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Årsredovisning

för

Fitesa Sweden AB

556868-2594

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad verkställande direktör i Fitesa Sweden AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-21 Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Norrköping 2023-06-21

Michael Baumgartner

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Årsredovisning

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Styrelsen och verkställande direktören för Fitesa Sweden AB har upprättat följande årsredovisning för räkenskapsåret 2022.

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 numera till 100 % av Fitesa Nãotecidos S.A med säte i Porto Alegre, Brasilien, BR som i januari 2022 fusionerades med sitt moderbolag Fitesa SA. 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 79% (81%) på export och företagets kunder är huvudsakligen globala.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	1 391 677	1 241 438	1 135 685	1 230 419	1 162 851
Resultat efter finansiella poster	54 115	334 592	80 853	253 534	72 522
Balansomslutning	5 508 555	5 488 743	4 897 403	4 554 123	3 963 981
Avkastning på eget kap. (%)	2,2	15,8	3,3	13,9	3,6
Soliditet (%)	40,4	39,7	38,0	39,6	39,5
Antal anställda	170	157	169	166	159

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

Väsentliga händelser under räkenskapsåret

Marknaden för spunbond startade relativt starkt 2022. Under vintermånaderna påverkade fortfarande den fjärde vågen av Covid-19 efterfrågan på medicinska produkter positivt. Efterfrågan avtog dock i samband med att europeiska länder tog bort kravet på munskydd från och med mars. Från andra kvartalet och resten av året har marknaden varit väldigt volatil till följd av Rysslands invasion av Ukraina. Vi hade inga betydande affärer i de drabbade länderna så vi var inte direkt påverkade. Däremot har vi påverkats indirekt; inflation i allmänhet med ökade priser samt osäkerhet för våra kunder och även kostnadsminskningsprogram hos kunderna genom till exempel ytviktsreducering. Kriget har också föranlett en generell osäkerhet kring energibalansen i Europa för energiintensiv industri. I Sverige har vi under året haft 70% av priset säkrat, trots detta har vi erfarit rekordhöga och volatila elpriser.

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Priset på företagets primära råmaterial, polypropylen, är kopplat till oljepriset och påverkas av balansen mellan utbud och efterfrågan av tredje generationens petrokemiska sektor. Det turbulenta världsläget har orsakat höga marknadspriser på polypropylen, framför allt första halvåret men priset har sedan fallit tillbaka. 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, framför allt andra kvartalet. Marginalerna stabiliserade sig sedan under sista halvåret när försäljningspriserna höjdes och PP-priset sjönk.

Den osäkra marknaden och minskad försäljningsvolym har föranlett en rad produktionsanpassningar under året och till följd av de ökade råvarupriserna och den generella kostnadsökningen har vi också sett en ökad trend hos våra kunder i att ytviktsreducera materialet. Företagets produktion slutade på 46 553 ton (jmf 2021: 49 916 ton).

Orealiserade kursförluster på totalt 18,5 Mkr har främst uppkommit genom att bolagets valutalån i USD och EUR har omvärderats till balansdagskurs per 31 december 2022.

Nettoutlåning till koncernbolag har gjorts med 664 728 tkr. Till kreditinstitut har amorteringar gjorts med 888 815 tkr och nyupplåning har gjorts med 12 216 tkr.

Under året har Fitesas hållbarhetsarbete fortgått och i år har vi satsat på värmeåtervinning för att minska energiförbrukningen. Positivt för Fitesa Sweden är att beslut tagits på att bygga en ny linje som kommer kunna tillverka biobaserade produkter. Linjen beräknas stå klar slutet av 2024. En linje med samma tekniska kapacitet startar hos Fitesa Simpsonville under sommaren 2023, vilket kommer att stödja linjen i Sverige med pre-marketing på den europeiska marknaden.

Förväntad framtida utveckling samt väsentliga händelser efter räkenskapsårets utgång

Energibalansen i Europa är än mer osäker för energiintensiv industri. För Sveriges del har vi för 2023 säkrat 100% av priset och försörjningen bör inte vara ett problem. I och med detta förväntar vi oss ha en konkurrensfördel gentemot konkurrenter i andra länder. Konkurrensen på marknaden är hög men vi har ändå lyckats förhandla fram fler nya kontrakt med större kunder i år. I år har vi inte förhandlat med facket om att producera under årets 16 röda dagar, exempelvis jul och nyår. I och med detta ser vi ut att fylla orderböckerna. Vi fortsätter att se höga priser på många insatsvaror.

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 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 2022 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 1 457 100 tkr upptagna med fasta räntesatser, medan lån på 1 452 778 tkr löper med en räntesats kopplad till Euribor/Libor.

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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

Fitesakoncernens 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, bl.a. för jämställdhet, mot trakasserier och gällande visselblåsare.

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

Under året har Fitesa fortsatt sitt arbete med ISCC-certifieringen för alla europeiska siter. Sverige har haft mindre än ett kilo deponi per ton för verksamhetsavfall och nu har vi totalt 16 siter som nått samma fina resultat.

Hållbarhetsrapport

Hållbarhetsrapport upprättas av moderbolaget Fitesa Nãotecidos S.A (med säte i Porto Alegre, BR, organisationsnummer 93.211.084/0001-93). 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.

Förändringar i eget kapital (Tkr)

	Aktie-kapital	Fri överkurs-fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	216	969 474	891 530	319 132	**2 180 352**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			319 132	-319 132	**0**
Årets resultat				47 398	**47 398**
Belopp vid årets utgång	**216**	**969 474**	**1 210 662**	**47 398**	**2 227 750**

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Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

fri överkursfond	969 474 422
balanserad vinst	1 210 661 975
årets vinst	47 398 458
	2 227 534 855
disponeras så att	
i ny räkning överföres	2 227 534 855
	2 227 534 855

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

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Resultaträkning
Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning	3	1 391 677	1 241 438
Kostnad för sålda varor		-1 129 852	-972 096
Bruttoresultat		**261 825**	**269 342**
Försäljningskostnader		-59 654	-61 918
Administrationskostnader		-41 162	-25 935
Övriga rörelseintäkter	4	49 335	1 328
Rörelseresultat	5, 6, 7, 8, 9	**210 344**	**182 817**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	10	71 616	278 560
Resultat från övriga värdepapper och fordringar som är anläggningstillgångar	11	64 854	76 780
Övriga ränteintäkter och liknande resultatposter	12	3 639	1 115
Räntekostnader och liknande resultatposter	13	-296 338	-204 680
Summa resultat från finansiella poster		**-156 229**	**151 775**
Resultat efter finansiella poster		**54 115**	**334 592**
Resultat före skatt		**54 115**	**334 592**
Skatt på årets resultat	14	-6 717	-15 460
Årets resultat		**47 398**	**319 132**

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Balansräkning
Tkr

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Programvaror	15	1 870	2 523
Pågående nyanläggningar och förskott avseende immateriella anläggningstillgångar	16	0	0
		1 870	**2 523**
Materiella anläggningstillgångar			
Byggnader och mark	17	132 572	137 997
Maskiner och andra tekniska anläggningar	18	188 675	157 085
Inventarier, verktyg och installationer	19	16 124	13 120
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	20	87 880	63 287
		425 251	**371 489**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	21, 22	2 444 086	2 444 086
Fordringar hos koncernföretag	23	1 832 152	2 233 507
Andra långfristiga fordringar	24	2 380	2 020
		4 278 618	**4 679 613**
Summa anläggningstillgångar		**4 705 739**	**5 053 625**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		30 778	31 198
Varor under tillverkning		668	602
Färdiga varor och handelsvaror		51 992	63 175
		83 438	**94 975**
Kortfristiga fordringar			
Kundfordringar		274 180	165 044
Fordringar hos koncernföretag		3 205	499
Övriga fordringar		423	9 098
Förutbetalda kostnader och upplupna intäkter	25	50 366	29 649
		328 174	**204 290**
Kassa och bank	26	391 204	135 853
Summa omsättningstillgångar		**802 816**	**435 118**
SUMMA TILLGÅNGAR		**5 508 555**	**5 488 743**

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Balansräkning

Tkr

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	27, 28		
Bundet eget kapital			
Aktiekapital		216	216
		216	**216**
Fritt eget kapital			
Överkursfond		969 474	969 474
Balanserad vinst		1 210 662	891 530
Årets resultat		47 398	319 132
		2 227 534	**2 180 136**
Summa eget kapital		**2 227 750**	**2 180 352**
Avsättningar	29		
Övriga avsättningar för pensioner och liknande förpliktelser		2 380	2 020
Uppskjuten skatteskuld	30	23 600	24 321
Övriga avsättningar		577	490
Summa avsättningar		**26 557**	**26 831**
Långfristiga skulder	31		
Skulder till kreditinstitut	32	2 521 515	2 355 792
Skulder till koncernföretag		170 092	143 001
Summa långfristiga skulder		**2 691 607**	**2 498 793**
Kortfristiga skulder			
Skulder till kreditinstitut	32	388 363	560 337
Leverantörsskulder		28 725	77 677
Skulder till koncernföretag		40 194	49 074
Aktuella skatteskulder		313	1 328
Övriga skulder		1 929	8 658
Upplupna kostnader och förutbetalda intäkter	33	103 117	85 693
Summa kortfristiga skulder		**562 641**	**782 767**
SUMMA EGET KAPITAL OCH SKULDER		**5 508 555**	**5 488 743**

Kassaflödesanalys

Tkr

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Rörelseresultat efter finansiella poster	34	54 115	334 592
Justeringar för poster som inte ingår i kassaflödet	35	99 582	29 158
Betald skatt		-8 453	-276
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**145 244**	**363 474**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager		11 537	-33 588
Förändring av rörelsefordringar		-133 101	49 872
Förändring av rörelseskulder		-68 509	47 911
Kassaflöde från den löpande verksamheten		**-44 829**	**427 669**
Investeringsverksamheten			
Investeringar i immateriella anläggningstillgångar		0	-695
Investeringar i materiella anläggningstillgångar		-110 347	-62 914
Försäljning av materiella anläggningstillgångar		0	953
Investeringar i finansiella anläggningstillgångar		-360	-380
Tillskott till koncernföretag		0	-856 662
Lämnade lån till koncernföretag		-582 046	-346 181
Amorteringar från koncernföretag		1 246 774	839 230
Kassaflöde från investeringsverksamheten		**554 021**	**-426 649**
Finansieringsverksamheten			
Upptagna lån		12 623	257 592
Amortering av lån		-303 097	-201 131
Kassaflöde från finansieringsverksamheten		**-290 474**	**56 461**
Årets kassaflöde		**218 718**	**57 481**
Likvida medel vid årets början		135 853	78 182
Kursdifferens i likvida medel		36 633	190
Likvida medel vid årets slut	26	**391 204**	**135 853**

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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 verksmheten 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 intrument 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 dotterföetag, 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.

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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.

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 Nãotecidos S.A (organisationsnummer 93.211.084/0001-93) som i sin tur är ett helägt dotterbolag till Évora 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

	2022	2021
Nettoomsättningen per geografisk marknad		
Sverige	285 903	236 690
Polen	457 409	355 967
Nederländerna	153 717	150 169
Tyskland	71 296	86 931
Italien	38 915	75 942
Danmark	86 144	59 676
Belgien	36 619	29 909
Spanien	56 585	41 406
Frankrike	247	2 558
Tjeckien	110 940	100 813
Finland	11 456	8 237
Litauen	9 494	0
Slovakien	32 358	1 633
Övriga EU-länder	8 649	13 228
Ryssland	6 124	1 927
Kanada	4 372	15 689
Turkiet	10 512	22 540
Schweiz	2 042	16 738
USA	5 217	14 193
Övriga länder	3 678	7 192
	1 391 677	**1 241 438**

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Not 4 Övriga rörelseintäkter

	2022	2021
Kursdifferenser på fordringar/skulder av rörelsekaraktär, netto	48 484	1 002
Övrigt	851	326
	49 335	**1 328**

Not 5 Inköp och försäljning mellan koncernföretag

	2022	2021
Andel av årets totala inköp som skett från andra företag i koncernen	1,00 %	1,87 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	0,01 %	0,07 %

Not 6 Operationell leasing, leasetagare

Årets leasingkostnader avseende leasingavtal, uppgår till 2 340 Tkr (2 866).

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

	2022	2021
Inom ett år	1 496	936
Senare än ett år men inom fem år	2 599	1 244
Senare än fem år	60	0
	4 155	**2 180**

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Not 7 Anställda och personalkostnader

	2022	2021
Medelantalet anställda		
Kvinnor	32	29
Män	138	128
	170	**157**
Löner och andra ersättningar		
Styrelse och verkställande direktör	0	23
Övriga anställda	104 446	94 403
	104 446	**94 426**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	0	0
Pensionskostnader för övriga anställda	10 666	9 603
Övriga sociala avgifter enligt lag och avtal	30 757	31 424
	41 423	**41 027**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**145 869**	**135 453**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	17 %	17 %
Andel män i styrelsen	83 %	83 %
Andel kvinnor bland övriga ledande befattningshavare	62 %	60 %
Andel män bland övriga ledande befattningshavare	38 %	40 %

Not 8 Avskrivningar av materiella och immateriella anläggningstillgångar

	2022	2021
Avskrivningar enligt plan fördelade per tillgång		
Immateriella anläggningstillgångar	653	353
Byggnader och mark	7 061	6 843
Maskiner och andra tekniska anläggningar	49 158	45 670
Inventarier, verktyg och installationer	366	393
	57 238	**53 259**
Avskrivningar enligt plan fördelade per funktion		
Kostnad för sålda varor	54 855	51 242
Försäljningskostnader	726	726
Administrationskostnader	1 657	1 291
	57 238	**53 259**

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Not 9 Arvode till revisorer

	2022	2021
KPMG		
Revisionsuppdrag	398	374
Övriga tjänster	50	0
	448	**374**

Not 10 Resultat från andelar i koncernföretag

	2022	2021
Erhållna utdelningar	71 616	278 560
	71 616	**278 560**

Not 11 Resultat från övriga värdepapper och fordringar som är anläggningstillgångar

	2022	2021
Ränteintäkter från koncernföretag	64 854	76 780
	64 854	**76 780**

Not 12 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter från koncernföretag	697	1 069
Borgensprovision	2 299	0
Övriga ränteintäkter	643	46
	3 639	**1 115**

Not 13 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-40 806	-50 779
Övriga räntekostnader	-123 176	-103 207
Valutakursdifferenser, netto	-114 718	-33 885
Övriga finansiella kostnader	-17 638	-16 809
	-296 338	**-204 680**

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Not 14 Aktuell och uppskjuten skatt

	2022	2021
Skatt på årets resultat		
Aktuell skatt	-7 438	-4
Uppskjuten skatt	721	-15 456
Totalt redovisad skatt	**-6 717**	**-15 460**

	2022		2021	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		54 115		334 592
Skatt enligt gällande skattesats	20,60	-11 148	20,60	-68 926
Ej avdragsgilla kostnader		-105		-76
Ej skattepliktig utdelning		14 753		57 383
Skatt hänförlig till tidigare år		-1 185		166
Ränteavdragsbegränsning		-9 032		-4 550
Övrigt		0		543
Redovisad skattekostnad		**-6 717**		**-15 460**

Underskottsavdrag i balansräkningen uppgår till 0 Tkr (601).

Not 15 Programvaror

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	27 442	25 231
Omklassificeringar	0	2 211
Utgående ackumulerade anskaffningsvärden	**27 442**	**27 442**
Ingående avskrivningar	-24 919	-24 566
Årets avskrivningar	-653	-353
Utgående ackumulerade avskrivningar	**-25 572**	**-24 919**
Utgående redovisat värde	**1 870**	**2 523**

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Not 16 Pågående nyanläggningar och förskott avseende immateriella anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	0	1 516
Investeringar	0	695
Omklassificeringar	0	-2 211
Utgående ackumulerade anskaffningsvärden	**0**	**0**
Utgående redovisat värde	**0**	**0**

Not 17 Byggnader och mark

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	268 921	267 740
Omklassificeringar	1 636	1 181
Utgående ackumulerade anskaffningsvärden	**270 557**	**268 921**
Ingående avskrivningar	-130 924	-124 081
Årets avskrivningar	-7 061	-6 843
Utgående ackumulerade avskrivningar	**-137 985**	**-130 924**
Utgående redovisat värde	**132 572**	**137 997**
Varav bokfört värde mark	15 222	15 222
	15 222	**15 222**

Not 18 Maskiner och andra tekniska anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	980 927	970 426
Omklassificeringar	80 748	10 501
Utgående ackumulerade anskaffningsvärden	**1 061 675**	**980 927**
Ingående avskrivningar	-823 842	-778 172
Årets avskrivningar	-49 158	-45 670
Utgående ackumulerade avskrivningar	**-873 000**	**-823 842**
Utgående redovisat värde	**188 675**	**157 085**

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Not 19 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	18 527	19 276
Inköp	3 257	0
Försäljningar/utrangeringar	0	-953
Omklassificeringar	113	204
Utgående ackumulerade anskaffningsvärden	**21 897**	**18 527**
Ingående avskrivningar	-5 407	-5 014
Årets avskrivningar	-366	-393
Utgående ackumulerade avskrivningar	**-5 773**	**-5 407**
Utgående redovisat värde	**16 124**	**13 120**

Not 20 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	63 287	12 259
Investeringar	107 091	62 914
Omklassificeringar	-82 498	-11 886
Utgående ackumulerade anskaffningsvärden	**87 880**	**63 287**
Utgående redovisat värde	**87 880**	**63 287**

Not 21 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	2 579 945	1 723 283
Lämnade aktieägartillskott	0	856 662
Utgående ackumulerade anskaffningsvärden	**2 579 945**	**2 579 945**
Ingående nedskrivningar	-135 859	-135 859
Utgående ackumulerade nedskrivningar	**-135 859**	**-135 859**
Utgående redovisat värde	**2 444 086**	**2 444 086**

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Not 22 Specifikation andelar i koncernföretag

Namn/Org.nr	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde 221231	Bokfört värde 211231
Fitesa Italy S.R.L., 07642120963	100	100	10 000	92	92
-Pantex Sulmona	.				
-Pantex Mena	.				
Fitesa US LLC	100	100		1 333 422	1 333 422
-Fitesa Washougal Inc	.				
-Fitesa Simpsonville Inc	.				
-Pantex Americas	.				
Fitesa China Holdings B.V., 000000205851144	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	**2 444 086**

	Säte
Fitesa Italy S.R.L., 07642120963	Trezano Rosa, IT
Fitesa US LLC	Simsonville SC, USA
Fitesa China Holdings B.V., 000000205851144	Amsterdam, NL
Fitesa Limited, 06924703	Reading, GB
Fitesa Germany GmbH, HRB 100883	Peine, DE

Not 23 Fordringar hos koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	2 233 507	2 539 950
Tillkommande fordringar	582 046	346 181
Återbetalda fordringar	-1 246 774	-839 230
Kapitaliserad ränta	65 550	77 850
Årets valutakursdifferenser	197 823	108 756
Utgående ackumulerade anskaffningsvärden	**1 832 152**	**2 233 507**
Utgående redovisat värde	**1 832 152**	**2 233 507**

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Not 24 Andra långfristiga fordringar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	2 020	1 640
Tillkommande fordringar	360	380
Utgående ackumulerade anskaffningsvärden	**2 380**	**2 020**
Utgående redovisat värde	**2 380**	**2 020**

Not 25 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda lånekostnader	16 470	27 986
Övrigt	33 896	1 663
	50 366	**29 649**

Not 26 Likvida medel

	2022-12-31	2021-12-31
Likvida medel		
Kassa och bank	391 204	135 853
	391 204	**135 853**

Not 27 Antal aktier och kvotvärde

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

Not 28 Disposition av vinst eller förlust

	2022-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):	
fri överkursfond	969 474 422
balanserad vinst	1 210 661 975
årets vinst	47 398 458
	2 227 534 855
disponeras så att	
i ny räkning överföres	2 227 534 855
	2 227 534 855

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Not 29 Avsättningar

	2022-12-31	2021-12-31
Avsättningar utanför tryggandelagens regelverk		
Belopp vid årets ingång	2 020	1 640
Årets avsättningar	360	380
	2 380	**2 020**
Övriga avsättningar		
Belopp vid årets ingång	490	398
Årets avsättningar	87	92
	577	**490**
Specifikation övriga avsättningar		
Särskild löneskatt på pensionsavsättning	577	490
	577	**490**

Not 30 Uppskjuten skatt

Uppskjuten skatt på temporära skillnader
2022-12-31

Temporära skillnader	**Uppskjuten skattefordran**	**Uppskjuten skatteskuld**	**Netto**
Byggnader		-10 927	-10 927
Maskiner och inventarier		-13 617	-13 617
Andra outnyttjade skatteavdrag	944		944
	944	**-24 544**	**-23 600**

2021-12-31

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

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Not 31 Långfristiga skulder

	2022-12-31	2021-12-31
Förfaller senare än fem år efter balansdagen		
Skulder till kreditinstitut	37 270	66 723
	37 270	**66 723**

Bolagets externa lån inkl räntor från banker om 2 948 786 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 32 Skulder som avser flera poster

Företagets banklån om 2 909 878 Tkr (2 916 129) redovisas under följande poster i balansräkningen.

	2022-12-31	2021-12-31
Långfristiga skulder		
Övriga skulder till kreditinstitut	2 521 515	2 355 792
	2 521 515	**2 355 792**
Kortfristiga skulder		
Övriga skulder till kreditinstitut	388 363	560 337
	388 363	**560 337**

Not 33 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Ej ankomna leverantörsfakturor	29 384	28 074
Personalrelaterade poster	25 233	27 438
Upplupna räntekostnader	38 908	22 356
Övrigt	9 592	7 825
	103 117	**85 693**

Not 34 Räntor och utdelningar

	2022-12-31	2021-12-31
Erhållen ränta	644	45
Erhållen utdelning	71 616	278 560
Erlagd ränta	-149 959	-151 213
	-77 699	**127 392**

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Not 35 Justering för poster som inte ingår i kassaflödet

	2022-12-31	2021-12-31
Avskrivningar	57 238	53 259
Kursdifferenser	78 085	33 695
Skillnad kapitaliserad/betald ränta	-36 188	-58 268
Avsättningar/fordringar avseende pensioner	360	380
Övriga avsättningar	87	92
	99 582	**29 158**

Not 36 Ställda säkerheter

	2022-12-31	2021-12-31
För skulder till kreditinstitut:		
Fastighetsinteckningar	160 000	160 000
Företagsinteckningar	300 303	300 303
Tillgångar med äganderättsförbehåll	7 230	10 452
	467 533	**470 755**

Not 37 Eventualförpliktelser

	2022-12-31	2021-12-31
Borgen till förmån för koncernbolag	524 659	0
	524 659	**0**

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 2022 är marknadsvärdet av de utestående kontrakten en orealiserad vinst.

Not 39 Hållbarhetsrapport

Fitesa Sweden AB omfattas av en hållbarhetsrapport upprättad av moderbolaget Fitesa Nãotecidos S.A (med säte i Porto Alegre, Brasilien (BR) organisationsnummer 93.211.084/0001-93). Rapporten finns att tillgå på bolagets hemsida www.fitesa.com.

Not 40 Väsentliga händelser efter räkenskapsårets slut

Energibalansen i Europa är än mer osäker för energiintensiv industri. För Sveriges del har vi för 2023 säkrat 100% av priset och försörjningen bör inte vara ett problem. I och med detta förväntar vi oss ha en konkurrensfördel gentemot konkurrenter i andra länder. Konkurrensen på marknaden är hög men vi har ändå lyckats förhandla fram fler nya kontrakt med större kunder i år. I år har vi inte förhandlat med facket om att producera under årets 16 röda dagar, exempelvis jul och nyår. I och med detta ser vi ut att fylla orderböckerna. Vi fortsätter att se höga priser på många insatsvaror.

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Norrköping 2023- 05 -23

Silvério Baranzano
Ordförande

Michael Baumgartner
Verkställande direktör

Lavinia Leite

Hal Singley

Antonio Comi

Stefan Andersson
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats 2023- 05 -23

KPMG AB

John Johansson
Auktoriserad revisor

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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 2022.

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 2022 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 2022 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 23 maj 2023

KPMG AB

John Johansson
Auktoriserad revisor

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Évora S.A.

Individual and consolidated financial statements

December 31, 2022 and 2021

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Évora S.A. Management Report - Fiscal Year 2022

Letter from the Chairman of the Board of Directors

I write with some optimism that this will be the last annual report where the discussion of the COVID-19 pandemic will still be relevant in terms of global health and the health of our employees. Nonetheless, social and economic effects of the pandemic have already proven to be long-lasting and severe. The strong government stimulus from the pandemic era is rapidly deflating, like an air balloon. Welfare benefits have begun to run out, and global monetary policy has turned towards a bias for raising interest rates to contain the inflationary spiral resulting from renewed economic activity and emergency fiscal policies.

We were already sailing amid uncertainty, but the war between Russia and Ukraine on February 24, 2022 opened a new chapter in the reorganization of supply chains that were only just beginning to stabilize after two pandemic years as well as "black swan" episodes such as the Suez Canal obstruction in 2021. At the beginning of the year, the combination of a demand shock from the economic recovery and a supply shock from Russian gas led to a surge in energy costs, primarily affecting our European operations.

To complete the macro picture, we then faced the challenge of excess installed capacity amid a sudden economic slowdown, mainly in the cans and nonwovens markets. Not without our share of battle scars, we were able to pass the trial by fire I mentioned in last year's letter.

Our positioning in providing materials for essential or everyday consumer goods displayed relative resilience in customer demand. The geographical decentralization of our operations continued to prove beneficial due to greater proximity to customers and suppliers, ensuring the health of the production chain through logistical turbulence. Our focus on sustainability proved to be a competitive edge with the return of high oil and energy costs, while the current excess capacity will allow for prompt growth resumption when markets react.

Even in the face of global market instability, as a privately held company controlled by a family with a long-term vision, with no commitments or incentives tied to quarterly or even annual earnings, we strengthen our

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purpose of growing sustainably in the markets where we operate and enabling the personal and professional development of employees who place their trust in the organization. This orientation toward a future that goes beyond current generations working at the company is reflected in the deepening of succession planning processes both within the shareholder family and in the executive management of the business.

This year will be as challenging as 2022 was, once again testing the robustness of our business model. We will continue facing this challenge with confidence, as experienced sailors braving the turbulent sea.

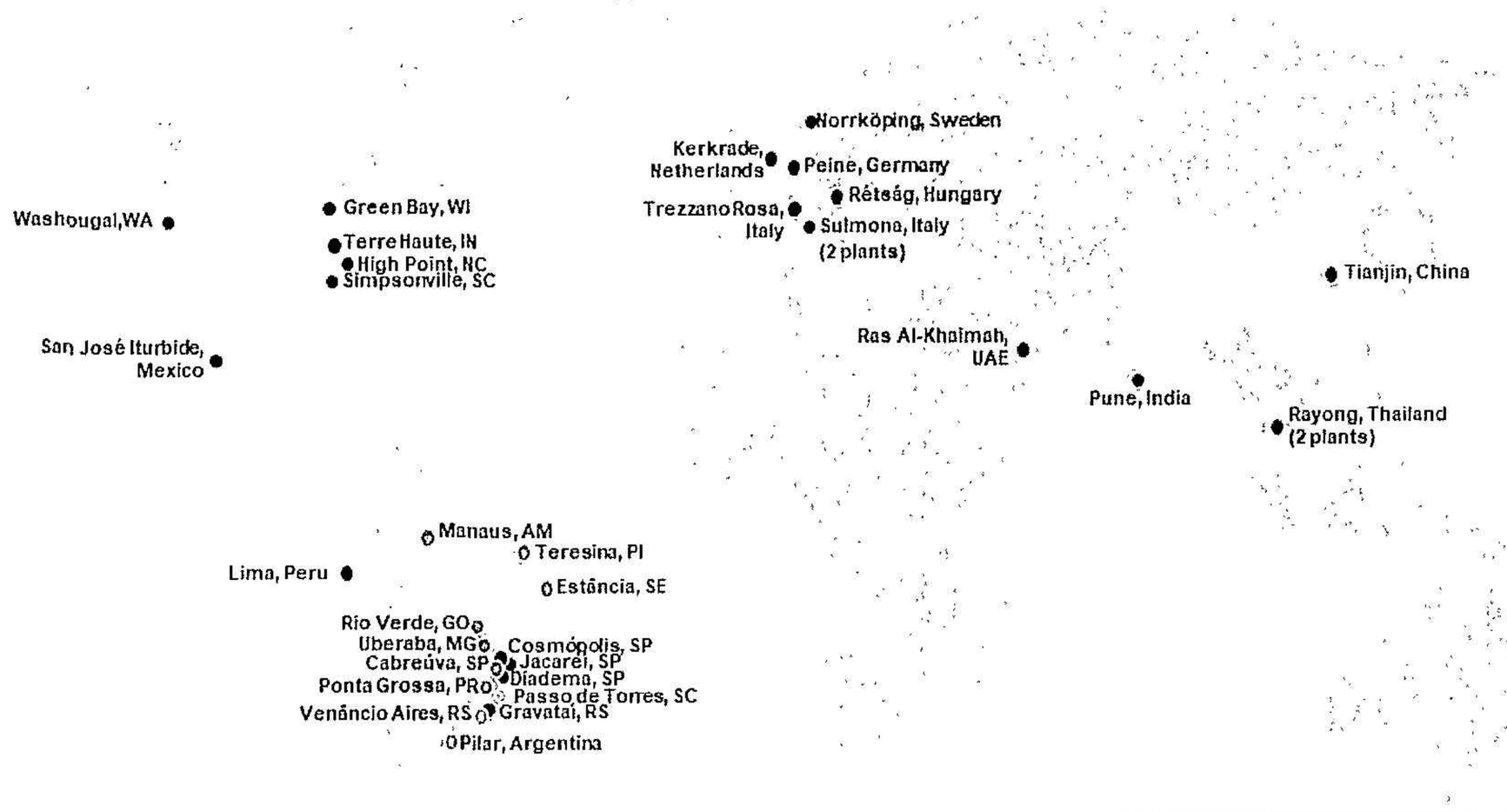
– William Ling
Chairman of the Board of Directors

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.

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.

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Fitesa

Growth Embalagens

Amerita Embalagens

➡ 33 industrial plants, presence in 9 Brazilian states and in 14 countries, covering a total of 4 continents.

2022 Results

Évora's businesses are strongly linked to mass consumer market segments with defensive characteristics. Despite the challenging macroeconomic environment still due to the global effects of the COVID-19 pandemic, and the global surge in inflation, Évora's businesses remained consistent in achieving positive results in sales, operating cash flow, and profits.

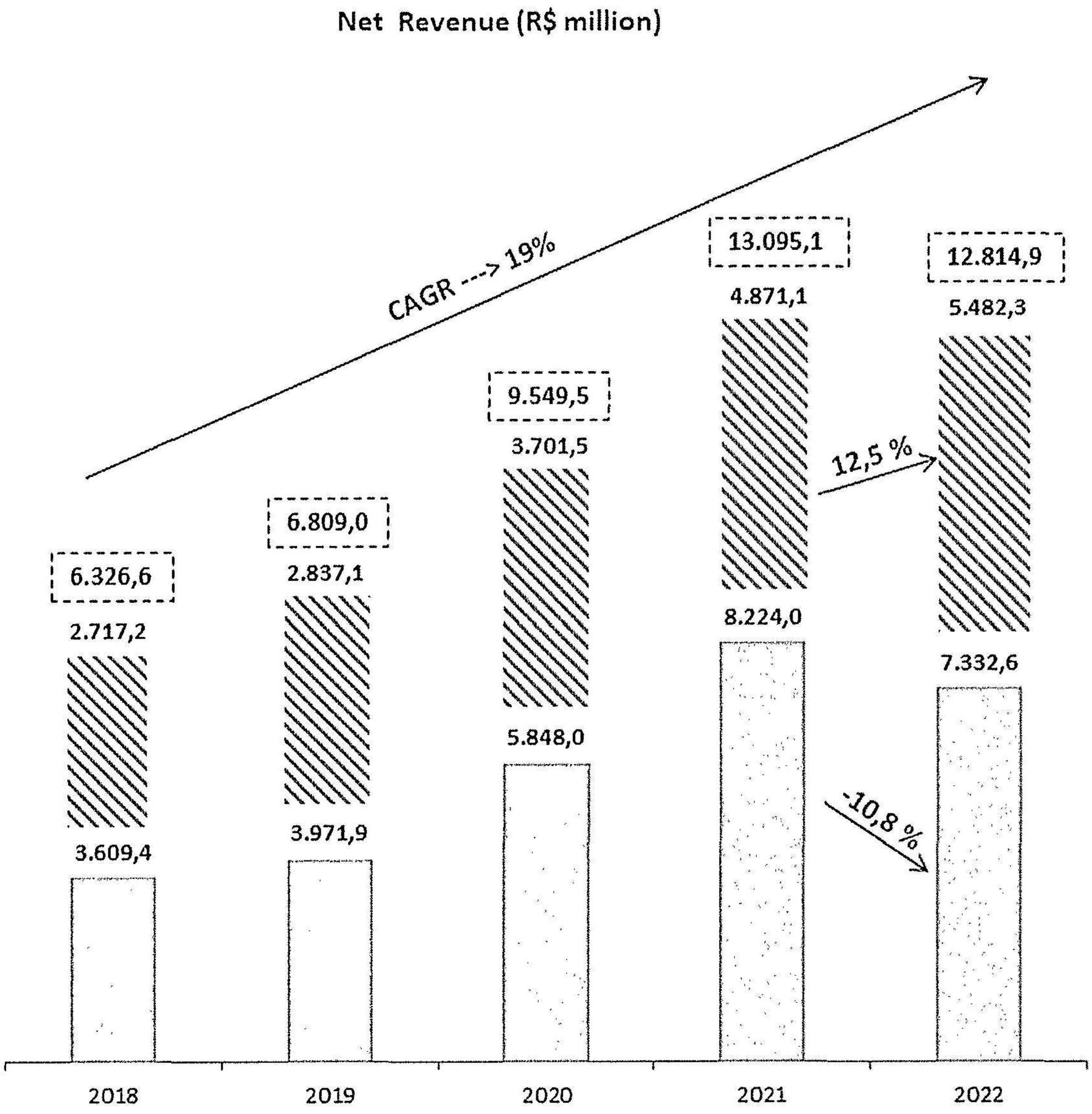
The combined net revenue of the Évora companies reached BRL 12,814.9 million, a 2.1% decrease over the previous year, with a 19% compound annual growth rate (CAGR) for the five-year period between 2018 and 2022. Consolidated net revenue reached BRL 7,332.6 million, a 10.8% decrease over the previous year, caused especially by the normalization of sales volumes compared to the record sales during the COVID-19 pandemic period, as well as the lower average foreign exchange rate compared to the previous year. The nonwovens business has available installed capacity from recent investments to service the health care sector in Brazil, the U.S., Germany, and Italy, as well as the hygiene industry in Thailand and Brazil. The sales curve of these recent investments has not yet reached maturity, and the full use of these assets and new investments, whether already in operation or becoming operational in 2023 and 2024, will significantly increase production capacity for nonwovens, allowing us to forecast steady sales revenue growth in the future.

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The joint venture in aluminum can production, which is excluded from the consolidated sales revenue, had net revenue of BRL 5,482.3 million, a 12.5% growth rate over the previous year. This includes the additional capacity from the recently opened new aluminum can production facility in Uberaba, Minas Gerais, which also allows us to forecast steady revenue growth in the future.

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

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

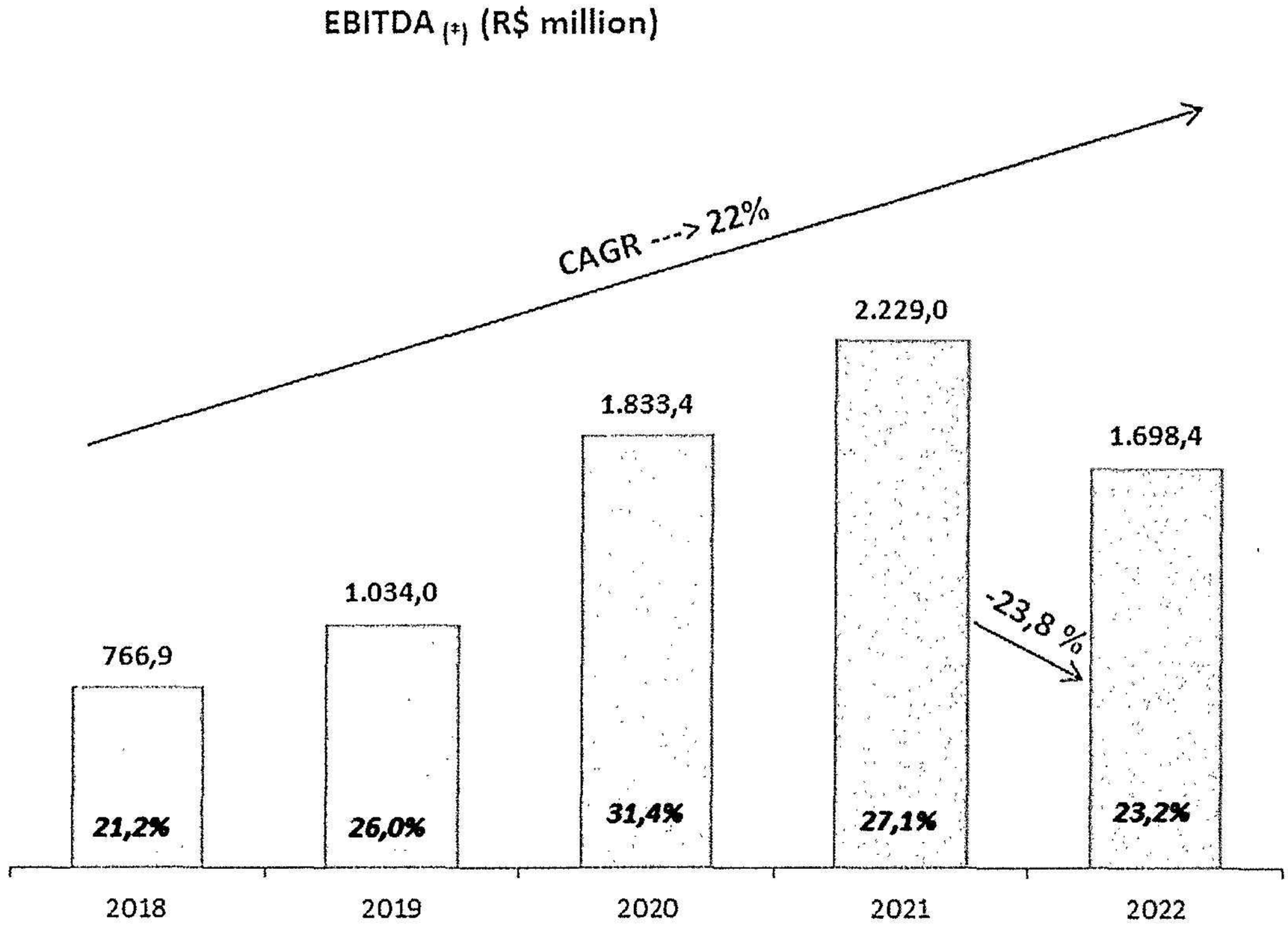
Net Revenue from joint ventures. Corresponds to the total sales revenue generated by the joint ventures, which are not consolidated in accorrdance with IFRS 11. See Explanatory Note 3 to the Financial Statements.

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

Net sales revenue, associated with growing raw materials costs and inflationary pressure on production costs, resulted in an operating cash flow measured by EBITDA(*) of BRL 1.698.4 million, a 23.8% decrease over the previous year's operating cash flow. The EBITDA(*) CAGR for the 2018-2022 period was 22%, higher than the level of growth in net revenue during the same period, validating the assertiveness of the decisions for new investments. The EBITDA margin(*) / Consolidated Net Sales Revenue ratio

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reached 23.2%, returning to normalized historical average EBITDA(*) margin levels.



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

Net income of BRL 865.6 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 2022 totaled BRL 557.2 million, financed by operating cash flow and long-term loans, a funding strategy that will continue in 2023. The indicator that measures the ability to service financing, Consolidated Net Debt/EBITDA(*), finished the year at a low level of 1.7. This happened despite investments over the year. 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 2023 and 2026. 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 cost of debt.

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Business Expansion

Our growth strategy is primarily aimed at defending and strengthening the position of our companies in the markets where we operate, while evaluating opportunities to explore new geographical areas and acquisitions. The success of this strategy depends on our competence in anticipating unmet demands, in implementing greenfields and brownfields at or under budget and on or ahead of schedule, and in integrating acquired businesses into our values and management practices, in both cases capturing economies of scale and synergies.

As a part of this strategic orientation, through both organic growth and acquisitions, Évora is executing an expansion investment program equivalent to USD 630 million in the 2021-2023 three-year period.

In BRL million	2018	2019	2020	2021	2022
Combined Net Revenue of the Évora Companies	6.326,6	6.809,0	9.549,5	13.095,1	12.814,9
Consolidated Net Revenue	3.609,4	3.971,9	5.848,0	8.224,0	7.332,6
Net Income	194,3	357,1	868,3	1.071,6	865,6
EBITDA (*)	766,9	1.034,0	1.833,4	2.229,0	1.698,4
Total Consolidated Assets	5.533,1	5.500,4	8.603,8	9.209,6	9.009,8
Net Equity	1.296,0	1.880,7	3.063,9	2.640,7	2.610,9
Consolidated Net Debt / EBITDA(*)	2,8	1,9	1,4	1,8	1,7
Employees	3.001	3.141	3.787	4.104	4.105
Combined Sales Revenue / Employee	2,11	2,17	2,52	3,19	3,12

(*) Adjusted EBITDA, as shown in the appendix to this Management Report. Sales revenue of the Economic Group includes the consolidated sales revenue plus the sales revenue generated by the joint ventures.

Fitesa

In 2022, the macroeconomic conditions presented numerous difficulties for the business environment. Instability in oil prices and the energy crisis directly impacted two of the main production costs for nonwovens: raw materials and energy. Logistics challenges made industrial operations difficult, and the surge in inflation impacted income and consumption rates of the world's population. As a result, markets that historically grew at single-digit rates began to stagnate and, in extreme cases such as Europe, experienced contraction.

Fitesa sought to intensify its position as a provider of innovative solutions, assisting clients in their innovation and cost reduction strategies. In terms of innovation, we can highlight nonwovens made from 100% renewable sources

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and with antibacterial properties for the manufacture of disposable masks, as well as products combining nonwoven, film, and elastic technologies. Fitesa was also a finalist for two prestigious industry awards, and announced a pioneering partnership with LifeSavers to create a line of products that detects abnormalities in bodily fluids. In terms of cost reduction, our asset base and expertise were used to reduce product grammage, optimizing performance.

In addition, we continued working on previously announced expansion projects, notably our first foray into the wet wipes market in South America, establishing a spunlace nonwoven production line in Brazil, and a significant expansion in our capacity to process sustainably sourced raw materials through the acquisition of new spunlaid machinery from Sweden and the United States.

In 2023, Fitesa will face the challenge of maintaining and expanding its position as a leader in volume, revenue, and profitability in a highly competitive and oversupplied market. Attention to social and environmental impacts will continue to gain ground in the markets where the company operates, especially with imminent new regulations on the use of plastic materials and the consumption of single-use items.

On the other hand, the main drivers remain positive in our target markets. The hygiene sector, in particular, will continue to grow, driven by the development of the incontinence segment. Despite falling birth rates around the world, the infant segment will also grow with the increasing penetration and sophistication of existing products.

Fitesa will continue to focus on operational discipline and on developing and strengthening teams to ensure the agility and flexibility required to successfully navigate these challenges.

Crown Embalagens

The return to "normalcy" in social interactions after the most critical period of the pandemic also meant the return of on-premise beverage consumption, i.e., in bars and restaurants, where cans have lower penetration. Thus, the can market suffered a 4.7% decline compared to 2022 and utilizing recently installed capacity proved to be a major challenge. Nevertheless, Crown closed out the year by increasing its production volume, reaching a record production and sales level of 9.6 billion cans, which, in turn, resulted in a higher market share over the previous year.

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In 2022, a new production plant with two can production lines went into operation in Uberaba, Minas Gerais, along with the corresponding expansion in installed capacity for metal caps production at the Manaus, Amazonas plant. Crown continues to believe in the expansion of the can market in Brazil, and its current installed capacity can meet this growth and continue to increase its market share.

America Tampas

In plastic closures, America Tampas put its efforts into meeting the increased demand for personal care and home cleaning products. It also continued the process of consolidating and expanding the investment made in its operations in Argentina and the production of coffee pods, part of the diversification strategy, in addition to investments in new capacity in Brazil and Argentina. Starting in 2023, the installed capacity at America Tampas will double in order to service the beverage segment, with new, higher-performance lines to manufacture lighter, more sustainable, and more competitive products.

Diversification is the key point for the company's strategy, with its sales split between Personal Hygiene, Beverages, Household Cleaning, and Food products. Company revenues totaled BRL 160 million, an 11% increase over the previous year, evenly divided among product segments.

Health and Safety

2021 marked the beginning of the end for the pandemic, when our operations were no longer disrupted by employee absences, and 2022 thankfully continued this trend. Although the number of cases briefly surged at the beginning of the year, immunity from our team's high vaccination rates, combined with those who had already contracted the virus, resulted in mostly mild cases of the disease. With the exception of Fitesa's operation in China, throughout the year, other locations returned to a “new normal” of in-person work with human contact, albeit with reinforced health and hygiene practices in place.

In terms of workplace safety, our top priority, Fitesa globally implemented the “Golden Rules of Safety,” with the goals of simplifying communication and educating employees and contractors about the main areas of risk. The

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company managed to lower its Recordable Incident Rate (RIR), the main operating indicator in workplace safety, by 14%.

Crown Embalagens once again stands out in this area. For the second consecutive year, it cut reduced its Total Recordable Incident Rate by 40%, decreasing it from 0.89 in 2021 to 0.54 in 2022.

America Tampas closed out the year with only 2 accidents, both with absences, at its Brazilian unit, representing a 37% improvement in Days Away, Restricted or Transferred (DART) compared to 2021.

Personnel development

We believe trust is the key organizational value required to adapt quickly in a volatile and uncertain world. Trust allows us to delegate authority with few controls, enabling us to decentralize decisions and tasks. These measures, in turn, enable individuals to work with initiative and boldness. Trust strengthens relationships between people, allowing for quick conflict resolution and faster decision-making.

One of the measures to promote trust among employees is to retain people in leadership roles, favoring, for example, internal promotions over external hires. At Fitesa, 33.5% of employees have worked at the company for 10 years or more, and its leadership retention rate reached 69%, with an average tenure of 16 and 13 years for executives and managers, respectively. At Crown Embalagens, the internal promotion rates in 2022 were 84% for executives and 71% for leadership positions. At America Tampas, the company's whole leadership group consists of executives promoted internally, and the company is also a source of talent for other Évora group companies. These measures help perpetuate and strengthen the values and management practices based on accumulated employee knowledge.

In accordance with this philosophy, in 2022, Évora sponsored the first Líderes Formadores (Leadership Development) Award, to acknowledge and recognize those employees who, during their careers, played a decisive role in training other leaders within the organization. The winners were Mateus Inácio, from Fitesa, and Ricardo Fontebasso, from Crown Embalagens, chosen by a survey of all employees promoted to leadership positions over the previous five years. Respondents were polled about which individual had most helped their professional growth during their time at the company, and the award went to the people cited most frequently.

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Fitesa recorded a total of 115,188 hours of training, or 44 hours per employee, a record driven by employee engagement actions in the United States, sustainability efforts in Latin America, and leadership, diversity, and inclusion in Europe. Crown also invested BRL 1.6 million in employee training, totaling 71,795 hours, or 63.2 hours per employee.

Crown also deserves recognition for increasing the presence of women in the manufacturing area from 8% to 15%, encouraging gender diversity in its production process. Fitesa also increased female labor force participation from 16% to 17%, a metric that the company continues to work on, especially in manufacturing.

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, as confirmed by a McKinsey study in 2022. Currently, the main 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 began working on receiving the International Sustainability & Carbon Certification (ISCC+) for its manufacturing plants. The ISCC+ certified the business unit's capacity to sell products made from renewable or

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recycled materials through the mass balance system. After starting with the Norrköping unit in 2022, the Fitesa units in Peine, Trezzano Rosa, and Sulmona were also certified, further advancing the company's goal of certifying all of its European units.

Fitesa has also achieved significant reductions in the volume of waste sent to landfills in all regions, except in the United States. Sixteen of its production units have managed to reach the impressive mark of less than 1 kg of waste sent to landfills for each ton of nonwoven fabric produced. In addition, Fitesa has continued to voluntarily publish annual sustainability reports on the EcoVadis platform.

Another highlight was the installation of solar panels at the FitesaCNC unit in Thailand. The expected impact is the generation of approximately 15% of the energy consumed by the factory, as well as a 6-7% cut in CO_2 emissions.

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 the 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 that it should 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 2022, Crown reduced its water consumption in production processes by 9.3%, which resulted in a reduction of approximately 100,000 m^3 in the volume of water taken from rivers and wells. This effort has also contributed to the availability of water resources in the regions where our factories are located. Additionally, the company reduced its average consumption of natural gas and LPG by 5%, which directly supports our goals of fighting global warming and is in line with the targets set forth in the Paris Agreement.

Crown also kept its commitment not to send process waste to landfills, ensuring all byproducts and waste from production processes are destined for

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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 has earned the International ASI (Aluminum Stewardship Initiative) Chain of Custody Certification. ASI is a global non-profit organization that defines criteria and best practices related to sustainability.

America Tampas 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 over one thousand tons of closures. This has helped dozens of charitable organizations by including them in the program: they collect and sort post-consumption plastic caps and take the material to recycling centers.

Moreover, America Tampas is a part of the board of two major sustainability initiatives within the plastic industry in Brazil: Movimento Plástico Transforma (Plastic Transforms Movement) and REDE pela Circularidade do Plástico (Plastic Circularity Network). Movimento Plástico Transforma funds and supports innovative projects involving plastics and invested BRL 5 million in various initiatives during 2022, such as collecting and recycling every plastic cup used during Saint Silvester Road Race, Brazil's premier long-distance running event, and turned them into school supplies for public schools. In REDE pela Circularidade do Plástico, 66 companies from all seven links of the plastic production chain come together to develop multifunctional and transversal projects that promote positive results for the responsible use of plastic by consumers.

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 9.6 million in scholarships to students with high academic and leadership aptitudes.

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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 95 million, with BRL 16 million in 2022 alone for projects and institutions working in healthcare, education, culture, sports, innovation and entrepreneurship, childhood and adolescence, the elderly, and people with disabilities. Project selection follows strict criteria that prioritizes the reliability of grantees, the 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.

For example, since 2009, we have donated over BRL 2 million to Educando para o Esporte (Educating for Sport), a philanthropic project active in the areas near Crown Embalagens' units in Cabreúva, Estância, Manaus, and Teresina; over BRL 1 million 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 almost BRL 1 million to SOGIPA's Olympic Project. The latter resulted in two Olympic Bronze medals for Brazilian judo athletes Daniel Cargnin and Mayra Aguiar in 2021.

Since 2009, we have donated over BRL 24 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 25 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.

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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.

The composition of the Board of Directors remained unchanged in 2022, 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 clarification, please feel free to contact us.

Porto Alegre, February 24, 2023.

The Management

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Independent auditors' report on the individual and consolidated financial statements

To the Board Members and Directors of

Évora S.A.

Porto Alegre - RS

Opinion

We have examined the individual and consolidated financial statements of Évora S.A. (Company), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2022 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other clarifying information.

In our opinion, the aforementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Évora S.A. as of December 31, 2022, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in conformity with accounting practices adopted in Brazil and 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 standards on auditing. Our responsibilities, in conformity with these standards, are described in the following section denominated "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent of the Company and its subsidiaries, according to the significant ethical principles provided in the Accountant's Code of Professional Ethics and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to such standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

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

Revenue recognition

See Note 4.j, 21 and 22 to consolidated financial statements

Key audit matters	How our audit addressed this matter
Revenue from sales of the Company's subsidiaries is recognized at the specific moment in time when control of the product is transferred to the client. For revenue recognition purposes, it is necessary to exercise judgment to assess the timing of the transfer of control over the product to the client. 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 client, which may impact the determination of the moment of revenue recognition and, consequently, the amount recorded in the consolidated financial statements, we consider this matter to be material for our audit work.	Our audit procedures included, among others: (i) understanding the relevant sales processes related to the timing of revenue recognition; (ii) documentary tests, on a sample basis, upon recognition of sales revenues due to the transfer of control of the product to the client, inspecting the proof of delivery of the products, shipping method and average delivery times in different locations. (iii) documentary tests on a sampling basis, of revenue transactions covering the full period, inspecting invoices, proof of receipt and delivery of products. As a result of evidence from the procedures summarized above, we consider that the revenue recognition as acceptable in the context of consolidated financial statements taken as a whole for the year ended December 31, 2022.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We do not have anything to report on this respect.

Responsibility 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)

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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 the preparation of individual and consolidated financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless management intends to wind-up the Company and its subsidiaries or cease its operations, or has no realistic alternative to avoid the closure of operations.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our purposes are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue audit report containing our opinion. Reasonable assurance means a high level of security, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards always detects any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or taken as a whole, can influence, within a reasonable perspective, the economic decisions of users taken based on these 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.* We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope, audit period and significant audit findings, including possible significant internal control deficiencies identified during our work.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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, 2023

KPMG Auditores Independentes Ltda

CRC SP-014428/F-7

André Luiz de Godoy

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

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Évora S.A.

Balance sheets

December 31, 2022 and 2021

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

	Parent company		Consolidated	
Assets	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash and cash equivalents (Note 5)	118,552	112,302	792,339	532,028
Trade accounts receivable (Note 6)	-	-	1,371,312	1,429,284
Inventories (Note 7)	-	-	804,923	1,020,684
Dividends receivable (Note 9)	48,283	18,210	25,908	18,210
Recoverable taxes (Note 10)	-	6	99,642	89,857
Income tax and social contribution, recoverable (Note 10)	4,397	4,175	77,707	61,862
Derivative financial instruments (Note 20)	-	-	21,984	3,512
Other receivables	650	778	108,842	98,053
Total current assets	**171,882**	**135,471**	**3,302,657**	**3,253,490**
Judicial deposits (Note 15)	96,820	90,701	100,203	94,556
Deferred taxes (Note 8)	2,375	2,375	101,351	123,836
Related party credits (Note 9)	32,803	58,669	-	-
Recoverable taxes (Note 10)	2,640	638	45,976	41,829
Income tax and social contribution, recoverable (Note 10)	8,025	3,838	104,210	89,875
Other receivables, assets and amounts	1,105	1,009	27,688	7,394
Investments (note 11)	2,533,390	2,746,446	752,635	654,784
Property, plant and equipment (Note 12)	1,298	1,382	4,121,336	4,420,880
Intangible assets (note 13)	261	261	453,754	523,018
Total non-current assets	**2,678,717**	**2,905,319**	**5,707,153**	**5,956,172**
Total assets	**2,850,599**	**3,040,790**	**9,009,810**	**9,209,662**

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Balance sheets

December 31, 2022 and 2021

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

	Parent company		Consolidated	
Liabilities	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Suppliers	210	1,066	532,935	747,102
Loans and financing (Note 14)	116,065	203,665	1,250,237	1,868,238
Leases payable (Note 16)	-	-	12,993	15,460
Dividends payable (Note 9)	-	63,600	-	63,600
Labor obligations	246	449	82,571	258,590
Income tax and social contribution	-	-	2,333	32,505
Taxes and social charges payable	2,636	3,331	76,448	83,832
Debts and loans with related parties (Note 9)	8,740	21,633	-	-
Sundry creditors	15,051	15,644	102,953	97,760
Employee benefits (Note 17)	-	-	1,698	1,540
Total current liabilities	**142,948**	**309,388**	**2,062,168**	**3,168,627**
Loans and financing (Note 14)	-	-	2,492,590	2,775,061
Leases payable (Note 16)	-	-	32,647	34,424
Taxes and social charges payable	-	-	17,671	22,944
Deferred taxes (Note 8)	-	-	217,985	165,261
Sundry creditors	-	-	23,689	8,330
Fiscal and labor provisions (Note 15)	96,779	90,660	106,033	100,790
Employee benefits (Note 17)	-	-	30,373	41,356
Total non-current liabilities	**96,779**	**90,660**	**2,920,988**	**3,148,166**
Shareholders' equity (Note 19)				
Capital	759,851	759,851	759,851	759,851
Capital reserves	703,291	503,291	703,291	503,291
Profit reserves	252,858	194,430	252,858	194,430
Equity valuation adjustments	894,872	1,183,170	894,872	1,183,170
Non-controlling interest	-	-	1,415,782	252,127
Total net assets	**2,610,872**	**2,640,742**	**4,026,654**	**2,892,869**
Total liabilities and shareholders' equity	**2,850,599**	**3,040,790**	**9,009,810**	**9,209,662**

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Statements of income

Years ended December 31, 2022 and 2021

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

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Net sales (Nota 22)	-	-	**7,332,625**	**8,223,983**
Cost of sales (Note 23)	-	-	(6,144,249)	(6,480,645)
Gross income	-	-	**1,188,376**	**1,743,338**
Sales expenses (Note 23)	-	-	(400,187)	(413,853)
Administrative expenses (Note 23)	(33,194)	(48,273)	(212,750)	(333,712)
Other (expenses) revenues, net	4,135	5,245	(6,092)	(183,205)
Operating income before financial income (loss) and taxes	**(29,059)**	**(43,028)**	**569,347**	**812,568**
Financial revenues (Note 24)	74,542	63,683	159,265	622,019
Financial expenses (Note 24)	(58,190)	(25,948)	(308,753)	(856,654)
Financial income (loss)	**16,352**	**37,735**	**(149,488)**	**(234,635)**
Equity in net income of subsidiaries (Nota 11)	878,326	1,076,865	558,410	656,124
Income (loss) before taxes	**865,619**	**1,071,572**	**978,269**	**1,234,057**
Current and deferred income tax and social contribution (Note 8)	-	-	(119,724)	(154,954)
Net income for the year	**865,619**	**1,071,572**	**858,545**	**1,079,103**
Income (loss) attributed to non-controlling shareholders	-	-	(7,074)	(7,531)
Income (loss) attributed to controlling shareholders	865,619	1,071,572	865,619	1,071,572
Earnings per share				
Basic earnings per common and preferred shares (in R$)			54.03	66.89
Diluted earnings per common and preferred shares (in R$)			39.75	50.91

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Statements of comprehensive income

Years ended December 31, 2022 and 2021

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

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Net income for the year	**865,619**	**1,071,572**	**865,619**	**1,071,572**
Other components of the comprehensive income	**(288,058)**	**142,483**	**(317,329)**	**142,483**
Items that will later be reclassified to income (loss)				
Accumulated translation adjustments	(293,631)	141,594	(322,902)	141,594
Items that will not be subsequently reclassified to income (loss):				
Actuarial gains with employee benefits (Note 17)	5,573	889	5,573	889
Total comprehensive income for the year	**577,561**	**1,214,055**	**548,290**	**1,214,055**
Income (loss) attributed to non-controlling shareholders	-	-	**(36,345)**	**(20,394)**
Income (loss) attributed to controlling shareholders	**577,561**	**1,214,055**	**584,635**	**1,234,449**

See the accompanying notes to the individual and consolidated financial statements.

Évora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2022 and 2021

(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 and working capital	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**
Convertible debentures	222,902	-			(107,388)	(115,514)						-
Realization of revaluation reserve		-					(248)		248			-
Equity valuation 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 profit												
Legal reserve	-	-			53,579				(53,579)			-
Interest on own capital (R$ 0.99 per share)	-	-							(861,389)	(861,389)		(861,389)
Reserve for investments	-	-				140,851			(16,000)	(16,000)		(16,000)
Balance at December 31, 2021	**759,851**	**3,026**	**265**	**500,000**	**53,579**	**140,851**	**473**	**1,182,697**	(140,851)	**2,640,742**	**252,127**	**2,892,869**
Proposed dividends (R$ 53.77 per share)	-	-							-			

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Statements of changes in shareholders' equity

Years ended December 31, 2022 and 2021

(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 and working capital	Revaluation reserve	Reserve for other comprehensive income	Retained earnings	Total	Non-controlling interest	Total
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**
Convertible debentures	-			200,000	-	-	-	-	-	200,000	1,200,000	1,400,000
Realization of revaluation reserve	-		-	-	-	-	<240)	-	240	-	-	-
Equity valuation adjustment	-		-	-	-	-	-	(288,058)	-	(288,058)	(29,271)	(317,329)
Proposed dividends (R$ 8.79 per share)				-		(140,823)	-	-	-	(140,823)	-	(140,823)
Net income for the year			-	-	-	-	-	-	865,619	865,619	(7,074)	858,545
Distribution of income:												
Legal reserve					43,281		-		(43,281)			
Proposed dividends (R$ 41.61 per share)		-	-	-	-	-	-	-	(666,608)	(666,608)	-	**(666,608)**
Reserve for investments		-	-	-	-	155,970	-	-	(155,970)	-	-	-
Balance at December 31, 2022	**759,851**	**3,026**	**265**	**700,000**	**96,860**	**155,998**	**233**	**894,639**	**-**	**2,610,872**	**1,415,782**	**4,026,654**

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Statements of Cash Flows – Indirect method

Years ended December 31, 2022 and 2021

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

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash flow from operating activities				
Profit before income tax and social contribution	865,619	1,071,572	978,269	1,234,057
Adjustments for:				
Depreciation and amortization	371	350	522,236	545,497
Exchange-rate changes and interest on loans and financing, net	57,599	37,221	180,225	237,792
Income (loss) in write-off of property, plant and equipment	-	-	29,462	3,036
Equity in net income of subsidiaries	(878,326)	(1,076,865)	(558,410)	(656,124)
	45,263	**32,278**	**1,151,782**	**1,364,258**
Changes in:				
Decrease/(increase) in inventories	-	-	134,317	(208,412)
(Increase) in accounts receivable and other accounts receivable	(25,932)	(2,532)	(124,370)	(251,364)
(Decrease) (increase) in accounts payable and other suppliers	(16,830)	(2,743)	(211,555)	153,744
Decrease/(increase) in other net taxes	(7,305)	254	(140,757)	51,134
Cash generated by (used in) operating activities	**(4,804)**	**27,257**	**809,417**	**1,109,360**
Income tax and social contribution	-	-	(81,798)	(273,972)
Dividends received	845,470	1,309,358	445,466	528,888
Interest on own capital received	-	19,550	-	-
Net cash from operating activities	**840,666**	**1,356,165**	**1,173,085**	**1,364,276**
Cash flow from investment activities				
Reduction for credits/debits with subsidiaries	34,476	(11,328)	-	-
Acquisition of property, plant and equipment and intangible assets	(287)	(200)	(557,222)	(800,672)
Advances for future capital increase	(52,373)	(64,158)	-	-
Net cash used in investment activities	**(18,184)**	**(75,686)**	**(557,222)**	**(800,672)**
Cash flow from financing activities				
Payment of principal on loans	(200,000)	(11,001)	(1,718,301)	(864,745)
Lease - payment	-	-	(7,732)	(8,622)
Issuance of convertible debentures	200,000	-	1,400,000	-
Payment of interest on loans and debentures	(45,200)	(35,092)	(204,338)	(175,037)
Loans and financing obtained	100,000	200,000	1,086,459	1,819,884
Dividends paid	(857,432)	(1,810,503)	(863,104)	(1,810,503)
Interest on own capital paid	(13,600)	(10,625)	(13,600)	(10,625)
Net cash invested in (generated by) financing activities	**(816,232)**	**(1,667,221)**	**(320,616)**	**(1,049,648)**
Exchange rate change on cash and cash equivalents	-	-	(34,936)	22,023
Increase/(decrease) in cash and cash equivalents	**6,250**	**(386,742)**	**260,311**	**(464,021)**
Opening balance of cash and cash equivalents	112,302	499,044	532,028	996,049
Closing balance of cash and cash equivalents	118,552	112,302	792,339	532,028

See the accompanying notes to the individual and consolidated financial statements.

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Évora S.A.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

1 Operations

Évora S.A. ("Company") operates, through its subsidiaries, 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; 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 S.A. 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 subsidiary Fitesa Nãotecidos S.A. also owns, in Santa Catarina, in the Atlantic Forest biome, pine and eucalyptus forests through its wholly-owned subsidiary Rio Novo Florestal Ltda., 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.

1.1 Nonwovens business

The subsidiary Fitesa Nãotecidos S.A. 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 disinfection wipes) and industrial applications (mattresses, furniture, footwear, agriculture, packaging, etc.).

To meet the increased demand in the market for hygiene and medical disposables, a new line at Cosmópolis industrial plant and two nonwovens production lines focused on the medical disposables industry were installed, in 2022, for the production of cleaning and

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disinfectant wipes at the industrial plant of Terre Haute, IN, in the United States. Furthermore, the Company announced the installation of four new production lines to serve the markets in Brazil, the United States and the European market, with start-up scheduled by management for 2023 and 2024.

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.

In 2022, the new industrial plant in Uberaba-MG started operations with two production lines.

1.3 Plastic Cap Business

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

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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 (%)	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
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 S.A.	Brazil	-	99.99	-	-
(*) Fitesa Brasil Indústria de Plásticos Ltda.	Brazil	-	-	-	100.00
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 Nonwovens Holding S.A.	Spain	-	-	100.00	100.00
Fitesa Nonwovens Mexico S.A. de CV	Mexico	-	-	100.00	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	United Arab Emirates	-	-	100.00	100.00
Fitesa Pune Private Company	India	-	-	100.00	100.00

(*) In January 2022, Fitesa S.A. and Fitesa Brasil Indústria de Plásticos Ltda. were merged into Fitesa Nãotecidos S.A., and the control of Rio Novo Florestal Ltda. was transferred to Fitesa Nãotecidos through a capital increase by Évora S.A.

(**) In January 2022, 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.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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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 the International Financial Reporting System (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the 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 issuance of financial statements was authorized by the Executive Board as of February 24, 2023.

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, such as the derivative financial instruments presented in Note 20.

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, except for the subsidiaries in Mexico and Peru, which use the US dollar as their functional currency, and the other subsidiaries use the currencies of their respective countries. 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 policies of the Company and its subsidiaries, and the reported values of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements are included in Note 19 (b).

Uncertainties on assumptions and estimates

The information on uncertainties as to assumptions and estimates on the report issue date that pose a high risk of resulting in a material adjustment in book balances of assets and liabilities for the next 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; the uncertainty is related to the interpretation of the legislation of the several countries where the Company has investments. However, currently there is no inspection in progress, and the Company has carried out the correct interpretation of the legislation, in an eventual inspection the tax authorities may have a different interpretation; 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.

Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments using the valuation technique:

Level 1: prices quoted (without adjustments) in active markets for identical assets and liabilities;

Level 2: other techniques for which all data that has significant effect on the recorded fair value is observable, either directly or indirectly;

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Level 3: techniques that use data that have significant effect on the recorded fair value, and that are not based on data observable in the market.

e. New standards and interpretations not yet effective

Several new standards will become effective for the years started after January 1, 2023. The Company and its subsidiaries did not adopt these standards in the preparation of these financial statements.

e.1 Classification of liabilities as current or non-current (amendments to CPC 26/IAS 1)

The amendments, issued in 2020, are intended to clarify the requirements for determining whether a liability is current or non-current, and apply to annual periods beginning on or after January 1, 2023. However, the IASB subsequently proposed new amendments to IAS 1 and the postponement of the date on which the 2020 amendments will enter into effect for annual periods beginning on or after January 1, 2024. Because this standard is subject to future developments, the Company and its subsidiaries cannot determine the impact of these amendments on the individual and consolidated financial statements in the period of first-time application. The Company and its subsidiaries are monitoring future developments.

e.2 Deferred tax related to assets and liabilities arising from a single transaction (amendments to CPC 32/IAS 12)

The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - for example, leases and dismantling cost liabilities. Changes apply to the annual periods starting on or after January 1, 2023. For leases and dismantling cost liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of shareholders' equity on that date. For all other transactions, the changes apply to transactions that occur after the beginning of the earliest period presented. The Company and its subsidiaries did not identify any material impact.

e.3 Other standards

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

- IFRS 17 - Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2).

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- Definition of Accounting Estimates (Amendments to CPC 23/IAS 8).

4 Significant accounting policies

The Company and its subsidiaries have adopted the accounting policies described below have been consistently applied to all the years presented in these financial statements, unless otherwise indicated.

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 the subsidiaries are included in the consolidated financial statements as from the date that the Company starts to be controlled by the Company until 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 expenses 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.

(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 Company'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.

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(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 Company. When determining whether a set of activities and assets is a business, the Company 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 issue 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 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).

(v) Foreign operations

Gains and losses resulting from changes in foreign investments are recognized directly in the shareholders' equity in equity valuation 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.

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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) Non-controlling interest

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.

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.

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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; Fair value through other comprehensive income (FVTOCI) - debt or equity instrument; or at fair value through profit or loss (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. The amortized cost is reduced by impairment losses. Interest revenue, foreign exchange gains and impairment losses are recognized in income (loss). Any gain or loss on derecognition is recognized in income (loss).

(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, according to Note 20.

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Financial liabilities were classified and measured at amortized cost.

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.

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.

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 accounted for in financial expenses in the statement of income.

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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 accounts receivable 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 are determined based on weighted probabilities.

Financial assets with recovery issues

On each balance sheet date, the Company evaluates whether the financial assets accounted for at amortized cost are experiencing impairment problems. A financial asset has "impairment issue" when one or more events with a negative impact on the estimated future cash flows of the financial asset occur.
Evidence that the financial assets presented impairment issues 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 due to the Company and its subsidiaries under terms that would not be accepted in normal conditions;
- the probability that the borrower will enter bankruptcy or other financial reorganization; or

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- 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 Company and its subsidiaries have 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 for the recovery of the amounts due.

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

On each reporting date, the Company and its subsidiaries review the book values of non-financial assets (except for inventories and deferred taxes) to determine if there is an indication of impairment. 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.

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.

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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. When assessing the recoverable value of its assets, the Company included assets in progress, consisting mainly of the expansion of production lines.

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.

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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.

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 and its subsidiaries have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources 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 initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 initial fixed payments; variable payments that depend on an index or rate, initially measured using the index or rate at the commencement 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

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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 payments for these leases as an expense on a straight-line basis over the lease term.

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

Net revenue is measured at the fair value of the consideration received or receivable, net of returns, rebates and sales taxes, as follows:
The revenue is recognized when products are delivered and clients acquire control of the assets, also considering the fact that the following conditions have been met:

- The revenue amount and the payment terms can be identified;
- It is probable that the Company and its subsidiaries will receive the consideration to which it will be entitled in exchange for the goods transferred to the client.

The amount of revenue recognized is adjusted for the expected returns.

k. Financial revenues and expenses

Financial revenues comprise mainly revenues from investments. Interest revenue is recognized in income (loss) under 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.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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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.

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

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, 2022 and 2021, the Company presents diluted earnings per share considering the dilution due to the conversion of debentures, both for the basic calculation and for the diluted earnings. Preferred and common shares do not have distinction for profit sharing purposes.

5 Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cash and banks	38	200	591,899	363,166
Interest earning bank deposits	118,514	112,102	200,440	168,862
	118,552	112,302	792,339	532,028

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 as of* December 31, 2022 and 2021.

The Company and its subsidiaries' interest earning bank deposits have immediate liquidity, with low risk of change 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.

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6 Trade accounts receivable

	Consolidated	
	12/31/2022	**12/31/2021**
Clients in Brazil	340,410	346,456
Foreign clients	1,046,675	1,097,667
	1,387,085	1,444,123
Provision for estimated losses on accounts receivable	(15,773)	(14,839)
	1,371,312	1,429,284

Changes in the provision for estimated losses:

					Consolidated
	12/31/2021	**Additions**	**Reversals**	**FX**	**12/31/2022**
Overdue (days):					
31–180	1,524	420	-	-	1,944
>180	13,315	6,712	(5,533)	(665)	13,829
Total	14,839	7,132	(5,533)	(665)	15,773

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

7 Inventories

	Consolidated	
	12/31/2022	**12/31/2021**
Finished goods	263,163	356,074
Work in process	12,520	12,671
Raw materials	424,121	543,205
Maintenance Storeroom	105,308	103,055
Other	13,006	20,229
Provision for losses	(13,195)	(14,550)
	804,923	1,020,684

Inventories are free of liens and guarantees.

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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, 25.8% 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. The Company understands that it correctly interprets such legislation and, on the date of these financial statements, there is no ongoing tax discussion.

(a) Recognized deferred tax assets and liabilities

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

					Consolidated
	12/31/2021	Additions	Translation adjustment	Write-offs	12/31/2022
Assets:					
Exchange-rate change	78,801	-	-	(77,389)	1,412
Other temporary differences	35,844	836	1,460	(18,582)	19,558
Tax loss and negative basis	33,042	483	(2,864)	(3,480)	27,181
	147,687	1,319	(1,404)	(99,451)	48,151
Liabilities:					
Derivatives	-	(8,183)	702	-	(7,481)
Exchange-rate change	(22,389)	(3,304)	295	47	(25,351)
Assets identified in the acquisition of subsidiaries	(141,257)	(1,429)	11,059	23,313	(108,314)
Depreciation	(13,041)	(786)	(2,022)	2,778	(13,071)
Other temporary differences	(12,425)	(711)	222	2,346	(10,568)
	(189,112)	(14,413)	10,256	28,484	(164,785)
Net deferred taxes	(41,425)				(116,634)
Assets	123,836				101,351
Liabilities	(165,261)				(217,985)
	(41,425)				(116,634)

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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, 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.

(b) Unrecognized deferred tax assets

In addition to the deferred tax assets recorded under item (a) above, certain subsidiaries have amounts of R$ 119,815 of tax loss carryforwards and R$ 112,824 of negative basis of social contribution in their tax records, not accounted for, and which will be potentially offset against future taxable income and 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 (loss) is presented below:

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Income (loss) before income tax and social contribution	866,771	1,071,572	978,269	1,234,057
Tax incentives - ICMS	-	-	(52,266)	(27,153)
Calculation basis	866,771	1,071,572	926,003	1,206,904
Applicable tax rates	(294,702)	(364,334)	(314,434)	(376,300)
Equity in net income of subsidiaries	299,023	366,133	189,859	223,082
Tax loss and negative basis of social contribution - not recognized	(2,442)	(723)	(1,677)	(1,609)
Effects from income tax rates for foreign subsidiaries	-	-	(4,730)	33,612
Exchange-rate changes	-	-	(1,295)	192
Interest on own capital	-	5,440	-	5,440
Other additions and exclusions, net	(1,878)	(6,516)	12,553	(39,372)
	294,702	364,334	194,710	221,345
Effect from income tax and social contribution in income (loss)	-	-	(119,724)	(154,954)
Current	-	-	(44,515)	(201,170)
Deferred	-	-	(75,209)	46,216
Effective tax rate	-	-	12.9%	12.8%

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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, 2022 and 2021, as well as the transactions that influenced the income (loss) 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.

Parent company

Companies	Dividends / Interest on capital receivable	Long-term credits	Dividends payable	Short-term debits and loan payable	Revenues/ (expenses)
America Ind. e Com. embalagens Ltda.	739	17	-	-	963
Fitesa USA	-	1,789	-	-	2,343
Crown Embalagens Metálicas da Amazônia S.A.	25,908	-	-	-	-
Fitesa Nãotecidos S.A.	17,850	11,204	-	130	13,897
Fitesa Peru S.A.C.	-	21	-	-	7,133
Fitesa Sweden A.B.	-	18,230	-	8,610	23,621
Fitesa Nonwovens Mexico S.A.	-	1,001	-	-	1,011
Fitesa Italy	-	37	-	-	(98)
Fitesa Germany	-	504	-	-	409
Petropar Riograndense Ltda.	3,786	-	-	-	-
Terramar Investimentos S.A.	-	-	-	-	646
12/31/2022	48,283	32,803	-	8,740	49,925
12/31/2021	18,210	58,669	63,600	21,633	57,422

The balance of dividends and interest on own capital receivable refers to the distribution of results declared and not yet paid to the Company.

Long-term credits refer to guarantees granted by the Company to its subsidiaries when raising loans and financing in the financial market and contracts for the use of brands by the subsidiary Fitesa Peru, which were settled during this year.

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

The operations affecting the statement of income under the Company's revenue and expense headings refer to the collection and payment of surety and the contract for the use of brands by the subsidiary Fitesa Peru.

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.

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Consolidated

Companies	Dividends receivable	Dividends payable
Crown Embalagens Metálicas da Amazônia S.A.	25,908	-
12/31/2022	25,908	-
12/31/2021	18,210	63,600

The balance of dividends payable to the parent company Terramar Investimentos for 2021 was fully settled in 2022.

10 Recoverable taxes

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

	Consolidated			
	12/31/2022		12/31/2021	
	Current	Non-current	Current	Non-current
PIS and COFINS	9,640	31,598	33,118	6,603
ICMS	25,007	14,378	8,337	33,429
IPI	8,486	-	4,375	1,797
IRPJ and CSLL	77,707	104,210	61,862	89,875
IGV - Peru	9,680	-	10,780	-
VAT – Germany, China, Thailand	28,185	-	10,614	-
VAT – Italy, Mexico, Argentina	17,308	-	15,660	-
Other	1,336	-	6,973	-
	177,349	150,186	151,719	131,704

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 and also generated in the operations arising from exports, which will be carried out in the usual course of business.

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.

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11 Investments in direct subsidiaries and joint ventures

Main information:

	Capital	Shareholders' equity	Shares or quotas held	Total assets	Total liabilities	Total net revenues	Income (loss) for the year
(a) Direct subsidiaries							
Fitesa Não tecidos S.A.	578,294	3,156,938	535,262	7,807,019	4,650,081	7,172,818	330,430
Fitesa Germany GmbH	229,386	275,131	1	488,233	213,102	456,757	(5,359)
Petropar Riograndense Ltda.	1,015	1,195	1,015	7,401	6,206	-	3,438
America Ind. Com. de Embalagens Ltda.	15,993	38,405	5,999	96,079	57,675	159,807	9,887
(b) Joint Venture							
Crown Embalagens Metálicas da Amazônia S.A.	60,644	1,505,269	44,288	4,718,607	3,213,338	5,482,275	1,116,819

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 12/31/2021	Corporate reorganization and capital increase	Dividends received / receivable	Other components of the comprehensive income	Equity in net income of subsidiaries	Balance at 12/31/2022
(a) Subsidiaries						
Fitesa S.A.	2,014,563	(2,014,563)	-	-	-	-
Fitesa Nãotecidos S.A.	-	2,077,558	(399,996)	(276,200)	309,531	1,710,893
Rio Novo Florestal Ltda.	10,622	(10,622)	-	-	-	-
Petropar Riograndense Ltda.	1,551	-	(3,793)	-	3,436	1,194
America Ind. Com. de Embalagens Ltda.	20,315	9,994	-	556	7,539	38,404
Amcrica Tampas Argentina S.A.	9,994	(9,994)	-	-	-	-
Fitesa Germany GmbH	34,617	-	-	(3,763)	(590)	30,264
	2,091,662	52,373	(403,789)	(279,407)	319,916	1,780,755
(b) Joint Venture						
Crown embalagens Metálicas da Amazônia S.A.	654,784	-	(451,908)	(8,651)	558,410	752,635
	2,746,446	52,373	(855,697)	(288,058)	878,326	2,533,390

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				
			12/31/2022	12/31/2021	
	Cost	Accumulated depreciation and depletion	Net	Net	Annual average depreciation rates (%)
Land	127,445	-	127,445	137,401	
Buildings	1,830,240	(755,146)	1,075,094	1,177,608	2.51%
Machinery and equipment	7,486,642	(5,236,219)	2,250,423	2,242,951	10.20%
Facilities	233,250	(137,304)	95,946	80,047	19.59%
Furniture and fixtures	49,832	(39,637)	10,195	13,403	21.49%
IT systems and equipment	75,044	(52,449)	22,595	23,106	32.92%
Forestation and reforestation	10,377	(5,467)	4,910	5,607	7.93%
Construction in process	476,433	-	476,433	672,389	
Other	56,203	(48,621)	7,582	12,040	8.19%
Property, plant and equipment	10,345,466	(6,274,843)	4,070,623	4,364,552	
Usage rights	104,641	(53,928)	50,713	56,328	14.95%
Total	10,450,107	(6,328,771)	4,121,336	4,420,880	

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

Use rights refer mainly to real estate and land.

Changes in property, plant and equipment

	Consolidated						
	Opening balances	Additions	Write-offs	Transfers	Translation adjustment	Depreciation and depletion	Closing balances
Land	137,401	-	-	2,495	(12,451)	-	127,445
Buildings	1,177,608	7,030	(11,951)	57,944	(97,244)	(58,293)	1,075,094
Machinery and equipment	2,242,951	46,657	(11,751)	551,062	(196,201)	(382,295)	2,250,423
Facilities	80,047	17,257	16	20,620	(3,289)	(18,705)	95,946
Furniture and fixtures	13,403	780	(70)	1,022	(1,476)	(3,464)	10,195
IT systems and equipment	23,106	2,026	(4)	4,641	(1,151)	(6,023)	22,595
Forestation and reforestation	5,607	-	-	-	-	(697)	4,910
Construction in process	672,389	470,922	(2,638)	(638,140)	(26,100)	-	476,433
Other	12,040	4,183	(3,130)	266	(1,245)	(4,532)	7,582
Property, plant and equipment	4,364,552	548,855	(29,528)	(90)	(339,157)	(474,009)	4,070,623
Right to use (*)	56,328	8,400	-	-	(5,906)	(8,109)	50,713
In 2022	4,420,880	557,255	(29,528)	(90)	(345,063)	(482,118)	4,121,336
In 2021	3,983,093	1,084,308	(255,494)	213	113,272	(504,512)	4,420,880

(*) Additions to rights of use do not generate a cash effect on the statement of cash flows.

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Provision for impairment

As of December 31, 2022 and 2021, the Company and its subsidiaries did not identify indicators that property, plant and equipment, including construction in progress, could be higher than recoverable value.

13 Intangible assets

Breakdown of balances

	Consolidated				
	Cost	Accumulated amortization	12/31/2022 Net	12/31/2021 Net	Annual average rates of amortization (%)
Software	135,624	(80,965)	54,659	57,339	50%
Technology license	88,262	(31,359)	56,903	69,920	6%
Intangible assets identified	32,111	(22,262)	9,849	5,758	20%
Client portfolio	257,700	(78,641)	179,059	217,583	7%
Goodwill based on expected future profitability	153,284	-	153,284	172,418	-
	666,981	(213,227)	453,754	523,018	

Movement of intangible assets

	Consolidated						
	Opening balances	Additions	Write-offs	Transfers	Translation adjustment	Amortization	Closing balances
Software	57,339	16,505	-	(168)	(2,977)	(16,040)	54,659
Technology license	69,920	-	-	-	(7,527)	(5,490)	56,903
Intangible assets identified	5,758	5,009	-	7,261	2	(8,181)	9,849
Client portfolio	217,583	-	-	(6,867)	(21,250)	(10,407)	179,059
Goodwill based on expected future profitability	172,418	-	-	(259)	(18,875)	-	153,284
In 2022	523,018	21,514	-	(33)	(50,627)	(40,118)	453,754
In 2021	551,962	14,562	(115)	(213)	(2,193)	(40,985)	523,018

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

The goodwill arising from the acquisition of the subsidiaries is 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.

As of December 31, 2022 and 2021, the Company did not identify indicators that intangible assets with defined and undefined useful life could be higher than recoverable value.

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14 Loans and financing

			Consolidated			
			12/31/2022		12/31/2021	
	Currency	Contract fee	Current	Non-current	Current	Non-current
In domestic currency						
Working capital		104–109% CDI	505,796	-	1,010,327	-
Compensatory interest - debentures		7–11% p.a.	106,685	-	1,485	-
			612,481	-	1,011,812	-
In foreign currency						
Working capital	USD	Libor + 2.35–4.89% p.a.	156,903	139,419	312,328	502,234
Working capital	USD	4.33–5.75% p.a.	31,671	320,113	770	31,809
Working capital	EUR	0.17–5.40% p.a.	160,555	739,368	200,851	724,096
Working capital	EUR	Euribor + 1.20–4.60% p.a.	41,105	20,506	49,828	70,163
Permanent assets	EUR	4.11–4.35% p.a.	3,683	361,807	33,178	378,469
Permanent assets	EUR	Euribor + 0.95–4.98% p.a.	117,336	205,118	150,185	356,279
Permanent assets	USD	Libor + 1.8–5.35% p.a.	59,841	86,215	64,247	153,922
Permanent assets	THB	MLR (THAI) + 2.25% p.a.	19,677	178,254	21,863	208,792
Permanent assets	USD	1.96–4.96% p.a.	46,985	441,790	23,176	349,297
			637,756	2,492,590	856,426	2,775,061
			1,250,237	2,492,590	1,868,238	2,775,061

Loans and financing had the following changes during the year 2022:

	Consolidated							
	Balance at December 31, 2021	Funding	Payments of loans	Payment of interest	Appropriated exchange-rate change	Recognized interest	Translation adjustment	Balance at December 31, 2022
Loans and financing	4,643,299	1,086,459	(1,718,301)	(204,338)	46,381	304,616	(415,289)	3,742,827

The long-term amounts have the following reimbursement schedule:

	Consolidated	
Year	12/31/2022	12/31/2021
2023	-	935,122
2024	657,508	731,017
2025	640,882	537,983
2026	481,337	195,415
>2026	712,863	375,524
	2,492,590	2,775,061

The following guarantees were granted to the loans and financing:

	Consolidated	
	12/31/2022	12/31/2021
Mortgage of real estate	197,575	250,718
Lien of assets	360,287	461,479
Surety	2,950,839	4,378,426
Promissory notes	1,242,174	1,367,366
Other	404,627	808,147

Financing of permanent assets is basically earmarked for the acquisition of several new non-woven lines and other equipment.

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Contract clauses: *covenants*

Some financing contracts of subsidiaries, whose balances totaled R$ 2,516,883 as of December 31, 2022, 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.

In case of noncompliance with the covenants, there is no early maturity (default events) and the penalty will be the restriction of payment of dividends and/or capital reduction.

As of December 31, 2022, all financial covenants were complied with.

15 Provisions and judicial deposits

	Parent company		Consolidated	
Nature	**12/31/2022**	**12/31/2021**	**12/31/2022 #**	**12/31/2021**
Provisions for risks				
Labor proceedings	-	-	8,388	9,262
Tax lawsuits	96,779	90,660	97,645	91,528
Non-current	96,779	90,660	106,033	100,790

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 amount is derived from the provision for IRPJ/CSLL, updated by inflation adjustment in the amount of R$ 96,779 as of December 31, 2022, on indemnity interest associated with the portion of the receipt of the judicial agreement by the Company, aimed at non-enforceability of taxation. There were no new provisions in 2022, only restatement for inflation adjustment.

b) Possible losses

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$ 13,338.

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Other lawsuits totaling R$ 6,304 are related to labor claims.

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

c) Judicial deposits

The main judicial deposits refer to the lawsuit seeking the non-enforceability of the taxation on indemnity interest mentioned in item (a) above.

	Parent company		Consolidated	
Nature	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Labor proceedings	-	-	1,409	1,916
Tax lawsuits	96,820	90,701	98,794	92,640
Non-current	96,820	90,701	100,203	94,556

16 Leases payable

As of December 31, 2022, the leasing liability consolidated balances of the lease agreements referring to land, real estate and other are:

	Consolidated
Balance at December 31, 2021	49,884
Additions	8,400
Recognized interest	1,142
Interest paid	(1,142)
Payment of rent	(7,732)
Translation adjustment	(4,912)
Balance at December 31, 2022	45,640
Current liabilities	12,993
Liabilities Non-current	32,647

The discount rates adopted by the Company and its subsidiaries used to calculate the adjustment to present value of the lease liabilities 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**	**12/31/2022**	**12/31/2021**
Germany	Premium for length of service	617	831
Germany	Pension plan	14,179	20,758
Italy	Premium for length of service	5,649	7,612
Mexico	Pension plan	642	667
Mexico	Premium for length of service	409	485
Mexico	Premium for dismissal without cause	2,892	3,206
USA	Healthcare plan (post-retirement)	527	1,447
Thailand	Pension plan	7,156	7,890
	Total	32,071	42,896
	Current	1,698	1,540
	Non-current	30,373	41,356

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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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, 2022, 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	
	12/31/2022	**12/31/2021**
Discount rate (average)	4.65%	1.74%
Inflation (average)	2.82%	2.35%
Salary adjustment (Mexico)	5.00%	5.00%
Salary adjustment (Thailand)	4.70%	3.00%
Increase in benefit payments (Germany)	2.60%	2.10%
Increase in benefits (Italy)	3.50%	3.10%

Changes in employee benefit obligations are as follows:

	Consolidated	
	12/31/2022	**12/31/2021**
Opening balance	42,896	44,507
Cost on plans (current period)	2,859	2,113
Benefits paid	(3,651)	(2,599)
Actuarial (losses) gains	(5,573)	(889)
Exchange rate changes in plans abroad	(4,460)	(236)
Employee benefits	**32,071**	**42,896**

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 in net income of subsidiaries 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 as of December 31, 2022, totaled R$ 201,825 (R$ 160,581 as of December 31, 2021).

The subsidiary Fitesa Nãotecidos S.A. 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 and application in consumer products in the hygiene, cleaning, and beauty segments., 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.

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The joint venture Crown Embalagens Metálicas da Amazônia S.A. enjoys, in its operations at its unit in Manaus, 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; and, at the Uberaba-MG plant, it has an ICMS tax incentive granted by the State Department of Minas Gerais, represented by ICMS deferral in its production operations. 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.

(b) Corporate income tax (IRPJ): The joint venture Crown Embalagens Metálicas da Amazônia S.A. 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

- *Company's convertible debentures*

  In 2018 and 2022, respectively, the 2nd and 3rd issue of debentures convertible into shares were approved, with the following characteristics and conditions:

  Maturity date: December 12, 2028 (2nd issue) and May 13, 2032 (3rd issue).

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Amount of issue: R$ 500,000 (2nd issue) and R$ 200,000 (3rd issue), totaling 700,000 debentures with a unit value of R$ 1.00.

Convertibility: the debentures are convertible into common and preferred shares, respecting the proportionality of the Issuer's common and preferred shares. The conversion shall occur at any time, at the issuer's sole discretion, and/or if there is a declaration of early maturity. Shares will have the same characteristics and will enjoy the same rights and advantages as the other common and preferred shares of the Issuer, under the terms of its bylaws, as well as any rights resolved in corporate acts by the Issuer on a date prior to the conversion date, including referring to dividends that may be approved and paid as of the conversion date.

The 2nd issue debentures will be convertible into 1,842,682 common shares and 3,184,306 preferred shares. The 3rd issue debentures will be convertible into 382,580 common shares and 661,130 preferred shares.

Compensation: the 2nd Issue debentures will be remunerated at fixed interest rate corresponding to 7% per annum, due in June and December; the 3rd issue debentures will be remunerated by fixed interest corresponding to 11% per annum, due in February, May, August and November.

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

Optional amortization: the debentures may, at the issuer's discretion and at any time, be subject to optional amortization, which shall proportionally cover all debentures, and shall, in any event, be limited to 98% of the balance of unit nominal value of debentures.

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

- *Convertible debentures of subsidiary*

  In 2022, the 1st issue of debentures convertible into shares of Fitesa Nãotecidos S.A. was approved, with the following characteristics and conditions:

  Maturity date: March 09, 2032 (1st series) and May 18, 2032 (2nd series).

  Amount of issue: R$ 400,000 (1st series) and R$ 800,000 (2nd series), totaling 1,200,000 debentures with a pair value of R$ 1.00.

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Convertibility: the debentures are convertible into common shares, respecting the proportionality of the issuer's common shares. The conversion shall occur at any time, at the issuer's sole discretion, and/or if there is a declaration of early maturity. Shares will have the same characteristics and will enjoy the same rights and advantages as the other common shares of the Issuer, under the terms of its bylaws, as well as any rights resolved in corporate acts by the Issuer on a date prior to the conversion date, including referring to dividends that may be approved and paid as of the conversion date. The 1st issue debentures will be convertible into 325,808,460 common shares.

Compensation: the debentures will be remunerated by fixed interest corresponding to 11% per annum, due in the months of February, May, August and November of each year.

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

Optional amortization: at any time on the date of issuance, which shall proportionally cover all the debentures, and shall, under any circumstances, be limited to 98% of the balance of the unit face value of the debentures.

Considering its characteristics and the criteria regarding convertibility of shares applicable to these issuances, 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.

- *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) Revaluation reserve

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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) 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.

	12/31/2022	12/31/2021
Net income for the year	865,619	1,071,572
Legal reserve – 5%	(43,281)	(53,579)
Realization of revaluation reserve	241	248
Basis of calculation for dividends	822,579	1,018,241
Percentage of application for dividends according to articles of organization	30%	30%
Minimum compulsory dividends	**246,774**	**305,472**
Complementary distribution	560,658	569,517
Proposed distribution	**807,432**	**874,989**
Proposed dividends	807,432	861,389
Interest on own capital proposed	-	13,600
Dividends and interest on own capital per share	50.40	54.62

The Board of Directors' meetings in 2022 approved, subject to ratification by the Shareholders' Meeting to be convened at the right time, the distribution of R$ 666,609, as dividends, due to results for the year and, additionally, the Extraordinary Shareholders' Meeting of November 29, 2022 approved the distribution of R$ 140,823 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.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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As of December 31, 2022, 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.

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

Swap contracts	Index	Consolidated					
		Recognized amount					
		Reference value		In the income (loss)		Amount receivable (payable), net	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interest rate swap - liability position	2.81%	135,780	158,684	644	2,655	21,984	3,512

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	
	12/31/2022	12/31/2021
Cash and cash equivalents	792,339	532,028
Trade accounts receivable	1,371,312	1,429,284
Total	2,163,651	1,961,312

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

	Consolidated	
	12/31/2022	12/31/2021
National	330,847	337,770
Abroad	1,040,465	1,091,514
Total	1,371,312	1,429,284

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

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

			Consolidated	
	Accounts receivable	Provision for estimated losses	Accounts receivable	Provision for estimated losses
	12/31/2022	12/31/2022	12/31/2021	12/31/2021
Falling due	1,294,059	-	1,266,241	-
Overdue (days):				
01–30	48,590	-	106,463	-
31–180	30,608	(1,944)	58,104	(1,524)
>180	13,828	(13,829)	13,315	(13,315)
	1,387,085	(15,773)	1,444,123	(14,839)

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.

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, 2022	Book value	Contractual cash flow	12 months	2 years	3 years	≥4 years
Non-derivative financial liabilities						
Loans and financing	3,742,827	5,372,428	1,358,903	791,869	847,557	2,374,099
Suppliers	532,935	532,935	532,935	-	-	-
Leases payable	45,640	55,972	12,615	8,016	7,055	28,286
Derivative financial liabilities						
Currency rate swap used to hedge	(21,984)	(21,984)	(21,984)	-	-	-
Total	4,299,418	5,939,351	1,882,469	799,885	854,612	2,402,385

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 the 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

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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.

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	
	12/31/2022	
	USD (US$'000)	EUR (€'000)
Accounts receivable	18,777	-
Cash and cash equivalents	5,229	32,970
Loans and financing	(186,058)	(260,252)
Suppliers	(2,320)	(515)
Net balance sheet exposure	(164,372)	(227,797)

The following exchange rates were applied during the year:

	Spot rate on the date of financial statements	
	12/31/2022	**12/31/2021**
US$ (USD)	5.22	5.58
€	5.57	6.32

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.

A reasonably possible change of the *reais* against the currencies USD and Euro, as of December 31, would have affected the measurement of the financial instruments denominated in foreign currency and affected the shareholders' equity and the result by the amounts shown below. The analysis considers that all the remaining variables, especially interest rates, will be constant and any impact in forecast of sales and purchase will be ignored. Other foreign currencies are used in other countries where subsidiaries operate and substantial changes that could affect shareholders' equity and results are not expected.

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	Consolidated
December 31, 2022	Changes in income (loss) for the year
USD rate (1.57% change)	(13,528)
EUR rate (1.57% change)	(20,011)

The subsidiary Fitesa Sweden has loans in US Dollars and Euros that generate exchange rate risks in relation to its functional currency, which is the Swedish Krona.

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.

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

	Consolidated	
	Book value	
	12/31/2022	12/31/2021
Fixed rate instruments		
Interest earning bank deposits	49,173	38,729
Loans and financing	2,157,482	1,831,582
Variable rate instruments		
Interest earning bank deposits	151,267	130,133
Loans and financing	1,585,344	2,811,717

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 impacted, before the corresponding income tax effects, and the result for the year 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	
	12/31/2022	12/31/2021
Change in interest rate on financing	6,665	11,563
Change in interest rate on interest earning bank deposits	2,341	848

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.

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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.

Fair value

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications. It does not include information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

Consolidated	12/31/2022		12/31/2021	
	Book value	Fair value	Book value	Fair value
Assets measured at amortized cost				
Cash and cash equivalents	792,339	792,339	532,028	532,028
Trade accounts receivable	1,371,312	1,371,312	1,429,284	1,429,284
Assets measured at fair value				
Derivative financial instruments (interest and currency swap)	21,984	21,984	3,512	3,512
Liabilities measured by the amortized cost				
Loans and financing	3,742,827	3,742,827	4,643,299	4,243,945
Suppliers	532,935	532,935	747,102	747,102
Leases	45,640	45,640	49,884	59,883

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 Operating segments

a. Basis for segmentation

The Company considers that its reportable segment is the Nonwovens segment. This segment offers a single product whose application is used in the sanitary disposable

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industries (mainly disposable diapers and sanitary napkins), medical disposable products (surgical caps and aprons, masks and cleaning and disinfection wipes) and industrial applications (mattresses, furniture, footwear, agriculture, packaging, etc.).

The Nonwovens segment, regardless of product application, is managed in a unified manner, including industrial management.

Other operations include the production of plastic caps and the cultivation and sale of wood, pursuant to Note 01 – Operations. None of these operating segments reached any of the quantitative thresholds to be included as a reportable segment in 2022 or 2021. There are no integration levels between these operations and the reportable segment.

b. Reconciliation of information on reportable segments with the amounts reported in the financial statements:

	Consolidated	
	12/31/2022	**12/31/2021**
(i) Revenues		
Total revenue from reportable segments	7,172,818	8,080,168
Revenue from other segments	159,807	143,815
Consolidated revenue	**7,332,625**	**8,223,983**
(ii) Income before income tax and social contribution		
Total pre-tax income of reportable segments	436,010	576,233
Income before taxes from other segments	542,258	657,824
Consolidated income before income tax and social contribution from continued operations	**978,269**	**1,234,057**
(iii) Assets		
Total assets of reportable segments	7,901,907	8,244,294
Assets from other segments	1,107,903	965,368
Total assets – consolidated	**9,009,810**	**9,209,662**
(iv) Liabilities		
Total liabilities of reportable segments	4,744,969	6,219,097
Liabilities from other segments	238,187	97,696
Total liabilities – consolidated	**4,983,156**	**6,316,793**

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:

	12/31/2022			12/31/2021		
	Nonwoven	**Other**	**Consolidated**	**Nonwoven**	**Other**	**Consolidated**
Latin America and Mexico	2,038,593	159,807	2,198,400	2,429,719	150,727	2,580,446
United States	2,109,336	-	2,109,336	2,248,639	-	2,248,639
Europe and China	2,611,517	-	2,611,517	2,978,111	-	2,978,111
Southeast Asia	413,372	-	413,372	416,787	-	416,787
Total revenue by industry	**7,172,818**	**159,807**	**7,332,625**	**8,073,256**	**150,727**	**8,223,983**

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22 Sales revenue

	Consolidated	
	12/31/2022	12/31/2021
Gross revenue from sales	7,673,099	8,541,907
Sales tax	(305,647)	(296,824)
Refunds and rebates	(34,827)	(21,100)
Net sales	7,332,625	8,223,983

23 Expenses per type

The costs of products sold and sales and administrative expenses in the years ended December 31, 2022 and 2021 are as follows:

	Consolidated	
	12/31/2022	**12/31/2021**
Raw materials and consumption materials	4,405,216	4,723,205
Personnel expenses	785,649	936,335
Depreciation and amortization	522,236	544,193
Transport expenses	243,175	254,356
Electricity expenses	295,163	304,560
Other expenses	505,747	465,561
Costs of products sold, sales expenses and administrative expenses	6,757,186	7,228,210

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

24 Financial revenues and expenses

	Parent company		**Consolidated**	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Interest earning bank deposits	9,301	11,100	12,939	13,647
Revenues from guarantees	39,784	52,446	-	-
Revenues from interest on own capital	23,359	-	-	-
Restatement of tax credits	502	-	7,422	10,744
Other financial revenues	22	138	357	5,597
Net exchange rate change	1,574	13,180	138,547	(51,841)
Interest on financing	(9,761)	(3,424)	(163,451)	(126,251)
Interest on convertible debentures	(47,819)	(34,357)	(139,608)	(34,357)
Other financial expenses	(610)	(1,348)	(5,694)	(52,174)
Net financial income (loss)	16,352	37,735	(149,488)	(234,635)

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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25 Earnings per share

In accordance with CPC 41 - Earnings per share (IAS 33), the table below shows the reconciliation of net income for the year with amounts used to calculate basic and diluted net earnings per share.

	Consolidated	
	12/31/2022	12/31/2021
Net income for the year	865,619	1,071,572
Weighted average number of common and preferred shares issued	16,020,849	16,020,849
Weighted average number of common and preferred shares considering dilutive effects	21,775,380	21,047,837
Basic earnings per share - in reais (R$)	54.03	66.89
Diluted earnings per share - in reais (R$)	39.75	50.91

The Company has a class of potential diluted common and preferred shares that refers to convertible debentures. For these debentures, a calculation is made considering the conversion into shares on the closing date. The number and category of shares to be converted is disclosed in Note 19.

26 Subsequent events

In January 2023, the 2nd issue of convertible debentures by the subsidiary Fitesa Nãotecidos S.A. was approved in the amount of R$ 500,000, totaling 500,000 debentures.

The debentures issued have the same characteristics as those issued in the 1st issue, and will be remunerated by fixed interest corresponding to 13% per annum.