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Investor
Relations








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HIGHLIGHTS 3Q23

-  **Net Operating Revenue (NOR)** was R\$ 885.8 million in 3Q23, a **3.7% increase compared to 2Q23**. In 9M23, NOR amounted to R\$ 2,572.1 million, representing a **41.8% increase compared to 9M22**.
-  In 3Q23, the **Net Loss** was R\$ 28,7 million;
-  **Return on Invested Capital (ROIC)** was 14.2% in 3Q23;
-  In 3Q23, the **EBITDA** was R\$ 77.4 million, with a margin of 8.7%. In 9M23, the EBITDA was R\$ 263.6 million, with a **margin of 10.2%**;
-  **Investments** totaled R\$ 5,0 million in 3Q23;
-  **Potential orders covered by long-term contracts** amount to 1,076 sets of blades with equivalent power of 5.0 GW. Using the exchange rate at the end of 2Q23, the potential net revenue from the Company's long-term contracts totals R\$ 4.1 billion.
-  **A primary stock offering in the amount of R\$400.0 million.**



MESSAGE FROM MANAGEMENT

We are approaching the end of 2023, a year that will be marked by a new record of wind power capacity released for commercial operation in Brazil. According to data from ANEEL – Agência Nacional de Energia Elétrica, more than 3.6 GW of wind power capacity was installed by October 20, 2023, and there is an expectation that more than 1.5 GW will be released for commercial operation by the end of the year out of a total of 5.8 GW from over 150 wind farms under construction in the national territory. At Aeris, we experienced significant growth in delivery volume in the third quarter of 2023, reaching a milestone of 199 sets of blades delivered to the domestic market, with an equivalent capacity of 986 MW for the quarter, totaling 2,851 MW in the first 9 months of the year, a 34.1% increase compared to the total delivered during the same period in 2022. The growth in the services business unit has also been accelerating, with a 126.3% increase in Net Operating Revenue (NOR) for services in the first 9 months of 2023 compared to the same period in 2022, resulting in a positive variation of 41.8% (9M23 vs 9M22), driving a 41.9% growth in EBITDA for the same period and allowing for an improvement in ROIC, which increased from 10.7% p.p. in 3Q22 to 14.2% p.p. in 3Q23.

This evolution is mainly due to the maturation of production lines and the capture of benefits resulting from the implementation of lean manufacturing practices, reducing defect and rework rates in the production lines. Despite the improvement in operational results, we continue to feel the effects of the high interest rates associated with the need for working capital still above normalized levels, but there has been progress in reducing inventory levels, which decreased from 179 days of NOR at the end of 2022 to 93 days of NOR.

When looking at the current scenario, it is possible to notice a slowdown in the domestic market's business environment. This is due to the persistence of high interest rates, as well as an oversupply of energy, factors that exert adverse influence on short and medium-term prices. Consequently, we anticipate that the number of wind farm installations in Brazil is likely to decrease in the years 2024 and 2025, resulting in a reduced demand for blades produced by Aeris. We believe in strong growth in the services business unit in the coming years, increasing its share in the Company's NOR from the current 4.7% in 3Q23 to over 10.0%. We are also in negotiations with our customers to announce an increase in the potential of orders covered by long-term contracts in 2023. Additionally, we have launched a primary offering in the amount of approximately R\$400 million, which is equivalent to 39.0% of the Company's Net Debt at the close of 3Q23. The Offering, as described in the Material Fact released on 11/08/2023, aims to optimize the capital structure, reduce the leverage ratio, and provide the necessary cash for the amortization of financial transactions maturing in 2024.

We are part of an industry that may experience a demand growth rate exceeding the capacity for incremental supply generation. Therefore, the improvement in the Company's capital structure increases our ability to capture a larger share of a market that will regain high growth rates in the second half of this decade to achieve the goals of the Paris Agreement by accelerating the energy transition process.

OPERATING AND FINANCIAL HIGHLIGHTS

Operational Highlights	3Q23	2T23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21
Sets¹	199	186	195	130	161	162	147	168
Production in MW equivalent²	986	912	953	675	739	756	630	709
Domestic market	986	912	953	675	688	685	521	530
Export market	0	0	0	0	51	71	109	179
Active production lines³	15	15	15	17	17	18	18	17
Mature lines⁽⁴⁾	15	15	15	16	13	12	11	10
Non-mature lines	0	0	0	1	4	6	7	7

(1) Sets (of three blades) that are billed and available to be collected by customers.

(2) Considers the average nominal power range of wind turbines equipped with billed sets.

(3) Number of production lines (molds) in production at the end of the period.

(4) Refers to production lines installed, at the end of the period, more than 12 months ago.

In 3Q23, the production lines maintained their status of full maturity.



Financial Highlights	3Q23	2Q23	3Q22	Var. 2Q23/2Q22	Var. 3Q23/3Q22	9M23	9M22	Var. 9M23/9M22
In thousands of Reals								
Return on Invested Capital¹	14.2%	13.7%	10.7%	+0.5 pp	+3.5 pp	14.2%	10.7%	+3.5 pp
Net Revenue	885,832	854,602	625,616	3.7%	41.6%	2,572,056	1,814,112	41.8%
Blades - Domestic Market	843,961	801,462	557,833	5.3%	51.3%	2,458,045	1,581,211	55.5%
Blades - Export Market	0	0	42,243	-	-	0	182,517	-
Services	41,870	53,141	25,539	-21.2%	63.9%	114,011	50,383	126.3%
Net Income for the period	-28,694	-19,097	-25,908	50.3%	10.8%	-69,997	-53,284	-31.4%
Net Margin	-3.2%	-2.2%	-4.1%	-1.0 pp	+0.9 pp	-2.7%	-2.9%	+0.2 pp
EBITDA²	77,392	91,295	64,794	-15.2%	19.4%	263,624	186,225	41.6%
EBITDA Margin	8.7%	10.7%	10.4%	-1.9 pp	-1.6 pp	10.2%	10.3%	0.0 pp

(1) Calculated based on LTM NOPAT (net operating profit after tax), divided by the average invested capital between the end of the current period and the end of the previous fiscal year.

(2) Adjusted EBITDA

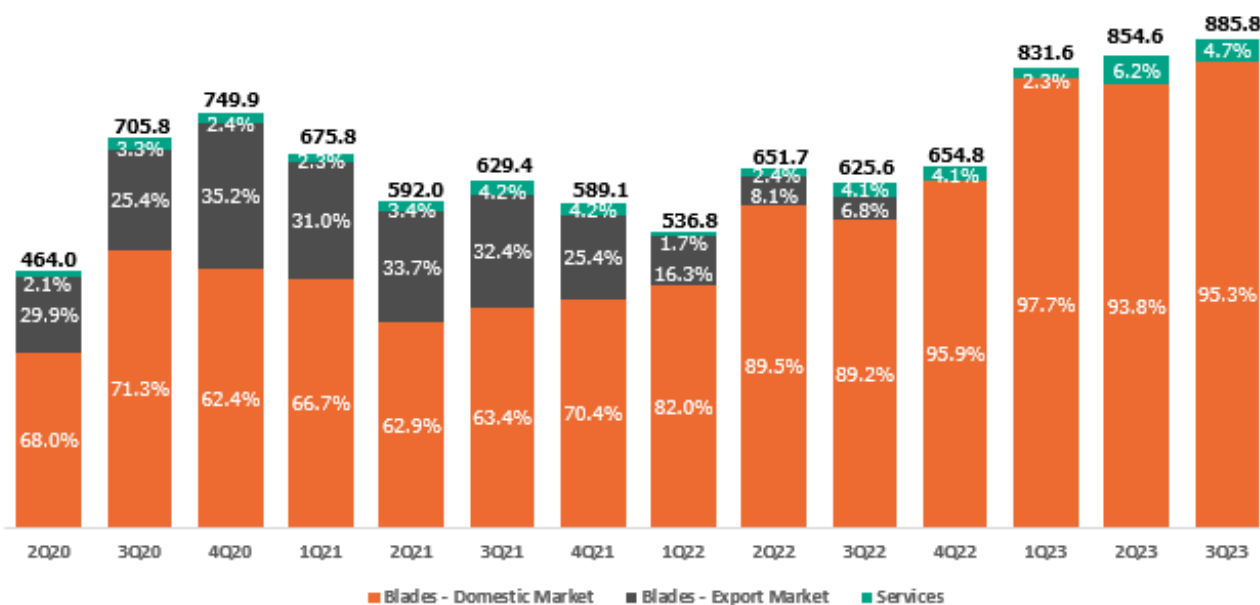


NET OPERATING REVENUE

In 3Q23, the Net Operating Revenue (NOR) was R\$ 885.8 million, reflecting a 3.7% increase compared to 2Q23. In 9M23, NOR amounted to R\$ 2,572.1 million, marking a significant 41.8% increase when compared to 9M22.

The increase in Net Operating Revenue (ROL) observed in 3Q23 compared to the previous quarter is a result of an 8.1% growth in the volume of blades in MW equivalent produced during the period. This increase was partially offset by a 1.2% decrease in the average price in USD/MW and a 1.4% depreciation of the Brazilian Real against the US dollar during the same period. The variation in blade sales prices was due to changes in the blade model mix produced during the period.

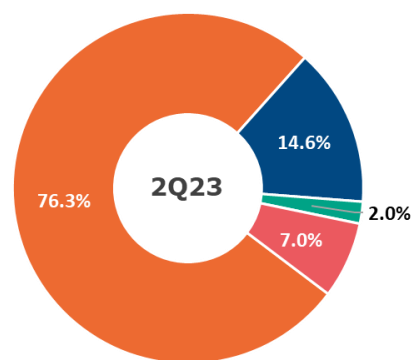
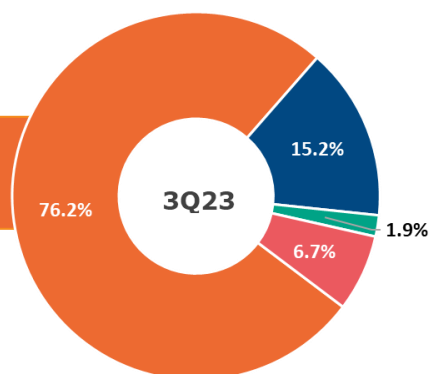
The services business unit presented a 21.2% reduction in NOR, mainly impacted by the postponement of projects in the USA at the request of clients.



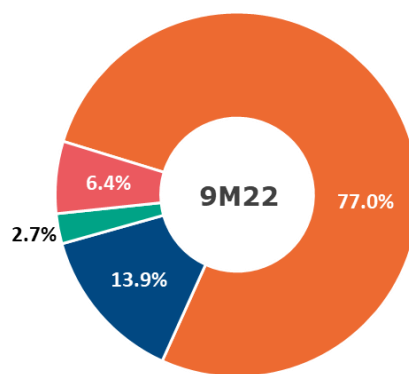
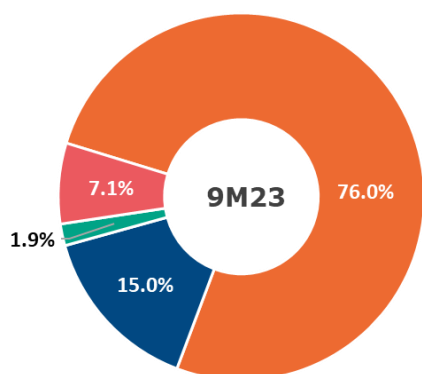
COST OF GOODS SOLD

In thousands of Reals	3Q23	2Q23	3Q22	Var. 3Q23/2Q23	Var. 3Q23/3Q22	9M23	9M22	Var. 9M23/9M22
Net Revenue	885,832	854,602	625,616	3.7%	41.6%	2,572,056	1,814,112	41.8%
Cost of Goods Sold	792,534	750,047	553,183	5.7%	43.3%	2,265,975	1,620,865	39.8%
Gross Margin	10.5%	12.2%	11.6%	-1.7 pp	-1.1 pp	11.9%	10.7%	+1.2 pp

The gross margin presented a 1.7 p.p. decrease compared to 2Q23, reaching 10.5% in 3Q23. In 9M23, the gross margin was 11.9%, indicating a 1.2 p.p. increase when compared to the same period the previous year. The decrease in the gross margin is a result of both the reduction in the average selling price of the blades and the increase in labor costs, which, in turn, were caused by changes in the mix of blade models produced during the period.



■ Direct materials ■ Labor ■ Depreciation and amortization ■ Other

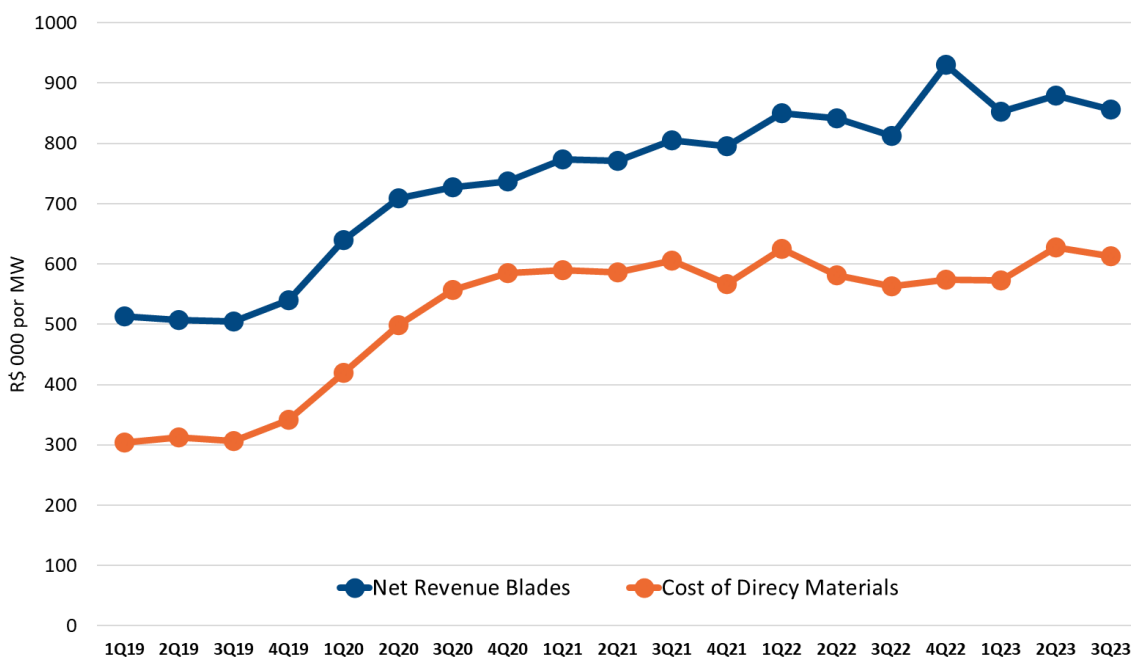


■ Direct materials ■ Labor ■ Depreciation and amortization ■ Other

PASS-THROUGH OF DIRECT MATERIAL COSTS

The blade supply contracts have a price formation structure composed of two distinct variables: (i) direct materials and (ii) value-added (V.A.).

For the price component associated with direct materials, the Company maintains the full ability to pass on variations related to the unit cost of materials, including prices practiced by suppliers, logistics costs, non-reimbursable taxes, and exchange rate fluctuations, as observed in the chart below.



GENERAL AND ADMINISTRATIVE & OTHER NET REVENUE

In thousands of Reals	3Q23	2Q23	3Q22	Var. 3Q23/2Q23	Var. 3Q23/3Q22	9M23	9M22	Var. 9M23/9M22
General and Administrative Expenses	- 31,247	- 28,439	- 24,839	9.9%	25.8%	- 85,588	- 77,364	10.6%
% NOR	3.5%	3.3%	4.0%	-	-	3.3%	4.3%	-
Other Operating Income - Net	109	1,537	936	-	-	3,554	23,022	-
% NOR	0.0%	-0.2%	0.1%	-	-	-0.1%	1.3%	-

*Total Commercial, General, and Administrative Expenses + Tax Expenses

In 3Q23, General and Administrative Expenses amounted to R\$ 31.2 million, reflecting a 9.9% increase compared to 2Q23. In 9M23, totaled R\$ 85.6 million, indicating a 10.6% increase compared to 9M22.

EBITDA

In thousands of Reals	3Q23	2Q23	3Q22	Var. 3Q23/2Q23	Var. 3Q23/3Q22	9M23	9M22	Var. 9M23/9M22
Net Income for the period	-28,694	-19,097	-25,908	50.3%	10.8%	-69,997	-53,284	31.4%
(+/-) Financial Result	95,223	99,392	78,727	-4.2%	21.0%	299,569	201,315	48.8%
(+/-) Depreciation and amortization	15,785	16,249	16,061	-2.9%	-1.7%	46,458	46,599	-0.3%
(+/-) Current and deferred income tax and social contribution, before the tax incentive	-4,369	-5,716	-4,289	-23.6%	1.9%	-12,633	-9,126	38.4%
(+/-) Includes the Sudene tax incentive	0	0	0	-	-	0	0	-
(+/-) Long-Term Incentive	-272	243	-6	-	-	140	782	-82.1%
(+/-) Consultoria Performance	-281	224	209	-	-	87	-60	-
EBITDA*	77,392	91,295	64,794	-15.2%	19.4%	263,624	186,225	41.6%
EBITDA Margin	8.7%	10.7%	10.4%	-1.9 pp	-1.6 pp	10.2%	10.3%	0.0 pp

In 3Q23, EBITDA reached R\$ 77.4 million, representing an 8.7% margin. In 9M23, EBITDA amounted to R\$ 263.6 million, indicating a significant 41.6% increase compared to 9M22.

During this quarter, the mature production lines generated R\$ 73.6 million in EBITDA, with an EBITDA margin of 8.7%. The services business unit reported EBITDA of R\$ 3.8 million with a 9.2% margin.

FINANCIAL RESULT AND DEBT

In thousands of Reais	3Q23	2Q23	3Q22	Var. 3Q23/2Q23	Var. 3Q23/3Q22	9M23	9M22	Var. 9M23/9M22
Net Currency Variation¹	-23,445	-17,466	3,460	34.2%	-	-56,184	-26,674	110.6%
Net Financial Expenses²	-71,778	-81,926	-82,187	-12.4%	-12.7%	-243,385	-174,641	39.4%
Net Debt³	1,026,890	940,353	717,185	9.2%	43.2%	-	-	-
Leverage⁴	3,0x	2,8x	2,8x	-	-	-	-	-

(1) Includes derivative financial instruments.

(2) Net Financial Expenses is the sum of Charges from financial operations, Interest on loans and financing, and Other under the Financial Expenses item, plus the sum of Returns from financial investments and Other under the Financial Revenue item.

(3) Net Debt is the sum of current and non-current loans and financing, minus cash and cash equivalents, current financial investments and derivative financial instruments.

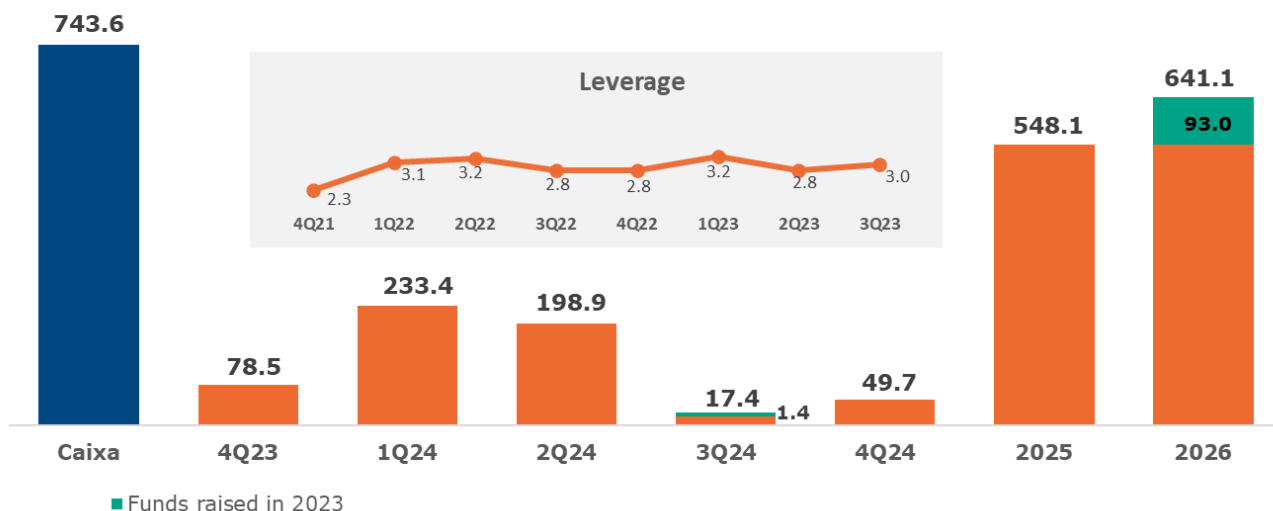
(4) Net Debt / EBITDA

In 3Q23, net financial expenses amounted to R\$ 71.8 million, representing a 12.4% reduction compared to 2Q23, primarily due to the decrease in financial charges during the period. The net foreign exchange variation resulted in a loss of R\$ 23.4 million in 3Q23.

In 3Q23, the Net Leverage, measured by the Net Debt/EBITDA ratio, reached 3.0x (compared to 2.8x in 2Q23). Despite the increase in EBITDA_{LTM} by R\$ 12.6 million, the net leverage was impacted by the R\$ 86.5 million increase in net debt compared to 2Q23. This increase is mainly attributed to the rise in working capital needs by R\$ 68.9 million, driven by: i) an increase in the net accounts receivable position of customer advances by R\$ 111.2 million due to changes in revenue recognition, resulting in an extended average collection period from 54 to 81 days of NOR, partially offset by an increase in the customer advance position in compliance with new renegotiated commercial terms in 2Q23; ii) an increase in raw material inventory by R\$ 78.7 million due to the postponement of the production plan during the period, partially compensated by the reduction in work in process and finished goods inventory by R\$ 134.7 million, also a result of the change in revenue recognition policy.



Debt Amortization Flow (R\$ million)



The Company's cash position at the end of 3Q23 was R\$ 743.6 million.

The outstanding financial obligations with maturity in 4Q23 amount to R\$ 78.5 million. The total gross debt stands at R\$ 1,770.5 million with an average duration of 1.7 years.

NET INCOME (LOSS)

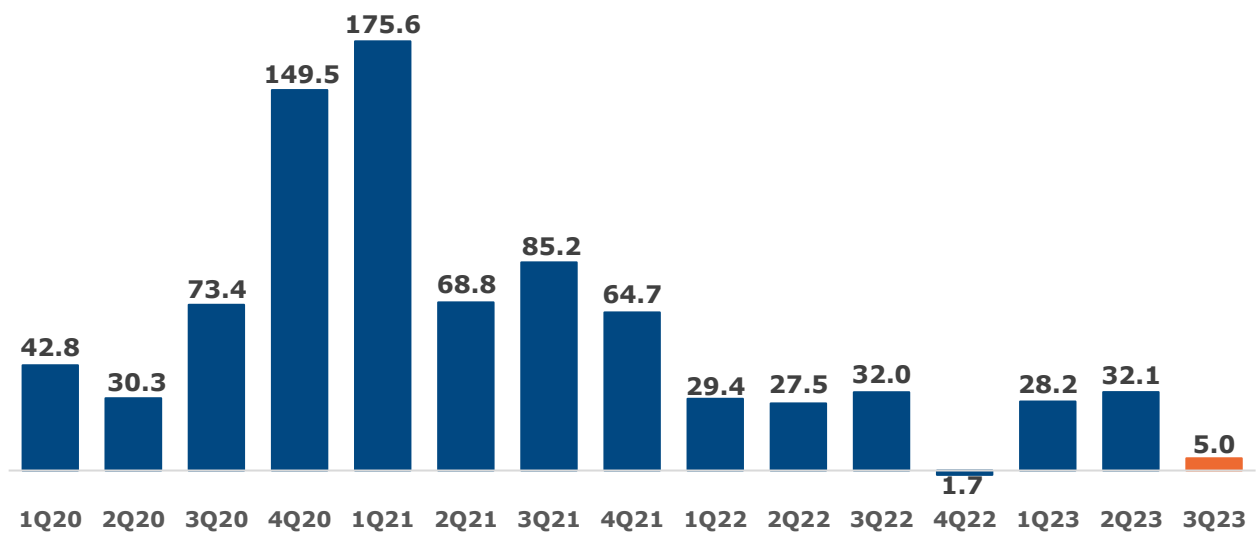
The Net Loss in 3Q23 was R\$ 28,7 million.



INVESTMENTS

In 3Q23, the Company invested R\$ 5.0 million, allocated towards the modernization of the manufacturing facilities.

Cash used in investing activities (R\$ million)

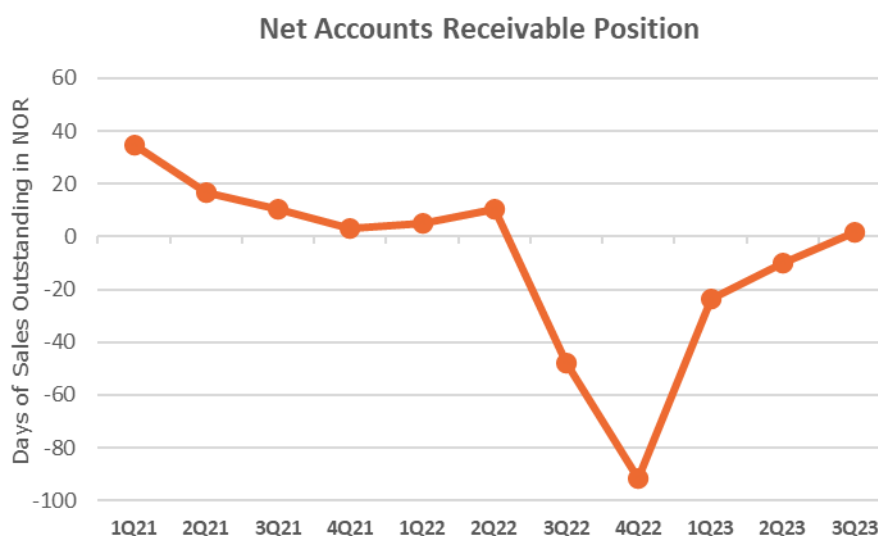


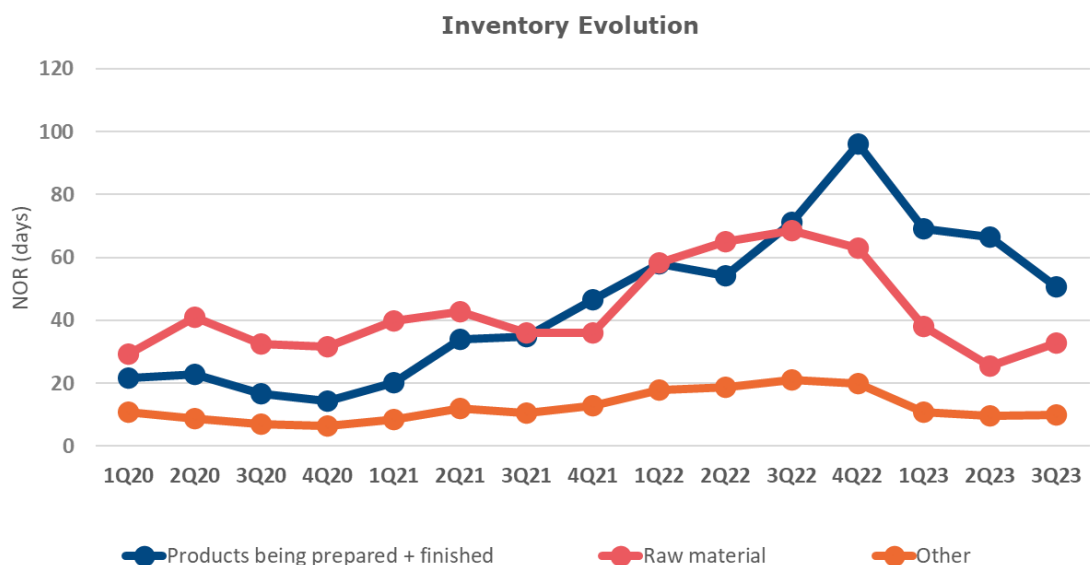
CASH FLOW

The cash flow from operating activities consumed R\$ 175.7 million in 3Q23, impacted by the factors already described in the "Financial Results and Debt" section, as well as the payment of interest on the Company's issued debentures.

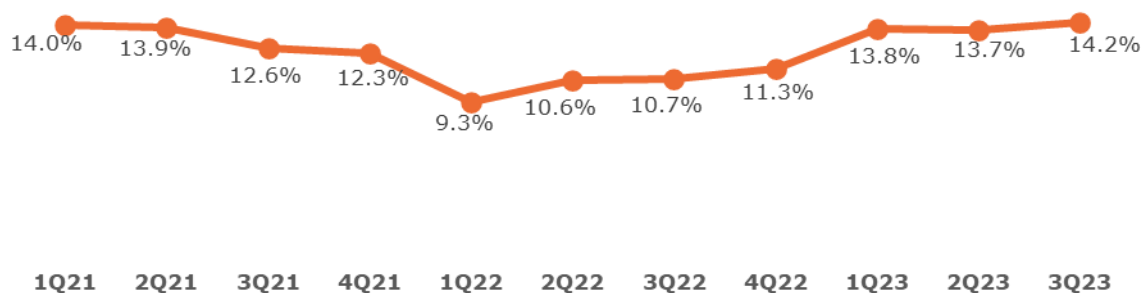
The cash flow from investing activities consumed R\$ 5.0 million in 3Q23.

The cash flow from financing activities generated R\$ 78.0 million in 3Q23, resulting from a capital raise of R\$ 93.0 million from BNDES and a repayment of R\$ 15 million.



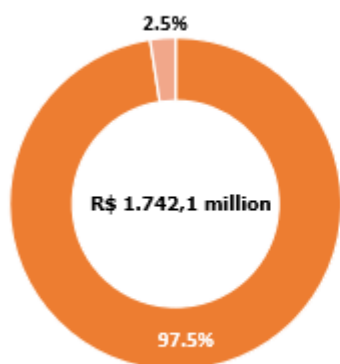


RETURN ON INVESTED CAPITAL



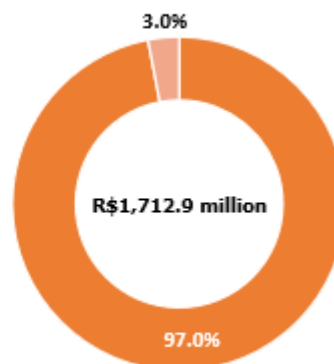
The Return on Invested Capital (ROIC) was 14.2% in 3Q23, which is still below the levels required to create value for shareholders in the current interest rate environment.

Average Invested Capital per Line - 3Q23



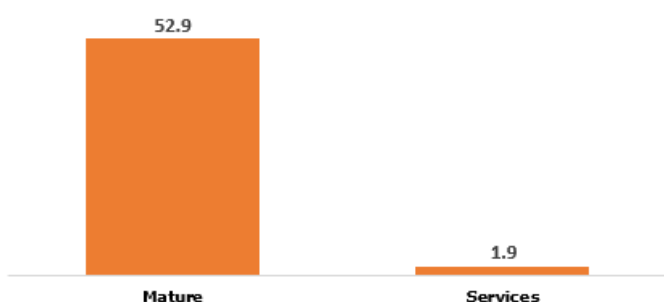
■ Mature ■ Services

Average Invested Capital per Line - 2Q23

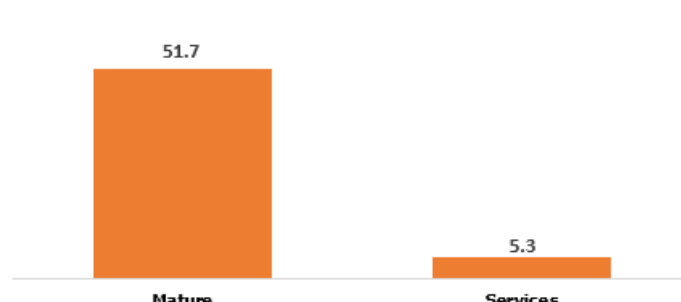


■ Mature ■ Services

NOPAT 3Q23 - R\$ million

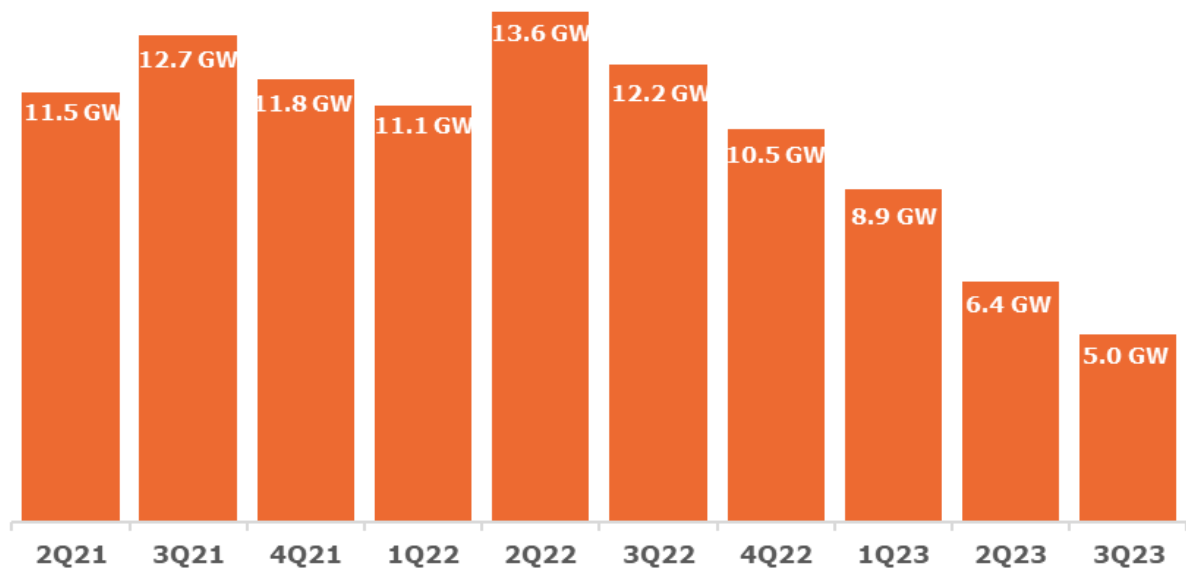


NOPAT 2Q23 - R\$ million



In 3Q23, the matured lines represented 97.5% of the average invested capital, with a Net Operating Profit After Taxes (NOPAT) of R\$ 52.9 million, resulting in an annualized quarterly ROIC of 13.0%. Considering the historical evolution of the return levels over the contracts, the high concentration of matured lines indicates a progressive increase in ROIC.

POTENTIAL ORDERS COVERED BY LONG-TERM CONTRACTS¹



In 3Q23, there was a reduction in the volume of potential orders covered by long-term contracts by approximately 1,495 MW. Of these, 986 MW were produced, resulting in an average capacity utilization rate dedicated to the contracts of 66.9%.

¹The contracts provide for using up to 40% less than the productive capacity dedicated to the customer leading to a higher price. Customers can even reduce the installed capacity or terminate the contract in advance by paying the penalties in the contract for both cases.

EXHIBITS

Income Statement

(In thousands of Reais)	3T23	2T23	3T22	Var. 3T23 x 2T23	Var. 3T23 x3T22
Net operating revenue	885,832	854,602	625,616	3.7%	41.6%
Cost of goods sold	(792,534)	(750,047)	(553,183)	5.7%	43.3%
Gross profit	93,298	104,555	72,433	-10.8%	28.8%
Operating income (expenses):					
Selling, general and administrative expenses	(31,247)	(28,439)	(24,839)	9.9%	25.8%
Other operating income (expenses), net	109	(1,537)	936	-107.1%	-88.4%
Result before financial revenues and expenses	62,160	74,579	48,530	-16.7%	28.1%
Depreciation and Amortization	15,785	16,249	16,061	-2,9%	-1,3%
EBITDA	77,945	90,828	64,591	-14.2%	20.7%
Sudene tax incentive	-	-	-	-	-
Long-Term Incentive	(272)	243	(6)	-	-
Performance Consulting	(281)	224	209	-	-
Adjusted EBITDA	77,392	91,295	64,794	-15,2%	19,4%
Financial expenses	(122,802)	(125,988)	(111,179)	-2.5%	10.5%
Financial revenues	27,579	26,596	32,452	3.7%	-15.0%
Financial Result	(95,223)	(99,392)	(78,727)	-4.2%	21.0%
Result before income tax and social contribution	(33,063)	(24,813)	(30,197)	33.2%	9.5%
Current income tax and social contribution	11	(19)	(916)	-	-101,2%
Deferred income tax and social contribution	4,358	5,735	5,205	-24,0%	-16,3%
Net income/(loss) for the period	(28,694)	(19,097)	(25,908)	50.3%	10.8%
Attributable profit (Loss) to shareholders and controllers	(28,694)	(19,097)	(25,908)	50,3%	10,8%
Number of shares in the period	748,030	747,791	762,552	-	-1,9%
Basic earnings (loss) per share – R\$	(0.0384)	(0.0255)	(0.0340)	50,6%	12,9%

Balance Sheet - Assets

(In thousands of Reais)

Assets	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current				
Cash and cash equivalents	741,428	1,055,340	743,647	1,061,718
Accounts Receivable from Customers	758,396	556,820	801,734	578,343
Inventories	917,508	1,301,108	917,776	1,303,250
Taxes recoverable	59,535	137,042	59,764	137,042
Related parties	1,202	10,382	-	-
Other receivables	61,226	93,733	63,517	95,554
Total current assets	2,539,295	3,154,425	2,586,438	3,175,907
Noncurrent				
Taxes recoverable	190,280	163,897	190,280	163,897
Related parties	30,485	-	-	-
Investments	17,952	15,296	-	-
Deferred income tax and social contribution	18,201	5,485	18,201	5,485
Property, plant, and equipment	1,015,929	999,352	1,023,312	1,004,040
Intangible assets	3,329	3,848	3,416	3,971
Total non-current assets	1,276,196	1,187,878	1,235,209	1,177,393
Total assets	3,815,491	4,342,303	3,821,647	4,353,300

Balance Sheet – Liabilities

(In thousands of Reais)

Liabilities and equity	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current				
Trade payables	331,151	334,015	337,288	336,048
Loans and financings	528,240	251,295	528,240	259,160
Derivative financial instruments	3,359	2,436	3,359	2,436
Salaries and payroll charges	58,946	41,278	58,951	41,364
Taxes collectable	40,892	17,206	40,906	18,219
Advances from clients	787,585	1,246,346	787,585	1,246,346
Other payables	11,301	7,293	11,301	7,293
Total current liabilities	1,761,474	1,899,869	1,767,630	1,910,866
Noncurrent				
Loans and financings	1,238,938	1,557,566	1,238,938	1,557,566
Total non-current liabilities	1,238,938	1,557,566	1,238,938	1,557,566
Total liabilities	3,000,412	3,457,435	3,006,568	3,468,432
Shareholders' Equity				
Share capital	815,102	815,102	815,102	815,102
Capital reserve	653	463	653	463
Profit reserve	38,178	108,175	38,178	108,175
Equity valuation adjustment	373	703	373	703
(-) Treasury Shares	(39,227)	(39,575)	(39,227)	(39,575)
Total shareholders' equity	815,079	884,868	815,079	884,868
Total liabilities and shareholders' equity	3,815,491	4,342,303	3,821,647	4,353,300

Cash Flow Statements

(In thousands of Reais)

Cash flow from operating activities	3Q23
Profit(loss) before income tax	(33.063)
Adjustments to reconcile net income to cash (used in) generated by operating activities:	
Depreciation and amortization	15.785
Net result from the sale of property and equipment	-
Share-based payment plan	(131)
Currency Exchange Variation on Loans and Financing	(1.167)
Currency Exchange Variation on Financial Instruments	1.624
Financial expenses – net	64.680
	47.728
Changes in assets and liabilities	
Trade receivables	(291.228)
Inventories	50.875
Taxes recoverable	(9.076)
Other receivables	11.382
Trade payables	(30.697)
Labor and social security obligations	7.099
Taxes payable	21.139
Advances from clients	181.486
Other accounts payable	(4.217)
Cash generated by operating activities	(15.509)
Interest paid on loans and financings	(160.173)
Net cash (used in) generated by operating activities	(175.682)
Cash flows from investing activities	
Acquisition of property, plant, and equipment	(4.728)
Amount received from the sale of property, plant, and equipment	-
Acquisition of intangible assets	(285)
Net cash used in investment activities	(5.013)
Cash flows from financing activities	
Borrowings	93.000
Borrowings amortized	(15.000)
Transaction costs related to funding	-
Buyback of Company's shares	-
Net cash generated by financing activities	78.000
Reduction in cash and cash equivalents	(102.695)
Cash and cash equivalents at the start of the period	846.053
Exchange gain (loss) on cash and secured accounts	289
Cash and cash equivalents at the end of the period	743.647
Reduction in cash and cash equivalents	(102.695)

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