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Investor
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HIGHLIGHTS 1Q23

-  **Net Operating Revenue (NOR)** was R\$ 831.6 million in 1Q23 and R\$ 2,763.7 million in *LTM*¹;
-  In 1Q23, the **Net Loss** was R\$ 22.2 million;
-  **Return on Invested Capital (ROIC)** was 13.8% in 1Q23;
-  In 1Q23, the **EBITDA** was R\$ 94.9 million, with a margin of 11.4%. In the LTM, the **EBITDA** was R\$ 307.6 million;
-  **Investments** totaled R\$ 28.2 million in 1Q23;
-  **Potential orders from long-term contracts** totaled 1,818 sets of blades with power equivalent to 8.9 GW. Using the 4Q22 closing exchange rate, the Company's potential net revenue from long-term contracts totaled R\$ 8.0 billion.

¹ "LTM" means "last twelve months" in English, and it refers to the period of the previous 12 months before the current date

MESSAGE FROM MANAGEMENT

The year 2022 was marked by unprecedented challenges, particularly disruptions in the supply chains of various inputs and the increase in global inflation, leading to higher interest rates. This scenario resulted in higher installation costs for major renewable energy sources such as wind and solar power, causing losses throughout the value chain and a decrease in investments. This reduction in investments occurred just when the growth of these sources is most necessary to accelerate the energy transition and also contribute to enhancing energy security in countries that still heavily rely on imported fossil fuels.

Quantifying this growth expectation, projections from the Global Wind Energy Council (GWEC) show that global demand, excluding China, is expected to increase from 40 GW installed in 2022 to over 80 GW in 2027, representing an average annual growth rate of more than 15%. GWEC data also reveals that the installed capacity for wind turbine blade manufacturing in the Western world is just over 50 GW per year, highlighting the need for both capacity expansion and economic-financial rebalancing throughout the wind energy industry. We remain attentive to new investment opportunities to meet the needs of our clients, always prioritizing product quality and the competitiveness of wind power.

In the first quarter of 2023, we delivered over 950 MW equivalent in blades to our customers, representing a 36% growth compared to the average deliveries in 2022. This growth reflects both the maturation of our production lines and a significant improvement in operational performance, as evidenced by the increased inventory turnover, which decreased from 179 days of NOR to 118 days. Part of this reduction is associated with the invoicing of products that were in the finishing stage at the end of 2022 and were already paid for by the customers, resulting in a reduction in the net position of customer advances by R\$ 449.3 million, which in turn led to a decrease in cash position by R\$ 232.8 million in 1Q23. The discipline in working capital management continues to be one of the company's top priorities for achieving the desired return on invested capital levels, which may be realized as early as the second half of 2023.

We are increasingly investing in the expansion of our services business unit, which experienced a revenue growth of 110.5% in 1Q23 compared to 1Q22. In the coming periods, we plan to enter new markets for this business unit, reinforcing the partnership between Aeris and various players in the sector.

Lastly, we will continue improving our processes to broaden our horizons, increasing Aeris' involvement in the global energy transition process and upholding the values of our culture: caring for and developing our employees, focusing on the quality of our products, and generating value to meet the expectations of diverse stakeholders.

OPERATING AND FINANCIAL HIGHLIGHTS

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

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

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

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

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

In 1Q23, a production line reached the maturity stage, resulting in 100% of the lines being mature, and two mature lines were decommissioned at the beginning of the period.



Financial Highlights	1Q23	4Q22	1Q22	Var. 1Q23/4Q22	Var. 1Q23/1Q22
In thousands of Reais					
Return on Invested Capital¹	13.8%	11.3%	9.3%	+2.4 pp	+4.5 pp
Net Revenue	831,622	654,772	536,763	27.0%	54.9%
Blades - Domestic Market	812,622	628,193	440,300	29.4%	84.6%
Blades - Export Market	0	0	87,436	-	-
Services	19,000	26,581	9,026	-28.5%	110.5%
Net Income for the period	-22,206	-39,425	1,246	-43.7%	-
Net Margin	-2.7%	-6.0%	0.2%	+3.4 pp	-2.9 pp
EBITDA²	94,937	80,806	54,323	17.5%	74.8%
EBITDA Margin	11.4%	12.3%	10.1%	-0.9 pp	+1.3 pp

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

(2) Adjusted EBITDA

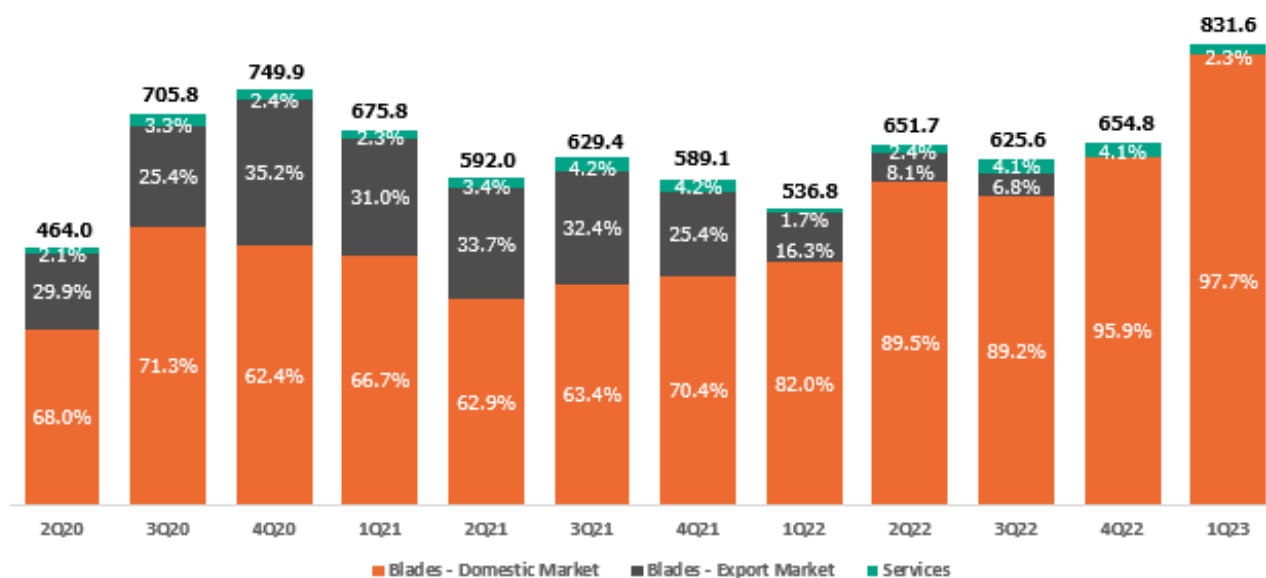


NET OPERATING REVENUE

In 1Q23, the Net Operating Revenue (NOR) was R\$ 831.6 million, an increase of 27.0% when compared to 4Q22 and 54.9% when compared to the same quarter of last year.

This increase was due to a 41.2% growth in the delivery volume of equivalent MW blades, partially offset by a 7.3% decrease in the average sales price in USD/MW. The services business unit had a 28.5% reduction in net revenue mainly due to the seasonality of the US market. When compared to the net service revenue in 1Q22, there was a growth of 110.5%.

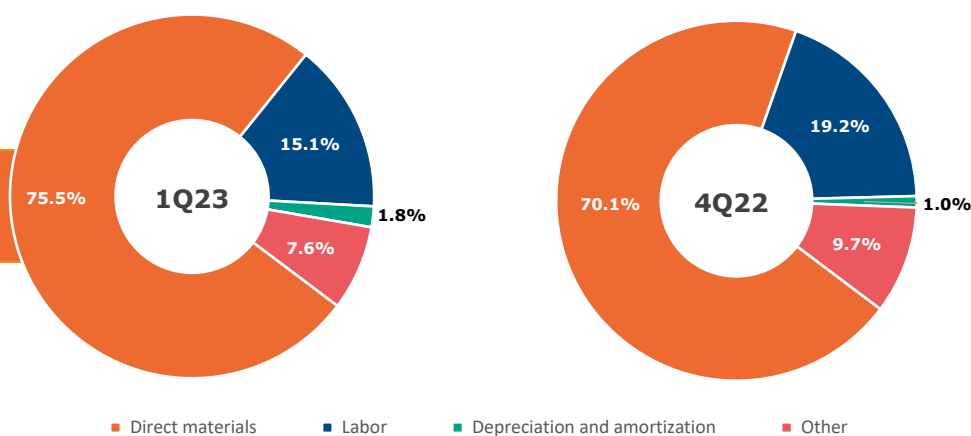
In the last two quarters, our blade deliveries have been exclusively destined for the domestic market to ensure compliance with the installation schedule of wind farms served by our customers. It is worth noting that the blade models manufactured by Aeris can be used in various regions around the world, and it is up to the customers to determine the destination of these blades. The resumption of volumes for export, therefore, depends on the relationship between the demand from our customers in the various markets in which they operate and the available capacity of the factories that produce each specific blade model.



COST OF GOODS SOLD

In thousands of Reais	1Q23	4Q22	1Q22	Var. 1Q23/4Q22	Var. 1Q23/1Q22
Net Revenue	831,622	654,772	536,763	27.0%	54.9%
Cost of Goods Sold	723,394	553,539	496,317	30.7%	45.8%
Gross Margin	13.0%	15.5%	7.5%	-2.5 pp	+5.5 pp

The gross margin showed a decrease of 2.5 percentage points compared to 4Q22, reaching 13.0% in 1Q23



Direct material costs accounted for 75.5% of COGS in 1Q23 vs 70.1% in 4Q22, an increase of 5.4 percentage point.

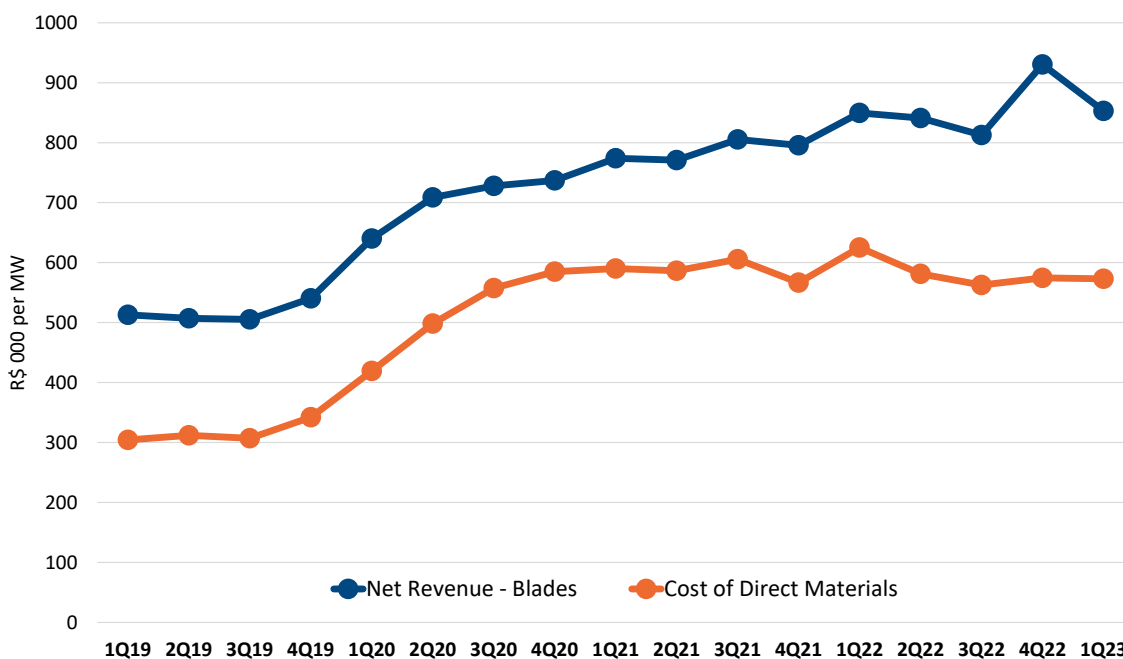
The reduction in the representation of labor costs results from the dilution of transformation costs due to the increase in the production volume, which also contributed to the reduction of work-in-progress inventory.

PASS-THROUGH OF DIRECT MATERIAL COSTS

The pricing structure of wind blade supply contracts is composed of two distinct variables: (i) direct materials and (ii) value addition (V.A.).

For the price component associated with direct materials, the Company maintains full capacity to pass on changes related to the unit cost of materials, including prices charged by suppliers, logistics costs, non-refundable taxes and exchange rate fluctuations, as shown in the chart below.

In 4Q22, the Company retroactively pass-through of direct material costs corresponding to approximately 50% of the variation in the sales price of blades in the period, which returned to normalized levels in 1Q23.



GENERAL AND ADMINISTRATIVE & OTHER NET REVENUE

In thousands of Reais	1Q23	4Q22	1Q22	Var. 1Q23/4Q22	Var. 1Q23/1Q22
General and Administrative Expenses	- 25,902	- 27,380	- 24,691	-5.4%	4.9%
% NOR	3.1%	4.2%	4.6%	-	-
Other Operating Income - Net	- 2,126	697	23,220	-	-
% NOR	-0.3%	0.1%	4.3%	-	-

(1) Total de Despesas comerciais, gerais e administrativas + Despesas tributárias

In 1Q23, General and Administrative Expenses (G&A) amounted to R\$ 25.9 million, a decrease of 5.4% compared to 4Q22.

EBITDA

In thousands of Reais	1Q23	4Q22	1Q22	Var. 1Q23/4Q22	Var. 1Q23/1Q22
Net Income for the period	-22,206	-39,425	1,246	-43.7%	-
(+/-) Financial Result	104,954	120,881	35,212	-	-
(+/-) Depreciation and amortization	14,424	6,761	12,845	113.3%	12.3%
(+/-) Current and deferred income tax and social contribution, before the tax incentive	-2,548	-6,906	2,517	-63.1%	-
(+/-) Includes the Sudene tax incentive	0	0	874	-	-
(+/-) Long-Term Incentive	169	-227	968	-	-82.5%
(+/-) Consultoria Performance	144	-278	661	-	-78.2%
EBITDA*	94,937	80,806	54,323	17.5%	74.8%
EBITDA Margin	11.4%	12.3%	10.1%	-0.9 pp	+1.3 pp

* Adjusted EBITDA

The EBITDA in 1Q23 reached R\$ 94.9 million, an increase of 17.5% compared to 4Q22 and 74.8% compared to 1Q22.

In this quarter, mature production lines generated R\$ 99.8 million of EBITDA, with an EBITDA margin of 12.3%, reflecting both a better dilution of fixed costs and completed price renegotiations in the period.

FINANCIAL RESULT AND DEBT

In thousands of Reais	1Q23	4Q22	1Q22	Var. 1Q23/4Q22	Var. 1Q23/1Q22
Net Currency Variation¹	-15,273	-32,339	2,918	-52.8%	-
Net Financial Expenses²	-89,681	-88,542	-38,130	1.3%	135.2%
Net Debt³	989,602	757,444	731,435	30.7%	35.3%
Leverage⁴	3.2x	2.8x	3.1x	-	-

(1) Inclui os Instrumentos financeiros derivativos

(2) Despesas Financeiras Líquida é a somatória de Encargos de operações financeiras, Juros sobre empréstimos e financiamentos e Outros no item Despesas Financeiras mais a somatória de Rendimentos de aplicações financeiras e Outros no item Receitas Financeiras.

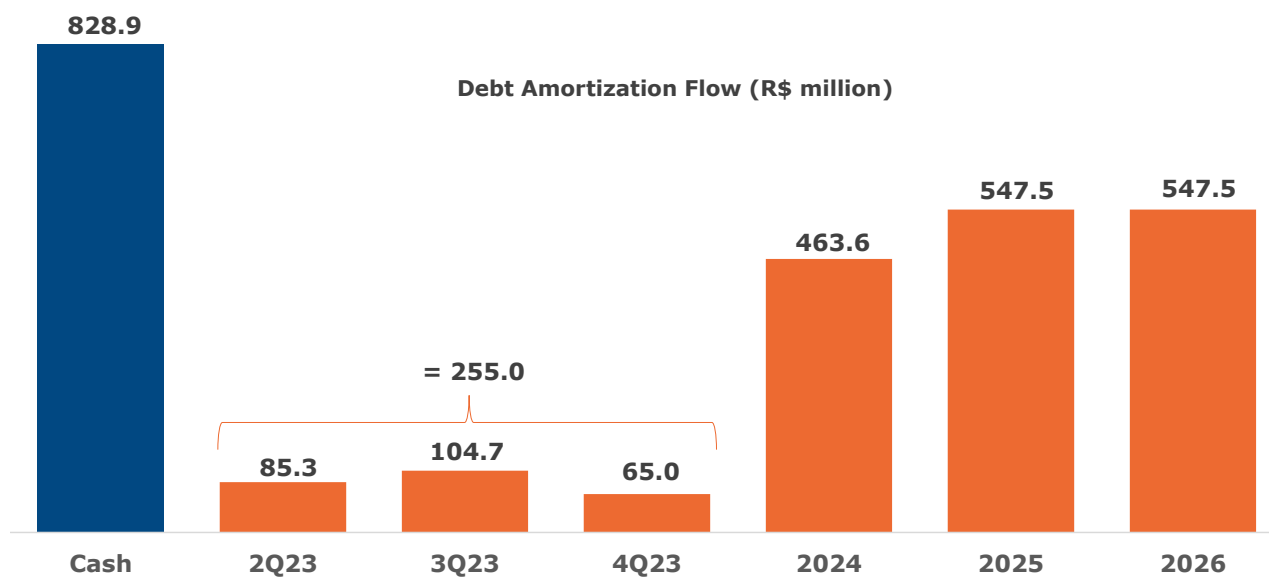
(3) Dívida Líquida é a somatória de empréstimos e financiamentos circulantes e não circulantes, menos caixa e equivalentes de caixa, aplicações financeiras circulante (exercício encerrado em 31 de dezembro de 2020) e instrumentos financeiros derivativos.

(4) Dívida Líquida/ EBITDA

In 1Q23, net financial expenses amounted to R\$ 89.7 million, a variation of 1.3% compared to 4Q22. Meanwhile, net exchange variation resulted in a loss of R\$ 15.3 million in 1Q23, a decrease of 52.8% compared to 4Q22.

In 1Q23, Net Leverage, measured by the Net Debt/EBITDA ratio, reached 3.2x, mainly due to the increase of R\$ 232.2 million in net debt. This increase reflects a reduction of R\$ 449.3 million in the net advance payment position from customers, partially offset by a reduction of R\$ 212.2 million in inventories.





The Company's cash position at the end of 1Q23 was R\$ 828.9 million.

The balance of financial obligations due in 2023 is R\$ 255.0 million. Total gross debt amounted to R\$ 1,818.5 million and has an average duration of 2.0 years.

NET INCOME (LOSS)

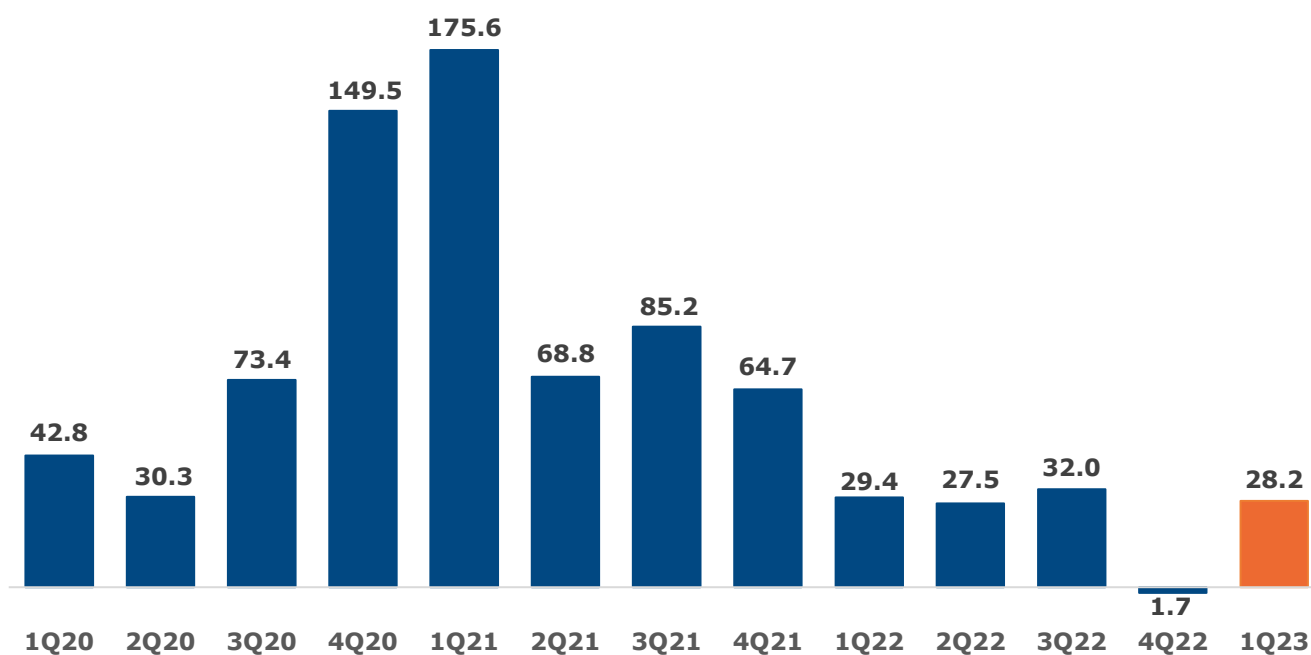
The net loss in 1Q23 was R\$ 22.2 million.



INVESTMENTS

In 1Q23, the Company invested R\$ 28.2 million. These investments were allocated to increase production capacity in the blade finishing stations in order to address production bottlenecks and reduce the average manufacturing lead time.

Cash used in investing activities (R\$ million)



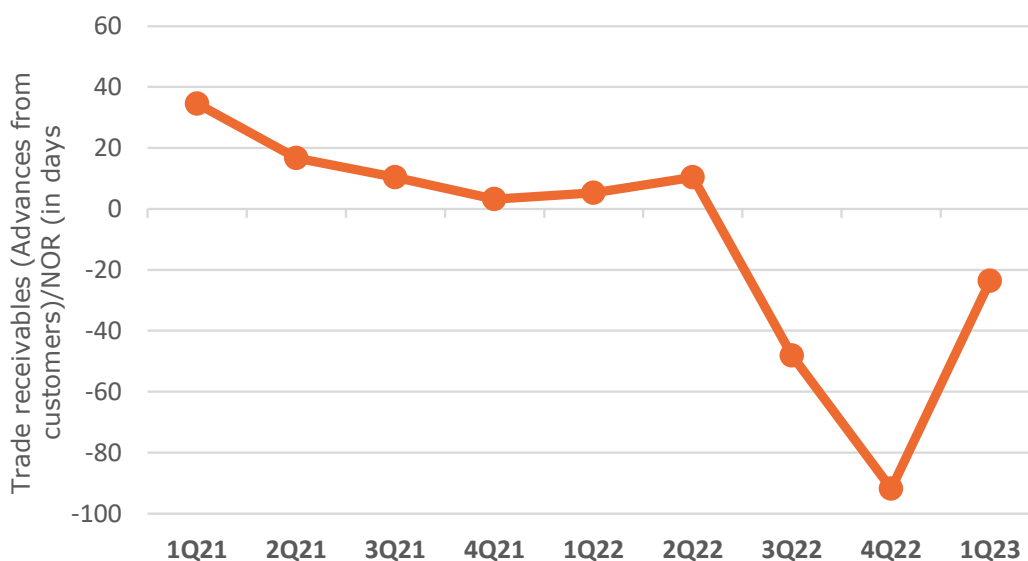
CASH FLOW

The cash flow from operating activities consumed R\$ 186.8 million in 1Q23. This variation was mainly due to the reduction in the net advance payment position from customers (net of trade receivables) in the amount of R\$ 449.3 million, as some of the blades invoiced during the period had already been paid in 2022. On the other hand, the inventory position decreased by R\$ 212.2 million, from 179 to 118 days of NOR.

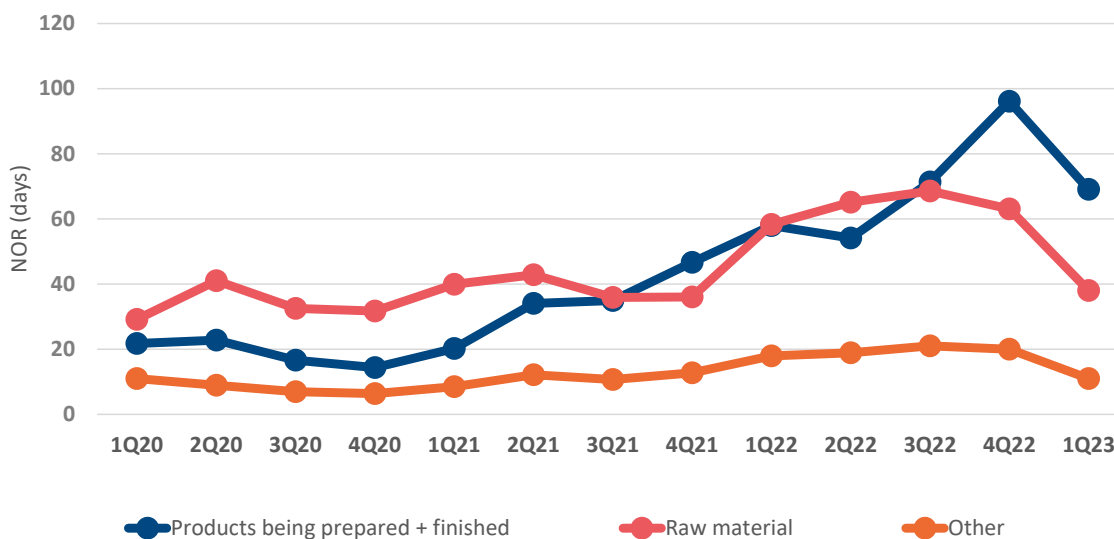
The cash flow from investing activities consumed R\$ 28.2 million in 1Q23.

The cash flow from financing activities consumed R\$ 17.5 million in 1Q23.

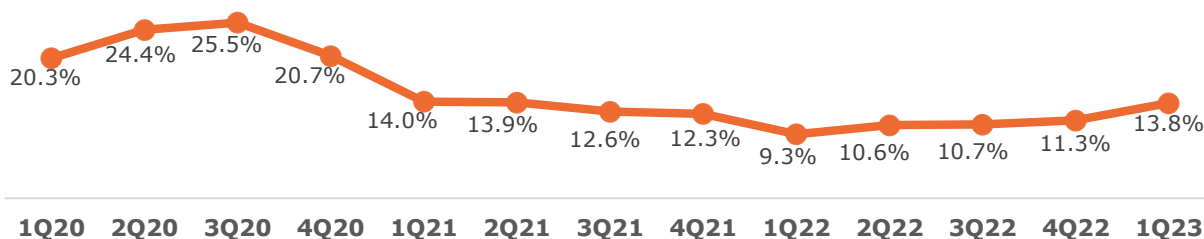
Net Customer Advances Position



Inventory Evolution

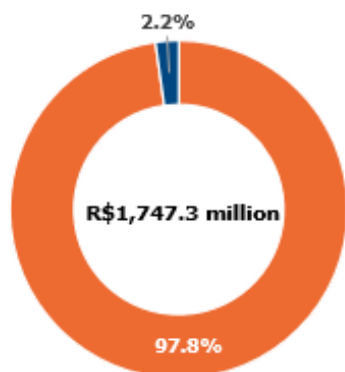


RETURN ON INVESTED CAPITAL



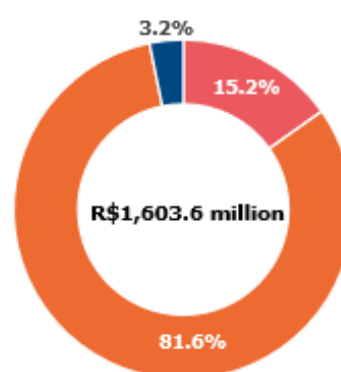
The Return on Invested Capital (ROIC) was 13.8% in 1Q23, marking the fourth consecutive period of increase, but still below the returns projected for mature product lines.

Average Invested Capital per Line - 1Q23

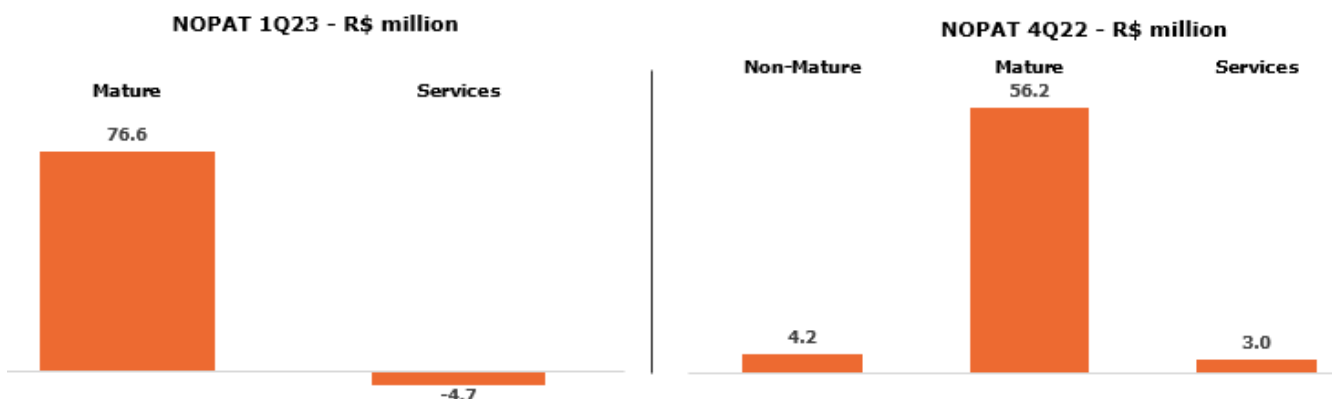


■ Mature ■ Services

Average Invested Capital per Line - 4Q22

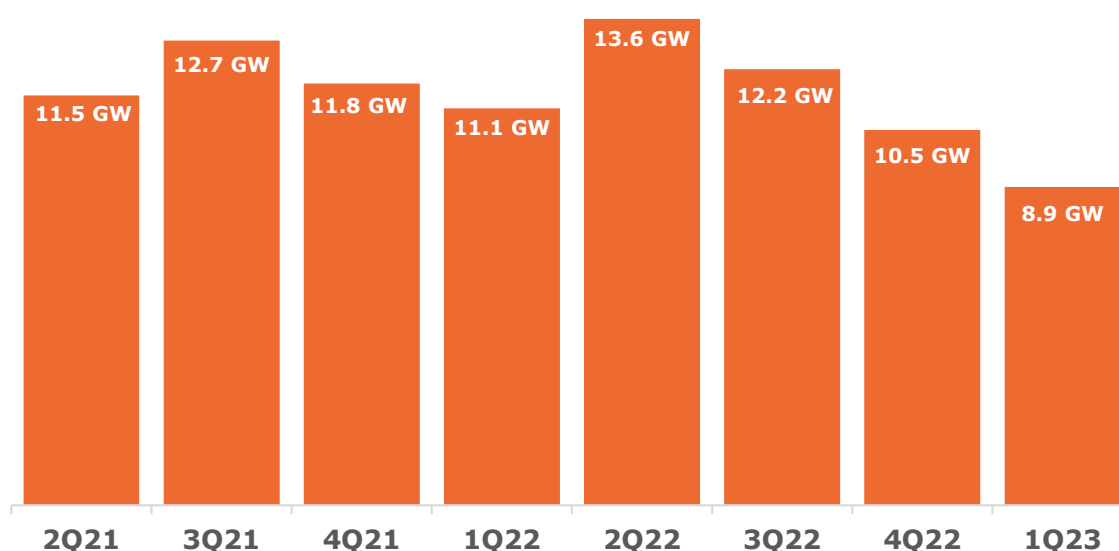


■ Non-Mature ■ Mature ■ Services



In 1Q23, mature lines represented 97.8% of the average invested capital, with a NOPAT of R\$ 76.6 million, representing an annualized quarterly ROIC of 19.2%. Considering the historical evolution of return levels throughout contracts, the high concentration of mature lines indicates a progressive increase in ROIC.

POTENCIAL ORDERS COVERED BY LONG-TERM CONTRACTS¹



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

In 1Q23, there was a reduction in the volume of potential orders covered by long-term contracts by approximately 1,520 MW, of which 953 MW were produced, representing an average capacity utilization rate dedicated to contracts of 63.7%, demonstrating a partial recovery in production volumes after the decline seen in 2H22.

EXHIBITS

Income Statement

(In thousands of Reais)	1Q23	4Q22	1Q22	Var. 1Q23 x 4Q22	Var. 1Q23 x 1Q22
Net operating revenue	831,622	654,772	536,763	27.0%	54.9%
Cost of goods sold	(723,394)	(553,539)	(496,317)	30.7%	45.8%
Gross profit	108,228	101,233	40,446	6.9%	167.6%
Operating income (expenses):					
Selling, general and administrative expenses	(25,902)	(27,380)	(24,691)	-5.4%	4.9%
Other operating income (expenses), net	(2,126)	697	23,220	-	-
Result before financial revenues and expenses	80,200	74,550	38,975	7.6%	105.8%
Depreciation and Amortization	14,424	6,761	12,845	113.3%	12.3%
EBITDA	94,624	81,311	51,820	16.4%	82.6%
Sudene tax incentive	-	-	874	-	-
Long-Term Incentive	169	(227)	968	-	-82.5%
Performance Consulting	144	(278)	661	-	-78.2%
Adjusted EBITDA	94,937	80,806	54,323	17.5%	74.8%
Financial expenses	(142,615)	(151,345)	(92,291)	-5.8%	54.5%
Financial revenues	37,661	30,464	57,079	23.6%	-34.0%
Financial Result	(104,954)	(120,881)	(35,212)	-13.2%	198.1%
Result before income tax and social contribution	(24,754)	(46,331)	3,763	-46.6%	-
Current income tax and social contribution	(76)	(517)	(2,371)	-85.3%	-96.8%
Deferred income tax and social contribution	2,624	7,423	(146)	-64.7%	-
Net income/(loss) for the period	(22,206)	(39,425)	1,246	-43.7%	-
Attributable profit (Loss) to shareholders and controllers	(22,206)	(39,425)	1,246	-43.7%	-
Number of shares in the period	747,791	747,791	762,313	-	-1.9%
Basic earnings (loss) per share – R\$	(0.0297)	(0.0527)	0.0016	-	-

Balance Sheet - Assets

(In thousands of Reais)

Assets	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current				
Cash and cash equivalents	826,539	1,055,340	828,913	1,061,718
Trade receivables	-	-	-	-
Inventories	1,091,076	1,301,108	1,091,076	1,303,250
Taxes recoverable	93,179	137,042	93,179	137,042
Related parties	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
Noncurrent				
Taxes recoverable	170,015	163,897	170,015	163,897
Investments	9,084	15,296	-	-
Deferred income tax and social contribution	8,109	5,485	8,109	5,485
Property, plant, and equipment	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



Balance Sheet – Liabilities

(In thousands of Reais)

Liabilities and equity	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current				
Trade payables	314,173	334,015	318,858	336,048
Loans and financings	464,954	251,295	470,034	259,160
Derivative financial instruments	4,797	2,436	4,797	2,436
Salaries and payroll charges	44,673	41,278	44,673	41,364
Taxes collectable	17,234	17,206	17,420	18,219
Advances from clients	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
Noncurrent				
Loans and financings	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				
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

Cash Flow Statements

(In thousands of Reais)

Cash flow from operating activities	03/31/2023
Profit(loss) before income tax	(24,754)
Adjustments to reconcile net income to cash (used in) generated by operating activities:	
Depreciation and amortization	14,424
Net result from the sale of property and equipment	31
Share-based payment plan	267
Exchange variation of borrowings and financing	275
Exchange variation on financial instruments	2,361
Financial expenses – net	66,717
	59,321
Changes in assets and liabilities	
Trade receivables	-
Inventories	(212,140)
Taxes recoverable	37,745
Other receivables	19,617
Trade payables	(17,151)
Labor and social security obligations	3,310
Taxes payable	(850)
Advances from clients	(449,729)
Other accounts payable	793
Cash generated by operating activities	134,804
Interest paid on loans and financings	(51,978)
Net cash (used in) generated by operating activities	(186,782)
Cash flows from investing activities	
Acquisition of property, plant, and equipment	(28,245)
Amount received from the sale of property, plant, and equipment	-
Acquisition of intangible assets	-
Net cash used in investment activities	(28,245)
Cash flows from financing activities	
Borrowings	-
Borrowings amortized	(17,540)
Transaction costs related to funding	-
Buyback of Company's shares	-
Net cash generated by financing activities	(17,540)
Reduction in cash and cash equivalents	(232,567)
Cash and cash equivalents at the start of the period	1,061,718
Exchange gain (loss) on cash and secured accounts	(238)
Cash and cash equivalents at the end of the period	828,913
Reduction in cash and cash equivalents	(232,567)

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