Inoxcva Comércio E Indústria De Equipamentos Criogênicos Ltda.
CNPJ: 13.868.770/0001-00

Financial statements for the year ended December 31, 2023 and Independent Auditor's Report

RSM

Inoxcva Comércio E Indústria De Equipamentos Criogênicos Ltda.

Contents

Independent auditor’s report

To
the Management of
Inoxcva Comércio E Indústria De Equipamentos Criogênicos Ltda.
Indaiatuba - SP

Opinion

We have audited the financial statements of **Inoxcva Comércio E Indústria De Equipamentos Criogênicos Ltda.** (“Inoxcva” or “Company”), which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Inoxcva Comércio E Indústria De Equipamentos Criogênicos Ltda** as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As mentioned in Note 16 to the financial statements, the Company carries out transactions with related parties based on conditions negotiated between the parties. Our opinion is not qualified in respect of this matter.

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, February 26, 2024.

Marco Antonio Miranda Alves
Accountant CRC 1SP-223-797/O-7

RSM Brasil Auditoria e Consultoria Ltda.
CRC SP – 2SP030001/O-0

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of financial position
As at December 31, 2023 and 2022
(In Reais - R$)

ASSETS

	Note	2023	2022
Current assets			
Cash and cash equivalents	4	1,568,220	480,167
Trade receivables	5	2,325,576	1,995,284
Receivables from related parties	5 - 16.1	857,269	377,761
Inventories	6	6,159,654	27,812
Taxes recoverable	7	1,310,142	582,766
Other assets	-	66,134	45,630
Total current assets		**12,286,995**	**3,509,420**
Noncurrent assets			
Judicial deposits	8	225,924	206,008
Assets held for sale	9	6,463,092	6,463,092
Property, plant and equipment, net	11	1,177,663	559,055
Right-of-use assets	10	1,402,884	1,665,222
Total noncurrent assets		**9,269,563**	**8,893,377**
Total assets		**21,556,558**	**12,402,797**

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of financial position
As at December 31, 2023 and 2022
(In Reais - R$)

LIABILITIES AND EQUITY

	Note	2023	2022
Current liabilities			
Trade payables	-	373,859	472,447
Payroll and related taxes	12	559,843	539,872
Taxes payable	13	196,239	236,590
Advances from customers	15	692,081	-
Dividends and interest on equity	18.3	290,577	-
Lease liabilities	10	613,069	607,778
Other liabilities	14	5,104,289	44,574
Total current liabilities		**7,829,957**	**1,901,261**
Noncurrent liabilities			
Taxes payable	13	393,428	275,742
Related parties	16.2	2,757,847	4,002,588
Lease liabilities	10	1,131,679	1,374,201
Total noncurrent liabilities		**4,282,954**	**5,652,531**
Equity			
Capital	18.1	13,332,327	13,332,327
Accumulated losses	-	(3,888,680)	(8,483,322)
Total equity		**9,443,647**	**4,849,005**
Total liabilities and equity		**21,556,558**	**12,402,797**

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of profit or loss and comprehensive income
For the years ended December 31, 2023 and 2022
(In Reais - R$)

	Note	2023	2022
Net operating revenue	19	22,965,608	12,782,645
(-) Cost of sales and services	20	(13,314,121)	(10,624,365)
Gross profit		**9,651,487**	**2,158,280**
General and administrative expenses	21	(3,569,642)	(2,685,281)
Other operating income	-	13,148	270,715
		(3,556,494)	**(2,414,566)**
Profit (loss) before finance income (costs)		**6,094,993**	**(256,286)**
Finance income (costs), net	22	63,604	191,552
Profit (loss) before income tax and social contribution		**6,158,597**	**(64,734)**
Current income tax and social contribution	23	(1,222,100)	(4,268)
Profit (loss) for the year		**4,936,497**	**(69,002)**

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of comprehensive income
For the years ended December 31, 2023 and 2022
(In Reais – R$)

	2023	2022
Profit (loss) for the year	**4,936,497**	**(69,002)**
Other comprehensive income	-	-
Total comprehensive income for the year	**4,936,497**	**(69,002)**

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of changes in equity
For the years ended December 31, 2023 and 2022
(In Reais - R$)

	Note	Capital	Accumulated losses	Total equity
Balance at December 31, 2021		**13,332,327**	**(8,414,320)**	**4,918,007**
Profit (loss) for the year	-	-	(69,002)	(69,002)
Balance at December 31, 2022		**13,332,327**	**(8,483,322)**	**4,849,005**
Profit (loss) for the year	-	-	4,936,497	4,936,497
Interest on equity	18.3	-	(341,855)	(341,855)
Balance at December 31, 2023		**13,332,327**	**(3,888,680)**	**9,443,647**

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of cash flows
For the years ended December 31, 2023 and 2022
(In Reais - R$)

	2023	2022
Profit (loss) before income tax and social contribution	**6,158,597**	**(64,734)**
Adjustments to reconcile profit (loss) to cash generated by operating activities		
Depreciation of property, plant and equipment	166,852	146,644
Depreciation of right-of-use assets	510,553	377,900
Performance bonus	130,167	177,988
Adjustment to present value of right-of-use assets and lease liabilities	192,362	-
Provision for warranties	567,982	-
	7,726,513	**637,798**
Increase (decrease) in assets		
Trade receivables	(330,292)	90,820
Inventories	(6,131,842)	247,061
Taxes recoverable	(727,376)	(85,475)
Judicial deposits	(19,916)	-
Other assets	(20,504)	(32,435)
	(7,229,930)	**219,971**
Increase (decrease) in liabilities		
Trade payables	(98,588)	(180,151)
Payroll and related taxes	150,138	53,509
Taxes payable	77,335	192,188
Other liabilities	4,491,733	(4,436,184)
Advances from customers	692,081	-
	5,312,699	**(4,370,638)**
Cash flows from operating activities	**5,809,282**	**(3,512,869)**
Taxes paid	(1,191,857)	(4,268)
Cash flows from (used in) operating activities	**4,617,425**	**(3,517,137)**
Investing activities		
Purchases of property, plant and equipment	(785,460)	(381,598)
Cash flows used in investing activities	**(785,460)**	**(381,598)**
Financing activities		
Related parties	(1,724,249)	599,082
Amortization of lease and payment of interest	(677,808)	-
Financing activities with partners		
Interest on equity and dividends payable	(341,855)	-
Cash flows from (used in) financing activities	**(2,743,912)**	**599,082**
Changes in cash and cash equivalents for the year	**1,088,053**	**(3,299,653)**
Cash and cash equivalents at the beginning of the year	480,167	3,779,820
Cash and cash equivalents at the end of the year	1,568,220	480,167
Increase (decrease) in cash and cash equivalents	**1,088,053**	**(3,299,653)**

The accompanying notes are an integral part of these financial statements.

1. General information

Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda. (“Inoxcva” or “Company”) is a limited liability company established on May 12, 2011, and headquartered at Rua Akio Umeda, 236, Centro Empresarial de Indaiatuba, São Paulo. The Company is a subsidiary of an Indian based company engaged in holding equity interests in other companies in Brazil or abroad, as partner or shareholder, developing the Inox Group’s business in Brazil, conducting business meetings, participating in events, trade fairs and exhibitions, and distributing promotional material.

The Company is also engaged in import, export, storage, purchase, sale, resale, lease of equipment, rental, marketing, contracting, distribution, storage, processing, disposal, assembly, manufacturing, overhaul, maintenance, repair, renovation and treatment of any type of tank for cryogenic and non-cryogenic packaging and distribution, vaporizers and related equipment, including tanks for natural gas storage, tanks for oil storage, industrial plants for liquefied natural gas, packaging, distribution and provision for use of liquefied natural gas.

The financial statements were reviewed and approved by the Company’s management on February 21, 2024.

Russia - Ukraine crisis

The Company is subject to risk factors that may be indirectly impacted by the conflict between Russia and Ukraine, such as the increase in interest and inflation rates and in freight and fuel costs, among others, with effect on the construction costs of real estate units and on financing conditions for our customers. However, up to date, the effects of the conflict between Russia and Ukraine has not caused significant impacts on the Company’s operations or on the fair value of its assets and liabilities. The Company's Executive Board has been monitoring the situation and has not identified changes in its accounting estimates that may generate losses in its financial statements.

2. Presentation of financial statements

The financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil.

The accounting practices adopted in Brazil comprise those included in the Brazilian corporate law and the technical pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Federal Accounting Council (CFC), and are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.1. Accounting judgments, estimates and assumptions

In preparing the financial statements in accordance with accounting practices adopted in Brazil, Management is required to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities reported in the financial statements and the notes to the financial statements.

Significant items subject to these estimates and assumptions include the economic useful life and the residual value of property, plant and equipment and intangible assets, allowance for expected credit losses, provision for legal claims, provision for inventory losses, provision for impairment of inventories, provision for warranties, income tax, social contribution and other taxes, impairment of assets and fair value of financial instruments. The use of estimates and judgments is complex and considers several assumptions and future projections and, therefore, the settlement of transactions may result in amounts that differ from the estimates. The Company reviews its estimates and assumptions annually.

2.2. Statement of compliance

The financial statements for the years ended December 31, 2023 and 2022 have been prepared in accordance with accounting practices adopted in Brazil, which comprise the pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC), and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3. Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are as follows:

3.1. Foreign currency-denominated transactions and balances

Foreign currency-denominated transactions are translated into the Company’s functional currency (Brazilian real) using exchange rates prevailing at the dates of the transactions.

The assets and liabilities are translated using exchange rates prevailing at the end of each reporting period.

Foreign exchange gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currency, which are substantially transactions denominated in Euros (EUR), are recognized in the statement of profit or loss, in line item “Foreign exchange gains (losses), net”.

	2023	**2022**
U.S. dollar closing exchange rate	4.8413	5.2177

3.1.1 Functional currency

The Company's functional currency is the Brazilian Real (R$), which is also its presentation currency.

3.2. Income recognition

Revenues and expenses are recognized on an accrual basis.

Revenues are recognized when the amount of revenue can be reliably estimated, it is probable that the economic benefits associated with the transaction will flow to the Company, and the proportion of the services performed can be reliably measured.

3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash, checking account and highly liquid short-term investments, immediately convertible into a known amount of cash and subject to an insignificant risk of change in value with the possibility of redemption in the short term (three months from the date of purchase).

3.4. Trade receivables

Trade receivables are recorded and maintained in the statement of financial position at the nominal value of the notes representing these receivables.

The balances of trade receivables are reduced through a provision to their estimated realizable values. The allowance for expected credit losses is recorded in an amount considered sufficient by Management to cover possible losses on the realization of receivables.

3.5. Inventories

Inventories are stated at average acquisition or production cost, adjusted to replacement cost and net realizable value, when applicable.

The cost of finished goods and work in process comprises raw materials, labor and other indirect costs related to production, based on normal production capacity.

Provisions for impairment of inventories and for slow-moving and/or obsolete inventories are established whenever identified.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.6. Taxes recoverable

Taxes recoverable are those included in the acquisitions of goods and services, generally related to the Company’s operating activities.

These taxes are not recorded in costs of inventories and the Company adopts the criteria set forth in the prevailing legislation for their allocation.

3.7. Related parties

Transactions with related parties refer to transfers of a financial nature that were carried out under conditions and terms similar to those of the market.

3.8. Prepaid expenses

These refer to prepayments of insurance and other expenses whose benefits or provision of services to the company will occur in the following year.

3.9. Assets held for sale

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated or amortized.

These items are only classified in this line item when their sale is highly probable and they are available for immediate sale in their current conditions.

3.10. Property, plant and equipment, net

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

The depreciation is calculated under the straight-line method and the rates are calculated according to the estimated useful lives of the assets.

An item of property, plant and equipment is derecognized when sold or when no future economic benefits from its use or sale are expected.

Any gain or loss arising from the derecognition of the asset (measured as the difference between the net proceeds from the sale and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The residual values, useful lives of assets and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively, as applicable.

3.11. Impairment testing of assets

Management annually reviews the net carrying amount of assets to assess events or changes in economic, operating or technological circumstances that might indicate an impairment of these assets.

When there is such evidence and the net carrying amount of the asset exceeds its recoverable amount, a provision for impairment is established adjusting the net carrying amount to the recoverable amount.

3.12. Other current and noncurrent assets and liabilities

A liability is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle it.

Provisions are recognized based on the best estimates of the risk involved.

An asset is recognized in the statement of financial position when it is probable that its future economic benefits will flow to the Company and its cost or amount can be reliably measured.

Assets and liabilities are classified as current when their realization or settlement is likely to occur in the next 12 months, otherwise they are stated as noncurrent.

3.13. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due in one year or less (or in the normal operating cycle of business, if longer). Otherwise, they are presented as noncurrent liabilities.

3.14. Payroll and related taxes

These refer to amounts payable to employees arising from benefits, accrual for vacation already incurred and charges levied on these provisions.

3.15. Provisions

Provisions are recognized when:

(i) The Company has a present legal or constructive obligation as a result of past events;
(ii) It is probable that an outflow of resources will be required to settle the obligation;
(iii) The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the time elapsed is recognized as interest expense.

3.16. Provision for legal claims

These provisions are recognized for all contingencies related to lawsuits in which it is probable that an outflow of resources will be required to settle the contingency/obligation and a reliable estimate can be made.

The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, the most recent court decisions and their relevance in the legal system, as well as the assessment made by outside legal counsel.

Provisions are reviewed and adjusted so as to consider changes in circumstances, such as applicable statute of limitations, the completion of tax audits or additional exposures identified based on new matters or court rulings.

3.17. Current and deferred income tax and social contribution

Current

Current and deferred income tax and social contribution are calculated at the rates of 15% plus a 10% surtax on taxable profit exceeding R$ 240,000 for income tax and 9% on taxable profit for social contribution and consider the offset of tax losses limited to 30% of the taxable profit.

Deferred

Recognized on income tax and social contribution losses and temporarily non-deductible differences.

When applicable, deferred income tax and social contribution assets are recognized, based on the expected generation of future taxable profits. Current and deferred taxes are recognized in profit or loss except when they relate to items recognized in “Other comprehensive income” or directly in equity.

3.18. Financial instruments

The Company's financial instruments comprise cash and cash equivalents (assets measured at fair value through profit or loss), trade receivables, trade payables and related parties.

The Company recognizes financial instruments on the date on which they originated or on the trading date in which it becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receiving contractual cash flows from a financial asset under a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

Any interest that is created or retained in the financial assets is recognized as an individual asset or liability.

The Company derecognizes a financial liability when, and only when, its obligations are discharged, canceled or have expired.

3.19. Right-of-use assets and lease liabilities

The Company assesses at contract inception, whether the contract is, or contains, a lease, that is, if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease, i.e., the date the underlying asset is available for use.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or a rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Payments of short-term lease or of leases of low-value assets are recognized as an expense using the straight-line method over the lease term.

3.20 Dividend distribution

The distribution of dividends to the Company’s partners is recognized as a liability in the financial statements in the period the distribution is approved by them.

3.21. Interest on equity

Partners receive compensation as dividends and/or interest on equity based on the limits defined by law in the Company's articles of organization.

The interest on equity is attributed to the dividend for the year as provided for in the articles of organization, recognized in profit or loss, as required by tax legislation, and reversed to retained earnings in equity in a manner similar to dividend, resulting in income tax and social contribution credit recognized in profit or loss for the year.

3.22. Statement of cash flows

The statement of cash flows has been prepared and is presented in accordance with Technical Pronouncement CPC 03 – Statement of Cash Flows, issued by the Brazilian Accounting Pronouncements Committee (CPC), and reflects changes in cash that occurred in the reporting periods.

(Amounts expressed in Reais - R$)

3.23. Pronouncements issued but not yet effective at December 31, 2023

Pronouncement	Amendment	Effective period
Amendments to IFRS 10 (CPC 36 (R3)) - Consolidated Financial Statements and IAS 28 (CPC 18 (R2)) - Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments address situations that involve the sale or contribution of assets between an investor and its associate or joint venture. Specifically, gains and losses resulting from the loss of control over a subsidiary that does not contain a business in a transaction with an associate or joint venture accounted for using the equity method are recognized in the parent’s profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture accounted for using the equity method) to fair value are recognized in the former parent’s profit or loss to the extent of the unrelated investors’ interests in the new associate or joint venture.	As from January 1, 2024
Amendments to IAS 1 – Presentation of Financial Statements (CPC 26 (R1)) - Classification of Liabilities as Current or Noncurrent	The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	As of January 1, 2024
Amendments to IAS 1 – Presentation of Financial Statements - Noncurrent Liabilities with Covenants	The amendments indicate that only covenants with which an entity must comply within the reporting period affect the entity's right to defer settlement of a liability for, at least, 12 months after the reporting date (and, therefore, should not be considered in the assessment of the classification of the liability as current or noncurrent). These covenants affect the existence of the right at the end of the reporting period, even if the compliance with the covenant is verified only after the reporting date (for example, a covenant based on the entity's financial condition on the reporting date that is assessed for compliance only after the reporting date).	As of January 1, 2024

Pronouncement	Amendment	Effective period
Amendments to IAS 7- Statement of Cash Flows and IFRS 7– Financial Instruments: Disclosure— Supplier Finance Arrangements	The amendments include a disclosure objective in IAS 7 stating that an entity must disclose information on its supplier finance arrangements that allows the users of financial statements to assess the effects of these arrangements on the entity’s liabilities and cash flows. Additionally, IFRS 7 was amended to include supplier finance arrangements as an example within the requirements for disclosure of information on the entity's exposure to liquidity risk concentration. To meet the disclosure objective, the entity shall disclose, in full, for its supplier finance arrangements: • The terms and conditions of the arrangements • The carrying amount, and corresponding accounts presented in the entity’s statement of financial position, of the liabilities included in the arrangements • The carrying amount, and corresponding accounts for which the suppliers have already been paid by those that provide the financing • The maturity groupings of the financial liabilities included in a supplier finance arrangement and the comparable accounts payable that are not included in a suppliers finance arrangement • Information on liquidity risk - the amendments, containing specific transition measures for the first annual period in which the entity applies the amendments, are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted.	As from January 1, 2024
Amendments to IFRS 16 – Leases - Lease Liability in a Sale and Leaseback	The amendments to IFRS16 add subsequent measurement requirements for sale and leaseback transactions, which meet the requirements of CPC 47 (IFRS 15), for recording as sales. The amendments require that the seller-lessee determines the ‘lease payments’ or ‘reviewed lease payments' so that the seller-lessee does not recognize a gain or loss related to the right-of-use assets retained by the seller-lessee after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee related to the total or partial completion of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right-of-use asset that is exclusively retained due to the remeasurement of the lease liability (for example, after a modification or change in the lease term) that applies the general requirements in IFRS16. This might have been particularly the case in a leaseback transaction, which includes lease variable payments that do not depend on an index or a rate.	As of January 1, 2024

(Amounts expressed in Reais - R$)

4. Cash and cash equivalents

	2023	2022
Cash	19,373	20,501
Banks	1,414,870	327,960
Financial investments	133,977	131,706
	1,568,220	**480,167**

Short-term investments refer to fixed-income investment funds and Bank Certificates of Deposit (CDB) with short-term maturities and/or immediate liquidity, with yield based on the variation of the Interbank Certificate of Deposit (CDI) rates.

5. Trade receivables

	2023	2022
Trade notes receivable	2,325,576	1,995,284
Trade notes receivable from related parties	857,269	377,761
	3,182,845	**2,373,045**

The aging list of trade receivables is summarized as follows:

	2023	2022
Current (not yet due)	1,991,899	1,805,626
Up to 30 days past due	857,703	-
31 to 60 days past due	-	489,600
61 to 90 days past due	14,302	-
91 to 365 days past due	318,941	77,819
	3,182,845	**2,373,045**

The amounts past due are being negotiated and the Company does not expect losses on these amounts.

6. Inventories

	2023	2022
Inputs for provision of services	26,653	19,994
Raw materials	-	7,818
Third-party inventories held by the Company (*)	4,502,514	-
Work in progress	1,630,487	-
	6,159,654	**27,812**

(*) Third-party inventories held by the Company refer to 6 (six) semi-trailers received from GNL BRASIL S.A.

(Amounts expressed in Reais - R$)

7. Taxes recoverable

	2023	2022
ICMS (state VAT)	619,198	362,815
Taxes overpaid	400	-
Social contribution	78,285	80,918
Income tax	104,454	82,790
IPI (excise tax) recoverable	206,397	56,243
PIS (tax on revenue) withheld to be offset	54,023	-
COFINS (tax on revenue) withheld to be offset	247,385	-
	1,310,142	**582,766**

7.1. Unrecognized deferred income tax and social contribution

The Company has accumulated income tax and social contribution tax losses but did not meet the minimum requirements for their recognition in compliance with CPC 32 - Income Taxes, and therefore did not record deferred tax assets in 2023.

For purposes of possible recognition of deferred tax assets, Management calculates the following amounts:

	Tax loss basis	IRPJ – 25%	CSLL – 9%	(=) Total
Deferred tax assets	4,394,304	1,098,576	395,487	**1,494,063**

8. Judicial deposits

	2023	2022
Judicial deposits	225,924	206,008
	225,924	**206,008**

The judicial deposits refer to proceeding No. 5007492-22.2021.4.03.6104, in which the Company requests the recognition of the non-taxation of taxes levied on the import of goods.

9. Assets held for sale

	2023	2022
Land	6,463,092	6,463,092
	6,463,092	**6,463,092**

In 2012, the Company planned the installation of a manufacturing plant in the city of Monte Mor, State of São Paulo, purchasing land and making improvements such as earthwork and cleaning in the amount of R$ 6,463,092 at December 31, 2023 and 2022, respectively.

(Amounts expressed in Reais - R$)

Subsequently, due to the change of strategy, the Company decided to discontinue the planning of the installation of such manufacturing plant in Monte Mor. In view of such discontinuity, Management decided to sell the property (land and improvements).

In 2021, the Company lost the expropriation proceeding filed by Rodovias do Tietê S.A. In view of the unfavorable outcome in the proceeding, Management recorded a loss of R$ 23,307 related to the cost of the expropriated land.

Management believes that the sale value will be higher than the carrying amount and, therefore, no provision for loss is required.

On June 15, 2023, the Company contracted a specialized company for the measurement of the fair value of the property registered under No. 12.819 at the Real Estate Registry Office of Monte Mor, São Paulo, located at the entrance ramp to Rodovia Jornalista Francisco Aguirre Proença, Km 126, and also facing Rua Elias Fausto Capivari (access to SP101), neighborhood of Casablanca, City of Monte Mor, São Paulo, with land area of 85,821.00 m². The fair value determined by the expert was R$ 11,581,000.00.

10. Right-of-use assets and lease liabilities

	2023	**2022**
Right-of-use assets - property, plant and equipment	3,363,302	3,195,924
(-) Right-of-use assets - property, plant and equipment	(1,960,418)	(1,530,702)
(=) Total	**1,402,884**	**1,665,222**
Lease liabilities – current	(613,069)	(607,778)
Lease liabilities – noncurrent	(1,131,679)	(1,374,201)
(=) Total	**(1,744,748)**	**(1,981,979)**

The Company adopted as the discount rate for lease liabilities its incremental borrowing rate, which is calculated based on a readily observable nominal basic interest rate, adjusted for the Company’s credit risk, according to the terms of the lease agreements and the nature and quality of possible guarantees to be offered.

10.1 Changes in right-of-use assets

	2022	**(+) Monetary adjustment + present value adjustment**	**(-) Depreciation**	**2023**
Properties	1,455,713	248,215	(425,983)	1,277,945
Vehicles	209,509	-	(84,570)	124,939
TOTAL	**1,665,222**	**248,215**	**(510,553)**	**1,402,884**

(Amounts expressed in Reais - R$)

10.2 Changes in lease liabilities

12/31/2022	(+) Monetary adjustment + present value adjustment	(-) Amortization of principal and interest	12/31/2023
1,755,223	421,584	(573,503)	1,603,304
226,756	18,993	(104,305)	141,444
1,981,979	**440,577**	**(677,808)**	**1,744,748**

11. Property, plant and equipment, net

	Depreciation rate	2023			2022
		Cost	Depreciation	Net	Net
Machinery and equipment	10%	2,167,146	(1,177,582)	989,564	475,845
Furniture and fixtures	10%	250,676	(170,432)	80,244	56,748
Tools and accessories	10%	46,754	(2,950)	43,804	-
IT equipment	20%	135,271	(96,711)	38,560	26,462
Communication equipment	20%	5,165	(624)	4,541	-
Leasehold improvements	10%	73,799	(52,849)	20,950	-
		2,678,811	**(1,501,148)**	**1,177,663**	**559,055**

11.1. Summary of changes in property, plant and equipment at 12/31/2023

	Opening balance at 01/01/2023	(+) Additions	(-) Depreciation	Closing balance at 12/31/2023
Machinery and equipment	475,845	646,957	(133,238)	989,564
Furniture and fixtures	56,748	39,906	(16,410)	80,244
Tools and accessories	-	46,754	(2,950)	43,804
IT equipment	26,462	24,128	(12,030)	38,560
Communication equipment	-	5,165	(624)	4,541
Leasehold improvements	-	22,550	(1,600)	20,950
Total property, plant and equipment	**559,055**	**785,460**	**(166,852)**	**1,177,663**

12. Payroll and related taxes

	2023	2022
Accrued vacation pay	234,987	180,239
INSS (social security contribution) on accrued vacation	63,779	49,178
INSS payable	57,935	77,757
Performance bonus	130,167	177,988
FGTS (severance pay fund) payable	18,507	13,012
FGTS on accrued vacation	18,690	14,411
Other payroll charges	35,778	27,287
	559,843	**539,872**

(Amounts expressed in Reais - R$)

13. Taxes payable

	2023	2022
ISS (service tax)	53,435	20,866
COFINS (tax on revenue)	-	175,179
PIS (tax on revenue)	-	38,019
Tax contingencies *	393,428	275,742
Other taxes payable	142,804	2,526
	589,667	**512,332**
Current	196,239	236,590
Noncurrent	393,428	275,742
	589,667	**512,332**

** Unpaid taxes on commissions.*

14. Other liabilities

	2023	2022
Audit services payable	17,000	35,616
Insurance payable	15,387	7,715
Provision for warranties (*)	567,982	-
Other payables	1,406	1,243
Interest on equity	290,577	-
Third-party inventories to be processed (**)	4,502,514	**-**
	5,104,289	**44,574**

(*) Refers to the warranty of 32 semi-trailers of the project of customer Eneva S.A.

(**) Third-party inventories to be processed refer to 6 (six) semi-trailers received from GNL BRASIL S.A.

15. Advances from customers

	2023	2022
Advance from customer – GNL Brasil	692,081	-
	692,081	-

The balance received in 2023 refers to the advance of expenditures with materials that will be used in the processing of the tanks held by the Company, estimated to be delivered in April 2024.

16. Related parties

16.1. Amounts receivable from Inox India Limited.

The balance receivable from related parties at December 31, 2023 was R$ 857,269 (R$ 377,761 at December 31, 2022) equivalent to US$ 177,074 at December 31, 2023 (US$ 72,399 at December 31, 2022).

(Amounts expressed in Reais - R$)

16.2. Amounts payable to Inox India Limited.

The balance payable to related parties at December 31, 2023 was R$ 2,757,847 (R$ 4,002,588 at December 31, 2022) equivalent to US$ 569,650 at December 31, 2023 (US$ 767,117 at December 31, 2022).

During the year ended December 31, 2023, the Company established plans for the compensation of key management personnel. The compensation paid to the Company's key management personnel was R$ 551,255 (R$ 543,805 at December 31, 2022).

17. Provision for legal claims

At December 31, 2023 and 2022, there were no lawsuits under discussion involving the Company classified as probable or possible loss, therefore, no provision or disclosure was required.

Legislation in force

In accordance with current legislation, the Company's tax books and transactions are subject to review by the tax authorities for retroactive periods with respect to federal and state taxes and labor contributions.

STF's decision on res judicata in tax matters

On February 8, 2023, the Federal Supreme Court (STF) unanimously decided, with respect to Extraordinary Appeals 955.227 (Case 885) and 949.297 (Case 881), on the possibility of disregarding the res judicata in successive legal relations in tax matters. After the analysis by the respective law firms of the proceedings to which the Company is or was a party, both as plaintiff and defendant, no situation that may be affected by this decision was identified.

18. Equity

18.1 Capital

The subscribed capital at December 31, 2023 and 2022 is R$ 13,332,327 and comprises 13,332,327 membership units with par value of R$ 1.00 each, held as follows:

Partners	Number of membership units	R$
Inox India Limited	**13,332,327**	**13,332,327**

18.2 Profit distribution

During the year ended December 31, 2023, 2022, there was no profit distribution.

(Amounts expressed in Reais - R$)

18.3 Interest on equity

During the year ended December 31, 2023, the Company recognized a provision for interest on equity of R$ 341,855 with Withholding Income Tax (IRRF) of R$ 51,278, totaling a net amount to be paid to Inox India Limited of R$ 290,577.

19. Net operating revenue

	2023	**2022**
Maintenance service	13,181,361	3,179,347
Representation service	1,928,328	973,259
Resale of products	10,338,480	11,277,750
Commissions	-	295,307
Taxes on revenue	(2,482,561)	(2,943,018)
	22,965,608	**12,782,645**

20. Cost of sales and services

	2023	**2022**
Cost of sales	(10,800,321)	(8,597,616)
Cost of services	(2,307,623)	(1,894,085)
Other costs	(206,177)	(132,664)
	(13,314,121)	**(10,624,365)**

21. General and administrative expenses

	2023	**2022**
Administrative expenses	(2,235,885)	(1,659,484)
Personnel expenses	(315,174)	(228,700)
Depreciation and amortization	(677,405)	(520,608)
Taxes and fees	(160,040)	(28,129)
Other general and administrative expenses	(181,138)	(248,360)
	(3,569,642)	**(2,685,281)**

(Amounts expressed in Reais - R$)

22. Finance income (costs), net

	2023	2022
Finance income		
Income from short-term investments	106,905	115,700
Discounts obtained	406	1,913
Other finance income	60,898	5,912
Total finance income	**168,209**	**123,525**
Finance costs		
Foreign exchange losses	314,069	270,026
Interest	(337,501)	(141,691)
Discounts granted	-	(34,521)
Other finance costs	(81,173)	(25,787)
Total finance costs	**(104,605)**	**68,027**
Total finance income (costs)	**63,604**	**191,552**

23. Provision for income tax and social contribution

Income tax description	**2023**	**2022**
Profit (loss) for the year before income tax	6,158,597	(64,734)
(+) Additions	1,406,126	1,725,504
(-) Exclusions	(2,329,010)	(1,635,364)
(=) Calculation basis before offset	**5,235,713**	**25,406**
(-) Offset 30% accumulated losses	(1,570,714)	(7,622)
= Calculation basis	**3,664,999**	**17,784**
(x) Income tax (15%)	549,750	2,667
(-) Workers' Meal Program (PAT), National People with Disabilities Health Care Support Program (Pronas), National Program to Support Culture (Pronac) and others	-	-
(=) Income tax (15%)	**(549,750)**	**(2,667)**
(=) Surtax calculation basis	**3,664,999**	**-**
(-) Surtax deduction	(240,000)	(240,000)
(=) Adjusted calculation basis	3,424,999	-
(x) Income tax surtax (10%)	**(342,500)**	**-**
(=) Total income tax expense	**(892,250)**	**(2,667)**

Social contribution description	**2023**	**2022**
Profit (loss) for the year before social contribution	6,158,597	(64,734)
(+) Additions	1,406,126	1,725,504
(-) Exclusions	(2,329,010)	(1,635,364)
(=) Calculation basis before offset	**5,235,713**	**25,406**
(-) Offset 30% accumulated losses	(1,570,714)	**(7,622)**
= Calculation basis	**3,664,999**	**17,784**
(x) CSLL (9%)	329,850	1,601
(-) Workers' Meal Program (PAT), National People with Disabilities Health Care Support Program (Pronas), National Program to Support Culture (Pronac) and others	(-)	(-)
(=) CSLL (9%)	**(329,850)**	**(1,601)**
(=) Total social contribution expense	**(329,850)**	**(1,601)**

24. Financial instruments

24.1. Risks

Liquidity risk: this is the risk of not having sufficient liquid funds to meet the Company's financial commitments due to the mismatch of terms or volumes regarding expected receipts and payments.

Foreign exchange risk: this risk arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company for purchase of inputs, sale of products and contracting of financial instruments.

Interest rate risk: this risk arises from the possibility that the Company may obtain gains or incur losses due to fluctuations in interest rates to which its financial assets and liabilities are subject. In order to mitigate this type of risk, the Company seeks to diversify its funding in terms of fixed and floating rates.

The Company reviewed the main financial assets and liabilities at December 31, 2023, as well as the criteria for their measurement, valuation and classification, which are described below:

- **Cash and cash equivalents:** the amounts of cash and cash equivalents the carrying amounts of which approximate the realizable values at the end of the reporting period are classified as receivables;
- **Trade receivables:** are stated at carrying amounts which approximate the realizable values at the end of the reporting period;
- **Trade payables:** are stated at carrying amounts which approximate the realizable values at the end of the reporting period;
- **Related parties:** are stated at carrying amounts which approximate the realizable values at the end of the reporting period.

25. Segment reporting

Operating segments are defined as a component of a joint venture for which financial information is available and regularly assessed by the operating decision maker when deciding on the allocation of funds for an individual segment and the assessment of the segment performance.

Considering that all decisions are made based on consolidated reports and that all decisions regarding strategic planning, financial issues, purchases, investment and use of resources are made on a consolidated basis, the Company concluded that it operates in a single operating segment.

26. Insurance (unaudited)

The Company's Management adopts the policy of contracting insurance for assets subject to risks in amounts considered sufficient to cover any losses, in view of the nature of its activities.

The risk assumptions adopted and the insurance coverage, considering the nature of such risks, are not part of the audit of the financial statements and, consequently, were not audited by our independent auditors.

27. Events after the reporting period

The Company does not have any matters after December 31, 2023 to be disclosed as events after the reporting period.