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

Parent company and consolidated financial statements at December 31, 2023 and independent auditor's report

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(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
Aeris Indústria e Comércio de Equipamentos
Para Geração de Energia S.A.

Opinion

We have audited the accompanying parent company financial statements of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. (the "Company"), which comprise the balance sheet as at December 31, 2023 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

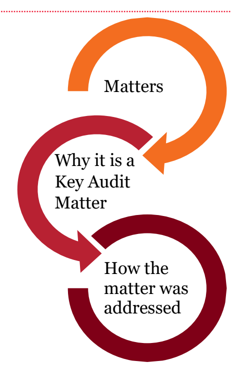
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. and of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. and its subsidiaries as at December 31, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Why it is a Key Audit Matter	How the matter was addressed in the audit
Revenue recognition - customer contracts	
As detailed in Notes 3.10 - "Revenue recognition" and 14 - "Net operating revenue" to the financial statements, sales revenue is recognized upon the demolding of the wind blades, when the Company concludes that the performance obligation has been fulfilled. In this phase of the production process, the Company considers that the performance obligation has been fulfilled pursuant to CPC 47 (IFRS 15) - Revenue from Contracts with Customers, since in this advanced phase of production, the control over the good is already contractually transferred and there are only formal issues pending for the completion of the delivery. We focused on this area in our audit as, according to the Company's business model, the main source of revenue is the production and sale of wind turbine blades, based on medium and long-term contracts with customers.	In response to this matter, we carried out the following key audit procedures: Understanding the control environment for the management of contracts with customers, sales and receipts. Reading the main contracts in effect during the year, focusing on sales terms and conditions, amounts and other obligations and rights. Examining sales transactions, on a sample basis, before and after the year end, to assure revenue was recognized in the proper period, considering the time when the blades are in the demolding stage, according to the criteria defined in the Company's revenue recognition policy. Comparing, on a test basis, the sales accounting entries with the respective customer orders, invoices and sales collections, verifying sequential invoice numbering and the blades in the demolding stage. The result of these procedures provided us with sufficient and appropriate audit evidence and did not reveal inconsistencies in relation to the Company's accounting practices.
Tax credits - Value-added Tax on Sales and Services (ICMS)	
The Company has ICMS state tax credits of R$ 198,792 thousand, at December 31, 2023, arising mainly from tax exempt exports (Note 7). Management seeks to realize these credits through: (i) sales in the domestic market subject to ICMS; (ii) selling credits to third parties (with the authorization of the tax authorities); and (iii) requesting reimbursement, in cash, from the tax authorities. We focused on this area in our audit due to the level of judgment involved in the analysis of the recovery of these tax credits.	With the support of our tax specialists, we carried out the following procedures, among others: Understanding of the Company's internal controls over the processes of generation, recording and offsetting of ICMS credits. Inspection, on a test basis, of the invoices that gave rise to the tax credits. Discussion of management's plans for the future realization of the credits.

Why it is a Key Audit Matter	How the matter was addressed in the audit
	Discussion with management of identified internal control deficiencies and adjustments (not considered significant in the context of the financial statements as a whole). Reading of the disclosures made in the notes to financial statements. Our audit procedures indicated that the judgment used by management was reasonable and that disclosures were consistent with the data and information obtained.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fortaleza, 21 de fevereiro de 2024

PricewaterhouseCoopers

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2CE003292/F-9

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
Years ended on December 31
In thousands of reais

	Parent Company			Consolidated		
Assets	**2023**	**2022**	**01/01/2022**	**2023**	**2022**	**01/01/2022**
		(Restated (Note 2.5))			**(Restated (Note 2.5))**	
Current						
Cash and cash equivalents (Note 4)	1,057,576	1,055,340	884,114	1,063,522	1,061,718	892,933
Trade receivables (Note 5)	668,987	1,044,825	119,499	713,400	1,066,348	126,877
Inventories (Note 6)	848,451	826,051	800,288	848,583	828,193	801,396
Taxes recoverable (Note 7)	38,272	137,042	144,144	38,520	137,042	144,200
Related parties (Note 20)	1,961	10,382	3,233	-	-	-
Other receivables	58,265	93,733	18,528	60,091	95,554	19,359
Derivative financial instruments (Note 19)	-	-	1,271	-	-	1,271
Total current assets	**2,673,512**	**3,167,373**	**1,971,077**	**2,724,116**	**3,188,855**	**1,986,036**
Non-current						
Taxes recoverable (Note 7)	198,792	163,897	125,423	198,792	163,897	125,423
Related parties (Note 20)	42,544	-	2,421	-	-	-
Investments (Note 21)	12,448	15,296	10,667	-	-	-
Deferred income tax and social contribution (Note 8)	30,770	10,394	-	30,770	10,394	-
Property, plant and equipment (Note 9)	1,000,818	999,352	971,730	1,008,111	1,004,040	974,124
Lease Right of Use (Note 9)	49,615	-	-	49,615	-	-
Intangible assets	3,016	3,848	2,596	3,077	3,971	2,596
Total non-current assets	**1,338,003**	**1,192,787**	**1,112,837**	**1,290,365**	**1,182,302**	**1,102,143**
Total assets	**4,011,515**	**4,360,160**	**3,083,914**	**4,014,481**	**4,371,157**	**3,088,179**

	Parent Company			Consolidated		
Liabilities and equity	**2023**	**2022**	**01/01/2022**	**2023**	**2022**	**01/01/2022**
		(Restated (Note 2.5))			**(Restated (Note 2.5))**	
Current						
Trade payables (Note 10)	285,833	334,015	442,427	288,763	336,048	445,286
Borrowings, financings and debentures (Note 11)	549,362	251,295	91,688	549,362	259,160	91,688
Derivative financial instruments (Note 19)	656	2,436	790	656	2,436	790
Lease (Note 12)	16,960	-	-	16,960	-	-
Salaries and social security charges	43,907	41,278	34,745	43,924	41,364	34,771
Taxes payable	55,572	62,346	10,324	55,591	63,359	11,323
Advances from customers (Note 5)	739,034	1,246,346	105,570	739,034	1,246,346	105,701
Dividends payable	-	-	15,782	-	-	15,782
Other accounts payable	1,289	7,293	3,942	1,289	7,293	4192
Total current liabilities	**1,692,613**	**1,945,009**	**705,268**	**1,695,579**	**1,956,006**	**709,533**
Non-current						
Borrowings, financings and debentures (Note 11)	1,146,231	1,557,566	1,367,056	1,146,231	1,557,566	1,367,056
Lease (Note 12)	34,413	-	-	34,413	-	-
Deferred income tax and social contribution (Note 8)	-	-	11,998	-	-	11,998
Total non-current liabilities	**1,180,644**	**1,557,566**	**1,379,054**	**1,180,644**	**1,557,566**	**1,379,054**
Total liabilities	**2,873,257**	**3,502,575**	**2,084,322**	**2,876,223**	**3,513,572**	**2,088,587**
Equity (Note 13)						
Capital stock	855,102	815,102	815,102	855,102	815,102	815,102
Capital reserve	347,938	463	396	347,938	463	396
Profit reserve	78,261	80,892	202,882	78,261	80,892	202,882
Accumulated losses	(104,439)	-	-	(104,439)	-	-
Equity valuation adjustment	(56)	703	1,531	(56)	703	1,531
(-) Treasury shares	(38,548)	(39,575)	(20,319)	(38,548)	(39,575)	(20,319)
Total equity	**1,138,258**	**857,585**	**999,592**	**1,138,258**	**857,585**	**999,592**
Total liabilities and equity	**4,011,515**	**4,360,160**	**3,083,914**	**4,014,481**	**4,371,157**	**3,088,179**

The accompanying notes are an integral part of the financial statements.

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

Income Statement
Years ended on December 31
In thousands of Brazilian reais, unless stated otherwise

	Parent Company		Consolidated	
	2023	2022 (Restated)	2023	2022 (Restated)
Net operating income (Note 14)	**2,756,069**	**2,854,429**	**2,831,915**	**2,911,749**
Cost of goods sold (Note 15)	**(2,372,425)**	**(2,604,067)**	**(2,442,913)**	**(2,649,461)**
Gross profit	**383,644**	**250,362**	**389,002**	**262,288**
Operating profit (expenses):				
Selling, general and administrative expenses (Note 16)	**(108,618)**	**(97,313)**	**(116,205)**	**(104,744)**
Other operating income (expenses), net (Note 17)	**(11,745)**	**20,295**	**(8,284)**	**23,719**
Equity pick-up (Note 22)	**(2,089)**	**5,457**	**-**	**-**
Result before financial revenues and expenses	**261,192**	**178,801**	**264,513**	**181,263**
Financial revenues (Note 18)	124,519	183,547	122,650	183,555
Financial expenses (Note 18)	(512,654)	(504,731)	(514,000)	(505,751)
	(388,135)	**(321,184)**	**(391,350)**	**(322,196)**
Earnings before income tax and social contribution	**(126,943)**	**(142,383)**	**(126,837)**	**(140,933)**
Current income tax and social contribution (Note 8)	**-**	**-**	**(106)**	**(1,450)**
Deferred income tax and social contribution (Note 8)	**20,376**	**22,391**	**20,376**	**22,391**
Net loss for the year	**(106,567)**	**(119,992)**	**(106,567)**	**(119,992)**
Loss attributable	**(106,567)**	**(119,992)**	**(106,567)**	**(119,992)**
to shareholders and controllers	**(106,567)**	**(119,992)**	**(106,567)**	**(119,992)**
Number of shares in the year	**1,224,460**	**747,791**	**1,224,460**	**747,791**
ON - Registered common shares	**1,224,460**	**747,791**	**1,224,460**	**747,791**
Basic loss per share – R$ (Note 25)	**(0.0870)**	**(0.1605)**	**(0.0870)**	**(0.1605)**
Diluted loss per share – R$ (Note 25)	**(0.0870)**	**(0.1605)**	**(0.0870)**	**(0.1605)**

The accompanying notes are an integral part of the financial statements.

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

Statement of comprehensive income
Years ended on December 31
In thousands of reais

	Parent Company and Consolidated	
	2023	**2022 (Restated)**
Loss for the year	**(106,567)**	**(119,992)**
Other comprehensive income (loss)		
Exchange gains/losses from foreign investees (Note 22)	**(759)**	**(828)**
Total comprehensive income	**(107,326)**	**(120,820)**

The accompanying notes are an integral part of the financial statements.

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

Statement of changes in equity (Parent Company and Consolidated)
Years ended on December 31
In thousands of reais

			Profit reserves							
	Capital stock	Capital reserve	Legal reserve	Profit reserve	Retained profit	Tax incentive reserve	Treasury shares	Accumulated losses	Equity valuation adjustment	Total
Balances on December 31, 2021	815,102	396	16,219	47,346	61,056	78,261	(20,319)	-	1,531	999,592
Loss for the year								(119,992)		(119,992)
Profit reserves consumed by the loss reported in the year			(13,588)	(45,348)	(61,056)			119,992		-
Shares acquired in treasury (Note 13)							(22,404)			(22,404)
Exercise of third-party stock option plan		(1,150)					1,150			-
Third-party stock option plan (Note 13)		811								811
Employees' stock option plan (Note 13)		406								406
Loss on shares sold				(1,998)			1,998			-
Exchange gains/losses from foreign investees (Note 22)									(828)	(828)
Balances on December 31, 2022 - Restatement	815,102	463	2,631	-	-	78,261	(39,575)	-	703	857,585
Loss for the year								(104,439)		(104,439)
Legal reserve consumed by the loss reported in the year			(2,128)							(2,128)
Capital Increase (Note 13)	40,000	360,000								400,000
Share issue expenses (Note 13)		(12,729)								(12,729)
Exercise of third-party stock option plan		(524)					524			-
Third-party stock option plan (Note 13)		518								518
Employees' stock option plan (Note 13)		210								210
Loss on shares sold			(503)				503			-
Exchange gains/losses from foreign investees (Note 22)									(759)	(759)
Balances on December 31, 2023	855,102	347,938	-	-	-	78,261	(38,548)	(104,439)	(56)	1,138,258

The accompanying notes are an integral part of the financial statements.

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

Cash Flow Statement
Years ended on December 31
In thousands of reais

	Parent Company		Consolidated	
	2023	2022 (Restated)	2023	2022 (Restated
Cash flow from operating activities				
Loss before income tax	**(126,943)**	**(142,383)**	**(126,837)**	**(140,933)**
Adjustments to reconcile net income to cash (used in) generated by operating activities:				
Depreciation and amortization	61,355	52,919	62,268	53,360
Right-of-use depreciation	2,919	-	2,919	-
Net result from the sale of property, plant, and equipment	-	2,305	36	2,305
Equity pick-up (Note 22)	2,089	(5,457)	-	-
Share-based compensation plan	1,232	1,216	1,232	1,216
Loss on shares sold	(503)	-	(503)	-
Exchange variation of borrowings and financing	-	-	1,665	669
Exchange variation on financial instruments	(1,780)	24,111	(1,780)	24,111
Lease interest	407	-	407	-
Financial expenses - net	252,601	224,406	252,746	224,445
	191,377	157,117	192,153	165,173
Changes in assets and liabilities				
Trade receivables	375,838	(925,327)	351,127	(939,562)
Inventories	(22,400)	(222,765)	(20,441)	(224,836)
Taxes recoverable	63,875	(31,372)	63,615	(31,318)
Other receivables	35,467	(75,205)	35,273	(76,302)
Suppliers	(48,182)	67,397	(47,029)	67,423
Labor and social security obligations	2,629	6,534	2,560	6,591
Taxes payable	(6,775)	52,023	(7,846)	50,640
Advances from customers	(507,311)	1,140,776	(507,308)	1,140,644
Other accounts payable	(6,002)	3,351	(5,905)	3,360
Cash generated by operating activities	**78,516**	**172,529**	**56,199**	**161,813**
Interest paid on borrowings and financing (Note 11)	(254,600)	(175,112)	(254,783)	(175,112)
Interest payment - lease (Note 12)	(207)	-	(207)	-
Net cash invested in operating activities	**(176,291)**	**(2,583)**	**(198,791)**	**(13,299)**
Cash flows from investing activities				
Acquisition of property, plant, and equipment (Note 9)	(61,490)	(82,190)	(65,514)	(85,064)
Amount received from the sale of property, plant, and equipment	-	514	117	514
Acquisition of intangible assets	(499)	(2,424)	(499)	(2,558)
Net cash used in investing activities	**(61,989)**	**(84,100)**	**(65,896)**	**(87,108)**
Cash flows from financing activities				
Borrowings (Note 11)	93,000	500,000	93,000	507,941
Borrowings amortized (Note 11)	(160,000)	(195,000)	(167,589)	(195,000)
Repurchase of debenture (Note 11)	(44,270)	-	(44,270)	-
Transaction costs related to funding	-	(4,177)	-	(4,177)
Lease payments (Note 12)	(1,361)	-	(1,361)	-
Dividend distribution	-	(15,781)	-	(15,781)
Funds raised in the issue of new shares (Note 11)	400,000	-	400,000	-
Share issue expenses (Note 11)	(12,729)	-	(12,729)	-
Share buyback	-	(22,404)	-	(22,404)
Related parties	(34,124)	(4,729)	-	-
Net cash generated by financing activities	**240,516**	**257,909**	**267,051**	**270,579**
Addition to cash and cash equivalents	**2,236**	**171,226**	**2,364**	**170,172**
Cash and cash equivalents at the beginning of the year	1,055,340	884,114	1,061,718	892,933
Exchange gain (loss) on cash and secured accounts	-	-	(560)	(1,387)
Cash and cash equivalents at the end of the year	1,057,576	1,055,340	1,063,522	1,061,718
Addition to cash and cash equivalents	**2,236**	**171,226**	**2,364**	**170,172**

The accompanying notes are an integral part of the financial statements.

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

Value added statement
Years ended on December 31
In thousands of reais, unless stated otherwise

	Parent Company		Consolidated	
	2023	2022 (Restated	2023	2022 (Restated)
Revenues				
Sale of goods, products, and services	3,047,446	3,140,962	3,123,074	3,198,690
Other revenues	8,653	33,778	9,239	34,731
	3,056,099	**3,174,740**	**3,132,313**	**3,233,421**
Inputs acquired from third parties				
Costs of products and goods sold and services rendered	(1,943,253)	(2,227,426)	(2,012,901)	(2,271,150)
Materials, electricity, outsourced services, and others	(66,122)	(203,452)	(65,348)	(203,472)
	(2,009,375)	**(2,430,878)**	**(2,078,249)**	**(2,474,622)**
Gross value added	**1,046,724**	**743,862**	**1,054,064**	**758,799**
Retentions				
Depreciation and amortization	**(64,274)**	**(52,919)**	**(65,187)**	**(53,360)**
Net value added produced	**982,450**	**690,943**	**988,877**	**705,439**
Value added received in transfer				
Equity pick-up	(2,089)	5,457	-	-
Financial revenues	124,519	186,972	124,599	186,980
Value added to be distributed	**1,104,880**	**883,372**	**1,113,476**	**892,419**
Value added distribution				
Personnel and charges	**362,318**	**341,325**	**367,351**	**346,439**
Direct compensation	236,789	235,286	241,608	239,864
Benefits	105,847	86,705	106,061	87,241
FGTS	19,682	19,334	19,682	19,334
Taxes, fees, and contributions	**334,713**	**130,664**	**334,808**	**132,809**
Federal	334,509	127,510	334,716	129,636
State	116	3,086	4	3,105
Municipal	88	68	88	68
Remuneration of third-party capital	**514,416**	**531,375**	**517,884**	**533,163**
Interest	512,654	504,730	515,949	505,750
Rentals	1,762	26,645	1,935	27,413
Value distributed to shareholders	**(106,567)**	**(119,992)**	**(106,567)**	**(119,992)**
Loss for the year	(106,567)	(119,992)	(106,567)	(119,992)
	1,104,880	**883,372**	**1,113,476**	**892,419**

The accompanying notes are an integral part of the financial statements.

1. Operations

Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. is a Brazilian publicly held corporation created in August 2010, with shares traded on the Novo Mercado segment of B3 - São Paulo Stock Exchange, under the ticker "AERI3". It is headquartered at Rodovia CE 155, Km 02 - Pecém Industrial and Port Complex, in the city of Caucaia, state of Ceará, and has a strategic location. The plant was constructed in this region due to lower logistics costs, as nearly 50% of Brazil's wind potential is less than 500 km from the plant, as well as its proximity to the Pecém Port, which is used both for the export of wind blades and receipt of inputs via import or cabotage. The Company's purpose is the construction and sale of rotor blades of turbines for wind power generation, the rendering of services related to its business purpose to third parties and holding equity interest in other companies as a shareholder or member of a limited-liability company.

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

The Company's Management currently assesses the financial position and profitability. On December 31, 2023 and 2022, the Company and its subsidiary reported a significant current capital, in addition to a cash generation compatible with short-term debt commitments.

As described in Note 13, in 2023, the Company concluded the primary offering of shares for capital increase, totaling R$400.0 million, and the resulting capitalization allowed for reducing net debt by R$124.7 million.

Furthermore, as described in Note 26, on January 08, 2024, the Company and Vestas signed a new agreement ("Contractual Agreement") through which, among other matters, they negotiated the new extension of the validity of the Supply Agreement by the end of 2028. Considering the terms of the Contractual Amendment, and subject to specific conditions, including Vestas' effective demand, it is expected an increase in the potential orders of turbine blades of multiple models with a capacity equivalent to 8.8 gigawatts (already considering the renegotiation of volumes contracted for 2024), which, if materialized, could result in a net revenue increase of up to R$7.6 billion by the end of the Supply Agreement.

Effects arising from the conflict between Israel and Hamas

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

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

(i) <u>People</u>: Aeris does not have employees or any operating units located in the conflict region.
(ii) <u>Inputs</u>: the Company did not identify any short- and long-term risk of a possible interruption or shortage in the supply of inputs for its activities.

(iii) Commercial: until now, the Company maintains its operations and services, as planned, to its customers in all its activities and sectors.

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

Risks related to climate change and the sustainability strategy

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

Basis of preparation

2.1 Statement of compliance

The parent company and consolidated financial statements have been prepared according to the accounting practices adopted in Brazil, including the accounting pronouncements, interpretations, and guidelines issued by the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)) (currently named by the IFRS Foundation as IFRS® Accounting Standards, including the interpretations issued by the IFRS Interpretations Committee (IFRIC® Interpretations) or the Standing Interpretations Committee (SIC® Interpretations), and show all the relevant information proper of the financial information, and this information alone, which is consistent with that used by the Company’s Management in the management process.

The Company’s Management authorized the issue of these financial statements on February 21, 2024, including subsequent events that occurred to date that could affect these financial statements, when required.

2.2 Functional and presentation currency

The parent company and consolidated financial statements are presented in Brazilian reais, which is the Company’s functional currency. In all financial statements presented in Brazilian reais, the amounts were rounded to the nearest thousand, unless otherwise indicated.

i. Foreign operations

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

2.3 Significant accounting judgments, estimates, and assumptions

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

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

Assets and liabilities subject to critical estimates and assumptions are described in Note 3.16.

2.4 Value added statement

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

2.5 Restatement of the comparative figures

The Company notes that in line with the provisions of Note 3.9 to the Quarterly Financial Information (ITR) referring to the quarter ended on September 30, 2023 (3Q23), it reviewed its revenue recognition accounting policy regarding the manufacturing of wind turbine blades to enhance the criteria determining the fulfillment of the performance obligation for revenue recognition.

Based on the accounting criterion previously adopted by the Company, revenue recognition occurred at the time of the formal acceptance protocol by the customer of the product, based on the established technical, commercial, and contractual conditions, thus recognizing revenue at the time of physical transfer of the product.

However, the processes for manufacturing wind turbine blades are carried out according to each customer's engineering project, with control over the product's intellectual property, highly customized, and without alternative use, among other aspects. The wind turbine blades are considered ready when the final production stage called demolding occurs, at which point the blade production is completed. From this moment on, the Company does not fulfill any performance obligation, and the asset remains available to the customer awaiting the customer's decision to withdraw the finished product (wind turbine blades) for installation in the customer's asset.

According to CPC 47 / IFRS 15 - Revenue from Contracts with Customers, the aforementioned facts and circumstances show that it is a transaction with "Bill-and-Hold" characteristics, where the concept of transferring control of the asset is distinct from the transfer of physical possession of the asset to the customer. After the demolding of the wind turbine blades, the customer can direct the use of the product and substantially obtain all remaining benefits of the product, even if they have decided not to exercise their right to take physical possession of the asset after its completion.

Therefore, the current assessment of the facts and circumstances shows that the appropriate time for revenue recognition from the manufacturing of wind turbine blades occurs at demolding, from which point there are no more performance obligations to be fulfilled by the Company, only awaiting the customer's instructions for product withdrawal.

The Company emphasizes that the aforementioned change in the accounting policy is made voluntarily. In this regard, we emphasize that the change is not due to the existence of any error or improper application of CPC 47 - Revenue from Contracts with Customers, and aims only to promote, under accounting standards and the current reality of the Company's business, a more faithful presentation of revenue recognition from the sale of wind turbine blades in the financial statements.

In this context, considering the change now made, the Company observes that, under CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, it provides the relevant retrospective adjustments to the opening balance of each item of equity. For reference, this Note contains comparative tables of the figures on December 31, 2022, showing the adjustments resulting from the application of the new accounting policy.

Additionally, the Company points out that, for the year ended December 31, 2023, it also presented the "Customers" and "Advance from Customers" accounts separately, for a better presentation of the balances held in each of the lines. Until the previous fiscal year, this information was being presented in a grouped manner.

In thousands of reais, unless stated otherwise

a) Statement of Financial Position

	Parent Company			Consolidated		
	December 31, 2022			December 31, 2022		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Statement of Financial position						
Asset						
Current	2,597,605	569,768	3,167,373	2,597,564	591,291	3,188,855
Trade receivables	-	1,044,825	1,044,825	-	1,066,348	1,066,348
Inventories	1,301,108	(475,057)	826,051	1,303,250	(475,057)	828,193
Non-current	1,187,878	4,909	1,192,787	1,177,393	4,909	1,182,302
Deferred income tax and social contribution	5,485	4,909	10,394	5,485	4,909	10,394
Total assets	3,785,483	574,677	4,360,160	3,774,957	596,200	4,371,157
Liabilities and equity						
Current	1,343,049	601,960	1,945,009	1,332,523	623,483	1,956,006
Taxes payable	17,206	45,140	62,346	18,219	45,140	63,359
Advances from customers	689,526	556,820	1,246,346	668,003	578,343	1,246,346
Equity	884,868	(27,283)	857,585	884,868	(27,283)	857,585
Profit reserve	108,175	(27,283)	80,892	108,175	(27,283)	80,892
Total liabilities and equity	3,785,483	574,677	4,360,160	3,774,957	596,200	4,371,157

In thousands of reais, unless stated otherwise

b) Income Statement for the Year

	Parent Company			Consolidated		
	December 31, 2022			December 31, 2022		
	Original	Adjust ment	Restated	Original	Adjust ment	Restated
Income Statement						
Net operating income	2,411,564	442,865	2,854,429	2,468,884	442,865	2,911,749
Cost of goods sold	(2,129,010)	(475,057)	(2,604,067)	(2,174,404)	(475,057)	(2,649,461)
Gross profit	282,554	(32,192)	250,362	294,480	(32,192)	262,288
Result before financial revenues and expenses	210,993	(32,193)	178,800	213,455	(32,193)	181,262
Earnings before income tax and social contribution	(110,191)	(32,193)	(142,384)	(108,741)	(32,193)	(140,934)
Deferred income tax and social contribution	17,482	4,909	22,391	17,482	4,909	22,391
Net loss for the period	(92,709)	(27,283)	(119,992)	(92,709)	(27,283)	(119,992)
Number of shares in the period	747,791		747,791	747,791		747,791
ON - Registered common shares	747,791		747,791	747,791		747,791
Basic loss per share – R$	(0.1240)	(0.0365)	(0.1605)	(0.1240)	(0.0365)	(0.1605)
Diluted loss per share – R$	(0.1240)	(0.0365)	(0.1605)	(0.1240)	(0.0365)	(0.1605)

In thousands of reais, unless stated otherwise

c) Statement of Comprehensive Income

	Parent Company			Consolidated		
	December 31, 2022			December 31, 2022		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Statement of comprehensive income						
Net income for the period	(92,709)	(27,283)	(119,992)	(92,709)	(27,283)	(119,992)
Total comprehensive income	(93,537)	(27,283)	(120,820)	(93,537)	(27,283)	(120,820)

d) Statement of Changes in Equity

	December 31, 2022		
	Original	Adjustment	Restated
Statement of changes in equity			
Legal reserve	16,219	(13,588)	2,631
Retained profit	13,695	(13,695)	-
Balances on December 31, 2022	884,868	(27,283)	857,585

In thousands of reais, unless stated otherwise

e) Cash Flow Statements

	Parent Company			Consolidated		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Loss before income tax						
Loss before income tax	(110,191)	(32,192)	(142,383)	(108,741)	(32,192)	(140,933)
Changes in assets and liabilities						
Trade receivables	13,929	(939,256)	(925,327)	21,160	(960,722)	(939,562)
Inventories	(697,822)	475,057	(222,765)	(699,893)	475,057	(224,836)
Taxes payable	6,882	45,141	52,023	5,499	45,141	50,640
Advances from customers	689,526	451,250	1,140,776	667,928	472,716	1,140,644

In thousands of reais, unless stated otherwise

f) Value Added Statement

	Parent Company			Consolidated		
	Original	**Adjustment**	**Restated**	**Original**	**Adjustment**	**Restated**
Revenues						
Sale of goods, products, and services	2,652,957	488,005	3,140,962	2,710,685	488,005	3,198,690
Inputs acquired from third parties						
Costs of products and goods sold and services rendered	(1,752,369)	(475,057)	(2,227,426)	(1,796,093)	(475,057)	(2,271,150)
Taxes, fees, and contributions						
Federal	87,279	40,231	127,510	89,405	40,231	129,636
Value distributed to shareholders						
Loss for the year	(92,709)	(27,283)	(119,992)	(92,709)	(27,283)	(119,992)

3. Main accounting policies

The accounting policies adopted by the Company and its subsidiary are described in specific Notes related to the items presented. Those generally applicable in different aspects of the parent company and consolidated financial statements are described below.

It is worth noting that such accounting policies have been consistently applied to all periods presented in these financial statements.

3.1 Foreign-currency transactions

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

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

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

3.2 Financial Instruments

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

The Company's and its subsidiary'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 profit or loss.

i. Measured at amortized cost

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

ii. Measured at fair value through profit or loss

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

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

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 to meet short-term commitments rather than for investments or other purposes. The Company and its subsidiary consider as cash equivalents any financial investment that can be immediately translated into a known cash amount and that is subject to an insignificant risk of change in value. Consequently, an investment usually qualifies as cash equivalent when it has a short-term maturity of, for example, three months or less from its contractual date.

3.4 Trade receivables

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

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

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

3.5 Inventories

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

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

3.6 Property, plant, and equipment

Property, plant, and equipment are 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 when the recognition criteria are met. When significant property, plant, and equipment items are replaced, the Company recognizes these items as individual assets with specific useful lives and depreciation. Likewise, when a relevant inspection is carried out, its cost is recognized in the book value of the property, plant, and equipment item, if the recognition criteria are met. All other repair and maintenance costs are recognized in the income statement when they are incurred.

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

	Annual depreciation rates %	
	2023	**2022**
Machinery and equipment	12.49%	9.28%
Furniture	10.12%	10.00%
Right-of-use	33.33%	-
Hardware	23.86%	20.00%
Vehicles	24.00%	20.00%
Facilities and leasehold improvements	1.72%	1.71%
Facilities	17.70%	17.00%
Tools	26.77%	20.00%
Aircraft	5.00%	10.00%

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 income statement for the fiscal year 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.

In the fiscal year ended in 2023, the Company reassessed the useful life of machinery, equipment, buildings, and aircraft using technical reports prepared for such purposes. This review provides a more accurate understanding of the depreciation rate of the Company's assets.

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 borrowings and general and specific debt security issues 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 Leases

The Company evaluates, at the commencement date, whether the contract conveys the right to control the use of an identified asset for a specified period, i.e., whether the contract is or contains a lease. The implicit discount rate to be applied is determined by the implicit rate in the lease, and if not determinable, the lessee's incremental borrowing rate will be used. The lessee's incremental borrowing rate is the interest rate that it would have to pay to borrow funds to acquire an asset similar to the leased asset, for a similar term and under similar economic conditions.

The Company recognizes the right-of-use asset and lease liability at the commencement date of the lease.

3.10 Revenue recognition

Revenue is recognized only if it is probable that the Company and its subsidiaries will generate economic benefits that can be reliably measured. In September 2023, the Company decided to improve its revenue recognition policy, changing the criterion that defines compliance with the performance obligation to determine when revenue recognition should occur.

The change in accounting policy adopted by the Company retrospectively affected the determination of revenue in the current and comparative balances, and therefore, the comparative figures are being restated, according to Note 2.5.

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

The Company and its subsidiary evaluate revenue transactions under specific criteria to determine whether it is acting as an agent or principal, and it ultimately concluded that it is acting as a principal in all its revenue agreements. The specific criteria below must also be met before revenue is recognized:

Sale of products

The operating income from the sale of goods on the normal course of activities is measured at the fair value of the consideration received or receivable. Operating income is recognized when the performance obligation is fulfilled by the Company.

Service rendering

The Company has a special division (Aeris Service LLC) that uses knowledge and infrastructure in the manufacturing of blades, which was created to offer the turbine O&M market a distinguished service. Service revenue is effectively recognized when the performance obligation is fulfilled by the Company and its subsidiary, upon measuring the services provided to customers.

Sale of tools

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

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

Other revenue

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

3.11 Taxes

Current income tax and social contribution

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

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

Deferred income tax and social contribution

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

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

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

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

Taxes on purchases:

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

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

Taxes on sales:

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

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

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

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

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

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

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

Tax reform on consumption

On December 20, 2023, Constitutional Amendment ("EC") 132 was enacted, establishing the Tax Reform ("Reform") on consumption. Several issues, including the rates of the new taxes, are still pending regulation by Complementary Laws ("LC"), which must be submitted for evaluation by the National Congress within 180 days.

The model of the Reform is based on a split VAT ("dual VAT") at two levels, one federal (Contribution on Goods and Services - CBS) and one sub-national (Tax on Goods and Services - IBS), which will replace the PIS, COFINS, ICMS, and ISS taxes.

A Selective Tax ("IS") - of federal competence, which will apply to the production, extraction, trade, or importation of goods and services harmful to health and the environment, under LC.

There will be a transition period from 2024 to 2032, during which the two tax systems - old and new - will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known upon the completion of the process of regulating pending issues by LC. Consequently, there is no effect of the Reform on the financial statements on December 31, 2023.

Global implementation of OECD "Pillar Two" model rules

In December 2021, the Organization for Economic Cooperation and Development ("OECD") released the rules of the Pillar Two model aiming to reform international corporate taxation to ensure that multinational economic groups within the scope of these rules pay tax on minimum effective profit at a rate of 15%. The effective tax rate on the profit of each country, calculated in this model, was named "GloBE effective tax rate" or GloBE effective rate. These rules must be approved by the local legislation of each country, with some already enacting new laws or being in the process of discussion and approval. The application of the rules and the determination of the impact will likely be very complex, posing a series of practical challenges.

In May 2023, the IASB issued scope amendments to IAS 12, "Income Taxes" to allow for temporary exemption from the recognition of deferred taxes resulting from legislation enacted or substantially enacted in the implementation of OECD Pillar Two.

As of the present date, Brazil has not yet endorsed the rules of the Pillar Two model in its local legislation. The Company expects not to be materially affected by these rules since, as shown in Note 08 - Income Tax and Social Contribution, the Group's consolidated effective tax rate is higher than 15%.

3.12 Government grants and assistance

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

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

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

3.13 Borrowing cost for equity

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

3.14 Provisions

Provisions are recognized when the Company and its subsidiary have a present obligation (legal or constructive) arising from 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 subsidiary 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 refund is virtually certain.

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

3.15 New standards, interpretations, and amendments effectively applied after January 1, 2023

The following guidelines and changes to standards have been issued by the IASB and are in effect for the 2023 fiscal year, with no significant impact on these Financial Statements.

- **IFRS 17 "Insurance Contracts"**: All entities, including those that are not insurers, will also need to consider whether they have entered into any contracts that meet the definition of insurance contracts and therefore may be affected by the adoption of this new standard. When this is the case, users of the financial statements can expect to see some information about the entity's assessments, even if the entity has concluded that the impact was not material. For these entities, please refer to the following references in our global digital platform for specific disclosures required by IFRS 17, which are not covered in these illustrative financial statements.

- **Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies:** in February 2021, the IASB issued a new amendment to IAS 1 regarding the disclosure of "material" accounting policies instead of "significant" accounting policies. The changes define what is "material information on accounting policies" and explain how to identify it. It also clarifies that non-material information on accounting policies does not need to be disclosed, but if it is disclosed, it should not omit relevant accounting information. To support this change, IASB has also amended "IFRS Practice Statement 2 - Making Materiality Judgments" to provide guidance on how to apply the materiality concept when disclosing accounting policies.

Amendment to IAS 8 - Accounting Policies, Change in Estimates, and Rectification of Errors: this amendment was issued in February 2021, and clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current accounting year.

Amendment to IAS 12 – Income Taxes: this amendment was issued in May 2021, and requires companies to recognize deferred tax on transactions that, when initially recognized, result in equal temporary differences for taxable and deductible amounts. This typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, as examples, and will require additional deferred tax assets and liabilities to be recognized.

There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that could cause a significant impact on the Company's financial statements.

3.16 Significant accounting judgments, estimates and assumptions

Judgements

The preparation of the Company’s and its subsidiary’s financial statements requires Management to make judgments, use estimates and adopt assumptions affecting the stated amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, on the date of the financial statements. In the process of applying the Company's accounting policies, Management has made the following judgments, which have a more material impact on the amounts recognized in the financial statements:

Estimates and assumptions

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

Tax credit impairment losses

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

Management has plans for the future realization of said ICMS credits, with some alternatives for the realization that include, but are not limited to, (i) developing new business activities whose exit is still subject to ICMS in 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; (ii) requesting approval and reimbursement of the aforementioned tax credits with tax authorities; and (iii) other possible measures.

Deferred income tax and social contribution

The Company’s Management periodically assesses the deferred tax asset is recoverable considering the estimated future taxable profit projections based on approved business plans and budgets, and the actual realization of the provisions.

Derivative financial instruments

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

Leases payable

The Company evaluates, at the commencement date, whether the contract conveys the right to control the use of an identified asset for a specified period, i.e., whether the contract is or contains a lease. The implicit discount rate to be applied is determined by the implicit rate in the lease, and if not determinable, the lessee's incremental borrowing rate will be used. The lessee's incremental borrowing rate is the interest rate that it would have to pay to borrow funds to acquire an asset similar to the leased asset, for a similar term and under similar economic conditions.

Useful life of property, plant, and equipment

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

The following assumptions have been used:

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

Share-based compensation 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 year it is being reported.

Recognition of wind blade revenues

As mentioned in Note 2.5, starting from the third quarter of 2023, the Company concluded that wind turbine blade sales transactions to its customers comply with the business model known as Bill and Hold. According to the accounting practice, the concept of transferring control of the asset is distinct from transferring physical possession of the asset to the customer.

After the demolding of the wind turbine blades, the customer can direct the use of the product and substantially obtain all remaining benefits of the product, even if they have decided not to exercise their right to take physical possession of the asset after its completion. Therefore, the accounting recognition of revenue from blade sales occurs upon the completion of the wind turbine blade demolding process and remains available for delivery when the customer determines the product's shipment.

Management considers this to be a critical estimate given the specific characteristics of revenue recognition at the time of the transfer of control, which is distinct from the time of transferring possession of the asset to the customer.

In thousands of reais, unless stated otherwise

3.17 Consolidation

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

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

Transactions, balances, and unrealized gains on intra-group transactions are eliminated.

Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are changed, when necessary, to ensure consistency with the policies adopted by the Group.

4. Cash and cash equivalents

	Parent Company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Cash	64	72	64	72
Banks	1,168	9,022	7,114	15,400
Financial investments	1,056,344	1,046,246	1,056,344	1,046,246
	1,057,576	**1,055,340**	**1,063,522**	**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.

On December 31, 2023 and December 31, 2022, these financial investments refer to Bank Deposit Certificates and Commitments yielding the average rate of 100% and 101.5% of the CDI, respectively. These are short-term, highly liquid investments readily convertible into a known cash amount and subject to a remote risk of change in value.

In thousands of reais, unless stated otherwise

5. Trade receivables and Advances from customers

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Sale of blades	570,066	1,020,567	570,066	1,020,567
Rendering of services	98,921	24,258	143,334	45,781
Total trade receivables	**668,987**	**1,044,825**	**713,400**	**1,066,348**

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Advances from customers	(739,034)	(1,246,346)	(739,034)	(1,246,346)
Total Advances from customers	**(739,034)**	**(1,246,346)**	**(739,034)**	**(1,246,346)**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Falling due	650,970	982,240	684,464	999,489
Overdue:				
Up to 30 days	12,930	61,201	14,827	62,516
From 31 to 60 days	1,996	492	9,937	1,833
From 61 to 90 days	3,091	892	4,172	2,510
	668,987	**1,044,825**	**713,400**	**1,066,348**

In thousands of reais, unless stated otherwise

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

On December 31, 2023, advances from customers corresponded to amounts received in advance from the Company's customers according to business transactions referring to the manufacturing of blades. On December 31, 2023, the balance was R$739,034 (R$1,246,346 on December 31, 2022) in the parent company and consolidated. Such amounts will be offset with future revenue over one year and the balance will be recorded in current liabilities.

6. Inventories

	Parent Company		Consolidated	
	2023	2022 (Restated)	2023	2022 (Restated)
Raw material	259,210	459,043	259,210	459,043
Products being prepared	408,127	170,370	408,127	170,370
Supplemental material	49,277	80,836	49,409	81,029
Finished products	91,331	53,473	91,331	53,473
Maintenance materials	32,279	30,537	32,279	30,537
Safety material	1,938	1,226	1,938	1,226
Other	6,289	30,566	6,289	32,515
	848,451	**826,051**	**848,583**	**828,193**

The reduction in raw material inventory, of R$199,833 (parent company and consolidated) on December 31, 2023, can be attributed to several variables. Primarily, the influence of the production line's maturity played a predominant role in the decrease. Additionally, a significant optimization was observed in the average storage period, while the mitigation of impacts on production capacity utilization, stemming from adjustments in projects by a strategic customer, played a relevant role in the inventory dynamics throughout 2023. It is worth noting that purchase orders aimed at suppliers are formalized in advance, typically 4 to 6 months before the availability of raw materials in inventory.

In the context of work in progress and finished product inventories, there was a global increase of R$275,615 on December 31, 2023 (parent company and consolidated). This fluctuation is mainly driven by the increase in the volume of production of intermediate parts that proceed to the demolding process. Additionally, there was an extension of the production cycle in some already mature lines.

Inventory cost calculation is performed using the weighted average cost method, encompassing all relevant expenses such as transportation, storage, non-recoverable taxes, and other charges incurred until inventories reach their final locations and conditions. Regarding products being processed and finished products, costs include not only those related to direct materials and labor but also overhead manufacturing expenses aligned with normal production capacity.

In thousands of reais, unless stated otherwise

On December 31, 2023, the cost of inventories recorded in profit (loss) and included in "Cost of sales" totaled R$(2,372,425) and R$(2,442,913) in the parent company and consolidated view, respectively. In 2022, these amounts totaled R$(2,604,067) and R$(2,649,461) in the parent company and consolidated view, respectively.

It is a policy of the Company and its subsidiary to assess inventory obsolescence by controlling the expiration date of the items and analyzing items that have not been sold. Based on the best estimates, the Company and its subsidiary have not identified obsolete items in inventory on December 31, 2023 and 2022. This is mainly because the Company operates under a Make to Order ("MTO") demand system, that is, production is carried out exclusively for each customer, combined with a thorough 'phase in' and 'phase out' product monitoring process.

7. Taxes recoverable

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
ICMS (a)	198,792	163,897	198,792	163,897
IPI (b)	19,904	45,053	19,904	45,053
PIS (c)	1	13,547	1	13,547
COFINS (c)	7	60,339	7	60,339
IRPJ / CSLL (de)	16,366	13,798	16,366	13,798
Others taxes (e)	1,994	4,305	2,242	4,305
	237,064	**300,939**	**237,312**	**300,939**
Current	**38,272**	**137,042**	**38,520**	**137,042**
Non-current	**198,792**	**163,897**	**198,792**	**163,897**

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

The Company expects to fully recover such credits that are subject to ICMS through sales in the domestic market, sale of credits to third parties (as authorized by the tax authority), as well as through a request for reimbursement in kind to the Ceará State Government, given that these credits do not expire.

The Company's Management has been working hard in new strategic operations to develop new business whose exit is subject to ICMS in segments that have synergy with the Company's current business, such as the manufacturing of components in materials for machinery and equipment that accelerate the energy transition process and other trading alternatives. In 2023, the Company began the accreditation process with the competent authorities for the trade of energy. Operations are expected to start in the first half of 2024.

The Company estimates that these ICMS credits will be realized within, at the most, ten (10) 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 according to the Company's operations.

In thousands of reais, unless stated otherwise

(c) PIS and COFINS credits originate from the purchase of raw materials and inputs used in the Company's production process. With the maturation of the lines and production aimed at the domestic market, the aforementioned credits, totaling R$73,878, were realized in 2023.

(d) IR/CSLL credits refer to the negative tax base created in 2021 and 2023. These will be used with federal tax offsets.

(e) Other taxes refer mainly to IRRF credits on financial investments in 2023, in the amount of R$1,086.

8. Income tax and social contribution

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

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Accounting loss before income tax and social contribution	**(126,943)**	**(142,383)**	**(126,837)**	**(140,933)**
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution based on the combined tax rate	**43,161**	**48,410**	**43,125**	**47,917**
Permanent additions:	**(160,742)**	**(40,579)**	**(160,742)**	**(40,579)**
Non-deductible expenses (i)	**(160,742)**	**(40,579)**	**(160,742)**	**(40,579)**
Permanent exclusions:	**191,021**	**66,253**	**191,021**	**66,253**
Exclusions (ii)	**191,021**	**66,253**	**191,021**	**66,253**
Benefit granted on tax losses, negative basis and temporary differences	**20,376**	**22,391**	**20,270**	**20,941**
Other adjustments (iii):	**(73,440)**	**(74,084)**	**(73,404)**	**(73,591)**
(Current) and deferred income tax and social contribution recorded in profit (loss) for the period after additions/exclusions *34%	**20,376**	**22,391**	**20,270**	**20,941**
Effective rate	**16.05%**	**15.73%**	**15.98%**	**14.86%**

(i) Reversal from the provision of gross revenue adjustment - 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) Creation of the effective rate on tax loss.

In thousands of reais, unless stated otherwise

a) Deferred taxes

	Parent Company and Consolidated	
	2023	**2022 (Restated)**
Deferred Asset		
Deferred IR/CSLL - tax loss	63,117	35,086
Non-deductible provisions/reversal or estimated losses	2,440	1,111
Deferred long-term incentives - ILP	129	85
Share-based compensation	8	161
	65,694	**36,443**
Deferred liabilities		
Gross revenue adjustment	26,124	20,164
Depreciation differences (tax rates x useful life)	8,800	5,885
	34,924	**26,049**
Total Deferred	**30,770**	**10,394**

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 with expectation to be realized in 9 (nine) years.

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

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

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Current				
Income tax	-	-	(106)	(1,450)
	-	**-**	**(106)**	**(1,450)**
Deferred				
Income tax	8,351	8,998	8,351	8,998
Social contribution	12,025	13,393	12,025	13,393
	20,376	**22,391**	**20,376**	**22,391**

c) Uncertainties

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

In thousands of reais, unless stated otherwise

9. Property, plant, and equipment

	Parent Company			
	2023			2022
	Cost	Accumulated depreciation	Net	Net
Construction in progress	67,701	-	67,701	128,789
Machinery and equipment	305,534	(70,230)	235,304	225,955
Right of use	52,534	(2,919)	49,615	-
Furniture	26,810	(10,391)	16,419	17,505
Hardware	11,988	(7,987)	4,001	4,237
Land	68,912	-	68,912	68,912
Vehicles	10,877	(5,806)	5,071	7,149
Facilities and leasehold improvements	568,814	(37,062)	531,752	474,265
Facilities	130,413	(74,498)	55,915	62,384
Tools	13,737	(4,840)	8,897	2,442
Aircraft	10,891	(4,045)	6,846	7,714
	1,268,211	**(217,778)**	**1,050,433**	**999,352**

	Consolidated			
	2023			2022
	Cost	Accumulated depreciation	Net	Net
Construction in progress	67,701	-	67,701	129,134
Machinery and equipment	312,020	(71,065)	240,955	229,396
Right of use	52,534	(2,919)	49,615	-
Furniture	27,103	(10,406)	16,697	17,535
Hardware	12,071	(8,007)	4,064	4,267
Land	68,912	-	68,912	68,912
Vehicles	11,668	(5,940)	5,728	7,220
Facilities and leasehold improvements	568,814	(37,062)	531,752	474,265
Facilities	130,413	(74,498)	55,915	62,384
Tools	15,054	(5,513)	9,541	3,213
Aircraft	10,891	(4,045)	6,846	7,714
	1,277,181	**(219,455)**	**1,057,726**	**1,004,040**

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

Management notes to the financial statements of December 31, 2023
In thousands of reais, unless stated otherwise

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

Parent Company

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Right of use	Aircraft	Total
On January 1, 2022	**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	-	-	-
On 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	57,254	1,156	495	377	-	4	2,143	23	38	52,534	-	114,024
Depreciation	-	(20,110)	(2,523)	(1,685)	-	(2,082)	(9,414)	(20,825)	(2,517)	(2,919)	(868)	(62,943)
Transfers	(118,342)	28,303	942	1,072	-	-	64,758	14,333	8,934	-	-	-
On December 31, 2023	**67,701**	**235,304**	**16,419**	**4,001**	**68,912**	**5,071**	**531,752**	**55,915**	**8,897**	**49,615**	**6,846**	**1,050,433**

In thousands of reais, unless stated otherwise

Consolidated

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Right of use	Aircraft	Total
On January 1, 2022	**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	-	-	-
On 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	(24)	(318)	(7)	(2)	-	(21)	-	-	(52)	-	-	(424)
Additions	57,254	4,078	756	409	-	715	2,143	23	136	52,534	-	118,048
Depreciation	-	(20,648)	(2,538)	(1,696)	-	(2,186)	(9,414)	(20,825)	(2,733)	(2,919)	(868)	(63,827)
Write-offs	(31)	(80)	-	-	-	-	-	-	-	-	-	(111)
Transfers	(118,632)	28,527	951	1,086	-	-	64,758	14,333	8,977	-	-	-
On December 31, 2023	**67,701**	**240,955**	**16,697**	**4,064**	**68,912**	**5,728**	**531,752**	**55,915**	**9,541**	**49,615**	**6,846**	**1,057,726**

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

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

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

Borrowing costs

Capitalized borrowing costs totaled R$179 on December 31, 2023 (R$1,884 on December 31, 2022). The average capitalization rate used was 7.27% p.a.

In thousands of reais, unless stated otherwise

10. Suppliers and Reverse finance operation

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Suppliers	454,582	510,368	457,995	513,581
Advances to suppliers	(168,749)	(176,353)	(169,232)	(177,533)
Total	**285,833**	**334,015**	**288,763**	**336,048**
Reverse Finance Operations	344,672	350,028	344,672	350,028

The balance payable at the end of December 31, 2023, refers mainly to the purchase of raw materials and supplemental production materials. The variation is in line with the production plan for 2024 and the Company's strategy to balance inventory.

The Company has agreements signed with partner banks to structure reverse finance operations with its main suppliers, in which it allocates part of its global limit for this product, allowing suppliers to prepay their receivables related to the purchase of the Company's goods and services.

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

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

In thousands of reais, unless stated otherwise

11. Borrowings, financing, and debentures

					Parent Company		Consolidated	
Description		**Index**	**Interest (%p.a.)***	**Maturity ****	**2023**	**2022**	**2023**	**2022**
Domestic currency								
	Working capital	CDI	1.50%	11/20/2024	114,617	275,167	114,617	275,167
	Financing	CDI	1.20%	04/15/2024	153,245	152,558	153,245	152,558
	Financing	TLP	7.49%	08/15/2026	96,743	-	96,743	-
	Debentures	CDI	2.00%	07/31/2026	1,330,988	1,381,136	1,330,988	1,381,136
Total					**1,695,593**	**1,808,861**	**1,695,593**	**1,808,861**
Foreign currency								
	Working capital	US$ / SOFR	1.50%	05/31/2023	-	-	-	7,865
					-	**-**	**-**	**7,865**
Total					**1,695,593**	**1,808,861**	**1,695,593**	**1,816,726**
	Current				549,362	251,295	549,362	259,160
	Non-current				1,146,231	1,557,566	1,146,231	1,557,566
Total					**1,695,593**	**1,808,861**	**1,695,593**	**1,816,726**

** Interest rate of the last funding*

*** Latest maturity of the contract group*

Debentures

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

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

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

In thousands of reais, unless stated otherwise

In November and December 2023, as part of the Company's financial liability optimization strategy, within the context of debt management, the Company exercised its optional acquisition right, under CVM regulations, especially CVM Resolution 77, of March 29, 2022, and Resolution 80, of March 29, 2022, as amended ("CVM Resolution 80"), as exhibit H to CVM Resolution 80, of the 1st (first) issue of simple, unsecured debentures, not convertible into shares, in a single series, for public distribution with restricted distribution efforts of the Company and the 2nd (second) issue of simple, unsecured debentures, not convertible into shares, in a single series, for public distribution with restricted distribution efforts of the Company. This decision aims at deleveraging debt and optimizing the Company's capital cost.

Changes

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

Parent Company

	Current	Non-current	Total
Balances on December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowing costs	-	500,000	500,000
Issue cost appropriation	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 on December 31, 2022	**251,295**	**1,557,566**	**1,808,861**
Borrowing costs	-	93,000	93,000
Debenture buyback	(44,270)	-	(44,270)
Issue cost appropriation	4,486	-	4,486
Interest and exchange variation	248,116	-	248,116
Principal amortization	(160,000)	-	(160,000)
Interest amortization	(254,600)	-	(254,600)
Transfer	504,335	(504,335)	-
Balances on December 31, 2023	**549,362**	**1,146,231**	**1,695,593**

In thousands of reais, unless stated otherwise

	Consolidated		
	Current	**Non-current**	**Total**
Balances on 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 on December 31, 2022	**259,160**	**1,557,566**	**1,816,726**
Borrowing costs	-	93,000	93,000
Debenture buyback	(44,270)	-	(44,270)
Issue costs	4,486	-	4,486
Interest and exchange variation	248,039	-	248,039
Principal amortization	(167,589)	-	(167,589)
Interest amortization	(254,799)	-	(254,799)
Transfer	504,335	(504,335)	-
Balances on December 31, 2023	**549,362**	**1,146,231**	**1,695,593**

The financial amortization schedule is as follows:

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
2023	-	251,295	-	259,160
2024	549,362	462,342	549,362	462,342
2025	526,615	547,612	526,615	547,612
2026	619,616	547,612	619,616	547,612
Total	**1,695,593**	**1,808,861**	**1,695,593**	**1,816,726**

Covenants

The Company has working capital contracts and debenture agreements, which provide for early debt maturity clauses in case of non-compliance with certain contract requirements.
On December 31, 2023 and 2022, the Company complied with all of these requirements, and there are no restrictions in its agreements.

The debenture indentures and Working Capital contract with the BNDES provide for the maintenance of a debt ratio, based on the Company's consolidated financial statements, listed below.

A Net Debt/EBITDA ratio lower than or equal to 3.5x. On December 31, 2023 and 2022, the net debt to EBITDA ratios were 1.92 and 3.23, respectively.

In thousands of reais, unless stated otherwise

12. Leases

The Company evaluates, at the commencement date, whether the contract conveys the right to control the use of an identified asset for a specified period, i.e., whether the contract is or contains a lease.

The Company applies a single approach to recognition and measurement for all leases, except for leases where the assets are of low value.

The Company has a vehicle leasing contract with a third party, which is being classified as a lease, that includes options for renewal and termination.

Vehicle leasing contracts	Maturity	Terms	Average rate (p.a.)
Versatily Transporte Locação Auto Ltda ME	**10/31/2026**	**3 years**	4.82%

(i) Balances recognized in the statement of financial position

The statement of financial position includes the following balances related to leases:

	Consolidated
	2023
Right-of-use assets	
Right of use	49,615
	49,615
Lease liabilities	
Current	16,960
Non-current	34,413
	51,373

(ii) Balances recognized in the income statement

The income statement includes the following amounts related to leases:

	2023
Right-of-use asset depreciation charge (included in costs and expenses)	
Right of use	(2,919)
Interest expenses (included in financial expenses – Note 18)	(407)

In thousands of reais, unless stated otherwise

(iii) Additional disclosures required by CVM

Right-of-use assets

Changes in lease assets are as follows:

	Consolidated
	2023
Balance on January 01	-
Addition due to new agreements	52,534
Depreciation expense	(2,919)
Balance on December 31	**49,615**

Lease liabilities

Changes in lease liabilities are as follows:

	Consolidated
	2023
Balance on January 01	-
Addition	52,532
Write-off	-
Accrued interest	408
Payments	(1,361)
Interest payment	(206)
FX variation	-
Balance on December 31	**51,373**

In thousands of reais, unless stated otherwise

13. Equity

Capital stock

On December 31, 2023 and 2022, the capital stock was R$855,102 and R$815,102, respectively, comprised as follows (in units):

	2023		2022
ON - Registered common shares	1,242,403,933		766,213,456
	1,242,403,933		**766,213,456**

The shares are classified as follows:

	Number of Shares	
	2023	**2022**
Controlling Group	525,112,766	535,297,238
Board of Directors	10,356,170	6,327,888
Treasury Shares	17,944,088	18,422,044
Free Float	688,990,909	206,166,286
Total	**1,242,403,933**	**766,213,456**

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

The Company is authorized to increase its capital stock, regardless of amendments to the Bylaws, up to the limit of two billion and two hundred million reais (R$2,200,000), upon resolution of the Board of Directors. The capital stock 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 capital stock, 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 twenty-five percent (25%) of the remaining balance after the following deductions and reversals: five percent (5%) of net income for the creation of the legal reserve; part of the net income for the year arising from donations or government subsidies; part of the reserve for contingencies created in previous years and corresponding to losses incurred or not materialized must be reversed. A portion or the entire remaining balance, according to the Management proposal, may be retained for implementation of the capital budget approved by the General Meeting, and the remaining balance, if any, must be distributed to shareholders as an additional dividend, as per article 45 of the Bylaws.

Capital increase

The Board of Directors' meeting held on November 08, 2023, approved the public offering of common shares, all registered, book-entry, and with no par value, free and clear of any liens or encumbrances, issued by the Company ("Shares"), exclusively intended for Professional Investors (as defined below), conducted in Brazil ("Brazil"), in an over-the-counter unorganized market, under the automatic registration procedure, according to line "a" of item II of Article 26 of the Brazilian Securities and Exchange Commission ("CVM") Resolution 160, of July 13, 2022, as amended ("CVM Resolution 160" and "Offering", respectively), the issue being carried out within the authorized capital limit provided of in the main section of Article 6 of the Bylaws;

The Offering consisted of the primary public distribution of 476,190,477 (four hundred and seventy-six million, one hundred and ninety thousand four hundred and seventy-seven) new Shares, at R$0.84 (eighty-four centavos) per share ("Price per Share"), totaling R$400,000, in an over-the-counter unorganized marked, under the coordination of BTG Pactual Investment Banking Ltda. ("Lead Coordinator"), under the "Coordination, Placement, and Firm Placement and Settlement of Common Shares Issued by Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A.", to be executed between the Company and the Lead Coordinator ("Placement Agreement"), under Law 6,385, of December 07, 1976, according to the procedures of CVM Resolution 160, "ANBIMA Code of Regulation and Best Practices for Structuring, Coordination, and Distribution of Public Offerings of Securities and Public Offerings for Acquisition of Securities" currently in force, and other applicable legal provisions, observing the provisions of B3's Novo Mercado Regulation;

Through the issue of 476,190,477 registered, book-entry common shares, with no par value, totaling R$400,000, (i) 10%, equivalent to R$40,000, were allocated to the Company's capital stock; and (ii) 86.82%, equivalent to R$347,271, net of share issue costs, totaling R$12,729, were allocated to the Company's capital reserve.

Capital reserve

Share-Based Compensation Plan - Third-Party

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

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

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

In thousands of reais, unless stated otherwise

In the year ended December 31, 2023, an amount of R$5,503 was reported under the item "Selling, general, and administrative expenses", representing the fair value measured based on the value of the services received until that date, of which R$811 refers to the shares granted to the counterparty (registered in equity), and R$4,692 refers to the payable liability in cash (of which R$472 is registered in current liabilities). An amount of R$524 was exercised on the balance of shares granted to the counterparty (recorded in equity).

Description	Number of Shares
Balance on December 31, 2022	50,451
Shares granted	484,594
Shares exercised	(477,956)
Balance on December 31, 2023	**57,089**

However, the Company emphasizes that, under article 7 of CVM Resolution 77, its Board of Directors must timely and periodically review the terms and conditions of this Consulting Agreement, as well as ratify the approval of the sales of Company-issued shares to ensure that no transfers are made later than eighteen (18) months after its prior approval, in compliance with the applicable regulations, including those relating to the applicable disclosures.

Share-based compensation plan - Employees

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

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

Following the restricted stock grant model, the Plan adopts the dynamics of the Company's capacity to deliver to its participants, subject to certain terms and conditions, including vesting periods, and common shares issued by the Company ("Restricted Shares"). Individuals acting as executives, administrators, managers, coordinators, specialists, supervisors, employees, and collaborators will be eligible as participants in the Plan, at the discretion of the Board of Directors (or a committee appointed by the Board of Directors to advise it), in addition to service providers of the Company and its subsidiaries who are considered key for the development of the Company's and subsidiaries' businesses.

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

In thousands of reais, unless stated otherwise

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

The expense related to the restricted share plan, recognized in the period ended December 31, 2023, according to the period elapsed for acquiring the right to the restricted shares, was R$210.

Description	Number of Shares
Balance on December 31, 2022	**359,167**
Shares granted	345,487
Shares canceled	(20,014)
Balance on December 31, 2023	**684,640**

Tax incentive reserve

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

Retained Profits Reserve

The profit retention reserve is created under Article 196 of Law 6,404/76, to be used in future investments. On December 31, 2023, no balance had been recorded.

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

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, reach the limit of ten percent (10%) of the floating shares, according to CVM Resolution 77. Regarding the approval date of the 2022 Buyback Program, the maximum number of shares that may be acquired corresponds to 16,739,335 (sixteen million, seven hundred and thirty-nine thousand, three hundred and thirty-five) common shares issued by the Company, considering that this number already includes the dilution of shares acquired to be held in treasury, totaling 3,661,022 (three million, six hundred and sixty-one thousand, and twenty-two) 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 actual assets' value, the future profitability prospects and the likelihood of generating results. Furthermore, we emphasize that the acquired shares may remain in treasury, be canceled, or subsequently sold. In the event of a subsequent sale of shares, they may be carried out on the market or aimed at meeting the following purposes: (i) to be sold to the beneficiaries of share-based incentive plans that have been approved or that may eventually be approved; and/or (ii) to be sold to meet the scope of the consulting services agreement signed between the Company and Falconi Consultores S.A., 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 fiscal year, excluding the amounts to be allocated to the legal reserve, the unrealized profit reserve, the special reserve for non-distributed dividends, and the tax incentive reserve, and the payment of the mandatory dividend.

The 2022 Buyback Program will have a term of eighteen (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 acquired at an average cost of R$6.586 and exercised at an average price of R$2.405 were exercised 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 the recognition of a loss totaling R$1,998 under equity, since the plan options are settled using equity instruments.

In 2023, 477,956 shares acquired at an average cost of R$2.148 and exercised at an average price of R$1,095 were exercised 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 the recognition of a loss totaling R$503 under equity since the plan options are settled using equity instruments.

On December 31, 2023, the Company acquired 17,944,088 treasury shares (18,422,044 shares on December 31, 2022), at an average price of R$2.1432 per unit of share, totaling R$38,548.

In thousands of reais, unless stated otherwise

14. Net operating income

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Gross revenue				
Sale of products	2,960,245	3,120,027	2,960,245	3,120,027
Rendering of services	84,325	19,461	159,953	77,189
Sale of products acquired from third parties	2,876	1,474	2,876	1,474
	3,047,446	**3,140,962**	**3,123,074**	**3,198,690**
Deductions				
Return of sale of products acquired from third parties	-	(910)	-	(910)
Tax on sales (a)	(282,088)	(283,669)	(282,088)	(283,669)
Service taxes	(9,289)	(1,954)	(9,071)	(2,362)
	(291,377)	**(286,533)**	**(291,159)**	**(286,941)**
Net operating income	**2,756,069**	**2,854,429**	**2,831,915**	**2,911,749**

(a) sales tax is detailed in item 3.10 of the accounting policies

15. Cost of goods sold

	Parent Company		Consolidated	
	2023	**2022 (Restated)**	**2023**	**2022 (Restated)**
Cost of materials	(1,822,940)	(1,980,196)	(1,829,704)	(1,983,515)
Personnel	(329,088)	(390,090)	(374,046)	(417,171)
Depreciation and amortization	(59,890)	(48,532)	(60,339)	(48,917)
Utilities	(64,056)	(79,064)	(64,114)	(79,255)
Services rendered	(58,777)	(61,263)	(63,076)	(61,515)
Rentals	(24,664)	(28,536)	(26,108)	(30,455)
Other	(13,010)	(16,386)	(25,526)	(28,633)
	(2,372,425)	**(2,604,067)**	**(2,442,913)**	**(2,649,461)**

In thousands of reais, unless stated otherwise

16. Selling, general and administrative expenses

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Personnel	(62,333)	(58,369)	(66,730)	(63,937)
Services rendered	(21,443)	(18,011)	(22,575)	(18,745)
Depreciation and amortization	(4,384)	(4,387)	(4,456)	(4,443)
Travel expenses	(7,263)	(4,593)	(7,263)	(4,593)
Rentals	(1,762)	(1,901)	(1,935)	(2,012)
Utilities	(4,766)	(5,428)	(4,766)	(5,428)
Tax expenses	(2,602)	(1,794)	(2,602)	(1,794)
Other	(4,065)	(2,830)	(5,878)	(3,792)
	(108,618)	**(97,313)**	**(116,205)**	**(104,744)**

17. Other operating income (expenses), net

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Proceeds from the sale of fixed assets	-	607	-	607
Other Revenues (i)	8,653	30,238	9,238	31,191
Expenses with guarantees	(14,245)	(7,665)	(11,361)	(5,049)
Donations (ii)	(150)	(150)	(150)	(150)
Other operating expenses	(6,003)	(2,735)	(6,011)	(2,880)
	(11,745)	**20,295**	**(8,284)**	**23,719**

(i) In 2022, revenue came from the reimbursement of production losses arising from project changes generated by customers and revenues related to the signing of the supply agreement for blades.

(ii) Sports Fund Donations

In thousands of reais, unless stated otherwise

18. Financial result

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial revenues				
Gains from exchange variation	51,183	112,235	51,263	112,235
Income from short-term investments	60,197	55,685	60,197	55,690
Others (i)	13,139	15,627	11,190	15,630
	124,519	**183,547**	**122,650**	**183,555**
Financial expenses				
Derivative financial instruments	(6,868)	(2,435)	(6,868)	(2,435)
Losses from exchange variation	(110,556)	(168,810)	(110,635)	(168,813)
Financial transaction fees	(114,543)	(88,722)	(115,502)	(88,722)
Interest on borrowings and financing	(248,115)	(223,824)	(248,275)	(224,266)
Lease interest	(407)	-	(407)	-
Others	(32,165)	(20,940)	(32,313)	(21,515)
	(512,654)	**(504,731)**	**(514,000)**	**(505,751)**
Financial result	**(388,135)**	**(321,184)**	**(391,350)**	**(322,196)**

(i) In 2023, these refer to revenue from financial discounts obtained and financial gain in the repurchase of debentures.

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

The classification of financial instruments by category is as follows:

	Parent Company		Consolidated	
	2023	**2022**	**2023**	**2022**
Measured at amortized cost				
Cash and cash equivalents	1,057,576	1,055,340	1,063,522	1,061,718
Trade receivables	668,987	1,044,825	713,400	1,066,348
Other receivables	58,265	93,733	60,091	95,554
Suppliers	285,833	334,015	288,763	336,048
Borrowings, Financing, and Debentures	1,695,593	1,808,861	1,695,593	1,816,726
Measured at fair value through profit or loss				
Derivative Instruments	(656)	(2,436)	(656)	(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.

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

The fair value of financial assets and liabilities 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 05, 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, whose balance on December 31, 2023 consisted of a liability of R$656 (a liability of R$2,436 on December 31, 2022), maturing in the short term. On December 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 financial statements.

In thousands of reais, unless stated otherwise

The table below sets forth the assets and liabilities measured at fair value on December 31:

	Parent Company					
	Notional value	Book balance	Fair value	Notiona l value	Book balance	Fair value
Description	**2023**	**2023**	**2023**	**2022**	**2022**	**2022**
Financial liabilities						
Derivative financial instruments (swap)	(150,000)	(656)	(656)	(150,000)	(2,436)	(2,436)
*Fixed Rates	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Index	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 the aforementioned risks and the Company's objectives.

Risk management is carried out by the Company's finance department, according to the policies approved by the Board of Directors. The finance department and its operating units identify, assess, and protect the Company against potential financial risks.

Credit risk

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

Liquidity risks

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

In thousands of reais, unless stated otherwise

Market risk

Exchange risk

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

On December 31, 2023, the Company ended the period with low exposure to exchange rate risk, considering it did not have foreign currency transactions with Banks. Payments and receipts in dollars and euros are evaluated for natural hedging and strategy by the financial planning area.

The Company's currency exposure is as follows:

	2023	**2022**
Balances indexed to the U.S. dollar	(US$)	(US$)
Suppliers abroad	55,595	62,378
Customers abroad	(15,861)	(13,360)
Net position	**39,734**	**49,018**

Currency sensitivity analysis

The purpose of the sensitivity analysis is to measure the 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 25% (possible) and 50% (remote), defined through assumptions available in the market.

In the financial statements of December 31, 2023, the probable scenario (base scenario) considered the maintenance of the U.S. dollar rate.

In thousands of reais, unless stated otherwise

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

2023				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	US$	4.84	76,788	4.84	-	6.05	19,197	7.26	38,394
Short position	US$	4.84	(269,152)	4.84	-	6.05	(67,288)	7.26	(134,576)
Net exposure			**(192,364)**		**-**		**(48,091)**		**(96,182)**

2022				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	US$	5.22	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 risks

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

Variable rate – CDI	**2023**	**2022**
Financial Assets	1,056,344	1,046,246
Financial Liabilities	(1,598,850)	(1,811,297)
	(542,506)	**(765,051)**

Interest rate sensitivity analysis

The purpose of the sensitivity analysis is to measure the 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 25% (possible) and 50% (remote), defined through assumptions available in the market. The probable scenario was defined through assumptions available in the market (B3 and BC Focus publications).

The probable scenario considered the maintenance of the CDI rate of December 31, 2023 at 11.65% p.a. The possible and remote scenarios consider increases of 25% (14.56% p.a.) and 50% (17.48% p.a.), respectively, to the rate. The Company's Management understands that the risk of great variations in the CDI rate in 2024 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 reais, unless stated otherwise

31/12/2023				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	CDI	11.65%	1,056,344	11.65%	123,064	14.56%	153,830	17.48%	184,596
Short Position	CDI	11.65%	(1,598,850)	11.65%	(186,266)	14.56%	(232,833)	17.48%	(279,399)
Net exposure			**(542,506)**		**(63,202)**		**(79,003)**		**(94,803)**

12/31/2022				Probable Scenario		Possible Scenario - 25%		Remote Scenario – 50%	
	Risk Factor	Average rate (p.a.)	Exposed amounts	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss	Average rate (p.a.)	Effect on profit or loss
Long position	CDI	13.65%	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 capital.

Net debt, in turn, corresponds to total loans (including short- and long-term loans, as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

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

	Consolidated	
	2023	**2022**
Total Loans (Note 11)	364,605	435,590
Debentures (Note 11)	1,330,988	1,381,136
(-) Cash and cash equivalents (Note 4)	(1,063,522)	(1,061,718)
(-) Derivative instruments	656	2,436
Net debt	632,727	757,444
Total equity – Note 13	1,138,258	857,585
	1,770,985	1,615,029
Financial leverage ratio - %	**0.36**	0.47

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

In thousands of reais, unless stated otherwise

20. Provision for contingencies

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

On December 31, 2023, the lawsuits assessed by the legal advisors as possible risk totaled R$46,561 (R$40,122 on December 31, 2022), 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 likelihood of loss are the tax assessment notices issued by the Federal Revenue Office in September 2020, totaling R$36,922, alleging a possible error in the tax classification of a certain raw material imported by the Company. The Company filed a writ of mandamus seeking the annulment of the notices. The Company's legal advisors understand that the assessment is undue and, for this reason, the amounts are not provisioned on December 31, 2023.

Ruling on the Relativization of Res Judicata

On February 08, 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 itself 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 final and unappealable. STF's decision determined that in cases where res judicata is set aside and the respective tax is considered due, the principles of non-retroactivity, annual precedence, and the ninety-day or ninety-day precedence must be respected, depending on the nature of the tax (Ruling on the Relativization of Res Judicata).

The Company analyzed the aforementioned STF ruling and did not identify any impact on the financial results. Therefore, no disclosure is deemed necessary as the Company considers the impact on these cases to be remote.

21. Related parties

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

Assets	Transaction	2023	2022
Current			
Aeris LLC Loan (i)	Loan	1,961	10,382
Total		1,961	10,382
Non-current			
Aeris LLC Loan (i)	Loan	42,544	-
Total		42,544	-

(i) Loan with the subsidiary.

In thousands of 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:

	2023	**2022**
Salaries and other short-term benefits	7,823	8,553

22. Investment in subsidiary

	2023	**2022**
Investment in subsidiary	12,448	15,296
Total	**12,448**	**15,296**

Changes in investments

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

	2023	**2022**
Opening balance on January 1	15,296	10,667
Accumulated currency translation adjustments	(759)	(828)
Equity income	(2,089)	5,457
Closing balance	**12,448**	**15,296**

(Summarized) statements of the subsidiary

The table below summarizes the subsidiary's financial statements on December 31, 2023 and 2022:

Year	**Interest - %**	**Assets**	**Liabilities**	**Equity**	**Income/(Loss) for the year**
2023	100	59,919	47,471	12,448	(2,089)
2022	100	37,855	22,559	15,296	5,457

In 2023, this subsidiary reported an increase of 38% in revenues compared to 2022, and is in line with the expansion strategy of the services department.

23. 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 e the Maintenance of wind turbine blades. However, the maintenance segment does not have a significant role yet in the context of the

In thousands of reais, unless stated otherwise

Company's business. On December 31, 2023, this type of transaction accounted for only 5.33% of net revenues (3.13% on December 31, 2022).

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

24. Insurance (unaudited)

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

On December 31, 2023, the Company had the following main insurance policies with third parties:

Insurance	Coverage
Operational liability	593,000
Civil liability	120,000

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

25. Loss per share

(a) Basic and diluted

Basic earnings/loss per share are calculated by dividing the profit/loss attributable to the Company's shareholders by the weighted average number of common shares outstanding in the years. 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 December 31, 2023 2022, as the Company only has one type of share.

	Parent Company and Consolidated	
	2023	**2022**
		(Restated)
Loss for the year	(106,567)	(119,992)
Balance on January 01	747,791	766,213
Effect of shares issued in the year	476,190	-
Buyback of Company's shares	-	(18,900)
Transfer of treasury shares	478	478
Balance on December 31	1,224,459	747,791
Weighted average number of shares for the diluted earnings per share	787,513	747,791
Basic earnings per share	**(0.0870)**	**(0.1605)**
Diluted earnings per share	**(0.0870)**	**(0.1605)**

In thousands of reais, unless stated otherwise

26. Subsequent events

Contractual sales amendment:

On January 08, 2024, the Company and Vestas de Brasil Energia Eólica Ltda. ("Vestas") signed a new agreement ("Contractual Agreement") through which, among other matters, negotiated the new extension of the validity of the Supply Agreement by the end of 2028.

Considering the terms of the Contractual Amendment, and subject to specific conditions, including Vestas' effective demand, it is expected an increase in the potential turbine blade orders of multiple models with a capacity equivalent to 8.8 gigawatts (already considering the renegotiation of volumes contracted for 2024), which, if materialized, could result in a net revenue increase of up to R$7.6 billion by the end of the Supply Contract.

With the signing of the Contractual Amendment, the Company reinforces its vision regarding the success and strategic partnership with Vestas, started in 2015, under which the Company has already delivered wind turbine blades resulting in over 8.5 gigawatts of power, both for the domestic and export markets.

Executive Board

Alexandre Sarnes Negrão Chair	Marcelo Costa Nasser Vice President of Operations
José Antônio de Sousa Azevedo Vice President of Finance and Investor Relations Officer	Cássio Cancela e Penna Human Resources Officer
Daniel Henrique da Costa Mello Chief Industrial Officer	Douglas Rocha Arruda de Souza Quality Officer
Erica Maria Cordeiro Supplies Officer	Jonathan Oliveira de Figueiredo Chief Operating Officer
Vitor de Araújo Santos Chief Technology Officer	Rafael Rocha Lima Medeiros Chief Operating Officer
	Sandra Karla Rodrigues Coutinho Account CRC-CE-015141/O-0