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

Quarterly Information (ITR) as of March 31, 2022
and report on the review of the quarterly information

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

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

Conclusion on the consolidated interim information

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

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Recife, May 12, 2022

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

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

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

Statement of financial position
In thousands of reais

Assets	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Current				
Cash and cash equivalents (Note 4)	733,383	884,114	739,162	892,933
Trade receivables (Note 5)	145,600	119,499	149,526	126,877
Inventories (Note 6)	888,665	800,288	889,623	801,396
Taxes recoverable (Note 7)	175,670	144,144	175,670	144,200
Related parties (Note 20)	2,745	3,233	-	-
Other receivables	21,373	18,528	23,032	19,359
Derivative financial instruments (Note 18)	-	1,271	-	1,271
Total current assets	**1,967,436**	**1,971,077**	**1,977,013**	**1,986,036**
Noncurrent				
Taxes recoverable (Note 7)	137,272	125,423	137,272	125,423
Related parties (Note 20)	1,370	2,421	-	-
Investments (Note 21)	8,112	10,667	-	-
Property, plant and equipment (Note 9)	986,984	971,730	988,974	974,124
Intangible assets	2,416	2,596	2,416	2,596
Total non-current assets	**1,136,154**	**1,112,837**	**1,128,662**	**1,102,143**
Total assets	**3,103,590**	**3,083,914**	**3,105,675**	**3,088,179**

Liabilities and equity	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Current				
Suppliers and reverse finance operation (Note 10)	439,986	442,427	441,795	445,286
Borrowings, financings and debentures (Note 11)	117,951	91,688	117,951	91,688
Derivative financial instruments (Note 18)	-	790	-	790
Salaries and social security charges	38,496	34,745	38,574	34,771
Taxes collectable	9,415	10,324	9,415	11,323
Advances from customers (Note 5)	118,389	105,570	118,389	105,701
Dividends payable	15,782	15,782	15,782	15,782
Other Accounts Payable	3,522	3,942	3,720	4,192
Total current liabilities	**743,541**	**705,268**	**745,626**	**709,533**
Noncurrent				
Borrowings, financings and debentures (Note 11)	1,352,646	1,367,056	1,352,646	1,367,056
Deferred income and social contribution taxes (Note 8)	12,143	11,998	12,143	11,998
Total Non-Current Liabilities	**1,364,789**	**1,379,054**	**1,364,789**	**1,379,054**
Total liabilities	**2,108,330**	**2,084,322**	**2,110,415**	**2,088,587**
Shareholders’ equity (Note 12)				
Share capital	815,102	815,102	815,102	815,102
Capital reserve	1,764	396	1,764	396
Profit reserve	204,128	202,882	204,128	202,882
Equity valuation adjustment	(50)	1,531	(50)	1,531
(-) Treasury Shares	(25,684)	(20,319)	(25,684)	(20,319)
Total shareholders’ equity	**995,260**	**999,592**	**995,260**	**999,592**
Total liabilities and equity	**3,103,590**	**3,083,914**	**3,105,675**	**3,088,179**

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

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

Income Statement
Three-month period ended March 31, 2021
In thousands of Brazilian reais, unless stated otherwise

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	**01/01/2021 to 03/31/2021**	**01/01/2022 to 03/31/2022**	**01/01/2021 to 03/31/2021**
Continued operations				
Net operating revenue (Note 13)	**533,797**	**668,536**	**536,763**	**675,756**
Cost of products sold (Note 14)	**(493,021)**	**(603,121)**	**(496,317)**	**(608,507)**
Gross profit	**40,776**	**65,415**	**40,446**	**67,249**
Operating revenues (expenses):				
Selling, general and administrative expenses (Note 15)	**(22,550)**	**(18,358)**	**(24,691)**	**(20,004)**
Other operating revenues (expenses), net (Note 16)	**21,650**	**2,335**	**23,220**	**2,335**
Equity pickup (Note 22)	**(974)**	**-**	**-**	**-**
Result before financial revenues and expenses	**38,902**	**49,392**	**38,975**	**49,580**
Financial expenses (Note 17)	(92,213)	(64,340)	(92,291)	(64,570)
Financial Revenues (Note 17)	57,074	41,954	57,079	41,996
	(35,139)	**(22,386)**	**(35,212)**	**(22,574)**
Earnings before income tax and social contribution	**3,763**	**27,006**	**3,763**	**27,006**
Current income tax and social contribution (Note 8)	**(2,371)**	**(3,777)**	**(2,371)**	**(3,777)**
Deferred income tax and social contribution (Note 8)	**(146)**	**(185)**	**(146)**	**(185)**
Net income for the period	**1,246**	**23,044**	**1,246**	**23,044**
Profit attributable	**1,246**	**23,044**	**1,246**	**23,044**
to shareholders and controllers	**1,246**	**23,044**	**1,246**	**23,044**
Number of shares at the end of the period	**766,213**	**766,213**	**766,213**	**766,213**
ON - Registered common shares	**766,213**	**766,213**	**766,213**	**766,213**
Basic earnings per share - R$ (Note 24)	**0.0016**	**0.0301**	**0.0016**	**0.0301**
Diluted earnings per share - R$ (Note 24)	**0.0016**	**0.0301**	**0.0016**	**0.0301**

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

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

Statement of comprehensive income
Three-month period ended March 31
In thousands of reais

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Net income for the period	1,246	23,044	1,246	23,044
Other Comprehensive Income (Loss)				
Exchange gains/losses from foreign investees (Note 21)	(1,581)	571	(1,581)	571
Total comprehensive income	(335)	23,615	(335)	23,615

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

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

Statements of changes in equity (Parent Company and Consolidated)
Three-month period ended March 31
In thousands of reais

		Profit reserves								
	Share capital	**Capital reserve**	**Legal reserve**	**Profit reserve**	**Retained profit**	**Tax incentive reserve**	**Unearned income**	**Treasury Shares**	**Equity valuation adjustment**	**Total**
Balances as of December 31, 2020	815,102	-	12,897	-	61,056	75,518	-	-	734	**965,307**
Net income for the period							23,044			**23,044**
Exchange gains/losses from foreign investees (Note 21)									571	**571**
Balances as of March 31, 2021	815,102	-	12,897	-	61,056	75,518	23,044	-	1,305	**988,922**
Balance as of December 31, 2021	815,102	396	16,219	47,346	61,056	78,261	-	(20,319)	1,531	**999,592**
Net income for the period							1,246			**1,246**
Shares acquired in treasury (Note 12)								(5,365)		**(5,365)**
Third Party and Employess Stock Option Plan (Note 12)		1,368								**1,368**
Exchange gains/losses from foreign investees (Note 21)									(1,581)	**(1,581)**
Balances as of March 31, 2022	**815,102**	**1,764**	**16,219**	**47,346**	**61,056**	**78,261**	**1,246**	**(25,684)**	**(50)**	**995,260**

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

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

Cash Flow Statement
Three-month period ended March 31
In thousands of reais

	Parent Company		Consolidated	
	03/31/2022	**03/31/2021**	**3/31/2022**	
Cash flow from operating activities				
Profit before income tax	**3,763**	**27,006**	**3,763**	**27,006**
Adjustments to reconcile net income to cash (used in) generated by operating activities:				
Depreciation and amortization	12,802	7,791	12,845	7,850
Net result from the sale of property and equipment	1,490	(673)	1,490	(673)
Equity Pickup (Note 21)	974	-	-	-
Share-Based Compensation (Note 12)	1,368	-	1,368	-
Exchange variation of borrowings and financing	-	11,290	805	10,572
Exchange variation on financial instruments	481	-	481	-
Financial expenses - net	44,032	21,977	44,032	21,977
Earnings from financial assets	-	(45)	-	(45)
	64,910	**67,346**	**64,784**	**66,687**
Changes in assets and liabilities				
Trade receivables	(26,101)	(52,099)	(23,242)	(48,964)
Inventories	(88,378)	(12,312)	(88,380)	(12,457)
Taxes recoverable	(43,375)	(22,196)	(43,321)	(22,196)
Other receivables	(2,845)	(13,678)	(3,893)	(14,765)
Suppliers	(2,441)	53,628	(3,160)	54,222
Labor and social security obligations	3,751	4,102	3,811	4,144
Taxes collectable	(3,281)	1,069	(4,240)	320
Advances from customers	12,818	581	12,692	1,088
Other Accounts Payable	(419)	(3,784)	(454)	(3,765)
Cash (used in) generated by operating activities	**(85,361)**	**22,657**	**(85,403)**	**24,314**
Income tax and social contribution paid	-	(39)	-	(39)
Interest paid on borrowings and financing (Note 11)	(32,179)	(26,710)	(32,179)	(26,710)
Net cash (used in) generated by operating activities	**(117,540)**	**(4,092)**	**(117,582)**	**(2,435)**
Cash flows from investing activities				
Acquisition of fixed assets (Note 9)	(29,410)	(180,985)	(29,410)	(181,094)
Amount received from the sale of property and equipment	45	6,541	45	6,541
Acquisition of intangible assets	-	(1,109)	-	(1,109)
Net cash used in investment activities	**(29,365)**	**(175,553)**	**(29,365)**	**(175,662)**
Cash flows from financing activities				
Redemption of financial assets	-	3,951	-	3,951
Borrowings (Note 11)	-	120,000	-	120,000
Borrowings amortized (Note 11)	-	(409,199)	-	(409,199)
Debenture issue (Note 11)	-	600,000	-	600,000
Share buyback	(5,365)	-	(5,365)	-
Related parties	1,539	(3,043)	-	-
Net cash (used in) generated by financing activities	**(3,826)**	**311,709**	**(5,365)**	**314,752**
Addition (reduction) to cash and cash equivalents	**(150,731)**	**132,064**	**(152,312)**	**136,655**
Cash and cash equivalents at the start of the period	884,114	683,412	892,933	684,554
Exchange gain (loss) on cash and secured accounts	-	-	(1,459)	-
Cash and cash equivalents at the end of the period	733,383	815,476	739,162	821,209
Addition (reduction) to cash and cash equivalents	**(150,731)**	**132,064**	**(152,312)**	**136,655**

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

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

Value added statement
Three-month period ended March 31
In thousands of reais

	Parent Company		Consolidated	
	03/31/2022	**03/31/2021**	**03/31/2022**	**03/31/2021**
Revenues				
Sale of goods, products and services	587,124	716,194	590,090	723,418
Other revenues	26,370	2,740	26,855	2,740
	613,494	**718,934**	**616,945**	**726,158**
Inputs acquired from third parties				
Costs of products and goods sold and services rendered	(428,028)	(534,820)	(429,996)	(538,219)
Materials, electricity, outsourced services, and others	(38,908)	(41,192)	(38,961)	(42,232)
	(466,936)	**(576,012)**	**(468,957)**	**(580,451)**
Gross value added	**146,558**	**142,922**	**147,988**	**145,707**
Retentions				
Depreciation and amortization	**(12,802)**	**(7,791)**	**(12,845)**	**(7,850)**
Net value added produced	**133,756**	**135,131**	**135,143**	**137,857**
Value added received in transfer				
Equity income	(974)	-	-	-
Financial revenues	57,613	42,237	57,618	42,279
Value added to be distributed	**190,395**	**177,368**	**192,761**	**180,136**
Value added distribution				
Personnel and charges	**70,088**	**63,255**	**71,693**	**64,468**
Direct compensation	48,974	44,154	50,330	45,180
Benefits	17,457	15,791	17,706	15,978
FGTS	3,657	3,310	3,657	3,310
Taxes, fees and contributions	**20,855**	**20,518**	**20,957**	**20,596**
Federal	20,020	20,235	20,107	20,303
State	834	270	849	280
Municipal	1	13	1	13
Remuneration of third-party capital	**98,206**	**70,551**	**98,865**	**72,028**
Interest	92,213	64,340	92,291	64,571
Rentals	5,993	6,211	6,574	7,457
Value distributed to shareholders	**1,246**	**23,044**	**1,246**	**23,044**
Dividends and interest on equity	-	-	-	-
Tax Incentive	874	5,001	874	5,001
Retained earnings	372	18,043	372	18,043
	190,395	**177,368**	**192,761**	**180,136**

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

1. Operational context

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

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

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

COVID-19 Pandemic

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

The Company has created a crisis committee composed of managers from several areas to address the measures adopted by the Company to quickly respond to this situation in an agile way.

In this sense, the Company has been monitoring the coronavirus outbreak in Brazil and worldwide in order to preserve the safety of its employees, maintain production, fulfill its contractual commitments to its clients and map the impacts of this pandemic on its business. The Company continues to implement the necessary measures for the current pandemic period.

The Company believes that its statements of financial position, income, cash flow and value added were not materially affected during fiscal year 2021 and the three-month period ending March 31, 2022. In addition, Management ratifies that, to date, it has not observed significant impacts of COVID-19 on its operations that would result in changes to its adopted accounting estimates when preparing the interim financial statements.

2. Basis of preparation

2.1 Compliance statement

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

The Company's Management authorized the issue of this interim financial information on March 12, 2022, including subsequent events that occurred to date that could affect this interim financial information, when required.

2.2 Functional and presentation currency

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

i. Foreign operations

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

2.3 Significant accounting judgments, estimates and assumptions

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

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

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

2.4 Statement of value added

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

3. Main accounting policies

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

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

3.1 Foreign-currency transactions

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

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

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

3.2 Financial Instruments

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

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

The Company classifies its financial assets and liabilities under the following categories:

- Measured at amortized cost.
- Measured at fair value through profit or loss.

i. Measured at amortized cost

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

ii. Measured at fair value through profit or loss

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

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

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 equivalents are maintained for the purpose of meeting short-term cash commitments, and not as investments or for other purposes. The Company and its subsidiary considers 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 subsdiaries, recognized at the billed amount, adjusted for the provision for realizable value, if necessary.

The Company and its subsidiary assesses, 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 recognizes 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 include all acquisition costs, which comprise purchase prices, import duties and other taxes (except for recoverable taxes), as well as costs related to transport, insurance, handling and others directly attributable to the acquisition of finished products, materials and services. Trade discounts, rebates and other similar items must be deducted in determining the acquisition cost and transformation cost that include the costs directly related to the units produced, such as direct labor, systematic allocation of indirect fixed and variable production costs, incurred to transform the materials into finished products.

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

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

In thousands of Brazilian reais, unless stated otherwise

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

3.6 Property, plant and equipment

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

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

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

A property, plant and equipment item 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/period in which the asset was written off.

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

3.7 Investment in subsidiary

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

3.8 Borrowings, financing and debentures

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

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

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

3.9 Revenue recognition

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

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

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

Sale of products

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

Service rendering

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

Sale of tools

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

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

Other revenue

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

3.10 Taxes

Current income tax and social contribution

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

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

Deferred income tax and social contribution

Current and deferred income tax and social contribution charges are calculated based on tax laws that have been enacted, or substantially enacted, on the reporting date. Management periodically evaluates the positions taken by the Company in the calculation of taxes on income regarding the situations in which the applicable tax regulation 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 in different countries are usually presented separately, and not at the net value.

In thousands of Brazilian reais, unless stated otherwise

Taxes on purchases:

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

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

Taxes on sales:

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

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

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

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

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

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

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

3.11 Government grants and assistance

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

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

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

3.12 Borrowing cost for own capital

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

3.13 Provisions

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

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

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

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

3.15 Significant accounting judgments, estimates and assumptions

Judgments

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

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

Estimates and assumptions

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

Tax credit impairment losses

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

Management has plans for the future realization of said ICMS credits, with some alternatives for realization that include, but are not limited to: (i) offsetting them against other state taxes, in accordance with the applicable tax legislation; (ii) developing new businesses using outgoing credits; and (iii) applying to the tax authorities for approval and reimbursement of these tax credits.

In thousands of Brazilian reais, unless stated otherwise

Useful life of property, plant and equipment

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

The following assumptions have been used:

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

3.16 Consolidation

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

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

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

4. Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash	44	78	44	78
Banks	40,274	1,826	46,053	10,645
Financial investments	693,065	882,210	693,065	882,210
	733,383	**884,114**	**739,162**	**892,933**

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

In thousands of Brazilian reais, unless stated otherwise

As of March 31, 2022 (106.25% of CDI on December 31, 2021), these financial investments refer to Bank Deposit Certificates and Commitments yielding the average rate of 100% of the CDI. These investments are held for immediate negotiation and are available to be used by the Company.

5. Trade receivables and advances from customers

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Sale of blades	119,143	105,995	119,143	105,994
Rendering of services	26,457	13,504	30,383	20,883
	145,600	**119,499**	**149,526**	**126,877**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Falling due	136,828	112,527	140,248	119,463
Overdue:				
Up to 30 days	6,583	1,815	6,787	2,089
From 31 to 60 days	1,348	2,867	1,650	3,035
From 61 to 90 days	841	1,803	841	1,803
More than 91 days	0	487	0	487
	145,600	**119,499**	**149,526**	**126,877**

The Company did not record allowance for doubtful accounts as the entire balance receivable was created in the last 12 months and the overdue balances of customers have no track record or any expectation of loss, and are expected to be received in the next few months.

As of March 31, 2022, the Company and its subsidiary hold a balance of R$118,389 (as of December 31, 2021 - R$105,570 in the parent company and R$105,701 in the consolidated) of customer advances. These amounts will be offset in future billings, with the balance classified as current liabilities.

6. Inventories

Inventory volume grew 11.04% in the parent company and 11.01% in the consolidated, compared to the end of fiscal year 2021, due to the new production lines remaining in the “ramp-up” process.

In thousands of Brazilian reais, unless stated otherwise

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Raw material	347,586	235,668	347,586	235,668
Products being prepared	310,935	287,141	310,935	287,141
Supplemental material	57,497	45,410	57,649	45,520
Finished product	34,490	18,250	34,490	18,250
Maintenance material	30,029	29,741	30,029	29,741
Safety material	389	838	389	838
Advances to suppliers for inventory acquisition (i)	88,728	175,809	89,534	176,807
Other	19,011	7,431	19,011	7,431
	888,665	**800,288**	**889,623**	**801,396**

(i) The decrease in the financial payments related to advances to suppliers, compared to the end of fiscal year 2021, was mainly due to contract negotiations to ensure better payment terms.

The position remains in line with the production volume, due to the projects have carbon fiber components that are not found in the local market. Average receipt term for foreign raw materials remained at 90 days and the main suppliers are located Europe and account for approximately 35% of the total.

Organic growth is observed in all inventory groups, especially in products in progress resulting from the items that are being ramped up. This inventory performance is due to the volume of demolded blades being higher than that of finished blades, which is a usual behavior for the company's business model.

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

The cost of inventories recorded in profit (loss) and included in “Cost of sales" totaled R$493,021 and R$496,317 as of March 31, 2022 in the parent Company and consolidated, respectively (R$603,121 and R$608,507 as of March 31, 2021 in the parent company and consolidated, respectively).

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

7. Recoverable taxes – parent company and consolidated

In thousands of Brazilian reais, unless stated otherwise

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ICMS (a)	137,272	125,423	137,272	125,423
IPI (b)	101,458	85,116	101,458	85,116
PIS (c)	10,434	7,904	10,434	7,904
COFINS (c)	46,873	35,417	46,873	35,417
REINTEGRA (d)	238	149	238	149
IRPJ AND CSLL (e)	11,738	11,099	11,738	11,099
Others taxes	4,929	4,459	4,929	4,515
	312,942	**269,567**	**312,942**	**269,623**
Current	**175,670**	**144,144**	**175,670**	**144,200**
Non-current	**137,272**	**125,423**	**137,272**	**125,423**

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

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

An alternative to recoverability is that, for the ICMS credits accumulated as a result of foreign operations, through participation in an electronic bidding process. In 2021, the Secretary of Finance of Ceará (Sefaz-CE) called on taxpayers to file the processes related to the recognition and use of accumulated ICMS credits of this nature, in order to be included in the public tender to be held pursuant to article 55-B of Law 12,670, of December 27, 1996.2, and the amendments made to it by Law 17,440, of April 9, 2021. The Company has filed an interest in participating in the aforementioned trading session and is constantly following the developments on the subject.

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

i) Aeris establishes another business unit:

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

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

In thousands of Brazilian reais, unless stated otherwise

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

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

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

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

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

8. Taxes and social contributions

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

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Accounting profit before income tax and social contributions	**3,763**	**27,006**	**3,763**	**27,006**
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution based on the combined tax rate	**(1,279)**	**(9,182)**	**(1,279)**	**(9,182)**
Permanent additions:	**(5,143)**	**(53)**	**(5,143)**	**(53)**
Non-deductible expenses (i)	**(5,143)**	**(53)**	**(5,143)**	**(53)**
Permanent exclusions:	**1,557**	**293**	**1,557**	**293**
Exclusions	**1,557**	**293**	**1,557**	**293**
Incentives (c)	**874**	**5,001**	**874**	**5,001**
Benefit granted on tax losses, negative basis and temporary differences	**(146)**	**(185)**	**(146)**	**(185)**
Others Adjustments:	**1,620**	**164**	**1,620**	**164**
(Current) and deferred income tax and social contribution recorded in profit (loss) for the period after additions/exclusions *34%	**(2,517)**	**(3,962)**	**(2,517)**	**(3,962)**
Effective rate	**66.89%**	**14.67%**	**66.89%**	**14.67%**

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

In thousands of Brazilian reais, unless stated otherwise

a) Deferred taxes

	Parent Company and Consolidated	
	03/31/2022	**12/31/2021**
Deferred Asset		
Deferred IR/CSLL - tax loss	399	1,858
Non-deductible estimated provisions	507	547
Long-Term Incentive	148	-
	1,054	**2,405**
Deferred Liabilities		
Depreciation differences (tax rates x useful life)	3,376	3,091
Gross revenue adjustment - CPC 47	9,821	11,312
	13,197	**14,403**
Net Liabilities - Deferred	**12,143**	**11,998**

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

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

	Parent Company		Consolidated	
	03/31/2022	**03/31/2021**	**03/31/2022**	**03/31/2021**
Current				
Income tax	(2,344)	(6,411)	(2,344)	(6,411)
Tax incentive	874	5,001	874	5,001
Social contribution	(901)	(2,367)	(901)	(2,367)
	(2,371)	**(3,777)**	**(2,371)**	**(3,777)**
Total	**(2,371)**	**(3,777)**	**(2,371)**	**(3,777)**
Deferred				
Income tax	(713)	(136)	(713)	(136)
Social contribution	567	(49)	567	(49)
	(146)	**(185)**	**(146)**	**(185)**

c) Incentives

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

d) Uncertainties

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

In thousands of Brazilian reais, unless stated otherwise

9. Property, plant and equipment

	Parent Company			
			03/31/2022	12/31/2021
	Cost	Depreciation accumulated	Net	Net
Construction in progress	207,304	-	207,304	214,082
Machinery and equipment	209,137	(36,767)	172,370	160,319
Furniture	21,482	(5,942)	15,540	15,074
Hardware	9,826	(5,185)	4,641	4,472
Land	68,912	-	68,912	68,912
Vehicles	10,861	(2,264)	8,597	4,497
Facilities and leasehold improvements	468,834	(22,676)	446,158	440,347
Facilities	92,994	(39,253)	53,741	53,946
Tools	2,808	(1,619)	1,189	1,277
Aircraft	10,891	(2,359)	8,532	8,804
	1,103,049	**(116,065)**	**986,984**	**971,730**

	Consolidated			
			03/31/2022	12/31/2021
	Cost	Depreciation accumulated	Net	Net
Construction in progress	207,304	-	207,304	214,082
Machinery and equipment	210,364	(36,881)	173,483	161,584
Furniture	21,482	(5,942)	15,540	15,074
Hardware	9,845	(5,191)	4,654	4,488
Land	68,912	-	68,912	68,912
Vehicles	10,938	(2,285)	8,653	4,563
Facilities and leasehold improvements	468,834	(22,676)	446,158	440,347
Facilities	92,994	(39,253)	53,741	53,946
Tools	3,928	(1,931)	1,997	2,325
Aircraft	10,891	(2,359)	8,532	8,804
	1,105,492	**(116,518)**	**988,974**	**974,125**

In thousands of Brazilian 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	Aircraft	Total
On December 31, 2020	**197,880**	**91,327**	**9,455**	**2,588**	**68,912**	**1,964**	**190,383**	**45,671**	**1,099**	**9,893**	**619,172**
Additions	386,934	8,357	800	1,251	-	3,634	-	209	110	-	401,295
Depreciation	-	(9,453)	(1,481)	(1,293)	-	(1,013)	(5,286)	(12,064)	(440)	(1,089)	(32,119)
Write-offs	(5,813)	(9,750)	(967)	-	-	(88)	-	-	-	-	(16,618)
Transfers	(364,919)	79,838	7,267	1,926	-	-	255,250	20,130	508	-	-
As of December 31, 2021	**214,082**	**160,319**	**15,074**	**4,472**	**68,912**	**4,497**	**440,347**	**53,946**	**1,277**	**8,804**	**971,730**
Additions	24,026	240	67	517	-	4,554	-	-	6	-	29,410
Depreciation	-	(4,097)	(539)	(348)	-	(454)	(3,287)	(3,506)	(118)	(272)	(12,621)
Write-offs	(1,446)	(89)	-	-	-	-	-	-	-	-	(1,535)
Transfers	(29,358)	15,997	938	-	-	-	9,098	3,301	24	-	-
On March 31, 2022	**207,304**	**172,370**	**15,540**	**4,641**	**68,912**	**8,597**	**446,158**	**53,741**	**1,189**	**8,532**	**986,984**

In thousands of Brazilian reais, unless stated otherwise

Consolidated

	Construction in progress	Machinery and equipment	Furniture	Hardware	Land	Vehicles	Buildings and leasehold improvements	Facilities	Tools	Aircraft	Total
On December 31, 2020	**197,880**	**91,723**	**9,455**	**2,600**	**68,912**	**2,043**	**190,383**	**45,671**	**1,746**	**9,893**	**620,306**
Exchange differences	-	60	-	1	-	5	-	-	48	-	114
Additions	386,934	9,296	800	1,258	-	3,634	-	209	632	-	402,763
Depreciation	-	(9,583)	(1,481)	(1,297)	-	(1,031)	(5,286)	(12,064)	(598)	(1,089)	(32,429)
Write-offs	(5,813)	(9,750)	(967)	-	-	(88)	-	-	(12)	-	(16,630)
Transfers	(364,919)	79,838	7,267	1,926	-	-	255,250	20,130	508	-	-
As of December 31, 2021	**214,082**	**161,584**	**15,074**	**4,488**	**68,912**	**4,563**	**440,347**	**53,946**	**2,325**	**8,804**	**974,125**
Exchange differences	**-**	**(189)**	**-**	**(3)**	**-**	**(10)**	**-**	**-**	**(160)**	**-**	**(362)**
Additions	**24,026**	**240**	**67**	**517**	**-**	**4,554**	**-**	**-**	**6**	**-**	**29,410**
Depreciation	**-**	**(4,060)**	**(539)**	**(348)**	**-**	**(454)**	**(3,287)**	**(3,506)**	**(198)**	**(272)**	**(12,664)**
Write-offs	**(1,446)**	**(89)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,535)**
Transfers	**(29,358)**	**15,997**	**938**	**-**	**-**	**-**	**9,098**	**3,301**	**24**	**-**	**-**
On March 31, 2022	**207,304**	**173,483**	**15,540**	**4,654**	**68,912**	**8,653**	**446,158**	**53,741**	**1,997**	**8,532**	**988,974**

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

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

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

The Company has no assts pledged as collateral for borrowings.

Borrowing costs

Capitalized borrowing costs as of March 31, 2022 totaled R$612 (R$1,902 as of March 31, 2021). The average capitalization rate used was 3.91% p.a.

In thousands of Brazilian reais, unless stated otherwise

10. Suppliers and Reverse finance operation

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Domestic trade accounts payable	119,619	164,234	119,619	164,234
International trade accounts payable	247,061	278,193	248,870	281,052
Subtotal	**366,680**	**442,427**	**368,489**	**445,286**
Counterparty Risk Operations	73,306	-	73,306	-
Total	**439,986**	**442,427**	**441,795**	**445,286**

The balance payable at the end of March 31, 2022 refers mainly to the purchase of raw materials and supplemental production materials.

The company has established agreements with partner banks to structure with its main suppliers the reverse finance operation. Suppliers under this operation are allowed to advance their receivables related to the purchases of goods and services made by the company.

This operation, suppliers transfer the right to receive the securities to the Bank in exchange for receiving advance receipt of the security. While the bank becomes the creditor of the operation, the Company performs the settlement (settlement of the original amount) of the security on the same date originally agreed upon with its supplier. We reiterate that the transaction does not change the amounts, liabilities nature, 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 CVM guidelines, following the qualitative aspects on this subject, and concluded there are no relevant impacts, nor does it affect the Company's leverage. Thus, the Company holds the liability as “Suppliers”.

On March 31, 2022, the Suppliers' position ended up at R$439,986 in the Parent Company and R$441,795 in the Consolidated, of which R$73,306, refers to the balance of reverse finance operation.

11. Borrowings, financing and debentures

				Parent Company and Consolidated	
Description	**Index**	**Interest (% a.a.)***	**Maturity****	**03/31/2022**	**12/31/2021**
Domestic Currency					
Working capital	CDI	1.50%	March 19, 2024	120,478	120,440
Debentures	CDI	2.00%	January 15, 2026	1,350,119	1,338,304
Total				**1,470,597**	**1,458,744**
Current				117,951	91,688
Noncurrent				1,352,646	1,367,056
Total				**1,470,597**	**1,458,744**

* Interest rate of the last funding

(**) Latest maturity of the contract group

In thousands of Brazilian reais, unless stated otherwise

Debentures

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

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

The balance of the face value will be amortized in 2 (two) annual and consecutive installments, beginning on July 31, 2025. The Face Value of the Debentures will not be adjusted for inflation. The Face
Value or the balance of the Face Value of the Debentures, as the case may be, will be subject to a remuneration interest corresponding to 100% of the accumulated variation of the average daily rates of Interbank Deposits (DI), over extra-group, calculated and disclosed daily by B3 S.A. - Brasil, Bolsa, Balcão ("B3"), in percentage basis 252 (two hundred and fifty-two) working days, in the daily newsletter available on its website (http://www.b3.com.br)) ("DI Over Rate"), plus a surcharge of two whole (2,00%) per year, base two hundred and fifty-two (252) Business Days ("Remuneratory Interest"), and the payment of the remuneration will be made annually, on the 31st (thirtieth) of July.

Changes

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

	Parent Company		
	Current	**Noncurrent**	**Total**
Balances as of December 31, 2020	**690,291**	**452,711**	**1,143,002**
Borrowings	-	1,420,000	1,420,000
Interest and exchange variation	107,898	4,524	112,422
Principal amortization	(879,474)	(267,709)	(1,147,183)
Interest amortization	(69,169)	(328)	(69,497)
Transfer	242,142	(242,142)	-
Balance as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Interest and exchange variation	43,442	590	44,032
Interest amortization	(32,179)	-	(32,179)
Transfer	15,000	(15,000)	-
Balances as of March 31, 2022	**117,951**	**1,352,646**	**1,470,597**

In thousands of Brazilian reais, unless stated otherwise

	Consolidated		
	Current	**Noncurrent**	**Total**
Balances as of December 31, 2020	**690,291**	**452,711**	**1,143,002**
Borrowings	2,561	1,420,000	1,422,561
Interest and exchange variation	108,067	4,524	112,591
Principal amortization	(882,194)	(267,709)	(1,149,903)
Interest amortization	(69,179)	(328)	(69,507)
Transfer	242,142	(242,142)	-
Balance as of December 31, 2021	**91,688**	**1,367,056**	**1,458,744**
Borrowings	-	-	-
Interest and exchange variation	43,442	590	44,032
Principal amortization	-	-	-
Interest amortization	(32,179)	-	(32,179)
Transfer	15,000	(15,000)	-
Balances as of March 31, 2022	**117,951**	**1,352,646**	**1,470,597**

The financial disbursement schedule is as follows:

	Parent Company and Consolidated	
	03/31/2022	**12/31/2021**
2022	104,710	91,688
2023	59,602	59,653
2024	213,575	213,758
2025	546,355	546,823
2026 onwards	546,355	546,822
	1,470,597	**1,458,744**

Covenants

The Company holds agreements: Working Capital and Debenture instruments, which foresee early maturity clauses in case of non-compliance to certain contractual requirements.

As of March 31, 2022, the Company has complied with all of these requirements, and there are no restrictions in its agreements.

12. Equity

Share capital

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

	03/31/2022	**12/31/2021**
ON - Registered common shares	766,213,456	766,213,456

	766,213,456	**766,213,456**

In thousands of Brazilian reais, unless stated otherwise

The shares are classified as follows:

	Number of Shares	
	03/31/2022	12/31/2021
Controlling Group	535,481,638	541,593,638
Board of Directors	6,327,888	6,158,288
Treasury shares	3,900,000	3,000,000
Free Float	220,503,930	215,461,530
Total	**766,213,456**	**766,213,456**

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

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

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

Capital reserve

Share-Based Compensation Plan - Third-Party

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

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

In thousands of Brazilian reais, unless stated otherwise

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

In the fiscal year ended March 31, 2022, the amount of R$1,788 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$661 refers to the shares granted to the counterparty (registered in shareholders' equity), and R$1,127 refers to the payable liability in cash (of which R$376 is registered in current liabilities).

Description	Number of shares
Balance as of December 31, 2021	**48,873**
Shares granted	133,290
Balance as of March 31, 2022	**182,163**

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

Share-based Compensation Plan - Employees

The Restricted Share
Grant Plan ("Plan") was approved at an Extraordinary Shareholders' Meeting held on January 10, 2022. 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 in order to optimize the strategies for stimulating and retaining professionals, with the following main objectives:

(i) stimulate the expansion, progress and achievement of the Company's corporate objectives, as well as the optimization of aspects that may enhance the Company's long-term value; (ii) align the interests of the Company's shareholders with those of the managers, employees and associates of the Company and its subsidiaries, through the collective participation with the other shareholders in the share valuation as well as the risks to which the Company is subject; and (iii) to 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.

In thousands of Brazilian reais, unless stated otherwise

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

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

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

Income related to the restricted shares plan, recorded in the period ended March 31, 2022, according to vesting period of the restricted shares, was R$707.

Description	Number of shares
Balance as of December 31, 2021	**-**
Shares granted	116,901
Balance as of March 31, 2022	**116,901**

Tax incentive reserve

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

Retained Profits Reserve

The profit retention reserve was created as per article 196 of Law 6,404/76, to be used in future investments. Retention accumulated until March 31, 2022 was R$61,056.

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

Treasury shares

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

In thousands of Brazilian reais, unless stated otherwise

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

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

On March 31, 2022, treasury shares acquired by the Company totaled 3,900,000 shares (3,000,000 shares on December 31, 2021) with an average price of R$6.586 per share unit (R$6.773 per unit on December 31, 2021), representing the amount of R$25,684 (R$20,319 on December 31, 2021).

13. Net operating revenue

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Gross revenue				
Sale of products	580,905	707,090	580,905	707,090
Rendering of services	6,216	7,333	9,182	14,557
Sale of products acquired from third parties	3	1,771	3	1,771
	587,124	**716,194**	**590,090**	**723,418**
Deductions				
Return of sale of products	(7,834)	(882)	(7,834)	(882)
Taxes on sales (a)	(44,822)	(45,951)	(44,822)	(45,951)
Service taxes	(671)	(825)	(671)	(829)
	(53,327)	**(47,658)**	**(53,327)**	**(47,662)**
Net operating revenue	**533,797**	**668,536**	**536,763**	**675,756**

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

In thousands of Brazilian reais, unless stated otherwise

14. Cost of goods sold

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	**01/01/2021 to 03/31/2021**	**01/01/2022 to 03/31/2022**	**01/01/2021 to 03/31/2021**
Cost of materials	(394,053)	(503,003)	(394,213)	(503,356)
Personnel	(60,533)	(58,591)	(61,819)	(61,795)
Depreciation and amortization	(10,169)	(6,543)	(10,212)	(6,602)
Utilities	(14,596)	(16,160)	(14,652)	(16,244)
Services rendered	(6,301)	(8,628)	(6,301)	(8,628)
Rentals	(4,726)	(4,782)	(4,726)	(5,426)
Other	(2,643)	(5,414)	(4,394)	(6,456)
	(493,021)	**(603,121)**	**(496,317)**	**(608,507)**

15. Selling, general and administrative expenses

	01/01/2022 to 03/31/2022	**01/01/2021 to 03/31/2021**	**01/01/2022 to 03/31/2022**	**01/01/2021 to 03/31/2021**
Personnel	(13,124)	(11,693)	(14,838)	(13,001)
Services rendered	(3,869)	(3,094)	(4,148)	(3,319)
Depreciation and amortization	(1,044)	(748)	(1,044)	(748)
Travel expenses	(1,568)	(1,038)	(1,568)	(1,038)
Rentals	(444)	(208)	(510)	(281)
Utilities	(1,297)	(672)	(1,297)	(672)
Tax expenses	(432)	(104)	(432)	(104)
Other	(772)	(801)	(854)	(841)
	(22,550)	**(18,358)**	**(24,691)**	**(20,004)**

16. Other operating income (expenses), net

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	**01/01/2021 to 03/31/2021**	**01/01/2022 to 03/31/2022**	**01/01/2021 to 03/31/2021**
Proceeds from the sale of fixed assets	(44)	1,735	(44)	1,735
Others Revenues (i)	24,020	826	24,505	826
Expenses with guarantees	(1,089)	149	(4)	149
Donations (ii)	(150)	-	(150)	-
Other operating expenses	(1,087)	(77)	(1,087)	(77)
	21,650	**2,335**	**23,220**	**2,335**

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

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

In thousands of Brazilian reais, unless stated otherwise

17. Financial Result

	Parent Company		Consolidated	
	01/01/2022 to 03/31/2022	**01/01/2021 to 03/31/2021**	**01/01/2022 to 03/31/2022**	**01/01/2021 to 03/31/2021**
Financial revenues				
Derivative financial instruments	-	11,476	-	11,476
Exchange variation gainsExchange variation gains	45,956	22,773	45,956	22,773
Income from short-term investments	9,950	2,800	9,955	2,800
Other	1,168	4,905	1,168	4,947
	57,074	**41,954**	**57,079**	**41,996**
Financial expenses				
Derivative financial instruments	-	(14,917)	-	(14,917)
Exchange variation losses	(43,038)	(21,884)	(43,038)	(21,884)
Financial transaction fees	(3,467)	(3,989)	(3,467)	(3,989)
Interest on borrowings and financing	(44,032)	(23,197)	(44,080)	(23,308)
Other	(1,676)	(353)	(1,706)	(472)
	(92,213)	**(64,340)**	**(92,291)**	**(64,570)**
Financial result	**(35,139)**	**(22,386)**	**(35,212)**	**(22,574)**

18. Financial instruments, objectives and financial risk management policies

The classification of financial instruments by category is as follows:

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/**
Measured at amortized cost				
Financial assets	-	-	-	
Cash and cash equivalents	733,383	884,114	739,162	89
Trade receivables	145,600	119,499	149,526	12
Other receivables	21,373	18,528	23,032	1
Suppliers	439,986	442,427	441,795	44
Loans, Financing and Debentures	1,470,597	1,458,744	1,470,597	1,45
Financial assets measured at fair value through profit or loss				
Derivative instruments	-	481	-	

<u>Measurement</u>

It is assumed that the balances of account 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.

In thousands of Brazilian reais, unless stated otherwise

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

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

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

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

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

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

The fair value measurement process for the Company's financial instruments is classified as Level 1. Only the Derivative financial instruments are classified at Level 2, and there was no balance at March 31, 2022 (R$481, at December 31, 2021) and their maturities are short term. As of March 31, 2022 and December 31, 2021, the Company did not identify significant differences between the market values of the financial instruments and the values presented in the interim financial information.

The table below sets forth the assets and liabilities measured at fair value on March 31, 2022:

	Parent Company					
	Notional value	**Book balance**	**Fair Value**	**Notional value**	**Book balance**	**Fair Value**
Description	**03/31/2022**	**03/31/2022**	**03/31/2022**	**12/31/2021**	**12/31/2021**	**12/31/2021**
Financial assets						
Derivative financial instruments (swap contracts/NDF) US$	-	-	-	16,667	481	481
*Defined rates + exchange variation (US$)	-	-	-	-	-	-
Contents	-	-	-	-	-	-

* 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.

In thousands of Brazilian reais, unless stated otherwise

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

Credit risk

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

Liquidity risks

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

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

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

Market risk

Exchange risk

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

On March 31, 2022, the Company ended the period presenting low exposure to exchange rate risk, considering its no foreign currency transactions with Banks. The payment and receipt groups in dollars and euros are evaluated for natural hedging and strategy in the financial planning area.

The Company's currency exposure is as follows:

	03/31/2022	**12/31/2021**
Balances indexed to the U.S. dollar	(US$)	(US$)
Suppliers abroad	52,337	50,363
Advances to suppliers abroad	(6,943)	(6,787)
Customers abroad	(4,155)	(2,328)
Advances from customers abroad	-	23
Swap contracts/NDF	-	(16,667)
Net position	**41,239**	**24,604**

In thousands of Brazilian reais, unless stated otherwise

Currency sensitivity analysis

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

In the quarterly information of March 31, 2022, the probable scenario (base scenario) considered the maintenance of the U.S. dollar rate.

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

03/31/2022				**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	US$	4.74	52,580	4.74	-	5.92	13,145	7.11	26,290
Short position	US$	4.74	(247,962)	4.74	-	5.92	(61,991)	7.11	(123,981)
Net exposure			**(195,382)**		**-**		**(48,846)**		**(97,691)**

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

Interest rate risks

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

	03/31/2022	**12/31/2021**
Variable rate – CDI		
Financial assets	**693,065**	**882,210**
Financial liabilities	**(1,470,597)**	**(1,458,744)**
	(777,532)	**(576,534)**

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Interest rate sensitivity analysis

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

The probable scenario considered the maintenance of the CDI rate of March 31, 2022 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 2022 is low, taking into consideration the market's track record and projections.

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

03/31/2022				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	11.65%	693,065	11.65%	80,742	14.56%	100,928	17.48%	121,113
Short position	CDI	11.65%	(1,470,597)	11.65%	(171,325)	14.56%	(214,156)	17.48%	(256,987)
Net exposure			**(777,532)**		**(90,583)**		**(113,228)**		**(135,874)**

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

Capital Management

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

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

Consistent with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This index corresponds to net debt expressed as a percentage of total capital.
Net debt, in turn, corresponds to total borrowings (including short- and long-term

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borrowings, as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

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

	Consolidated	
	03/31/2022	**12/31/2021**
Total Loans (Note 12)	120,478	120,440
Debentures (Note 12)	1,350,119	1,338,304
(-) Cash and cash equivalents (Note 4)	(739,162)	(892,933)
(-) Derivative instruments	-	(481)
Net debt	731,435	565,330
Total equity – Note 13	995,260	999,592
	1,726,695	1,564,922
Financial leverage ratio - %	**0.42**	0.36

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

19. Provision for contingencies

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

As of March 31, 2022, the lawsuits assessed by the legal advisors as possible risk totaled R$36,001 (R$34,475 as of December 31, 2021), not provisioned, referring to tax, administrative, and labor claims. The company has no lawsuits assessed as probable loss.

Tax assessment notices – Federal Revenue Office

Among the administrative lawsuits with likelihood of loss are the tax assessment notices issued by the Federal Revenue Office in June 2020 in the amount of R$28,280, alleging a possible error in the tax classification of a certain raw material imported by the Company. The Company filed a writ of mandamus seeking the annulment of the notices. The Company's legal advisors understand that the assessment is undue and, for this reason, the amounts are not provisioned as of March 31, 2022.

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20. Related parties

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

Assets	Transaction	03/31/2022	12/31/2021
Current			
Aeris LLC Loan (i)	Loan	2,745	3,233
Total		2,745	3,233
Noncurrent			
Aeris LLC Loan (i)	Loan	1,370	2,421
Total		1,370	2,421

(i) Loan with the subsidiary.

Key management personnel compensation

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

	03/31/2022	03/31/2021
Salaries and other short-term benefits	1,608	2,397

21. Investment in subsidiary

	03/31/2022	12/31/2021
Investment in subsidiary	8,112	10,667
Total	**8,112**	**10,667**

Changes in investments

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

	03/31/2022	12/31/2021
Opening balance on January 1	10,667	5,934
Accumulated currency translation adjustments	(1,581)	797
Reclassification of Translation adjustments	-	(143)
Equity income	(974)	4,079
Closing balance	**8,112**	**10,667**

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(Summarized) statements of the subsidiary

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

Year	Interest - %	Assets	Liabilities	Equity	(Income/Loss for the period)
03/31/2022	100	14,313	14,313	**8,112**	(974)
12/31/2021	100	20,586	20,586	**10,667**	4,079

On March 31, 2022, this subsidiary presented a decrease of 36.55% in revenues compared to the same period in 2021. This change is mainly due to the weather, since winter started later this year, only in January, and remaining until March 2022.

22. Business Segment Information

The determination of the Company's operating segments is based on its Corporate Governance structure, which divides the business into: Manufacturing of wind turbine blades and e Maintenance of wind turbine blades. However, the maintenance segment does not have a significant role yet in the context of the Company's business. As of March 31, 2022, this type of transaction accounted for only 1.24% of net revenue (on March 31, 2021 - 2.03%).

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

23. Insurance (not revised)

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

As of March 31, 2022, the Company had the following main insurance policies with third parties:

Insurance	Coverage
Business	363,000
Civil liability	125,000

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

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24. Earnings per share

(a) Basic and diluted

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potential common shares with diluting potential, which have no difference on March 31, 2022 and 2021, as the Company only has one type of share.

	Parent Company and Consolidated	
	03/31/2022	**03/31/2021**
Net income for the period	1,246	23,044
Balance as of January 1	766,213	766,213
Company's share repurchase	(3,900)	-
Balance as of December 31	762,313	766,213
Weighted average number of shares for the diluted earnings per share	762,313	766,213
Basic earnings per share	**0.00163**	**0.03008**
Diluted earnings per share	**0.00163**	**0.03008**

Executive Board

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