(A free translation of the original in Portuguese)

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

Quarterly Information (ITR) at March 31, 2023 and report on review of quarterly information

Report on review of quarterly information

To the Management and Shareholders of
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 March 31, 2023, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 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 the 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 did 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 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.

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

Other matters

Statements of value added

The quarterly information referred to above includes the statement of value added for the quarter ended March 31, 2023. This statement is the responsibility of the Company's management and is presented as supplementary information under IAS 34. This statement has been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether it is reconciled with the interim accounting information and accounting records, as applicable, and if its 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 this statement of value added has not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that it is consistent with the interim accounting information taken as a whole.

Recife, May 11, 2023

PricewaterhouseCoopers

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

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

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

Statement of financial position

In thousands of reais

(A free translation of the original in Portuguese)

Assets	Parent Company 03/31/2023	Parent Company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Current				
Cash and cash equivalents (Note 4)	826,539	1,055,340	828,913	1,061,718
Inventories (Note 6)	1,091,076	1,301,108	1,091,076	1,303,250
Taxes recoverable (Note 7)	93,179	137,042	93,179	137,042
Related parties (Note 20)	10,323	10,382	-	-
Other receivables	72,528	93,733	75,900	95,554
Total current assets	**2,093,645**	**2,597,605**	**2,089,068**	**2,597,564**
Non-current				
Taxes recoverable (Note 7)	170,015	163,897	170,015	163,897
Investments (Note 21)	9,084	15,296	-	-
Deferred income tax and social contribution (Note 8)	8,109	5,485	8,109	5,485
Property, plant and equipment (Note 9)	1,012,922	999,352	1,018,025	1,004,040
Intangible assets	3,534	3,848	3,648	3,971
Total non-current assets	**1,203,664**	**1,187,878**	**1,199,797**	**1,177,393**
Total assets	**3,297,309**	**3,785,483**	**3,288,865**	**3,774,957**

Liabilities and equity	Parent Company 03/31/2023	Parent Company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Current				
Trade payables (Note 10)	314,173	334,015	318,858	336,048
Borrowings, financings and debentures (Note 11)	464,954	251,295	470,034	259,160
Derivative financial instruments (Note 18)	4,797	2,436	4,797	2,436
Salaries and social security charges	44,673	41,278	44,673	41,364
Taxes payable	17,234	17,206	17,420	18,219
Advances from customers (Note 5)	238,285	689,526	218,712	668,003
Other payables	6,909	7,293	8,087	7,293
Total current liabilities	**1,091,025**	**1,343,049**	**1,082,581**	**1,332,523**
Non-current				
Borrowings, financings and debentures (Note 11)	1,343,684	1,557,566	1,343,684	1,557,566
Total non-current liabilities	**1,343,684**	**1,557,566**	**1,343,684**	**1,557,566**
Total liabilities	**2,434,709**	**2,900,615**	**2,426,265**	**2,890,089**
Shareholders' equity (Note 12)				
Share capital	815,102	815,102	815,102	815,102
Capital reserve	730	463	730	463
Profit reserve	85,969	108,175	85,969	108,175
Equity valuation adjustment	374	703	374	703
(-) Treasury shares	(39,575)	(39,575)	(39,575)	(39,575)
Total shareholders' equity	**862,600**	**884,868**	**862,600**	**884,868**
Total liabilities and shareholders' equity	**3,297,309**	**3,785,483**	**3,288,865**	**3,774,957**

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-month period ended March 31
In thousands of Brazilian Reais, unless stated otherwise (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Continued operations				
Net operating income (Note 13)	**821,178**	**533,797**	**831,622**	**536,763**
Cost of goods sold (Note 14)	**(710,833)**	**(493,021)**	**(723,394)**	**(496,317)**
Gross profit	**110,345**	**40,776**	**108,228**	**40,446**
Operating profit (expenses):				
Selling, general and administrative expenses (Note 15)	**(23,080)**	**(22,550)**	**(25,902)**	**(24,691)**
Other operating income (expenses), net (Note 16)	**(1,789)**	**21,650**	**(2,126)**	**23,220**
Equity pickup (Note 21)	**(5,883)**	**(974)**	**-**	**-**
Result before financial income and expenses	**79,593**	**38,902**	**80,200**	**38,975**
Financial expenses (Note 17)	(142,084)	(92,213)	(142,615)	(92,291)
Financial income (Note 17)	37,661	57,074	37,661	57,079
	(104,423)	**(35,139)**	**(104,954)**	**(35,212)**
Profit before income tax and social contribution	**(24,830)**	**3,763**	**(24,754)**	**3,763**
Current income tax and social contribution (Note 8)	**-**	**(2,371)**	**(76)**	**(2,371)**
Deferred income tax and social contribution (Note 8)	**2,624**	**(146)**	**2,624**	**(146)**
Net income (loss) for the quarter	**(22,206)**	**1,246**	**(22,206)**	**1,246**
Net income (loss) attributable to controlling shareholders	**(22,206)**	**1,246**	**(22,206)**	**1,246**
Number of shares in issue				
ON - Registered common shares	**747,791**	**762,313**	**747,791**	**762,313**
Basic earnings (loss) per share - R$ (Note 24)	**(0.0297)**	**0.0016**	**(0.0297)**	**0.0016**
Diluted earnings (loss) per share - R$ (Note 24)	**(0.0297)**	**0.0016**	**(0.0297)**	**0.0016**

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-month period ended March 31

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

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net income (loss) for the period	(22,206)	1,246	(22,206)	1,246
Other comprehensive income (loss)				
Cumulative translation account - associated companies abroad (Note 21)	(329)	(1,581)	(329)	(1,581)
Total comprehensive income	(22,535)	(335)	(22,535)	(335)

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
Three-month period ended March 31

In thousands of reais

(A free translation of the original in Portuguese)

	Share capital	Capital reserve	Profit reserves: Legal reserve	Profit reserves: Profit reserve	Profit reserves: Retained profit	Profit reserves: Tax incentive reserve	Profit reserves: Unearned income	Treasury shares	Equity valuation adjustment	Total
Balances as of December 31, 2021	815,102	396	16,219	47,346	61,056	78,261	-	(20,319)	1,531	999,592
Net income for the period							1,246			1,246
Shares acquired for treasury (Note 13)								(5,365)		(5,365)
Third-party stock option plan (Note 13)		1,368								1,368
Cumulative translation account - associated companies abroad (Note 21)									(1,581)	(1,581)
Balances as of March 31, 2022	815,102	1,764	16,219	47,346	61,056	78,261	1,246	(25,684)	(50)	995,260
Balances as of December 31, 2022	815,102	463	16,219	-	13,695	78,261	-	(39,575)	703	884,868
Loss for the period			(8,511)		(13,695)					(22,206)
Third-party stock option plan (Note 12)		144								144
Employee stock option plan (Note 12)		123								123
Cumulative translation account - associated companies abroad (Note 21)									(329)	(329)
Balances as of March 31, 2023	815,102	730	7,708	-	-	78,261	-	(39,575)	374	862,600

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 flows
Three-month period ended March 31
In thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	03/31/2023	**03/31/2022 (Restated)**	**03/31/2023**	**03/31/2022 (Restated)**
Cash flows from operating activities				
Profit (loss) before taxes on income	**(24,830)**	**3,763**	**(24,754)**	**3,763**
Reconciled for noncash items to cash from operating activities:				
Depreciation and amortization	14,249	12,802	14,424	12,845
Loss on sale of property, plant, and equipment	-	1,490	31	1,490
Equity pickup (Note 21)	5,883	974	-	-
Share-based compensation plan	267	1,368	267	1,368
Accrued exchange losses on borrowings and financing	-	-	275	805
Accrued exchange losses on financial instruments	2,361	481	2,361	481
Accrued financial expenses, net	66,597	44,032	66,717	44,032
	64,527	**64,910**	**59,321**	**64,784**
Changes in assets and liabilities				
Trade receivables	-	(13,283)	-	(10,550)
Inventories	210,032	(175,458)	212,140	(175,507)
Taxes recoverable	37,745	(43,375)	37,745	(43,321)
Other receivables	21,205	(2,845)	19,617	(3,893)
Trade payables	(19,842)	84,639	(17,151)	83,967
Labor and social security obligations	3,395	3,751	3,310	3,811
Taxes payable	28	(3,281)	(850)	(4,240)
Advances from customers	(451,241)	-	(449,729)	-
Other accounts payable	(385)	(419)	793	(454)
Cash used in operating activities	**(134,536)**	**(85,361)**	**(134,804)**	**(85,403)**
Interest paid on borrowings and financing (Note 11)	(51,820)	(32,179)	(51,978)	(32,179)
Net cash used in operating activities	**(186,356)**	**(117,540)**	**(186,782)**	**(117,582)**
Cash flows from investing activities				
Acquisition of property, plant and equipment (Note 9)	(27,504)	(29,410)	(28,245)	(29,410)
Proceeds from sale of property, plant, and equipment	-	45	-	45
Net cash used in investing activities	**(27,504)**	**(29,365)**	**(28,245)**	**(29,365)**
Cash flows from financing activities				
Repayment of borrowings (Note 11)	(15,000)	-	(17,540)	-
Own shares purchased for treasury	-	(5,365)	-	(5,365)
Related parties	59	1,539	-	-
Net cash used in financing activities	**(14,941)**	**(3,826)**	**(17,540)**	**(5,365)**
Decrease in cash and cash equivalents	**(228,801)**	**(150,731)**	**(232,567)**	**(152,312)**
Cash and cash equivalents at the beginning of the period	1,055,340	884,114	1,061,718	892,933
Effects of exchange rate changes on cash and secured accounts	-	-	(238)	(1,459)
Cash and cash equivalents at the end of the period	826,539	733,383	828,913	739,162
Decrease in cash and cash equivalents	**(228,801)**	**(150,731)**	**(232,567)**	**(152,312)**

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
Three-month period ended March 31

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

	Parent Company		Consolidated	
	03/31/2023	**03/31/2022**	**03/31/2023**	**03/31/2022**
Revenues				
Sale of goods, products, and services	906,078	587,124	916,279	590,090
Other revenues	2,398	26,370	2,453	26,855
	908,476	**613,494**	**918,732**	**616,945**
Inputs acquired from third parties				
Costs of products and goods sold and services rendered	(591,558)	(428,028)	(603,913)	(429,996)
Materials, electricity, outsourced services, and others	(100,807)	(38,908)	(101,885)	(38,961)
	(692,365)	**(466,936)**	**(705,798)**	**(468,957)**
Gross value added	**216,111**	**146,558**	**212,934**	**147,988**
Retentions				
Depreciation and amortization	**(14,249)**	**(12,802)**	**(14,423)**	**(12,845)**
Net value added produced	**201,862**	**133,756**	**198,511**	**135,143**
Value added received in transfer				
Equity pick-up	(5,883)	(974)	-	-
Financial income	38,706	57,613	38,706	57,618
Value added to be distributed	**234,685**	**190,395**	**237,217**	**192,761**
Value added distribution				
Personnel and charges	**85,062**	**70,088**	**86,974**	**71,693**
Direct compensation	56,689	48,974	58,548	50,330
Benefits	23,753	17,457	23,806	17,706
FGTS	4,620	3,657	4,620	3,657
Taxes, fees, and contributions	**21,398**	**20,855**	**21,395**	**20,957**
Federal	20,459	20,020	20,380	20,107
State	939	834	1,015	849
Municipal	-	1	-	1
Remuneration of third-party capital	**150,431**	**98,206**	**151,054**	**98,865**
Interest	142,084	92,213	142,615	92,291
Rentals	8,347	5,993	8,439	6,574
Value distributed to shareholders	**(22,206)**	**1,246**	**(22,206)**	**1,246**
Tax incentive	-	874	-	874
Retained profit (loss)	(22,206)	372	(22,206)	372
	234,685	**190,395**	**237,217**	**192,761**

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

1. Operations

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. (the "Company"), incorporated in 2010, is a Brazilian publicly held company with registered offices at Rodovia CE 155, Km 02 - Pecém Industrial and Port Complex, Caucaia, State of Ceará. The location of the plant is favored by lower logistics costs and being within 500km of an estimated half of Brazil's wind generation potential. The plant is close to the port of Pecém, which it uses to export wind turbine blades and import inputs from abroad or through domestic cabotage maritime services. The Company manufactures and sells turbine rotor blades for wind power generation, renders services related to its business purpose and holds equity interests as a shareholder or quotaholder.

The Company also leverages its business through the Aeris Service LLC ("Aeris Service") specialized operations and engineering services team, rendering maintenance services in the United States and operating in other markets in the Americas.

The Company is committed to the wellbeing of its staff and, through the quality of its products and excellence of its services, in meeting the expectations of customers and other stakeholders. It seeks to operate with transparency and with the best corporate governance practices, contributing to a cleaner and renewable energy matrix.

Risks related to climate change and the sustainability strategy

The Company's corporate risks management area addresses risks related to climate change using its proprietary methodologies, tools, and processes aimed at ensuring the identification, assessment and treatment of risks. Through its management system, the risks are continuously monitored and impacts measured. Variables are controlled and mitigating measures implemented to reduce identified exposures. The Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy is carried out regularly and will continue to evolve. When necessary, the impacts are considered and assessed by Management.

2. Basis of preparation

2.1 Statement of compliance

The consolidated interim financial information has been prepared and is being presented according to CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to the preparation of Quarterly Financial Report (ITR). The accounting practices adopted in Brazil include the pronouncements, interpretations, and guidelines issued by the Accounting Pronouncements Committee (CPC), approved by the Federal Accounting Council (CFC) and CVM. Disclosures are limited to all information of significance to the financial statements, being consistent with that used by Management in the performance of its duties.

Management authorized the issue of this interim financial information on May 11, 2023, including disclosures of any subsequent events to that date.

2.2 Functional and presentation currency

The interim financial information is presented in Brazilian Real/Reais (R$), which is the Company's functional currency. Financial information presented in Brazilian Reais is 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 statement of income 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. Upon the sale of a foreign subsidiary, the corresponding cumulative translation account balance in equity is relieved to the statement of income.

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 relying on Management's judgment to apply the accounting policies.

Accordingly, actual results may differ from such estimates.

Estimates and assumptions are continuously reviewed, The results of such reviews are recognized in the periods in which they are reviewed and prospectively.

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

2.4 Statement of value added

The presentation of the Parent Company and Consolidated Statements of Value Added (DVA) are mandatory under the Brazilian Corporate Law and Brazilian accounting practices for publicly held companies. The DVAs were prepared pursuant to 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.

In thousands of Brazilian reais, unless stated otherwise

2.5 Restatement of the comparative figures

a) Statements of cash flows

Certain line items of the statement of cash flows for the quarter ended March 31, 2022 have been reclassified to improve the presentation and comparability.

The lines items "Trade receivables" and "Advances from Customers" have now been aggregated and "Advances from Suppliers", previously presented with "Inventories", has been reclassified to "Suppliers", as follows:

	Parent Company			Consolidated		
	As originally presented	Reclassification	Restated 03/31/2022	As originally presented	Reclassification	Restated 03/31/2022
Changes in assets and liabilities						
Trade receivables	(26,101)	12,818	**(13,283)**	(23,242)	12,692	**(10,550)**
Inventories	(88,378)	(87,080)	**(175,458)**	(88,380)	(87,127)	**(175,507)**
Suppliers	(2,441)	87,080	**84,639**	(3,160)	87,127	**83,967**
Advances from customers	12,818	(12,818)	-	12,692	(12,692)	-

3. Principal accounting policies

The accounting policies adopted by the Company are described in each specific Note related to the items presented. The generic policies affecting the interim financial information are described below. The accounting policies have been consistently applied to all periods presented.

3.1 Foreign-currency transactions

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

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

All differences are recoded in the statement of income. 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 recognized from the date the Company becomes a party to their contractual provisions. 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 income in the 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, 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 income.

i. Measured at amortized cost

Assets and liabilities which are held to collect contractual cash flows from 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 income 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 statement of income.

ii. Measured at fair value through income

For financial assets measured at fair value, gains and losses will be recorded in income. 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.

Derivative financial instruments

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 and cash equivalents are maintained for the purpose of meeting short-term commitments and are recognized as investments or for other purposes. The Company and its subsidiary consider as cash equivalents any financial investment that can be immediately converted 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 invoiced amount, adjusted for any allowances for expected losses.

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 from the manufacture to the sale, including materials or supplies consumed or transformed in the production process or for the rendering of services.

Inventories are measured at cost or net realizable value, whichever is lower. The cost 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 are deducted in determining the acquisition cost and transformation cost that include the costs directly related to the units produced, such as direct labor, and 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 volumes, 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 volumes, 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.

In thousands of Brazilian reais, unless stated otherwise

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. The costs of major maintenance are recognized as property, plant, and equipment if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of income when incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset, based on rates that take into consideration their estimated useful lives, as below.

	Annual depreciation rate %
Machinery and equipment	9.28%
Furniture	10%
Hardware	20%
Vehicles	20%
Facilities and leasehold improvements	1.71%
Facilities	17%
Tools	20%
Aircraft	10%

A property, plant, and equipment item is 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 statement of income for the 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 borrowings and debt securities that are directly attributable to the acquisition, construction, or production of a qualifying asset, which necessarily requires a substantial 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 economic benefits will flow and amounts can be reliably measured. This occurs upon the customer's final acceptance of the product, according to the contract terms and 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 costs to fulfill a contract and are included in contract assets.

The Company and its subsidiary record revenue when the "control" over a turbine blade is transferred to customers or when services are rendered. The Company and its subsidiary evaluate revenue transactions under specific criteria to determine whether it is acting as an agent or principal; it ultimately concluded that it is acting as a principal for 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 Service applies its knowledge and infrastructure in the manufacturing of blades, offering bespoke services to the turbine O&M market. Service revenue is recognized when the performance obligation is met by the Company upon measuring the services rendered to customers.

Sale of tools

The Company has a business area for developing tools used in the blade manufacturing process and internal logistics. Operating income from the sale of goods 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.

Delivery occurs when the products arrive at the agreed 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

Revenue recognition occurs upon reimbursement for production losses arising from project changes generated by customers and upon signing supply agreements for blades, as also from sales of scrap.

3.10 Taxes

Current income tax and social contribution

Current tax assets and liabilities for the prior and current periods 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 enacted on the reporting date. Taxes on income are recognized in the statement of income, except when recorded in equity or equity valuation adjustments.

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 adjusted for temporarily non-deductible or non-taxable items which are included as deferred tax assets or liabilities.

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 are subject to interpretations, and books 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 interim 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 tax jurisdictions are usually presented separately, and not netted.

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, in which case the tax on purchases is recognized as part of the acquisition cost of the asset or expense item, as applicable.

In thousands of Brazilian reais, unless stated otherwise

Taxes on sales:

The net value of taxes on sales, recoverable or payable, is treated as an amount recoverable or payable in the statement of financial position.

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

No ICMS tax is payable on the sale of blades, pursuant to NCM 8503.00.90, under Confaz Agreement 101/97.

Tax credits recoverable accumulate as a result of exports sales and ICMS exempt sales exempts to the domestic market.

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

The IPI on the sale of blades is 0% as per 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 income 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 appropriated by transfer 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 adjusted operating profit. The Company is obliged to make an appropriation to 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 income 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 Share issuance costs

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

3.13 Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, economic benefits will probably be required to settle the obligation and the amount of the obligation can be reliably estimated. When the Company and its subsidiaries expect 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 receipt of the refund is virtually certain.

The expenses related to provisions are presented in the statement of income net of any refunds.

3.14 New accounting standards, interpretations and amendments not yet in effect

There are no IFRS standards (CPCs) or IFRIC interpretations (ICPCs) that are not yet effective that could have a significant impact on the Company's financial information.

3.15 Significant accounting judgments, estimates, and assumptions

Judgments

The preparation of the Company's interim financial information requires its 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 applying the Company's accounting policies, Management has used the following assumptions for amounts recognized in the interim financial information:

Estimates and assumptions

The main assumptions subject to uncertainty from future estimates with a potential to causing a material adjustment to the carrying amount of assets and liabilities are as 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 recoverable from incentivized sales to foreign markets and exempt sales in the domestic market.

Management has plans for the future realization of these ICMS credits, with options for use via (i) developing new business that are ICMS taxable for segments that have synergy with the Company's current business, such as the manufacturing of components in composite materials for machinery and equipment that accelerate the energy transition process; and (ii) requesting approval and reimbursement of the tax credits from the tax authorities, among other measures.

Deferred income tax and social contribution

Deferred income tax and social contribution assets include R$36,434 related to the carryforward tax losses, provisions/reversals or non-deductible estimated losses, share-based plans, and long-term incentives. Deferred income tax and social contribution liabilities include R$28,325 related to gross revenue adjustments - CPC 47 and depreciation difference between tax rates and useful life. management is of the opinion that the deferred tax asset is recoverable based on its estimated future taxable profit projections under business plans and budgets, and through the realization of provisions. Management estimates that the Company will generate taxable profit later in 2023.

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, who are professionals responsible for the production and maintenance of its facilities.

The following assumptions have been used:

- 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; etc.
- Historical and comparative evaluation of similar assets, including comparisons with companies in the same industry; and the maintenance policy - aiming to safeguard the assets.

Share-based payment plan - Third Parties and Employees

The share-based compensation plan - Third parties and Employees - is defined by the fair value of the equity instrument at the end of the period.

3.16 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The subsidiaries are fully consolidated from the date control is transferred to the Group. Consolidation is interrupted from the date 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. Non-controlling interest in the acquired company are recognized at fair value to reflect the proportion of shares of the non-controlling interest. 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 Company.

In thousands of Brazilian reais, unless stated otherwise

4. Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Cash	54	72	54	72
Banks	2,255	9,022	4,629	15,400
Financial investments	824,230	1,046,246	824,230	1,046,246
	826,539	**1,055,340**	**828,913**	**1,061,718**

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

As of March 31, 2023 and December 31, 2022, these financial investments are Bank Deposit Certificates and Commitments yielding average rates of 101% and 101.5% of the CDI rate, respectively. These investments are available to be used by the Company. On March 31, 2023, investments held abroad totaled R$5,096 (US$1,003), composed of time deposits maturing on April 7, 2023, and yielding 5.06% p.a.

5. Trade receivables and (advances from customers), net

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Sale of blades	462,026	532,562	462,026	532,562
Rendering of services	20,916	24,258	40,489	45,781
Subtotal of trade receivables	**482,942**	**556,820**	**502,515**	**578,343**
Advances from customers	(721,227)	(1,246,346)	(721,227)	(1,246,346)
Receivables and (advances), net	**(238,285)**	**(689,526)**	**(218,712)**	**(668,003)**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Yet to fall due	398,518	494,235	414,466	511,484
Overdue:				
Up to 30 days	77,416	61,201	78,237	62,516
From 31 to 60 days	693	492	1,088	1,833
From 61 to 90 days	6,315	892	8,724	2,510
	482,942	**556,820**	**502,515**	**578,343**

In thousands of Brazilian reais, unless stated otherwise

Trade receivables are from the sale of products and services in the normal course business. The Company did not record an allowance for doubtful accounts as all trade receivables were invoiced within the last 12 months and delinquent customers do not have track record or expectation of loss, and are expected to settle amounts in the next few months. As of March 31, 2023, the advances from customers exceed the balance of trade receivables; the net balance is classified as a liability in Advances from customers.

As of March 31, 2023, the advances from customers reflect the terms and conditions of the business transactions for the manufacturing and sale of turbine blades corresponding to trade receivables (R$482,942 and R$502,515 - parent company and consolidated, respectively) and advances from customers (R$721,227 - parent company and consolidated). Amounts will be recognized in future revenue over one year and recorded in current liabilities.

6. Inventories

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Raw material	351,335	459,043	351,335	459,043
Products being prepared	591,317	645,427	591,317	645,427
Supplemental material	65,248	80,836	65,248	81,029
Finished products	47,168	53,473	47,168	53,473
Maintenance materials	30,337	30,537	30,337	30,537
Safety material	1,440	1,226	1,440	1,226
Other	4,231	30,566	4,231	32,515
	1,091,076	**1,301,108**	**1,091,076**	**1,303,250**

The decrease in inventory of raw materials of R$107,708 (parent company and consolidated) on March 31, 2023, was due to the combination of (i) an increase in the productivity of the lines that are reaching maturity; (ii) improved average term of storage; (iii) a reduction of in the occupancy rate for production capacity, arising from changes in a client's projects, resulting in surplus inventory in 2022, since the purchase orders for supplies are generally made 4 to 6 months before the raw materials being made available in inventory.

Inventories of products being prepared and finished products decreased by R$60.4 million on March 31, 2023 (parent company and consolidated). This variation was mainly due to the maintenance of the production cycle of the mature lines and the reduction of the production cycle of the maturing lines.

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 work in progress 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 income is included in "Cost of sales" totaling R$710,833 and R$723,394 as of March 31, 2023, in the parent Company and consolidated, respectively (R$493,021 and R$496,317 as of March 31, 2022, in the parent company and consolidated, respectively).

In thousands of Brazilian reais, unless stated otherwise

Inventory obsolescence is assessed by monitoring the expiration date of the items and analyzing items that have not been sold. Based on its best estimates, Management has not identified obsolete items in inventory as of March 31, 2023 and 2022. Mainly because it operates under a Make to Order (MTO) demand system, i.e. bespoke manufactured items for customers, together with a thorough 'phase in' and 'phase out' product monitoring process.

7. Recoverable taxes - Parent Company and Consolidated

	Parent Company and Consolidated	
	03/31/2023	**12/31/2022**
ICMS (a)	170,015	163,897
IPI (b)	35,775	45,053
PIS (c)	6,660	13,547
COFINS (c)	28,342	60,339
IRPJ AND CSLL (d)	13,681	13,798
Others taxes	8,721	4,305
	263,194	**300,939**
Current	**93,179**	**137,042**
Non-current	**170,015**	**163,897**

(a) ICMS credits refer basically from ICMS on the acquisition of raw materials for production, in a volume higher than amounts payable as export sales and some sales to the domestic market are ICMS exempt.

The Company expects to fully recover these credits through sales to the domestic market, sale of credits to third parties (as authorized by the tax authority), as well as through a request for reimbursement in cash from the Ceará State Government; the credits do not expire.

Management has assessing strategic operations to develop new business that can absorb the ICMS recoverable which add synergy to its current business model, such as the manufacturing of components in composite materials for machinery and equipment that accelerate the energy transition process;

The Company estimates that the ICMS credits will be realized within ten years.

(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.

(c) PIS and COFINS credits are from the purchase of raw materials and inputs used in the Company's production process. With the maturation of the Siemens Gamesa operations aimed at the domestic market, credits totaling R$38,884 were realized in the first quarter of 2021.

(d) IR/CSLL credits refer to the negative tax base created in 2021 and 2022. These will be used with federal tax offsets.

In thousands of Brazilian reais, unless stated otherwise

8. Income tax and social contribution

Reconciliation of statutory Income Tax (IRPJ) and Social Contribution (CSLL) rates to the effective rates:

	Parent Company		Consolidated	
	03/31/2023	**03/31/2022**	**03/31/2023**	**03/31/2022**
Profit (loss) before income tax and social contribution	**(24,830)**	**3,763**	**(24,754)**	**3,763**
Combined statutory tax rate	34%	34%	34%	34%
Income tax and social contribution based on the combined tax rate	**8,442**	**(1,279)**	**8,416**	**(1,279)**
Permanent differences:	**(25,776)**	**(5,143)**	**(25,776)**	**(5,143)**
Non-deductible expenses (i)	**(25,776)**	**(5,143)**	**(25,776)**	**(5,143)**
Exclusions (ii)	**24,932**	**1,557**	**24,932**	**1,557**
Incentives	**-**	**874**	**-**	**874**
Tax losses, negative basis and temporary differences	**2,624**	**(146)**	**2,548**	**(146)**
Others (iii)	**(7,598)**	**1,620**	**(7,572)**	**1,620**
Recorded in statement of income	**2,624**	**(2,517)**	**2,548**	**(2,517)**
Effective rate	**10.57%**	**66.89%**	**10.29%**	**66.89%**

(i) Reversal of provision of gross revenue (CPC 47) and other non-deductible expenses.
(ii) Provision of gross revenue adjustment (CPC 47) and reversal of the provision of other non-deductible expenses.
(iii) 15.87% on tax losses

a) <u>Deferred taxes</u>

	Parent Company and Consolidated	
	03/31/2023	**12/31/2022**
Deferred Asset		
Deferred IR/CSLL - tax loss carryforward	33,585	30,177
Non-deductible provisions/reversal or estimated losses	2,708	1,111
Deferred long-term incentives - ILP	111	85
Share-based compensation	30	161
	36,434	**31,534**
Deferred Liabilities		
Gross revenue adjustment - CPC 47	21,731	20,164
Depreciation differences (tax rates x useful life)	6,594	5,885
	28,325	**26,049**
Total Deferred	**8,109**	**5,485**

The recovery of deferred income tax and social contribution credits on tax loss and tax loss carryforwards is based on the projections of the Company's future taxable income, and is expected to be realized within five years.

In thousands of Brazilian reais, unless stated otherwise

b) Effect of income tax and social contribution:

Income tax and social contribution recorded in income was follows:

	Parent Company		Consolidated	
	03/31/2023	**03/31/2022**	**03/31/2023**	**03/31/2022**
Current				
Income tax	-	(2,344)	(76)	(2,344)
Tax incentive	-	874	-	874
Social contribution	-	(901)	-	(901)
	- -	**(2,371)**	**(76)**	**(2,371)**
Deferred				
Income tax	1,076	(713)	1,076	(713)
Social contribution	1,548	567	1,548	567
	2,624	**(146)**	**2,624**	**(146)**

c) Uncertainties

The Company has not identified any effects of tax uncertainties as defined by IFRIC 23 (ICPC 22) - Uncertainty over Income Tax Treatments.

9. Property, plant, and equipment

	Parent Company			
	03/31/2023			12/31/2022
	Cost	**Depreciation accumulated**	**Net**	**Net**
Construction in progress	131,316	-	131,316	128,789
Machinery and equipment	283,135	(54,784)	228,351	225,955
Furniture	25,847	(8,483)	17,364	17,505
Hardware	11,299	(6,703)	4,596	4,237
Land	68,912	-	68,912	68,912
Vehicles	10,873	(4,247)	6,626	7,149
Facilities and leasehold improvements	504,406	(29,725)	474,681	474,265
Facilities	124,199	(58,541)	65,658	62,384
Tools	10,815	(2,839)	7,976	2,442
Aircraft	10,891	(3,449)	7,442	7,714
	1,181,693	**(168,771)**	**1,012,922**	**999,352**

In thousands of Brazilian reais, unless stated otherwise

	Consolidated			
	03/31/2023			12/31/2022
	Cost	Depreciation accumulated	Net	Net
Construction in progress	131,316	-	131,316	129,134
Machinery and equipment	287,608	(55,211)	232,397	229,396
Furniture	25,888	(8,483)	17,405	17,535
Hardware	11,353	(6,716)	4,637	4,267
Land	68,912	-	68,912	68,912
Vehicles	11,143	(4,291)	6,852	7,220
Facilities and leasehold improvements	504,406	(29,725)	474,681	474,265
Facilities	124,199	(58,541)	65,658	62,384
Tools	12,103	(3,378)	8,725	3,213
Aircraft	10,891	(3,449)	7,442	7,714
	1,187,819	**(169,794)**	**1,018,025**	**1,004,040**

In thousands of Brazilian reais, unless stated otherwise

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

Parent Company

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Aircraft	Total
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	74,665	1,584	374	698	-	4,790	-	-	79	-	82,190
Depreciation	-	(17,667)	(2,465)	(1,465)	-	(2,052)	(8,261)	(17,927)	822	(1,090)	(51,749)
Write-offs	(2,427)	306	-	-	-	(86)	-	-	-	-	(2,819)
Transfers	(157,531)	82,025	4,522	532	-	-	42,179	26,365	1,908	-	-
As of December 31, 2022	**128,789**	**225,955**	**17,505**	**4,237**	**68,912**	**7,149**	**474,265**	**62,384**	**2,442**	**7,714**	**999,352**
Additions	27,288	150	50	9	-	-	-	-	7	-	27,504
Depreciation	-	(4,664)	(615)	(402)	-	(523)	(2,076)	(4,867)	(515)	(272)	(13,934)
Transfers	(24,761)	6,910	424	752	-	-	2,492	8,141	6,042	-	-
As of March 31, 2023	**131,316**	**228,351**	**17,364**	**4,596**	**68,912**	**6,626**	**474,681**	**65,658**	**7,976**	**7,442**	**1,012,922**

In thousands of Brazilian reais, unless stated otherwise

Consolidated

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Aircraft	Total
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	-	(77)	-	(2)	-	(4)	-	-	(68)	-	(151)
Additions	75,010	4,007	405	717	-	4,810	-	-	115	-	85,064
Depreciation	-	(17,837)	(2,466)	(1,468)	-	(2,063)	(8,261)	(17,927)	(1,066)	(1,090)	(52,178)
Write-offs	(2,427)	306	-	-	-	(86)	-	-	-	-	(2,819)
Transfers	(157,531)	82,025	4,522	532	-	-	42,179	26,365	1,908	-	-
As of December 31, 2022	**129,134**	**229,396**	**17,535**	**4,267**	**68,912**	**7,220**	**474,265**	**62,384**	**3,213**	**7,714**	**1,004,040**
Exchange differences	(9)	(92)	-	(2)	-	(4)	-	-	(21)	-	(128)
Additions	27,288	713	52	9	-	169	-	-	14	-	28,245
Depreciation	-	(4,765)	(616)	(404)	-	(533)	(2,076)	(4,867)	(568)	(272)	(14,101)
Write-offs	(31)	-	-	-	-	-	-	-	-	-	(31)
Transfers	(25,066)	7,145	434	767	-	-	2,492	8,141	6,087	-	-
As of March 31, 2023	**131,316**	**232,397**	**17,405**	**4,637**	**68,912**	**6,852**	**474,681**	**65,658**	**8,725**	**7,442**	**1,018,025**

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.

Following an internal assessment, the Company and subsidiary did not identify any indicators of loss, devaluation or physical damage.

The Company and its subsidiary have no assets pledged as collateral for borrowings.

Borrowing costs

Capitalized borrowing costs totaled R$174 as of March 31, 2023 (R$612 as of March 31, 2022). The average capitalization rate used was 6.89% p.a.

In thousands of Brazilian reais, unless stated otherwise

10. Suppliers and Reverse finance operation

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Suppliers	476,254	510,368	481,822	513,581
Advances to suppliers	(162,081)	(176,353)	(162,964)	(177,533)
Total	**314,173**	**334,015**	**318,858**	**336,048**
Counterparty Risk Operations	204,301	350,028	204,301	350,028

The balance payable at the end of March 31, 2023 refers mainly to the purchase of raw materials and supplemental production materials. The decrease is in line with the inventory reduction strategy.

The Company has agreements with its financial institutions to offer its main suppliers structured reverse finance operations to receive in advance their receivables due from the Company for its purchases of goods and services.

The suppliers transfer the right to receive the receivables to the financial institutions in exchange for an advance against the receivable. The bank then becomes a creditor to the operation and the Company settles the original amount of the security on the supplier's original invoice date. The transaction does not change the amounts, or nature of the liability, nor its deadlines, prices, or other conditions as originally contracted, and does not subject the Company to new financial charges. The Company provides no guarantees under the transaction.

Management assessed the guidelines of the CVM Official Letter SNC/SEP No.01/2021 and concluded there are no significant impacts on the Company. Therefore the liability continues to be recognized as an obligation under "Suppliers".

11. Borrowings, financing, and debentures

				Parent Company		Consolidated	
Description	**Index**	**Interest (%p.a.)***	**Maturity ****	**03/31/2023**	**12/31/2022**	**03/31/2023**	**12/31/2022**
Domestic Currency							
Working capital	CDI	1.50%	11/20/2024	268,153	275,167	268,153	275,167
Financing	CDI	1.20%	04/15/2024	155,713	152,558	155,713	152,558
Debentures	CDI	2.00%	31/07/2026	1,384,772	1,381,136	1,384,772	1,381,136
Total				**1,808,638**	**1,808,861**	**1,808,638**	**1,808,861**
Foreign currency							
Working capital	US$ / SOFR	1.50%	05/31/2023	-	-	5,080	7,865
				-	**-**	**5,080**	**7,865**
Total				**1,808,638**	**1,808,861**	**1,813,718**	**1,816,726**
Current				464,954	251,295	470,034	259,160
Non-current				1,343,684	1,557,566	1,343,684	1,557,566
Total				**1,808,638**	**1,808,861**	**1,813,718**	**1,816,726**

** Interest rate of the last round*

*** Latest maturity of the contract group*

In thousands of Brazilian reais, unless stated otherwise

Debentures

On January 15, 2021, the Company placed its 1st issue of simple debentures, totaling R$600,000, with a face value of R$1,000 on the issue date, maturing on January 15, 2026, bearing interest of the CDI + 2.90% p.a.

On July 15, 2021, the Company placed its 2nd issue of simple debentures, not convertible into shares, totaling R$700,000, with a face value of R$1,000, on the issue date maturing on July 31, 2026, bearing interest of CDI + 2.00% p.a. The debentures are unsecured, issued in a single series for public distribution with restricted distribution efforts under the terms of CVM Instruction 476. The proceeds were used to refinance the Company's debts and for working capital purposes.

The face value will be amortized in two annual and consecutive installments, beginning on July 31, 2025 with no indexation for inflation. They bear interest at a rate of Interbank Deposits (DI), as disclosed by B3 S.A. - Brasil, Bolsa, Balcão, based on a year with 252 business days (http://www.b3.com.br)), plus 2.00% per year, based on a year with 252 business days ; payment of the remuneration will be made annually, on July 31.

Revolving Credit Facility

The Company's Financial Risk Management seeks to strengthen its liquidity given the uncertainties of the market. On May 26, 2022, the Company contracted a revolving Credit Facility (RCF) 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. The credit facility may be partially or totally drawndown at the Company's discretion, when necessary.

On November 20, 2022, the Parent Company drew down the full amount of the revolving credit facility, totaling R$200,000. The proceeds were used for working capital purposes.

Use of Available Credit Facilities

Credit Facility	Contracting Date	Maturity Date	Amount Contracted	Amount Used	Balance Available
Revolving Credit Facility (R$)	May/22	May/23	200,000	(200,000)	-

In thousands of Brazilian reais, unless stated otherwise

Changes

The changes of borrowings and financing in the period/year are were follows:

Parent Company

	Current	Non-current	Total
Balances as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowing costs	-	500,000	500,000
Issue costs	182	400	582
Interest and exchange variation	221,661	2,163	223,824
Principal amortization	(45,000)	(150,000)	(195,000)
Interest amortization	(175,112)	-	(175,112)
Issue costs	(2,118)	(2,059)	(4,177)
Transfer	159,994	(159,994)	-
Balances as of December 31, 2022	**251,295**	**1,557,566**	**1,808,861**
Issue costs	1,121	-	1,121
Interest and exchange variation	65,476	-	65,476
Principal amortization	(15,000)	-	(15,000)
Interest amortization	(51,820)	-	(51,820)
Transfer	213,882	(213,882)	-
Balances as of March 31, 2023	**464,954**	**1,343,684**	**1,808,638**

Consolidated

	Current	Noncurrent	Total
Balances as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowing costs	-	507,944	507,944
Issue costs	182	400	582
Interest and exchange variation	221,582	2,163	223,745
Principal amortization	(45,000)	(150,000)	(195,000)
Interest amortization	(175,112)	-	(175,112)
Issue costs	(2,118)	(2,059)	(4,177)
Transfer	167,938	(167,938)	-
Balances as of December 31, 2022	**259,160**	**1,557,566**	**1,816,726**
Issue costs	1,121	-	1,121
Interest and exchange variation	65,390	-	65,390
Principal amortization	(17,540)	-	(17,540)
Interest amortization	(51,978)	-	(51,978)
Transfer	213,882	(213,882)	-
Balances as of March 31, 2023	**470,034**	**1,343,684**	**1,813,718**

In thousands of Brazilian reais, unless stated otherwise

The financial amortization schedule is as follows:

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
2023	251,072	251,295	256,152	259,160
2024	462,342	462,342	462,342	462,342
2025	547,612	547,612	547,612	547,612
2026 onwards	547,612	547,612	547,612	547,612
Total	**1,808,638**	**1,808,861**	**1,813,718**	**1,816,726**

Covenants

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

As of March 31, 2023 and December 31, 2022 the Company was in compliance with all requirements; there are no restrictions from its agreements.

12. Shareholders' Equity

Share capital

As of March 31, 2023 and December 31, 2022, the share capital was R$815,102, comprised as follows (number of shares):

	03/31/2023	**12/31/2022**
ON - Registered common shares	766,213,456	766,213,456
	766,213,456	**766,213,456**

The shares are held of record as follows:

	Number of Shares	
	03/31/2023	**12/31/2022**
Controlling Group	535,297,238	535,297,238
Board of Directors	6,327,888	6,327,888
Treasury Shares	18,422,044	18,422,044
Free Float	206,166,286	206,166,286
Total	**766,213,456**	**766,213,456**

ON - Common shares: are indivisible and entitle the holder to one vote for corporate resolutions. The shares have no par value.

The Company is authorized to increase its share capital, without requiring prior amendment to its Bylaws, up to R$2,200,000, upon a 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 the 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 a minimum mandatory dividend corresponding to 25% of the remaining balance after appropriations, deductions and reversals; 5% of net income is appropriated to the legal reserve; part segregated for government benefits or subsidies; part of the reserve for equity contingencies and losses not absorbed. Management may propose to retained part or all of the balance to fund the capital budget as approved by the General Meeting; any remaining balance must be distributed to shareholders as an additional dividend, as per article 45 of the Bylaws.

Capital reserve

Share-Based Compensation Plan - Third-Party

At a Board of Directors meeting held on November 29, 2021, the Company approved a consulting services agreement with 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.

The Contractor is hired to improve and consolidate the operational excellence program and the Company's management system to strengthen its processes and internal manufacturing procedures, including the mapping of routines and procedures, results control, and the continuous improvement of the business. A mixed remuneration package was negotiated with the Contractor, due to the nature of the long-term culture change transformation affecting the whole Company and the consolidation of progressive improvement processes. This is split between cash (50%) and the balance is equity in shares. The Company may dispose of up to 1,600,000 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 before the acceptance date of the proposal by the Contractor. The share sale price cannot be lower than the sale price established in article 3, item II, of CVM Instruction 567. It also provides for the effective transfer of shares in six equal semi-annual installments, from the project's first month, scheduled for December 2021. The sale of Company's share to the Contractor will be executed through private negotiations, without intermediary institutions.

In the period ended March 31, 2023, an amount of R$1,271 was reported under the item "Selling, general, and administrative expenses", representing the fair value measured based on the value of the services received up to that date, of which R$144 refers to the shares granted to the counterparty (registered in shareholders' equity), and R$1,127 refers to the payable liability in cash (of which R$472 is registered in current liabilities). No amounts were exercised on the balance of shares granted to the counterparty (recorded in shareholders' equity).

In thousands of Brazilian reais, unless stated otherwise

Description	Number of Shares
Balance as of December 31, 2022	50,451
Shares granted	119,489
Shares exercised	-
Balance as of March 31, 2023	**169,940**

Under article 7 of CVM Resolution 77, the Board of Directors reviews on a timely and periodically basis the terms and conditions of the Consulting Agreement, ratifying the sales of Company-issued shares to ensure that no transfers are made later than 18 months after its prior approval, in compliance with the applicable regulations, including those relating to the applicable disclosures.

Share-based compensation plan - Employees

The Extraordinary Shareholders' Meeting held on January 10, 2022, approved the Restricted Shares Plan ("Plan"). The Board of Directors approved a Company incentive-based structure to encourage and retain professionals, as follows:

(i) encourage the expansion, progress, and achievement of the Company's corporate objectives, as well as the optimization 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 eligible participants (as described below), offering them the possibility, under the terms and conditions foreseen in the Plan, to become Company's shareholders.

Under this restricted stock grant model, the Plan aligns the Company's capacity to deliver to its participants, subject to certain terms and conditions, including vesting periods, and 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 an advisory Committee appointed by the Board of Directors).

The Plan will be managed by the Board of Directors, which may nominate an advisory Committee and delegate powers for management. The Board or the Committee will be responsible for approving the programs, determining the participants from those eligible, as well as establishing the conditions of each grant and adopting the necessary measures for implementation.

Under the terms of the Plan, 2,400,000 Restricted Shares may be delivered to the participants, corresponding, on this date, to approximately 0.31% of the Company's total capital stock, which may be adjusted according to the Plan.

The expense related to the restricted share plan, recognized in the period ended March 31, 2023, according to the period elapsed for acquiring the right to the restricted shares, was R$123.

In thousands of Brazilian reais, unless stated otherwise

Description	Number of Shares
Balance as of December 31, 2021	**359,167**
Shares granted	93,903
Shares canceled	(4,528)
Balance as of December 31, 2022	**448,542**

Tax incentive reserve

Appropriations made annually based tax benefits from investment subsidies received by the Company.

Retained Profits Reserve

The profit retention reserve under article 196 of Law 6,404/76, is to preserve funds for future investments. The balance at March 31, 2023 was R$13,695.

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 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 ("2021 Share Buyback Program"), and the creation of a new share buyback program ("2022 Share Buyback Program").

Through the 2022 Share Buyback Program, the Company may acquire shares that, added to the treasury shares, cannot exceed 10% of the floating shares, according to CVM Resolution 77. The maximum number of shares that may be acquired under the 2022 Buyback Program, corresponds to 16,739,335 common shares issued by the Company; this number already includes the dilution of shares acquired to be held in treasury, totaling 3,661,022 common shares issued by the Company, on that date. The repurchase of the maximum number of shares approved will be subject to, among others, the verification of the number of shares held in treasury by the Company at the time of trading and the balance of available reserves, under CVM Resolution 77 and other applicable regulations.

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 asset values or future profitability prospects for generating results. The acquired shares are to be held in treasury, canceled or subsequently sold. In the event of a subsequent sale of shares, they may be carried out on the market or for the 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., under the regulation applicable to the trading of Company 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 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.

In thousands of Brazilian reais, unless stated otherwise

The 2022 Buyback Program will have a term of 18 months, beginning on July 13, 2022, including this date, and ending, therefore, on January 12, 2024, already considering the settlement term applicable to stock exchange operations.

In 2022, 477,956 shares were acquired at an average cost of R$6,586 and exercised at an average price of R$2,405 under the Share-based compensation plan - Third Parties. The difference between the average exercise price and the average cost of the shares acquired resulted in a loss of R$1,998 recorded directly in equity, since the plan options are settled using equity instruments.

As of March 31, 2023 and December 31, 2022, the Company had 18,422,044 treasury shares with an average price of R$2.1482 per share, representing R$39,575.

13. Net operating income

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Gross revenue				
Sale of products	896,631	580,905	896,631	580,905
Rendering of services	8,715	6,216	18,970	9,182
Sale of products acquired from third parties	732	3	732	3
	906,078	**587,124**	**916,333**	**590,090**
Deductions				
Return of sale of products	-	(7,834)	-	(7,834)
Taxes on sales (a)	(84,359)	(44,822)	(84,359)	(44,822)
Service taxes	(541)	(671)	(352)	(671)
	(84,900)	**(53,327)**	**(84,711)**	**(53,327)**
Net operating revenue	**821,178**	**533,797**	**831,622**	**536,763**

(a) sales tax (Note 3.10).

14. Cost of goods sold

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Cost of materials	(544,277)	(394,053)	(546,034)	(394,213)
Personnel	(101,684)	(60,533)	(109,337)	(61,819)
Depreciation and amortization	(13,208)	(10,169)	(13,362)	(10,212)
Utilities	(19,382)	(14,596)	(19,395)	(14,652)
Services rendered	(19,248)	(6,301)	(19,289)	(6,301)
Rentals	(8,956)	(4,726)	(9,509)	(4,726)
Other	(4,078)	(2,643)	(6,468)	(4,394)
	(710,833)	**(493,021)**	**(723,394)**	**(496,317)**

In thousands of Brazilian reais, unless stated otherwise

15. Selling, general and administrative expenses

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Personnel	(13,129)	(13,124)	(14,967)	(14,838)
Services rendered	(4,155)	(3,869)	(4,396)	(4,148)
Depreciation and amortization	(1,041)	(1,044)	(1,062)	(1,044)
Travel expenses	(1,234)	(1,568)	(1,234)	(1,568)
Rentals	(443)	(444)	(535)	(510)
Utilities	(1,238)	(1,297)	(1,238)	(1,297)
Tax expenses	(925)	(432)	(925)	(432)
Other	(915)	(772)	(1,545)	(854)
	(23,080)	**(22,550)**	**(25,902)**	**(24,691)**

16. Other operating income (expenses), net

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Gain from the sale of fixed assets	-	44	-	44
Other income (i)	2,173	24,020	2,228	24,505
Expenses with guarantees	(3,037)	(1,089)	(3,037)	(4)
Donations (ii)	-	(150)	-	(150)
Other operating expenses	(925)	(1,087)	(1,317)	(1,087)
	(1,789)	**21,650**	**(2,126)**	**23,220**

(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. Sports Fund Donations

17. Financial Result

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Financial income				
Foreign exchange gains	16,130	45,956	16,130	45,956
Income from short-term investments	19,470	9,950	19,470	9,955
Othe	2,061	1,168	2,061	1,168
	37,661	**57,074**	**37,661**	**57,079**
Financial expenses				
Derivative financial instrument	(2,361)	-	(2,361)	-
Foreign exchange losses	(29,042)	(43,038)	(29,042)	(43,038)
Financial transaction fees	(41,886)	(3,467)	(41,886)	(3,467)

In thousands of Brazilian reais, unless stated otherwise

	Parent Company		Consolidated	
	01/01/2023 to 03/31/2023	**01/01/2022 to 03/31/2022**	**01/01/2023 to 03/31/2023**	**01/01/2022 to 03/31/2022**
Interest on borrowings and financing	(65,476)	(44,032)	(65,731)	(44,080)
Other	(3,319)	(1,676)	(3,595)	(1,706)
	(142,084)	**(92,213)**	**(142,615)**	**(92,291)**
Financial result	**(104,423)**	**(35,139)**	**(104,954)**	**(35,212)**

18. Financial instruments, objectives, and financial risk management policies

The classification of financial instruments by category is as follows:

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Measured at amortized cost				
Cash and cash equivalents	826,539	1,055,340	828,913	1,061,718
Other receivables	72,528	93,733	75,900	95,554
Suppliers	314,173	334,015	318,858	336,048
Borrowings, financing and debentures	1,808,638	1,808,861	1,813,718	1,816,726
Financial assets measured at fair value through income				
Derivative instruments	(4,797)	(2,436)	(4,797)	(2,436)

Measurement

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.

In thousands of Brazilian reais, unless stated otherwise

. The fair value of the forward exchange contracts is measured using forward exchange rates at the statement of financial position date.

The fair value of financial assets and liabilities is 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.

On October 5, 2022, the Company contracted currency swap derivatives, used to reduce exposure to the volatility of the IPCA rate (Extended Consumer Price Index) (interest rate SWAP).

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, the balance of which on March 31, 2023 was a liability of R$4,797 (a liability of R$2,436 on December 31, 2022), maturing in the short term. As of March 31, 2023 and December 31, 2022, 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 December 31, 2022:

	Parent Company					
	Notional value	**Book balance**	**Fair value**	**Notional value**	**Book balance**	**Fair value**
Description	**03/31/2023**	**03/31/2023**	**03/31/2023**	**12/31/2022**	**12/31/2022**	**12/31/2022**
Financial liabilities						
Derivative financial instruments (swap)	(150,000)	(4,797)	(4,797)	(150,000)	(2,436)	(2,436)
*Pre rates	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Contents	CDI	CDI	CDI	CDI	CDI	CDI

* 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 these 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.

<u>Credit risk</u>

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.

In thousands of Brazilian reais, unless stated otherwise

Liquidity risks

The main sources of financial resources used by the Company come from borrowings taken out with financial institutions with long-term maturity and from the sale of its products. The Company's main requirements for financial resources arise from the obligation to pay for raw materials for production, operating expenses, salary expenses and other operating disbursements.

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.

As of March 31, 2023, the Company ended the period/year with low exposure to exchange rate risk, as it had few foreign currency transactions with banks. Payments and receipts in US dollars and euros are evaluated for natural hedging and strategy by the financial planning area.

The Company's currency exposure is as follows:

	03/31/2023	**12/31/2022**
Balances indexed to the U.S. dollar	(US$)	(US$)
Suppliers abroad	61,395	62,378
Customers abroad	(12,565)	(13,360)
Net position	**48,830**	**49,018**

Currency sensitivity analysis

The purpose of the sensitivity analysis is to measure the hypothetical impact of changes in market variables on financial instruments. 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 stressed by factors of 25% and 50% based on data available in the market.

In the interim financial information of March 31, 2023, the probable scenario (base scenario) considered the same U.S. dollar rate.

Management estimates of the base (probable) scenario, are as shown below:

03/31/2023				**Base Scenario**		**- 25%**		**- 50%**	
	Risk Factor	**Average rate (p.a.)**	**Exposed amounts**	**Average rate (p.a.)**	**Effect on income**	**Average rate (p.a.)**	**Effect on income**	**Average rate (p.a.)**	**Effect on income**
Long position	US$	5.08	63,835	5.08	-	6.35	15,959	7.62	31,918
Short position	US$	5.08	(311,911)	5.08	-	6.35	(77,978)	7.62	(155,956)
Net exposure			**(248,076)**		**-**		**(62,019)**		**(124,038)**

In thousands of Brazilian reais, unless stated otherwise

	12/31/2022			Base Scenario		- 25%		- 50%	
	Risk Factor	**Average rate (p.a.)**	**Exposed amounts**	**Average rate (p.a.)**	**Effect on income**	**Average rate (p.a.)**	**Effect on income**	**Average rate (p.a.)**	**Effect on income**
Long position	US$	5.22	69,708	5.22	-	6.52	17,427	7.83	34,854
Short position	US$	5.22	(325,469)	5.22	-	6.52	(81,367)	7.83	(162,735)
Net exposure			**(255,761)**		**-**		**(63,940)**		**(127,881)**

Interest rate risk

The Company is mainly exposed to variations in the CDI interest rates on financial investments and borrowings and financing. As of March 31, 2023 and December 31, 2022, financial assets and liabilities are as follows:

Variable rate - CDI	**03/31/2023**	**12/31/2022**
Financial Assets	819,133	1,046,246
Financial Liabilities	(1,808,638)	(1,811,297)
	(989,505)	**(765,051)**

Interest rate sensitivity analysis

The purpose of the sensitivity analysis is to measure the hypothetical impact of 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 stressed by factors of 25% and 50% based on data available in the market (B3 and BC Focus publications).

The probable base scenario considered the maintenance of the CDI rate of March 31, 2023 at 13.65% p.a. The stressed factor scenarios with increases of 25% (17.06% p.a.) and 50% (20.48% p.a.), respectively, to the rate. The Company's Management believes that risk of significant variations in the CDI rate in 2023 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:

In thousands of Brazilian reais, unless stated otherwise

03/31/2023				Base Scenario		- 25%		- 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on income	Average rate (p.a.)	Effect on income	Average rate (p.a.)	Effect on income
Long position	CDI	13.65%	819,133	13.65%	111,812	17.06%	139,765	20.48%	167,717
Short position	CDI	13.65%	(1,808,638)	13.65%	(246,879)	17.06%	(308,599)	20.48%	(370,319)
Net exposure			**(989,505)**		**(135,067)**		**(168,834)**		**(202,602)**

12/31/2022				Base Scenario		- 25%		- 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on income	Average rate (p.a.)	Effect on income	Average rate (p.a.)	Effect on income
Long position	CDI	13.65%	1,046,246	13.65%	142,813	17.06%	178,516	20.48%	214,219
Short position	CDI	13.65%	(1,811,297)	13.65%	(247,242)	17.06%	(309,053)	20.48%	(370,863)
Net exposure			**(765,051)**		**(104,429)**		**(130,537)**		**(156,644)**

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.

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 capitalization. Net debt 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 capitalization is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

On March 31, 2023 and December 31, 2022, the financial leverage indexes are as follows:

	Consolidated	
	03/31/2023	**12/31/2022**
Total Borrowings (Note 12)	428,946	435,590
Debentures (Note 12)	1,384,772	1,381,136
(-) Cash and cash equivalents (Note 4)	(828,913)	(1,061,718)
Derivative instruments (Note 18)	4,797	2,436
Net debt	989,602	757,444
Total equity - Note 13	862,600	884,868
	1,852,202	1,642,313
Financial leverage ratio - %	**0.53**	0.46

Capital is not at the consolidated level only.

In thousands of Brazilian reais, unless stated otherwise

19. Provision for contingencies

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

On March 31, 2023, Management, under advice of legal counsel, assessed as possible risks of losses estimated amounts of R$41,728 (R$40,122 as of December 31, 2022), which is not provisioned, referring to tax, administrative, and labor claims. The Company has no lawsuits assessed as a probable loss.

Tax assessment notices - Federal Revenue Office

Among the administrative lawsuits with the possible risk of loss are the tax assessment notices issued by the Federal Revenue Office in September 2020, totaling R$33,075, alleging an 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. Management, under advice of legal counsel, believes that the assessment is incorrect and, for this reason, the amounts are not provisioned as of March 31, 2023.

Federal Supreme Court ruling on *Res Judicata*

On February 8, 2023, the Federal Supreme Court (STF) unanimously ruled that a final and unappealable decision regarding the constitutionality of continuously collected taxes (successive tax relationship), automatically loses its effect if the STF subsequently pronounces a ruling to the contrary. This means that decisions rendered in direct suits (ADI - direct action for the declaration of unconstitutionality, or ADC - direct action for the declaration of constitutionality) or in extraordinary appeals with general repercussion interrupt the effects of previous decisions in the context of successive tax relationships, even if they have already become *res judicata*. The STF's decision determined that in cases where *res judicata* is waived and the respective tax is considered due, the principles of non-retroactivity, annual precedence, and the 90-day cooling off must be respected, depending on the nature of the tax (Ruling on the Relativization of Res Judicata).

The Company analyzed this STF ruling and did not identify any impact on the financial results. Therefore, no disclosure is deemed necessary.

20. Related parties

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

Assets	Transaction	03/31/2023	12/31/2022
Current			
Aeris LLC Loan (i)	Loan	10,323	10,382
Total		10,323	10,382

(i) Loan with the subsidiary.

In thousands of Brazilian reais, unless stated otherwise

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:

	03/31/2023	03/31/2022
Salaries and other short-term benefits	1,606	1,608

21. Investment in subsidiary

	03/31/2023	12/31/2022
Investment in subsidiary	9,084	15,296
Total	**9,084**	**15,296**

<u>Changes in investments</u>

The changes in the investment balances in the subsidiary - Aeris Service LLC, were as follows:

	03/31/2023	12/31/2022
Opening balance on January 1	15,296	10,667
Accumulated currency translation adjustments	(329)	(828)
Equity income	(5,883)	5,457
Closing balance	**9,084**	**15,296**

Summary financial information of the subsidiary

The table below summarizes the subsidiary's financial information as of March 31, 2023 and December 31, 2022:

Year	Interest - %	Assets	Liabilities	Equity	Income (loss) for the period/year
03/31/2023	100	30,536	21,452	9,084	(5,883)
12/31/2022	100	37,855	22,559	15,296	5,457

On March 31, 2023, the subsidiary reported an increase of 251% in revenues compared to the same period in 2022.

22. Business Segment Information

The determination of the Company's operating segments is based on its Corporate Governance structure, which divides the business into the Manufacturing of wind turbine blades and the Maintenance of wind turbine blades. However, the maintenance segment does not yet have a significant role in the context of the Company's business. As of March 31, 2023, this type of transaction accounted for only 2.24% of net revenue (1.24% on March 31, 2022).

In thousands of Brazilian reais, unless stated otherwise

All decisions are made based on the 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 reportable segment in the interim financial information.

23. Insurance (unaudited)

The Company seeks to limit risks by obtaining insurance cover in the market compatible with its size and operations. The coverage was contracted for amounts considered sufficient by the Management to cover potential claims, considering the nature of its activity, the risks involved in its operations, and the guidance of its insurance consultants.

As of March 31, 2023, the Company had the following main insurance policies with third parties:

Insurance	Coverage
Business	550,000
Civil liability	120,000

The independent auditors' review scope does not encompass the information in this Note.

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 during the periods. 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 March 31, 2023 and December 31, 2022, as the Company only has one type of share.

	Parent Company and Consolidated	
	03/31/2023	**03/31/2022**
Net income for the period	(22,206)	1,246
Balance as of January 1	766,213	766,213
Buyback of Company's shares	(18,422)	(3,900)
Balances as of March 31	747,791	762,313
Weighted average number of shares for the diluted earnings per share	747,791	762,313
Basic earnings per share	**(0.0297)**	**0.00163**
Diluted earnings per share	**(0.0297)**	**0.00163**

* * *

Executive Board

Alexandre Sarnes Negrão Chair	Marcelo Costa Nasser Vice-President of Operations
Alexandre Braz Negroni Quality Officer	Bruno Lolli Planning and Investor Relations Officer
Cássio Cancela e Penna Human Resources Officer	Daniel Henrique da Costa Mello Chief Industrial Officer
Erica Maria Cordeiro Supplies Officer	Jonathan Oliveira de Figueiredo Chief Operating 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	