

## 4Q22 HIGHLIGHTS

- ✓ **Net Operating Revenue (NOR)** totaled **R\$2,468.9 million in 2022, down 0,7% vs 2021. NOR totaled R\$ 654.8 million in 4Q22, 4,7% up from 3Q22.**
- ✓ **Net Loss** was **R\$92,7 million** in 2022;
- ✓ **Return on Invested Capital (ROIC)** was **11,3% in 2022;**
- ✓ **EBITDA** was **R\$80.8 million** in 4Q22, with **margin of 12.3%. EBITDA** came to **R\$267.0 million in 2022, with a margin of 10.8%;**
- ✓ **In 2022, investments** totaled **R\$87.1 million.**
- ✓ **Potential orders from long-term contracts** totaled **2,126 sets of blades with power equivalent to 10.5 GW.** Using the 3Q22 closing exchange rate, the Company's **potential net revenue from long-term contracts** totaled **R\$8.9 billion.**

### Investor Relations

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**Conference call in Portuguese with simultaneous translation into English (Q&A in both languages)**

Friday, February 10, 2023 – 10:00 am (Brasilia), 8:00 am (ET)

Participants from Brazil [click here](#) to access the link

Participants from the USA and Other parts of the world [click here](#) to access the link

## MESSAGE FROM MANAGEMENT

Currently, according to data from the International Energy Agency (IEA), more than 60% of the global electricity matrix is supplied by burning coal, natural gas, and oil, and such participation, for the GGE emission targets for compliance with the Net Zero scenario by 2050 to be met, must drop to 26% by 2030. The wind source, which today represents less than 7% of the global electricity matrix, needs to increase the average annual installations to 250GW, more than double the current rate, to support the viability of the scenario. Besides being clean and renewable, wind power contributes to energy security, since it does not depend on the use of fuels, whose availability and prices may be affected by geopolitical matters. Within this context, there is an urgent need for combined efforts from public and private entities so that the entire wind power generation chain has priority in the preparation of investment policies and allocation that allow the acceleration of wind power plant installation throughout the world.

Despite the uncertainties and challenges, in 2022, we produced 1,800 blades, corresponding to 2.8 GW in wind turbine power. Since the first blade delivered in 2012, we have already produced over 13,600 blades, which is sufficient to supply 14.2 GW of wind power plants, more than the power produced in the Itaipú hydroelectric power plant. Of this amount, 3.9 GW was exported and 10.3 GW was aimed at the domestic market, 8.3 GW of which for the wind power plants that are already in operation in Brazil, and 2.0 GW of blades that are already in parks under construction or available at Aeris' yards to be shipped to customers. Aeris' more than 5,500 employees are very proud of their contribution to the energy transition so far, but this is just the beginning. Current long-term supply agreements expect deliveries of another 10.5 GW over the next 2.5 years, reinforcing Aeris' prominence in the renewable energy generation value chain.

Even being a year of record deliveries to the domestic market, our projections for delivering and, consequently, revenues and operating results for 2022 were frustrated by several unexpected challenges related to changes in blade projects on mature lines, and the stabilization of production cycles on lines that matured over 2022. Lower than projected volume delivery combined with longer average blade manufacturing time, mainly in finishing activities, resulted in both an increase in raw material inventory, which has an average lead time between purchase order and receipt at Aeris of up to six months, and an increase in in-process inventory. This negatively affects the Company's working capital requirement. Such an effect was increased by the rise in the basic interest rate in Brazil, thus leading to the realization of loss in 2022.

The conclusion of the maturation process of the production lines and the working capital management discipline are the main levers that will allow the Company to resume the historical levels of return on invested capital. Aware of the challenges expected for 2023, we continue to focus on meeting our customers' production and delivery plan, always prioritizing the safety and health of people together with the quality products and services delivered by Aeris.

## OPERATING AND FINANCIAL HIGHLIGHTS

| Operational Highlights                         | 4Q22 | 3Q22 | 2Q22 | 1Q22 | 4Q21 |
|--|------|------|------|------|------|
| <b>Sets<sup>1</sup></b>                        | 130  | 161  | 162  | 147  | 168  |
| <b>Production in MW equivalent<sup>2</sup></b> | 675  | 739  | 756  | 630  | 709  |
| <b>Domestic market</b>                         | 675  | 688  | 685  | 521  | 530  |
| <b>Export market</b>                           | 0    | 51   | 71   | 109  | 179  |
| <b>Active production lines<sup>3</sup></b>     | 17   | 17   | 18   | 18   | 17   |
| <b>Mature lines<sup>(4)</sup></b>              | 16   | 13   | 12   | 11   | 10   |
| <b>Non-mature lines</b>                        | 1    | 4    | 6    | 7    | 7    |

- (1) Sets (of three blades) that are billed and available to be collected by customers.  
(2) Considers the average nominal power range of wind turbines equipped with billed sets.  
(3) Number of production lines (molds) in production at the end of the period.  
(4) Refers to production lines installed, at the end of the period, more than 12 months ago.

In 4Q22, three production line reached maturity, resulting in sixteen mature lines and one non-mature line at the end of the period, which will reach maturity in 1Q23.

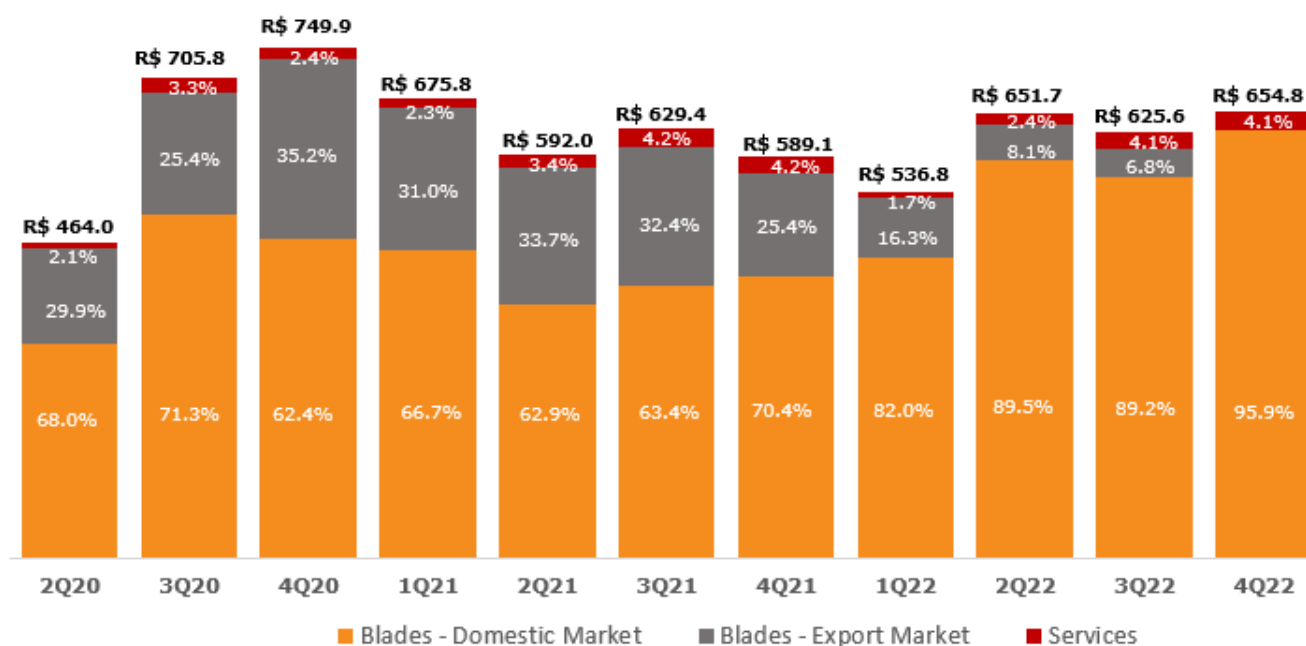
| Financial Highlights                          | 4Q22    | 3Q22    | 4Q21    | Var.<br>4Q22/3Q22 | Var.<br>4Q22/4Q21 | 2022      | 2021      | Var.<br>2022/2021 |
|---|---------|---------|---------|-------------------|-------------------|-----------|-----------|-------------------|
| In thousands of Reals                         |         |         |         |                   |                   |           |           |                   |
| <b>Return on Invested Capital<sup>1</sup></b> | 11.3%   | 10.7%   | 12.3%   | <b>+0.7 pp</b>    | <b>-0.9 pp</b>    | 11.3%     | 12.3%     | <b>-0.9 pp</b>    |
| <b>Net Revenue</b>                            | 654,772 | 625,616 | 589,062 | <b>4.7%</b>       | <b>11.2%</b>      | 2,468,884 | 2,486,150 | <b>-0.7%</b>      |
| <b>Blades - Domestic Market</b>               | 628,193 | 557,833 | 414,626 | <b>12.6%</b>      | <b>51.5%</b>      | 2,209,404 | 1,637,048 | <b>35.0%</b>      |
| <b>Blades - Export Market</b>                 | 0       | 42,243  | 149,430 | -                 | -                 | 182,517   | 762,514   | <b>-76.1%</b>     |
| <b>Services</b>                               | 26,581  | 25,539  | 25,006  | <b>4.1%</b>       | <b>6.3%</b>       | 76,963    | 86,588    | <b>-11.1%</b>     |
| <b>Net Income for the period</b>              | -39,425 | -25,908 | 18,111  | <b>52.2%</b>      | -                 | -92,709   | 69,193    | -                 |
| <b>Net Margin</b>                             | -6.0%   | -4.1%   | 3.1%    | <b>-1,9 pp</b>    | <b>-9,1 pp</b>    | -3.8%     | 2.8%      | <b>-6,5 pp</b>    |
| <b>EBITDA<sup>2</sup></b>                     | 80,806  | 64,794  | 67,330  | <b>24.7%</b>      | <b>20.0%</b>      | 267,031   | 247,426   | <b>7.9%</b>       |
| <b>EBITDA Margin</b>                          | 12.3%   | 10.4%   | 11.4%   | <b>+2.0 pp</b>    | <b>+0.9 pp</b>    | 10.8%     | 10.0%     | <b>+0.9 pp</b>    |

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

## Net Operating Revenue

In 2022, NOR reached R\$2,468.9 million, in line with the same period the last year. In 4Q22, NOR was R\$654.8 million, an increase of 4.7% when compared to 3Q22.

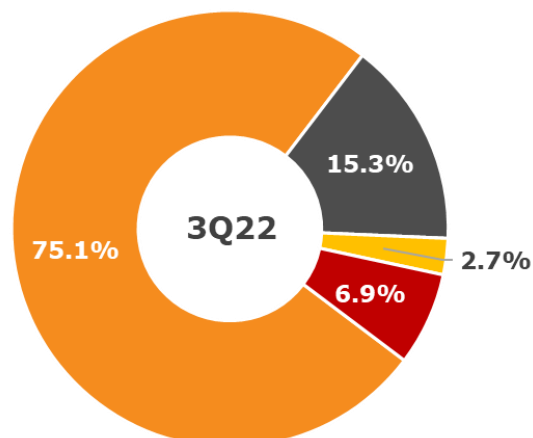
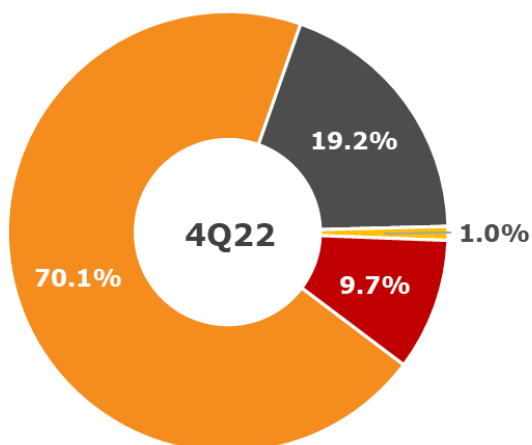
The main reason for this increase is related to the +14.3% variation in the average sales price of blades (in USD/MW), which was partially offset by the 8.6% reduction in billed volume in MW. Part of the price increase is due to the retroactive adjustment of the pass-through of the direct materials costs. The US services business unit also contributed positively to the revenue increase.



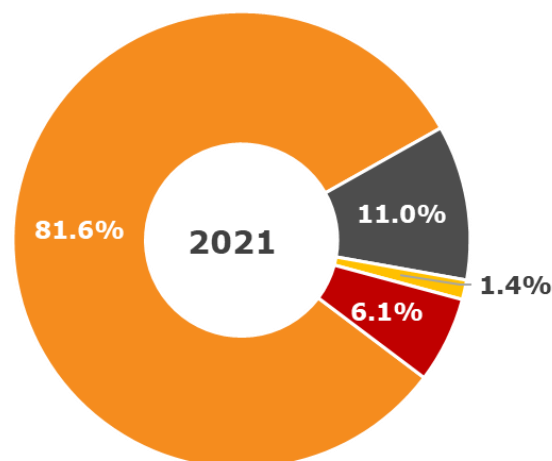
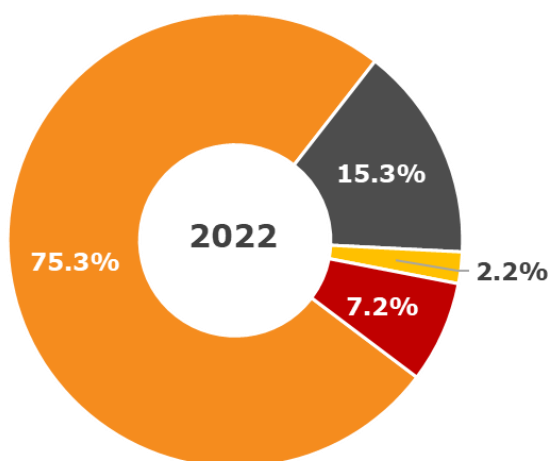
## Cost of Goods Sold

|                           | 4Q22    | 3Q22    | 4Q21    | Var.<br>4Q22/3Q22 | Var.<br>4Q22/4Q21 | 2022      | 2021      | Var.<br>2022/2021 |
|---------------------------|---------|---------|---------|-------------------|-------------------|-----------|-----------|-------------------|
| In thousands of Reals     |         |         |         |                   |                   |           |           |                   |
| <b>Net Revenue</b>        | 654,772 | 625,616 | 589,062 | 4.7%              | 11.2%             | 2,468,884 | 2,486,150 | -0.7%             |
| <b>Cost of Goods Sold</b> | 553,539 | 553,183 | 502,852 | 0.1%              | 10.1%             | 2,174,404 | 2,199,175 | -1.1%             |
| <b>Gross Margin</b>       | 15.5%   | 11.6%   | 14.6%   | +3.9 pp           | +0.8 pp           | 11.9%     | 11.5%     | +0.4 pp           |

Gross margin increased by 3.9 percentage points compared to 3Q22, reaching 15.5% in 4Q22. In 2022, the gross margin was 11.9%, an increase of 0.4 percentage points compared to 2021.



■ Direct materials   
 ■ Labor   
 ■ Depreciation and amortization   
 ■ Other



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Direct material costs represent 75.3% of COGS in 2022 vs 81,6% in 2021, a reduction of 6.3% p.p.

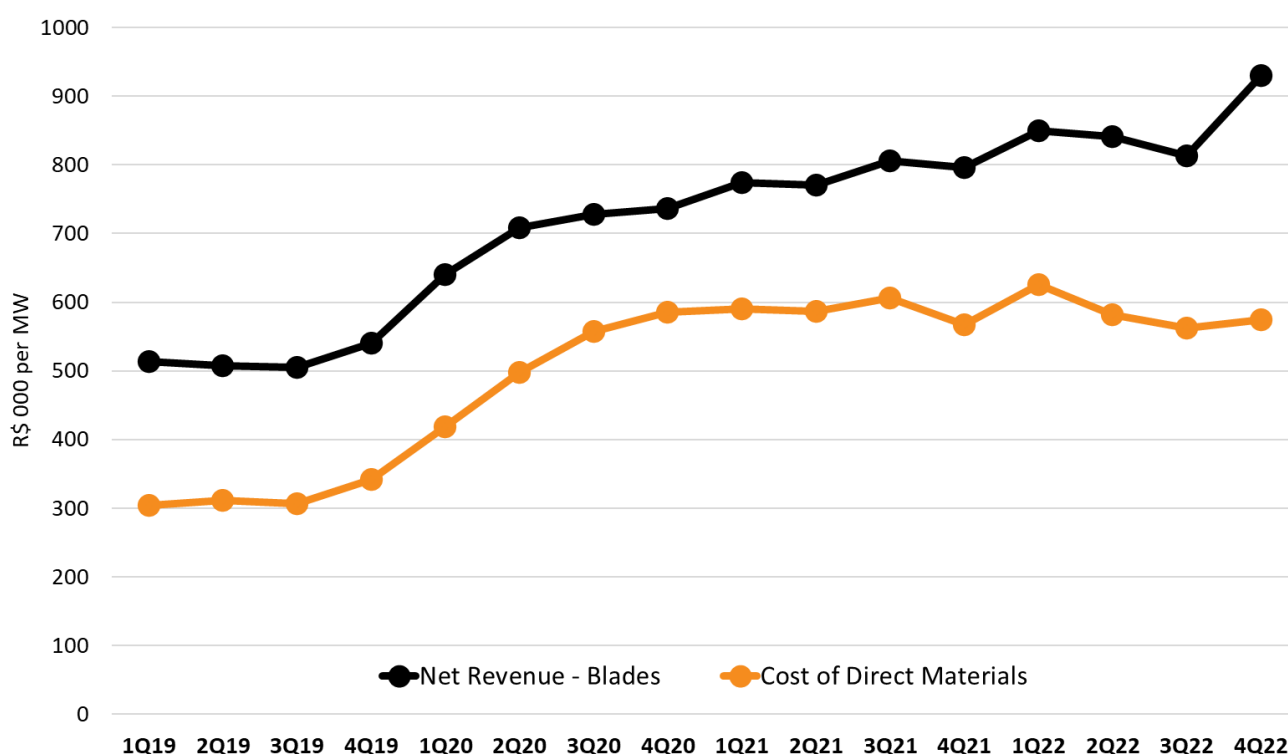
The increase in the representativeness of labor costs is due to the lower operational efficiency shown mainly in the lines that started 2022 with a non-mature status. Such lines required a longer manufacturing cycle in finishing processes, which also negatively affects the Company's working capital needs.

## Pass-through of direct material costs

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

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

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



## General and Administrative Expenses & Other Net Revenue

| In thousands of Reals                      | 4Q22     | 3Q22     | 4Q21     | Var.<br>4Q22/3Q22 | Var.<br>4Q22/4Q21 | 2022      | 2021     | Var.<br>2022/2021 |
|--|----------|----------|----------|-------------------|-------------------|-----------|----------|-------------------|
| <b>General and Administrative Expenses</b> | - 27,380 | - 24,839 | - 25,563 | 10.2%             | 7.1%              | - 104,744 | - 90,720 | 15.5%             |
| <b>% NOR</b>                               | 4.2%     | 4.0%     | 4.3%     |                   |                   | 4.2%      | 3.6%     |                   |
| <b>Other Operating Income - Net</b>        | 697      | 936      | 5,115    | -25.5%            | -86.4%            | 23,719    | 11,638   | 103.8%            |
| <b>% NOR</b>                               | 0.1%     | 0.1%     | 0.9%     |                   |                   | 1.0%      | 0.5%     |                   |

(1) Total selling, general and administrative expenses + tax expenses

In 4Q22, General and Administrative Expenses (G&A) totaled R\$ 27.4 million, an increase of 10.2% compared to 3Q22. In 2022, G&A totaled R\$ 104.7 million, an increase of 15.5% when compared to 2021.

## EBITDA

| In thousands of Reals  | 4Q22         | 3Q22         | 4Q21         | Var.<br>4Q22/3Q22 | Var.<br>4Q22/4Q21 | 2022         | 2021         | Var.<br>2022/2021 |
|--|--------------|--------------|--------------|-------------------|-------------------|--------------|--------------|-------------------|
| <b>Net Income for the period</b>   | -39,425      | -25,908      | 18,111       | 52.2%             | -                 | -92,709      | 69,193       | -                 |
| <b>(+/-) Financial Result</b>  | 120,881      | 78,727       | 43,288       | 53.5%             | 179.2%            | 322,196      | 128,955      | 149.9%            |
| <b>(+/-) Depreciation and amortization</b>   | 6,761        | 16,061       | 11,380       | -57.9%            | -40.6%            | 53,360       | 36,793       | 45.0%             |
| <b>(+/-) Current and deferred income tax and social contribution, before the tax incentive</b> | -6,906       | -4,289       | 4,363        | 61.0%             | -                 | -16,032      | 9,745        | -                 |
| <b>(+/-) Includes the Sudene tax incentive</b>   | 0            | 0            | -9,812       | -                 | -                 | 0            | 2,743        | -                 |
| <b>(+/-) Long-Term Incentive</b>   | -227         | -6           | -            | -                 | -                 | 555          | -            | -                 |
| <b>(+/-) Consultoria Performance</b>   | -278         | 209          | -            | -                 | -                 | -339         | -            | -                 |
| <b>EBITDA*</b>   | 80,806       | 64,794       | 67,330       | 24.7%             | 20.0%             | 267,031      | 247,426      | 7.9%              |
| <b>EBITDA Margin</b>   | <b>12.3%</b> | <b>10.4%</b> | <b>11.4%</b> | <b>+2.0 pp</b>    | <b>+0.9 pp</b>    | <b>10.8%</b> | <b>10.0%</b> | <b>+0.9 pp</b>    |

\*Adjusted EBITDA

In 4Q22, EBITDA reached R\$ 80.8 million and in 2022 reached R\$ 267.0 million, an increase of 24.7% when compared to 3Q22 and an increase of 7.9% when compared to 2021.

This quarter, mature production lines generated R\$ 71.1 million in EBITDA, with a margin of 12.8%, positively affected by the retroactive pass-through of raw material costs. Non-mature lines generated R\$ 5.3 million with a margin of 7.2%, while the services business unit presented EBITDA of R\$ 4.4 million with a margin of 16.4%.

## FINANCIAL RESULT AND DEBT

| In thousands of Reals                     | 4Q22    | 3Q22    | 4Q21    | Var.<br>4Q22/3Q22 | Var.<br>4Q22/4Q21 | 2022     | 2021     | Var.<br>2022/2021 |
|---|---------|---------|---------|-------------------|-------------------|----------|----------|-------------------|
| <b>Net Currency Variation<sup>1</sup></b> | -32,339 | 3,460   | -13,591 | -                 | 137.9%            | -59,013  | -28,196  | 109.3%            |
| <b>Net Financial Expenses<sup>2</sup></b> | -88,542 | -82,187 | -29,699 | 7.7%              | 198.1%            | -263,183 | -100,759 | 161.2%            |
| <b>Net Debt<sup>3</sup></b>               | 757,444 | 717,185 | 565,330 | 5.6%              | 34.0%             | -        | -        | -                 |
| <b>Leverage<sup>4</sup></b>               | 2,8x    | 2,8x    | 2,3x    | -                 | -                 | -        | -        | -                 |

(1) Includes derivative financial instruments.

(2) Net Financial Expenses is the sum of Charges from financial transactions, Interest on borrowings and financing, and Others in the Financial Expenses line, plus the sum of Earnings from financial investments and Others in the Financial Revenues line.

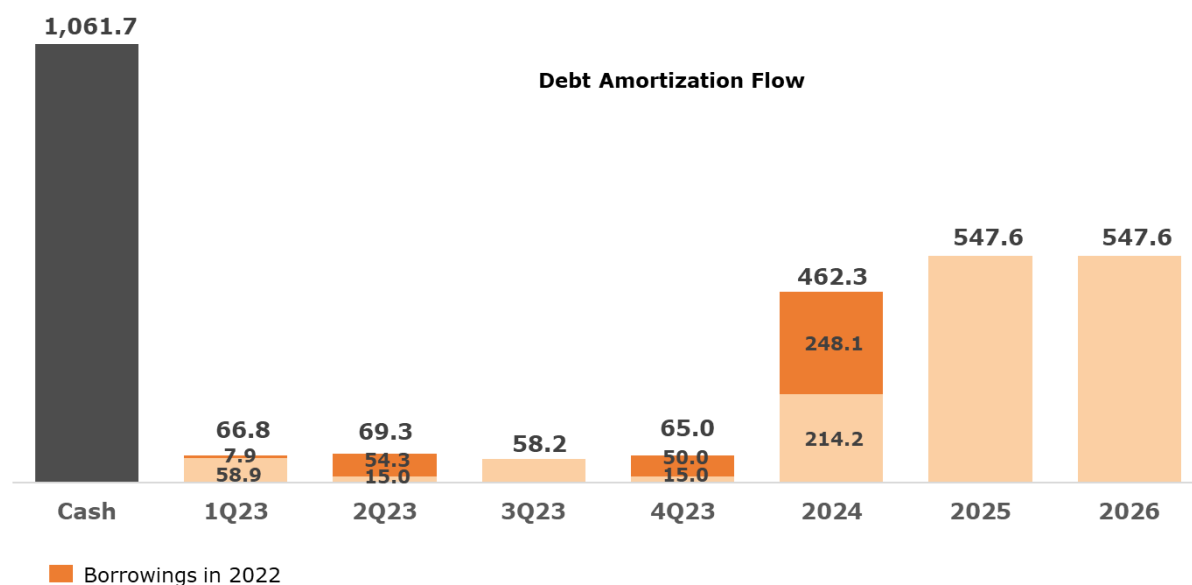
(3) Net Debt is the sum of short-term and long-term loans and financing, less cash and cash equivalents, short-term financial investments (year ended December 31, 2020), and derivative financial instruments.

(4) Net Debt/EBITDA

In 4Q22, net financial expenses amounted to R\$ 88.5 million, an increase of 7.7% compared to 3Q22, mainly caused by the variation in financial charges and partially offset by the increase in income from financial investments.

The net exchange variation presented a loss of R\$ 32.3 million in 4Q22, reflecting the lesser effectiveness of the exchange rate hedge instruments resulting from unplanned variations in the production plan and the flow of receipt of raw materials.

In 4Q22, Net Debt totaled R\$ 757.4 million and Net Leverage, measured by the Net Debt/EBITDA ratio, reached 2.8x.



The Company's cash position at the end of 4Q22 was R\$ 1,061.7 million, which is equivalent to more than 4x the amount of financial obligations to be paid in 2023.

The remaining balance of financial obligations maturing in 2023 is R\$ 259.3 million. Gross debt totaled R\$ 1,819.2 million and had an average term of 2.3 years.

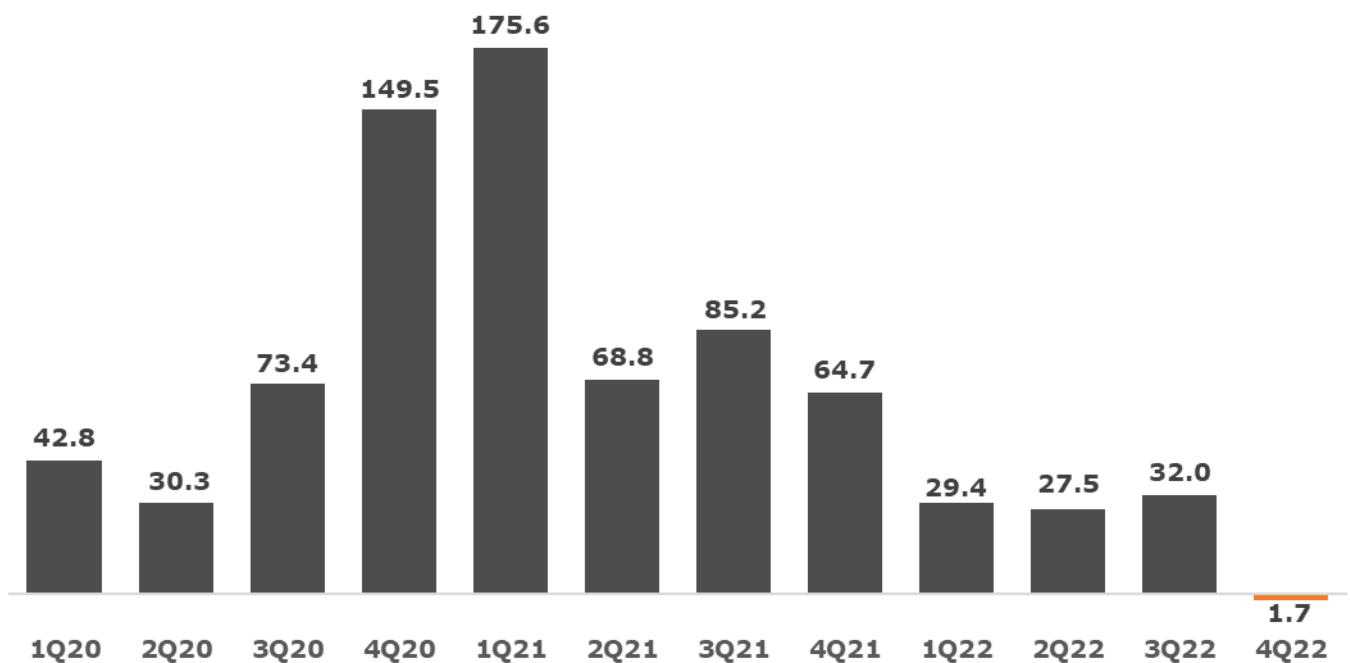


## NET INCOME (LOSS)

Net Loss in 4Q22 was R\$39.4 million. In 2022, the Net Loss stood at R\$92.7 million.

## INVESTMENTS

Cash used in investing activities (R\$ million)



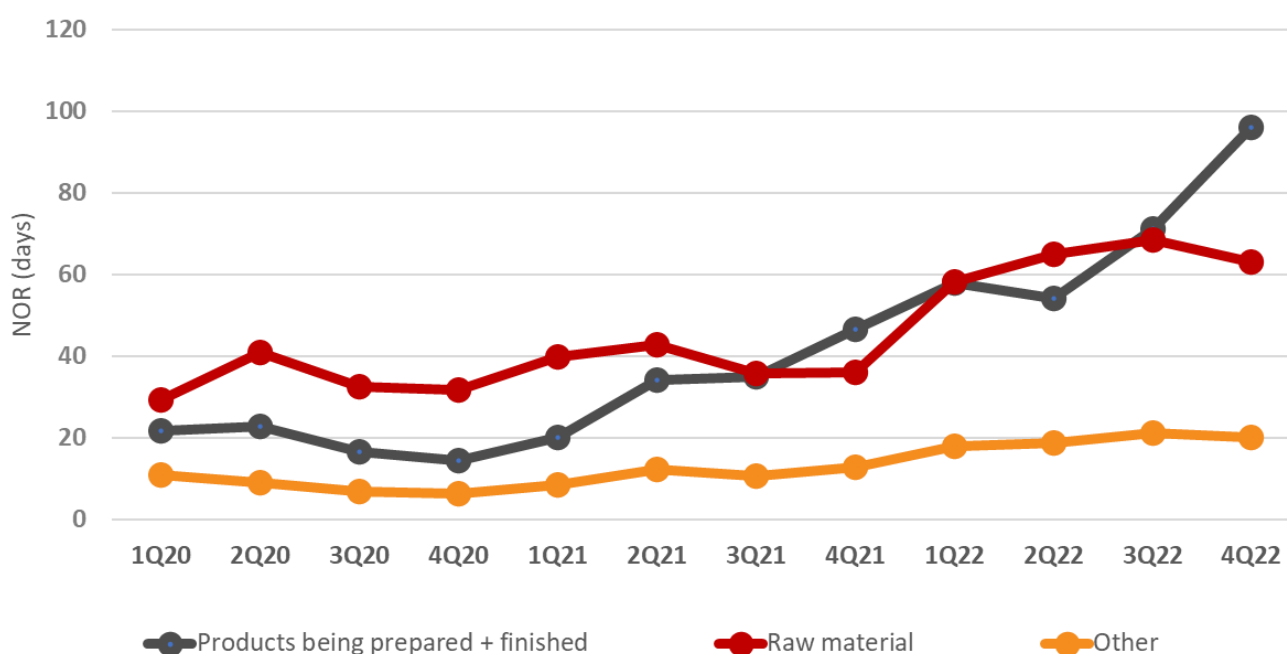
The Company invested R\$ 87.1 million in 2022 vs R\$ 394.4 million in 2021. These investments were intended for: (i) completion of the manufacturing adjustments necessary to service the production lines installed in 4Q21 and (ii) the increase in production capacity at the blade finishing stations to balance production bottlenecks in the quest to reduce the average manufacturing time. Considering that the Company will start operating with all the lines classified as mature as of 1Q23, the use of funds from the primary offer carried out in 2020 for capacity expansion is concluded.

## CASH FLOW

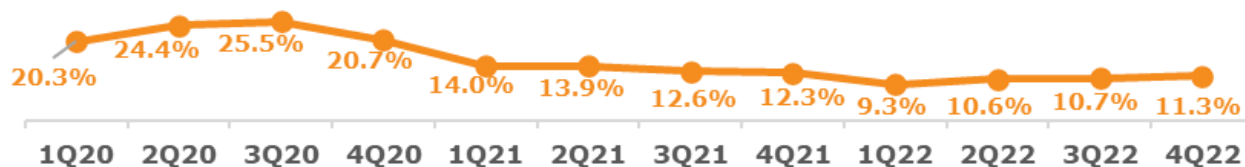
Cash flow from operating activities consumed R\$ 13.3 million in 2022. The main highlight was the combination between the increase in advances from customers and the reduction in accounts receivable in the amount of R\$ 689.1 million, which was fully consumed by increase in inventories of R\$ 699.9 million, mainly caused by the increase in the average manufacturing time due to project changes requested by customers.

The cash flow from investing activities, consumed R\$ 87.1 million in 2022.

The cash flow from financing activities consumed R\$ 270.6 million in 2022, resulting in an increase of R\$ 359.6 million in gross debt and an increase in the cash position of R\$ 167.5 million.

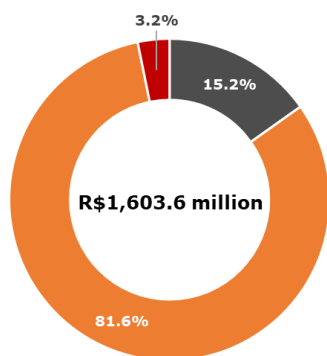


## RETURN ON INVESTED CAPITAL



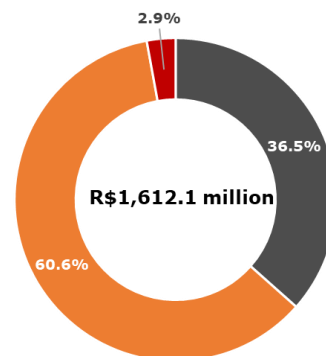
Return on Invested Capital (ROIC) was 11.3% in 2022 vs 12.3% in 2021. The reduction of 90 bps due to the increase in average invested capital, which went from R\$ 1,484.2 million to R\$ 1,603.6 million

Average Invested Capital per Line - 4Q22



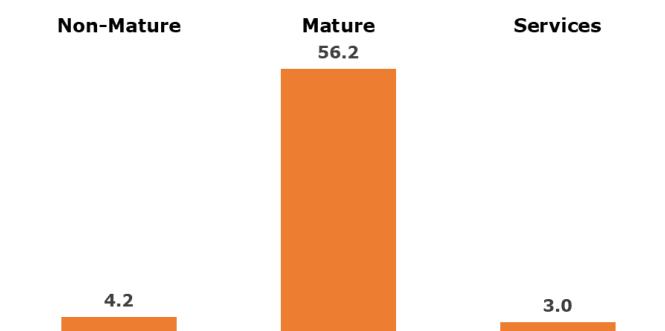
■ Non-Mature ■ Mature ■ Services

Average Invested Capital per Line - 3Q22

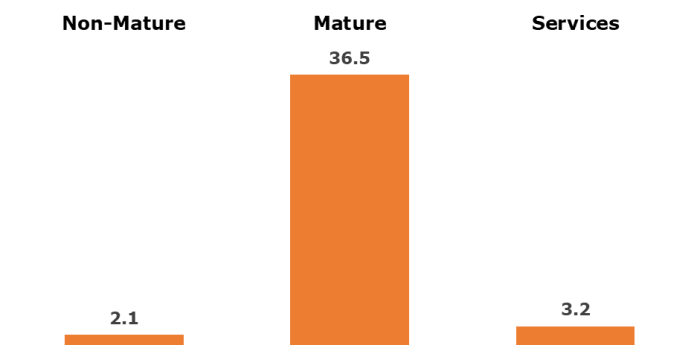


■ Non-Operational ■ Non-Mature ■ Mature

NOPAT 4Q22 - R\$ million



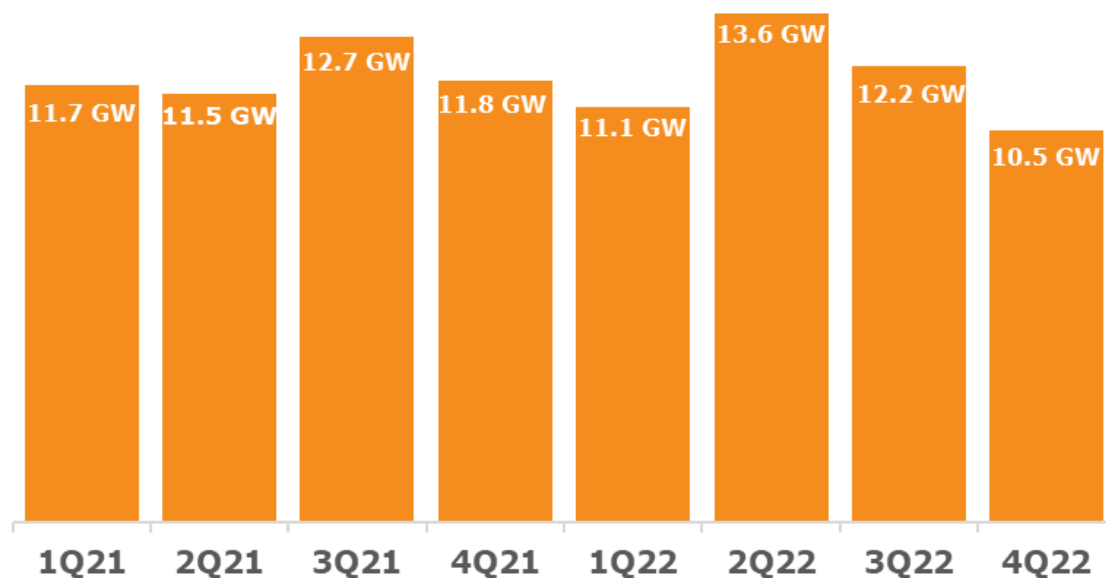
NOPAT 3Q22 - R\$ million



In 4T22, 15.2% of the average invested capital was allocated to lines that have not yet reached maturity. These lines recorded a NOPAT of R\$ 4.2 million in 4Q22.

The mature lines, which accounted for 81.6% of the invested capital, recorded a NOPAT of R\$ 56.2 million in 4Q22, with an annualized ROIC of 18.3%.

## Potential orders covered by long-term contracts<sup>1</sup>



In 4Q22, we had a reduction in the volume of potential orders covered by long-term contracts in the amount of approximately 1,518 MW, of which 751 MW were produced, thus representing an average occupancy rate of the capacity dedicated to the contracts of 38.7%. The drop in the average capacity occupancy rate is mainly due to the non-achievement of projected volumes for this period, which may be recovered in subsequent quarters, since the Company is operating with a significant excess of work-in-process inventories.

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

## 2022 PROJECTION

| Projections                        | Unit        | Disclosed in<br>September 2021<br>Projection for the<br>period ended<br>December 31, 2022 | Revised in<br>August/2022<br>Projection for the<br>period ended<br>December 31, 2022 | Realized<br>Period ended<br>December 31, 2022 |
|------------------------------------|-------------|---|--|---|
| <b>Production in GW equivalent</b> | GW          | 4.3 to 5.2  | 3.2 to 3.6   | 2.8   |
| <b>Net Revenue</b>                 | R\$ million | 3,300 to 4,000  | 2,600 to 3,100   | 2,469   |
| <b>EBITDA<sup>(1)</sup></b>        | R\$ million | 300 to 450  | 270 to 340   | 267   |
| <b>CAPEX</b>                       | R\$ million | 50 to 120   | 95 to 135  | 87  |

<sup>(1)</sup>This calculation includes the Sudene tax incentive

The non-achievement of the range projected for "Production in equivalent GW" is due to (i) the continuity for a longer period than expected of the increase in the quality inspection cycle resulting from changes in the design of one of one model's blades manufactured by the Company, and (ii) the continuity for a longer time than expected of the increase in the average manufacturing time in finishing activities, mainly for the production lines that reached the maturity stage in the second half of 2022.

The non-achievement of the range projected for "Net Revenue", is due to the reduction in "Production in equivalent GW", being partially offset by the increase in the average sale price of wind blades, caused by the pass-through of the increase in the cost of raw materials used to manufacture the blades.

The non-achievement of the range projected for "EBITDA", even though it was 1.1% below the floor of the indicative range, is especially justified by the reduction in the projection of "Net Revenue", partially offset by a better-than-projected margin as a result of improved operating efficiency and the completion, with retroactive effect, of the pass-through of direct material costs to one of the customers.

Finally, investments (CAPEX) below projections are due to the postponement to 1Q23 of the completion of activities aimed at increasing production capacity in finishing.

## EXHIBITS

### Income Statement

| (In thousands of Reais)                                    | 4Q22      | 3Q22      | 4Q21      | Var.<br>4Q22 x<br>3Q22 | Var.<br>4Q22 x<br>4Q21 |
|--|-----------|-----------|-----------|------------------------|------------------------|
| <b>Net operating revenue</b>                               | 654,772   | 625,616   | 589,062   | -4.7%                  | 11.2%                  |
| <b>Cost of goods sold</b>                                  | (553,539) | (553,183) | (502,852) | 0.1%                   | 10.1%                  |
| <b>Gross profit</b>  | 101,233   | 72,433    | 86,210    | 39.8%                  | 17.4%                  |
| <b>Operating income (expenses):</b>                        |           |           |           |                        |                        |
| <b>Selling, general and administrative expenses</b>        | (27,380)  | (24,839)  | (25,563)  | 10.2%                  | 7.1%                   |
| <b>Other operating income (expenses), net</b>              | 697       | 936       | 5,115     | -25.5%                 | -86.4%                 |
| <b>Result before financial revenues and expenses</b>       | 74,550    | 48,530    | 65,762    | 53.6%                  | 13.4%                  |
| <b>Depreciation and Amortization</b>                       | 6,761     | 16,061    | 11,380    | -57.9%                 | -40.6%                 |
| <b>EBITDA</b>  | 81,311    | 64,591    | 77,142    | 25.9%                  | 5.4%                   |
| <b>Sudene tax incentive</b>                                | -         | -         | -9,812    | -                      | -                      |
| <b>Long-Term Incentive</b>                                 | (227)     | (6)       | -         | -                      | -                      |
| <b>Performance Consulting</b>                              | (278)     | 209       | -         | -                      | -                      |
| <b>Adjusted EBITDA</b>                                     | 80,806    | 64,794    | 67,330    | 24.7%                  | 20.0%                  |
| <b>Financial expenses</b>                                  | (151,345) | (111,179) | (73,908)  | 36.1%                  | 104.8%                 |
| <b>Financial revenues</b>                                  | 30,464    | 32,452    | 30,620    | -6.1%                  | -0.5%                  |
| <b>Financial Result</b>                                    | (120,881) | (78,727)  | (43,288)  | 53.5%                  | 179.2%                 |
| <b>Result before income tax and social contribution</b>    | (46,331)  | (30,197)  | 22,474    | 53.4%                  | -306.2%                |
| <b>Current income tax and social contribution</b>          | (517)     | (916)     | 6,298     | -43.6%                 | -108.2%                |
| <b>Deferred income tax and social contribution</b>         | 7,423     | 5,205     | (10,661)  | 42.6%                  | -169.6%                |
| <b>Net income for the period</b>                           | (39,425)  | (25,908)  | 18,111    | 52.2%                  | -317.7%                |
| <b>Profit attributable to shareholders and controllers</b> | (39,425)  | (25,908)  | 18,111    | 52.2%                  | -317.7%                |
| <b>Number of shares at the end of the year</b>             | 747,791   | 762,552   | 766,213   | -1.9%                  | -2.4%                  |
| <b>Registered common shares</b>                            | 747,791   | 762,552   | 766,213   | -1.9%                  | -2.4%                  |
| <b>Basic and diluted earnings per share – R\$</b>          | 0.0527    | (0.0340)  | 0.0236    | -                      | -                      |

## Balance Sheet – Assets

(In thousands of Reais)

| Assets                                      | Parent Company   |                  | Consolidated     |                  |
|---|------------------|------------------|------------------|------------------|
|   | 12/31/2022       | 12/31/2021       | 12/31/2022       | 12/31/2021       |
| <b>Current</b>                              |                  |                  |                  |                  |
| Cash and cash equivalents                   | 1,055,340        | 884,114          | 1,061,718        | 892,933          |
| Trade receivables                           | -                | 13,929           | -                | 21,176           |
| Inventories                                 | 1,301,108        | 624,479          | 1,303,250        | 624,589          |
| Taxes recoverable                           | 137,042          | 144,144          | 137,042          | 144,200          |
| Related parties                             | 10,382           | 3,233            | -                | -                |
| Other receivables                           | 93,733           | 18,528           | 95,554           | 19,359           |
| Derivative financial instruments            | -                | 1,271            | -                | 1,271            |
| <b>Total current assets</b>                 | <b>2,597,605</b> | <b>1,689,698</b> | <b>2,597,564</b> | <b>1,703,528</b> |
| <b>Noncurrent</b>                           |                  |                  |                  |                  |
| Taxes recoverable                           | 163,897          | 125,423          | 163,897          | 125,423          |
| Related parties                             | -                | 2,421            | -                | -                |
| Investments                                 | 15,296           | 10,667           | -                | -                |
| Deferred income tax and social contribution | 5,485            | -                | 5,485            |                  |
| Property, plant, and equipment              | 999,352          | 971,730          | 1,004,040        | 974,124          |
| Intangible assets                           | 3,848            | 2,596            | 3,971            | 2,596            |
| <b>Total non-current assets</b>             | <b>1,187,878</b> | <b>1,112,837</b> | <b>1,177,393</b> | <b>1,102,143</b> |
| <b>Total assets</b>                         | <b>3,785,483</b> | <b>2,802,535</b> | <b>3,774,957</b> | <b>2,805,671</b> |

## Balance Sheet – Liabilities

(In thousands of Reais)

| Liabilities and equity                            | Parent Company   |                  | Consolidated     |                  |
|---|------------------|------------------|------------------|------------------|
|   | 12/31/2022       | 12/31/2021       | 12/31/2022       | 12/31/2021       |
| <b>Current</b>                                    |                  |                  |                  |                  |
| Trade payables                                    | 334,015          | 266,618          | 336,048          | 268,479          |
| Loans and financings                              | 251,295          | 91,688           | 259,160          | 91,688           |
| Derivative financial instruments                  | 2,436            | 790              | 2,436            | 790              |
| Salaries and payroll charges                      | 41,278           | 34,745           | 41,364           | 34,771           |
| Taxes collectable                                 | 17,206           | 10,324           | 18,219           | 11,323           |
| Advances from clients                             | 689,526          | -                | 668,003          | -                |
| Dividends payable                                 | -                | 15,782           | -                | 15,782           |
| Other payables                                    | 7,293            | 3,942            | 7,293            | 4,192            |
| <b>Total current liabilities</b>                  | <b>1,343,049</b> | <b>423,889</b>   | <b>1,332,523</b> | <b>427,025</b>   |
| <b>Noncurrent</b>                                 |                  |                  |                  |                  |
| Loans and financings                              | 1,557,566        | 1,367,056        | 1,557,566        | 1,367,056        |
| Deferred income tax and social contribution       | -                | 11,998           | -                | 11,998           |
| <b>Total non-current liabilities</b>              | <b>1,557,566</b> | <b>1,379,054</b> | <b>1,557,566</b> | <b>1,379,054</b> |
| <b>Total liabilities</b>                          | <b>2,900,615</b> | <b>1,802,943</b> | <b>2,890,089</b> | <b>1,806,079</b> |
| <b>Shareholders' Equity</b>                       |                  |                  |                  |                  |
| Share capital                                     | 815,102          | 815,102          | 815,102          | 815,102          |
| Capital reserve                                   | 463              | 396              | 463              | 396              |
| Profit reserve                                    | 108,175          | 202,882          | 108,175          | 202,882          |
| Equity valuation adjustment                       | 703              | 1,531            | 703              | 1,531            |
| (-) Treasury Shares                               | (39,575)         | (20,319)         | (39,575)         | (20,319)         |
| <b>Total shareholders' equity</b>                 | <b>884,868</b>   | <b>999,592</b>   | <b>884,868</b>   | <b>999,592</b>   |
| <b>Total liabilities and shareholders' equity</b> | <b>3,785,483</b> | <b>2,802,535</b> | <b>3,774,957</b> | <b>2,805,671</b> |



## Cash Flow Statements

(in thousands of Reais)

| Cash flow from operating activities  | 12/31/2022       |
|--|------------------|
| <b>Profit before income tax</b>  | <b>(108,741)</b> |
| Adjustments to reconcile net income to cash (used in) generated by operating activities: |                  |
| Depreciation and amortization  | 53,360           |
| Net result from the sale of property and equipment                                       | 2,305            |
| Equity pick-up   | -                |
| Share-based payment plan   | 1,216            |
| Exchange variation of borrowings and financing   | 669              |
| Exchange variation on financial instruments  | 24.111           |
| Financial expenses – net   | 224,445          |
|  | <b>197,365</b>   |
|  |                  |
| <b>Changes in assets and liabilities</b>   |                  |
| Trade receivables  | 21,160           |
| Inventories  | (699,893)        |
| Taxes recoverable  | (31,318)         |
| Other receivables  | (76,302)         |
| Trade payables   | 67,423           |
| Labor and social security obligations  | 6,591            |
| Taxes payable  | 5,499            |
| Advances from clients  | 667,928          |
| Other accounts payable   | 3,360            |
| <b>Cash generated by operating activities</b>  | <b>161,813</b>   |
|  |                  |
| Interest paid on loans and financings  | (175,112)        |
| <b>Net cash (used in) generated by operating activities</b>                              | <b>(13,299)</b>  |
|  |                  |
| <b>Cash flows from investing activities</b>  |                  |
| Acquisition of property, plant, and equipment  | (85,064)         |
| Amount received from the sale of property, plant, and equipment                          | 514              |
| Acquisition of intangible assets   | (2,558)          |
| <b>Net cash used in investment activities</b>  | <b>(87,108)</b>  |
|  |                  |
| <b>Cash flows from financing activities</b>  |                  |
| Borrowings   | 507,941          |
| Borrowings amortized   | (195,000)        |
| Transaction costs related to funding   | (4,177)          |
| Dividend distribution  | (15,781)         |
| Buyback of Company's shares  | (22,404)         |
| <b>Net cash generated by financing activities</b>  | <b>270,579</b>   |
|  |                  |
| <b>Addition to cash and cash equivalents</b>   | <b>170,172</b>   |
|  |                  |
| Cash and cash equivalents at the start of the period                                     | 892,933          |
| Exchange gain (loss) on cash and secured accounts  | (1,387)          |
| Cash and cash equivalents at the end of the period                                       | 1,061,718        |
| <b>Addition to cash and cash equivalents</b>   | <b>170,172</b>   |