

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk factors

Investing in our shares and ADSs involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this annual report in evaluating an investment in our shares or ADSs. Our businesses, results of operations, cash flow, liquidity and financial condition could be harmed if any of these risks materializes and, as a result, the trading price of the shares or the ADSs could decline and you could lose a substantial part or even all your investment.

We have included information in these risk factors concerning Brazil based on information that is publicly available. Other risks that we do not presently know about or deem as immaterial could also cause adverse effects on our businesses, operations, financial condition and results of operations.

Summary of risk factors

Risks relating to Ultrapar and its industries

- Petrobras is the main supplier of LPG and oil-based fuels in Brazil. Fuel and LPG distributors in Brazil, including Ipiranga and Ultragas, have formal contracts with Petrobras for the supply of oil-derivatives. Any material delay or interruption in the supply of LPG or oil-based fuels from Petrobras would immediately affect Ultragas's or Ipiranga's ability to provide LPG and oil-based fuels to their customers. In addition, Petrobras' current divestment plan may have an adverse effect in our businesses;
- Intense competition is generally inherent to distribution markets, including the LPG and the fuel distribution markets and may affect our operating margins;
- Anticompetitive practices in the fuel distribution sector may distort market prices;
- LPG and oil-based fuels compete with alternative sources of energy. Competition with and the development of alternative sources of energy in the future may adversely affect the LPG and oil-based fuels market;
- Our businesses would be materially adversely affected if operations at our transportation and distribution facilities experienced significant events outside of our control;
- We may be adversely affected by changes to specific laws and regulations in our operating sectors;
- Any change in our senior management and any difficulty in retaining, attracting and replacing qualified personnel could affect our ability to grow and could have an adverse effect on our activities, financial condition and results of operations;
- Our level of indebtedness may require us to use a significant portion of our cash flow to service such indebtedness;
- Higher LPG, fuels and other raw material costs could increase cost of products sold and decrease gross margin, adversely affecting our total operating result. Our exposure to cost volatility and other events related to these products could have a material adverse effect on our businesses, financial condition, and results of operations;
- Our businesses may be materially and adversely affected by the outbreak of communicable diseases, such as the COVID-19 pandemic, or other epidemics or pandemics;
- We are subject to extensive federal and state legislation and regulation by governmental agencies responsible for implementing environmental and health laws and policies in Brazil;
- Our businesses, financial condition and results of operations may be materially and adversely affected by a general economic downturn and by instability and volatility in the financial markets, including as a result of the conflict between Ukraine and Russia;
- Our insurance coverage may be insufficient to cover losses that we might incur;

- The suspension, cancellation or non-renewal of certain tax benefits may adversely affect our results of operations;
- No single shareholder or group of shareholders holds more than 50% of our capital stock, which may increase the opportunity for alliances between shareholders and other events that may occur as a result thereof;
- As a result of acquisitions, Ultrapar has assumed and may assume in the future certain liabilities related to the businesses acquired or to be acquired. Additionally, Ultrapar has assumed and may assume certain risks associated with acquisitions and divestments, including regulatory risks;
- The founding family and part of our senior management, through their ownership interest in Ultra S.A. and Parth, own a significant portion of our shares and may influence the management, direction and policies of Ultrapar, including the outcome of any matter submitted to the vote of shareholders;
- Our status as a holding company may limit our ability to pay dividends on the shares and consequently, on the ADSs;
- Failure to comply with, obtain or renew the licenses and permits required for each of the sectors in which we operate may have a material adverse effect on us;
- Our governance and compliance processes may fail to prevent regulatory penalties and reputational harm;
- Information technology failures, including those that affect the privacy and security of personal data, as a result of cyber-attacks or other causes, could adversely affect our businesses and the market price of our shares and ADSs; and
- The production, storage and transportation of LPG and other fuels are inherently hazardous.

Risks relating to Brazil

- The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. Brazilian political and economic conditions, including ongoing political instability and perceptions of these conditions in the international markets, could adversely affect our businesses and the market price of our shares and ADSs;
- Inflation and certain governmental measures to curb inflation, including as a result of the COVID-19 pandemic, may contribute significantly to economic uncertainty in Brazil and could harm our businesses and the market value of the ADSs and our shares;
- Exchange rate instability may adversely affect our financial condition, results of operations and the market price of the ADSs and our shares;
- Economic and market conditions in other countries, including in the United States and emerging market countries, may materially and adversely affect the Brazilian economy and, therefore, our financial condition and the market price of the shares and ADSs;
- Holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other relevant persons;
- Due to concerns about the risks of climate change, a number of countries, including Brazil, have adopted or are considering adopting regulatory frameworks which could adversely affect our businesses, financial condition and results of operations;
- We may be adversely affected by the imposition and enforcement of more stringent environmental laws and regulations, including as a result of rising climate change concerns, that may result in increased costs of operation and compliance, as well as a decrease in demand for our products; and
- Floods, storms, windstorms, rise in sea level and other climate change events could bring harm to our facilities, thus affecting our financial position and results of our operations.

Risks relating to our common shares and ADSs

- *Asserting limited voting rights as a holder of ADSs may prove more difficult than for holders of our common shares;*
- *Holders of our shares or ADSs may not receive dividends;*
- *Holders of our shares may be unable to exercise preemptive rights with respect to the shares;*
- *If shareholders exchange ADSs for shares, they may lose certain foreign currency remittance and Brazilian tax advantages;*
- *Changes in Brazilian tax laws may have an adverse impact on the taxes applicable to a disposition of our ADSs;*
- *Substantial sales of our shares or our ADSs could cause the price of our shares or our ADSs to decrease; and*
- *There may be adverse U.S. federal income tax consequences to U.S. holders if we are or become a PFIC under the Code.*

Risks relating to Ultrapar and its industries

Petrobras is the main supplier of LPG and oil-based fuels in Brazil. Fuel and LPG distributors in Brazil, including Ipiranga and Ultragaz, have formal contracts with Petrobras for the supply of oil-derivatives. Any material delay or interruption in the supply of LPG or oil-based fuels from Petrobras would immediately affect Ultragaz's or Ipiranga's ability to provide LPG and oil-based fuels to their customers. In addition, Petrobras' current divestment plan may have an adverse effect in our businesses.

Prior to 1995, Petrobras held a constitutional monopoly for the production and importation of petroleum products in Brazil. Although this constitutional monopoly was formally terminated pursuant to an amendment to the Brazilian constitution enacted in 1995, Petrobras effectively remains the main provider of LPG and oil-based fuels in Brazil. In 2022, 86% of all the LPG purchased by Ultragaz was supplied by Petrobras and 14% was supplied by other companies.

With respect to fuel distribution, Petrobras also supplied the majority of Ipiranga and other distributors' oil-based fuel requirements in 2022. Petrobras' supply to Ipiranga is governed by an annual contract, under which the supply volume is established based on the volume purchased in the previous year. For further information, see "Item 4.B. Information on the Company—Business overview—Industry and regulatory overview—C. Fuel distribution—Ipiranga—Supply of fuels."

Significant interruptions or delays of LPG and oil-based fuel supply from Petrobras could occur in the future. Any interruption in the supply of LPG or oil-based fuels from Petrobras would immediately affect Ultragaz or Ipiranga's respective ability to provide LPG or oil-based fuels to its customers, and material delays in the supply could also impact our operations.

Additionally, Petrobras announced in 2021 that it would cease to guarantee the supply of fuels to the Brazilian market and informed distributors that a portion of their fuel purchase orders would not be fully met. As a result, fuel distribution companies, including Ipiranga, were required to purchase part of their fuels needs in the international market. Although Petrobras has adopted a pricing policy of pegging domestic fuel prices to international rates, during some periods the prices at which our products are imported or bought from other companies might be materially different from those charged by Petrobras. If we are not able to obtain an adequate volume of LPG or oil-based fuel at competitive prices or pass on the increase in costs to our customers, our operating margins, market share, financial condition and results of our operations may be adversely affected.

Moreover, Petrobras has made several changes to the composition of its management team and has undertaken a long-term divestment plan. We may be impacted by the privatization of some of the refineries owned by Petrobras, which could result in the adoption of different pricing and more restrictive supply policies, limiting our access to oil derivatives or affecting our costs, gross margins, and sales volumes. The current divestment plan suggests that Petrobras is scaling back its positions in refining and logistics, which may cause disruption in logistics services, changes to distribution policies and adversely affect the competitiveness of fuel distributors. It is not clear how these changes or any future changes in management may impact price adjustment policy and change the structure and long-term outlook of the fuel market. In addition, we cannot predict how the new elected government of Brazil will change the divestment plan implemented during the prior government.

Intense competition is generally inherent to distribution markets, including the LPG and the fuel distribution markets and may affect our operating margins.

The Brazilian LPG market is very competitive in all segments – residential, commercial, and industrial. Intense competition in the LPG distribution market could lead to lower sales volumes, lower selling prices and increased marketing expenses, which may have a material adverse effect on our operating margins. See “Item 4.B. Information on the Company—Business overview—Industry and regulatory overview—A. Distribution of liquefied petroleum gas—Ultragaz—Competition.”

The Brazilian fuel distribution market is highly competitive as well, in both retail and wholesale segments, with companies with significant resources participating in it. Furthermore, small, local and regional distributors have increased their market share in recent years. Intense competition in the fuel distribution market could lead to lower sales volumes, lower selling prices and increased marketing expenses, which may have a material adverse effect on our operating margins. See “Item 4.B. Information on the Company—Business overview—Industry and regulatory overview—C. Fuel distribution—Ipiranga—Competition.”

Anticompetitive practices in the fuel distribution sector may distort market prices.

In the recent past, anticompetitive practices have been one of the main problems affecting fuel distributors in Brazil, including Ipiranga. Generally, these practices have involved a combination of tax evasion and fuel adulteration, such as the dilution of gasoline by mixing solvents or adding anhydrous ethanol in an amount greater than that permitted by applicable law.

Taxes constitute a significant portion of the cost of fuels sold in Brazil. For this reason, tax evasion by some fuel distributors has been prevalent, allowing them to lower the prices they charge compared to large distributors, such as Ipiranga. As the final prices for the products sold by distributors, including Ipiranga, are calculated based on, among other factors, the amount of taxes levied on the purchase and sale of these fuels, anticompetitive practices such as tax evasion may reduce Ipiranga’s sales volume and could have a material adverse effect on our operating margins. Should there be any increase in the taxes levied on fuel, tax evasion may increase, resulting in a greater distortion of the prices of fuels sold and further adversely affecting our results of operations.

In recent years, the fuel distribution sector has been under scrutiny by Brazilian authorities, including CADE and public prosecutors, as there have been allegations of cartels involving price arrangements and certain other antitrust practices within the sector. The outcome of these ongoing investigations and administrative and judicial proceedings may have an adverse impact on the Company’s businesses and results. For example, as of December 31, 2022, Ipiranga had two administrative proceedings filed by CADE, both of which were classified by outside legal counsel to have a remote risk of loss.

LPG and oil-based fuels compete with alternative sources of energy. Competition with and the development of alternative sources of energy in the future may adversely affect the LPG and oil-based fuels market.

LPG competes with alternative sources of energy, such as natural gas, wood, diesel, fuel oil and electricity. Natural gas is currently the main source of energy that we compete with. Currently, on a national average, natural gas is less expensive than LPG for large industrial consumers, but more expensive for most of residential consumers. Changes in relative prices or the development of alternative sources of energy in the future may adversely affect the LPG market and consequently our business, financial results, and results of operations.

Our businesses would be materially adversely affected if operations at our transportation and distribution facilities experienced significant events outside of our control.

The distribution of LPG and fuels is subject to inherent risks, including interruptions or disturbances in the distribution system which may be caused by accidents or force majeure events, such as the COVID-19 pandemic. Our operations are dependent upon the uninterrupted operation of our terminals, storage and distribution facilities and various means of transportation. We are also dependent upon the uninterrupted operation of certain facilities owned or operated by our suppliers. Operations at our facilities and at the facilities owned or operated by our suppliers could be partially or completely shut down, temporarily or permanently, as the result of any number of circumstances that are not within our control, such as:

- Catastrophic events, including hurricanes and floods;
- Social and economic conflicts, terrorist events and wars, such as the ongoing conflict between Russia and Ukraine;
- Epidemics and pandemics, such as the COVID-19 pandemic (see “—Our businesses may be materially and adversely affected by the outbreak of communicable diseases, such as the COVID-19 pandemic, or other epidemics or pandemics”);
- Environmental matters (including environmental licensing processes or environmental incidents, contamination, and others);
- Labor difficulties (including work stoppages, strikes and other events); and
- Disruptions in our means of transportation, affecting the supply of our products.

Any significant interruption at these facilities or inability to transport products to or from these facilities or to our customers for any reason could subject us to liability in judicial, administrative, or other proceedings, including for disruptions caused by events outside of our control, which could materially affect our businesses and results.

Our businesses are also subject to stoppages and blockades of highways and other public roads, such as the Brazilian truck drivers’ strike in May 2018, when truck drivers started a nationwide strike demanding the reduction in taxes levied on diesel and changes to the fuel prices policy adopted by Petrobras. The stoppages and blockages of highways and other public roads may impact our businesses and financial results.

We may be adversely affected by changes to specific laws and regulations in our operating sectors.

We are subject to extensive federal, state and local legislation and regulation by government agencies and sector associations in the industries we operate. Rules related to quality of products, product storage, staff working hours, among others, may become more stringent or be amended overtime, and require new investments or the increase in expenses so our operations are in compliance with the applicable rules. Changes in specific laws and regulations in the sectors we operate may adversely affect the conditions under which we operate in ways that could have a materially negative effect on our businesses and our results.

Any change in our senior management and any difficulty in retaining, attracting and replacing qualified personnel could affect our ability to grow and could have an adverse effect on our activities, financial condition and results of operations.

Our success depends, in part, on the efforts and skills of our senior management and key personnel. The loss or failure to retain one or more of our key personnel could adversely affect our businesses. Our success also depends, in part, on our continued ability to identify, hire, attract, train, develop and retain other highly qualified employees. Competition for these employees can be intense and we may not be able to attract and retain them. If we are unable to attract or retain qualified professionals to manage and expand our operations, we may not be able to conduct our businesses and, as a result, our operating and financial results may be adversely affected.

Our level of indebtedness may require us to use a significant portion of our cash flow to service such indebtedness.

As of December 31, 2022, our consolidated Gross Debt was R\$13,274.1 million (US\$2,542.9 million) and our net cash provided by operating activities from continuing operations totaled R\$1,974.1 million (US\$382.2 million). The level and composition of our indebtedness could have significant consequences for us, including requiring a portion of our cash flow from operations to be committed to the payment of principal and interest on our indebtedness, thereby reducing the available cash to finance our working capital and investment.

Higher LPG, fuels and other raw material costs could increase cost of products sold and decrease gross margin, adversely affecting our total operating result. Our exposure to cost volatility and other events related to these products could have a material adverse effect on our businesses, financial condition, and results of operations.

LPG, fuels and the main raw materials used in the distribution of our main products are subject to substantial price fluctuations, particularly those whose prices are denominated in foreign currency. Such fluctuations could have a material adverse effect on our businesses, financial condition, and results of operations. The prices of LPG, fuels and other raw materials are influenced by several factors over which we have little or no control, including, but not limited to, weather, agricultural production, international and national political and economic conditions, transportation and processing costs, regulations and government policies, and the relationship between world supply and demand. In addition, we may not be able to pass through to our customers, in due course, increases in LPG, fuels and other raw material costs and other operating costs related to the distribution of our products, which could decrease our profit margin and cause a material adverse effect in our activities, financial condition, and operating results.

Our businesses may be materially and adversely affected by the outbreak of communicable diseases, such as the COVID-19 pandemic, or other epidemics or pandemics.

Historically, some regional or global epidemics and outbreaks, such as the one caused by the Zika virus, the one caused by the Ebola virus, the H5N5 virus (popularly known as avian flu), the foot-and-mouth disease, the H1N1 virus (influenza A, popularly known as swine flu), the Middle East Respiratory Syndrome (MERS) and the Severe Acute Respiratory Syndrome (SARS) have affected certain sectors of the economy in countries where these diseases have spread. On March 11, 2020, the World Health Organization declared a pandemic, due to the global spread of COVID-19, a disease caused by the coronavirus (Sars-Cov-2). In response, the Brazilian Ministry of Health and the state and municipal governments have implemented policies designed to prevent or delay the spread of the disease, such as the restriction on circulation of people and social isolation, including the closing of commerce, parks and common areas. As a result, our businesses were materially and adversely affected by the COVID-19 pandemic and may be materially and adversely affected by the outbreak of other communicable diseases, including epidemics and pandemics.

The enactment of government policies and restrictions on the circulation of people and/or the operations of certain sectors of the economy led to a strong decline on demand (especially in 2020) and disruptions in the supply and value chains. The dissemination of COVID-19 also made us change our businesses' practices, including additional hygienic practices for workplaces and employees and the adoption of remote working, considering the best interests and safety of our workforce, customers, and business partners. In addition, the COVID-19 pandemic has affected business and economic sentiment, causing significant volatility in global capital and commodity markets, and affecting the outlook of the economy of Brazil and other countries.

The implemented measures of social distancing, restrictions on the mobility of people and the operation of certain businesses due to the COVID-19 pandemic affected economic activity in Brazil over the last few years; however, these negative impacts were mitigated as local governments gradually lifted such restrictions in response to the increase in COVID-19 vaccinations. No significant effects were observed on the operations of the Company and its subsidiaries for the year ended December 31, 2022.

A global pandemic can also precipitate or exacerbate the other risks described in this annual report, which in turn could further materially and adversely affect our businesses, financial condition, results of operations, cash flows, prospects and the market price of our securities, including in ways not currently known or considered by us to present material risks.

We are subject to extensive federal and state legislation and regulation by governmental agencies responsible for implementing environmental and health laws and policies in Brazil.

Like other similar companies, our subsidiaries must obtain permits for its industrial facilities from the appropriate environmental agencies, which may create additional regulations for our operations by prescribing specific environmental standards in their operating licenses.

Changes in these laws and regulations, or in their enforcement, may adversely affect the Company by increasing its compliance and operating costs. Furthermore, additional new laws and regulations, as well as more stringent interpretation of existing laws and regulations, may require additional investments for the Company to maintain its operations in compliance with legislation, which could increase costs and adversely affect results.

In addition to regulatory issues, our environmental risks are mainly related to the use of water (especially in areas of water scarcity), the generation and disposal of waste and the contamination of soil and water.

In our operations, water is mainly used in emergencies involving fires. Our operations also generate waste, such as contaminated waste, civil construction waste, and others. Finally, soil and water contamination can occur due to leaks from products stored and transported by the group's companies. The occurrence of such events could result in fines, loss of operating licenses and reputational harm, consequently affecting our results and financial position.

Our businesses, financial condition and results of operations may be materially and adversely affected by a general economic downturn and by instability and volatility in the financial markets, including as a result of the conflict between Ukraine and Russia.

The turmoil of the global financial markets and the scarcity of credit in the past led to lack of consumer confidence, increased market volatility and widespread reduction of business activity. An economic downturn could materially and adversely affect the liquidity, businesses and/or financial conditions of our customers, which could in turn result not only in decreased demand for our products, but also increased delinquencies in our accounts receivable.

On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops was reported. Since then, global markets have been experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between these countries. Although the length and impact of the ongoing military conflict are highly unpredictable, the conflict in Ukraine has led and could further lead to market disruptions, including significant volatility in commodity prices, including crude oil and natural gas, which could impact the prices of LPG and oil-based fuel, and demand in the markets in which we operate. Additionally, governments in the United States and many other countries have imposed economic sanctions on certain Russian individuals, including politicians, and Russian corporate and banking entities. These sanctions, or even the threat of further sanctions, could result in Russia taking countermeasures or retaliatory actions which may lead to further market disruptions and an increase in crude oil and natural gas prices globally, which could negatively impact our businesses and operations.

Moreover, an eventual new global financial crisis could have a negative impact on our cost of borrowing and on our ability to obtain future borrowings. The disruptions in the financial markets could also lead to a reduction in available trade credit, due to counterparties' liquidity concerns. If we experience a decrease in demand for our products or an increase in delinquencies in our accounts receivable, or if we are unable to obtain borrowings our businesses, financial condition and results of operations could be materially adversely affected.

Our insurance coverage may be insufficient to cover losses that we might incur.

The specialized distribution and retail, as well as the operations of logistics of oil, LPG and fuels involve substantial risks of property damage and personal injury and may result in material costs and liabilities. Although we maintain insurance policies, the occurrence of losses or other liabilities that are not covered by insurance or that exceed the limits of our insurance coverage could result in significant unexpected additional costs.

The suspension, cancellation or non-renewal of certain tax benefits may adversely affect our results of operations.

Currently, we are entitled to tax benefits providing for income tax reduction for our activities in the Northeast region of Brazil, subject to certain conditions. Conversely, if the corresponding tax authorities understand that we have not complied with any of the tax benefit requirements or if the current tax programs from which we benefit are modified, suspended, cancelled, not renewed or renewed under terms that are substantially less favorable than expected, we may become liable for the payment of related taxes at the full tax rates and our results of operations may be adversely affected. Income tax exemptions amounted to R\$93.4 million, R\$47.1 million and R\$46.1 million, for the years ended December 31, 2022, 2021 and 2020, respectively. See "Item 4.B. Information on the Company–Business overview–Industry and regulatory overview–A. Distribution of liquefied petroleum gas–Ultragas–Income tax exemption status" and "Item 4.B. Information on the Company –Business overview–Industry and regulatory overview–B. Storage services for liquid bulk –Ultracargo–Income tax exemption status."

No single shareholder or group of shareholders holds more than 50% of our capital stock, which may increase the opportunity for alliances between shareholders and other events that may occur as a result thereof.

No single shareholder or group of shareholders holds more than 50% of our capital stock. Due to the absence of a controlling shareholder, we may be subject to future alliances or agreements between shareholders, which may result in the exercise of a relevant influence over our Company by them. In the event a controlling group is formed and decides to exercise its influence over our Company, we may be subject to unexpected changes in our corporate governance and strategies, including the replacement of key executive officers. Any unexpected change in our management team, business policy or strategy, any dispute between our shareholders, or any attempt to acquire control of our Company may have an adverse impact on us. The term of office of our current Board of Directors, the members of which were elected at the Annual and Extraordinary General Shareholders' Meeting held on April 19, 2023, will expire in the Annual General Shareholders' Meeting to be held in 2025. Consequently, a new composition of the Board of Directors might be elected by our shareholders.

As a result of acquisitions, Ultrapar has assumed and may assume in the future certain liabilities related to the businesses acquired or to be acquired. Additionally, Ultrapar has assumed and may assume certain risks associated with acquisitions and divestments, including regulatory risks.

Ultrapar has assumed certain liabilities of previously acquired businesses; therefore, certain existing financial obligations, legal liabilities or other known and unknown contingent liabilities or risks of the businesses acquired have become Ultrapar's responsibility. Ultrapar may acquire new businesses in the future and, as a result, it may be subject to additional liabilities, obligations and risks. See "Item 4.A. Information on the Company—History and development of the Company" for more information in connection with these acquisitions.

In addition, Ultrapar is subject to risks relating to acquisitions and divestments that it enters into from time to time. Such risks include that the approval of such transactions may ultimately be refused by the relevant regulatory bodies, including CADE.

These liabilities may cause Ultrapar to be required to make payments (including indemnifications and future claims in judicial and arbitral proceedings), incur charges or take other actions that may adversely affect our financial position and results of operations and the price of our shares.

For example, the sale of Oxitenio to Indorama was closed on April 1, 2022, and the sale of Extrafarma to Pague Menos was closed on August 1, 2022. Thus, these two companies ceased to be consolidated as subsidiaries of Ultrapar and we no longer control their management or operations since then. However, under the applicable sale agreements, we will remain liable for certain previously existing financial obligations, legal liabilities or other known and unknown contingent liabilities or risks associated with Oxitenio and Extrafarma that may, if materialized, adversely affect our businesses, operations and/or results. In addition, as of December 31, 2022, the payment installments due by Indorama and Pague Menos amounted to US\$150.0 million (equivalent to R\$783.0 million as of December 31, 2022) and two installments of R\$182.7 million, respectively. If Indorama and/or Pague Menos fail to make these payments, we would be adversely affected.

The founding family and part of our senior management, through their ownership interest in Ultra S.A. and Parth, own a significant portion of our shares and may influence the management, direction and policies of Ultrapar, including the outcome of any matter submitted to the vote of shareholders.

Although there is no controlling shareholder of Ultrapar, the founding family and part of our senior management, through their ownership interest in Ultra S.A., beneficially own 25.1% of our outstanding common stock. Ultra S.A., together with Parth, another branch of the Igel family, entered into a shareholders' agreement on May 2, 2018 relating to their Ultrapar shares. On August 18, 2020, Ultra S.A. and Parth entered into the 2020 Shareholders' Agreement to include Pátria, in its capacity as Ultra S.A.'s shareholder then holding a 20% stake in Ultra S.A.'s capital stock, as consenting intervening party, therefore bound by the provisions of the 2020 Shareholders' Agreement. The 2020 Shareholders' Agreement replaced the 2018 Shareholders' Agreement in its entirety, and the terms and conditions remain substantially the same of the latter. On September 28, 2021, Ultra S.A. informed the Company that Mr. Marcos Marinho Lutz, our Chief Executive Officer, had become a shareholder of Ultra S.A., holding 2.4% of its capital stock, and also had become a consenting intervening party of the 2020 Shareholders' Agreement. A total of 34.7% of the Company's capital stock is bound by the 2020 Shareholder's Agreement as of April 14, 2023.

See "Item 4.A. Information on the Company—History and development of the Company", "Item 7.A. Major shareholders and related party transactions—Major shareholders—Shareholders' Agreements" and "Exhibit 2.10—Shareholders' Agreement dated August 18, 2020." Accordingly, these shareholders, acting together through Ultra S.A. and Parth, may exercise significant influence over all matters requiring shareholder approval, including the election of our directors.

Our status as a holding company may limit our ability to pay dividends on the shares and consequently, on the ADSs.

As a holding company, we have no significant operating assets other than the ownership of shares of our subsidiaries. Substantially all of our operating income comes from our subsidiaries, and therefore we depend on the distribution of dividends or interest on shareholders' equity from our subsidiaries. Consequently, our ability to pay dividends depends solely upon our dividends and other cash flows from our subsidiaries.

Failure to comply with, obtain or renew the licenses and permits required for each of the sectors in which we operate may have a material adverse effect on us.

The Company's subsidiaries are in a constant process of obtaining or renewing the required permits to operate. Our subsidiaries must obtain and maintain such licenses and permits from different public bodies for the continuity of their activities. If the Company's subsidiaries are unable to obtain or renew all licenses and permits necessary to conduct their businesses and operations, the absence of such licenses could materially and adversely affect the Company's businesses, financial condition, and results of operations.

Our governance and compliance processes may fail to prevent regulatory penalties and reputational harm.

Our governance and compliance processes, which include reviewing internal controls over financial reporting, may not prevent future violations of applicable legal, anti-corruption, antitrust and conflicts of interest laws and regulations, accounting or governance standards. We may be subject to legal and regulatory violations and to breaches of our Code of Ethics, anti-corruption policies and commercial conduct protocols, and to instances of fraudulent behavior, corrupt, anticompetitive and unethical practices and dishonesty by our employees, contractors or other agents. In the recent past, anticompetitive practices have been one of the main problems affecting fuels and LPG distributors in Brazil, including Ipiranga and Ultragaz. There are allegations of cartels involved in price fixing in the fuel distribution and LPG sectors, and CADE has been targeting players of these sectors in different regions of Brazil. CADE has been actively investigating these sectors and a negative outcome of the ongoing investigations, administrative proceedings and lawsuits could have a material adverse effect on Ipiranga and Ultragaz. Our failure to comply with applicable laws and other standards could subject us to, among others, litigation, investigations, expenses, fines, loss of operating licenses and reputational harm. For more information about ongoing proceedings, see "Item 8.A. Financial information–Consolidated statements and other financial information–Legal proceedings."

In addition, our management is responsible for establishing and maintaining adequate internal controls over financial reporting as defined under the Exchange Act. During our assessment of our internal controls over financial reporting as of December 31, 2022, we identified a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. For more information, see "Item 15. Controls and Procedures". If our efforts to remedy any identified inconsistencies and/or weaknesses are not sufficient, we could continue to experience material weaknesses in our internal controls in future periods which could result in a material misstatement in our consolidated financial statements.

Information technology failures, including those that affect the privacy and security of personal data, as a result of cyber-attacks or other causes, could adversely affect our businesses and the market price of our shares and ADSs.

We increasingly rely on information technology systems to process, transmit, and store electronic information. A significant portion of the communication between our personnel, customers, and suppliers depends on information technology. In addition, our billing systems relies heavily on technology infrastructure. As with all large systems, our information systems may be vulnerable to a variety of interruptions, due to events beyond our control including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hacker attacks, human errors or other security issues.

We depend on information technology to enable us to operate efficiently and interface with customers, as well as to maintain in-house management and control. We also collect and store non-public personal information that customers provide to purchase products or services, including personal information and payment information.

In addition, the concentration of processes in shared services centers means that any technology disruption could impact a large portion of our businesses within the operating regions we serve. Any transition of processes to, from or within shared services centers as well as other transformational projects, could lead to businesses' disruptions. If we do not allocate, and effectively manage, the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, loss of customers, operations disruptions, or the loss of or damage to intellectual property caused by security breach. As with all information technology systems, our system could also be penetrated by outside parties with the purpose of extracting information, corrupting information, or disrupting businesses' processes.

In Brazil, we are subject to laws and regulations regarding data protection and privacy, including Brazilian Law No. 13,709/18 (Brazilian General Data Protection Law) or LGPD, which came into force on September 18, 2020. Inspired by the General Data Protection Regulation of the European Union, the LGPD sets forth a comprehensive set of rules on how companies, organizations and public authorities collect, use, process and store personal data when carrying out their activities.

The LGPD sets out a legal framework for the processing of personal data and provides, among others, for the rights of data subjects, the legal bases applicable to the protection of personal data, the requirements for obtaining consent, the obligations and requirements related to data breaches, requirements for international data transfers, among others. The LGPD also created the *Autoridade Nacional de Proteção de Dados* (National Data Protection Authority), or ANPD, responsible for enforcing the law. Most provisions of the LGPD entered into effect on September 18, 2020, while the provisions relating to administrative sanctions came into effect on August 1, 2021. On October 29, 2021, the Regulation on Supervision and Sanctioning Procedures approved by the ANPD was published, which governs, among other things, how the administrative sanctions provided for in the LGPD should be applied.

LGPD requires mandatory breach notification in case of relevant risk or damage to data holders and authorizes regulatory investigations that could lead to fines and other sanctions in case of non-compliance. As of the date of this annual report, we are not aware of any ongoing regulatory investigations affecting us. However, we cannot assure that we will not be subject to any such investigations and any resulting sanctions in the future, should any breaches take place.

LGPD, as well as any other changes to existing personal data protection laws, may subject us to, among other measures, additional costs and expenses, which would require costly changes to our businesses practices and security systems, policies, procedures and practices.

Our protections may be compromised as a result of third-party security breaches, burglaries, cyberattack, errors by employees or employees of third-party vendors, contractors, misappropriation of data by employees, vendors or unaffiliated third parties, or other irregularities that may result in persons obtaining unauthorized access to company data or otherwise disrupting our businesses.

For example, on January 11, 2021, an unauthorized party disrupted access to our IT systems, which caused a temporary interruption to our operations and resulted in the theft of certain proprietary data. On January 14, 2021, we began restoring the systems that were affected by this incident and all critical information systems have been fully operational since February 2021. No material impacts were incurred by the Company as a result of this event.

As of the date of this annual report, the Company does not carry insurance against cyber incidents. Therefore, similar interruptions, data breaches or any noncompliance with LGPD could have an adverse effect on our businesses, reputation, results of operations, cash flows or financial condition, or result in proceedings or actions against us, including the imposition of fines.

The production, storage and transportation of LPG and other fuels are inherently hazardous activities.

The operations performed by Ultrapar's businesses involve safety and other operational risks, including the handling, production, storage and transportation of highly flammable, explosive and toxic materials. These risks can result in bodily injury or death, damage to or destruction of facilities or equipment, and environmental damage. A sufficiently large accident at one of the service stations or storage facilities could force temporary suspension of activities at the site, resulting in significant remediation costs, lost revenues, and contingent liabilities. In addition, insurance coverage may not be available in a timely manner or may be insufficient to cover all losses. Equipment breakdowns, natural disasters and delays in obtaining imported products or spare parts or equipment could also affect the production process and, consequently, the results of operations and our reputation.

Risks relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. Brazilian political and economic conditions, including ongoing political instability and perceptions of these conditions in the international markets, could adversely affect our businesses and the market price of our shares and ADSs.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes substantial changes in policy and regulations. The Brazilian government's actions to control inflation and affect other policies and regulations have involved price and wage controls, currency devaluations, capital controls, strong fiscal adjustments, and limits on imports, among other measures. Our businesses, financial condition and results of operations may be adversely affected by changes in policy or regulations involving or affecting tariffs, exchange controls and other matters, as well as factors such as:

- Currency fluctuations;
- Inflation;
- Interest rates;
- Exchange rate policies;
- Liquidity available in the domestic capital, credit and financial markets;
- Oil and gas sector regulations, including price policies;
- Payment business regulations;
- The impact of epidemics and pandemics;
- Price instability;
- Social and political instability;
- Energy and water shortages and rationing;
- Liquidity of domestic capital and lending markets;
- Fiscal policy;
- Overturning of final judicial rulings on tax cases; and
- Other political, economic, social, trade and diplomatic developments in or affecting Brazil.

Uncertainty over whether the Brazilian government may implement changes in policy, including with respect to the oil and gas industry, or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and securities issued abroad by Brazilian issuers, as well as heightened volatility in the *Real*. These and other future developments in the Brazilian economy or government policies may adversely affect us and our businesses as well as our results of operations and may adversely affect the trading price of our ADSs and shares. Furthermore, the Brazilian government may enact new regulations that may adversely affect our businesses and us.

Uncertainty regarding whether the Brazilian government will implement policy and regulatory changes may be compounded by political instability. Historically, Brazilian politics have affected the performance of the Brazilian economy. Political crises have affected and continue to affect the confidence of investors and the general public and have historically resulted in economic deceleration and heightened volatility in the securities issued by Brazilian companies. Additionally, political instability in Brazil has been growing in recent years, which has contributed to a decline in market confidence in the Brazilian economy as well as to a deteriorating political environment.

In the aftermath of the 2022 election results, there were mass protests and demonstrations throughout Brazil highlighting a deeply polarized electorate amidst a political climate characterized by uncertainty as the country awaited definition regarding the political and economic agenda of the new administration, which contributed to increased macroeconomic and political instability. Furthermore, on January 8, 2023, protesters stormed government buildings in Brasília, Brazil's capital, including the Congress, the Supreme Court and the Presidential Palace, which prompted the Supreme Court to order participants and certain politicians to be imprisoned and resulted in new investigations. It is unclear whether this heightened state of political and social tension will dissipate or intensify in coming months, which could contribute to increased macroeconomic and political instability.

Further, in recent years some of Brazil's leading politicians were targets of inquiries involving corruption, misconduct of public management, including through a Parliamentary Committee Inquiry (or "CPI", *Comissão Parlamentar de Inquérito*) which focused on the handling of the COVID-19 pandemic, as well as the potential misuse of government funds. The potential outcome of these and other inquiries, as well as potential new inquiries involving Brazilian politicians that may arise are uncertain, but they had, and still may have a negative impact on the general perception of the Brazilian economy and consequently have adversely affected and may continue to affect our businesses, financial condition, and results of operations, as well as the market price of our common shares.

In addition, we cannot predict the scope, nature and impact of any policy changes or reforms (or reversals thereof) that the president-elect's new administration will implement, which could result in further political and economic instability and negatively impact the regulatory framework in which we operate, which in turn could adversely affect our businesses, financial condition and operating results.

Since 2014, Brazil's federal budget has been in primary deficit, with 2022 being the only exception. Similarly, the governments of Brazil's constituent states are also facing fiscal concerns due to their high debt burdens, declining revenues and inflexible expenditures.

A failure by the Brazilian government to implement necessary reforms may result in diminished confidence in the Brazilian government's budgetary condition and fiscal stance, which could result in downgrades of Brazil's sovereign foreign credit rating by credit rating agencies and the rise of risk premium, negatively impacting Brazil's economy, and leading to further depreciation of the Real and an increase in inflation and interest rates, adversely affecting our businesses, financial condition and results of operations.

We cannot predict which policies will be adopted by the Brazilian government, including with respect to the oil and gas industry. Moreover, in the past, the Brazilian economy has been affected by the country's political events, which have also affected the confidence of investors and the public in general, thereby adversely affecting the performance of the Brazilian economy. Furthermore, any indecisiveness by the Brazilian government in implementing changes to certain policies or regulations may contribute to economic uncertainty in Brazil and heightened volatility for the Brazilian securities markets and securities issued abroad by Brazilian companies. We are not able to fully estimate the impact of global and Brazilian political and macroeconomic developments on our businesses. In addition, there is substantial uncertainty regarding future economic policies, and we cannot predict which policies will be adopted by the Brazilian government and whether these policies will negatively affect the economy or our businesses or financial performance. Recent economic and political instability has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets, which also may adversely affect our securities and us. Any continued economic instability and political uncertainty which results in reduced availability of credit and reduced economic growth may materially and adversely affect our businesses.

Further, on February 8, 2023, the STF decided that final judicial rulings on individual tax cases can be overturned, thus allowing for situations in which companies that had obtained the right not to pay certain taxes may become liable for their payment, including for the payment of back taxes, if the STF later finds that the tax is legal. We cannot predict whether any tax benefit or tax that we obtained the right not to pay will be charged or even charged retroactively, which in turn could adversely affect our businesses, financial condition, results of operations and cash flows. For more information about this decision, see "Item 4.A. Information on the Company—History and development of the Company—Recent developments."

Inflation and certain governmental measures to curb inflation, including as a result of the COVID-19 pandemic, may contribute significantly to economic uncertainty in Brazil and could harm our businesses and the market value of the ADSs and our shares.

Since the introduction of the *Real* in 1994, Brazil's inflation rate has been substantially lower than that in previous periods. However, during the recent past, the economy has experienced increasing inflation rates and actions taken in an effort to curb inflation, coupled with economic and political impacts derived from COVID-19 crisis and speculation about possible future governmental actions, have contributed to economic uncertainty in Brazil and heightened volatility in the Brazilian securities market. According to the IGP-M, an inflation index, the Brazilian general price inflation rate was 5.5% in 2022, 17.8% in 2021 and 23.1% in 2020. According to the IPCA, an inflation index to which Brazilian government's inflation targets are linked, inflation in Brazil was 5.8% in 2022, 10.1% in 2021 and 4.5% in 2020. Brazil may experience high levels of inflation in the future. Our operating expenses are substantially in *Reais* and tend to increase with Brazilian inflation. Inflationary pressures, due to low interest rates and exchange rate depreciation may also hinder our ability to access foreign financial markets or may lead to further government intervention in the economy, including the introduction of government policies that could harm our businesses or adversely affect the market value of our shares and, as a result, our ADSs.

Exchange rate instability may adversely affect our financial condition, results of operations and the market price of the ADSs and our shares.

A significant portion of the products that we distribute, including LPG and fuels, have prices linked to commodity prices denominated in U.S. dollars. Therefore, we are exposed to foreign exchange rate risks that could adversely affect our businesses, financial condition and results of operations as well as our capacity to service our debt. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

During the last decades, the Brazilian government has implemented various economic plans and a number of exchange rate policies, including sudden devaluations, periodic mini-devaluations during which the frequency of adjustments has ranged from daily to monthly, floating exchange rate systems, exchange controls and dual exchange rate markets. Although over long periods depreciation of the Brazilian currency has been generally correlated with the rate of inflation in Brazil, there have historically been observed shorter periods of significant fluctuations in the exchange rate between the *Real* and the U.S. dollar and other currencies, in particular in the last 10 years.

In 2020, the *Real* depreciated 29% against the U.S. dollar, mainly due to the low interest rate environment in Brazil coupled with local and international market conditions, including the economic, political and other impacts of the COVID-19 pandemic. In 2021, the *Real* depreciated 7% against the U.S. dollar, mainly due to the slow recovery of Brazil from the economic downturn, the increase in global inflation and fiscal risks in the country. In 2022, the reopening of the economy after the restrictions imposed by the coronavirus pandemic in 2021, added to the stimulus packages, the evolution of public accounts and financial support policies for the population contributed to the improvement of the economy's performance and resulted in the appreciation of 7% of the *Real* against the U.S. dollar.

There are no guarantees that the exchange rate between the *Real* and the U.S. dollar will stabilize at current levels, and the *Real* and the U.S. dollar exchange rate may be adversely impacted by the economic and fiscal scenario. Although we have contracted hedging instruments with respect to part of our existing U.S. dollar debt obligations, in order to reduce our exposure to fluctuations in the U.S. dollar/*Real* exchange rate, we cannot guarantee that such instruments will be adequate to fully protect us against further devaluation of the *Real*, and we could in the future experience monetary losses as a result. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk" for information about our foreign exchange risk hedging policy.

Depreciations of the *Real* relative to the U.S. dollar can create additional inflationary pressures in Brazil that may negatively affect us. Depreciations generally curtail access to foreign financial markets and may prompt government intervention, including recessionary governmental policies. Depreciations also reduce the U.S. dollar value of distributions and dividends on the ADSs and the U.S. dollar equivalent of the market price of our shares and, as a result, the ADSs. On the other hand, appreciation of the *Real* against the U.S. dollar may lead to a deterioration of the country's current account and the balance of payments, as well as to a dampening of export-driven growth.

Economic and market conditions in other countries, including in the United States and emerging market countries, may materially and adversely affect the Brazilian economy and, therefore, our financial condition and the market price of the shares and ADSs.

The market for securities issued by Brazilian companies is influenced by economic and market conditions in Brazil, and to varying degrees, market conditions in other countries, including the United States, other Latin American and emerging market countries. Although economic conditions are different in each country, the reaction of investors to developments in one country may cause the capital markets in other countries to fluctuate. Developments or conditions in other countries, including the United States and other emerging market countries, have at times significantly affected the availability of credit in the Brazilian economy and resulted in considerable outflows of funds and declines in the amount of foreign currency invested in Brazil, as well as limited access to international capital markets, all of which may materially and adversely affect our ability to borrow funds at an acceptable interest rate or to raise equity capital when and if we should have such a need.

In 2022, 2021 and 2020, the Brazilian market remained volatile due to, among other factors, uncertainties about the increasing risk aversion to emerging market countries, the COVID-19 pandemic, and the uncertainties regarding Brazilian macroeconomic and political conditions. These uncertainties adversely affected us and the market value of our securities. In addition, we continue to be exposed to disruptions and volatility in the global financial markets because of their effects on the financial and economic environment, particularly in Brazil, such as a slowdown in the economy, an increase in the unemployment rate, a decrease in the purchasing power of consumers and the lack of credit availability.

Disruption or volatility in the global financial markets, including as a result of the military conflict between Russia and Ukraine, could further increase negative effects on the financial and economic environment in Brazil, which could have a material adverse effect on our businesses, results of operations and financial condition.

Holders of our ADSs may face difficulties in serving process on or enforcing judgments against us and other relevant persons.

We are a company incorporated under the laws of Brazil. All members of our Board of Directors, executive officers and experts named in this annual report are residents of Brazil or have business address in Brazil. All or a substantial part of the assets pertaining to these individuals and to Ultrapar are located outside the United States. As a result, it is possible that investors may not be able to effect service of process upon these individuals or us in the United States or other jurisdictions outside Brazil or enforce judgments against us or these other persons obtained in the United States or other jurisdictions outside Brazil, including for civil liability based upon United States federal securities laws or otherwise. In addition, because judgments of United States courts for civil liabilities based upon the United States federal securities laws may only be enforced in Brazil if certain conditions are met, holders may face greater difficulties in protecting their interests in the case of actions against us or our Board of Directors or executive officers than would shareholders of a United States corporation.

Due to concerns about the risks of climate change, a number of countries, including Brazil, have adopted or are considering adopting regulatory frameworks which could adversely affect our businesses, financial condition and results of operations.

New laws and regulatory frameworks adopted by countries in response to concerns about climate change include the adoption of cap and trading carbon market system, taxes on carbon emissions, increased efficiency standards, bans on vehicles running on petroleum-based fuels, and incentives or requirements for the use of renewable energy. Such requirements can reduce the demand for hydrocarbon fuels at different rates and levels in each of the regions where our customers are located, as well as lead to a replacement of their demand with lower carbon sources. In addition, many governments are offering tax breaks and providing other subsidies and guidelines to make alternative energy sources more competitive with oil and gas, which may discourage the sale of certain products supplied by the Company's subsidiaries.

Governments around the world have been encouraging the development of new technologies and companies have also been promoting research to reduce the cost and increase the scale of production of alternative energy sources, which could reduce demand for the Company's products. In addition, current regulations on GHG, or regulations that may eventually be approved, could substantially increase the Company's compliance costs and thus increase the prices of the products that it produces or distributes.

Furthermore, discussions about carbon pricing, whether by emissions trading or taxation, are gaining momentum in Brazil. In 2022, the Brazilian government approved the Federal Decree 11,075/22, which establishes the procedures for the preparation of sectoral plans for the mitigation of climate change and creates the *Sistema Nacional de Redução de Emissões de Gases Estufa* (national system for reduction of GHG emissions). We cannot predict the scope, nature and impact of any policy changes or reforms related to the carbon market, which could result in higher costs, lower operational margins and, in turn, could adversely affect our businesses, financial condition and operating results.

We may be adversely affected by the imposition and enforcement of more stringent environmental laws and regulations, including as a result of rising climate change concerns, that may result in increased costs of operation and compliance, as well as a decrease in demand for our products.

In December 2016, the Ministry of Mines and Energy (MME), seeking to fulfill the commitments made at the 2014 United Nations Climate Change Conference (COP 21), launched RenovaBio, a program aimed at reducing carbon emissions and encouraging the production of biofuels in Brazil, such as ethanol, biodiesel, biogas and aviation biofuel. Under this program, biofuel producers and importers duly certified by the ANP issue CBios based on their sales and purchase invoices, while fossil fuel distributors receive annual decarbonization targets based on the proportion of fossil fuels they sell, which can only be met by purchasing CBios.

CBios are traded freely on B3, and their prices are set by market supply and demand, which can be influenced, among other factors, by unexpected regulatory changes, such as the postponement of the CBios purchase targets announced by the Brazilian government in July 2022. Because CBios prices can be highly volatile and targets increase annually, we cannot predict whether we will be able to successfully pass through the costs of our CBios to resellers, which could adversely affect our operations, market share, financial condition, and results. The possible unavailability of CBios or our inability to meet these targets may result in administrative penalties and the blocking of operating licenses. In addition, the Brazilian government is reviewing the RenovaBio's guidelines, and we cannot predict how these possible changes may affect us.

If we do not invest in research and development of new, less carbon intensive solutions and adapt our operating structure to operate with cleaner energy sources, we may incur higher compliance and operating costs, which may have an adverse effect on our competitiveness and revenues.

In addition, if we violate environmental laws and regulations, we may face reputational damage with consumers, our business customers, investors, the communities in which we operate and other stakeholders, which could adversely affect our access to capital, revenues, and ability to obtain the necessary permits to conduct our operations.

Floods, storms, windstorms, rise in sea level and other climate change events could bring harm to our facilities, thus affecting our financial position and results of our operations.

Floods, storms, and windstorms can cause production stoppages, interrupt supplies, and damage physical structures. The rise in sea levels is also a risk to our operations since our companies have assets in coastal regions and ports.

Risks relating to the shares and the american depositary shares

Asserting limited voting rights as a holder of ADSs may prove more difficult than for holders of our common shares.

Under the Brazilian Corporate Law, only shareholders registered as such in our corporate books may attend shareholders' meetings. All common shares underlying the ADSs are registered in the name of the depositary bank. A holder of ADSs, accordingly, is not entitled to attend shareholders' meetings. A holder of ADSs is entitled to instruct the depositary bank as to how to exercise the voting rights of its common shares underlying the ADSs in accordance with procedures provided for in the Deposit Agreement, but a holder of ADSs will not be able to vote directly at a shareholders' meeting or appoint a proxy to do so. In addition, a holder of ADSs may not have sufficient or reasonable time to provide such voting instructions to the depositary bank in accordance with the mechanisms set forth in the Deposit Agreement and custody agreement, and the depositary bank will not be held liable for failure to deliver any voting instructions to such holders.

Holders of our shares or ADSs may not receive dividends.

Under the Brazilian Corporate Law and our Bylaws, unless otherwise proposed by the Board of Directors and approved by the voting shareholders at our Annual General Shareholders' Meeting, we must pay our shareholders a mandatory distribution equal to at least 25% of our adjusted net profit, after the allocation of 5% of the net profit to the legal reserve. However, our net income may be used to increase our capital stock, used to set off losses and/or otherwise retained in accordance with the Brazilian Corporate Law and may not be available for the payment of dividends, including in the form of interest on shareholders' equity. Therefore, whether you receive a dividend or not depends on the amount of the mandatory distribution, if any, and whether the Board of Directors and the voting shareholders exercise their discretion to suspend these payments. See "Item 8.A. Financial information-Consolidated statements and other financial information-Dividends and Distribution Policy-Dividend Policy" for a more detailed discussion of mandatory distributions.

Holders of our shares may be unable to exercise preemptive rights with respect to the shares.

In the event that we issue new shares pursuant to a capital increase or offer rights to purchase our shares, shareholders would have preemptive rights to subscribe for the newly issued shares or rights, as the case may be, corresponding to their respective interest in our share capital, allowing them to maintain their existing shareholder percentage.

However, our Bylaws establish that the Board of Directors may exclude preemptive rights to the current shareholders or reduce the time our shareholders have to exercise their rights, in the case of an offering of new shares to be sold on a registered stock exchange or otherwise through a public offering.

The holders of our shares or ADSs may be unable to exercise their preemptive rights in relation to the shares represented by the ADSs, unless we file a registration statement for the offering of rights or shares with the SEC pursuant to the United States Securities Act or an exemption from the registration requirements applies. We are not obliged to file registration statements in order to facilitate the exercise of preemptive rights and, therefore, we cannot assure ADS holders that such a registration statement will be filed. As a result, the equity interest of such holders in our Company may be diluted. If the rights or shares, as the case may be, are not registered as required, the depositary will try to sell the preemptive rights held by holder of the ADSs and you will have the right to the net sale value, if any. However, the preemptive rights will expire without compensation to you should the depositary not succeed in selling them.

If shareholders exchange ADSs for shares, they may lose certain foreign currency remittance and Brazilian tax advantages.

The ADSs benefit from the depositary's certificate of foreign capital registration, which permits the depositary to convert dividends and other distributions with respect to the shares into foreign currency and remit the proceeds abroad. In order to surrender ADSs for the purpose of withdrawing the shares represented thereby, investors are required to comply with National Monetary Council ("CMN") Resolution 4,373 of September 29, 2014 ("CMN Resolution 4,373"), which requires, among other things, that investors appoint a legal representative in Brazil. If the investors fail to comply with CMN Resolution 4,373, or the legal representative appointed by the investors fails to comply with CMN Resolution 4,373 or to take action when required to do so, it could affect the investors' ability to receive dividends or distributions relating to our shares or the return of their capital in a timely manner. Investors that are registered as CMN Resolution 4,373 investors may buy and sell their shares on the Brazilian stock exchanges without obtaining separate certificates of registration. If investors do not qualify under CMN Resolution 4,373, they will generally be subject to less favorable tax treatment on distributions with respect to the shares. The depositary's certificate of registration or any certificate of foreign capital registration obtained by the investor may be affected by future legislative or regulatory changes, and additional Brazilian law restrictions applicable to their investment in the ADSs may be imposed in the future. For a more complete description of Brazilian tax regulations, see "Item 10.E. Additional information-Taxation-Brazilian tax considerations."

Changes in Brazilian tax laws may have an adverse impact on the taxes applicable to a disposition of our ADSs.

According to Article 26 of Brazilian Law No. 10,833/03, if a holder not deemed to be domiciled in Brazil for Brazilian tax and regulatory purposes, or a non-Brazilian holder, disposes of assets located in Brazil, the transaction will be subject to taxation in Brazil, even if such disposition occurs outside Brazil or if such disposition is made to another non-Brazilian holder. A disposition of our ADSs involves the disposal of a non-Brazilian asset, which in principle should not be subject to taxation in Brazil. Nevertheless, in the event that the disposal of assets is interpreted to include a disposal of our ADSs, this tax law could result in the imposition of the withholding income tax on a disposal of our ADSs between non-residents of Brazil. See "Item 10.E. Additional information—Taxation—Brazilian tax considerations—Taxation of gains."

Substantial sales of our shares or our ADSs could cause the price of our shares or our ADSs to decrease.

The shareholders of Ultra S.A. and Parth, which together owned 33.5% of our outstanding shares (excluding shares held in treasury) as of April 14, 2023, have the right to exchange their shares of Ultra S.A. and Parth for shares of Ultrapar and freely trade them in the market as more fully described under "Item 7.A. Major shareholders and related party transactions—Major shareholders—Shareholders' Agreements." Other shareholders, who may freely sell their respective shares, hold a substantial portion of our remaining shares. A sale of a significant number of shares could negatively affect the market value of the shares and ADSs. The market price of our shares and the ADSs could drop significantly if the holders of shares or the ADSs sell them or the market perceives that they intend to sell them.

There may be adverse U.S. federal income tax consequences to U.S. holders if we are or become a PFIC under the Code.

If we were characterized as a PFIC, in any year during which a U.S. holder holds our shares or ADSs, certain adverse U.S. federal tax income consequences could apply to that person. Based on the manner in which we currently operate our businesses, the projected composition of our income and valuation of our assets, and the current interpretation of the PFIC rules, including the Commodity Exception, we do not believe that we were a PFIC in 2022 and we do not expect to be a PFIC in the foreseeable future. However, because PFIC classification is a factual determination made annually and is subject to change and differing interpretations, there can be no assurance that we will not be considered a PFIC for the current taxable year or any subsequent taxable year. U.S. holders should carefully read "Item 10.E. Additional information—Taxation—U.S. federal income tax considerations" for a description of the PFIC rules and consult their tax advisors regarding the likelihood and consequences of us being treated as a PFIC for U.S. federal income tax purposes.