December 31, 2021	**3,324,134**
Proceeds from loans and financing(1)	567,480
Interest expenses	179,355
Gain (loss) on exchange variation in the stat. of income	(149,554)
Gain (loss) on exchange variation in OCI	(40,537)
Payment of principal	(59,551)
Interest paid	(154,286)
Interest capitalization	11,388
Translation adjustments – foreign subsidiaries	(11,544)
Balance at June 30, 2022	**3,666,885**

(1) In the first quarter of 2021, the Group concluded the retap of the 2026 bond in the amount of US$ 110 million. The retap was concluded at a rate of 7.329% YoY, and the funds raised were used to refinance short-term debts and for general corporate purposes. The amount presented is net of transaction costs.

(2) On April 12, 2022, the Company concluded the issuance of R$ 500,000 in debentures in its first operation in the local capital market. The debentures have a term of five years and a rate of 100% of the CDI plus a fixed rate of 2.10% YoY. The funding will guarantee adequate capital for investments in the production of sulfuric acid in the Camaçari Petrochemical Complex, in the state of Bahia.

13.2 BOND

In October 2019, the Unigel Group concluded its second issue of bonds, 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 principal and 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 - 2023	104.375%
2023 -2024	102.188%
2024 - 2025	101.094%
>2025	100.000%

These early redemption options were identified as embedded derivatives as described in Note 27 – Derivatives

13.3 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 debentures have a term of 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 sulfuric acid 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; that is, 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:

Amortization installment	Amortization date	Percentage of remaining principal balance to be amortized (%)
1	04/08/2025	33.33
2	04/08/2026	50.00
3	04/08/2026	100.00

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

13.4 LONG-TERM DISBURSEMENT SCHEDULE

	Consolidated					
	06/30/2022			12/31/2021		
Year	Disbursements	Transaction costs	Total amount	Disbursements	Transaction costs	Total amount
2023	54,322	(11,698)	42,624	107,493	(23,389)	84,104
2024	13,269	(23,268)	(9,999)	14,126	(23,454)	(9,328)
2025	166,666	(23,204)	143,462	-	(23,389)	(23,389)
2026	2,942,807	(19,581)	2,923,226	2,957,664	(17,540)	2,940,124
>2027	166,667	(501)	166,166	-	-	-
	3,343,731	**(78,252)**	**3,265,479**	**3,079,283**	**(87,772)**	**2,991,511**

13.5 COLLATERALS

As a form of collaterals for financing, the Group made available part of its property, plant and equipment, as disclosed in Note 25 – Guarantees and Sureties.

13.6 COVENANTS

The Parent Company and certain subsidiaries, during the term of the loan, financing and debenture agreements, must maintain certain metrics for the financial indicators.

The Group's Management periodically monitors whether the covenant clauses are being complied with and, as of June 30, 2022, they are fully complied with.

14. SUPPLIERS

	Parent company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Raw materials and services	1,372	2,366	519,189	474,000
Property, plant and equipment	100	351	13,661	11,900
Domestic market	**1,472**	**2,717**	**532,850**	**485,900**
Raw materials and services	8	-	221,819	279,934
Property, plant and equipment	-	-	766	92
Foreign market	**8**	**-**	**222,585**	**280,026**
Related parties (Note 7)	-	-	209	209
	1,480	**2,717**	**755,644**	**766,135**

On June 16, 2022, some of the Company's subsidiaries entered into agreements with financial institutions. Said agreements, called drawdown risk operations, consist of the prepayment of trade notes by the supplier, in which financial institutions advance a certain amount to the supplier and receive, on the due date, the amount due by the Company's subsidiaries. The decision to join this type of operation is solely and exclusively of the supplier. The special agreement does not substantially change the main characteristics of the commercial conditions previously agreed upon with the supplier. Therefore, these operations are presented in the cash flow statement as a flow from operating activities. As of June 30, 2022, the drawee risk operations totaled R$ 110,789.

15. TAXES AND CONTRIBUTIONS PAYABLE

	Consolidated	
	06/30/2022	12/31/2021
ICMS	15,130	10,385
IPI	473	2
CSLL, PIS and COFINS	9,241	7,794
REFIS - Law 11941/09(1)	11,292	11,511
REFIS - Law 13043/14(2)	7,389	9,379
Tax installment payments - PRT and PERT (3)	23,497	26,711
State installment payments PEP(4)	8,064	11,536
Federal installment payments	4,030	4,413
Income Tax (IRPJ)	3,696	15,058
Social contribution (CSLL)	3,631	19,412
Other	702	4,368
	87,145	**120,569**
Current	45,785	69,427
Non-current	41,360	51,142

(1) In November 2009, the Management approved its adhesion to the Tax Regularization Program in conformity with Law 11941/09.

(2) In November 2014, the Group joined the program for federal debt reduction and new payment in installments in accordance with Law 13043/14 (Refis da Copa).

(3) In 2017, the Group joined the Tax Regularization Program - PRT and the Special Tax Regularization Program - PERT. These programs were created pursuant to Provisional Measures 766, 780 and 783 of 2017, respectively, which allowed the partial settlement of certain federal tax debts, at the administrative as well as judicial level, using tax losses and negative calculation basis of social contribution.

(4) In April 2017, the Group joined the State Tax Regularization Program of the State of São Paulo (“PEP”). The PEP was a program created by law which allowed the installment payment of taxes (ICMS) under discussion or in arrears with reduction of fine and interest. The amount of the tax liability was R$ 20,522 and the impact of the joining on the Group’s results was an expense of R$ 4,737.

The maturities of taxes payable are distributed as follows:

	Consolidated
	06/30/2022
2023	13,267
2024	8,954
2025	7,794
2026	5,228
2027	6,117
	41,360

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 reflect the expected and probable outflow of funds.

16.1 JUDICIAL DEPOSITS

The Group recorded R$ 15,933 (R$ 16,209 as of December 31, 2021) in judicial deposits substantially related to tax proceedings.

16.2 PROVISION FOR CONTINGENCIES

In 2022, the provisions for probable contingencies are recognized in the amount of R$ 22,452 (R$ 9,748 as of December 31, 2021) and are detailed below:

	Consolidated			
	Labor proceedings (i)	Tax proceedings (ii)	Civil proceedings (iii)	Total
Balance at January 1, 2021	**3,876**	**8,112**	**-**	**11,988**
Additions of new processes	3,585	6,308	-	9,893
Write-off due to payments	(4,142)	(7,991)	-	(12,133)
Balance at December 31, 2021	**3,319**	**6,429**	**-**	**9,748**
Additions of new processes	1,439	11,470	2,157	15,066
Write-off due to payments	(1,768)	(594)	-	(2,362)
Balance at June 30, 2022	**2,990**	**17,305**	**2,157**	**22,452**

(i) Labor proceedings

Labor lawsuits represent labor claims of various natures (overtime payment, unhealthy work and hazardous work, and severance pay) and which are in different procedural stages.

(ii) Tax proceedings

The tax provisions refer mainly to discussions related to ICMS, IPI, social security contributions, offsetting of PIS and COFINS credits and levying of PIS and COFINS on other revenues.

Additions for the period ended June 30, 2022 refer to:

(a) tax assessment notice on the collection of PIS/COFINS and social contribution (CSLL) on discounts applied to clients in the amount of R$ 5,653;
(b) tax assessment notice issued after inspection procedure carried out to analyze requests for reimbursement of PIS/COFINS contribution credits, determined as a result of the non-cumulative tax system in the amount of R$ 2,722;
(c) tax assessment notice requiring ICMS for the period from January 2014 to August 2017 on electric power in the free market in the amount of R$ 873;
(d) refund and offset of negative balance of corporate income tax (IRPJ), referring to calendar year 1998, due to withholding tax from interest earning bank deposits in the amount of R$ 600;
(e) other probable contingencies of a diverse tax nature with pulverized amounts in the amount of R$ 1,621.

(iii) Civil proceedings

The Company is part of a group of lawsuits, arbitration and/or administrative proceedings of a civil nature, involving various claims. Provisions arise from unfavorable decisions and/or from the likelihood of probable loss in the normal course of proceedings with the expectation of an outflow of financial funds.

The addition made in the period of June 2022, it is about fees for loss of suit, was made by Union Attorney General (UAG) because of the dismissal in all degrees of appeal of declaratory action filed by the companies of the Group in the past, seeking a declaration of non-existence of legal that oblige them to carry out the compulsory payment of companies in favor of the Union, created by Law 4,156/62 in the amount of R$ 2,157.

16.3 BALANCES EVALUATED WITH POSSIBLE RISK OF LOSS

The Group's companies are a party to sundry proceedings for which Management, based on the assessment of its internal and external legal advisors, evaluated the risks of loss as possible. Liabilities arising from these proceedings are considered to be contingent liabilities, since it is unlikely that an outflow of funds that incorporate economic benefits will be required to settle the obligation. The nature of the main contingent liabilities are:

	Consolidated	
	06/30/2022	12/31/2021
Labor proceedings (i)	20,189	19,470
Tax proceedings (ii)	573,442	588,982
Environmental proceedings (iii)	54,783	52,171
Civil proceedings (iv)	36,704	32,029
	685,118	**692,652**

(i) Labor proceedings

As of June 30, 2022, the Group was a defendant in approximately 251 (266 as of December 31, 2021) labor proceedings. 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$ 20,189 (R$ 19,470 as of December 31, 2021). In general terms, labor claims refer to overtime disputes, severance payments, liabilities involving outsourced service providers, and certain union disputes regarding the implementation of collective workplace rules, among others.

Among these lawsuits, there are labor disputes involving unions and in the Group's most important trade union proceeding, together with other petrochemical companies in Bahia, the Group is involved in a dispute between SINDIQUÍMICA (a union of petrochemical employees) and SINPEQ (an association of petrochemical companies).

(ii) Tax proceedings

The Group is a defendant in tax proceedings issued by the Secretary of Finance of the State of São Paulo – SEFAZ SP. Such assessments are intended to disregard certain ICMS tax credits required on transactions involving goods and services arising from interstate operations between establishments located in the states of Bahia, Rio Grande do Sul and Pernambuco. The state of São Paulo argued that these states granted tax benefits without entering into agreements with CONFAZ and, therefore, they were unconstitutional. However, Supplementary Law No. 160/2017 and ICMS Agreement No. 190/2017 were approved, which authorized and regulated, respectively, the remission of tax credits in question. In compliance with the requirement of the Complementary Law and the ICMS Agreement, the State of São Paulo published Joint Resolution No. 01/2019 regulating the procedures for recognizing the remission of said credits. Thus, the contingency in the amount of R$ 134,138 was reclassified as possible (R$ 133,825 as of December 31, 2021).

In addition to the aforementioned proceeding, the Group is a party to other tax proceedings classified as possible by its legal advisors according to previous Courts' decisions and understands that the results will be favorable as a result of current case law, and the most relevant ones involve the following:

• Tax benefits considered as grants to investments granted by the state of Bahia, less the IRPJ/CSLL calculation basis - R$ 80,003 (R$ 79,816 on December 31, 2021);

• Charge of PIS and COFINS on discounts applied to customers – R$ 26,069 (R$ 31,654 on December 31, 2021); the change arises from the reclassification of one of the lawsuits to the risk of "probable" loss;

• Discussion on tax credits of IRPJ and CSLL, PIS and COFINS used to offset the amounts of taxes owed to the Federal Government - R$ 92,754 (R$ 99,605 on December 31, 2021). The change arises from the reclassification of one of the lawsuits to the risk of "probable" loss;

• Collection of ICMS tax on drawback – R$ 17,879 (R$ 17,838 on December 31, 2021);

• ICMS tax assessment notice for improper crediting of ICMS in the following situations i) bookkeeping of the documents of non-taxes operations, related to the receipt of goods for specific purpose of exporting; and ii) operations with no proofs regarding the return of goods remitted to packaging and fine due to issue of invoices that did not correspond to the outflow of goods of the merchant – R$ 65,910 (R$ 60,573 as of December 31, 2021);

• Requests for refund the negative balance of Income Tax and Negative calculation basis of social contribution on net income if offset with sundry debts - R$ 15,554 (R$ 16,118 as of December 31, 2021);

• Tax assessment notices issued after inspection procedure carried out to analyze the requests for refund of PIS and COFINS contribution credits, determined due to non-cumulative system – R$ 1,753 (R$ 4,468 as of December 31, 2021). The change arises from the reclassification of one of the processes to the risk of “probable” loss, considering the stage of the lawsuit (pending judgment of appeal in a special instance);

• Tax assessment notices for the collection of an isolated fine of 50% on federal offsetting allegedly not approved in the amount of – R$ 9,662 (R$ 15,278 as of December 31, 2021). The change arises from the favorable outcome in one of the demands of this nature;

• Collection of ICMS on operations that would not be taxed, already covered by specific export invoices in the amount of – R$ 10,547 (R$ 10,525 as of December 31, 2021);

• Claims for reimbursement of REINTEGRA credits with linked offsets not fully or partially approved in the amount of – R$ 9,054 (R$ 9,961 as of December 31, 2021);

• Tax assessment notices arising from the reduction of the ICMS rate levied on electric power in the state of Bahia, after filing a claim in this regard in the amount of – R$ 6,312 (R$ 7,169 as of December 31, 2021);

• Collection of domestic solid waste fee (TRSD) amounting to R$ 3,547 (R$ 3,539 at December 31, 2021);

• Other contingencies of a different tax nature with several amounts totaling R$ 100,260 (R$ 98,613 in December 2021).

(iii) Environmental proceedings

As of June 30, 2022, the Group was a defendant in 28 (28 as of December 31, 2021) environmental proceedings. The Group did not establish provisions for cases in which the risk of loss was classified as possible involving R$ 54,783 (R$ 52,171 as of December 31, 2021). The most significant cases are shown below:

Together with roughly 200 other companies, the Group is co-defendant in a class action suit filed by the Residents’ Association of districts Jardim Cristal and Jardim Marambaia. The plaintiffs claim that a company called Recobem was engaged to recycle byproducts from the paint industry, and instead disposed of the materials illegally in the state of Paraná. The Group was named as a co-defendant because one of the barrels that were allegedly illegally discarded had one of its logos. The Company has been challenging this allegation, since the barrel contained no material that the Group uses or produces. The Lower Court (first instance) partially upheld the motion and ordered that certain defendants, including Proquigel, compensate the plaintiff in the amount of R$ 2,805, such that the amount involved for Proquigel is R$ 1,054 (R$ 974 as of December 31, 2021).

Furthermore, the Group is a defendant in class action suits filed by the Bahia Fishermen’s Federation seeking indemnity due to the alleged release of chemicals in the water of Estuário Rio São Paulo and Baía de Todos o Santos, occurred in 2009, above the parameters allowed by environmental legislation (Conama Resolution 357/2005) which resulted in the interruption of fishing activities. Based on the opinions of technical experts and legal advisors, the substance found in the São Paulo River does not belong to the Group’s product portfolio. The proceeding is considered as possible in terms of loss, in the amount of R$ 52,452 (R$ 49,596 as of December 31, 2021).

Many types of other environmental contingencies and scattered amounts amount to R$ 1,277 (R$ 1,628 at December 31, 2021).

(iv) Civil proceedings

On June 30, 2022, the Group was the defendant of approximately 14 (16 as of December 31, 2021) civil proceedings, representing total estimated loss of R$ 36,704 (R$ 32,029 on December 31, 2021).

Regarding the major proceeding, the Group is defendant in a proceeding filed by N.C. S/C Ltda., a former minority shareholder of Polo Ind. e Com. S/A ("Polo") in the amount of R$ 22,380. The plaintiff claims that, by withdrawing from Polo it should receive an indemnity due to the fact that the majority shareholders of the company - including Unigel – allegedly tried to impose the change of its corporate type to become a corporation with authorized capital and removed them from the management of the Company; these facts, in accordance with N.C. S/C Ltda., incited its intention to discontinue its investment in the Company. The Group was partially defeated in the lower court, and the appeal made to the Court of Justice of the State of São Paulo 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 STOCK

The capital stock as of June 30, 2022 is R$ 920,963 (R$ 276,185 on December 31, 2021), comprised by 920,962,726 (414,297,488 as of December 31, 2021) book-entry shares, with no par value.

On March 16, 2022, the Annual and Extraordinary Shareholders' Meeting (AGOE) approved a capital stock increase in the amount of R$ 644,778, with a portion of the adjusted net profit for the year ended December 31, 2021. The increase currently resolved resulted in the issuance of 506,665,238 new shares, all nominative common shares with no par value.

17.2 PROFIT RESERVES

The profit reserves include the following 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 refers to the part of the profits calculated in the same year that was allocated to increase capital stock, 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. As of June 30, 2022, there was no balance of unrealized profit reserves.

17.3 EQUITY VALUATION ADJUSTMENTS

Equity valuation adjustments include:

• 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, whose recognition in Income is pending to the extent that cash flows or hedged items will affect the income (loss) for the year;

• Remeasurements of post-employment benefit liabilities/assets: comprised by the effects of the actuarial gains and losses;

• Accumulated adjustments of translation effects in foreign operations: includes all differences resulting from the translation of foreign operations into the functional currency in the interim financial information;

• Cost assigned to fixed assets, net of tax effects: 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 determined from this revaluation was accounted for as an equity valuation adjustment and has been realized against retained earnings in proportion to depreciation, recorded in the income (loss) for the period of the property, plant and equipment items that gave rise to the aforementioned revaluation (realization of deemed cost).

17.4 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.

18. NET REVENUE

18.1 RECONCILIATION BETWEEN GROSS REVENUE AND NET REVENUE

	Consolidated			
	Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Gross revenue				
Sale of products	2,185,782	1,455,687	4,279,013	2,535,868
Related parties (Note 7)	50,979	22,156	71,702	35,569
Total sale of products - Domestic market	**2,236,761**	**1,477,843**	**4,350,715**	**2,571,437**
Sale of products	612,825	644,217	1,276,640	1,077,656
Sale of products - total foreign market	**612,825**	**644,217**	**1,276,640**	**1,077,656**
Total gross revenue	**2,849,586**	**2,122,060**	**5,627,355**	**3,649,093**
Deductions from Gross Revenue				
Sales taxes	(265,450)	(188,338)	(522,296)	(372,131)
Returns and discounts	(13,135)	(10,544)	(17,652)	(16,481)
	(278,585)	**(198,882)**	**(539,948)**	**(388,612)**
Total net revenue	**2,571,001**	**1,923,178**	**5,087,407**	**3,260,481**

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

18.2 BREAKDOWN OF REVENUE FROM CONTRACTS WITH CLIENTS

The Group generates revenues primarily from product sales in the styrenics, acrylic and agro segments.
In the table below, revenues from contracts with clients are segregated by geographic market, market segment (Note 22.2 - Information on reported segments).

	Consolidated									
	Three-month period ended:									
	Styrenics		Acrylic		Agro		Eliminations		Total	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Brazil	801,180	724,511	1,953	107,242	970,968	**259,807**	(64,217)	(58,197)	1,709,884	1,033,363
Mexico	3,548	2,188	205,299	372,098	-	-	-	-	208,847	374,286
EUA and Canada	18,079	21,337	195,437	156,845	-	-	-	-	213,516	178,182
Asia	517	-	3,476	6,278	-	-	-	-	3,993	6,278
Europe	30,878	4,597	124,255	87,266	-	-	-	-	155,133	91,863
Middle East	3,174	534	396	62,145	-	-	-	-	3,570	62,679
Central and South America	116,478	106,840	37,244	44,037	9,769	-	-	-	163,491	150,877
Africa	33,053	22,253	8,952	3,397	70,562	-	-	-	112,567	25,650
Total net revenue	**1,006,907**	**882,260**	**577,012**	**839,308**	**1,051,299**	**259,807**	**(64,217)**	**(58,197)**	**2,571,001**	**1,923,178**

	Consolidated									
	Six-month period ended:									
	Styrenics		Acrylic		Agro		Eliminations		Total	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Brazil	1,533,347	1,373,630	319,195	303,908	1,852,887	**341,012**	(142,800)	(80,272)	3,562,629	1,938,278
Mexico	4,979	4,854	361,546	509,072	-	-	-	-	366,525	513,926
EUA and Canada	24,712	28,080	288,093	314,642	-	-	-	-	312,805	342,722
Asia	517	-	4,097	10,424	103,081	-	-	-	107,695	10,424
Europe	38,840	4,597	147,962	122,342	84,950	-	-	-	271,752	126,939
Middle East	3,702	534	769	64,374	-	-	-	-	4,471	64,908
Central and South America	243,665	159,602	59,590	66,419	9,769	-	-	-	313,024	226,021
Africa	63,469	27,081	14,475	10,182	70,562	-	-	-	148,506	37,263
Total net revenue	**1,913,231**	**1,598,378**	**1,195,727**	**1,401,363**	**2,121,249**	**341,012**	**(142,800)**	**(80,272)**	**5,087,407**	**3,260,481**

All the Group's revenues are recognized at a specific point in time.

19. EXPENSES PER TYPE AND ROLE

	Consolidated			
	Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Classified by function:				
Cost of goods sold	(1,949,726)	(1,432,006)	(3,918,082)	(2,409,276)
From sales	(15,902)	(11,152)	(30,929)	(20,642)
Administrative and general expenses	(50,817)	(33,012)	(90,173)	(64,092)
	(2,016,445)	**(1,476,170)**	**(4,039,184)**	**(2,494,010)**
Classified by nature:				
Raw materials and materials for use and consumption[(1)(2)]	(1,524,782)	(1,194,500)	(3,162,182)	(2,001,063)
Personnel expenses	(65,957)	(43,562)	(172,259)	(109,502)
Outsourced services	(80,951)	(52,145)	(129,306)	(64,777)
Provisions for contingencies	(14,176)	(3,723)	(15,066)	(5,136)
Depreciation of right-of-use asset	(21,334)	(17,915)	(39,013)	(34,222)
Depreciation and amortization	(47,354)	(32,047)	(95,297)	(62,449)
Freight and *demurrage*	(206,193)	(84,384)	(349,030)	(151,000)
Other expenses	(55,698)	(47,894)	(77,031)	(65,861)
	(2,016,445)	**(1,476,170)**	**(4,039,184)**	**(2,494,010)**

(1) On June 21, 2022, the fertilizer plant in Sergipe carried out an unscheduled shutdown to restore the compressor engine and reactors, in addition to reviewing processes. The resumption of operations is scheduled for early August. The amounts resulting from this stoppage were recognized in the cost for the period and amount to R$ 6,079.

(2) In 2021, our operations were heavily impacted by the COVID-19 pandemic. In this context, we classify all expenses related to changes made to our plants to prevent contamination in “Pandemic-related expenses”. These expenses were classified as “Cost of goods sold” amounting to R$ 1,213 (R$ 1,815 at June 30, 2021).

20. OTHER OPERATING (EXPENSES) REVENUES

	Consolidated			
	Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
ICMS exclusion from PIS/COFINS[1]	-	240,325	-	240,325
Consolidation of installment payments	-	-	5,214	-
Insurance indemnity	13,446	-	13,965	2,222
Scrap	150	136	413	153
Reversal of fixed assets' inventory (Note 11)	1,001	-	6,820	-
Other operating revenues	-	813	-	623
Total other operating revenues	**14,597**	**241,274**	**26,412**	**243,323**
Write-off of transaction cost [2]	(16,341)	-	(16,341)	-
Loss on sale of assets	(2,143)	(234)	(2,143)	(50)
Other operating expenses	(1,594)	(64)	(721)	(383)
Total other operational expenses	**(20,078)**	**(298)**	**(19,205)**	**(433)**
	(5,481)	**240,976**	**7,207**	**242,890**

(1) On May 14, 2021, the Federal Supreme Court, by means of the judgment of Motions for Clarification filed by the Federal Government established the understanding that the ICMS to be excluded from the PIS and COFINS calculation basis is that amount highlighted in the invoice. Moreover, the Company also decided to modify the effects of this decision with general repercussions as of March 15, 2017, except for the lawsuits or administrative proceedings filed up to that date. In summary, taxpayers who have not claimed the refund of amounts so far will be entitled to calculate and receive credits from the date of modulation; that is, March 15, 2017. Taxpayers who have questioned the aforementioned exclusion in court will be entitled to a refund of the last 5 years as of the filing date of the lawsuit. The Company filed a lawsuit on March 15, 2017, and obtained an injunction authorizing the aforementioned exclusion on May 5, 2017, based on the ICMS amount highlighted in the invoices. Management chose to exercise its right prospectively; that is, as of the date of the injunction granted until the final and unappealable decision of the matters under discussion. With the decision of the Federal Supreme Court (STF) established herein, the Company confirmed the understanding adopted in the exclusion of ICMS from the PIS and COFINS calculation basis referring to the amounts highlighted in the invoices.

(2) In 2021, Unigel Participações made an effort to go public and trade its shares on the B3 stock exchange. Despite having obtained all the necessary records, the Group understood that the current moment was not yet the most favorable and chose to postpone the transaction until better market conditions were available. In 2022, the Company understood that the operation would not take place within a reasonable period and wrote-off the expenses related to the IPO effort.

21. FINANCIAL RESULT

	Consolidated			
	Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Financial investments on assets measured at FVTPL	14,795	5,168	24,536	7,146
Revenue from interest on loans and receivables	689	60	779	225
Discounts obtained from suppliers	246	180	307	444
Restatement on PIS/COFINS credit	1,715	10,617	1,954	10,617
Other revenues	13	75	30	135
Total financial income	**17,458**	**16,100**	**27,606**	**18,567**
Interest expenses on bank loans, financing, debentures and derivatives	(90,900)	(85,581)	(179,234)	(164,446)
Hedge cost(1)	(140,070)	(3,965)	(257,573)	(2,341)
Liability interest from lease liabilities	(10,322)	(7,794)	(21,532)	(15,935)
Taxes on financial bank revenues and expenses	(5,724)	(10,719)	(11,328)	(12,926)
Liability interest	(2,794)	(4,048)	(21,060)	(7,137)
Adjustment to fair value of inventories(1)	43,914	12,398	34,701	30,424
Other expenses	(83)	(1,720)	(10,152)	(4,514)
Total financial expenses	**(205,979)**	**(101,429)**	**(466,178)**	**(176,875)**
Exchange variation and inflation adjustments net	(132,745)	101,308	(9,396)	51,056
Financial result	**(321,266)**	**15,979**	**(447,968)**	**(107,252)**

(1) The result of derivatives is segregated between: (i) exchange variation, presented under exchange variation and inflation adjustments; (ii) interest adjustment and option premiums, presented in the hedge cost line and (iii) fair value adjustment, which corresponds to the difference between the amortized cost and the derivative's fair value, presented in the "Adjustment to fair value of derivatives".

22. SEGMENT INFORMATION

22.1 BASIS FOR SEGMENTATION

The Group is the main producer of intermediate chemicals that operates in the 2nd generation of petrochemical industry chain. In general terms, the Group acquires basic petrochemical products, processes them and transforms them into intermediate and final chemicals, which are provided to farmers or distributors. The intermediate and final chemicals business are classified into two segments called acrylics and styrenics.

As of 2021, the Group also became a representative producer of nitrogen fertilizers in Brazil due to the start of production at plants leased from Petrobras (former FAFENs) in Sergipe and Bahia. This new segment was called "Agro". In short, the Group purchases certain basic raw materials, mainly natural gas, and converts them into ammonium sulfate, ammonia, urea and ARLA.

The Executive Board (the main management body for the operations) evaluates the performance of the businesses separately by their strategic divisions (Styrenics, acrylics and agro). These segments are managed separately since they require different technologies and different market strategies.

The following summary describes the operations of each segment:

Styrenics: The Styrenics segment substantially covers the production and sale of styrene, polystyrene, latex and toluene, which are basically used in the production of household appliances, electronics, construction materials, plastic packaging and disposable. Our styrene products are also sold to chemical manufacturers and converters.

Acrylic: Our Acrylic business mainly consists of the production and sale of acrylonitrile, methacrylates (MMA, EMA and GMAA), acrylic boards and resins and sodium cyanide. Our acrylic products are sold to different sectors of the economy, with emphasis on civil construction, automotive, mining, electronics, textiles, among others. Acrylic products are also marketed to chemical manufacturers and converters.

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

The Group's Management monthly reviews the management reports of each segment. The corporate head office exercises treasury, legal, controllership, information technology and human resources functions. The head office's activity is not considered a segment, since the business does not generate revenues to the Group, but is included only for disclosure purposes.

Information on geographic segregation was presented in Note 18 – Net Revenue.

22.2 INFORMATION ON REPORTED SEGMENTS

The information related to each reported segment is presented below. Income (loss) of the segment before taxes is used to measure the performance of the business, since management believes that such information is the most relevant in the evaluation of the results of the respective segments in relation to other entities that operate in the same production chain.

	Consolidated											
	Three-month period											
	Styrenics		Acrylic		Agro		Corporate Unit		Eliminations		Total	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	1,006,907	882,260	577,012	839,308	1,051,299	259,807	-	-	(64,217)	(58,197)	2,571,001	1,923,178
Cost of goods sold	(858,992)	(588,980)	(492,310)	(694,601)	(662,641)	(206,622)	-	-	64,217	58,197	(1,949,726)	(1,432,006)
Gross profit	**147,915**	**293,280**	**84,702**	**144,707**	**388,658**	**53,185**	**-**	**-**	**-**	**-**	**621,275**	**491,172**
Selling, administrative and general expenses	(18,665)	(16,085)	(28,019)	(21,900)	(13,043)	(4,639)	(6,337)	(5,146)	-	-	(66,064)	(47,770)
Other operating income (expenses)	9,054	180,677	2,406	58,384	(541)	(3)	(16,400)	1,918	-	-	(5,481)	240,976
Income (loss) before financial result and taxes	**138,304**	**457,872**	**59,089**	**181,191**	**375,074**	**48,543**	**(22,737)**	**(3,228)**	**-**	**-**	**549,730**	**684,378**
Net financial results	-	-	-	-	-	-	**(321,266)**	**15,979**	**-**	**-**	**(321,266)**	**15,979**
Income (loss) before taxes	**138,304**	**457,872**	**59,089**	**181,191**	**375,074**	**48,543**	**(344,003)**	**12,751**	**-**	**-**	**228,464**	**700,357**

	ʻ											
	Six-month period											
	Styrenics		Acrylic		Agro		Corporate Unit		Eliminations		Total	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenue	1,913,231	1,598,378	1,195,727	1,401,363	2,121,249	341,012	-	-	(142,800)	(80,272)	5,087,407	3,260,481
Cost of goods sold	(1,623,828)	(1,090,160)	(1,057,563)	(1,119,268)	(1,379,491)	(280,120)	-	-	142,800	80,272	(3,918,082)	(2,409,276)
Gross profit	**289,403**	**508,218**	**138,164**	**282,095**	**741,758**	**60,892**	**-**	**-**	**-**	**-**	**1,169,325**	**851,205**
Selling, administrative and general expenses	(28,655)	(23,644)	(52,168)	(51,211)	(25,658)	(6,308)	(12,845)	(7,177)	-	-	(119,326)	(88,340)
Other operating income (expenses)	13,618	180,720	10,850	62,984	(843)	(6)	(16,418)	(808)	-	-	7,207	242,890
Income (loss) before financial result and taxes	**274,366**	**665,294**	**96,846**	**293,868**	**715,257**	**54,578**	**(29,263)**	**(7,985)**	**-**	**-**	**1,057,206**	**1,005,755**
Net financial results	-	-	-	-	-	-	**(447,968)**	**(107,252)**	**-**	**-**	**(447,968)**	**(107,252)**
Income (loss) before taxes	**274,366**	**665,294**	**96,846**	**293,868**	**715,257**	**54,578**	**(477,231)**	**(115,237)**	**-**	**-**	**609,238**	**898,503**

23. FINANCIAL INSTRUMENTS

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications.

		Parent company				Consolidated			
		06/30/2022		12/31/2021		06/30/2022		12/31/2021	
	Note	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Assets									
Fair value through profit or loss (FVTPL)									
Short-term interest earnings bank deposits	4	58,695	58,695	-	-	699,803	699,803	417,070	417,070
Derivatives	27	-	-	-	-	128,050	128,050	26,621	26,621
Embedded derivatives	27	-	-	-	-	104,683	104,683	129,398	129,398
Other receivables	-	-	-	-	-	8,620	8,620	8,620	8,620
		58,695	**58,695**	**-**	**-**	**941,156**	**941,156**	**581,709**	**581,709**
Amortized cost									
Trade accounts receivable	5	-		-		744,192		488,392	
Dividends receivable	7	4,218		4,218		-		-	
Related parties	7	3,537		3,049		-		-	
Contractual credits	23.2	-		-		5,829		5,848	
		7,755		**7,267**		**750,021**		**494,240**	

		Parent company				Consolidated			
		06/30/2022		12/31/2021		06/30/2022		12/31/2021	
	Note	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Liabilities									
Fair value through profit or loss (FVTPL)									
Derivatives	27	-	-	-	-	(346,795)	(346,795)	(149,095)	(149,095)
		-	**-**	**-**	**-**	**(346,795)**	**(346,795)**	**(149,095)**	**(149,095)**
Amortized cost									
Suppliers	14	(1,480)		(2,717)		(755,644)		(766,135)	
Loans, financing and debentures	13	(508,136)	(508,136)	(575)	(575)	(3,666,885)	(3,909,050)	(3,324,134)	(3,502,835)
Dividends payable	7	(114,821)		(182,349)		(114,821)		(182,349)	
Related parties	7	(1,104,104)		(1,460,824)		(91)		(141)	
Other liabilities	-	(6)		(470)		(29,583)		(9,460)	
		(1,728,547)	**(508,136)**	**(1,646,935)**	**(575)**	**(4,567,024)**	**(3,909,050)**	**(4,282,219)**	**(3,502,835)**

23.1 CALCULATION OF FAIR VALUE

(i) *Short-term interest earning bank deposits*

(i) Fair value hierarchy

Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Short-term financial investments have their fair value calculated by discounted cash flows. The future cash flows are estimated using contractual interest rates for fixed agreements and with risk-free interest curve by the contractual percentage converted by the last PTAX for positions in dollar. These estimated future cash flows are discounted by the respective curves (exchange coupon for foreign currency and CDI vs. Fixed, without risk to the local currency).

(iii) Significant unobservable inputs and their relationship to fair value

The fair value increases (decreases) of the risk-adjusted discount rate is lower (higher).

(ii) *Derivatives and embedded derivatives*

(i) Fair value hierarchy

Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Derivatives and embedded derivatives have their fair value calculated by discounted cash flows. The future cash flows are estimated using contractual interest rates for fixed agreements and with risk-free interest curve by the contractual percentage converted by the last PTAX for positions in dollar. These estimated future cash flows are discounted by the respective curves (exchange coupon for foreign currency and Brazilian currency without risk to the local currency). The Group calculates the fair value of the options embedded in swaps (barriers) and debt contracts based on the Black & Scholes model, considering the term of exercise of the option, update rate (cost of carry), strike price, current price and market volatility for price. The value resulting from the model is translated from US dollars into Reais using the closing PTAX on the basis date of the financial statements.

(iii) Significant unobservable inputs and their relationship to fair value

The fair value increases (decreases) of the risk-adjusted discount rate is lower (higher). The fair value increases or decreases with the volatility, depending on the nature of the option (call or put).

(iii) *Loans, financing and debentures*

(i) Fair value hierarchy

Level 1: prices quoted (not adjusted) in active markets for identical assets and liabilities, and
Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

For debt quoted on an active market, as is the case of bonds issued by the Group, quoted prices are obtained. For other debts, we used the discounted cash flow method. The future cash flows are estimated using contractual interest rates for fixed agreements and with risk-free interest curve by the contractual percentage converted by the last PTAX for positions in dollar. These estimated future cash flows are discounted by the respective curves (exchange coupon for foreign currency and Brazilian currency without risk to the local currency).

(iii) Significant unobservable inputs and their relationship to fair value

The fair value increases (decreases) of the risk-adjusted discount rate is lower (higher).

(iv) *Contractual credits*

(i) Fair value hierarchy

Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Contractual credits have their fair value calculated by discounted cash flows. The future cash flows are estimated using contractual interest rates for fixed agreements and with risk-free interest curve by the contractual percentage converted by the last PTAX for positions in dollar. These estimated future cash flows are discounted by the respective curves (exchange coupon for foreign currency and CDI vs. Fixed, without risk to the local currency).

(iii) Significant unobservable inputs and their relationship to fair value

The fair value increases (decreases) of the risk-adjusted discount rate is lower (higher).

(v) *Other receivables*

(i) Fair value hierarchy

Level 2: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

(ii) Valuation technique

Third-party analysis of the recoverable value of the counterparty.

(iii) Significant unobservable inputs and their relationship to fair value

The higher the recoverable value the higher the fair value.

23.2 CONTRACTUAL CREDITS

Eventually, the Group needs to make escrow deposits in guarantee of operations for the supply of goods and services. Said deposits are made in cash and are updated during the term of the transaction, eventually returning to the Group's companies with the full updated amount transferred to cash. These contractual credits are classified outside the group of cash and cash equivalents as their redemption depends on other factors to occur and, therefore, is not immediate. The Group updates the amount timely against income (loss) according to the contractual rates. The amounts recognized are R$ 5,829 (R$ 5,848 as of December 31, 2021).

23.3 RISK MANAGEMENT FRAMEWORK

The Company's Board of Directors has full responsibility for the establishment and supervision of Group's risk management structure. This Board established the Risk Management Committee, which is in charge of developing and monitoring the Group's risk management policies. The Committee reports its activities to the Board of Directors on a regular basis.

The risk management policies are established to identify and analyze risks to which the Group is exposed, to set risk limits and appropriate controls, and to monitor risks and compliance with defined limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and in the Group's activities. The Group seeks to develop, upon its training and management standards and procedures, aims at maintaining a discipline and control environment in which all employees are aware of their assignments and obligations.

(i) *Credit risk*

Credit risk is the financial loss risk to the Group if a client, or a counterpart of a financial instrument fails to fulfill contractual obligations. This stems primarily from the Group's receivables and cash equivalents.

		Parent company		Consolidated	
	Note	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents	4	58,996	473	1,143,412	849,338
Trade accounts receivable	5	-	-	789,377	536,960
Operations with derivatives	27	-	-	232,733	156,019
Contractual credits	23.2	-	-	5,829	5,848
Other assets		998	14,343	40,507	51,206
		59,994	**14,816**	**2,211,858**	**1,599,371**

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

(i) Cash and cash equivalents

These amounts are maintained with banks and financial institutions with B+ and AA+ rating, according to rating agencies Standard & Poors and Fitch (hereinafter referred to as rating agencies).

(ii) Derivatives

Derivatives are contracted from banks and financial institutions rated as AA+ in rating agencies.

(iii) Accounts receivable

The Group's exposure to credit risk on accounts receivable is influenced mainly by the individual characteristics of each client. However, Management also considers other factors that may influence credit risk of its clients' base, such as the default risk of industry and country where the clients operate.

The risk management committee has established sales limits for each client. Any sale that exceeds these limits must be approved by the risk management committee.

More than 50% of clients have been dealing with the Group for more than ten years, and no impairment losses have been recognized against themselves. When monitoring the credit risk of customers, they are grouped according to their credit characteristics, including whether they are an individual or a company (manufacturer or individual customer), their geographical location, commercial history with the Group, and existence of any financial difficulties.

There are sales subject to collaterals, so that in case of non-payment, the Group can have the credit guaranteed.

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

	Consolidated							
	Styrenics		Acrylic		Agro		Total	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Domestic market	245,570	88,513	106,737	114,095	109,535	127,564	461,842	330,172
Foreign market	161,518	93,305	148,117	96,057	9,790	-	319,425	189,362
Related parties (Note 7)	8,110	17,426	-	-	-	-	8,110	17,426
	415,198	**199,244**	**254,854**	**210,152**	**119,325**	**127,564**	**789,377**	**536,960**

The Group establishes provision for impairment that represents the estimate of losses incurred in relation to trade accounts receivable.

<u>*Ranges of appropriation of estimated credit loss, according to aging, segment and market*</u>

	Falling due	1-30	31-60	61-90
Acrylic	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Foreign market	0.00%	0.00%	0.00%	0.00%
Domestic market	0.00%	0.00%	0.00%	0.00%
Styrenics	**0.01%**	**0.04%**	**0.11%**	**0.19%**
Foreign market	0.01%	0.02%	0.03%	0.20%
Domestic market	0.02%	0.06%	0.18%	0.18%
Agro	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Foreign market	0.00%	0.00%	0.00%	0.00%
Domestic market	0.00%	0.00%	0.00%	0.00%

The aging by segment is as follows:

	Consolidated			
	06/30/2022			
	Styrenics	Acrylic	Agro	Total
Falling due (days):	371,321	195,561	115,387	682,269
01–30	5,853	34,948	517	41,318
31–60	794	17,038	-	17,832
61–90	188	2,293	-	2,481
>90	37,043	5,014	3,420	45,477
	415,199	**254,854**	**119,324**	**789,377**

(ii) *Liquidity risk*

Liquidity risk is the risk of the Group encountering difficulties in performing the obligations associated with its financial liabilities that are settled upon delivering cash or another financial asset. The Group's approach is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, whether under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group intends to keep the level of cash and cash equivalents and other highly liquid investments at an amount that exceeds expected cash outflows in current financial liabilities. The Group also monitors the level of cash inflows expected from trade accounts receivable, along with the expected cash outflows on accounts payable and others.

The following are the contractual maturities of financial liabilities. The amounts are gross and do not have discounts deducted and they include contractual interest payments:

		Consolidated				
	Note	06/30/2022				
Non-derivative financial liabilities		01–12 months	13–24 months	25–36 months	> 36 months	Total future value
Loans, financing and debentures	13	245,645	400,939	274,770	4,899,122	5,820,476
Suppliers	14	755,644	-	-	-	755,644
Derivatives	27	128,600	218,195	-	-	346,795
Other accounts payable	-	16,211	13,372	-	-	29,583
		1,146,100	**632,506**	**274,770**	**4,899,122**	**6,952,498**

		Consolidated				
	Note	12/31/2021				
Non-derivative financial liabilities		**01–12 months**	**13–24 months**	**25–36 months**	**> 36 months**	**Total future value**
Loans and financing	13	572,788	369,172	273,066	3,475,256	4,690,282
Suppliers	14	766,135	-	-	-	766,135
Derivatives	27	149,095	-	-	-	149,095
Other accounts payable	-	8,041	1,419	-	-	9,460
		1,496,059	**370,591**	**273,066**	**3,475,256**	**5,614,972**

The interest payments on loans and financing shown in the table above reflect the market interest rates in effect on that date. And these amounts may change as market interest rates change.

As mentioned in Note 13 - Loans and financing, the Group is subject to financial covenants, whose non-compliance may require the prepayment of its loans indicated in the table above. The Management of the Group regularly monitors these indexes to ensure that the agreements are being complied with.

(iii) *Market risk*

Market risk is the risk that changes in market prices, such as exchange, interest rates and prices - will affect the Group's income or in the value of its equity interests of financial instruments. The objective of market risk management is to manage and control exposures to market risk, within acceptable parameters, and optimizes at the same time.

(iv) *Currency risk*

The Group is exposed to foreign exchange risk as there are differences between currencies in which sales, purchases and loans and financing are denominated and the respective functional currencies of the Group's companies. The functional currency of the Group is the Brazilian Real (BRL).

Loans and financing are generally denominated in currencies that correspond to the cash flows generated by the Group's underlying operations – mainly US dollar and/or Brazilian real. Also, interest on loans and financing is denominated in the loan's currency. This provides an economic hedge without derivatives, and hedge accounting (Note 23.4).

For the Bond transaction denominated in U.S. dollars, the Group uses cash flow swaps with barriers (knock-in/knock out) for protection against part of foreign exchange risk.

With respect to other monetary assets and liabilities in foreign currency, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term instabilities.

The summarized quantitative data on the Group's exposure to exchange rate risk reported to the management are translated to the last conversion rate for the period reported by the Brazilian Central Bank (Bacen), as follows:

		Consolidated					
		06/30/2022			12/31/2021		
	Note	BRL	USD	MXM	BRL	USD	MXM
Translation rate		1.0000	5.2380	0.2602	1.0000	5.5805	0.2644
Interest earning bank deposits - MXM	4	5,269	-	20,250	50,269	-	190,125
Cash and banks in Dollars – USD	4	407,037	77,708	-	354,023	63,439	-
Accounts receivable – USD	5	319,425	60,982	-	189,362	33,933	-
Loans and financing – USD	13	(3,060,643)	(584,315)	-	(3,324,134)	(595,670)	-
Derivatives – USD(1)	-	1,047,600	200,000	-	1,116,100	200,000	-
Derivatives – USD(2)	-	-	-	-	613,855	110,000	-
Derivatives – USD(3)	-	-	-	-	1,227,710	220,000	-
Derivatives – USD(4)	-	576,180	110,000	-	-	-	-
Derivatives – USD(5)	-	1,152,360	220,000	-	-	-	-
Suppliers	14	(222,585)	(42,494)	-	(280,026)	(50,179)	-
Net exposure		**224,643**	**41,881**	**20,250**	**(52,841)**	**(18,477)**	**190,125**

(1) Foreign exchange swaps with a notional value of US$ 200 million with limits between R$ 4.1500 and R$ 5.6000;
(2) Foreign exchange swaps with a notional value of US$ 110 million with limits between R$ 5.3996 and R$ 8.0000;
(3) Foreign exchange swaps with a notional value of US$ 220 million with limits between R$ 5.0000 and R$ 7.5000;
(4) Foreign exchange swaps with a notional value of US$ 110 million with limits between R$ 5.1998 and R$ 6.7500;
(5) Foreign exchange swaps with a notional value of US$ 220 million with limits between R$ 5.0999 and R$ 6.7500.

(i) Sensitivity analysis

A reasonable appreciation (depreciation) of the US Dollar and Mexican Peso against the Real on June 30, 2022 would have affected the measurement of financial instruments in foreign currency and consequently affected the equity the income of the Group in the amounts below. This analysis assumes that all other variables, particularly interest rates, remain constant and any impact in estimated sales and purchases is ignored.

	Consolidated			
	06/30/2022			
	Scenarios in USD		Scenarios in MXM	
	BRL	USD	BRL	MXM
Translation rate	1.0000	5.2380	1.0000	0.2602
Net exposure	219,374	41,881	5,269	20,250
Sensitivity	**BRL Possible +25%**	**BRL Remote +50%**	**BRL Possible -25%**	**BRL Remote -50%**
Translation rate	6.5475	7.8570	0.1952	0.1301
Net exposure (scenarios)	84,716	(487,651)	3,952	2,635
Effect in R$	(134,658)	(707,025)	(1,317)	(2,634)

	Consolidated			
	12/31/2021			
	Scenarios in USD		Scenarios in MXM	
	BRL	USD	BRL	MXM
Translation rate	1.0000	5.5805	1.0000	0.2728
Net exposure	(103,110)	(18,477)	50,269	190,125
Sensitivity	BRL Possible +25%	BRL Remote +50%	BRL Possible -25%	BRL Remote -50%
Translation rate	6.9756	8.3708	0.2046	0.1364
Net exposure (scenarios)	(128,888)	(154,667)	38,900	25,933
Effect in R$	(25,778)	(51,557)	(11,369)	(24,336)

(v) *Interest rate risk*

The Group has a policy of ensuring that part of its exposure to interest rate risk is at a fixed rate.

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

	Consolidated	
	06/30/2022	12/31/2021
Fixed rate instruments		
Financial liabilities	(2,910,430)	(3,035,141)
Variable rate instruments		
Financial assets	699,803	417,070
Financial liabilities	(756,455)	(288,993)

(i) Sensitivity analysis

Financial instruments, including non-derivatives, are exposed to changes in fair value as the result of fluctuations of interest rate. The evaluations of the sensitivity of financial instruments to its variables are presented below:

The Group selected two market risks that can strongly affect the values of the financial instruments held, that would be the changes in Libor and CDI rate.

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

Sensitivity analysis of changes in rate:

	Consolidated				Consolidated			
	06/30/2022				12/31/2021			
	Scenarios in Libor		Scenarios in CDI		Scenarios in Libor		Scenarios in CDI	
	Libor		CDI		Libor		CDI	
Rate	0.7980%		13.1500%		0.0820%		9.1500%	
Financial liabilities	(150,696)		(3,129,715)		(166,042)		(2,621,103)	
Impacts on the statement of income	(1,203)		(411,558)		(136)		(239,831)	
	Possible +25%	Remote +50%	Possible +25%	Remote +50%	Possible +25%	Remote +50%	Possible +25%	Remote +50%
Rate	0.9975%	1.1970%	16.4375%	19.7250%	0.1025%	0.1230%	11.4375%	13.7250%
Loans and financing (effects in the balance sheet)	(152,199)	(152,500)	(3,644,162)	(3,747,051)	(166,212)	(166,246)	(2,920,892)	(2,980,849)
Impacts on the statement of income	(1,503)	(1,804)	(514,447)	(617,336)	(170)	(204)	(299,789)	(359,746)

23.4 ASSETS AND LIABILITIES AT CASH FLOW HEDGE

The Group opted to maintain the hedge accounting model of CPC 38/IFRS 9.

(i) *Cash flow hedge - Exchange variation for loans in foreign currency*

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

	Consolidated			
	06/30/2022		12/31/2021	
	Assets - trade accounts receivable	Liabilities - loans and financing	Assets - trade accounts receivable	Liabilities - loans and financing
Book balance	**744,192**	**(432,770)**	**488,392**	**(470,559)**
01–12 months	75,008	(75,008)	52,222	(52,222)
13–24 months	70,975	(70,975)	58,672	(58,672)
25–26 months	13,095	(13,095)	98,298	(98,298)
>36 months	273,692	(273,692)	261,367	(261,367)
	432,770	**(432,770)**	**470,559**	**(470,559)**

(ii) *Cash flow hedge - Bond and Swaps*

The Group contracted derivative financial instruments for the protection of fixed interest and exchange variation on its issue of foreign bonds. Both instruments have the maturity in 2026. The following shows the reconciliation of the accrual values and the mark-to-market ("MtM") adjustment of the contracted derivatives recorded on the Group's balance sheet:

	Consolidated					
	06/30/2022			12/31/2021		
	Accrual	MtM adjustment	Fair value	Accrual	MtM adjustment	Fair value
Swap	(36,618)	(91,982)	(128,600)	(26,999)	(113,303)	(140,302)
Total current	**(36,618)**	**(91,982)**	**(128,600)**	**(26,999)**	**(113,303)**	**(140,302)**
Swap	256,307	(256,307)	-	437,832	(437,832)	-
Total non-current	**256,307**	**(256,307)**	**-**	**437,832**	**(437,832)**	**-**
Total operations with derivatives	**219,689**	**(348,289)**	**(128,600)**	**410,833**	**(551,135)**	**(140,302)**

As of June 30, 2022, the derivative relationship with the Bond is shown below:

Instrument	Currency	Barreiras	Principal/ Notional (USD)	Principal/ Notional (BRL)	Changes Foreign exchange
Loans	USD		(200,000)	(1,047,600)	(217,600)
Swaps – Long position	USD	4.1500–5.6000	200,000	1,047,600	217,600
Loans	USD		(110,000)	(576,180)	(4,202)
Swaps – Long position	USD	5.1998–6.7500	110,000	576,180	4,202
Loans	USD		(220,000)	(1,152,360)	(30,382)
Swaps – Long position	USD	5.0999–6.7500	220,000	1,152,360	30,382
Current loans and swaps			-	-	-

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

The Company has designated a cash flow hedge for this operation having, as hedging instrument, the derivatives contracted and, as the object of hedge, the bond issued by the Company. This hedge accounting relationship establishes the accounting of the effective portion of the unrealized mark-to-market adjustment of the derivative in comprehensive income. On June 30, 2022, the calculated amount in equity was R$ 373,880 (R$ 363,750 as of December 31, 2021), net of tax effects.

(iii) *Cash flow hedge – Brent options*

The Group has contracted derivative financial instruments to hedge the projected purchases of Natural Gas in the Agro segment, whose price in dollars is linked to the price in dollars of a barrel of Brent oil. The hedged item refers to highly probable Natural Gas purchase transactions and the hedging instrument is month-to-month Brent call options in accordance with the purchase forecast. This strategy means that almost all Natural Gas purchases are hedged from increases in the price of a barrel of Brent oil. As hedging instruments are options, if there is a fall in the price in dollars of a barrel of Brent, the Group benefits from the reduction. Moreover, if there is a rise in the price, the Group is hedged.

The premiums of the contracted options are denominated in reais and mature close to the date the options are exercised. Therefore, they were classified under the heading “Premiums on options payable”. However, the Group believes that for a better balance of its operations and exposures to foreign currency, the premium should be in dollars. Aiming to have the equivalent effect of a transaction in US dollars, the Group has contracted currency forward derivatives (Non-deliverable forward or NDF) in the same volume as the premiums payable.

Therefore, the two hedge structures aim to hedge Natural Gas costs and balance the Group’s foreign exchange exposures. However, they have a source of accounting asymmetry, since the projections of highly probable purchase transactions are only accounted for when effectively occur and option premiums payable are recorded at amortized cost, while hedging derivative instruments are recorded at fair value. Thus, and aiming to eliminate the accounting mismatching of the fair value adjustments of hedging instrument derivatives, the Group opted to establish a cash flow hedge structure for the strategy. Therefore, adjustments to fair value of derivatives, to the extent that the hedge structure is effective, are recorded in equity accounts as a contra entry to equity accounts, in other comprehensive income.

Month	Protected Brent volume
July 2022	372,000
August 2022	372,000
September 2022	360,000
October 2022	279,000
November 2022	270,000
December 2022	279,000

(iv) *Cash flow hedge – Effects on income (loss) and other comprehensive income*

(i) Loans and financing – exchange variation

	Consolidated			
	06/30/2022		06/30/2021	
	DRA	DRE	DRA	DRE
Exchange variation of liabilities	40,537	(35,836)	26,434	86,643
Deferred taxes on exchange variation	(13,783)	12,184	-	-
	26,754	**(23,652)**	**26,434**	**86,643**

(ii) Bond and swap

	Consolidated			
	06/30/2022		06/30/2021	
	DRA	DRE	DRA	DRE
Exchange variation on loans and financing	-	181,525	-	38,416
Exchange variation in swap	-	(181,525)	-	(38,416)
Swap interest	-	(61,480)	-	(2,341)
Fair value adjustment of swap	15,349	-	109,960	-
Deferred taxes on adjustments at fair value	(5,219)	20,903	-	-
	10,130	**(40,577)**	**109,960**	**(2,341)**

(iii) Brent Options

	Consolidated			
	06/30/2022		06/30/2021	
	DRA	DRE	DRA	DRE
Exchange variation in NDF (USD)	-	11,052	-	5,492
Fair value adjustment - NDF	(131)	-	(1,584)	-
Fair value adjustment options	(111,438)		38,143	-
Deferred taxes on adjustments at fair value	(10,903)	(3,758)	-	-
	(122,472)	**7,294**	**36,559**	**-**

23.5 CAPITAL MANAGEMENT

The Company maintains a capital management policy aimed at balancing its own capital (capital transfers and profit retention) and third-party capital that the Group raises to finance its operations. To mitigate possible liquidity risks and maintain the weighted average cost of capital in appropriate levels, the Group permanently monitors the results from this choice by means of the indebtedness level based on the calculation of net debt/ EBITDA (Income before taxes adjusted by financial result and depreciation).

24. GOVERNMENT GRANTS AND ASSISTANCE

24.1 STATE TAX INCENTIVE – DESENVOLVE/BAHIA

The Group receives sundry tax benefits under the Program of Industrial Development and Economic Integration Program of the State of Bahia (DESENVOLVE), which the longer-term incentive will remain in force until April 2032. These tax grants are associated with the styrenics, acrylic and fertilizer production chain (Agro segment). The Group benefits from a grace period of up to 72 (seventy-two) months for the payment of taxes. In the case of prepayments, the Group is eligible for a discount of up to 81% (eighty-one percent) of the monthly ICMS debit balance.

As of June 30, 2022, the Group obtained a benefit of R$ 126,706 (R$ 81,429 as of June 30, 2021) which was entered as a reduction of taxes under “Sales taxes” caption in the statement of income.

24.2 STATE TAX INCENTIVE PSDI - SERGIPE INDUSTRIAL DEVELOPMENT PROGRAM

Proquigel is entitled to the tax benefit under the Sergipe Industrial Development Program – PSDI until April 2030, associated with the fertilizer production chain (agro). The Company benefits from a deferral of imports of raw materials and goods for fixed assets, as well as an exemption from the ICMS tax rate differential on interstate acquisitions of new capital goods. Furthermore, the benefit allows the Company to collect the percentage equivalent to 6.2% of ICMS due in the month. As of June 30, 2022, the Group obtained a benefit of R$ 8,876 (no benefit was calculated on June 30, 2021) which was entered as a reduction of taxes under “Sales taxes” caption in the statement of income.

24.3 FEDERAL TAX INCENTIVE – EXPLORATION PROFIT

Pursuant to Legal Reports issued by Superintendency for the Development of Northeastern Brazil (Superintendência do Desenvolvimento do Nordeste - SUDENE), the Group is entitled to reduce by 75% the income tax on income (loss) from operations of Companhia Brasileira de Estireno (as a successor due to Acrinor’s merger) located at Camaçari/BA and Proquigel up to the fiscal year 2028. The benefit of Unigel Plásticos S.A. is being renewed with SUDENE. The request made, when approved, will be retroactive to January 1, 2021.

As of June 30, 2022, the Group obtained a benefit of R$ 79,301 (R$ 39,345 as of June 30, 2021) which was entered as a reduction of taxes under “Current income tax” caption in the statement of income.

24.4 REINTEGRA –TAX VALUE REINTEGRATION TO EXPORTING COMPANIES

The Group is contemplated by Law 13043/14 – Reintegra – which grants tax credits when the Company exports products internally manufactured and that may be offset against own overdue or current debts related to federal taxes.

On June 30, 2022, the Group obtained a benefit of R$ 1,129 (R$ 957 on June 30, 2021) by means of the companies Proquigel, Companhia Brasileira de Estireno and Unigel Plásticos, which was entered as a reduction of costs in the item “cost of goods sold” in the statement of income.

24.5 REIQ – SPECIAL REGIME FOR THE CHEMICAL INDUSTRY

The Special Regime for the Chemical Industry (“REIQ”) was instituted in 2013 by the Federal Government of Brazil and aims to recover and maintain the competitiveness of the 1st and 2nd generation national petrochemical industries. In this context, the Group benefits until December 2024 from the tax exemption from part of the PIS and COFINS rates on the purchase of certain raw materials imported or 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) as of April 1, 2022, the REIQ. The chemical companies filed, through the Brazilian Association of Chemical Industries – ABIQUIM, a lawsuit against the effects of this Provisional Measure, managing to restore the benefit until the final judgment of the claim. However, the National Congress, at the time of converting the Provisional Measure into Law 14374/2022, amended the original wording and, instead of extinguishing the benefit, provided for only its suspension until December 2022, returning the reductions and effective terms of the REIQ to be effective as of January 2023, established in Law 14183/2021, provided that the benefited companies sign some terms of commitment with certain additional requirements. The aforementioned Law 14374/2022 was duly sanctioned by the Executive Branch on June 21, 2022, with effectiveness on the date of its publication, which took place on June 22, 2022. The Group is awaiting the regulation of this new legislation to estimate possible interim impacts, particularly the rules to be followed in view of the required terms of commitment.

As of June 30, 2022, the Group determined a credit of R$ 19,859 (R$ 44,118 as June 30, 2021), which was entered as a reduction of costs under the "cost of goods sold" caption of the statement of income.

25. COLLATERALS AND SURETIES

The Group has assets pledged as collateral for loan operations with third parties in the estimated amount of R$ 151,437 as of June 30, 2022 (R$ 151,215 as of December 31, 2021), this amount was decreased due to the settlement of 2024 BOND's operation and consequent release of part of these compound collaterals, consisting mainly of real estate. Additionally, the parent company is the guarantor of operations of other Group's companies. The parent company has sureties amounting to R$ 1,276,187 (R$ 291,815 at December 31, 2021).

26. EARNINGS PER SHARE

26.1 BASIC

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

	Consolidated			
	Three-month period		Six-month period	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net profit for the period	202,544	554,955	509,265	708,714
Weighted average number of shares at the end of the period	920,962,726	414,297,488	920,962,726	414,297,488
Earnings per share – R$	**0.2199**	**1.3395**	**0.5530**	**1.7106**

26.2 DILUTED

Diluted earnings 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.

27. OPERATIONS WITH DERIVATIVES

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

	Consolidated			
	06/30/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Cross currency swaps	-	(346,795)	-	(140,302)
Options – *Commodities*	125,660	-	26,621	-
NDFs	2,390	-	-	(8,793)
Embedded derivatives – Options	104,683	-	129,398	-
	232,733	**(346,795)**	**156,019**	**(149,095)**

Embedded derivatives are separated from the host contracts and separately recorded when the host contract is not a financial asset and certain criteria are met.

27.1 EMBEDDED DERIVATIVES

(i) *Bonds early repurchase options*

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

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

These repurchase options represent a 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 calculated their fair value as American options with the repurchase price as the strike price.

The fair value of these embedded derivatives is R$ 104,683 (R$ 129,384 as of December 31, 2021).

28. TRANSACTIONS NOT INVOLVING CASH

As of June 30, 2022, main non-cash transactions in Consolidated Cash Flow were:

(i) Changes in suppliers of property, plant and equipment amounting to R$ 2,435 (R$ 10,355 at June 30, 2021);

(ii) Additions of right-of-use assets as a contra entry to a lease liability payable in the amount of R$ 26,229 (R$ 41,544 as of June 30, 2021);

(iii) Capitalization of interest on loans and financing as a contra entry to property, plant and equipment in the amount of R$ 11,388 (R$ 0 as of June 30, 2021).

*　　　*　　　*

Roberto Noronha Santos
Chief Executive Officer

Daniel Zilberknop
Deputy Chief Executive Officer

Daniel Scarmeloti da Fonseca
Controllership Director – CRC 1SP 219.079/O-4

Marcio Scatigno
Executive Controllership Manager – CRC 1SP 218.247/O-7