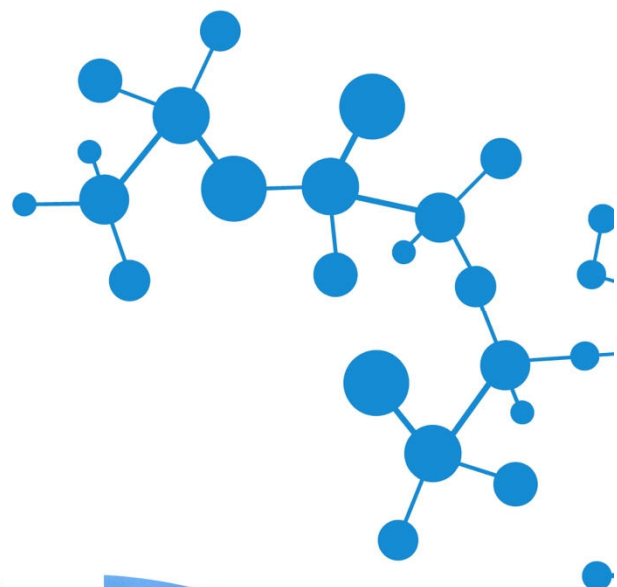


# ITR - QUARTERLY INFORMATION AT SEPTEMBER 30, 2022



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# MANAGEMENT REPORT SEPTEMBER 30, 2022

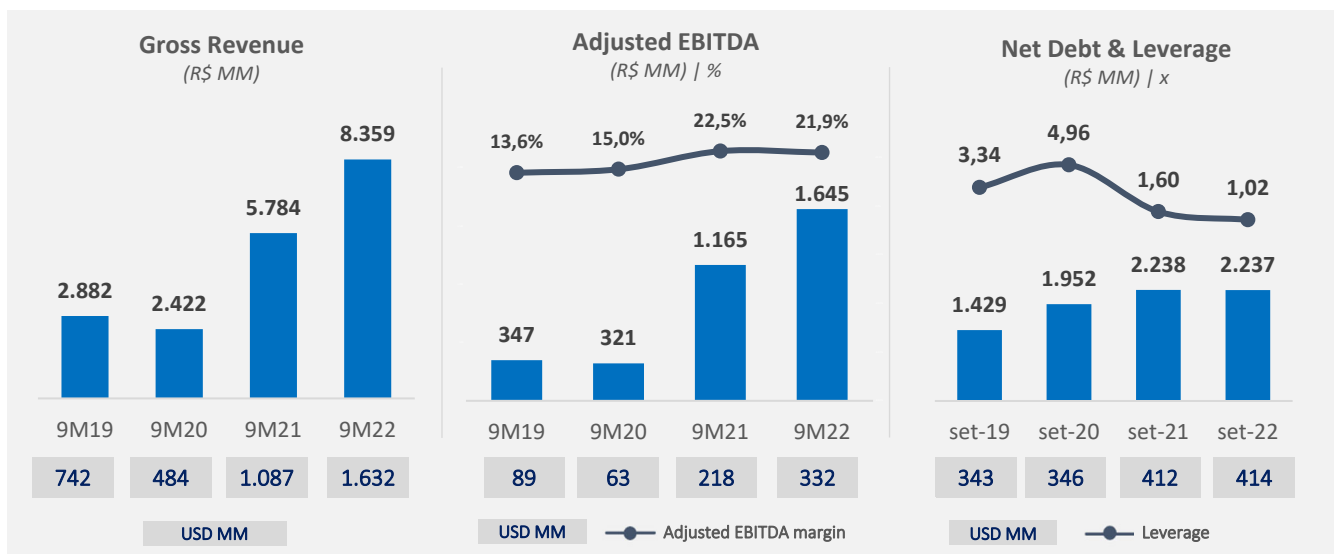


## CONSOLIDATED ADJUSTED EBITDA REACHES R\$ 434 MILLION (US\$ 82 MILLION) IN 3Q22, UP 44% YoY.

3Q22 revenue totals R\$2.7 billion (+27% YoY) and net leverage remains at the level of 1.0x

Except as otherwise specified, all operating and financial information reported herein relating to 3Q22 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 third quarter of 2022 (“3Q22”), third quarter of 2021 (“3Q21”), second quarter of 2022 (“2Q22”), and nine months year-to-date 2022 (“9M22”) and 2021 (“9M21”).

### 9M22 Highlights



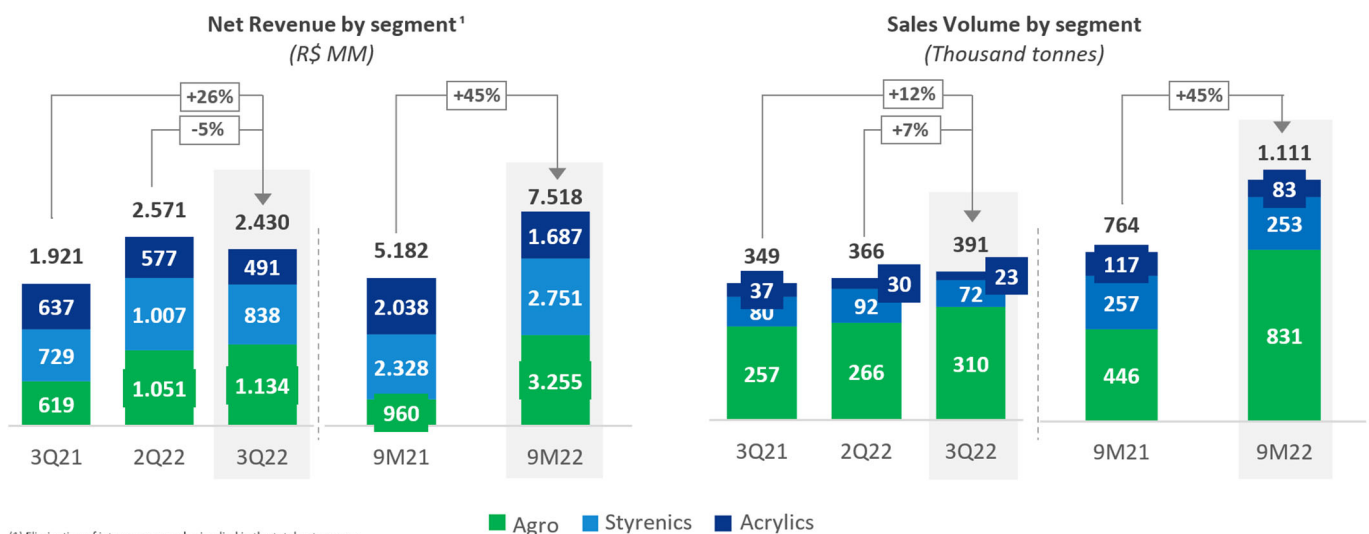


## 1. MANAGEMENT COMMENTARY

### Operations

After consecutive quarters reporting record results supported by favorable market conditions for the Agro segment, the 3Q22 was affected by normalization of international spreads. Even so, our net revenue amounted R\$2.4 billion in 3Q22, up 26% YoY, and our Adjusted EBITDA amounted R\$434 million (+44% YoY). In addition, we were efficient in our strategy to release working capital funds in order to counterbalance the intensification of investments in the new sulfuric acid plant and the green hydrogen and green ammonia project, maintaining a strong cash position and net leverage at 1.0x as of September 30, 2022.

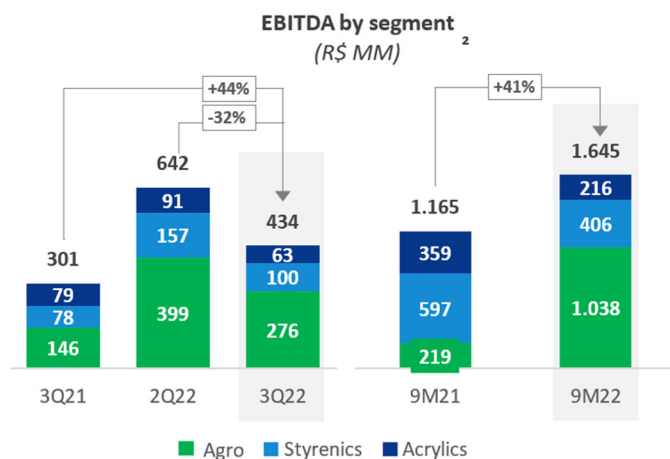
In the year-to-date, our net revenue increased by 45% to R\$ 7.52 billion in the 9M22, following sales volume growth, mostly supported by consolidation of the Agro segment, which started operation in mid-2021. In the same comparison, our consolidated adjusted EBITDA amounted 1.65 billion, up 41% YoY.



(1) Elimination of intercompany sales implied in the total net revenue

Compared to 2Q22, our consolidated adjusted EBITDA decreased by 32%, mainly explained by the Agro segment performance, impacted by lower urea prices, following an international price trend after the peak in the previous quarter. This backdrop also appears in the segment's EBITDA margin, at 24% level, compared to a peak of 38% reported in the last quarter. In this context, adjusted EBITDA for the Agro segment totaled 276 million (US\$ 52 million) in the 3Q22.

In the chemicals segments (Acrylics and Styrenics), we focused efforts on products and markets with better market conditions to the detriment of sales volumes, mitigating impact of the slowdown in global demand. As an example of this strategy, in punctual moments of 2022 we reduced utilization rates for some of our Acrylics products in order to increase our ammonia sales capacity to the international market to take advantage of better market conditions. In this scenario, combined sales volume of the chemical segments decreased by 22%, partially offset by 7% increase in the average sales price. On the other hand, the costs of main raw materials for these segments have not yet reflected a reduction in demand, sustaining higher costs and pressuring the segments' margins. In this scenario, the Styrenics and Acrylics segments reported adjusted EBITDA of R\$100 million (+29% YoY) and R\$63 million (-20% YoY), respectively.



(2) Some corporate expenses are not allocated into any business segment but are implied in the total EBITDA.

We expect a fourth quarter with similar market dynamics compared to the 3Q22. Even if a more severe global recession scenario could negatively impact our businesses, we understand that our diversified portfolio, especially after the start-up of the Agro segment, will allow us to keep delivering solid results and a positive operational cash flow in the next quarters.

## Cash Generation

Unigel's net cash from operating activities amounted R\$732 million in the 9M22, driven mainly by strong operating results, partially mitigated by investments in accounts receivable and inventories, mainly explained by increase of prices across the value chain. However, it is important to highlight that in the 3Q22 we reverted a large part of the working capital investments made in the first half of the year. Thus, our cash generated from operating activities amounted R\$ 535 million in 3Q22, representing a 247% growth compared to previous quarter.

In terms of Capex, we invested R\$409 million in the 9M22, out of which R\$178 million related to the new sulfuric acid plant and R\$68 million related to the green hydrogen and green ammonia project. Other than these, expenses were mostly related to maintenance projects carried out throughout the year.

In this context, we were able to preserve in our cash balance most of the funds raised by our first issuance in the Brazilian capital market concluded in April, reflected in the R\$1.24 billion (US\$230 million) cash position as of September 30, 2022. Our Net debt to EBITDA indicator remained at 1.0x, underlining Unigel's commitment to maintain a conservative financial management policy while simultaneously delivering strategic growth projects.

## 2. CONSOLIDATED EARNINGS

Consolidated Income Statement	Quarter					Year-to-date		
R\$ million	Δ (%) t/t	2T22	3T22	3T21	Δ (%) a/a	9M22	9M21	Δ (%) a/a
<b>Gross Revenue</b>	-5%	<b>2,850</b>	<b>2,719</b>	<b>2,135</b>	<b>27%</b>	<b>8,346</b>	<b>5,784</b>	<b>44%</b>
<b>Net Revenue</b>	-5%	<b>2,571</b>	<b>2,430</b>	<b>1,921</b>	<b>26%</b>	<b>7,518</b>	<b>5,182</b>	<b>45%</b>
Cost of goods sold	6%	(1,950)	(2,073)	(1,627)	27%	(5,991)	(4,036)	48%
<b>Gross Profit</b>	-43%	<b>621</b>	<b>357</b>	<b>294</b>	<b>21%</b>	<b>1,527</b>	<b>1,146</b>	<b>33%</b>
<i>Gross Margin</i>	-9.5 p.p.	24.2%	14.7%	15.3%	-0.6 p.p.	20.3%	22.1%	-1.8 p.p.
Sales, general and adm (SG&A) expenses	-5%	(66)	(63)	(49)	29%	(183)	(137)	34%
Other operating income (expenses)	-80%	(5)	(1)	(1)	0%	6	242	-98%
<b>Operating income (expenses)</b>	-47%	<b>550</b>	<b>293</b>	<b>245</b>	<b>20%</b>	<b>1,350</b>	<b>1,251</b>	<b>8%</b>
Net financial results	6%	321	339	179	89%	787	286	175%
Income tax and social contribution	-204%	26	(27)	25	-208%	73	215	-66%
<b>Net income</b>	-110%	<b>203</b>	<b>(20)</b>	<b>41</b>	<b>-149%</b>	<b>490</b>	<b>749</b>	<b>-35%</b>

### Net Revenue

At 9M22, our net revenue was R\$7.52 billion, up 45% from 9M21, mainly explained by the consolidation of our Agro operations, which started running at full capacity in August 2021.

In quarter comparison, our net revenue in 3Q22 was R\$2.43 billion, up 26% from 3Q21, driven by a more mature operation of the Agro segment, which allowed a growth of 28% in the segment's sales volume. In comparison with 2Q22, our net revenue decreased by 5%, mainly explained by the reduction of urea average prices, following the international prices.

### Cost of Goods Sold (COGS) and Gross Margin

Total COGS at 9M22 was R\$5.99 billion, a 48% increase from 9M21. In the same comparison, our consolidated gross profit was R\$1.53 billion, representing a 33% growth YoY. Both growth figures are explained by the consolidation of the Agro segment as previously explained.

In quarter comparison, the COGS was R\$2.07 billion, resulting in a gross profit of R\$357 million, up 21% from 3Q21, mainly due to the Agro segment performance, supported by the strategy of favoring sales of ammonia with better margins to the detriment of acrylic products. In comparison with 2Q22, COGS grew 6% due to sustained high costs for main raw materials.

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

Sales, general, and administrative expenses (SG&A) were R\$183 million at 9M22 and R\$63 million in 3Q22, up 34% and 29% YoY, driven primarily by expansions of administrative and sales structure on account of Unigel Agro operations. Compared to 2Q22, our SG&A decreases 5%, representing a change of only R\$3 million.

## Adjusted EBITDA

Adjusted EBITDA Calculation	Quarter					Year-to-date		
R\$ million	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Net income</b>	<b>-110%</b>	<b>203</b>	<b>(20)</b>	<b>41</b>	<b>-149%</b>	<b>490</b>	<b>749</b>	<b>-35%</b>
Income tax and social contribution	-204%	86	(27)	25	-208%	73	215	-66%
Net financial results	6%	321	339	179	89%	787	286	175%
Depreciation and amortization	1%	69	70	56	25%	205	152	35%
<b>EBITDA</b>	<b>-41%</b>	<b>618</b>	<b>363</b>	<b>300</b>	<b>21%</b>	<b>1.554</b>	<b>1.403</b>	<b>11%</b>
<i>EBITDA Margin</i>	<i>-9.1p.p.</i>	<i>24.1%</i>	<i>14.9%</i>	<i>15.6%</i>	<i>-0.7p.p.</i>	<i>20.7%</i>	<i>27.1%</i>	<i>-6.4p.p.</i>
(Losses) Gains in the sale of assets	-100%	1	0	(0)	0%	(4)	(0)	-100%
Recovery of ICMS on PIS/COFINS base	0%	-	-	-	0%	-	(240)	-100%
Plant Shutdown and non-operating Expenses	886%	7	69	1	6800%	76	3	2433%
Transaction cost write-off	-88%	16	2	-	100%	18	-	100%
<b>Adjusted EBITDA</b>	<b>-32%</b>	<b>642</b>	<b>434</b>	<b>301</b>	<b>44%</b>	<b>1,645</b>	<b>1,165</b>	<b>41%</b>
<i>Adjusted EBITDA margin</i>	<i>-7.1p.p.</i>	<i>25.0%</i>	<i>17.9%</i>	<i>15.7%</i>	<i>2.2p.p.</i>	<i>21.9%</i>	<i>22.5%</i>	<i>-0.6p.p.</i>

Consolidated adjusted EBITDA was R\$1.64 billion at 9M22, up 41% compared with 9M21, supported mainly by the Agro segment which started operating at full speed in August 2021.

Our adjusted EBITDA for the reported quarter was R\$434million, up 44% from 3Q21, also driven by a more mature operation of the Agro segment. Compared to 2Q22, a record result period, the Company's adjusted EBITDA decreased by 32% explained by a normalization of Agro segments spreads.

## ROIC

ROIC Calculation	Quarter					Year-to-date		
R\$ million	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Operating income (LTM)</b>	<b>3%</b>	<b>1,747</b>	<b>1,795</b>	<b>1,472</b>	<b>22%</b>	<b>1,795</b>	<b>1,472</b>	<b>22%</b>
Theoretical income tax (34%)	3%	(594)	(610)	(501)	22%	(610)	(501)	22%
<b>Return (NOPAT)</b>	<b>3%</b>	<b>1,153</b>	<b>1,185</b>	<b>972</b>	<b>22%</b>	<b>1,185</b>	<b>972</b>	<b>22%</b>
Net Debt	-3%	2,304	2,237	2,238	0%	2,237	2,238	0%
Shareholder's equity	-12%	1,188	1,043	550	90%	1,043	550	90%
<b>Invested Capital</b>	<b>-6%</b>	<b>3,492</b>	<b>3,280</b>	<b>2,788</b>	<b>18%</b>	<b>3,280</b>	<b>2,788</b>	<b>18%</b>
<b>ROIC (NOPAT/Invested Capital)</b>	<b>2.3p.p.</b>	<b>33.0%</b>	<b>36.1%</b>	<b>34.9%</b>	<b>1.3p.p.</b>	<b>36.1%</b>	<b>34.9%</b>	<b>1.3p.p.</b>

Unigel's consolidated ROIC was 36.1% in the 12 months ended on September 30, 2022, up 1.3 p.p. compared to the 12 months ended on September 30, 2021, evidencing consistency in the delivery of results.



## Financial Results

Consolidated Income Statement	Quarter					Year-to-date		
R\$ million	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Financial income</b>	<b>41%</b>	<b>17</b>	<b>24</b>	<b>0</b>	<b>100%</b>	<b>52</b>	<b>19</b>	<b>174%</b>
Interest on financial assets	53%	15	23	0	100%	48	7	586%
Revenue from interest on loans and receivables	-50%	2	1	0	100%	4	11	-64%
Discount obtained from suppliers	0%	0	0	0	0%	0	1	-100%
Other financial income	0%	0	0	0	0%	0	0	0%
<b>Financial expenses</b>	<b>13%</b>	<b>(110)</b>	<b>(124)</b>	<b>(108)</b>	<b>15%</b>	<b>(367)</b>	<b>(313)</b>	<b>17%</b>
Interest on loans	16%	(91)	(106)	(91)	16%	(285)	(255)	12%
Interest on lease liabilities	0%	(10)	(10)	(9)	11%	(31)	(24)	29%
Taxes and banking fees	-71%	(7)	(3)	1	-200%	(10)	(8)	25%
Interest on other liabilities	-0%	(3)	(3)	(4)	-25%	(24)	(11)	118%
Other financial expenses	-300%	1	(2)	(3)	-33%	(16)	(14)	14%
<b>Financial Result before exchange variation</b>	<b>8%</b>	<b>(92)</b>	<b>(99)</b>	<b>(107)</b>	<b>-7%</b>	<b>(315)</b>	<b>(294)</b>	<b>7%</b>
Exchange rate variation and derivatives	5%	(229)	(240)	(72)	233%	(472)	7	-6843%
<b>Net Financial Result</b>	<b>6%</b>	<b>(321)</b>	<b>(339)</b>	<b>(179)</b>	<b>89%</b>	<b>(787)</b>	<b>(286)</b>	<b>175%</b>

Our financial results before exchange variation and results of derivatives totaled expense of R\$315 million at 9M22, an increase of 7% compared to 9M21, mainly explained by the growth in interest on loans due to additional interest related to the debentures issued in April this year, combined with the rise in Brazilian interest rates and the direct impact on CDI-indexed loans.

In quarter comparison, our financial results before exchange variation and results of derivatives were a R\$99 million expense, down 7% from 3Q21 and up 8% from 2Q22.

### 3. CASH FLOW

Operating Cash Flow - Management	Quarter					Year-to-date		
R\$ million	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Adjusted EBITDA</b>	-32%	<b>642</b>	<b>434</b>	<b>301</b>	<b>44%</b>	<b>1,645</b>	<b>1,165</b>	<b>41%</b>
Non-recurring and/or non-cash items	929%	(7)	(72)	(12)	500%	(79)	8	1088%
<b>(=) EBITDA "Cash"</b>	<b>-43%</b>	<b>635</b>	<b>363</b>	<b>290</b>	<b>25%</b>	<b>1,566</b>	<b>1,174</b>	<b>33%</b>
Changes on working capital <sup>(1)</sup>	222%	(302)	369	28	1218%	(336)	(511)	-34%
Net financial result (cash) <sup>(2)</sup>	9%	(180)	(196)	(9)	2078%	(499)	(16)	3019%
<b>Operating cash flow</b>	<b>247%</b>	<b>154</b>	<b>535</b>	<b>309</b>	<b>73%</b>	<b>732</b>	<b>647</b>	<b>13%</b>
Income tax paid	-74%	(133)	(34)	(27)	26%	(188)	(171)	10%
Interest paid on loans	1600%	(1)	(17)	(14)	21%	(47)	(83)	-43%
<b>Cash generated by operating activities</b>	<b>2325%</b>	<b>20</b>	<b>485</b>	<b>268</b>	<b>81%</b>	<b>596</b>	<b>392</b>	<b>27%</b>

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	2325%	20	485	268	81%	496	392	27%
Cash flow from investment activities	53%	(139)	(209)	(185)	11%	(409)	(704)	-42%
Cash flow from financing activities	-138%	487	(183)	(3)	6000%	312	436	-28%
Currency translation adjustment (CTA)	-27%	11	8	8	0%	(3)	11	-127%
<b>Increase (decrease) in cash &amp; cash equivalents</b>	<b>-73%</b>	<b>379</b>	<b>101</b>	<b>87</b>	<b>16%</b>	<b>395</b>	<b>136</b>	<b>190%</b>

#### Net Cash from Operating Activities

Operating cash flow was R\$732 million at 9M22, up 13% YoY in accumulated comparison, mainly explained by a strong operational generation, mitigated by working capital investments. It is worth mentioning the efficiency of our strategy to release working capital funds in the 3Q22, mainly explained by the reduction of inventories in the Agro segment and in receivables from exports in the chemicals segments.

#### Net Cash Used in Investment Activities

Net cash used in investment activities was a total outflow of R\$409 million. In addition to maintenance projects, these expenses include approximately US\$178 million related to our sulfuric acid plant and US\$68 million related to our green hydrogen and green ammonia project.

#### Net Cash from Financing Activities

Net cash from financing activities was an inflow of R\$312 million at 9M22, driven by the R\$500 million raised by our debenture offering on the Brazilian market in April 2022. In 3Q22, our net cash from financing activities amounted an expense of R\$183 million, explained by amortizations of short-term working capital facilities, as well as the payment of dividends related to net income for 2021, which were limited to the 25 % of the minimum bylaw.

#### 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 Reals			In millions of Dollars		
millions R\$   US\$	Sep-22	Dec-20	Δ (%) YoY	Sep-22	Dec-21	Δ (%) YoY
Current	407	333	22%	75	60	25%
Non-current	3,340	2,992	12%	618	536	15%
<b>Gross Debt</b>	<b>3,747</b>	<b>3,324</b>	<b>13%</b>	<b>693</b>	<b>596</b>	<b>16%</b>
(-) Swap Accrual	(265)	(411)	-36%	(49)	(74)	-34%
(-) Cash & Equivalents	(1,245)	(849)	47%	(230)	(152)	51%
<b>Net Debt</b>	<b>2,237</b>	<b>2,064</b>	<b>8%</b>	<b>414</b>	<b>370</b>	<b>12%</b>
( / ) Adjusted EBITDA (LTM)	2,196	1,717	28%	421	317	33%
<b>(=) Financial Leverage</b>	<b>1.02x</b>	<b>1.20x</b>	<b>-0.18x</b>	<b>0.98x</b>	<b>1.17x</b>	<b>-0.19x</b>

Our net debt was R\$2.24 billion as of September 30, 2022, an 8% increase compared to December 31, 2021, explained by the R\$500 million debenture issue completed on April 12, 2022, using part of the resources for investments.

In terms of leverage, the 28% growth in adjusted EBITDA over the past 12 months ended September 30, 2022 outpaced the increase in net debt, lowering the Company's net leverage to 1.02x as of September 2022, compared to 1.20x in December 2021.

Regarding foreign exchange hedging strategy, we have maintained our conservative strategy of hedging 100% of the 2026 Bond outstanding amount (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	1,245	849	47%
Accounts receivable	551	488	13%
Inventories	1,090	950	15%
Taxes recoverable	304	222	37%
Advances to suppliers	70	125	-44%
Derivatives	48	27	78%
Other current assets	47	29	62%
<b>Total Current Assets</b>	<b>3,355</b>	<b>2,690</b>	<b>25%</b>
Deferred taxes	680	645	5%
Taxes recoverable	239	234	2%
Judicial deposits	16	16	0%
Derivatives	89	129	-31%
Other non-current assets	23	37	-38%
Right-of-use asset	377	409	-8%
Property, plant & equipment and intangible	2,252	1,932	17%
<b>Total Non-Current Assets</b>	<b>3,676</b>	<b>3,403</b>	<b>8%</b>
<b>TOTAL ASSETS</b>	<b>7,032</b>	<b>6,093</b>	<b>15%</b>

Liabilities	in millions of reais		
R\$ millions	Jun-22	Dec-21	Δ (%) YoY
Loans and financing	407	333	22%
Suppliers	776	766	1%
Lease liability	90	96	-6%
Taxes payable	44	69	-36%
Advances from clients	101	84	20%
Derivatives	250	149	68%
Dividend Payables	180	182	-86%
Other current liabilities	180	185	-3%
<b>Total Current Liabilities</b>	<b>1,873</b>	<b>1,865</b>	<b>0%</b>
Loans and financing	3,340	2,992	12%
Right-of-use obligations	324	359	-10%
Taxes and contributions payable	39	51	-24%
deferred taxes	117	117	0%
post-employment benefits	41	39	5%
Other long-term liabilities	254	11	2209%
<b>Total Non-Current Liabilities</b>	<b>4,116</b>	<b>3,568</b>	<b>15%</b>
<b>Total Equity</b>	<b>1,043</b>	<b>660</b>	<b>58%</b>
<b>TOTAL LIABILITIES</b>	<b>7,032</b>	<b>6,093</b>	<b>15%</b>

## ATTACHMENT II

# CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement	Quarter					Year-to-date		
R\$ million	Δ (%) t/t	2T22	3T22	3T21	Δ (%) a/a	9M22	9M21	Δ (%) a/a
<b>Gross Revenue</b>	-4%	<b>2,850</b>	<b>2,719</b>	<b>2,135</b>	<b>27%</b>	<b>8,346</b>	<b>5,784</b>	<b>44%</b>
<b>Net Revenue</b>	-5%	<b>2,571</b>	<b>2,430</b>	<b>1,921</b>	<b>26%</b>	<b>7,518</b>	<b>5,182</b>	<b>45%</b>
Cost of goods sold	6%	(1,950)	(2,073)	(1,627)	27%	(5,991)	(4,036)	48%
<b>Gross Profit</b>	-43%	<b>621</b>	<b>357</b>	<b>294</b>	<b>21%</b>	<b>1,527</b>	<b>1,146</b>	<b>33%</b>
<i>Gross Margin</i>	-9.5p.p.	24.2%	14.7%	15.3%	-0.6 p.p.	20.3%	22.1%	-1.8 p.p.
Sales, general and adm (SG&A) expenses	-5%	(66)	(63)	(49)	29%	(183)	(137)	34%
Other operating income (expenses)	-80%	(5)	(1)	(1)	0%	6	242	-98%
<b>Operating income (expenses)</b>	-47%	<b>550</b>	<b>293</b>	<b>245</b>	<b>20%</b>	<b>1,350</b>	<b>1,251</b>	<b>8%</b>
Net financial results	6%	321	339	179	89%	787	286	175%
Income tax and social contribution	-204%	26	(27)	25	-208%	73	215	-66%
<b>Net income</b>	-110%	<b>203</b>	<b>(20)</b>	<b>41</b>	<b>-149%</b>	<b>490</b>	<b>749</b>	<b>-35%</b>

Adjusted EBITDA Calculation	Quarter					Year-to-date		
R\$ million	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Net income</b>	-110%	<b>203</b>	<b>(20)</b>	<b>41</b>	<b>-149%</b>	<b>490</b>	<b>749</b>	<b>-35%</b>
Income tax and social contribution	-204%	86	(27)	25	-208%	73	215	-66%
Net financial results	6%	321	339	179	89%	787	286	175%
Depreciation and amortization	1%	69	70	56	25%	205	152	35%
<b>EBITDA</b>	-41%	<b>618</b>	<b>363</b>	<b>300</b>	<b>21%</b>	<b>1,554</b>	<b>1,403</b>	<b>11%</b>
<i>EBITDA Margin</i>	-9.1p.p.	24.1%	14.9%	15.6%	-0.7p.p.	20.7%	27.1%	-6.4p.p.
(Losses) Gains in the sale of assets	-100%	1	0	(0)	0%	(4)	(0)	-100%
Recovery of ICMS on PIS/COFINS base	0%	-	-	-	0%	-	(240)	-100%
Plant Shutdown and non-operating Expenses	886%	7	69	1	6800%	76	3	2433%
Transaction cost write-off	-88%	16	2	-	100%	18	-	100%
<b>Adjusted EBITDA</b>	-32%	<b>642</b>	<b>434</b>	<b>301</b>	<b>44%</b>	<b>1,645</b>	<b>1,165</b>	<b>41%</b>
<i>Adjusted EBITDA margin</i>	-7.1p.p.	25.0%	17.9%	15.7%	2.2p.p.	21.9%	22.5%	-0.6p.p.



# ATTACHMENT III

## CONSOLIDATED CASH FLOW

Cash Flow Statement R\$ millions	Quarter					Year-to-date		
	Δ (%) QoQ	2Q22	3Q22	3Q21	Δ (%) YoY	9M22	9M21	Δ (%) YoY
<b>Net income (loss) for the year</b>	<b>-110%</b>	<b>203</b>	<b>(20)</b>	<b>41</b>	<b>-149%</b>	<b>490</b>	<b>749</b>	<b>-35%</b>
<b>Adjustments due to:</b>	<b>-29%</b>	<b>238</b>	<b>169</b>	<b>226</b>	<b>-25%</b>	<b>516</b>	<b>310</b>	<b>66%</b>
Depreciation and amortization	1%	69	70	56	25%	205	152	35%
Lease liabilities interest	0%	10	10	9	11%	31	24	29%
Provision for civil, tax and labor risks	-71%	14	4	3	33%	19	8	138%
Allowance for credit loss on trade receivables	0%	(1)	(1)	(0)	-100%	(3)	4	-175%
Accrual (reversal) of inventories losses	250%	2	(3)	(13)	77%	0	0	0%
Deferred taxes	-500%	11	(44)	11	-500%	12	117	-90%
Derivatives	-82%	(152)	(28)	(19)	47%	(171)	(49)	249%
Interest and foreign exchange variation of loans	-44%	275	155	169	-8%	409	285	44%
Interest on tax installments	200%	1	3	0	100%	6	1	500%
(Gain) loss on sale of fixed assets	-100%	2	0	(0)	0%	2	(0)	100%
ICMS (VAT) on the Pis and Cofins calculation	-100%	(1)	-	-	0%	(7)	-	-100%
Interest on suppliers	0%	-	-	-	0%	-	(240)	-100%
Update on PIS/COFINS credits	0%	0	0	1	-100%	3	2	50%
Impairment	-50%	(2)	(1)	-	-100%	(3)	(11)	-73%
Charges on anticipated receivables	-50%	8	4	10	60%	12	17	-29%
<b>Adjusted net income (loss) for the year</b>	<b>-66%</b>	<b>441</b>	<b>149</b>	<b>267</b>	<b>-44%</b>	<b>1,066</b>	<b>1,059</b>	<b>-5%</b>
<b>Changes in assets and liabilities:</b>	<b>234%</b>	<b>(287)</b>	<b>386</b>	<b>42</b>	<b>819%</b>	<b>(274)</b>	<b>(412)</b>	<b>-33%</b>
Trade accounts receivable	852%	21	200	(10)	2100%	(78)	(317)	-75%
Inventories	202%	(150)	153	(75)	304%	(149)	(357)	-58%
Suppliers	-96%	(78)	(3)	63	-105%	(19)	248	-108%
Taxes (net, recoverable - payables)	29%	(68)	(88)	18	-589%	(147)	37	-497%
Contractual credits	-100%	1	(0)	85	-100%	(0)	(1)	-100%
Others (net, credits - payables)	1062%	(13)	125	(39)	421%	119	(23)	617%
<b>Operating cash flow</b>	<b>247%</b>	<b>154</b>	<b>535</b>	<b>309</b>	<b>73%</b>	<b>732</b>	<b>647</b>	<b>13%</b>
Interest paid on loans	-74%	(133)	(34)	(27)	26%	(188)	(171)	10%
Income tax paid	1600%	(1)	(17)	(14)	21%	(47)	(83)	-43%
<b>Cash generated by operating activities</b>	<b>2325%</b>	<b>20</b>	<b>489</b>	<b>268</b>	<b>81%</b>	<b>496</b>	<b>392</b>	<b>27%</b>
<b>Cash flow from investment activities</b>	<b>50%</b>	<b>(139)</b>	<b>(209)</b>	<b>(185)</b>	<b>13%</b>	<b>(409)</b>	<b>(706)</b>	<b>-42%</b>
Acquisition of PP&E and intangibles	53%	(139)	(213)	(181)	18%	(414)	(681)	-39%
Proceeds from sale of fixed assets	100%	(0)	5	5	0%	5	7	29%
Repayments to related parties cash pooling	0%	(0)	(10)	(10)	-100%	-	(30)	-100%
<b>Cash generation after investment activities</b>	<b>332%</b>	<b>(119)</b>	<b>276</b>	<b>46</b>	<b>233%</b>	<b>87</b>	<b>(312)</b>	<b>128%</b>
<b>Cash flow from financing activities</b>	<b>-138%</b>	<b>487</b>	<b>(183)</b>	<b>(3)</b>	<b>6000%</b>	<b>312</b>	<b>436</b>	<b>-28%</b>
Proceeds from loans and financing	-98%	513	9	291	-97%	576	1,119	-49%
Derivatives	-26%	58	43	14	207%	156	(22)	809%
Lease liabilities	10%	(30)	(33)	(25)	32%	(93)	(74)	26%
Payments of loans	762%	(13)	(112)	(283)	-60%	(172)	(588)	-71%
Dividends	117%	(41)	(89)	-	-100%	(156)	-	-100%
<b>Increase (decrease) in cash &amp; cash equivalents</b>	<b>-75%</b>	<b>368</b>	<b>93</b>	<b>80</b>	<b>16%</b>	<b>399</b>	<b>125</b>	<b>219%</b>
Cash position at the beginning of the period	50%	764	1,143	673	70%	849	624	36%
Currency translation adjustment (CTA)	-27%	11	8	8	0%	(3)	11	-127%
Cash position at the end of the period	9%	1,143	1,245	760	64%	1,245	760	64%

## INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/2003 and SNC/SEP Circular Letter 01/2007, we hereby inform you that, during the year 2022, the Company and its investees in Brazil did not engage their Independent Auditors for work other than those related to the external audit.

Company's policy towards its independent auditors with respect to service provision not related to independent audit is based on 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.

The financial information presented herein is in accordance with the criteria of the Brazilian corporate law and were prepared based on audited financial statements. The non-financial information, as well as other operating information, was not audited by the independent auditors.





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## **Independent Auditors' Report on Review of Individual and Consolidated Interim Financial Statements**

**To**  
**the Shareholders, Counselors and Board of Directors**  
**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 September 30, 2022, which comprises the balance sheet as at September 30, 2022, and the related statements of income and comprehensive income for the three and nine-month periods then ended, changes in shareholder's equity and cash flows for the nine-month 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 nine-month period ended September 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 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, November 11, 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 SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

(IN THOUSANDS OF REAIS)

		Parent company		Consolidated	
Assets	Note	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Current assets</b>					
Cash and cash equivalents	4	12,151	473	1,244,808	849,338
Trade accounts receivable	5	-	-	551,484	488,392
Inventories	6	-	-	1,090,045	950,014
Dividends receivable	7	-	4,218	-	-
Recoverable taxes and contributions	8	809	96	303,583	221,741
Prepaid expenses	-	373	170	20,136	10,173
Advances to suppliers	-	72	63	69,000	123,777
Operations with derivatives	27	-	-	48,179	26,621
Contract credits	23,2	-	-	2,757	2,489
Other assets	-	31	824	25,443	17,441
<b>Total current assets</b>		<b>13,436</b>	<b>5,844</b>	<b>3,355,435</b>	<b>2,689,986</b>
<b>Non-current assets</b>					
Current account with related parties	7	2,847	3,049	-	-
Recoverable taxes and contributions	8	-	-	238,758	233,710
Deferred taxes	9	-	-	679,703	645,464
Judicial deposits	16	-	-	15,933	16,209
Operations with derivatives	27	-	-	89,163	129,398
Contract credits	23,2	-	-	3,359	3,359
Other assets	-	55	13,519	19,836	33,765
<b>Total long-term assets</b>		<b>2,902</b>	<b>16,568</b>	<b>1,046,752</b>	<b>1,061,905</b>
Investments	10	2,868,772	2,412,179	-	-
Property, plant and equipment	11	5,854	3,938	2,240,982	1,915,744
Right-of-use	12	17,492	17,379	377,145	409,249
Intangible assets	-	4,148	5,579	11,375	16,349
<b>Total non-current assets</b>		<b>2,899,168</b>	<b>2,455,643</b>	<b>3,676,254</b>	<b>3,403,247</b>
<b>Total assets</b>		<b>2,912,604</b>	<b>2,461,487</b>	<b>7,031,689</b>	<b>6,093,233</b>



(IN THOUSANDS OF REAIS)

		Parent company		Consolidated	
Liabilities	Note	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Current liabilities</b>					
Loans, financing and debentures	13	33,873	190	406,670	332,623
Suppliers	14	1,860	2,717	775,745	766,135
Lease liabilities	12	6,767	4,869	89,844	96,387
Dividends payable	7	26,071	182,349	26,071	182,349
Current account with related parties	7	53	79	-	-
Taxes and contributions payable	15	123	110	43,978	69,427
Salaries and payroll charges	-	-	-	80,563	74,440
Advances from clients	-	-	-	100,951	84,129
Operations with derivatives	27	-	-	250,016	149,095
Sundry provisions	-	194	135	85,681	102,747
Other liabilities	-	2	470	13,288	8,041
<b>Total current liabilities</b>		<b>68,943</b>	<b>190,919</b>	<b>1,872,807</b>	<b>1,865,373</b>
<b>Non-current liabilities</b>					
Loans, financing and debentures	13	495,695	385	3,340,171	2,991,511
Lease liabilities	12	14,185	13,975	323,623	358,582
Current account with related parties	7	1,146,512	1,460,745	74	144
Taxes and contributions payable	15	-	-	39,380	51,142
Deferred taxes	9	117,137	117,137	117,137	117,137
Post-employment benefits	-	-	-	41,306	38,670
Operations with derivatives	27	-	-	218,195	-
Provision for contingencies	16	-	-	22,398	9,748
Provision for investment losses	10	26,984	18,819	-	-
Other liabilities	-	-	-	13,450	1,419
<b>Total non-current liabilities</b>		<b>1,800,513</b>	<b>1,611,061</b>	<b>4,115,734</b>	<b>3,568,353</b>
<b>Shareholders' equity</b>	<b>17</b>				
Capital	-	920,963	276,185	920,963	276,185
Profit reserves	-	48,337	693,115	48,337	693,115
Equity valuation adjustments	-	(427,129)	(309,793)	(427,129)	(309,793)
Income (loss) for the period	-	500,977	-	500,977	-
<b>Total shareholders' equity</b>		<b>1,043,148</b>	<b>659,507</b>	<b>1,043,148</b>	<b>659,507</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,912,604</b>	<b>2,461,487</b>	<b>7,031,689</b>	<b>6,093,233</b>

# STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (IN THOUSANDS OF REAIS)

		Parent company				Consolidated			
		Three-month period		Nine-month period		Three-month period		Nine-month period	
	Note	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	18	-	-	-	-	2,430,113	1,921,341	7,517,520	5,181,822
Cost of goods sold	19	-	-	-	-	(2,072,926)	(1,626,880)	(5,991,008)	(4,036,157)
<b>Gross income</b>		-	-	-	-	<b>357,187</b>	<b>294,461</b>	<b>1,526,512</b>	<b>1,145,665</b>
Sales expenses	19	-	-	-	-	(16,802)	(13,681)	(47,731)	(34,323)
Administrative and general expenses	19	(5,564)	(1,300)	(11,891)	(4,583)	(47,377)	(35,291)	(137,550)	(99,383)
(Provision for) reversal of impairment of financial assets	5	-	-	-	-	803	10	2,579	(3,596)
Other operating (expenses) revenues	20	(2,036)	(60)	(18,430)	48	(1,187)	(667)	6,020	242,221
<b>Operating revenues (expenses)</b>		<b>(7,600)</b>	<b>(1,360)</b>	<b>(30,321)</b>	<b>(4,535)</b>	<b>(64,563)</b>	<b>(49,629)</b>	<b>(176,682)</b>	<b>104,919</b>
Equity in net income of subsidiaries	10	8,185	42,135	554,547	754,546	-	-	-	-
<b>Income (loss) before financial income (loss) and taxes</b>		<b>585</b>	<b>40,775</b>	<b>524,226</b>	<b>750,011</b>	<b>292,624</b>	<b>244,832</b>	<b>1,349,830</b>	<b>1,250,584</b>
Financial revenues		832	-	3,154	-	24,138	435	51,744	19,002
Financial expenses		(20,899)	(77)	(37,556)	(603)	(351,144)	(132,067)	(817,322)	(308,942)
Net exchange-rate changes		(23)	-	(64)	-	(11,970)	(47,480)	(21,366)	3,576
<b>Net financial income (loss)</b>	<b>21</b>	<b>(20,090)</b>	<b>(77)</b>	<b>(34,466)</b>	<b>(603)</b>	<b>(338,976)</b>	<b>(179,112)</b>	<b>(786,944)</b>	<b>(286,364)</b>
<b>Income (loss) before income tax and social contribution</b>		<b>(19,505)</b>	<b>40,698</b>	<b>489,760</b>	<b>749,408</b>	<b>(46,352)</b>	<b>65,720</b>	<b>562,886</b>	<b>964,220</b>
Current income tax and social contribution		-	-	-	-	(17,330)	(14,197)	(61,404)	(98,101)
Deferred income tax and social contribution		-	-	-	-	44,177	(10,825)	(11,722)	(116,711)
<b>Income tax and social contribution</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,847</b>	<b>(25,022)</b>	<b>(73,126)</b>	<b>(214,812)</b>
<b>Net income (loss) for the period</b>		<b>(19,505)</b>	<b>40,698</b>	<b>489,760</b>	<b>749,408</b>	<b>(19,505)</b>	<b>40,698</b>	<b>489,760</b>	<b>749,408</b>
<b>Net earnings (losses) per share – basic and diluted - R\$</b>	<b>26</b>	<b>(0.02922)</b>	<b>0.09823</b>	<b>0.73358</b>	<b>1.80886</b>	<b>(0.02922)</b>	<b>0.09823</b>	<b>0.73358</b>	<b>1.80886</b>
<b>Weighted average number of shares throughout the period</b>		<b>667,630,107</b>	<b>414,297,488</b>	<b>667,630,107</b>	<b>414,297,488</b>	<b>667,630,107</b>	<b>414,297,488</b>	<b>667,630,107</b>	<b>414,297,488</b>

# STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (IN THOUSANDS OF REAIS)

	Parent company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Net income (loss) for the period</b>	(19,505)	40,698	489,760	749,408	(19,505)	40,698	489,760	749,408
<b>Other comprehensive income</b>								
Foreign operations - translation adjustments	27,189	63,202	(38,925)	33,540	27,189	63,202	(38,925)	33,540
<b>Items that can be subsequently reclassified to income (loss)</b>								
Cash flow hedge	(152,782)	(234,571)	(67,194)	(281,537)	(152,782)	(234,571)	(67,194)	(281,537)
<b>Total comprehensive income</b>	<b>(145,098)</b>	<b>(130,671)</b>	<b>383,641</b>	<b>501,411</b>	<b>(145,098)</b>	<b>(130,671)</b>	<b>383,641</b>	<b>501,411</b>

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (IN THOUSANDS OF REAIS)

	Profit reserve					
	Capital	Legal reserve	Unrealized profit reserve	Equity valuation adjustments	Retained earnings	Total
<b>Balances at January 1, 2022</b>	<b>276,185</b>	<b>48,337</b>	<b>644,778</b>	<b>(309,793)</b>	<b>-</b>	<b>659,507</b>
Capital increase (Note 17.1)	644,778	-	(644,778)	-	-	-
Net income for the period	-	-	-	-	489,760	489,760
Realization of equity valuation through depreciation and write-off of property, plant and equipment, net of tax effects	-	-	-	(11,217)	11,217	-
<b>Other comprehensive income</b>						
Foreign operations - translation adjustments	-	-	-	(38,925)	-	(38,925)
Cash flow hedge	-	-	-	(67,194)	-	(67,194)
<b>Balances at September 30, 2022</b>	<b>920,963</b>	<b>48,337</b>	<b>-</b>	<b>(427,129)</b>	<b>500,977</b>	<b>1,043,148</b>

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (IN THOUSANDS OF REAIS)

	Profit reserve					
	Capital	Legal reserve	Unrealized profit reserve	Equity valuation adjustments	Retained earnings	Total
<b>Balances at January 1, 2021</b>	<b>276,185</b>	<b>3,092</b>	<b>9,038</b>	<b>(230,832)</b>	<b>-</b>	<b>57,483</b>
Net income for the period	-	-	-	-	749,408	749,408
Realization of equity valuation through depreciation and write-off of property, plant and equipment, net of tax effects	-	-	-	(9,044)	9,044	-
<b>Other comprehensive income</b>						
Foreign operations - translation adjustments	-	-	-	33,540	-	33,540
Cash flow hedge	-	-	-	(281,537)	-	(281,537)
<b>Allocations</b>						
Additional dividends distributed	-	-	(9,038)	-	-	(9,038)
<b>Balances at September 30, 2021</b>	<b>276,185</b>	<b>3,092</b>	<b>-</b>	<b>(487,873)</b>	<b>758,452</b>	<b>549,856</b>



# STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (IN THOUSANDS OF REAIS)

	Note	Parent company		Consolidated	
		Nine-month period		Nine-month period	
		09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Cash flow from operating activities</b>					
<b>Net income for the period</b>		<b>489,760</b>	<b>749,408</b>	<b>489,760</b>	<b>749,408</b>
Adjustments for:					
Depreciation and amortization	19	5,634	4,581	204,511	152,272
Accrued interest and adjustments to present value of leases	12	1,808	394	31,098	24,455
Provisions for contingencies	16	247	(16)	18,605	7,705
Provision for losses and obsolescence of inventories	6	-	-	53	-
Deferred taxes	9	-	-	11,722	116,711
Provision (reversal) for expected credit losses	5	-	-	(2,579)	3,596
Income (loss) from operations with derivatives	13,1	-	-	(170,624)	(49,081)
Accrued interest and exchange-rate change	-	34,975	58	409,232	285,136
Interest on taxes paid in installments	-	-	-	6,231	1,284
Income (loss) in the sale of property, plant and equipment	20	-	-	2,379	(57)
Equity in net income of subsidiaries	10	(554,547)	(754,546)	-	-
Recognition of ICMS at PIS/COFINS basis	20	-	-	-	(240,325)
Reversal of impairment and property, plant and equipment inventory	20	-	-	(6,820)	-
Restatement on PIS/COFINS credit	21	-	-	(2,750)	(10,617)
Charges on discounted trade notes	5	-	-	12,463	16,991
Interest from Suppliers	-	-	-	2,664	1,734
		<b>(22,123)</b>	<b>(121)</b>	<b>1,005,945</b>	<b>1,059,212</b>
<b>Changes in:</b>					
Trade accounts receivable	5	-	-	(78,210)	(316,619)
Inventories	6	-	-	(149,346)	(357,437)
Recoverable taxes and contributions	8	-	-	(226,305)	(20,612)
Contract credits	23,2	-	-	(268)	(757)
Other short and long-term assets	-	11,990	(7,967)	51,363	(55,757)
Suppliers	14	(506)	(1,181)	(18,522)	247,613
Taxes and contributions payable	15	1,355	40	79,317	57,941
Other short and long-term liabilities	-	(656)	(227)	67,621	33,137
<b>Cash used in operating activities</b>		<b>(9,940)</b>	<b>(9,456)</b>	<b>731,595</b>	<b>646,721</b>
Interest paid from loans and financings	13	(43)	(58)	(188,334)	(170,924)
Income tax and social contribution paid	-	-	-	(47,146)	(83,479)
<b>Cash flow used in operating activities</b>		<b>(9,983)</b>	<b>(9,514)</b>	<b>496,115</b>	<b>392,318</b>
<b>Cash flow from investment activities</b>					
Acquisition of property, plant and equipment and intangible assets	11	(2,390)	(377)	(413,971)	(681,038)
Receipts by means of sales of property, plant, and equipment	11	-	-	4,879	7,483
Advances made to related parties	7	4,560	(3,096)	-	(30,378)
<b>Net cash flows used in investment activities</b>		<b>2,170</b>	<b>(3,473)</b>	<b>(409,092)</b>	<b>(703,933)</b>
<b>Cash flow from financing activities</b>					
Loans and financing	13	494,061	-	576,369	1,119,243
Payments of loans and financing	13	-	(125)	(171,959)	(587,629)
Receipts (payments) of derivatives	-	-	-	156,356	(21,513)
Lease payments	12	(3,893)	(2,282)	(92,774)	(73,853)
Dividends paid	-	(156,418)	-	(156,418)	-
Cash advances obtained from related parties	7	(314,259)	15,502	-	-
<b>Cash flow generated by financing activities</b>		<b>19,491</b>	<b>13,095</b>	<b>311,574</b>	<b>436,248</b>
<b>Increase in cash and cash equivalents</b>		<b>11,678</b>	<b>108</b>	<b>398,597</b>	<b>124,633</b>
<b>Statement of changes in cash and cash equivalents</b>					
<b>Increase in cash and cash equivalents in the period</b>		<b>11,678</b>	<b>108</b>	<b>398,597</b>	<b>124,633</b>
Cash and cash equivalents at January 1	4	473	120	849,338	624,039
Conversion adjustments	-	-	-	(3,127)	11,268
Cash and cash equivalents at September 30	4	12,151	228	1,244,808	759,940

## STATEMENTS OF ADDED VALUE FOR THE PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 (IN THOUSANDS OF REAIS)

	Parent company		Consolidated	
	Nine-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Revenues</b>	<b>43</b>	<b>48</b>	<b>8,340,468</b>	<b>5,997,296</b>
Sales of goods and products	-	-	8,310,896	5,757,928
Other revenues	43	48	26,993	242,964
(Provision for) reversal of impairment of financial assets	-	-	2,579	(3,596)
<b>Inputs acquired from third parties (includes: ICMS, IPI, PIS, and COFINS)</b>	<b>(24,730)</b>	<b>(2)</b>	<b>(6,516,146)</b>	<b>(4,399,076)</b>
Cost of goods	-	-	(5,725,223)	(4,049,961)
Materials, energy, outsourced services and other	-	-	(751,346)	(195,431)
Recovery (loss) of asset values	-	-	(2,379)	57
Other	(24,730)	(2)	(37,198)	(153,741)
<b>Gross added value</b>	<b>(24,687)</b>	<b>46</b>	<b>1,824,322</b>	<b>1,598,220</b>
Depreciation and amortization	(4,080)	(1,517)	(140,556)	(98,225)
Depreciation of right-of-use assets	(1,554)	(3,064)	(63,955)	(54,047)
<b>Net value added produced by the Company</b>	<b>(30,321)</b>	<b>(4,535)</b>	<b>1,619,811</b>	<b>1,445,948</b>
<b>Added value received as transfer</b>	<b>557,701</b>	<b>754,546</b>	<b>51,744</b>	<b>19,002</b>
Equity in net income of subsidiaries	554,547	754,546	-	-
Financial revenues	3,154	-	51,744	19,002
<b>Total added value payable</b>	<b>527,380</b>	<b>750,011</b>	<b>1,671,555</b>	<b>1,464,950</b>
<b>Distribution of added value</b>	<b>527,380</b>	<b>750,011</b>	<b>1,671,555</b>	<b>1,464,950</b>
<b>Personnel</b>	<b>-</b>	<b>-</b>	<b>192,126</b>	<b>215,064</b>
Direct remuneration	-	-	111,103	93,966
Benefits	-	-	52,527	38,757
Other	-	-	28,496	82,341
<b>Taxes, duties and contributions</b>	<b>277</b>	<b>187</b>	<b>164,191</b>	<b>207,621</b>
Federal	277	187	179,368	219,853
State	-	-	(15,237)	(12,283)
Municipal	-	-	60	51
<b>Third-party capital remuneration</b>	<b>37,343</b>	<b>416</b>	<b>825,478</b>	<b>292,857</b>
Interest	37,343	416	825,478	292,857
<b>Remuneration of own capital</b>	<b>489,760</b>	<b>749,408</b>	<b>489,760</b>	<b>749,408</b>
Net income for the period	489,760	749,408	489,760	749,408

# NOTES TO INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2022

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

## 1. OPERATIONS

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

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

The corporate structure of the Group as of September 30, 2022, compared to December 31, 2021, was changed only in its subsidiaries in Mexico. In September 2022, Unigel Holdings S.A. de C.V. underwent a spin-off, creating Metacril Holdings, which received the full equity interest at Unigel Acrílicos, S.A. de C.V., followed by the transfer of the investment in Unigel Inc. by Companhia Brasileira de Estireno to Metacril Holdings, completing the corporate changes in the period:

Companies	Country	% Interest		Main products
		09/30/2022	12/31/2021	
Proquigel Química S.A.	Brazil	99.9%	99.9%	Methyl and ethyl methacrylate, ethyl and methyl acrylates, sodium cyanide, ammonium sulfate, glacial methacrylic acid, urea and ARLA.
Unigel Distribuidora Ltda.	Brazil	99.9%	99.9%	Distributor of the Group's products.
Unigel Luxemburgo S.A.	Luxembourg	99.9%	99.9%	Management of financial assets in capital markets.
Unigel Comercializadora de Energia Elétrica S.A.	Brazil	99.9%	99.9%	Energy trading.
Unigel Químicos S.A. <sup>(1)</sup>	Brazil	99.9%	99.9%	Acrylic and acrylic resin plates.
Companhia Brasileira de Estireno and subsidiaries:	Brazil	99.9%	99.9%	Styrene, polystyrene, ethyl benzene, toluene, latex, acrylonitrile, hydrocyanic acid and hydrocyanic 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 plates, resin plates, and resale of polycarbonate plates.
. Metacril Holdings, S.A. de CV and subsidiaries:	Mexico	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.
. Unigel Holdings, S.A. de C. V. and subsidiaries:	Mexico	99.9%	99.9%	Intermediate holding company.
. 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) As of August 18, 2022, the Company approved the change of the corporate name from Unigel Plásticos S.A. to Unigel Químicos S.A.

## 1.1 INVESTMENTS IN A NEW HYDROGEN AND GREEN AMMONIA PLANT

On July 25, 2022, Unigel 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 (Note 11), the plant should start operating by the end of 2023. On this 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 (Germany).

Located in the Camaçari Industrial Complex (in the state of Bahia), and, in its first phase, it will have the capacity to produce green hydrogen and green ammonia. In the second phase of the project, scheduled to go into operation by 2025, the Company expects 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 Statement and with international standard IAS 34 - Interim Financial Reporting, issued by the *International Accounting Standards Board – IASB*, as well as Standards issued by the Brazilian Securities and Exchange Commission ("CVM").

This individual and consolidated interim financial information was authorized by the Management on November 11, 2022.

All own relevant evaluations and information in the financial information, and only such information, is 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 the one 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 September 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.

Issues and amendments to IFRS standards, 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 of Fulfilling 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 shareholders' equity, as appropriate. The comparisons are not restated. The Group did not find significant effects arising from the adoption of the new standard in 2022.

## 4. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash at banks in Reais	779	473	21,001	78,245
Cash in banks in Dollars	-	-	560,747	354,023
Bank Deposit Certificates <sup>(1)</sup>	11,372	-	658,053	366,801
Short-term investments in foreign currency <sup>(2)</sup>	-	-	5,007	50,269
	<b>12,151</b>	<b>473</b>	<b>1,244,808</b>	<b>849,338</b>

(1) Investments in bank deposit certificates (CDB) with daily liquidity and average yield of approximately 100.40% p.a. (99.50% p.a. as of December 31, 2021) of CDI. These investments can be redeemed at any time without prejudice to the remuneration already appropriated.

(2) Investments with daily liquidity in Mexican pesos with an average rate of 6.0% p.a. (3.6% p.a. as of December 31, 2021).

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

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	
	09/30/2022	12/31/2021
Domestic market	426,583	330,172
Foreign market	142,701	189,362
Related parties (Note 7)	4,880	17,426
	<b>574,164</b>	<b>536,960</b>
( - ) Estimated credit loss	(22,680)	(48,568)
	<b>551,484</b>	<b>488,392</b>

The Company's average collection period is less than 30 days, reason why the value of its accounts receivable is similar to its present value. The Company realizes part of its trade accounts receivable through the sale of trade notes to funds intended for the acquisition of receivables. These operations are fully carried out without the right of return and with substantial transfer of the risks and rewards of the receivables, which is why the trade notes are written-off at the time of the operation. As of September 30, 2022, the Company recorded interest in the amount of R\$ 12,463 (R\$ 16,991 as of September 30, 2021), recorded under interest expenses on bank loans (Note 21 – Financial income (loss)).

Estimated credit loss in accounts receivable: refers to the estimated loss for the period of the contract and in cases overdue for more than 90 days for the entire amount, unless it is guaranteed or if there is an expectation of recovery of the value, in the view of the Group's credit committee. The trade note is definitively written-off when there is no expectation of recovery.



The maturities of trade accounts receivable are distributed as follows:

	Consolidated	
	09/30/2022	12/31/2021
Falling due	501,008	436,739
<b>Overdue (days):</b>		
01-30	39,345	43,852
31-60	5,456	3,809
61-90	2,432	2,053
>91	25,923	50,507
	<b>574,164</b>	<b>536,960</b>

Changes in provision for expected credit loss are described below:

	Consolidated
<b>Balance at January 1, 2021</b>	<b>(43,091)</b>
Additions	(3,596)
Write-offs	192
Exchange-rate change	(1,046)
Translation adjustments - foreign subsidiaries	32
<b>Balance at September 30, 2021</b>	<b>(47,509)</b>
Exchange-rate change	(656)
Translation adjustments - foreign subsidiaries	(403)
<b>Balance at December 31, 2021</b>	<b>(48,568)</b>
Additions	(190)
Reversals	2,769
Write-offs	24,840
Exchange-rate change	(1,476)
Translation adjustments - foreign subsidiaries	(55)
<b>Balance at September 30, 2022</b>	<b>(22,680)</b>

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

## 6. INVENTORIES

	Consolidated	
	09/30/2022	12/31/2021
Finished goods	412,876	418,461
Work in process	6,255	3,490
Raw materials	240,156	212,132
Secondary materials	71,453	61,906
Maintenance material warehouse	156,470	97,038
Inventories in transit	28,938	72,344
Inventories held by third parties	173,897	84,643
	<b>1,090,045</b>	<b>950,014</b>

Inventory items are presented at cost or at its net realizable value, whichever is lower. However, only finished products have a provision for losses at net realizable value. As of September 30, 2022, the amount of R\$ 2,498 (R\$ 2,612 as of December 31, 2021) was recognized as an inventory reduction as a contra entry to income (loss) for the year, under cost of goods sold.

Changes in provision for losses at net realizable value of inventories are as follows:

	Consolidated
<b>Balance at January 1, 2021</b>	<b>(3,636)</b>
Write-offs	971
Translation adjustments - foreign subsidiaries	478
<b>Balance at September 30, 2021</b>	<b>(2,187)</b>
Reversal of additions	(691)
Write-offs	757
Translation adjustments - foreign subsidiaries	(491)
<b>Balance at December 31, 2021</b>	<b>(2,612)</b>
Additions	(53)
Write-offs	195
Translation adjustments - foreign subsidiaries	(28)
<b>Balance at September 30, 2022</b>	<b>(2,498)</b>

There was no inventory pledged as a collateral as of September 30, 2022 and December 31, 2021 for loans and financing.

## 7. RELATED PARTIES

### 7.1 EQUITY BALANCES

	Parent company			
	09/30/2022			
	Assets	Liabilities		
	Non-current	Current		Non-current
	Current account <sup>(2)</sup>	Dividends	Current account <sup>(2)</sup>	Current account <sup>(2)</sup>
Cigel Participações S.A.	-	(26,071)	-	-
Unigel Químicos S.A.	2,439	-	-	-
Companhia Brasileira de Estireno	-	-	-	(779,970)
Proquigel Química S.A.	-	-	-	(331,400)
Unigel Distribuidora Ltda.	-	-	-	(35,142)
Plastiglas de México S.A. de C.V.	408	-	-	-
Other associated companies	-	-	(53)	-
	<b>2,847</b>	<b>(26,071)</b>	<b>(53)</b>	<b>(1,146,512)</b>

	Parent company				
	12/31/2021				
	Assets		Liabilities		
	Current	Non-current	Current		Non-current
	Dividends <sup>(1)</sup>	Current account <sup>(2)</sup>	Dividends	Current account <sup>(2)</sup>	Current account <sup>(2)</sup>
Cigel Participações S.A.	-	-	(182,349)	-	-
Unigel Químicos 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 México S.A. de C.V.	-	559	-	(27)	-
Other associated companies	-	-	-	(52)	-
	<b>4,218</b>	<b>3,049</b>	<b>(182,349)</b>	<b>(79)</b>	<b>(1,460,745)</b>

	Consolidated				
	09/30/2022				
	Assets		Liabilities		
	Current		Current		Non-Current
	Accounts receivable	Advances to suppliers	Dividends <sup>(1)</sup>	Suppliers	Current account <sup>(2)</sup>
Cigel Participações S.A.	-	-	(26,071)	-	(74)
Quimivita Fertilizantes Ltda.	4,816	-	-	-	-
CPE - Compostos Plásticos de Engenharia Ltda.	64	-	-	-	-
Transchemical Transportes e Logística Ltda. (Ergotrans)	-	4,464	-	(158)	-
	<b>4,880</b>	<b>4,464</b>	<b>(26,071)</b>	<b>(158)</b>	<b>(74)</b>

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

(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 validity period or with automatic renewal and are referred to as "Current Account Contracts." In said contracts, the parties established that there will be no charge of interest or deadline for returning the amounts. Thus, as they are transactions between related parties, with no provision for 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 presented in Suppliers refer to the contracting of services, also with related parties, and are highlighted in Note 14.

## 7.2 RELATED PARTY TRANSACTIONS

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

	Consolidated			
	Transacted amount			
	Sales		Purchases	
	Nine-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Companhia Brasileira de Estireno	1,706,375	776,686	(1,690,562)	(708,375)
Unigel Acrílicos S.A. de C.V	-	7,224	(116,487)	-
Unigel Distribuidora Ltda.	1,508,310	655,907	(1,546,642)	(606,211)
Unigel Químicos S.A.	20,835	41,262	(24,770)	(23,718)
Proquigel Química S.A.	186,564	52,483	(43,623)	(195,258)
	<b>3,422,084</b>	<b>1,533,562</b>	<b>(3,422,084)</b>	<b>(1,533,562)</b>

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

	Consolidated			
	Transacted amount			
	Sales		Purchases/services	
	Nine-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
CPE - Compostos Plásticos de Engenharia Ltda.	38,612	47,532	-	-
Quimivita Fertilizantes Ltda.	71,656	-	-	-
Transchemical Transportes e Logística Ltda. (Ergotrans)	-	-	(388,469)	(114,209)
	<b>110,268</b>	<b>47,532</b>	<b>(388,469)</b>	<b>(114,209)</b>

Furthermore, the Company appropriated interest expenses on loans from related parties in the amount of R\$ 181,676 as of September 30, 2022 (R\$ 176,102 as of September 30, 2021). Such loans from related parties arise from the transfer of amounts to the Group's operating companies referring to the Bond fundraising made by Unigel Luxemburg and were carried out under

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

	Consolidated	
	Nine-month period	
	09/30/2022	09/30/2021
Companhia Brasileira de Estireno	111,150	91,821
Proquigel Química S.A.	70,526	73,475
Unigel Químicos S.A.	-	5,403
Unigel Distribuidora Ltda.	-	5,403
	<b>181,676</b>	<b>176,102</b>

### 7.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	Consolidated	
	Nine-month period	
	09/30/2022	09/30/2021
Dividends and payroll charges	23,505	11,469
Bonus and charges	1,107	876
<b>Short-term benefits</b>	<b>24,612</b>	<b>12,345</b>
Post-employment benefits	497	373
	<b>25,109</b>	<b>12,718</b>

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

## 8. RECOVERABLE TAXES AND CONTRIBUTIONS

	Consolidated	
	09/30/2022	12/31/2021
PIS/COFINS - ICMS exclusion from calculation basis <sup>(1)</sup>	228,532	225,782
ICMS <sup>(2)</sup>	31,067	38,283
ICMS on property, plant and equipment <sup>(3)</sup>	15,763	11,866
PIS <sup>(4)</sup>	25,737	15,192
COFINS <sup>(4)</sup>	90,649	44,125
REINTEGRA Program	13,107	13,313
INSS	6,574	4,641
IPI	4,004	3,766
Recoverable VAT	59,656	38,974
Corporate income tax (IRPJ)	37,221	29,920
Social contribution (CSLL)	6,719	4,048
Other	23,312	25,541
	<b>542,341</b>	<b>455,451</b>
<b>Current<sup>(3)</sup></b>	<b>303,583</b>	<b>221,741</b>
<b>Non-current<sup>(1)(3)</sup></b>	<b>238,758</b>	<b>233,710</b>

(1) On May 14, 2021, the Federal Supreme Court (STF), by means of decision on Motions for clarifications filed by the Federal Government determined the understanding that the ICMS to be excluded from PIS and COFINS calculation basis is the one highlighted in the invoice. Moreover, the parties decided to modulate the effects of said decision with general repercussions as of March 15, 2017, except for the lawsuits filed up to that date. In short, taxpayers who did not claim the refund of the amounts will be entitled to calculate and receive the credits as of 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, from the date of the injunction granted until the final decision on the matters under discussion. With the decision of the Federal Supreme Court (STF), 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 and that there is, therefore, 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 undue payments or overpayments were updated by SELIC rate upon recognition.

(2) Accumulated ICMS (state VAT) deriving from the purchase of raw material. The Group expects to use these credits considering several 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 basically arise from export operations, that is, the company purchases 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 the monetization of these credits. The Group did not monetize PIS, COFINS and IPI credits based on Ordinance 348/2010 ("Fast Line") during 2022 due to the fact that it was performing full offsets with other federal taxes subject to offset (R\$ 2,807 were monetized in December 31, 2021). In addition, the Company's subsidiaries calculate credits arising from the exclusion of ICMS from the PIS and COFINS base since 2017. The Group recognized the credits after the final and irrevocable decision of the Federal Supreme Court with general repercussions. Also in the third quarter of 2022, the Company reviewed the PIS and COFINS calculations of its subsidiaries for the last 5 years and identified extemporaneous credits that were no longer recognized at the time in the amount of R\$33,145.

## 9. INCOME TAX AND SOCIAL CONTRIBUTION

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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 asset can be realized by presenting projections and strategies that demonstrate the projection of future income, the potential for offsetting tax losses, the reversal of temporary taxable 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						
	09/30/2022	Income statement	OCI	12/31/2021	Income statement	OCI	01/01/2021
<b>Assets</b>							
<b>Amounts recognized in OCI</b>							
Post-employment benefit	9,167	-	-	9,167	-	5,731	3,436
Hedge cash flow	343,456	14,302	43,130	286,024	(28,549)	239,683	74,890
<b>Amounts recognized in income (loss)</b>							
Estimated credit loss	10,123	(1,344)	-	11,467	1,279	-	10,188
Provision for contingencies	6,477	3,881	-	2,596	(8,647)	-	11,243
Unrealized exchange rate change	128,294	(19,896)	-	148,190	64,940	-	83,250
Accumulated tax losses	316,165	(54,075)	-	370,240	(124,220)	-	494,460
PIS/COFINS - Exclusion of ICMS	(72,438)	3,610	-	(76,048)	(76,048)	-	-
Freight	4,556	(4,941)	-	9,497	4,692	-	4,805
Derivatives	(81,788)	45,419	-	(127,207)	(83,010)	-	(44,197)
Transactions abroad	13,835	(6,640)	-	20,475	3,196	-	17,279
Impairment	-	(4,955)	-	4,955	4,955	-	-
Other provisions	48,276	9,507	2,334	36,435	24,429	-	12,006
	<b>726,123</b>	<b>(15,132)</b>	<b>45,464</b>	<b>695,791</b>	<b>(216,983)</b>	<b>245,414</b>	<b>667,360</b>
<b>Liabilities</b>							
<b>Amounts recognized in OCI</b>							
Deemed cost	(44,621)	3,832	497	(48,950)	15,085	-	(64,035)
<b>Amounts recognized in statement of income</b>							
Other provisions	(1,799)	(422)	-	(1,377)	(2,615)	(399)	1,637
Fair value – investment properties	-	-	-	-	-	2,087	(2,087)
Gains in corporate transactions	(117,137)	-	-	(117,137)	-	-	(117,137)
	<b>(163,557)</b>	<b>3,410</b>	<b>497</b>	<b>(167,464)</b>	<b>12,470</b>	<b>1,688</b>	<b>(181,622)</b>
<b>Deferred net assets</b>	<b>562,566</b>	<b>(11,722)</b>	<b>45,961</b>	<b>528,327</b>	<b>(204,513)</b>	<b>247,102</b>	<b>485,738</b>
Deferred tax assets	679,703			645,464			602,875
Deferred tax liabilities	(117,137)			(117,137)			(117,137)
<b>Deferred net assets</b>	<b>562,566</b>			<b>528,327</b>			<b>485,738</b>

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	
	Accumulated 9-month period	
	09/30/2022	09/30/2021
<b>Income before taxes</b>	<b>562,886</b>	<b>964,220</b>
Combined rate	34%	34%
<b>Income tax and social contribution at the combined rate</b>	<b>(191,381)</b>	<b>(327,835)</b>
<b>Additions:</b>		
Non-deductible expenses	(151)	(4,865)
Non-deductible interest – thin capitalization	(7,243)	(24,281)
Taxation on a universal basis – companies abroad <sup>(1)</sup>	(21,304)	-
Other permanent additions	(2,696)	-
<b>Exclusions:</b>		
Tax benefits - Reintegra (Note 24.4)	545	472
Tax benefits – Desenvolve program (Note 24.1)	74,227	39,655
Tax benefits – PSDI (Note 24.2)	3,562	-
Taxation on a universal basis – companies abroad <sup>(1)</sup>	-	21,710
Other permanent exclusions	-	97
<b>Total</b>	<b>(144,441)</b>	<b>(295,047)</b>
<b>Effective rate</b>	<b>26%</b>	<b>31%</b>
<b>Other adjustments:</b>		
Tax losses and temporary differences not recognized <sup>(2)</sup>	(26,839)	(2,638)
Tax losses and temporary differences - prior period	11,622	15,930
Tax incentive - SUDENE (Note 24.3)	86,532	66,943
<b>Income tax and social contribution in income (loss) for the year</b>	<b>(73,126)</b>	<b>(214,812)</b>
Current	(61,404)	(98,101)
Deferred	(11,722)	(116,711)

- (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 calculation basis and temporary differences of Group companies which, based on historical and current projections, currently do not indicate sufficient taxable income generation to offset said amounts in the medium term. The total balance of tax losses, negative basis of social contribution and temporary differences not recognized up to September 30, 2022 is presented below:

	Consolidated	
	09/30/2022	12/31/2021
Unigel Químicos S.A.	67,881	65,427
Unigel Participações S.A.	33,366	12,012
Unigel Distribuidora Ltda.	-	263
	<b>101,247</b>	<b>77,702</b>

## 9.1 RECOGNITION OF TAX LOSSES

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



Realization of tax losses	
2023	56,265
2024	41,435
2025	31,794
2026	14,721
2027	67,762
2028	65,500
>2028	38,688
	<b>316,165</b>

## 10. INVESTMENTS

### 10.1 CHANGES IN INVESTMENTS:

	Companhia Brasileira de Estireno	Proquigel Química S.A..	Unigel Luxemburgo S.A..	Unigel Distribuidora Ltda..	Unigel Químicos S.A.	Unigel Com. de Energia S.A..	Total
<b>Balance at January 1, 2021</b>	<b>1,314,854</b>	<b>90,142</b>	<b>87,310</b>	<b>46,098</b>	<b>15,630</b>	<b>1,000</b>	<b>1,555,034</b>
Equity in net income of subsidiaries	611,956	126,404	32,807	2,731	(19,352)	-	754,546
Cash flow hedge	(199,400)	(101,078)	-	8,855	10,086	-	(281,537)
Accumulated translation adjustment	26,414	-	7,126	-	-	-	33,540
<b>Balance at September 30, 2021</b>	<b>1,753,824</b>	<b>115,468</b>	<b>127,243</b>	<b>57,684</b>	<b>6,364</b>	<b>1,000</b>	<b>2,061,583</b>
Equity in net income of subsidiaries	(39,906)	194,591	274	4,465	(25,593)	(1)	133,830
Cash flow hedge	164,221	10,851	-	-	410	-	175,482
Post-employment benefit	492	-	-	-	-	-	492
Accumulated translation adjustment	18,657	-	3,316	-	-	-	21,973
<b>Balance at December 31, 2021</b>	<b>1,897,288</b>	<b>320,910</b>	<b>130,833</b>	<b>62,149</b>	<b>(18,819)</b>	<b>999</b>	<b>2,393,360</b>
<b>Assets</b>	<b>1,897,288</b>	<b>320,910</b>	<b>130,833</b>	<b>62,149</b>	<b>-</b>	<b>999</b>	<b>2,412,179</b>
<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,819)</b>	<b>-</b>	<b>(18,819)</b>
							<b>2,393,360</b>
<b>Balance at December 31, 2021</b>	<b>1,897,288</b>	<b>320,910</b>	<b>130,833</b>	<b>62,149</b>	<b>(18,819)</b>	<b>999</b>	<b>2,393,360</b>
Equity in net income of subsidiaries	120,423	453,858	(21,811)	12,909	(10,818)	(14)	554,547
Cash flow hedge	9,823	(79,670)	-	-	2,653	-	(67,194)
Accumulated translation adjustment	(20,321)	-	(18,604)	-	-	-	(38,925)
<b>Balance at September 30, 2022</b>	<b>2,007,213</b>	<b>695,098</b>	<b>90,418</b>	<b>75,058</b>	<b>(26,984)</b>	<b>985</b>	<b>2,841,788</b>
<b>Assets</b>	<b>2,007,213</b>	<b>695,098</b>	<b>90,418</b>	<b>75,058</b>	<b>-</b>	<b>985</b>	<b>2,868,772</b>
<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,984)</b>	<b>-</b>	<b>(26,984)</b>
							<b>2,841,788</b>

## 10.2 BREAKDOWN OF CAPITAL

	Companhia Brasileira de Estireno		Proquigel Química S.A.		Unigel Luxemburgo S.A.		Unigel Distribuidora Ltda..		Unigel Químicos S.A.		Unigel Com. de Energia S.A..		Total	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Capital</b>	<b>629,291</b>	<b>629,291</b>	459,636	<b>459,636</b>	<b>127</b>	<b>127</b>	<b>62,372</b>	<b>62,372</b>	98,831	<b>98,831</b>	<b>1,000</b>	<b>1,000</b>	<b>1,251,257</b>	<b>1,251,257</b>
Shareholders' equity	2,019,494	1,902,425	695,098	320,910	90,418	130,833	75,058	62,149	(26,923)	(18,643)	985	999	<b>2,854,130</b>	<b>2,398,673</b>
Equity interest 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	(12,281)	(5,137)	-	-	-	-	-	-	(61)	(176)	-	-	<b>(12,342)</b>	<b>(5,313)</b>
<b>Total adjusted shareholders' equity</b>	<b>2,007,213</b>	<b>1,897,288</b>	<b>695,098</b>	<b>320,910</b>	<b>90,418</b>	<b>130,833</b>	<b>75,058</b>	<b>62,149</b>	<b>(26,984)</b>	<b>(18,819)</b>	<b>985</b>	<b>999</b>	<b>2,841,788</b>	<b>2,393,360</b>

	Companhia Brasileira de Estireno		Proquigel Química S.A.		Unigel Luxemburgo S.A.		Unigel Distribuidora Ltda..		Unigel Químicos S.A.		Unigel Com. de Energia S.A..		Total	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Income (loss) on inventories	(7,147)	(2,846)	-	-	-	-	-	-	61	(112)	-	-	<b>(7,086)</b>	<b>(2,958)</b>
Income (loss) for the period	127,570	614,802	453,858	126,404	(21,811)	32,807	12,909	2,731	(10,879)	(19,240)	(14)	-	<b>561,633</b>	<b>757,504</b>
Participation 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%		
<b>Equity in net income of subsidiaries</b>	<b>120,423</b>	<b>611,956</b>	<b>453,858</b>	<b>126,404</b>	<b>(21,811)</b>	<b>32,807</b>	<b>12,909</b>	<b>2,731</b>	<b>(10,818)</b>	<b>(19,352)</b>	<b>(14)</b>	<b>-</b>	<b>554,547</b>	<b>754,546</b>

## 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 <sup>(2)</sup>	Construction 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 <sup>(1)</sup>	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	-	22,347	-	-	267	28	89	38	-	95,969	343,210	461,948
Write-offs	-	(2,359)	(82)	-	-	(2)	(2)	(14)	-	-	(616)	(3,075)
Write-offs due to inventory	(20,202)	(158,415)	(20,433)	-	(4,804)	(972)	(3,618)	(8)	(214)	-	-	(208,666)
Transfers <sup>(1)</sup>	-	13,715	27,066	-	357	-	(15,591)	16,235	(2)	(18,374)	(23,726)	(320)
Translation effect	(2,023)	(8,650)	(117)	(355)	(299)	-	(32)	-	-	1,228	(726)	(10,974)
Balance at 09/30/2022	218,748	1,472,602	1,491,671	114,740	35,962	622	16,160	54,394	2,275	95,914	482,651	3,985,739
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	Construction 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	(6,356)	(45,572)	(75,746)	-	(3,631)	(59)	(448)	(2,372)	(68)	-	-	(134,252)
Write-offs	-	-	2	-	-	-	-	6	-	-	-	8
Write-offs due to inventory	16,191	149,252	19,526	-	3,929	865	3,300	1	213	-	-	193,277
Transfers <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Translation effect	858	3,982	51	-	174	8	10	-	-	-	-	5,083
Balance at 09/30/2022	(140,929)	(926,897)	(624,628)	-	(18,923)	(563)	(7,343)	(8,595)	(2,275)	-	-	(1,730,153)
Provision for impairment as of 12/31/2021	-	-	-	-	-	-	-	-	-	-	-	(36,813)
Provision for impairment as of 09/30/2022	-	-	-	-	-	-	-	-	-	-	-	(14,604)
Net property, plant and 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 and equipment at 31/12/2021	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 and equipment at 30/09/2022	77,819	545,705	867,043	114,740	17,039	59	8,817	45,799	-	95,914	482,651	2,240,982

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

(2) Advances on suppliers, plant and equipment in 2022 mainly recorded for the start of construction of green hydrogen production, as described in Note 1 – Operations.

The cost of loans and financing capitalized in the period ended September 30, 2022 was R\$ 22,509 (Zero as of September 30, 2021), equivalent to an average interest rate of 16.81% p.a. There was no interest capitalized as of September 30, 2021.

### 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 have impairment losses and, based on such 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 Químicos, which was dormant. In 2022, the report was concluded and the provision was reduced by R\$ 1,621. Moreover, 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 count 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 semester of 2022, this amount was reassessed and indicated a loss of R\$ 11,284, 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 – Guarantees and Sureties.

## 12. RIGHT-OF-USE AND LEASE LIABILITY

### 12.1 RIGHT-OF-USE

	Consolidated			
	Industrial plants	Tanks and warehouses	Other	Total
<b>Balance at January 1, 2021</b>	<b>272,476</b>	<b>65,985</b>	<b>17,532</b>	<b>355,993</b>
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)
<b>Balance at December 31, 2021</b>	<b>324,069</b>	<b>44,873</b>	<b>40,307</b>	<b>409,249</b>
Additions	26,962	5,129	591	32,682
Translation adjustment	-	-	(831)	(831)
Depreciation	(25,822)	(26,016)	(12,117)	(63,955)
<b>Balance at September 30, 2022</b>	<b>325,209</b>	<b>23,986</b>	<b>27,950</b>	<b>377,145</b>

### 12.2 LEASE LIABILITIES

	Consolidated			
	Industrial plants	Tanks and warehouses	Other	Total
<b>Balance at January 1, 2021</b>	<b>(293,042)</b>	<b>(76,785)</b>	<b>(18,699)</b>	<b>(388,526)</b>
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
<b>Balance at December 31, 2021</b>	<b>(364,242)</b>	<b>(52,323)</b>	<b>(38,404)</b>	<b>(454,969)</b>
Additions	(26,962)	(5,129)	(591)	(32,682)
Interest	(25,998)	(3,361)	(1,739)	(31,098)
Transfers <sup>(1)</sup>	14,079	-	(1,065)	13,014
Translation adjustment	-	-	(506)	(506)
Payments	45,006	34,930	12,838	92,774
<b>Balance at September 30, 2022</b>	<b>(358,117)</b>	<b>(25,883)</b>	<b>(29,467)</b>	<b>(413,467)</b>
			<b>09/30/2022</b>	<b>12/31/2021</b>
Current			(89,844)	(96,387)
Non-current			(323,623)	(358,582)
			<b>(413,467)</b>	<b>(454,969)</b>

(1) Amount referring to inventories of maintenance parts received in the lease of Unigel Agro plants and which were consumed in operations, which, as established in the lease agreement, must be replaced and returned to the lessee at the end of the contracted period. The Group initially classified these amounts together with the lease liability but, according to the nature and essence of the amounts, they were transferred to the caption 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:

	09/30/2022			
	Industrial plants	Tanks and warehouses	Other	Total
Up to 1 year	56,491	16,559	7,251	80,301
2–5 years	268,705	-	8,844	277,549
>5 years	216,571	-	-	216,571
	<b>541,767</b>	<b>16,559</b>	<b>16,095</b>	<b>574,421</b>

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

## 13. LOANS, FINANCING AND DEBENTURES

			Parent company			
			09/30/2022		12/31/2021	
Currency	Type	Rate	Amount	Average rate p.a.	Amount	Average rate p.a.
BRL	Debentures	CDI	529,132	15.77%	-	-
	Financing	Fixed rate	436	11.55%	575	11.55%
<b>Total</b>			<b>529,568</b>	<b>13.66%</b>	<b>575</b>	<b>11.55%</b>
	Current		33,873		190	
	Non-current		495,695		385	

			Consolidated			
			09/30/2022		12/31/2021	
Currency	Type	Rate	Amount	Average rate p.a.	Amount	Average rate p.a.
BRL	Debentures	CDI	529,132	15.77%	-	-
	Financing	IPCA	-	-	25,804	15.70%
		Fixed rate	434	11.55%	575	11.55%
	Working capital	CDI	98,400	17.93%	97,147	13.43%
<b>Total in BRL</b>			<b>627,966</b>		<b>123,526</b>	
USD	Bond	Fixed rate	2,899,708	8.75%	2,910,465	8.75%
	Working capital	Fixed rate	62,254	3.55%	124,101	4.82%
		Libor <sup>(1)</sup>	156,913	5.76%	166,042	3.03%
<b>Total – USD</b>			<b>3,118,875</b>		<b>3,200,608</b>	
<b>Total</b>			<b>3,746,841</b>	<b>9.77%</b>	<b>3,324,134</b>	<b>8.51%</b>
	Current		406,670		332,623	
	Non-current		3,340,171		2,991,511	

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

### 13.1 CHANGES IN LOANS, FINANCING, AND DEBENTURES

	Parent company
<b>January 1, 2021</b>	<b>744</b>
Amortizations	(82)
Interest expenses	40
Interest paid	(40)
<b>Balance at September 30, 2021</b>	<b>662</b>
Amortizations	(87)
Interest expenses	36
Interest paid	(36)
<b>Balance at December 31, 2021</b>	<b>575</b>
Funding of loans, financing and debentures <sup>(2)</sup>	494,061
Interest expenses	34,975
Interest paid	(43)
<b>Balance at September 30, 2022</b>	<b>529,568</b>

	Consolidated
<b>January 1, 2021</b>	<b>2,600,379</b>
Funding of loans and financing <sup>(1)</sup>	1,119,243
Interest expenses	255,230
Gain (loss) on exchange-rate change in the stat. of income	142,363
Gain (loss) on exchange-rate change in OCI	(24,992)
Payment of principal	(587,629)
Interest paid	(170,924)
Translation adjustments - foreign subsidiaries	8,949
<b>Balance at September 30, 2021</b>	<b>3,342,619</b>
Loans and financing	210,205
Interest expenses	96,479
Gain (loss) on exchange-rate change in the stat. of income	79,877
Gain (loss) on exchange-rate change in OCI	(3,403)
Payment of principal	(258,292)
Interest paid	(145,801)
Translation adjustments - foreign subsidiaries	2,450
<b>Balance at December 31, 2021</b>	<b>3,324,134</b>
Funding of loans, financing and debentures <sup>(2)</sup>	576,369
Interest expenses	285,424
Gain (loss) on exchange-rate change in the stat. of income	(50,396)
Gain (loss) on exchange-rate change in OCI	(49,686)
Payment of principal	(171,959)
Interest paid	(188,334)
Compound interest	22,509
Translation adjustments - foreign subsidiaries	(1,220)
<b>Balance at September 30, 2022</b>	<b>3,746,841</b>

- (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% p.a., and the proceeds were used to refinance short-term debt 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% p.a. 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 BONDS

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

The bonds' cash flow arises exclusively from the payment of semi-annual interest on the outstanding principal. The amortization of the principal is made in the bullet type; that is, with only one amortization upon 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 maturity of five years with semi-annual interest payments and a rate of 100% of the CDI plus 2.10% p.a. at a fixed rate. The funding will guarantee adequate capital for investments in the production of the new sulfuric acid plant in the Camaçari Petrochemical Complex, in the state of Bahia.

The debentures were issued in accordance with CVM Instruction 476; that is, with restricted placement efforts and were registered with Anbima. The debentures are of the simple type; that is, they are not convertible into Company shares and do not have inflation adjustment.

The debentures have cash flow exclusively from the payment of principal and semiannual interest on the outstanding principal amount.

The amortization of principal occurs at three different times, as presented in the table below:

Amortization Portion	Amortization date	Percentage of remaining principal balance to be amortized (%)
1	04/08/2025	33.33
2	04/08/2026	50.00
3	04/08/2027	100.00

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

## 13.4 LONG-TERM DISBURSEMENT SCHEDULE

Year	Consolidated					
	09/30/2022			12/31/2021		
	Disbursements	Transaction costs	Total amount	Disbursements	Transaction costs	Total amount
2023	33,846	(5,897)	27,949	107,493	(23,389)	84,104
2024	13,690	(23,459)	(9,769)	14,126	(23,454)	(9,328)
2025	166,667	(23,395)	143,272	-	(23,389)	(23,389)
2026	3,032,165	(19,697)	3,012,468	2,957,664	(17,540)	2,940,124
>2027	166,667	(416)	166,251	-	-	-
	<b>3,413,035</b>	<b>(72,864)</b>	<b>3,340,171</b>	<b>3,079,283</b>	<b>(87,772)</b>	<b>2,991,511</b>

## 13.5 GUARANTEES

As a form of guarantee for loans and 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 contracts and debentures must maintain certain metrics for the financial indicators.

The Group's Management periodically monitors whether the covenants are being complied with and, as of September 30, 2022, they are fully met.

## 14. SUPPLIERS

	Parent company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Raw materials and services	1,860	2,366	488,364	474,000
Property, plant and equipment	-	351	37,280	11,900
<b>Domestic market</b>	<b>1,860</b>	<b>2,717</b>	<b>525,644</b>	<b>485,900</b>
Raw materials and services	-	-	249,763	279,934
Property, plant and equipment	-	-	180	92
<b>Foreign market</b>	<b>-</b>	<b>-</b>	<b>249,943</b>	<b>280,026</b>
Related parties (Note 7)	-	-	158	209
	<b>1,860</b>	<b>2,717</b>	<b>775,745</b>	<b>766,135</b>

On June 16, 2022, some of the Company's subsidiaries entered into agreements with financial institutions. These agreements, called drawee 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 maturity 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 September 30, 2022, drawee risk operations totaled R\$ 140,410.



## 15. TAXES AND CONTRIBUTIONS PAYABLE

	Consolidated	
	09/30/2022	12/31/2021
ICMS	15,260	10,385
PIS and COFINS	9,203	7,794
REFIS - Law 11941/09 <sup>(1)</sup>	10,187	11,511
REFIS - Law 13043/14 <sup>(2)</sup>	5,613	9,379
Tax installment payment programs - PRT and PERT <sup>(3)</sup>	23,430	26,711
State installment payments - PEP <sup>(4)</sup>	6,965	11,536
Federal government installment payments	3,740	4,413
Corporate income tax (IRPJ)	3,872	15,058
Social contribution (CSLL)	13	19,412
Other	5,075	4,370
	<b>83,358</b>	<b>120,569</b>
<b>Current</b>	<b>43,978</b>	<b>69,427</b>
<b>Non-current</b>	<b>39,380</b>	<b>51,142</b>

(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 adhesion on the Group's results was an expense of R\$ 4,737.

The maturities of taxes payable are distributed as follows:

Year	Consolidated
	09/30/2022
2023	10,909
2024	10,573
2025	8,583
2026	4,410
2027	4,905
	<b>39,380</b>

## 16. JUDICIAL DEPOSITS AND PROVISION FOR CONTINGENCIES

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

### 16.1 JUDICIAL DEPOSITS

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

## 16.2 PROVISION FOR CONTINGENCIES

In 2022, the provisions for probable contingencies are recognized in the amount of R\$ 22,398 (R\$ 9,748 as of December 31, 2021) and are detailed below:

	Consolidated			
	Labor proceedings (i)	Tax lawsuits (ii)	Civil lawsuits (iii)	Total
<b>Balance at January 1, 2021</b>	<b>3,876</b>	<b>8,112</b>	-	<b>11,988</b>
Additions of new lawsuits	3,585	6,308	-	9,893
Write-offs due to payments	(4,142)	(7,991)	-	(12,133)
<b>Balance at December 31, 2021</b>	<b>3,319</b>	<b>6,429</b>	-	<b>9,748</b>
Additions of new lawsuits	2,255	14,193	2,157	18,605
Write-offs due to payments	(2,637)	(3,318)	-	(5,955)
<b>Balance at September 30, 2022</b>	<b>2,937</b>	<b>17,304</b>	<b>2,157</b>	<b>22,398</b>

### (i) Labor proceedings

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

### (ii) Tax lawsuits

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 September 30, 2022 refer to:

- tax assessment notice on the collection of PIS/COFINS and CSLL on discounts applied to clients in the amount of R\$ 5,653;
- tax assessment notice referring to offsets with FINSOCIAL credits used supposedly in duplicate in the amount of R\$ 4,210;
- tax assessment notice issued after the 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;
- 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;
- refund and offset the corporate income tax (IRPJ) negative balance, referring to calendar year 1998, due to withholding tax from interest earning bank deposits in the amount of R\$ 600;
- other probable contingencies of a sundry tax nature with dispersed amounts in the amount of R\$ 135.

### (iii) Civil lawsuits

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

The addition made in the period ended September 30, 2022 refers to the defeated party's fees to be executed by the Federal Attorney General's Office (PGU) as a result of the dismissal in all courts of declaratory action filed by the Group companies in the past, aiming at the declaration of inexistence of the legal relationship that obliges companies to carry out the compulsory loan collection on behalf of the Federal Government, 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 parties to sundry lawsuits for which Management, based on the assessment of its internal and external legal advisors, evaluated the risks of losses as possible. The obligations from these lawsuits are considered as a contingent liabilities because it is unlikely that an outflow of funds that include economic benefits will be required to settle the obligation. The nature of the main contingent liabilities are:

	Consolidated	
	09/30/2022	12/31/2021
Labor proceedings (i)	21,201	19,470
Tax lawsuits (ii)	551,526	588,982
Environmental lawsuits (iii)	54,867	52,171
Civil lawsuits (iv)	36,966	32,029
	<b>664,560</b>	<b>692,652</b>

#### (i) Labor proceedings

As of September 30, 2022, the Group was a defendant in approximately 244 (266 as of December 31, 2021) labor lawsuits. The Group did not record a provision for cases in which the risk of loss was classified as possible involving an estimated amount of R\$ 21,201 (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 trade unions and in the Group's most important trade union lawsuit, 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 lawsuits

The Group is a defendant in tax lawsuits 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\$ 134,412 was classified as possible (R\$ 133,825 as of December 31, 2021).

In addition to the aforementioned lawsuit, the Group is a party to other tax lawsuits classified as possible by its legal advisors according to previous Courts of Justice 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 IRPJ/CSLL calculation basis - R\$ 80,166 (R\$ 79,816 on December 31, 2021);
- Collection of PIS and COFINS on discounts applied to customers - R\$ 26,122 (R\$ 31,654 on December 31, 2021); the change arises from the reclassification of one of the lawsuits to the "probable" loss risk;
- Discussion on tax credits of IRPJ and CSLL, PIS and COFINS (Social Contributions) used to offset the tax amounts owed to the Federal Government - R\$ 88,173 (R\$ 99,605 on December 31, 2021). The change arises from the reclassification of one of the lawsuits to the "probable" loss risk;
- Collection of ICMS tax on drawback - R\$ 17,916 (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\$ 66,044 (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\$ 13,386 (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\$ 1,757 (R\$ 4,468 as of December 31, 2021). The change arises from the reclassification of one of the lawsuits to the “probable” risk of loss, considering the stage of the lawsuit (pending judgment of appeal in a superior court);
- Tax assessment notices for the collection of an isolated fine of 50% on federal offsetting allegedly not approved in the amount of - R\$ 7,354 (R\$ 15,278 as of December 31, 2021). The change arises from the full success in one of the demands of this nature;
- Collection of ICMS on operations that would not be taxed, since they are covered by invoices for the specific purpose of export in the amount of - R\$ 10,571 (R\$ 10,525 as of December 31, 2021);
- Requests for reimbursement of REINTEGRA credits with linked offsets not fully or partially approved in the amount of - R\$ 7,384 (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 thesis in this regard in the amount of -R\$ 6,325 (R\$ 7,169 as of December 31, 2021);
- Collection of solid household waste fee (TRSD) amounting to R\$ 2,745 (R\$ 3,539 at December 31, 2021);
- Other sundry tax contingencies with pulverized amounts totaling - R\$ 89,171 (R\$ 98,613 in December 2021).

### *(iii) Environmental lawsuits*

As of September 30, 2022, the Group was a defendant in 28 (28 as of December 31, 2021) environmental lawsuits. The Group did not establish provisions for cases in which the risk of loss was classified as possible involving R\$ 54,867 (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 challenged 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\$ 1,064 (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 indemnification due to the alleged release of chemicals in the water of Estuário Rio São Paulo and Todos os Santos Bay, occurred in 2009, above the parameters allowed by environmental legislation (Conama Resolution 357/2005) which resulted in the interruption of fishing activities in that location. 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 lawsuit is considered as a possible loss, in the amount of R\$ 52,300 (R\$ 49,596 on December 31, 2021).

Other environmental and sundry contingencies and scattered amounts total R\$ 1,503 (R\$ 1,628 as of December 31, 2021).

### *(iv) Civil lawsuits*



On September 30, 2022, the Group was a defendant to approximately 15 (16 as of December 31, 2021) civil lawsuits, representing total estimated loss of R\$ 36,966 (R\$ 32,029 on December 31, 2021).

Regarding the major proceeding, the Group is defendant in a lawsuit filed by N.C. S/C Ltda., a former 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 denied. The Group is being ordered to pay damages to the plaintiff. However, it is contesting the amount of damages owed.

## 17. SHAREHOLDERS' EQUITY

### 17.1 CAPITAL

The capital as of September 30, 2022 is R\$ 920,963 (R\$ 276,185 as of December 31, 2021), comprised by 920,962,726 (414,297,488 as of December 31, 2021) common nominative shares with no par value.

On March 16, 2022, the Annual and Extraordinary Shareholders' Meeting (AGOE) approved a capital increase in the amount of R\$ 644,778, with a portion of the unrealized profit reserve referring to the part not distributed as dividends of the adjusted net income for the year ended December 31, 2021. The increase resolved herein resulted in the issuance of 506,665,238 (five hundred and six million, six hundred and sixty and five thousand, two hundred and thirty-eight) new shares, all registered common shares with no par value.

### 17.2 PROFIT RESERVES

Profit reserves include the following reserves:

- **Legal reserve:** It is annually formed at 5% of net income for the year up to the limit of 20% of Company's capital.
- **Unrealized profit reserve:** The balance on December 31, 2021 refers to the part of the profits calculated in the same year that was aimed at the capital increase, as proposed by Management and, later, ratified at the Annual and Extraordinary Shareholders' Meeting (AGOE) held on March 16, 2022, which approved the accounts for the year 2021. On September 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, net of taxes whose recognition in income (loss) is pending until cash flows or hedged items affect the income (loss) for the year;
- **Remeasurements of post-employment benefit liabilities/assets:** comprise the effects of actuarial gains and losses, net of taxes;
- **Accumulated adjustments in translation effects of foreign transactions:** includes all differences resulting from the translation of interim financial information, net of taxes, on foreign operations into the functional currency;
- **Cost assigned to property, plant and equipment, net of tax effects:** in the context of the adoption of IFRS for the first time in Brazil starting January 1, 2010, the Group revaluated its property, plant and equipment at fair value (deemed cost) on the

transition date. The portion calculated from this revaluation was accounted net of taxes as an equity valuation adjustment and has been realized against retained earnings in proportion to the depreciation, recorded in the income (loss) for the period, of 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		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Gross revenue</b>				
Sale of products	2,185,032	1,582,251	6,464,045	4,118,121
Related parties (Note 7)	38,566	11,964	110,268	47,532
<b>Total sale of goods in domestic market</b>	<b>2,223,598</b>	<b>1,594,215</b>	<b>6,574,313</b>	<b>4,165,653</b>
Sale of products	495,197	540,772	1,771,837	1,618,428
<b>Total sale of goods in foreign market</b>	<b>495,197</b>	<b>540,772</b>	<b>1,771,837</b>	<b>1,618,428</b>
<b>Total gross revenue</b>	<b>2,718,795</b>	<b>2,134,987</b>	<b>8,346,150</b>	<b>5,784,081</b>
<b>Deductions from gross revenue</b>				
Sales tax	(271,080)	(203,975)	(793,376)	(576,106)
Returns and discounts	(17,602)	(9,671)	(35,254)	(26,153)
	<b>(288,682)</b>	<b>(213,646)</b>	<b>(828,630)</b>	<b>(602,259)</b>
<b>Total net revenue</b>	<b>2,430,113</b>	<b>1,921,341</b>	<b>7,517,520</b>	<b>5,181,822</b>

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 revenue mainly from product sales in the styrene, acrylic and agro segments.

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

	Consolidated									
	Three-month period ended:									
	Styrene		Acrylic		Agro		Eliminations		Total	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Brazil	752,796	630,331	182,379	243,763	940,572	572,186	(33,260)	(63,573)	1,842,487	1,382,707
Mexico	2,305	1,876	114,334	142,663	-	-	-	-	116,639	144,539
USA and Canada	9,859	19,839	132,460	108,898	-	-	-	-	142,319	128,737
Asia	-	-	2,723	54,581	-	-	-	-	2,723	54,581
Europa	4,076	5,749	20,380	56,973	149,741	-	-	-	174,197	62,722
Middle East	889	901	-	-	-	-	-	-	889	901
Central and South America	62,429	53,627	33,504	20,960	43,914	46,775	-	-	139,847	121,362
Africa	5,487	16,863	5,525	8,929	-	-	-	-	11,012	25,792
<b>Total net revenue</b>	<b>837,841</b>	<b>729,186</b>	<b>491,305</b>	<b>636,767</b>	<b>1,134,227</b>	<b>618,961</b>	<b>(33,260)</b>	<b>(63,573)</b>	<b>2,430,113</b>	<b>1,921,341</b>

	Consolidated									
	Nine-month period ended:									
	Styrene		Acrylic		Agro		Eliminations		Total	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Brazil	2,286,143	2,003,961	501,574	797,076	2,793,459	913,198	(176,060)	(143,845)	5,405,116	3,570,390
Mexico	7,284	6,730	475,880	537,529	-	-	-	-	483,164	544,259
USA and Canada	34,571	47,919	420,553	351,764	-	-	-	-	455,124	399,683
Asia	517	-	6,820	61,214	103,082	-	-	-	110,419	61,214
Europa	42,916	10,346	168,342	151,144	234,690	-	-	-	445,948	161,490
Middle East	4,591	1,435	769	50,389	-	-	-	-	5,360	51,824
Central and South America	306,094	213,229	93,094	72,364	53,683	46,775	-	-	452,871	332,368
Africa	68,956	43,945	20,000	16,649	70,562	-	-	-	159,518	60,594
<b>Total net revenue</b>	<b>2,751,072</b>	<b>2,327,565</b>	<b>1,687,032</b>	<b>2,038,129</b>	<b>3,255,476</b>	<b>959,973</b>	<b>(176,060)</b>	<b>(143,845)</b>	<b>7,517,520</b>	<b>5,181,822</b>

## 19. EXPENSES PER TYPE AND ROLE

	Consolidated			
	Three-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<b>Classified by function:</b>				
Cost of goods sold	(2,072,926)	(1,626,880)	(5,991,008)	(4,036,157)
From sales	(16,802)	(13,681)	(47,731)	(34,323)
Administrative and general	(47,377)	(35,291)	(137,550)	(99,383)
	<b>(2,137,105)</b>	<b>(1,675,852)</b>	<b>(6,176,289)</b>	<b>(4,169,863)</b>
<b>Classified by nature:</b>				
Raw materials and materials for use and consumption <sup>(1)(2)</sup>	(1,694,276)	(1,380,202)	(4,856,458)	(3,414,612)
Personnel expenses	(93,216)	(77,692)	(265,475)	(243,826)
Outsourced services	(74,345)	(49,753)	(203,651)	(90,644)
Restructuring (indemnities)	-	(1,111)	-	(2,926)
Provisions for contingencies	(3,539)	(2,569)	(18,605)	(7,705)
Depreciation of right-of-use asset	(24,942)	(19,825)	(63,955)	(54,047)
Depreciation and amortization	(45,259)	(35,776)	(140,556)	(98,225)
Freight and <i>demurrage</i>	(198,665)	(93,042)	(547,695)	(247,098)
Other expenses	(2,863)	(15,882)	(79,894)	(10,780)
	<b>(2,137,105)</b>	<b>(1,675,852)</b>	<b>(6,176,289)</b>	<b>(4,169,863)</b>

(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 took place in early August. The expenses resulting from this stoppage, incurred up to the period ended September 30, 2022, were recognized in the cost for the period and amount to R\$ 74,646.

(2) In 2021 and 2022, the Group's operations continue to be impacted by the COVID-19 pandemic. In this context, all expenses related to changes made to plants to prevent contamination were classified as "Pandemic-related expenses." These expenses were classified as "Cost of goods sold" in the amount of R\$ 1,724 (R\$ 2,406 as of September 30, 2021).



## 20. OTHER OPERATING (EXPENSES) REVENUES

	Consolidated			
	Three-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
ICMS exclusion from PIS/COFINS calculation basis <sup>(1)</sup>	-	-	-	240,325
Consolidation of installment payments	-	-	5,214	-
Insurance indemnity <sup>(2)</sup>	-	-	13,965	2,222
Scrap	190	265	603	417
Gain in the sale of assets	-	107	-	57
Reversal of property, plant and equipment inventory (Note 11)	-	-	6,820	-
Recovery of taxes	32	-	391	-
Other operating revenues	746	-	-	-
<b>Total other operating revenues</b>	<b>968</b>	<b>372</b>	<b>26,993</b>	<b>243,021</b>
Write-off in transaction cost <sup>(3)</sup>	(1,919)	-	(18,260)	-
Plant stoppage	-	(163)	-	(547)
Loss on sale of assets	(236)	-	(2,379)	-
Other operating expenses	-	(876)	(334)	(253)
<b>Total other operating expenses</b>	<b>(2,155)</b>	<b>(1,039)</b>	<b>(20,973)</b>	<b>(800)</b>
	<b>(1,187)</b>	<b>(667)</b>	<b>6,020</b>	<b>242,221</b>

- (1) On May 14, 2021, the Federal Supreme Court (STF), by means of decision on Motions for clarifications filed by the Federal Government determined the understanding that the ICMS to be excluded from PIS and COFINS calculation basis is the one highlighted in the invoice. Moreover, the parties decided to modulate the effects of said decision with general repercussions as of March 15, 2017, except for the legal or administrative proceedings filed up to that date. In summary, taxpayers who have not claimed the refund of the amounts so far will be entitled to calculate and receive the 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 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, from the date of the injunction granted until the final decision on the matters under discussion. With the decision of the Federal Supreme Court (STF), 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) Amounts of insurance premiums received in 2022 and 2021 resulting from claims at the Proquigel plant in 2021.
- (3) In 2021, Unigel Participações tried to go public and trade its shares on the B3 stock exchange. All expenses incurred in this project were activated to carry them out at the same time as the operation was made. Despite having obtained all the necessary records, the Group understood that the 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 decided to record these expenses in the income (loss) for the period.

## 21. FINANCIAL INCOME (LOSS)

	Consolidated			
	Three-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Interest earning bank deposits on assets measured at FVTPL	23,180	181	47,716	7,327
Revenue from interest receivables	141	119	920	344
Discounts obtained from suppliers	10	59	317	503
Restatement on PIS/COFINS credit	796	-	2,750	10,617
Other revenues financial	11	76	41	211
<b>Total financial revenue</b>	<b>24,138</b>	<b>435</b>	<b>51,744</b>	<b>19,002</b>
Expenses with interest on loans, bank financing, debentures and derivatives	(106,189)	(90,784)	(285,423)	(255,230)
Hedge cost <sup>(1)</sup>	(178,952)	(42,947)	(436,525)	(45,288)
Lease interest from lease liabilities	(9,566)	(8,520)	(31,098)	(24,455)
Bank charges and commissions on loans	(2,888)	(701)	(9,836)	(7,907)
Liability interest	(3,256)	(4,276)	(24,316)	(11,413)
Adjustment to fair value of derivatives <sup>(1)</sup>	(48,631)	18,656	(13,930)	49,080
Other expenses financial	(1,662)	(3,495)	(16,194)	(13,729)
<b>Total financial expenses</b>	<b>(351,144)</b>	<b>(132,067)</b>	<b>(817,322)</b>	<b>(308,942)</b>
Net exchange-rate changes	(11,970)	(47,480)	(21,366)	3,576
<b>Financial income (loss)</b>	<b>(338,976)</b>	<b>(179,112)</b>	<b>(786,944)</b>	<b>(286,364)</b>

- (1) The result of derivatives is segregated as follows: (i) exchange rate change, presented under foreign exchange and monetary changes; (ii) adjustment of interest and option premiums, presented in the hedge cost line and (iii) adjustment to fair value, which corresponds to the difference between the amortized cost and the fair value of the derivative, presented in the line Adjustment to fair value of derivatives.

## 22. INFORMATION ON SEGMENTS

### 22.1 BASIS FOR SEGMENTATION

The Group is a mainly producer of intermediate chemicals and operates in the second generation of the 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 is classified into two segments, called acrylics and styrene.

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 (formerly FAFENs) in Sergipe and Bahia. This new segment was called "Agro". In summary, in this new segment, the Group acquires certain basic raw materials, particularly natural gas, and converts them into ammonium sulfate, ammonia, urea and ARLA.

The Executive Board (the main manager of operations) evaluates the performance of the businesses separately by their strategic divisions (styrene, 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:

**Styrene:** The Styrene segment mainly encompasses the production and sale of styrene, polystyrene, latex and toluene, which are basically used in the production of household appliances, electronics, construction materials, packaging and plastic disposables. Styrene is also sold to chemical manufacturers and converters.

**Acrylic:** The Acrylics business mainly consists of the production and sale of acrylonitrile, methacrylates (MMA, EMA and GMAA), acrylic boards and resins and sodium cyanide. Acrylics are sold to several sectors of the economy, with emphasis on civil construction, automotive, mining, electronics, textiles, among others. These products are also sold 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.





Individual and consolidated interim financial information  
as of September 30, 2022

	Consolidated											
	Three-month period											
	Styrene		Acrylic		Agro		Corporate Unit		Eliminations		Total	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	837,841	729,186	491,305	636,767	1,134,227	618,961	-	-	(33,260)	(63,573)	2,430,113	1,921,341
Cost of goods sold	(742,378)	(657,423)	(491,850)	(558,614)	(871,958)	(474,416)	-	-	33,260	63,573	(2,072,926)	(1,626,880)
<b>Gross income (loss)</b>	<b>95,463</b>	<b>71,763</b>	<b>(545)</b>	<b>78,153</b>	<b>262,269</b>	<b>144,545</b>	-	-	-	-	<b>357,187</b>	<b>294,461</b>
Sales, administrative and general expenses	(11,126)	(11,834)	(29,831)	(24,704)	(14,941)	(9,057)	(7,478)	(3,367)	-	-	(63,376)	(48,962)
Other operating revenue (expenses)	1,794	(1,219)	(465)	619	(551)	(4)	(1,965)	(63)	-	-	(1,187)	(667)
<b>Income (loss) before financial income (loss) and taxes</b>	<b>86,131</b>	<b>58,710</b>	<b>(30,841)</b>	<b>54,068</b>	<b>246,777</b>	<b>135,484</b>	<b>(9,443)</b>	<b>(3,430)</b>	-	-	<b>292,624</b>	<b>244,832</b>
Financial income (loss)	-	-	-	-	-	-	(338,976)	(179,112)	-	-	(338,976)	(179,112)
<b>Income (loss) before taxes</b>	<b>86,131</b>	<b>58,710</b>	<b>(30,841)</b>	<b>54,068</b>	<b>246,777</b>	<b>135,484</b>	<b>(348,419)</b>	<b>(182,542)</b>	-	-	<b>(46,352)</b>	<b>65,720</b>

	Consolidated											
	Nine-month period											
	Styrene		Acrylic		Agro		Corporate Unit		Eliminations		Total	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net revenue	2,751,072	2,327,565	1,687,032	2,038,129	3,255,476	959,973	-	-	(176,060)	(143,845)	7,517,520	5,181,822
Cost of goods sold	(2,366,206)	(1,747,584)	(1,549,413)	(1,677,882)	(2,251,449)	(754,536)	-	-	176,060	143,845	(5,991,008)	(4,036,157)
<b>Gross income</b>	<b>384,866</b>	<b>579,981</b>	<b>137,619</b>	<b>360,247</b>	<b>1,004,027</b>	<b>205,437</b>	-	-	-	-	<b>1,526,512</b>	<b>1,145,665</b>
Sales, administrative and general expenses	(39,781)	(35,476)	(81,999)	(75,915)	(40,599)	(15,365)	(20,323)	(10,546)	-	-	(182,702)	(137,302)
Other operating revenue (expenses)	15,412	179,500	10,385	63,602	(1,394)	(10)	(18,383)	(871)	-	-	6,020	242,221
<b>Income (loss) before financial income (loss) and taxes</b>	<b>360,497</b>	<b>724,005</b>	<b>66,005</b>	<b>347,934</b>	<b>962,034</b>	<b>190,062</b>	<b>(38,706)</b>	<b>(11,417)</b>	-	-	<b>1,349,830</b>	<b>1,250,584</b>
Financial income (loss)	-	-	-	-	-	-	(786,944)	(286,364)	-	-	(786,944)	(286,364)
<b>Income (loss) before taxes</b>	<b>360,497</b>	<b>724,005</b>	<b>66,005</b>	<b>347,934</b>	<b>962,034</b>	<b>190,062</b>	<b>(825,650)</b>	<b>(297,781)</b>	-	-	<b>562,886</b>	<b>964,220</b>

## 23. FINANCIAL INSTRUMENTS

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

		Parent company				Consolidated			
		09/30/2022		12/31/2021		09/30/2022		12/31/2021	
	Note	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
<b>Assets</b>									
<b>Fair value through profit or loss (FVTPL)</b>									
Short-term interest earning bank deposits <sup>(i)</sup>	4	11,372	11,372	-	-	663,060	663,060	417,070	417,070
Derivatives	27	-	-	-	-	48,179	48,179	26,621	26,621
Embedded derivatives <sup>(ii)</sup>	27	-	-	-	-	89,163	89,163	129,398	129,398
Other receivables	-	-	-	-	-	8,620	8,620	8,620	8,620
		<b>11,372</b>	<b>11,372</b>	<b>-</b>	<b>-</b>	<b>809,022</b>	<b>809,022</b>	<b>581,709</b>	<b>581,709</b>
<b>Amortized cost</b>									
Trade accounts receivable	5	-	-	-	-	551,484	551,484	488,392	488,392
Dividends receivable	7	-	-	4,218	-	-	-	-	-
Related parties	7	2,847	-	3,049	-	-	-	-	-
Contract credits <sup>(iv)</sup>	23,2	-	-	-	-	6,116	-	5,848	-
		<b>2,847</b>	<b>-</b>	<b>7,267</b>	<b>-</b>	<b>557,600</b>	<b>551,484</b>	<b>494,240</b>	<b>488,392</b>
		<b>14,219</b>	<b>11,372</b>	<b>7,267</b>	<b>-</b>	<b>1,366,622</b>	<b>1,360,506</b>	<b>1,075,949</b>	<b>1,070,101</b>

		Parent company				Consolidated			
		09/30/2022		12/31/2021		09/30/2022		12/31/2021	
	Note	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
<b>Liabilities</b>									
<b>Fair value through profit or loss (FVTPL)</b>									
Derivatives	27	-	-	-	-	(468,211)	(468,211)	(149,095)	(149,095)
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(468,211)</b>	<b>(468,211)</b>	<b>(149,095)</b>	<b>(149,095)</b>
<b>Amortized cost</b>									
Suppliers	14	(1,860)	-	(2,717)	-	(775,745)	-	(766,135)	-
Loans, financing and debentures	13	(529,568)	(534,932)	(575)	(575)	(3,746,841)	(3,379,487)	(3,324,134)	(3,502,835)
Dividends payable	7	(26,071)	-	(182,349)	-	(26,071)	-	(182,349)	-
Related parties	7	(1,146,565)	-	(1,460,824)	-	(74)	-	(141)	-
Other liabilities	-	(2)	-	(470)	-	(26,738)	-	(9,460)	-
		<b>(1,704,066)</b>	<b>(534,932)</b>	<b>(1,646,935)</b>	<b>(575)</b>	<b>(4,575,469)</b>	<b>(3,379,487)</b>	<b>(4,282,219)</b>	<b>(3,502,835)</b>
		<b>(1,704,066)</b>	<b>(534,932)</b>	<b>(1,646,935)</b>	<b>(575)</b>	<b>(5,043,680)</b>	<b>(3,847,698)</b>	<b>(4,431,314)</b>	<b>(3,651,930)</b>

### 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 interest earning bank deposits have their fair value calculated by the discounted cash flows. 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 and Pre, risk-free 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*

For debt quoted in an active market, as is the case of bonds issued by the Group, the quoted base prices and prices adjusted to consider the effect of interest (dirty price) are obtained. 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 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 the 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. 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) *Contract 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 based on discounted cash flows. 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 and Pre, risk-free 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 CONTRACT CREDITS

Ultimately, the Group needs to make escrow deposits in guarantee of operations for the supply of goods and services. These deposits are made in cash and are monetarily restated during the term of the transaction, eventually returning to the Group's companies with the full restatement transferred to cash. These contractual credits are classified outside the cash and cash equivalents group, as their redemption relies on other factors to occur and, therefore, is not immediate. The Group updates the amount on a timely basis against income (loss) according to the contractual rates. The recognized amounts total R\$ 6,116 on September 30, 2022 and R\$ 5,848 as of December 31, 2021.

## 23.3 RISK MANAGEMENT STRUCTURE

The Company's Board of Directors has full responsibility for the establishment and supervision of Group's risk management structure. This Board of Directors established that the Risk Management Committee is in charge of developing and monitoring the risk management policies of Group's companies. 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. Mainly arises from the Group's receivables and cash equivalents.





	Note	Parent company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash and cash equivalents	4	12,151	473	1,244,808	849,338
Trade accounts receivable	5	-	-	574,164	536,960
Operations with derivatives	27	-	-	48,179	26,621
Contract credits	23,2	-	-	6,116	5,848
Other assets		86	14,343	45,279	51,206
		<b>12,237</b>	<b>14,816</b>	<b>1,918,546</b>	<b>1,469,973</b>

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

#### (i) Cash and cash equivalents

These amounts are maintained in banks and financial institutions with BB- and A- rating on a global scale, according to rating agencies Standard & Poor's 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, 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 the Group's customers deal with the Group for more than ten years, and no impairment loss has been recognized against them. 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 guarantees, 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							
	Styrene		Acrylic		Agro		Total	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Domestic market	200,925	88,513	111,965	114,100	113,693	127,559	426,583	330,172
Foreign market	54,332	93,305	88,369	96,057	-	-	142,701	189,362
Related parties (Note 7)	64	17,426	-	-	4,816	-	4,880	17,426
	<b>255,321</b>	<b>199,244</b>	<b>200,334</b>	<b>210,157</b>	<b>118,509</b>	<b>127,559</b>	<b>574,164</b>	<b>536,960</b>

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

Ranges of appropriation of estimated credit loss, according to aging, segment and market

	Falling due	1-30	31-60	61-90
<b>Acrylic</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Foreign market	0.00%	0.00%	0.00%	0.00%
Domestic market	0.00%	0.00%	0.00%	0.00%
<b>Styrene</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Foreign market	0.01%	0.02%	0.03%	0.20%
Domestic market	0.02%	0.06%	0.18%	0.18%
<b>Agro</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
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 presented below:

	Consolidated							
	Styrene		Acrylic		Agro		Total	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Falling due (days):	234,092	146,577	151,822	166,346	115,093	123,816	501,007	436,739
01-30	4,489	13,727	34,856	29,805	-	320	39,345	43,852
31-60	746	301	4,710	3,508	-	-	5,456	3,809
61-90	177	205	2,255	1,848	-	-	2,432	2,053
>90	15,817	38,434	6,691	8,650	3,416	3,423	25,924	50,507
	<b>255,321</b>	<b>199,244</b>	<b>200,334</b>	<b>210,157</b>	<b>118,509</b>	<b>127,559</b>	<b>574,164</b>	<b>536,960</b>

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

	Note	Consolidated				
		09/30/2022				
		01-12 months	13-24 months	25-36 months	>36 months	Total future value
<b>Non-derivative financial liabilities</b>						
Loans, financing and debentures	13	391,485	1,260,756	717,467	3,436,526	5,806,234
Suppliers	14	775,745	-	-	-	775,745
Other accounts payable		13,288	13,450	-	-	26,738
		<b>1,180,518</b>	<b>1,274,206</b>	<b>717,467</b>	<b>3,436,526</b>	<b>6,608,717</b>

		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
Other accounts payable		8,041	1,419	-	-	9,460
		<b>1,346,964</b>	<b>370,591</b>	<b>273,066</b>	<b>3,475,256</b>	<b>5,465,877</b>

Interest payments on loans and financing included in the table above reflect market interest rates, which were in effect on that date. Moreover, those values can change as market interest rates change.

As mentioned in Note 13 - Loans, financing and debentures, 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 as a counter-entry to 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 Group's management are translated to the last conversion rate for the period reported by the Central Bank of Brazil (Bacen), as follows:

		Consolidated					
		09/30/2022			12/31/2021		
	Note	BRL	USD	MXM	BRL	USD	MXM
Translation rate		1.0000	5.4066	0.2686	1.0000	5.5805	0.2728
Interest earning bank deposits – MXM	4	5,007	-	18,641	50,269	-	184,271
Cash in banks in dollars – USD	4	560,747	103,715	-	354,023	63,439	-
Accounts receivable – USD	5	142,701	26,394	-	189,362	33,933	-
Loans and financing – USD	13	(3,118,875)	(576,864)	-	(3,200,608)	(573,534)	-
NDFs – USD	-	288,264	53,317	-	252,652	45,274	-
Derivatives – USD <sup>(1)</sup>	-	1,081,320	200,000	-	1,116,100	200,000	-
Derivatives – USD <sup>(2)</sup>	-	-	-	-	613,855	110,000	-
Derivatives – USD <sup>(3)</sup>	-	-	-	-	1,227,710	220,000	-
Derivatives – USD <sup>(4)</sup>	-	594,726	110,000	-	-	-	-
Derivatives – USD <sup>(5)</sup>	-	1,189,452	220,000	-	-	-	-
Suppliers	14	(249,943)	(46,229)	-	(280,026)	(50,179)	-
<b>Net exposure</b>		<b>493,399</b>	<b>90,333</b>	<b>18,641</b>	<b>323,337</b>	<b>48,933</b>	<b>184,271</b>

<sup>(1)</sup>Foreign exchange swaps with a notional value of US\$ 200 million with barriers between R\$ 4.1500 and R\$ 5.6000;

<sup>(2)</sup>Foreign exchange swaps with a notional value of US\$ 110 million with barriers between R\$ 5.3996 and R\$ 8.0000;

<sup>(3)</sup>Foreign exchange swaps with a notional value of US\$ 220 million with barriers between R\$ 5.0000 and R\$ 7.5000;

<sup>(4)</sup>Foreign exchange swaps with a notional value of US\$ 110 million with barriers between R\$ 5.1998 and R\$ 6.7500;

<sup>(5)</sup>Foreign exchange swaps with a notional value of US\$220 million with barriers 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 September 30, 2022 would have affected the measurement of financial instruments in foreign currency and consequently, affected the Group's shareholders' equity and income (loss) 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			
		09/30/2022			
		Scenarios in USD		Scenarios in MXM	
		BRL	USD	BRL	MXM
Translation rate		1.0000	5.4066	1.0000	0.2686
Net exposure		488,392	90,333	5,007	18,641
		BRL	BRL	BRL	BRL
		Possible +25%	Remote +50%	Possible -25%	Remote -50%
Sensitivity					
Translation rate		6.7583	8.1099	0.2015	0.1343
Net exposure (scenarios)		317,080	(351,976)	3,756	2,503
Effect in thousands of reais (R\$)		(171,312)	(840,368)	(1,251)	(2,504)

	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	273,071	48,933	50,269	184,271
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)	341,333	409,596	37,706	25,135
Effect in thousands of reais (R\$)	68,262	136,525	(12,563)	(25,134)

#### (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 by the Management is as follows:

	Consolidated	
	09/30/2022	12/31/2021
<b>Fixed rate instruments</b>		
Financial liabilities (Note 13)	(2,962,398)	(3,035,141)
<b>Variable rate instruments</b>		
Financial assets (Note 4)	663,060	417,070
Financial liabilities (Note 13)	(784,443)	(288,993)

#### (i) Sensitivity analysis

Financial instruments, including non-derivatives, are exposed to changes in fair value as the result of fluctuation of interest rates. 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 changes in Libor and CDI rate.

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

Sensitivity analysis of changes in rate:

	Consolidated				Consolidated			
	09/30/2022				12/31/2021			
	Scenarios in Libor		Scenarios in CDI		Scenarios in Libor		Scenarios in CDI	
	Libor	CDI	Libor	CDI	Libor	CDI	Libor	CDI
Rate	0.2965%	13.6500%	0.0820%	9.1500%				
Financial liabilities	(156,913)	(627,530)	(166,042)	(97,147)				
Effect on the statement of income	(465)	(85,658)	(136)	(8,889)				
	Possible +25%	Remote +50%	Possible +25%	Remote +50%	Possible +25%	Remote +50%	Possible +25%	Remote +50%
Rate	0.3706%	0.4448%	17.0625%	20.4750%	0.1025%	0.1230%	11.4375%	13.7250%
Loans and financing (effects in the balance sheet)	(157,495)	(157,611)	(734,605)	(756,019)	(166,212)	(166,246)	(108,258)	(110,480)
Effect on the statement of income	(582)	(698)	(107,073)	(128,487)	(170)	(204)	(11,111)	(13,333)

(vi) *Commodities risk*

The Company is exposed to changes in the price of oil since it has gas purchase contracts whose pricing instrument is the monthly arithmetic average of the Brent price. To manage this risk, the company contracts call options on Brent oil, pursuant to Note 23.4 (iii). These contracts aim to reduce the impact of fluctuations in the contractual price of gas purchases and, in turn, help with cash flow predictability by reducing the volatility of future disbursements.

	Consolidated		Consolidated	
	09/30/2022		12/31/2021	
	+25%	+50%	+25%	+50%
<b>Brent price (USD)</b>	<b>109.95</b>	<b>131.94</b>	<b>97.23</b>	<b>116.67</b>
Brent options	122,776	194,815	90,437	140,009
Hedged projected purchases	(122,776)	(194,815)	(90,437)	(140,009)
Effect on the statement of income	-	-	-	-

## 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-rate change 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			
	09/30/2022		12/31/2021	
	Assets - projected dollar billing	Liabilities - loans and financing	Assets - projected dollar billing	Liabilities - loans and financing
<b>Book balance</b>	<b>551,484</b>	<b>(420,874)</b>	<b>488,392</b>	<b>(470,559)</b>
01–12 months	149,042	(149,042)	52,222	(52,222)
13–24 months	-	-	58,672	(58,672)
25–35 months	14,669	(14,669)	98,298	(98,298)
>36 months	257,163	(257,163)	261,367	(261,367)
	<b>420,874</b>	<b>(420,874)</b>	<b>470,559</b>	<b>(470,559)</b>

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

The Group contracted derivative financial instruments for the protection of pre-fixed interest and exchange-rate change on its issue of foreign bonds. Both instruments mature 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					
	09/30/2022			12/31/2021		
	Accrual	MtM adjustment	Fair value	Accrual	MtM adjustment	Fair value
Swap	(80,192)	(38,139)	(118,331)	(26,999)	(113,303)	(140,302)
<b>Total current</b>	<b>(80,192)</b>	<b>(38,139)</b>	<b>(118,331)</b>	<b>(26,999)</b>	<b>(113,303)</b>	<b>(140,302)</b>
Swap	345,665	(345,665)	-	437,832	(437,832)	-
<b>Total non-current</b>	<b>345,665</b>	<b>(345,665)</b>	<b>-</b>	<b>437,832</b>	<b>(437,832)</b>	<b>-</b>
<b>Total operations with derivatives</b>	<b>265,473</b>	<b>(383,804)</b>	<b>(118,331)</b>	<b>410,833</b>	<b>(551,135)</b>	<b>(140,302)</b>

The relationship on September 30, 2022 between the derivative and the Bond is shown below:

Instrument	Currency	Barriers	Principal/ Notional (USD)	Principal/ Notional (BRL)	Exchange rate change
Loans	USD		(200,000)	(1,081,320)	(251,320)
Swaps	USD	4.1500 – 5.6000	200,000	1,081,320	251,320
Loans	USD		(110,000)	(594,726)	(22,748)
Swaps	USD	5.1998 – 6.7500	110,000	594,726	22,748
Loans	USD		(220,000)	(1,189,452)	(67,474)
Swaps	USD	5.0999 – 6.7500	220,000	1,189,452	67,474
<b>Current loans and swaps</b>			-	-	-

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 September 30, 2022, the calculated amount in shareholders' equity was R\$ 397,319 (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 is 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 purchases of Natural Gas are hedged from increases in the price of a barrel of Brent oil. As the hedging instruments are options, if the price in dollars of a Brent barrel drops, the Group benefits from the reduction, if there is a rise in the price, the Group is protected.

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 "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 contracted currency non-deliverable forwards (NDFs) in the same volume as the premiums to be paid.

Thus, the two hedge structures aim to hedge Natural Gas costs and the balance of 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 they actually occur and option premiums payable are recorded at amortized cost, while hedging instrument derivatives are recorded at fair value. Therefore, and to eliminate the accounting asymmetry 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 shareholders' equity accounts, in other comprehensive income.

Month	Protected brent volume
October 2022	279,000
November 2022	270,000
December 2022	279,000
January 2023	372,000
February 2023	372,000
March 2023	336,000
April 2023	369,000
May 2023	360,000
June 2023	372,000
July 2023	360,000

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

(i) *Loans and financing – Exchange-rate change*

	Consolidated			
	09/30/2022		09/30/2021	
	OCI	Income statement	OCI	Income statement
Exchange variation of loans and financing	(49,686)	(48,562)	24,992	(142,363)
Deferred taxes on exchange-rate change	11,273	16,511	-	-
	<b>(38,413)</b>	<b>(32,051)</b>	<b>24,992</b>	<b>(142,363)</b>

(ii) *Bond and swap*

	Consolidated			
	09/30/2022		09/30/2021	
	OCI	Income statement	OCI	Income statement
Foreign exchange on loans and financing	-	92,167	-	(149,586)
Exchange-rate change on swap	-	(92,167)	-	149,586
Interest of swap	-	(105,054)	-	8,151
Adjustment to fair value of swap	50,863	(21,696)	(347,788)	-
Deferred taxes on adjustments at fair value	(17,293)	(31,337)	-	-
	<b>33,570</b>	<b>(158,087)</b>	<b>(347,788)</b>	<b>8,151</b>

(iii) *Brent Options*

	Consolidated			
	09/30/2022		09/30/2021	
	OCI	Income statement	OCI	Income statement
Exchange-rate change from NDF (USD)	-	11,774	-	6,731
Adjustment to fair value - NDF	4,318	(11,444)	2,320	-
Fair value adjustment - options	104,829	3,678	(76,807)	-
Deferred taxes on adjustments at fair value	(37,110)	2,640	-	-
	<b>72,037</b>	<b>6,648</b>	<b>(74,487)</b>	<b>6,731</b>



## 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 proper levels, the Group permanently monitors the results generated by this choice by means of its level of indebtedness based on the calculation of net debt/EBITDA (Income before taxes adjusted by financial income [loss] 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, where the more distant incentive will remain in force until April 2032. These tax incentives are associated with the styrene, 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 September 30, 2022, the Group obtained a benefit of R\$ 218,316 (R\$ 116,631 as of September 30, 2021), which was entered as a reduction of taxes under “Sales taxes” in the “statements of income”.

### 24.2 PSDI STATE TAX INCENTIVE – 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 property, plant and equipment, 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 September 30, 2022, the Group obtained a benefit of R\$ 10,475 (no benefit was calculated on September 30, 2021), which is entered as a reduction of taxes under “Sales taxes” in the “statements 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 located at Camaçari/BA and Proquigel up to the fiscal year 2028. The benefit of Unigel Químicos S.A. is being renewed with SUDENE. The request made and awaiting approval and, when approved, will be retroactive to January 1, 2021.

As of September 30, 2022, the Group obtained a benefit of R\$ 86,532 (R\$ 66,943 as of September 30, 2021), which was entered as a reduction of taxes under “Current income tax” in the “statements 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.

As of September 30, 2022, the Group obtained a benefit of R\$ 1,604 (R\$ 1,387 as of September 30, 2021) by means of companies Proquigel, Companhia Brasileira de Estireno and Unigel Químicos, which was entered as a reduction of costs under the “cost of products sold” caption of the “statement of income”.

## 24.5 REIQ – SPECIAL INCENTIVE REGIME OF THE CHEMICAL INDUSTRY

The Special Regime for the Chemical Industry (“REIQ”) was established in 2013 by the Federal Government and aims to recover and maintain the competitiveness of 1<sup>st</sup> and 2<sup>nd</sup> generation national petrochemical industries. In this context, the Group benefits from the tax exemption of part of the PIS and COFINS rates on the purchase of certain raw materials imported or supplied by the 1<sup>st</sup> generation of the Brazilian petrochemical industry until December 2024. The Federal Government issued Provisional Measure 1095 on December 31, 2021 extinguishing the Special Regime for the Chemical Industry (REIQ) as of April 1, 2022. 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 decision of the claim. However, the National Congress, upon converting the Provisional Measure into Law 14.374/2022, modified the original wording and, instead of extinguishing the benefit, only determined its suspension until December 2022, with the reductions and effective terms of the REIQ returning to be effective as of January 2023, as provided for in Law 14183/2021, provided that the benefited companies sign some terms of commitment with certain additional requirements. The aforementioned Law 14.374/2022 was duly sanctioned by the Executive Power 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 transitory impacts, particularly, the rules to be followed considering the required terms of commitment.

As of September 30, 2022, the Group calculated a credit of R\$ 19,859 (R\$ 56,451 as of September 30, 2021), which was entered as a reduction of costs under the “cost of products sold” caption in the “statements of income”.

## 25. GUARANTEES AND SURETIES

The Group has assets pledged as collateral for loan operations with third parties in the estimated amount of R\$ 124,599 as of September 30, 2022 (R\$ 127,049 as of December 31, 2021). Additionally, the parent company is the guarantor of operations of other Group’s companies. The parent company has sureties amounting to R\$ 1,805,099 (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 periods and respective average number of outstanding shares in these periods as per table below:

	Consolidated			
	Three-month period		Nine-month period	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net income (loss) for the period	(19,505)	40,698	489,760	749,408
Weighted average number of shares throughout the period	667,630,107	414,297,488	667,630,107	414,297,488
Earnings (losses) per share - R\$	(0.02922)	0.09823	0.73358	1.80886

### 26.2 DILUTED

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

## 27. OPERATIONS WITH DERIVATIVES

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

	Consolidated			
	09/30/2022		12/31/2021	
	Assets	Liabilities	Assets	Liabilities
Swaps	-	(118,330)	26,621	(140,302)
Options – <i>Commodities</i>	46,985	-	-	-
NDFs	1,194	(2,531)	-	(8,793)
Embedded derivatives – Options	-	(129,155)	-	-
<b>Total current assets</b>	<b>48,179</b>	<b>(250,016)</b>	<b>26,621</b>	<b>(149,095)</b>
Cross currency swaps	-	(218,195)	-	-
Embedded derivatives – Options	89,163	-	129,398	-
<b>Total non-current assets</b>	<b>89,163</b>	<b>(218,195)</b>	<b>129,398</b>	<b>-</b>
	<b>137,342</b>	<b>(468,211)</b>	<b>156,019</b>	<b>(149,095)</b>

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 appropriated and unpaid interest:

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

These repurchase options represent 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 effective for the period described above, the Group calculated the fair value of these options as American options with the repurchase price as the strike price.

As of September 30, 2022, the fair value of these derivatives is R\$ 89,163 (R\$ 129,398 as of December 31, 2021).

## 28. TRANSACTIONS NOT INVOLVING CASH

As of September 30, 2022, main transactions that did not involve cash in Consolidated Cash Flow were:

(i) Changes in property, plant and equipment suppliers in the amount of R\$ 25,468 (R\$ 1,635 as of September 30, 2021);

(ii) Additions of right-of-use assets in a contra-entry to lease liabilities in the amount of R\$ 32,682 (R\$ 39,896 as of September 30, 2021);

(iii) Capitalization of interest on loans and financing as a contra entry to property, plant and equipment in the amount of R\$ 22,509 (R\$ 0 as of September 30, 2021).

## 29. SUBSEQUENT EVENTS

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On October 1, 2022, the Group, through its subsidiary Unigel Luxemburgo S.A., paid all the interest appropriated in the period for the Bond 2026 with a rate of 8.75% a.p. and maturing in 2026, in the amount of R\$ 120,580. The amount corresponds to the interest of the last 6 months, since the Bond provides for the payment of interest semi-annually on April 1 and October 1 of each year, until its final maturity.

\* \* \*

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