

# WEG S/A

**Quarterly Information - 03/31/2022**

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## Company information/Composition of capital

Number of shares (Units)	Current Quarter 03/31/2022
<b>Paid In Capital</b>	
Common Shares	4,197,317,998
Preferred Shares	0
<b>Total</b>	<b>4,197,317,998</b>
<b>Treasury Shares</b>	
Common Shares	1,277,793
Preferred Shares	0
<b>Total</b>	<b>1,277,793</b>

**Individual Financial Statements/Balance Sheet - Assets (R\$ In Thousands)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2022</b>	<b>Prior Year 12/31/2021</b>
1	Total assets	12,605,691	13,820,203
1.01	Current assets	1,087,551	1,336,318
1.01.01	Cash and cash equivalents	8,011	232,548
1.01.01.01	Cash and banks	5	5
1.01.01.02	Short-term investments	8,006	232,543
1.01.02	Short-term investments	514,897	502,708
1.01.06	Taxes recoverable	31,014	5,247
1.01.06.01	Current taxes recoverable	31,014	5,247
1.01.06.01.01	Recoverable income tax and social contribution	31,014	5,247
1.01.08	Other current assets	533,629	595,815
1.01.08.03	Others	533,629	595,815
1.01.08.03.01	Dividends	400,000	400,000
1.01.08.03.02	Interest on capital	133,627	195,697
1.01.08.03.03	Others	2	118
1.02	Noncurrent assets	11,518,140	12,483,885
1.02.01	Long-term receivables	9,335	10,456
1.02.01.07	Deferred taxes	4,678	5,799
1.02.01.07.01	Deferred income tax and social contribution	4,678	5,799
1.02.01.10	Other noncurrent assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	11,504,772	12,469,374
1.02.02.01	Equity interests	11,504,772	12,469,374
1.02.02.01.02	Interest in subsidiaries	11,504,772	12,469,374
1.02.03	Property, plant and equipment	4,023	4,045
1.02.03.01	Property, plant and equipment in operation	4,023	4,045
1.02.04	Intangible	10	10
1.02.04.01	Intangible Assets	10	10

**Individual Financial Statements/Balance Sheet - Liabilities and Equity (R\$ In Thousands)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2022</b>	<b>Prior Year 12/31/2021</b>
2	Total liabilities	12,605,691	13,820,203
2.01	Current liabilities	183,384	210,502
2.01.01	Social and labor obligations	15,488	13,105
2.01.01.01	Social obligations	15,488	13,105
2.01.02	Trade Payables	334	306
2.01.03	Tax obligations	23,050	226
2.01.03.01	Federal tax obligations	23,050	226
2.01.03.01.01	Income tax and social contribution payable	0	45
2.01.03.01.02	Other tax obligations	23,050	181
2.01.05	Other obligations	144,512	196,865
2.01.05.02	Others	144,512	196,865
2.01.05.02.01	Dividends and interest on capital payable	139,112	194,780
2.01.05.02.04	Others	5,400	2,085
2.02	Noncurrent liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.02.04.01	Labor and Civil Social Security Tax Provisions	4,730	4,730
2.03	Equity	12,417,577	13,604,971
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	-113,996	-120,840
2.03.02.04	Options granted	10,545	13,567
2.03.02.05	Treasury shares	-17,112	-11,216
2.03.02.07	Premium on capital transaction	-107,429	-123,191
2.03.03	Revaluation reserves	3,631	3,631
2.03.04	Earnings reserves	4,485,565	5,346,602
2.03.04.01	Legal reserve	443,986	443,986
2.03.04.02	Statutory reserve	4,041,579	4,041,579
2.03.04.08	Additional dividend proposed	0	861,037
2.03.05	Retained earnings/accumulated losses	795,289	0
2.03.06	Carrying value adjustments	311,371	322,893
2.03.06.01	Deemed cost	311,371	322,893
2.03.08	Other comprehensive income	1,431,200	2,548,168
2.03.08.01	Derivative financial instruments	-55,788	9,239
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,491,276	2,543,217

**Individual Financial Statements/Income Statements (R\$ In Thousands)**

Code	Description	Current Quarter	Prior Year Quarter Balances
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.04	Operating income/expenses	943,898	771,452
3.04.02	General and administrative expenses	-2,257	-1,346
3.04.02.01	Management fees	-883	-740
3.04.02.02	Other administrative expenses	-1,374	-606
3.04.04	Other operating revenue	0	65
3.04.05	Other operating expenses	2,017	3,396
3.04.06	Share of profit or loss of investees	944,138	769,337
3.05	Profit before finance income (costs) and taxes	943,898	771,452
3.06	Finance income (costs)	1,297	-4,993
3.06.01	Finance income	2,597	-3,629
3.06.02	Finance costs	-1,300	-1,364
3.07	Profit before taxes on income	945,195	766,459
3.08	Income tax and social contribution	-1,295	-2,201
3.08.01	Current	-175	-431
3.08.02	Deferred	-1,120	-1,770
3.09	Profit for the period from continuing operations	943,900	764,258
3.11	Profit/loss for the period	943,900	764,258
3.99	Earnings per share – (real/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.22495	0.18211
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.2249	0.18209

## Individual Financial Statements/Statement of Comprehensive Income (R\$ In Thousands)

Code	Description	Current Quarter	Prior Year Quarter Balances
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Profit for the period	943,900	764,258
4.02	Other comprehensive income	-1,116,968	461,808
4.02.01	Cumulative translation adjustments	-1,051,941	462,624
4.02.02	Hedge Accounting	-65,027	-816
4.03	Total comprehensive income for the period	-173,068	1,226,066

## Individual Financial Statements/Cash Flow Statement – Indirect Method (R\$ In Thousands)

Code	Description	YTD Current Year	YTD Prior Year
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
6.01	Net cash from operating activities	-10,904	-10,384
6.01.01	Cash from operations	-15,513	-9,215
6.01.01.01	Profit before taxes	945,195	766,459
6.01.01.02	Depreciation and amortization	22	22
6.01.01.03	Equity equivalence	-944,138	-769,337
6.01.01.06	Income from financial investments	-13,507	-2,154
6.01.01.04	Stock option plan expenses	-3,085	-4,205
6.01.02	Changes in assets and liabilities	4,609	-1,169
6.01.02.01	(Increase)/decrease in trade receivables	-4,386	-308
6.01.02.02	Increase/(decrease) in trade payables	9,215	-404
6.01.02.03	Income tax and social contribution paid	-220	-457
6.02	Net Cash from investing activities	840,754	872,305
6.02.01	Investment	-138	0
6.02.02	Dividends and interest on capital received	839,574	872,305
6.02.06	Withdraw of financial investments	1,318	0
6.03	Net cash from investing activities	-1,054,387	-854,788
6.03.01	Dividends and interest on capital paid	-1,048,491	-858,654
6.03.02	Treasury shares	-5,896	3,866
6.05	Increase (Decrease) in Cash and Cash Equivalents	-224,537	7,133
6.05.01	Cash and Cash Equivalents at the beginning of the period	232,548	390,133
6.05.02	Cash and Cash Equivalents at the end of the period	8,011	397,266



**Individual Financial Statements / Statements of Changes in Equity - 01/01/2022 to 03/31/2022 (R\$ In Thousands)**

Code	Description	Paid-in Capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated 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 shareholders	0	6,844	0	-155,189	0	-148,345
5.04.03	Options granted recognized	0	-3,022	0	-914	0	-3,936
5.04.05	Treasury shares sold	0	-4,390	0	0	0	-4,390
5.04.07	Interest on Capital	0	0	0	-154,275	0	-154,275
5.04.08	Capital Transactions	0	14,256	0	0	0	14,256
5.05	Total comprehensive income	0	0	0	950,478	-1,128,490	-178,012
5.05.01	Profit for the period	0	0	0	943,900	0	943,900
5.05.02	Other comprehensive income	0	0	0	6,578	-1,128,490	-1,121,912
5.05.02.04	Period Conversion Adjustments	0	0	0	0	-1,056,885	-1,056,885
5.05.02.06	Hedge Accounting – Cash, flow, net of taxes	0	0	0	0	-65,027	-65,027
5.05.02.07	Realization of deemed cost	0	0	0	6,578	-6,578	0
5.06	Internal Changes in Equity	0	0	0	-861,037	0	-861,037
5.06.04	Payment of dividends	0	0	0	-861,037	0	-861,037
5.07	Closing balances	5,504,517	-110,365	4,485,565	795,289	1,742,571	12,417,577

**Individual Financial Statements / Statements of Changes in Equity - 01/01/2021 to 03/31/2021 (R\$ In Thousands)**

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening Balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165
5.03	Adjusted opening balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165
5.04	Capital transactions with shareholders	0	-9,491	0	-73,978	0	-83,469
5.04.03	Options granted recognized	0	-4,233	0	-3,017	0	-7,250
5.04.05	Treasury shares sold	0	6,767	0	0	0	6,767
5.04.07	Interest on capital	0	0	0	-70,961	0	-70,961
5.04.08	Capital Transactions	0	-12,025	0	0	0	-12,025
5.05	Total Comprehensive income	0	0	0	773,145	452,921	1,226,066
5.05.01	Profit for the period	0	0	0	764,258	0	764,258
5.05.02	Other comprehensive income	0	0	0	8,887	452,921	461,808
5.05.02.04	Translation adjustments for the period	0	0	0	0	462,624	462,624
5.05.02.06	Hedge Accounting - Cash Flow net of taxes	0	0	0	0	-816	-816
5.05.02.07	Realization of deemed cost	0	0	0	8,887	-8,887	0
5.06	Internal changes in Equity	0	0	0	-729,467	0	-729,467
5.06.04	Payment of dividends	0	0	0	-729,467	0	-729,467
5.07	Closing Balances	5,504,517	-138,103	2,782,943	699,167	3,127,771	11,976,295

**Individual Financial Statements/ Statements of Value Added (R\$ In Thousands)**

Code	Description	YTD current year	YTD prior year
		01/01/2021 to 03/31/2022	01/01/2021 to 03/31/2021
7.02	Inputs acquired from third parties	2,470	4,277
7.02.02	Materials, electric power, third-party services and others	-615	7
7.02.03	Loss/ recovery of assets	3,085	4,270
7.03	Gross value added	2,470	4,277
7.04	Retentions	-22	-22
7.04.01	Depreciation, amortization and depletion	-22	-22
7.05	Wealth created by the company	2,448	4,255
7.06	Wealth received in transfer	946,735	765,708
7.06.01	Share of profit or loss of investees	944,138	769,337
7.06.02	Finance income	2,597	-3,629
7.07	Wealth for distribution	949,183	769,963
7.08	Wealth distributed	949,183	769,963
7.08.01	Personnel	2,429	1,950
7.08.01.01	Salaries and wages	2,303	1,848
7.08.01.02	Benefits	84	67
7.08.01.03	Severance pay fund (FGTS)	42	35
7.08.02	Taxes, fees and contributions	1,554	2,391
7.08.02.01	Federal	1,554	2,391
7.08.03	Third party capital income	1,300	1,364
7.08.03.01	Interest	1,300	1,364
7.08.04	Equity capital income	943,900	764,258
7.08.04.01	Interest on capital	154,275	70,961
7.08.04.03	Retained Earnings / Loss for the period	789,625	693,297

**Consolidated Financial Statements Balance Sheet – Assets (R\$ In Thousands)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 03/31/2022</b>	<b>Prior Year 12/31/2021</b>
1	Total assets	24,169,250	23,932,787
1.01	Current assets	16,424,181	15,945,946
1.01.01	Cash and cash equivalents	2,749,862	2,714,427
1.01.01.01	Cash and banks	849,091	529,822
1.01.01.02	Short-term investments	1,900,771	2,184,605
1.01.02	Short-term investments	514,897	502,708
1.01.03	Trade receivables	4,430,633	4,317,393
1.01.03.01	Customers	4,430,633	4,317,393
1.01.04	Inventories	7,018,367	6,497,048
1.01.06	Taxes recoverable	807,979	890,290
1.01.06.01	Current taxes recoverable	807,979	890,290
1.01.06.01.01	Recoverable income tax and social contributions	109,211	89,679
1.01.06.01.02	Other taxes recoverable	698,768	800,611
1.01.08	Other current assets	902,443	1,024,080
1.01.08.03	Others	902,443	1,024,080
1.01.08.03.01	Derivative financial instruments	309,960	409,337
1.01.08.03.02	Others	592,483	614,743
1.02	Noncurrent assets	7,745,069	7,986,841
1.02.01	Long-term receivables	1,040,324	930,416
1.02.01.01	Financial investments assessed at fair value through profit and loss	10,512	0
1.02.01.07	Deferred taxes	370,093	421,900
1.02.01.07.01	Deferred income tax and social contribution	370,093	421,900
1.02.01.10	Other noncurrent assets	659,719	508,516
1.02.01.10.03	Judicial deposits	80,896	82,235
1.02.01.10.04	Recoverable income tax and social contribution	2,786	3,435
1.02.01.10.05	Other taxes recoverable	498,269	319,496
1.02.01.10.06	Others	77,768	103,350
1.02.02	Investments	1,057	1,265
1.02.02.01	Equity interests	1,057	1,265
1.02.02.01.05	Other investments	1,057	1,265
1.02.03	Property, plant and equipment	5,239,800	5,504,772
1.02.03.01	Property, plant and equipment in operation	4,868,962	5,101,051
1.02.03.02	Right-of-Use Assets	370,838	403,721
1.02.04	Intangible assets	1,463,888	1,550,388
1.02.04.01	Intangible assets	175,424	188,080
1.02.04.01.02	Others	175,424	188,080
1.02.04.02	Goodwill	1,288,464	1,362,308

## Consolidated Financial Statements Balance Sheet – Liabilities and Equity (R\$ In Thousands)

Code	Description	Current Quarter 03/31/2022	Prior Year 12/31/2021
2	Total liabilities	24,169,250	23,932,787
2.01	Current liabilities	9,300,954	7,927,884
2.01.01	Social and labor obligations	515,734	388,190
2.01.01.01	Social obligations	515,734	388,190
2.01.02	Trade payables	2,171,283	2,120,338
2.01.03	Tax obligations	365,868	279,271
2.01.03.01	Federal tax obligations	365,868	279,271
2.01.03.01.01	Income tax and social contribution payable	131,715	129,609
2.01.03.01.02	Others	234,153	149,662
2.01.04	Borrowings and financing	2,466,445	1,052,044
2.01.04.01	Borrowings and financing	2,466,445	1,052,044
2.01.04.01.01	In local currency	12,240	7,769
2.01.04.01.02	In foreign currency	2,454,205	1,044,275
2.01.05	Other obligations	3,781,624	4,088,041
2.01.05.02	Others	3,781,624	4,088,041
2.01.05.02.01	Dividends and interest on capital payable	139,743	195,272
2.01.05.02.04	Advances from customers	2,178,944	2,267,484
2.01.05.02.05	Profit sharing	201,611	384,272
2.01.05.02.06	Derivative financial instruments	62,439	17,324
2.01.05.02.07	Leases	60,550	73,268
2.01.05.02.08	Payables - subsidiaries abroad	368,409	363,386
2.01.05.02.09	Provision for product warranties	271,403	259,409
2.01.05.02.10	Bill and hold sales	249,525	273,578
2.01.05.02.11	Others	249,000	254,048
2.02	Noncurrent liabilities	2,080,964	1,994,231
2.02.01	Borrowings and financing	612,271	737,071
2.02.01.01	Borrowings and financing	612,271	737,071
2.02.01.01.01	In local currency	40,500	35,818
2.02.01.01.02	In foreign currency	571,771	701,253
2.02.02	Other obligations	719,297	542,097
2.02.02.02	Others	719,297	542,097
2.02.02.02.03	Tax Obligations	172,792	130,623
2.02.02.02.04	Derivative financial instruments	137,048	0
2.02.02.02.05	Leases	249,231	249,245
2.02.02.02.06	Others	160,226	162,229
2.02.03	Deferred taxes	87,007	71,892
2.02.03.01	Deferred income tax and social contribution	87,007	71,892
2.02.04	Provisions	662,389	643,171
2.03	Consolidated equity	12,787,332	14,010,672
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	-113,996	-120,840
2.03.02.04	Options granted	10,545	13,567
2.03.02.05	Shares in treasury	-17,112	-11,216
2.03.02.07	Goodwill on capital transactions	-107,429	-123,191
2.03.03	Revaluation reserves	3,631	3,631
2.03.04	Earnings reserves	4,485,565	5,346,602

## Consolidated Financial Statements Balance Sheet – Liabilities and Equity (R\$ In Thousands)

Code	Description	Current Quarter 03/31/2022	Prior Year 12/31/2021
2.03.04.01	Legal reserve	443,986	443,986
2.03.04.02	Statutory reserve	4,041,579	4,041,579
2.03.04.08	Additional dividend proposed	0	861,037
2.03.05	Retained earnings/accumulated losses	795,289	0
2.03.06	Carrying value adjustments	311,371	322,893
2.03.06.01	Deemed cost	311,371	322,893
2.03.08	Other comprehensive income	1,431,200	2,548,168
2.03.08.01	Derivative financial instruments	-55,788	9,239
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,491,276	2,543,217
2.03.09	Noncontrolling shareholders	369,755	405,701

**Consolidated Financial Statements / Income Statements (R\$ in thousands)**

Code	Description	Current Quarter	Prior Year Quarter Balances
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.01	Revenue from sale of products and/or services	6,828,106	5,076,879
3.02	Cost of sales and services	-4,933,270	-3,457,140
3.03	Gross profit	1,894,836	1,619,739
3.04	Operating income/expenses	-796,248	-726,557
3.04.01	Selling expenses	-493,016	-434,281
3.04.01.01	Reversal of allowance for doubtful debts	1,154	3,016
3.04.01.02	Other Selling expenses	-494,170	-437,297
3.04.02	General and administrative expenses	-199,747	-174,928
3.04.02.01	Management fees	-7,106	-6,060
3.04.02.02	Other administrative expenses	-192,641	-168,868
3.04.04	Other operating income	46,014	16,211
3.04.05	Other operating expenses	-149,499	-133,559
3.05	Profit before finance income (costs) and taxes	1,098,588	893,182
3.06	Finance income (costs)	54,264	10,535
3.06.01	Finance income	424,099	163,865
3.06.02	Finance expenses	-369,835	-153,330
3.07	Profit before taxes on income	1,152,852	903,717
3.08	Income tax and social contribution	-199,370	-124,796
3.08.01	Current	-142,496	-41,999
3.08.02	Deferred	-56,874	-82,797
3.09	Profit for the period from continuing operations	953,482	778,921
3.11	Consolidated profit/loss for the period	953,482	778,921
3.11.01	Attributable to owners of the Company	943,900	764,258
3.11.02	Attributable to noncontrolling interests	9,582	14,663
3.99	Earnings per share – (Real/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.22495	0.18211
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.2249	0.18209

## Consolidated Financial Statements / Statement of Comprehensive Income (R\$ in thousands)

Code	Description	Current Quarter	Prior Year Quarter Balances
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Consolidated profit for the period	953,482	778,921
4.02	Other comprehensive income	-1,119,208	463,833
4.02.01	Cumulative translation adjustments	-1,052,983	464,639
4.02.02	Hedge Accounting	-66,225	-806
4.03	Consolidated comprehensive income for the period	-165,726	1,242,754
4.03.01	Attributable to owners of the Company	-173,068	1,226,066
4.03.02	Attributable to noncontrolling interests	7,342	16,688



## Consolidated Financial Statements/Cash Flow Statement – Indirect Method (R\$ In Thousands)

Code	Description	YTD current year	YTD prior year
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
6.01	Net cash from operating activities	-136,941	404,453
6.01.01	Cash from operations	1,423,174	1,212,713
6.01.01.01	Profit before taxes	1,152,852	903,717
6.01.01.02	Depreciation, amortization and depletion	134,350	123,670
6.01.01.03	Employee profit sharing	146,222	135,762
6.01.01.04	Stock option plan expenses	5,055	4,424
6.01.01.05	Provision for credit risk	-1,825	-3,221
6.01.01.06	Provision for tax, civil and labor liabilities	19,218	4,447
6.01.01.07	Provision for inventory losses	-2,457	11,861
6.01.01.08	Provision for product warranty	11,994	22,111
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	630	2,014
6.01.01.10	Accrued interest on borrowings	5,062	10,082
6.01.01.12	Income from financial investments	-13,507	-2,154
6.01.01.13	Equity income	-34,420	0
6.01.02	Changes in assets and liabilities	-1,560,115	-808,260
6.01.02.01	(Increase)/decrease in trade receivables	-819,605	-464,873
6.01.02.02	Increase/(decrease) in trade payables	724,659	484,123
6.01.02.03	(Increase)/decrease in inventories	-1,013,622	-485,705
6.01.02.04	Income tax and social contribution paid	-140,390	-50,542
6.01.02.05	Employee profit sharing paid	-311,157	-291,263
6.02	Net cash from investing activities	-311,023	-5,237
6.02.02	Property, plant and equipment	-200,454	-116,754
6.02.03	Intangible assets	-9,151	-15,985
6.02.04	Revenue from disposal of property, plant and equipment	6,217	19,374
6.02.09	Held-to-maturity financial investments	-98,441	0
6.02.11	Financial investments held to maturity	-10,512	-2,450
6.02.12	Redemption of financial investments	1,318	110,578
6.03	Net cash from financing activities	593,445	-976,395
6.03.01	Proceeds from borrowings and financing	1,739,371	7,291
6.03.02	Repayment of borrowings and financing	-80,359	-114,231
6.03.03	Interest paid on borrowings and financing	-11,429	-14,347
6.03.04	Treasury shares	-1,048,242	-858,974
6.03.05	Dividends/Interest on capital paid	-5,896	3,866
6.04	Exchange rate changes on cash and cash equivalents	-110,046	72,781
6.05	Increase (decrease) in cash and cash equivalents	35,435	-504,398
6.05.01	Cash and cash equivalents at the beginning of the period	2,714,427	3,892,140
6.05.02	Cash and cash equivalents at the end of the period	2,749,862	3,387,742

**Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2022 to 03/31/2022 (R\$ In Thousands)**

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings Reserve	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	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 shareholders	0	6,844	0	-155,189	0	-148,345	-43,288	-191,633
5.04.03	Options granted recognized	0	-3,022	0	-914	0	-3,936	0	-3,936
5.04.05	Treasury shares sold	0	-4,390	0	0	0	-4,390	0	-4,390
5.04.07	Interest on capital	0	0	0	-154,275	0	-154,275	0	-154,275
5.04.08	Capital transactions	0	14,256	0	0	0	14,256	-43,288	-29,032
5.05	Total comprehensive income	0	0	0	950,478	-1,128,490	-178,012	7,342	-170,670
5.05.01	Profit for the period	0	0	0	943,900	0	943,900	9,582	953,482
5.05.02	Other comprehensive income	0	0	0	6,578	-1,128,490	-1,121,912	-2,240	-1,124,152
5.05.02.04	Translation adjustments for the period	0	0	0	0	-1,056,885	-1,056,885	-1,042	-1,057,927
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	0	0	0	0	-65,027	-65,027	-1,198	-66,225
5.05.02.07	Realization of deemed cost	0	0	0	6,578	-6,578	0	0	0
5.06	Internal changes in equity	0	0	0	-861,037	0	-861,037	0	-861,037
5.06.04	Payment of dividends	0	0	0	-861,037	0	-861,037	0	-861,037
5.07	Closing balances	5,504,517	-110,365	4,485,565	795,289	1,742,571	12,417,577	369,755	12,787,332

**Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2021 to 03/31/2021 (R\$ In Thousands)**

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165	367,133	11,930,298
5.03	Adjusted opening balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165	367,133	11,930,298
5.04	Capital transactions with shareholders	0	-9,491	0	-73,978	0	-83,469	17,130	-66,339
5.04.03	Options granted recognized	0	-4,233	0	-3,017	0	-7,250	0	-7,250
5.04.05	Treasury shares acquired	0	6,767	0	0	0	6,767	0	6,767
5.04.07	Interest on capital	0	0	0	-70,961	0	-70,961	0	-70,961
5.04.08	Capital transactions	0	-12,025	0	0	0	-12,025	17,130	5,105
5.05	Total comprehensive income	0	0	0	773,145	452,921	1,226,066	16,688	1,242,754
5.05.01	Profit for the period	0	0	0	764,258	0	764,258	14,663	778,921
5.05.02	Other comprehensive income	0	0	0	8,887	452,921	461,808	2,025	463,833
5.05.02.04	Translation adjustments for the period	0	0	0	0	462,624	462,624	2,015	464,639
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	0	0	0	0	-816	-816	10	-806
5.05.02.07	Realization of deemed cost	0	0	0	8,887	-8,887	0	0	0
5.06	Internal changes in equity	0	0	0	-729,467	0	-729,467	0	-729,467
5.06.04	Payment of dividends	0	0	0	-729,467	0	-729,467	0	-729,467
5.07	Total comprehensive income	5,504,517	-138,103	2,782,943	699,167	3,127,771	11,976,295	400,951	12,377,246

**Consolidated Financial Statements/Statements of Value Added (R\$ In Thousands)**

Code	Description	YTD Current year	YTD prior year
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
7.01	Revenues	7,658,309	5,765,000
7.01.01	Sales of goods, products and services	7,651,141	5,756,939
7.01.02	Other revenues	5,343	4,840
7.01.04	Allowance for / Reversal of allowance for doubtful debts	1,825	3,221
7.02	Inputs acquired from third parties	-4,528,878	-3,042,374
7.02.02	Materials, electric power, third-party services and others	-4,549,081	-3,067,110
7.02.04	Others	20,203	24,736
7.03	Gross value added	3,129,431	2,722,626
7.04	Retentions	-134,350	-123,670
7.04.01	Depreciation, amortization and depletion	-134,350	-123,670
7.05	Wealth created by the Company	2,995,081	2,598,956
7.06	Wealth received in transfer	449,890	163,865
7.06.02	Finance income	424,099	163,865
7.06.03	Others	25,791	0
7.06.03.01	Tax credits – Exclusion of ICMS in the PIS/COFINS calculation basis	25,791	0
7.07	Wealth for distribution	3,444,971	2,762,821
7.08	Wealth distributed	3,444,971	2,762,821
7.08.01	Personnel	1,377,269	1,201,578
7.08.01.01	Salaries and wages	1,171,563	1,018,910
7.08.01.02	Benefits	160,998	144,623
7.08.01.03	Severance pay fund (FGTS)	44,708	38,045
7.08.02	Taxes, fees and contributions	746,032	625,063
7.08.02.01	Federal	666,334	540,774
7.08.02.02	State	69,968	75,825
7.08.02.03	Municipal	9,730	8,464
7.08.03	Lenders and lessors	368,188	157,259
7.08.03.01	Interest	363,578	153,227
7.08.03.02	Rentals	4,610	4,032
7.08.04	Lenders and lessors	953,482	778,921
7.08.04.01	Interest on capital	154,275	70,961
7.08.04.03	Retained earnings / Loss for the period	789,625	693,297
7.08.04.04	Noncontrolling interests	9,582	14,663

## Consistent growth supported by demand for renewable energy and international expansion

### Highlights



**Net Operating Revenue (NOR)** was **R\$ 6,828.1 million** in 1Q22, 34.5% higher than 1Q21 and 4.4% higher than 4Q21.



**EBITDA<sup>(1)</sup>** reached **R\$ 1,232.9 million**, 21.3% higher than 1Q21 and 9.6% higher than 4Q21, while **EBITDA margin** was **18.1%**, 1.9 p.p. lower than 1Q21, and 0.9 p.p. higher than the previous quarter.



**Return on Invested Capital (ROIC<sup>(2)</sup>)** reached **29.7%** in 1Q22, up 1.5 p.p. from 1Q21 and down 0.8 p.p. from 4Q21.

### Message from the Management

The results for the first quarter of 2022 confirm the good sales performance in the company's main lines of business. This move also reinforces our strategic direction of developing products and systems with greater added value for our customers and partners has proven increasingly efficient.

In Brazil, the growing quest for renewable energy generation sources and good industrial demand has provided revenue growth. Both in the short-cycle business, with highlights on distributed solar generation (DG), and in the long-cycle, focusing on wind generation and transmission line projects to connect new energy generation sources to consumer centers.

In the foreign market, industrial activity remains strong, mainly in sales of industrial equipment to important segments such as oil & gas, mining, and pulp & paper. We presented revenue growth in our main markets as a result of our good products availability and our ability to meet our customer's needs.

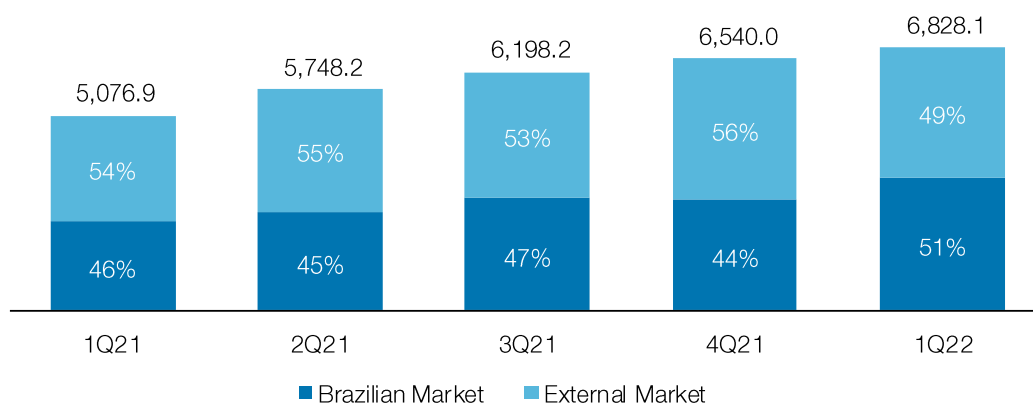
We continue to benefit from structurally favorable conditions in our markets, seeking to seize every opportunity. We believe that our long-term vision business model, diversification of products and solutions, together with our global presence, help us not only to expand our range of opportunities but also to minimize risks and uncertainties in times of political and economic turbulence such as what we are living today.

**Table 1 – Main Highlights**

	1Q22	4Q21	HA%	1Q21	HA%
Return on Invested Capital	29.7%	30.5%	-0.8 pp	28.2%	1.5 pp
Net Operating Revenue	6,828,106	6,540,010	4.4%	5,076,879	34.5%
Domestic Market	3,470,954	2,890,352	20.1%	2,343,108	48.1%
External Markets	3,357,152	3,649,658	-8.0%	2,733,771	22.8%
External Markets in US\$	644,693	653,383	-1.3%	498,120	29.4%
Net Income	943,900	874,055	8.0%	764,258	23.5%
Net Margin	13.8%	13.4%	0.4 pp	15.1%	-1.3 pp
EBITDA	1,232,938	1,124,940	9.6%	1,016,852	21.3%
EBITDA Margin	18.1%	17.2%	0.9 pp	20.0%	-1.9 pp
Earnings per Share (EPS)	0.22495	0.20831	8.0%	0.18211	23.5%

## Net Operating Revenue

Net operating revenue increased by 34.5% over 1Q21, up 48.1% in the domestic market and 22.8% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1.



**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 29.4% in relation to 1Q21 and decreased by 1.3% in relation to 4Q21. The distribution of net revenue by geographic markets is shown in Table 2.

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

	1Q22		4Q21		1Q21		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	644,693	100.0%	653,383	100.0%	498,120	100.0%	-1.3%	29.4%
<i>North America</i>	283,992	44.1%	280,829	43.0%	213,758	42.9%	1.1%	32.9%
<i>South and Central America</i>	72,355	11.2%	79,136	12.1%	58,354	11.7%	-8.6%	24.0%
<i>Europe</i>	170,259	26.4%	178,976	27.4%	133,645	26.8%	-4.9%	27.4%
<i>Africa</i>	43,890	6.8%	42,126	6.4%	32,102	6.5%	4.2%	36.7%
<i>Asia-Pacific</i>	74,197	11.5%	72,316	11.1%	60,261	12.1%	2.6%	23.1%

Net operating revenue from the external market, measured in Brazilian Real, was impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 5.48 in 1Q21 to R\$ 5.23 in 1Q22, with a 4.6% appreciation of 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 external market increased by 31.5% in relation to 1Q21.

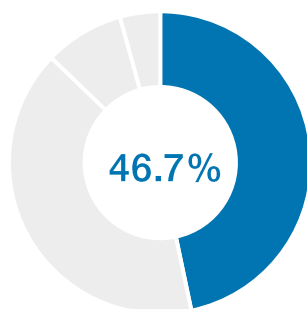
## Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of Balteau's acquisition, revenue would have grown by 34.0% vs. 1Q21.

## Performance by Business Area

### Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
1Q22	1,004,713	2,183,585
4Q21	988,128	2,271,211
Δ%	1.7%	-3.9%
1Q21	900,493	1,620,332
Δ%	11.6%	34.8%



Share in NOR

#### Domestic Market

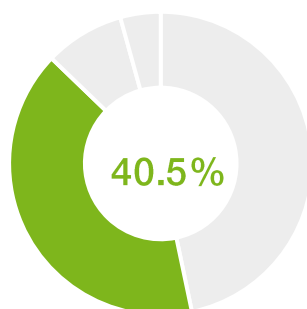
- Industrial activity remained in good demand in Brazil, mainly in important segments such as agricultural machinery & equipment, pulp & paper, and mining. Short-cycle goods, such as electric motors, gearboxes, and series automation products, continued to enjoy good demand in the period.
- Revenue from long-cycle goods was in line with recent quarters, with good performance in segments such as mining, pulp & paper, and water & wastewater, where we highlight the supply of automation panels.

#### External Market

- The continuity of industrial investment observed in recent quarters was an important factor for business in this area, despite the uncertainties present in the macroeconomic scenario. Sales of short-cycle goods to China and the US were the highlights, with important increases in revenue, notably in low-voltage electric motors, with demand highly dispersed among different industrial segments.
- Long-cycle goods also showed sales growth due to the reported good order backlog, with revenues increasing in the oil & gas and mining segments.

### Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
1Q22	2,014,992	750,701
4Q21	1,399,039	974,982
Δ%	44.0%	-23.0%
1Q21	974,275	757,391
Δ%	106.8%	-0.9%



Share in NOR

#### Domestic Market

- All businesses showed significant growth in Brazil this quarter. The increasing demand for distributed solar generation (DG), as expected due to the regulatory change in the sector, and the return of revenues from wind turbines, were the main factors for this performance.
- The T&D business also had another quarter of high volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, together with sales of transformers for distribution networks and general industries.

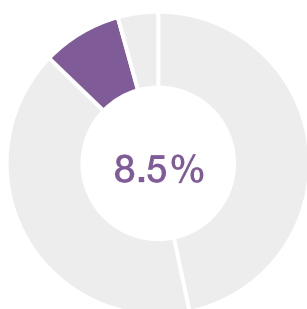
#### External Market

- Revenues showed fluctuations, typical of long-cycle businesses, mainly after important T&D projects deliveries in Colombia and South Africa and steam turbines in Germany throughout 2021.
- In North America, our primary operating region in this business area, we highlight the process of utilizing the capacity of the new transformer plant in the US, still in an early stage after opening at the end of last year.

## Performance by Business Area

### Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
1Q22	206,555	374,591
4Q21	265,021	347,038
Δ%	-22.1%	7.9%
1Q21	280,829	309,084
Δ%	-26.4%	21.2%



Share in NOR

#### Domestic Market

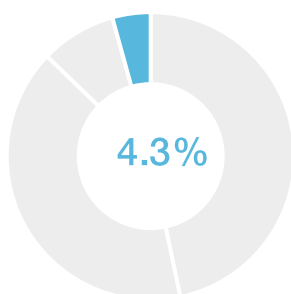
- As previously anticipated, the accommodation in demand, especially in motors used in the appliance segment, such as washing machines and air conditioning, caused an impact on this quarter's performance, despite the good sales volume presented in other segments, such as food & beverages and agribusiness.

#### External Market

- The growing demand for our products is explained by the acceleration of the economic recovery and market share gains in the US and Mexico. Applications such as pumps and compressors were the highlights of this quarter.

### Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
1Q22	244,694	48,275
4Q21	238,164	56,427
Δ%	2.7%	-14.4%
1Q21	187,511	46,964
Δ%	30.5%	2.8%



Share in NOR

#### Domestic Market

- Demand for paint and varnish products maintained a high level of sales, with highlights in segments such as agricultural implements, road implements, and wastewater.

#### External Market

- Exports from Brazil to Latin American countries remain positive. This quarter's lower growth is mainly explained by the setback in sales performance in Argentina, where we have an important operation for this business area.



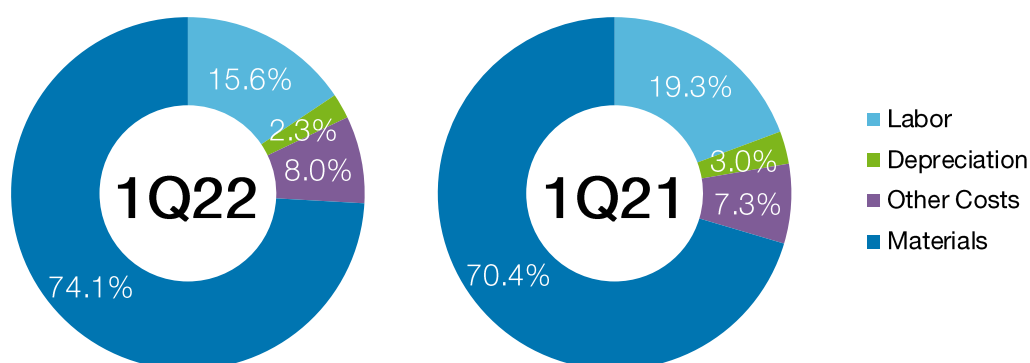
## Cost of Goods Sold

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

**Table 3 – Costs**

	1Q22	4Q21	HA%	1Q21	HA%
Net Operating Revenues	6,828,106	6,540,010	4.4%	5,076,879	34.5%
Cost of Goods Sold	(4,933,270)	(4,732,113)	4.3%	(3,457,140)	42.7%
Gross Margin	27.8%	27.6%	0.2 pp	31.9%	-4.1 pp

Increases in the costs of the primary raw materials that make up our cost structure, notably steel and copper, together with the change in the product mix, were decisive factors for the reduction of operating margins in relation to 1Q21, despite the continued efforts to reduce costs and improve processes, which provided productivity gains, especially in our operations abroad.



**Figure 2 – COGS Composition**

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 692.8 million in 1Q22, an increase of 13.7% vs. 1Q21 and a decrease of 0.9% vs. 4Q21. When analyzed in relation to net operating revenue, these expenses accounted for 10.1%, down 1.9 p.p. vs. 1Q21 and down 0.6 p.p. vs. 4Q21.

## EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in Table 4. We highlight that EBITDA was positively impacted this quarter by the recognition of tax credits, referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding this non-recurring effect, EBITDA would have been R\$1,207.1 million, with an EBITDA margin of 17.7%.

The uncertainties and challenges in the global supply chain and the consequent increase in raw material costs, together with the change in the product mix, notably due to the return of revenues from wind generation projects, continued to pressure the company's operating margins.

**Table 4 – Calculation of EBITDA and EBITDA Margin**

	1Q22	4Q21	HA%	1Q21	HA%
Net Operating Revenues	6,828,106	6,540,010	4.4%	5,076,879	34.5%
Net Income	943,900	874,055	8.0%	764,258	23.5%
Net Income Before Minorities	953,482	893,926	6.7%	778,921	22.4%
(+) Income Taxes & Contributions	199,370	108,748	83.3%	124,796	59.8%
(+/-) Financial Income (Expenses)	(54,264)	(17,527)	209.6%	(10,535)	415.1%
(+) Depreciation & Amortization	134,350	139,793	-3.9%	123,670	8.6%
<b>EBITDA</b>	<b>1,232,938</b>	<b>1,124,940</b>	<b>9.6%</b>	<b>1,016,852</b>	<b>21.3%</b>
<b>EBITDA Margin</b>	<b>18.1%</b>	<b>17.2%</b>	<b>0.9 pp</b>	<b>20.0%</b>	<b>-1.9 pp</b>

#### Net Income

Net Income in 1Q22 was R\$ 943.9 million, an increase of 23.5% vs. 1Q21 and an increase of 8.0% vs. 4Q21. The net margin reached 13.8%, 1.3 p.p. lower than 1Q21 and 0.4 p.p. higher than 4Q21.

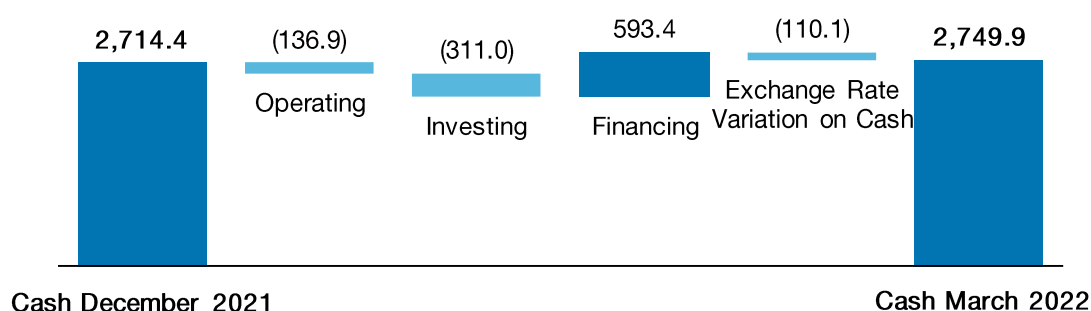
Net Income was also positively impacted by the recognition of tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding these non-recurring effects, net income would have been R\$918.1 million this quarter, with a net margin of 13.4%.

#### Cash Flow

Operating activities consumed BRL 136.9 million in the first three months of 2022, reflecting the greater need for working capital in the period, notably in relation to the increase in the company's inventories. This move was necessary due to the volatility and uncertainty scenario in the global supply chain.

The level of investment (CAPEX<sup>(2)</sup>) in modernization and expansion of production capacity showed an increase compared to the same period of last year, continuing investments in our factories in Brazil, the US, India, China, and Mexico.

The company raised R\$ 1,739.4 million in financing activities and made amortizations of R\$ 91.8 million, including interest on loans, resulting in net funding of R\$ 1,647.6 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 1,048.2 million. The final result was net funding of R\$ 593.4 million in financing activities in the period.



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

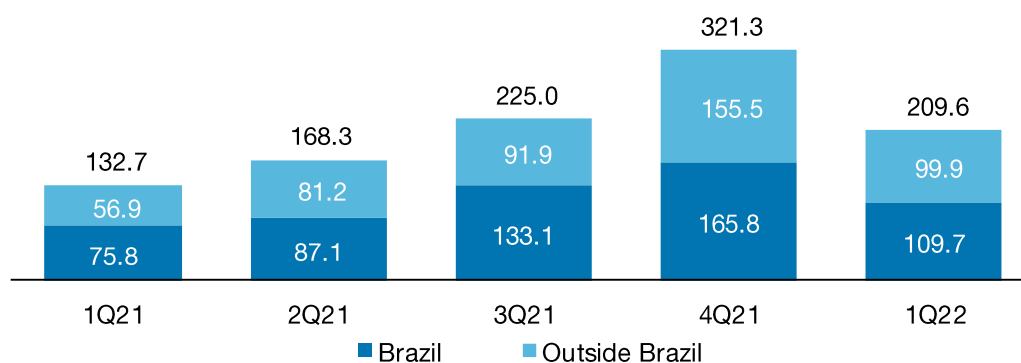
Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 835.4 million in financial investments with no immediate liquidity, including derivatives (R\$ 912.0 million in December 2021).

## Return on Invested Capital

The ROIC in 1Q22, accumulated in the last 12 months, increased by 1.5 p.p. over 1Q21, reaching 29.7%. The growth of Net Operating Profit After Taxes (NOPAT), mainly due to revenue growth, more than offset the increase in capital employed, which expanded due to a greater need for working capital and investments in fixed and intangible assets over the last 12 months.

## Investments (CAPEX)

In 1Q22, we invested R\$ 209.6 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 52% of which are for production units in Brazil and 48% for industrial plants and other facilities abroad.



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

## Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 157.3 million, representing 2.3% of net operating revenue in 1Q22.

## 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 Reals and other currencies, resulting in the company's net cash at the end of the quarter.

**Table 5 – Cash and Debt**

	March 2022		December 2021		March 2021	
<b>Cash &amp; Cash Equivalents</b>	<b>3.275.271</b>		<b>3.217.135</b>		<b>3.874.562</b>	
Current	3.264.759		3.217.135		3.872.111	
Long Term	10.512		-		2.451	
<b>Derivatives</b>	<b>110.473</b>		<b>392.013</b>		<b>610.984</b>	
Short Term Assets	309.960		409.337		235.954	
Long Term Assets	-		-		392.678	
Short Term Liabilities	(62.439)		(17.324)		(11.688)	
Long Term Liabilities	(137.048)		-		(5.960)	
<b>Debt</b>	<b>(3.078.716)</b>	<b>100%</b>	<b>(1.789.115)</b>	<b>100%</b>	<b>(1.747.597)</b>	<b>100%</b>
Current	(2.466.445)	80%	(1.052.044)	59%	(634.679)	36%
In Brazilian Reais	(12.240)		(7.769)		(8.427)	
In other currencies	(2.454.205)		(1.044.275)		(626.252)	
Long Term	(612.271)	20%	(737.071)	41%	(1.112.918)	64%
In Brazilian Reais	(40.500)		(35.818)		(42.862)	
In other currencies	(571.771)		(701.253)		(1.070.056)	
<b>Net Cash</b>	<b>307.028</b>		<b>1.820.033</b>		<b>2.737.949</b>	

The total duration of our indebtedness was 7.8 months at the end of the quarter, with a duration of 17.3 months in the long term. In December 2021, these figures were 12.2 months and 19.7 months, respectively.

## Dividends and Interest on Stockholders' Equity

At a meeting held on March 22, the Board of Directors decided to declare interest on equity in the total amount of R\$ 154.3 million before withholding income tax, with payment expected on August 17, 2022.

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.

### Notes:

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

(2) Capital Expenditure

p.p. stands for percentage points

n.a. stands for not applicable

n.m. stands for not mentioned



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## **1 COMPANY'S INFORMATION**

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WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, 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, exploring all opportunities 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, 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".

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## **2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

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The Company's interim financial information, contained in the Quarterly Information Form – ITR for the period ended March 31, 2022, 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 April 26, 2022.

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, 2021, considering the adoption of new accounting pronouncements, when applicable.



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### **3 ACCOUNTING ESTIMATES**

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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 29.1a);
- 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.



#### **4 CASH AND CASH EQUIVALENTS**

	<b>PARENT COMPANY</b>		<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
a) Cash and banks	5	5	849,091	529,822
b) Interest earning bank deposits	8,006	232,543	1,900,771	2,184,605
In local currency:	8,006	232,543	1,704,949	1,845,024
Bank deposit certificate (CDB) and repurchase and resale agreements	8,006	232,543	1,704,949	1,845,024
In foreign currency:	-	-	195,822	339,581
<b>TOTAL</b>	<b>8,011</b>	<b>232,548</b>	<b>2,749,862</b>	<b>2,714,427</b>

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 101.08% of CDI (101.16% of CDI as of December 31, 2021).

#### **5 INTEREST EARNING BANK DEPOSITS**

	<b>PARENT COMPANY</b>		<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Bank deposit certificate (CDB) and Funds	514,897	502,708	525,409	502,708
<b>TOTAL</b>	<b>514,897</b>	<b>502,708</b>	<b>525,409</b>	<b>502,708</b>
<b>Current assets</b>	<b>514,897</b>	<b>502,708</b>	<b>514,897</b>	<b>502,708</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>10,512</b>	<b>-</b>

Interest earning bank deposits are remunerated at the floating average rate of 104.56% of CDI (104.16% of CDI as of December 31, 2021).



## 6 CLIENTS

		<b>CONSOLIDATED</b>	
		<b>03/31/2022</b>	<b>12/31/2021</b>
<b>a) Breakdown of balances:</b>			
Domestic market		1,951,169	1,775,558
Foreign market		2,526,405	2,590,601
<b>SUBTOTAL</b>		<b>4,477,574</b>	<b>4,366,159</b>
Provisions with losses on clients' credits		(46,941)	(48,766)
<b>TOTAL</b>		<b>4,430,633</b>	<b>4,317,393</b>
<b>b) Actual losses with client credits in the period</b>		<b>36</b>	<b>13,129</b>
<b>c) Maturity date of trade notes:</b>			
Falling due		4,032,218	3,949,897
Overdue (days):		445,356	416,262
up to 30		274,248	236,004
31-90		83,796	89,559
91-180		25,688	27,672
>180		61,624	63,027
<b>TOTAL</b>		<b>4,477,574</b>	<b>4,366,159</b>

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

<b>Balance at 01/01/2021</b>	<b>(61,582)</b>
Losses written-off in the year	13,129
Formation of provision for the period	(25,067)
Reversal of provision for the year	33,622
Exchange-rate change	(8,868)
<b>Balance at 12/31/2021</b>	<b>(48,766)</b>
Losses written-off for the period	36
Formation of provision for the period	(5,992)
Reversal of provision for the period	7,146
Exchange-rate change	635
<b>Balance at 03/31/2022</b>	<b>(46,941)</b>





## 7 Inventories

	<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Finished goods	1,047,507	874,861
Work in process	881,151	964,547
Raw materials and other	1,956,364	1,342,445
Imports in transit	412,298	362,378
Provision for losses with low turnover inventories	(54,356)	(47,115)
<b>Total inventories in domestic market</b>	<b>4,242,964</b>	<b>3,497,116</b>
Finished goods	1,429,449	1,484,588
Work in process	735,724	864,977
Raw materials and other	711,087	760,922
Provision for losses with low turnover inventories	(100,857)	(110,555)
<b>Total inventories in foreign market</b>	<b>2,775,403</b>	<b>2,999,932</b>
<b>OVERALL TOTAL</b>	<b>7,018,367</b>	<b>6,497,048</b>

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

<b>Balance at 01/01/21</b>	<b>(168,302)</b>
Formation of provision for the period	(73,876)
Reversal of provision for the year	86,954
Exchange-rate change	(2,446)
<b>Balance at 12/31/2021</b>	<b>(157,670)</b>
Formation of provision for the period	(35,656)
Reversal of provision for the period	23,110
Exchange-rate change	15,003
<b>Balance at 03/31/2022</b>	<b>(155,213)</b>

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

	PARENT COMPANY		CONSOLIDATED	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>BRAZIL</b>	<b>31,014</b>	<b>5,247</b>	<b>1,161,012</b>	<b>1,029,203</b>
Income tax and social contribution	31,014	5,247	76,985	42,951
IPI	-	-	165,452	135,663
PIS/COFINS	-	-	156,784	121,840
PIS/COFINS - Exclusion of ICMS from calculation basis	-	-	531,156	514,029
ICMS	-	-	135,384	125,262
ICMS over acquisitions of property, plant and equipment	-	-	46,640	41,223
Financial credit of Information Technology Act	-	-	27,620	30,537
REINTEGRA	-	-	16,036	14,673
Other	-	-	4,955	3,025
<b>FOREIGN</b>	-	-	<b>148,022</b>	<b>184,018</b>
Income tax	-	-	35,012	50,163
VAT	-	-	97,791	112,005
Other	-	-	15,219	21,850
<b>TOTAL</b>	<b>31,014</b>	<b>5,247</b>	<b>1,309,034</b>	<b>1,213,221</b>
Current assets	31,014	5,247	807,979	890,290
Non-current assets	-	-	501,055	322,931

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.



## 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	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>ASSETS AND LIABILITIES</b>				
<b>Current liabilities</b>	<b>883</b>	<b>1,580</b>	<b>22,081</b>	<b>34,987</b>
Contracts with Administrators	-	-	14,975	6,137
Profit sharing - Administrators	883	1,580	7,106	28,850

### STATEMENT OF INCOME ACCOUNTS

	PARENT COMPANY		CONSOLIDATED	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Management remuneration:</b>				
<b>a) Fixed (fees)</b>	<b>883</b>	<b>740</b>	<b>7,106</b>	<b>6,060</b>
Board of Directors	453	387	905	774
Executive Board	430	353	6,201	5,286
<b>b) Variable (profit sharing)</b>	<b>883</b>	<b>740</b>	<b>7,106</b>	<b>6,060</b>
Board of Directors	453	387	905	774
Executive Board	430	353	6,201	5,286

### 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, 2021);

#### c) Sureties and guarantees

WEG S.A. granted guarantees and sureties to subsidiaries abroad, in the amount of US\$ 342.1 million (US\$ 17.0 million on December 31, 2021);

#### d) Management remuneration

The members of the Board of Directors were remunerated in the amount of R\$ 905 (R\$ 774 as of March 31, 2021) and the Executive Board in the amount of R\$ 6,201 (R\$ 5,286 as of March 31, 2021), for its services, corresponding to the total amount of R\$ 7,106 (R\$ 6,060 as of March 31, 2021).

The share 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 and EBITDA growth. The corresponding provision is recognized in the income (loss) for the period in the amount of R\$ 7,106 (R\$ 6,060 as of March 31, 2021) under "other operating expenses". Directors receive benefits common to the exercise of their duties.



## 10 DEFERRED TAXES

Deferred Income and Social Contribution tax credits and debits were calculated in accordance with CVM Resolution 599/09, which approved Technical Pronouncement CPC 32 (IAS 12) – Income Taxes.

a) Breakdown of amounts:

	PARENT COMPANY		CONSOLIDATED	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Tax losses of IRPJ	-	-	94,138	99,670
CSLL negative calculation basis	663	564	14,337	14,158
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	97,739	94,229
Taxes challenged in court	1,608	1,608	91,836	91,572
Losses with clients' credits	-	-	15,792	16,198
Losses with inventories without turnover	-	-	30,025	29,690
Product warranties	-	-	76,203	67,863
Indemnities with labor and contractual terminations	-	-	64,462	63,412
Freight and sales commissions	-	-	19,635	19,263
Third party services	-	-	55,214	55,012
Projects in progress – Foreign subsidiaries	-	-	50,160	55,469
Employees' profit sharing	-	-	59,938	114,711
Derivatives - Hedge accounting	-	-	29,162	(4,274)
Revenues to be carried out	-	-	32,612	39,208
Incentivized accelerated depreciation	-	-	(7,987)	(7,569)
Difference in amortization of tax x accounting goodwill	(3)	(3)	(44,423)	(42,482)
Difference for tax x accounting depreciation (useful life)	(12)	(12)	(280,670)	(261,509)
Other	3,700	4,927	26,684	49,026
Deemed cost of property, plant and equipment	(1,278)	(1,285)	(141,771)	(143,639)
<b>TOTAL</b>	<b>4,678</b>	<b>5,799</b>	<b>283,086</b>	<b>350,008</b>
Non-current assets	4,678	5,799	370,093	421,900
Non-current liabilities	-	-	(87,007)	(71,892)

In the first quarter of 2022, deferred taxes totaling R\$ 66,922 were recorded in the consolidated, with an expense of R\$ 56,873 in the statement of income and an expense of R\$ 10,049 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.



## 11 INVESTMENTS

### 11.1 - Investments in subsidiaries

Company	Country	Shareholders' equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	03/31/2021	03/31/2022	12/31/2021
WEG Equipamentos Elétricos S.A. (*)	Brazil	10,226,601	703,778	100.00	-	100.00	-	818,393	662,528	10,226,601	11,256,698
RF Reflorestadora Ltda.		148,649	(420)	100.00	-	100.00	-	(420)	87	148,649	149,069
WEG Amazônia S.A.		75,452	4,631	0.02	99.98	0.02	99.98	1	2	12	14
WEG Administradora de Bens Ltda.		14,361	(9)	79.33	20.67	79.33	20.67	131	(19)	11,392	11,635
WEG Logística Ltda.		226,348	9,263	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equip. Elétr. S.A.		550,911	38,291	-	100.00	-	100.00	-	-	3	3
WEG Drives & Controls Aut. Ltda.		933,427	98,013	100.00	-	100.00	-	98,013	99,208	933,427	862,996
WEG Partner Holding Ltda.		1	-	0.10	99.90	0.10	99.90	-	-	-	-
WEG-Cestari Redut.Motorredut. S.A.		106,746	9,202	-	50.01	-	50.01	742	-	-	-
Hidráulica Indl.- Ind. e Com. Ltda.		229,941	3,783	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,824	709	91.75	8.25	91.75	8.25	651	426	1,674	1,549
Paumar S.A. Indústria e Comércio		413,558	32,980	38.87	61.13	38.87	61.13	23,720	4,581	160,751	163,204
WEG-Jelec Oil and Gas Sol.Aut.Ltda.		10	-	-	100.00	-	100.00	-	-	-	-
PPI Multitask Sistem. e Autom. S.A.		3,990	(47)	-	51.00	-	51.00	-	-	-	-
Multitask Soluções em Automaç.S.A.		1,960	332	-	51.00	-	51.00	-	-	-	-
V2COM Participações S.A.		29,328	(2,222)	-	51.00	-	51.00	-	-	-	-
V2 Tecnologia Ltda.		33,364	(2,226)	-	51.00	-	51.00	-	-	-	-
Mvisia Desenv. Inovadores S.A.		7,152	(1,014)	-	56.90	-	51.03	-	-	-	-
Birmind Automação e Serviços S.A.		6,567	(809)	-	51.00	-	51.00	-	-	-	-
Balteau Produtos Elétricos Ltda.		52,838	3,680	-	100.00	-	-	-	-	-	-
Balteau Group Participações Ltda.		55,489	3,707	-	100.00	-	-	-	-	-	-
Zest WEG Group Africa (PTY) Ltd.	South Africa	225,872	708	-	100.00	-	100.00	-	-	-	-
Zest Energy (Pty) Ltd.		1	1	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		(3,337)	(4,375)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		185,981	9,125	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		1,973	470	-	86.67	-	86.67	-	-	-	-
ZEST WEG Investment Company (Pty) Ltd.		139,114	6,826	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH		64,898	4,365	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH	Germany	5,563	(75)	-	100.00	-	100.00	-	-	-	-
Wurttembergische Elektromotoren GmbH		22,862	504	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(34,152)	(1,716)	-	100.00	-	100.00	-	-	-	-
TGM Kanis Turbinen GmbH		74,356	1,342	-	42.86	-	42.86	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	169,785	3,913	10.45	89.55	10.45	89.55	2,620	2,260	17,728	19,563
Pulverlux S.A.	Australia	26,641	1,043	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.		72,203	1,663	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	109,498	2,481	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH		160,537	167,255	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH	Belgium	3,763,587	281,969	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.		78,865	3,710	-	100.00	-	100.00	-	-	-	-
WEG Central Asia LLP	Kazakhstan	1,466	(15)	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	56,544	3,579	8.00	92.00	8.00	92.00	286	265	4,524	4,630
WEG (Nantong) Electric Motor Co., Ltd.	China	401,279	12,490	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		(9,419)	(7,576)	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Lt.		(34,706)	(4,307)	-	100.00	-	100.00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.		4,335	(27)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(21,965)	(2,968)	-	100.00	-	100.00	-	-	-	-
The First Drive Technology Co., Ltd.		-	-	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		412,675	26,128	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	6,188	346	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.	Colombia	152,012	(579)	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	United Arab Emirates	(15,353)	2,968	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	90,479	887	-	100.00	-	100.00	-	-	-	-
Autrial S.L.U.		(12,008)	(1,406)	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.		1,116,173	53,622	-	100.00	-	100.00	-	-	-	-

**WEG S.A.**
**NOTES TO INTERIM FINANCIAL INFORMATION AT MARCH 31, 2022**
*(Amounts expressed in thousands of reais unless otherwise indicated)*


Company	Country	Shareholders' equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				03/31/2022		12/31/2021		03/31/2022	03/31/2021	03/31/2022	12/31/2021
				Direct	Indirect	Direct	Indirect				
Electric Machinery Company LLC	United States	115,454	1,427	-	100.00	-	100.00	-	-	-	-
Bluffton Motor Works, LLC		374,518	4,405	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		228,601	(10,621)	-	72.00	-	72.00	-	-	-	-
WEG France SAS	France	48,224	422	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Gana	9,554	755	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(1,706)	(356)	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	206,717	(11,612)	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	40,037	2,881	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	65,634	2,882	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	4,392	367	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	14,468	2,244	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.	Mexico	988,797	23,435	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.		154,769	16,169	-	72.00	-	72.00	-	-	-	-
Voltran S.A. de C.V.		130,727	294	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda	Mozambique	(1,425)	(111)	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.	Namibia	206	(8)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.	Peru	24,437	1,821	0.05	99.95	0.05	99.95	1	(1)	11	13
WEG Poland Sp. z o.o.	Poland	235	(19)	-	100.00	-	100.00	-	-	-	-
WEGEuro Ind. Eléctrica S.A.	Portugal	171,324	11,082	-	100.00	-	100.00	-	-	-	-
WEG Rus LLC	Russia	23,948	2,550	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Sweden	29,158	3,347	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(334)	(98)	-	100.00	-	100.00	-	-	-	-
WEG Elektrik Sanayi Anonim Şirketi	Turkey	2,976	(341)	-	100.00	-	100.00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(3)	(3)	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	2,147	540	-	50.00	-	50.00	-	-	-	-
<b>TOTAL</b>								<b>944,138</b>	<b>769,337</b>	<b>11,504,772</b>	<b>12,469,374</b>

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

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\$ 1,057 (R\$ 1,265 as of December 31, 2021).

## 11.3 Acquisition

### Balteau Group Participações Ltda.

In September 2021, the Company announced an agreement to acquire Balteau Group Participações Ltda., a manufacturer of transformers for instruments and measurement assemblies, located in Itajubá, Minas Gerais. The company started to be consolidated after the purchase took place in February 2022, after all precedent conditions were fulfilled, especially the approval of the Administrative Council for Economic Defense (CADE).

The goodwill initially recognized of R\$ 60,007 was measured as the excess of the consideration transferred in relation to the net assets acquired. The evaluation of the Purchase Price Allocation (PPA) for the allocation of property, plant and equipment and intangible assets, based on their fair value, is in progress, with completion expected for the 2nd quarter of 2022.

**WEG S.A.**  
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## 12 PROPERTY, PLANT AND EQUIPMENT

			PARENT COMPANY		CONSOLIDATED	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
Land			1,440	1,440	476,403	498,296
Constructions and facilities			5,639	5,639	2,129,361	2,267,573
Equipment			-	-	5,738,882	5,962,541
Furniture and fixtures			-	-	192,294	202,426
Hardware			-	-	194,963	203,314
Construction in process			-	-	338,556	298,537
Reforestation			-	-	61,840	61,242
Other			-	-	145,252	155,399
Total property, plant and equipment			7,079	7,079	9,277,551	9,649,328
Accumulated depreciation/depletion	Annual depreciated rate (%)		(3,056)	(3,034)	(4,408,589)	(4,548,277)
Constructions and facilities	02–03		(3,056)	(3,034)	(679,317)	(712,513)
Equipment	05–20		-	-	(3,405,016)	(3,494,644)
Furniture and fixtures	07–10		-	-	(128,265)	(137,346)
Hardware	20–50		-	-	(134,636)	(140,783)
Reforestation	-		-	-	(27,912)	(27,798)
Other	-		-	-	(33,443)	(35,193)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET			4,023	4,045	4,868,962	5,101,051

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

Class	12/31/2021	Transfer among classes	Acquisition of Balteau	Acquisitions	Net write-offs	Depreciation and depletion	Foreign exchange effect	03/31/2022
Land	498,296	9	3,508	1	-	-	(25,411)	476,403
Constructions/facilities	1,555,060	5,801	21,556	2,153	(1)	(10,317)	(124,208)	1,450,044
Equipment	2,467,897	35,833	18,996	75,709	(4,633)	(82,800)	(177,136)	2,333,866
Furniture and fixtures	65,080	(427)	422	4,775	(19)	(2,560)	(3,242)	64,029
Hardware	62,531	199	91	5,217	(105)	(4,727)	(2,879)	60,327
Construction in process	298,537	(40,842)	315	108,379	-	-	(27,833)	338,556
Reforestation	33,444	-	-	597	-	(113)	-	33,928
Advances to suppliers	87,308	(826)	-	1,111	-	-	(7,077)	80,516
Other	32,898	253	137	2,512	(359)	(1,289)	(2,859)	31,293
<b>Total</b>	<b>5,101,051</b>	<b>-</b>	<b>45,025</b>	<b>200,454</b>	<b>(5,117)</b>	<b>(101,806)</b>	<b>(370,645)</b>	<b>4,868,962</b>

**Previous year:**

Class	12/31/2020	Transfer among classes	Acquisition of Balteau	Acquisitions	Net write-offs	Depreciation and depletion	12/31/2021
Land	508,645	(15,504)	-	(1,241)	-	6,396	498,296
Constructions/facilities	1,496,662	42,230	28,812	(2,689)	(58,986)	49,031	1,555,060
Equipment	1,954,005	344,557	416,667	(16,069)	(289,943)	58,680	2,467,897
Furniture and fixtures	58,117	(26)	18,161	(779)	(10,794)	401	65,080
Hardware	52,722	779	27,288	(527)	(18,232)	501	62,531
Construction in process	449,906	(371,447)	207,167	-	-	12,911	298,537
Reforestation	32,650	-	1,427	-	(633)	-	33,444
Advances to suppliers	20,539	(3,710)	69,123	-	-	1,356	87,308
Other	25,484	2,519	12,204	(2,127)	(5,819)	637	32,898
<b>Total</b>	<b>4,598,730</b>	<b>(602)</b>	<b>780,849</b>	<b>(23,432)</b>	<b>(384,407)</b>	<b>129,913</b>	<b>5,101,051</b>

**b) Construction in progress** – The Company has investments in construction in progress as of March 31, 2022 in the amount of R\$ 338,556 (R\$ 298,537 as of December 31, 2021) and the most relevant investments in Mexico unit, which amounted to R\$ 76,347 (R\$ 76,002 as of December 31, 2021).



- c) **Amounts offered as collateral** – Property, plant and equipment were offered as collateral for loans, financing, and labor- and tax-related lawsuits in the consolidated amount of R\$ 32,977 (R\$ 32,977 at December 31, 2021).

### 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.

	<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Real estate	554,446	574,910
Machinery and equipment	28,251	32,481
Hardware	766	925
Vehicles	27,687	32,475
<b>Total lease</b>	<b>611,150</b>	<b>640,791</b>
<b>Accumulated depreciation</b>	<b>(240,312)</b>	<b>(237,070)</b>
Real estate	(207,020)	(200,285)
Machinery and equipment	(15,777)	(16,788)
Hardware	(417)	(591)
Vehicles	(17,098)	(19,406)
<b>TOTAL NET</b>	<b>370,838</b>	<b>403,721</b>

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

<b>Class</b>	<b>12/31/2021</b>	<b>Transfer among classes</b>	<b>Additions</b>	<b>Net write-off</b>	<b>Depreciation</b>	<b>Foreign exchange effect</b>	<b>03/31/2022</b>
Real estate	374,625	1	42,962	(4,009)	(18,548)	(47,605)	347,426
Machinery and equipment	15,693	(1)	745	(7)	(1,608)	(2,348)	12,474
Hardware	334	-	115	-	(48)	(52)	349
Vehicles	13,069	-	1,791	(168)	(1,883)	(2,220)	10,589
<b>Total</b>	<b>403,721</b>	<b>-</b>	<b>45,613</b>	<b>(4,184)</b>	<b>(22,087)</b>	<b>(52,225)</b>	<b>370,838</b>

#### Previous year:

<b>Class</b>	<b>12/31/2020</b>	<b>Transfer among classes</b>	<b>Additions</b>	<b>Net write-off</b>	<b>Depreciation</b>	<b>Foreign exchange effect</b>	<b>12/31/2021</b>
Real estate	252,543	91,569	122,867	(12,929)	(80,232)	807	374,625
Machinery and equipment	12,716	(32)	8,972	(189)	(6,186)	412	15,693
Hardware	516	-	-	-	(204)	22	334
Vehicles	12,705	351	9,284	(289)	(8,888)	(94)	13,069
<b>Total</b>	<b>278,480</b>	<b>91,888</b>	<b>141,123</b>	<b>(13,407)</b>	<b>(95,510)</b>	<b>1,147</b>	<b>403,721</b>

### 14 INTANGIBLE ASSETS – Consolidated

	<b>Amortization/number of years</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Software license	5	245,317	(173,611)	71,706	74,960
Trademarks and patents	5	70,690	(64,049)	6,641	7,295
Projects	5	94,015	(44,440)	49,575	51,134
Other	5	274,820	(227,318)	47,502	54,691
<b>Subtotal</b>		<b>684,842</b>	<b>(509,418)</b>	<b>175,424</b>	<b>188,080</b>
Goodwill in the acquisition of subsidiaries	-	1,301,965	(13,501)	1,288,464	1,362,308
<b>TOTAL</b>		<b>1,986,807</b>	<b>(522,919)</b>	<b>1,463,888</b>	<b>1,550,388</b>



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**a) Summary of changes in intangible assets:**

Class	12/31/2021	Transfer among classes	Acquisition of Balteau	Additions	Net write-offs	Amortization	Foreign exchange effect	03/31/2022
Software license	74,960	603	31	5,409	(275)	(4,804)	(4,218)	71,706
Trademarks and patents	7,295	(54)	-	73	-	(582)	(91)	6,641
Projects	51,134	(563)	-	3,669	(1,455)	(2,580)	(630)	49,575
Other	54,691	14	-	-	-	(2,491)	(4,712)	47,502
<b>Subtotal</b>	<b>188,080</b>	<b>-</b>	<b>31</b>	<b>9,151</b>	<b>(1,730)</b>	<b>(10,457)</b>	<b>(9,651)</b>	<b>175,424</b>
Goodwill in the acquisition of subsidiaries	1,362,308	-	-	60,007	-	-	(133,851)	1,288,464
<b>Total</b>	<b>1,550,388</b>	<b>-</b>	<b>31</b>	<b>69,158</b>	<b>(1,730)</b>	<b>(10,457)</b>	<b>(143,502)</b>	<b>1,463,888</b>

**Previous year:**

Class	12/31/2020	Transfer among classes	Additions	Net write-offs	Amortization	Foreign exchange effect	12/31/2021
Software license	65,534	(1,217)	27,855	(473)	(17,125)	386	74,960
Right-of-use of property	85,237	(91,888)	-	-	(1,952)	8,603	-
Trademarks and patents	9,144	325	3	-	(2,301)	124	7,295
Projects	47,583	3,152	38,637	(37,025)	(1,273)	60	51,134
Other	69,267	(1,658)	-	(22)	(17,610)	4,714	54,691
<b>Subtotal</b>	<b>276,765</b>	<b>(91,286)</b>	<b>66,495</b>	<b>(37,520)</b>	<b>(40,261)</b>	<b>13,887</b>	<b>188,080</b>
Goodwill in the acquisition of subsidiaries	1,318,710	-	-	-	-	43,598	1,362,308
<b>Total</b>	<b>1,595,475</b>	<b>(91,286)</b>	<b>66,495</b>	<b>(37,520)</b>	<b>(40,261)</b>	<b>57,485</b>	<b>1,550,388</b>

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

	03/31/2022	12/31/2021
Electric Machinery Company LLC	231,926	273,178
Commercial Motors and Appliance North America	193,274	227,651
WEG Equipamentos Elétricos S.A.	187,225	187,225
China Group	138,374	159,655
Industrial Gear Motors and Gear Trains	116,061	123,289
Zest WEG Group Africa (Pty) Ltd.	135,035	105,455
WEG Colombia S.A.S.	61,179	66,520
Paumar S.A. Indústria e Comércio	65,498	65,498
Other	159,892	153,837
<b>TOTAL</b>	<b>1,288,464</b>	<b>1,362,308</b>

**Amortization schedule of intangible assets (except for goodwill)**

	03/31/2022
2022	31,825
2023	38,431
2024	34,731
2025	28,775
2026	18,597
>2027	23,065
<b>TOTAL</b>	<b>175,424</b>



## 15 SUPPLIERS

	<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
<b>Breakdown of balances:</b>		
Domestic market	903,433	851,995
Foreign market	1,267,850	1,268,343
<b>TOTAL</b>	<b>2,171,283</b>	<b>2,120,338</b>

## 16 LOANS AND FINANCING

Description	Annual charges at 03/31/2022	<b>CONSOLIDATED</b>	
		<b>03/31/2022</b>	<b>12/31/2021</b>
<b>IN LOCAL CURRENCY</b>			
<b>CURRENT</b>		<b>12,240</b>	<b>7,769</b>
<b>In reais (R\$), fixed rate</b>			
Working capital	11.52–17.18% p.a.	3,687	-
Property, plant and equipment	2.5–6% p.a.	968	1,068
<b>In reais (R\$), floating rate</b>			
Working capital	116% and 119% CDI	7,585	6,701
<b>NON-CURRENT</b>		<b>40,500</b>	<b>35,818</b>
<b>In reais (R\$), fixed rate</b>			
Working capital	11.52–17.18% p.a.	4,848	-
Property, plant and equipment	2.5–6% p.a.	652	818
<b>In reais (R\$), floating rate</b>			
Working capital	116% CDI	35,000	35,000
<b>IN FOREIGN CURRENCY</b>			
<b>CURRENT</b>		<b>2,454,205</b>	<b>1,044,275</b>
<b>In US Dollars</b>			
Working capital	Fixed: 3.7–3.9% p.a.   Floating: LIBOR (+) 1.4% p.a.	797,406	937,467
Export pre-payment (PPE)	Libor (+) 0.65% p.a. / 1.06% p.a.	1,506	1,047
<b>In Euros</b>			
Working capital	Euribor (+) 0.3–0.6% p.a.	1,476,709	10,278
<b>In Mexican pesos</b>			
Working capital	TIIE (+) 0.9% p.a.	46,337	53,209
<b>In Rand (South Africa)</b>			
Working capital	5.5–7.25% p.a.	68,715	28,877
<b>Other Currencies</b>			
Working capital	Domestic market rates	63,532	13,397
<b>NON-CURRENT</b>		<b>571,771</b>	<b>701,253</b>
<b>In US Dollars</b>			
Export pre-payment (PPE)	Libor (+) 0.65% p.a. / 1.06% p.a.	473,720	557,990
<b>In Euros</b>			
Working capital	Euribor	5,454	8,247
<b>In Mexican pesos</b>			
Working capital	TIIE (+) 0.9% p.a.	45,918	79,040
<b>Other Currencies</b>			
Working capital	Domestic market rates	46,679	55,976
<b>TOTAL LOANS AND FINANCING</b>		<b>3,078,716</b>	<b>1,789,115</b>
Total current		2,466,445	1,052,044
Total non-current assets		612,271	737,071

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FINAME operations are guaranteed by sureties and liens.

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

	<b>03/31/2022</b>	<b>12/31/2021</b>
2023	482,421	564,151
2024	99,383	139,659
>2025	30,467	33,261
<b>TOTAL</b>	<b>612,271</b>	<b>737,071</b>

**b) Changes in loans and financing are as follows:**

<b>Balance at 01/01/2021</b>	<b>1,686,580</b>
Funding	503,206
Provision for interest	(943)
Amortization	(241,149)
Interest payment	(52,680)
Exchange-rate change	(105,899)
<b>Balance at 12/31/2021</b>	<b>1,789,115</b>
Funding	1,739,371
Provision for interest	5,062
Amortization	(80,359)
Interest payment	(11,429)
Exchange-rate change	(363,044)
<b>Balance at 03/31/2022</b>	<b>3,078,716</b>

**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 provisions were 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 counsel. Company Management estimates that the provisions that have been set up for contingencies are sufficient to cover possible losses from the lawsuits in progress.

**a) Balance of provisions for contingencies:**

	<b>PARENT COMPANY</b>		<b>CONSOLIDATED</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
<b>(i) Tax:</b>	<b>4,730</b>	<b>4,730</b>	<b>293,462</b>	<b>292,232</b>
- IRPJ and CSLL (a.1)	-	-	146,081	145,768
- INSS (National Institute for Social Security) (a.2)	4,730	4,730	60,147	60,015
- PIS and COFINS (a.3)	-	-	73,412	74,265
- Other	-	-	13,822	12,184
<b>(ii) Labor</b>	<b>-</b>	<b>-</b>	<b>226,134</b>	<b>214,732</b>
<b>(iii) Civil</b>	<b>-</b>	<b>-</b>	<b>136,476</b>	<b>132,337</b>
<b>(iv) Other</b>	<b>-</b>	<b>-</b>	<b>6,317</b>	<b>3,870</b>
<b>TOTAL</b>	<b>4,730</b>	<b>4,730</b>	<b>662,389</b>	<b>643,171</b>

**b) Statement of changes for the period – consolidated:**

	<b>12/31/2021</b>	<b>Additions</b>	<b>Interest</b>	<b>Write-offs</b>	<b>Reversals</b>	<b>03/31/2022</b>
a) Tax	292,232	4,402	196	-	(3,368)	293,462
b) Labor	214,732	14,520	283	(3,162)	(239)	226,134
c) Civil	132,337	14,433	639	(4,252)	(6,681)	136,476
d) Other	3,870	2,447	-	-	-	6,317
<b>TOTAL</b>	<b>643,171</b>	<b>35,802</b>	<b>1,118</b>	<b>(7,414)</b>	<b>(10,288)</b>	<b>662,389</b>

**Previous year:**

	12/31/2020	Additions	Interest	Write-offs	Reversals	12/31/2021
a) Tax	285,528	11,575	1,733	-	(6,604)	292,232
b) Labor	196,971	36,343	2,579	(13,635)	(7,526)	214,732
c) Civil	126,241	36,131	3,105	(21,831)	(11,309)	132,337
d) Other	3,965	36	-	-	(131)	3,870
<b>TOTAL</b>	<b>612,705</b>	<b>84,085</b>	<b>7,417</b>	<b>(35,466)</b>	<b>(25,570)</b>	<b>643,171</b>

**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 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	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Tax	4,657	4,657	62,269	62,959
Labor and civil	-	-	13,095	13,732
Other	-	-	117	117
<b>TOTAL AMOUNT OF RESTRICTED DEPOSITS</b>	<b>4,657</b>	<b>4,657</b>	<b>75,481</b>	<b>76,808</b>
- Judicial Deposits not pegged	-	-	5,415	5,427
<b>TOTAL JUDICIAL DEPOSITS</b>	<b>4,657</b>	<b>4,657</b>	<b>80,896</b>	<b>82,235</b>

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 December 31, 2021, the estimated amounts of such discussions totaled R\$ 963,875 (R\$ 951,530 as of December 31, 2021).

**(i) Tax**

- Taxation on profits 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\$ 762.8 million (R\$ 751.5 million as of December 31, 2021). 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 2021, keeping the same level of exposure to this matter. The Company believes that the tax authority will be judicially compelled to accept the tax treatment adopted.
- Incidence of the ICMS-ST tax on raw material purchase operations, in the amount of R\$ 27.3 million (R\$ 26.9 million at December 31, 2021);
- Incidence of Social Security Contribution on Dental Assistance, School Allowance, Technical Courses and Education Allowance, in the amount of R\$ 25.4 million (R\$ 23.9 million at December 31, 2021);
- Non-approval of IPI credits in the amount of R\$ 15.0 million (R\$ 15.0 million as of December 31, 2021);
- Other tax contingencies in the amount of R\$ 66.0 million (R\$ 64.4 million as of December 31, 2021).



(ii) Civil

- 3Z Movimentação Inteligente Ltda., in the estimated amount of R\$ 33.4 million (R\$ 33.4 million at December 31, 2021);
- Saraiva Equipamentos Ltda. and Saraiva Engenharia Ltda., in the estimated amount of R\$ 17.1 million (R\$ 17.1 million at December 31, 2021);
- Mapfre Seguros Gerais S.A. in the estimated amount of R\$ 12.0 million (R\$ 12.0 million as of December 31, 2021);
- Other civil contingencies in the amount of R\$ 4.9 million (R\$ 7.3 million as of December 31, 2021).

## 18 PENSION PLAN

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

The Plan – administered by WEG Seguridade Social – 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 23,348 (21,770 as of March 31, 2021). The Company and its subsidiaries made contributions totaling R\$ 14,394 (R\$ 12,167 as of March 31, 2021).

Based on actuarial calculations 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 695/12 – CPC 33 (R1) (IAS 19) Employee Benefits, we have not identified material post-employment liabilities to be recognized by the Company.

## 19 SHAREHOLDERS' EQUITY

a) Capital

The Company's capital is R\$ 5,504,517 (R\$ 5,504,517 as of December 31, 2021), represented by 4,197,317,998 nominative common shares with no par value, all with voting rights, including 1,277,793 shares under treasury as item "c".

At the Meeting of the Board of Directors held on February 15, 2022, the board members approved to submit – to the AGM/EGM – a capital increase from R\$ 5,504,517 to R\$ 6,504,517, by absorbing R\$ 1,000,000 of the balance of profit reserve, without increasing the number of shares.

b) Interest on own capital

On March 22, 2022, the company declared interest on own capital in the gross amount of R\$ 154,275 (R\$ 70,961 in March 2021), net amount of R\$ 131,134 (R\$ 60,316 in March 2021), corresponding to R\$ 0.03676 per share, with the withholding income tax of 15% already deducted under the terms of §2, Article 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 Articles of Organization and article 9 of Law 9249/95, will be attributed to mandatory dividends and will be paid as from August 17, 2022.

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 March 31, 2022, the beneficiaries of the Stock Option Plan and the Company's ILP Plan were exercised in the amount of 356,676 shares. The Company holds 1,277,793 shares in treasury, at an average cost of R\$ 13.39 per share, in the total amount of R\$ 17,112 (R\$ 11,216 at December 31, 2021).



## **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:**

Plan program	12/31/2021	Granted	Exercised	Number of shares	
				03/31/2022	
2016	107,642	-	-	107,642	
2017	192,054	-	(116,000)	76,054	
2018	345,348	-	(130,646)	214,702	
2019	278,126	-	(75,622)	202,504	
2020	147,962	-	-	147,962	
2021	-	249,894	-	249,894	
<b>TOTAL</b>	<b>1,071,132</b>	<b>249,894</b>	<b>(322,268)</b>	<b>998,758</b>	

In the 1Q22, expenses in the amount of R\$ 1,999 (R\$ 3,155 as of March 31, 2021) 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 quarter of 2022 amounted to R\$ 8,140 (R\$ 8,629 as of March 31, 2021), moreover, the amount of R\$ 5,084 (R\$ 7,360 as of March 31, 2021) was recorded under capital reserve in shareholders' equity and the amount of R\$ 3,056 (R\$ 1,269 on March 31, 2021) as a complement to the provisioned amount was recorded under other income in the statement of income for the year.

## **21 STOCK OPTION PLAN**

At the EGM held on June 28, 2016, voting participants approved the discontinuation of the Company's Stock Option Plan, approved at the EGM held on February 22, 2011 and subsequent amendments, respecting the agreements already signed. In March 2022, all contractual obligations of the plan were fulfilled.

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**Summary of the transactions of the plan's shares:**

Plan program	Number of shares		
	12/31/2021	Exercised	03/31/2022
March 2016	34,408	(34,408)	-
<b>TOTAL</b>	<b>34,408</b>	<b>(34,408)</b>	<b>-</b>

The options exercised in the first quarter of 2022 amounted to R\$ 977 (R\$ 3,045 as of March 31, 2021). Moreover, the amount of R\$ 63 (R\$ 28 as of March 31, 2021) was recorded as capital reserve under shareholders' equity, and the amount of R\$ 914 (R\$ 3,017 as of March 31, 2021) was recorded as a complement of the provisioned amount recorded in the retained earnings account.

## 22 NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	03/31/2022	03/31/2021
<b>Gross revenue</b>	<b>7,747,475</b>	<b>5,850,702</b>
Domestic market	4,243,883	2,974,293
Foreign market	3,503,592	2,876,409
<b>Deductions</b>	<b>(919,369)</b>	<b>(773,823)</b>
Taxes	(823,035)	(680,060)
Returns/Rebates	(96,334)	(93,763)
<b>Net revenue</b>	<b>6,828,106</b>	<b>5,076,879</b>
<b>Domestic market</b>	<b>3,470,954</b>	<b>2,343,108</b>
<b>Foreign market</b>	<b>3,357,152</b>	<b>2,733,771</b>
North America	1,478,848	1,173,143
South and Central America	376,781	320,260
Europa	886,603	733,467
Africa	228,549	176,181
Asia-Pacific	386,371	330,720

## 23 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	
	03/31/2022	03/31/2021
Gross operating revenues recognized	818,891	433,844
Incurred costs	(718,310)	(366,552)
	<b>03/31/2022</b>	<b>12/31/2020</b>
Advances received	947,021	364,370





## 24 OPERATING EXPENSES BY TYPE AND FUNCTION

TYPE OF EXPENSE	CONSOLIDATED	
	03/31/2022	03/31/2021
	<b>(5,729,518)</b>	<b>(4,183,697)</b>
Depreciation, amortization and depletion	(134,350)	(123,670)
Personnel expenses	(1,123,773)	(992,248)
Raw materials and use and consumption material	(3,591,299)	(2,406,654)
Freight insurance expenses	(203,658)	(127,087)
Other expenses	(676,438)	(534,038)
<b>PURPOSE OF THE EXPENSE</b>	<b>(5,729,518)</b>	<b>(4,183,697)</b>
Cost of products sold and services rendered	(4,933,270)	(3,457,140)
Sales expenses	(493,016)	(434,281)
Administrative and general expenses	(199,747)	(174,928)
Other operating revenues/expenses	(103,485)	(117,348)

## 25 OTHER OPERATING REVENUES/EXPENSES

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

	CONSOLIDATED	
	03/31/2022	03/31/2021
<b>OTHER OPERATING REVENUE</b>	<b>46,014</b>	<b>16,211</b>
Recognition of Tax Credit arising from the Exclusion of ICMS from the PIS/COFINS Basis	25,791	-
Other	20,223	16,211
<b>OTHER OPERATING EXPENSES</b>	<b>(149,499)</b>	<b>(133,559)</b>
Profit sharing - Employees	(124,321)	(113,542)
Profit sharing - Foreign subsidiaries	(21,901)	(22,220)
Management profit sharing	(7,106)	(6,060)
Share-based plan	(5,055)	(4,424)
Other	8,884	12,687
<b>TOTAL NET</b>	<b>(103,485)</b>	<b>(117,348)</b>

## 26 NET FINANCIAL INCOME (LOSS)

	PARENT COMPANY		CONSOLIDATED	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>FINANCIAL REVENUES</b>	<b>2,597</b>	<b>(3,629)</b>	<b>424,099</b>	<b>163,865</b>
Yield from interest earning bank deposits	17,890	4,194	56,691	19,745
Exchange rate change	-	-	205,175	112,268
Exchange-rate changes - Suppliers	-	-	13,690	16,040
Exchange-rate change - Clients	-	-	25,124	83,970
Foreign exchange-rate - loans	-	-	141,286	1,782
Exchange-rate change - Other	-	-	25,075	10,476
PIS/COFINS over interest on own capital	(14,542)	(7,659)	(14,542)	(7,659)
PIS/COFINS on financial revenues	(836)	(197)	(4,103)	(1,886)
Derivatives	-	-	131,146	8,634
PROEX – Interest Rate Equaliz.	-	-	10,373	8,712
Interest on Tax Credit arising from the Exclusion of ICMS from the PIS/COFINS Calculation Basis	-	-	8,629	-
Other revenues	85	33	30,730	24,051
<b>FINANCIAL EXPENSES</b>	<b>(1,300)</b>	<b>(1,364)</b>	<b>(369,835)</b>	<b>(153,330)</b>
Interest on loans and financing	-	-	(10,591)	(15,101)
Exchange rate change	-	-	(257,247)	(98,741)
Exchange-rate changes - Suppliers	-	-	(37,117)	(17,533)
Exchange-rate change - Clients	-	-	(146,721)	(39,565)
Foreign exchange-rate - loans	-	-	(9,452)	(36,735)
Exchange-rate change - Other	-	-	(63,957)	(4,908)
Derivatives	-	-	(63,523)	(25,889)
Other expenses	(1,300)	(1,364)	(38,474)	(13,599)
<b>NET FINANCIAL INCOME (LOSS)</b>	<b>1,297</b>	<b>(4,993)</b>	<b>54,264</b>	<b>10,535</b>





## 27 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. and Agro Trafo Miner., Agric., Pec. and Administradora de Bens Ltda., which calculate 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	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Income before income taxes	945,145	766,459	1,152,852	903,716
<b>Nominal rate</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>
IRPJ and CSLL calculated at nominal rate	(321,366)	(260,596)	(391,970)	(307,264)
<b>Adjustments for calculation of effective income tax and social contribution:</b>				
Income (loss) from investments in subsidiaries	321,007	261,575	8,158	8,414
Difference in tax rates on earnings abroad	-	-	84,158	93,185
Tax incentives	-	-	45,185	56,134
Interest on own capital	(997)	(4,027)	52,706	24,467
Other adjustments	61	847	2,393	268
<b>IRPJ and CSLL on income</b>	<b>(1,295)</b>	<b>(2,201)</b>	<b>(199,370)</b>	<b>(124,796)</b>
Current tax	(175)	(431)	(142,496)	(41,999)
Deferred tax	(1,120)	(1,770)	(56,874)	(82,797)
<b>Effective rate - %</b>	<b>0.14%</b>	<b>0.29%</b>	<b>17.29%</b>	<b>13.81%</b>

## 28 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	09/30/2022
Loss of profit	US\$ 15 million (for Paint companies with a six-month indemnity period)	09/30/2022
General liability	US\$ 10 million	09/12/2022
Civil liability - Products	US\$ 40 million	09/12/2022
National Transportation	R\$ 12 million per shipment/accumulation/voyage	11/01/2022
International transport import/export	US\$ 6 million per shipment /accumulation/trip	11/01/2022
Environmental pollution	USD 15 million	09/12/2022
Contractual guarantee	As contractually stipulated	Pursuant to agreement / delivery
Engineering Risk - Installation and Assembly	According to the amount at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba), and US\$ 5 million in the United States	According to the work/supply schedule
Management civil liability (D&O)	US\$ 30 million	03/12/2023



## 29 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	
	03/31/2022	12/31/2021
<b>Cash and cash equivalents</b>	<b>2,749,862</b>	<b>2,714,427</b>
<b>Cash and banks</b>	<b>849,091</b>	<b>529,822</b>
<b>Interest earning bank deposits:</b>	<b>1,900,771</b>	<b>2,184,605</b>
- In local currency	1,704,949	1,845,024
- In foreign currency	195,822	339,581
<b>Interest earning bank deposits</b>	<b>525,409</b>	<b>502,708</b>
<b>Derivatives</b>	<b>309,960</b>	<b>409,337</b>
- Non-deliverable forwards - NDF	68,951	13,937
- Designated as hedge accounting	241,009	395,400
<b>Total assets</b>	<b>3,585,231</b>	<b>3,626,472</b>
<b>Loans and financing</b>	<b>3,078,716</b>	<b>1,789,115</b>
- In local currency	52,740	43,587
- In foreign currency	3,025,976	1,745,528
<b>Derivatives</b>	<b>199,487</b>	<b>17,324</b>
- Non-deliverable forwards - NDF	1,809	728
- SWAP	1,930	3,197
- Designated as hedge accounting	195,748	13,399
<b>Total liabilities</b>	<b>3,278,203</b>	<b>1,806,439</b>

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.

#### 29.1 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\$ 4,430,633 classified as trade accounts receivable. The Company believes that for the assets derived from trades receivable, there is a high risk of loss, in the amount of R\$ 39,834 and an average risk of loss of R\$ 7,107, 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 March 31, 2022, the Company and its subsidiaries carried out exports in the amount of US\$ 244.3 million (US\$ 135.4 million at March 31, 2021), 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	≤ 1 year	1–5 years	>5 years	Total at 03/31/2022
Loans and financing	2,466,445	602,271	10,000	3,078,716
Derivatives	62,439	137,048	-	199,487
<b>Total liabilities</b>	<b>2,528,884</b>	<b>739,319</b>	<b>10,000</b>	<b>3,278,203</b>

## 29.2 Derivative financial instruments

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

Operation	Currency	Notional value	Purpose (hedge)
Non-Deliverable Forwards NDF	USD/BRL	107,000	Fluctuation in foreign exchange-rates in exports
	USD/EUR	78,000	
	USD/ZAR	5,309	
	<b>Total in USD</b>	<b>190,309</b>	
	USD/CNY	500	Fluctuation in foreign exchange-rates in exports
	EUR/CNY	5,200	
	AUD/CNY	1,000	
	<b>Total in RMB</b>	<b>6,700</b>	
	EUR/BRL	54,500	Fluctuation in foreign exchange-rates in exports
SWAP	USD/MXN	18,500	Fluctuation in foreign exchange-rates in exports
	EUR	10,000	Fluctuation in interest rates of financing

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 30.3) should be read together with the other financial assets and liabilities expressed in foreign currency existing on March 31, 2022, 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 March 31, 2022 – 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 March 31, 2022 at fair value and on an accrual basis. These operations had a net positive impact of R\$ 67,623 (negative of R\$ 17,255 as of March 31, 2021), which were recognized as a financial income. As of March 31, 2022, 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:

- 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	132,800	Fluctuation in foreign exchange-rates in imports
	EUR/BRL	18,766	
	USD/ZAR	4,829	
	USD/EUR	66,400	Fluctuation in foreign exchange-rates in financing
	COP/EUR	33,172,387	
	AUD/EUR	3,000	
	GBP/EUR	6,571	
	MYR/EUR	1,500	
	USD	4,862	Fluctuation in copper quote rates
SWAP	USD	266,667	Exchange-rate fluctuations in export prepayment financing (PPE)

The Company and its subsidiaries made the accounting record based on the fair value at March 31, 2022 on the accrual basis. The accumulated amount net of taxes recorded as Other Comprehensive Income in shareholders' equity is negative R\$ 55,789 (positive R\$ 9,238 at December 31, 2021).

### **29.3 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 (\$'000)	Market value at 03/31/2022		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Non Deliverable Forwards – NDF	USD increase	USD/BRL	107,000	4.7867	51,226	5.9833	(76,818)	7.1800	(204,861)
	USD decrease	USD/EUR	78,000	1.1061	1,890	0.8338	(121,034)	0.5559	(366,882)
	USD decrease	USD/ZAR	5,309	15.0215	(867)	11.6820	(5,643)	8.4802	(11,154)
	EUR increase	EUR/BRL	54,500	5.2878	12,820	6.6097	(59,226)	7.9317	(131,272)
	USD increase	USD/CNY	500	6.3638	(7)	7.9548	(601)	9.5457	(1,196)
	EUR increase	EUR/CNY	5,200	7.1000	366	8.8750	(6,532)	10.6500	(13,431)
	AUD increase	AUD/CNY	1,000	4.7652	(73)	5.9565	(963)	7.1478	(1,853)
	USD increase	USD/MXN	18,500	18.6573	1,787	23.3583	(13,141)	28.0059	(33,670)
TOTAL					67,142				

## b) SWAP operations:

Operation	Risk	Currency / Quotation	Notional value (\$'000)	Market value at 03/31/2022		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
SWAP	Euribor increase	EUR	10,000	Interest -0.98% p.a.	(1,930)	Interest -1.44% p.a.	(2,029)	Interest -1.73% p.a.	(2,128)
TOTAL					(1,930)				

## c) Hedge accounting operations:

Operation	Risk	Currency / Quotation	Notional value (\$'000)	Market value at 03/31/2022		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
NDF	USD decrease	USD/BRL	132,800	5.2426	(70,139)	3.9319	(244,192)	2.6213	(418,245)
	USD decrease	USD/EUR	66,400	1.1624	(12,392)	0.8369	(116,652)	0.5579	(325,173)
	USD increase	USD/ZAR	2,191	14.6050	203	18.2563	(2,389)	21.9075	(4,981)
	USD decrease	USD/ZAR	2,638	14.5987	(658)	10.9490	(3,779)	7.2994	(6,899)
	EUR decrease	EUR/BRL	18,766	5.9737	(12,735)	4.4803	(40,761)	2.9869	(68,788)
	COP decrease	COP/EUR	33,172,387	4,579.7672	(2,508)	3,226.2224	(16,036)	2,150.8150	(43,091)
	AUD decrease	AUD/EUR	3,000	1.5559	(441)	1.1175	(3,969)	0.7450	(11,024)
	GBP decrease	GBP/EUR	6,571	0.8568	462	0.6501	(12,821)	0.4334	(39,387)
	MYR decrease	MYR/EUR	1,500	5.1042	(137)	3.5159	(698)	2.3440	(1,819)
	Copper decrease	USD	4,862	12,699.13	1,247	7,762.79	(6,155)	5,175.27	(13,523)
TOTAL					(97,097)				
SWAP	USD decrease	USD/BRL	100,000	4.7378	(97,231)	3.5534	(213,338)	2.3689	(331,643)
TOTAL					(97,231)				

## d) Loan and financing transactions:

## (i) Exchange-rate change:

Operation	Risk	Currency / Quotation	Notional value (\$'000)	Amount at 03/31/2022		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Working capital	USD decrease	USD/EUR	166,667	1.1094	797,406	0.8320	(199,352)	0.5547	(398,703)
	EUR increase	EUR/CNY	1,400	6.3390	8,875	7.9238	(1,658)	9.5086	(3,316)
TOTAL					806,281				
PPE (Export pre-payment)	USD increase	USD/BRL	100,000	4.7372	475,226	5.9215	(118,806)	7.1058	(237,613)
TOTAL					475,226				

**WEG S.A.**  
**NOTES TO INTERIM FINANCIAL INFORMATION AT MARCH 31, 2022**  
*(Amounts expressed in thousands of reais unless otherwise indicated)*



(ii) Interest

Operation	Risk	Currency / Quotation	Notional value (\$'000)	Amount at 03/31/2022		Possible scenario, 25%		Remote scenario 50%	
				Average rate	R\$'000	Average rate	R\$'000	Average rate	R\$'000
Working capital	LIBOR increase	USD	83,333	1.6041% Libor + 1.4% p.a.	395,362	1.6552% Libor + 1.4% p.a.	(17)	1.7062% Libor + 1.4% p.a.	(35)
	TIIE increase	MXN	386,030	7.1362% TIIE + 0.9% p.a.	92,255	8.6953% TIIE + 0.9% p.a.	(195)	10.2543% TIIE + 0.9% p.a.	(390)
	CDI incr.	BRL	40,000	7.4936% 116% CDI	41,433	9.3670% 116% CDI	(1,350)	9.6900% 116% CDI	(2,702)
	CDI incr.	BRL	1,111	7.6874% 119% CDI	1,152	9.6093% 119% CDI	(30)	11.5311% 119% CDI	(60)
<b>TOTAL</b>				<b>530,202</b>					
PPE (Export pre-payment)	LIBOR increase	USD	50,000	0.8541% Libor + 0.65% p.a.	237,251	0.9052% Libor + 0.65% p.a.	(1,993)	0.9562% Libor + 0.65% p.a.	(2,068)
<b>TOTAL</b>				<b>237,251</b>					

### 30 GOVERNMENT GRANTS AND ASSISTANCE

The Company and its subsidiaries obtained grants in the amount of R\$ 50,110 (R\$ 51,882 on March 31, 2021) deriving from tax incentives, recognized in the income (loss) for the period:

	CONSOLIDATED	
	03/31/2022	03/31/2021
<b>Total government grants and assistance</b>	<b>50,110</b>	<b>51,882</b>
<b>a) WEG Linhares Equipamentos Elétricos S.A.</b>	<b>13,710</b>	<b>20,207</b>
- ICMS stimulus credit	12,700	15,661
- Decrease in IRPJ	1,004	4,540
- Municipal investment	6	6
<b>b) WEG Drives &amp; Controls – Automação Ltda.</b>	<b>20,738</b>	<b>19,188</b>
- ICMS stimulus credit	20,738	19,188
<b>c) WEG Logística Ltda.</b>	<b>9,385</b>	<b>6,333</b>
- ICMS stimulus credit	9,385	6,333
<b>d) WEG Equipamentos Elétricos S.A.</b>	<b>5,199</b>	<b>4,032</b>
- ICMS incentive credit	4,452	4,032
- Municipal investment	747	-
<b>e) WEG Amazônia S.A.</b>	<b>960</b>	<b>2,122</b>
- Decrease in IRPJ	834	2,018
- ICMS stimulus credit	126	104
<b>f) V2 Tecnologia Ltda.</b>	<b>118</b>	<b>-</b>
- ICMS stimulus credit	118	-

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

**WEG S.A.**  
**NOTES TO INTERIM FINANCIAL INFORMATION AT MARCH 31, 2022**  
*(Amounts expressed in thousands of reais unless otherwise indicated)*



## 31 SEGMENT INFORMATION

	Brazil				Foreign		Eliminations and adjustments		Consolidated	
	Industry		Energy							
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenue from sales of goods and/or services	3,647,402	2,468,775	1,302,066	772,065	5,084,025	3,983,588	(3,205,387)	(2,147,549)	6,828,106	5,076,879
Income (loss) before income taxes	1,446,767	1,218,780	504,846	457,348	706,261	823,622	(1,505,022)	(1,596,033)	1,152,852	903,717
Depreciation/ amortization / Depletion	46,143	40,670	17,897	16,030	72,510	70,084	(2,200)	(3,114)	134,350	123,670
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Identifiable assets	8,406,388	7,483,320	3,858,584	3,761,205	12,220,019	14,074,568	(4,656,794)	(5,842,649)	19,828,197	19,476,444
Identifiable liabilities	3,032,898	2,761,833	1,711,371	1,674,427	5,598,795	6,835,911	(3,442,678)	(4,389,822)	6,900,386	6,882,349

**Industry:** Low- and medium-voltage single-phase and three-phase motors, drives and controls, industrial automation equipment and services, paints and varnishes.

**Energy:** Electric generators for hydroelectric and thermoelectric power plants (biomass), hydraulic turbines (SHPs), transformers, substations, wind turbines, control panels, systems integration services, as well as renewable and distributed energy solutions.

**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.

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.



## **32 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.

	<b>03/31/2022</b>	<b>03/31/2021</b>
Income attributable to controlling shareholders	943,900	764,258
Weighted average number of common shares (adjusted with the split) held by shareholders (shares/thousand)	4,196,040	4,196,624
Basic earnings per share - R\$ (with splitting)	0.22495	0.18211

### **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).

	<b>03/31/2022</b>	<b>03/31/2021</b>
Income attributable to controlling shareholders	943,900	764,258
Weighted average of common shares (adjusted with the split) potential dilutive held by shareholders (shares/thousand)	4,197,039	4,197,228
Diluted earnings per share - R\$ (with splitting)	0.22490	0.18209





**Board of Directors**

Décio da Silva - President  
Nildemar Secches - Vice-President  
Dan Ioschpe  
Martin Werninghaus  
Miguel Normando Abdalla Saad  
Sérgio Luiz Silva Schwartz  
Siegfried Kreutzfeld

**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  
Daniel Martelete Godinho - Director of Institutional Relations and Marketing  
Eduardo de Nóbrega – Director – China  
Elder Stringari - International Director  
Hilton José da Veiga Faria - Director of Human Resources and Sustainability  
João Paulo Gualberto da Silva – Director – Electricity  
Julio Cesar Ramires - Director - Commercial Motors  
Manfred Peter Johann – Director – Automation  
Reinaldo Richter - Director - Paints  
Wilson José Watzko - Controllership Director

**Accountant**

Marcelo Peters  
CRC/SC 039928/O-0

**Tax Council**

**Effective**

Alidor Lueders - President  
Lucia Maria Martins Casasanta  
Vanderlei Dominguez da Rosa

**Alternate members**

Ilário Bruch  
Patricia Valente Stierli  
Paulo Roberto Franceschi

## **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 financial statements, individual and consolidated, of WEG S.A. ("Company") contained within the Quarterly Information for the quarter ended March 31, 2022, which comprise the balance sheet as of March 31, 2022 and the related statements of income and comprehensive income, for the three months periods then ended and the changes in shareholders' equity and cash flows for the three months period then ended, including the notes to the financial statements.

Management is responsible for the preparation of the interim financial statements in accordance with the technical pronouncement CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express a conclusion on the interim financial statements based on our review.

### **Scope of the review**

We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). An interim review consists mainly in making enquiries and having discussions with persons responsible for financial and accounting matters, and applying analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

### **Conclusion about the interim financial statements**

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 issued by the IASB applicable to the Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

### **Other issues**

#### **Statements of value added**

The individual and consolidated interim financial statements, in relation to the statements of value added for the three-month period ended in March 31, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information regarding IAS 34, were submitted to review procedures performed jointly with the review of the interim quarterly information of the Company. In order to form our conclusion, we assessed if the statements are reconciled with the interim accounting information and records, as applicable, and if their form and content are in accordance with the criteria defined in CPC 09 - Statements of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that the statements of value added aforementioned have not been fairly stated, in all material aspects, in relation to the interim financial statements, individual and consolidated, taken as a whole.

Joinville, April 26, 2022

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-RS

## **Opinions and Statements / Officers' Statement on the Quarterly Information**

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at March 31, 2022.

Jaraguá do Sul (SC), April 26, 2022

Harry Schmelzer Junior - Chief Executive Officer  
Alberto Yoshikazu Kuba - Chief Industrial Motors Officer  
André Luis Rodrigues - Chief Administrative and Financial Officer  
André Meneguetti Salgueiro – Chief of Finances and Investors Relationship  
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer  
Daniel Marteleto Godinho – Chief Corporate Strategies Officer  
Eduardo de Nóbrega - Chief China Division Officer  
Elder Stringari - Chief International Division Officer  
Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer  
João Paulo Gualberto da Silva - Chief Energy Officer  
Julio Cesar Ramires - Chief Commercial Motors Officer  
Manfred Peter Johann - Chief Automation Division Officer  
Reinaldo Richter - Chief Paints Division Officer  
Wilson José Watzko - Chief Controlling Officer

## **Opinions and Statements / Officers' Statement on the Independent Auditor's Report**

By this instrument, the Chief Executive Officers and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of KPMG Auditores Independentes, dated April 26, 2022, in respect of the quarterly information of WEG S.A. and Consolidated as at March 31, 2022.

Jaraguá do Sul (SC), April 26, 2022

Harry Schmelzer Junior - Chief Executive Officer

Alberto Yoshikazu Kuba - Chief Industrial Motors Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

André Meneguetti Salgueiro – Chief of Finances and Investors Relationship

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Daniel Marteleto Godinho – Chief Corporate Strategies Officer

Eduardo de Nóbrega - Chief China Division Officer

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