Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Quarterly Information (ITR) at June 30, 2022 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Management and Stockholders
Aeris Indústria e Comércio de Equipamentos
para Geração de Energia S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2022, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International 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 interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

(A free translation of the original in Portuguese)

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the six-month period ended June 30, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard 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 have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Recife, August 11, 2022.

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

Helena de Petribu Fraga Rocha
Account CRC 1PE020549/O-6

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Balance sheet
In thousands of reais

(A free translation of the original in Portuguese)

Assets	Parent Company 06/30/2022	Parent Company 12/31/2021	Consolidated 06/30/2022	Consolidated 12/31/2021
Current				
Cash and cash equivalents (Note 4)	858,742	884,114	860,895	892,933
Trade receivables (Note 5)	66,565	13,929	74,663	21,176
Inventories (Note 6)	999,873	624,479	1,000,098	624,589
Taxes recoverable (Note 7)	210,221	144,144	210,221	144,200
Related parties (Note 20)	3,035	3,233	-	-
Other receivables	46,799	18,528	49,316	19,359
Derivative financial instruments (Note 18)	-	1,271	-	1,271
Total current assets	**2,185,235**	**1,689,698**	**2,195,193**	**1,703,528**
Non-current				
Taxes recoverable (Note 7)	147,078	125,423	147,078	125,423
Related parties (Note 20)	757	2,421	-	-
Investments (Note 21)	10,075	10,667	-	-
Property, plant and equipment (Note 9)	994,382	971,730	997,084	974,124
Intangible assets	3,376	2,596	3,511	2,596
Total non-current assets	**1,155,668**	**1,112,837**	**1,147,673**	**1,102,143**
Total assets	**3,340,903**	**2,802,535**	**3,342,866**	**2,805,671**

Liabilities and equity	Parent Company 06/30/2022	Parent Company 12/31/2021	Consolidated 06/30/2022	Consolidated 12/31/2021
Current				
Suppliers and reverse finance operations (Note 10)	647,857	266,618	649,664	268,479
Borrowings, financings and debentures (Note 11)	169,110	91,688	169,110	91,688
Derivative financial instruments (Note 18)	-	790	-	790
Salaries and social security charges	48,455	34,745	48,524	34,771
Taxes collectable	10,950	10,324	11,037	11,323
Dividends payable	-	15,782	-	15,782
Other payables	2,093	3,942	2,093	4,192
Total current liabilities	**878,465**	**423,889**	**880,428**	**427,025**
Non-current				
Borrowings, financings and debentures (Note 11)	1,487,901	1,367,056	1,487,901	1,367,056
Deferred income tax and social contribution taxes (Note 8)	7,143	11,998	7,143	11,998
Total non-current liabilities	**1,495,044**	**1,379,054**	**1,495,044**	**1,379,054**
Total liabilities	**2,373,509**	**1,802,943**	**2,375,472**	**1,806,079**
Shareholders' equity (Note 12)				
Share capital	815,102	815,102	815,102	815,102
Capital reserve	702	396	702	396
Profit reserve	175,506	202,882	175,506	202,882
Equity valuation adjustment	810	1,531	810	1,531
(-) Treasury Shares	(24,726)	(20,319)	(24,726)	(20,319)
Total shareholders' equity	**967,394**	**999,592**	**967,394**	**999,592**
Total liabilities and equity	**3,340,903**	**2,802,535**	**3,342,866**	**2,805,671**

The notes are an integral part of the interim financial information.

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Statement of Income
Three and six-month periods ended June, 30
In thousands of Brazilian reais, unless stated otherwise

(A free translation of the original in Portuguese)

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Continued operations								
Net operating revenue (Note 13)	**642,603**	**582,041**	**1,176,400**	**1,250,577**	**651,733**	**591,967**	**1,188,496**	**1,267,723**
Cost of products sold (Note 14)	**(563,193)**	**(521,672)**	**(1,056,214)**	**(1,124,793)**	**(571,365)**	**(529,179)**	**(1,067,682)**	**(1,137,686)**
Gross profit	**79,410**	**60,369**	**120,186**	**125,784**	**80,368**	**62,788**	**120,814**	**130,037**
Operating revenues (expenses):								
Selling, general and administrative expenses (Note 15)	**(26,126)**	**(20,513)**	**(48,676)**	**(38,871)**	**(27,834)**	**(22,411)**	**(52,525)**	**(42,415)**
Other operating revenues (expenses), net (Note 16)	**(3,112)**	**(28)**	**18,538**	**2,307**	**(1,134)**	**330**	**22,086**	**2,665**
Results from equity-accounted investees (Note 21)	**1,103**	**538**	**129**	**538**	**-**	**-**	**-**	**-**
Result before financial income and expenses	**51,275**	**40,366**	**90,177**	**89,758**	**51,400**	**40,707**	**90,375**	**90,287**
Financial expenses (Note 17)	(150,827)	(67,712)	(243,040)	(132,052)	(150,935)	(67,904)	(243,226)	(132,474)
Financial incomes (Note 17)	63,559	45,530	120,633	87,484	63,559	45,530	120,638	87,526
	(87,268)	**(22,182)**	**(122,407)**	**(44,568)**	**(87,376)**	**(22,374)**	**(122,588)**	**(44,948)**
Result before income tax and social contribution	**(35,993)**	**18,184**	**(32,230)**	**45,190**	**(35,976)**	**18,333**	**(32,213)**	**45,339**
Current income tax and social contribution (Note 8)	**2,371**	**734**	**-**	**(3,043)**	**2,354**	**585**	**(17)**	**(3,192)**
Deferred income tax and social contribution (Note 8)	**5,000**	**(195)**	**4,854**	**(380)**	**5,000**	**(195)**	**4,854**	**(380)**
Net income (loss) for the period	**(28,622)**	**18,723**	**(27,376)**	**41,767**	**(28,622)**	**18,723**	**(27,376)**	**41,767**
Profit attributable	**(28,622)**	**18,723**	**(27,376)**	**41,767**	**(28,622)**	**18,723**	**(27,376)**	**41,767**
to shareholders and controllers	**(28,622)**	**18,723**	**(27,376)**	**41,767**	**(28,622)**	**18,723**	**(27,376)**	**41,767**
Number of shares at the end of the period	**762,313**	**766,213**	**762,313**	**766,213**	**762,313**	**766,213**	**762,313**	**766,213**
ON - Registered common shares	**762,313**	**766,213**	**762,313**	**766,213**	**762,313**	**766,213**	**762,313**	**766,213**
Basic earnings (loss) per share – R$ (Note 24)	**(0.0375)**	**0.0244**	**(0.0359)**	**0.0545**	**(0.0375)**	**0.0244**	**(0.0359)**	**0.0545**
Diluted earnings (loss) per share - R$ (Note 24)	**(0.0375)**	**0.0244**	**(0.0359)**	**0.0545**	**(0.0375)**	**0.0244**	**(0.0359)**	**0.0545**

The notes are an integral part of the interim financial information.

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Statement of comprehensive income
Three and six-month periods ended June 30

In thousands of reais (A free translation of the original in Portuguese)

	Parent Company and Consolidated		Parent Company and Consolidated	
	04/01/2022 to 06/30/2022	**04/01/2021 to 06/30/2021**	**01/01/2022 to 06/30/2022**	**01/01/2021 to 06/30/2021**
Net income (loss) for the period	**(28,622)**	**18,723**	**(27,376)**	**41,767**
Other Comprehensive Income (Loss)				
Exchange gains/losses from foreign investees (Note 21)	**860**	**(653)**	**(721)**	**(82)**
Total comprehensive income	**(27,762)**	**18,070**	**(28,097)**	**41,685**

The notes are an integral part of the interim financial information.

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Statement of changes in equity (Parent Company and Consolidated)
Six-month period ended June 30
In thousands of reais (A free translation of the original in Portuguese)

			Profit reserves							
	Share capital	Capital reserve	Legal reserve	Profit reserve	Retained profit	Tax incentive reserve	Unearned income	Treasury shares	Equity valuation adjustment	Total
Balances as of January 1, 2021	**815,102**		**12,897**	**-**	**61,056**	**75,518**	**-**		**734**	**965,307**
Net income for the period							**41,767**			**41,767**
Exchange gains/losses from foreign investees (Note 21)									**(82)**	**(82)**
Balances as of June 30, 2021	**815,102**	**-**	**12,897**	**-**	**61,056**	**75,518**	**41,767**	**-**	**652**	**1,006,992**
Balances as of December 31, 2021	**815,102**	**396**	**16,219**	**47,346**	**61,056**	**78,261**	**-**	**(20,319)**	**1,531**	**999,592**
Loss for the period							**(27,376)**			**(27,376)**
Acquisition of treasury shares (Note 12)								**(5,365)**		**(5,365)**
Exercise of third-party stock option plan (Note 12)		**(958)**						**958**		**-**
Third-party stock option plan (Note 12)		**689**								**689**
Employees stock option plan (Note 12)		**575**								**575**
Exchange gains/losses from foreign investees (Note 21)									**(721)**	**(721)**
Balances as of June 30, 2022	**815,102**	**702**	**16,219**	**47,346**	**61,056**	**78,261**	**(27,376)**	**(24,726)**	**810**	**967,394**

The notes are an integral part of the interim financial information.

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Statement of Cash Flow
Six-month period ended June 30
In thousands of reais

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flow from operating activities				
Profit (loss) before income tax and social contribution	**(32,230)**	**45,190**	**(32,213)**	**45,339**
Adjustments to reconcile net income to cash (used in) generated by operating activities:				
Depreciation and amortization	30,389	16,053	30,538	16,172
Net result from the sale of property and equipment	2,312	1,650	2,312	1,650
Results from equity-accounted investees (Note 21)	(129)	(538)	-	-
Share-based compensation	1,264	-	1,264	-
Exchange variation of borrowings and financing	-	4,922	410	4,095
Exchange variation on financial instruments	21,675	11,742	21,675	11,742
Financial expenses - net	100,122	43,053	100,122	43,053
	123,403	**122,072**	**124,108**	**122,051**
Changes in assets and liabilities				
Trade receivables	(52,636)	97,862	(53,406)	100,658
Inventories	(396,588)	(148,878)	(396,984)	(148,339)
Taxes recoverable	(87,732)	(34,465)	(87,678)	(34,464)
Other receivables	(28,271)	(10,125)	(30,024)	(11,735)
Suppliers	381,240	68,692	381,281	68,831
Labor and social security obligations	13,710	12,864	13,749	13,049
Taxes collectable	625	6,181	(267)	5,520
Other accounts payable	(1,850)	(3,121)	(1,885)	(3,182)
Cash (used in) generated by operating activities	**(48,099)**	**111,082**	**(51,106)**	**112,389**
Income tax and social contribution paid	-	(3,745)	-	(3,745)
Interest paid on loans and financings (Note 12)	(36,855)	(41,185)	(36,855)	(41,185)
Net cash (used in) generated by operating activities	**(84,954)**	**66,152**	**(87,961)**	**67,459**
Cash flows from investing activities				
Acquisition of property, plant and equipment (Note 9)	(55,319)	(249,600)	(55,889)	(249,915)
Proceeds from the sale of property and equipment	355	6,541	355	6,541
Acquisition of intangible assets	(1,169)	(1,109)	(1,303)	(1,109)
Net cash used in investment activities	**(56,133)**	**(244,168)**	**(56,837)**	**(244,483)**
Cash flows from financing activities				
Redemption of financial assets	-	3,951	-	3,951
Proceeds from borrowings (Note 12)	150,000	120,000	150,000	120,000
Repayment of borrowings (Note 12)	(15,000)	(753,120)	(15,000)	(753,120)
Proceeds from issues of Debentures (Note 12)	-	600,000	-	600,000
Dividends paid	(15,781)	-	(15,781)	-
Share issue expenses	-	(945)	-	(945)
Payments for shares bought back	(5,365)	-	(5,365)	-
Related parties	1,861	(141)	-	-
Net cash (used in) generated by financing activities	**115,715**	**(30,255)**	**113,854**	**(30,114)**
Net increase (decrease) in cash and cash equivalents	**(25,372)**	**(208,271)**	**(30,944)**	**(207,138)**
Cash and cash equivalents at the start of the period	884,114	683,412	892,933	684,554
Exchange gain (loss) on cash and secured accounts	-	-	(1,093)	741
Cash and cash equivalents at the end of the period	858,742	475,141	860,896	478,157
Net increase (decrease) in cash and cash equivalents	**(25,372)**	**(208,271)**	**(30,944)**	**(207,138)**

The notes are an integral part of the interim financial information.

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.

Statement of value added
Six-month period ended June 30
In thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	06/30/2022	**06/30/2021**	**06/30/2022**	**06/30/2021**
Revenues				
Sale of goods, products and services	1,350,394	1,337,065	1,362,557	1,354,293
Other revenues	28,061	4,480	28,994	4,483
	1,378,455	**1,341,545**	**1,391,551**	**1,358,776**
Inputs acquired from third parties				
Costs of products and goods sold, and services rendered	(902,076)	(988,955)	(913,407)	(997,113)
Materials, electricity, outsourced services, and others	(142,895)	(91,887)	(141,042)	(94,624)
	(1,044,971)	**(1,080,842)**	**(1,054,449)**	**(1,091,737)**
Gross value added	**333,484**	**260,703**	**337,102**	**267,039**
Retentions				
Depreciation and amortization	**(30,389)**	**(16,053)**	**(30,538)**	**(16,172)**
Net value added produced	**303,095**	**244,650**	**306,564**	**250,867**
Value added received in transfer				
Results from equity-accounted investees	129	538	-	-
Financial incomes	122,111	88,084	122,117	88,126
Value added to be distributed	**425,335**	**333,272**	**428,681**	**338,993**
Value added distribution				
Personnel and charges	**154,414**	**124,992**	**157,312**	**127,487**
Direct compensation	108,192	86,779	110,679	88,866
Benefits	37,294	31,384	37,705	31,792
FGTS	8,928	6,829	8,928	6,829
Taxes, fees and contributions	**43,138**	**21,480**	**43,387**	**21,847**
Federal	41,048	20,288	41,297	20,649
State	2,083	1,186	2,083	1,192
Municipal	7	6	7	6
Remuneration of third-party capital	**255,159**	**145,033**	**255,358**	**147,892**
Interest	243,040	132,052	243,228	132,475
Rentals	12,119	12,981	12,130	15,417
Value distributed to shareholders	**(27,376)**	**41,767**	**(27,376)**	**41,767**
Dividends and interest on equity	-	-	-	-
Tax Incentive	-	11,004	-	11,004
Retained earnings (losses)	(27,376)	30,763	(27,376)	30,763
	425,335	**333,272**	**428,681**	**338,993**

The notes are an integral part of the interim financial information.

1. Operational context

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. is a Brazilian publicly held corporation created in 2010. Headquartered at Rodovia CE 155, Km 02 - Pecém Industrial and Port Complex, in the city of Caucaia, state of Ceará, with strategic location. The plant was constructed in this region due to lower logistics costs, as nearly 50% of Brazil's wind potential is less than 500 km from the plant, and because it is close to the Pecém Port, which is used both for the export of wind blades and receipt of inputs via import or cabotage. The Company's purpose is the construction and sale of rotor blades of turbines for wind power generation, the rendering of services related to its business purpose to third parties and holding equity interest in other companies as shareholder or member of a limited-liability company.

The Company's controlling shareholders are listed in Note 12.

Complementing the offer of blades for wind turbines, the Company expanded its services with Aeris Service LLC. With a specialized operation and engineering team, the Company provides blade maintenance services in the United States and has operations in other markets within the Americas.

The Company reinforces its commitment to taking care of people and to continue offering quality products and services, meeting the expectations of customers and other stakeholders, always with transparency and implementing the best corporate governance practices, and contributing to a cleaner and more renewable energy matrix.

COVID-19 pandemic

At the end of 2019, the World Health Organization (WHO) globally reported limited cases of contamination by a previously unknown virus. Later, in January 2020, the virus (COVID-19) was identified and found to be transmitted from human to human. In mid-March 2020, WHO declared a global pandemic alert of the novel coronavirus, which globally affected the routine of population and global economic activity.

The Company believes that its statements of financial position, income, cash flow and value added were not materially affected in 2021 and the six-month period ended June 30, 2022. In addition, Management ratifies that, to date, it has not observed significant impacts of COVID-19 on its operations that would result in changes to its adopted accounting estimates when preparing the interim financial statements.

Risks related to climate change and the sustainability strategy

The Company has a team dedicated to the management of corporate risks, including risks related to climate change, using its own methodologies, tools and processes aimed at ensuring the identification, assessment and treatment of its main risks. This team, through its management system, allows risks to be continuously monitored, as well as their eventual impacts, in addition to controlling the variables involved and defining and implementing mitigating measures, aimed at reducing the identified exposures. The Company's assessment of the potential impacts of climate change and the transition to a low carbon economy is carried out on a recurring basis and will continue to evolve. When necessary, the impacts will be considered and assessed by its management.

Effects arising from the conflict between Russia and Ukraine

As a result of the current conflict between Russia and Ukraine, the Company has been continuously monitoring the direct and indirect effects reflected in society, economy and markets (international and domestic), aiming to assess the possible impacts and risks that the conflict may cause to its Business.

Thus, the Company has 3 (three) main assessment areas:

(i) People: Aeris does not have employees, or any operating units located in the conflict region.
(ii) Inputs: The Company did not identify any short- and long-term risk of a possible interruption or shortage in the supply of inputs for its activities.
(iii) Commercial: Until now, the Company maintains its operations and services, as planned, to its customers in all its activities and sectors.

Finally, we take the opportunity to inform that, due to the current scenario, the Company has maintained actions to increase its monitoring activities, along with its main stakeholders, aimed at ensuring it has the necessary update and timely flow of information regarding the dynamics of the global situation for its decision-making processes.

2. Basis of preparation

2.1 Compliance statement

The interim financial information has been prepared in accordance with CPC 21 - Interim Financial Reporting and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and is presented in compliance with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR). It shows all the relevant information contained in the interim financial information, and only such information, consistent with the information used by the Company's Management in the conduct of its business.

The Company’s Management authorized the issue of this interim financial information on August 11, 2022, including subsequent events that occurred to date that could affect this interim financial information, when required.

2.2 Functional and presentation currency

The interim financial information is presented in Brazilian reais, which is the Company’s functional currency. In all interim financial information presented in Brazilian reais, the amounts were rounded to the nearest thousand, unless otherwise indicated.

i. Foreign operations

The foreign subsidiary's assets and liabilities are translated into reais at the exchange rate on the reporting date, and the corresponding income statement amounts are translated at the exchange rate on the date of the transactions. The exchange rate differences resulting from this translation are accounted for separately in equity. At the moment of sale of a foreign subsidiary, the accumulated deferred amount recognized in equity related to this subsidiary is recorded in the income statement.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the interim financial information in compliance with CPCs and IFRSs requires the use of certain critical accounting estimates and the judgment of the Company's Management and its subsidiary in the process of applying the accounting policies. Accordingly, actual results may differ from such estimates.

Estimates and assumptions are continuously reviewed, and such reviews are recognized in the periods in which they are reviewed and in any future periods affected.

Assets and liabilities subject to critical estimates and assumptions are described in Note 3.15.

2.4 Statement of value added

The Parent Company and Consolidated Statements of Value Added (DVA) are mandatory under the Brazilian Corporate Law and Brazilian accounting practices applicable to publicly held companies. The DVA was prepared within the criteria defined in the Accounting Pronouncement CPC 09 - "Statement of Value Added". IFRS does not require the presentation of this statement. Therefore, under IFRS, this statement is presented as supplemental information, without prejudice to the interim financial information.

3. Main accounting policies

The accounting policies adopted by the Company are described in specific Notes related to the items presented. Those generally applicable in different aspects of the interim financial information are described below.

It is worth noting that such accounting policies have been consistently applied to all periods presented in this interim financial information.

3.1 Foreign-currency transactions

Foreign-currency transactions are initially recorded at the exchange rate of the functional currency effective on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated into the exchange rate of the functional currency effective on the reporting date.

All differences are recoded in the income statement. Non-monetary items measured based on the historical cost in foreign currency are translated using the exchange rate effective on the initial transaction dates. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate effective on the date on which the fair value was determined.

3.2 Financial Instruments

Financial instruments are only recognized from the date on which the Company becomes a party to the contractual provisions of the financial instruments. When recognized, financial instruments are initially recorded at fair value plus transaction costs directly attributable to their acquisition or issue, except in the case of financial assets and liabilities classified as fair value through profit or loss, as said costs are directly recorded in profit and loss for the fiscal year/period.

The Company's main financial assets include cash and cash equivalents, financial investments and trade receivables. Financial liabilities include trade payables; borrowings, financing and debentures; and advances from customers.

The Company classifies its financial assets and liabilities under the following categories:
. Measured at amortized cost.
. Measured at fair value through profit or loss.

i. Measured at amortized cost

Assets and liabilities held to collect contractual cash flows when such cash flows represent only payments of principal and interest are measured at amortized cost. Interest income and expenses arising from these financial assets and liabilities are recorded under financial income (expenses) using the effective interest rate method. Any gains or losses due to the asset write-off are directly recorded in profit or loss and presented under other gains/(losses) together with foreign exchange gains and losses. Impairment losses, when applicable, are recorded in a separate account in the income statement.

ii. Measured at fair value through profit or loss

For financial assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

The classification depends on the Company's business model for managing financial assets and the contractual terms of cash flows.

<u>Derivative financial instruments</u>

The Company uses derivative financial instruments, such as currency swaps to hedge against the exchange rate risk. The derivative financial instruments to hedge the Company are recognized at fair value.

3.3 Cash and cash equivalents

Cash equivalents are maintained for the purpose of meeting short-term cash commitments, and not as investments or for other purposes. The Company and its subsidiary consider as cash equivalents any financial investment that can be immediately translated into a known cash amount and that is subject to an insignificant risk of change in value. Consequently, an investment usually qualifies as cash equivalent when it has a short-term maturity of, for example, three months or less from its contractual date.

3.4 Trade receivables

Trade receivables correspond to amounts receivable from the sale of products and services in the normal course of the Company's activities and its subsidiaries, recognized at the billed amount, adjusted for the provision for realizable value, if necessary.

The Company and its subsidiary assess, on a prospective basis, expected credit losses associated with debt securities recorded at amortized cost. The impairment methodology depends on whether there was a significant increase in credit risk.

The Company and its subsidiary recognize expected losses over the term of these receivables, starting from their initial recognition.

3.5 Inventories

Inventories are assets held for sale in the normal course of business, in the process of production for sale or in the form of materials or supplies to be consumed or transformed in the production process or the rendering of services.

Inventories are measured at cost or net realizable value, whichever is lower. The cost value of inventories includes all acquisition costs, which comprise purchase prices, import duties and other taxes (except for recoverable taxes), as well as costs related to transport, insurance, handling and others directly attributable to the acquisition of finished products, materials and services. Trade discounts, rebates and other similar items must be deducted in determining the acquisition cost and transformation cost that include the costs directly related to the units produced, such as direct labor, systematic allocation of indirect fixed and variable production costs, incurred to transform the materials into finished products.

Fixed production costs are those that remain relatively constant regardless of production volume, such as depreciation and maintenance of factory buildings and facilities, machinery and equipment and factory administration costs.

Indirect variable production costs are those that vary directly, or almost directly, with production volume, such as indirect materials and certain types of indirect labor.

Provisions are set up for obsolete or low turnover inventories when deemed necessary by Management.

3.6 Property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and/or accumulated impairment losses, if applicable. This cost includes the replacement cost of property, plant and equipment items, borrowing costs for long-term construction projects and costs related to asset testing periods when the recognition criteria are met. When significant property, plant and equipment items are replaced, the Company recognizes these items as individual assets with specific useful lives and depreciation. Likewise, when a relevant inspection is carried out, its cost is recognized in the book value of the property, plant and equipment item, if the recognition criteria are met. All other repair and maintenance costs are recognized in the income statement when they are incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset, based on rates that take into consideration the estimated useful life of the assets, which are shown below.

	Annual depreciation rate - %
Machinery and equipment	9.53%
Furniture	10%
Hardware	20%
Vehicles	20%
Facilities and leasehold improvements	1.82%
Facilities	16.15%
Tools	20%
Aircraft	10%

A property, plant and equipment item are written off when it is sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset (calculated as the difference between the asset’s net sale value and its net book value) is included in the income statement for the fiscal year/period in which the asset was written off.

The residual value and useful lives of the assets and the depreciation methods are reviewed at the end of each year and adjusted prospectively, when applicable.

3.7 Investment in subsidiary

Investments in subsidiaries are accounted for in the Parent Company under the equity method and are, initially, recorded at cost.

3.8 Borrowings, financing and debentures

Borrowings, financing and debentures are classified as financial liabilities measured at amortized cost and are recorded at their restated amounts based on the contracted rates. The market values of these borrowings are equivalent to their book values because they are financial instruments with unique characteristics, deriving from specific funding sources.

Borrowings, financing and debentures are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for a period longer than 12 months after the reporting date.

The costs of general and specific loans and debt securities that are directly attributable to the acquisition, construction or production of a qualifying asset, which necessarily requires a substantial period of time to be ready for its intended use or sale, are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and such costs can be measured reliably. Other costs are recognized under expenses in the period when they are incurred.

3.9 Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will flow to the Company and its subsidiary their amount be reliably measured. This occurs upon customer's final acceptance of the product, according to the established contract conditions. Revenue is measured by applying the fair value of the consideration received, excluding discounts, rebates and taxes or charges on sales.

Costs directly related to contracts, which generate resources used in the fulfillment of the contract and are expected to be recovered, are capitalized as cost to fulfill a contract and are included in contract assets.

The Company and its subsidiary records revenue when the "control" of the blade is transferred to customers or when services are rendered. The Company and its subsidiary evaluate revenue transactions in accordance with specific criteria to determine whether it is acting as an agent or principal, and it ultimately concluded that it is acting as principal in all its revenue agreements. The specific criteria below must also be met before revenue is recognized:

Sale of products

The operating revenue from the sale of goods on the normal course of activities is measured at the fair value of the consideration received or receivable. Operating revenue is recognized when the performance obligation is met by the Company and all technical aspects of the product are approved by the customer (formal acceptance), for purposes of transfer of control.

Service rendering

Aeris has a special division (Aeris Service) that uses knowledge and infrastructure in the manufacturing of blades, which was created to offer the turbine O&M market a distinguished service. Revenue recognition is based on the provision of services to customers.

Sale of tools

The Company foresees one more business area, developing tools used in the blade manufacturing process and internal logistics. Operating income from the sale of goods during regular business is measured at the fair value of the received or receivable amount, recognized when: (i) there is plausible evidence that control of a good or service is transferred to the customer, which generally is upon delivery; (ii) for the amount the entity expects to be entitled to receive in exchange for transferring the good or service; and (iii) the associated costs and possible return of goods can be reliably estimated.

It is worth noting that delivery occurs when the products are sent to the specified location, the customer accepts the products, according to the sales contract, and the acceptance provisions have been specified or the Company is provided with objective evidence that all criteria for product acceptance have been met.

Other revenue

“Other revenues” amounts refer to: revenue recognition from the reimbursement of production losses arising from project changes generated by customers and revenues related to the signing of the supply agreement for blades; recognition of sales of scrap and income resulting from signing of an agreement.

3.10 Taxes

Current income tax and social contribution

Current tax assets and liabilities from the last fiscal year and previous years are measured at the expected recoverable amounts, or payable amounts, to the tax authorities. The rates and tax laws used to calculate taxes are those in force or substantially in force on the reporting date. Taxes on income are recognized in the income statement, except in cases they are directly related to items directly recorded in equity or reserve of equity valuation adjustments, net of such tax effects.

Taxes on income include income tax and social contribution. Income tax is calculated on taxable income at 15% plus a surcharge of 10% for income exceeding R$240 in 12 months, while social contribution is calculated at 9% on taxable income. They are recognized on the accrual basis but, where applicable, the inclusion of expenses to the accounting income, temporarily non-deductible, or the exclusion of revenue, temporarily non-taxable, for the calculation of current taxable income generate deferred credits or debits.

Deferred income tax and social contribution

Current and deferred income tax and social contribution charges are calculated based on tax laws that have been enacted, or substantially enacted, on the reporting date. Management periodically evaluates the positions taken by the Company in the calculation of taxes on income regarding the situations in which the applicable tax regulation is subject to interpretations, and creates provisions, where applicable, based on the estimated amounts payable to the tax authorities.

Deferred income tax and social contribution are recognized using the liability method on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements However, the deferred Income Tax and Social Contribution are not accounted for if they result from the initial recognition of an asset or liability in a transaction other than a business combination, which, at the time of the transaction, affects neither the accounting profit nor the taxable profit (tax loss).

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available and against which the temporary differences can be used.

Deferred income tax assets and liabilities are shown net in the statement of financial position when there is a legal right and intention to offset them against current taxes, generally related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are usually presented separately, and not at the net value.

Taxes on purchases:

Purchases, expenses and assets are recognized net of taxes on purchases, except:

- When the taxes incurred in the purchase of goods or services are not recoverable with the tax authorities, in which case the tax on purchases is recognized as part of the acquisition cost of the asset or expense item, as applicable.

Taxes on sales:

- The net value of taxes on sales, recoverable or payable, is included as an item of the amounts recoverable or payable in the statement of financial position.

Description	Tax rates
PIS	1.65%
COFINS	7.60%
ICMS	Exempt
IPI	0%
Tax on services (ISS)	2%

The ICMS tax on the sale of blades, through NCM 8503.00.90, is exempt by the Confaz Agreement 101/97.

The accumulation of tax credits in the Company results from sales to foreign markets and exempt sales in the domestic market.

Taxes (PIS and COFINS) are presented as sales deductions in the income statement and the credits resulting from the non-cumulativeness of PIS/COFINS are deducted from the cost of goods sold in the income statement.

The IPI on the sale of blades is 0% according to its NCM 8503.00.90 in the TIPI table.

Exports are exempt from taxes (PIS and COFINS) and are not subject to IPI and ICMS taxes.

3.11 Government grants and assistance

Government grants are recognized in profit or loss when there is reasonable assurance that the grant will be received and that the conditions established for the benefit will be fulfilled by the Company. Subsequently, they are allocated to the tax incentive reserves in equity.

The Company has tax benefits granted by the Superintendence for the Development of the Northeast (SUDENE), consisting of a reduction of 75% in income tax on the operating profit. During the use of the benefits, the Company is obliged to record a tax incentive reserve at an amount equivalent to the income tax not paid. The effect of the benefit in the period is recorded in profit or loss under grant revenue, less the current income tax generated.

The Company also has a tax benefit granted by the Ceará State Government, through ADECE – FDI (Industrial Development Fund), with 75% of ICMS tax paid monthly and 100% of ICMS levied on input and raw material imports for use in the industrial process.

3.12 Borrowing cost for own capital

The transaction costs incurred in fundraising through the issue of equity securities are recorded, separately, as a reduction account of equity, less any tax effects, and the premiums received are recognized in a capital reserve account.

3.13 Provisions

Provisions are recognized when the Company and its subsidiaries has a present obligation (legal or constructive) as a result of a past event, it is probable that economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. When the Company and its subsidiaries expects the amount of a provision to be refunded, in whole or in part, for example under an insurance contract, the refund is recognized as a separate asset, but only when the refund is virtually certain.

The expense related to any provision is presented in the income statement, net of any refund.

3.14 New standards, interpretations and amendments effectively applied as of January 1, 2022

There are no CPC/IFRS standards or ICPC/IFRIC interpretations becoming effective in fiscal 2022 which could have a significant impact on the interim accounting information of the Company and its subsidiary.

3.15 Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the Company’s interim financial information requires Management to make judgments, use estimates and adopt assumptions affecting the stated amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, on the date of the interim financial information.

In the process of applying the Company's accounting policies, Management has made the following judgments, which have a more material impact on the amounts recognized in the interim financial information:

Estimates and assumptions

The main assumptions concerning sources of uncertainty in future estimates and other important sources of uncertainty in estimates on the reporting date, involving a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next fiscal year, are discussed below:

Tax credit impairment losses

Current tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates enacted at the end of the reporting period/year. The Company has accumulated tax credits recorded in the assets, arising from incentivized sales to foreign markets and exempt sales in the domestic market.

Management has plans for the future realization of said ICMS credits, with some alternatives for realization that include, but are not limited to:

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(i) offsetting them against other state taxes, in accordance with the applicable tax legislation; (ii) developing new businesses using outgoing credits; and (iii) applying to the tax authorities for approval and reimbursement of these tax credits.

Useful life of property, plant and equipment

The economic useful life of the Company's property, plant and equipment items was established by its internal technical team, defined specifically by the professionals responsible for the production and maintenance of the Company's facilities.

The following assumptions have been used:

- Planning of property, plant and equipment expenses: machine replacement policy, technological lag of the assets and comparisons with the technology used by competitors, level of obsolescence, etc.
- Technical or commercial obsolescence arising from changes or improvements in production, or from changes in market demand for the product derived from the asset.
- Conditions of use: facilities, humidity in the environment, heat, dust, dirt.
- Historical and comparative evaluation of similar assets, including comparisons with companies in the same industry; and
- The Company's maintenance policy – aiming to safeguard the assets.

3.16 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The subsidiaries are fully consolidated from the date on which control is transferred to the Group. Consolidation is interrupted from the date on which the Group ceases to have control.

Identifiable assets acquired and liabilities and contingent liabilities assumed in the acquisition of subsidiaries in a business combination are initially measured at fair values on the acquisition date. The Group recognizes the non-controlling interest in the acquired company both at fair value and at the proportionate share of the non-controlling interest in the acquired company's net assets. The measurement of the non-controlling interest is determined at each acquisition made. Acquisition-related costs are recorded in the result for the year/period as incurred.

Transactions, balances and unrealized gains on intra-group transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are changed, when necessary, to ensure consistency with the policies adopted by the Group.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash	43	78	43	78
Banks	84,112	1,826	86,265	10,645
Financial investments	774,587	882,210	774,587	882,210
	858,742	**884,114**	**860,895**	**892,933**

Financial investments refer to short-term, highly liquid financial instruments, classified as amortized cost, which are readily convertible into a known cash amounts and which are subject to an insignificant risk of change in value.

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As of June 30, 2022, and December 31, 2021, these financial investments refer to Bank Deposit Certificates and Commitments yielding the average rate of 105% and 106.25% of the CDI, respectively. These investments are held for immediate negotiation and are available to be used by the Company.

5. Trade receivables

	Parent Company		Consolidated	
	06/30/2022	**12/31/2021**	**06/30/2022**	**12/31/2021**
Sale of blades	50,946	424	50,946	424
Rendering of services	15,619	13,505	23,717	20,752
	66,565	**13,929**	**74,663**	**21,176**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	06/30/2022	**12/31/2021**	**06/30/2022**	**12/31/2021**
Falling due	58,209	6,958	63,758	13,762
Overdue:				
Up to 30 days	4,697	1,815	5,598	2,089
From 31 to 60 days	3,282	2,866	4,496	3,035
From 61 to 90 days	377	1,803	811	1,803
More than 91 days	-	487	-	487
	66,565	**13,929**	**74,663**	**21,176**

Trade receivables correspond to amounts receivable from the sale of products and services in the normal course of the Company's activities. The Company did not record allowance for doubtful accounts as the entire balance receivable was created in the last 12 months and the overdue balances of customers have no track record or any expectation of loss and are expected to be received in the next few months.

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6. Inventories

	Parent Company		Consolidated	
	06/30/2022	**12/31/2021**	**06/30/2022**	**12/31/2021**
Raw material	471,286	235,668	471,286	235,668
Products being prepared	363,319	287,141	363,319	287,141
Supplemental material	75,590	45,410	75,815	45,520
Finished product	28,760	18,250	28,760	18,250
Maintenance material	30,125	29,741	30,125	29,741
Safety material	735	838	735	838
Ongoing services	27,111	4,714	27,111	4,714
Other	2,947	2,717	2,947	2,717
	999,873	**624,479**	**1,000,098**	**624,589**

Inventory volume grew by 60% at the Parent Company and Consolidated, compared to the end of the 2021 fiscal year.

The increase in inventory of raw materials, by R$235.6 million in the first half of 2022, was due to the combination of the following factors: (i) increase in the internal unit cost of materials caused both by global inflation and the increase in logistics costs; (ii) preparation for projected growth in production volume for the 2nd half of 2022; and (iii) lower occupancy rate for production capacity, arising from changes in one of our client's projects, resulting in surplus inventory since the purchase orders for supplies are generally made 4 to 6 months prior to the raw materials being available in inventory.

Inventories of products being prepared, and finished products increased by R$86.7 million in the first half of 2022. This variation was mainly due to the increase in the share of non-mature lines in the Company's total revenue. During the ramp up phase, products normally have a longer manufacturing cycle until all stages of the process reach optimized levels of production efficiency.

Inventories of ongoing services are measured at their production costs. These costs consist primarily of labor and other personnel costs directly involved in the services, including supervisory personnel, materials used, and indirect costs related to the services.

The cost of inventories is based on the weighted average cost and include all expenses related to transportation, storage, irrecoverable taxes and other costs incurred from transfer to existing inventory location and conditions. For products being prepared and finished products, in addition to labor and direct material costs, inventories include general manufacturing expenses based on normal production capacity.

The cost of inventories recorded in profit (loss) and included in "Cost of sales" totaled R$1,056,214 and R$1,067,682 as of June 30, 2022, in the Parent Company and Consolidated, respectively (R$1,124,793 and R$1,137,686 as of June 30, 2021, in the Parent Company and Consolidated, respectively).

It is a policy of the Company and its subsidiary to assess inventory obsolescence by controlling the expiration date of the items and analyzing items that have not been sold. Based on the best estimates, the Company has not identified obsolete items on its inventory as of June 30, 2022, and December 31, 2021.
Mainly because it operates under a Make to Order (MTO) demand system, i.e., when items are exclusively manufactured for each customer, together with thorough 'phase in' and 'phase out' product monitoring process.

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7. Recoverable taxes – Parent Company and Consolidated

	Parent Company		Consolidated	
	06/30/2022	**12/31/2021**	**06/30/2022**	**12/31/2021**
ICMS (a)	147,078	125,423	147,078	125,423
IPI (b)	108,642	85,116	108,642	85,116
PIS (c)	14,103	7,904	14,103	7,904
COFINS (c)	63,477	35,417	63,477	35,417
REINTEGRA (d)	276	149	276	149
IRPJ AND CSLL (e)	12,057	11,099	12,057	11,099
Other taxes	11,666	4,459	11,666	4,515
	357,299	**269,567**	**357,299**	**269,623**
Current	**210,221**	**144,144**	**210,221**	**144,200**
Non-current	**147,078**	**125,423**	**147,078**	**125,423**

(a) ICMS credits refer basically to credits arising from ICMS payment on the acquisition of raw materials for production, in a volume higher than the debts generated, considering that sales to foreign markets are encouraged and sales in the domestic market are exempt from such taxation.

The Company expects to fully recover such credits, either to offset sales taxes in the domestic market, selling to third parties or through request for reimbursementto the Ceará State Government, given that the credits do not expire.

Domestic market sales credits require greater effort to be realized by the company, since they do not present the same predictability as foreign market credits Thus, Management has been working throughout FY 2021, continuing in 2022, on strategic options to the credit accumulation scenario, focusing on the following scenarios:

i) Creation of a new business unit:

In addition to the increase in energy demand, there has been an increase in the tool and logistical devices area. Thus, the Company implemented of one more business area which, in addition to the new revenue generation, will also contribute with the consumption of ICMS credit in the assets.

The Company estimates that such credits will be realized within at the most nine (9) years.

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(b) IPI credits refer basically to credits arising from IPI payment on the acquisition of raw materials for production and are being realized on a straight-line basis according to the Company's operations. The Company expects to settle part of these credits during the second half of 2022. Additionally, during this year, the Company will claim refund of the remaining balances to the Brazilian Internal Revenue Service.

(c) The PIS and COFINS credit are originated from the purchase of raw materials and inputs used in the Company's production process. With the start of the Siemens Gamesa operations, with production aimed at the domestic market, this credit is expected to be realized in the second half of 2022.

During 2021, the Company invested strongly in the expansion of its facilities and installed production capacity, which resulted in the increase of PIS and COFINS credits when these assets are concluded (transfer from assets under construction to the corresponding fixed asset accounts).

(d) Reintegra (Special Regime of Reintegration of Tax Amounts to Exporting Companies) is a program created by the government to encourage the export of manufactured products. It aims at partially or fully refunding the tax remainder existing in the exports production chain.

(e) IR/CSLL credits refer to the negative tax base created in 2021. These will be used with federal tax offsets.

8. Taxes and social contributions

Reconciliation of Income Tax (IR) and Social Contribution (CS) revenues and expenses and the actual rate in force on such taxes:

	Parent Company		**Consolidated**	
	06/30/2022	**06/30/2021**	**06/30/2022**	**06/30/2021**
Accounting profit (loss) before income tax and social contributions	**(32,230)**	**45,190**	**(32,213)**	**45,339**
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution based on the combined tax rate	**10,958**	**(15,365)**	**10,952**	**(15,415)**
Permanent additions:	**(15,231)**	**(435)**	**(15,231)**	**(435)**
Non-deductible expenses (i)	**(15,231)**	**(435)**	**(15,231)**	**(435)**
Permanent exclusions:	**15,418**	**1,256**	**15,418**	**1,256**
Exclusions	**15,418**	**1,256**	**15,418**	**1,256**
Incentives (c)	**-**	**8,261**	**-**	**8,261**
Benefit granted on tax losses, negative basis and temporary differences	**4,854**	**-**	**4,837**	**-**
Other Adjustments:	**(11,145)**	**497**	**(11,639)**	**398**
(Current) and deferred income tax and social contribution recorded in profit (loss) for the period after additions/exclusions *34%	**4,854**	**(5,786)**	**4,837**	**(5,935)**
Effective rate	**15.06%**	**12.80%**	**15.02%**	**13.09%**

(i) Reversal from provision of gross revenue adjustment - CPC 47 and other non-deductible expenses.

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a) Deferred taxes

	Parent Company and Consolidated	
	06/30/2022	**2021**
Deferred Asset		
Deferred IR/CSLL - tax loss	6,857	1,858
Non-deductible estimated provisions	214	547
Share-based compensation	161	-
Long-term incentives - ILP	120	-
	7,352	**2,405**
Deferred Liabilities		
Depreciation differences (tax rates x useful life)	(3,661)	(3,091)
Gross revenue adjustment - CPC 47	(10,834)	(11,312)
	(14,495)	**(14,403)**
Net Liabilities - Deferred	**(7,143)**	**(11,998)**

b) Effect of income tax and social contribution in the profit (loss) of the periods:

Income tax and social contribution recorded in the profit (loss) of the periods are as follows:

	Parent Company		Consolidated	
	06/30/2022	**06/30/2021**	**06/30/2022**	**06/30/2021**
Current				
Income tax	-	(10,197)	(17)	(10,346)
Tax incentive	-	8,261	-	8,261
Social contribution	-	(3,850)	-	(3,850)
	-	**(5,786)**	**(17)**	**(5,935)**
Recovery of income tax credits	-	2,743	-	2,743
Total	**-**	**(3,043)**	**(17)**	**(3,192)**
Deferred				
Income tax	1,811	(280)	1,811	(280)
Social contribution	3,043	(100)	3,043	(100)
	4,854	**(380)**	**4,854**	**(380)**

c) Incentives

As described in Note 3.11, the Company has tax benefits granted by the Superintendence for the Development of the Northeast (SUDENE), which grant a reduction of 75% of Income Tax on the operating profit.

d) Uncertainties

The Company has not identified any effects from the evaluation of the guidance provided for in IFRIC 23 (ICPC 22) - Uncertainty over Income Tax Treatments.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

9. Property, plant and equipment

	Parent Company			
	06/30/2022			12/31/2021
	Cost	Depreciation accumulated	Net	Net
Construction in progress	131,718	-	131,718	214,082
Machinery and equipment	262,811	(43,279)	219,532	160,319
Furniture	24,843	(6,638)	18,205	15,074
Hardware	9,996	(5,533)	4,463	4,472
Land	68,912	-	68,912	68,912
Vehicles	11,094	(2,799)	8,295	4,497
Facilities and leasehold improvements	495,956	(26,322)	469,634	440,347
Facilities	108,377	(44,282)	64,095	53,946
Tools	3,010	(1,741)	1,269	1,277
Aircraft	10,891	(2,632)	8,259	8,804
	1,127,608	**(133,226)**	**994,382**	**971,730**

	Consolidated			
	06/30/2022			12/31/2021
	Cost	Depreciation accumulated	Net	Net
Construction in progress	131,718	-	131,718	214,082
Machinery and equipment	264,771	(43,453)	221,318	161,584
Furniture	24,843	(6,638)	18,205	15,074
Hardware	10,018	(5,541)	4,477	4,488
Land	68,912	-	68,912	68,912
Vehicles	11,180	(2,826)	8,354	4,563
Facilities and leasehold improvements	495,956	(26,322)	469,634	440,347
Facilities	108,377	(44,282)	64,095	53,946
Tools	4,249	(2,137)	2,112	2,325
Aircraft	10,891	(2,632)	8,259	8,804
	1,130,915	**(133,831)**	**997,084**	**974,125**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

The changes in the balances of property, plant and equipment are as follows:

Parent Company

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Aircraft	Total
As of January 1, 2021	**197,880**	**91,327**	**9,455**	**2,588**	**68,912**	**1,964**	**190,383**	**45,671**	**1,099**	**9,893**	**619,172**
Additions	386,934	8,357	800	1,251	-	3,634	-	209	110	-	401,295
Depreciation	-	(9,453)	(1,481)	(1,293)	-	(1,013)	(5,286)	(12,064)	(440)	(1,089)	(32,119)
Write-offs	(5,813)	(9,750)	(967)	-	-	(88)	-	-	-	-	(16,618)
Transfers	(364,919)	79,838	7,267	1,926	-	-	255,250	20,130	508	-	-
As of December 31, 2021	**214,082**	**160,319**	**15,074**	**4,472**	**68,912**	**4,497**	**440,347**	**53,946**	**1,277**	**8,804**	**971,730**
Additions	48,458	1,181	258	611	-	4,787	-	-	24	-	55,319
Depreciation	-	(10,826)	(1,234)	(696)	-	(989)	(6,934)	(8,536)	(240)	(545)	(30,000)
Write-offs	(2,363)	(304)	-	-	-	-	-	-	-	-	(2,667)
Transfers	(128,459)	69,162	4,107	76	-	-	36,221	18,685	208	-	-
As of June 30, 2022	**131,718**	**219,532**	**18,205**	**4,463**	**68,912**	**8,295**	**469,634**	**64,095**	**1,269**	**8,259**	**994,382**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

	Consolidated										
	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Aircraft	Total
As of January 1, 2021	**197,880**	**91,723**	**9,455**	**2,600**	**68,912**	**2,043**	**190,383**	**45,671**	**1,746**	**9,893**	**620,306**
Exchange differences	-	60	-	1	-	5	-	-	48	-	114
Additions	386,934	9,296	800	1,258	-	3,634	-	209	632	-	402,763
Depreciation	-	(9,583)	(1,481)	(1,297)	-	(1,031)	(5,286)	(12,064)	(599)	(1,089)	(32,430)
Write-offs	(5,813)	(9,750)	(967)	-	-	(88)	-	-	(12)	-	(16,630)
Transfers	(364,919)	79,838	7,267	1,926	-	-	255,250	20,130	508	-	-
As of December 31, 2021	**214,082**	**161,584**	**15,074**	**4,488**	**68,912**	**4,563**	**440,347**	**53,946**	**2,324**	**8,804**	**974,124**
Exchange differences	-	(46)	-	(1)	-	(4)	-	-	(64)	-	(115)
Additions	48,458	1,751	258	611	-	4,787	-	-	24	-	55,889
Depreciation	-	(10,829)	(1,234)	(697)	-	(992)	(6,934)	(8,536)	(380)	(545)	(30,147)
Write-offs	(2,363)	(304)	-	-	-	-	-	-	-	-	(2,667)
Transfers	(128,459)	69,162	4,107	76	-	-	36,221	18,685	208	-	-
As of June 30, 2022	**131,718**	**221,318**	**18,205**	**4,477**	**68,912**	**8,354**	**469,634**	**64,095**	**2,112**	**8,259**	**997,084**

(a) The increase in additions to Property, plant and equipment in progress refers mainly to the execution of the manufacturing expansion plan that includes the creation of the distribution center, the construction of new warehouses and the acquisition of machinery to meet the requirements of new projects.

Depreciation is calculated on a straight-line basis over the useful life of assets, based on rates that take into consideration the estimated useful life of the assets.

After analysis by internal sources, the Company’s fixed assets did not present any indication of loss, devaluation or physical damage that could compromise their future cash flow.

The Company has no assets pledged as collateral for borrowings.

Borrowing costs

Capitalized borrowing costs totaled R$1,253 as of June 30, 2022 (R$4,246 on June 30, 2021). The average capitalization rate used was 4.65% p.a.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

10. Suppliers and Reverse finance operation

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Domestic trade accounts payable	59,922	24,742	59,922	24,742
International trade accounts payable	449,157	241,876	450,964	243,737
Subtotal	**509,079**	**266,618**	**510,886**	**268,479**
Counterparty Risk Operations	138,778	-	138,778	-
Total	**647,857**	**266,618**	**649,664**	**268,479**

The balance payable at the end of June 30, 2022, refers mainly to the purchase of raw materials and supplemental production materials. The increase is in line with the production plan expected for the second half of 2022. Furthermore, the Company has taken steps to extend supplier payment terms.

The Company has agreements signed with partner banks to structure reverse finance operations with its main suppliers. In this operation, suppliers have the option of prepaying receivables related to the purchase of goods and services prepared by the Company.

Suppliers transfer the right to receive the securities to the Bank in exchange for early receiving the security. The bank, in turn, becomes the creditor of the operation, and the Company settles (settlement of the original amount) the security on the same date originally agreed upon with its supplier. We reiterate that the transaction does not change the amounts, nature of the liability, especially deadlines, prices, or other conditions initially contracted, and does not affect the Company with eventual financial charges practiced by the financial institution in operations with suppliers. Furthermore, the Company does not provide any guarantee.

The Company's Management also considered the guidelines of the CVM Official Letter SNC/SEP No.01/2021, following the qualitative aspects on this subject and concluded there are no relevant impacts, nor does it affect the Company's leverage. Thus, the Company holds the liability as “Suppliers”.

On June 30, 2022, the suppliers' position was R$647,857 in the Parent Company and R$649,664 in the Consolidated, of which R$138,778, refers to the balance of reverse finance operation in the Parent Company.

11. Borrowings, financing and debentures

				Parent Company and Consolidated	
Description	**Index**	**Interest (%p.a.)***	**Maturity****	**06/30/2022**	**12/31/2021**
Domestic Currency					
Working capital	CDI	1.50%	22/04/2024	258,565	120,440
Debentures	CDI	2.00%	31/07/2026	1,398,446	1,338,304
Total				**1,657,011**	**1,458,744**
Current				169,110	91,688
Non-current				1,487,901	1,367,056
Total				**1,657,011**	**1,458,744**

* Interest rate of the last funding

** Latest maturity of the contract group

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

Debentures

On January 15, 2021, the company carried out the 1st issue of simple debentures, in the amount of R$600,000, with face value of R$1,000 ("Face Value") on the issue date, maturing on January 15, 2026, yielding the variation of the CDI + 2.90% p.a.

On July 15, 2021, the Company made its 2nd issue of simple debentures, not convertible into shares, in the amount of R$700,000, with a face value of R$1,000 ("Nominal Unit Value'), on the issue date with maturity on July 31, 2026, remunerated by the variation of the CDI + 2.00% p.a. The debentures are not convertible into shares, unsecured, in a single series, for public distribution with restricted distribution efforts, under the terms of the Brazilian Securities and Exchange Commission ("CVM") Instruction 476. The funds received through this Debenture Issue were used to refinance the Company's debts and to generate cash.

The balance of the face value will be amortized in 2 (two) annual and consecutive installments, beginning on July 31, 2025. The Face Value of the Debentures will not be adjusted for inflation. The Face Value or the balance of the Face Value of the Debentures, as the case may be, will be subject to a remuneration interest corresponding to 100% of the accumulated variation of the average daily rates of Interbank Deposits (DI), over extra-group, calculated and disclosed daily by B3 S.A. - Brasil, Bolsa, Balcão ("B3"), as a percentage per year, based on 252 (two hundred and fifty-two) Business Days, published in the daily newsletter available on its website (http://www.b3.com.br)) ("DI Over Rate"), plus a surcharge of two percent (2.00%) per year, based on 252 (two hundred and fifty-two) Business Days ("Remuneration Interest"), and the payment of the remuneration will be made annually, on the 31st (thirty-first) of July.

Revolving Credit Facility

As part of its Financial Risk Management, the Company seeks to strengthen liquidity, given the uncertainties of the market. On May 26, 2022, the Company contracted a revolving Credit Facility (RCF) facility with Banco do Brasil, with no attached guarantee, for a maximum commitment amount of R$200,000 and a 1-year maturity term, which may be extended. This line of credit may be fully or partially disbursed at the Company's discretion, when necessary. As of June 30, 2022, no amounts had been disbursed for this credit line.

Changes

The changes of borrowings and financing in the period are as follows:

	Parent Company		
	Current	**Non-current**	**Total**
Balances as of December 31, 2020	**690,291**	**452,711**	**1,143,002**
Borrowing costs	-	1,420,000	1,420,000
Interest and exchange variation	107,898	4,524	112,422
Principal amortization	(879,474)	(267,709)	(1,147,183)
Interest amortization	(69,169)	(328)	(69,497)
Transfer	242,142	(242,142)	-
Balances as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowing costs	-	150,000	150,000
Interest and exchange variation	98,907	1,215	100,122
Principal amortization	(15,000)	-	(15,000)
Interest amortization	(36,855)	-	(36. 855)

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

Transfer	30,370	(30,370)	-
Balances as of June 30, 2022	**169,110**	**1,487,901**	**1,657,011**

Consolidated			
	Current	**Non-current**	**Total**
Balances as of December 31, 2020	**690,291**	**452,711**	**1,143,002**
Borrowing costs	2,561	1,420,000	1,422,561
Interest and exchange variation	108,067	4,524	112,591
Principal amortization	(882,194)	(267,709)	(1,149,903)
Interest amortization	(69,179)	(328)	(69,507)
Transfer	242,142	(242,142)	-
Balances as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowing costs	-	150,000	150,000
Interest and exchange variation	98,907	1,215	100,122
Principal amortization	(15,000)	-	(15,000)
Interest amortization	(36,855)	-	(36,855)
Transfer	30,370	(30,370)	-
Balances as of June 30, 2022	**169,110**	**1,487,901**	**1,657,011**

The financial disbursement schedule is as follows:

	Parent Company and Consolidated	
	06/30/2022	**12/31/2021**
2022	141,074	91,688
2023	59,643	59,653
2024	362,831	213,758
2025	546,732	546,823
2026 onwards	546,731	546,822
	1,657,011	**1,458,744**

Covenants

The Company has working capital contracts and debenture agreements, which provide for early debt maturity clauses in case of non-compliance with certain contract requirements.

As of June 30, 2022, the Company has complied with all of these requirements, and there are no restrictions in its agreements.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

12. Equity

Share capital

As of June 30, 2022, and December 31, 2021, the share capital was R$815,102, comprised as follows (in units):

	06/30/2022	12/31/2021
ON - Registered common shares	766,213,456	766,213,456
	766,213,456	**766,213,456**

The shares are classified as follows:

	Number of Shares	
	06/30/2022	**12/31/2021**
Controlling Group	535,481,638	541,593,638
Board of Directors	6,327,888	6,158,288
Treasury Shares	3,661,022	3,000,000
Free Float	220,742,908	215,461,530
Total	**766,213,456**	**766,213,456**

ON - Common shares: regarding the Company, the shares are indivisible, and each common share entitles its holder to one vote in the corporate resolutions. The shares have no par value.

The Company is authorized to increase its share capital, regardless of amendments to the Bylaws, up to the limit of two billion and two hundred million reais (R$2,200,000,000.00), upon resolution of the Board of Directors. The share capital may be increased through the subscription of new common shares or capitalization of profits or reserves without the issue of new shares. The Board of Directors will establish the number, price and payment term, as well as other share issue conditions, and define whether the subscription will be public or private. The Company may, within the limit of its authorized share capital, and upon resolution of the Board of Directors: (i) issue debentures convertible into shares; (ii) issue subscription warrants; and (iii) grant stock or subscription options of Company shares in favor of the management, employees or individual service providers of the Company or its subsidiaries, directly or indirectly, as per a plan approved by the General Meeting.

According to the Company's Bylaws, shareholders will be entitled to minimum mandatory dividend corresponding to twenty-five percent (25%) of the remaining balance after the following deductions and reversals: five percent (5%) of net income for the creation of the legal reserve; part of the net income for the year arising from donations or government subsidies; part of the reserve for contingencies created in previous years and corresponding to losses actually incurred or not materialized must be reversed. A portion or the entire remaining balance, as per Management proposal, may be retained for implementation of the capital budget approved by the General Meeting and the remaining balance, if any, must be distributed to shareholders as additional dividend, as per article 45 of the Bylaws.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

Capital reserve

Share-Based Compensation Plan - Third-Party

At a Board of Directors meeting held on November 29, 2021, the Company approved the signing of a consulting services agreement between the Company and Falconi Consultores S.A ("Contractor") ("Agreement - Consulting Services"), in addition to the sale of common shares issued by the Company to the Contractor as payment under the terms of the Agreement - Consulting Services.

Our service provision has among its purposes, to improve and consolidate the operational excellence program and the company's management system in order to strengthen its processes and internal manufacturing procedures, including the mapping of routines and procedures, results control, and the continuous improvement of the business. Due to the long-term culture change involving the whole company and the consolidation of progressive improvement processes, a mixed remuneration was negotiated with the contractor, both through cash payments (fifty percent (50%)) and also in shares. The Company may dispose of up to one million, six hundred thousand (1,600,000) of its common shares, corresponding to approximately 0.8% of the total outstanding Company's shares, as of the date of approval of this agreement.

The Agreement - Consulting Services provides that the disposals of the Company's shares to the Contractor will be made according to a weighted average of the price of the Company's common shares calculated over the last 20 trading sessions prior to the acceptance date of the proposal by the Contractor. Under no circumstances, at the effective transfer date of the shares, may the share sale price be lower than the sale price established in article 3, item II, of ICVM 567. It should also be mentioned that the Agreement - Consulting Services provides for the effective transfer of shares in 6 equal semi-annual installments, as of the project's first month, scheduled for December 2021. The Company's share sales to the Contractor will be executed by means of private negotiations, without intermediary institutions.

In the period ended June 30, 2022, an amount of R$2,958 was reported under the item "Selling, general, and administrative expenses", representing the fair value measured based on the value of services received until that date, of which R$689 refers to the shares granted to the counterparty (registered in shareholders' equity), and R$2,269 refers to the payable liability in cash (of which R$376 is registered in current liabilities). An amount of R$958 was exercised on the balance of shares granted to the counterparty (recorded in shareholders' equity).

Description	Number of shares
Balance as of December 31, 2021	48,873
Shares granted	235,319
Shares exercised	(238,978)
Balances as of June 30, 2022	**45,214**

The Company emphasizes, however, that pursuant to article 6 of ICVM 567, the Company's Board of Directors must timely and periodically review the terms and conditions of this Consulting Agreement, as well as ratify the approval of the sales of Company-issued shares, in order to ensure that no transfers are made later than eighteen (18) months after its prior approval, in compliance with the applicable regulations, including those relating to the applicable disclosures.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

Share-based compensation plan - Employees

The Extraordinary Shareholders' Meeting held on January 10, 2022, approved the Restricted Shares Plan ("Plan"). We would also like to emphasize that the proposal approved by the Board of Directors is within the context of updating and improving the Company's incentive-based structure to optimize the strategies for stimulating and retaining professionals, with the following main objectives:

(i) encourage the expansion, progress and achievement of the Company's corporate objectives, as well as the optimization of aspects that may increase the Company's long-term value; (ii) align the interests of the Company's shareholders with those of managers, employees, and associates of the Company and its subsidiaries, through the collective participation with the other shareholders in the share valuation and risks to which the Company is subject; and (iii) enable the Company or subsidiaries to attract and to maintain committed to them certain eligible persons (as described below), offering them the possibility, under the terms and conditions foreseen in the Plan, to become Company's shareholders.

Following the restricted stock grant model, the Plan adopts the dynamics of the Company's capacity to deliver to its participants, subject to certain terms and conditions, including vesting periods, common shares issued by the Company (“Restricted Shares”). Members will be eligible to participate in the Plan as participants, individuals who are considered to be key persons in the development of the Company's and its subsidiaries' business will be eligible to participate in the Plan as participants, as determined by the Board of Directors (or by a committee appointed by the Board of Directors to advise it).

The Plan will be managed by the Board of Directors, which may nominate a committee to advise it, and delegate powers for this management. In this context, the Board of Directors or the Committee, as the case may be, under the terms of the Plan and the applicable rules, will be responsible for approving the establishment of programs, determining the participants from among the eligible people, as well as establishing the conditions of each grant and adopting the necessary measures for its implementation.

Under the terms of the Plan, up to two million, four hundred thousand (2,400,000) Restricted Shares may be delivered to the participants, corresponding, on this date, to approximately thirty-one hundredths’ percent (0.31%) of the Company's total capital stock, which may be adjusted pursuant to the Plan.

The expense related to the restricted share plan, recognized in the period ended June 30, 2022, according to the period elapsed for acquiring the right to the restricted shares, was R$575.

Description	Number of shares
Balance as of December 31, 2021	**-**
Shares granted	1,412,000
Shares canceled	(157,000)
Balances as of June 30, 2022	**1,255,000**

Tax incentive reserve

Created annually based on the portion of profit arising from investment subsidies received by the Company.

Retained Profits Reserve

The profit retention reserve was created as per article 196 of Law 6,404/76, to be used in future investments. The retention accumulated until June 30, 2022, was R$ 61,056.

According to article 199 of Law 6,404/76, the balance of this reserve, plus the other profit reserves, cannot exceed the Company's share capital.

Treasury shares

At a Board of Directors meeting held on November 29, 2021, the Company approved the implementation of a Buyback Program for the Company's common shares ("Buyback Program"). Through the Program, the Company intends to use the available proceeds to acquire its shares, at market price, on the stock exchange, aiming at creating value for shareholders, as Management believes that the current share price does not reflect the Company's actual assets' value, the future profitability prospects and the likelihood of generating results. Additionally, it should be noted that the shares acquired shall be held in treasury and may subsequently be used for the following purposes: (i) to the beneficiaries of share-based incentive plans; and/or (ii) to meet payments under the Agreement - Consulting Services, subject to the provisions of the applicable standards for trading with own-issued shares.

Share purchase transactions will be based on the overall amount of the profit and capital reserves, excluding the legal reserve, the unrealized profit reserve, the special reserve for non-distributed dividends, and the tax incentive reserve; and the result realized in the current fiscal year, excluding the amounts to be allocated to the legal reserve, the unrealized profit reserve, the special reserve for non-distributed dividends, and the tax incentive reserve, and the payment of the mandatory dividend.

The Company may acquire of up to four million (4,000,000) common shares, corresponding to approximately two percent (2%) of the total outstanding Company's shares, as of the date of approval of the Buyback Program. The Buyback Program will have a term of eighteen (18) months, beginning as of November 29, 2021, inclusive, and ending, therefore, on May 29, 2023, already considering the settlement term applicable to stock exchange operations.

On June 30, 2022, treasury shares acquired by the Company totaled 3,661,022 shares (3,000,000 shares on December 31, 2021) with an average price of R$6.586 per share unit (R$6.773 per unit on December 31, 2021), representing the amount of R$24,726 (R$20,319 on December 31, 2021).

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

13. Net operating revenue

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Gross revenue								
Sale of products	701,374	612,407	1,274,446	1,319,497	701,374	612,407	1,274,446	1,319,497
Rendering of services	6,406	8,362	12,622	15,695	15,603	18,367	24,785	32,924
Sale of products acquired from third parties	981	102	983	1,873	981	102	983	1,873
	708,761	**620,871**	**1,288,051**	**1,337,065**	**717,958**	**630,876**	**1,300,214**	**1,354,294**
Deductions								
Return of sale of products acquired from third parties	(910)	-	(910)	(882)	(910)	-	(910)	(882)
Taxes on sales (a)	(64,684)	(37,904)	(109,505)	(83,855)	(64,684)	(37,904)	(109,505)	(83,855)
Service taxes	(564)	(926)	(1,236)	(1,751)	(631)	(1,005)	(1,303)	(1,834)
	(66,158)	**(38,830)**	**(111,651)**	**(86,488)**	**(66,225)**	**(38,909)**	**(111,718)**	**(86,571)**
Net operating revenue	**642,603**	**582,041**	**1,176,400**	**1,250,577**	**651,733**	**591,967**	**1,188,496**	**1,267,723**

(a) Sales tax is detailed on item 3.10 of the accounting policies.

14. Cost of products sold

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Cost of materials	(439,459)	(434,570)	(832,216)	(937,573)	(440,184)	(435,148)	(833,101)	(938,504)
Personnel	(74,840)	(53,179)	(135,174)	(111,770)	(79,204)	(57,967)	(140,824)	(119,762)
Depreciation and amortization	(16,533)	(6,567)	(28,291)	(14,517)	(16,626)	(6,628)	(28,427)	(14,636)
Utilities	(15,458)	(13,664)	(30,005)	(28,417)	(15,502)	(13,735)	(30,106)	(28,573)
Services rendered	(8,220)	(4,801)	(14,500)	(13,429)	(8,286)	(4,801)	(14,566)	(13,429)
Rentals	(5,013)	(5,022)	(9,724)	(9,804)	(5,729)	(5,660)	(10,440)	(11,086)
Other	(3,670)	(3,869)	(6,304)	(9,283)	(5,834)	(5,240)	(10,218)	(11,696)
	(563,193)	**(521,672)**	**(1,056,214)**	**(1,124,793)**	**(571,365)**	**(529,179)**	**(1,067,682)**	**(1,137,686)**

15. Selling, general and administrative expenses

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Personnel	(15,469)	(12,750)	(28,593)	(24,443)	(16,699)	(14,070)	(31,537)	(27,071)
Services rendered	(5,120)	(3,807)	(8,989)	(6,900)	(5,361)	(4,265)	(9,510)	(7,583)
Depreciation and amortization	(1,054)	(787)	(2,098)	(1,536)	(1,067)	(787)	(2,111)	(1,536)
Travel expenses	(1,010)	(769)	(2,578)	(1,807)	(1,010)	(769)	(2,578)	(1,807)
Rentals	(453)	(285)	(897)	(493)	(499)	(354)	(1,008)	(635)
Utilities	(1,375)	(690)	(2,671)	(1,362)	(1,375)	(690)	(2,671)	(1,362)
Tax expenses	(896)	(702)	(1,329)	(806)	(896)	(702)	(1,329)	(806)
Other	(749)	(723)	(1,521)	(1,524)	(927)	(774)	(1,781)	(1,615)
	(26,126)	**(20,513)**	**(48,676)**	**(38,871)**	**(27,834)**	**(22,411)**	**(52,525)**	**(42,415)**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

16. Other operating income (expenses), net

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Proceeds from the sale of fixed assets	93	1,015	49	2,750	93	1,015	49	2,750
Other Revenues (i)	1,441	676	25,462	1,502	1,888	679	26,394	1,505
Expenses with guarantees	(4,378)	(1,221)	(5,467)	(1,371)	(2,847)	(866)	(2,851)	(1,016)
Donations (ii)	-	(300)	(150)	(300)	-	(300)	(150)	(300)
Other operating expenses	(268)	(198)	(1,356)	(274)	(268)	(198)	(1,356)	(274)
	(3,112)	**(28)**	**18,538**	**2,307**	**(1,134)**	**330**	**22,086**	**2,665**

(i) Revenue recognition from the reimbursement of production losses arising from project changes generated by customers and revenues related to the signing of the supply agreement for blades.

(ii) Donations for the Rouanet Law/FCAD/ELDERLY/SPORTS.

17. Financial Result

	Parent Company		Parent Company		Consolidated		Consolidated	
	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021	04/01/2022 to 06/30/2022	04/01/2021 to 06/30/2021	01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
Financial incomes								
Derivative financial instruments	-	10,376	-	21,852	-	10,376	-	21,852
Gains from exchange variation	45,884	26,311	91,841	49,084	45,884	26,311	91,841	49,084
Income from short-term investments	15,390	3,308	25,341	6,107	15,390	3,308	25,346	6,107
Other	2,285	5,535	3,451	10,441	2,285	5,535	3,451	10,483
	63,559	**45,530**	**120,633**	**87,484**	**63,559**	**45,530**	**120,638**	**87,526**
Financial expenses								
Derivative financial instruments	-	(12,287)	-	(27,204)	-	(12,287)	-	(27,204)
Losses from exchange variation	(78,938)	(27,174)	(121,975)	(49,057)	(78,938)	(27,174)	(121,975)	(49,057)
Financial transaction fees	(1,150)	(7,144)	(4,617)	(11,133)	(1,150)	(7,144)	(4,617)	(11,133)
Interest on borrowings and financing	(55,858)	(20,992)	(99,889)	(44,189)	(55,910)	(21,089)	(99,989)	(44,397)
Other	(14,881)	(115)	(16,559)	(469)	(14,937)	(210)	(16,645)	(683)
	(150,827)	**(67,712)**	**(243,040)**	**(132,052)**	**(150,935)**	**(67,904)**	**(243,226)**	**(132,474)**
Financial result	**(87,268)**	**(22,182)**	**(122,407)**	**(44,568)**	**(87,376)**	**(22,374)**	**(122,588)**	**(44,948)**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

18. Financial instruments, objectives and financial risk management policies

The classification of financial instruments by category is as follows:

	Parent Company		Consolidated	
	06/30/2022	**12/31/2021**	**06/30/2022**	**12/31/2021**
Measured at amortized cost				
Cash and cash equivalents	858,742	884,114	860,895	892,933
Trade receivables	66,565	13,929	74,663	21,176
Other receivables	46,799	18,528	49,316	19,359
Suppliers	647,857	266,618	649,664	268,479
Loans, financing and debentures	1,657,011	1,458,744	1,657,011	1,458,744
Financial assets measured at fair value through profit or loss				
Derivative instruments	-	481	-	481

<u>Measurement</u>

It is assumed that the balance of accounts receivable and trade payables at book value, less impairment in the case of accounts receivable, approximate their fair values.

The fair value measurement process for the Company's financial instruments, was established using available market information and appropriate valuation methodologies. The following estimates do not necessarily indicate the amounts that may be realized in the current exchange market.

CPC 40 (R1) - Financial Instruments: Evidence establishes a 3-level hierarchy for fair value, being:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - information, in addition to the quoted prices, included in Level 1, that is observable by the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - information for assets or liabilities that is not based on data observable by the market (that is, unobservable assumptions).

The specific valuation techniques used to evaluate financial instruments listed as Level 2 include:

. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.

. The fair value of the forward exchange contracts is measured using forward exchange rates at the balance sheet date.

The fair value of financial assets and liabilities are included in the value for which the instrument could be exchanged in a current transaction between counterparties prepared to negotiate, and not in a forced sale or liquidation.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

The fair value measurement process for the Company's financial instruments is classified as Level 1. Only derivative financial instruments are classified in Level 2, and there were no balances as of June 30, 2022 (R$ 481 as of December 31, 2021) maturing in the short term. As of June 30, 2022, and December 31, 2021, the Company did not identify significant differences between the market values of the financial instruments and the values presented in the interim financial information.

The table below sets forth the assets and liabilities measured at fair value on June 30, 2022:

	Parent Company					
	Notional value	Book balance	Fair Value	Notional value	Book balance	Fair Value
Description	**06/30/2022**	**06/30/2022**	**06/30/2022**	**12/31/2021**	**12/31/2021**	**12/31/2021**
Financial assets						
Derivative financial instruments (swap contracts/NDF) US$	-	-	-	16,667	481	481

* Interest rate of the last funding

Financial risk factors

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Exchange risk and interest rate.

This Note presents information about the exposure to each of the aforementioned risks and the Company's objectives.

Risk management is carried out by the Company's finance department, according to the policies approved by the Board of Directors. The finance department, together with its operating units, identifies, assesses and protects the Company against potential financial risks.

Credit risk

This risk arises from the possibility of the Company undergoing losses from the default of its counterparties. To mitigate these risks, the Company adopts the practice of analyzing the financial and equity situations of its counterparties, as well as defining credit limits and permanently monitoring the balances receivable from each customer.

Liquidity risks

The main sources of financial resources used by the Company come from loans taken out with financial institutions with long-term maturity and from the sale of its products.

The Company's main needs of financial resources arise from the obligation to pay for raw materials for production, operating expenses, salary expenses and other operating disbursements.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

The payment schedule of the long-term installments of borrowings, financing and debentures is shown in Note 11.

Market risk

Exchange risk

The Company's results are susceptible to significant changes due to the effects of the exchange rate volatility on liabilities linked to foreign currency, mainly the U.S. dollar.

On June 30, 2022, the Company ended the period with low exposure to exchange rate risk, considering it did not have foreign currency transactions with Banks. Payments and receipts in dollars and euros are evaluated for natural hedging and strategy by the financial planning area.

The Company's currency exposure is as follows:

	06/30/2022	12/31/2021
Balances indexed to the U.S. dollar	(US$)	(US$)
Suppliers abroad	86,095	43,576
Customers abroad	1,086	(2,305)
Swap/NDF contracts	-	(16,667)
Net position	**87,181**	**24,604**

Currency sensitivity analysis

The purpose of the sensitivity analysis is to measure the impact to changes in market variables on each representative financial instrument. However, the settlement of the transactions involving such estimates may result in amounts different from those estimated given the subjectivity contained in the process used in preparing these analyses. Two scenarios are presented, representing the deterioration of the risk variable by 25% (possible) and 50% (remote), defined through assumptions available in the market.

In the quarterly information of June 30, 2022, the probable scenario (base scenario) considered the maintenance of the U.S. dollar rate.

The calculations estimated by the Company's Management are reflected in the probable scenario, as shown below:

06/30/2022				**Probable Scenario**		**Possible Scenario - 25%**		**Remote Scenario – 50%**	
	Risk Factor	**Average rate (p.a.)**	**Exposed amounts**	**Average rate (p.a.)**	**Effect on profit or loss**	**Average rate (p.a.)**	**Effect on profit or loss**	**Average rate (p.a.)**	**Effect on profit or loss**
Long position	US$	5.24	42,155	5.24	-	6.55	10,539	7.86	21,078
Short position	US$	5.24	(498,810)	5.24	-	6.55	(124,703)	7.86	(249,405)
Net exposure			**(456,655)**		**-**		**(114,164)**		**(228,327)**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

12/31/2021				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	US$	5.58	143,876	5.58	-	6.98	35,969	8.37	71,938
Short position	US$	5.58	(281,179)	5.58	-	6.98	(70,295)	8.37	(140,590)
Net exposure			**(137,303)**		**-**		**(34,326)**		**(68,652)**

Interest rate risks

The Company is mainly exposed to variations in the CDI interest rates on financial investments and borrowings and financing. As of June 30, 2022, and December 31, 2021, financial assets and liabilities are as follows:

	06/30/2022	12/31/2021
Variable rate – CDI		
Financial assets	**774,587**	**882,210**
Financial liabilities	**(1,657,011)**	**(1,458,744)**
	(882,424)	**(576,534)**

Interest rate sensitivity analysis

The purpose of the sensitivity analysis is to measure the impact to changes in market variables on each representative financial instrument. However, the settlement of the transactions involving such estimates may result in amounts different from those estimated given the subjectivity contained in the process used in preparing these analyses. Two scenarios are presented, representing the deterioration of the risk variable by 25% (possible) and 50% (remote), defined through assumptions available in the market. The probable scenario was defined by means of assumptions available in the market (B3 and BC Focus publications).

The probable scenario considered the maintenance of the CDI rate of June 30, 2022, at 13.15% p.a. The possible and remote scenarios consider increases of 25% (16.44% p.a.) and 50% (19.73% p.a.), respectively, to the rate. The Company's Management understands that the risk of great variations in the CDI rate in 2022 is low, taking into consideration the market's track record and projections.

The table below shows the sensitivity to changes in level, indicating the deterioration in the Company's financial situation through an increase in interest rates on the portion of borrowings and financing affected below:

06/30/2022				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	CDI	13.15%	774,587	13.15%	101,858	16.44%	127,323	19.73%	152,787
Short position	CDI	13.15%	(1,657,011)	13.15%	(217,897)	16.44%	(272,371)	19.73%	(326,845)
Net exposure			**(882,424)**		**(116,039)**		**(145,048)**		**(174,058)**

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

12/31/2021				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	**Average rate (p.a.)**	**Exposed amounts**	**Average rate (p.a.)**	**Effect on profit or loss**	**Average rate (p.a.)**	**Effect on profit or loss**	**Average rate (p.a.)**	**Effect on profit or loss**
Long position	CDI	9.15%	882,210	9.15%	80,722	11.44%	100,903	13.73%	121,083
Short position	CDI	9.15%	(1,458,744)	9.15%	(133,475)	11.44%	(166,844)	13.73%	(200,213)
Net exposure			**(576,534)**		**(52,753)**		**(65,941)**		**(79,130)**

Capital Management

The Company's objectives when managing its capital are to safeguard the Company's and its subsidiaries' ability to continue to offer shareholder returns and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce such costs.

In order to maintain or adjust the Company's capital structure, Management may review, or propose a review in case of shareholder approval, the dividend payment policy, return capital to shareholders or issue new shares or sell assets to reduce, for example, the level of indebtedness.

Consistent with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This index corresponds to net debt expressed as a percentage of total capital. Net debt, in turn, corresponds to total borrowings (including short- and long-term borrowings, as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

As of June 30, 2022, and December 31, 2021, the financial leverage indexes are as follows:

	Consolidated	
	06/30/2022	**12/31/2021**
Total Loans (Note 12)	306,892	120,440
Debentures (Note 12)	1,350,119	1,338,304
(-) Cash and cash equivalents (Note 4)	(860,895)	(892,933)
(-) Derivative instruments	-	(481)
Net debt	796,116	565,330
Total equity – Note 13	967,393	999,592
	1,763,509	1,564,922
Financial leverage ratio - %	**0.45**	0.36

Capital is not managed at the Parent Company's level, but at the consolidated level only.

19. Provision for contingencies

The Company is a party to lawsuits and labor claims arising from the normal course of operations. Management periodically assesses contingent risks based on legal and economic fundamentals, in order to classify them as probable, possible, or remote, based on their likelihood of occurrence and enforceability, taking into consideration the analyses of legal advisors sponsoring the Company's cases, as applicable.

As of June 30, 2022, the lawsuits assessed by the legal advisors as possible risk totaled R$38,003 (R$34,475 as of December 31, 2021), not provisioned, referring to tax, administrative, and labor claims. The company has no lawsuits assessed as probable loss.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

Tax assessment notices – Federal Revenue Office

Among the administrative lawsuits with likelihood of loss are the tax assessment notices issued by the Federal Revenue Office in June 2020 in the amount of R$30,160, alleging a possible error in the tax classification of a certain raw material imported by the Company. The Company filed a writ of mandamus seeking the annulment of the notices. The Company's legal advisors understand that the assessment is undue, and, for this reason, the amounts are not provisioned as of June 30, 2022.

20. Related parties

The Company has transactions and balances with related parties, of which we highlight:

Assets	Transaction	06/30/2022	12/31/2021
Current			
Aeris LLC Loan (i)	Loan	3,035	3,233
Total		3,035	3,233
Non-current			
Aeris LLC Loan (i)	Loan	757	2,421
Total		757	2,421

(i) Loan with the subsidiary.

Key management personnel compensation

Key management personnel include the Executive Board and Board of Directors. The compensation paid or payable to key management personnel for the services provided is as follows:

	06/30/2022	06/30/2021
Salaries and other short-term benefits	2,385	2,667

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

21. Investment in subsidiary

	06/30/2022	12/31/2021
Investment in subsidiary	10,075	10,667
Total	**10,075**	**10,667**

Changes in investments

The Company has investments in the subsidiary - Aeris Service LLC, whose summary of changes are as follows:

	06/30/2022	12/31/2021
Opening balance on January 1	**10,667**	5,934
Accumulated currency translation adjustments	**(721)**	797
Reclassification of Translation adjustments	**-**	(143)
Results from equity-accounted investees	**129**	4,079
Closing balance	**10,075**	**10,667**

(Summarized) statements of the subsidiary

The table below summarizes the subsidiary's interim financial information as of June 30, 2022, and December 31, 2021:

Year	Interest - %	Assets	Liabilities	Equity	(Income/Loss for the period)
06/30/2022	100	15,830	15,830	**10,075**	129
12/31/2021	100	20,586	20,586	**10,667**	4,079

On June 30, 2022, this subsidiary reported an increase of 5.57% in revenues compared to the same period in 2021.

22. Business Segment Information

The determination of the Company's operating segments is based on its Corporate Governance structure, which divides the business into: Manufacturing of wind turbine blades and e Maintenance of wind turbine blades. However, the maintenance segment does not have a significant role yet in the context of the Company's business. As of June 30, 2022, this type of transaction accounted for only 2.30% of net revenue (2.93% on June 30, 2021).

In this context, all decisions are made based on consolidated reports. The decisions related to strategic planning, finance, purchasing, investments, and application of resources are made on a consolidated basis. As a result, the Company has determined that it has only one relevant reportable segment in the interim financial statements.

In thousands of Brazilian reais, unless stated otherwise (A free translation of the original in Portuguese)

23. Insurance (not revised)

The company has a management program with the objective of limiting risks, seeking coverage in the market that is compatible with its size and operations, by contracting insurance. The coverage was contracted for amounts considered sufficient by the Management to cover any claims, considering the nature of its activity, the risks involved in its operations and the orientation of its insurance consultants.

As of June 30, 2022, the Company had the following main insurance policies with third parties:

Insurance	Coverage
Business	363,000
Civil liability	125,000

The scope of our independent auditors' work does not include expressing an opinion on the sufficiency of the coverage, which has been determined by the Company's Management.

24. Earnings (loss) per share

(a) Basic and diluted

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potential common shares with diluting potential, which have no difference on June 30, 2022, and 2021, as the Company only has one type of share.

	Parent Company and Consolidated	
	06/30/2022	**06/30/2021**
Net income/(loss) for the period	(27,376)	41,767
Balance as of January 1	766,213	766,213
Company's share repurchases	(3,900)	-
Balance as of June 30	762,313	766,213
Weighted average number of shares for the diluted earnings per share	762,313	766,213
Basic earnings per share	**(0.03591)**	**0.05451**
Diluted earnings per share	**(0.03591)**	**0.05451**

25. Subsequent events

Signing of a new contractual amendment

On July 5, 2022, the Company and Vestas Wind Systems A/S ("Vestas") signed a new amendment ("Contractual Amendment") to the agreement for the supply of wind blades, by the Company to Vestas, essentially contemplating: (i) the extension of the minimum period for supplying the current blades model until late 2024, and (ii) the extension of the current contract (previously maturing in the second quarter of 2023) for another 3.5 (three and a half) years, maturing at the end of 2026, when the Company will be responsible for supplying multiple blade models.

Considering the execution of the Contractual Amendment, extending the current model until late 2024 may result in a wind blade supply that will represent a power capacity addition nearly equivalent to 3.3 gigawatts, leading to a net increase of up to R$2.6 billion in potential orders covered by long-term contracts. Additionally, in 2025 and 2026, and subject to Vestas' sales with deliveries in the Brazilian territory, the Company may receive supplementary orders for the supply of multiple wind blade models that, combined with increased orders in 2023 and 2024, should represent a power capacity equivalent to 7.3 gigawatts.

The Company believes that the execution of the Contractual Amendment reinforces a successful and strategic partnership of over six (6) years with Vestas, to which Aeris has already supplied wind blades that resulted in more than 6.7 gigawatts of power, and that should continue to positively contribute to the consolidation and business expansion of the Company.

Termination of the 2021 share buyback program and creation of a new share buyback program for common shares issued by the Company

At the meeting held on July 12, 2022, the Company's Board of Directors approved the termination of the share buyback program for Company common shares approved at the meeting held on November 29, 2021 ("Board of Director's Meeting held on November 29, 2021") ("2021 Share Buyback Program"), and the creation of a new share buyback program ("2022 Share Buyback Program").

Under the terms approved by the Board of Directors, the Company may acquire shares that, added to the current treasury shares, reach the limit of ten percent (10%) of the floating shares, pursuant to CVM Resolution 77. For reference purposes, considering that there are currently three million, six hundred and sixty-one thousand and twenty-two (3,661,022) treasury common shares issued by the Company, the maximum number of shares that may be acquired under the 2022 Share Buyback Program is sixteen million, seven hundred and thirty-nine thousand, three hundred and thirty-five (16,739,335) Company common shares – said number of shares already considers the dilution arising from the shares acquired for treasury.

The Company intends to use the available proceeds to acquire shares on the stock market, at market prices, so as to create value for its shareholders. Shares acquired under the 2022 Share Buyback Program may remain in treasury, be canceled, or subsequently sold. In the event of subsequent sale of shares, they may be carried out on the market or aimed at meeting the following purposes: (i) to be sold to the beneficiaries of share-based incentive plans that have been approved or that may eventually be approved; and/or (ii) to be sold to meet the scope of the consulting services agreement signed between the Company and Falconi Consultores S.A., pursuant to the terms approved at the Board of Directors' Meeting held on November 29, 2021, and applicable regulation, in particular paragraph 1 of article 30 of the Brazilian Corporate Law and CVM Resolution 77.

The Company emphasizes that the terms, conditions, objectives and characteristics of the 2022 Share Buyback Program are set out in the minutes of the Board of Directors' Meeting held on July 12, 2022, available for consultation as of today on the websites of the Company and the CVM, pursuant to the information required by the applicable regulation, especially CMV Instruction 77.

Executive Board

Bruno Vilela Cunha Chief Executive Officer and Chief Commercial Officer	Bruno Lolli Planning and Investor Relations Officer
Cássio Cancela e Penna Human Resources Manager	Daniel Henrique da Costa Mello Industrial Officer
Erica Maria Cordeiro Supplies Officer	Jonathan Oliveira de Figueiredo Chief Operating Officer
Marcio José Marzola Chief Administrative and Finance Officer	Rafael Rocha Lima Medeiros Chief Operating Officer
Vitor de Araújo Santos Chief Technology Officer	Sandra Karla Rodrigues Coutinho Account CRC-CE-015141/O-0