

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

WEG S.A.

Individual and Consolidated
Interim Financial Information for
the Quarter Ended June 30, 2020 and
Report on Review of Quarterly Information

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF QUARTERLY INFORMATION

To the Shareholders and Management of
WEG S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of WEG S.A. (the "Company"), identified as Parent and Consolidated, respectively, included in the Quarterly Information Form - ITR for the quarter ended June 30, 2020, which comprises the balance sheet as at June 30, 2020, and the statements of profit and loss and of comprehensive income for the three-month and six-month periods then ended and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Quarterly Information Form - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information Form - ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and the international standard IAS 34, applicable to the preparation of Quarterly Information Form - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

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Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added - DVA, for the six-month period ended June 30, 2020, prepared under the responsibility of the Company's Management and disclosed as supplemental information for international standard IAS 34 purposes. These statements were subject to review procedures performed together with the review of the Quarterly Information Form - ITR, in order to conclude as to whether these individual and consolidated statements of value added are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added are not prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Joinville, July 20, 2020


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Otávio Ramos Pereira
Engagement Partner

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Company information/Composition of capital**Number for shares
(Units)****Current quarter
06/30/2020****Paid-in capital**

Common shares	2,098,658,999
Preferred shares	0
Total	2,098,658,999

Treasury shares

Common shares	959,216
Preferred shares	0
Total	959,216

Company information/Cash dividends

Event	Approval	Type	Date of payment	Type of share	Class of share	Amount per share - (Reais/share)
Board of Directors' Meeting	03/17/2020	Interest on capital	08/12/2020	Ordinary		0.02570
Board of Directors' Meeting	06/23/2020	Interest on capital	08/12/2020	Ordinary		0.03250

Individual Financial Statements/Balance Sheet - Assets

(R\$ in thousands)		Current Quarter	Prior Year
Code	Description	06/30/2020	12/31/2019
1	Total assets	10,610,075	8,876,294
1.01	Current assets	1,250,220	1,029,025
1.01.01	Cash and cash equivalents	109,115	69,046
1.01.01.01	Cash and banks	5	7
1.01.01.02	Short-term investments	109,110	69,039
1.01.02	Short-term investments	745,589	817,630
1.01.06	Taxes recoverable	21,615	6,063
1.01.06.01	Current taxes recoverable	21,615	6,063
1.01.08	Other current assets	373,901	136,286
1.01.08.03	Others	373,901	136,286
1.01.08.03.01	Dividends	241,317	2,880
1.01.08.03.02	Interest on capital	129,124	133,406
1.01.08.03.03	Others	3,460	-
1.02	Noncurrent assets	9,359,855	7,847,269
1.02.01	Long-term receivables	9,165	9,523
1.02.01.07	Deferred taxes	4,505	4,863
1.02.01.07.01	Deferred income tax and social contribution	4,505	4,863
1.02.01.09	Receivables from related parties	3	3
1.02.01.09.02	Receivables from subsidiaries	3	3
1.02.01.10	Other noncurrent assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	9,346,515	7,833,527
1.02.02.01	Equity interests	9,346,515	7,833,527
1.02.02.01.02	Interest in subsidiaries	9,346,515	7,833,527
1.02.03	Property, plant and equipment	4,175	4,219
1.02.03.01	Property, plant and equipment in operation	4,175	4,219

Individual Financial Statements/Balance Sheet - Liabilities and Equity

(R\$ in thousands)

Code	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
2	Total liabilities	10,610,075	8,876,294
2.01	Current liabilities	243,037	154,317
2.01.01	Social and labor obligations	15,305	7,595
2.01.01.01	Social obligations	15,305	7,595
2.01.03	Tax obligations	11,778	90
2.01.03.01	Federal tax obligations	11,778	90
2.01.03.01.01	Income tax and social contribution payable	17	34
2.01.03.01.02	Other tax obligations	11,761	56
2.01.05	Other obligations	215,954	146,632
2.01.05.02	Others	215,954	146,632
2.01.05.02.01	Dividends and interest on capital payable	213,782	144,611
2.01.05.02.04	Others	2,172	2,021
2.02	Noncurrent liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.03	Equity	10,362,308	8,717,247
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(128,411)	(103,868)
2.03.02.04	Options granted	8,547	12,857
2.03.02.05	Treasury shares	(16,470)	(11,419)
2.03.02.07	Premium on capital transaction	(120,488)	(105,306)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	1,887,750	2,059,144
2.03.04.01	Legal reserve	147,645	147,645
2.03.04.02	Statutory reserve	1,559,607	1,559,607
2.03.04.08	Additional dividend proposed	180,498	351,892
2.03.05	Retained earnings/accumulated losses	554,580	-
2.03.06	Carrying value adjustments	354,264	359,298
2.03.06.01	Deemed cost	354,264	359,298
2.03.08	Other comprehensive income	2,185,978	894,526
2.03.08.01	Derivative financial instruments	4,004	(11,180)
2.03.08.02	Change in equity interests	(4,288)	(6,070)
2.03.08.03	Cumulative translation adjustments	2,186,262	911,776

Individual Financial Statements/Income Statements

(R\$ in thousands)

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	YTD current year 01/01/2020 to 06/30/2020	Prior Quarter 04/01/2019 to 06/30/2019	YTD prior year 01/01/2019 to 06/30/2019
3.04	Operating income/expenses	511,549	949,897	379,625	677,503
3.04.02	General and administrative expenses	(1,193)	(2,562)	(1,422)	(2,665)
3.04.02.01	Management fees	(662)	(1,385)	(678)	(1,358)
3.04.02.02	Other administrative expenses	(531)	(1,177)	(744)	(1,307)
3.04.05	Other operating expenses	(6,156)	(6,362)	(2,418)	(2,945)
3.04.06	Share of profit or loss of investees	518,898	958,821	383,465	683,113
3.05	Profit before finance income (costs) and taxes	511,549	949,897	379,625	677,503
3.06	Finance income (costs)	2,110	4,919	9,028	17,744
3.06.01	Finance income	2,723	6,106	9,201	18,071
3.06.02	Finance costs	(613)	(1,187)	(173)	(327)
3.07	Profit before taxes on income	513,659	954,816	388,653	695,247
3.08	Income tax and social contribution	716	(418)	349	604
3.08.01	Current	(60)	(60)	(111)	(155)
3.08.02	Deferred	776	(358)	460	759
3.09	Profit for the period from continuing operations	514,375	954,398	389,002	695,851
3.11	Profit/loss for the period	514,375	954,398	389,002	695,851
3.99	Earnings per share – (real/share)	-	-	-	-
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	Common shares	0.24521	0.45498	0.18546	0.33177
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	Common shares	0.24510	0.45478	0.18536	0.33156

Individual Financial Statements/Statement of Comprehensive Income

(R\$ in thousands)

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	YTD current year 01/01/2020 to 06/30/2020	Prior Quarter 04/01/2019 to 06/30/2019	YTD prior year 01/01/2019 to 06/30/2019
4.01	Profit for the period	514,375	954,398	389,002	695,851
4.02	Other comprehensive income	377,986	1,299,884	(62,381)	(15,130)
4.02.01	Cumulative translation adjustments	382,220	1,274,486	(67,639)	(29,217)
4.02.02	Hedge Accounting	(9,828)	15,184	5,258	14,087
4.02.03	Change in equity interests	0	1,782	-	-
4.02.04	Foreign exchange differences – deemed cost	5,594	8,432	-	-
4.03	Total comprehensive income for the period	892,361	2,254,282	326,621	680,721

Individual Financial Statements/Cash Flow Statement – Indirect Method

(R\$ in thousands)

Code	Description	YTD current year 01/01/2020 to 06/30/2020	YTD prior year 01/01/2019 to 06/30/2019
6.01	Net cash from operating activities	(17,487)	(5,893)
6.01.01	Cash from operations	(19,785)	(9,746)
6.01.01.01	Profit before taxes	954,816	695,247
6.01.01.02	Depreciation and amortization	43	43
6.01.01.03	Share of profit or loss of investees	(958,821)	(683,113)
6.01.01.04	Stock option plan expenses	(3,518)	1,195
6.01.01.06	Income from financial investments	(12,305)	(23,118)
6.01.02	Changes in assets and liabilities	2,298	3,853
6.01.02.01	(Increase)/decrease in trade receivables	(21,959)	(7,040)
6.01.02.02	Increase/(decrease) in trade payables	24,334	11,097
6.01.02.03	Income tax and social contribution paid	(77)	(204)
6.02	Net cash from investing activities	553,409	401,910
6.02.01	Dividends and interest on capital received	469,063	258,096
6.02.04	Held-to-maturity financial investments	(898)	(67,617)
6.02.05	Income from financial investments	85,244	211,431
6.03	Net cash from investing activities	(495,853)	(332,675)
6.03.01	Dividends and interest on capital paid	(490,802)	(335,437)
6.03.02	Treasury shares	(5,051)	2,762
6.05	Increase (decrease) in cash and cash equivalents	40,069	63,342
6.05.01	Cash and cash equivalents at the beginning of the period	69,046	200,693
6.05.02	Cash and cash equivalents at the end of the period	109,115	264,035

Individual Financial Statements /Statements of Changes in Equity - 01/01/2020 to 06/30/2020

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247
5.03	Adjusted opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247
5.04	Capital transactions with shareholders	-	(24,543)	-	(232,786)	-	(257,329)
5.04.03	Options granted recognized	-	(4,310)	-	(3,665)	-	(7,975)
5.04.04	Treasury shares acquired	-	(11,762)	-	-	-	(11,762)
5.04.05	Treasury shares sold	-	11,242	-	-	-	11,242
5.04.06	Dividends	-	-	-	(85,494)	-	(85,494)
5.04.07	Interest on capital	-	-	-	(143,627)	-	(143,627)
5.04.08	Capital transactions	-	(19,713)	-	-	-	(19,713)
5.05	Total comprehensive income	-	-	-	967,864	1,286,418	2,254,282
5.05.01	Profit for the period	-	-	-	954,398	-	954,398
5.05.02	Other comprehensive income	-	-	-	13,466	1,286,418	1,299,884
5.05.02.04	Translation adjustments for the period	-	-	-	-	1,274,486	1,274,486
5.05.02.06	Hedge Accounting - Cash flow, net of taxes	-	-	-	-	15,184	15,184
5.05.02.07	Realization of deemed cost	-	-	-	13,466	(5,034)	8,432
5.05.02.08	Change in equity interests	-	-	-	-	1,782	1,782
5.06	Internal changes in equity	-	-	-	(351,892)	-	(351,892)
5.06.04	Payment of dividends	-	-	-	(351,892)	-	(351,892)
5.07	Closing balances	5,504,517	(124,781)	1,707,252	735,078	2,540,242	10,362,308

Individual Financial Statements /Statements of Changes in Equity - 01/01/2019 to 06/30/2019

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.04	Capital transactions with shareholders	-	(16,008)	-	(187,798)	-	(203,806)
5.04.03	Options granted recognized	-	442	-	(514)	-	(72)
5.04.05	Treasury shares sold	-	5,051	-	-	-	5,051
5.04.07	Interest on capital	-	-	-	(187,284)	-	(187,284)
5.04.08	Capital transactions	-	(21,501)	-	-	-	(21,501)
5.05	Total comprehensive income	-	-	-	709,696	(28,975)	680,721
5.05.01	Profit for the period	-	-	-	695,851	-	695,851
5.05.02	Other comprehensive income	-	-	-	13,845	(28,975)	(15,130)
5.05.02.04	Translation adjustments for the period	-	-	-	-	(29,217)	(29,217)
5.05.02.06	Hedge Accounting - Cash flow, net of taxes	-	-	-	-	14,087	14,087
5.05.02.07	Realization of deemed cost	-	-	-	13,845	(13,845)	-
5.06	Internal changes in equity	-	-	-	(173,289)	-	(173,289)
5.06.04	Payment of dividends	-	-	-	(173,867)	-	(173,867)
5.06.05	Time-barred dividends	-	-	-	578	-	578
5.07	Closing balances	5,504,517	(99,480)	959,255	522,476	1,131,132	8,017,900

Individual Financial Statements/ Statements of Value AddedR\$ (in
thousands)

Code	Description	YTD current year 01/01/2020 to 06/30/2020	YTD prior year 01/01/2019 to 06/30/2019
7.02	Inputs acquired from third parties	3,104	(1,790)
7.02.02	Materials, electric power, third-party services and others	(412)	(596)
7.02.03	Loss/recovery of assets	3,516	(1,194)
7.03	Gross value added	3,104	(1,790)
7.04	Retentions	(43)	(43)
7.04.01	Depreciation, amortization and depletion	(43)	(43)
7.05	Wealth created by the Company	3,061	(1,833)
7.06	Wealth received in transfer	964,927	701,184
7.06.01	Share of profit or loss of investees	958,821	683,113
7.06.02	Finance income	6,106	18,071
7.07	Wealth for distribution	967,988	699,351
7.08	Wealth distributed	967,988	699,351
7.08.01	Personnel	3,490	3,120
7.08.01.01	Salaries and wages	3,305	2,958
7.08.01.02	Benefits	106	93
7.08.01.03	Severance pay fund (FGTS)	79	69
7.08.02	Taxes, fees and contributions	630	53
7.08.02.01	Federal	630	53
7.08.03	Lenders and lessors	9,470	327
7.08.03.01	Interest	9,470	327
7.08.04	Lenders and lessors	954,398	695,851
7.08.04.01	Interest on capital	143,627	187,284
7.08.04.02	Dividends	265,992	186,888
7.08.04.03	Retained earnings / Loss for the period	544,779	321,679

Consolidated Financial Statements Balance Sheet – Assets

(R\$ in thousands)		Current Quarter	Prior Year
Code	Description	06/30/2020	12/31/2019
1	Total assets	18,007,781	15,687,641
1.01	Current assets	10,827,449	9,760,902
1.01.01	Cash and cash equivalents	1,677,417	1,946,044
1.01.01.01	Cash and banks	378,355	396,233
1.01.01.02	Short-term investments	1,299,062	1,549,811
1.01.02	Short-term investments	1,172,419	1,444,227
1.01.03	Trade receivables	3,385,942	2,747,084
1.01.03.01	Customers	3,385,942	2,747,084
1.01.04	Inventories	3,727,943	2,817,129
1.01.06	Taxes recoverable	434,018	394,839
1.01.06.01	Current taxes recoverable	434,018	394,839
1.01.08	Other current assets	429,710	411,579
1.01.08.03	Others	429,710	411,579
1.01.08.03.01	Derivative financial instruments	24,088	24,102
1.01.08.03.02	Others	405,622	387,477
1.02	Noncurrent assets	7,180,332	5,926,739
1.02.01	Long-term receivables	1,056,425	597,797
1.02.01.07	Deferred taxes	255,098	182,042
1.02.01.07.01	Deferred income tax and social contribution	255,098	182,042
1.02.01.10	Other noncurrent assets	801,327	415,755
1.02.01.10.03	Judicial deposits	68,858	68,506
1.02.01.10.04	Taxes recoverable	83,974	78,708
1.02.01.10.05	Derivative financial instruments	536,204	167,069
1.02.01.10.06	Others	112,291	101,472
1.02.02	Investments	35,405	28,012
1.02.02.01	Equity interests	35,405	28,012
1.02.02.01.01	Interests in associates	35,398	28,007
1.02.02.01.05	Other investments	7	5
1.02.03	Property, plant and equipment	4,530,711	3,981,184
1.02.03.01	Property, plant and equipment in operation	4,206,492	3,776,561
1.02.03.02	Right-of-Use Assets	324,219	204,623
1.02.04	Intangible assets	1,557,791	1,319,746
1.02.04.01	Intangible assets	249,147	201,431
1.02.04.01.02	Others	249,147	201,431
1.02.04.02	Goodwill	1,308,644	1,118,315

Consolidated Financial Statements Balance Sheet – Liabilities and Equity

(R\$ in thousands)

Code	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
2	Total liabilities	18,007,781	15,687,641
2.01	Current liabilities	4,687,927	4,491,021
2.01.01	Social and labor obligations	508,955	287,187
2.01.01.01	Social obligations	508,955	287,187
2.01.02	Trade payables	928,897	839,879
2.01.03	Tax obligations	194,686	134,510
2.01.03.01	Federal tax obligations	194,686	134,510
2.01.03.01.01	Income tax and social contribution payable	63,720	31,578
2.01.03.01.02	Others	130,966	102,932
2.01.04	Borrowings and financing	466,585	936,370
2.01.04.01	Borrowings and financing	466,585	936,370
2.01.04.01.01	In local currency	89,458	87,566
2.01.04.01.02	In foreign currency	377,127	848,804
2.01.05	Other obligations	2,588,804	2,293,075
2.01.05.02	Others	2,588,804	2,293,075
2.01.05.02.01	Dividends and interest on capital payable	213,812	145,376
2.01.05.02.04	Advances from customers	1,098,189	814,964
2.01.05.02.05	Profit sharing	179,722	212,608
2.01.05.02.06	Derivative financial instruments	14,280	13,879
2.01.05.02.07	Leases	65,184	49,168
2.01.05.02.08	Payables - subsidiaries abroad	349,819	210,113
2.01.05.02.09	Provision for product warranties	226,746	168,338
2.01.05.02.10	Bill and hold sales	230,900	414,337
2.01.05.02.11	Others	210,152	264,292
2.02	Noncurrent liabilities	2,691,175	2,266,630
2.02.01	Borrowings and financing	1,657,748	1,348,599
2.02.01.01	Borrowings and financing	1,657,748	1,348,599
2.02.01.01.01	In local currency	78,333	107,930
2.02.01.01.02	In foreign currency	1,579,415	1,240,669
2.02.02	Other obligations	401,884	291,310
2.02.02.02	Others	401,884	291,310
2.02.02.02.04	Derivative financial instruments	10,468	6,679
2.02.02.02.05	Leases	258,316	153,667
2.02.02.02.06	Others	133,100	130,964
2.02.03	Deferred taxes	82,661	75,143
2.02.03.01	Deferred income tax and social contribution	82,661	75,143
2.02.04	Provisions	548,882	551,578
2.03	Consolidated equity	10,628,679	8,929,990
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(128,411)	(103,868)
2.03.02.04	Options granted	8,547	12,857
2.03.02.05	Treasury shares	(16,470)	(11,419)
2.03.02.07	Premium on capital transaction	(120,488)	(105,306)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	1,887,750	2,059,144
2.03.04.01	Legal reserve	147,645	147,645
2.03.04.02	Statutory reserve	1,559,607	1,559,607
2.03.04.08	Additional dividend proposed	180,498	351,892
2.03.05	Retained earnings/accumulated losses	554,580	-
2.03.06	Carrying value adjustments	354,264	359,298
2.03.06.01	Deemed cost	354,264	359,298
2.03.08	Other comprehensive income	2,185,978	894,526
2.03.08.01	Derivative financial instruments	4,004	(11,180)
2.03.08.02	Change in equity interests	(4,288)	(6,070)
2.03.08.03	Cumulative translation adjustments	2,186,262	911,776
2.03.09	Noncontrolling interests	266,371	212,743

Consolidated Financial Statements/Income Statements

R\$ (in thousands)

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	YTD current year 01/01/2020 to 06/30/2020	Prior Quarter 04/01/2019 to 06/30/2019	YTD prior year 01/01/2019 to 06/30/2019
3.01	Revenue from sale of products and/or services	4,063,943	7,778,379	3,286,605	6,218,984
3.02	Cost of sales and services	(2,831,840)	(5,448,743)	(2,341,339)	(4,416,111)
3.03	Gross profit	1,232,103	2,329,636	945,266	1,802,873
3.04	Operating income/expenses	(612,638)	(1,191,234)	(507,029)	(997,406)
3.04.01	Selling expenses	(356,198)	(705,291)	(296,313)	(587,074)
3.04.02	General and administrative expenses	(145,995)	(301,680)	(136,587)	(275,091)
3.04.02.01	Management fees	(6,088)	(13,041)	(6,597)	(13,269)
3.04.02.02	Other administrative expenses	(139,907)	(288,639)	(129,990)	(261,822)
3.04.04	Other operating income	3,959	11,844	6,236	10,501
3.04.05	Other operating expenses	(110,173)	(191,876)	(83,204)	(148,581)
3.04.06	Share of profit or loss of investees	(4,231)	(4,231)	2,839	2,839
3.05	Profit before finance income (costs) and taxes	619,465	1,138,402	438,237	805,467
3.06	Finance income (costs)	(46,164)	(46,916)	(4,525)	(40,661)
3.06.01	Finance income	192,294	573,490	408,673	538,042
3.06.02	Finance costs	(238,458)	(620,406)	(413,198)	(578,703)
3.07	Profit before taxes on income	573,301	1,091,486	433,712	764,806
3.08	Income tax and social contribution	(46,784)	(110,994)	(38,452)	(61,339)
3.08.01	Current	(104,439)	(157,295)	(51,513)	(80,938)
3.08.02	Deferred	57,655	46,301	13,061	19,599
3.09	Profit for the period from continuing operations	526,517	980,492	395,260	703,467
3.11	Consolidated profit/loss for the period	526,517	980,492	395,260	703,467
3.11.01	Attributable to owners of the Company	514,375	954,398	389,002	695,851
3.11.02	Attributable to noncontrolling interests	12,142	26,094	6,258	7,616
3.99	Earnings per share – (real/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.24521	0.45498	0.18546	0.33177
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.24510	0.45478	0.18536	0.33156

Consolidated Financial Statements/Statement of Comprehensive Income

R\$ (in thousands)

Code	Description	Current Quarter 04/01/2020 to 06/30/2020	YTD current year 01/01/2020 to 06/30/2020	Prior Quarter 04/01/2019 to 06/30/2019	YTD prior year 01/01/2019 to 06/30/2019
4.01	Consolidated profit for the period	526,517	980,492	395,260	703,467
4.02	Other comprehensive income	380,643	1,302,006	(62,540)	(16,386)
4.02.01	Cumulative translation adjustments	384,409	1,276,140	(67,798)	(30,473)
4.02.02	Hedge Accounting	(9,360)	15,652	5,258	14,087
4.02.03	Change in equity interests	-	1,782	-	-
4.02.04	Foreign exchange differences – deemed cost	5,594	8,432	-	-
4.03	Consolidated comprehensive income for the period	907,160	2,282,498	332,720	687,081
4.03.01	Attributable to owners of the Company	892,361	2,254,282	326,621	680,721
4.03.02	Attributable to noncontrolling interests	14,799	28,216	6,099	6,360

Consolidated Financial Statements/Cash Flow Statement – Indirect Method

R\$ (in thousands)

Code	Description	YTD current year 01/01/2020 to 06/30/2020	YTD prior year 01/01/2019 to 06/30/2019
6.01	Net cash from operating activities	979,137	406,964
6.01.01	Cash from operations	1,588,165	1,041,195
6.01.01.01	Profit before taxes	1,091,486	764,806
6.01.01.02	Depreciation, amortization and depletion	212,934	193,536
6.01.01.03	Employee profit sharing	165,450	115,471
6.01.01.04	Stock option plan expenses	5,644	3,684
6.01.01.05	Provision for credit risk	17,668	5,212
6.01.01.06	Provision for tax, civil and labor liabilities	(2,696)	(5,437)
6.01.01.07	Provision for inventory losses	49,374	6,653
6.01.01.08	Provision for product warranty	58,408	(9,825)
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	5,121	3,736
6.01.01.10	Accrued interest on borrowings	6,550	15,056
6.01.01.11	Share of profit or loss of investees	4,231	(2,839)
6.01.01.12	Income from financial investments	(26,005)	(48,858)
6.01.02	Changes in assets and liabilities	(609,028)	(634,231)
6.01.02.01	(Increase)/decrease in trade receivables	248,529	(149,474)
6.01.02.02	Increase/(decrease) in trade payables	(74,044)	(115,456)
6.01.02.03	(Increase)/decrease in inventories	(460,817)	(147,203)
6.01.02.04	Income tax and social contribution paid	(125,153)	(57,390)
6.01.02.05	Employee profit sharing paid	(197,543)	(164,708)
6.02	Net cash from investing activities	75,126	226,319
6.02.01	Property, plant and equipment	(206,845)	(198,840)
6.02.02	Intangible assets	(24,248)	(10,983)
6.02.03	Proceeds on disposal of property, plant and equipment	8,406	12,957
6.02.09	Held-to-maturity financial investments	(72,357)	(67,617)
6.02.10	Redemption of financial investments	370,170	490,802
6.03	Net cash from financing activities	(1,480,274)	(992,714)
6.03.01	Proceeds from borrowings and financing	8,609	884,150
6.03.02	Repayment of borrowings and financing	(986,345)	(1,528,236)
6.03.03	Interest paid on borrowings and financing	(5,951)	(15,528)
6.03.04	Treasury shares	(5,051)	2,762
6.03.05	Dividends/Interest on capital paid	(491,536)	(335,862)
6.04	Exchange rate changes on cash and cash equivalents	157,384	(2,401)
6.05	Increase (decrease) in cash and cash equivalents	(268,627)	(361,832)
6.05.01	Cash and cash equivalents at the beginning of the period	1,946,044	2,205,700
6.05.02	Cash and cash equivalents at the end of the period	1,677,417	1,843,868

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2020 to 06/30/2020

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247	212,743	8,929,990
5.03	Adjusted opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247	212,743	8,929,990
5.04	Capital transactions with shareholders	-	(24,543)	-	(232,786)	-	(257,329)	25,412	(231,917)
5.04.03	Options granted recognized	-	(4,310)	-	(3,665)	-	(7,975)	-	(7,975)
5.04.04	Treasury shares acquired	-	(11,762)	-	-	-	(11,762)	-	(11,762)
5.04.05	Treasury shares sold	-	11,242	-	-	-	11,242	-	11,242
5.04.06	Dividends	-	-	-	(85,494)	-	(85,494)	-	(85,494)
5.04.07	Interest on capital	-	-	-	(143,627)	-	(143,627)	-	(143,627)
5.04.08	Capital transactions	-	(19,713)	-	-	-	(19,713)	25,412	5,699
5.05	Total comprehensive income	-	-	-	967,864	1,286,418	2,254,282	28,216	2,282,498
5.05.01	Profit for the period	-	-	-	954,398	-	954,398	26,094	980,492
5.05.02	Other comprehensive income	-	-	-	13,466	1,286,418	1,299,884	2,122	1,302,006
5.05.02.04	Translation adjustments for the period	-	-	-	-	1,274,486	1,274,486	1,654	1,276,140
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	-	-	-	-	15,184	15,184	468	15,652
5.05.02.07	Realization of deemed cost	-	-	-	13,466	(5,034)	8,432	-	8,432
5.05.02.08	Change in equity interests	-	-	-	-	1,782	1,782	-	1,782
5.06	Internal changes in equity	-	-	-	(351,892)	-	(351,892)	-	(351,892)
5.06.04	Payment of dividends	-	-	-	(351,892)	-	(351,892)	-	(351,892)
5.07	Closing balances	5,504,517	(124,781)	1,707,252	735,078	2,540,242	10,362,308	266,371	10,628,679

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2019 to 06/30/2019

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.04	Capital transactions with shareholders	-	(16,008)	-	(187,798)	-	(203,806)	5,203	(198,603)
5.04.03	Options granted recognized	-	442	-	(514)	-	(72)	-	(72)
5.04.05	Treasury shares sold	-	5,051	-	-	-	5,051	-	5,051
5.04.07	Interest on capital	-	-	-	(187,284)	-	(187,284)	-	(187,284)
5.04.08	Capital transactions	-	(21,501)	-	-	-	(21,501)	5,203	(16,298)
5.05	Total comprehensive income	-	-	-	709,696	(28,975)	680,721	6,360	687,081
5.05.01	Profit for the period	-	-	-	695,851	-	695,851	7,616	703,467
5.05.02	Other comprehensive income	-	-	-	13,845	(28,975)	(15,130)	(1,256)	(16,386)
5.05.02.04	Translation adjustments for the period	-	-	-	-	(29,217)	(29,217)	(1,256)	(30,473)
5.05.02.06	Hedge Accounting - Cash flow, net of taxes	-	-	-	-	14,087	14,087	-	14,087
5.05.02.07	Realization of deemed cost	-	-	-	13,845	(13,845)	-	-	-
5.06	Internal changes in equity	-	-	-	(173,289)	-	(173,289)	-	(173,289)
5.06.04	Payment of dividends	-	-	-	(173,867)	-	(173,867)	-	(173,867)
5.06.05	Time-barred dividends	-	-	-	578	-	578	-	578
5.07	Closing balances	5,504,517	(99,480)	959,255	522,476	1,131,132	8,017,900	150,546	8,168,446

Consolidated Financial Statements/Statements of Value Added

R\$ (in thousands)

Code	Description	YTD current year 01/01/2020 to 06/30/2020	YTD prior year 01/01/2019 to 03/31/2019
7.01	Revenues	8,613,534	6,945,136
7.01.01	Sales of goods, products and services	8,618,307	6,920,922
7.01.02	Other revenues	12,895	28,166
7.01.04	Allowance for / Reversal of allowance for doubtful debts	(17,668)	(3,952)
7.02	Inputs acquired from third parties	(4,913,790)	(3,762,019)
7.02.02	Materials, electric power, third-party services and others	(4,904,257)	(3,729,107)
7.02.03	Impairment/Recovery of assets	(9,533)	(32,912)
7.03	Gross value added	3,699,744	3,183,117
7.04	Retentions	(212,934)	(193,536)
7.04.01	Depreciation, amortization and depletion	(212,934)	(193,536)
7.05	Wealth created by the Company	3,486,810	2,989,581
7.06	Wealth received in transfer	569,259	540,881
7.06.01	Share of profit or loss of investees	(4,231)	2,839
7.06.02	Finance income	573,490	538,042
7.07	Wealth for distribution	4,056,069	3,530,462
7.08	Wealth distributed	4,056,069	3,530,462
7.08.01	Personnel	1,553,207	1,567,766
7.08.01.01	Salaries and wages	1,334,679	1,316,614
7.08.01.02	Benefits	166,127	200,691
7.08.01.03	Severance pay fund (FGTS)	52,401	50,461
7.08.02	Taxes, fees and contributions	898,868	676,636
7.08.02.01	Federal	816,512	599,172
7.08.02.02	State	71,952	70,195
7.08.02.03	Municipal	10,404	7,269
7.08.03	Lenders and lessors	623,502	582,593
7.08.03.01	Interest	619,317	576,522
7.08.03.02	Rentals	4,185	6,071
7.08.04	Lenders and lessors	980,492	703,467
7.08.04.01	Interest on capital	143,627	187,284
7.08.04.02	Dividends	265,992	186,888
7.08.04.03	Retained earnings / Loss for the period	544,779	321,679
7.08.04.04	Noncontrolling interests	26,094	7,616

Positive Results in a Challenging Scenario

Highlights

Net Operating Revenue (NOR) were **R\$ 4,063.9 million** in 2Q20, 23.7% higher than 2Q19 and 9.4% higher than 1Q20.



EBITDA⁽¹⁾ reached **R\$ 732.2 million**, 36.3% higher than 2Q19 and 18.3% higher than 1Q20, while **EBITDA margin** was **18.0%**, 1.7 p.p. higher than 2Q19 and 1.3 p.p. higher than the previous quarter.

Return on Invested Capital (ROIC) reached **21.6%** in 2Q20, up 3.2 p.p. from 2Q19 and up 0.9 from 1Q20.

Message from the Management

The company reported another quarter of positive results, with expansion of revenue, EBITDA and ROIC. Our portfolio of long-cycle equipment, together with the agility in operational adjustments and the positive impact of exchange rate variation, more than offset the difficulties imposed by the COVID-19 pandemic so far, which caused important negative impacts in areas of our business.

The effects of the pandemic were felt mainly in the demand for short-cycle equipment, in areas such as the Commercial and Appliance Motors, Paints and Varnishes and also Industrial Motors, whose retraction in volumes were similar in the Brazilian market and in the external market. The halt in the operations of some customers and the uncertainty in the demand for these products were determining factors for the decline in order entry at the end of the last quarter and the beginning of 2Q20, resulting in lower reported revenue in part of these business areas. It is worth noting the gradual improvement over the quarter in the dynamics of order entry for short cycle businesses, indicating, apparently, that the worst months of order entry for these businesses were April and May.

On the other hand, the endurance of long-cycle businesses, where we have built an important order backlog in Brazil and abroad, proved to be relevant at this time. These equipment, linked to long-cycle projects, is not usually affected by short-term volatilities, given the extensive planning and decision making involved in projects that demand these types of products.

Despite the gradual improvement in the business dynamics seen over the quarter, we cannot yet say that the crisis has been overcome. Uncertainties regarding the economic recovery of the countries where we operate and a possible second wave of global contagion may impact our business in the coming months. Nevertheless, we will continue to take all necessary measures for protection, prevention and mitigation, aiming to preserve the integrity of our employees and minimize, as much as possible, impacts on our operations, as we have done since the beginning of the pandemic.

Table 1 – Main Highlights

	2Q20	1Q20	%	2Q19	%	06M20	06M19	%
Return on Invested Capital	21.6%	20.7%	0.9 pp	18.4%	3.2 pp	21.6%	18.4%	3.2 pp
Net Operating Revenue	4,063,943	3,714,436	9.4%	3,286,605	23.7%	7,778,379	6,218,984	25.1%
Domestic Market	1,604,279	1,692,400	-5.2%	1,289,665	24.4%	3,296,679	2,541,824	29.7%
External Markets	2,459,664	2,022,036	21.6%	1,996,940	23.2%	4,481,700	3,677,160	21.9%
External Markets in US\$	457,014	451,759	1.2%	509,026	-10.2%	908,773	954,470	-4.8%
Net Income	514,375	440,023	16.9%	389,002	32.2%	954,398	695,851	37.2%
Net Margin	12.7%	11.8%	0.9 pp	11.8%	0.9 pp	12.3%	11.2%	1.1 pp
EBITDA	732,222	619,114	18.3%	537,205	36.3%	1,351,336	999,003	35.3%
EBITDA Margin	18.0%	16.7%	1.3 pp	16.3%	1.7 pp	17.4%	16.1%	1.3 pp
Earnings per Share (EPS)	0.24521	0.20977	16.9%	0.18546	32.2%	0.45498	0.33177	37.1%

(1) Earnings before Interest, Taxes, Depreciation and Amortization

The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reals (R\$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law and in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the same period of the previous year.

Net Operating Revenue

Net operating revenue increased by 23.7% over 2Q19, up 24.4% in the domestic market and up 23.2% in the external market as shown in the table 1 above. The evolution of the revenue proportion between markets is shown in figure 1 below.

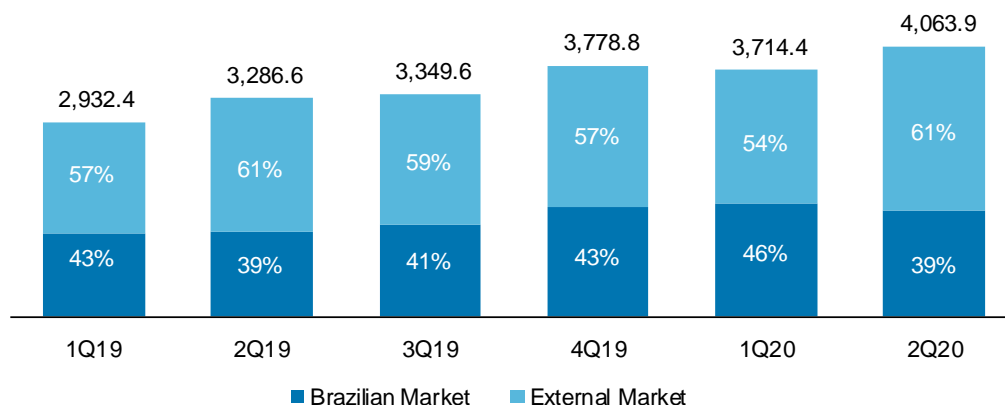


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, declined by 10.2% in relation to 2Q19 and grew 1.2% in relation to 1Q20. The distribution of net revenue by geographic market is shown in table 2 below.

Table 2 – Net operating revenue from external market by geographic region, in US dollars

	2Q20		1Q20		2Q19		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	457,014	100.0%	451,759	100.0%	509,026	100.0%	1.2%	-10.2%
<i>North America</i>	214,340	46.9%	215,037	47.6%	233,134	45.8%	-0.3%	-8.1%
<i>South and Central America</i>	44,787	9.8%	38,400	8.5%	57,520	11.3%	16.6%	-22.1%
<i>Europe</i>	133,448	29.2%	131,462	29.1%	125,729	24.7%	1.5%	6.1%
<i>Africa</i>	23,765	5.2%	27,106	6.0%	46,321	9.1%	-12.3%	-48.7%
<i>Asia-Pacific</i>	40,674	8.9%	39,754	8.8%	46,322	9.1%	2.3%	-12.2%

Net operating revenue from the external market, measured in Brazilian Real, was positively impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 3.92 in 2Q19 to R\$ 5.38 in 2Q20, with a 37.2% depreciation of the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency amounts, according to local competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from external market decreased by 4.8% in relation to 2Q19.

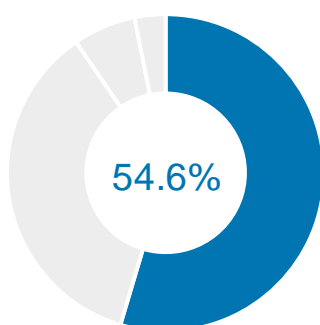
Acquisition Adjustments

Adjusted for the consolidation effects of recent acquisitions of Geremia Redutores, PPI-Multitask and V2COM, revenue would have grown by 22.8% vs. 2Q19. The growth in the domestic market would have been 22.2%, while in the external market it would be in line with the reported values.

Performance by Business Area

Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
2Q20	635,641	1,583,637
1Q20	600,641	1,308,235
Δ%	5.8%	21.1%
2Q19	478,295	1,359,423
Δ%	32.9%	16.5%



Domestic Market

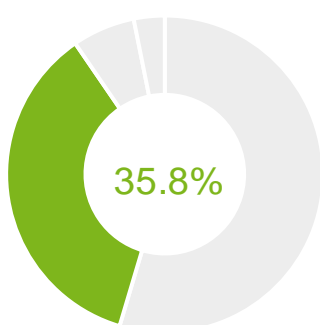
- Significant revenue growth due to various supplies of long-cycle equipment, in particular medium voltage motors and automation panels, mainly for pulp and paper and mining projects.
- We observed a decline in order entry for short-cycle equipment in the first half of 2Q20, such as low voltage electric motors, limiting revenues from these products this quarter. However, a gradual return in demand was observed at the end of the quarter.

External Market

- Similar to the performance in the Brazilian market, there was a decline in demand for short-cycle equipment. This trend was partially offset by the performance of our operations in China, which are operating with pre-pandemic activity levels within the domestic market.
- Continuity of favorable performance in long-cycle equipment, with important deliveries made for projects linked to the oil & gas, mining and water & wastewater segments, contributed positively to this quarter's results.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q20	755,710	700,600
1Q20	784,278	530,151
Δ%	-3.6%	32.2%
2Q19	528,080	470,815
Δ%	43.1%	48.8%



Domestic Market

- The most prominent segment this quarter, where a significant part of revenues is linked to long-cycle equipment, mainly in transformers and substations, which were delivered for important projects linked to auctions held in recent years.
- The solar distributed generation business, as well as the other short-cycle businesses, suffered a decline in demand compared to 1Q20 due to the restrictions adopted to combat the pandemic, however it performed well when compared to 2Q19, given the growth of this business presented in the last twelve months.

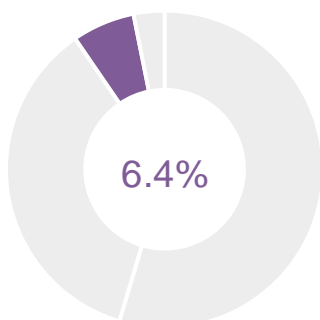
External Market

- Growth in transformer operations in the USA and Mexico, with relevant projects delivered in both countries. Another highlight was the operation of generators in the USA, which continues to have a positive performance, due to the order backlog built in previous quarters.

Performance by Business Area

Commercial and Appliance Motors

NOR	Domestic Market	External Market
2Q20	106,285	153,889
1Q20	170,592	159,515
Δ%	-37.7%	-3.5%
2Q19	156,758	147,801
Δ%	-32.2%	4.1%



Domestic Market

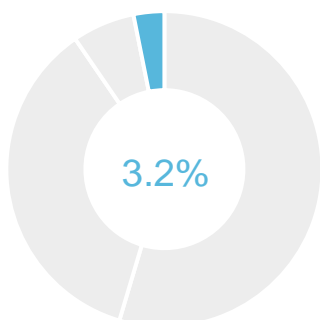
- A decline in demand began in March, as reported in 1Q20, and extended during the beginning of 2Q20, a period in which important customers had their operations affected due to the consequences of the pandemic. It is worth noting that a recovery in demand occurred at the end of the quarter, especially in white goods, a fact partly explained by the economic stimulus actions provided by local authorities.

External Market

- General decline in demand during the first half of 2Q20 was also observed in the external market, showing signs of recovery in the remainder of the quarter. Positive highlight for the operation of commercial motors in Mexico, which despite the low demand in the market, performed well in the period, reflecting gains in market share in the USA and Mexico, driven by gains of new customers in the local market.

Paints and Varnishes

NOR	Domestic Market	External Market
2Q20	106,643	21,538
1Q20	136,889	24,135
Δ%	-22.1%	-10.8%
2Q19	126,532	18,902
Δ%	-15.7%	14.0%



Domestic Market

- Impact on the entry of new orders was felt in March, as reported in 1Q20, compromising sales during the beginning of 2Q20, a period in which important segments were mostly affected due to the pandemic. At the end of the quarter, there was a gradual return in demand, with emphasis on activities related to agribusiness and road implements.

External Market

- Operations were shut down due to restrictions that were adopted to combat the pandemic, especially in Argentina, which impacted the performance this quarter.

Cost of Goods Sold

Cost of Goods Sold (COGS) and gross margin for the quarter are shown in table 3 below.

Table 3 – Costs

	2Q20	1Q20	HA%	2Q19	HA%
Net Operating Revenues	4,063,943	3,714,436	9.4%	3,286,605	23.7%
Cost of Goods Sold	(2,831,840)	(2,616,903)	8.2%	(2,341,339)	20.9%
Gross Margin	30.3%	29.5%	0.8 pp	28.8%	1.5 pp

Despite operational restrictions in some countries and a decline in short-cycle equipment revenue caused by the pandemic, gross margin improved compared to that of the previous year. Operational adjustments were implemented quickly, such as reduced labor hours and wages and anticipated vacation days, together with less pressure on the costs of some raw materials, were fundamental to this performance.

In 2Q20 the average price of copper in the spot market on London Metal Exchange (LME) in US dollars decreased 4.7% vs. 1Q20 and decreased 12.2% vs. 2Q19, while the average price of steel in Brazilian Reais decreased 9.2% vs. 1Q20 and decreased 16.7% vs. 2Q19.

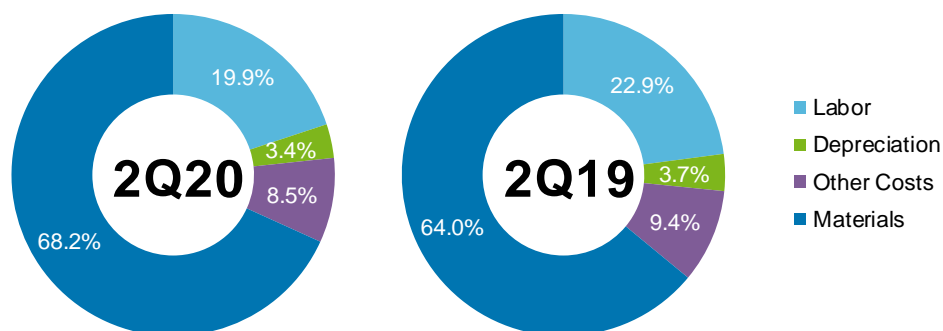


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 502.2 million in 2Q20, an increase of 16.0% vs. 2Q19 and a reduction of 0.5% vs. 1Q20. When analyzed in relation to net operating revenue, these expenses accounted for 12.4%, down 0.8 p.p. vs. 2Q19 and down 1.2 p.p. vs. 1Q20.

It is worth mentioning the non-recurring adjustments made in this quarter, mainly in relation to the reduction in selling expenses, such as business trips, vacation anticipation, reduced labor hours and wages in a large part in our operations, especially those related to short-cycle equipment, both in Brazil and abroad.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and the EBITDA margin are shown in table 4 below. The EBITDA margin showed another quarter of growth, reflecting the rationalization of expense and costs, described above, together with the improvement in the margin in long-cycle operations and the impact of the strong exchange devaluation in this quarter.

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q20	1Q20	HA%	2Q19	HA%
Net Operating Revenues	4,063,943	3,714,436	9.4%	3,286,605	23.7%
Net Income	514,375	440,023	16.9%	389,002	32.2%
Net Income Before Minorities	526,517	453,975	16.0%	395,260	33.2%
(+) Income Taxes & Contributions	46,784	64,210	-27.1%	38,452	21.7%
(+/-) Financial Income (Expenses)	46,164	752	n.m	4,525	n.m
(+) Depreciation & Amortization	112,757	100,177	12.6%	98,968	13.9%
EBITDA	732,222	619,114	18.3%	537,205	36.3%
EBITDA Margin	18.0%	16.7%	1.3 pp	16.3%	1.7 pp

Net Income

Net Income in 2Q20 was R\$ 514.4 million, an increase of 32.2% vs. 2Q19 and increase of 16.9% vs. 1Q20. Net margin reached 12.7%, 0.9 p.p. higher than 2Q19 and 0.9 p.p. higher than 1Q20. In addition to the EBITDA transactions explained above, the lower return on financial investments and the higher exchange rate variation, were mainly attributable to the performance of net income for this quarter.

Cash Flow

Cash generation in operating activities was R\$ 979.1 million in the first half of 2020, an increase of 140.6% compared to the same period of the previous year. This growth is driven by the growth in operating income, despite an increase in the need for working capital in the period.

The level of investment (CAPEX⁽²⁾) in modernization and expansion of production capacity increased compared to 2019, primarily due to investments in our factories in China, Mexico and Brazil. In addition, movements in long-term financial investments, included in this group in the accounting cash flow statement, were largely responsible for the generation of R\$ 75.1 million in investment activities.

In financing activities, the company raised R\$ 8.6 million and made amortizations of R\$ 986.3 million, resulting in a net amortization of R\$ 977.7 million. Interest on loans consumed R\$ 5.9 million while payments to equity holders (dividends and interest on capital) totaled R\$ 491.5 million. The final result was consumption of R\$ 1,480.3 million in financing activities this year so far.

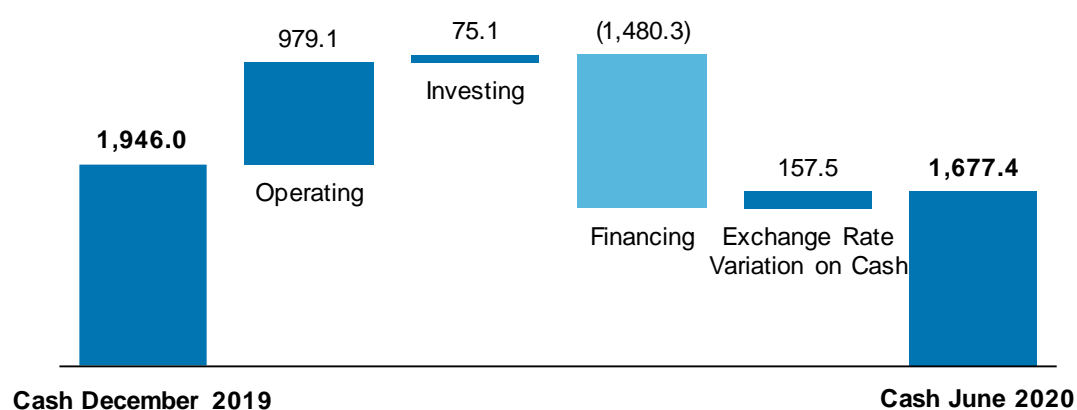
**Figure 3 – Cash flow reconciliation (figures in R\$ million)**

Chart of figure 3 above shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 1,732.7 million in financial investments with no immediate liquidity (R\$ 1,635.4 million in December 2019).

Return on Invested Capital

The Return on Invested Capital (ROIC) in 2Q20 (accumulated in the last 12 months) increased by 3.2 p.p. over 2Q19, reaching 21.6%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and lower costs and expenses, more than offset the growth in capital employed, which expanded due to a greater need for working capital, and investments in fixed and intangible assets over the last 12 months.

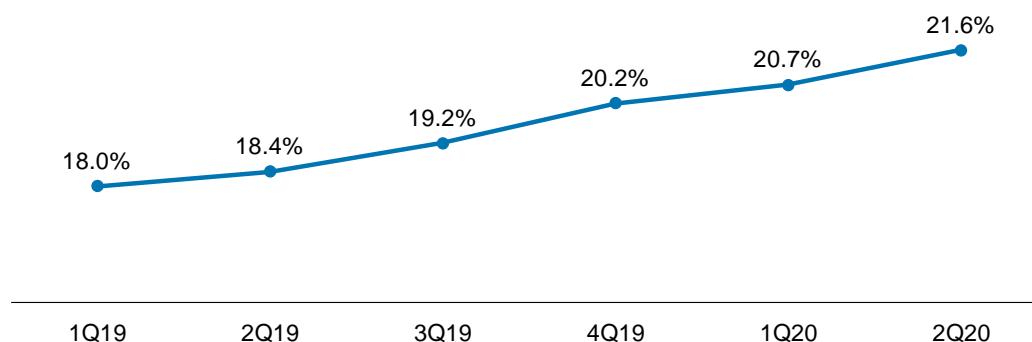


Figure 4 – ROIC Evolution

Investments (CAPEX)

In 2Q20, we invested R\$ 107.4 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 44% of which are for production units in Brazil and 56% for industrial plants and other facilities abroad.

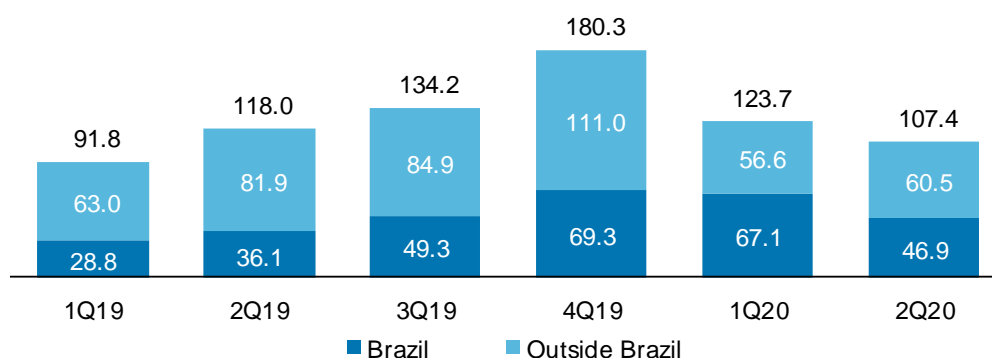


Figure 5 – CAPEX Evolution (figures in R\$ million)

Expenditures on research, development, and innovation activities totaled R\$ 174.2 million, representing 2.2% of net operating revenue in the first half of 2020.

Debt and Cash Position

Cash, cash equivalents, and financial investments and derivatives, invested in first-tier banks and denominated in Brazilian currency, are presented in table 5 below. Likewise, the company presents the total gross financial debt, with details between short and long term, in Brazilian Reals and other currencies, resulting in the company's net cash (debt) at the end of the quarter.

Table 5 – Cash and Debt

	June 2020		December 2019		June 2019	
Cash & Financial Instruments	3,410,128		3,581,442		3,549,159	
- Current	2,873,924		3,414,373		2,847,749	
- Long Term	536,204		167,069		701,410	
Debt	2,149,081	100%	2,305,527	100%	2,920,234	100%
- Current	480,865	22%	950,249	41%	1,488,444	51%
- In Brazilian Reais	89,458		87,566		175,902	
- In other currencies	391,407		862,683		1,312,542	
- Long Term	1,668,216	78%	1,355,278	59%	1,431,790	49%
- In Brazilian Reais	78,333		107,930		260,303	
- In other currencies	1,589,883		1,247,348		1,171,487	
Net Cash (Debt)	1,261,047		1,275,915		628,925	

The characteristics of our indebtedness at the end of June were:

- Total duration of 19.8 months, with duration of 23.9 months in the long term. In December 2019, these figures were 19.5 months and 29.1 months, respectively.
- Weighted average cost of debt denominated in Brazilian Reais is approximately 4.85% p.a. (vs. 5.41% p.a. in December 2019). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

For the first half of 2020, the Board of Directors approved, ad referendum of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 17, as interest on stockholders' equity (JCP), to the gross amount of R\$ 63.4 million.
- On June 23, as interest on stockholders' equity (JCP), to the gross amount of R\$ 80.2 million.

The Board of Directors approved intermediate dividends related to the net income for the first half of 2020, to the total amount of R\$ 266.0 million. The proceeds will be paid on August 12, 2020. Amounts declared as remuneration to shareholders in the first half represented 42.9% of net income for the period.

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half year, that is, six proceeds each year, paid semi-annually.

Table 6 – Dividends and Interest on Stockholders' Equity

	1st Half 2020	1st Half 2019	%
Dividends	265,992	186,888	42.3%
Interest on Stockholders' Equity	143,627	187,284	-23.3%
Gross Total	409,619	374,172	9.5%
Net Earnings	954,398	695,851	37.2%
Total Dividends / Net Earnings	42.9%	53.8%	

Other Events

Acquisition of Mvisia

We announced on June 23, 2020 the acquisition of 51% of the share capital of Mvisia, which specializes in artificial intelligence solutions applied to computer vision for the industry.

Founded in 2012 at the Center for Innovation, Entrepreneurship and Technology, of the University of São Paulo (USP), Mvisia is one of the leading national companies of Computer Vision for Industry. The company has its own vision systems and software, with strong expertise in embedded processing applications and machine learning algorithms for videos and images, with integration with MES systems used in the industry, as well as through cloud processing via mobile devices or integration with the open WEGnology platform.

Acquisition of BirminD

We announced on July 2, 2020 the acquisition of 51% of the share capital of BirminD, a technology company active in the Artificial Intelligence market applied to Industrial Analytics.

Founded in 2015 in Sorocaba (São Paulo State, Brazil), BirminD is a company that provides industrial optimization solutions focusing on bringing the most advanced concepts of industrial analytics, one of industry 4.0 pillars. The company serves medium and large customers by offering industrial analysis solutions, optimization of control loops and evaluation of the financial return on services even before executing them and without the need for an automation specialist, using machine learning and artificial intelligence techniques.

With the acquisition of BirminD, the company complements its digital ecosystem and starts offering artificial intelligence technologies applied to both images and industrial analytics.

1. INFORMATION ON THE COMPANY

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters; motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydro, thermal, biomass, wind and solar energy powerplants; solutions for the industry 4.0; no-breaks and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, and China, with commercial activities carried out in more than 135 countries.

The Company has shares traded on B3 under ticker symbol "WEGE3" and has been listed since June 2007 in the special segment of corporate governance called Novo Mercado.

The Company has American Depositary Receipts (ADRs) - Level 1 that are traded on the over-the-counter (OTC) market in the United States under the ticker symbol "WEGZY".

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information, included in the Quarterly Information Form – ITR for the quarter ended June 30, 2020 includes the individual and consolidated interim financial information prepared considering all significant information on the Company, which corresponds to that used by Management in managing the activities, with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information - ITR.

The financial statements has been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, when required by the standard.

These individual and consolidated financial statements were approved and authorized for issue at the executive board meeting held on July 20, 2020.

The accounting policies, bases of consolidation and methods of calculation adopted in the preparation of the interim financial information, as well the key estimates and judgments used in applying the accounting policies are the same as those adopted in the preparation of the individual and consolidated financial statements for the year ended December 31, 2019, including the adoption of the new accounting standards, as applicable.

3. ACCOUNTING ESTIMATES

The interim financial information includes the use of estimates that took into consideration Management's assessments and judgments, past and current experiences, assumptions related to future events and other objective and subjective factors. The significant items subject to those estimates are:

- a) analysis of the credit risk to determine the allowance for doubtful debts;
- b) recognition of the allowance for inventory losses;
- c) review of the economic useful life of fixed assets and their recovery in operations;

- d) impairment test of intangible assets;
- e) fair value measurement of financial instruments;
- f) commitments to employee benefit plan;
- g) share-based plan transactions;
- h) deferred income and social contribution taxes; and
- i) provision for contingencies.

The settlement of transactions involving those estimates may lead to amounts different from those recorded in the interim financial information due to the inaccuracies inherent in the estimate process. These estimates are periodically reviewed.

4. CASH AND CASH EQUIVALENTS

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
a) Cash and banks	5	7	378,355	396,233
b) Short-term investments	109,110	69,039	1,299,062	1,549,811
In local currency:	109,110	69,039	1,119,145	1,483,551
Bank Certificate of Deposit (CDB) and Repurchase Agreements	109,110	69,039	1,119,145	1,483,551
In foreign currency:	-	-	179,917	66,260
TOTAL	109,115	69,046	1,677,417	1,946,044

Investments in Brazil:

Short-term investments in Brazil refer mainly to funds invested in private securities with first tier financial institutions.

These investments yield an average rate of 102.54% of the Interbank Deposit Rate - CDI (100.35% of the CDI as at December 31, 2019).

5. SHORT-TERM INVESTMENTS

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
Bank Certificate of Deposit (CDB) and Funds	745,589	817,630	1,172,419	1,444,227
TOTAL	745,589	817,630	1,172,419	1,444,227
Current assets	745,589	817,630	1,172,419	1,444,227
Floating rate	745,589	817,630	1,118,819	1,393,944
Fixed rate	-	-	53,600	50,283

Short-term investments yield average fixed rates of 15.41% p.a. (15.41% p.a. as at December 31, 2019) and floating average rate of 103.23% of the CDI rate (102.77% of the CDI as at December 31, 2019).



6. TRADE RECEIVABLES

	CONSOLIDATED	
	06/30/20	12/31/19
a) Breakdown of balances:		
Domestic market	1,216,285	1,119,107
External market	2,240,843	1,681,495
SUBTOTAL	3,457,128	2,800,602
Allowance for doubtful debts	(71,186)	(53,518)
TOTAL	3,385,942	2,747,084
b) Losses on trade receivables in the period	9,826	13,144
c) Maturity of trade notes:		
Not past due	3,015,161	2,426,922
Past due:	441,967	373,680
Up to 30 days	211,085	206,483
From 31 to 90 days	96,516	75,735
From 91 to 180 days	61,535	29,234
Over 180 days	72,831	62,228
TOTAL	3,457,128	2,800,602

The movement in the allowance for doubtful debts is as follows:

Balance at 01/01/2019	(50,796)
Losses written off in the year	13,144
Recognition of provision in the year	(25,500)
Reversal of provision in the year	9,634
Balance at 12/31/2019	(53,518)
Losses written off in the period	9,826
Recognition of provision in the period	(33,521)
Reversal of provision in the period	6,027
Balance at 06/30/2020	(71,186)

7. INVENTORIES

	CONSOLIDATED	
	06/30/20	12/31/19
Finished goods	481,941	411,427
Work in progress	519,373	421,598
Raw materials and others	819,272	521,760
Imports in transit	130,538	61,638
Provision for slow-moving inventory losses	(38,065)	(33,150)
Total inventories - domestic market	1,913,059	1,383,273
Finished goods	981,277	828,787
Work in progress	461,628	317,816
Raw materials and others	497,559	368,374
Provision for slow-moving inventory losses	(125,580)	(81,121)
Total inventories – external market	1,814,884	1,433,856
GRAND TOTAL	3,727,943	2,817,129

The movement in the provision for slow-moving inventory losses is as follows:

Balance at 01/01/2019	(110,468)
Recognition of provision in the year	(43,852)
Reversal of provision in the year	40,049
Balance at 12/31/2019	(114,271)
Recognition of provision in the period	(72,278)
Reversal of provision in the period	22,904
Balance at 06/30/2020	(163,645)

Inventories are insured and their coverage is determined considering the values and level of risk involved. The recognition and reversal of provision for slow-moving inventory losses are recorded in cost of sales.

8. TAXES RECOVERABLE

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
BRAZIL	21,615	6,063	329,226	319,271
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	18,683	3,607	71,789	81,006
IRRF (Withholding Income Tax) on financial investments)	2,932	2,456	20,480	22,878
Financial credit from the IT Law – IRPJ/CSLL	-	-	27,966	-
ICMS (State VAT)	-	-	80,120	90,509
ICMS on purchases of property, plant and equipment	-	-	25,382	22,271
IPI (Federal VAT)	-	-	64,978	57,624
PIS/COFINS (Taxes on Revenue)	-	-	20,051	24,890
Reintegra	-	-	14,936	14,932
Others	-	-	3,524	5,161
FOREIGN	-	-	188,766	154,276
Income Tax	-	-	45,147	52,078
IVA / VAT	-	-	135,589	98,907
Others	-	-	8,030	3,291
TOTAL	21,615	6,063	517,992	473,547
Current assets	21,615	6,063	434,018	394,839
Noncurrent assets	-	-	83,974	78,708

The credits will be realized by the Company and its subsidiaries during the normal process of tax calculation and there are also credits subject to refund and/or offsetting.

9. RELATED PARTIES

The Company carried out trading transactions involving purchase and sale of goods and raw materials and contracting of services as well as financial transactions relating to loans and fundraising among Group companies, which are eliminated on consolidation, and Management compensation.

Amount of existing balances:	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
BALANCE SHEET ACCOUNTS				
Noncurrent assets	3	3	-	-
Management of funds				
WEG Equipamentos Elétricos S.A.	3	3	-	-
Current liabilities	1,395	1,525	24,820	22,053
Contracts with Management	-	-	10,293	4,857
Profit sharing - Management	1,395	1,525	14,527	17,196

Amount of existing balances:	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
BALANCE SHEET ACCOUNTS				
PROFIT & LOSS ACCOUNTS				
Management compensation:	PARENT		CONSOLIDATED	
	06/30/20	06/30/19	06/30/20	06/30/19
a) Fixed (fees)	1,385	1,358	13,041	13,269
Board of Directors	689	677	1,378	1,355
Board of Executive Officers	696	681	11,663	11,914
b) Variable (profit sharing)	1,385	1,358	12,869	13,030
Board of Directors	689	677	1,383	1,355
Board of Executive Officers	696	681	11,486	11,675

Additional Information:

a) Trading transactions

The purchase and sale of inputs and goods are conducted under conditions established between the parties;

b) Management of funds

The financial and trading transactions conducted among the Group companies are recorded and supported by the Group's policies. The credit/debit agreements entered into with Management are subject to interest of 95.0% of the CDI variation (95.0% of the CDI variation as at December 31, 2019);

c) Sureties and guarantees

WEG SA granted sureties and guarantees for foreign subsidiaries in the amount of US\$ 23.2 million (US\$ 88.8 million at December 31, 2019);

d) Management compensation

The members of the Board of Directors received compensation in the amount of R\$ 1,378 (R\$ 1,355 as at June 30, 2019) and the executive officers received R\$ 11,663 (R\$ 11,914 as at June 30, 2019) for their services, corresponding to a total amount of R\$ 13,041 (R\$ 13,269 as at June 30, 2019).

A share of 0% to 2.5% of the consolidated profit for the year is expected to be paid to Management as long as they achieve the minimum operating performance targets. The performance targets refer to the Return on Invested Capital (weight of 70%), with a minimum performance of 11%, and growth of EBITDA (weight of 30%), with a minimum performance of 5.6%. The corresponding provision is recognized in profit or loss for the period in the amount of R\$ 12,869 (R\$ 13,030 as at June 30, 2019), in the other expenses line item. Directors receive benefits for the performance of their function.

10. DEFERRED TAXES

The deferred tax assets and liabilities were determined in accordance with CVM Resolution 599/09, which approved Technical Pronouncement CPC 32 – Income Taxes.

a) Breakdown of amounts:

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
Income tax losses	563	-	94,221	84,907
Social contribution losses	612	246	15,959	15,625
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	87,067	93,274
Taxes under litigation	1,608	1,608	52,290	50,955



Losses on trade receivables	-	-	17,011	13,348
Losses on slow-moving inventories	-	-	30,320	21,244
Indemnities on labor and contractual terminations	-	-	44,568	39,623
Freight and sales commissions	-	-	11,539	10,555
Third-party services	-	-	103,882	72,642
Projects in progress – foreign subsidiaries	-	-	34,467	11,381
Employee profit sharing	-	-	55,304	64,413
Unrealized gains on derivatives	-	-	8,213	4,868
Derivatives - hedge accounting	-	-	(1,412)	5,596
Deferred revenue	-	-	25,363	10,910
Accelerated depreciation	-	-	(6,896)	(7,008)
Difference between tax and accounting amortization of goodwill	(2)	(2)	(32,891)	(28,497)
Difference between tax and accounting depreciation (useful life)	(13)	(13)	(237,051)	(204,259)
Others	3,065	4,367	30,078	12,216
Deemed cost of property, plant and equipment	(1,328)	(1,343)	(159,595)	(164,894)
TOTAL	4,505	4,863	172,437	106,899
Noncurrent assets	4,505	4,863	255,098	182,042
Noncurrent liabilities	-	-	(82,661)	(75,143)

b) Estimated realization period

Management estimates that the deferred taxes arising from temporary differences will be realized in proportion to the materialization of the contingencies, losses and forecast obligations.

In regard to deferred tax assets, recognized on income tax and social contribution losses, Management estimates that they will be realized within the next 5 years, taking into consideration the projection of future profits.

11. INVESTMENTS

11.1 Investments in subsidiaries

	Country	Equity	Profit (loss) for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				06/30/20		12/31/19		06/30/20	06/30/19	06/30/20	12/31/19
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	8,322,025	1,055,211	100.00	-	100.00	-	847,106	612,428	8,282,025	6,863,221
RF Reflorestadora Ltda.		150,338	384	100.00	-	100.00	-	384	1,887	150,338	149,954
WEG Amazônia S.A.		61,320	8,094	0.02	99.98	0.02	99.98	1	1	10	9
WEG Administradora de Bens Ltda.		12,882	55	99.06	0.94	99.06	0.94	55	214	12,762	12,947
WEG Logística Ltda.		185,071	8,236	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equip. Elétricos S.A.		362,072	43,167	-	100.00	-	100.00	-	-	2	1
WEG Drives & Controls Aut. Ltda.		732,397	103,174	100.00	-	100.00	-	103,173	61,983	729,487	644,930
WEG Partner Holding Ltda.		1	(0)	0.10	99.90	0.10	99.90	-	-	-	-
WEG-Cestari Redut. Motorredut. S.A.		85,599	5,797	-	50.01	-	50.01	-	-	-	-
Hidráulica Indl.- Ind. e Com. Ltda.		222,009	1,757	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,012	(56)	91.75	8.25	91.75	8.25	(52)	36	929	980
Paumar S.A. Indústria e Comércio		399,571	13,420	38.87	61.13	38.87	61.13	5,216	4,913	153,916	149,627
WEG-Jelec Oil and Gas Sol. Aut. Ltda.		10	(0)	-	100.00	-	100.00	-	-	-	-
Transformadores do Nordeste Ltda.		16,657	(603)	0.01	99.99	0.01	99.99	-	-	-	-
Geremia Redutores Ltda.		47,288	3,997	-	50.01	-	50.01	-	-	-	-
DJG Participações Ltda.		-	948	-	-	-	50.01	-	-	-	-
H.Geremia Participações Societárias Ltda.		-	195	-	-	-	50.01	-	-	-	-
W.R.G. Participações Societárias Ltda.		-	349	-	-	-	50.01	-	-	-	-
PPI Multitask Sistemas e Automação S.A.		2,189	269	-	51.00	-	51.00	-	-	-	-
Multitask Soluções em Automação S.A.		98	(28)	-	51.00	-	51.00	-	-	-	-
Multitask Automação Industrial S.A.		-	44	-	-	-	51.00	-	-	-	-
V2COM Participações S.A.		23,527	(1,086)	-	51.00	-	51.00	-	-	-	-
V2 Tecnologia Ltda.		(1,239)	(3,878)	-	51.00	-	51.00	-	-	-	-
V2 Ind. e Com. de Equip. Elet. Ltda.		18,764	2,718	-	51.00	-	51.00	-	-	-	-
Zest WEG Group Africa (Pty) Ltd.	South Africa	201,585	(884)	-	100.00	-	100.00	-	-	-	-
Zest Energy (Pty) Ltd.		1,506	(6)	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		(60,528)	(10,884)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		143,992	6,889	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		(5,377)	2,747	-	86.67	-	86.67	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.		(477)	(15)	-	100.00	-	100.00	-	-	-	-

WEG S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION AS AT JUNE 30, 2020
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)



Zest WEG Investment Company (Pty) Ltd.		107,706	5,136	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH	Germany	75,327	5,092	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH		7,682	(258)	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH		22,630	322	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH	Argentina	(15,945)	(5,388)	-	100.00	-	100.00	-	-	-	-
WEG Equipamientos Electricos S.A.		118,952	6,905	10.45	89.55	10.45	89.55	2,560	1,434	12,420	8,479
Pulverlux S.A.	Australia	11,341	(851)	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.	Austria	70,342	945	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH		121,045	3,824	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH	Belgium	609,853	546,465	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH		4,893,610	707,833	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Kazakhstan	79,516	5,157	-	100.00	-	100.00	-	-	-	-
WEG Central Asia LLP		818	(166)	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	57,672	4,700	8.00	92.00	8.00	92.00	376	217	4,614	3,371
WEG (Nantong) Electric Motor Co., Ltd.	China	359,980	24,739	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		10,967	(14,548)	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		(7,365)	(5,421)	-	100.00	-	100.00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.		5,689	(616)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(7,088)	(4,396)	-	100.00	-	100.00	-	-	-	-
The First Drive Technology Co., Ltd.		(2,457)	(1,703)	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		318,024	15,620	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	4,929	3,315	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.	Colombia	127,509	(14,653)	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	Arab Emirates	(26,992)	(22)	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	91,656	5,445	-	100.00	-	100.00	-	-	-	-
Autrial S.L.		(10,586)	(515)	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.	United States	987,963	42,950	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC		129,987	9,872	-	100.00	-	100.00	-	-	-	-
FTC Energy Group Inc.		1,386	12	-	100.00	-	100.00	-	-	-	-
Bluffton Motor Works, LLC		415,754	(2,004)	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		172,725	16,843	-	72.00	-	72.00	-	-	-	-
WEG Investment North America Inc.	France	163,623	15,741	-	100.00	-	100.00	-	-	-	-
WEG France SAS		53,246	1,769	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	18,126	3,239	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(1,943)	193	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	252,203	(12,602)	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	32,466	542	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	49,528	(4,581)	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	5,255	638	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	(1,171)	(1,254)	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.	Mexico	854,488	31,851	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.		120,521	34,491	-	72.00	-	72.00	-	-	-	-
Voltran S.A. de C.V.		144,883	21,515	-	72.00	-	72.00	-	-	-	-
WEG Equipos Eléctricos S.A. de C.V.		17,968	933	-	100.00	-	100.00	-	-	-	-
WEG Power Systems S.A. de C.V.	Mozambique	4,818	753	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda.		(725)	(296)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.C.	Peru	24,409	3,601	0.05	99.95	0.05	99.95	2	-	12	8
WEGEuro Ind. Eléctrica S.A.	Portugal	161,469	13,878	-	100.00	-	100.00	-	-	-	-
WEG Electric CIS	Russia	17,388	4,303	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Swedish	23,756	3,212	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(47)	(28)	-	100.00	-	100.00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(5)	17	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	1,199	212	-	50.00	-	50.00	-	-	-	-
TOTAL								958,821	683,113	9,346,515	7,833,527

(*) Share of profit (loss) of investees adjusted for unrealized profits on related-party transactions.

The Company's consolidated interim financial information includes the individual interim financial information of WEG S.A. and all its subsidiaries. The subsidiaries are fully consolidated from the date on which the control is obtained.

Subsidiaries with negative equity are capitalized annually, in accordance with the legislation of each country.

11.2 Investment in associate

	Country	Equity	Profit (loss) for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				06/30/20		12/31/19		06/30/20	06/30/19	06/30/20	12/31/19
				Direct	Indirect	Direct	Indirect				
TGM Kanis Turbinen GmbH	Germany	82,596	(9,872)	-	42.86	-	42.86	(4,231)	2,839	35,398	28,007

1.3 Other investments

The Company and its subsidiaries have recorded other investments of R\$ 7 (R\$ 5 as at December 31, 2019).

11.4 Acquisition

(i) Transformadores e Serviços de Energia das Américas S.A. ("TSEA")

On January 16, 2020, the Company announced an agreement for the acquisition of one of the plants of Transformadores e Serviços de Energia das Américas S.A. ("TSEA"), manufacturer of power transformers, shunt reactors and power autotransformers, located in the city of Betim, Minas Gerais state. The acquisition does not comprise the interim financial information as at June 30, 2020 as the Administrative Council for Economic Defense (CADE) has not yet approved the transaction.

(ii) Mvisia Desenvolvimentos Inovadores Ltda.

On June 23, 2020, the Company announced the execution of an agreement for the acquisition of 51% of the capital of the startup Mvisia Desenvolvimentos Inovadores Ltda., specialized in Artificial Intelligence (AI) solutions applied to computer vision for the industry. The acquisition is not included in the interim financial information as at June 30, 2020 due to the existence of conditions precedent established in the agreement that must still be fulfilled for consummation of the investment, which is expected to occur in August 2020.

11.5 Corporate Events 2020

(i) WEG-Cestari Redutores e Motorreductores S.A.

In May 2020, the companies DJG Participações Ltda., H.Geremia Participações Societárias Ltda. and W.R.G. Participações Societárias Ltda. were merged with the assumption of its assets and liabilities by WEG-Cestari Redutores e Motorreductores S.A., in order to reduce the shareholding structure.

(ii) PPI Multitask Sistemas e Automação S.A.

In May 2020, Multitask Automação Industrial S.A. was merged into PPI Multitask Sistemas e Automação S.A.. This restructuring aimed at simplifying and increasing synergy of technical and administrative services and reducing operating costs and administrative expenses.

12. PROPERTY, PLANT AND EQUIPMENT

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
Land	1,440	1,440	445,733	423,895
Constructions and facilities	5,639	5,639	1,804,344	1,531,699
Equipment	-	-	4,726,896	4,301,142
Furniture and fixtures	-	-	177,988	150,004
Hardware	-	-	170,183	141,694
Construction in progress	-	-	705,198	616,969
Reforestation	-	-	59,466	59,006
Others	-	-	81,481	97,196
Total property, plant and equipment	7,079	7,079	8,171,289	7,321,605

Accumulated depreciation/depletion	Annual depreciation rate (%)	(2,904)	(2,860)	(3,964,797)	(3,545,044)
Constructions and facilities	02 to 03	(2,904)	(2,860)	(576,782)	(492,477)
Equipment	05 to 20	-	-	(3,088,896)	(2,795,652)
Furniture and fixtures	07 to 10	-	-	(122,933)	(102,538)
Hardware	20 to 50	-	-	(119,724)	(103,028)
Reforestation	-	-	-	(27,025)	(26,739)
Others	-	-	-	(29,437)	(24,610)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET		4,175	4,219	4,206,492	3,776,561

a) Summary of the movement in property, plant and equipment – consolidated:

Classification of the PP&E	12/31/19	Transfer between classes	PPA Geremia	Acquisitions	Write-offs	Depreciation and depletion	Effect of exchange rate changes	06/30/20
Land	423,895	-	522	-	-	-	21,316	445,733
Constructions and facilities	1,039,222	39,443	4,364	47,152	(79)	(22,821)	120,281	1,227,562
Equipment	1,505,490	28,097	10,877	84,499	(8,316)	(115,117)	132,470	1,638,000
Furniture and fixtures	47,466	(599)	-	7,857	(195)	(4,661)	5,187	55,055
Hardware	38,666	69	-	14,891	(146)	(6,917)	3,896	50,459
Construction in progress	616,969	(64,266)	-	77,837	-	-	74,658	705,198
Reforestation	32,267	-	-	460	-	(286)	-	32,441
Advances to suppliers	47,792	(3,046)	-	(28,399)	-	-	9,508	25,855
Others	24,794	-	-	2,548	(1,233)	(2,587)	2,587	26,189
TOTAL	3,776,561	(302)	15,763	206,845	(9,969)	(152,309)	369,903	4,206,492

Classification of the PP&E	12/31/18	Transfer between classes	PPA Geremia	Acquisitions	Write-offs	Depreciation and depletion	Effect of exchange rate changes	06/30/19
TOTAL	3,541,954	-	-	198,840	(11,241)	(142,371)	(818)	3,586,364

b) Construction in progress – the Company has investments in progress in property, plant and equipment items as at June 30, 2020 amounting to R\$ 705,198 (R\$ 616,969 as at December 31, 2019), and the most significant investments are in Mexico unit, which amount to R\$ 586,476 (R\$ 501,255 as at December 31, 2019).

c) Amount offered as guarantee – PP&E items were offered as guarantee of borrowings, financing, labor claims and tax lawsuits in the consolidated amount of R\$ 31,166 (R\$ 31,166 as at December 31, 2019).

13. RIGHT OF USE OF LEASED ASSETS

The Company and its subsidiaries adopt Technical Pronouncement CPC 06 (R2) (IFRS 16) Leases, which introduces a single model for the recording of leases for lessees in the balance sheet.

	CONSOLIDATED	
	06/30/20	12/31/19
Properties	368,165	221,734

Machinery and equipment	67,223	26,640
Hardware	2,384	1,788
Vehicles	23,516	15,493
Total leases	461,288	265,655
Accumulated depreciation	(137,069)	(61,032)
Properties	(95,798)	(48,421)
Machinery and equipment	(30,724)	(7,406)
Hardware	(372)	(500)
Vehicles	(10,175)	(4,705)
TOTAL NET	324,219	204,623

a) Summary of the movement in right of use of leased assets:

Class	12/31/19	Additions	Write-offs	Depreciation	Foreign Exchange	06/30/20
Properties	173,313	80,082	(437)	(31,053)	50,462	272,367
Machinery and equipment	19,234	13,536	(40)	(4,461)	8,230	36,499
Hardware	1,288	322	-	(119)	521	2,012
Vehicles	10,788	2,108	-	(3,202)	3,647	13,341
TOTAL	204,623	96,048	(477)	(38,835)	62,860	324,219
	12/31/18	Additions	Write-offs	Depreciation	Foreign Exchange	06/30/19
TOTAL	-	230,637	(2,980)	(26,523)	2,665	203,799

14. INTANGIBLE ASSETS - CONSOLIDATED

	Amortization / No, of years	Cost	Accumulated amortization	06/30/20	12/31/19
Software license	5	184,463	(132,764)	51,699	47,773
Property right	30 – 80	108,783	(24,605)	84,178	63,669
Trademarks and patents	5	46,029	(25,952)	20,077	15,864
Others	5	329,266	(236,073)	93,193	74,125
Subtotal		668,541	(419,394)	249,147	201,431
Goodwill on acquisition subsidiaries	-	1,329,997	(21,353)	1,308,644	1,118,315
TOTAL		1,998,538	(440,747)	1,557,791	1,319,746

a) Summary of the movement in intangible assets:

	12/31/19	Transfer between classes	PPA Geremia	Additions	Write-offs	Amortization	Effect of exchange rate changes	06/30/20
Software license	47,773	363	-	7,079	(1)	(7,656)	4,141	51,699
Property right	63,669	-	-	95	-	(819)	21,233	84,178
Trademarks and patents	15,864	124	5,285	488	-	(4,317)	2,633	20,077
Others	74,125	(185)	5,251	16,586	(3,557)	(8,998)	9,971	93,193
Subtotal	201,431	302	10,536	24,248	(3,558)	(21,790)	37,978	249,147
Goodwill on acquisition of subsidiaries	1,118,315	-	(26,299)	-	-	-	216,628	1,308,644
TOTAL	1,319,746	302	(15,763)	24,248	(3,558)	(21,790)	254,606	1,557,791

	12/31/18	Transfer between classes	PPA Geremia	Addition s	Write-offs	Amortization	Effect of exchange rate changes	06/30/19
TOTAL	1,220,027	-	(6,601)	10,981	(5,452)	(24,643)	(6,138)	1,188,174

b) Purchase Price Allocation – PPA:

In June 2020, the allocation of goodwill based on the Purchase Price Allocation - PPA report of the company Geremia Redutores Ltda. was completed. As a result of this PPA, the amount of R\$ 26,299 initially accounted for as goodwill was recognized in intangible assets (R\$ 10,536) and in property, plant and equipment (R\$ 15,763) due to its fair value.

c) Breakdown of goodwill generated on acquisition of subsidiaries:

	06/30/20	12/31/19
Electric Machinery Company LLC	268,063	197,312
Bluffton Motor Works, LLC	223,388	164,428
TGM Ind. e Com, de Turbinas e Transm. Ltda. (Merged)	116,516	116,516
Changzhou Sinya Electromotor Co., Ltd,	100,612	75,157
Zest WEG Group Africa (PTY) Ltd.	95,115	86,704
Trafo Equipamentos Elétricos S.A. (Merged)	62,827	62,827
WEG Transformadores Colombia S.A.S. (Merged)	62,414	52,494
WEG-Cestari Redutores e Motorreductores S.A.	48,139	48,139
Stardur Tintas Especiais Ltda. (Merged)	43,402	43,402
Watt Drive Antriebstechnik GmbH	41,771	30,751
Geremia Redutores Ltda.	32,246	58,545
Changzhou Machine Master Co., Ltd, (Merged)	23,381	17,466
Others	190,770	164,574
TOTAL	1,308,644	1,118,315

d) Amortization schedule of intangible assets (except goodwill):

	06/30/20
2020	23,156
2021	35,912
2022	25,908
2023	22,691
2024	20,663
From 2025 onwards	120,817
TOTAL	249,147

e) Impairment test:

In June 2020, the Company reviewed the impairment tests of certain relevant assets, in view of the effects from COVID-19 on its operations.

The calculation of the recoverable amount is carried out using the discounted cash flow method, based on information available on the market in which each business operates.

The impairment tests of these assets of the Company and its subsidiaries did not result in the need of recognizing impairment losses as at June 30, 2020.



15. TRADE PAYABLES

	CONSOLIDATED	
	06/30/20	12/31/19
Balance breakdown:		
Domestic market	400,820	356,307
External market	528,077	483,572
TOTAL	928,897	839,879

16. BORROWINGS AND FINANCING

Direct borrowings from BNDES are collateralized by the parent company WEG S.A. Direct borrowings from FINEP are collateralized by sureties and bank guarantees. FINAME transactions are collateralized by sureties and chattel mortgage. The covenants related to indicators of capitalization, which are exclusive to BNDES contracts, current liquidity and net debt/EBITDA ratio have been complied with.

Type	Annual charges at 03/31/20	CONSOLIDATED	
		06/30/20	12/31/19
IN LOCAL CURRENCY			
CURRENT		89,458	87,566
In Brazilian Reais, fixed rate			
Working capital	3.5% to 11.0% p.a.	78,370	79,512
Property, plant and equipment	2.5% to 8.7% p.a.	3,624	3,596
In Brazilian Reais, floating rate			
Working capital	TJLP (+) 2.4% p.a.	1,482	981
Working capital	UFIR (+) 1.0% to 4.0% p.a.	1,762	1,304
Working capital	116% of CDI	2,782	484
Others			
Others	Sundry	1,438	1,689
NONCURRENT		78,333	107,930
In Brazilian Reais, fixed rate			
Working capital	3.5% to 6.0% p.a.	22,838	46,300
Property, plant and equipment	2.5% to 8.7% p.a.	6,669	8,362
In Brazilian Reais, floating rate			
Working capital	TJLP (+) 2.4% p.a.	4,151	4,904
Working capital	UFIR (+) 4.0% p.a.	120	753
Working capital	116% of CDI	42,500	45,000
Others			
Others	Sundry	2,055	2,611
IN FOREIGN CURRENCY			
CURRENT		377,127	848,804
In US Dollar			
Working capital (ACCs)	US\$ variation (+) 2.35% to 3.12% p.a.	38,619	149,824
Export prepayment (PPE)		-	103,084
In US Dollar			
Working capital	Libor (+) 0.55% p.a. to 1.4% p.a.	108,321	181,020
In Euros			
Working capital	Euribor (+) 1.0% p.a.	6,997	230,696
Working capital (ACCs)	EUR variation (+) 0.10% to 0.70% p.a.	85,225	85,225
In Colombian Pesos			
Working capital	5.62% to 6.91% p.a.	48,638	15,495
In Rand (South Africa)			
Working capital	8.00% to 9.00% p.a.	84,718	74,790
Other currencies			
Working capital	Domestic market rates	4,609	8,670



NONCURRENT		1,579,415	1.240.669
In US Dollar			
Working capital	Libor (+) 1.40% p.a.	1,382,538	1,013,968
In Euros			
Working capital	Euribor	10,635	7,359
In Mexican Pesos			
Working capital	TIIE (+) 0.90% p.a.	183,287	185,353
In Colombian Pesos			
Working capital		-	31,198
Other currencies			
Working capital	Domestic market rates	2,955	2,791
TOTAL BORROWINGS AND FINANCING		2,124,333	2,284,969
TOTAL CURRENT		466,585	936,370
TOTAL NONCURRENT		1,657,748	1,348,599

Maturity of noncurrent borrowings and financing:

	06/30/20	12/31/19
2021	472,795	410,843
2022	941,151	692,070
2023	3,882	3,902
2024	195,430	194,270
2025	14	14
From 2026 onwards	44,476	47,500
TOTAL	1,657,748	1,348,599

Variations in borrowings and financing were as follows:

Balance at 01/01/2019	3,772,114
Borrowings and financing raised	1,407,993
Accrued interest	78,383
Amortization	(2,778,344)
Interest payment	(68,008)
Exchange rate changes	(127,169)
Balance at 12/31/2019	2,284,969
Borrowings and financing raised	8,609
Accrued interest	6,550
Amortization	(986,345)
Interest payment	(5,951)
Exchange rate changes	816,501
Balance at 06/30/2020	2,124,333

17. PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to administrative and judicial proceedings involving tax, labor and civil matters arising from the normal activities of their businesses. The corresponding provisions were recorded for proceedings the likelihood of loss of which was rated as "probable" based on the estimate of value at risk determined by the Company's legal counsel. The Company's management estimates that the provision for contingencies recognized is sufficient to cover any losses on ongoing proceedings,

a) Balance of provision for contingencies:

		PARENT		CONSOLIDATED	
		06/30/20	12/31/19	06/30/20	12/31/19
(i) Tax:		4,730	4,730	244,225	234,351
- IRPJ and CSLL	(a,1)	-	-	106,850	99,937
- INSS	(a,2)	4,730	4,730	59,995	56,890
- PIS and COFINS	(a,3)	-	-	67,275	67,492
- Others		-	-	10,105	10,032
(ii) Labor		-	-	196,298	214,094
(iii) Civil		-	-	104,404	98,529
(iv) Others		-	-	3,955	4,604
TOTAL		4,730	4,730	548,882	551,578

b) Statement of the movement for the year - consolidated:

	12/31/19	Additions	Interest	Write-offs	Reversals	06/30/20
a) Tax	234,351	12,382	412	-	(2,920)	244,225
b) Labor	214,094	11,744	2,443	(29,725)	(2,258)	196,298
c) Civil	98,529	14,881	567	(6,220)	(3,353)	104,404
d) Others	4,604	41	-	-	(690)	3,955
TOTAL	551,578	39,048	3,422	(35,945)	(9,221)	548,882

	12/31/18	Additions	Interest	Write-offs	Reversals	06/30/19
TOTAL	547,637	31,591	13,854	(26,485)	(24,397)	542,200

c) The provisions recognized refer mainly to:

(i) Tax contingencies

- (a.1) Refers to the proceeding regarding the difference of the IPC (Consumer Price Index) for January 1989 ("Plano Verão") on the 16.24% inflation adjustment and the proceeding on the deduction from the calculation basis of 2011 RD&I Project expenditures ("Lei do Bem" – Innovation Tax Incentive Law).
- (a.2) Refers to contribution due to the Social Security, The litigation refers to social security charges levied on private pension plan, profit sharing, education allowance, among others.
- (a.3) Refers to non-approval by the Brazilian Federal Revenue Office of the request for offset of the credit balance of PIS and COFINS against federal tax debts.

(ii) Labor contingencies

The Company and its subsidiaries are defendants in labor claims primarily involving discussions about health and risk exposure, among others,

(iii) Civil contingencies

Refer mainly to civil lawsuits, including pain and suffering, aesthetic damage, occupational diseases and indemnities arising from occupational accidents,

d) Escrow deposits:

	PARENT		CONSOLIDATED	
	06/30/20	12/31/19	06/30/20	12/31/19
Tax	4,657	4,657	37,763	37,858
Labor and civil	-	-	25,222	26,095
Others	-	-	150	150
TOTAL RESTRICTED DEPOSITS	4,657	4,657	63,135	64,103

- Non-restricted escrow deposits	-	-	5,723	4,403
TOTAL ESCROW DEPOSITS	4,657	4,657	68,858	68,506

The escrow deposits not restricted to contingencies are awaiting court authorization for withdrawal.

e) Contingencies assessed as possible losses:

The Company and its subsidiaries are parties to other lawsuits for which the likelihood of loss is classified as “possible” and for which no provision for contingencies was recognized.

As at June 30, 2020, the estimated amount of these lawsuits amounted to R\$ 400,983 (R\$ 256,942 as at December 31, 2019).

(i) Tax

- Taxation on profits earned abroad in total estimated amount of R\$ 243.6 million (R\$ 100.5 million as at December 31, 2019);
- Levy of ICMS-ST on purchases of raw material in the amount of R\$ 26.3 million (R\$ 26.0 million as at December 31, 2019);
- Levy of social security contribution on dental care, education allowance, technical courses and salary premium for education in the amount of R\$ 23.5 million (R\$ 23.4 million as at December 31, 2019);
- Non-approval of IPI credits in the amount of R\$ 14.7 million (R\$ 14.6 million as at December 31, 2019);
- Other tax contingencies in the amount of R\$ 41.7 million (R\$ 41.2 million as at December 31, 2019).

(ii) Civil

- 3Z Movimentação Inteligente Ltda. in the estimated amount of R\$ 29.2 million (R\$ 29.2 million as at December 31, 2019);
- Saraiva Equipamentos Ltda. and Saraiva Engenharia Ltda. in the estimated amount of R\$ 17.1 million (R\$ 17.1 million as at December 31, 2019);
- Other civil lawsuits in the amount of R\$ 4.9 million (R\$ 4.9 million as at December 31, 2019).

18. PRIVATE PENSION PLAN

The Company and its subsidiaries are sponsors of WEG Seguridade Social, which has as main purpose to supplement the retirement benefits offered by the official social security system.

The Plan, administered by WEG Seguridade Social, includes monthly income benefits (retirement), annual bonus, supplemental sickness benefit, supplemental disability retirement, supplemental pension, supplemental annual bonus and death benefit.

The number of participants is 20,470 (19,611 as at June 30, 2019), The Company and its subsidiaries made contributions in the amount of R\$ 20,003 (R\$ 18,172 as at June 30, 2019).

Based on actuarial calculations made by independent actuaries in order to define the net liability value between the defined benefit obligation and the fair value of the plan assets, pursuant to the procedures established by CVM Resolution No. 695/12 – CPC 33 (R1) Employee Benefits, we did not identify any significant post-employment liabilities to be recognized by the Company.

19. EQUITY

a) Issued capital

The Company's capital is R\$ 5,504,517 (R\$ 5,504,517 as at December 31, 2019), comprising 2,098,658,999 registered book-entry common shares with no par value, all with voting rights, including the 959,216 shares held in treasury pursuant to item "c".

b) Shareholder compensation

b.1.) Interest on capital

In the first half of 2020, the Company declared interest on capital in the gross amount of R\$ 143,627 (net R\$ 122,083), corresponding to R\$ 0.05820 per share, already deducting the withholding income tax, pursuant to the following approvals of the Board of Directors:

i. On March 17, 2020, in the gross amount of R\$ 63,421 (R\$ 97,338 in March 2019), net of R\$ 53,908 (R\$ 82,737 in March 2019) corresponding to R\$ 0.02570 per share, already deducting the withholding income tax of 15%, pursuant to paragraph 2 of Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax

ii. On June 23, 2020, the Company declared interest on capital in the gross amount of R\$ 80,206 (R\$ 89,943 in June 2019), net of R\$ 68,175 (R\$ 76,452 in June 2019), corresponding to R\$ 0.03250 per share, already deducting the withholding income tax of 15%, pursuant to paragraph 2 of Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax.

Interest on capital, pursuant to article 37 of the Bylaws and article 9 of Law 9,249/95, will be incorporated into mandatory dividends and paid beginning August 12, 2020.

b.2.) Interim dividends

The Board of Executive Officers shall submit for the approval of the Board of Directors the proposal for distribution of interim dividends on the profit earned in the first half of 2020, in the amount of R\$ 265,992 (R\$ 0.12680 per share). The proposed amount is recorded in line item Proposed Dividends in Equity.

The interim dividends and interest on capital payable total a gross amount of R\$ 409.6 million (net 388.1 million), equivalent to 42.92% of the profit for the period (net 40.66%).

c) Treasury shares

The shares acquired by the Company are held in treasury to be used by the beneficiaries of the Company's Stock Option Plan and Long-Term Incentive Plan or subsequent cancellation or disposal.

On February 18, 2020, the Board of Directors approved the purchase of 250,000 shares, at average cost of R\$ 47.02 per share.

Until June 30, 2020, the beneficiaries of the Company's Stock Option Plan and Plan ILP exercised 408,952 shares. The Company holds in treasury 959,216 shares at the average cost of R\$ 17.17 per share, in the total amount of R\$ 16,470 (R\$ 11,419 as at December 31, 2019).

20. LONG-TERM INCENTIVE PLAN (LTIP)

The Extraordinary General Meeting (EGM) held on June 28, 2016 approved the share-based compensation plan called Long-term incentive plan (LTIP Plan) for its Management and officers.

(i) Plan

The Plan is managed by the Board of Directors and is aimed at granting shares issued by WEG S.A. (Company), classified as “WEGE3” on B3, to its management and officers in order to attract, motivate and retain them, as well as align their interests to those of the Company and its shareholders.

For the LIP Plan application in each year, and the consequent granting of shares, an essential condition (trigger) is that the Company has obtained, in the immediately preceding year, at least 10% of Return on Invested Capital (ROIC).

The shares to be granted under LIP Plan are limited to a maximum of 2% (two percent) of the total shares representing the Company’s capital.

The number of shares granted to the participants is included in clauses 7 and 8 of the LIP Plan, which establishes the criteria for the number of shares to be granted and the vesting period to be complied with.

The Plan may be discontinued, suspended or altered at any time, upon a proposal approved by the Company's Board of Directors.

(ii) Program

The Board of Directors may approve, annually, Long-Term Incentive Programs ("Programs") in which the participants, number of shares, value of share, and other rules specific to each Program will be defined.

Programs

The program participants are the officers of the Company and of its subsidiaries based in Brazil, excluding the officers of subsidiaries with third party participation.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, including the new market values in the strike price and the increase in shares for the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Program	Shares Granted		
	Number	Share value (R\$)	Amount of expenses to be allocated over the program term (R\$ thousand)
2016	354,167	11.95	4,232
2017	297,069	19.25	5,719
2018	331,010	18.72	6,197
2019	184,468	37,48	6,914

Summary of the variation of the plan’s shares:

Program	12/31/19	Granted	Exercised	Number of shares	
				Delivered in kind	06/30/20
2016	254,461	-	(121,378)	-	133,083
2017	289,121	-	(117,808)	-	171,313
2018	322,293	-	(58,442)	-	263,851
2019	-	184,468	(21,930)	(9,897)	152,641
TOTAL	865,875	184,468	(319,558)	(9,897)	720,888

In the first half of 2020, expenses in the amount of R\$ 4,411 (R\$ 3,947 as at June 30, 2019) were posted to other income (expenses) line item in the income statement for the year matched against capital reserve in equity.

The shares exercised in the first half of 2020 amounted to R\$ 9,162 (R\$ 2,488 as at June 30, 2019) recording in capital reserve in equity the amount of R\$ 7,956 (R\$ 2,907 as at June 30, 2019) and R\$ 1,206 (R\$ 419 as at June 30, 2019) supplementing the amount provisioned recorded in other income (expenses) line item in the income statement for the year.

21. STOCK OPTION PLAN

The EGM held on June 28, 2016 approved the discontinuance of the Company's Stock Option Plan which had been approved at the EGM of February 22, 2011, and subsequent amendments, complying with the agreements that had already been entered into and not yet completed.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, increasing the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Summary of the movement of the plan's shares:

Program	12/31/19	Exercised	Number of shares
			06/30/20
March/14	52,734	(52,734)	-
August/14	11,960	-	11,960
March/15	55,724	(27,862)	27,862
August/15	69,191	(6,247)	62,944
March/16	148,040	(88,952)	59,088
TOTAL	337,649	(175,795)	161,854

Expenses on stock options are accounted for over their vesting period.

In the first half of 2020, expenses in the amount of R\$ 27 (R\$ 155 as at June 30, 2019) were posted to other income (expenses) line item in the income statement for the year matched against capital reserve in equity.

The options exercised in the first half of 2020 amounted to R\$ 4,457 (R\$ 1,266 as at June 30, 2019) recognizing in capital reserve line item in equity the amount of R\$ 792 (R\$ 753 as at June 30, 2019) and R\$ 3,665 (R\$ 513 as at June 30, 2019) supplementing the amount provisioned recorded in retained earning line item.

22. NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	06/30/20	06/30/19
Gross revenue	8,824,051	7,048,760
Domestic market	4,120,008	3,192,409
External market	4,704,043	3,856,351
Deductions	(1,045,672)	(829,776)
Taxes	(839,927)	(701,938)
Returns and rebates	(205,745)	(127,838)

Net revenue	7,778,379	6,218,984
Domestic market	3,296,679	2,541,824
External market	4,481,700	3,677,160

23. CONSTRUCTION CONTRACTS

The revenues and costs from construction contracts are recognized according to the percentage of completion method, based on the costs incurred, considering the legal possibility of requiring the payment by the customer or delivery of the product to the customer (transfer of control).

	CONSOLIDATED	
	06/30/20	06/30/19
Gross operating revenues recognized	688,512	512,522
Costs incurred	(480,186)	(429,100)
	06/30/20	12/31/19
Advances received	197,327	119,386

24. OPERATING EXPENSES BY NATURE AND FUNCTION

	CONSOLIDATED	
	06/30/20	06/30/19
EXPENSES BY NATURE	(6,635,746)	(5,416,356)
Depreciation, amortization and depletion	(212,934)	(193,536)
Personnel expenses	(1,670,069)	(1,484,089)
Raw materials and consumables	(3,606,251)	(2,773,549)
Freight and insurance expenses	(135,301)	(178,488)
Other expenses	(1,011,191)	(786,694)
EXPENSE BY FUNCTION	(6,635,746)	(5,416,356)
Cost of sales and services	(5,448,743)	(4,416,111)
Selling expenses	(705,291)	(587,074)
General and administrative expenses	(288,639)	(261,822)
Management fees	(13,041)	(13,269)
Other operating income (expenses)	(180,032)	(138,080)

25. OTHER OPERATING INCOME (EXPENSES)

The amounts recorded refer to profit sharing, reversal of/provision for tax lawsuits and others, as shown below:

	CONSOLIDATED	
	06/30/20	06/30/19
OTHER OPERATING INCOME	11,844	10,501
OTHER OPERATING EXPENSES	(191,876)	(148,581)
Profit sharing – employees	(131,907)	(96,813)
Profit sharing – foreign subsidiaries	(33,543)	(18,658)
Profit sharing – management	(12,869)	(13,030)
Share-based plan	(5,644)	(3,684)
Others	(7,913)	(16,396)
TOTAL, NET	(180,032)	(138,080)

26. FINANCE INCOME (COSTS), NET

	PARENT		CONSOLIDATED	
	06/30/20	06/30/19	06/30/20	06/30/19
FINANCE INCOME	6,106	18,071	573,490	538,042
Income from short-term investments	12,321	35,295	46,209	105,964
Exchange rate changes	-	-	468,409	306,564
Exchange rate changes - Trade payables	-	-	40,188	22,429
Exchange rate changes - Trade receivables	-	-	213,299	62,765
Exchange rate changes – Borrowings	-	-	46,848	189,595
Exchange rate changes – Others	-	-	168,074	31,775
PIS/COFINS on interest on capital	(14,052)	(16,067)	(14,052)	(16,067)
PIS/COFINS on finance income	(643)	(1,662)	(3,776)	(6,062)
Derivatives	-	-	61,219	123,577
PROEX - Equaliz, Interest rate	-	-	18,988	5,919
Other income	8,480	505	(3,507)	18,147
FINANCE EXPENSES	(1,187)	(327)	(620,406)	(578,703)
Interest on borrowings and financing	-	-	(48,163)	(98,984)
Exchange rate changes	-	-	(490,321)	(408,779)
Exchange rate changes - Trade payables	-	-	(112,204)	(19,034)
Exchange rate changes - Trade receivables	-	-	(120,354)	(60,100)
Exchange rate changes – Borrowings	-	-	(170,059)	(288,475)
Exchange rate changes – Others	-	-	(87,704)	(41,170)
Derivatives	-	-	(50,185)	(35,716)
Other expenses	(1,187)	(327)	(31,737)	(35,224)
FINANCE INCOME (EXPENSES), NET	4,919	17,744	(46,916)	(40,661)

27. PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries in Brazil calculate income tax and social contribution based on taxable income, except for WEG Administradora de Bens Ltda., Agro Trafo Miner., Agric., Pec. e Administradora de Bens Ltda, Multitask Automação Industrial S.A. e V2 Ind, e Com, de Equipamentos Eletrônicos Ltda, which adopt the calculation based on the deemed income. The provision for income tax was recognized at a 15% rate, plus a 10% surtax, and the social contribution at a 9% rate. The taxes of foreign subsidiaries are recognized according to the legislation of each country.

Reconciliation of income tax and social contribution:

	PARENT		CONSOLIDATED	
	06/30/20	06/30/19	06/30/20	06/30/19
Profit before taxes on income	954,816	695,247	1,091,486	764,806
Statutory rate	34%	34%	34%	34%
IRPJ and CSLL calculated at statutory rate	(324,637)	(236,384)	(371,105)	(260,034)
Adjustments for calculation of income tax and social contribution at effective rate:				
Income from investments in subsidiaries	325,999	232,258	5,159	3,075
Difference in rates on income abroad	-	-	136,661	90,088
Tax incentives	-	-	51,711	47,148
Financial credit from the IT Law – IRPJ/CSLL	-	-	30,771	-
Interest on capital	(2,816)	4,619	48,833	63,677
Other adjustments	1,036	111	(13,024)	(5,293)

IRPJ and CSLL in the income statement	(418)	604	(110,994)	(61,339)
Current tax	(60)	(155)	(157,295)	(80,938)
Deferred tax	(358)	759	46,301	19,599
Effective rate - %	0.04%	-0.09%	10.17%	8.02%

28. INSURANCE COVERAGE

The Company and its subsidiaries have a Worldwide Insurance Program - WIP, in which the following world policies established stand out: Transport (Export, Import and Domestic), Civil Liability for Products, Civil Liability of Directors and Officers (D&O), Property/Operational Risks, Environment Pollution, Performance Bond and Engineering Risk (Construction, Installation, Assembly and Commissioning).

The insurance policies are taken only with first-tier multinational insurance companies.

Below we highlight the Indemnity Limits (LMI) of the policies comprising the WIP:

Insurance policy	Maximum Insured Amount (MIA)	Maturity
Operational risks (Equity)	US\$ 36 million	03/31/2021
Loss of Profits	US\$ 15 million (for Paint companies and newly acquired companies for the first 12 months with an indemnity period of 6 months)	03/31/2021
General Civil liability	US\$ 10 million	09/12/2020
Civil Liability for Products	US\$ 40 million	09/12/2020
Domestic Transport	R\$ 12 million per shipment/accumulation/trip	11/01/2022
International Transport - Export/Import	US\$ 6 million per shipment/accumulation/trip	11/01/2022
Environmental Pollution	US\$ 20 million	09/12/2020
Contractual Performance Bond	As stipulated in the contract	As per the agreement / delivery
Engineering, Installation and Assembly Risk	According to the value at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba) and US\$ 5 million in the USA;	As per the construction schedule / supply
Civil Liability of Directors & Officers (D&O)	US\$ 30 million	09/12/2021

29. FINANCIAL INSTRUMENTS

The Company and its subsidiaries performed the valuation of their financial instruments, including derivatives recorded in the financial statements, presenting the following values:

	CARRYING AMOUNT	
	06/30/20	12/31/19
Cash and cash equivalents	1,677,417	1,946,044
Cash and banks	378,355	396,233
Short-term investments:	1,299,062	1,549,811
- In local currency	1,119,145	1,483,551
- In foreign currency	179,917	66,260
Short-term investments	1,172,419	1,444,227
Derivatives	560,292	191,171
- Non-Deliverable Forwards – NDF	6,038	846

- Hedge accounting	554,254	190,325
Total – Assets	3,410,128	3,581,442
Borrowings and financing	2,124,333	2,284,969
- In local currency	167,791	195,496
- In foreign currency	1,956,542	2,089,473
Derivatives	24,748	20,558
- Non- Deliverable Forwards – NDF	13,014	4,429
- SWAP	7,747	6,637
- Hedge accounting	3,987	9,492
Total – Liabilities	2,149,081	2,305,527

All financial instruments are recognized in the consolidated interim financial information at their carrying amount, which approximates their fair value.

Categories of financial instruments

All financial instruments were classified as amortized cost, except for derivatives, which were classified as fair value through profit or loss.

Fair value hierarchy

The financial instruments that were measured at fair value were classified at level 2 of the hierarchy.

29.1 Risk factors

The risk factors of the financial instruments are basically related to:

a) Credit risks

Arises from the possibility of the Company's subsidiaries not receiving amounts from sales or credits held with financial institutions generated by financial investments. To mitigate the risk of the sales transactions, the Company's subsidiaries adopt a policy of analyzing the financial position of their customers, establishing a credit limit and performing an ongoing monitoring of their debt balance. As regards the financial investments, the Company and its subsidiaries invest with institutions with low credit risk.

b) Foreign currency risks

The Company and its subsidiaries conduct import and export transactions in various currencies, they manage and monitor the exchange exposure seeking to balance their financial assets and liabilities within the limits established by Management.

The limit of exchange exposure sold/purchased (net) may be equivalent to up to one month of exports in foreign currencies as established by the Company's Board of Directors.

As at June 30, 2020, the Company and its subsidiaries made exports in the amount of USD 281.5 million (USD 379.0 million as at June 30, 2019), representing a natural hedge for part of the indebtedness and other costs associated to other currencies, mainly the US dollar.

c) Debt charge risks

These risks arise from the possibility that the subsidiaries may incur losses due to fluctuations in interest rates or other debt indexes, which would increase the finance costs related to borrowings and financing raised in the market, or decrease the finance income related to short-term investments of subsidiaries. The Company and its subsidiaries perform an ongoing monitoring of the market interest rates aiming at assessing the need for hedging against the risk of volatility of these rates.

d) Liquidity risk

This is the risk of the Company not having sufficient liquid funds to honor its financial commitments as a result of the mismatch of terms or volumes between expected receipts and payments. The following table summarizes the contractual obligations that may impact the Company's liquidity:

Contractual obligations	Less than 1 year	1-5 years	Over 5 years	Total at 06/30/20
Borrowings and financing	466,585	1,613,272	44,476	2,124,333
Derivatives	14,280	10,468	-	24,748
Total - Liabilities	480,865	1,623,740	44,476	2,149,081

29.2, Derivative financial instruments

The Company and its subsidiaries have the following derivative transactions:

a) Non-Deliverable Forwards - NDF, in the notional amount of:

- (i) USD 30.0 million, held by its subsidiary WEG International Trade GmbH, with the purpose of hedging its product exports against the risks of fluctuations in exchange rates;
- (ii) USD 48.8 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of partially hedging its exports against the risks of fluctuation in exchange rates;
- (iii) USD 5.9 million, held by its subsidiary Zest WEG Group Africa (Pty) Ltd, aiming at hedging its product imports against the risks of fluctuations in exchange rates;
- (iv) EUR 14.8 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging its financing transactions against the risk of fluctuation in exchange rates.
- (v) EUR 10.5 million, held by its subsidiary WEG Colombia S.A.S., with the purpose of hedging its financing transactions against the risk of fluctuation in exchange rates.

b) Swap transactions, in the notional amount of:

EUR 10.0 million, held by its subsidiary Watt Drive Antriebstechnik GmbH, with the purpose of hedging its financing against the risks of fluctuation of interest rates.

The management of the Company and its subsidiaries maintain an ongoing monitoring of the derivative financial instruments contracted, through their internal controls.

The sensitivity analysis table (item 29,3) should be read jointly with the other financial assets and liabilities expressed in foreign currency as at June 30, 2020 since the estimated effects of the exchange rates on NDFs and swaps will be offset, if materialized, in whole or in part, against the fluctuations of all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used to mark to market the financial instruments, valid at June 30, 2020, should be considered. These rates represent the best estimate of the future behavior of their prices and represent the amount by which the positions could be settled on their maturity.

The Company and its subsidiaries made the recording based on their market price at June 30, 2020 at fair value and on the accrual basis. These transactions had a net positive impact of R\$ 11,034 (positive R\$ 87,861 as at June 30, 2019) which were recognized as finance income (cost). The Company and its subsidiaries have no margins given in guarantee for the derivative financial instruments outstanding at June 30, 2020.

c) Financial Derivatives instruments designated for hedge accounting:

The Company made the formal designation of its transactions subject to hedge accounting for hedging derivative instruments related to purchase of inputs and expenses denominated in foreign currency, documenting:

- Date of designation and identification of the hedging relationship;
- Description of the purpose of hedging and risk management strategy;
- Statement of compliance with respect to hedge and risk management;
- Description and identification of the derivative instrument and the hedged item;
- Description of the hedged risks and excluded risks;
- Description of the method to evaluate the hedge effectiveness;
- Frequency of prospective and retrospective effectiveness assessment;
- Description of the hedge accounting policy.

The Company and its subsidiaries entered into the following transactions involving derivatives designated for hedge accounting:

Non-Deliverable Forwards - NDF, in the notional amount of:

- (i) USD 69.5 million, held by its subsidiary WEG Holding GmbH, with the purpose of hedging its intercompany financing transactions against the risks of fluctuation in exchange rates;
- (ii) USD 17.5 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging its imports of inputs against the risks of fluctuations in exchange rates;
- (iii) EUR 4.8 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging its imports of inputs against the risks of fluctuation in exchange rates;
- (iv) AUD 9.9 million, held by its subsidiary WEG Holding GmbH, with the purpose of hedging its intercompany financing transactions against the risks of fluctuations in exchange rates;
- (v) GBP 8.6 million, held by its subsidiary WEG Holding GmbH, to provide hedge against exchange rate variation on its intercompany financing transactions;
- (vi) MYR 10.8 million, held by its subsidiary WEG Holding GmbH, to provide hedge against exchange rate variation on its intercompany financing transactions;
- (vii) USD 2.3 million, held by its subsidiary WEG Transformers USA LLC, in order to hedge its copper purchases against the risks of price fluctuation.

SWAP transactions, in the notional amount of:

USD 250.0 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging the export prepayment (PPE's).

The Company and its subsidiaries made the recording based on their fair value as at June 30, 2020 on the accrual basis. The accumulated value, net of taxes, recognized in equity is R\$ 4,004 positive (R\$ 11,180 negative at December 31, 2019).

29.3. Sensitivity analysis

The tables below present in reads the effects of "cash and expense" relating to the results of the financial instruments in each of the scenarios.

a) Financing:

Transaction	Risk	Currency	Notional value (in thousands)	Market value at 03/31/2020		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Financing	Increase in TJLP (*)	R\$	5,633	Rate 4.94% p.a.	(278)	Rate 6.18% p.a.	(348)	Rate 7.41% p.a.	(417)
	TOTAL				(278)				

(*) Sensitivity analysis of the variations in financing: The Company's risk in the event of increase in interest rate, considering static the position of financing based on TJLP at June 30, 2020.

b) Non-Deliverable Forwards - NDF transactions:

Transaction	Risk	Currency	Notional value (In thousands)	Market value at 06/30/2020		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Non Deliverable Forwards - NDF	Increase in Dollar	US\$/R\$	48,800	5.4405	(8,843)	6.8006	(75,218)	8.1608	(141,592)
	Decrease in Dollar	US\$/R\$	2,101	5.4485	(41)	4.0863	(2,903)	2.7242	(5,765)
	Decrease in Dollar	US\$/ZAR	5,894	18.0217	1,735	13.5163	(5,692)	9.0109	(14,071)
	Decrease in Dollar	US\$/EUR	31,500	1.1265	1,688	0.8448	(49,336)	0.5633	(151,005)
	Decrease in Dollar	US\$/AUD	1,750	1.4543	(88)	1.0907	(2,321)	0.7272	(4,723)
	Total Dollar		90,045		(5,541)				
	Increase in Euro	EUR/R\$	14,800	6.1131	(841)	7.6414	(23,460)	9.1696	(46,078)
	Decrease in Euro	EUR/COP	10,521	4,273.8400	(594)	3,205.3800	(17,040)	2,136.9200	(33,486)
	Total Euro		25,321		(1,435)				
	TOTAL				(6,976)				

c) SWAP transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 06/30/2020		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
SWAP	Decrease of Euribor	EUR	10,000	Interest - 0.72% p.a.	(7,747)	Interest - 0.89% p.a.	(8,015)	Interest - 1.07% p.a.	(8,282)
	TOTAL				(7,747)				

d) Hedge accounting transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 06/30/2020		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
NDF	Decrease in Dollar	USD/R\$	17,500	5.4635	9,565	4.0976	(14,338)	2.7317	(38,241)
	Decrease in Dollar	USD/EUR	69,500	1.1396	4,978	0.8547	(106,483)	0.5698	(328,271)
	Decrease in Euro	EUR/R\$	4,763	6.1632	4,030	4.6224	(3,308)	3.0816	(10,646)
	Decrease in Australian Dollar	AUD/EUR	9,936	1.6301	(515)	1.2226	(11,537)	0.8151	(33,698)
	Decrease in Pound Sterling	GBP/EUR	8,570	0.9071	(1,635)	0.6803	(18,626)	0.4535	(52,979)
	Decrease in Singapore Dollar	SGD/EUR	800	1.5714	(37)	1.1785	(958)	0.7857	(2,809)
	Decrease in Ringgit Malaio	MYR/EUR	10,800	4.8841	279	3.6631	(3,773)	2.4421	(11,812)
	Decrease in Copper	USD	2,268	6,016.33	1,744	4,512.25	(835)	3,008.17	(2,482)
	TOTAL				18,409				



30. GOVERNMENT SUBSIDIES AND GRANTS

The Company and its subsidiaries obtained subsidies in the amount of R\$ 66,783 (R\$ 58,944 as at June 30, 2019) arising from tax incentives, recognized in profit or loss for the period:

	CONSOLIDATED	
	06/30/20	06/30/19
Total government subsidies and grants	66,783	58,944
a) WEG Linhares Equipamentos Elétricos S.A.	21,092	22,930
- ICMS (state VAT) incentive credit of 85.0%	15,308	16,996
- 75.0% reduction of IRPJ	5,648	5,802
- Municipal investment	136	132
b) WEG Drives & Controls – Automata Ltda.	27,196	26,400
- ICMS incentive credit	27,196	26,400
c) WEG Logística Ltda.	9,220	7,215
- ICMS incentive credit	9,220	7,215
d) WEG Amazônia S.A.	1,842	1,426
- 75.0% reduction of IRPJ	1,757	1,224
- ICMS (state VAT) incentive credit of 90.25%	85	202
e) WEG Equipamentos Elétricos S.A.	7,433	973
- ICMS incentive credit	6,427	-
- Municipal investment	1,006	973

There are no contingencies related to the subsidies, and all the conditions for obtaining government subsidies have been met.

31. SEGMENT INFORMATION

	Brazil				Abroad		Eliminations and Adjustments		Consolidated	
	Industry		Energy		06/30/20	06/30/19	06/30/20	06/30/19	06/30/20	06/30/19
	06/30/20	06/30/19	06/30/20	06/30/19						
Revenue from Sale of Products and/or Services	3,585,620	3,218,702	1,308,638	998,338	6,822,971	3,851,093	(3,938,850)	(1,849,149)	7,778,379	6,218,984
Profit (loss) before taxes on Income	1,594,495	1,232,145	675,440	327,318	1,536,021	495,277	(2,714,470)	(1,289,934)	1,091,486	764,806
Depreciation/Amortization/Depletion	74,775	73,282	31,817	40,042	100,192	84,912	6,150	(4,700)	212,934	193,536
	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19
Identifiable Assets	4,464,759	3,735,126	2,078,359	1,749,599	8,403,229	7,304,020	(1,040,806)	(1,186,607)	13,905,541	11,602,138
Identifiable Liabilities	1,467,384	1,254,141	1,088,069	885,293	2,774,493	1,978,415	(1,205,077)	(617,361)	4,124,869	3,500,488

Industry: single and three phase low/medium voltage motors, drives and controls, industrial automation equipment and services, paint & varnish.

Energy: electric generators for thermal and hydraulic power plants (biomass), hydraulic turbines (PCHs), transformers, substations, wind power generators, control panels, integration services of renewable and distributed energy systems and solutions,

Foreign: comprised of operations carried out by subsidiaries located in various countries,

The column of eliminations and adjustments includes the eliminations applicable to the Company in the context of the Consolidated Interim Financial Information.

All operating assets and liabilities are presented as identifiable assets and liabilities.

The segment information is presented consistently with the reports used by Management to assess the performance of each segment of the Company.

32. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing profit for the period, attributable to the holders of the Company's common shares, by the weighted average number of common shares outstanding in the period.

	06/30/20	06/30/19
Profit attributable to the Company's shareholders	954,398	695,851
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,097,692	2,097,413
Basic earnings per share - R\$	0.45498	0.33177

b) Diluted

Diluted earnings per share are calculated by dividing profit for the year, attributable to the holders of the Company's common shares, by the weighted average number of common shares outstanding in the period plus the weighted average number of common shares that would be issued on conversion of potentially dilutive common shares.

	06/30/20	06/30/19
Profit attributable to the Company's shareholders	954,398	695,851
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,098,583	2,098,746
Diluted earnings per share - R\$	0.45478	0.33156

33. SUBSEQUENT EVENTS

33.1 Impacts from COVID-19

The Company has been monitoring possible risks from Covid-19 that could affect its operations. To date, there has not been any significant change in the supply of inputs, financial assets, property, plant and equipment, inventories and other balance sheet account balances, other than potential risks of liquidity, default and other corporate risks.

In order to allow us to monitor the effects from the virus pandemic on all of our units we have implemented a structure comprised of the following crisis committees: Executive Committee and Operational Committee (Corporate and operational in Brazil and abroad).

Regarding the supply chain, we have been working on the basis of accelerating raw material receipts and allocating our demands to approved domestic suppliers, with no stockout risk. The Company has been working with security stocks to temporarily ensure the continuity of its operations.

Our projections of revenues and cash flows from operating activities allow conditions for fully ensuring the continuity of operations. We will continue monitoring the evolution of the economic scenario prevailing in Brazil and worldwide in order to align our operations with the business volume.

At this point, the contracts entered into with customers do not pose the risk of being terminated and of the underlying receivables not being settled.

The Company has been carrying impairment tests of its relevant assets, in view of the effects from COVID on its operations, and so far they have not resulted in the need of recognizing impairment losses in its financial statements.



In order to mitigate the risk of virus contamination of WEG employees and those with whom we relate, we have adopted several measures, recommendations and guidelines from health agencies and local authorities.

Due to the volatility of the markets and respecting the dynamics of each business, impacts are expected to arise in the next quarters, which are difficult to be measured at this time, given all the uncertainties prevailing in the market.

We continue monitoring the evolution of the overall scenario, adopting the necessary measures and reiterating our commitment to the safety of all of our employees, customers and other stakeholders.

33.2 BirminD Automação e Serviços Ltda. - ME

On July 2, 2020, the Company announced the acquisition of 51% of the capital of the startup BirminD Automação e Serviços Ltda. - ME, a technology company operating in the market of artificial intelligence applied to Industrial Analytics, one of the pillars of Industry 4.0.



Board of Directors

Décio da Silva - Chairman
Nildemar Secches - Vice-Chairman
Dan Ioschpe
Martin Werninghaus
Miguel Normando Abdalla Saad
Sérgio Luiz Silva Schwartz
Siegfried Kreutzfeld

Board of Executive Officers

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Chief Industrial Motors Officer
André Luis Rodrigues - Chief Administrative and Financial Officer
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer
Daniel Marteleto Godinho – Chief Corporate Strategies Officer
Eduardo de Nobrega - Chief China Division Officer
Elder Stringari - Chief International Division Officer
Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer
João Paulo Gualberto da Silva - Chief Energy Officer
Julio Cesar Ramires - Chief Commercial Motors Officer
Manfred Peter Johann - Chief Automation Division Officer
Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer
Reinaldo Richter – Chief Paints Division Officer
Wilson José Watzko - Chief Controlling Officer

Accountant

Marcelo Peters
CRC/SC 039928/O-0

Supervisory Board

Sitting members

Alidor Lueders – Chairman
Adelino Dias Pinho
Vanderlei Dominguez da Rosa

Deputy members

Ilário Bruch
José Luiz Ribeiro de Carvalho
Paulo Roberto Franceschi

Opinions and Statements / Officers' Statement on the Quarterly Information

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at June 30, 2020.

Jaraguá do Sul (SC), July 20, 2020

Harry Schmelzer Junior - Chief Executive Officer

Alberto Yoshikazu Kuba - Chief Industrial Motors Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Daniel Marteleto Godinho – Chief Corporate Strategies Officer

Eduardo de Nóbrega - Chief China Division Officer

Elder Stringari - Chief International Division Officer

Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer

João Paulo Gualberto da Silva - Chief Energy Officer

Julio Cesar Ramirez - Chief Commercial Motors Officer

Manfred Peter Johann - Chief Automation Division Officer

Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer

Reinaldo Richter - Chief Paints Division Officer

Wilson José Watzko - Chief Controlling Officer

Opinions and Statements / Officers' Statement on the Independent Auditor's Report

By this instrument, the Chief Executive Officers and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under No. 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of Deloitte Touche Tohmatsu Auditores Independentes, dated July 20, 2020, in respect of the quarterly information of WEG S.A. and Consolidated as at June 30, 2020.

Jaraguá do Sul (SC), July 20, 2020

Harry Schmelzer Junior - Chief Executive Officer

Alberto Yoshikazu Kuba - Chief Industrial Motors Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

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