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Company information / Breakdown of capital

Quantity of shares (Unit)	Current quarter 06/30/2023
Paid-in capital	
Common	4,197,317,998
Preferred	0
Total	4,197,317,998
Treasury	
Common	1,105,670
Preferred	0
Total	1,105,670

Individual financial statements / Balance sheet – Assets (R\$ In thousands)

Code	Description	Current quarter 06/30/2023	Prior year 12/31/2022
1	Total assets	16,033,288	15,228,161
1.01	Current assets	1,849,475	1,360,284
1.01.01	Cash and cash equivalents	366,310	438,928
1.01.01.01	Cash and banks	6	6
1.01.01.02	Interest earning bank deposits	366,304	438,922
1.01.02	Interest earning bank deposits	561,522	531,826
1.01.06	Recoverable taxes	54,231	8,240
1.01.06.01	Current taxes recoverable	54,231	8,240
1.01.06.01.01	Recoverable income tax and social contribution	54,231	8,240
1.01.08	Other Current assets	867,412	381,290
1.01.08.03	Other	867,412	381,290
1.01.08.03.01	Dividends	471,563	21,858
1.01.08.03.02	Interest on own capital	395,849	359,432
1.02	Non-current assets	14,183,813	13,867,877
1.02.01	Long-term assets	11,269	11,728
1.02.01.07	Deferred taxes	6,612	7,071
1.02.01.07.01	Deferred income tax and social contribution	6,612	7,071
1.02.01.10	Other non-current assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	14,168,619	13,852,181
1.02.02.01	Equity interest	14,168,619	13,852,181
1.02.02.01.02	Interest in subsidiaries	14,168,619	13,852,181
1.02.03	Property, plant and equipment	3,915	3,958
1.02.03.01	Construction in progress	3,915	3,958
1.02.04	Intangible assets	10	10
1.02.04.01	Intangible assets	10	10

Individual financial statements - Balance sheet – Liabilities (R\$ In thousands)

Code	Description	Current quarter 06/30/2023	Prior year 12/31/2022
2	Total liabilities	16,033,288	15,228,161
2.01	Current liabilities	643,531	388,636
2.01.01	Social and labor obligations	23,189	22,062
2.01.01.01	Social charges	23,189	22,062
2.01.02	Suppliers	309	291
2.01.03	Tax liabilities	36,433	352
2.01.03.01	Federal tax liabilities	36,433	352
2.01.03.01.01	Income tax and social contribution payable	38	81
2.01.03.01.02	Other tax obligations	36,395	271
2.01.05	Other liabilities	583,600	365,931
2.01.05.02	Other	583,600	365,931
2.01.05.02.01	Dividends and interest on own capital	576,189	360,331
2.01.05.02.04	Other	7,411	5,600
2.02	Non-current liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.02.04.01	Tax, social security, labor and civil provision	4,730	4,730
2.03	Shareholders' equity	15,385,027	14,834,795
2.03.01	Realized capital	6,504,517	6,504,517
2.03.02	Capital reserves	-90,899	-108,853
2.03.02.04	Options granted	13,798	15,829
2.03.02.05	Treasury shares	-15,904	-18,736
2.03.02.07	Goodwill in capital transaction	-88,793	-105,946
2.03.03	Revaluation reserve	3,631	3,631
2.03.04	Profit reserves	5,900,539	6,409,895
2.03.04.01	Legal reserve	210,404	210,404
2.03.04.02	Statutory reserve	5,249,910	5,249,910
2.03.04.08	Additional dividend proposed	440,225	949,581
2.03.05	Retained Earnings/accumulated losses	1,605,583	0
2.03.06	Carrying value adjustments	297,770	303,512
2.03.06.01	Deemed cost	297,770	303,512
2.03.08	Other comprehensive income	1,163,886	1,722,093
2.03.08.01	Derivative financial instruments	-87,070	-33,127
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,255,244	1,759,508

Individual financial statements / Statement of income (R\$ In thousands)

Code	Description	Current quarter	Accumulated of the current	Same quarter of the prior	Accumulated of the prior
		04/01/2023–06/30/2023	year 01/01/2023–06/30/2023	year 04/01/2022–06/30/2022	year 01/01/2022–06/30/2022
3.04	Operating expenses/revenue	1,361,492	2,662,436	915,078	1,858,976
3.04.02	General and administrative expenses	-2,015	-4,899	-1,893	-4,151
3.04.02.01	Directors' fees	-922	-1,844	-863	-1,746
3.04.02.02	Other administrative expenses	-1,093	-3,055	-1,030	-2,405
3.04.05	Other operating expenses	-4,111	-5,302	-5,533	-3,515
3.04.06	Equity in net income of subsidiaries	1,367,618	2,672,637	922,504	1,866,642
3.05	Income (loss) before financial income and taxes	1,361,492	2,662,436	915,078	1,858,976
3.06	Financial income (loss)	6,436	14,553	-3,220	-1,922
3.06.01	Financial revenues	30,649	61,392	15,744	33,719
3.06.02	Financial expenses	-24,213	-46,839	-18,964	-35,641
3.07	Income (loss) before income tax	1,367,928	2,676,989	911,858	1,857,054
3.08	Income tax and social contribution	472	-1,936	1,107	-189
3.08.01	Current	-182	-1,478	-25	-201
3.08.02	Deferred	654	-458	1,132	12
3.09	Net income (loss) from continued operations	1,368,400	2,675,053	912,965	1,856,865
3.11	Income/loss for the period	1,368,400	2,675,053	912,965	1,856,865
3.99	Earnings per share - (Reais R\$ / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.3261	0.63749	0.21758	0.44253
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.32603	0.63735	0.21753	0.44243

Individual financial statements / Statement of comprehensive income (R\$ In thousands)

Code	Description	Current quarter	Accumulated of the current	Same quarter of the prior	Accumulated of the prior year
		04/01/2023–06/30/2023	year 01/01/2023–06/30/2023	year 04/01/2022–06/30/2022	01/01/2022–06/30/2022
4.01	Net income for the period	1,368,400	2,675,053	912,965	1,856,865
4.02	Other comprehensive income	-448,762	-558,207	359,728	-757,240
4.02.01	Accumulated currency translation adjustments	-418,093	-504,264	336,477	-715,464
4.02.02	Hedge accounting	-30,669	-53,943	23,251	-41,776
4.03	Comprehensive income for the period	919,638	2,116,846	1,272,693	1,099,625

Individual financial statements / Statement of cash flows - Indirect method (R\$ In thousands)

Code	Description	Current year	Prior year
		01/01/2023–06/30/2023	01/01/2022–06/30/2022
6.01	Net cash from operating activities	34,830	35,750
6.01.01	Cash generated in operations	-29,316	-23,191
6.01.01.01	Income (loss) before taxes	2,676,989	1,857,054
6.01.01.02	Depreciation, amortization and depletion	43	43
6.01.01.03	Equity in net income of subsidiaries	-2,672,637	-1,866,642
6.01.01.06	Yield on interest earning bank deposits	-31,680	-12,226
6.01.01.07	Stock option plan expenses	-2,031	-1,420
6.01.02	Changes in assets and liabilities	64,146	58,941
6.01.02.03	(Increase)/decrease in recoverable taxes	23,864	20,288
6.01.02.04	Increase/(decrease) in suppliers	18	-14
6.01.02.05	Increase/(decrease) in social/tax obligations	-31,826	-17,595
6.01.02.07	Increase/(decrease) in other accounts receivable/payable	73,611	56,501
6.01.02.08	Income tax and social contribution	-1,521	-239
6.02	Net cash used in investment activities	1,261,292	852,586
6.02.02	Receipt of dividends/interest on own capital	1,259,308	839,956
6.02.04	Investments	0	-138
6.02.06	Redemption of interest earning bank deposits	1,984	12,768
6.03	Net cash from financing activities	-1,368,740	-1,109,339
6.03.01	Payment of dividends/interest on own capital	-1,371,572	-1,101,313
6.03.03	Treasury shares	2,832	-8,026
6.05	Increase (decrease) in cash and cash equivalents	-72,618	-221,003
6.05.01	Cash and Cash Equivalents at the beginning of the period	438,928	232,548
6.05.02	Cash and Cash Equivalents at the end of the period	366,310	11,545

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2023–06/30/2023 (R\$ In thousands)

Code	Description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings or losses	Other comprehensive income	Shareholders' equity
5.01	Opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795
5.03	Adjusted opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795
5.04	Capital transactions with partners	-	17,954	-	-637,070	-	-619,116
5.04.03	Recognized options granted	-	-2,031	-	-	-	-2,031
5.04.05	Treasury shares sold	-	3,536	-	-	-	3,536
5.04.06	Dividends	-	-	-	-609,303	-	-609,303
5.04.07	Interest on own capital	-	-	-	-467,992	-	-467,992
5.04.08	Capital transactions	-	16,449	-	-	-	16,449
5.04.09	Additional dividends proposed	-	-	-	440,225	-	440,225
5.05	Total comprehensive income	-	-	-	2,681,639	-563,949	2,117,690
5.05.01	Net income for the period	-	-	-	2,675,053	-	2,675,053
5.05.02	Other comprehensive income	-	-	-	6,586	-563,949	-557,363
5.05.02.04	Translation adjustments in the period	-	-	-	-	-503,420	-503,420
5.05.02.06	Hedge accounting – Cash flow net of taxes	-	-	-	-	-53,943	-53,943
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	6,586	-6,586	-
5.06	Internal changes in shareholders' equity	-	-	-	-948,342	-	-948,342
5.06.04	Payment of dividends	-	-	-	-949,581	-	-949,581
5.06.05	Dividends prescribed	-	-	-	1,239	-	1,239
5.07	Closing balances	6,504,517	-87,268	5,460,314	2,045,808	1,461,656	15,385,027

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2022–06/30/2022 (R\$ In thousands)

Code	Description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings or losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.04	Capital transactions with partners	1,000,000	3,917	-1,000,000	-445,289	-	-441,372
5.04.01	Capital increases	1,000,000	-	-1,000,000	-	-	-
5.04.03	Recognized options granted	-	-1,420	-	-851	-	-2,271
5.04.05	Treasury shares sold	-	-6,520	-	-	-	-6,520
5.04.06	Dividends	-	-	-	-553,650	-	-553,650
5.04.07	Interest on own capital	-	-	-	-335,936	-	-335,936
5.04.08	Capital transactions	-	11,857	-	-	-	11,857
5.04.09	Additional dividends proposed	-	-	-	445,148	-	445,148
5.05	Total comprehensive income	-	-	-	1,881,220	-770,850	1,110,370
5.05.01	Net income for the period	-	-	-	1,856,865	-	1,856,865
5.05.02	Other comprehensive income	-	-	-	24,355	-770,850	-746,495
5.05.02.04	Translation adjustments in the period	-	-	-	-	-704,719	-704,719
5.05.02.06	Hedge accounting – Cash flow net of taxes	-	-	-	-	-41,776	-41,776
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	24,355	-24,355	-
5.06	Internal changes in shareholders' equity	-	-	-	-860,025	-	-860,025
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037
5.06.05	Dividends prescribed	-	-	-	1,012	-	1,012
5.07	Closing balances	6,504,517	-113,292	3,485,565	1,436,943	2,100,211	13,413,944

Individual Financial Statements / Statement of Added Value (R\$ In thousands)

Code	Description	YTD Current Year	YTD prior year
		01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
7.02	Inputs acquired from third parties	771	722
7.02.02	Materials, energy, outsourced services and other	-1,241	-697
7.02.03	Loss/recovery of asset values	2,012	1,419
7.03	Gross added value	771	722
7.04	Retentions	-43	-43
7.04.01	Depreciation, amortization and depletion	-43	-43
7.05	Net added value produced	728	679
7.06	Added value received as transfer	2,734,029	1,900,361
7.06.01	Equity in net income of subsidiaries	2,672,637	1,866,642
7.06.02	Financial revenues	61,392	33,719
7.07	Total added value payable	2,734,757	1,901,040
7.08	Distribution of added value	2,734,757	1,901,040
7.08.01	Personnel	10,462	7,763
7.08.01.01	Direct remuneration	10,180	7,543
7.08.01.02	Benefits	198	132
7.08.01.03	Severance Pay Fund (FGTS)	84	88
7.08.02	Taxes, duties and contributions	2,403	771
7.08.02.01	Federal	2,403	771
7.08.03	Third-party capital remuneration	46,839	35,641
7.08.03.01	Interest	46,839	35,641
7.08.04	Remuneration of own capital	2,675,053	1,856,865
7.08.04.01	Interest on own capital	467,992	335,936
7.08.04.02	Dividends	609,303	553,650
7.08.04.03	Retained earnings / Loss for the period	1,597,758	967,279

Consolidated financial statements or Balance sheet – Assets (R\$ In thousands)

Code	Description	Current quarter 06/30/2023	Prior year 12/31/2022
1	Total assets	29,101,227	28,134,660
1.01	Current assets	20,237,039	19,653,210
1.01.01	Cash and cash equivalents	4,918,937	4,451,002
1.01.01.01	Cash and banks	893,996	710,905
1.01.01.02	Interest earning bank deposits	4,024,941	3,740,097
1.01.02	Interest earning bank deposits	561,522	531,826
1.01.03	Accounts receivable	5,936,243	5,614,423
1.01.03.01	Clients	5,936,243	5,614,423
1.01.04	Inventories	7,466,742	7,644,361
1.01.06	Recoverable taxes	596,255	657,580
1.01.06.01	Current taxes recoverable	596,255	657,580
1.01.06.01.01	Recoverable income tax and social contribution	133,441	104,876
1.01.06.01.02	Other taxes recoverable	462,814	552,704
1.01.08	Other Current assets	757,340	754,018
1.01.08.03	Other	757,340	754,018
1.01.08.03.01	Derivative financial instruments	19,432	33,647
1.01.08.03.02	Other	737,908	720,371
1.02	Non-current assets	8,864,188	8,481,450
1.02.01	Long term assets	717,473	673,726
1.02.01.01	Interest earning bank deposits measured at fair value through profit or loss	10,525	12,287
1.02.01.07	Deferred taxes	485,393	443,133
1.02.01.07.01	Deferred income tax and social contribution	485,393	443,133
1.02.01.10	Other non-current assets	221,555	218,306
1.02.01.10.03	Judicial deposits	81,830	78,963
1.02.01.10.04	Recoverable income tax and social contribution	13,566	14,535
1.02.01.10.05	Other recoverable taxes	63,546	52,274
1.02.01.10.06	Derivative financial instruments	826	0
1.02.01.10.07	Other	61,787	72,534
1.02.02	Investments	986	1,056
1.02.02.01	Equity interest	986	1,056
1.02.02.01.05	Other investments	986	1,056
1.02.03	Property, plant and equipment	6,705,602	6,282,653
1.02.03.01	Construction in progress	6,114,674	5,687,629
1.02.03.02	Right-of-use in lease	590,928	595,024
1.02.04	Intangible assets	1,440,127	1,524,015
1.02.04.01	Intangible assets	235,463	238,820
1.02.04.01.02	Other	235,463	238,820
1.02.04.02	Goodwill	1,204,664	1,285,195

Consolidated financial statements / Balance sheet – Liabilities (R\$ In thousands)

Code	Description	Current quarter 06/30/2023	Prior year 12/31/2022
2	Total liabilities	29,101,227	28,134,660
2.01	Current liabilities	10,724,454	10,262,877
2.01.01	Social and labor obligations	663,134	466,843
2.01.01.01	Social charges	663,134	466,843
2.01.02	Suppliers	2,139,603	2,036,216
2.01.03	Tax liabilities	559,764	459,647
2.01.03.01	Federal tax liabilities	559,764	459,647
2.01.03.01.01	Income tax and social contribution payable	266,807	269,990
2.01.03.01.02	Other	292,957	189,657
2.01.04	Loans and financing	1,924,891	2,307,817
2.01.04.01	Loans and financing	1,924,891	2,307,817
2.01.04.01.01	In domestic currency	8,372	8,494
2.01.04.01.02	In foreign currency	1,916,519	2,299,323
2.01.05	Other liabilities	5,437,062	4,992,354
2.01.05.02	Other	5,437,062	4,992,354
2.01.05.02.01	Dividends and interest on own capital	578,205	361,838
2.01.05.02.04	Advance from clients	2,936,323	2,854,545
2.01.05.02.05	Profit sharing	403,634	447,150
2.01.05.02.06	Derivative financial instruments	136,609	87,831
2.01.05.02.07	Leases	92,491	103,036
2.01.05.02.08	Accounts payable - foreign subsidiaries	462,122	412,758
2.01.05.02.09	Provision for product warranty	368,885	353,203
2.01.05.02.10	Billing for future delivery	165,252	112,231
2.01.05.02.11	Other	293,541	259,762
2.02	Non-current liabilities	2,546,250	2,623,428
2.02.01	Loans and financing	857,831	1,151,875
2.02.01.01	Loans and financing	857,831	1,151,875
2.02.01.01.01	In domestic currency	41,995	31,691
2.02.01.01.02	In foreign currency	815,836	1,120,184
2.02.02	Other liabilities	818,426	674,929
2.02.02.02	Other	818,426	674,929
2.02.02.02.03	Taxes payable	13,269	9,393
2.02.02.02.04	Derivative financial instruments	128,606	47,413
2.02.02.02.05	Leases	471,350	446,594
2.02.02.02.06	Other	205,201	171,529
2.02.03	Deferred taxes	71,347	77,136
2.02.03.01	Deferred income tax and social contribution	71,347	77,136
2.02.04	Provisions	798,646	719,488
2.03	Consolidated shareholders' equity	15,830,523	15,248,355
2.03.01	Realized capital	6,504,517	6,504,517
2.03.02	Capital reserves	-90,899	-108,853
2.03.02.04	Options granted	13,798	15,829
2.03.02.05	Treasury shares	-15,904	-18,736
2.03.02.07	Goodwill in capital transaction	-88,793	-105,946
2.03.03	Revaluation reserve	3,631	3,631
2.03.04	Profit reserves	5,900,539	6,409,895

Consolidated financial statements / Balance sheet – Liabilities (R\$ In thousands)

Code	Description	Current quarter 06/30/2023	Prior year 12/31/2022
2.03.04.01	Legal reserve	210,404	210,404
2.03.04.02	Statutory reserve	5,249,910	5,249,910
2.03.04.08	Additional dividend proposed	440,225	949,581
2.03.05	Retained Earnings/accumulated losses	1,605,583	0
2.03.06	Carrying value adjustments	297,770	303,512
2.03.06.01	Deemed cost	297,770	303,512
2.03.08	Other comprehensive income	1,163,886	1,722,093
2.03.08.01	Derivative financial instruments	-87,070	-33,127
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,255,244	1,759,508
2.03.09	Interest of non-controlling shareholders	445,496	413,560

Consolidated financial statements / Statement of income (R\$ In thousands)

Code	Description	Current quarter 04/01/2023–06/30/2023	Accumulated of the current year 01/01/2023 to 06/30/2023	Same quarter of the prior year 04/01/2022 to 06/30/2022	Accumulated of the prior year 01/01/2022 to 06/30/2022
3.01	Revenue from sales of goods and/or services	8,171,322	15,867,479	7,185,787	14,013,893
3.02	Cost of goods and/or services sold	-5,416,778	-10,565,872	-5,217,781	-10,151,051
3.03	Gross income	2,754,544	5,301,607	1,968,006	3,862,842
3.04	Operating expenses/revenue	-1,073,271	-2,082,141	-846,565	-1,642,813
3.04.01	Sales expenses	-606,886	-1,175,019	-506,697	-999,713
3.04.01.01	Reversals of allowance for doubtful accounts	-1,617	-2,061	1,784	2,938
3.04.01.02	Other selling expenses	-605,269	-1,172,958	-508,481	-1,002,651
3.04.02	General and administrative expenses	-246,668	-505,290	-214,447	-414,194
3.04.02.01	Directors' fees	-5,336	-10,672	-5,609	-12,715
3.04.02.02	Other administrative expenses	-241,332	-494,618	-208,838	-401,479
3.04.04	Other operating revenues	15,591	70,403	15,639	61,653
3.04.05	Other operating expenses	-235,308	-472,235	-141,060	-290,559
3.05	Income (loss) before financial income and taxes	1,681,273	3,219,466	1,121,441	2,220,029
3.06	Financial income (loss)	35,882	104,390	-4,443	49,821
3.06.01	Financial revenues	448,591	837,233	142,180	584,924
3.06.02	Financial expenses	-412,709	-732,843	-146,623	-535,103
3.07	Income (loss) before income tax	1,717,155	3,323,856	1,116,998	2,269,850
3.08	Income tax and social contribution	-307,368	-590,128	-190,878	-390,248
3.08.01	Current	-358,711	-613,410	-249,859	-392,355
3.08.02	Deferred	51,343	23,282	58,981	2,107
3.09	Net income (loss) from continued operations	1,409,787	2,733,728	926,120	1,879,602
3.11	Income/loss for the period	1,409,787	2,733,728	926,120	1,879,602
3.11.01	Attributed to the Parent company's partners	1,368,400	2,675,053	912,965	1,856,865
3.11.02	Attributed to non-controlling partners	41,387	58,675	13,155	22,737
3.99	Earnings per share - (Reais R\$ / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.3261	0.63749	0.21758	0.44253
3.99.02	Diluted earnings per share				

Consolidated financial statements / Statement of income (R\$ In thousands)

Code	Description	Current quarter		Accumulated of the current		Same quarter of the prior		Accumulated of the prior	
		04/01/2023–06/30/2023		year 01/01/2023–06/30/2023		year 04/01/2022–06/30/2022		year 01/01/2022–06/30/2022	
3.99.02.01	Common shares	0.32603	1	0.63735	1	0.21753	1	0.44243	

Consolidated financial statements / Statement of comprehensive income (R\$ In thousands)

Code	Description	Current quarter	Accumulated of the current	Same quarter of the prior	Accumulated of the prior
		04/01/2023–06/30/2023	year 01/01/2023–06/30/2023	year 04/01/2022–06/30/2022	year 01/01/2022–06/30/2022
4.01	Consolidated net income for the period	1,409,787 ¹	2,733,728 ¹	926,120 ¹	1,879,602
4.02	Other comprehensive income	-450,449	-559,163	358,339	-760,869
4.02.01	Accumulated currency translation adjustments	-418,736	-505,515	337,175	-715,808
4.02.02	Hedge accounting	-31,713	-53,648	21,164	-45,061
4.03	Consolidated comprehensive income for the period	959,338	2,174,565	1,284,459	1,118,733
4.03.01	Attributed to the Parent company's partners	919,638	2,116,846	1,272,693	1,099,625
4.03.02	Attributed to non-controlling partners	39,700	57,719	11,766 ¹	19,108

Consolidated financial statements / Statement of cash flows - Indirect method (R\$ In thousands)

Code	Description	Current year	Prior year
		01/01/2023–06/30/2023	01/01/2022–06/30/2022
6.01	Net cash from operating activities	3,174,294	404,452
6.01.01	Cash generated in operations	4,194,320	3,192,487
6.01.01.01	Income (loss) before taxes	3,323,856	2,269,850
6.01.01.02	Depreciation, amortization and depletion	302,757	269,571
6.01.01.03	Profit sharing – Employees	327,074	262,085
6.01.01.04	Stock option plan expenses	6,875	8,382
6.01.01.05	Allowance for credit risk	2,060	-6,270
6.01.01.06	Provision for tax, civil and labor liabilities	78,747	17,465
6.01.01.07	Provision for inventory losses	21,471	22,862
6.01.01.08	Provision with product warranty	26,914	53,304
6.01.01.09	Loss in the disposal of property, plant and equipment and intangible assets	8,609	10,773
6.01.01.10	Accrued interest on loans and financings	67,122	21,545
6.01.01.12	Yield on interest earning bank deposits	-31,680	-12,226
6.01.01.14	Tax credit – Exclusion of ICMS from PIS/COFINS calculation basis	-28,933	-41,300
6.01.01.15	Provision for / settlement of derivative financial instruments	89,448	316,446
6.01.02	Changes in assets and liabilities	-1,020,026	-2,788,035
6.01.02.01	(Increase)/decrease in clients	-519,643	-1,015,125
6.01.02.02	(Increase) decrease in inventories	-149,908	-1,467,938
6.01.02.03	(Increase)/decrease in recoverable taxes	135,033	-4,145
6.01.02.04	Increase/(decrease) in suppliers	142,334	169,784
6.01.02.05	Increase/(decrease) in social/tax obligations	188,593	218,829
6.01.02.06	Increase/(decrease) in advances from clients	156,745	107,847
6.01.02.07	Increase/(decrease) in other accounts receivable/payable	14,683	-200,871
6.01.02.08	Income tax and social contribution	-616,592	-260,225
6.01.02.09	Payment of profit sharing - employees	-371,271	-336,191
6.02	Net cash used in investment activities	-781,961	-528,014
6.02.02	Property, plant and equipment	-760,937	-408,976
6.02.03	Intangible assets	-27,246	-26,731
6.02.04	Receipt in the sale of property, plant and equipment and intangible assets	9,890	4,334
6.02.09	Business acquisition – business combination (net of cash)	-7,414	-98,441
6.02.11	Interest earning bank deposits held to maturity	0	-10,968
6.02.12	Redemption of interest earning bank deposits	3,746	12,768
6.03	Net cash from financing activities	-1,810,486	47,317
6.03.01	Funding loans and financing/Derivatives	931,200	1,792,262
6.03.02	Payment of loans and financing	-1,378,212	-663,867
6.03.03	Interest paid on loans and financing	-65,118	-24,431
6.03.04	Payment of dividends/interest on own capital	-1,301,188	-1,048,621
6.03.05	Treasury shares	2,832	-8,026
6.04	Exchange-rate change on cash and cash equivalents	-113,912	-67,898
6.05	Increase (decrease) in cash and cash equivalents	467,935	-144,143
6.05.01	Cash and Cash Equivalents at the beginning of the period	4,451,002	2,714,427
6.05.02	Cash and Cash Equivalents at the end of the period	4,918,937	2,570,284

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2023 to 06/30/2023 (R\$ In thousands)

Code	Description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings or losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated equity
5.01	Opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795	413,560	15,248,355
5.03	Adjusted opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795	413,560	15,248,355
5.04	Capital transactions with partners	-	17,954	-	-637,070	-	-619,116	-25,783	-644,899
5.04.03	Recognized options granted	-	-2,031	-	-	-	-2,031	-	-2,031
5.04.05	Treasury shares sold	-	3,536	-	-	-	3,536	-	3,536
5.04.06	Dividends	-	-	-	-609,303	-	-609,303	-	-609,303
5.04.07	Interest on own capital	-	-	-	-467,992	-	-467,992	-	-467,992
5.04.08	Capital transactions	-	16,449	-	-	-	16,449	-25,783	-9,334
5.04.09	Additional dividends proposed	-	-	-	440,225	-	440,225	-	440,225
5.05	Total comprehensive income	-	-	-	2,681,639	-563,949	2,117,690	57,719	2,175,409
5.05.01	Net income for the period	-	-	-	2,675,053	-	2,675,053	58,675	2,733,728
5.05.02	Other comprehensive income	-	-	-	6,586	-563,949	-557,363	-956	-558,319
5.05.02.04	Translation adjustments in the period	-	-	-	-	-503,420	-503,420	-1,251	-504,671
5.05.02.06	Hedge accounting - Cash flow net of taxes	-	-	-	-	-53,943	-53,943	295	-53,648
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	6,586	-6,586	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-948,342	-	-948,342	-	-948,342
5.06.04	Payment of dividends	-	-	-	-949,581	-	-949,581	-	-949,581
5.06.05	Dividends prescribed	-	-	-	1,239	-	1,239	-	1,239
5.07	Closing balances	6,504,517	-87,268	5,460,314	2,045,808	1,461,656	15,385,027	445,496	15,830,523

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2022 to 06/30/2022 (R\$ In thousands)

Code	Description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings or losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.04	Capital transactions with partners	1,000,000	3,917	-1,000,000	-445,289	-	-441,372	-38,002	-479,374
5.04.01	Capital increases	1,000,000	-	-1,000,000	-	-	-	-	-
5.04.03	Recognized options granted	-	-1,420	-	-851	-	-2,271	-	-2,271
5.04.05	Treasury shares sold	-	-6,520	-	-	-	-6,520	-	-6,520
5.04.06	Dividends	-	-	-	-553,650	-	-553,650	-	-553,650
5.04.07	Interest on own capital	-	-	-	-335,936	-	-335,936	-	-335,936
5.04.08	Capital transactions	-	11,857	-	-	-	11,857	-38,002	-26,145
5.04.09	Additional dividends proposed	-	-	-	445,148	-	445,148	-	445,148
5.05	Total comprehensive income	-	-	-	1,881,220	-770,850	1,110,370	19,108	1,129,478
5.05.01	Net income for the period	-	-	-	1,856,865	-	1,856,865	22,737	1,879,602
5.05.02	Other comprehensive income	-	-	-	24,355	-770,850	-746,495	-3,629	-750,124
5.05.02.04	Translation adjustments in the period	-	-	-	-	-704,719	-704,719	-344	-705,063
5.05.02.06	Hedge accounting – Cash flow net of taxes	-	-	-	-	-41,776	-41,776	-3,285	-45,061
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	24,355	-24,355	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-860,025	-	-860,025	-	-860,025
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037	-	-861,037
5.06.05	Dividends prescribed	-	-	-	1,012	-	1,012	-	1,012
5.07	Closing balances	6,504,517	-113,292	3,485,565	1,436,943	2,100,211	13,413,944	386,807	13,800,751

Consolidated Financial Statements / Statement of Added Value (R\$ In thousands)

Code	Description	Current year 01/01/2023 to 06/30/2023	Prior year 01/01/2022 to 06/30/2022
7.01	Revenues	17,578,758	15,711,902
7.01.01	Sale of goods, products and services	17,552,726	15,694,968
7.01.02	Other revenues	28,092	10,664
7.01.04	Formation/reversal of allowance for doubtful accounts	-2,060	6,270
7.02	Inputs acquired from third parties	-9,809,523	-9,416,160
7.02.02	Materials, energy, outsourced services and other	-9,754,496	-9,434,173
7.02.03	Loss/recovery of asset values	-55,027	18,013
7.03	Gross added value	7,769,235	6,295,742
7.04	Retentions	-302,757	-269,571
7.04.01	Depreciation, amortization and depletion	-302,757	-269,571
7.05	Net added value produced	7,466,478	6,026,171
7.06	Added value received as transfer	861,098	616,799
7.06.02	Financial revenues	837,233	584,924
7.06.03	Other	23,865	31,875
7.06.03.01	Recognition of tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	23,865	31,875
7.07	Total added value payable	8,327,576	6,642,970
7.08	Distribution of added value	8,327,576	6,642,970
7.08.01	Personnel	3,164,001	2,767,599
7.08.01.01	Direct remuneration	2,748,420	2,393,031
7.08.01.02	Benefits	317,532	285,470
7.08.01.03	Severance Pay Fund (FGTS)	98,049	89,098
7.08.02	Taxes, duties and contributions	1,688,362	1,456,023
7.08.02.01	Federal	1,514,767	1,295,898
7.08.02.02	State	156,207	142,246
7.08.02.03	Municipal	17,388	17,879
7.08.03	Third-party capital remuneration	741,485	539,746
7.08.03.01	Interest	728,860	528,343
7.08.03.02	Rentals	12,625	11,403
7.08.04	Remuneration of own capital	2,733,728	1,879,602
7.08.04.01	Interest on own capital	467,992	335,936
7.08.04.02	Dividends	609,303	553,650
7.08.04.03	Retained earnings / Loss for the period	1,597,758	967,279
7.08.04.04	Non-controlling interest	58,675	22,737

Performance comment

EARNINGS RELEASE

2Q 2023

Improved operating margins and return on invested capital with continued growth

Highlights



Net Operating Revenue (NOR) was **R\$ 8,171.3 million** in 2Q23, 13.7% higher than 2Q22 and 6.2% higher than 1Q23.



EBITDA⁽¹⁾ reached **R\$ 1,833.1 million**, 45.9% higher than 2Q22 and 8.5% higher than 1Q23, while **EBITDA margin** was **22.4%**, 490 bps higher than 2Q22 and 50 bps higher than the previous quarter.



Return on Invested Capital (ROIC⁽²⁾) reached **34.4%** in 2Q23, up 750 bps from 2Q22 and an increase of 300 bps from 1Q23.

Message from the Management

We reported consistent revenue growth this quarter, reflecting the good performance of the long-cycle businesses, combined with good demand for our products and services in the main regions where we operate, contributing to a quarter of growth in operating margins.

In Brazil, we maintained a positive performance, with continued good demand for industrial equipment in relevant segments such as oil & gas, pulp & paper, and mining. Highlight for long-cycle equipment, with good performance in the Energy Generation, Transmission and Distribution (GTD) area, especially in transmission & distribution (T&D), despite the lower level of revenue in the distributed solar generation business when compared to the same period last year.

In the external market, we highlight the good performance in the GTD area, where the T&D business in North America continued to present important evolution in this quarter. We presented good results in the other markets in which we operate, with emphasis on the mining and oil & gas segments in the Industrial Electro-Electronic Equipment area.

The control of our working capital requirement, combined with the accommodation of material costs, product mix and performance improvement in the operations outside Brazil, contributed to the growth of the return on invested capital. We remain confident in our strategy, where the diversification of products and solutions, together with our global presence, makes it possible for us to take advantage of the opportunities present in our markets. We seek to be always attentive to market risks and uncertainties, and we believe that our long-term vision, financial flexibility and constant search for operational efficiency contribute to the Company's continuous and sustainable growth.

Table 1 – Main Highlights

	2Q23	1Q23	HA%	2Q22	HA%	06M23	06M22	HA%
Return on Invested Capital	34.4%	31.4%	300 bps	26.9%	750 bps	34.4%	26.9%	750 bps
Net Operating Revenue	8,171,322	7,696,157	6.2%	7,185,787	13.7%	15,867,479	14,013,893	13.2%
Domestic Market	3,744,356	3,658,225	2.4%	3,637,755	2.9%	7,402,581	7,108,709	4.1%
External Markets	4,426,966	4,037,932	9.6%	3,548,032	24.8%	8,464,898	6,905,184	22.6%
<i>External Markets in US\$</i>	<i>895,600</i>	<i>777,213</i>	15.2%	<i>719,262</i>	24.5%	<i>1,672,813</i>	<i>1,363,955</i>	22.6%
Net Income	1,368,400	1,306,653	4.7%	912,965	49.9%	2,675,053	1,856,865	44.1%
Net Margin	16.7%	17.0%	-30 bps	12.7%	400 bps	16.9%	13.3%	360 bps
EBITDA	1,833,098	1,689,125	8.5%	1,256,662	45.9%	3,522,223	2,489,600	41.5%
EBITDA Margin	22.4%	21.9%	50 bps	17.5%	490 bps	22.2%	17.8%	440 bps
Earnings per Share (EPS)	0.32610	0.31139	4.7%	0.21758	49.9%	0.63749	0.44253	44.1%

The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reals (R\$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the same period of the previous year. Share data is adjusted for split or bonus events.

Performance comment

Net Operating Revenue

Net operating revenue grew 13.7% compared to 2Q22, up 2.9% in the domestic market and 24.8% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1. Adjusted for the effects of the consolidation of the Gefran Motion Control business acquisition, consolidated revenue for the quarter would have grown by 12.5% over 2Q22.

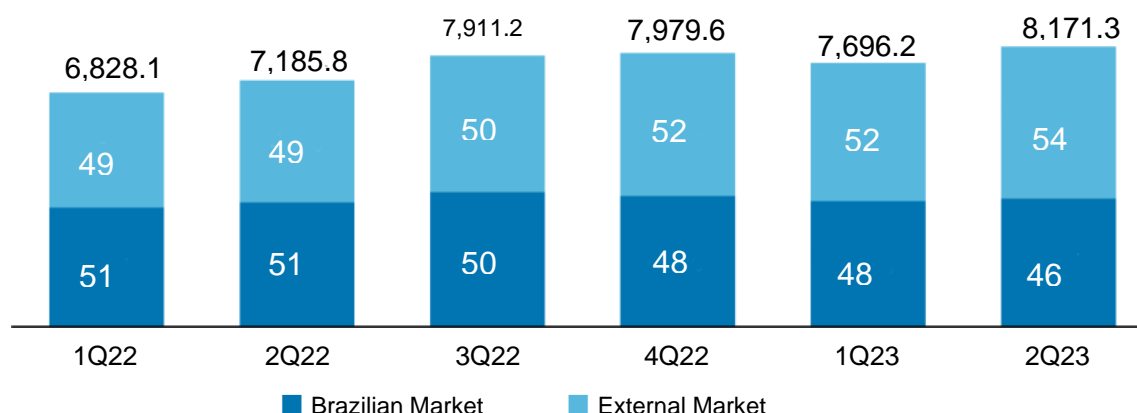


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 24.5% in relation to 2Q22 and increased 15.2% in relation to 1Q23. The distribution of net revenue by geographic markets is shown in Table 2.

Table 2 – Net operating revenue from the external market by geographic region, in US dollars

	2Q23		1Q23		2Q22		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<i>External Markets in US\$</i>	895,600	100.0%	777,213	100.0%	719,262	100.0%	15.2%	24.5%
<i>North America</i>	405,728	45.3%	380,816	49.0%	336,683	46.8%	6.5%	20.5%
<i>South and Central America</i>	98,988	11.0%	86,837	11.2%	86,537	12.0%	14.0%	14.4%
<i>Europe</i>	258,445	28.9%	188,437	24.2%	174,106	24.2%	37.2%	48.4%
<i>Africa</i>	56,579	6.3%	45,577	5.9%	44,934	6.3%	24.1%	25.9%
<i>Asia-Pacific</i>	75,860	8.5%	75,546	9.7%	77,002	10.7%	0.4%	-1.5%

Net operating revenue from the external market was little impacted by the average US dollar exchange rate that moved from R\$ 4.93 in 2Q22 to R\$ 4.95 in 2Q23, 0.4% appreciation over the Brazilian Real.

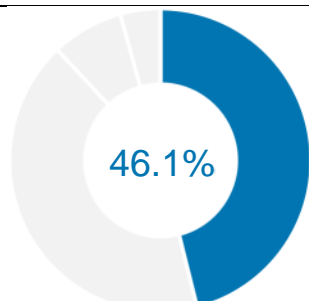
It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 27.5% when compared to 2Q22.

Performance comment

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
2Q23	1,278,125	2,488,297
1Q23	1,206,553	2,541,095
Δ%	5.9%	-2.1%
2Q22	1,110,609	2,319,428
Δ%	15.1%	7.3%



Share in NOR

Domestic Market

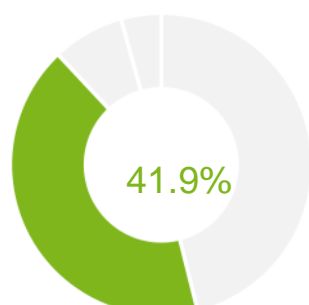
- We continued to have good industrial activity in Brazil, with positive demand for short-cycle products, especially for serial automation products, mainly destined for the mining and pulp & paper segments.
- Continued good performance for long cycle equipment, such as medium voltage electric motors and automation panels, with emphasis on the oil & gas, mining and pulp & paper segments.

External Market

- Global industrial demand remains positive for the company's main products and solutions. Short-cycle equipment, such as low voltage electric motors and serial automation products, showed good demand in most of the markets where we operate, with especially in North America.
- Long cycle equipment showed consistent results, reflecting the backlog built in last quarters. High voltage motors, mainly for oil & gas and mining projects, contributed to this quarter's result.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q23	1,926,788	1,499,495
1Q23	1,948,118	1,014,932
Δ%	-1.1%	47.7%
2Q22	2,015,057	823,675
Δ%	-4.4%	82.0%



Share in NOR

Domestic Market

- Another quarter of good performance in the T&D business, driven by the deliveries of large transformers and substations for projects related to transmission auctions and projects for distribution networks.
- Demand for distributed solar generation (GD), despite showing an evolution in relation to 1Q23, remained below the same period of the previous year, still influenced by the change in regulation in the sector associated with the higher cost of financing and reduction in the cost of energy in Brazil.

External Market

- The main highlight this quarter, deliveries of T&D projects presented another positive quarter, especially in North America, where we continue to take advantage of the present opportunities, both in Mexico and in the US, mainly in the sale of transformers for renewable energy generation parks (wind and solar).
- In the generation business, we highlight the good performance of our operation in Europe and the construction of a healthy backlog for the coming quarters in the remaining operations.

Performance comment

Performance by Business Area

Commercial and Appliance Motors (MCA)

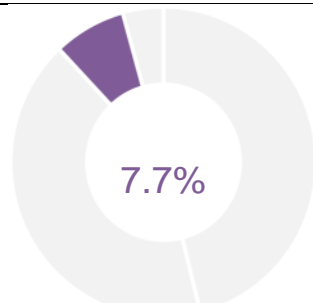
NOR	Domestic Market	External Market
2Q23	251,007	377,367
1Q23	218,917	426,498
Δ%	14.7%	-11.5%
2Q22	234,905	345,311
Δ%	6.9%	9.3%

Domestic Market

- We observed growth in demand for products in different segments, including durable consumer goods, such as air conditioning, compressors and operators.

External Market

- We showed growth in demand in some important regions where we operate, with emphasis on the continued growth in the US market.



Share in NOR

Paints and Varnishes (T&V)

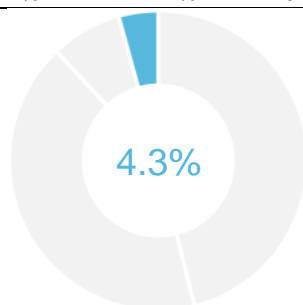
NOR	Domestic Market	External Market
2Q23	288,436	61,807
1Q23	284,637	55,407
Δ%	1.3%	11.6%
2Q22	277,184	59,618
Δ%	4.1%	3.7%

Domestic Market

- Demand for paint and varnish products was positive, with highlight on the oil & gas and maintenance segments.

External Market

- Revenues in our operations abroad showed growth, offsetting the lower export activity from Brazil in the quarter.



Share in NOR

Performance comment

Cost of Goods Sold

The Cost of Goods Sold (COGS) and gross margin for the quarter are shown in Table 3.

Table 3 – Costs

	2Q23	1Q23	HA%	2Q22	HA%
Net Operating Revenues	8,171,322	7,696,157	6.2%	7,185,787	13.7%
Cost of Goods Sold	(5,416,778)	(5,149,094)	5.2%	(5,217,781)	3.8%
Gross Margin	33.7%	33.1%	60 bps	27.4%	630 bps

The accommodation of prices on the main raw materials that make up our cost structure, notably steel and copper, together with the change in the mix of products sold, improvement in the performance of our operations outside Brazil and the constant search for operational efficiency and productivity gains were important factors for the evolution of gross margin in the quarter.

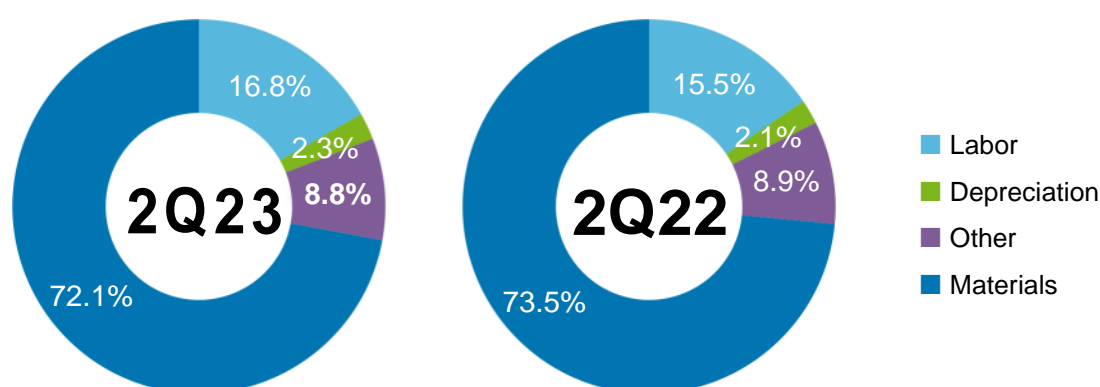


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 853.6 million in 2Q23, an increase of 18.4% Vs. 2Q22 and an increase of 3.2% vs. 1Q23. When analyzed in relation to net operating revenue, these expenses accounted for 10.4%, up 40 basis points. vs. 2Q22 and down 30 basis points compared to 1Q23.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 156/2022, and the EBITDA margin are shown in Table 4. EBITDA margin showed an important evolution when compared to the same period of the previous year, mainly a reflection of the accommodation of raw material costs combined with the change in the mix of products sold.

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q23	1Q23	HA%	2Q22	HA%
Net Operating Revenues	8,171,322	7,696,157	6.2%	7,185,787	13.7%
Net Income	1,368,400	1,306,653	4.7%	912,965	49.9%
Net Income Before Minorities	1,409,787	1,323,941	6.5%	926,120	52.2%
(+) Income Taxes & Contributions	307,368	282,760	8.7%	190,878	61.0%
(+/-) Financial Income (Expenses)	(35,882)	(68,508)	-47.6%	4,443	n.a.
(+) Depreciation & Amortization	151,825	150,932	0.6%	135,221	12.3%
EBITDA	1,833,098	1,689,125	8.5%	1,256,662	45.9%
EBITDA Margin	22.4%	21.9%	50 bps	17.5%	490 bps

Performance comment

Net Income

Net Income in 2Q23 was R\$ 1,368.4 million, up 49.9% compared to 2Q22 and up 4.7% compared to 1Q23. The net margin reached 16.7%, 400 basis points higher than 2Q22 and 30 basis points lower than 1Q23.

Cash Flow

Operating activities generated cash flow of R\$ 3,174.3 million in the first six months of the year, as a result of continued revenue growth and improved operating margins. It is important to highlight the evolution of the process of improving inventory turnover indicators in the period, whose growth during the previous year was necessary to guarantee the good availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiary and financial investments, we had a cash consumption of R\$ 782.0 million. The level of (CAPEX⁽²⁾) in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment of resources in the factories in Brazil, Mexico, Portugal and India.

In financing activities, we raised R\$ 931.2 million and amortized R\$1,443.3 million, including interest on loans, resulting in a net amortization of R\$ 512.1 million. Remuneration on equity (dividends and interest on equity) amounted to R\$1,301.2 million. The result was a cash consumption of R\$1,810.5 million in financing activities in the period.

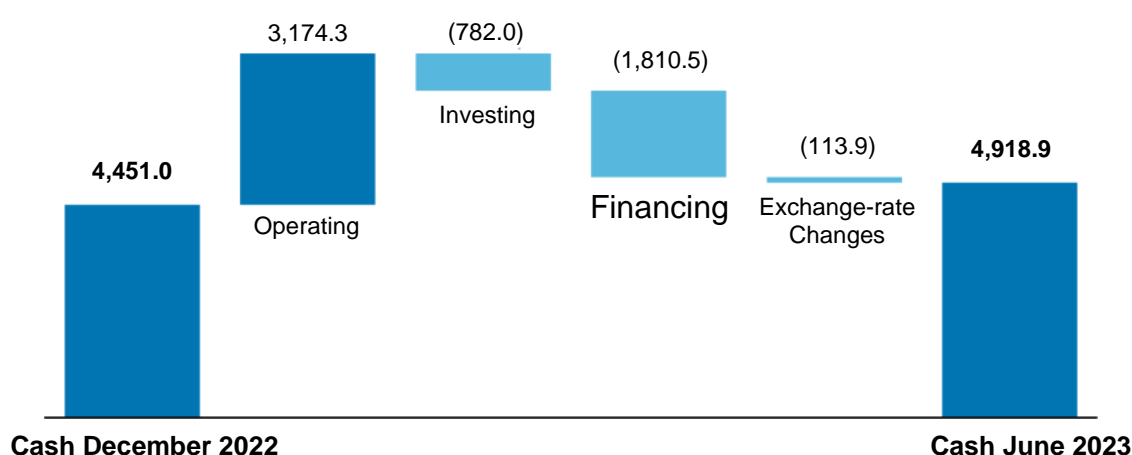


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 592.3 million in financial investments with no immediate liquidity, including derivative financial instruments (R\$ 577.8 million in December 2022).

Return on Invested Capital

The ROIC in 2Q23, accumulated in the last 12 months, reached 34.4%, increased by 750 basis points over 2Q22 and growing 300 basis points over 1Q23. The growth of Net Operating Profit After Taxes (NOPAT), mainly due to revenue growth and improvement in operating margins, more than offset the growth in capital employed, which expansion is explained mainly by investments in fixed and intangible assets made over the last 12 months and by our better control of working capital requirement in the period.

Performance comment

Investments (CAPEX)

In 2Q23, we invested R\$ 444.8 million in the modernization and expansion of production capacity, machinery and equipment, and software licenses, 34% for production units in Brazil and 66% for industrial plants and other facilities abroad.

In Brazil, we continue to invest in expanding production capacity for industrial motors, electric traction motors and battery packs. Abroad, we continued to increase the production capacity of the motor and transformer factories in Mexico, build the motor factory in Portugal and expand the high voltage motor and generator factory in India.

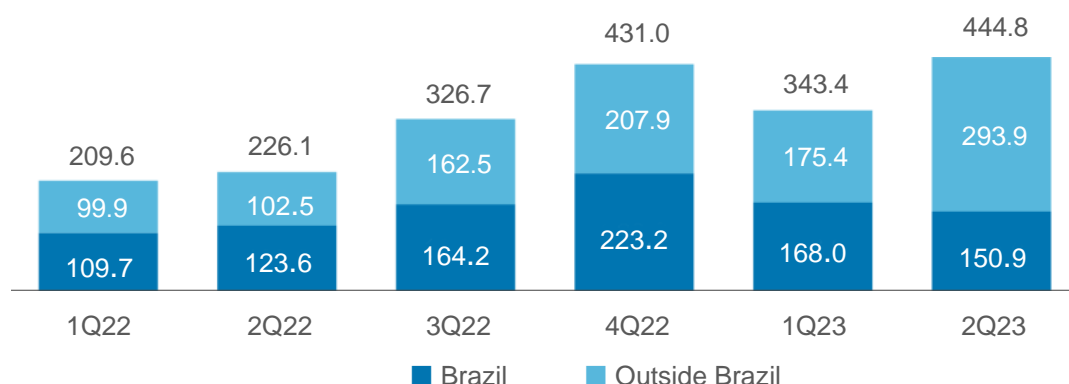


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 427.7 million, representing 2.7% of accumulated net operating revenue in 2Q23.

Debt and Cash Position

Cash, cash equivalents, invested in first-tier banks and denominated in Brazilian currency, and financial investments and derivatives are presented in Table 5. Likewise, the Company demonstrates the total gross financial debt, with details between short and long-term, in Brazilian Reais and other currencies, resulting in the Company's net cash at the end of the quarter.

Table 5 – Cash and Debt

	June 2023		December 2022		June 2022	
Cash & Cash Equivalents	5,490,984		4,995,115		3,083,418	
Current	5,480,459		4,982,828		3,072,450	
Long Term	10,525		12,287		10,968	
Derivatives	(244,957)		(101,597)		35,738	
Short Term Assets	19,432		33,647		167,083	
Long Term Assets	826		-		82	
Short Term Liabilities	(136,609)		(87,831)		(119,483)	
Long Term Liabilities	(128,606)		(47,413)		(11,944)	
Debt	(2,782,722)	100%	(3,459,692)	100%	(2,853,828)	100%
Current	(1,924,891)	69%	(2,307,817)	67%	(2,712,497)	95%
In Brazilian Reais	(8,372)		(8,494)		(8,283)	
In other currencies	(1,916,519)		(2,299,323)		(2,704,214)	
Long Term	(857,831)	31%	(1,151,875)	33%	(141,331)	5%
In Brazilian Reais	(41,995)		(31,691)		(36,288)	
In other currencies	(815,836)		(1,120,184)		(105,043)	
Net Cash	2,463,305		1,433,826		265,328	

The total duration of our indebtedness was 9.6 months on June 2023 (11.8 months in December 2022).

Performance comment

Dividends and Interest on Stockholders' Equity

For the first half of 2023, the Board of Directors approved *ad referendum* of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 14, as interest on equity (JCP), to the gross amount of R\$ 223.4 million.
- On June 20, as interest on equity (JCP), to the gross amount of R\$ 244.6 million.

The board of directors also approved, in a meeting held on July 18, 2023, intermediate dividends related to the net income for the first half of 2023, to the total amount of R\$ 609.3 million.

The proceeds will be paid on August 16, 2023. Amounts declared as remuneration to shareholders in the first half represented 40.3% of net income for the period.

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half-year, that is, six proceeds each year, paid semi-annually.

Table 6 - Dividends

	1st Half 2023	1st Half 2022	%
Dividends	467,992	335,936	39.3%
Interest on stockholders' Equity	609,303	553,650	10.1%
Gross Total	1,077,295	889,586	21.1%
Net Earnings	2,675,053	1,856,865	44.1%
Total Dividends / Net Earnings	40.3%	47.9%	

Other Events

WEG announces agreement for self-production of wind energy

On July 5, 2023, we announced a binding agreement with Alupar for the self-production of energy to be used in WEG's operations in Brazil. The agreement provides for the annual delivery of around 15 MW average, which will be used in WEG's manufacturing operations in the form of self-production by equalization, for a period of 18 years. The start of energy supply to the factories will start in January 2024, with energy purchase contracts estimated at R\$ 460 million during the period of the contract.

On July 5, 2023, we also announced an agreement with 2W Ecobank S.A. for energy self-production. With energy purchase contracts worth approximately BRL 970 million, lasting 20 years and starting in January 2024, the initiative will guarantee the annual delivery of 30 MW average of renewable energy to WEG's industrial operations in the self-production mode by equivalence.

Both agreements still depend on the fulfillment of conditions precedent, including the approval of the Brazilian authorities.

In addition to guaranteeing the supply of energy to WEG, these agreements also contribute to achieving the decarbonization targets assumed last year. These two contracts represent close to 90% of energy consumption in Brazil and, together with other projects underway in India and China, account for 75% of our global energy consumption in 2022 coming from renewable sources.

Notes:

(1) Earnings before Interest, Taxes, Depreciation, and Amortization

(2) Capital Expenditure

n.a. stands for not applicable

n.m. stands for not mentioned

bps stands for basis points

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



1 COMPANY'S INFORMATION

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3.300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters, motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, in small hydro, thermal, biomass, wind and solar energy power plants; solutions for the industry 4.0; UPSs and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, Italy, Turkey and China, with commercial activities carried out in more than 135 countries.

The Company's shares are traded on B3 under the ticker "WEGE3" and has been listed in the corporate governance segment called Novo Mercado (New Market) since June 2007.

The Company has American Depositary Receipts (ADRs) – Level I that are traded on the over-the-counter or OTC market in the United States, under the ticker "WEGZY".

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information, contained in the Quarterly Information Form – ITR for the period ended June 30, 2023, comprises the individual and consolidated interim financial information, prepared considering all the Company's relevant information, which correspond to those used by the Management in its management, in accordance with CPC 21(R1) – Interim Financial Reporting (equivalent to IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board – IASB) and presented in accordance with the standards issued by the Securities and Exchange Commission, applicable to the preparation of the Quarterly Information – ITR.

The interim financial statements were prepared using historical cost as the value base, except for the fair value appraisal of certain financial instruments, when required by the standard.

The approval and authorization for issuance of this individual and consolidated interim financial information were given by the Board of Directors in a meeting held on July 18, 2023.

Accounting policies, consolidation bases and calculation methods adopted in the preparation of interim financial information, as well as the main judgments adopted for the estimates used in applying accounting practices are the same as those used in the preparation of the individual and consolidated financial statements for the year ended December 31, 2022, considering the adoption of new accounting pronouncements, when applicable.

WEG S.A.**NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023***(Amounts expressed in thousands of reais unless otherwise indicated)*

3 ACCOUNTING ESTIMATES

Financial statements include the use of estimates that considered evaluations and judgments of the Management, past and current events, assumptions about future events, and other objective and subjective factors. Significant items subject to these estimates are:

- a) analysis of credit risk to determine the allowance for doubtful accounts (Notes 6 and 28.1a);
- b) determination of provision for inventory losses (Note 7);
- c) deferred income tax and social contribution: considering the availability of future taxable income against which deductible temporary differences and tax losses can be used (Note 10); and
- d) provisions for contingencies (Note 17).

The settlement of transactions involving these estimates may result in significantly different amounts described in the financial statements due to the lack of precision inherent to the process of their estimate. These estimates are periodically reviewed.

WEG S.A.**NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023***(Amounts expressed in thousands of reais unless otherwise indicated)***4 CASH AND CASH EQUIVALENTS**

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
	3			2
a) Cash and banks	6	6	893,996	710,905
b) Interest earning bank deposits	366,304	438,922	4,024,941	3,740,097
In domestic currency:	366,304	438,922	3,500,248	3,481,091
Bank Deposit Certificate (CDB) and repurchase and resale agreements	366,304	438,922	3,500,248	3,481,091
In foreign currency:	-	-	524,693	259,006
TOTAL	366,310	438,928	4,918,937	4,451,002

Investments in Brazil:

Interest earning bank deposits in Brazil are mainly represented by funds invested in private securities of top-tier institutions.

They are remunerated at the average rate of 102.53% of CDI (102.16% of CDI as of December 31, 2022).

5 INTEREST EARNING BANK DEPOSITS

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
In domestic currency	561,522	531,826	561,522	531,826
Bank deposit certificate (CDB) and Funds	561,522	531,826	561,522	531,826
In foreign currency	-	-	10,525	12,287
TOTAL	561,522	531,826	572,047	544,113
Current assets	561,522	531,826	561,522	531,826
Non-current assets	-	-	10,525	12,287

Interest earning bank deposits are remunerated at the floating average rate of 104.99% of CDI (105.09% of CDI as of December 31, 2022).

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



6 CLIENTS

	CONSOLIDATED	
	06/30/2023	12/31/2022
a) Breakdown of balances:		
Domestic market	2,601,724	2,191,072
Foreign market	3,374,756	3,463,368
SUBTOTAL	5,976,480	5,654,440
Provisions for losses on clients' credits	(40,237)	(40,017)
TOTAL	5,936,243	5,614,423
b) Actual losses with client credits in the period	6,184	20,122
c) Maturity date of trade notes:		
Falling due	5,386,873	5,055,040
Overdue (days):	589,607	599,400
up to 30	364,741	394,082
31–90	98,901	102,279
91–180	60,392	43,681
>180	65,573	59,358
TOTAL	5,976,480	5,654,440

Changes in provision with losses on clients' credits are as follows:

Balance at 01/01/2022	(48,766)
Losses written-off in the year	20,122
Formation of provision for the period	(22,590)
Reversal of provision for the year	10,940
Acquisition of Balteau and Gefran	(1,977)
Exchange-rate change	2,254
Balance at 12/31/2022	(40,017)
Losses written-off for the period	6,184
Formation of provision for the period	(13,019)
Reversal of provision for the period	4,775
Exchange-rate change	1,840
Balance at 06/30/2023	(40,237)

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



7 INVENTORIES

	CONSOLIDATED	
	06/30/2023	12/31/2022
Finished goods	1,021,292	944,297
Work in process	895,416	792,801
Raw materials and other	1,811,496	1,724,045
Imports in transit	127,739	268,003
Provision for losses with low turnover inventories	(61,839)	(62,541)
Total inventories in domestic market	3,794,104	3,666,605
Finished goods	1,871,523	2,267,601
Work in process	1,005,538	867,740
Raw materials and other	936,831	970,349
Provision for losses with low turnover inventories	(141,254)	(127,934)
Total inventories in foreign market	3,672,638	3,977,756
OVERALL TOTAL	7,466,742	7,644,361

Changes in the provision for slow-moving inventory are as follows:

Balance at 01/01/2022	(157,670)
Formation of provision for the period	(163,378)
Reversal of provision for the year	131,858
Acquisition of Balteau and Gefran	(11,255)
Exchange-rate change	9,970
Balance at 12/31/2022	(190,475)
Formation of provision for the period	(104,638)
Reversal of provision for the period	83,167
Exchange-rate change	8,853
Balance at 06/30/2023	(203,093)

Inventories are insured and their coverage is determined according to values and involved risk level. The recording and reversal of provisions for low-turnover inventory losses are recorded under cost of goods sold.

8 RECOVERABLE TAXES

	CONSOLIDATED	
	06/30/2023	12/31/2022
BRAZIL	382,224	485,249
IPI	83,613	64,539
PIS/COFINS	95,066	55,781
PIS/COFINS - Exclusion of ICMS from calculation basis	15,555	161,031
ICMS	58,887	95,246
ICMS over acquisitions of property, plant and equipment	71,761	60,544
Financial credit of Information Technology Act	40,084	25,041
REINTEGRA	13,579	13,963
Other	3,679	9,104
FOREIGN	144,136	119,729
VAT	134,519	107,610
Other	9,617	12,119
TOTAL	526,360	604,978
Current assets	462,814	552,704
Non-current assets	63,546	52,274

The credits will be realized by the Company and its subsidiaries during the normal tax calculation process, and there are also credits subject to refund and/or offsetting.

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



9 RELATED PARTIES

Products and raw materials purchase and sale and service contracting transactions were carried out, as well as loans and fund raising financial transactions between the Group's companies, which are eliminated in the consolidation and Management's remuneration.

Amount of existing balances:	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
ASSETS AND LIABILITIES				
Current liabilities	5,938	4,520	75,514	71,172
Contracts with Administrators	-	-	15,535	8,869
Bonus from management	5,938	4,520	59,979	62,303

STATEMENT OF INCOME ACCOUNTS	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Management fees:				
a) Fixed (fees)	1,844	1,746	18,625	17,598
Board of Directors	971	911	1,942	1,821
Statutory Board	873	835	8,730	10,894
Non-Statutory Executive Board	-	-	7,953	4,883
b) Variable (bonus)	5,938	4,095	59,979	43,314
Board of Directors	3,127	2,219	6,254	4,438
Statutory Board	2,811	1,876	28,113	18,763
Non-Statutory Executive Board	-	-	25,612	20,113

Additional information:

a) Commercial operations

The purchase and sale of inputs and products are carried out under conditions established between the parties;

b) Management of funds

Financial and commercial transactions between the Group's companies are recorded and supported by the Group's convention. The contracts entered into with Directors are remunerated at 95.0% of the CDI change (95.0% of the CDI change as of December 31, 2022);

c) Sureties and guarantees

WEG S.A. granted guarantees and sureties to subsidiaries abroad, with no financial costs in the amount of US\$ 172.9 million (US\$ 162.8 million on December 31, 2022);

d) Management remuneration

The members of the Board of Directors were remunerated in the amount of R\$ 1,942 (R\$ 1,821 as of June 30, 2022) and the Statutory Executive Board in the amount of R\$ 8,730 (R\$ 10,894 as of June 30, 2022), and the Statutory Executive Board in the amount of R\$ 7,953 (R\$ 4,883 as of June 30, 2022).

A bonus of up to 2.5% of the consolidated net income is expected to be distributed to the Directors, provided that minimum operational performance targets are met. Performance targets refer to Return on Invested Capital, EBITDA growth, employee health and safety performance indicators and reduction of Greenhouse Gas (GHG) emissions. The corresponding provision is recognized in the income (loss) for the period in the amount of R\$ 59,979 (R\$ 43,314 as of June 30, 2022) under "other operating expenses". Administrators receive usual market benefits.

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



10 DEFERRED TAXES

Deferred Income Tax and Social Contribution credits and debits were calculated in accordance with CVM Resolution 109/22, which approved Technical Pronouncement CPC 32 (IAS 12) – Income taxes.

e) Breakdown of amounts:

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Tax losses of IRPJ	-	-	48,310	81,950
CSLL negative calculation basis	553	584	644	10,769
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	134,771	113,818
Taxes challenged in court	1,608	1,608	63,185	59,264
Losses with clients' credits	-	-	8,919	9,503
Losses with inventories without turnover	-	-	39,451	33,096
Product warranties	-	-	110,159	103,259
Indemnities with labor and contractual terminations	-	-	79,322	76,059
Freight and sales commissions	-	-	14,099	26,571
Outsourced services	-	-	66,847	60,460
Projects in progress – Subsidiaries abroad	-	-	56,434	54,293
Employees' profit sharing	-	-	127,102	132,257
Derivatives – Hedge accounting	-	-	43,497	15,998
Unearned revenues	-	-	60,088	46,612
Incentivized accelerated depreciation	-	-	(8,215)	(7,679)
Difference in amortization of tax x accounting goodwill	(3)	(3)	(52,131)	(50,792)
Difference for tax vs accounting depreciation (useful life)	(10)	(12)	(314,598)	(299,492)
Other	5,705	6,150	67,211	34,885
Deemed cost of property, plant and equipment	(1,241)	(1,256)	(131,049)	(134,834)
TOTAL	6,612	7,071	414,046	365,997
Non-current assets	6,612	7,071	485,393	443,133
Non-current liabilities	-	-	(71,347)	(77,136)

In the first semester of 2023, net deferred taxes totaling R\$ 48,049 were recorded in the consolidated, with a revenue of R\$ 23,282 in the statement of income and R\$ 24,767 in shareholders' equity.

b) Estimated term for realization

Management estimates that deferred taxes arising from temporary differences will be realized in the proportion to the realization of contingencies, losses and projected obligations.

Regarding the deferred tax credits, recorded on tax losses and negative basis of social contribution, Management estimates that they should be realized in the next 5 years, in view of the projection of future taxable income.

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



11 INVESTMENTS

11.1 Investments in subsidiaries

Company	Country	Equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				06/30/2023		12/31/2022		06/30/2023	06/30/2022	06/30/2023	12/31/2022
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	12,411,386	2,289,749	100.00	-	100.00	-	2,299,747	1,626,025	12,411,386	12,290,029
RF Reflorestadora Ltda.		151,421	3,356	100.00	-	100.00	-	3,356	(1,186)	151,421	149,816
WEG Amazônia S.A.		81,582	4,553	0.02	99.98	0.02	99.98	1	1	13	14
WEG Administradora de Bens Ltda.		14,641	271	79.33	20.67	79.33	20.67	215	144	11,615	11,406
WEG Equipamentos e Logística Ltda.		381,839	37,434	-	100.00	-	100.00	5,000	-	-	-
Balteau Produtos Elétricos Ltda.		77,019	17,086	-	100.00	-	100.00	4,868	-	-	-
WEG Linhares Equip. Elétr. S.A.		698,340	106,416	-	100.00	-	100.00	-	-	3	3
WEG Drives & Controls Aut. Ltda.		1,358,902	300,932	100.00	-	100.00	-	300,932	199,803	1,358,902	1,193,894
WEG Partner Holding Ltda.		1	-	-	100.00	0.10	99.90	-	-	-	-
WEG-Cestari Redut.Motorreduct. S.A.		143,507	17,687	-	50.01	-	50.01	-	742	-	-
WEG Turbinas e Solar Ltda.		991,129	212,362	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda. (**)		-	-	-	-	-	-	-	679	-	-
Paumar S.A. Indústria e Comércio		544,078	115,901	38.87	61.13	38.87	61.13	51,166	34,278	211,485	182,178
WEG-Jelec Oil and Gas Sol.Aut.Ltda.		8	(1)	-	100.00	-	100.00	-	-	-	-
PPI Multitask Sistem. e Autom. S.A.		6,238	(335)	-	51.00	-	51.00	-	-	-	-
Multitask Soluções em Autom. S.A.		-	179	-	-	-	51.00	-	-	-	-
V2COM Participações S.A.		28,083	(6,726)	-	51.00	-	51.00	-	-	-	-
V2 Tecnologia Ltda.		34,224	(6,680)	-	51.00	-	51.00	-	-	-	-
Mvisia Desenv. Inovadores Ltda.		46,902	1,422	-	100.00	-	100.00	-	-	-	-
Birmind Automação e Serviços S.A.		2,400	(1,464)	-	51.00	-	51.00	-	-	-	-
Zest WEG Group Africa (PTY) Ltd.	South Africa	210,432	6,532	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		3,484	(1,224)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		159,199	3,893	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		4,158	1,477	-	86.67	-	86.67	-	-	-	-
ZEST WEG Investment Company (Pty) Ltd.	Germany	119,081	4,694	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH		70,714	(9,306)	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH		25,283	964	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(47,369)	(695)	-	100.00	-	100.00	-	-	-	-
TGM Kanis Turbinen GmbH		90,022	6,444	-	42.86	-	42.86	-	-	-	-
WEG Automation GmbH		8,543	1,851	-	100.00	-	100.00	-	-	-	-
WEG Algeria Motors SpA	Algeria	854	(585)	-	51.00	-	51.00	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	169,407	(7,994)	10.45	89.55	10.45	89.55	6,599	5,479	17,694	19,363
Pulverluxe S.A.	Australia	33,457	3,966	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.		80,198	6,369	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	109,898	(759)	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH		654,440	660,504	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH		6,019,446	1,197,397	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Belgium	98,207	7,526	-	100.00	-	100.00	-	-	-	-
WEG Central Asia LLP	Kazakhstan	10,803	7,164	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	76,017	9,393	8.00	92.00	8.00	92.00	751	675	6,081	5,461
WEG (Nantong) Electric Motor Co., Ltd.	China	411,853	25,254	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		(11,098)	7,723	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		(40,574)	(2,843)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(10,420)	10,141	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		495,225	48,675	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	7,779	2,537	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.	Colombia	161,665	21,996	-	100.00	-	100.00	-	-	-	-
WEG Ecuador S.A.S	Ecuador	15,256	2,861	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	United Arab Emirates	26,963	7,230	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	105,899	7,532	-	100.00	-	100.00	-	-	-	-
Atrial S.L.U.		(7,974)	1,077	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.	United States	1,604,636	217,833	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC		145,095	5,322	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		358,614	104,435	-	72.00	-	72.00	-	-	-	-
WEG France SAS	France	53,883	3,447	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	11,144	1,874	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(358)	(10)	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	226,332	31,453	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	45,285	874	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	222,620	20,260	-	100.00	-	100.00	-	-	-	-
WEG Automation Europe S.R.L.		103,103	5,011	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	4,463	(46)	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	9,980	(1,090)	-	100.00	-	100.00	-	-	-	-

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



Company	Country	Equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				06/30/2023		12/31/2022		06/30/2023	06/30/2022	06/30/2023	12/31/2022
				Direct	Indirect	Direct	Indirect				
WEG México S.A. de C.V.	Mexico	1,324,102	68,315	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.		-	307	-	-	-	72.00	-	-	-	-
Voltran S.A. de C.V.		404,258	69,390	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda	Mozambique	(1,635)	(81)	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.	Namibia	155	(1)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.C.	Peru	37,230	5,462	0.05	99.95	0.05	99.95	2	2	19	17
WEG Poland Sp. z o.o.	Poland	3,000	1,971	-	100.00	-	100.00	-	-	-	-
WEGEuro Ind. Eléctrica S.A.	Portugal	235,984	12,338	-	100.00	-	100.00	-	-	-	-
WEG Rus LLC	Russia	13,337	1,239	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Sweden	39,207	6,786	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(279)	266	-	100.00	-	100.00	-	-	-	-
WEG Elektrik Sanayi Anonim Sirketi	Turkey	19,486	3,739	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	3,481	356	-	50.00	-	50.00	-	-	-	-
TOTAL								2,672,637	1,866,642	14,168,619	13,852,181

(*) Equity in net income of subsidiaries companies adjusted for unrealized profits on related party transactions.

(**) In October 2022, it was merged by the company WEG Equipamentos Elétricos S.A.

The Company's consolidated financial information includes the individual financial information of WEG S.A. and all its subsidiaries. The subsidiaries are fully consolidated as of the date control is obtained.

Dividends and interest on own capital received from subsidiaries are considered and valued as investment activities in individual financial statements.

Subsidiaries with negative shareholders' equity are capitalized periodically according to each country's legislation.

11.2 Other investments

The Company and its subsidiaries have recorded other investments in the amount of R\$ 986 (R\$ 1,056 as of December 31, 2022).

11.3 Acquisition

Gefran SpA (MotionControl Business) - WEG Automation Europe S.R.L. and WEG Automation GmbH

On August 1, 2022, the Company announced the acquisition of the Motion Control business from Gefran SpA. The amount paid for the consideration transferred regarding the net assets acquired was EUR 16,632,000, according to the Appraisal Report (Purchase Price Allocation), EUR 1,716 thousand was allocated to tangible and intangible assets and EUR 4,829 thousand to bargain purchase.

The appraisal report considered for tangible assets, including inventories, the cost quantification methods - direct (CRN per Replacement), direct comparison of market data, cost quantification method - indirect (CRN per Reproduction) and top-down & bottom-up method, while for intangible assets the Multi-Period Excess Earnings Method – MPEMM and Replacement Cost were considered.

11.4 2023 Corporate event

Voltran S.A. de C.V.

In February 2023, the company WEG Transformadores México S.A. de C.V. was taken over by the company Voltran S.A. de C.V., with the aim of simplifying the corporate structure and improving operational organization.

PPI Multitask Sistemas e Automação S.A.

In May 2023, the company Multitask Soluções em Automação S.A. was merged by the company PPI Multitask Sistemas e Automação S.A., aiming to simplify the corporate structure.

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



12 PROPERTY, PLANT AND EQUIPMENT

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Land	1,440	1,440	505,701	503,318
Constructions and facilities	5,639	5,639	2,409,052	2,349,827
Equipment	-	-	6,530,985	6,328,368
Furniture and fixtures	-	-	248,180	241,226
Hardware	-	-	228,537	222,527
Construction in process	-	-	686,231	590,565
Reforestation	-	-	65,797	63,817
Other	-	-	418,235	292,464
Total property, plant and equipment	7,079	7,079	11,092,718	10,592,112
Accumulated depreciation/depletion	(3,164)	(3,121)	(4,978,044)	(4,904,483)
Annual depreciated rate (%)				
Constructions and facilities	(3,164)	(3,121)	(794,900)	(785,663)
Equipment	-	-	(3,797,382)	(3,738,560)
Furniture and fixtures	-	-	(165,561)	(161,512)
Hardware	-	-	(153,865)	(151,791)
Reforestation	-	-	(31,200)	(29,847)
Other	-	-	(35,136)	(37,110)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	3,915	3,958	6,114,674	5,687,629

a) Summary of changes in property, plant and equipment - Consolidated:

Class	12/31/2022	Transfer among classes	Allocation of PPA – Gefran	Acquisitions	Net write-offs	Deprec. and depletion	Foreign exchange effect	06/30/2023
Land	503,318	(153)	3,134	1,876	-	-	(2,474)	505,701
Buildings/Facilities	1,564,164	101,525	(401)	28,784	(3,035)	(32,401)	(44,484)	1,614,152
Equipment	2,589,808	134,790	4,980	226,243	(11,437)	(167,847)	(42,934)	2,733,603
Furniture and fixtures	79,714	1,055	-	11,399	(303)	(6,643)	(2,603)	82,619
Hardware	70,736	1,480	-	14,993	(412)	(10,640)	(1,485)	74,672
Construction in process	590,565	(238,950)	-	342,555	-	-	(7,939)	686,231
Reforestation	33,970	-	-	1,980	-	(1,353)	-	34,597
Advances to suppliers	219,634	-	-	124,422	-	-	2,364	346,420
Other	35,720	253	-	8,685	(2,308)	(3,469)	(2,202)	36,679
Total	5,687,629	-	7,713	760,937	(17,495)	(222,353)	(101,757)	6,114,674

Previous year:

Class	12/31/2021	Transfer among classes	Acquisition of Balteau and Gefran	Allocation of PPA - Balteau	Acquisitions	Net write-offs	Deprec. and depletion	Foreign exchange effect	12/31/2022
Land	498,296	(367)	10,958	-	4,370	-	-	(9,939)	503,318
Buildings/Facilities	1,555,060	29,494	47,430	1,791	54,668	(330)	(59,458)	(64,491)	1,564,164
Equipment	2,467,897	106,522	29,844	17,627	404,992	(18,001)	(322,462)	(96,611)	2,589,808
Furniture and fixtures	65,080	(118)	1,441	-	27,978	(231)	(12,527)	(1,909)	79,714
Hardware	62,531	287	91	-	31,632	(821)	(21,225)	(1,759)	70,736
Construction in process	298,537	(131,331)	361	-	436,102	-	-	(13,104)	590,565
Reforestation	33,444	-	-	-	2,574	-	(2,048)	-	33,970
Advances to suppliers	87,308	(4,632)	-	-	136,716	-	-	242	219,634
Other	32,898	260	178	-	12,399	(1,514)	(6,333)	(2,168)	35,720
Total	5,101,051	115	90,303	19,418	1,111,431	(20,897)	(424,053)	(189,739)	5,687,629

b) Construction in progress – On June 30, 2023, the Company has investments in progress in property, plant and equipment for expansion and modernization, in the amount of R\$ 686,231 (R\$ 590,565 as of December 31, 2022), with the most relevant investments in the unit of Mexico, totaling R\$ 208,858 (R\$ 164,860 as of December 31, 2022), at the India unit, totaling R\$ 69,535 (R\$ 99,892 as of December 31, 2022) and at the Portugal unit, totaling R\$ 46,631 (R\$ 53,171 as of December 31, 2022).

c) Amounts offered as collateral - Property, plant and equipment were offered as collateral for loans, financing, and labor- and tax-related lawsuits, at the acquisition cost of the assets, in the consolidated amount of R\$ 12,284 (R\$ 32,977 at December 31, 2022).

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



13 RIGHT-OF-USE IN LEASES

The Company and its subsidiaries adopted the Technical Pronouncement CPC 06 (R2) (IFRS 16) Leases, which introduces a single model of accounting of leases in the balance sheet to lessees.

	CONSOLIDATED	
	06/30/2023	12/31/2022
Real estate	834,088	816,429
Machinery and equipment	33,646	35,324
Hardware	650	759
Vehicles	33,614	35,499
Total leases	901,998	888,011
Accumulated depreciation	(311,070)	(292,987)
Real estate	(265,838)	(246,984)
Machinery and equipment	(22,273)	(22,011)
Hardware	(491)	(533)
Vehicles	(22,468)	(23,459)
TOTAL NET	590,928	595,024

a) Summary of changes in right-of-use in leases:

Class	12/31/2022	Transfer among classes	Additions	Net write-offs	Depreciation	Foreign exchange effect	06/30/2023
Real estate	569,445	442	98,839	(12,363)	(44,538)	(43,575)	568,250
Machinery and equipment	13,313	(25)	2,199	(51)	(3,109)	(954)	11,373
Hardware	226	-	5	-	(65)	(7)	159
Vehicles	12,040	(417)	3,473	(68)	(3,511)	(371)	11,146
Total	595,024	-	104,516	(12,482)	(51,223)	(44,907)	590,928

Previous year:

Class	12/31/2021	Transfer among classes	Gefran acquisition	Additions	Net write-offs	Depreciation	Foreign exchange effect	12/31/2022
Real estate	374,625	71	-	312,768	(5,174)	(80,522)	(32,323)	569,445
Machinery and equipment	15,693	693	493	4,838	(756)	(6,173)	(1,475)	13,313
Hardware	334	(495)	-	795	-	(182)	(226)	226
Vehicles	13,069	(384)	900	7,018	(585)	(6,810)	(1,168)	12,040
Total	403,721	(115)	1,393	325,419	(6,515)	(93,687)	(35,192)	595,024

14 INTANGIBLE ASSETS – CONSOLIDATED

	Amortization/number of years	Cost	Accumulated amortization	06/30/2023	12/31/2022
Software license	5	291,228	(208,960)	82,268	87,054
Trademarks and patents	5	77,994	(70,728)	7,266	8,273
Projects	5	145,763	(60,295)	85,468	77,242
Business combination - client portfolio	5	56,439	(34,185)	22,254	23,813
Other	5	257,226	(219,019)	38,207	42,438
Subtotal		828,650	(593,187)	235,463	238,820
Goodwill in the acquisition of subsidiaries	-	1,218,165	(13,501)	1,204,664	1,285,195
TOTAL		2,046,815	(606,688)	1,440,127	1,524,015

a) Summary of changes in intangible assets:

Class	12/31/2022	Transfer among classes	Allocation of PPA – Gefran	Additions	Net write-offs	Amortization	Foreign exchange effect	06/30/2023
Software license	87,054	349	-	9,546	(111)	(13,344)	(1,226)	82,268
Trademarks and patents	8,273	(349)	156	-	-	(914)	100	7,266
Projects	77,242	634	3,279	17,700	(893)	(8,705)	(3,789)	85,468
Business combination - client portfolio	23,813	-	-	-	-	(1,559)	-	22,254
Other	42,438	(634)	-	-	-	(4,659)	1,062	38,207
Subtotal	238,820	-	3,435	27,246	(1,004)	(29,181)	(3,853)	235,463

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
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Goodwill in the acquisition of subsidiaries	1,285,195	-	(3,734)	-	-	-	(76,797)	1,204,664
Total	1,524,015	-	(299)	27,246	(1,004)	(29,181)	(80,650)	1,440,127

Previous year:

Class	12/31/2021	Transfer among classes	Acquisition of Balteau and Gefran	Allocation of PPA - Balteau	Additions	Net write-offs	Amortization	Foreign exchange effect	12/31/2022
Software license	74,960	(701)	31	-	37,481	(49)	(22,313)	(2,355)	87,054
Trademarks and patents	7,295	193	82	3,283	86	(5)	(2,548)	(113)	8,273
Projects	51,134	(753)	17,144	-	25,409	(5,025)	(10,876)	209	77,242
Business combination - client portfolio	7,709	-	-	19,223	-	-	(3,119)	-	23,813
Other	46,982	1,261	-	5,321	3	-	(8,961)	(2,168)	42,438
Subtotal	188,080	-	17,257	27,827	62,979	(5,079)	(47,817)	(4,427)	238,820
Goodwill in the acquisition of subsidiaries	1,362,308	-	3,468	16,650	-	-	-	(97,231)	1,285,195
Total	1,550,388	-	20,725	44,477	62,979	(5,079)	(47,817)	(101,658)	1,524,015

b) Breakdown of the balance of goodwill per cash-generating unit:

	06/30/2023	12/31/2022
Electric Machinery Company LLC	235,911	255,418
Commercial motors and appliance – North America	196,594	212,851
WEG Equipamentos Elétricos S.A.	187,225	187,225
China Group	123,044	140,058
Industrial Gear Motors and Gear Trains	116,105	118,188
Zest WEG Group Africa (Pty) Ltd.	77,147	92,763
WEG Colombia S.A.S.	56,324	52,439
Paumar S.A. Indústria e Comércio	65,498	65,498
Other	146,816	160,755
TOTAL	1,204,664	1,285,195

Amortization schedule of intangible assets (except for goodwill):

	06/30/2023
2023	33,900
2024	55,456
2025	48,227
2026	36,591
2027	21,125
>2028	40,164
TOTAL	235,463

15 SUPPLIERS

	CONSOLIDATED	
	06/30/2023	12/31/2022
Breakdown of balances:		
Domestic market	913,566	880,818
Foreign market	1,226,037	1,155,398
TOTAL	2,139,603	2,036,216

WEG S.A.
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16 LOANS AND FINANCING

Description	Annual charges at 06/30/2023	CONSOLIDATED	
		06/30/2023	12/31/2022
IN DOMESTIC CURRENCY			
CURRENT		8,372	8,494
In reais (R\$), fixed rate			
Working capital	12.15–13.62% p.a.	2,047	1,986
Property, plant and equipment	2.5–6% p.a.	414	506
In reais (R\$), floating rate			
Working capital	116% CDI	5,911	6,002
NON-CURRENT		41,995	31,691
In reais (R\$), fixed rate			
Working capital	12.15–13.62% p.a.	395	1,377
Property, plant and equipment	2.5–6% p.a.	123	314
In reais (R\$), floating rate			
Working capital	0–4% p.a.	13,977	-
Working capital	116% CDI	27,500	30,000
IN FOREIGN CURRENCY			
CURRENT		1,916,519	2,299,323
In US Dollars			
Working capital (ACCs)	4.8% p.a.	251,306	4,939
Export pre-payment (PPE)	4.44% p.a.	12,532	532,463
In Euros			
Working capital	EURIBOR (+) 0.64–0.89% / 0.69% p.a.	1,337,500	1,417,283
In Mexican pesos			
Working capital	TIE (+) 0.9% p.a.	54,686	52,030
In rand (South Africa)			
Working capital	7.5% p.a.	155,493	139,955
In Colombian Pesos			
Working capital		-	17,761
In Indian Rupee			
Working capital	8.2–9.5% p.a.	103,659	132,004
Other currencies			
Working capital	Domestic market rates	1,343	2,888
NON-CURRENT		815,836	1,120,184
In US Dollars			
Working capital (ACCs)		-	260,855
Export pre-payment (PPE)	4.44% p.a.	722,790	782,565
In Euros			
Working capital	Euribor	2,753	4,401
In Mexican pesos			
Working capital		-	25,738
In Indian Rupee			
Working capital	6.48–8.28% p.a.	90,268	46,549
Other currencies			
Working capital	Domestic market rates	25	76
TOTAL LOANS AND FINANCING		2,782,722	3,459,692
Total current		1,924,891	2,307,817
Total non-current assets		857,831	1,151,875

FINAME operations are guaranteed by sureties and liens.

a) Maturity date of long-term loans and financing:

	06/30/2023	12/31/2022
2024	323,153	599,510
2025	500,702	532,365
2026	5,000	5,000
>2027	28,976	15,000
TOTAL	857,831	1,151,875

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b) Changes in loans and financing are as follows:

Balance at 01/01/2022	1,789,115
Funding	4,253,529
Provision for interest	78,366
Amortization	(2,110,718)
Interest payment	(55,867)
Acquisition of Balteau and Gefran	33,047
Exchange-rate change	(527,780)
Balance at 12/31/2022	3,459,692
Funding	931,200
Provision for interest	67,122
Amortization	(1,378,212)
Interest payment	(65,118)
Exchange-rate change	(231,962)
Balance at 06/30/2023	2,782,722

17 PROVISIONS FOR CONTINGENCIES

The Company and its subsidiaries are parties in tax, labor and civil lawsuits and administrative proceedings, deriving from the normal course of business. The respective provision was set up for lawsuits whose likelihood of loss was assessed as “probable” based on the estimate of the value at risk determined by the Company’s legal advisors. Company Management estimates that the provision that has been set up for contingencies is sufficient to cover possible losses from the lawsuits in progress.

a) Balance of provisions for contingencies:

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
(i) Tax:	4,730	4,730	330,146	304,897
- IRPJ and CSLL (a.1)	-	-	174,551	160,471
- INSS (a.2)	4,730	4,730	68,775	68,579
- PIS and COFINS (a.3)	-	-	60,721	57,033
- Other	-	-	26,099	18,814
(ii) Labor	-	-	274,460	263,605
(iii) Civil	-	-	190,386	147,332
(iv) Other	-	-	3,654	3,654
TOTAL	4,730	4,730	798,646	719,488

b) Statement of changes for the period – consolidated:

	12/31/2022	Additions	Interest	Write-offs / Payments	Reversals	Foreign exchange effect	06/30/2023
a) Tax	304,897	10,770	17,610	-	(3,607)	476	330,146
b) Labor	263,605	46,588	7,962	(10,677)	(32,953)	(65)	274,460
c) Civil	147,332	65,038	13,113	(16,743)	(18,354)	-	190,386
d) Other	3,654	-	-	-	-	-	3,654
TOTAL	719,488	122,396	38,685	(27,420)	(54,914)	411	798,646

Previous year:

	12/31/2021	Acquisition of Balteau	Additions	Interest	Write-offs / Payments	Reversals	Foreign exchange effect	12/31/2022
e) Tax	292,232	3,888	34,641	9,397	-	(34,291)	(970)	304,897
f) Labor	214,732	-	47,147	15,109	(10,000)	(3,286)	(97)	263,605
g) Civil	132,337	1,134	49,574	5,439	(19,931)	(21,221)	-	147,332
h) Other	3,870	-	2	-	-	(218)	-	3,654
TOTAL	643,171	5,022	131,364	29,945	(29,931)	(59,016)	(1,067)	719,488

WEG S.A.**NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023***(Amounts expressed in thousands of reais unless otherwise indicated)***c) The provisions recorded are mainly related to:****(i) Tax contingencies**

- (a.1) Refers to the lawsuit for the difference in the IPC of January 1989 ("Plano Verão") on monetary correction of 16.24% and the lawsuit to exclude expenditures on RD&I projects from taxable income ("Lei do Bem").
- (a.2) Refers to Contributions owed to Brazilian Social Security. The legal discussions refer to social security charges levied on private pension, profit sharing, education allowance, and others.
- (a.3) Refers to the non-approval – by Brazil's Federal Revenue Service – of the request for offsetting the PIS and COFINS credit balance against federal tax debts.

(ii) Labor contingencies

The Company and its subsidiaries are being sued in labor lawsuits mainly involving discussions about additional pay for unhealthy working conditions, hazardous working conditions, among others.

(iii) Civil liability contingencies

These mostly correspond to civil lawsuits, including those for moral and aesthetic damages, occupational diseases, and compensation arising from work-related accidents.

d) Judicial deposits:

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Tax	4,657	4,657	66,363	61,674
Labor and civil	-	-	9,284	10,673
TOTAL AMOUNT OF RESTRICTED DEPOSITS	4,657	4,657	75,647	72,347
- Judicial deposits not pegged	-	-	6,183	6,616
TOTAL JUDICIAL DEPOSITS	4,657	4,657	81,830	78,963

Judicial deposits not linked to contingencies are awaiting a court order to release the funds.

e) Possible contingencies:

The Company and its subsidiaries are parties to other discussions whose likelihood of loss is considered "possible" and for which no provisions for contingencies were formed. As of June 30, 2023, the estimated amounts of such discussions totaled R\$ 1,293,814 (R\$ 1,146,643 as of December 31, 2022).

(i) Tax

- Income taxes earned abroad: Refers to tax assessment notices issued by the Brazilian Federal Revenue Service for the years 2007, 2008, 2013, 2015, 2016 and 2017, in the estimated amount of R\$ 843.2 million (R\$ 807.5 million as of December 31, 2022). The Company is disputing these administrative and judicial tax assessment notices, and the interim decisions at the judicial level obtained thus far have validated the tax treatment applied, leading the Company to maintain the same tax practice for the years 2018 to 2022, keeping the same level of exposure to this matter. The Company, following the position expressed by its legal advisors, understands that it has sufficient elements to support its thesis on the topic;
- Incidence of Social Security Contribution on Dental Assistance, School Allowance, Technical Courses and Education Allowance, in the amount of R\$ 25.4 million (R\$ 24.5 million at December 31, 2022);
- Non-approval of IPI credits in the amount of R\$ 16.2 million (R\$ 15.8 million as of December 31, 2022);
- Other tax contingencies in the amount of R\$ 113.2 million (R\$ 142.1 million as of December 31, 2022).

(ii) Civil

- Mapfre Seguros Gerais S.A. in the estimated amount of R\$ 98.0 million (R\$ 84.3 million as of December 31, 2022);
- Other civil contingencies in the amount of R\$ 197.8 million (R\$ 72.4 million as of December 31, 2022).

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18 PENSION PLAN

The Company and its subsidiaries are sponsors of WEG Previdência, which is primarily engaged in supplementing the retirement benefits provided by Brazil's official Social Security system.

The Plan – administered by WEG Previdência – includes the benefits of monthly income (retirement), annual bonus, supplementary sickness pay, supplementation of disability retirement, supplementation of the pension for death, supplementation of annual bonus, and survivor benefits.

The number of participants is 24,203 (23,363 as of June 30, 2022). The Company and its subsidiaries made contributions totaling R\$ 30,852 (R\$ 27,411 as of June 30, 2022).

Based on actuarial calculations annually performed by independent actuaries, with the aim of defining the net liability between the defined benefit obligation and the fair value of plan assets, according to the procedures established by CVM Resolution 110/22 – CPC 33 (R1) (IAS 19) Employee Benefits, we have not identified post-employment liabilities to be recognized by the Company.

19 SHAREHOLDERS' EQUITY

a) Capital

The Company's capital is R\$ 6,504,517 (R\$ 6,504,517 as of December 31, 2022), represented by 4,197,317,998 nominative common shares with no par value, all with voting rights, including 1,105,670 shares under treasury as item "c".

b) Remuneration to shareholders

b.1.) Interest on own capital

During the first semester, the Company declared interest on own capital in the gross amount of R\$ 467,992 (net amount of R\$ 397,793), corresponding to R\$ 0.09480 per share, already deducting withholding income tax, pursuant to the following approvals by the Board of Directors:

- I. On March 14, 2023, in the gross amount of R\$ 223,377 (R\$ 154,275 in March 2022), net amount of R\$ 189,871 (R\$ 131,134 in March 2022), corresponding to R\$ 0.04525 per share, with the withholding income tax of 15% already deducted under the terms of §2, Art. 9 of Law 9249/95, except for corporate shareholders who are exempt from said taxation.
- II. On June 20, 2023, in the gross amount of R\$ 244,615 (R\$ 181,661 in June 2022), net amount of R\$ 207,922 (R\$ 154,412 in June 2022), corresponding to R\$ 0.04955 per share, with the withholding income tax of 15% already deducted under the terms of §2, Art. 9 of Law 9249/95, except for corporate shareholders who are exempt from said taxation.

Interest on own capital, pursuant to article 37 of the Bylaws and art. 9 of Law 9249/95, will be attributed to mandatory dividends and will be paid as from August 16, 2023.

b.2.) Interim dividends

On July 18, 2023, the Board of Directors approved the distribution of interim dividends on profit for the first semester of 2023, in the amount of R\$ 609,303 (R\$ 0.14520 per share).

The total amount of interim dividends and interest on own capital to be paid amount to the total gross amount of R\$ 1,077,295 (net amount of R\$ 1,007,096), equivalent to 40.27% of the net income obtained in the period (net of 37.65%).

c) Treasury shares

The shares acquired by the Company are held in treasury for use by the beneficiaries of the Company's Long-Term Incentive Plan (ILP Plan), or subsequent cancellation/disposal. As of June 30, 2023, the beneficiaries of the Company's ILP Plan were exercised in the amount of 271,110 shares. The Company holds 1,105,670 shares in treasury, at an average cost of R\$ 14.38 per share, in the total amount of R\$ 15,904 (R\$ 18,736 at December 31, 2022).

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20 LONG-TERM INCENTIVE PLAN (ILP PLAN)

The EGM held on June 28, 2016 approved the share-based compensation plan, called Long-Term Incentive Plan ("ILP Plan") in favor of its directors and officers.

(i) Plan

The Plan – managed by the Board of Directors – aims to grant shares issued by WEG S.A. ("Company") characterized by B3 as "WEGE3" to directors and managers, with the objective of attracting, motivating and retaining them, as well as aligning their interests with the interests of the Company and its shareholders.

For the application of the ILP Plan, and the consequent granting of shares, each year it is an essential condition (trigger) that the Company – in the immediately preceding year – obtain at least the Return on Invested Capital (ROIC), defined by the Board of Directors.

The shares to be granted by the ILP Plan are limited to a maximum of 2% (two percent) of the total amount shares representing the Company's capital.

The availability of shares granted to participants is established in clauses 7 and 8 of the ILP Plan, which sets out the criteria for determining the amount of shares to be granted and the grace period to be fulfilled.

The Plan may be terminated, suspended or amended, at any time, through a proposal approved by the Company's Board of Directors.

(ii) Program

The Board of Directors may approve Long-Term Incentive Programs ("Programs") annually, whereby the participants, the number of shares, the value per share, and other specific rules for each Program will be defined.

Programs

The participants in the programs are the officers of the Company and its subsidiaries headquartered in Brazil, excluding the officers of subsidiaries with third-party ownership interest.

Summary of the transactions of the plan's shares:

Program	12/31/2022	Granted	Exercised	Number of shares	
				In cash	06/30/2023
2016	101,762	-	(7,646)	-	94,116
2017	72,220	-	(5,222)	-	66,998
2018	202,838	-	(128,502)	-	74,336
2019	192,168	-	(78,306)	-	113,862
2020	141,668	-	(42,246)	-	99,422
2021	239,549	-	(9,188)	-	230,361
2022	-	297,336	-	(16,422)	280,914
TOTAL	950,205	297,336	(271,110)	(16,422)	960,009

In the first semester of 2023, expenses in the amount of R\$ 5,039 (R\$ 3,663 as of June 30, 2022) were recorded under "other income (loss)" in the statement of income for the year as a contra-entry of capital reserve in the shareholders' equity.

The shares exercised in the first semester of 2023 amounted to R\$ 8,906 (R\$ 9,802 at June 30, 2022), and the amount of R\$ 7,070 (R\$ 5,084 at June 30, 2022) was recorded under Capital Reserve in shareholders' equity, and the amount of R\$ 1,836 (R\$ 4,718 at June 30, 2022) as a complement to the provisioned amount was recorded under "Other Income (loss)" in the statement of income for the year.

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21 NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	06/30/2023	06/30/2022
Gross revenue	17,866,158	15,940,276
Domestic market	9,081,544	8,734,381
Foreign market	8,784,614	7,205,895
Deductions	(1,998,679)	(1,926,383)
Taxes	(1,685,247)	(1,681,075)
Returns/Rebates	(313,432)	(245,308)
Net revenue	15,867,479	14,013,893
Domestic market	7,402,581	7,108,709
Foreign market	8,464,898	6,905,184
North America	3,834,795	3,232,283
South and Central America	935,599	830,783
Europe	2,442,729	1,671,485
Africa	534,765	431,382
Asia-Pacific	717,010	739,251

22 CONSTRUCTION AGREEMENTS

Revenues and costs from construction contracts are recognized according to the execution of each project by the percentage of costs incurred method, considering the legal possibility of demanding payment by the customer or for the delivery of the product to the customer (transfer of control).

	CONSOLIDATED	
	06/30/2023	06/30/2022
Gross operating revenues recognized	2,110,216	1,707,957
Incurred costs	(1,652,322)	(1,480,607)
	06/30/2023	12/31/2022
Advances received	831,567	1,174,717

23 OPERATING EXPENSES BY TYPE AND FUNCTION

TYPE OF EXPENSE	CONSOLIDATED	
	06/30/2023	06/30/2022
	(12,648,013)	(11,793,864)
Depreciation, amortization and depletion	(302,757)	(269,571)
Personnel expenses	(2,597,100)	(2,294,586)
Raw materials and use and consumption material	(7,423,881)	(7,368,493)
Freight insurance expenses	(511,014)	(452,841)
Maintenance of machinery, equipment, buildings and improvements	(160,790)	(136,234)
Electric power expenses	(120,387)	(124,894)
Profit sharing - employees	(268,023)	(197,646)
Profit sharing - subsidiaries abroad	(59,051)	(44,326)
Other expenses	(1,205,010)	(905,273)
PURPOSE OF THE EXPENSE	(12,648,013)	(11,793,864)
Cost of products sold and services rendered	(10,565,872)	(10,151,051)
Sales expenses	(1,175,019)	(999,713)
General and administrative expenses	(505,290)	(414,194)
Other operating revenues/expenses	(401,832)	(228,906)

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24 OTHER OPERATING REVENUES/EXPENSES

The amounts recorded refer to profit sharing, reversal/provision of tax lawsuits, and others, as shown below:

	CONSOLIDATED	
	06/30/2023	06/30/2022
OTHER OPERATING REVENUES	70,403	61,653
Recognition of tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	23,865	31,875
Other	46,538	29,778
OTHER OPERATING EXPENSES	(472,235)	(290,559)
Profit sharing - Employees	(268,023)	(197,646)
Profit sharing - subsidiaries abroad	(59,051)	(44,326)
Bonus from management	(59,979)	(43,314)
Share-based plan	(6,875)	(8,382)
Capital Loss/Gain on investments	(15,177)	5,595
Other	(63,130)	(2,486)
TOTAL NET	(401,832)	(228,906)

25 NET FINANCIAL INCOME (LOSS)

	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
FINANCIAL REVENUES	61,392	33,719	837,233	584,924
Yield from interest earning bank deposits	60,693	33,289	303,059	123,509
Exchange-rate change:	-	-	290,420	310,486
- Suppliers	-	-	48,791	29,423
- Clients	-	-	86,261	74,686
- Loans	-	-	93,382	102,875
- Other	-	-	61,986	103,502
Derivatives	-	-	156,971	77,235
PROEX – Interest Rate Equaliz.	-	-	34,806	16,561
Accrued interest over tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	-	-	5,069	9,425
Other revenues	699	430	46,908	47,708
FINANCIAL EXPENSES	(46,839)	(35,641)	(732,843)	(535,103)
Interest on loans and financing	-	-	(67,122)	(21,545)
Exchange-rate change:	-	(11)	(384,029)	(328,550)
- Suppliers	-	-	(34,596)	(41,220)
- Clients	-	-	(194,290)	(85,502)
- Loans	-	-	(51,819)	(72,004)
- Other	-	(11)	(103,324)	(129,824)
PIS/COFINS over interest on own capital	(43,078)	(31,819)	(43,078)	(31,819)
PIS/COFINS on financial revenues	(2,855)	(1,568)	(16,131)	(8,915)
Derivatives	-	-	(84,216)	(104,461)
Other expenses	(906)	(2,243)	(138,267)	(39,813)
NET FINANCIAL INCOME (LOSS)	14,553	(1,922)	104,390	49,821

As of March 31, 2023, Management reviewed the accounting of PIS/COFINS without interest on own capital and financial revenues, reclassifying it from financial revenue to financial expense. Said reclassification does not affect the Company's main indicators.

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26 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries in Brazil calculate corporate income tax and social contribution according to the "taxable income" method, except for WEG Administradora de Bens Ltda., which calculates said taxes according to the "presumed profit" method. Provision for income tax was formed at the rate of 15% plus a surcharge of 10% and social contribution with rate of 9%. The taxes of subsidiaries abroad are recorded pursuant to each country's legislation.

Reconciliation of income tax and social contribution:	PARENT COMPANY		CONSOLIDATED	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Income before income taxes	2,676,989	1,857,054	3,323,856	2,269,850
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL calculated at nominal rate	(910,176)	(631,398)	(1,130,111)	(771,749)
Adjustments for calculation of effective income tax and social contribution:				
Income (loss) from investments in subsidiaries	908,697	634,658	29,997	20,517
Difference in tax rates on earnings abroad	-	-	273,168	144,740
Tax incentives	-	-	134,226	104,209
Interest on own capital	778	(2,740)	159,924	114,757
Interest (selic) - tax overpayment	-	-	(16,604)	10,039
Other adjustments	(1,235)	(709)	(40,728)	(12,761)
IRPJ and CSLL on income	(1,936)	(189)	(590,128)	(390,248)
Current tax	(1,478)	(201)	(613,410)	(392,355)
Deferred tax	(458)	12	23,282	2,107
Effective rate - %	0.07%	0.01%	17.75%	17.19%

27 INSURANCE COVERAGE

The Company and its subsidiaries have a Worldwide Insurance Program (WIP), within which we highlight the global policies implemented, including: Shipping (Exports, Imports, and Domestic), General Civil Liability and Products, Civil Liability - Directors and Officers (D&O), Operational/Property Risk, Environmental Pollution, Performance Bond, and Engineering Risk (Construction Work, Installation, Assembly and Commissioning).

Insurance policies are issued only with top-tier multinational insurance companies. Below is the Maximum Indemnifiable Limit (MIL) of the policies that comprise the WIP:

Policy	Maximum Indemnity Limit (LMI)	Maturity
Operating risks (property)	US\$ 36 million	09/30/2024
Loss of profit	US\$ 15 million (for Paint companies with a six-month indemnity period)	09/30/2024
General civil liability	US\$ 10 million	09/12/2023
Civil liability – products	US\$ 40 million	09/12/2023
National transportation	R\$ 12 million per shipment/accumulation/voyage	11/01/2025
International transport import/export	US\$ 6 million per shipment /accumulation/trip	11/01/2025
Environmental pollution	US\$ 15 million	09/21/2023
Contractual guarantee	As provided for in the contract	Pursuant to agreement / delivery
Engineering Risk - Installation and Assembly	According to the value at risk of the contracts, limited to R\$ 200 million for projects carried out in Brazil.	According to the work/supply schedule
Management civil liability (D&O)	US\$ 30 million	09/12/2024

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28 FINANCIAL INSTRUMENTS - CONSOLIDATED

The Company and its subsidiaries valued their financial instruments (including derivatives) recorded in the financial statements, reporting the following amounts:

	BOOK VALUE	
	06/30/2023	12/31/2022
Cash and cash equivalents	4,918,937	4,451,002
Cash and banks	893,996	710,905
Interest earning bank deposits:	4,024,941	3,740,097
- In domestic currency	3,500,248	3,481,091
- In foreign currency	524,693	259,006
Interest earning bank deposits	572,047	544,113
- In domestic currency	561,522	531,826
- In foreign currency	10,525	12,287
Derivatives	20,258	33,647
- Non-Deliverable Forwards – NDF	17,404	16,849
- Designated as hedge accounting	2,854	16,798
Total assets	5,511,242	5,028,762
 Loans and financing	 2,782,722	 3,459,692
- In domestic currency	50,367	40,185
- In foreign currency	2,732,355	3,419,507
Derivatives	265,215	135,244
- Non-Deliverable Forwards – NDF	10,973	8,314
- Designated as hedge accounting	254,242	126,930
Total liabilities	3,047,937	3,594,936

All financial instruments recognized in the consolidated financial statements at book value, which are, materially similar to amounts measured at fair value.

Category of financial instruments

Interest earning bank deposits and derivatives were classified as fair value through profit or loss; other financial instruments were classified as amortized cost.

Fair value hierarchy

Cash and banks were classified at level 1 of the hierarchy, while the other financial assets and liabilities were classified at level 2.

28.1 Risk factors

The risk factors of financial instruments are basically related to the following:

a) Credit risks

It arises from the possibility of subsidiaries not recovering amounts from transactions rendered or from credits held with financial institutions generated by interest earning bank deposits. To mitigate the risk derived from sales operations, Company's subsidiaries adopt the practice of analyzing its clients' economic and financial condition, defining a credit limit, and permanent following up on its outstanding positions. As for its interest earning bank deposits, the Company and its subsidiaries invest in low credit risk institutions. The maximum exposure to credit risk is the book values of the assets presented in the table above, in addition to the amount of R\$ 5,936,243 classified as trade accounts receivable. The Company believes that for the assets derived from trade accounts receivable, there is a high risk of loss, in the amount of R\$ 34,250 and an average risk of loss of R\$ 5,987, considering the internal valuations performed from the perspective of the risk of non-receipt of these assets.

b) Foreign currency risks

The Company and its subsidiaries export and import goods in different currencies, and manage/monitor foreign exchange exposure, seeking to balance their financial assets and liabilities within the limits established by Management. The short/long (net) exchange exposure limit may be up to the equivalent of one month's worth of exports in foreign currencies, as defined by the Company's Board of Directors.

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As at June 30, 2023, the Company and its subsidiaries carried out exports in the amount of US\$ 531.9 million (US\$ 565.6 million at June 30, 2022), representing a natural hedge for part of the debt and other costs pegged to other currencies, mainly in US dollars.

c) Debt charge risks

These risks arise from the possibility of subsidiaries incurring in losses due to fluctuations in interest rates or other debt indexes that might increase its financial expenses on loans and financing obtained in the market or decrease the financial revenues from subsidiaries' interest earning bank deposits. The Company and its subsidiaries continuously monitor market interest rates to assess the possible need to protect against the risk of volatility in these rates.

d) Liquidity risk

It is the risk of the Company not having sufficient net funds to honor its financial commitments due to a time or volume mismatch between foreseen receipts and payments. The table below summarizes the contractual obligations that may impact the Company's liquidity:

Contractual obligations	≤01 year	01–05 years	>05 years	Total at 06/30/2023
Loans and financing	1,924,891	852,831	5,000	2,782,722
Derivatives	136,609	128,606	-	265,215
Total liabilities	2,061,500	981,437	5,000	3,047,937

28.2 Derivative financial instruments

The Company and its subsidiaries have the following operations with derivative financial instruments:

Operations	Currency	Notional value	Purpose (hedge)
Non-deliverable forwards - NDF	USD/ZAR	4,612	Fluctuation in foreign exchange-rates in exports
	EUR/ZAR	1,291	
	USD/CNY	3,000	
	EUR/CNY	1,500	
	USD/BRL	98,000	
	EUR/BRL	28,000	
	USD/MXN	3,000	
	USD/EUR	85,000	
	AUD/CNY	1,000	

The management of the Company and its subsidiaries maintains the permanent monitoring of derivative financial instruments through its internal controls.

The sensitivity analysis chart (item 28.3) should be read together with the other financial assets and liabilities expressed in foreign currency existing on June 30, 2023, since the effect of the estimated impacts of exchange rates on the NDFs and on the SWAPs presented will be offset, if effective, in whole or in part, with the oscillations on all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used for the mark-to-market of financial instruments – valid as at June 30, 2023 – should be considered. These rates represent the best estimate for the future behavior of their prices, and represent the value at which the positions could be liquidated upon maturity.

The Company and its subsidiaries made the accounting records based on their market price on June 30, 2023 at fair value and on an accrual basis. These operations had a net positive impact of R\$ 72,755 (negative of R\$ 27,226 as of June 30, 2022), which were recognized as a financial income (loss). As of June 30, 2023, the Company and its subsidiaries do not have margins pledged as a collateral to outstanding derivative financial instruments.

Derivative financial instruments for hedge accounting

The Company formally assigned its transactions subject to hedge accounting to derivative financial instruments used to hedge the purchase of inputs and expenses denominated in foreign currency by documenting:

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



- Date of designation and identification of hedge relationship;
- Description of the purpose of the hedging and risk management strategy;
- Statement of compliance of hedge with the risk management;
- Description and identification of the derivative instrument and the hedged item;
- Description of covered risks and excluded risks;
- Description of actual hedge effectiveness assessment methods;
- Frequency of assessment of prospective effectiveness; and
- Description of hedge accounting policy.

The Company and its subsidiaries have the following operations with derivative financial instruments for hedge accounting:

Operation	Currency	Notional value	Purpose (hedge)
Non-deliverable forwards - NDF	USD/BRL	69,398	Fluctuation in foreign exchange-rates in imports
	EUR/BRL	10,483	
	USD/ZAR	40,704	
	COP/USD	9,000	
	USD	13,602	Fluctuation in copper quote rates
	COP/EUR	41,245,156	Fluctuation in foreign exchange-rates in financing
	GBP/EUR	6,571	
	USD/EUR	52,500	
	AUD/EUR	3,000	
SWAP	USD	200,000	Exchange-rate fluctuations in export prepayment financing (PPE)

The Company and its subsidiaries made the accounting record based on the fair value at June 30, 2023 on the accrual basis. The accumulated amount net of taxes recorded as Other Comprehensive Income in shareholders' equity is negative R\$ 87,070 (negative R\$ 33,127 as of December 31, 2022).

28.3 Sensitivity analysis

The tables below present the "cash and expense" effects, in reais (R\$), on the earnings from financial instruments in each of the scenarios.

a) Non-deliverable forwards (NDF) operations:

Operation	Risk	Currency / Quotation	Notional value (R\$'000)	Market value at 06/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Non-deliverable forwards - NDF	USD decrease	USD/ZAR	40,704	19.1905	(6,888)	14.3995	(56,335)	9.5967	(106,307)
	USD increase	USD/ZAR	4,612	18.5015	412	24.0354	(1,345)	28.8425	(2,933)
	EUR increase	EUR/ZAR	1,291	19.2283	242	9.0535	(1,459)	10.8642	(2,663)
	USD increase	USD/CNY	3,000	7.2454	(790)	9.3287	(3,704)	11.0762	(6,770)
	USD increase	USD/BRL	98,000	4.8528	9,725	6.5614	(34,203)	7.8736	(70,947)
	EUR increase	EUR/BRL	28,000	5.2491	2,540	21.0569	(3,168)	25.2682	(6,719)
	EUR increase	EUR/CNY	1,500	7.8963	(388)	9.8680	(2,356)	11.8440	(4,324)
	USD increase	USD/MXN	3,000	16.8455	110	23.1269	(5,047)	27.7523	(10,505)
	USD decrease	USD/EUR	85,000	1.0880	2,186	0.8203	(134,141)	0.5469	(406,794)
	COP decrease	COP/USD	9,000	4,211.9523	(665)	3,158.9642	(11,557)	2,105.9761	(22,551)
	AUD increase	AUD/CNY	1,000	4.80	(152)	6.01	(951)	7.21	(1,749)
	TOTAL				6,332				

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



b) Hedge accounting operations:

Operation	Risk	Currency / Quotation	Notional value (R\$'000)	Market value at 06/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Non-deliverable forwards - NDF	USD decrease	USD/BRL	69,398	4.9337	(61,950)	3.7003	(147,545)	2.4668	(233,142)
	EUR decrease	EUR/BRL	10,483	5.3971	(15,761)	4.0478	(29,906)	2.6986	(44,050)
	COP decrease	COP/EUR	41,245,156	5,565.17	(6,015)	3,611.57	(21,053)	2,407.71	(51,130)
	GBP decrease	GBP/EUR	6,571	0.8781	(820)	0.6451	(14,220)	0.4301	(41,020)
	USD decrease	USD/EUR	52,500	1.0995	1,889	0.8306	(81,267)	0.5538	(247,579)
	AUD decrease	AUD/EUR	3,000	1.5902	307	1.2301	(2,901)	0.8201	(9,318)
	Copper decrease	USD	13,602	8,317.95	456	6,183.23	(14,172)	4,160.77	(27,509)
	TOTAL				(81,894)				
SWAP	USD decrease	USD	200,000	5.4066	(169,395)	3.6144	(390,834)	2.4096	(612,456)
	TOTAL				(169,395)				

c) Loan and financing transactions:

(i) Exchange-rate change:

Operation	Risk	Currency / Quotation	Notional value (R\$'000)	Amount at 06/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Working capital	Argentine Peso increase	EUR/ARS	159	280.2361	865	350.2952	(613)	420.3542	(1,227)
	Argentine Peso increase	USD/ARS	99	256.7000	483	320.8125	(342)	384.9750	(685)
	TOTAL				1,348				
PPE (Export pre-payment)	USD increase	USD/BRL	200,000	4.8186	986,628	6.0233	(240,930)	7.2279	(481,860)
	TOTAL				986,628				

(ii) Interest:

Operation	Risk	Currency / Quotation	Notional value (R\$'000)	Amount at 06/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average rate	R\$'000	Average rate	R\$'000	Average rate	R\$'000
Working capital	TIIE increase	MXN	194,876	11.50%	54,686	14.375%	(121)	18.60%	(178)
	Euribor increase	EUR	250,717	3.4922%	1,319,417	4.3653%	(775)	5.2383%	(1,550)
	CDI increase (116% CDI)	BRL	32,500	15.83%	33,411	19.79%	(1,286)	23.75%	(2,573)
	TOTAL				1,407,514				

WEG S.A.
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29 GOVERNMENT GRANTS AND ASSISTANCE

The Company and its subsidiaries obtained grants in the amount of R\$ 126,060 (R\$ 112,922 on June 30, 2022) deriving from tax incentives, recognized in the income (loss) for the period:

	CONSOLIDATED	
	06/30/2023	06/30/2022
Total government grants and assistance	126,060	112,922
a) WEG Linhares Equipamentos Elétricos S.A.	45,187	37,702
- ICMS stimulus credit	30,638	26,990
- IRPJ (corporate tax) decrease	14,537	10,700
- Municipal investment	12	12
b) WEG Drives & Controls - Automação Ltda.	58,104	45,514
- ICMS stimulus credit	58,104	45,514
c) WEG Equipamentos e Logística Ltda.	12,341	17,106
- ICMS stimulus credit	12,341	17,106
d) WEG Equipamentos Elétricos S.A.	7,110	10,216
- ICMS incentive credit	6,105	9,469
- Municipal investment	1,005	747
e) WEG Amazônia S.A.	672	1,455
- IRPJ (corporate tax) decrease	487	1,299
- ICMS stimulus credit	185	156
f) V2 Tecnologia Ltda.	1,257	929
- ICMS stimulus credit	1,257	929
g) WEG Turbinas e Solar Ltda.	1,389	-
- ICMS stimulus credit	1,389	-

There are no contingencies linked to these grants, and all conditions for obtaining government grants have been met.

30 SEGMENT INFORMATION

	Brazil				Foreign		Eliminations and adjustments		Consolidated	
	Industry		Energy							
	06/30/2023	06/30/2022	06/30/2023	06/30/2022						
Revenue from sales of goods and/or services	7,700,813	7,766,085	2,990,996	2,661,064	12,332,325	10,658,050	(7,156,655)	(7,071,306)	15,867,479	14,013,893
Income (loss) before income taxes	4,041,094	3,038,053	2,091,480	1,003,586	2,802,815	1,481,267	(5,611,533)	(3,253,056)	3,323,856	2,269,850
Depreciation/Amortization / Depletion	101,888	95,653	42,853	37,354	162,642	140,893	(4,626)	(4,329)	302,757	269,571
	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Identifiable assets	8,231,722	7,834,474	4,241,765	4,228,270	15,116,546	16,146,613	(5,169,713)	(6,232,773)	22,420,320	21,976,584
Identifiable liabilities	3,073,658	2,589,736	1,997,505	1,787,103	7,561,924	8,699,347	(4,422,377)	(5,493,307)	8,210,710	7,582,879

Industry: Low, medium and high voltage electric motors, gearboxes, drives & controls, industrial automation systems and services, solar generation, solutions for electric mobility, for industry 4.0, electrical infrastructure for civil construction and maintenance services, single-phase motors for durable consumer goods, such as washing machines, air conditioners, water pumps, among others, liquid paints, powder paints and electro-insulating varnishes.

Energy: Electric generators, alternators, wind turbines, hydraulic and thermal steam turbines (biomass), substations, transformers, measuring instruments, control panels and systems integration services.

Abroad: This consists of operations carried out through subsidiaries located in different countries.

The eliminations and adjustments column includes the eliminations applicable to the Company in the context of the consolidated financial information.

WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023
(Amounts expressed in thousands of reais unless otherwise indicated)



All operating assets and liabilities are presented as identifiable assets and liabilities.

Reporting information is reported consistently with managerial reports used by the Management to evaluate the performance of each Company's segment.

31 EARNINGS PER SHARE

a) Basic

Earnings per share are basically calculated by dividing net income for the period attributed to holders of the parent company's common shares by the weighted average number of common shares available during the year.

	06/30/2023	06/30/2022
Earnings attributable to controlling shareholders	2,675,053	1,856,865
Weighted average of common shares held by shareholders (shares/thousand)	4,196,212	4,195,995
Basic earnings per share - R\$	0.63749	0.44253

b) Diluted

Net earnings per share are calculated by dividing net income attributed to the Parent Company's common shareholders by weighted average number of common shares available in the year plus weighted average number of common shares that would be issued upon conversion of stock option plans and Long-term incentive (ILP plan).

	06/30/2023	06/30/2022
Earnings attributable to controlling shareholders	2,675,053	1,856,865
Weighted average of potentially diluted common shares held by shareholders (shares/thousand)	4,197,172	4,196,994
Diluted earnings per share - R\$	0.63735	0.44243

32 SUBSEQUENT EVENTS

On July 5, the Company communicated to the market that it signed two agreements for the self-production of wind energy, namely:

(i) Binding agreement with Alupar, a company specialized in the generation and transmission of electric power, for the formation of a corporate partnership for the self-production of energy to be used in WEG's operations in Brazil. Located in the municipality of Jandaíra, in the state of Rio Grande do Norte, in the Agreste Potiguar Wind Complex, the AW Santa Régia (EAP II) wind farm will have an installed capacity of 37.8 MW, physical guarantee of 21.7 MW (average), and will operate with nine WEG wind turbines model AGW 147 with a nominal power of 4.2 MW.

The agreement provides for the annual delivery of about 15 MW (average), which will be used in WEG's manufacturing operations in the form of self-production by equalization for a period of 18 years. Currently, this energy accounts for approximately 30% of the consumption of these operations. The start of energy supply to the plants will start in January 2024, with energy purchase contracts estimated at R\$ 460 million over the contractual period. The AW Santa Régia wind farm is located in the same wind farm complex as the AW São João wind farm, which has six other WEG wind turbines. Both parks are under implementation and will total 63 MW of installed capacity, connected to the National Interconnected System (SIN).

(ii) Agreement with 2W Ecobank S.A. for the joint self-production of energy at the Anemus Wind Farms I, II and III, in the municipality of Currais Novos, state of Rio Grande do Norte, which have 33 WEG AGW147/4.2 model wind turbines. Together, they total 138.6 MW of installed capacity.

The energy purchase contracts are worth approximately R\$ 970 million, effective for 20 years and starting in January 2024. The initiative will guarantee 30 MW (average) of renewable energy for WEG's industrial operations in the form of self-production by equivalence. The Anemus I, II and III wind farms have 33 WEG model AGW147/4.2 wind turbines. Together, they total 138.6 MW of installed capacity.

The agreements depend on the fulfillment of precedent conditions, among them the endorsement by the Brazilian authorities.

WEG S.A.**NOTES TO INTERIM FINANCIAL INFORMATION AT JUNE 30, 2023***(Amounts expressed in thousands of reais unless otherwise indicated)***Board of Directors**

Décio da Silva - President
Nildemar Secches - Vice-President
Dan Ioschpe
Martin Werninghaus
Sérgio Luiz Silva Schwartz
Siegfried Kreutzfeld
Tânia Conte Cosentino

Audit Committee

Dan Ioschpe – Coordinator
Douglas Conrado Stange
Estela Maris Vieira de Souza

Executive Board

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Director - Industrial Motors
André Luis Rodrigues - Administrative and Financial Director
André Meneguetti Salgueiro - Chief Finance and Investor Relations Officer
Carlos Diether Prinz - Director - Transmission and Distribution
Carlos José Bastos Grillo - Director - Digital and Systems
Daniel Marteleto Godinho - Sustainability and Institutional Relations Director
Eduardo de Nóbrega - Director - China
Elder Stringari - International Director
João Paulo Gualberto da Silva – Director – Electricity
Juliano Saldanha Vargas - Human Resources Director
Julio Cesar Ramires - Director - Commercial Motors
Manfred Peter Johann – Director – Automation

Accountant

Marcelo Peters
CRC/SC 039928/O-0

Tax Council**Full members**

Vanderlei Dominguez da Rosa - President
Lucia Maria Martins Casasanta
Patricia Valente Stierli

Alternate members

Paulo Roberto Franceschi
Silvia Maura Rodrigues Pereira
Giuliano Barbato Wolf



KPMG Auditores Independentes Ltda.

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Quarterly Information Review Report
(A free translation of the original report in Portuguese)

To the Shareholders and Board of Directors

WEG S.A.

Jaraguá do Sul – SC

Introduction

We have reviewed the interim, individual and consolidated interim financial information of WEG S.A. ("Company"), contained in the Quarterly Information - ITR Form for the quarter ended June 30, 2023, which comprises the balance sheet as of June 30, 2023 and related statements of income, of comprehensive income for the 3 and 6-months period then ended, of changes in shareholders' equity and of cash flows for the quarter then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21(R1) and International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for interim 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 in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures 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 does 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 individual and consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the parent company and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other issues

Statements of value added

The aforementioned interim quarterly information includes the individual and consolidated statements of added value for the six-month period ended June 30, 2023, prepared under responsibility of Company's Management and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any facts that may lead us to believe that those statements of added value have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

Joinville, July 25, 2023.

KPMG Auditores Independentes Ltda.

CRC SC-000071/F-8

Original report in Portuguese signed by

Felipe Brutti da Silva

Accountant CRC RS-083891/O-0 T-SC

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

By this document, the Chief Executive Officer and other Directors of WEG S.A., a publicly-held company headquartered at Avenida Prefeito Waldemar Grubba, nº 3300, enrolled with EIN 84.429.695/0001-11, for purposes of the item VI of §1 of Article 27 of CVM Resolution 80, dated March 29, 2022, hereby declare that: reviewed, discussed and agreed with the interim financial information of WEG S.A. and Consolidated as of June 30, 2023.

Jaraguá do Sul (SC), July 18, 2023.

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Director - Industrial Motors
André Luis Rodrigues - Administrative and Financial Director
André Meneguetti Salgueiro - Chief Finance and Investor Relations Officer
Carlos Diether Prinz - Director - Transmission and Distribution
Carlos José Bastos Grillo - Director - Digital and Systems
Daniel Marteleto Godinho - Director of Institutional Relations and Marketing
Eduardo de Nóbrega - Director - China
Elder Stringari - International Director
João Paulo Gualberto da Silva – Director – Electricity
Juliano Saldanha Vargas - Human Resources Director
Julio Cesar Ramires - Director - Commercial Motors
Manfred Peter Johann – Director – Automation

Opinions and Statements / Statement of the Executive Officers on Independent Auditor's Report

By this document, the Chief Executive Officer and other Directors of WEG S.A., a publicly-held company headquartered at Avenida Prefeito Waldemar Grubba, nº 3300, enrolled with EIN 84.429.695/0001-11, for purposes of the item V of §1 of Article 27 of CVM Resolution 80, dated March 29, 2022, hereby declare that: reviewed, discussed and agreed with the opinions expressed in the KPMG Auditores Independentes' Report dated February 18, 2023, relating to the interim financial information of WEG S.A. and Consolidated as of June 30, 2023.

Jaraguá do Sul (SC), July 18, 2023.

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Director - Industrial Motors
André Luis Rodrigues - Administrative and Financial Director
André Meneguetti Salgueiro - Chief Finance and Investor Relations Officer
Carlos Diether Prinz - Director - Transmission and Distribution
Carlos José Bastos Grillo - Director - Digital and Systems
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