UNICASA

INVESTOR Relations

Management Report

2022

BOARD OF DIRECTORS

Gelson Luis Rostirolla
Chairman

Alexandre Grendene Bartelle
Vice Chairman

Gustavo Dall Onder
Director

Rodrigo Silva Marvão
Independent Director

Giuliano Silvio Dedini Zorgniotti
Independent Director

BOARD OF EXECUTIVE OFFICERS

Gustavo Dall Onder
Chief Executive Officer

Guilherme Possebon de Oliveira
Financial and Investor Relations Officer

Alexandre Narvaes Figueira
Commercial Officer

Luciano André Merigo
Manufacturing Officer

Ivanir Moro
Accountant
CRC/RS-053351/O-7

__Disclaimer:__ The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations not to materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.

To the Shareholders,

In compliance with applicable laws and Bylaws of the company, the Management of **Unicasa Indústria de Móveis S.A.** hereby presents the **Management Report** and the **Financial Statements** prepared according to the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), the generally accepted accounting principles in Brazil and the rules issued by the Securities and Exchange Commission of Brazil (CVM). The Company adopted all the standards, revisions of standards and interpretations issued by IASB and which are effective for the Financial Statements ended on December 31, 2022.

MESSAGE FROM MANAGEMENT

Dear Shareholders,

The year 2022 began with an additional challenge since, in 2021 the Company's revenue growth exceeded expectations and expenses were lower than normal levels due to the reduction in expenses on account of the pandemic, such as with: advertising and travel, which leveraged operating performance. Hence, 2022, which would already be a challenging year for maintaining the margins of 2021, was further pressured by production capex, investments in the United States and the termination of the Favorita brand. As such, though operating margins declined significantly, Management is confident that the initiatives rolled out are in line with the strategic plan and were necessary to generate results in the future.

Note that the operating result was affected by the recovery of R$7.2 million arising from the exclusion of ICMS from the PIS and COFINS calculation base. Financial result was affected by R$2.0, million related to the inflation adjustment on this and other tax credits. Income Tax and Social Contribution also benefited, with an effect of R$3.3 million. On page 7, we present the annual result excluding these non-recurring effects.

Same Store Sales from exclusive stores grew 17%, despite the strong comparison base. Revenue from new stores, stores in the maturation phase and closed stores decreased 12.5%. Two closures played an important role in this result, but one of the stores was replaced by the end of 4Q22 and the other one should be replaced in 2023. Average productivity per exclusive dealer grew 14,3% to R$95,300/month.

Over the last few years, the Company decided to discontinue the Favorita brand, which affected revenue by R$6.3 million. The discontinuation was aimed at concentrating efforts on more consolidated brands, enabling better use of resources for network expansion, marketing, training and product launches, among others. During the process, points of sale in locations that were part of the strategic plan were converted to other brands. Said impact is confined only to permanently closed stores.

The multibrand segment grew 9.4% until 3Q22, but the 35.5% drop in 4Q22 resulted in an annual decline of 3.5%, mainly due to the impact of presidential elections on the economy and delays in the completion of construction projects across the country, which will possibly affect the exclusive operations segment between the end of 1Q23 and early 2Q23, due to the longer sale journey.

The Corporate segment reported its highest revenue ever of R$21.9 million, a large part of it from a single client, as informed in the Notice to the Market on June 29, 2021. On the export front, revenue in U.S. dollar grew 27.8%, with the U.S. market expanding 47.2%, accounting for approximately 10% of total revenue.

During 2022, price oscillations along the supply chain were lower than in 2021, with only one price increase carried out, compared to three in 2021. Thus, the variation in margin is mainly due to the growth in revenue from corporate customers in the domestic and export markets, whose margins are lower.

Operating expenses increased 26.4%, mainly due to: (i) the increase in headcount to sustain the growth of the U.S. operation, replacements in the support team for domestic resellers, which had been postponed due to the pandemic, and the collective bargaining agreement, with a wage increase of 10.6%. Average headcount in the administrative and commercial areas was 30.9% higher (184 vs. 141); (ii) resumption of advertising campaigns and concentration of campaigns in 2022. Campaigns are run every two years but, following this calendar, campaign for the New brand, which would be renewed in 2021 was postponed to 2022 due to the impacts of the pandemic. Also, with the termination of the Favorita brand, the Company launched campaigns for the Casa Brasileira brand. Hence, in 2022 we launched campaigns for three brands: Dell Anno, New and Casa Brasileira. In addition, we extended the program of architect visits, earlier restricted to Dell Anno, to the New brand. (iii) the increase in market costs followed the increase in revenue from the corporate and export segments and is mainly related to freight, customs clearance and assembly; (iv) resumption of travels; (v) expenses with lawyers' fees due to the favorable outcome of tax lawsuits, as mentioned earlier. These increases were offset by the reduction in expenses with contingencies, which corresponded to approximately 1% of revenue from exclusive dealers and the end of amortization of a sales outlet in July 2022.

Operating cash flow stood at R$46.3 million. Note that: (i) approximately R$33 million were allocated to the investment plan announced in 4Q21; (ii) R$33 million were used in advances from clients made during 2021 to hedge against price increases; (iii) R$11 million used for dividend payments.

As part of the expansion plan for the Dell Anno brand to the U.S. market, a rental agreement was signed for a sales outlet in New York. The store, with sales area of approximately 300 m², is located in one of New York's main furniture hubs, around 200 meters near the Madison Square Park and the Fifth Avenue. The store is scheduled for opening in the first half of 2023. In January 2023, the Dell Anno store in Miami, which earlier was an exclusive store, was converted into an own store under the corporate name Dell Anno Miami, LLC. Located in the Design District, the store has a sales area of around 500 m².

Due to the termination of the Favorita brand, the consolidated revenue from exclusive dealers will include the Dell Anno, New and Casa Brasileira brands. This is to protect the business strategy, since we are the only listed company in the sector. Revenue from the exclusive channel is divided into four groups: (i) new stores, which are opened during the year; (ii) stores in the maturation phase, which were opened in the previous year; (iii) Same Store Sales, which refer to other open stores; and (iii) closed stores. Accordingly, the Company will now disclose the percentage variation in revenue from exclusive stores under the Same Store Sales criterion, as well as the consolidated performance of new stores, stores in the maturation phase and closed stores. The Company will also disclose the percentage variation in volume obtained through deflated calculation of revenue by price increases and excluding commercial discounts granted to resellers and, for this reason, information about modules sold will be discontinued.

At the annual shareholders meeting of 2023, the Management will propose the allocation of net income from the year: (i) the distribution of R$12.0 million as interest on equity (IoE), as approved by the Board of Directors on December 1, 2022, resulting in the distribution of 38.3% of adjusted net income, R$4.2 million more than the minimum mandatory dividend; and (ii) the retention of R$19.3 million for production capex, as mentioned earlier. The distribution, to be ratified by the shareholders meeting, corresponds to R$0.1816 per share, including income tax, with the date for entitlement being December 6, 2022. Shares will be traded ex-interest on equity as of December 7, 2022.

Of the investment plan announced in 4Q21, totaling approximately €14.9 million, €10.9 million have already been invested and, of the balance, around 45% should be disbursed in 4Q23, 45% in 4Q24 and 10% in 2Q25.

The Management thanks its shareholders, clients, dealers, employees, suppliers and all those involved in the results of one more year.

EXECUTIVE SUMMARY

Executive Summary	2021	2022	Δ
Gross Revenue ex-IPI	267,219	298,656	+11.8%
Net Revenue	**220,643**	**245,678**	**+11.3%**
Cost of Goods Sold	(140,551)	(161,703)	+15.0%
Gross Income	**80,092**	**83,975**	**+4.8%**
Gross Margin	***36.3%***	***34.2%***	***-2.1 p.p.***
Selling and Administrative Expenses	(53,882)	(68,093)	+26.4%
Other Revenues and Operating Expenses	3,951	10,200	+158.2%
Operating Income	**30,161**	**26,082**	**-13.5%**
Operating Margin	***13.7%***	***10.6%***	***-3.1 p.p.***
Financial Income (Expenses) Net	4,706	8,834	+87.7%
Operating Income before Income Tax and Social Contribution	**34,867**	**34,916**	**+0.1%**
Income Tax and Social Contribution	(8,929)	(1,969)	-77.9%
Net Profit	**25,938**	**32,947**	**+27.0%**
Net Margin	***11.8%***	***13.4%***	***+1.6 p.p.***
EBITDA	39,582	35,345	-10.7%
EBITDA Margin	***17.9%***	***14.4%***	***-3.5 p.p.***
ROIC - LTM	***21.1%***	***17.5%***	***-3.6 p.p.***

ADJUSTED EXECUTIVE SUMMARY

Below are the results of the quarter excluding the effects of: (i) the lawsuit relating to inflation on financial investments; (ii) the PIS/COFINS lawsuit; and (iii) the PIS/COFINS lawsuit in the subsidiary Unicasa Comércio de Móveis in 2Q21.

Adjusted Executive Summary	2021 Adjusted	2022 Adjusted	Δ
Gross Revenue ex-IPI	267,219	298,656	+11.8%
Net Revenue	**220,643**	**245,678**	**11.3%**
Cost of Goods Sold	(140,551)	(161,703)	+15.0%
Gross Income	**80,092**	**83,975**	**+4.8%**
Gross Margin	***36.3%***	***34.2%***	***-2.1 p.p.***
Selling and Administrative Expenses	(53,793)	(67,263)	+25.0%
Other Revenues and Operating Expenses	2,635	3,048	+15.7%
Operating Income	**28,934**	**19,760**	**-31.7%**
Operating Margin	***13.1%***	***8.0%***	***-5.1 p.p.***
Financial Income (Expenses) Net	4,257	6,797	+59.7%
Operating Income before Income Tax and Social Contribution	**33,191**	**26,557**	**-20.0%**
Income Tax and Social Contribution	(8,525)	(5,295)	-37.9%
Net Profit	**24,666**	**21,262**	-13.8%
Net Margin	***11.2%***	***8.7%***	***-2.5 p.p.***
EBITDA	38,355	29,023	-24.3%
EBITDA Margin	***17.4%***	***11.8%***	***-5.6 p.p.***
ROIC - LTM	***23.1%***	***11.5%***	***-11.6 p.p.***

SALES PERFORMANCE

Gross Revenue ex-IPI	2021	2022	Δ
Exclusive Dealers	184,502	198,953	7.8%
Δ Same Stores Sales	42.7%	17.0%	
Δ Same Stores Volume	39.7%	-4.4%	
Multibrands	34,903	33,664	-3.5%
Corporate	10,832	21,885	102.0%
Exports	33,555	40,796	21.6%

Gross Revenue ex-IPI	2021	2022	Δ
Unicasa Indústria de Móveis	267,219	298,656	+11.8%
Δ Volume	25.6%	-8.5%	

The following chart shows the evolution of revenue between 2021 and 2022[1]:

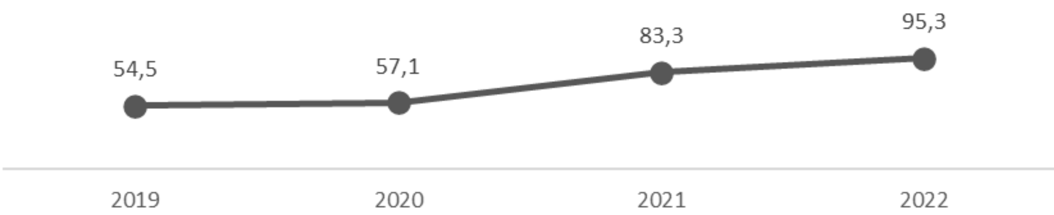
[1] in million.

SALES AND DISTRIBUTION CHANNELS

Below is the breakdown of our distribution network by channel: During the year, 15 Favorita brand operations were closed, of which 7 migrated to other brands. The openings, excluding the Favorita brand migration, totaled 11 dealers.

Period	2021	2022	Δ
Exclusive Dealers	**203**	**181**	**(22)**
National Exclusive	185	163	(22)
Export Exclusive	18	18	-
Multibrands	**106**	**97**	**(9)**
National Multibrands	78	74	(4)
Export Multibrands	28	23	(5)

Average productivity of domestic exclusive stores was R$95,300/month, 14.3% higher than in 2021. The following chart shows annual historical productivity.



FINANCIAL PERFORMANCE

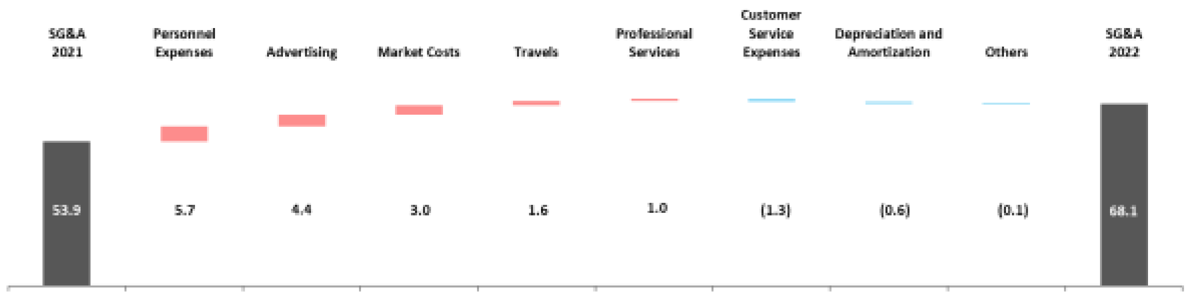
Gross Profit and Gross Margin

Gross Profit in the year was R$84.0 million. Gross margin decreased 2.1 p.p., from 36.3% to 34.2%. The variation in margin is mainly due to the growth in revenue from corporate customers in the domestic and export markets, whose margins are lower.

Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	2021	2022	Δ
Total	(53,882)	(68,093)	+26.4%
Selling Expenses	**(37,865)**	**(49,411)**	**+30.5%**
% of Net Revenue	17.2%	20.1%	+2.9 p.p.
Administrative Expenses	**(16,017)**	**(18,682)**	**+16.6%**
% of Net Revenue	7.3%	7.6%	+0.3 p.p.
SG&A % of Net Revenue	24.5%	27.7%	+3.2 p.p.

The following chart presents the evolution of Selling, General and Administrative Expenses in 2021 and 2022 (1):



(1) in million.

The increase in personnel expenses is mainly due to the increase in headcount to sustain the growth of the U.S. operation, replacements in the support team for domestic resellers, which had been postponed due to the pandemic, and the collective bargaining agreement, with a wage increase of 10.6%. Average headcount in the administrative and commercial areas was 30.9% higher (184 vs. 141).

Advertising expenses increased R$4.4 million due to the resumption of advertising campaigns and the concentration of campaigns in 2022. Campaigns are run every two years but, following this calendar, campaign for the New brand, which would be renewed in 2021 was postponed to 2022 due to the impacts of the pandemic. Also, with the termination of the Favorita brand, the Company launched campaigns for the Casa Brasileira brand. Hence, in 2022 we launched campaigns for three brands: Dell Anno, New and Casa Brasileira. In addition, we extended the program of architect visits, earlier restricted to Dell Anno, to the New brand.

The increase in market costs followed the increase in revenue from the corporate and export segments and is mainly related to freight, customs clearance and assembly.

The resumption of travels, suspended in 2021 due to the pandemic, contributed to the increase of R$1.6 million.

Expenses with professional services reflect lawyers' fees due to the favorable outcome in tax lawsuits, such as inflation on financial investments and the exclusion of ICMS from the PIS and COFINS calculation base.

Expenses with consumers decreased R$1.3 million due to lower costs with civil agreements with consumers, which totaled R$1.0 million. Expenses with merchandise, freight and assembly for end consumers not served due to closure of stores declined R$0.3 million. Expenses with consumers corresponded to approximately 1% of revenue from exclusive dealers.

The drop in expenses with depreciation and amortization was due to the end of amortization of a sales outlet in July 2022.

Other Operating Income and Expenses

As mentioned in the Message from Management, this group includes revenue from the recovery of tax credits resulting from the PIS/COFINS lawsuit. The principal amount was R$7.2 million.

Other Operating Income and Expenses	2021	2022	Δ
Total	**3,951**	**10,200**	**158.2%**
Result from the sale of assets held for sale and of property, plant and equipment	(520)	(166)	-68.1%
Bank Premium	835	663	-20.6%
Trademark Rights	-	-	n/a
Other Operating Income	3,636	9,703	+166.9%
% of Net Revenue	**6.3%**	**16.2%**	**+9.9 p.p.**

Financial Result

The main factors for the increase in the financial result were: (i) inflation adjustment on tax credits recovered through lawsuits, totaling R$2.0 million; (ii) yield from financial investments, R$1.6 million; and (iii) effect of present value adjustment.

Financial Result	2021	2022	Δ
Net Financial Result	**4,706**	**8,834**	**+87.7%**
Financial Expenses	**(5,290)**	**(7,272)**	**+37.5%**
IOF charge and bank fees	(94)	(199)	+111.7%
Loans and financing expenses	(1,117)	(1,737)	+55.5%
Exchange variation expenses	(2,677)	(3,099)	+15.8%
Present value adjustment - AVP	(1,098)	(2,030)	+84.9%
Other financial expenses	(304)	(207)	-31.9%
Financial Income	**9,996**	**16,106**	**+61.1%**
Interest income	1,102	1,083	-1.7%
Discounts	170	180	+5.9%
Yield from short-term investments	3,096	4,709	+52.1%
Exchange variation income	3,199	3,051	-4.6%
Present value adjustment - AVP	1,778	4,187	+135.5%
Other financial income	651	2,896	+344.9%

EBITDA and EBITDA Margin

EBITDA	2021	2022	Δ
Net Income for the Period	**25,938**	**32,947**	**+27.0%**
Income Tax and Social Contribution	8,929	1,969	-77.9%
Financial Result	(4,706)	(8,834)	+87.7%
EBIT	**30,161**	**26,082**	**-13.5%**
Depreciation and Amortization	9,421	9,263	-1.7%
EBITDA	**39,582**	**35,345**	**-10.7%**
EBITDA Margin	***17.9%***	***14.4%***	***-3.5 p.p.***

Cash Flow

Cash consumption was R$60.0 million, and included: (i) operating generation of R$46.3 million; (ii) approximately R$33 million allocated to the investment plan announced in 4Q21; (ii) R$33 million used in advances from clients made during 2021 to hedge against price increases; (iii) R$11 million used for dividend payments.

Cash Flow	2021	2022	Δ
Cash Flows from Operating Activities	47,486	46,259	-2.6%
Changes in Assets and Liabilities	23,688	(40,186)	-269.6%
Financial Investments	(28,210)	23,324	-182.7%
Cash generated by investment activities	(31,587)	(53,549)	+69.5%
Cash generated by financing activities	1,352	(12,814)	-1047.8%
Effect of exchange variation on cash and cash equivalents	(63)	244	-487.3%
Cash flow (burn)	**12,666**	**(36,722)**	**-389.9%**
Financial Investments	28,210	(23,324)	-182.7%
Cash flow and Financial Investments	**40,876**	**(60,046)**	**-246.9%**

Net Cash

Net Cash	31/12/2021	31/12/2022	Δ
Short Term Debt	4,863	5,264	+8.2%
Long Term Debt	9,884	4,744	-52.0%
Gross Debt	**14,747**	**10,008**	**-32.1%**
Cash and Cash Equivalents	60,250	23,528	-60.9%
Financial Investments	31,480	8,156	-74.1%
Net Debt / (Cash Surplus)	**(76,983)**	**(21,676)**	**-71.8%**

Return on Invested Capital (ROIC)

NOPLAT (Net Operating Profit Less Adjusted Taxes)	2022	2021	2020	2019
(=) EBITDA	**35,345**	**39,582**	**26,452**	**28,741**
Depreciation	9,263	9,421	8,879	8,750
(=) EBIT	**26,082**	**30,161**	**17,573**	**19,991**
Income Tax and Social Contribution	(1,969)	(8,929)	(5,550)	(7,192)
Financial Result Income Tax Reversal	3,004	1,600	955	1,763
(=) Operating Net Income (NOPLAT)	27,117	22,832	12,978	14,562
Invested Capital - LTM	155,342	118,396	116,982	95,602
ROIC - LTM	**17.5%**	**19.3%**	**11.1%**	**15.2%**

ROE (Return on Equity)	2022	2021	2020	2019
Net Profit	32,947	25,938	14,833	17,984
Shareholders' equity	188,732	167,781	155,948	160,042
ROE - LTM	**17.5%**	**15.5%**	**9.5%**	**11.2%**

ALLOCATION OF INCOME

The Company management will propose to the Shareholders Meeting the allocation of net income as follows.

Proposal for allocation of net income from the year	2022 in reais
Net Income for the period	32,946,981.29
Legal Reserve (5%)	1,647,349.06
Adjust Net Income	**31,299,632.23**
Mandatory Dividends - 25%	7,824,908.00
Dividends in excess of mandatory	4,176,375.70
Profit retention	19,298,348.53
Total allocated	**31,299,632.23**
Form of distribution	
Interest on Equity	12,001,283.70
Total proposed per share	0.181600000

A portion of net income from the fiscal year will be retained to finance the investments envisaged in the Company's strategic plan. The balance will be distributed as Interest on Equity (IoE) charged to mandatory dividends, in the amount of seven million, one hundred thirty thousand, seven hundred eighteen reais and sixty-eight centavos (R$12,001,283.70), corresponding to R$0.181600000, already declared, pursuant to the Board of Directors Meeting held on December 01, 2022. Income tax will be withheld at source in accordance with current laws. All common shareholders of record on December 06, 2022 will be entitled to interest on equity, and shares will be traded ex-interest on equity starting from December 07, 2022. Interest on equity should be paid on May 25, 2023, without any remuneration or inflation adjustment.

CAPITAL BUDGET PROPOSED BY MANAGEMENT

The Management, pursuant to CVM Resolution 80/22 of March 29, 2022, hereby submits the capital budget to support the retention of profits through Investment Reserve, in accordance with Article 34 of the Bylaws of the Company and Article 196 of Federal Law 6,404/76.

Projections and prospects in the proposed capital budget involve risks, uncertainties and assumptions and therefore depend on circumstances that may or may not occur. The general conditions of the economy and industry, and other operational factors could affect the projected amounts for allocation to fixed assets.

To finance the investments planned in the Company's expansion plan, Management proposes the retention of 58.57% of net income from fiscal year 2022, in the amount of R$19,298 thousand, bringing the aggregate balance of the Profit Reserve for Investment and Expansion on December 31, 2022 to R$36,809 thousand.

Financing sources	R$ '000
Retained profits reserves for expansion	19.298
All sources of financing	**19.298**
Investments	
Meeting the Company's commitments to strategic investment for expanding production capacity and streamlining processes.	19.298
Total funds invested	**19.298**

The reserve hereby constituted may be used, at the Company's discretion, to carry out a share buyback plan using the funds available in accordance with CVM Resolution 77/22 of March 30, 2022.

INVESTMENT IN MACHINERY

In 2021, the Company began rolling out its strategic plan on production investments to drive its sustainable growth in alignment with the needs of consumers, who have been demanding greater product customization, which requires greater production flexibility to deliver a broad and varied range of dimensions and sizes. Total investment is approximately €14.9 million, of which €10.9 million was already paid. Of the balance, around 45% should be paid in 4Q23, 45% in 4Q24 and 10% in 2Q25.

HUMAN RESOURCES

Unicasa ended 2022 with 564 employees, 556 of them in Brazil and 8 in the United States, a 24% increase from the 2021 headcount of 455 employees.

ADMINISTRATIVE EVENTS

On March 22, 2022, the Company disclosed a Material Fact notice informing of the final and unappealable decision on its lawsuit to exclude ICMS from the PIS and COFINS calculation base.

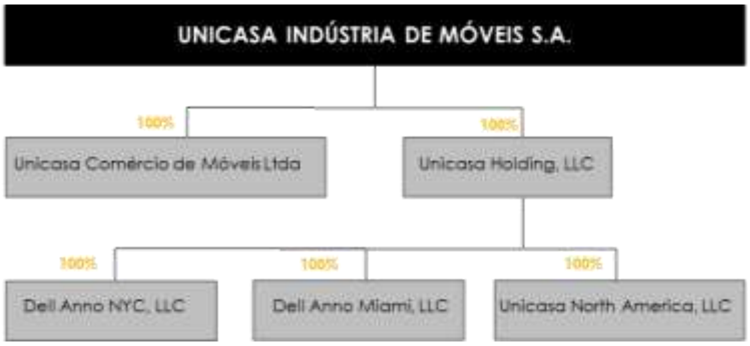
The shareholders meeting held on April 28, 2022 approved the following: (i) amending article 29, items "a" and "b" of the Company's Bylaws to expand the array of routine matters for representation of the Company by the Board of Executive Officers; (ii) the waiver of obligation of the Company's legal disclosures in the State Register *Diário Oficial do Estado do Rio Grande do Sul*, pursuant to Law 13,818/2019, which amended article 289 of the Brazilian Corporations Law, with the *Jornal do Comércio*, in its printed and digital format/version, remaining the official vehicle for disclosing the corporate actions of the Company. As such, in compliance with CVM Resolution 44 of August 23, 2021 and, as approved at the Board of Directors' Meeting held on March 10, 2022, the Company reiterates that its legal disclosures will be made only in Jornal do Comércio, in both the printed and online versions.

On June 3, 2022, the Company disclosed a Material Fact notice informing the final and unappealable decision rendered in its favor in the lawsuit claiming exemption from Corporate Income Tax and Social Contribution on Net Income on the portion corresponding to inflation on income from financial investments.

On October 24, 2022, the Company informed, through a Material Fact notice, its adhesion to FUNDOPEM/RS and INTEGRAR/RS and, in a complementary Material Fact notice on October 28, 2022, the Company disclosed information contained in the Eligibility Opinion of FUNDOPEM/RS.

CORPORATE STRUCTURE

In view of the operational expansion in the United States, the Company's corporate structure is as follows:



CAPITAL MARKETS

At the end of fiscal year 2022, the price of the Company shares (UCAS3) was R$2.54, which represents market capitalization of around R$167.8 million, 39.7% lower than at the end of fiscal year 2021, when market capitalization was R$278.2 million and the Company's shares were quoted at R$4.21. During the year, 23.9 million shares of the Company were traded over approximately 80,300 trades, with the financial volume being R$73.5 million. On average, 170 trades were carried out per day, involving 96,000 shares, with financial volume of R$189,000.

UCAS3 is listed on the Novo Mercado segment of B3, which includes companies with the highest corporate governance standards. The capital stock of Unicasa is divided into 66,086,364 shares, of which approximately 44.4% are outstanding. The book value per share at the end of 2022 was R$2.86.

INDEPENDENT AUDITORS

In compliance with article 2 of CVM Instruction 381/03, the Company informs that PricewaterhouseCoopers Auditores Independentes ("PWC") provided only services related to the audit of the Financial Statements in 2022, under the following terms:

- Full audit conducted in accordance with Brazilian and international audit standards of the parent company and consolidated Financial Statements of the Company, prepared in accordance with the accounting practices adopted in Brazil (parent company and consolidated) and with IFRS (consolidated), for the fiscal year ended December 31, 2022, and review of the Company's

Quarterly Financial Information on March 31, June 30 and September 30, 2022, for total fees of R$230,000.00

- Date of contract: February 25, 2022.

- In contracting with the independent auditor for services unrelated to the external audit, the Company adheres to the following principles to safeguard the auditor's independence: (a) the auditor must not audit their own work; (b) the auditor must not exercise managerial functions for their client; and (c) the auditor must not promote the interests of their client.

PWC declared that it is not aware of any relationship other than that mentioned above, between PWC and Unicasa Indústria de Móveis S.A. or persons in positions of supervision over the financial information at Unicasa Indústria de Móveis S.A., which could be interpreted as having influenced its autonomy.

DECLARATION OF EXECUTIVE OFFICERS

In compliance with article 27 of CVM Resolution 80 of March 29, 2022, the Board of Executive Officers hereby declares that it reviewed, discussed and agreed with the opinion expressed in the Independent Auditor’s Report on the Financial Statements and with the Financial Statements for the fiscal year ended December 31, 2022.

ARBITRATION CLAUSE

The Company, its shareholders, managers and members of the Audit Board undertake to resolve, through arbitration at the Market Arbitration Chamber, all and any dispute or controversy that may arise among them, related to or caused by, particularly, the application, validity, efficacy, interpretation, violation and effects of provisions of the Brazilian Corporations Law, the Bylaws of the Company, rules of the Brazilian Monetary Council, the Central Bank of Brazil and the Brazilian Securities and Exchange Commission, as well as Listing Rules, Arbitration Rules, Sanction Rules and the Novo Mercado Listing Agreement.

Unicasa Indústria de Móveis S.A.

Parent company and consolidated financial statements at December 31, 2022 and independent auditor's report

Independent auditor's report on parent company and consolidated financial statements

To the Management and Shareholders
Unicasa Indústria de Móveis S.A.

Opinion

We have audited the accompanying parent company financial statements of Unicasa Indústria de Móveis S.A. ("Company" or "Parent company"), which comprise the balance sheet as at December 31, 2022 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Unicasa Indústria de Móveis S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2022 and the consolidated statements of income comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other relevant information.

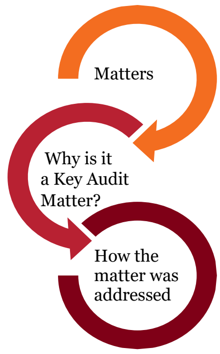
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Unicasa Indústria de Móveis S.A. and of Unicasa Indústria de Móveis S.A. and its subsidiaries as at December 31, 2022, and the financial performance and cash flows for the year then ended, as well as the consolidated financial performance and 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent in relation to the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

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



Why it is a key audit matter	How the matter was addressed in the audit
Recognition of revenues from sale of product (Notes 1 and 20)	
The Company's revenues are derived from the manufacturing, sale, import and export of products related to the wooden, iron, steel and aluminum furniture segment, and other articles related to household and commercial furniture. The Company has dealership agreements with authorized agents to use the "Dell Anno," "Favorita," "New," "Casa Brasileira" and "Unicasa Corporate" brands under exclusive and multibrand dealership arrangements in Brazil and abroad. In the fiscal year ended December 31, 2022, the Company recognized operating revenue of R$235,572 thousand (R$245,678 in the consolidated). Due to the significance of the matter, we believe that the process of recognizing revenues from the sale of the Company's products is one of the key matters of our audit.	Our audit procedures included, among others, the understanding of the process and the appropriateness of accounting policies adopted by the Company and its subsidiaries to recognize revenues.. Furthermore, we analyzed the reconciliation of revenue reports for the period from January to December 2022 with the accounting balance of revenue recognized in the financial statements. We also conducted document tests, based on sampling, about the existence of revenue and whether the moment of recognition is in the correct fiscal year. We evaluated the presentation of balances of financial statements and the disclosures included in the notes to the financial statements. As the result of our procedures, we consider the accounting policies adopted by management to be consistent with the information disclosed in the notes to the financial statements.

Other matters

Statements of value added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2022, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Added Value". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Prior-year information

The Company's financial statements for the year ended December 31, 2021 were audited by another firm of independent auditors whose report, dated March 15, 2022, expressed an unqualified opinion on those statements.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

PricewaterhouseCoopers Auditores Independentes Ltda., PricewaterhouseCoopers, Rua Mostardeiro, 800, 8º e 9º, Ed. Madison Center, Porto Alegre, RS, Brasil, 90430-000 T: 4004-8000, www.pwc.com.br

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

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the IFRS as issued by the 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 parent company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated 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 parent company 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 could involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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.

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- 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 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 parent company and consolidated 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 parent company and consolidated financial statements, including the disclosures, and whether these 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 parent company 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 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 may have been identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 period and are therefore the key audit matters. We describe these matters in our auditor's 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, March 09, 2023

DocuSigned by:
Signed By: RAFAEL BIEDERMANN MARIANTE
ICP Brasil

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Rafael Biedermann Mariante
Contador CRC 1SP243373/O-0

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Statements of financial position
December 31, 2022 and 2021
(Amounts in thousands of reais)

	Note	Company		Consolidated	
		2022	**2021**	**2022**	**2021**
Assets					
Current assets					
Cash and cash equivalents	3	**18,531**	59,208	**23,528**	60,250
Financial investments	4	**4,552**	23,961	**4,552**	23,961
Trade accounts receivable	5	**28,195**	31,228	**30,140**	32,222
Inventories	6	**35,116**	36,607	**35,605**	37,925
Loans granted	8	**862**	504	**862**	504
Taxes recoverable	9	**2,313**	1,708	**2,328**	1,724
Other assets	10	**8,128**	3,763	**8,557**	4,245
Total current assets		**97,697**	156,979	**105,572**	160,831
Noncurrent assets					
Long-term receivables					
Financial investments	4	**3,604**	7,519	**3,604**	7,519
Trade accounts receivable	5	**13,749**	13,044	**13,749**	13,044
Loans granted	8	**437**	1,543	**437**	1,543
Assets held for sale	7	**2,746**	527	**2,746**	527
Deferred income and social contribution taxes	14	**1,356**	80	**3,176**	993
Taxes recoverable	9	**203**	-	**2,186**	1,828
Judicial deposits	16.b	**1,064**	1,315	**1,064**	1,383
Other assets	10	**48**	48	**2,853**	117
		23,207	24,076	**29,835**	26,954
Investments					
In subsidiaries	11	**8,745**	1,653	**-**	-
Other investments		**20**	20	**20**	20
Property, plant and equipment	12	**138,404**	97,499	**142,073**	97,517
Intangible assets	13	**1,783**	2,705	**1,783**	2,705
		148,952	101,877	**143,876**	100,242
Total noncurrent assets		**172,159**	125,953	**173,691**	127,196
Total assets		**269,856**	282,932	**279,263**	288,027

See accompanying notes to the individual and consolidated financial statements.

Statements of financial position (cont.)
December 31, 2022 and 2021
(Amounts in thousands of reais)

		Company		Consolidated	
	Note	2022	2021	2022	2021
Liabilities					
Current					
Loans and financing	15	**5,264**	4,863	**5,264**	4,863
Trade accounts payable		**3,614**	3,758	**8,144**	5,120
Tax obligations		**2,686**	1,570	**2,687**	1,571
Interest on equity	19.d	**10,617**	6,338	**10,617**	6,338
Salaries and social charges		**5,131**	4,197	**5,153**	4,233
Contractual obligations	17	**38,099**	73,215	**42,437**	76,383
Provisions	16.c	**203**	486	**203**	486
Other current liabilities	18	**3,563**	3,235	**3,586**	3,270
Total current liabilities		**69,177**	97,662	**78,091**	102,264
Noncurrent liabilities					
Loans and financing	15	**4,744**	9,884	**4,744**	9,884
Provisions	16.a	**5,850**	6,700	**5,939**	6,789
Deferred income tax and social contribution	14	**-**	-	**404**	404
Other noncurrent liabilities	18	**1,353**	905	**1,353**	905
Total noncurrent liabilities		**11,947**	17,489	**12,440**	17,982
Equity					
Capital	19.a	**147,000**	147,000	**147,000**	147,000
Legal reserve	19.b	**4,585**	2,938	**4,585**	2,938
Expansion reserve	19.b	**36,809**	17,511	**36,809**	17,511
Cumulative translation adjustments	19.c	**338**	332	**338**	332
Total equity		**188,732**	167,781	**188,732**	167,781
Total liabilities and equity		**269,856**	282,932	**279,263**	288,027

See accompanying notes to the individual and consolidated financial statements.

Statements of income
Years ended December 31, 2022 and 2021
(In thousands of reais, except for loss per share)

		Company		Consolidated	
	Note	2022	2021	2022	2021
Sales revenue, net	20	**235,572**	217,946	**245,678**	220,643
Cost of sales	21	**(153,249)**	(141,573)	**(161,703)**	(140,551)
Gross profit		**82,323**	76,373	**83,975**	80,092
Operating income (expenses)					
Selling expenses	21	**(44,110)**	(32,079)	**(49,411)**	(37,865)
Administrative expenses	21	**(18,682)**	(16,017)	**(18,682)**	(16,017)
Other operating revenue	22	**10,471**	3,171	**10,506**	4,718
Other operating expenses		**(306)**	(767)	**(306)**	(767)
Equity pickup	11	**(2,489)**	526	**-**	-
		(55,116)	(45,166)	**(57,893)**	(49,931)
Income before financial income (expenses)		**27,207**	31,207	**26,082**	30,161
Financial income					
Financial expenses	23	**(7,259)**	(5,254)	**(7,272)**	(5,290)
Financial income	23	**15,926**	9,435	**16,106**	9,996
		8,667	4,181	**8,834**	4,706
Profit (loss) before income and social contribution taxes		**35,874**	35,388	**34,916**	34,867
Income and social contribution taxes					
Current	14	**(4,202)**	(6,628)	**(4,202)**	(6,628)
Deferred	14	**1,275**	(2,822)	**2,233**	(2,301)
		(2,927)	(9,450)	**(1,969)**	(8,929)
Profit (loss) for the year		**32,947**	25,938	**32,947**	25,938
Basic and diluted profit (loss) per share	19.e	**0.49854**	0.39249	**0.49854**	0.39249

See accompanying notes to the individual and consolidated financial statements.

Statements of comprehensive income
Years ended December 31, 2022 and 2021
(Amounts in thousands of reais)

	Company		Consolidated	
	2022	2021	2022	2021
Profit (loss) for the year	**32,947**	25,938	**32,947**	25,938
Other comprehensive income	**338**	332	**338**	332
Cumulative translation adjustments	**338**	332	**338**	332
Total comprehensive income for the year	**33,285**	26,270	**33,285**	26,270

See accompanying notes to the individual and consolidated financial statements.

UNICASA INDÚSTRIA DE MÓVEIS S.A.

Statements of changes in equity
Years ended December 31, 2022 and 2021
(In thousands of reais)

	Note	Capital	Legal reserve	Profit reserves: Expansion reserve	Profit reserves: Additional proposed dividend	Accumulated losses	Other comprehensive income	Total
Balances as on December 31, 2020		147,000	1,641	-	6,994	-	313	155,948
Net income from the year		-	-	-	-	**25,938**	-	**25,938**
Allocation of net income:								
Legal reserve	19.b	-	**1,297**	-	-	**(1,297)**	-	-
Expansion reserve	19.b	-	-	**17,511**		**(17,511)**		
Additional dividends distributed					**(6,994)**			**(6,994)**
Interest on equity	19.d	-	-	-	-	**(7,130)**	-	**(7,130)**
	19.c							
Other comprehensive income:		-	-	-	-	-	**19**	**19**
Translation adjustments for the year								
		147,000	**2,938**	**17,511**	-	-	**332**	**167,781**
Balances as on December 31, 2021								
		-	-	-	-	**32,947**	-	**32,947**
Net income from the year								
Allocation of net income:	19.b	-	**1,647**	-	-	**(1,647)**	-	-
Legal reserve	19.b			**19,298**	-	**(19,298)**		-
Expansion reserve	19.d					**(7,825)**		**(7,825)**
Distribution of dividends as IoE (minimum mandatory dividends)	19.d	-	-	-	-	**(4,177)**	-	**(4,177),**
Distribution of dividends as IoE (additional dividends)								
Other comprehensive income:	19.c							
Translation adjustments for the year		-	-	-	-	-	**6**	**6**
Balances as on December 31, 2022		**147,000**	**4,585**	**36,809**	-	-	**338**	**188,732**

See accompanying notes to the individual and consolidated financial statements.

Cash flow statements
Years ended December 31, 2022 and 2021
(Amounts in thousands of reais)

		Company		Consolidated	
	Note	2022	2021	2022	2021
Cash flow from operating activities:					
Net income from the year		**32,947**	25,938	**32,947**	25,938
Adjustment to reconcile net income:					
Depreciation and amortization	12 and 13	**9,255**	9,409	**9,263**	9,421
Income tax and social contribution	14	**2,927**	9,450	**1,969**	8,929
Interest on loans	15	**1,737**	1,117	**1,737**	1,117
Currency variation - customers	-	**(3)**	(133)	**(3)**	(133)
Currency variation - suppliers	-	**(113)**	-	**(113)**	-
Provision for risks - tax, labor, civil and end of business relationship	**16**	**(1,147)**	(1,837)	**(1,147)**	(1,837)
Provision for obsolescence	6	**341**	101	**340**	101
Allowance for doubtful accounts – accounts receivable and loans granted	**-5**	**339**	313	**421**	286
Other provisions	-	**646**	1,611	**194**	2,853
Write-offs of property, plant and equipment and intangible assets, net	**12 and 13**	**603**	811	**603**	811
Equity pickup	**11**	**2,489**	(526)	-	-
		50,021	46,254	**46,211**	47,486
Changes in assets and liabilities:					
Trade accounts receivable	**5**	**1,992**	(5,717)	**856**	(6,544)
Inventories	**6**	**1,151**	(12,707)	**1,841**	(13,783)
Taxes recoverable	9	**(808)**	(239)	**(911)**	(2,069)
Loans granted	8	**748**	460	**748**	460
Other current and noncurrent assets	10	**(4,114)**	(674)	**(6,717)**	(884)
Noncurrent assets held for sale	7	**(2,219)**	59	**(2,219)**	59
Trade accounts payable	-	**(31)**	(88)	**3,018**	1,023
Contractual obligations	**17**	**(35,116)**	51,775	**(33,946)**	53,418
Tax obligations	-	**1,116**	(152)	**1,116**	(163)
Other current and noncurrent liabilities	-	**(5)**	1,711	**242**	589
Income tax and social contribution payment	-	**(4,044)**	(6,628)	**(4,044)**	(6,628)
Payment of withholding income tax on interest on equity	19	**(1,384)**	(792)	**(1,384)**	(792)
Payment of interest on loans	15	**(1,732)**	(998)	**(1,732)**	(998)
Net cash provided by operating activities		**6,531**	72,264	**4,341**	71,174
Cash flow from investing activities:					
Financial investments	**4**	**23,324**	(28,210)	**23,324**	(28,210)
Capital increase at subsidiary	11	**(9,575)**	-	**-**	-
Acquisition of property, plant and equipment	**12**	**(49,340)**	(30,947)	**(53,000)**	(30,950)
Acquisition of intangible assets	**13**	**(549)**	(637)	**(549)**	(637)
Net cash generated (used) in investing activities		**(36,140)**	(59,794)	**(30,225)**	(59,797)
Cash flow from financing activities:					
New loans	**-**	**-**	17,000	**-**	17,000
Payments of loans	**15**	**(4,744)**	(2,372)	**(4,744)**	(2,372)
Payment of interest on equity	**-**	**(6,338)**	(6,282)	**(6,338)**	(6,282)
Dividends paid	**-**	**-**	(6,994)	**-**	(6,994)
Cash (invested) in financing activities		**(11,082)**	1,352	**(11,082)**	1,352
Effect from exchange variation on cash and cash equivalents	**-**	**14**	-	**244**	(63)
Increase in cash and cash equivalents		**(40,677)**	13,822	**(36,722)**	12,666
Statement of changes in cash and cash equivalents:					
At beginning of year	**3**	**59,208**	45,386	**60,250**	47,584
At end of year	**3**	**18,531**	59,208	**23,528**	60,250
Increase in cash and cash equivalents		**(40,677)**	13,822	**(36,722)**	12,666

See accompanying notes to the individual and consolidated financial statements.

Statements of value added

UNICASA INDÚSTRIA DE MÓVEIS S.A.

Years ended December 31, 2022 and 2021
(In thousands of reais)

	Company		Consolidated	
	2022	2021	2022	2021
Revenue from product sale, net of returns and adjustment to present value	**294,199**	274,014	**304,317**	276,778
Other revenues	**8,966**	1,312	**9,001**	2,859
Allowance for doubtful accounts	**(339)**	(313)	**(421)**	(286)
	302,826	275,013	**312,897**	279,351
Inputs acquired from third parties				
Cost of products and goods sold	**(143,345)**	(141,250)	**(144,945)**	(140,263)
Materials, electricity, third-party services	**(40,985)**	(31,711)	**(49,917)**	(34,631)
Loss of idle inventories	**(340)**	(102)	**(340)**	(102)
Other	**(8,989)**	(6,479)	**(7,788)**	(5,346)
	(193,659)	(179,542)	**(202,990)**	(180,342)
Gross value added	**109,167**	95,471	**109,907**	99,009
Depreciation and amortization	**(9,255)**	(9,409)	**(9,263)**	(9,421)
Gross value added generated by the Company	**99,912**	86,062	**100,644**	89,588
Value added received in transfer				
Equity pickup	**(2,489)**	526	**-**	-
Financial income	**16,351**	8,465	**16,538**	9,053
	13,862	8,991	**16,538**	9,053
Total unpaid value added	**113,774**	95,053	**117,182**	98,641
Personnel				
Direct compensation	**32,530**	25,801	**36,238**	29,226
Benefits	**5,273**	3,423	**5,350**	3,481
Unemployment Compensation Fund (FGTS)	**2,437**	2,008	**2,438**	2,048
	40,240	31,232	**44,026**	34,755
Taxes, rates and contributions				
Federal	**21,063**	24,224	**20,468**	24,005
State	**13,933**	9,829	**13,939**	9,851
Municipal	**76**	68	**79**	74
	35,072	34,121	**34,486**	33,930
Debt remuneration				
Rent	**837**	649	**1,028**	867
Interest	**1,737**	1,117	**1,737**	1,117
Other	**2,941**	1,996	**2,958**	2,034
	5,515	3,762	**5,723**	4,018
Equity remuneration				
Dividends and interest on equity	**12,002**	7,130	**12,002**	7,130
Retained earnings	**20,945**	18,808	**20,945**	18,808
	32,947	25,938	**32,947**	25,938
Total value added distributed	**113,774**	95,053	**117,182**	98,641

See accompanying notes to the individual and consolidated financial statements.

1. Operations

Unicasa Indústria de Móveis S.A. (“Company”) is a publicly traded corporation with registered office in the city of Bento Gonçalves, state of Rio Grande do Sul, with shares listed on the Novo Mercado segment of “B3 S.A. – Brasil, Bolsa e Balcão” (BM&FBovespa), under ticker UCAS3, since April 27, 2012. Established in 1985, the Company’s corporate purpose is to manufacture, sell, import and export products related to the wood, iron and aluminum furniture segment, and other articles related to household and commercial furniture.

The Company has resale agreements with agents authorized to explore our brands “Dell Anno,” “New,” “Casa Brasileira” and “Unicasa Corporate” through exclusive dealers and multibrand stores in Brazil and abroad.

In recent years, the Company decided to discontinue the Favorita Brand. The discontinuation was aimed at concentrating efforts on more consolidated brands, enabling better use of resources for network expansion, marketing, training and product launches, among others. During the process, points of sale in locations that were part of the strategic plan were converted to other Company brands.

The corporate purpose of Unicasa Comércio de Móveis Ltda. (subsidiary), included in the consolidated financial statements, is the retail sale of customized furniture. The subsidiary remains open to serve the operation’s holdover clients and as a support for clients of the parent company’s Unicasa Corporate segment.

In the third quarter, the company opened Unicasa Holding LLC, a subsidiary in the United States, and Dell Anno NYC LLC and Dell Anno Miami LLC, subsidiaries of Unicasa Holding LLC. Consequently, the ownership of Unicasa North America LLC was transferred to Unicasa Holding LLC, both included in the consolidated financial statements. The companies were created to prospect, market and consolidate the Dell Anno brand in North America.

Accounting impacts related to climate change

The Company’s production processes do not emit large quantities of greenhouse gases because they do not require any system to burn fuel or other materials. The Company acquires MDF and MDP sheets from companies with the FSC seal, which attests to the origin of the wood (reforestation), thus contributing to reducing greenhouses gas (GHG) emissions. Moreover, the Company focuses on minimum generation and correct disposal of waste.

Impacts of COVID-19 (Coronavirus)

The Company continues to work actively on the prevention measures to help control the spread of the coronavirus (COVID-19), reinforcing the hygiene protocols, disseminating information through its internal communication channels and following the guidelines of the World Health Organization (WHO). Given the decline in COVID-19 cases and the increase in the percentage of population vaccinated across the country, all administrative employees returned to on-site work.

In light of the current scenario and in line with the requirements of the Securities and Exchange Commission of Brazil (CVM), the Company’s Management analyzed possible impacts from an increase in expected losses or a significant change in the risks to which the Company is exposed that could impair its assets and affect the measurement of provisions shown in said quarterly information. This revision considered the events after the date of disclosure of this annual information and no significant effects were identified that should be reflected in the information for fiscal year ended December 31, 2022.

2. Summary of significant accounting practices

2.1 Basis of preparation and presentation of financial statements

While preparing these financial statements, the Company's Management followed the same accounting policies and calculation methods as applied to the individual and consolidated financial statements dated December 31, 2021.

The Company's Management understands that all relevant information related to the financial statements is presented herein and corresponds to the information used by the management. Note also that accounting practices considered immaterial were not included in the financial statements.

The reporting years of the financial statements of the subsidiaries included in the consolidation coincide with those of the parent company and the accounting policies were applied uniformly in the consolidated companies and are consistent with the international accounting standards and the accounting practices adopted in Brazil.

(a) Individual financial statements

The individual financial statements of the Parent Company were prepared in accordance with the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC). They are also in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)). These individual statements are disclosed jointly with the consolidated financial statements.

(b) Consolidated financial statements

The consolidated financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the CPC and the IFRS issued by the IASB).

(c) Statement of value added

The presentation of the individual and consolidated Statement of Value Added is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly held companies. The Statement of Value Added was prepared in accordance with THE criteria defined in Technical pronouncement CPC 09 - " Demonstração do Valor Adicionado". IFRS do not require the presentation of this statement. As a result, according to IFRS, this statement is presented as supplementary information, without prejudice to the financial statements as a whole.

Approval of the individual and consolidated financial statements

The presentation of these individual and consolidated financial statements was concluded and authorized for use at the Board of Directors' Meeting held on March 9, 2023.

2. Summary of accounting policies--Continued

2.2 Basis of consolidation

The subsidiaries Unicasa Comércio de Móveis Ltda. and Unicasa Holding, LLC are fully consolidated from the date of its incorporation. Their financial statements are prepared for the same disclosure fiscal year as that of the parent company using uniform accounting policies. All intra-group balances, revenues and expenses and unrealized profits and losses arising from intercompany transactions are entirely eliminated.

2.3 Functional currency and translation of balances denominated in foreign currency

The financial statements are presented in Brazilian Real (R$), the Company's functional and presentation currency. Transactions using foreign currencies are initially recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate on the balance sheet date. All variations are recorded in the statement of income.

2.4 Critical accounting judgements, estimates and premises

The preparation of the financial statements requires the use of certain accounting estimates and judgements by the Company's Management in applying its accounting policies. The settlement of transactions involving these estimates could result in amounts significantly different from those recorded in the financial statements, due to inaccuracies in the process of determining such amounts. The Company regularly revises its estimates and premises in a period not exceeding one year.

Information on critical judgements regarding accounting policies adopted that have effects on the amounts recognized in the individual and consolidated financial statements and the information about uncertainties, premises and estimates are included in the following notes: 5 - Allowance for loan losses, 14 – Realization of deferred income tax and social contribution.

The accounting practices adopted by the Company and its subsidiary are described in the specific notes related to the items presented. Those applicable in general to different aspects of the financial statements and considerations about the use of estimates and judgements are presented in this section.

2.5 Impairment of non-financial assets

The Company's Management periodically revises the carrying amount of the assets for the purpose of evaluating events or changes in the economic, operational or technological circumstances that may indicate deterioration or loss of their recoverable value.

On December 31, 2022 and 2021, no risk factors were detected and, consequently, no provision for impairment of assets was necessary.

2.6 IFRS 9/CPC 48 Financial Instruments

2.6.1 <u>Classification and measurement of financial instruments</u>

Financial instruments are measured at amortized cost or fair value and classified in one of the three categories:

(a) measured at amortized cost;
(b) fair value through other comprehensive income; and
(c) fair value recorded through profit or loss for the year.

(All amounts in thousands of Reais, unless otherwise stated)

2. Summary of accounting policies--Continued

2.6 IFRS 9/CPC 48 Financial Instruments--Continued

2.6.1 Classification and measurement of financial instruments--Continued

The Company classifies its financial instruments in the following categories:

	Company and Consolidated
Financial assets	
Cash and cash equivalents (Note 3)	**Amortized cost**
Financial investments (Note 4)	**Amortized cost**
Trade accounts receivable (Note 5)	**Amortized cost**
Loans granted (Note 8)	**Amortized cost**
Other assets (Note 10)	**Amortized cost**
Financial liabilities	
Loans and financing (Note 15)	**Amortized cost**
Trade payables	**Amortized cost**
Interest on equity (Note 19)	**Amortized cost**
Contractual obligations (Note 17)	**Amortized cost**
Other liabilities (Note 18)	**Amortized cost**

2.6.2 Subsequent measurement

Subsequent measurement occurs on each reporting date in accordance with the rules established for each type of classification of financial assets and liabilities.

The Company and its subsidiaries classify their financial assets and liabilities in the amortized cost category according to the purpose for which they were acquired or issued:

a. *Financial assets at amortized cost:* are measured under a business model whose purpose is to receive contractual cash flows in which their contractual terms originate cash flows that are exclusively payments and interest on the principal amount.

b. *Financial assets and liabilities at fair value through profit or loss:* any financial assets that cannot be classified as measured at amortized cost must be measured and recognized as at fair value through profit or loss. Financial assets that are held for trading and managed based on fair value are also included in this category.

c. *Financial liabilities:* the Company must classify all financial liabilities as measured at amortized cost, except for: (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities that arise when the transfer of the financial asset does not qualify for derecognition or when the continuing involvement approach is applicable, (iii) financial guarantee agreement, (iv) commitments to grant loans remunerated with interest rate below the market rate, (v) the contingent consideration recognized by the acquirer in a business combination, to which CPC 15 must be applied.

2.6.3 Derivative financial instruments and hedging

The Company does not operate with derivative financial instruments for hedge purposes.

2. Summary of accounting policies--Continued

2.6 IFRS 9/CPC 48 Financial Instruments--Continued

2.6.4 “Expected credit losses model” impairment

IFRS 9/CPC 48 adopts a model of expected losses that makes the evaluation on a minimum twelve-month basis or for the entire lifetime of the financial asset recording the effects when there are indications of expected credit losses in financial assets.

The Company already adopts an expanded loss model for its financial assets in which it evaluates their entire lifetime, that is, the entire balance, and recognizes the total loss in balances when applicable according to the risk of non-recovery. The asset maturity date in this model is indicative, but is not the only factor considered for provisioning. While assessing expected losses, the Company also considers the risks inherent to its business model.

2.7 Revenue recognition

Revenue is recognized in the agreement when its amount can be measured in a reliable manner and reflects the consideration that the Company expects to be entitled to in exchange for transfer of products to clients. Revenue is measured based on the fair value of consideration, excluding discounts, rebates and taxes or charges on the sale. The Company evaluates revenue transactions in accordance with specific criteria to determine if it acts as the agent or principal and, at the end, concluded that it is acting as the principal in all its revenue agreements. Revenue is not recognized if there is significant uncertainty about its realization.

2.7.1 Sales revenue

Revenue from sales of products is recognized in profit or loss when the control of products is transferred to the client, which occurs when the products are delivered at the client’s address, in case of invoicing under the CIF modality, and when the products are delivered to the freight operator contracted by the client, in case of invoicing under the FOB modality. Provided that no other obligation is pending, the Company and its subsidiaries no longer have control or responsibility on the goods sold.

2.7.2 Financial income

Interest income is recognized using the effective interest method. Interest income is included under financial income in the income statement.

2.8 Standards and interpretations not in effect yet

The following changes to standards were issued by IASB but are not effective for fiscal year 2022. The early adoption of standards, although encouraged by the IASB, are not allowed in Brazil by the CPC.

- Amendment to IAS 1 "Presentation of financial statements: According to IAS 1, to classify liabilities as non-current in its financial statements, the entity must have the right to avoid the settlement of liabilities for at least twelve months after the balance sheet date. In January 2020, IASB issued an amendment to IAS 1, “Classification of liabilities as current or non-current,” whose adoption was required for fiscal years starting on or after January 1, 2023, determining that the entity would not have the right to avoid the settlement of a liability for at least twelve months if, on the reporting date, it had not complied with the ratios established in the covenants, even if the contractual measurement of the covenant would only be required within twelve months after the reporting date.

- Subsequently, in October 2022, a new amendment was issued to clarify that liabilities with covenants requiring the achievement of ratios only after the reporting date do not affect the classification as current or non-current. Only covenants that require the entity to achieve ratios until the reporting date affect the classification of liabilities, even if the measurement occurs after that date.

(All amounts in thousands of Reais, unless otherwise stated)

- The amendment of 2022 introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within twelve months after the reporting date. The 2022 amendment changed the date of adoption of the 2020 amendment. Therefore, both amendments apply to fiscal years starting on or after January 1, 2024.

- Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies: in February 2021, IASB issued new amendment to IAS 1 on “material” accounting policies instead of “significant” accounting policies. The amendments define what "material accounting policy information" and explain how to identify it. It also clarifies that the entity is not required to disclose immaterial accounting policy information, but if it does, such information must not obscure material accounting information. To support this amendment, IASB also amended "IFRS Practice Statement 2 – Making Materiality Judgements" to provide guidance on how to apply the materiality concept to the accounting policy disclosures. This amendment is effective from January 1, 2023.

- Amendment to IAS 8 – Accounting Policies, Changes in Estimates and Errors: the amendment issued in February 2021 clarifies how entities must distinguish changes in accounting policies from changes in accounting estimates, since the changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to prior transactions and other prior events, as well as to the current period. This amendment is effective from January 1, 2023.

- Amendment to IAS 12 – Income Taxes: the amendment issued in May 2021 requires that entities recognize deferred taxes on transactions that, at initial recognition, give rise to equal taxable and deductible temporary differences. This normally applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and will require the recognition of additional deferred tax assets and liabilities. This amendment is effective from January 1, 2023.

There are no other standards and interpretations issued and not yet adopted that may, in Management’s opinion, have a significant impact on the Company’s profit or loss or equity.

2.9 Consolidated financial statements

The consolidated financial statements include the operations of the Company and its subsidiaries, as follows:

	Main characteristics	Country	Ownership	Ownership percentage
Unicasa Comércio Ltda	Sale and distribution of our products.	Brazil	Direct	99.99%
Unicasa Holding, LLC	Sale and distribution of our products.	USA	Direct	100%
Dell Anno NYC, LLC	Sale and distribution of our products.	USA	Indirect	100%
Unicasa North America, LLC	Sale and distribution of our products.	USA	Indirect	100%
Dell Anno Miami, LLC	Sale and distribution of our products.	USA	Indirect	100%

(All amounts in thousands of Reais, unless otherwise stated)

3. Cash and cash equivalents

Cash and cash equivalents do not have restrictions for use, have short-term original maturity, are highly liquid and easily convertible into a known cash amount and are subject to an insignificant risk of change in value.

	Index	Average weighted rate p.a.	Parent Company 2022	Parent Company 2021	Consolidated 2022	Consolidated 2021
Cash and cash equivalents						
Cash and banks-domestic currency			**8,638**	6,818	**12,366**	7,096
Cash and banks-foreign currency (*)			**-**	-	**1,269**	764
Cash equivalents						
CDB	**CDI**	**101.54%**	**9,893**	52,390	**9,893**	52,390
			18,531	59,208	**23,528**	60,250

(*) amounts in US dollar

4. Financial investments

Financial investments are made in prime banks (among the ten largest institutions in Brazil), whose yield is linked to the Interbank Deposit Certificate (CDI) and which have a long-term original maturity.

	Index	Average weighted rate p.a.	Parent Company 2022	Parent Company 2021	Consolidated 2022	Consolidated 2021
Financial investments						
CDB	**CDI**	**86.20%**	**8,156**	31,480	**8,156**	31,480
			8,156	31,480	**8,156**	31,480
Current assets			**4,552**	23,961	**4,552**	23,961
Non-current assets			**3,604**	7,519	**3,604**	7,519
			8,156	31,480	**8,156**	31,480

5. Trade accounts receivable

Represent the amounts receivable from clients for the sale of goods in the ordinary course of business of the Company, plus exchange variation, when applicable, and then measured at amortized cost, after deducting the allowance for doubtful accounts in trade accounts receivable. If the term for receipt is equivalent to one year or less, the amounts are classified under current assets. Otherwise, they are recorded under non-current assets. Trade accounts receivable transactions were adjusted at fair value, considering cash flows of the transactions and the implicit interest rate of the respective assets.

	Parent Company 2022	Parent Company 2021	Consolidated 2022	Consolidated 2021
Domestic market				
Third parties	**36,100**	45,076	**39,650**	47,405
Related parties (Note 22)	**4,310**	514	**4,310**	512
Foreign market				
Third parties (*)	**4,551**	4,665	**4,551**	4,668
Related parties (Note 22)	**1,605**	1,336	**-**	-
Check receivables	**576**	752	**576**	752
	47,142	52,343	**49,087**	53,337

(All amounts in thousands of Reais, unless otherwise stated)

5. Trade accounts receivable -- Continued

(-) Allowance for doubtful accounts	**(3,738)**	(7,149)	**(3,738)**	(7,149)
(-) Present Value Adjustment (PVA)	**(1,460)**	(922)	**(1,460)**	(922)
	41,944	44,272	**43,889**	45,266
Current assets	**28,195**	31,228	**26,802**	32,222
Non-current assets	**13,749**	13,044	**17,087**	13,044
	41,944	44,272	**43,889**	45,266

The amounts classified under non-current assets refer to novation of credits to clients of the chain. In general, such novation has a term of more than one year and the balances are adjusted for inflation, plus interest compatible with market practices.

Days sales outstanding, weighted by the average maturity of invoices, on December 31, 2022 and 2021, were 29 and 32 days, respectively.

The allowance for loan losses in trade accounts receivable is based on the individual analysis of total trade accounts receivable overdue for more than 90 days, considering the clients' payment capacity, the current and prospective economic scenario, the evaluation of delinquency levels and guarantees received, as well as evaluation of renegotiations made. Specific cases not yet overdue, but with risk of loss in the Management's opinion, is also included in the allowance.

The changes in allowance for loan losses are:

	Parent Company		**Consolidated**	
	2022	**2021**	**2022**	**2021**
Balance at beginning of year	**(7,149)**	(8,382)	**(7,149)**	(8,409)
Additions	**(546)**	(1,079)	**(546)**	(1,079)
Recovery / realizations	**207**	867	**207**	894
Write off due to losses	**3,750**	1,445	**3,750**	1,445
Balance at end of year	**(3,738)**	(7,149)	**(3,738)**	(7,149)

On December 31, 2022 and 2021, the breakdown of trade accounts receivable by maturity is as follows:

	Parent Company		**Consolidated**	
	2022	**2021**	**2022**	**2021**
Falling due	**32,524**	35,796	**34,469**	36,790
Overdue:				
From 1 to 30 days	**2,851**	1,552	**2,851**	1,552
From 31 to 60 days	**419**	182	**419**	182
From 61 to 90 days	**444**	118	**444**	118
From 91 to 180 days	**316**	343	**316**	343
Over 181 days	**10,588**	14,352	**10,588**	14,352
	47,142	52,343	**49,087**	53,337

(*) Considers the maturity originally agreed to between the Company and its clients and, therefore, this line includes:
Allowance for doubtful accounts – Trade notes not expected to be received and so are covered by a provision booked for expected trade losses;
Guarantees – Trade notes guaranteed by properties required at the start of the operation with resellers, whose documents are registered at the notary's office to guarantee the Company their execution in case of nonperformance of agreement. These notes are in the process of execution of guarantees. Despite the real expectation of receipt, these notes is classified in the long term according to the progress of the lawsuits and the understanding of our legal advisors.

(All amounts in thousands of Reais, unless otherwise stated)

6. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Costs incurred to take each product to its current location and condition are recorded as follows:

(i) Raw materials – cost of acquisition according to average cost.
(ii) Finished products and products under production – cost of materials and direct labor and proportional portion of indirect general expenses based on the normal operating capacity.

The net realizable value corresponds to the sale price in the normal course of business, less estimated costs for conclusion and sale.

The balance of inventories is broken down as follows:

	Parent Company		**Consolidated**	
	2022	**2021**	**2022**	**2021**
Finished products	**463**	328	**461**	322
Products under production	**2,409**	1,789	**2,409**	1,789
Goods for resale	**375**	274	**866**	1,598
Raw material	**30,465**	29,966	**30,465**	29,966
Advances to suppliers	**327**	3,373	**327**	3,373
Sundry materials	**2,631**	2,090	**2,631**	2,090
Provision for obsolescence	**(1,554)**	(1,213)	**(1,554)**	(1,213)
	35,116	36,607	**35,605**	37,925

Provisions for low inventory turnover or obsolete inventories are constituted when deemed necessary by the Management. The changes in provision for obsolescence are as follows:

	Parent Company and Consolidated	
	2022	**2021**
Balance at beginning of year	**(1,213)**	(1,112)
Additions	**(1,252)**	(1,345)
Recoveries / realizations	**911**	1,244
Balance at end of year	**(1,554)**	(1,213)

7. Assets held for sale

On December 31, 2022, the balance of R$2,746 (R$527 on December 31, 2021) consisted of two properties received from debt renegotiations with a client and are available for immediate sale. The assets are held at its book value, which is lower than its fair value, less selling expenses.

8. Loans granted

These refer to loans granted by the Company to clients to finance the expansion of the network of authorized resellers and exclusive stores, measured at amortized cost method in accordance with contractual terms (fixed rates and payment conditions), net of the allowance for losses. Loans bear average interest of 5.15% p.a. (8.37% p.a. in 2021). The Company has first-degree mortgage guarantees for most of operations.

	Parent Company and Consolidated	
	2022	**2021**
Loans granted	**1,299**	2,684
(-) Allowance for loan losses	**-**	(637)
	1,299	2,047
Current assets	**862**	504
Non-current assets	**437**	1,543
	1,299	2,047

(All amounts in thousands of Reais, unless otherwise stated)

8. **Loans granted** -- Continued

The changes in allowance for loan losses are:

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Balance at beginning of year	**637**	637	**637**	637
Recoveries / realizations	**-**	-	**-**	-
Write-off of uncollectible receivables	**(637)**	-	**(637)**	-
Balance at end of year	**-**	637	**-**	637

9. Taxes recoverable

Balances of taxes recoverable are presented as follows:

	Parent Company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Income tax	**1,824**	1,312	**1,835**	1,316
Social contribution	**391**	286	**395**	286
PIS and COFINS (*)	**-**	-	**1,983**	1,828
Other	**301**	110	**301**	122
	2,516	1,708	**4,514**	3,552
Current assets:	**2,313**	1,708	**2,328**	1,724
Non-current assets	**203**	-	**2,186**	1,828
	2,516	1,708	**4,514**	3,552

(*) Exclusion of ICMS from PIS and COFINS calculation base

Refers to the recognition, in June 2021, of PIS and COFINS credit arising from the exclusion of ICMS from its calculation base, based on a Writ of Mandamus filed by the Company in 2017, whose final and unappealable decision was granted in favor of the Company and the case was transferred to the Federal Appellate Court of the 4th Region (TRF4).

Said credit is in the name of the subsidiary Unicasa Comércio, whose operations, as described in the Operations section, have been scaled down and, hence, there is no expectation of revenue generation to realize this credit, which would qualify it as a non-realizable asset. Hence, the Company Management decided to file a lawsuit requesting the refund of the amounts unduly taxed and/or paid due to the inclusion of ICMS in the PIS and COFINS calculation base.

The lawsuit is pending at the Federal Court of Bento Gonçalves, Rio Grande do Sul, with favorable judgment to the Company, and the process of enforcing the judgment has started. Recently, a request for the payment of court-issued registered warrant (*precatório*) was issued in favor of the company. There is no expected date for the payment yet.

(All amounts in thousands of Reais, unless otherwise stated)

10. Other assets

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Other current assets:				
Prepaid expenses (*)	**5,346**	2,300	**5,456**	2,365
Advances and prepayments (**)	**2,742**	1,423	**3,061**	1,758
Sundry debtors	**40**	40	**40**	40
Other accounts receivable – sale of own stores	**-**	-	**-**	82
	8,128	3,763	**8,557**	4,245
Other non-current assets:				
Other	**48**	48	**2,853**	117
	48	48	**2,853**	117

(*) Refer mainly to advertising campaigns of its own brands to be aired by December 2023.
(**) Refers to providers of services not classified under inventory or property, plant and equipment items, whose service will still be provided.

11. Investments in subsidiaries

The investment in subsidiary is valued based on the equity income method, according to CPC 18 (R2). The main balances of the subsidiary are:

	Unicasa Comércio de Móveis Ltda.		Unicasa North America, LLC	
	2022	**2021**	**2022**	**2021**
Current assets	**231**	1,279	**11,709**	5,451
Non-current assets	**1,988**	29	**6,347**	989
Current and non-current liabilities	**1,024**	1,183	**9,989**	5,290
Shareholders' equity	**1,195**	125	**8,067**	1,150
Capital stock	**20,430**	20,430	**12,667**	3,093

	Unicasa Comércio de Móveis Ltda.		Unicasa North America, LLC	
	2022	**2021**	**2022**	**2021**
Net revenue	**48**	647	**14,635**	8,018
Profit / (Loss) for the period – subsidiary	**(35)**	(332)	**(2,663)**	120
% Ownership interest	**99.99%**	99.99%	**100.0%**	100.0%
Equity income (loss) before eliminations	**(35)**	(332)	**(2,663)**	120
Effect of unrealized income	**2**	-	**208**	(700)
Equity income (loss)	**(33)**	(332)	**(2,455)**	(580)

The changes in investments in subsidiaries are as follows:

	Parent Company	
	2022	**2021**
Balance of investment in subsidiaries at beginning of year	**1,653**	1,108
Capital payment – subsidiary	**9,575**	-
Equity income (loss)	**(2,489)**	526
Other comprehensive income	**6**	19
Balance of investment in subsidiaries at end of year	**8,745**	1,653

12. Property, plant and equipment

These are registered at acquisition, formation or construction cost, net of PIS/COFINS and ICMS credits and the contra entry is recorded as recoverable taxes. A property, plant and equipment item is written off when sold or when no future economic benefit is expected from its use or sale. Gain or loss from the write-off of an asset, calculated as the difference between net sale value and book value of the asset, is included in the statement of operations for the period in which the asset was written off.

Depreciation of assets is calculated using the straight-line method at depreciation rates and take into consideration the estimated useful lives of these assets. The assessment of useful life of assets is revised annually and adjusted if necessary.

The depreciation methods, useful lives and residual values are reviewed at the end of the fiscal year and any adjustments are recognized as changes in accounting estimates.

The Management annually analyzes the book value of the property, plant and equipment item to assess if there are risk factors indicating the need for a provision for possible reduction in the impairment amount registered in the books, thereby adjusting the book value to its realization value.

Procedures are in place to evaluate the existence of evidence (risk factors), and if found, tests will be applied and, if necessary, a loss will be recognized, which is the highest of: (a) the estimated sale value of the assets less estimated sale costs and (b) the value in use.

The criteria to determine the assets subject to the test are: (a) assets linked to operations that generate revenue; (b) long-term assets, with long useful life (over one year); and (c) asset considered material (significant monetary value).

As a result of the analyses and considerations, on December 31, 2022, the Management did not identify any clear evidence of the devaluation of property, plant and equipment items and intangible assets on the balance sheet date. Accordingly, no additional analysis or detailed test, or any provision for impairment of assets, is necessary.

(All amounts in thousands of Reais, unless otherwise stated)

12. Property, plant and equipment--Continued

Property, plant and equipment is broken down as follows:

Parent Company

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress (*)	Total
Balances at 12.31.2020	1,378	21,200	13,498	103,751	2,521	3,575	5,732	151,655
Acquisitions	-	-	185	818	47	61	30,222	31,333
Write-offs	-	-	(8)	(4,400)	(216)	(10)	(406)	(5,040)
Transfers	-	22	580	5,971	15	49	(6,637)	-
Balances at 12.31.2021	1,378	21,222	14,255	106,140	2,367	3,675	28,911	177,948
Acquisitions	**-**	**-**	**8**	**522**	**159**	**92**	**48,559**	**49,340**
Write-offs	**-**	**(107)**	**(820)**	**(4,349)**	**(359)**	**(27)**	**(46)**	**(5,708)**
Transfers	**-**	**34**	**1,436**	**4,420**	328	**194**	**(6,412)**	**-**
Balances at 12.31.2022	**1,378**	**21,149**	**14,879**	**106,733**	**2,495**	**3,934**	**71,012**	**221,580**

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12.31.2020	-	(7,441)	(5,596)	(59,307)	(1,702)	(2,778)	-	(76,824)
Depreciation	-	(339)	(592)	(5,926)	(183)	(428)	-	(7,468)
Write-off	-	-	5	3,676	158	4	-	3,843
Balances at 12.31.2021	-	(7,780)	(6,183)	(61,557)	(1,727)	(3,202)	-	(80,449)
Depreciation	**-**	**(348)**	**(551)**	**(6,431)**	**(171)**	**(284)**	**-**	**(7,785)**
Write-off	**-**	**107**	**802**	**3,772**	**351**	**26**	**-**	5,058
Balances at 12.31.2022	**-**	**(8,021)**	**(5,932)**	**(64,216)**	**(1,547)**	**(3,460)**	**-**	**(83,176)**

Property, plant and equipment, net								
Balances at 12.31.2020	1,378	13,759	7,902	44,444	819	797	5,732	74,831
Balances at 12.31.2021	1,378	13,442	8,072	44,583	640	473	28,911	97,499
Balances at 12.31.2022	**1,378**	**13,128**	**8,947**	**42,517**	**948**	**474**	**71,012**	**138,404**

Consolidated

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress (*)	Total
Balances at 12.31.2020	1,378	21,200	13,499	103,795	2,530	3,646	5,732	151,780
Acquisitions	-	-	185	821	47	67	30,222	31,342
Write-offs	-	-	(8)	(4,400)	(216)	(35)	(406)	(5,065)
Transfers	-	22	580	1,438	15	49	(6,637)	-
Balances at 12.31.2021	1,378	21,222	14,256	106,187	2,376	3,727	28,911	178,057
Acquisitions	**-**	**-**	**8**	**527**	**168**	**92**	**52,205**	**53,000**
Write-offs	**-**	**(107)**	**(820)**	**(4,349)**	**(362)**	**(38)**	**(46)**	**(5,722)**
Transfers	**-**	**34**	**1,436**	**4,420**	**328**	**194**	**(6,412)**	**-**
Balances at 12.31.2022	**1,378**	**21,149**	**14,880**	**106,785**	**2,510**	**3,975**	**74,658**	**225,335**

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12.31.2020	-	(7,441)	(5,597)	(59,350)	(1,706)	(2,836)	-	(76,930)
Depreciation	-	(339)	(592)	(5,927)	(183)	(437)	-	(7,478)
Write-off	-	-	5	3,676	158	29	-	3,868
Balances at 12.31.2021	-	(7,780)	(6,184)	(61,601)	(1,731)	(3,244)	-	(80,541)
Depreciation	**-**	**(348)**	**(551)**	**(6,432)**	**(173)**	**(288)**	**-**	**(7,792)**
Write-off	**-**	**107**	802	**3,772**	**353**	**37**	**-**	**5,071**
Balances at 12.31.2022	**-**	**(8,021)**	**(5,933)**	**(64,261)**	**(1,551)**	**(3,495)**	**-**	**(83,262)**

Property, plant and equipment, net								
Balances at 12.31.2020	1,378	13,759	7,902	44,445	824	810	5,732	74,850
Balances at 12.31.2021	1,378	13,442	8,072	44,586	645	483	28,911	97,517
Balances at 12.31.2022	**1,378**	**13,128**	**8,947**	**42,524**	**959**	**480**	**74,658**	**142,073**
Average rate	**-**	**2.66%**	**3.08%**	**7.39%**	**10%**	**20%**	**-**	
Average useful life (in years)	**-**	**38.00**	**32.00**	**14.00**	**10.00**	**5.00**	**-**	

(*) The main nature of assets that make up property, plant and equipment in progress refers to the acquisition and renovation of machines.

(All amounts in thousands of Reais, unless otherwise stated)

13. Intangible assets

Intangible assets with a defined life are measured at cost, less amortization accrued over the economic useful life. The amortization period and method for an intangible asset with defined life are reviewed at least at the end of each fiscal year. The amortization of these intangible assets is recognized in the statement of operations.

Parent Company

	Software	Trademarks and patents	Commercial goodwill	Intangible assets in progress	Total
Balances at 12.31.2020	1,321	184	2,502	-	4,007
Acquisitions	398	7	-	234	639
Write-off	(18)	-	-	-	(18)
Write-off – amortization	18	-	-	-	18
Amortization	(442)	(26)	(1,473)	-	(1,941)
Balances at 12.31.2021	1,277	165	1,029	234	2,705
Acquisitions	**271**	**15**	**-**	**263**	**549**
Write-off	**-**	**(42)**	**(13,296)**	**-**	**(13,338)**
Write-off - amortization	**-**	**42**	**13,296**	**-**	**13,338**
Amortization	**(417)**	**(25)**	**(1,029)**	**-**	**(1,471)**
Transfer	**53**			**(53)**	
Balances at 12.31.2022	**1,184**	**155**	**-**	**444**	**1,783**

Consolidated

	Software	Trademarks and patents	Commercial goodwill	Intangible assets in progress	Total
Balances at 12.31.2020	1,321	184	2,502	-	4,007
Acquisitions	398	7	-	234	639
Write-off	(18)	-	-	-	(18)
Write-off – amortization	18	-	-	-	18
Amortization	(442)	(26)	(1,473)	-	(1,941)
Balances at 12.31.2021	1,277	165	1,029	234	2,705
Acquisitions	**271**	**15**	**-**	**263**	**549**
Write-off	**-**	**(42)**	**(13,296)**	**-**	**(13,338)**
Write-off - amortization	**-**	**42**	**13,296**	**-**	**13,338**
Amortization	**(417)**	**(25)**	**(1,029)**	**-**	**(1,471)**
Transfer	**53**			**(53)**	
Balances at 12.31.2022	**1,184**	**155**	**-**	**444**	**1,783**
Average rate	**20%**	**10%**			
Average useful life (in years)	**5.00**	**10.00**			

Research and development

Since research and development costs of the Company's new products do not meet the capitalization criteria, they were recognized in Parent Company and Consolidated profit or loss for the year, on December 31, 2022, in the amount of R$2,397 (R$1,837 on December 31, 2021).

(All amounts in thousands of Reais, unless otherwise stated)

14. Income tax and social contribution

The Company, classified under the Taxable Income regime, changed for fiscal year 2022 its calculation methodology to quarterly. In 2021, the methodology used was annual Taxable Income calculation. Income and social contribution taxes are calculated based on the tax rate in effect. Current and deferred taxes are recognized in profit or loss for the period.

The recognition of deferred taxes is based on the temporary differences between the book value and the tax value of assets and liabilities, on tax losses calculated and the negative calculation basis for social contribution on income, as their realization is deemed probable as an entry to future taxable income. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and are related to taxes levied by the same tax authority on the same entity subject to taxation.

Deferred income tax and social contribution

The breakdown of deferred income tax and social contribution is as follows:

	Parent Company				Consolidated			
	Balance sheet		P&L		Balance sheet		P&L	
	2022	2021	2022	2021	2022	2021	2022	2021
On temporary differences:								
Assets								
Allowance for loan losses	**1,271**	2,647	**(1,376)**	(419)	**1,271**	2,647	**(1,376)**	(419)
Provision for obsolete inventories	**528**	413	**115**	34	**528**	413	**115**	34
Provisions for losses with sureties	**44**	44	**-**	-	**44**	44	**-**	-
Provision for labor, tax, civil and termination of commercial relationship risks	**2,054**	2,444	**(391)**	(876)	**2,053**	2,444	**(391)**	(876)
Present value adjustment (AVP)	**496**	313	**183**	182	**496**	313	**183**	182
Other provisions and temporary differences	**1,198**	1,179	**19**	704	**794**	775	**19**	300
	5,591	7,040	**(1,450)**	(375)	**5,186**	6,636	**(1,450)**	(779)
On tax loss carryforwards	**4,180**	2,030	**2,150**	(2,952)	**6,001**	2,943	**3,108**	(2,026)
	9,771	9,070	**700**	(3,327)	**11,187**	9,579	**1,658**	(2,805)
Liabilities								
Tax and corporate depreciation difference	**(8,415)**	(8,990)	**575**	504	**(8,415)**	(8,990)	**575**	504
Total	**1,356**	80	**1,275**	(2,823)	**2,772**	589	**2,233**	(2,301)

The studies and projections carried out by the Company Management indicate the generation of positive future results. Based on such projections, the estimated recovery of balance of deferred income tax and social contribution is shown below:

Year	Parent Company	Consolidated
2023	4,189	5,059
2024	3,712	4,258
2025	570	570
2026	106	106
2027	881	881
2028 to 2030	313	313
Total – Deferred tax assets	**9,771**	**11,187**

On December 31, 2022, the subsidiary Unicasa Comércio de Móveis Ltda. has balance of R$17,872 related to accumulated balance of income tax and social contribution and arising from temporary differences for which the corresponding tax assets were not recognized since there is no expectation of future compensation.

On December 31, 2022, the subsidiary Unicasa North America had a balance of R$1,821 in accrued IRPJ and CSLL tax losses arising from temporary differences for which the corresponding deferred tax assets were recognized based on a valuation made in accordance with local laws.

(All amounts in thousands of Reais, unless otherwise stated)

14. Income Tax and Social Contribution--Continued

Reconciliation of tax expense with official tax rates

The reconciliation of tax expense with the result of the multiplication of taxable income with the local tax rate is as follows:

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
Income before taxes	**35,873**	35,389	**34,916**	34,867
Income tax (25%) and social contribution (9%) at nominal rate	**(12,197)**	(12,032)	**(11,871)**	(11,855)
Adjustments for presentation of effective rate:				
Interest on equity	**4,653**	2,425	**4,653**	2,425
Equity pickup	**(994)**	179	**(994)**	179
Lawsuit on inflation and undue payment (*)	**(1,050)**	(302)	**(1,050)**	(302)
Non-deductible expenses	**5,629**	-	**5,629**	-
Other permanent exclusions/additions	**1,032**	279	**1,664**	624
Total income and social contribution taxes:	**(2,927)**	(9,451)	**(1,969)**	(8,929)
Current income and social contribution tax expense	**(4,202)**	(6,629)	**(4,202)**	(6,629)
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	**(875)**	130	**(875)**	(274)
Recording and reversal in tax loss	**2,150**	(2,952)	**3,108**	(2,026)
	(2,927)	(9,451)	**(1,969)**	(8,929)
Effective rate	**8%**	27%	**6%**	26%

(*) Refers to IRPJ and CSLL credits due to the favorable outcome on the lawsuit related to the exclusion of IRPJ and CSLL charged on the portion corresponding to inflation on income from financial investments. Regarding the lawsuit related to the exclusion of IRPJ and CSLL on Selic adjustment on refund of payment not due, these credits were booked under the current Income Tax and Social Contribution line as a corresponding entry to recoverable taxes. The amount is offset after the credit is released by tax authorities.

15. Loans and financing

On January 11, 2021, the Company borrowed a loan from Banco Santander in the amount of R$ 17,000, at an interest rate of CDI + 2.75% p.a., for a term of 48 months, with monthly repayment of principal (6-month grace period) and interest, and the last repayment on December 23, 2024, guaranteed by a surety mentioned in the agreement.

The loan is classified as financial liability and is measured at its amortized cost, that is, plus interest proportional to the period lapsed (on a *pro rata temporis* basis).

The Company has a stand-by letter of credit in the amount of R$17,000 expiring on December 23, 2024, whose guarantor is a key management person, signed as guarantee to the loan mentioned above, taken on January 11, 2021.

(All amounts in thousands of Reais, unless otherwise stated)

15. Loans and financing--Continued

The loan was taken to modernize the production facility to adapt it to the changing trend in the consumption of the Company's products. The total loan balance on December 31, 2022 is R$10,008.

			Parent Company and Consolidated	
Modality – domestic currency	**Charges**	**Repayment**	**Current**	**Non-Current**
CCB – Bank Credit Note	CDI + 2.75%	Monthly	5,264	4,744

The maturity schedule of liabilities on December 31, 2022 is as follows:

12-month period ended	Parent Company and Consolidated R$
December 2023	5,264
December 2024	4,744
Total payable	**10,008**

Changes in loans are shown below:

	Parent Company	
	12/31/2021	**12/31/2022**
Balance at start of period	**17,000**	**14,747**
Payment of principal	**(2,372)**	**(4,744)**
Interest appropriation	**1,117**	**1,737**
Payment of interest	**(998)**	**(1,732)**
Balance at end of period	**14,747**	**10,008**

(All amounts in thousands of Reais, unless otherwise stated)

16. Provisions

The Company and its subsidiaries are parties to administrative proceedings, as well as labor, tax and civil lawsuits resulting from the normal course of their operations.

The Company periodically reviews its contingencies through its legal department and its external legal advisors and classifies their likelihood of loss as: *(i)* Probable, *(ii)* Possible and *(iii)* Remote.

a) Provision for labor, tax and civil risks

The Company is a defendant in certain labor, tax and civil lawsuits. The estimated loss was provisioned based on the opinion of its legal counsel, in an amount considered sufficient by the Management to cover probable losses that may arise from unfavorable court decisions. The provision is broken down as follows:

	Parent Company and Consolidated	
	2022	**2021**
Provision for labor risks	**798**	1,266
Provision for tax risks	**788**	757
Provision for civil risks	**4,251**	4,677
	5,837	6,700

Labor – the Company is party to labor lawsuits basically related to overtime.

Tax – the Company is party to tax lawsuits basically related to import tax and INSS.

Civil – the Company is party to civil lawsuits involving store owners and end consumers, in which the Company may be considered jointly and severally liable.

The Company is party to labor, tax and civil lawsuits, involving risk of loss classified by the management as possible, based on an assessment by its legal advisors, for which no provision was recorded. The lawsuits classified as possible loss are shown below:

	Parent Company	
	2022	**2021**
Labor lawsuits	**248**	265
Tax lawsuits	**3,010**	2,980
Civil lawsuits	**4,360**	5,217
	7,618	8,462

Civil: Civil lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to lawsuits involving storeowners and end consumers.

Tax: The tax lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to the INSS lawsuit.

Labor: The labor lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to actions filed by former employees of the Company related to overtime.

(All amounts in thousands of Reais, unless otherwise stated)

16. Provisions--Continued

The changes in provision for labor, tax and civil risks are as follows:

	Parent Company and Consolidated	
	2022	**2021**
Balance at beginning of year	**6,700**	8,537
Additions	**1,850**	2,679
Recoveries / realizations	**(2,713)**	(4,516)
Balance at end of year	**5,837**	6,700

On February 8, 2023, Brazil's Supreme Court held that a final judgment exempting from taxes paid in a continuous manner loses effectiveness when the Court decides otherwise. Accordingly, by majority vote, it determined that the loss of effect is immediate and without the need for an action for relief from judgment, in case of decisions rendered on a direct action or of general repercussion. In other words, even lawsuits (on tax matters) that had received the final and unappealable decision, lose effect in case of a subsequent decision to the contrary by the Supreme Court.

The company, together with its tax lawyers, conducted an assessment and did not identify tax lawsuits related to taxes paid in a continuous manner that had favorable final and unappealable decisions in favor of the company and which had contrary decisions of general repercussion on the merits of said claims by the Supreme Court. Therefore, the company does not expect any impact on the financial statements of December 31, 2022.

b) Judicial deposits

The Company maintains judicial deposits linked to several tax, labor and civil lawsuits, as follows:

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Labor judicial deposits	**-**	12	**-**	171
Tax judicial deposits	**534**	534	**534**	534
Civil judicial deposits	**530**	769	**530**	985
	1,064	1,315	**1,064**	1,690

c) Provision for termination of commercial relation with resellers

The Company recorded provision to cover obligations assumed on orders taken from consumers that were pending delivery and assembling by resellers. The changes in the provision are as follows:

	Parent and Consolidated	
	2022	**2021**
Balance at beginning of year	**486**	1,227
Additions	**-**	-
Realizations	**(283)**	(741)
Balance at end of year	**203**	486

(All amounts in thousands of Reais, unless otherwise stated)

17. Contractual obligations

Amounts received early from exclusive resellers for the future supply of goods.

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Amounts in BRL	**38,099**	73,215	**42,437**	76,383

During fiscal year 2022, the Company recognized revenue of R$73,215 (R$ 76,383 in the consolidated) from the realization of contractual obligations in 2021.

18. Other liabilities

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Other liabilities – current:				
Other provisions (*)	**3,026**	2,349	**3,026**	2,384
Leases (**)	**447**	324	**447**	324
Other liabilities	**90**	562	**113**	562
	3,563	3,235	**3,586**	3,270
Other liabilities – non-current:				
Leases (**)	**1,353**	905	**1,353**	905
	1,353	905	**1,353**	905

(*) Consists of provisions for payroll, fees, marketing and advertising costs.

(**) In the context of application of CPC 06 (R2), the Company analyzed its portfolio of agreements and these were classified under the exemption envisaged by the pronouncement since it is a low-value asset. In the year, the Company recognized expense of R$466 (R$371 on December 31, 2021).

19. Shareholders' equity

a) Capital stock

The capital stock of the Company is R$147,000 on December 31, 2022 and December 31, 2021, divided into 66,086,364 registered common shares without par value.

b) Profit retention and reserves

Legal reserve

The amount of R$1,647 was added on December 31, 2022 (R$1,297 on December 31, 2021), based on 5% of net income from the fiscal year, limited to 20% of the paid-in capital.

Expansion reserve

Created at the Annual Shareholders Meeting held on April 28, 2022, the expansion reserve amounting to R$17,511 is allocated to cover a portion of the investments in the expansion plan. The capital budget will be submitted to the next Shareholders Meeting to be held on April 28, 2023, when it will propose an addition of R$19,298, to continue the investment plan.

19.Shareholders' equity– Continued

c) Other comprehensive income

Corresponds to the cumulative effect of exchange translation of functional currency to the original currency of the financial statements of the foreign subsidiary, calculated on the company's investments abroad, assessed using the equity method. This cumulative effect will be reverted to profit or loss for the period as gain or loss upon the sale or write-off of the investment.

d) Dividends and interest on equity

According to the bylaws, minimum mandatory dividend is calculated at 25% of net income from the year after the allocation to reserves established by law.

Of the net income from the year ended December 31, 2022 and based on the Company's operating cash generation, the Board of Directors approved on December 01, 2022 the distribution of minimum mandatory dividends (R$7,825) and approved the payment of additional dividends (R$4,177), both to be paid as interest on equity, as shown below:

	2022
Net income from the year	**32,947**
Legal reserve (5%)	**(1,647)**
Calculation base for minimum mandatory dividends	**31,300**
Minimum mandatory dividends – 25%	**7,825**
Dividends proposed additionally to minimum mandatory dividends	**4,177**
Total dividends proposed by the management through IoE	**12,002**
Total earnings per share	**0.18160**

Withholding income tax was deducted on interest on equity (IoE) at 15% (R$1,385), except for shareholders that are proven to be exempt, or shareholders domiciled in countries or jurisdictions whose laws establish a different rate.

e) Earnings per share

As required by IAS 33/CPC 41 – Earnings per share, the tables below recognize profit to amounts used to calculate basic earnings per share.

Basic earnings per share

For years ended on December 31, 2022 and 2021, the Company registered basic earnings per share, calculated by dividing the net income from the period by the weighted average of outstanding shares, as shown below:

	Parent Company and Consolidated	
	2022	2021
Net income for the period	**32,947**	25,938
Weighted average of outstanding common shares (in thousands)	**66,086**	66,086
Earnings / (loss) per share – basic (R$)	**0.49854**	0.39249

(All amounts in thousands of Reais, unless otherwise stated)

19. Shareholders' equity – Continued

e) Earnings per share – Continued

Diluted earnings per share

The Company did not present the calculation of diluted earnings per share as required by IAS 33/CPC 41 – Earnings per share because there are no potential common shares for dilution or other convertible instruments that can cause dilution of earnings per share, and hence the basic and diluted earnings per share are the same.

20. Net revenue from sales

Revenue is recognized in profit or loss upon the fulfilment of performance obligation with clients at the moment determined by the transfer of control of the products. Contractual performance obligations with final consumers are the responsibility of resellers. Sales are made at sight, in the form of prepayments or in installments, and are financed with the Company's own funds.

Net revenue from sales are broken down as follows:

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
Gross revenue from sales	**297,427**	275,618	**307,545**	278,382
IPI on sales	**(8,890)**	(11,149)	**(8,890)**	(11,149)
Gross revenue from sales (-) IPI	**288,537**	264,469	**298,655**	267,233
ICMS on sales	**(29,290)**	(25,903)	**(29,297)**	(25,941)
Other taxes on sales (PIS/COFINS)	**(20,447)**	(19,016)	**(20,452)**	(19,045)
Sales returns	**(534)**	(388)	**(534)**	(388)
Present value adjustment (AVP)	**(2,694)**	(1,216)	**(2,694)**	(1,216)
	235,572	217,946	**245,678**	220,643

21. Expenses by function and nature

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
Expenses by function				
Cost of goods sold and/or services	**(153,249)**	(141,573)	**(161,703)**	(140,551)
Selling expenses	**(44,110)**	(32,079)	**(49,411)**	(37,865)
Administrative expenses	**(18,682)**	(16,017)	**(18,682)**	(16,017)
	(216,041)	(189,669)	**(229,796)**	(194,433)
Expenses by nature				
Input expenses	**(112,342)**	(106,914)	**(116,650)**	(105,931)
Personnel expenses	**(48,829)**	(36,592)	**(53,872)**	(39,576)
Third-party service expenses	**(17,362)**	(14,003)	**(22,435)**	(16,270)
Expenses with civil lawsuits	**(1,543)**	(3,491)	**(1,601)**	(3,501)
Depreciation and amortization expenses	**(9,253)**	(9,407)	**(9,262)**	(9,415)
Advertising expenses	**(9,974)**	(6,248)	**(10,023)**	(6,420)
Expenses (reversal) with provisions	**(223)**	(190)	**87**	(1,159)
Travel expenses	**(3,760)**	(1,809)	**(4,069)**	(2,118)
Electric power expenses	**(3,874)**	(3,437)	**(3,884)**	(3,446)
Expenses with commissions	**(5,371)**	(4,447)	**(3,847)**	(2,849)
Other expenses	**(3,510)**	(3,131)	**(4,240)**	(3,748)
	(216,041)	(189,669)	**(229,796)**	(194,433)

(All amounts in thousands of Reais, unless otherwise stated)

22. Other operating revenues

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
Bank premium (*)	**663**	835	**663**	835
Gain from sale of property, plant and equipment	**68**	-	**68**	-
Exclusion of ICMS from the PIS and COFINS calculation	**7,152**	-	**7,152**	
Other operating revenues	**2,588**	2,654	**2,623**	4,201
Other operating revenues	**10,471**	3,489	**10,506**	5,036

(*) Refers to amounts received from financial institution by volume of financing conducted made the network of stores served by the Company.
(**) Refers mainly to the recognition of revenue from presumed ICMS credit.

23. Financial income (expense)

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
Financial expenses				
IOF charge and bank fees	**(186)**	(79)	**(199)**	(94)
Loans and financing	**(1,737)**	(1,117)	**(1,737)**	(1,117)
Exchange variation expenses	**(3,099)**	(2,677)	**(3,099)**	(2,677)
Present value adjustment (AVP)	**(2,030)**	(1,098)	**(2,030)**	(1,098)
Discounts granted	**(7)**	(175)	**(7)**	(196)
Other financial expenses	**(200)**	(108)	**(200)**	(108)
	(7,259)	(5,254)	**(7,272)**	(5,290)
Financial income				
Interest income	**928**	1,010	**1,083**	1,102
Yield from short-term investments	**4,716**	3,103	**4,709**	3,096
Exchange variation income	**3,051**	3,199	**3,051**	3,199
Present value adjustment (AVP)	**4,187**	1,778	**4,187**	1,778
Discounts obtained	**148**	165	**180**	170
Other financial income	**2,896**	180	**2,896**	651
	15,926	9,435	**16,106**	9,996
Net financial result	**8,667**	4,181	**8,834**	4,706

(All amounts in thousands of Reais, unless otherwise stated)

24. Transactions and balances with related parties

Related-party transactions are those between the Company and its subsidiaries, other companies controlled by shareholders of the Company, key management professionals and other related parties. During the fiscal years ended December 31, 2022 and 2021, the Company conducted the following transactions with related parties:

	Term	Parent Company				Consolidated			
		Assets /Liabilities		Profit or Loss		Assets /Liabilities		Profit or Loss	
		2022	2021	2022	2021	2022	2021	2022	2021
Subsidiaries									
Unicasa North America, LLC									
Trade accounts receivables	90 days	1,605	**1,336**						
Sale of properties		-	-	4,554	3,805	-	-	-	
Commission expenses		-	-	**(1,564)**	(1,607)	-	-	-	-
Unicasa Comércio de Móveis Ltda.									
Trade receivables	-	-	2	-	-	-	-	-	-
Sales of furniture		-	-	**23**	165	-	-	-	-
Controlled by shareholders of Unicasa Indústria de Móveis S.A.									
Even Construtora e Incorporadora S.A.									
Trade receivables	86 days	**4,310**	-	-	-	**4,310**	-	-	-
Contractual liabilities		-	(2,274)			-	(2,274)		
Sales of furniture		-	-	**12,822**	2,517	-	-	**12,822**	2,517
Telasul Indústria de Móveis S.A.									
Trade receivables	-	-	124	-	-	-	124	-	-
Sales of scrap		-	-	-	140	-	-	-	140
Resale of items		-	-	**1**	24	-	-	**1**	24
Sale of property, plant and equipment		-	-	-	10	-	-	-	10
Related persons and key Management professionals									
Trade receivables	-	-	388	-	-	-	388	-	-
Sales of furniture		-	-	**38**	700	-	-	**38**	700
		5,915	(424)	**15,874**	5,754	**4,310**	(1,762)	**12,861**	3,391

(All amounts in thousands of Reais, unless otherwise stated)

24. Transactions and balances with related parties--Continued

The transactions involving the Company and its related parties are conducted as agreed by the parties under normal market conditions.

There were no guarantees granted or received in relation to any accounts receivable or payable involving related parties. All balances will be settled in domestic currency.

Management Compensation

The Company paid its managers (Statutory Board of Executive Officers and Board of Directors) compensation in the amount of R$3,527 in the fiscal year ended December 31, 2022 (R$2,638 on December 31, 2021). The Company does not offer to its key personnel compensation benefits in the following categories: (i) post-employment benefits; (ii) long-term benefit; (iii) employment termination benefit; and (iv) share-based compensation.

25. Financial Instruments

The Company determines the classification of its financial assets and liabilities upon their initial recognition in accordance with the business model used to manage the assets and their respective contractual cash flow characteristics, pursuant to CPC 48 / IFRS 9.

The Company's financial instruments measured at their amortized cost are held for the purpose of receiving or payment of contractual cash flows, which consist of principal and interest, recorded at their original value less allowance for losses and present value adjustment when applicable. The financial instruments and their outstanding balances on December 31, 2022 and December 31, 2021, are shown below:

	Parent Company		Consolidated	
	2022	**2021**	**2022**	**2021**
Financial assets				
Cash and cash equivalents (Note 3)	**18,531**	59,208	**23,528**	60,250
Financial investments (Note 4)	**8,156**	31,480	**8,156**	31,480
Trade accounts receivable (Note 5)	**41,944**	44,272	**43,889**	45,266
Loans granted (Note 8)	**1,299**	2,047	**1,299**	2,047
Other assets (Note 10)	**8,176**	3,811	**11,410**	4,362
Financial liabilities				
Loans and financing (Note 15)	**(10,008)**	(14,747)	**(10,008)**	(14,747)
Trade accounts payable	**(3,614)**	(3,758)	**(8,144)**	(5,120)
Interest on equity (Note 19)	**(10,617)**	(6,338)	**(10,617)**	(6,338)
Contractual obligations (Note 17)	**(36,011)**	(70,649)	**(40,349)**	(73,817)
Other current and non-current liabilities (Note 18)	**(7,004)**	(6,706)	**(7,027)**	(6,741)
Net financial instruments	**10,852**	38,620	**12,137**	36,642

26. Financial risk management

The Company's operations expose it to financial risks: market risks (including interest and exchange rates and commodity prices), credit and liquidity. The risks of financial instruments are managed through financial positioning strategies and systems to limit exposures, all registered in equity accounts, which are aimed at meeting its operational requirements.

The Internal Audit is responsible for implementing the Risk Policy. The Audit Committee, created at the Board of Directors Meeting held on April 27, 2022, is responsible for monitoring the activities of Internal Audit and reporting the conclusions to the Board of Directors. We do not conduct operations with derivative instruments or any other type of operation for speculative purposes.

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market prices. Market prices encompass three types of risk: interest rate, exchange, and price, which could be of a commodity, among others. Financial instruments affected by market risks include loans receivable and trade accounts payable.

I. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market interest rates. The Company's exposure to risk of changes in market interest rates is mainly due to long-term obligations subject to variable interest rates.

The Company's main exposure is loans receivable. The Company has neither conducted loan operations or their payments, nor registered previous balances in the reporting periods. The Company uses shareholder's equity to finance its operating and investing activities and dividend payment. Thus, this risk is mitigated in the Company's transactions.

II. Exchange risks

Cash and accounts receivable in foreign currency

On December 31, 2022, the Company had cash in foreign currency of USD4.70 (R$23) and EUR5 (R$28) and balance of accounts receivable from exports equivalent to USD1,467 (USD 1,075 on December 31, 2021).

The Company's results are susceptible to variations arising from the effects of exchange rate volatility on foreign currency transactions, mainly in export operations. The Company adjusts its structure of costs and selling prices in order to assimilate exchange oscillations.

Sensitivity to exchange rates

In order to verify the sensitivity of indexes of assets and liabilities in foreign currency, with representativeness, two different scenarios were defined to analyze the sensitivity on exchange rate oscillations. This analysis considers depreciation of exchange rate by 25% and 50% over the exchange rate on December 31, 2022. These assumptions were defined based on the Management's expectations for variations in the exchange rate on the maturity dates of respective agreements subject to these risks.

(All amounts in thousands of Reais, unless otherwise stated)

26. Financial risk management –Continued

- **Market risk**--Continued

Sensitivity to exchange rates

Accounts receivable in foreign currency

	Reference amounts			
	Balance of accounts receivable - USD	**Balance of accounts receivable - R$**	**U.S. dollar rate**	**Impacts on income before taxation**
Probable scenario (book value)	**1,467**	**7,653**	**5.22**	-
Possible scenario - 25%	**1,467**	**5,740**	**3.91**	(1,913)
Possible scenario 50%	**1,467**	**3,827**	**2.61**	(3,827)

Trade payables in foreign currency

	Reference amounts			
	Balance of accounts receivable - EUR	**Balance of accounts receivable - R$**	**Euro rate**	**Impacts on income before taxation**
Probable scenario (book value)	**240**	**1,338**	**5.57**	-
Possible scenario - 25%	**240**	**1,671**	**6.96**	(333)
Possible scenario 50%	**240**	**2,005**	**8.35**	(667)

III. Commodity price risk

This risk is related to the possibility of oscillation in prices of raw materials and other inputs used in the production process. Since the Company uses commodities as raw material (MDF and MDP boards), its cost of goods sold may be affected by changes in the prices of these materials. To minimize this risk, the Company permanently monitors price oscillations and, as applicable, builds strategic inventories to maintain its business activities.

- **Credit risk**

This risk arises from the possibility of incurring losses due to delinquency of other parties or financial institutions depositing resources or of financial investments. To mitigate these risks, the Company adopts the practice of analyzing financial and equity conditions of its counterparties, as well as defining credit limits and monitoring permanently their outstanding positions. With regard to financial institutions, the Company only carries out operations with low-risk institutions, as evaluated by its Management. For trade accounts receivable, the Company has not recorded allowance for loan losses yet, as mentioned in Note 5.

26. Financial risk management --Continued

- **Credit risk**--Continued

Accounts receivable

Risk of credit to client is managed by the financial department and is subject to specific procedures, controls and policies established by the Company.

Credit limits are established for all clients based on internal rating criteria. On December 31, 2022, the Company had 34 clients (22 clients on December 31, 2021), representing 51.18% (50.64% on December 31, 2021) of all receivables due. These clients operate with several stores in Brazil. No client individually represents more than 10% of the sales. The Company has security interest and monitors its exposure.

The need for a provision for impairment is analyzed every reporting period on an individual basis by clients. Allowance for loan losses is constituted at an amount considered sufficient by Management to cover losses in recovering credits and is based on criteria such as balances of clients with delinquency risk.

Bank deposits

Credit risk on balances with banks and financial institutions is considered low and is managed by the financial department and monitored by executive officers. Surplus funds are invested only in prime financial institutions authorized by the Board of Executive Officers, being monitored in order to minimize risk concentration.

- **Liquidity risk**

Liquidity control is monitored by the Company through the management of its cash flows, to ensure that its funds are available in sufficient amounts to maintain its commitments on schedule. The Company holds balances in financial investments that are redeemable at any moment to cover any gaps between the maturity of its contractual obligations and its cash generation.

The consolidated financial liability on December 31, 2022 consisted of trade payables amounting to R$3,614, of which R$2,176 falling due in up to 90 days. The Company has only one loan and financing facility contracted and, accordingly, effects of future interest are virtually nonexistent.

- **Capital stock management**

The Company manages its capital structure and adjusts it considering the changes in economic conditions. The capital structure arises from choosing between shareholders' equity (capital injections and retained earnings) and loan capital to finance its operations. Management adopts as a financing practice the shareholders' equity generated by its operations, and monitors its debt in such a way as to optimize its cash flows and its present value. There were no changes in goals, policies or processes during the fiscal years ended December 31, 2022 and 2021.

(All amounts in thousands of Reais, unless otherwise stated)

26. Financial risk management --Continued

- **Capital stock management**--Continued

The financial leverage ratio is shown below:

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Loans and financing	**10,008**	14,747	**10,008**	**14,747**
Trade accounts payable	**3,614**	3,758	**8,144**	5,120
(-) Cash and cash equivalents	**(18,531)**	(59,208)	**(23,528)**	(60,250)
(-) Financial investments	**(8,156)**	(31,480)	**(8,156)**	(31,480)
Surplus cash	**(13,065)**	(72,183)	**(13,532)**	(71,863)
Shareholders' equity				
Financial leverage ratio	**188,691**	167,781	**188,691**	167,781

27. Insurance

The Company has insurance policies that were taken based on guidance from specialists, contracted in the market coverages compatible with its size and operation. Coverages were contracted at amounts considered sufficient by management to cover possible losses, considering the nature of its activity and the risks involved in its operations. The main insurance categories are shown below:

	Coverage period			
Coverage	**From**	**To**	**Currency**	**Amount insured**
Fire, Lightning Strike, Explosion and Implosion	2022	2023	BRL	220,000
Loss of profits	2022	2023	BRL	18,447
General civil liability				
National	2022	2023	BRL	9,000
Foreign products overall	2022	2023	BRL	50,000
Civil liability for management – D&O	2022	2023	BRL	20,000

28. Information by segment

The Company's operations involve the manufacturing and sale of customized furniture. Despite targeting several client segments, the Company's products are not controlled and managed by the Management (Executive Officers and Board of Directors) as independent segments, and the Company's results are managed, monitored and evaluated in an integrated manner as one sole operating segment.

Gross revenue is shown below, broken down by brand and sales channel:

	Consolidated	
	2021	2020
Domestic market		
Multibrand	**205,721**	193,237
Unicasa Corporate	**34,871**	36,647
Other revenues	**22,704**	11,373
	3,453	3,570
	266,749	244,827
Export market		
	40,796	33,555
Total gross revenue from sales		
	307,545	278,382

29. Subsequent Event

Lawsuit on exclusion of presumed ICMS credit

On April 25, 2016, the Company filed a Writ of Mandamus requesting the exclusion of PIS, COFINS, IRPJ and CSLL on presumed ICMS credits, and obtained a final and unappealable decision in its favor on February 6, 2023. The Company, together with its tax advisors, is calculating the credit amount and will recognize it in 1Q23.

UNICASA INDÚSTRIA DE MÓVEIS S.A.
Company Registry (NIRE): 43300044513-RS
Corporate Taxpayer ID (CNPJ/MF): 90.441.460/0001-48

ANNUAL REPORT OF THE AUDIT COMMITTEE – 2022

1. Introduction

The Management of Unicasa Indústria de Móveis S.A. ("Unicasa") is responsible for defining and implementing processes and procedures to gather the data used to prepare the Financial Statements, in accordance with the Brazilian Corporations Law, the accounting practices adopted in Brazil and applicable standards. It is also responsible for the processes, policies and procedures related to internal controls that ensure the protection of assets and the timely recognition of liabilities, considering the best judgment and assessment of specialists, and the elimination or reduction to acceptable levels, of the risk factors of Unicasa.

Internal Auditors evaluate the risk management framework and the effectiveness of internal controls to ensure their compliance with standards and procedures.

External Auditors are responsible for examining the Financial Statements to issue an opinion on the compliance with applicable standards and provide recommendations on accounting procedures and internal controls.

To strengthen the Company's corporate governance and comply with Novo Mercado Regulations of B3 (Brasil, Bolsa, Balcão), on April 27, 2022, the Board of Directors approved the creation of an Audit Committee at Unicasa and elected its members. The Committee's charter was approved at a meeting held on December 31, 2021.

The Audit Committee of Unicasa is an internal, permanent and non-statutory advisory body reporting directly to the Board of Directors and bound by applicable laws and regulations. Its duties include advising the Board of Directors in evaluating the adequacy of the Financial Statements, monitoring compliance with legal and regulatory requirements, verifying the effectiveness of the work of internal and external auditors and the effectiveness of internal systems related to operating risks and, whenever deemed necessary, within its duties and responsibilities, recommending corrections and improvements to practices and procedures.

2. Composition of the Audit Committee

The Audit Committee is composed of three (3) independent members, elected at the Board of Directors Meeting:

- Gelson Luis Rostirolla – Coordinator
- Giuliano Silvio Dedini Zorgniotti – Member
- Rodrigo Silva Marvão – Member

3. Meetings held and key issues discussed

1st Meeting – August 11, 2022

- Evaluation of the Financial Statements for the second quarter of 2022;
- Evaluation of the proposal submitted by the Board of Executive Officers to record in the books, as a provision, the effects of the final and unappealable decision rendered on June 3, 2022, in favor of the Company in the lawsuit claiming exemption from Corporate Income Tax and Social Contribution on Net Income on the portion corresponding to inflation on income from financial investments.

2nd Meeting – November 10, 2022

- Evaluation of the Financial Statements for the third quarter of 2022;

3rd Meeting – February 2, 2023

- Evaluation of the internal audit plan for 2023 and presentation of the matrix of corporate risks identified while preparing the audit plan, presented by the auditors KPMG Assessores Ltda.

4th Meeting – March 9, 2023

- Report on the activities of the independent auditor (PWC);
- Evaluation of the Financial Statements for the fourth quarter of 2022;
- Issue of Audit Committee's Opinion for the fiscal year ended December 31, 2022.

All the members of the Audit Committee attended the four meetings mentioned above. All the issues discussed at the Committee meetings were presented and submitted to the Board of Directors of Unicasa at its respective quarterly meetings.

4. Opinion of the Audit Committee

The Committee analyzed the Financial Statements of December 31, 2022, as well as Internal Audit's activities and plan for 2023.

External Auditors:

The External Auditors presented to the Committee their opinion on the Financial Statements of 2022 and the Key Audit Matters.

Internal Audit

In 2022, the Company began internal audit work for which it contracted KPMG Assessores Ltda. Based on interviews with key managers and Management of the Company, the Unicasa Corporate Risk Matrix was prepared, which served as the basis for the Internal Audit Plan for 2023.

Financial Statements

The Audit Committee analyzed the Financial Statements and Notes prepared by Management and revised by External Audit for the fiscal year 2022, affirming that all significant information is registered and is in accordance with applicable regulations.

Conclusion

The Audit Committee of Unicasa, considering its responsibilities and natural limitations given the scope of its activities, as well as the decisions and responsibilities of other Management bodies, considers that the Financial Statements present fairly, in all material respects, the financial position of Unicasa Indústria de Móveis S.A. on December 31, 2022.

Bento Gonçalves, RS, March 9, 2023.

Gelson Luis Rostirolla Committee Member and Coordinator	**Giuliano Silvio Dedini Zorgniotti** Committee Member
Rodrigo Silva Marvão Committee Member	