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Årsredovisning

för

Fitesa Sweden AB

556868-2594

Räkenskapsåret

2021

Fastställelseintyg

Undertecknad verkställande direktör i Fitesa Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Norrköping 2022-06-30.

Michael Baumgärtner

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Styrelsen och verkställande direktören för Fitesa Sweden AB avger följande årsredovisning för räkenskapsåret 2021.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolaget ägs till 100 % av Fitesa S.A. med säte i Porto Alegre, Brasilien, BR. Ägarbolaget ingår i den koncern där moderbolaget Évora S.A. (med säte i Porto Alegre, BR, organisationsnummer 91.820.068/0001-72) avlämnar koncernredovisning. Évora är ett holdingbolag som äger andra företag vilka producerar och säljer nonwoven, aluminiumburkar till dryckesindustrin och plastlock till förpackningsindustrin.

Fitesa Sweden AB med dess dotterbolag över hela världen, bland dem Fitesa Limited, Fitesa US LLC och Fitesa China Holdings B.V., har produktionsenheter i Sverige, Tyskland, Italien, Holland, Ungern, Kina, USA, Mexiko och Peru. Dessa utgör en stor del av Fitesa Group, en av världens ledande tillverkare av nonwoven material för hygiensektorn.

Bolagets svenska tillverkningslokaler är belägna i Norrköpings kommun där företaget har sitt säte.

Från Sverige går ca 81 % (81 %) på export och företagets kunder är huvudsakligen globala.

Flerårsöversikt (Tkr)	**2021**	**2020**	**2019**	**2018**	**2017**
Nettoomsättning	1 241 438	1 135 685	1 230 419	1 162 851	1 057 143
Resultat efter finansiella poster	334 592	80 853	253 534	72 522	20 384
Balansomslutning	5 488 743	4 897 403	4 554 123	3 963 981	3 334 367
Avkastning på eget kap. (%)	15,8	3,3	13,9	3,6	1,0
Soliditet (%)	39,7	38,0	39,6	39,5	45,3
Antal anställda	157	169	166	159	159

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Väsentliga händelser under räkenskapsåret

Fitesa Sweden AB/Moderbolaget

Under 2021 har fokus inom Fitesa-koncernen legat på konsolideringen av den verksamhet som förvärvades år 2020 (Freudenberg Hygiene Brazil Ltda i Brasilien, Fiber Dynamics Inc. i USA och the Personal Care division of Tredegar Corporation i Brasilien, USA, Nederländerna och Ungern). Fokus har också varit på de Meltblown-linjer som installerades 2020 i Tyskland, Italien, USA och Brasilien. För att fortsätta den snabba tillväxttakten påbörjades installationen under året av nya linjer i Brasilien och USA. Uppstarten av dessa kommer att ske under 2022. Under året installerades även två nya linjer i USA, vilka är dedikerade till marknaden för våtservetter.

Fitesa Sweden har även under detta år påverkats av Covid-19 pandemin. Första halvåret var efterfrågan på hygien- och healthcare produkter fortsatt väldigt stark. Under samma period var råvarutillgången på PP begränsad vilket berodde både på hög efterfrågan från andra industrier, minskat utbud på grund av force majeure, underhållsstopp hos leverantörer och den problematiska logistiken i båttrafiken. Andra halvåret minskade efterfrågan och följaktligen orderingången. Detta innebar att produktionen fick anpassas och tiden utnyttjades till underhållsarbeten.

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Företagets produktion landade in på 49 916 MT (jmf 2020: 53 028MT), detta berodde på marknadsanpassningen sista delen av året. Priset på företagets primära råmaterial, polypropylen, är kopplat till oljepriset och påverkas av balansen mellan utbud och efterfrågan av tredje generationens petrokemiska sektor. Under 2021 har vi sett kraftigt ökade marknadspriser på polypropylen första halvåret. Företaget genomför regelbundna prisjusteringar till sina kunder vilka baseras på råvarupriserna. Dock föreligger det vanligtvis en kvartalsvis fördröjning av dessa kontraktsmässiga förändringar, detta bidrog till sämre marginaler första och andra kvartalet. Marginalerna stabiliserade sig sedan under andra halvåret när försäljningspriserna höjdes och PP-priset höll sig stabilt på höga nivåer.

Orealiserade kursförluster på totalt 28,7 Mkr har främst uppkommit genom att bolagets valutalån i USD och EUR har omvärderats till balansdagskurs per 31 december 2021.

Nettoutlåning till koncernbolag har gjorts med 493 049 tkr. Till kreditinstitut har amorteringar gjorts med 201 131 tkr och nyupplåning har gjorts med 257 592 tkr.

Under året har Fitesas hållbarhetsarbete fortgått och vi har certifierat oss enligt ISCC, som innebär att vi kan sälja material med viss återvinningsgrad.

Förväntad framtida utveckling samt väsentliga händelser efter räkenskapsårets utgång
Marknaden för spundbond startade starkt 2022. Under vintermånaderna påverkade den fjärde vågen av Covid-19 efterfrågan på medicinska produkter positivt. Marknaden för dessa produkter har nu dock avtagit till följd av att de flesta europeiska länder tagit bort kravet på munskydd från och med mars. Därefter bröt kriget i Ukraina ut vilket har gjort marknaden väldigt volatil. Vi ser nu prisökningar för de flesta kostnadsslag, bland annat förpackningar och tillsatser. Energibalansen i Europa är osäker för energiintensiv industri generellt. För Sveriges del har vi säkrat 70% av priset och försörjningen bör inte vara ett problem.

Råvarumarknaden för polypropylen är väldigt osäker just nu och man spår väldigt höga priser framåt. För logistiken gäller detsamma med ökade drivmedelspriser och brist på chaufförer.

När det gäller Fitesa-koncernen så fusionerades Fitesa NãoTecidos S.A i januari med sitt moderbolag Fitesa S.A. och blev ett operativt holdingbolag som kontrollerar all nonwoven-verksamhet i Brasilien och utomlands. Tillgångarna och skulderna i Fitesa S.A. ligger nu helt i Fitesa NãoTecidos S.A och villkoren i kontrakten med tredje part kommer upprätthållas utan att det påverkar det belopp som redovisas i moderbolagets balansräkning. Fitesa NãoTecidos S.A äger nu 100% i Fitesa Sweden AB.

Från och med januari 2022 kontrollerar Fitesa NãoTecidos S.A även Rio Novo Florestal Ltda genom kapitalöverföring från Évora SA. Rio Novo Florestal Ltda är beläget i Santa Catarina i Atlantic Forest biome och är specialiserade på återplantering av tall och eukalyptusskogar vars trä säljs för flera användningsområden. Förutom att denna skogstillgång är en koldioxidkreditgenerator som ska användas för att kompensera industriell verksamhet, bidrar den även till bevarandet av regionens biologiska mångfald.

Väsentliga risker och osäkerhetsfaktorer
Utvecklingen av råvarupriset och förändringar i valutakurser tillsammans med en risk för en underliggande prispress utgör osäkerhetsfaktorer. Eftersom avtalade försäljningspriser är kopplade till råvarupriset med en viss eftersläpning, är känsligheten för variationer i råvarupriset dock begränsad.

Valutarisk
Förändringar i EUR-kursen har betydelse för den operativa verksamheten eftersom både råvaruinköp och försäljning till stor del görs i EUR. En skillnad i EUR-kursen påverkar försäljningen i större utsträckning

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än inköpspriserna.

Finansieringen av investeringsverksamheten utgörs av lån i både USD och EUR. Med anledning av svenska kronans försvagning mot både EUR och USD, har bolaget under 2021 redovisat väsentliga belopp avseende kursförluster, både realiserade och orealiserade.

Ränterisk
Bolagets koncernlån är upptagna med fasta räntesatser. Av lån från kreditinstitut är lån om totalt 1 330 815 tkr upptagna med fasta räntesatser, medan lån på 1 585 314 tkr löper med en räntesats kopplad till Euribor/Libor.

Forskning och utveckling
Inom bolaget bedrivs fortlöpande vidareutveckling av företagets produktsortiment och processer, vilket i hög omfattning sker i nära samarbete med kunderna. Företaget har även tillgång till forsknings- och utvecklingsresurser i koncernens centrala utvecklingsenheter lokaliserade till Tyskland, Pantex Italien, USA och i Kina.

Användande av finansiella instrument
Bolaget genomför inköp av elterminer i syfte att prissäkra framtida elinköp.

Hållbarhetsupplysningar
Fitesa-koncernens vision är att vara den av marknaden föredragna leverantören av nonwoven inom healthcare och hygiensektorn. De fyra områden som vi arbetar med är, i prioriterad ordning; arbetsmiljö, kvalité, effektivitet och miljö/energi.

Personalens säkerhet är koncernens högsta prioritet. Vi arbetar kontinuerligt med att förbättra säkerheten. Genom riskobservation och tillbudsrapportering upptäcks och förebyggs arbetsskador. All personal genomgår utbildning för att lära sig tekniker för att reducera kritiska fel. Månatlig uppföljning och utvärdering av sjuktal genomförs, med rehabiliteringsåtgärder om så är nödvändigt.

Bolaget ska vara en arbetsplats där jämlikhet råder och ett antal interna policys finns utarbetade, bland annat för jämställdhet, mot trakasserier och gällande visselblåsare.

Vi arbetar för att minska miljöpåverkan, bland annat genom att bara använda sig av miljömärkt el. För att hushålla med resurser och minska avfallshantering är återvinning av råvara en viktig komponent.

Hållbarhetsrapport
Hållbarhetsrapport upprättas av moderbolaget Fitesa S.A. (med säte i Porto Alegre, BR, organisationsnummer 92.197.250/0001-81). Rapporten finns att tillgå på bolagets hemsida www.fitesa.com.

Miljöinformation
Bolaget har ett miljöledningssystem i drift, vilket har givit verksamheten en ökad miljöfokusering. Bolaget bedriver inte någon tillståndspliktig verksamhet.

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Förändring av eget kapital (Tkr)

	Aktie-kapital	Överkurs-fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	216	969 474	831 674	59 856	**1 861 220**
Disposition enligt beslut av årets årsstämma:					
Balanseras i ny räkning			59 856	-59 856	**0**
Årets resultat				319 132	**319 132**
Belopp vid årets utgång	**216**	**969 474**	**891 530**	**319 132**	**2 180 352**

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	969 474 422
balanserad vinst	891 530 360
årets vinst	319 131 610
	2 180 136 392
disponeras så att	
i ny räkning överföres	2 180 136 392
	2 180 136 392

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning
Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Nettoomsättning	3	1 241 438	1 135 685
Kostnad för sålda varor		-972 096	-852 419
Bruttoresultat		**269 342**	**283 266**
Försäljningskostnader		-61 918	-56 354
Administrationskostnader		-25 935	-26 476
Övriga rörelseintäkter	4	1 328	1 274
Övriga rörelsekostnader	5	0	-21 810
Rörelseresultat	6, 7, 8, 9, 10	**182 817**	**179 900**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	11	278 560	0
Resultat från övriga värdepapper och fordringar som är anläggningstillgångar	12	76 780	78 344
Övriga ränteintäkter och liknande resultatposter	13	1 115	947
Räntekostnader och liknande resultatposter	14	-204 680	-178 338
Summa resultat från finansiella poster		**151 775**	**-99 047**
Resultat efter finansiella poster		**334 592**	**80 853**
Resultat före skatt		**334 592**	**80 853**
Skatt på årets resultat	15	-15 460	-20 997
Årets resultat		**319 132**	**59 856**

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Balansräkning
Tkr

	Not	2021-12-31	2020-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Programvaror	16	2 523	665
Pågående nyanläggningar och förskott avseende immateriella anläggningstillgångar	17	0	1 516
		2 523	**2 181**
Materiella anläggningstillgångar			
Byggnader och mark	18	137 997	143 659
Maskiner och andra tekniska anläggningar	19	157 085	192 254
Inventarier, verktyg och installationer	20	13 120	14 262
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	21	63 287	12 259
		371 489	**362 434**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	22, 23	2 444 086	1 587 424
Fordringar hos koncernföretag	24	2 233 507	2 539 950
Andra långfristiga fordringar	25	2 020	1 640
		4 679 613	**4 129 014**
Summa anläggningstillgångar		**5 053 625**	**4 493 629**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		31 198	23 645
Varor under tillverkning		602	62
Färdiga varor och handelsvaror		63 175	37 680
		94 975	**61 387**
Kortfristiga fordringar			
Kundfordringar		165 044	214 206
Fordringar hos koncernföretag		499	1 245
Övriga fordringar		9 098	3 113
Förutbetalda kostnader och upplupna intäkter	26	29 649	45 641
		204 290	**264 205**
Kassa och bank	27	135 853	78 182
Summa omsättningstillgångar		**435 118**	**403 774**
SUMMA TILLGÅNGAR		**5 488 743**	**4 897 403**

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Balansräkning

Tkr

	Not	2021-12-31	2020-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	28, 29		
Bundet eget kapital			
Aktiekapital		216	216
		216	**216**
Fritt eget kapital			
Överkursfond		969 474	969 474
Balanserad vinst		891 530	831 674
Årets resultat		319 132	59 856
		2 180 136	**1 861 004**
Summa eget kapital		**2 180 352**	**1 861 220**
Avsättningar	30		
Övriga avsättningar för pensioner och liknande förpliktelser		2 020	1 640
Uppskjuten skatteskuld	31	24 321	8 865
Övriga avsättningar		490	398
Summa avsättningar		**26 831**	**10 903**
Långfristiga skulder	32		
Skulder till kreditinstitut	33	2 355 792	2 435 520
Skulder till koncernföretag		143 001	124 732
Summa långfristiga skulder		**2 498 793**	**2 560 252**
Kortfristiga skulder			
Skulder till kreditinstitut	33	560 337	298 530
Leverantörsskulder		77 677	36 504
Skulder till koncernföretag		49 074	37 900
Aktuella skatteskulder		1 328	1 600
Övriga skulder		8 658	1 915
Upplupna kostnader och förutbetalda intäkter	34	85 693	88 579
Summa kortfristiga skulder		**782 767**	**465 028**
SUMMA EGET KAPITAL OCH SKULDER		**5 488 743**	**4 897 403**

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Kassaflödesanalys
Tkr

	Not	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Den löpande verksamheten			
Rörelseresultat efter finansiella poster	35	334 592	80 853
Justeringar för poster som inte ingår i kassaflödet	36	29 158	21 122
Betald skatt		-276	0
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**363 474**	**101 975**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager		-33 588	7 490
Förändring av rörelsefordringar		49 872	267 244
Förändring av rörelseskulder		47 911	2 536
Kassaflöde från den löpande verksamheten		**427 669**	**379 245**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		-695	-750
Investeringar i materiella anläggningstillgångar		-62 914	-22 823
Försäljning av materiella anläggningstillgångar		953	0
Investeringar i finansiella anläggningstillgångar		-380	-480
Tillskott till koncernföretag		-856 662	0
Lämnade lån till koncernföretag		-346 181	-1 087 595
Amorteringar från koncernföretag		839 230	313 080
Kassaflöde från investeringsverksamheten		**-426 649**	**-798 568**
Finansieringsverksamheten			
Upptagna lån		257 592	431 380
Amortering av lån		-201 131	-132 250
Upptagna lån från koncernföretag		0	139 655
Kassaflöde från finansieringsverksamheten		**56 461**	**438 785**
Årets kassaflöde		**57 481**	**19 462**
Likvida medel vid årets början		78 182	77 321
Kursdifferens i likvida medel		190	-18 601
Likvida medel vid årets slut	27	**135 853**	**78 182**

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Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Fakturerad försäljning omfattar försäljning av nonwoven-material. Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen, vilket normalt inträffar i samband med leverans.

Ränta och utdelning

Ersättning i form av ränta eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Ränta redovisas som intäkt enligt den så kallade effektivräntemetoden.

Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Eftersom moderföretaget innehar mer än hälften av rösterna för samtliga andelar i dotterföretaget redovisas utdelning när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Aktieägartillskott

Aktieägartillskott som lämnas utan att emitterade aktier eller andra eget kapitalinstrument erhållits i utbyte redovisas i balansräkningen som en ökning av andelens redovisade värde.

Aktieägartillskott som erhållits utan att emitterade aktier eller andra eget kapitalinstrument lämnats i utbyte redovisas direkt i eget kapital.

Utländsk valuta

Företagets redovisningsvaluta är svenska kronor (SEK).

Monetära fordringar och skulder i utländsk valuta har värderats till balansdagens kurs och orealiserade kursvinster och förluster ingår därmed i resultatet.

Kursvinster och kursförluster på rörelsefordringar och rörelseskulder nettas och redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder nettas och redovisas under rubriken Räntekostnader och liknande resultatposter (netto valutakursförlust).

Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

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Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivningar

Avskrivning sker linjärt över den beräknade nyttjandeperioden. Undantag är mark, som inte skrivs av. Nyttjandeperioden omprövas per varje balansdag. Avskrivning redovisas som kostnad i resultaträkningen.

För byggnader och produktionslinjer har skillnaden i förbrukningen av betydande komponenter bedömts vara väsentlig. Dessa tillgångar har därför delats upp i komponenter vilka skrivs av separat.

Följande nyttjandeperioder tillämpas:

Immateriella anläggningstillgångar	
Programvaror	3-7 år
Materiella anläggningstillgångar	
Byggnader	5-40 år
Markanläggningar	5-20 år
Maskiner och andra tekniska anläggningar	3-15 år
Inventarier, verktyg och installationer	3-5 år
Datorer	3 år

Tillkommande utgifter

Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Låneutgifter

Låneutgifter hänförliga till finansiering av finansiella anläggningstillgångar samt till inköp och konstruktion av materiella anläggningstillgångar redovisas i resultaträkningen i den period de uppstår.

Nedskrivningar - materiella och immateriella anläggningstillgångar samt andelar i koncernföretag

Vid varje balansdag bedöms om det finns indikationer på att en tillgångs värde är lägre än dess redovisade värde. Om en sådan indikation finns, beräknas tillgångens återvinningsvärde.

Återvinningsvärdet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärde. Vid beräkning av nyttjandevärdet beräknas nuvärdet av de framtida kassaflöden som tillgången väntas ge upphov till i den löpande verksamheten samt när den avyttras eller utrangeras. Den diskonteringsränta som används är före skatt och återspeglar marknadsmässiga bedömningar av pengars tidsvärde och de risker som avser tillgången. En tidigare nedskrivning återförs endast om de skäl som låg till grund för beräkningen av återvinningsvärdet vid den senaste nedskrivningen har förändrats.

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Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet i enlighet med kapitel 11 i BFNAR 2012:1.

Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag

Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader.

Värdering av finansiella tillgångar

Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas vid första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Räntebärande finansiella tillgångar värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

Vid värdering till lägsta värdets princip respektive vid bedömning av nedskrivningsbehov anses företagets finansiella instrument som innehas för riskspridning ingå i en värdepappersportfölj och värderas därför som en post.

Derivatinstrument som utgör finansiella tillgångar och för vilka säkringsredovisning inte har tillämpats värderas efter det första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Värdering av finansiella skulder

Finansiella skulder värderas till upplupet anskaffningsvärde. Utgifter som är direkt hänförliga till upptagande av lån korrigerar lånets anskaffningsvärde och periodiseras enligt effektivräntemetoden.

Säkringsredovisning

Säkringsredovisning tillämpas endast då det finns en ekonomisk relation mellan säkringsinstrument och den säkrade posten som överensstämmer med bolagets mål för riskhantering. Dessutom krävs att säkringsförhållandet förväntas vara mycket effektivt under den period för vilken säkringen har identifierats samt att säkringsförhållandet och företagets mål för riskhantering och riskhanteringsstrategi avseende säkringen är dokumenterade senast när säkringen ingås.

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Terminssäkring av el
Bolaget tillämpar säkringsredovisning. Bolaget genomför inköp av elterminer i syfte att prissäkra framtida elinköp i enlighet med bolagets policy. Elterminerna är i dessa fall tydligt kopplade till specifika inköp och värderas därför till sitt anskaffningsvärde, vilket normalt är noll.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Varulager
Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Anskaffningsvärdet beräknas enligt först in- först ut-principen. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

I egentillverkade halv- och helfabrikat består anskaffningsvärdet av direkta tillverkningskostnader och de indirekta kostnader som utgör mer än en oväsentlig del av den sammanlagda utgiften för tillverkningen. Vid värdering har hänsyn tagits till normalt kapacitetsutnyttjande.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Temporära skillnader beaktas ej i skillnader hänförliga till investeringar i dotterföretag, filialer, intresseföretag eller joint venture om företaget kan styra tidpunkten för återföring av de temporära skillnaderna och det inte är uppenbart att den temporära skillnaden kommer att återföras inom en överskådlig framtid. Skillnader som härrör från den första redovisningen av goodwill eller vid den första redovisningen av en tillgång eller skuld såvida inte den hänförliga transaktionen är ett rörelseförvärv eller påverkar skatt eller redovisat resultat utgör inte heller temporära skillnader.

Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott. Värderingen omprövas varje balansdag.

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Avsättningar

En avsättning redovisas i balansräkningen när företaget har en legal eller informell förpliktelse till följd av en inträffad händelse och det är sannolikt att ett utflöde av resurser krävs för att reglera förpliktelsen och en tillförlitlig uppskattning av beloppet kan göras.

Vid första redovisningstillfället värderas avsättningar till den bästa uppskattningen av det belopp som kommer att krävas för att reglera förpliktelsen på balansdagen. Avsättningarna omprövas varje balansdag.

Eventualförpliktelser

En eventualförpliktelse är en möjlig förpliktelse till följd av inträffade händelser och vars förekomst endast kommer att bekräftas av att en eller flera osäkra framtida händelser, som inte helt ligger inom företagets kontroll, inträffar eller uteblir, eller en befintlig förpliktelse till följd av inträffade händelser, men som inte redovisas som skuld eller avsättning eftersom det inte är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen eller förpliktelsens storlek inte kan beräknas med tillräcklig tillförlitlighet.

Ersättningar till anställda

Ersättningar till anställda efter avslutad anställning

Avgiftsbestämda pensionsplaner

Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsbolag, och företaget har inte någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalats och den kapitalavkastning som avgifterna ger.

Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Obetalda redovisas som skuld.

Förmånsbestämda pensionsplaner

Vid förmånsbestämda planer har företaget en förpliktelse att lämna de överenskomna ersättningarna till nuvarande och tidigare anställda. Företaget bär i allt väsentligt dels risken att ersättningarna kommer att bli högre än förväntat (aktuell risk), dels risken att avkastningen på tillgångarna avviker från förväntningarna (investeringsrisk). Investeringsrisk föreligger även om tillgångarna är överförda till ett annat företag.

Företaget har valt att tillämpa de förenklingsregler som finns i BFNAR 2012:1. Planer för vilka pensionspremier betalas redovisas som avgiftsbestämda vilket innebär att avgifterna kostnadsförs i resultaträkningen.

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Övriga långfristiga ersättningar till anställda
Skuld avseende övriga långfristiga ersättningar till anställda redovisas till nuvärdet av förpliktelsen på balansdagen.

Ersättningar vid uppsägning
Ersättningar vid uppsägningar, i den omfattning ersättningen inte ger företaget några framtida ekonomiska fördelar, redovisas endast som en skuld och en kostnad när företaget har en legal eller informell förpliktelse att antingen
a) avsluta en anställds eller en grupp av anställdas anställning före den normala tidpunkten för anställningens upphörande, eller
b) lämna ersättningar vid uppsägning genom erbjudande för att uppmuntra frivillig avgång.
Ersättningar vid uppsägningar redovisas endast när företaget har en detaljerad plan för uppsägningen och inte har någon realistisk möjlighet att annullera planen.

Nyckeltalsdefinitioner
Avkastning på eget kap. (%)
Årets resultat i procent av genomsnittligt justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Uppskattningar och bedömningar
Följande antaganden om framtiden och andra väsentliga källor till osäkerhet i uppskattningar på balansdagen skulle kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår:

-Bedömning av nedskrivningsbehov av andelar i koncernföretag
-Bedömning av nyttjandeperiod av byggnader och maskiner
-Bedömning av uppskjuten skattefordran

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Not 2 Uppgifter om moderföretag

Fitesa Sweden AB är moderbolag i en koncern, men med stöd av ÅRL 7 kap 2§ upprättas inte någon koncernredovisning.

Bolaget är ett helägt dotterbolag till Fitesa S.A (organisationsnummer 92.197.250/0001-81) som i sin tur är ett helägt dotterbolag till Evora S.A.

Moderbolaget Évora S.A., med säte i Porto Alegre Brasilien (organisationsnummer 91.820.068/0001-72), upprättar koncernredovisning för den största koncernen.

Not 3 Nettoomsättningens fördelning

	2021	2020
Nettoomsättningen per geografisk marknad		
Sverige	236 690	217 302
Polen	355 967	301 401
Nederländerna	150 169	120 518
Tyskland	86 931	124 104
Italien	75 942	63 647
Danmark	59 676	47 558
Storbritannien	0	354
Ungern	0	333
Belgien	29 909	21 835
Spanien	41 406	51 946
Frankrike	2 558	2 844
Tjeckien	100 813	94 651
Övriga EU-länder	23 098	27 399
Ryssland	1 927	2 488
Kanada	15 689	8 497
Turkiet	22 540	30 610
Schweiz	16 738	14 661
Nya Zeeland	0	512
USA	14 193	2 500
Övriga länder	7 192	2 525
	1 241 438	**1 135 685**

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Not 4 Övriga rörelseintäkter

	2021	2020
Kursdifferenser på fordringar/skulder av rörelsekaraktär, netto	1 002	0
Övrigt	326	1 274
	1 328	**1 274**

Not 5 Övriga rörelsekostnader

	2021	2020
Kursdifferenser på fordringar/skulder av rörelsekaraktär, netto	0	-21 810
	0	**-21 810**

Not 6 Inköp och försäljning mellan koncernföretag

	2021	2020
Andel av årets totala inköp som skett från andra företag i koncernen	1,87 %	1,00 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	0,07 %	0,08 %

Not 7 Operationell leasing, leasetagare

Årets leasingkostnader avseende leasingavtal, uppgår till 2 866 Tkr (2 959).

Framtida leasingavgifter, för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

	2021	2020
Inom ett år	936	2 272
Senare än ett år men inom fem år	1 244	1 876
Senare än fem år	0	30
	2 180	**4 178**

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Not 8 Anställda och personalkostnader

	2021	2020
Medelantalet anställda		
Kvinnor	29	33
Män	128	136
	157	**169**
Löner och andra ersättningar		
Styrelse och verkställande direktör	23	66
Övriga anställda	94 403	92 752
	94 426	**92 818**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	0
Pensionskostnader för övriga anställda	9 603	9 294
Övriga sociala avgifter enligt lag och avtal	31 424	31 918
	41 027	**41 212**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**135 453**	**134 030**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	17 %	33 %
Andel män i styrelsen	83 %	67 %
Andel kvinnor bland övriga ledande befattningshavare	60 %	83 %
Andel män bland övriga ledande befattningshavare	40 %	17 %

Not 9 Avskrivningar av materiella och immateriella anläggningstillgångar

	2021	2020
Avskrivningar enligt plan fördelade per tillgång		
Immateriella anläggningstillgångar	353	286
Byggnader och mark	6 843	6 765
Maskiner och andra tekniska anläggningar	45 670	44 593
Inventarier, verktyg och installationer	393	405
	53 259	**52 049**
Avskrivningar enligt plan fördelade per funktion		
Kostnad för sålda varor	51 242	50 076
Försäljningskostnader	726	728
Administrationskostnader	1 291	1 245
	53 259	**52 049**

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Not 10 Arvode till revisorer

	2021	2020
KPMG		
Revisionsuppdrag	374	448
Övriga tjänster	0	84
	374	**532**

Not 11 Resultat från andelar i koncernföretag

	2021	2020
Erhållna utdelningar	278 560	0
	278 560	**0**

Not 12 Resultat från övriga värdepapper och fordringar som är anläggningstillgångar

	2021	2020
Ränteintäkter från koncernföretag	76 780	78 344
	76 780	**78 344**

Not 13 Övriga ränteintäkter och liknande resultatposter

	2021	2020
Ränteintäkter från koncernföretag	1 069	899
Övriga ränteintäkter	46	48
	1 115	**947**

Not 14 Räntekostnader och liknande resultatposter

	2021	2020
Räntekostnader till koncernföretag	-50 779	-44 336
Övriga räntekostnader	-103 207	-110 212
Valutakursdifferenser, netto	-33 885	-11 582
Övriga finansiella kostnader	-16 809	-12 208
	-204 680	**-178 338**

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Not 15 Aktuell och uppskjuten skatt

	2021	2020
Skatt på årets resultat		
Aktuell skatt	-4	-4 131
Uppskjuten skatt	-15 456	-16 866
Totalt redovisad skatt	**-15 460**	**-20 997**

	2021		2020	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		334 592		80 853
Skatt enligt gällande skattesats	20,60	-68 926	21,40	-17 303
Ej avdragsgilla kostnader		-76		-61
Ej skattepliktig utdelning		57 383		0
Skatt hänförlig till tidigare år		166		148
Ränteavdragsbegränsning		-4 550		-4 131
Effekt av ändrad skattesats		0		350
Övrigt		543		0
Redovisad skattekostnad		**-15 460**		**-20 997**

Underskottsavdrag i balansräkningen uppgår till 601 Tkr (20 083) varav uppkomna under året 0 Tkr (0).

Not 16 Programvaror

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	25 231	25 231
Omklassificeringar	2 211	0
Utgående ackumulerade anskaffningsvärden	**27 442**	**25 231**
Ingående avskrivningar	-24 566	-24 280
Årets avskrivningar	-353	-286
Utgående ackumulerade avskrivningar	**-24 919**	**-24 566**
Utgående redovisat värde	**2 523**	**665**

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Not 17 Pågående nyanläggningar och förskott avseende immateriella anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	1 516	766
Investeringar	695	750
Omklassificeringar	-2 211	0
Utgående ackumulerade anskaffningsvärden	**0**	**1 516**
Utgående redovisat värde	**0**	**1 516**

Not 18 Byggnader och mark

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	267 740	267 091
Omklassificeringar	1 181	649
Utgående ackumulerade anskaffningsvärden	**268 921**	**267 740**
Ingående avskrivningar	-124 081	-117 316
Årets avskrivningar	-6 843	-6 765
Utgående ackumulerade avskrivningar	**-130 924**	**-124 081**
Utgående redovisat värde	**137 997**	**143 659**
Varav bokfört värde mark	15 222	15 222
	15 222	**15 222**

Not 19 Maskiner och andra tekniska anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	970 426	950 006
Omklassificeringar	10 501	20 420
Utgående ackumulerade anskaffningsvärden	**980 927**	**970 426**
Ingående avskrivningar	-778 172	-733 579
Årets avskrivningar	-45 670	-44 593
Utgående ackumulerade avskrivningar	**-823 842**	**-778 172**
Utgående redovisat värde	**157 085**	**192 254**

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Not 20 Inventarier, verktyg och installationer

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	19 276	16 472
Inköp	0	2 523
Försäljningar/utrangeringar	-953	0
Omklassificeringar	204	281
Utgående ackumulerade anskaffningsvärden	**18 527**	**19 276**
Ingående avskrivningar	-5 014	-4 609
Årets avskrivningar	-393	-405
Utgående ackumulerade avskrivningar	**-5 407**	**-5 014**
Utgående redovisat värde	**13 120**	**14 262**

Not 21 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	12 259	13 308
Investeringar	62 914	20 301
Omklassificeringar	-11 886	-21 350
Utgående ackumulerade anskaffningsvärden	**63 287**	**12 259**
Utgående redovisat värde	**63 287**	**12 259**

Not 22 Andelar i koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	1 723 283	1 774 849
Försäljningar	0	-51 566
Lämnade aktieägartillskott	856 662	0
Utgående ackumulerade anskaffningsvärden	**2 579 945**	**1 723 283**
Ingående nedskrivningar	-135 859	-135 859
Utgående ackumulerade nedskrivningar	**-135 859**	**-135 859**
Utgående redovisat värde	**2 444 086**	**1 587 424**

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Not 23 Specifikation andelar i koncernföretag

Namn/Org.nr	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde 211231	Bokfört värde 201231
Fitesa Italy S.R.L., 07642120963	100	100	10 000	92	92
-Pantex Sulmona	.				
-Pantex Mena	.				
Fitesa US LLC	100	100		1 333 422	476 760
-Fitesa Washougal Inc	.				
-Fitesa Simpsonville Inc	.				
-Pantex Americas	.				
Fitesa China Holdings B.V., 000002058511144	100	100	71	175 694	175 694
-Fitesa China Airlaid Company Ltd	.				
Fitesa Limited, 06924703	100	100	85 344	517 665	517 665
-Fitesa Mexico	.				
-Fitesa Mexico Holding	.				
-Fitesa Peru S.A.C	.				
Fitesa Germany GmbH, HRB 100883	89	89	1	417 213	417 213
				2 444 086	**1 587 424**

Säte	
Fitesa Italy S.R.L., 07642120963	Trezano Rosa, IT
Fitesa US LLC	Simsonville SC, USA
Fitesa China Holdings B.V., 000002058511144	Amsterdam, NL
Fitesa Limited, 06924703	Reading, GB
Fitesa Germany GmbH, HRB 100883	Peine, DE

Not 24 Fordringar hos koncernföretag

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	2 539 950	1 825 034
Tillkommande fordringar	346 181	1 139 161
Återbetalda fordringar	-839 230	-313 080
Kapitaliserad ränta	77 850	78 277
Årets valutakursdifferenser	108 756	-189 442
Utgående ackumulerade anskaffningsvärden	**2 233 507**	**2 539 950**
Utgående redovisat värde	**2 233 507**	**2 539 950**

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Not 25 Andra långfristiga fordringar

	2021-12-31	2020-12-31
Ingående anskaffningsvärden	1 640	1 160
Tillkommande fordringar	380	480
Utgående ackumulerade anskaffningsvärden	**2 020**	**1 640**
Utgående redovisat värde	**2 020**	**1 640**

Not 26 Förutbetalda kostnader och upplupna intäkter

	2021-12-31	2020-12-31
Förutbetalda lånekostnader	27 986	38 029
Övrigt	1 663	7 612
	29 649	**45 641**

Not 27 Likvida medel

	2021-12-31	2020-12-31
Likvida medel		
Kassa och bank	135 853	78 182
	135 853	**78 182**

Not 28 Antal aktier och kvotvärde

Namn	**Antal aktier**	**Kvot-värde**
Antal aktier	216 425	1
	216 425	

Not 29 Disposition av vinst eller förlust

	2021-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):	
fri överkursfond	969 474 422
balanserad vinst	891 530 360
årets vinst	319 131 610
	2 180 136 392
disponeras så att	
i ny räkning överföres	2 180 136 392
	2 180 136 392

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Not 30 Avsättningar

	2021-12-31	2020-12-31
Avsättningar utanför tryggandelagens regelverk		
Belopp vid årets ingång	1 640	1 160
Årets avsättningar	380	480
	2 020	**1 640**
Övriga avsättningar		
Belopp vid årets ingång	398	281
Årets avsättningar	92	117
	490	**398**
Specifikation övriga avsättningar		
Särskild löneskatt på pensionsavsättning	490	398
	490	**398**

Not 31 Uppskjuten skatt

Uppskjuten skatt på temporära skillnader
2021-12-31

Temporära skillnader	**Uppskjuten skattefordran**	**Uppskjuten skatteskuld**	**Netto**
Byggnader		-10 935	-10 935
Maskiner och inventarier		-14 868	-14 868
Skattemässiga underskottsavdrag	882		882
Andra outnyttjade skatteavdrag	601		601
	1 483	**-25 803**	**-24 321**

2020-12-31

Temporära skillnader	**Uppskjuten skattefordran**	**Uppskjuten skatteskuld**	**Netto**
Byggnader		-10 362	-10 362
Maskiner och inventarier		-19 261	-19 261
Skattemässiga underskottsavdrag	20 083		20 083
Andra outnyttjade skatteavdrag	674		674
	20 757	**-29 622**	**-8 865**

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Not 32 Långfristiga skulder

	2021-12-31	2020-12-31
Förfaller senare än fem år efter balansdagen		
Skulder till kreditinstitut	66 723	15 049
	66 723	**15 049**

Bolagets externa lån inkl. räntor från banker om 2 938 485 Tkr är belagda med restriktioner, så kallade covenanter, som finns stipulerade i låneavtalet. Restriktionerna innebär att bolaget åtagit sig att hålla räntebärande nettoskuld i förhållande till EBITDA inom vissa marginaler. Bolaget har under året inte brutit mot några av dessa covenanter.

Not 33 Skulder som avser flera poster

Företagets banklån om 2 916 129 Tkr (2 734 050) redovisas under följande poster i balansräkningen.

	2021-12-31	2020-12-31
Långfristiga skulder		
Övriga skulder till kreditinstitut	2 355 792	2 435 520
	2 355 792	**2 435 520**
Kortfristiga skulder		
Övriga skulder till kreditinstitut	560 337	298 530
	560 337	**298 530**

Not 34 Upplupna kostnader och förutbetalda intäkter

	2021-12-31	2020-12-31
Ej ankomna leverantörsfakturor	28 074	34 662
Personalrelaterade poster	27 438	28 334
Upplupna räntekostnader	22 356	16 935
Övrigt	7 825	8 648
	85 693	**88 579**

Not 35 Räntor och utdelningar

	2021-12-31	2020-12-31
Erhållen ränta	45	1 014
Erhållen utdelning	278 560	0
Erlagd ränta	-151 213	-150 186
	127 392	**-149 172**

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Not 36 Justering för poster som inte ingår i kassaflödet

	2021-12-31	2020-12-31
Avskrivningar	53 259	52 049
Kursdifferenser	33 695	30 183
Skillnad kapitaliserad/betald ränta	-58 268	-61 706
Avsättningar/fordringar avseende pensioner	380	480
Övriga avsättningar	92	116
	29 158	**21 122**

Not 37 Ställda säkerheter

	2021-12-31	2020-12-31
För skulder till kreditinstitut:		
Fastighetsinteckningar	160 000	160 000
Företagsinteckningar	300 303	300 303
Tillgångar med äganderättsförbehåll	10 452	13 674
	470 755	**473 977**

Not 38 Finansiella instrument och riskhantering

För att prissäkra framtida elinköp köper bolaget elterminer. Någon fordran eller skuld hänförlig till elterminskontrakten redovisas ej i balansräkningen, utan effekten av terminskontrakten redovisas löpande i resultaträkningen. Per den 31 december 2021 är marknadsvärdet av de utestående kontrakten en orealiserad vinst.

Not 39 Hållbarhetsrapport

Fitesa Sweden AB omfattas av en hållbarhetsrapport upprättad av moderbolaget Fitesa S.A (med säte i Porto Alegre, Brasilien (BR) organisationsnummer 92.197.250/0001-81). Rapporten finns att tillgå på bolagets hemsida www.fitesa.com.

Not 40 Väsentliga händelser efter räkenskapsårets slut

Marknaden för spundbond startade starkt 2022. Under vintermånaderna påverkade den fjärde vågen av Covid-19 efterfrågan på medicinska produkter positivt. Marknaden för dessa produkter har nu dock avtagit till följd av att de flesta europeiska länder tagit bort kravet på munskydd från och med mars. Därefter bröt kriget i Ukraina ut vilket har gjort marknaden väldigt volatil. Vi ser nu prisökningar för de flesta kostnadsslag, bland annat förpackningar och tillsatser. Energibalansen i Europa är osäker för energiintensiv industri generellt. För Sveriges del har vi säkrat 70% av priset och försörjningen bör inte vara ett problem. Råvarumarknaden för polypropylen är väldigt osäker just nu och man spår väldigt höga priser framåt. För logistiken gäller detsamma med ökade drivmedelspriser och brist på chaufförer.

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Norrköping 2022- 06 -20

Silvério Baranzano
Ordförande

Michael Baumgartner
Verkställande direktör

Lavinia Leite

Hal Singley

Antonio Comi

Stefan Andersson
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats 2022- 06 - 30

KPMG AB

John Johansson
Auktoriserad revisor

Fitesa Sweden AB
Org.nr 556868-2594

Norrköping 2022-06-20

Silvério Baranzano
Ordförande

20220714066720

Fitesa Sweden AB
Org.nr 556868-2594

Norrköping 2022-06-20

20220714065721

Michael Baumgartner
Verkställande direktör

Fitesa Sweden AB
Org.nr 556868-2594

Norrköping 2022- 06 - 20

20220714067 22

Lavinia Leite

Norrköping 2022-06-20

20220714067723

Hal Singley

Norrköping 2022-06-20

20220714065724

Antonio Comi

Fitesa Sweden AB
Org.nr 556868-2594

Norrköping 2022-06-20

20220714066725

Stefan Andersson
Arbetstagarrepresentant

20220731406726

Revisionsberättelse

Till bolagsstämman i Fitesa Sweden AB, org. nr 556868-2594

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Fitesa Sweden AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Fitesa Sweden ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Fitesa Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Fitesa Sweden AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Särskild förteckning över lån och säkerheter har upprättats i enlighet med vad som föreskrivs i aktiebolagslagen.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Fitesa Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Norrköping den 30 juni 2022

KPMG AB

John Johansson
Auktoriserad revisor

20220714066728

Évora S.A

Financial statements
As of December 31, 2021 and 2020

20220714067729

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Letter from the Chairman of the Board of Directors

Over the last year, the global outlook for the pandemic has improved as COVID vaccination efforts have picked up and cases and deaths have gone down. Even so, the scenario ahead is still one of instability. We have faced several changes in lockdown policies and travel and migration restrictions, in addition to the reorganization of global markets and supply chains in response to the largest fiscal stimulus packages in decades.

The Évora governance model, which is based on a flat organizational structure and decentralized, autonomous management, has allowed us to respond well to the challenging environment. Our continuous monitoring of risk and opportunity in conjunction with rapid decision-making has once again proven to be a key advantage. Furthermore, our operations are divided across 33 facilities in 14 countries, close to customers and suppliers, with a decentralized supply structure. The result is fewer supply chain issues, both for us and for our customers.

Tools and resources that enable remote work were critical to maintaining communication between units and for continuing the work of integrating the teams from operations acquired over the previous year. Nevertheless, we are making a bet on the return to in-person work as soon as restrictions are lifted. Trust among individuals is our main value, and culture is our greatest competitive advantage, so we know something is missing when the invisible menace of COVID-19 stops us from meeting face-to-face. Digital communication lacks the depth of human contact since it doesn't allow for the same degree of communication and cooperation found in traditional interactions (yet).

Having once again set new records in volumes, revenue, and EBITDA after two years of the most severe health and economic crisis of the last century, our faith in our management model is stronger than ever. Despite signs of a demand slowdown in several sectors in the coming year, which will present a new trial by fire for our organization, we remain confident in our ability to overcome this and future challenges.

This report also highlights our companies' sustainability efforts and investments in philanthropy and community programs, totaling over BRL 20 million during the last year.

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Unlike publicly traded companies, which have dispersed ownership, Évora is fully controlled by the Ling Family. Since our actions are not influenced by outside agents, we are not distracted by the noise from market expectations. In addition, family shareholders take a long-term view of the company. This enables the development of strategic projects, such as investments in technology and sustainable products, with an eye towards growth and continuity of the organization.

The Ling Family controls Évora through Terramar, the family holding company. In 2021, we began the process of formalizing Terramar as the Ling Family Office, bringing together shareholder support services, asset management structures, and management services for businesses outside of Évora's industrial operations. Terramar's goal is to help the family achieve its long-term strategy and to run the daily management of the family's business, philanthropy and personal ventures. Our goal is to ensure that the right governance, processes, and people are in place to ensure the succession from the current generation of shareholders to whatever comes next.

I hope you will enjoy reading this report, and that you will remain healthy and confident in the coming year.

– William Ling
Chairman of the Board of Directors

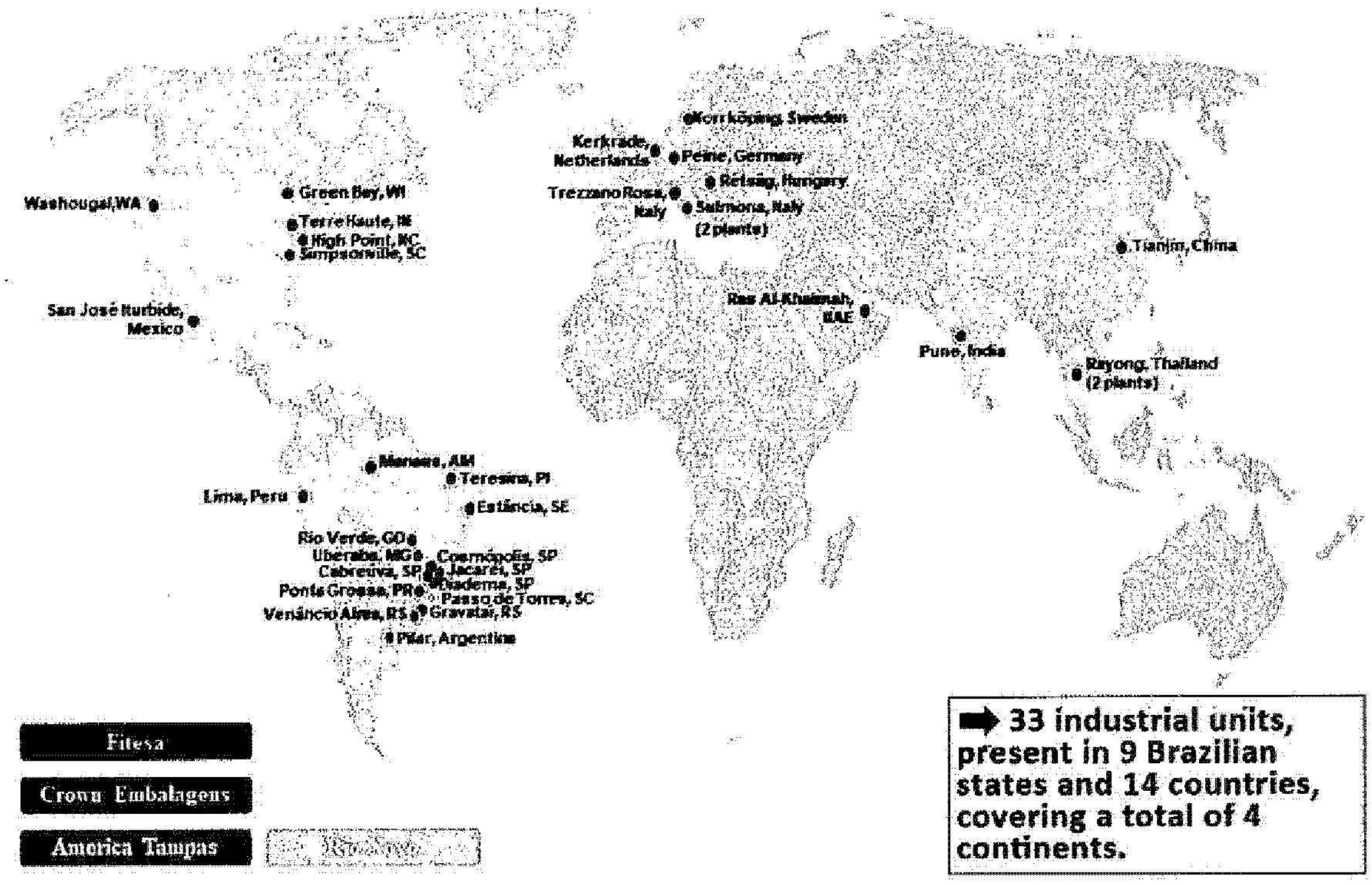
Operating Environment

Évora operates, through its subsidiaries, in the manufacturing and trade of nonwovens for the hygiene and healthcare markets, aluminum cans for beverages, and plastic closures for beverages, hygiene, cleaning and beauty products. The nonwovens business operates globally; the cans business operates in Brazil; and the plastic closures business operates in the Southern Cone of South America. Altogether, Évora operates 33 industrial plants located in 14 countries, covering 4 continents, including 13 production plants in 9 states in Brazil. As a part of our innovation strategy in nonwovens, we operate 4 research and development centers, which are located at the American plants in Simpsonville, South Carolina and Terre Haute, Indiana, and the European plants in Peine, Germany and Sulmona, Italy.

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The nonwoven and plastic closure businesses are wholly owned by Évora. In the aluminum cans business, we have been operating since 1995 in a 50/50 joint venture with the American company Crown Holdings, Inc., a global leader in this sector.

Our subsidiary Fitesa also holds pine and eucalyptus forests in Santa Catarina through the wholly owned subsidiary Rio Novo Florestal, which produces wood for multiple uses.



2021 Results

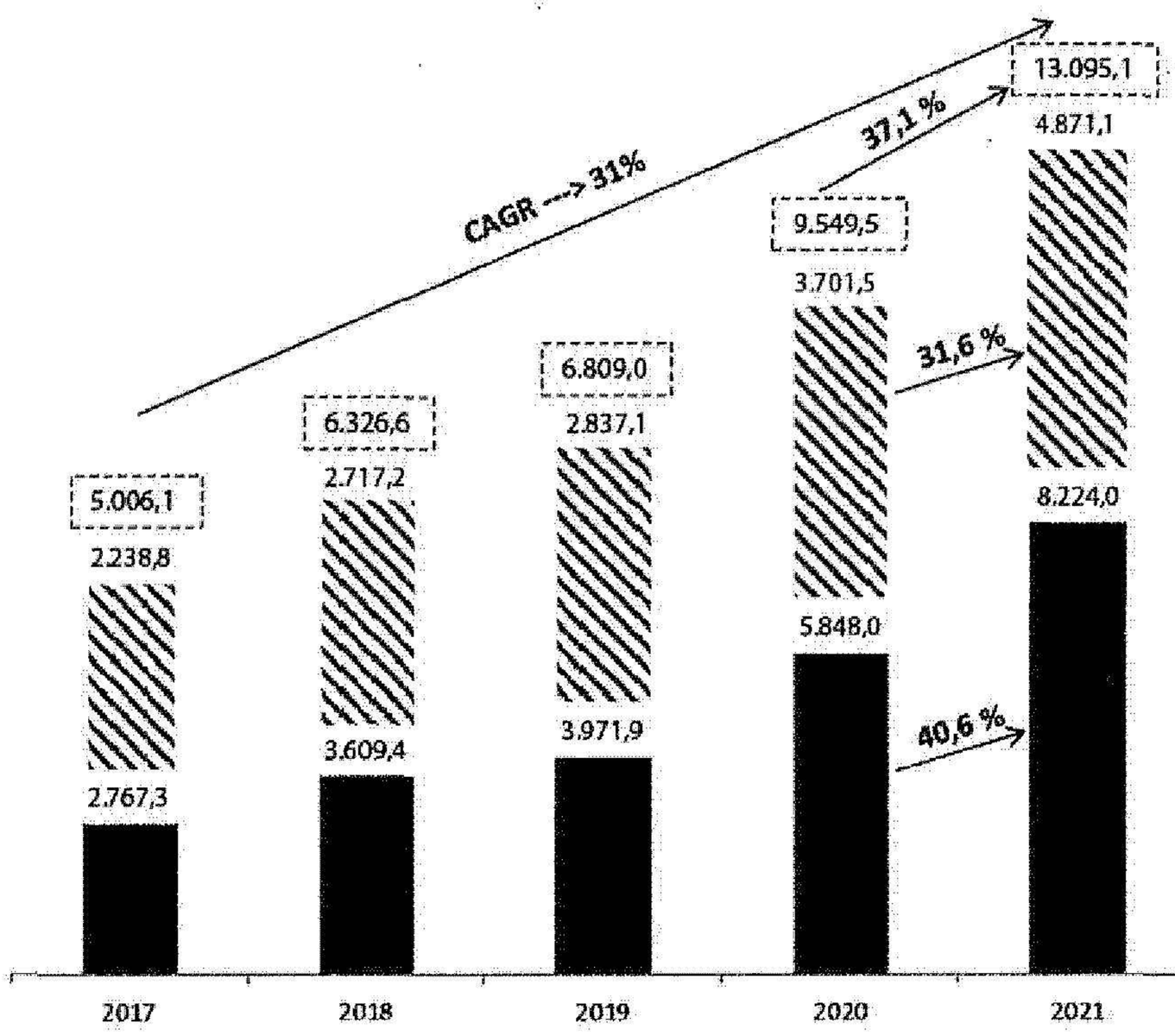
Évora's businesses are strongly linked to mass consumer market segments with defensive characteristics. Despite the challenging macroeconomic environment due to the global effects of the COVID-19 pandemic, Évora's businesses set new records in sales, operating cash flow, and profits.

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The combined net revenue of the Évora companies reached BRL 13,095.1 million, a 37.1% increase over the previous year, with a 31% compound annual growth rate (CAGR) for the period of 2017-2021. Consolidated net revenue reached BRL 8,224.0 million, a 40.6% growth rate over the previous year, supported primarily by selling volumes from installed capacity by Fitesa in recent years, targeting the healthcare segment in Brazil, the United States, Germany, and Italy, and the hygiene market in Thailand. In addition, these numbers include revenue from Fitesa's 2020 acquisitions. The company's net sales revenue reached BRL 8,073 million, a 40.9% growth rate over the previous year.

Our recent investments have not yet reached the maturity of its production curve. The full use of these assets and new investments, whether already in operation or which will become operational in 2022, will significantly increase production capacity for nonwovens, allowing us to forecast steady sales revenue growth in the future. The joint venture in aluminum can production, which is excluded from the consolidated sales revenue, had net revenue of BRL 4,871.1 million, a 31.6% growth rate over the previous year. The plastic closures business, in turn, had BRL 143.8 million in net revenue, representing a 22.7% increase.

The geographic dispersion of our operations and the diversity of consumption categories contributed to risk mitigation and better predictability of results. Of the consolidated net sales revenue and the consolidated operating cash flow, 80% and 59% respectively come from assets located outside Brazil. It is no coincidence that Fundação Dom Cabral ranked Fitesa the most internationalized Brazilian multinational company for the fifth year in a row, with an "internationalization index" of 80.3%.



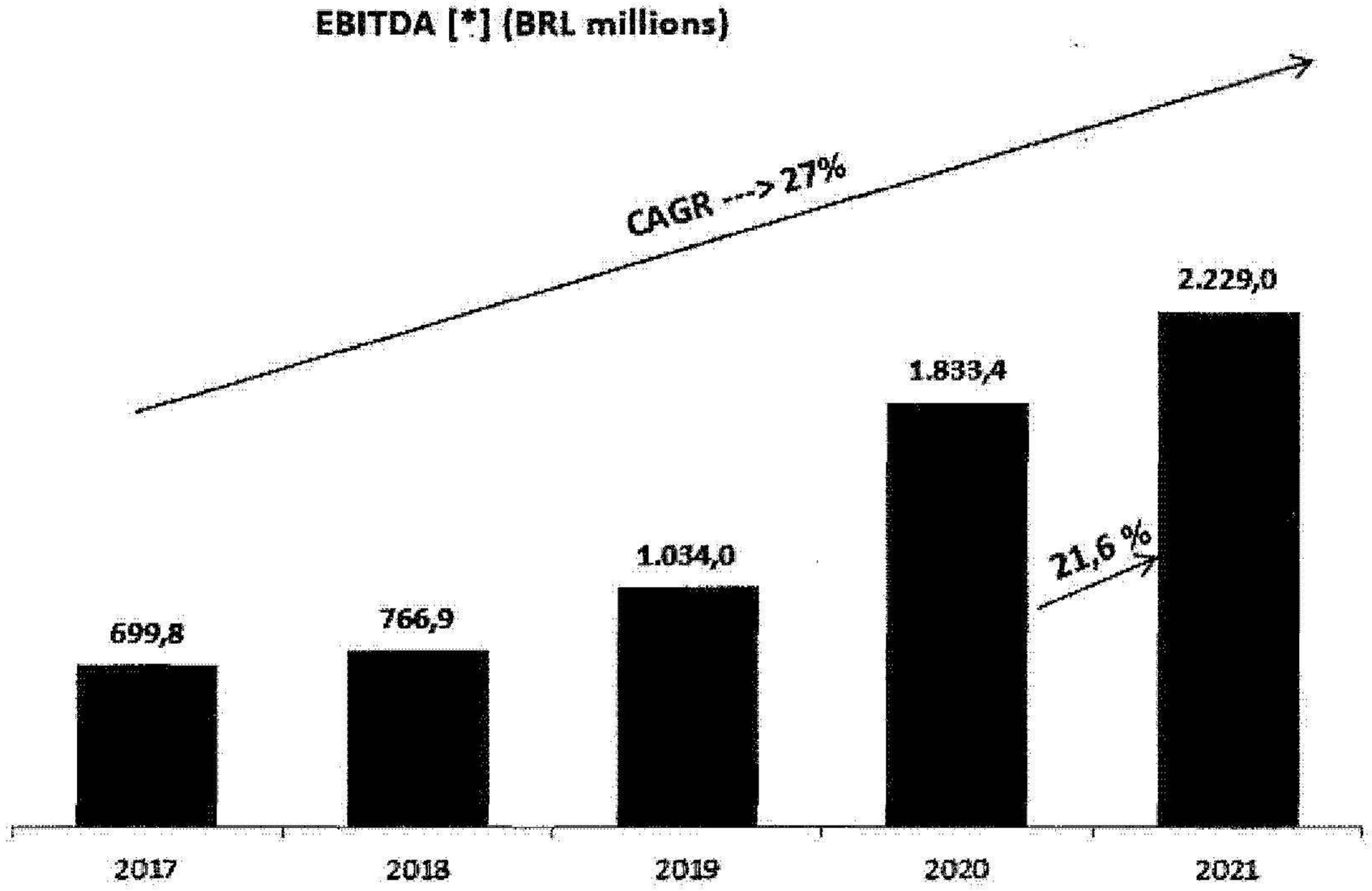
Consolidated Net Sales Revenue. Corresponds to the total sales revenue generated by the controlled companies and presented in the Income Statement for the Year.

Net sales revenue from joint ventures. Corresponds to the total sales revenue generated by the joint ventures, which are not consolidated in accordance with IFRS 11. See Explanatory Note 3 to the Financial Statements.

Combined Net Sales Revenue. Total net sales revenue of the Évora Companies, corresponding to the sum of the consolidated net revenue and the joint ventures net revenue.

The growth in net sales revenues, along with steady operating efficiency and cost control, resulted in an operating cash flow as measured by EBITDA of BRL 2,229.0 million. This is the highest in the company's history, 21.6% higher than the operating cash flow from the previous year, which was already 77.3% higher than 2019. The EBITDA CAGR in 2017-2021 was 27%, slightly below net revenue growth during the same period. Meanwhile, the EBITDA/Consolidated Net Sales Revenue margin reached 27.1%.

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(*) EBITDA Évora's Management understands EBITDA as a managerial measure of operating cash flow, which is widely used by investors and analysts to evaluate and compare the performance of different companies. EBITDA% corresponds to the EBITDA margin resulting from the ratio of EBITDA to the consolidated net sales revenue.

Net income of BRL 1,071.6 million was negatively impacted by exchange rate effects due to the devaluation of the Real against the Dollar on loans and financing. Consolidated capital investments (CAPEX) in 2021 totaled BRL 800.7 million, financed by operating cash flow and long-term loans, a funding strategy that will continue in 2022. The indicator that measures the ability to service financing, Consolidated Net Debt/EBITDA, finished the year at a low level of 1.8. This happened despite significant investments over the year due to the significant increase in EBITDA. Management considers this level of debt acceptable given Évora's strong cash flow potential in its operating assets and long-term debt structure, with maturities through 2037 and diluted concentration between 2022 and 2024. At the same time, the company has been taking opportunities to extend the maturity profile of the current debt, as well as to reduce its average costs of debt.

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In BRL million	2017	2018	2019	2020	2021
Combined Net Sales Revenue of the Évora Companies	5,006.1	6,326.6	6,809.0	9,549.5	13,095.1
Consolidated Net Revenue	2,767.3	3,609.4	3,971.9	5,848.0	8,224.0
Net Profit	228.8	194.3	357.1	868.3	1,071.6
EBITDA	699.8	766.9	1,034.0	1,833.4	2,229.0
Total Consolidated Assets	4,446.1	5,533.1	5,500.4	8,603.8	9,206.2
Net Equity	1,233.2	1,296.0	1,880.7	3,063.9	2,640.7
Consolidated Net Debt / EBITDA	2.6	2.8	1.9	1.4	1.8
Employees	2,762	3,001	3,141	3,787	4,104
Combined Sales Revenue / Employee	1.81	2.11	2.17	2.52	3.19

Fitesa

Despite setting records during the pandemic, the growth in demand for nonwovens started to slow down in 2021, suggesting what the post-pandemic growth and consumption levels in these markets will look like. We estimate the demand for spunmelt nonwovens, the main technology for manufacturing masks, gowns, and diapers, grew approximately 4.5% in 2021, and 20% compared to 2019.

Fitesa made heavy investments to keep up with this growth. It put five new machines into operation in 2021 and increased production capacity in four other machines already in operation. All in all, the company's annual production capacity increased by approximately 25 thousand tons. Most of the investment went into the respiratory protection and sanitization markets, through the manufacturing of raw materials for medical masks, N95 respirators, disinfectant wipes, and sanitizing wipes.

It should be stressed that these decisions have made Fitesa a key player in the global healthcare products market and that they represent a continuation of the strategy the company started in 2020, when Fitesa started investing in these markets outside of Brazil. In 2020, Fitesa acquired Fitesa High Point in the United States and installed meltblown machinery in the United States, Europe, and Brazil.

Fitesa also invested in expanding its manufacturing facilities in Cosmópolis (São Paulo, Brazil), which will host an additional state-of-the-art machine to produce spunmelt nonwovens. Furthermore, the company announced three new investments that will play a critical role in paving the way for its long-term strategy: one spunlace production line for the Brazilian wet wipe market and two production lines to convert raw materials more efficiently from renewable and circular sources in the United States and Europe.

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Finally, we would like to highlight the successful integration of seven recently acquired production plants that are already operating under the Fitesa management system. Five of them manufacture films, laminates and elastics. The acquisition of these plants has redefined the role of the Films & Elastics business unit within the company, expanding its reach to every region where Fitesa works.

The initiatives listed above have made Fitesa an even more diverse and competitive company, with a portfolio of technologies, assets, geographies, and staff that few companies in its industry can match.

Crown Embalagens

In 2020, the installed production capacity for the aluminum cans market was exhausted as the industry grew 5.2%. Not only did Crown Embalagens take part in this growth, but it also increased market share over the year, once again setting new records in sales and production numbers. However, the year finished with a slowdown in sales, a sign of increased economic volatility in Brazil and a cause for concern in 2022.

Crown still believes in the expansion of the Brazilian market for cans, and the company is already executing an expansion plan to meet that growth and increase its market share. In 2021, the company started a new production line for aluminum cans in its Rio Verde plant in the state of Goiás. To match that capacity increase, the company added new machines to its ends production in Manaus, Amazonas. The company also broke ground on a new plant in Uberaba, Minas Gerais, which will host two aluminum can production lines, scheduled to start operations in 2022.

America Tampas

The plastic closures business has continued its growth strategy in high value-added businesses. Year-over-year revenue growth for the hygiene market reached 95%, and the sector now represents 35% of the portfolio. The production of coffee pods, an important element in the company's diversification strategy, also increased unit production by 26%.

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Investment in new equipment was focused on the company's operations in Argentina, with the expansion of manufacturing facilities and the acquisition of injection molding machines and support equipment to fulfill orders from a new contract in the food industry.

Health and Safety

The number and severity of COVID-19 cases started to improve in 2021, and our operations, distributed globally, followed this trend. We consolidated the preventive and protective measures adopted in 2020 and increased the number of vaccinated employees, ensuring the continuity of our operations. There were no interruptions caused by sick leave or outbreaks at any of our facilities, and we were able to gradually return to visiting customers and vendors in person, as well as take part in events.

In 2021, there were 471 reported cases of COVID-19 within our 4,104 employees, most of them mild or asymptomatic. Unfortunately, one death from COVID-19 was reported by Fitesa in the United States.

We encourage vaccination among all members of our staff. At Fitesa, employees were classified as essential workers and given high priority for vaccination in several locations due to the nature of their activities producing materials for medical and hospital products. At Évora's plants in Latin America, where data collection was possible, 98% to 100% of employees have received their full course of vaccination.

Crown Embalagens offered two new modes of healthcare services for employees: telemedicine and telepsychology. These new tools enabled over a hundred employees to access remote health services, providing them with answers about health issues, guidelines on COVID-19, and mental health care during the pandemic in a timely and convenient manner.

Safety in our operations remains our absolute top priority. Fitesa uses the Recordable Incident Rate (RIR) as its primary safety indicator, and plants that were already part of the Fitesa management system saw a decrease of over 20% in RIR during 2021. Recently acquired companies, not yet operating under the Fitesa management system, recorded a rate of 2.61, increasing the group's RIR from 0.95 in 2020 to 1.02 in 2021. The total lost workday rate fell by 54%, an indication of lower severity of incidents.

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Safety performance was especially noteworthy at Crown Embalagens. Over the last two years, the company lowered its Days Away/Restricted or Transfer Rate (DART) from 1.0 to 0.6 (42%) and its Total Recordable Rate from 1.6 to 0.9 (44%). The America Tampas DART rose from 1.4 in 2020 to 2.0 in 2021, the result of 3 incidents leading to work restrictions compared to 2 in the previous year.

Environmental Sustainability

Fitesa and America Tampas primarily use plastics to create high-performance products for the hygiene, cleaning, health, food, and beauty industries. These products allow for cleaner, lighter, and more efficient solutions that have become essential in our daily lives, from nonwovens for diapers and N95 masks, to closures for water bottles and cleaning products. The disposability of these products allows for greater hygiene and a reduction in water consumption, while light plastic products reduce energy consumption and greenhouse gas emissions in their production and transportation compared to their alternatives. The main current concerns surrounding the use of disposable plastics are the use of non-renewable fossil resources and the disposal of these products into oceans when local waste management systems are inadequate. These concerns have led to demand for "bio-based" products, made from biological and renewable sources, and demand for adequate waste management systems aimed at circularity.

Fitesa has been a pioneer and the market leader in sustainability with the largest portfolio of bio-based products in the spunmelt nonwovens industry using BioPE and PLA. Although the increase in demand for biopolymers has created a global shortage of these materials, Fitesa is strategically positioned to access the limited number of suppliers, projecting growth in this portfolio.

In 2021, Fitesa Sweden received the International Sustainability & Carbon Certification (ISCC+), certifying the business unit's capacity to sell products made from renewable or recycled materials through the mass balance system. We will be implementing an ISCC+ certification plan for all other Fitesa plants, beginning with plants in Europe, and also start manufacturing and distributing the first batch of ISCC+-certified nonwovens.

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Rio Novo Florestal, a wholly-owned subsidiary of Fitesa in the Brazilian state of Santa Catarina, has a 502 hectare Nature Conservancy Area preserving the vegetation of the Atlantic Forest, including multiple native flora and fauna species, such as capybara. The Rio Novo area generates carbon credits to be used to offset Fitesa's industrial operations.

These initiatives are in line with Fitesa's new long-term strategic planning directive, which establishes to be recognized as the most sustainable supplier of nonwoven solutions in the markets where it operates by 2030.

To produce its cans, Crown Embalagens uses aluminum, an infinitely recyclable material. In addition, Crown operates in Brazil, the world leader in aluminum can recyclability with a recyclability rate of 97%.

In 2021, Crown Embalagens consolidated its "Zero Waste to Landfill" initiative, ensuring all byproducts and waste from production processes are destined for recycling, co-processing, composting, or re-refining. The program eliminated 5,000 metric tons of waste that would otherwise have been sent to landfills, contributing to the circular economy and helping fight water, soil, and air pollution.

Crown Embalagens has also begun using water reclamation for fertigation in the gardens and lawns of its business units in Teresina and Rio Verde, saving approximately 40,000m^3 of water from local rivers and wells. Water reclamation also made an important contribution during Brazil's drought and water crisis in 2021. In addition, the company was awarded the Aluminum Stewardship Initiative's (ASI) Performance Standard.

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America Tampas remains active in initiatives such as REDE pela Circularidade do Plástico (Plastic Circularity Network), with a seat on its board and a leadership role in Packaging Design projects. In addition, it is an active participant in Tampinha Legal (Cool Cap), the largest socio-environmental education program focused on a circular economy for plastics, which has enabled the recycling of almost one thousand tons of closures. America Tampas also has a seat on the board of Movimento Plástico Transforma (Plastic Transforms Movement) through the Plano de Incentivo a Cadeia do Plástico (PICPlast — Plastics Chain Incentive Plan) industry fund, whereby 522 organizations from the plastics industry work on supporting actions to promote the advantages of plastics as a sustainable solution. In 2021, the initiative collected and recycled every plastic cup used during Saint Silvester Road Race and turned them into school supplies for public schools.

Philanthropy

Évora has worked to support the communities where its people live and work since its very beginning, a value imbued in our organization by founder Sheun Ming Ling and his wife, Lydia Wong Ling. The two always treasured the value of reciprocity and sought ways to give back to Brazil, the country that welcomed them in 1951 and enabled them to raise a family, build companies, and thrive. Instituto Ling was established in 1995 based on these values, and has since given out approximately USD 8.9 million in scholarships to students with high academic and leadership aptitudes.

Starting in 2009, with the publication of our Philanthropy Policy, Évora began using a structured process to offer philanthropic support. This includes leveraging tax incentives available in Brazil, totaling approximately half of our donations over the period, and making sure they are destined for the highest-impact projects at our disposal.

Since then, we have donated BRL 79 million, with BRL 21 million in 2021 alone for projects and institutions working in healthcare, education, sports, innovation and entrepreneurship, childhood and adolescence, the elderly, and people with disabilities. Project selection follows strict criteria that prioritizes benefits to the community and proximity to our facilities, as defined by the Human Resources Committee, with full participation by the Chief Executive Officer of each business unit.

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For example, since 2009, we have donated approximately BRL 2 million to Educando para o Esporte (Educating for Sports), a philanthropic project active in the areas near Crown Embalagens' units in Cabreúva, Estância, Manaus, and Teresina; BRL 885,000 to Projeto Pescar (Project Fishing), a program focused on social inclusion and professional skills training for underprivileged youths throughout Brazil; BRL 400,000 to Venâncio Aires Indoor Soccer, where America Tampas's Brazilian unit is located; and BRL 770,000 to SOGIPA's Olympic Project. The latter resulted in two Olympic Bronze medals for Brazilian judo athletes Daniel Cargnin and Mayra Aguiar, who visited Fitesa Gravataí to share their experiences with our team.

Since 2009, we have donated over BRL 21 million to two of the largest healthcare institutions in Porto Alegre, the Hospital Moinhos de Vento and the Santa Casa de Misericórdia hospital systems, and donated over BRL 20 million to cultural projects through Instituto Ling.

In addition, over USD 2 million have been donated through the Ling Foundation, Instituto Ling's scholarship program in the United States, which operates through Fitesa Simpsonville.

Governance

The mission of the controlling family is to be the steward of Évora's culture and values, defining, disseminating, and protecting the way we work and fostering an environment where people can thrive. At the same time, the family is responsible for ensuring the survival, growth, and continuity of the company.

The family's role is to guide, facilitate, support, and empower key executives using governance structures, policies, and practices that support proper decision-making and implementation. The controlling family maintains a close relationship with leadership to enable quick decisions regarding investments and mergers and acquisitions. United by a culture of trust, we believe this agile process is what sets us apart, a unique competence that we strive to maintain.

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Since 2017, Évora has performed a survey to gauge employee engagement and adherence to values and management practices. In 2019, the survey was expanded to include all employees, not just those in leadership roles, and became biennial. In 2021, 408 leaders and 2083 employees answered the survey, an 84% participation rate for leaders and employees and 93% for leaders, well above benchmark rates. However, engagement rates decreased slightly compared to the previous survey: from 73% to 70% among leaders and employees, and from 81% to 80% among leaders. The chief executive officers of each business unit have added improving engagement rates as measured by the survey to their goals.

We highlight that America Tampas achieved an engagement rate of 100% for leaders and 80% for employees and leaders in 2021, up from rates of 67% (2017) and 73% (2019), respectively.

The composition of the Board of Directors remained unchanged in 2021, with a majority consisting of five independent board members: Fausto Moreira Filho, former CEO of Alcoa Latin America; Eduardo Gentil, former CEO of Visa Brazil and partner at Cambridge Family Enterprise; Daniela Manique, president of Solvay Latin America and Global CEO of Coatis; Walter Dissinger, former CEO of Votorantim Cimentos and former Global President of BASF's Nutrition and Health division; and Geraldo Enck, who ended his term as CEO of Évora in 2020. The family has two board members, William Ling and Wilson Ling, respectively Chairman and Vice-Chairman of the Board of Directors. Anthony Ling, Director of Évora and a member of the third generation of the controlling family, acts as Corporate Governance Secretary, while Lydia Ling, widow of founder Sheun Ming Ling, is President Emeritus.

Should you require additional clarifications, please feel free to contact us.

Porto Alegre, February 23rd, 2022.

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BOARD OF DIRECTORS

WILLIAM LING - President of the Board of Directors

WILSON LING - Vice-President of the Board of Directors

GERALDO EBLING ENCK - Director

WALTER HERBERT DISSINGER - Director

FAUSTO PENNA MOREIRA FILHO - Board Member

EDUARDO BUNKER GENTIL - Board Member

DANIELA RATTIS MANIQUE - Director

PRESIDENT EMÉRITA

LYDIA WONG LING

EXECUTIVE BOARD

SILVERIO LUÍS AMÉRICO BARANZANO BRUTTI - Chief Executive Officer

EDUARDO LUBISCO SOUZA - CFO

ANTHONY DE BARROS LING – Director

ACCOUNTANT

EDISON PACHECO ALVES - CRC RS 48.426/O-9

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Independent auditors' report on individual and consolidated financial statements

To the Shareholders, directors and officers of

Évora S.A.

Porto Alegre - RS

Opinion

We have audited the individual and consolidated financial statements of Évora S. A.("Company"), identified as the parent company and consolidated, respectively, wich comprise the statement of financial position as of December 31,2021, statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding explanatory notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of Évora S. A. as of December 31,2021, and of its individual and consolidated financial performance and its respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards (ISAs) . Our responsibilities under those standards are described in the "Auditors' Responsibilities for the Audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries, in accordance with the ethical requirements that are relevant to our audit of the individual and consolidated financial statements set forth in the Professional Code of Ethics of the Accountant and the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada

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Revenue recognition	
See Note 4.j, 22 and 23 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The revenue from sales of the Company's subsidiaries is recognized at the specific time in which the control of the product is transferred to the customer. For revenue recognition purposes, it is necessary to exercise judgment to assess when the transfer of control over the product to the customer occurs. Due to the relevance of the amounts involved in the volume of transactions and the need for judgment to assess the determination of the moment of transfer of control of the products sold to the customer, which may impact the determination of the moment of revenue recognition and, consequently, the amount recorded in the financial statements consolidated, we consider this matter to be significant in our audit work.	Our audit procedures in this area included, among others: (i) understanding of the relevant sales processes related to the timing of revenue recognition; (ii) documentary tests, on a sample basis, on the moment of recognition of sales revenue for the transfer of control of the product to the customer, inspecting the proof of delivery of the products and average delivery times in different locations. (iii) documentary tests, based on sampling, of revenue transactions covering the entire period, inspecting invoices, sales orders, receipts and delivery of products. Based on the evidence obtained through the procedures summarized above, we consider that the recognition of revenue is acceptable in the context of the consolidated financial statements taken as a whole, for the year ended December 31, 2021.

Responsibilities of management for the individual and consolidated financial statements

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

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatements, regardless of whether any such misstatement is caused by fraud or error, and issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted pursuant to Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may arise from fraud or error, and are considered material when, individually or in aggregate, may influence, from a reasonable perspective, the economic decisions of users taken based on such financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. Moreover:

– We identified and assessed the risks of material misstatement in the individual and consolidated financial statements, whether caused by fraud or error, we planned and performed audit procedures in response

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to such risks, and we obtained proper and sufficient audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that of misstatement resulting from error, since fraud may involve intentional misrepresentation, circumvention of internal controls, collusion, falsification or omission.

- We obtained an understanding of the internal controls relevant to the audit to plan the audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Company and its subsidiaries.

- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the respective disclosures made by the management.

- We reached a conclusion as to the suitability of Management's use of the accounting basis for going concern and, based on the audit evidence obtained, as to whether there is a material uncertainty regarding events or conditions that could raise a significant doubt regarding the Company's and its subsidiaries' capacity for going concern. If we conclude that there is a material uncertainty, we must highlight the related disclosures in the individual and consolidated financial statements in our report or include a modification in our opinion if disclosures are inadequate. Our findings are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Company and its subsidiaries to no longer continue as a going concern.

- We assessed the overall presentation, structure and content of financial statements, including disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner consistent with the objective of fair presentation.

- We obtained appropriate and sufficient audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the individual and consolidated financial statements. We are responsible for the management, oversight and performance of audit of the group, and, consequently, the audit opinion.

We communicated with management regarding, among other things, the planned scope, the timing of the audit and the significant findings of the audit, including any significant deficiencies in internal controls that we identified during our work.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Porto Alegre, February 24, 2022.

KPMG Auditores Independentes Ltda

CRC SP-014428/F-7

André Luiz de Godoy

Contador CRC PR-050218/O-0 T-SC

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Évora S.A.

Balance sheets

As of December 31, 2021 and 2020

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

	Parent company		Consolidated	
Assets	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash and cash equivalents (Note 5)	112,302	499,044	532,028	996,049
Trade accounts receivable (Note 6)	-	-	1,429,284	1,182,132
Inventories (Note 7)	-	-	1,020,684	781,529
Dividends receivable (Note 9)	18,210	129,466	18,210	4,685
Recoverable taxes (Note 10)	4,181	7,620	151,719	148,665
Derivative financial instruments (Note 20)	-	-	3,512	-
Other receivables	778	871	98,053	43,210
Total assets Current	**135,471**	**637,001**	**3,253,490**	**3,156,270**
Judicial deposits (Note 15)	90,701	88,431	94,556	115,972
Deferred taxes (Note 8)	2,375	2,375	123,836	119,910
Related party credits (Note 9)	58,669	47,342	-	-
Recoverable taxes (Note 10)	4,476	2,486	131,704	114,624
Advance for future capital increase (Note 9)	-	2,000	-	-
Other receivables, assets and amounts	1,009	656	7,394	25,160
Investments (note 11)	2,746,446	2,678,589	654,784	536,757
Property, plant and equipment (Note 12)	1,382	1,532	4,420,880	3,983,093
Intangible assets (note 13)	261	261	523,018	551,962
Total non-current assets	**2,905,319**	**2,823,672**	**5,956,172**	**5,447,478**
Total assets	**3,040,790**	**3,460,673**	**9,209,662**	**8,603,748**

See the accompanying notes to the financial statements.

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Évora S.A.

Balance sheets

As of December 31, 2021 and 2020

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

	Parent company		Consolidated	
Liabilities	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Suppliers	1,066	538	747,102	604,393
Loans and financing (Note 14)	203,665	1,536	1,868,238	708,721
Leases (Note 16)	-	-	15,460	16,233
Dividends payable (Note 9)	63,600	260,513	63,600	260,513
Labor obligations	449	393	258,590	148,305
Income tax and social contribution	-	-	32,505	79,955
Taxes and social charges payable	3,331	4,582	83,832	60,503
Debts and loans with related parties (Note 9)	21,633	32,791	-	-
Derivative financial instruments (Note 20)	-	-	-	4,670
Sundry creditors	15,644	8,001	97,760	96,043
Employee benefits (Note 17)	-	-	1,540	1,578
Total liabilities Current	**309,388**	**308,354**	**3,168,627**	**1,980,914**
Loans and financing (Note 14)	-	-	2,775,061	2,891,274
Leases (Note 16)	-	-	34,424	34,505
Taxes and social charges payable	-	-	22,944	2,674
Deferred taxes (Note 8)	-	-	165,261	207,551
Sundry creditors	-	-	8,330	5,292
Provisions (Note 15)	90,660	88,391	100,790	102,160
Employee benefits (Note 17)	-	-	41,356	42,929
Total non-current liabilities	**90,660**	**88,391**	**3,148,166**	**3,286,385**
Shareholders' equity (Note 19)				
Capital	759,851	536,949	759,851	536,949
Capital reserves	503,291	503,291	503,291	503,291
Profit reserves	194,430	982,753	194,430	982,753
Equity valuation adjustments	1,183,170	1,040,935	1,183,170	1,040,935
Shareholders' equity attributable to the controlling shareholders	**2,640,742**	**3,063,928**	**2,640,742**	**3,063,928**
Non-controlling interest	-	-	252,127	272,521
Total shareholders' equity	**2,640,742**	**3,063,928**	**2,892,869**	**3,336,449**
Total liabilities and shareholders' equity	**3,040,790**	**3,460,673**	**9,209,662**	**8,603,748**

See the accompanying notes to the financial statements.

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Évora S.A.

Statements of income

As of December 31, 2021 and 2020

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

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net sales (Note 23)	-	-	**8,223,983**	**5,847,955**
Cost of sales (Note 24)	-	-	(6,480,645)	(4,332,877)
Gross income	-	-	**1,743,338**	**1,515,078**
Sales expenses (Note 24)	-		(413,853)	(296,216)
Administrative expenses (Note 24)	(48,273)	(37,576)	(333,712)	(289,006)
Other (expenses) revenues, net	5,245	(3,723)	(183,205)	318,208
Operating income before financial income and taxes	**(43,028)**	**(41,299)**	**812,568**	**1,248,064**
Financial revenues (Note 25)	63,683	57,611	622,019	752,561
Financial expenses (Note 25)	(25,948)	(35,998)	(856,654)	(1,434,387)
Financial income (loss)	**37,735**	**21,613**	**(234,635)**	**(681,826)**
Equity in net income of subsidiaries (Nota 11)	1,076,865	887,970	656,124	444,986
Income (loss) before taxes	**1,071,572**	**868,284**	**1,234,057**	**1,011,224**
Current and deferred income tax and social contribution (Note 8)	-	-	(154,954)	(118,400)
Net income for the year	**1,071,572**	**868,284**	**1,079,103**	**892,824**
Income (loss) attributed to non-controlling shareholders	-	-	(7,531)	(24,540)
Income (loss) attributed to controlling shareholders	1,071,572	868,284	1,071,572	868,284
Earnings per share				
Basic and diluted earnings per common and preferred share (In reais)			66.89	54.20

See the accompanying notes to the financial statements.

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Évora S.A.

Statements of comprehensive income

As of December 31, 2021 and 2020

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

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net income for the year	**1,071,572**	**868,284**	**1,071,572**	**868,284**
Other components of the comprehensive income	**142,483**	**577,019**	**142,483**	**577,019**
Items that will later be reclassified to income (loss)				
Accumulated translation adjustments	141,594	578,678	141,594	578,678
Items that will not be subsequently reclassified to income (loss)				
Actuarial gains with employee benefits (Note 17)	889	(1,659)	889	(1,659)
Total comprehensive income for the year	**1,214,055**	**1,445,303**	**1,214,055**	**1,445,303**
Income (loss) attributed to non-controlling shareholders	-	-	**(20,394)**	**70,785**
Income (loss) attributed to controlling shareholders	**1,214,055**	**1,445,303**	**1,234,449**	**1,374,518**

See the accompanying notes to the financial statements.

Évora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2021 and 2020

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

		Capital reserves			Profit reserves		Equity valuation adjustments					
	Capital	Goodwill in the issue of shares	Investment subsidy	Convertible debentures	Legal	Investments	Revaluation reserve	Reserve for other comprehensive income	Retained earnings	Total	Non-controlling interest	Total
Balance at December 31, 2019	**536,949**	**3,026**	**265**	**500,000**	**107,224**	**269,057**	**977**	**463,195**	**-**	**1,880,693**	**201,736**	**2,082,429**
Dividend reversal adjustment	-	-	-	-	-	320	-	-	-	320		320
Realization of revaluation reserve	-	-	-	-	-	-	(256)	-	256	-	-	-
Equity evaluation adjustment	-	-	-	-	-	-	-	577,019	-	577,019	46,245	623,264
Net income for the year	-	-	-	-	-	-	-	-	868,284	868,284	24,540	892,824
Distribution of income:												
Legal reserve	-	-	-	-	164	-	-	-	(164)	-	-	-
Proposed dividends (R$ 15.60 per share)	-	-	-	-	-	-	-	-	(249,888)	(249,888)	-	(249,888)
Interest on own capital (R$ 0.78 per share)	-	-	-	-	-	-	-	-	(12,500)	(12,500)	-	(12,500)
Reserve for investments	-	-	-	-	-	605,988	-	-	(605,988)	-	-	-
Balance at December 31, 2020	**536,949**	**3,026**	**265**	**500,000**	**107,388**	**875,365**	**721**	**1,040,214**	**-**	**3,063,928**	**272,521**	**3,336,449**

See the accompanying notes to the financial statements.

Évora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2021 and 2020

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

		Capital reserves			Profit reserves		Equity valuation adjustments					
	Capital	Goodwill in the issue of shares	Investment grant	Convertible debentures	Legal	Investments	Revaluation reserve	Reserve for other comprehensive income	Retained earnings	Total	Non-controlling interest	Total
Balance at December 31, 2020	536,949	3,026	265	500,000	107,388	875,365	721	1,040,214	-	3,063,928	272,521	3,336,449
Capitalization with profit reserves	222,902				(107,388)	(115,514)				-		
Realization of revaluation reserve	-	-	-	-	-	-	(248)	-	247.99	-	-	-
Equity evaluation adjustment	-	-	-	-	-	-	-	142,483	-	142,483	(27,925)	114,557
Proposed dividends (R$ 47.43 per share)	-	-	-	-	-	(759,851)	-	-	-	(759,851)	-	(759,851)
Net income for the year	-	-	-	-	-	-	-	-	1,071,572	1,071,572	7,531	1,079,103
Distribution of income:												
Legal reserve	-	-	-	-	53,579	-	-	-	(53,579)	-	-	-
Proposed dividends (R$ 53.77 per share)	-	-	-	-	-	-	-	-	(861,389)	(861,389)	-	(861,389)
Interest on own capital (R$ 0.99 per share)	-	-	-	-	-	-	-	-	(16,000)	(16,000)	-	(16,000)
Reserve for investments						140,851			(140,851)	-		
Balance at December 31, 2021	759,851	3,026	265	500,000	53,579	140,851	473	1,182,697	-	2,640,742	252,127	2,892,869

See the accompanying notes to the financial statements.

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Évora S.A.

Statements of Cash Flows – Indirect method

Years ended December 31, 2021 and 2020

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

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash flow from operating activities				
Profit before income tax and social contribution	1,071,572	868,284	1,234,057	1,011,225
Adjustments for:				
Depreciation and amortization	350	304	545,497	449,742
Exchange-rate changes and interest on loans and financing, net	37,221	34,989	237,792	662,280
Income (loss) in write-off of fixed assets	-	-	3,036	6,047
Effect from negative goodwill in the acquisition of subsidiaries	-	-	-	(327,219)
Equity in net income of subsidiaries	(1,076,865)	(887,970)	(656,124)	(444,986)
Changes in assets and liabilities	**(5,021)**	**202,403**	**(263,520)**	**(200,183)**
Increase in inventories	-	-	(208,412)	(143,465)
(Increase) decrease in accounts receivable and other accounts receivable	(2,532)	132,518	(251,364)	(210,105)
(Decrease) (increase) in accounts payable and other suppliers	(2,743)	66,915	153,744	185,042
Lease - payment	-	-	(8,622)	(10,112)
Increase/(decrease) in other net taxes	254	2,970	51,134	(21,543)
Other operating activities	**1,328,908**	**373,590**	**254,916**	**335,205**
Income tax and social contribution	-	-	(273,972)	(37,590)
Dividends received	1,309,358	373,590	528,888	372,795
Interest on own capital received	19,550	-	-	-
Net cash from operating activities	**1,356,165**	**591,600**	**1,355,654**	**1,492,111**
Reduction by credits/debits with subsidiaries	(11,328)	(69,543)	-	-
Acquisition of property, plant and equipment and intangible assets	(200)	(268)	(800,672)	(519,304)
Advances for future capital increase	(64,158)	(1,700)	-	-
Paid-up capital in subsidiaries	-	(78,008)	-	-
Capital decrease in subsidiaries	-	6,766	-	-
Acquisition of subsidiaries, net of acquired cash	-	-	-	(562,225)
Net cash used in investment activities	**(75,686)**	**(142,753)**	**(800,672)**	**(1,081,529)**
Cash flow from financing activities				
Payment of loans and sureties with subsidiaries	-	(97,769)	-	-
Payment of principal on loans	(11,001)	-	(864,745)	(778,105)
Payment of interest on loans and debentures	(35,092)	(68,788)	(175,037)	(176,823)
Loans and financing obtained	200,000	-	1,819,884	918,147
Dividends paid	(1,810,503)	(62,758)	(1,810,503)	(87,112)
Interest on own capital paid	(10,625)	-	(10,625)	-
Net cash invested in financing activities	**(1,667,221)**	**(229,315)**	**(1,041,026)**	**(123,893)**
Exchange rate change on cash and cash equivalents	-	-	22,023	139,347
Increase/(decrease) in cash and cash equivalents	**(386,742)**	**219,532**	**(464,021)**	**426,036**
Opening balance of cash and cash equivalents	499,044	279,512	996,049	570,013
Closing balance of cash and cash equivalents	112,302	499,044	532,028	996,049

See the accompanying notes to the financial statements

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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1 Operations

Évora operates, through its companies, in the production and trading of nonwovens for hygienic and medical disposables, aluminum beverage cans and plastic caps for beverages, hygiene, cleaning and beauty products. The geographic scope of the nonwoven business is global: domestic (Brazil) for aluminum beverage cans and in the Southern Cone of South America for plastic caps. In the Brazilian context, it maintains production units in Manaus - AM; Teresina - PI; Estância - SE; Rio Verde - GO; Uberaba – MG; Cosmópolis, Diadema, Jacareí and Cabreúva - SP; Ponta Grossa - PR; Gravataí and Venâncio Aires – RS; and in Passo de Torres - SC. Abroad, it has plants in Pilar – Argentina, and Lima – Peru; San Jose Iturbide - México; in the United States of America in Washougal - WA, Green Bay - WI, Simpsonville - SC, High Point - NC and Terre Haute - IN, as well as plants in Nörrkoping - Sweden; Peine - Germany; Trezzano Rosa and Sulmona – Italy; Ras Al Khalmah, United Arab Emirates; Tianjin – China; Rayong – Thailand; Kerkrade – Netherlands; Rétság – Hungary and Pune – India. In total, there are 33 industrial units located in 14 countries, covering 4 continents and nationally present in 9 states. Still considering the nonwoven business, as part of its innovation strategy, has 4 research and development centers in operation at the Simpsonville, Terre Haute, Peine and Sulmona plants.

The nonwovens and plastic caps businesses are fully owned by Évora. In the aluminum can business, the Company participates in a 50/50 joint venture with the American company Crown Holdings, Inc. since 1995, a global player and world leader in this industry.

The COVID-19 pandemic had no adverse effects on business in 2021 and 2020. In the nonwovens business, there was a slight increase in sales volume due to higher consumption of nonwovens in the medical and hygiene disposable industries. In the aluminum beverage cans business, sales were higher than in the years prior to the pandemic, and in the plastic lids business there was a significant increase in the sales volume of plastic lids applied to products in the personal and domestic hygiene industries.

The subsidiary Fitesa also owns, in Santa Catarina, in the Atlantic Forest biome, pine and eucalyptus forests through its wholly-owned subsidiary Rio Novo Florestal, whose wood is sold for multiple uses, in addition to this forest asset being a carbon credit generator to be used in the compensation of its industrial operations. This carbon credit comes from its forests for cutting and, mainly, from the legal reserve areas, and also for the preservation of the region's biodiversity.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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1.1 Nonwovens business

The subsidiary Fitesa operates in the production and sale of spunbond, spunmelt, carded, rolled, perforated, films, elastic and airlaid and wipes, whose applications are focused on the sanitary disposable markets (mainly disposable diapers and sanitary napkins), medical disposable products (surgical caps and aprons, masks and cleaning and desinfection wipes) and industrial applications (mattresses, furniture, footwear, agriculture, packaging, etc).

To meet the increased demand in the market for hygiene and medical disposables, six new nonwovens production lines were implemented in 2020, one in Thailand, one in Germany and one in Italy, two in Brazil and three in the United States. Additionally, a new line at Cosmópolis industrial plant and two nonwovens production lines focused on the medical disposables industry for the production of cleaning and disinfectant wipes at the industrial plant of Terra Haute, IN, in the United States are in the installation phase and it is estimated for 2022. This expressive set of investments consolidates Fitesa's position as an important supplier in these industries in these regions.

The three acquisitions carried out in 2020 by Fitesa, comprising seven industrial plants located in Jacareí and Diadema, SP in Brazil; Terra Haute, IN and High Point, NC in the United States; Kerkrade in the Netherlands, Rétság in Hungary and Pune in India were successfully executed and the respective acquired operations were integrated into Fitesa's operations.

The set of assets and the diversity of production technologies consolidate the subsidiary Fitesa S.A. as one of the global leaders in the industry.

1.2 Aluminum beverage can business

The joint venture Crown Embalagens Metálicas da Amazônia S.A. is engaged in the production and trading of aluminum cans and caps for beverage bottling, mainly beers and soft drinks.

At Crown Embalagens, the implementation of the second production line at the industrial plant in Rio Verde, GO, was completed in 2021, and the implementation of a new industrial plant in Uberaba, MG, with two production lines, was started and its operation is scheduled for 2022.

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1.3 Plastic Cap Business

The subsidiaries America Indústria e Comércio de Embalagens Ltda and America Tampas Argentina S.A. with plants in Venâncio Aires – RS and Pilar – Argentina are engaged in the production and marketing of plastic beverage caps (mainly soft drinks and mineral water), edible oil, special plastic caps for the hygiene, beauty and cleaning markets, and also in the production of coffee capsules.

2 List of subsidiaries

The consolidated financial statements include the financial statements of Évora S.A. and its direct and indirect subsidiaries, as listed below:

	Country	Direct control (%)		Indirect control (%)	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Fitesa S.A.	Brazil	99.99	99.99	-	-
America Indústria e Comércio de Embalagens Ltda	Brazil	100.00	100.00	-	-
America Tampas Argentina S.A.	Argentina	100.00	100.00	-	-
Rio Novo Florestal Ltda.	Brazil	99.99	99.99	-	-
Petropar Riograndense Ltda.	Brazil	99.97	99.97	-	-
Fitesa Nãotecidos S.A.	Brazil	-	-	99.99	99.99
Fitesa Germany GmbH	Germany	11.00	11.00	89.00	89.00
Fitesa Sweden A.B.	Sweden	-	-	100.00	100.00
Fitesa Limited	England	-	-	100.00	100.00
Fitesa Mexico Holdings Limited	England	-	-	100.00	100.00
Fitesa US LLC	USA	-	-	100.00	100.00
Fitesa Washougal Inc.	USA	-	-	100.00	100.00
Fitesa Nonwovens Inc.	USA	-	-	100.00	100.00
Fitesa Simpsonville Inc.	USA	-	-	100.00	100.00
Fitesa Film Products LLC	USA	-	-	100.00	100.00
Fitesa High Point Inc.	USA	-	-	100.00	100.00
Fitesa Indiana LLC	USA	-	-	100.00	100.00
Fitesa Terre Haute Inc.	USA	-	-	100.00	100.00
Fitesa Italy Srl.	Italy	-	-	100.00	100.00
Fitesa China Holdings B.V.	Holland	-	-	100.00	100.00
Fitesa Kerkrade B.V.	Holland	-	-	100.00	100.00
Fitesa (China) Airlaid Company Limited	China	-	-	100.00	100.00
Fitesa (Tianjin) Non-Woven Company Limited	China	-	-	100.00	100.00
Fitesa Brasil Indústria de Plásticos Ltda.	Brazil	-	-	100.00	100.00
Fitesa Nonwovens Holding S.A.	Spain	-	-	100.00	100.00
Fitesa Nonwovens Holdings Mexico SA de CV	Mexico	-	-	-	100.00
Fitesa Nonwovens Mexico SA de CV	Mexico	-	-	100.00	100.00
Fitesa Nonwovens Services Mexico SA de CV	Mexico	-	-	-	100.00
Fitesa Peru S.A.C.	Peru	-	-	100.00	100.00
Fitesa Retsag Kft	Hungary	-	-	100.00	100.00
Fitesa CNC Co. Ltd	Thailand	-	-	51.00	51.00
Fitesa CNC Japan Co Ltd	Japan	-	-	51.00	51.00
Pantex International SpA	Italy	-	-	100.00	100.00
Pantex Americas LLC	USA	-	-	100.00	100.00
Pantex Mena FZ LLC	Arab Emirates	-	-	100.00	100.00
Fitesa Pune Private Company	India	-	-	100.00	-

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3 Preparation basis

a. Statement of conformity regarding the International Financial Reporting Standards (IFRS) and Accounting Pronouncement Committee (CPC) standards

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

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

The issue of financial statements was authorized by the Executive Board on February 23, 2022.

b. Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for certain financial instruments measured at fair value through profit or loss.

c. Functional and presentation currency

The financial statements of the parent company and each subsidiary included in the consolidation of the Company and those used as a basis for evaluating investments by the equity method in the parent company and consolidated financial statements are prepared using the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment in which it operates. In defining the functional currency of each of its subsidiaries, management considered which currency significantly influences the sale price of its products and services and the currency in which the majority of the cost of its production inputs is paid or incurred. Individual and consolidated financial statements are being presented in reais (R$), which is the functional currency of Évora S.A.

All balances have been rounded to the nearest value, except otherwise indicated.

d. Use of estimates and judgments

The preparation of these financial statements, Management used judgments and estimates that affect the application of accounting principles of the Company, and the reported values of assets, liabilities, revenues and expenses. Actual results may differ from these estimates, which are reviewed on a continued basis and possible adjustments are recognized in the year when the estimates are reviewed on a prospective basis.

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i. Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements is included in Note 11 - consolidation and equity in net income of subsidiaries:

ii. Uncertainties on assumptions and estimates

Information on uncertainties as to assumptions and estimates as of December 31, 2021 that pose a high risk of resulting in a material adjustment in book balances of assets and liabilities in the next fiscal year are included in the following notes: Note 8 – Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized; Note 8 – Uncertainty over income tax treatment; Note 12 – Impairment test of property, plant and equipment: main assumptions regarding recoverable values, including recoverability of development costs. Note 13 - Intangible asset and goodwill impairment test: main assumptions regarding recoverable values, including recoverability of development costs. Note 15 - recognition and measurement of provisions for lawsuits: main assumptions about the likelihood and magnitude of the outflows of funds; Note 17 – Measurement of defined benefit obligations: main actuarial assumptions; and note 20 - measurement of estimated credit loss for accounts receivable and contract assets: main assumptions in determining the weighted average loss rate.

iii. Measurement of fair value

A series of Company's accounting policies and disclosures requires the measurement of fair value, for financial and non-financial assets and liabilities.

The Company established a control structure related to measurement of fair value. This includes the process of reviewing all significant fair value measurements.

The valuation process includes regular review of significant unobservable data and valuation adjustments. If third-party information, such as brokerage firms' quotes or pricing services, is used to measure fair value, the appraisal process analyzes the evidence obtained from the third parties to support the conclusion that such evaluations meet the CPC/IFRS requirements, including the level in fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

– Level 1: prices quoted (not adjusted) in active markets for identical assets and liabilities.

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– 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).

– Level 3: inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

The Company recognizes transfers between fair value hierarchic levels at the end of the financial statements year in which changes occurred.

Additional information about the assumptions used in the measurement of fair values are included in Note 20 – Financial instruments.

e. New standards and interpretations not yet adopted

Several new standards will become effective for the years started after January 1, 2021. The Company and its subsidiaries did not adopt these standards in the preparation of these financial statements and the Management did not detect relevant impacts in the potential application of these standards in a preliminary evaluation.

i. Onerous Contracts – Cost 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 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.

ii. Benchmark Interest Rate Reform – Phase 2 (amendments to CPC 48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7, CPC 11/IFRS 4 and CPC 06/IFRS 16)

These amendments address issues that may affect financial statements as a result of Benchmark Interest Rate Reform, including effects of changes in contractual cash flows or hedge relations arising from replacement of reference interest rate by an alternative benchmark rate. The amendments provide practical expedient for certain requirements of the aforementioned CPCs related to: - changes in the basis for determining the contractual cash flows of financial assets, financial liabilities, and lease liabilities; and hedge accounting.

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iii. Other standards

New and amended standards are not expected to have a significant impact on the consolidated financial statements:

- - Rental concessions related to COVID-19 (amendment to CPC 06/IFRS 16);
- - Property, plant and equipment: revenues before intended use (amendments to CPC 27/IAS 16);
- - Reference to the Conceptual Framework (amendments to CPC 15/IFRS 3);
- - Classification of Liabilities in Current or Non-Current (Amendments to CPC 26/IAS 1); and
- - IFRS 17 - Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to CPC 23/IAS 8).

4 Significant accounting policies

a. Consolidation basis and investments in subsidiaries and joint venture

(i) Subsidiaries and joint venture

The Company controls an entity when it is exposed to, or has a right over the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements as from the date the Group obtains the control until the date such control ceases.

To be classified as a jointly-controlled entity, there must be a contract allowing the Company to have shared control over the entity and giving the Company the right to the net assets of the jointly-controlled entity, and no right to its specific assets and liabilities. Such investments are initially recognized by the cost, which includes expenditures with transactions. After initial recognition, financial statements include the Company's interest in income or loss for the year and other comprehensive income of the investee up to the date in which significant influence or joint control no longer exists.

In the parent company's individual financial statements, the financial information of subsidiaries and joint venture is recognized in the equity method of accounting.

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(ii) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses (except for gains or losses on transactions in foreign currency) derived from intragroup transactions, are eliminated. Unrealized gains originating from transactions with investee companies recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

(iii) Business combination

Business combinations are recorded using the acquisition method when the set of activities and acquired assets addresses the definition of a business and the control is transferred to the Group. When determining whether a set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at least, an input and a substantive process that together contribute significantly to the ability to generate output.

The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any goodwill arising in the transaction is tested annually for impairment. Gains in a bargain purchase are immediately recognized in profit or loss. Transaction costs are recorded in income (loss) as incurred, except the costs related to the issuance of debt or equity instruments.

Transferred consideration does not include amounts referring to payment of pre-existing relations. These amounts are usually recognized in income for the year.

(iv) Foreign currency transactions

Foreign currency transactions are translated into the respective functional currencies of the Group's entities at the exchange rate on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currency on balance sheet date are translated into presentation currency at the foreign exchange rate in force on the closing date. Non-monetary assets and liabilities acquired or contracted in foreign currency are translated based on the exchange rates on the dates of the transactions or on the dates of valuation at fair value when applicable. Exchange differences arising from the translated are recognized in income (loss).

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(v) Foreign operations

Gains and losses resulting from changes in foreign investments are recognized directly in the shareholders' equity and other comprehensive income and recognized in the statement of income when these investments are fully or partially disposed. The financial statements of the foreign subsidiaries are translated into the parent company's functional currency at the exchange rate in effect on the closing date and regarding the balance sheet accounts (including the goodwill and fair value adjustments deriving from the acquisition), and at monthly average foreign exchange rates for income (loss) accounts.

The differences in foreign currencies generated for the translation into the presentation currency are recognized in other comprehensive income and accumulated in the equity valuation adjustments in shareholders' equity account. If the subsidiary is not a wholly-subsidiary, the corresponding portion of the translation difference is allocated to the non-controlling shareholders.

(vi) Interest of non-controlling shareholders

The Company chose to measure non-controlling interest at their proportion interest in identifiable net assets of the acquiree on the acquisition date.
Changes to the Company's interest in a subsidiary that do not result in loss of control are accounted for as transactions from shareholders' equity.

b. Financial instruments

b.1. Non-derivative financial assets and liabilities

Financial assets and liabilities are recognized when the Company and its subsidiaries are parties to the contractual provisions of instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (except for assets measured at fair value through profit or loss) are increased or reduced by the fair value of the financial assets or liabilities, when applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in the statement of income.

The Company and its subsidiaries derecognize a financial asset when the contractual rights to the cash flow of the asset expire, or when they transfer the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company carries out transactions in which it transfers assets recognized in the balance sheet, but retains all or substantially all risks and rewards of the assets transferred. In such cases, financial assets are not derecognized.

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The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinct book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in the income (loss).

Financial assets or liabilities are offset and the net value reported in the balance sheet only when the Company currently has legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(i) Non-derivative financial assets

The Company and its subsidiaries have the following non-derivative assets: cash and cash equivalents, accounts receivable and other receivables, as Note 20.

The Company and its subsidiaries classify all their non-derivative financial assets at amortized cost.

In the initial recognition, a financial asset is classified as measured: at amortized cost; at FVTOCI - debt or equity instrument; or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for the management financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at FVTPL:
- it is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- its contractual terms generate, on specific dates, cash flows only related to the payment of principal and interest on outstanding principal value.

These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced due to impairment losses. Interest revenue, foreign exchange gains and impairment losses are recognized in the income (loss). Any gain or loss on derecognition is also recognized in income (loss).

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(ii) Non-derivative financial liabilities

The Company and its subsidiaries have the following non-derivative liabilities: loans and financing, suppliers, leases and other accounts payable, as per note 20.

Financial liabilities were classified and measured at amortized cost.

The Company and its subsidiaries recognize the debt securities issued on the date that they are originated. All other financial liabilities are recognized initially on the negotiation date on which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. In the derecognition of a financial liability, the difference between the extinct book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in the income (loss).

Non-derivative financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. After the initial recognition, these financial liabilities are stated at amortized cost using the effective interest rate method. Interest expense, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is also recognized in income (loss).

b.2. Derivative financial instruments

Certain Company's subsidiaries hold derivative financial instruments to hedge risks relating to foreign currencies and interest rate risks. Derivatives are initially recognized at fair value; attributable transaction costs are recognized in income (loss) when incurred. After the initial recognition, derivatives are measured at fair value and changes are accounted for in income (loss).

b.3. Capital

Common and preferred shares

Common and preferred shares are classified as shareholders' equity.

Preference capital is classified as shareholders' equity if it is non-redeemable, or redeemable only at the Company's discretion. Preferred shares have no voting rights and takes priority in the settlement of their share of capital. The preferred shares are entitled to dividends in the same proportion as those paid to the common shares.

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Debentures
The debentures issued are convertible into a fixed number of common and preferred shares and the option to settle or convert them is under Company's control. Therefore, they meet the prerequisites of accounting metrics to be classified as equity instruments.

Interest on debentures is recorded as a financial liability.

c. Impairment

i. *Non-derivative financial assets*

The Company recognizes provisions for expected credit losses on financial assets measured at amortized cost.

Provisions for trade receivables' losses are measured at a value equal to a credit loss estimated for the instrument's entire life.

Measurement of expected credit losses

The Company and its subsidiaries measure the provision for loss in an amount equal to expected credit loss for the entire outstanding risk balance of these clients. When determining if the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Company and its subsidiaries consider reasonable and tolerable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, credit assessment, and considering forward-looking information. Provision for credit risks was calculated based on credit risk analysis, which contemplates loss history, individual client situation, situation of the economic group to which clients belong, real guarantees to debits and legal advisors' evaluation, and is considered sufficient to cover possible losses on amounts receivable. In addition, a prospective evaluation that takes into consideration change or expected change in economic factors that affect expected credit losses is carried out; these credit losses will be determined based on weighted probabilities.

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Financial assets with recovery issues

On each balance sheet date, the Company evaluates whether the financial assets accounted for at amortized cost and are experiencing recovery problems. A financial asset has "recovery problems" when one or more events with a negative impact on the estimated future cash flows of the financial asset occur.
Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulties of the debtor;
- breach of covenants, such as delinquency or late payment of more than 30 days;
- restructuring of an amount owed to the Group under conditions that would not be accepted in normal conditions;
- the probability that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of provision for expected credit losses in balance sheet

Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of assets.

Write-off

The gross book value of a financial asset is written off when the Group has no reasonable expectation of recovering the financial asset in full or in part. Financial assets written off may still be subject to credit collection, in compliance with procedures of the Group for the recovery of the amounts due.

ii. ***Non-financial assets***

On each reporting date, the Company and its subsidiaries review book values of its non-financial assets (except for biological assets, investment properties, inventories, contract assets and deferred taxes) to determine if there is an indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated based on future cash flows. In case of goodwill, recoverable value is tested on an annual basis.

For impairment tests, assets are grouped in Cash Generating Units (CGUs).

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value. Impairment losses are recognized in profit or loss. Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis. An impairment loss related to goodwill is not reversed. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

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The recoverable amount of an assets or CGU is the greater of its value in use and its fair value less disposal costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

d. Property, plant and equipment

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

The cost includes expenditures that are directly attributable to the acquisition of assets. The cost of assets built by the Company includes materials and direct labor, as well as any other costs attributable to bringing the assets to the location and condition required for them to operate, including the financial charges to loans directly related to the construction project or any other qualifiable asset.

Gains and losses on disposal of a property, plant and equipment item (determined by comparing the proceeds from disposal with the book value of property, plant and equipment) are recognized in income (loss).

Subsequent costs are capitalized in accordance with the probability that associated future benefits may be earned by the Company and/or its subsidiaries. Maintenance expenses and recurring repairs are recorded in income (loss).

Depreciation is calculated to amortize the cost of items of property, plant and equipment, net of their estimated residual values, using the straight-line method based on estimated useful lives of such items. Depreciation is recognized in profit or loss. Land is not depreciated.

Afforestation depletion and reforestation are calculated monthly in proportion to consumption.

The depreciation methods, useful lives (disclosed in Note 12) and residual values are reviewed at each reporting date and potential adjustments will be recognized as a change in accounting estimates.

e. Intangible assets

Goodwill arising from the acquisition of subsidiary is calculated and included in intangible assets in the consolidated financial statements.

Goodwill is measured at cost, less accumulated impairment losses, when applicable.

In the individual statements of the parent company, in relation to investees recorded at the equity method, goodwill book value is included in the investment book value.

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Other intangible assets acquired with finite useful lives are measured at cost, less accumulated amortization and accumulated impairment losses, when applicable.

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in the income (loss) as incurred.

Amortization is recognized in income (loss) on a straight-line method and over the useful lives of its items, net of its estimated residual values, as of the date they are available for use. Amortization is usually recognized in income (loss). Goodwill is not amortized.

The amortization methods, useful lives (disclosed in Note 13) and residual values are reviewed at each reporting date and potential adjustments will be recognized as a change in accounting estimates.

f. Inventories

Inventories are stated at the average acquisition or production cost, except when exceeds the net realizable value. The cost of inventories includes expenditures incurred in the acquisition and transportation. In the case of manufactured inventories and inventories in progress, cost includes manufacturing overheads based on normal capacity.

g. Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Reserves are recognized based on the best estimates of the risk involved.

h. Right-of-use assets and lease liabilities

At the beginning of the contract, the Company and its subsidiaries evaluate if an agreement is or contains a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

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Leases
At the inception or amendment of an agreement containing a lease component, the lease consideration is allocated to each lease and non-lease component based on its individual prices.

A right-of-use asset and a lease liability are recognized on the lease inception date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liability adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee to disassemble and remove the underlying asset, by returning it to the place where it is located or returning the underlying asset to the state required under the lease terms and conditions, less any lease incentives received accordingly.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of underlying asset to the lessee at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, determined on the same basis as that of property, plant and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the inception date, and discounted using the interest rate implied in the lease or, if that rate cannot be determined, the incremental loan rate of the Company and its subsidiaries.

The incremental rate on loans is determined by obtaining interest rates from a number of external funding sources and making adjustments to reflect the agreement terms and the type of leased asset.

Lease payments included in the measurement of lease liability comprise the following: fixed payments, including in-substance fixed payments; variable payments based on an index or rate, initially measured based on the index or rate at the start date; amounts expected to be paid in accordance with the residual value guarantees; and - the call option strike price if the lessee is certain to exercise such option, and payments of fines due to termination of the lease, if the lessee estimates exercising the option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future payments resulting from a change in index or rate, if there is a change in the amounts expected to be paid under the residual value guarantee, due to a change in the valuation of exercising a purchase option, extension or termination or due to the existence of a revised fixed lease payment and, accordingly, an adjustment corresponding to the book value of the right-of-use asset is made or is recorded in the result when the book value of the right-of-use asset has been reduced to zero.

Low-value asset leases
The Company and its subsidiaries opted not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, recognizing their payments as an expense on a straight-line basis over the lease term.

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i. Benefits granted to employees

Employee benefit plans are provisioned based on actuarial calculation annually prepared by independent actuary under the projected unit credit method, net of plan guarantee assets, when applicable, and the costs related to the increase in the present value of the obligation, resulting from employee-provided services, are recognized in the period of employment.

The Company and its subsidiaries recognize all actuarial results resulting from defined benefit plans in other comprehensive income.

j. Operating revenue

Revenue is measured based on the consideration specified in the contract with the client. The Group recognizes the revenue when the control over the product or service is transferred to the client.

The IFRS 15 / CPC 47 – Revenue from Contracts with Customers establishes a five-step model aimed at determining whether the specific accounting criteria have been met. Stages of this process include:

i) Identification of contract with the client;
ii) Identification of performance obligations;
iii) Determination of transaction price;
iv) Allocation of transaction price; and
v) The revenue recognition by fulfilling the performance obligation.

Accordingly, revenues are recorded at the amount of consideration the Company expects to receive in exchange for the goods and financial services provided to the clients.

The gross revenue is presented net of rebates and discounts, and elimination of revenues among related parties.

k. Financial revenues and expenses

Financial revenues comprise mainly revenues from investments. Interest revenue is recognized in the income (loss) using the effective interest method. Changes in fair value of financial assets measured at fair value through profit or loss and gains in derivative financial instruments are recognized in financial income (loss).

Financial expenses include mainly interest expenses and charges on financing. Financing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in the income (loss) and measured using the effective interest rate method.

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l. Government grant

A government grant is recognized in income (loss) throughout the period, compared with the expenses it intends to offset, in a systematic basis, provided that the conditions of CPC 07 - Governmental Grants and Assistance. The Company and its subsidiaries meet the requirements for recognition in the income (loss).

Donations and grants received by subsidiaries before the first-time adoption of Laws 11638/07 and 11941/09 have been recorded in the capital reserve account in shareholders' equity and they will be maintained until its allocation.

m. Income tax and social contribution

The income tax and social contribution, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax loss carryforward and negative basis of social contribution, limited to 30% of the taxable income for the year. Subsidiaries abroad are subject to income tax rates in accordance with the legislation in force in each host country.

Expense with income tax and social contribution comprises both current and deferred taxes. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

Deferred taxes are recognized in relation to the temporary differences between the book values of assets and liabilities for accounting purposes and the related amounts used for taxation purposes. Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on current law up to the reporting date of financial statements.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets and liabilities, and the latter relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

Deferred income tax and social contribution assets are reviewed at each reporting date and reduced when their realization is no longer probable.

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n. Earnings per share

The basic earnings per share are calculated based on the income for the year attributable to the Company's shareholders and the weighted average of outstanding common and preferred shares in the respective year. On December 31, 2021 and 2020, the Company presents the diluted earnings per share in the same amount as the basic calculation, since there are no financial instruments that can be converted into shares and its common and preferred shares have no distinction in profit sharing.

5 Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash and banks	200	25	363,166	487,292
Interest earning bank deposits	112,102	499,019	168,862	508,757
	112,302	499,044	532,028	996,049

In the consolidated, the amount in cash and banks contains the bank account balances of the subsidiaries abroad in their respective functional currencies, mainly in US Dollars and Euros, converted into reais on December 31, 2021 and 2020.

Interest earning bank deposits have immediate liquidity and refer mainly to investments in investment funds whose yield derives from an average rate close to full changes in the Interbank Deposit Certificates - CDI.

The Company and its subsidiaries' exposure to interest rate risks, foreign exchange risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 20.

6 Trade accounts receivable

	Consolidated	
	12/31/2021	**12/31/2020**
Clients in Brazil	346,456	217,270
Foreign clients	1,097,667	980,468
	1,444,123	1,197,738
Provision for expected losses on accounts receivable	(14,839)	(15,606)
	1,429,284	1,182,132

The exposure to risks of accounts receivable is presented in Note 20.

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7 Inventories

	Consolidated	
	12/31/2021	12/31/2020
Finished goods	356,074	269,372
Work in process	12,671	8,498
Raw materials	543,205	392,156
Maintenance Storeroom	103,055	112,239
Other	20,229	5,020
Provision for losses	(14,550)	(5,756)
	1,020,684	781,529

Inventories are free of liens and guarantees.

8 Income tax and social contribution

Foreign subsidiaries

Foreign subsidiaries are subject to a 30% income tax rate in Mexico and Peru and Argentina, 30.7% in Germany, 21% in the United States, 27.9% in Italy, 25% in China, 21.4% in Sweden, 19% in England, 25% in the Netherlands, 20% in Thailand, 23% in Japan, 9% in Hungary, 22% in India and are exempt in the United Arab Emirates, with such rates being levied on taxable income, according to the laws in force in each host country.

The income of subsidiaries abroad are consolidated and subject to taxation rules on universal bases applicable in Brazil, equalizing the differences in rates applied in the several locations where the subsidiaries are located.

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(a) Recognized deferred tax assets and liabilities

In the consolidated, the recognized deferred income tax and social contribution have the following changes:

	Consolidated				
	12/31/2020	**Additions**	**Translation adjustment**	**Write-offs**	**12/31/2021**
Assets:					
Exchange-rate change	70,805	13,604	(4,200)	(1,408)	78,801
Other temporary differences	31,045	17,804	(7,265)	(5,740)	35,844
Tax loss and negative basis	38,926	5,029	9,472	(20,385)	33,042
	140,776	36,438	(1,993)	(27,533)	147,687
Liabilities:					
Exchange-rate change	453	(14,666)	(8,295)	119	(22,389)
Fair value of subsidiaries	(134,890)	(33,260)	18,229	8,664	(141,257)
Depreciation	(94,751)	-	(383)	82,093	(13,041)
Other temporary differences	771	(2,362)	(4,286)	(6,548)	(12,425)
	(228,417)	(50,288)	5,265	84,328	(189,112)
Net deferred taxes	(87,641)				(41,425)
Assets	119,910				123,836
Liabilities	(207,551)				(165,261)
	(87,641)				(41,425)

Management considers that the deferred tax assets arising from temporary differences and tax loss carryforwards will be realized in proportion to the final solution of the events that gave rise to them and in the generation of future taxable income, respectively, which were based on projections of taxable income considering several financial and business assumptions at year-end, which are subject to the uncertainties inherent in those forecasts. The management's projection for realization of deferred tax assets is presented below:

	Consolidated
	12/31/2021
2022	50,620
2023	5,939
2024	5,110
>2024	86,018
	147,687

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(b) Unrecognized deferred tax assets

In addition to the deferred tax assets recorded under item (a) above, certain subsidiaries have amounts of R$ 101,452 of tax loss carryforwards and R$ 74,592 of negative basis of social contribution in their tax records, not accounted for, and which will be potentially offset against future taxable income or recognized to the extent that the conditions for such recognition are met in accordance with CPC 32 and international standards (IAS 12).

(c) Reconciliation of income tax and social contribution expenses

The reconciliation between the tax expense as calculated by the combined statutory rates and the income tax and social contribution expense charged to income is presented below:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Income (loss) before income tax and social contribution	1,071,572	868,284	1,234,057	1,011,225
Tax incentives - ICMS	-	-	(27,153)	(20,217)
Calculation basis	1,071,572	868,284	1,206,904	991,008
Applicable tax rates	(364,334)	(295,217)	(376,300)	(336,943)
Equity in net income of subsidiaries	366,133	301,650	223,082	151,295
Tax loss and negative basis of social contribution - not recognized	(723)	(10,211)	(1,609)	(2,942)
Effects from income tax rates for foreign subsidiaries	-	-	33,612	73,683
Exchange-rate changes	-	-	192	(18,662)
Interest on own capital	5,440	4,250	5,440	12,069

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Other additions and exclusions, net	(6,516)	(472)	(39,372)	3,100
	364,334	295,217	221,345	218,543
Effect from income tax and social contribution in income (loss)	-	-	(154,954)	(118,400)
Current	-	-	(201,170)	(46,684)
Deferred	-	-	46,216	(71,716)

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9 Related parties

The Company's parent company is Terramar Investimentos S.A.

The main balances of assets and liabilities as of December 31, 2021 and 2020, as well as the transactions that influenced income of those years, related to transactions with related parties, were performed under specific conditions agreed between the parties and take into account the volumes of operations and the periodicity of the transactions given their characteristics. Such transactions are not comparable to transactions with unrelated third parties.

Parent company

Companies	Dividends / Interest on capital receivable	Long-term credits	Advances for future capital increase	Dividends payable	Short-term debits and loan payable	Revenues
America Ind. e Com. Embalagens Ltda.	-	12	-	-	-	798
Crown Embalagens Metálicas da Amazônia S.A.	18,210	-	-	-	-	4,275
Fitesa Nãotecidos S.A.	-	8,121	-	-	-	-
Fitesa Peru S.A.C.	-	6,456	-	-	-	8,422
Fitesa S.A.	-	5,579	-	-	-	6,391
Fitesa Sweden A.B.	-	29,892	-	-	21,633	5,331
Fitesa Nonwovens Mexico SA de CV	-	2,054	-	-	-	28,219
Fitesa Italy Srl.	-	364	-	-	-	2,261
Fitesa Germany GmbH	-	1,433	-	-	-	385
Fitesa Simpsonville Inc.	-	4,758	-	-	-	1,340
Terramar Investimentos S.A.	-	-	-	63,600	-	-
12/31/2021	18,210	58,669	-	63,600	21,633	57,422
12/31/2020	129,466	47,342	2,000	260,513	32,791	55,190

The balances of dividends receivable and payable refer to the distribution of declared and not yet paid results, respectively, of the subsidiaries and the parent company.

Long-term credits refer to guarantees granted, raising of loans and financing in the financial market, use of brands, and technical consulting to subsidiaries of the parent company.

The balances of debts and loans payable refer to the purchase by the Company of an 11% interest in the subsidiary Fitesa Germany, from the subsidiary Fitesa Sweden.

The revenues recognized by the parent company refer to the collection of sureties, use of brands and technical consulting.

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The amounts of commercial transactions between related parties are immaterial when compared to the totals transacted by the investees with third parties, which is the reason why they are not being presented.

Consolidated

Companies	Dividends receivable	Dividends payable
Crown Embalagens Metálicas da Amazônia S.A.	18,210	-
Terramar Investimentos S.A.	-	63,600
12/31/2021	18,210	63,600
12/31/2020	4,685	260,513

The dividend balances receivable and payable refer to dividends declared and not yet paid, of joint venture and the parent company, respectively.

10 Recoverable taxes

Recoverable taxes refer to credits arising from the operations of the Company and its subsidiaries, and are described as follows:

	Consolidated			
	12/31/2021		12/31/2020	
	Current	Non-current	Current	Non-current
PIS and COFINS	33,118	6,603	31,588	31,232
ICMS	8,337	33,429	15,099	3,166
IPI	4,375	1,797	4,840	1,794
IRPJ and CSLL	61,862	89,875	58,834	77,648
IGV - Peru	10,780	-	544	-
VAT – Germany, China, Thailand	10,614	-	8,708	-
VAT – Italy, Mexico, Argentina	15,660	-	22,204	-
Other	6,973	-	6,848	784
	151,719	131,704	148,665	114,624

The balances of PIS/COFINS and ICMS are mainly composed of tax credits calculated in the operations of acquisition of goods that are part of property, plant and equipment, arising from recent investments and expansions of installed capacities in plants in these locations, and generated in the plant operations mainly arising from exports, which will be carried out in the usual course of business, in addition to credits arising from lawsuits for exclusion of ICMS from the PIS and COFINS calculation basis, which received a final and unappealable favorable decision to the subsidiaries.

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The balance of corporate income tax (IRPJ) and social contribution (CSLL) is composed of tax credits recognized and income tax withholdings on financial investments, which are adjusted according to the Selic rate and will be realized in the usual course of business or through requests for reimbursement. Additionally, the IRPJ and CSLL balance comprises the amounts paid in advance and which will be recovered later, and tax credits paid by the subsidiaries abroad.

11 Investments in subsidiaries and joint ventures

Main information:

	Capital	Shareholders' equity	Shares or quotas held	Total assets	Total liabilities	Total financial revenues	Income (loss) for the year
(a) Direct subsidiaries							
Fitesa S.A.	713,640	2,014,575	8,045,133	8,231,964	6,217,389	8,073,256	418,219
Fitesa Germany GmbH	260,344	314,701	1	527,294	212,593	480,785	(2,493)
Rio Novo Florestal Ltda.	13,389	10,622	10,189	12,330	1,708	6,912	(2,789)
Petropar Riograndense Ltda.	1,015	1,551	1,015	2,338	787	-	15
America Ind. Com. de Embalagens Ltda.	5,999	20,315	5,999	78,329	58,014	127,904	5,617
America Tampas Argentina S.A.	6,313	9,994	116,106	12,370	2,376	15,912	(45)
(b) Joint Venture							
Crown Embalagens Metálicas da Amazônia S.A.	60,644	1,309,567	44,288	4,398,040	3,088,473	4,871,157	1,312,247

The percentages of interest in the subsidiaries are presented in Note 2, and the Company holds a 50% stake in the joint venture.

Changes in investments in subsidiaries and joint ventures:

	Balance at 12/31/20	Capital increase	Dividends received / receivable	Other components of the comprehensive income	Equity in net income of subsidiaries	Balance at 12/31/2021
(a) Subsidiaries						
Fitesa S.A.	2,075,567	59,958	(675,235)	136,056	418,217	2,014,563
Rio Novo Florestal Ltda.	7,210	6,200	-	1	(2,789)	10,622
Petropar Riograndense Ltda.	1,537	-	-	(1)	15	1,551
America Ind. Com. de Embalagens Ltda.	14,697	-	-	1	5,617	20,315
America Tampas Argentina S.A.	7,577	-	-	2,462	(45)	9,994
Fitesa Germany GmbH	35,244	-	-	(353)	(274)	34,617
	2,141,832	66,158	(675,235)	138,166	420,741	2,091,662
(b) Joint Venture						
Crown Embalagens Metálicas da Amazônia S.A.	536,757	-	(542,414)	4,317	656,124	654,784
	2,678,589	66,158	(1,217,649)	142,483	1,076,865	2,746,446

The balance of other components of comprehensive income mainly refers to the restatement of investments in foreign currency of subsidiaries abroad.

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12 Property, plant and equipment

Breakdown of balances

	Consolidated				
	12/31/2021			12/31/2020	
	Cost	Accumulated depreciation and depletion	Net	Net	Annual average depreciation rates (%)
Land	137,401	-	137,401	130,165	
Buildings	1,965,457	(787,849)	1,177,608	1,143,807	2.51%
Machinery and equipment	7,658,660	(5,415,709)	2,242,951	2,325,128	10.20%
Facilities	211,069	(131,022)	80,047	71,748	19.59%
Furniture and fixtures	53,931	(40,528)	13,403	14,108	21.49%
IT systems and equipment	75,191	(52,085)	23,106	17,967	32.92%
Forestation and reforestation	10,377	(4,770)	5,607	5,813	7.93%
Construction in process	672,389	-	672,389	207,124	
Other	64,625	(52,585)	12,040	8,551	8.19%
Property, plant and equipment	10,849,100	(6,484,548)	4,364,552	3,924,411	
Usage rights	117,249	(60,921)	56,328	58,682	14.95%
Total	10,966,349	(6,545,469)	4,420,880	3,983,093	

Construction in progress mainly refers to expansion projects at the manufacturing units of the subsidiary Fitesa S.A., described in note 1.1.

Use rights refer mainly to real estate and land.

Translation adjustment column refers to the exchange-rate change of the opening balances of property, plant and equipment of subsidiaries abroad.

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Changes in property, plant and equipment

	Consolidated					
	Opening balances	Additions and transfers	Write-offs and transfers	Translation adjustment	Depreciation and depletion	Closing balances
Land	130,165	3,943	-	3,293	-	137,401
Buildings	1,143,807	53,888	(150)	40,816	(60,753)	1,177,608
Machinery and equipment	2,325,128	279,841	(2,767)	49,886	(409,137)	2,242,951
Facilities	71,748	15,683	-	497	(7,881)	80,047
Furniture and fixtures	14,108	2,999	-	-	(3,704)	13,403
IT systems and equipment	17,967	10,001	(112)	953	(5,703)	23,106
Forestation and reforestation	5,813	551	-	1	(758)	5,607
Construction in process	207,124	695,920	(248,556)	17,901	-	672,389
Other	8,551	12,363	(3,909)	311	(5,276)	12,040
Property, plant and equipment	3,924,411	1,075,189	(255,494)	113,658	(493,212)	4,364,552
Usage rights	58,682	9,332	-	(386)	(11,300)	56,328
In 2021	3,983,093	1,084,521	(255,494)	113,272	(504,512)	4,420,880
In 2020	2,600,764	977,827	(474,823)	655,874	(421,457)	3,983,093

Provision for impairment

During the years ended December 31, 2021 and 2020, the Company and its subsidiaries did not identify indicators that assets could be higher than recoverable value.

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13 Intangible assets

Breakdown of balances

	Consolidated			
			12/31/2021	12/31/2020
	Cost	Accumulated amortization	Net	Net
Software	129,421	(72,082)	57,339	58,480
Technology license	99,051	(29,131)	69,920	75,566
Intangible assets identified	24,439	(18,681)	5,758	5,651
Client portfolio	288,851	(71,268)	217,583	232,945
Goodwill based on expected future profitability	172,418	-	172,418	179,320
	714,180	(191,162)	523,018	551,962

Changes in intangible assets

	Consolidated					
	Opening balances	Additions and transfers	Write-offs and transfers	Translation adjustment	Amortization	Closing balances
Software	58,480	10,139	-	3,045	(14,325)	57,339
Technology license	75,566	-	-	760	(6,406)	69,920
Intangible assets identified	5,651	1,242	(115)	(48)	(972)	5,758
Client portfolio	232,945	1,407	-	2,513	(19,282)	217,583
Goodwill based on expected future profitability	179,320	1,561	-	(8,463)	-	172,418
In 2021	551,962	14,349	(115)	(2,193)	(40,985)	523,018
In 2020	324,934	140,913	(1,961)	116,361	(28,285)	551,962

Intangible assets correspond to identified assets, client portfolio, measured at fair value on the acquisition date, from acquisitions of subsidiaries, in addition to the acquisition of software. The amortization of these intangible assets is recorded in the amortization accounts in periods ranging from 5 to 20 years.

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The goodwill arising from the acquisition of the subsidiaries are based on the expectation of future profitability, and resulted from the determination and allocation of the fair value of the identifiable assets acquired and liabilities assumed, in accordance with the discounted cash flow method, to the extent of the collaboration thereof in the formation of future revenues of the acquired companies.

The conversion adjustment column refers to the exchange-rate change of the opening balances of the intangible assets of subsidiaries abroad.

During the years ended December 31, 2021 and December 31, 2020, the Company did not identify indicators that intangible assets with defined and undefined useful life could be higher than recoverable value.

14 Loans and financing

				Consolidated			
				12/31/2021		12/31/2020	
	Currency		Contract fee	Current	Non-current	Current	Non-current
In domestic currency							
Working capital			IPCA + 1.5–5% p.a.	-	-	1,186	17,600
Working capital			109% CDI	1,010,327	-	-	-
Compensatory interest - debentures				1,485	-	1,536	-
				1,011,812	-	2,722	17,600
In foreign currency							
Working capital		USD	Libor + 2.35–4.80% p.a.	312,328	502,234	224,947	666,668
Working capital		USD	3.75–5.30% p.a.	770	31,809	12,303	172,241
Working capital		EUR	2.99–5.40% p.a.	130,823	686,313	198,359	683,688
Working capital		EUR	0.8–2.98 p.a.	70,028	37,783	59,617	79,086
Working capital		EUR	Euribor + 1.20–4.60%	49,828	70,163	-	-
Permanent assets		EUR	4.11–4.35% p.a.	33,178	378,469	1,574	413,257
Permanent assets		EUR	Euribor + 0.95–4.00% p.a.	150,185	356,279	140,813	480,355
Permanent assets		USD	Libor + 3.40–5.35% p.a.	64,247	153,922	68,358	210,460
Permanent assets		THB	MLR (THAI) + 2.25% p.a.	21,863	208,792	28	167,919
Permanent assets	USD	USD	1.96–3.90% p.a.	23,176	349,297	-	-
				856,426	2,775,061	705,999	2,873,674
				1,868,238	2,775,061	708,721	2,891,274

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The long-term amounts have the following reimbursement schedule:

	Consolidated	
Year	**12/31/2021**	**12/31/2020**
2022	-	853,901
2023	935,122	846,806
2024	731,017	583,545
2025	537,983	324,816
>2025	570,939	282,206
	2,775,061	2,891,274

The following guarantees were granted to the loans and financing:

	Consolidated	
	12/31/2021	**12/31/2020**
Mortgage of real estate	250,718	258,006
Lien of assets	461,479	585,176
Surety	4,378,426	3,262,424
Promissory notes	1,367,366	1,632,684
Other	808,147	14,031

Financing of permanent assets is basically earmarked for the acquisition of several new non-woven lines and other equipment, obtained from banks HSBC and Commerzbank, which have international insurance with financial institutions Euler Hermes Kreditversicherrungs AG and Servizi Assicurativi Commercio Estero (SACE), European Investment Bank and Bangkok Bank Public Company Limited, at the interest rates reported above.

Contract clauses: covenants

Some financing contracts of subsidiaries, whose balances totaled R$ 2,843,819 on December 31, 2021, have clauses that determine maximum levels of indebtedness (net financial debt/Ebitda), debt service coverage (Ebitda/debt service), and financial expenses coverage (EBITDA/net financial expense) for the fiscal year-end. Of the aforementioned balance of the financing of subsidiaries that have covenants, the non-compliance with covenants is penalized by prohibiting payment of dividends and/or reduction of capital.

All covenants are being complied with, and there is no default event as of December 31, 2021.

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15 Provisions and judicial deposits

	Parent company		Consolidated	
Nature	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Provisions for risks				
Labor proceedings	-	-	9,262	13,635
Tax lawsuits	90,660	88,391	91,528	88,525
Non-current	90,660	88,391	100,790	102,160

a) Provisions for risks

The Company and its subsidiaries are parties in judicial actions and administrative proceedings before courts and governmental bodies, arisen out of the ordinary course of operations, involving tax, labor matters, and others.

The management, based on information from its legal advisors, an analysis of the outstanding legal proceedings, and in respect of labor claims previous experience with regards to amounts claimed, management recorded provisions for tax and labor liabilities, in an amount considered sufficient to cover estimated probable losses from the current lawsuits.

In the tax lawsuits, the main amounts are derived from the provision for IRPJ/CSLL, in the inflation-corrected amount of R$ 90,660, on indemnity interest associated with the portion of the receipt of the judicial agreement by the Company, aimed at non-enforceability of taxation.

b) Possible losses

Lawsuits classified by the Company's lawyers as "possible losses" refer to tax and labor lawsuits.

The tax proceedings refer to administrative discussions regarding offset of IRPJ/CSLL credits, fines for non-approved offsets, requests for PIS and COFINS reimbursements, as well as the levy or not of IRPJ/CSLL, totaling R$ 8,000. There is a lawsuit seeking to recognize the offsetting of PIS and COFINS credits with IRPJ and CSLL debts and, consequently, the nullity of the improper charge in the amount of R$ 1,500.

Other lawsuits totaling R$ 6,304 are mainly related to overtime pay, additional pay for hazardous working conditions, recognition of employment relationship, and vacation pay.

In relation to such cases, considering the stage in which they are and the risk assessment as "possible," no provision for losses was established.

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c) Judicial deposits

The main judicial deposits refer to the lawsuit seeking the non-enforceability of taxation on indemnity interest mentioned in item (a) above, as well as judicial deposits made during the course of the lawsuits of the group's companies, claiming the Exclusion of ICMS from the PIS and COFINS calculation basis.

	Parent company		Consolidated	
Nature	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Labor proceedings	-	-	1,916	2,106
Tax lawsuits	90,701	88,431	92,640	113,866
Non-current	90,701	88,431	94,556	115,972

16 Leases payable

As of December 31, 2021, the leasing liability balances of the lease agreements referring to land, real estate and machinery and equipment are:

	Consolidated
Balance at December 31, 2020	50,738
Additions	8,998
Recognized interest	(1,165)
Payment of rent	(8,622)
Translation adjustment	(65)
Balance at December 31, 2021	49,884
Current liabilities	15,460
Liabilities Non-current	34,424

In 2020, the balance of current liabilities corresponded to R$ 16,233 and non-current liabilities corresponded to R$ 34,505.
The discount rates adopted by the Company and its subsidiaries consider the rates applicable to the countries where the subsidiaries are headquartered and range from 1.1% to 11%, depending on the country where the assets are located.

The Company and its subsidiaries do not act as lessors in any lease agreement.

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17 Employee benefits

The subsidiary Fitesa has post-employment benefit plans for qualified employees in its investees in the United States, Germany, Italy, Mexico and Thailand, whose actuarial obligations are valued at present value, as shown below:

		Consolidated	
Country	**Description of plans**	**12/31/2021**	**12/31/2020**
Germany	Premium for length of service	831	848
Germany	Pension plan	20,758	21,544
Italy	Premium for length of service	7,612	8,068
Mexico	Pension plan	667	570
Mexico	Premium for length of service	485	505
Mexico	Premium for dismissal without cause	3,206	3,867
USA	Healthcare plan (post-retirement)	1,447	1,470
Thailand	Pension plan	7,890	7,635
	Total	42,896	44,507
	Current	1,540	1,578
	Non-current	41,356	42,929

Pension plans in Germany, Mexico and Thailand fall within the concept of defined benefit plans; the plan in Italy and the post-retirement health care plan United States are closed to new members, following active employees accumulating benefits. Fitesa does not have an independent fund established.

The actuarial valuation of the benefit plans was made on December 31, 2021, using appropriate assumptions for that date and updated data on beneficiaries for each of the plans separately, and Fitesa is fully liable for the actuarial risks.

The main assumptions used for actuarial calculation were:

	Consolidated	
	12/31/2021	**12/31/2020**
Discount rate (average)	1.74%	1.32%
Inflation (average)	2.35%	1.90%
Salary adjustment (Mexico)	5.00%	5.00%
Salary adjustment (Thailand)	3.00%	3.00%
Increase in benefit payments (Germany)	2.10%	1.40%
Increase in benefits (Italy)	3.10%	2.55%

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Changes in employee benefit obligations are as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
Opening balance	44,507	31,608
Cost on plans (current period)	2,113	1,603
Benefits paid	(2,599)	(1,964)
Actuarial (losses) gains	(889)	1,659
Exchange rate changes in plans abroad	(236)	11,601
Employee benefits	**42,896**	**44,507**

18 Tax incentives

Refer to the following incentives, which, for reporting purposes, are considered in the consolidated in net sales revenue, in the case of ICMS (sales tax), and in the income tax line, in the case of IRPJ (corporate income tax), when coming from subsidiaries or in Equity income (loss) originating from the joint venture.

(a) Value-added tax on sales and services (ICMS) recorded in the tax reporting month of the subsidiaries and joint venture and recognized by the parent company using the equity accounting method, consolidated on December 31, 2021, totaled R$ 160,581 (R$ 124,557 on December 31, 2020).

The subsidiary Fitesa Nãotecidos signed a new Term of Agreement with the Department for Development and Investment (SDPI) of the State of Rio Grande do Sul, through the Fundopem/Integrar Program, which came into effect on 07/01/2021 with a duration of 90 months and includes a reduction in the monthly incremental ICMS due.

The subsidiary America Embalagens, headquartered in Rio Grande do Sul, enjoys an ICMS tax incentive, through the use of ICMS tax credit, under the terms of State Decree 55392 of 2020.

The joint venture Crown Embalagens Metálicas da Amazônia enjoys the ICMS tax incentive granted by the Amazonas State Development Council (CODAM), represented by a reduction of the percentage of the tax owed; it has an ICMS tax incentive granted by the Sergipe Industrial Development Program (PSDI), represented by a reduction of the percentage of tax owed at the unit in Estância-SE, with this benefit expiring in 2034; it uses an ICMS tax incentive granted by Piauí State Industrial Development Fund (FUNDIPI) represented by the presumed ICMS credit at its plant in Teresina-PI, expiring in 2033; is a beneficiary of ICMS tax incentive at the Rio Verde - GO plant through the Pró Goiás Program, which has a reduction in the percentage due on own operations, falling due in 2032. It also has ICMS credit related to the investment in the plant in said location, which is used in monthly installments, maturing in 2023. Despite the aforementioned terms being the ones granted by each State, Complementary Law 160/2017 provides for that all incentives will cease in December 2032, except those granted to establishments located in the Manaus Free Trade Zone.

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(b) Corporate income tax (IRPJ): The joint venture Crown Embalagens Metálicas da Amazônia has, in its unit in Manaus-AM, reduced the calculation base of Import Tax and exemption from the Industrialized Products Tax, as well as the reduction of the calculation basis of Income Tax granted by the Superintendency of Development for the Amazon - SUDAM, with this benefit expiring in 2025, and also has a reduction in the income tax calculation base granted by the Northeast Development Superintendency (SUDENE), with this benefit expiring in 2026 in the Teresina-PI unit and 2029 in the Estância-SE unit. These incentives can be renewed depending on the investments made in the plant after the last incentive granted.

19 Shareholders' equity

a. Capital

Company's capital totals R$ 759,851, comprised of 16,020,849 shares, and 5,872,569 are common shares and 10,148,280 are preferred shares, with no voting right, nominative and with no par value.

b. Capital reserves

- *Convertible debentures*

In 2018, the 2nd issue of debentures convertible into shares was approved, with the following characteristics and conditions:

Maturity date: December 12, 2028.
Amount of issue: R$ 500,000 (500,000 debentures with a unit value of R$ 1.00).

Convertibility: the debentures are convertible into common and preferred shares and the conversion ratio of the debentures into shares was determined based on the issuer's operating shareholders' equity, based on the balance sheet on October 31, 2018. The conversion shall occur at any time, at the issuer's sole discretion, and/or if there is a declaration of early maturity.

Compensation: will be remunerated at fixed interest rate corresponding to 7% per annum, according to the amendment to the debenture indenture signed on 05/31/19, due every six months in June and December.

Prepaid redemption: the Issuer may, in its sole discretion and at any time, redeem all of the debentures in advance.

Optional amortization: the first and second series debentures may, at the discretion of the Issuer and at any time, be subject to optional amortization by the Issuer.

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Considering its characteristics and the criteria regarding convertibility of shares applicable to this issuance, the Company recognized the principal amount of the debentures in a specific account in shareholders' equity and its remuneration in current liabilities.

c. Profit reserves

- *Legal reserve*

The legal reserve is set up at the rate of 5% of the net income determined in each fiscal year, pursuant to article 193 of Law 6404/76 up to the limit of 20% of the capital.
At the General Shareholders' Meeting held in April 2021, the full capitalization of the legal reserve balance in the amount of R$ 107,388 was approved.

- *Reserve for investments and working capital*

Established according to article 27, paragraph one of the Bylaws, formed based on the balance of adjusted profit after deducting the mandatory dividends, and may not exceed, together with the legal reserve, the value of the capital.

d. Equity valuation adjustment

i) Corporate revaluation reserve

It is formed as a result of the revaluations of property, plant and equipment of subsidiaries, based on an appraisal report prepared by independent appraisers, carried out by depreciation or write-off of evaluated assets against retained earnings.

ii) Reserve for other comprehensive income

The effects of exchange rate changes on investments in subsidiaries abroad and the actuarial gains/losses on post-employment benefits are considered under this heading.

e. Dividends and interest on own capital

According to the By-laws, each year the shareholders will receive a minimum dividend of 30% from net income, calculated under the Corporation Law.

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The calculation of the minimum mandatory dividends can be shown as follows:

	12/31/2021	12/31/2020
Net income for the year	1,071,572	868,284
Legal reserve – 5%	(53,579)	(164)
Realization of revaluation reserve	248	256
Basis of calculation for dividends	1,018,241	868,376
Percentage of application for dividends according to articles of organization	30%	30%
Minimum mandatory dividends	**305,472**	**260,513**
Complementary distribution	569,517	-
Proposed distribution	**874,989**	**260,513**
Proposed dividends	861,389	249,888
Interest on own capital proposed	13,600	10,625
Dividends and interest on own capital per share	54.62	16.26

The Board of Directors' meetings in 2021 approved, subject to ratification by the General Shareholders' Meeting to be convened in due course, the distribution of R$ 861,389, as dividends, and of R$ 16,000 (R$ 13,600 net of income tax withheld at source), as interest on capital, due to the results for the year and, additionally, the Extraordinary Shareholders' Meeting of October 29, 2021 approved the distribution of R$ 759,851 as dividends due to the profit reserve.

20 Financial instruments

Derivatives

The Company, by means of its subsidiaries carry out operations with derivative financial instruments. The management of these instruments is done through operating strategies and internal controls, aimed at assuring liquidity, profitability and security. The contracting of financial instruments with the objective of offering protection is performed by means of a periodic analysis of the risk exposure that Management intends to cover (exchange rate, interest rate, etc.). The control policy consists of permanent follow-up of the conditions engaged versus those in force in the market.

On December 31, 2021, the subsidiary Fitesa Simpsonville, Inc. has a cash flow swap for financing agreements in US dollars, with index linked to the LIBOR rate plus fixed interest of 1.8% per annum for the same currency plus fixed interest of 2.81% per annum.

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The current position with respect to derivatives contracts is as follows:

			Consolidated					
			Recognized amount				Fair value	
Swap contracts		Index	Reference value		In the income (loss)		Amount receivable (payable), net	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Interest rate swap	liability position	2.81%	158,684	153,529	2,655	1,274	3,512	(4,670)

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

Credit risk

It results from the possibility of the Company and its subsidiaries incurring losses arising out of default of their counterparties or financial institutions depository of resources or financial investments. To mitigate these risks, the Company and its subsidiaries adopt as a practice the analysis of the financial situation of their counterparties, as well as the definition of credit limits and permanent monitoring of open positions. As regards financial institutions, the Company and its subsidiaries only conduct operations with low risk financial institutions and no concentration of funds in one or few institutions.

The book values of financial assets classified as loans and receivables represent the maximum credit exposure. The maximum credit risk exposure on financial statement date was:

	Consolidated	
	12/31/2021	12/31/2020
Cash and cash equivalents	532,028	996,049
Trade accounts receivable	1,429,284	1,182,132
Total	1,961,312	2,178,181

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Maximum exposure to credit risk for receivables between domestic and foreign markets is as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
National	337,770	208,972
Abroad	1,091,514	973,160
Total	1,429,284	1,182,132

The breakdown of receivables by maturity in the financial statements was as follows:

	Consolidated			
	Accounts receivable	**Allowance for doubtful accounts**	**Accounts receivable**	**Allowance for doubtful accounts**
	12/31/2021	**12/31/2021**	**12/31/2020**	**12/31/2020**
Falling due	1,266,241	-	1,068,048	-
Overdue (days):				
01–30	106,463	-	68,798	-
31–180	58,104	(1,524)	48,078	(2,792)
>180	13,315	(13,315)	12,814	(12,814)
	1,444,123	(14,839)	1,197,738	(15,606)

Liquidity risk

Liquidity risk is the risk of the Company and its subsidiaries encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset.

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We present below the contractual maturities of financial liabilities including payment of estimated interest up to the final maturity date of liabilities:

	Consolidated					
December 31, 2021	**Book value**	**Contractual cash flow**	**12 months**	**2 years**	**3 years**	**≥ 4 years**
Non-derivative financial liabilities						
Loans and financing	4,643,299	4,727,044	1,627,100	931,671	827,841	1,340,432
Suppliers	747,102	747,102	747,102	-	-	-
Leases payable	49,884	59,883	9,609	8,302	9,865	32,107
Derivative financial liabilities						
Currency rate swap used to hedge	(3,512)	(3,512)	(3,512)	-	-	-
Total	5,436,773	5,530,517	2,380,299	939,973	837,706	1,372,539

Price risk of goods sold or produced or of input acquired

It results from the possibility of market oscillation of the price of products marketed or produced by the Company's subsidiaries and of other input used in the production process. These price fluctuations may cause substantial alterations in the Company's revenues and costs of these subsidiaries and in equity in net income of the Company. In order to mitigate these risks, the Company and its subsidiaries permanently monitor local and international markets, seeking to anticipate price changes; in a significant portion of its sales, there are contracts with customers that have clauses regulating transfers to the product price resulting from fluctuations in prices of the main raw materials and production inputs.

Exchange rate risk

Result from the possibility of oscillations of the exchange rates of foreign currencies used by the Company and its subsidiaries for the acquisition of inputs, the sale of products and the contracting of financial instruments. Due to its volume of exports, the maintaining of investments in subsidiaries abroad, and also due to the fact that a significant portion of sales have contracts with customers with contractual clauses regulating transfers to the price of products resulting from fluctuations in the prices of the main raw materials and regulating the transfer of exchange rate fluctuations, the Company and its subsidiaries have natural protection against their liabilities in US dollars and Euros, maintaining constant monitoring of inflows and outflows in foreign currency in order to avoid exposure. In addition to hedge these fluctuations, the Company permanently assesses the contracting of hedge operations to mitigate these risks.

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Foreign exchange exposure – On financial instruments

The actual exposure to currency risk different from the one where the operations are and consequently cash generation is presented below, based on nominal values expressed in foreign currency:

	Consolidated	
	12/31/2021	
	US$ (thousand)	**Euro (thousand)**
Accounts receivable	12,496	-
Cash and cash equivalents	6,117	10,217
Loans and financing	(181,831)	(296,325)
Suppliers	(1,915)	(635)
Net balance sheet exposure	(165,133)	(286,743)

The following exchange rates were applied during the year:

	Spot rate on the date of financial statements	
	12/31/2021	**12/31/2020**
US$ (USD)	5.5805	5.1967
€	6.3210	6.3779

Sensitivity analysis - on financial instruments

The bases used for projecting effects on exchange rate devaluation consider only those instruments effectively exposed to the changes between the currency of the instrument and the functional currency of the Company and its subsidiaries.

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The table below details the sensitivity of the Company and its subsidiaries to a 25% and 50% change in their respective functional currencies against the US dollar and the official end-of-year currency before the corresponding income tax effects:

	Consolidated Income (loss) for the year/ Shareholders' equity
December 31, 2021	
R$/US$ (25%)	(107,637)
R$/US$ (50%)	(215,274)
R$/Euro (25%)	(124,347)
R$/Euro (50%)	(248,694)
R$/SEK (25%)	(83)
R$/SEK (50%)	(166)
SEK/US$ (25%)	(117,388)
SEK/US$ (50%)	(234,775)
SEK/Euro (25%)	(315,372)
SEK/Euro (50%)	(630,743)
US$/Euro (25%)	(13,396)
US$/Euro (50%)	(26,792)

The subsidiaries Fitesa Sweden and Fitesa Peru have loans in US Dollars and Euros that generate foreign exchange risks in relation to the functional currencies of these entities, which are respectively the Swedish Krona and the Dollar, and are included in the sensitivity analysis detailed in the table above.

Interest rate risk

Results from the possibility of the Company and its subsidiaries suffering losses arising from oscillations of interest rates levied on their financial assets and liabilities. Aiming to mitigate this kind of risk, the Company maintains a permanent follow-up of the market and may decide, under certain circumstances to carry out hedge operations to lock the financial cost of the operations.

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On the dates of consolidated financial statements, the profile of financial instruments remunerated through Company's interests was:

	Consolidated	
	Book value	
	12/31/2021	12/31/2020
Fixed rate instruments		
Interest earning bank deposits	38,729	3,558
Loans and financing	1,831,582	1,615,454
Variable rate instruments		
Interest earning bank deposits	130,133	505,199
Loans and financing	2,811,717	1,984,541

Cash flow sensitivity analysis for variable rate instruments

A change of 10 percentage points in the interest rate base, on the date of the consolidated financial statements, would have, before the corresponding income tax effects, increased (decreased) equity and the result in accordance with the amounts shown below. The analysis considers that all the remaining variables, especially regarding foreign currency, are kept constant.

Cash flow sensitivity analysis	Shareholders' equity and income (loss) for the period	
	12/31/2021	12/31/2020
Change in interest rate on financing	11,563	119
Change in interest rate on interest earning bank deposits	848	257

Capital structure risk (or financial risk)

Results from the choice between own capital (capital transfers and profit retention) and third party capital that the Company and its subsidiaries make to finance its operations. To mitigate liquidity risks and optimize capital weighted average cost, the Company and its subsidiaries permanently monitor indebtedness level in accordance with market standards and index compliance ("covenants") provided for in loan contracts. Under certain circumstances hedge operations are carried out to avoid fluctuations in the financial cost of the operations.

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Fair value

The fair values of the financial assets and liabilities, together with the book values presented in the balance sheet, are as follows:

Consolidated	12/31/2021		12/31/2020	
	Book value	**Fair value**	**Book value**	**Fair value**
Assets measured at amortized cost				
Cash and cash equivalents	532,028	532,028	996,049	996,049
Trade accounts receivable	1,429,284	1,429,284	1,182,132	1,180,171
Liabilities measured at fair value				
Derivative financial instruments (interest and currency swap)	(3,512)	(3,512)	4,670	4,670
Liabilities measured by the amortized cost				
Loans and financing	4,643,299	4,243,945	3,599,995	3,401,332
Suppliers	747,102	747,102	604,393	604,393
Leases	49,884	59,883	50,738	50,738

The fair value that is determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the consolidated financial statements. The interest rates used to discount estimated cash flows, when applicable, are based on the government bonds' yield curve on the date of consolidated financial statements.

The estimated fair value for derivative financial instruments contracted by the Company and its subsidiaries was determined by information available in the market and specific valuation methodologies and classified as Level 2 in fair value hierarchy. However, judgment was required in the interpretation of the market data to produce the estimate of the fair value of each operation.

21 Insurance coverage

The Company and its subsidiaries adopt the policy of contracting insurance coverage for properties subject to risks in amounts considered sufficient to cover any casualties, considering the nature of their activity.

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Insurance coverage is composed according to the table below:

	Consolidated	
	12/31/2021	**12/31/2020**
Property, plant and equipment	7,835,848	6,301,920
Inventories	642,034	382,508
Loss of profit	2,436,172	1,866,374
Engineering Risk and Civil Liability	5,828,823	4,349,726

22 Revenues by business

For purposes of decision-making, the Company's management actively manages sales revenues through analysis of sales by business of its subsidiaries, with the following segregation:

Business segments						
	12/31/2021			**12/31/2020**		
	Nonwoven	**Other**	**Consolidated**	**Nonwoven**	**Other**	**Consolidated**
Latin America and Mexico	2,429,719	150,727	2,580,446	1,773,142	119,171	1,892,313
United States	2,248,639	-	2,248,639	1,436,353	-	1,436,353
Europe and China	2,978,111	-	2,978,111	2,180,804	-	2,180,804
Southeast Asia	416,787	-	416,787	338,485	-	338,485
Total revenues by industry	**8,073,256**	**150,727**	**8,223,983**	**5,728,784**	**119,171**	**5,847,955**

23 Sales revenue

	Consolidated	
	12/31/2021	**12/31/2020**
Gross revenue from sales	8,541,907	6,066,626
Sales tax	(296,824)	(206,444)
Refunds and rebates	(21,100)	(12,227)
Net sales	8,223,983	5,847,955

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24 Expenses per type

The costs of products sold and sales and administrative expenses in the years ended December 31, 2021 and 2020 are as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
Raw materials and consumption materials	4,723,205	2,989,208
Personnel expenses	936,335	739,300
Depreciation and amortization	544,193	449,742
Transport expenses	254,356	169,205
Other expenses	770,121	570,644
Costs of products sold, sales expenses and administrative expenses	7,228,210	4,918,099

The expenses of the parent company were not reported because they are irrelevant.

25 Financial revenues and expenses

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Interest earning bank deposits	11,100	3,471	13,647	3,160
Revenues from guarantees	52,446	50,082	-	-
Restatement of tax credits	-	-	10,744	12,098
Other financial revenues	138	1,045	5,597	11,459
Interest on financing	(3,424)	-	(126,251)	(126,780)
Interest on convertible debentures	(34,357)	(34,989)	(34,357)	(34,989)
Other financial expenses	(1,348)	(1,009)	(52,174)	(66,063)
Net exchange rate change	13,180	3,013	(51,841)	(480,711)
Net financial income (loss)	37,735	21,613	(234,635)	(681,826)

Net exchange rate changes are mainly due to loans with customers abroad and loans and financing raised in several operation geographies of companies and in a currency different from their functional currency.

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26 Transactions not affecting cash

Transactions that have not been carried through the cash account and are therefore not considered in the statements of cash flows are as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
Right-of-use	9,332	1,782
PPA Freudenberg	-	24,465
PPA Film division of Tredegar Corporation	-	253,121
PPA Fiber Dynamics	1,561	106,220
PPA Tredegar Personal Care	(434)	-

27 Subsequent events

In January 2022, the Company carried out the following restructurings to optimize the organizational and business structures:

i) Fitesa Nãotecidos S.A. merged its parent company Fitesa S.A. and became an operating holding company controlling all nonwovens business operations in Brazil and abroad; and

ii) Évora carried out a capital increase in America Indústria e Comércio de Embalagens Ltda. through the contribution of the investment it had in the wholly-owned subsidiary America Tampas Argentina S.A., concentrating the operation in the plastic caps industry in a single entity.