

Contents

Company information

Breakdown of capital	1
----------------------	---

Individual financial statements

Balance sheet – Assets	2
------------------------	---

Balance sheet – Liabilities	3
-----------------------------	---

Statement of income	4
---------------------	---

Statement of comprehensive income	5
-----------------------------------	---

Statement of cash flows (Indirect method)	6
---	---

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity (DMPL) – 01/01/2023–09/30/2023	7
---	---

Statement of changes in shareholders' equity (DMPL) – 01/01/2022–09/30/2022	8
---	---

Statement of added value	9
--------------------------	---

Consolidated financial statements

Balance sheet – Assets	10
------------------------	----

Balance sheet – Liabilities	11
-----------------------------	----

Statement of income	13
---------------------	----

Statement of comprehensive income	15
-----------------------------------	----

Statement of cash flows (Indirect method)	16
---	----

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity (DMPL) – 01/01/2023–09/30/2023	17
---	----

Statement of changes in shareholders' equity (DMPL) – 01/01/2022–09/30/2022	18
---	----

Statement of added value	19
--------------------------	----

Performance comment	20
---------------------	----

Notes to the financial statements	28
-----------------------------------	----

Opinions and Statements

Special review report - Unqualified	57
-------------------------------------	----

Statement of the Executive Officers on the Financial Statements	58
---	----

Statement of the Executive Officers on Independent Auditor's Report	59
---	----

Company information / Breakdown of capital

Quantity of shares (Unit)	Current quarter 09/30/2023
Paid-in capital	
Common	4,197,317,998
Preferred	0
Total	4,197,317,998
Treasury	
Common	2,083,696
Preferred	0
Total	2,083,696

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

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
1	Total assets	16,418,131	15,228,161
1.01	Current assets	1,632,409	1,360,284
1.01.01	Cash and cash equivalents	788,960	438,928
1.01.01.01	Cash and banks	8	6
1.01.01.02	Interest earning bank deposits	788,952	438,922
1.01.02	Interest earning bank deposits	580,474	531,826
1.01.06	Recoverable taxes	55,123	8,240
1.01.06.01	Current taxes recoverable	55,123	8,240
1.01.06.01.01	Recoverable income tax and social contribution	55,123	8,240
1.01.08	Other current assets	207,852	381,290
1.01.08.03	Other	207,852	381,290
1.01.08.03.01	Dividends	0	21,858
1.01.08.03.02	Interest on own capital	207,289	359,432
1.01.08.03.03	Other	563	0
1.02	Non-current assets	14,785,722	13,867,877
1.02.01	Long term assets	11,634	11,728
1.02.01.07	Deferred taxes	6,977	7,071
1.02.01.07.01	Deferred income tax and social contribution	6,977	7,071
1.02.01.10	Other non-current assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	14,770,185	13,852,181
1.02.02.01	Equity interest	14,770,185	13,852,181
1.02.02.01.02	Interest in subsidiaries	14,770,185	13,852,181
1.02.03	Property, plant and equipment	3,893	3,958
1.02.03.01	Construction in progress	3,893	3,958
1.02.04	Intangible assets	10	10
1.02.04.01	Intangible assets	10	10

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

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2	Total liabilities	16,418,131	15,228,161
2.01	Current liabilities	290,360	388,636
2.01.01	Social and labor obligations	23,598	22,062
2.01.01.01	Social charges	23,598	22,062
2.01.02	Suppliers	290	291
2.01.03	Tax liabilities	36,931	352
2.01.03.01	Federal tax liabilities	36,931	352
2.01.03.01.01	Income tax and social contribution payable	5	81
2.01.03.01.02	Other tax obligations	36,926	271
2.01.05	Other liabilities	229,541	365,931
2.01.05.02	Other	229,541	365,931
2.01.05.02.01	Dividends and interest on own capital	223,299	360,331
2.01.05.02.04	Other	6,242	5,600
2.02	Non-current liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.02.04.01	Tax, social security, labor and civil provision	4,730	4,730
2.03	Shareholders' equity	16,123,041	14,834,795
2.03.01	Realized capital	6,504,517	6,504,517
2.03.02	Capital reserves	-135,252	-108,853
2.03.02.04	Options granted	15,329	15,829
2.03.02.05	Treasury shares	-55,983	-18,736
2.03.02.07	Goodwill in capital transaction	-94,598	-105,946
2.03.03	Revaluation reserve	3,631	3,631
2.03.04	Profit reserves	5,460,314	6,409,895
2.03.04.01	Legal reserve	210,404	210,404
2.03.04.02	Statutory reserve	5,249,910	5,249,910
2.03.04.08	Additional dividend proposed	0	949,581
2.03.05	Retained Earnings/Losses	2,671,519	0
2.03.06	Equity valuation adjustments	294,072	303,512
2.03.06.01	Deemed cost	294,072	303,512
2.03.08	Other comprehensive income	1,324,240	1,722,093
2.03.08.01	Derivative financial instruments	-60,734	-33,127
2.03.08.02	Changes in ownership interest	-4,288	-4,288
2.03.08.03	Accumulated translation adjustments	1,389,262	1,759,508

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

Code of account	Account description	Current quarter	Accumulated of the	Same quarter of the prior	Accumulated of the prior
		07/01/2023–09/30/2023	current year 01/01/2023–09/30/2023	year 07/01/2022–09/30/2022	year 01/01/2022–09/30/2022
3.04	Operating expenses/revenues	1,294,428	3,956,864	1,159,399	3,018,375
3.04.02	General and administrative expenses	-3,123	-8,022	-2,153	-6,303
3.04.02.01	Directors' fees	-922	-2,766	-826	-2,572
3.04.02.02	Other administrative expenses	-2,201	-5,256	-1,327	-3,731
3.04.05	Other operating expenses	-5,250	-10,552	-4,156	-7,672
3.04.06	Equity in net income of subsidiaries	1,302,801	3,975,438	1,165,708	3,032,350
3.05	Income (loss) before financial income (loss) and taxes	1,294,428	3,956,864	1,159,399	3,018,375
3.06	Financial income (loss)	16,313	30,866	-540	-2,463
3.06.01	Financial revenues	41,261	102,653	18,905	52,624
3.06.02	Financial expenses	-24,948	-71,787	-19,445	-55,087
3.07	Income (loss) before financial income (loss) and taxes	1,310,741	3,987,730	1,158,859	3,015,912
3.08	Income tax and social contribution	947	-989	-827	-1,015
3.08.01	Current	582	-896	-1,044	-1,244
3.08.02	Deferred	365	-93	217	229
3.09	Net income (loss) from continued operations	1,311,688	3,986,741	1,158,032	3,014,897
3.11	Income/loss for the period	1,311,688	3,986,741	1,158,032	3,014,897
3.99	Earnings per share - (Reais R\$ / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	Common Shares	0.3127	0.95019	0.27598	0.71851
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.31263	0.94998	0.27592	0.71835

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

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
4.01	Net income for the period	1,311,688	3,986,741	1,158,032	3,014,897
4.02	Other comprehensive income	160,354	-397,853	-43,304	-800,544
4.02.01	Accumulated currency translation adjustments	134,018	-370,246	-26,506	-741,970
4.02.02	Hedge accounting	26,336	-27,607	-16,798	-58,574
4.03	Comprehensive income for the period	1,472,042	3,588,888	1,114,728	2,214,353

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

Code of account	Account description	Current year 01/01/2023–09/30/2023	Prior year 01/01/2022–09/30/2022
6.01	Net cash from operating activities	61,418	47,523
6.01.01	Cash generated in operations	-38,775	-46,438
6.01.01.01	Income before taxes	3,987,730	3,015,912
6.01.01.02	Depreciation and amortization	65	65
6.01.01.03	Equity in net income of subsidiaries	-3,975,438	-3,032,350
6.01.01.04	Stock option plan expenses	-500	-334
6.01.01.06	Yield on interest earning bank deposits	-50,632	-29,731
6.01.02	Changes in assets and liabilities	100,193	93,961
6.01.02.03	(Increase)/decrease in recoverable taxes	59,554	54,149
6.01.02.04	Increase/(decrease) in suppliers	-1	-27
6.01.02.05	Increase/(decrease) in social/tax obligations	-67,645	-43,659
6.01.02.07	Increase/(decrease) in other accounts receivable/payable	109,257	84,737
6.01.02.08	Income tax and social contribution	-972	-1,239
6.02	Net cash used in investment activities	2,741,342	1,746,634
6.02.01	Receipt of dividends/interest on own capital	2,739,358	1,734,005
6.02.03	Investments	0	-138
6.02.05	Redemption of interest earning bank deposits	1,984	12,767
6.03	Net cash from financing activities	-2,452,728	-1,976,509
6.03.01	Payment of dividends/interest on own capital	-2,415,481	-1,968,990
6.03.02	Acquisition of treasury stock	-40,396	-10,332
6.03.03	Settlement of treasury shares	3,149	2,813
6.05	Increase (decrease) in cash and cash equivalents	350,032	-182,352
6.05.01	Opening balance of cash and cash equivalents	438,928	232,548
6.05.02	Closing balance of cash and cash equivalents	788,960	50,196

Individual financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2023–09/30/2023 (R\$ In thousands)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795
5.03	Adjusted opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795
5.04	Capital transactions with partners	-	-26,399	-	-1,328,269	-	-1,354,668
5.04.03	Recognized options granted	-	-500	-	-	-	-500
5.04.04	Treasury shares acquired	-	-40,396	-	-	-	-40,396
5.04.05	Treasury shares sold	-	4,100	-	-	-	4,100
5.04.06	Dividends	-	-	-	-609,303	-	-609,303
5.04.07	Interest on own capital	-	-	-	-718,966	-	-718,966
5.04.08	Capital transactions	-	10,397	-	-	-	10,397
5.05	Total comprehensive income	-	-	-	3,997,988	-407,293	3,590,695
5.05.01	Net income for the period	-	-	-	3,986,741	-	3,986,741
5.05.02	Other comprehensive income	-	-	-	11,247	-407,293	-396,046
5.05.02.04	Translation adjustments in the period	-	-	-	-	-368,439	-368,439
5.05.02.06	Hedge accounting - Cash flow net of taxes	-	-	-	-	-27,607	-27,607
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	11,247	-11,247	-
5.06	Internal changes in shareholders' equity	-	-	-	-947,781	-	-947,781
5.06.04	Payment of dividends	-	-	-	-949,581	-	-949,581
5.06.05	Dividends prescribed	-	-	-	1,800	-	1,800
5.07	Closing balances	6,504,517	-131,621	5,460,314	2,671,519	1,618,312	16,123,041

Individual financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2022–09/30/2022 (R\$ In thousands)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.04	Capital transactions with partners	1,000,000	11,407	-1,000,000	-1,075,555	-	-1,064,148
5.04.01	Capital increases	1,000,000	-	-1,000,000	-	-	-
5.04.03	Recognized options granted	-	-334	-	-851	-	-1,185
5.04.05	Treasury shares sold	-	-5,822	-	-	-	-5,822
5.04.06	Dividends	-	-	-	-553,650	-	-553,650
5.04.07	Interest on own capital	-	-	-	-521,054	-	-521,054
5.04.08	Capital transactions	-	17,563	-	-	-	17,563
5.05	Total comprehensive income	-	-	-	3,029,842	-816,190	2,213,652
5.05.01	Net income for the period	-	-	-	3,014,897	-	3,014,897
5.05.02	Other comprehensive income	-	-	-	14,945	-816,190	-801,245
5.05.02.04	Translation adjustments in the period	-	-	-	-	-742,671	-742,671
5.05.02.06	Hedge accounting - Cash flow net of taxes	-	-	-	-	-58,574	-58,574
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	14,945	-14,945	-
5.06	Internal changes in shareholders' equity	-	-	-	-860,024	-	-860,024
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037
5.06.05	Dividends prescribed	-	-	-	1,013	-	1,013
5.07	Closing balances	6,504,517	-105,802	3,485,565	1,955,300	2,054,871	13,894,451

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

Code of account	Account description	Accumulated of the	Accumulated of the prior
		current year 01/01/2023–09/30/2023	year 01/01/2022–09/30/2022
7.02	Inputs acquired from third parties	-1,978	-839
7.02.02	Materials, energy, outsourced services and other	-2,459	-1,170
7.02.03	Loss/recovery of asset values	481	331
7.03	Gross added value	-1,978	-839
7.04	Retentions	-65	-65
7.04.01	Depreciation, amortization and depletion	-65	-65
7.05	Net added value produced	-2,043	-904
7.06	Added value received as transfer	4,078,091	3,084,974
7.06.01	Equity in net income of subsidiaries	3,975,438	3,032,350
7.06.02	Financial revenues	102,653	52,624
7.07	Total added value payable	4,076,048	3,084,070
7.08	Distribution of added value	4,076,048	3,084,070
7.08.01	Personnel	15,876	12,283
7.08.01.01	Direct remuneration	15,399	11,910
7.08.01.02	Benefits	351	250
7.08.01.03	Severance Pay Fund (FGTS)	126	123
7.08.02	Taxes, duties and contributions	1,644	1,803
7.08.02.01	Federal	1,644	1,794
7.08.02.03	Municipal	0	9
7.08.03	Third-party capital remuneration	71,787	55,087
7.08.03.01	Interest	71,787	55,087
7.08.04	Remuneration of own capital	3,986,741	3,014,897
7.08.04.01	Interest on own capital	718,966	521,054
7.08.04.02	Dividends	609,303	553,650
7.08.04.03	Retained earnings / Loss for the period	2,658,472	1,940,193

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

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
1	Total assets	30,075,811	28,134,660
1.01	Current assets	20,745,864	19,653,210
1.01.01	Cash and cash equivalents	5,142,836	4,451,002
1.01.01.01	Cash and banks	912,599	710,905
1.01.01.02	Interest earning bank deposits	4,230,237	3,740,097
1.01.02	Interest earning bank deposits	580,474	531,826
1.01.03	Accounts receivable	6,011,821	5,614,423
1.01.03.01	Clients	6,011,821	5,614,423
1.01.04	Inventories	7,662,245	7,644,361
1.01.06	Recoverable taxes	639,888	657,580
1.01.06.01	Current taxes recoverable	639,888	657,580
1.01.06.01.01	Recoverable income tax and social contribution	165,760	104,876
1.01.06.01.02	Other taxes recoverable	474,128	552,704
1.01.08	Other current assets	708,600	754,018
1.01.08.03	Other	708,600	754,018
1.01.08.03.01	Derivative financial instruments	5,414	33,647
1.01.08.03.02	Other	703,186	720,371
1.02	Non-current assets	9,329,947	8,481,450
1.02.01	Long term assets	712,401	673,726
1.02.01.01	Interest earning bank deposits measured at fair value through profit or loss	10,600	12,287
1.02.01.07	Deferred taxes	472,830	443,133
1.02.01.07.01	Deferred income tax and social contribution	472,830	443,133
1.02.01.10	Other non-current assets	228,971	218,306
1.02.01.10.03	Judicial deposits	81,367	78,963
1.02.01.10.04	Recoverable income tax and social contribution	13,186	14,535
1.02.01.10.05	Other taxes recoverable	66,299	52,274
1.02.01.10.06	Derivative financial instruments	859	0
1.02.01.10.07	Other	67,260	72,534
1.02.02	Investments	61,925	1,056
1.02.02.01	Equity interest	61,925	1,056
1.02.02.01.01	Interest in associated companies	60,928	0
1.02.02.01.05	Other investments	997	1,056
1.02.03	Property, plant and equipment	7,078,011	6,282,653
1.02.03.01	Construction in progress	6,474,638	5,687,629
1.02.03.02	Right-of-use in lease	603,373	595,024
1.02.04	Intangible assets	1,477,610	1,524,015
1.02.04.01	Intangible assets	242,398	238,820
1.02.04.01.02	Other	242,398	238,820
1.02.04.02	Goodwill	1,235,212	1,285,195

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

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2	Total liabilities	30,075,811	28,134,660
2.01	Current liabilities	11,125,693	10,262,877
2.01.01	Social and labor obligations	776,422	466,843
2.01.01.01	Social charges	776,422	466,843
2.01.02	Suppliers	2,300,085	2,036,216
2.01.03	Tax liabilities	588,772	459,647
2.01.03.01	Federal tax liabilities	588,772	459,647
2.01.03.01.01	Income tax and social contribution payable	291,819	269,990
2.01.03.01.02	Other	296,953	189,657
2.01.04	Loans and financing	2,189,867	2,307,817
2.01.04.01	Loans and financing	2,189,867	2,307,817
2.01.04.01.01	In domestic currency	160,838	8,494
2.01.04.01.02	In foreign currency	2,029,029	2,299,323
2.01.05	Other liabilities	5,270,547	4,992,354
2.01.05.02	Other	5,270,547	4,992,354
2.01.05.02.01	Dividends and interest on own capital	224,278	361,838
2.01.05.02.04	Advance from clients	3,055,609	2,854,545
2.01.05.02.05	Profit sharing	325,968	447,150
2.01.05.02.06	Derivative financial instruments	110,393	87,831
2.01.05.02.07	Leases	72,301	103,036
2.01.05.02.08	Accounts payable - foreign subsidiaries	536,358	412,758
2.01.05.02.09	Provision for product warranty	392,078	353,203
2.01.05.02.10	Billing for future delivery	188,030	112,231
2.01.05.02.11	Other	365,532	259,762
2.02	Non-current liabilities	2,350,331	2,623,428
2.02.01	Loans and financing	658,705	1,151,875
2.02.01.01	Loans and financing	658,705	1,151,875
2.02.01.01.01	In domestic currency	63,981	31,691
2.02.01.01.02	In foreign currency	594,724	1,120,184
2.02.02	Other liabilities	798,016	674,929
2.02.02.02	Other	798,016	674,929
2.02.02.02.03	Taxes payable	14,112	9,393
2.02.02.02.04	Derivative financial instruments	71,677	47,413
2.02.02.02.05	Leases	502,774	446,594
2.02.02.02.06	Other	209,453	171,529
2.02.03	Deferred taxes	74,262	77,136
2.02.03.01	Deferred income tax and social contribution	74,262	77,136
2.02.04	Provisions	819,348	719,488
2.03	Consolidated shareholders' equity	16,599,787	15,248,355
2.03.01	Realized capital	6,504,517	6,504,517
2.03.02	Capital reserves	-135,252	-108,853
2.03.02.04	Options granted	15,329	15,829
2.03.02.05	Treasury shares	-55,983	-18,736
2.03.02.07	Goodwill in capital transaction	-94,598	-105,946
2.03.03	Revaluation reserve	3,631	3,631
2.03.04	Profit reserves	5,460,314	6,409,895

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

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2.03.04.01	Legal reserve	210,404	210,404
2.03.04.02	Statutory reserve	5,249,910	5,249,910
2.03.04.08	Additional dividend proposed	0	949,581
2.03.05	Retained Earnings/Losses	2,671,519	0
2.03.06	Equity valuation adjustments	294,072	303,512
2.03.06.01	Deemed cost	294,072	303,512
2.03.08	Other comprehensive income	1,324,240	1,722,093
2.03.08.01	Derivative financial instruments	-60,734	-33,127
2.03.08.02	Changes in ownership interest	-4,288	-4,288
2.03.08.03	Accumulated translation adjustments	1,389,262	1,759,508
2.03.09	Interest of non-controlling shareholders	476,746	413,560

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

Code of account	Account description	Current quarter	Accumulated of the	Same quarter of the prior	Accumulated of the prior
		07/01/2023–09/30/2023	current year 01/01/2023–09/30/2023	year 07/01/2022–09/30/2022	year 01/01/2022–09/30/2022
3.01	Revenue from sales of goods and/or services	8,074,837	23,942,316	7,911,192	21,925,085
3.02	Cost of goods and/or services sold	-5,461,011	-16,026,883	-5,493,544	-15,644,595
3.03	Gross income	2,613,826	7,915,433	2,417,648	6,280,490
3.04	Operating expenses/revenues	-1,032,657	-3,114,798	-991,701	-2,634,514
3.04.01	Sales expenses	-597,988	-1,773,007	-562,267	-1,561,980
3.04.01.01	Provision/Reversals of allowance for doubtful accounts	-14,624	-16,685	-601	2,337
3.04.01.02	Other selling expenses	-583,364	-1,756,322	-561,666	-1,564,317
3.04.02	General and administrative expenses	-262,164	-767,454	-230,720	-644,914
3.04.02.01	Directors' fees	-5,336	-16,008	-4,828	-17,543
3.04.02.02	Other administrative expenses	-256,828	-751,446	-225,892	-627,371
3.04.04	Other operating revenue	43,217	113,620	25,109	86,762
3.04.05	Other operating expenses	-215,722	-687,957	-223,823	-514,382
3.05	Income (loss) before financial income (loss) and taxes	1,581,169	4,800,635	1,425,947	3,645,976
3.06	Financial income (loss)	33,420	137,810	18,073	67,894
3.06.01	Financial revenues	297,429	1,134,662	346,716	931,639
3.06.02	Financial expenses	-264,009	-996,852	-328,643	-863,745
3.07	Income (loss) before income taxes	1,614,589	4,938,445	1,444,020	3,713,870
3.08	Income tax and social contribution	-268,697	-858,825	-269,816	-660,064
3.08.01	Current	-262,087	-875,497	-280,043	-672,398
3.08.02	Deferred	-6,610	16,672	10,227	12,334
3.09	Net income (loss) from continued operations	1,345,892	4,079,620	1,174,204	3,053,806
3.11	Income/loss for the period	1,345,892	4,079,620	1,174,204	3,053,806
3.11.01	Attributed to the Parent Company's shareholders	1,311,688	3,986,741	1,158,032	3,014,897
3.11.02	Assigned to non-controlling partners	34,204	92,879	16,172	38,909
3.99	Earnings per share - (Reais R\$ / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.3127	0.95019	0.27598	0.71851
3.99.02	Diluted earnings per share				

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

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
3.99.02.01	Common shares	0.31263	0.94998	0.27592	0.71835

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

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
4.01	Consolidated net income for the period	1,345,892	4,079,620	1,174,204	3,053,806
4.02	Other comprehensive income	162,209	-396,954	-43,268	-804,137
4.02.01	Accumulated currency translation adjustments	135,866	-369,649	-26,507	-742,315
4.02.02	Hedge accounting	26,343	-27,305	-16,761	-61,822
4.03	Consolidated comprehensive income for the period	1,508,101	3,682,666	1,130,936	2,249,669
4.03.01	Assigned to non-controlling partners	1,472,042	3,588,888	1,114,728	2,214,353
4.03.02	Assigned to non-controlling partners	36,059	93,778	16,208	35,316

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

Code of account	Account description	Accumulated of the	Accumulated of the prior
		current year 01/01/2023–09/30/2023	year 01/01/2022–09/30/2022
6.01	Net cash from operating activities	5,124,747	1,496,212
6.01.01	Cash generated in operations	6,186,948	5,004,378
6.01.01.01	Income before taxes	4,938,445	3,713,870
6.01.01.02	Depreciation, amortization and depletion	460,358	411,728
6.01.01.03	Profit sharing – Employees	487,741	438,436
6.01.01.04	Stock option plan expenses	8,405	8,175
6.01.01.05	Allowance for credit risk	16,685	-2,337
6.01.01.06	Provision for tax, civil and labor liabilities	98,885	38,078
6.01.01.07	Provision for inventory losses	42,917	32,590
6.01.01.08	Provision with product warranty	46,933	82,605
6.01.01.09	Losses in the sale of property, plant and equipment	10,400	12,252
6.01.01.10	Accrued interest on loans and financings	109,255	44,576
6.01.01.12	Yield on interest earning bank deposits	-50,633	-29,731
6.01.01.13	Tax credit – Exclusion of ICMS from PIS/COFINS calculation basis	-28,933	-40,768
6.01.01.14	Provision for / settlement of derivative financial instruments	46,490	294,904
6.01.02	Changes in assets and liabilities	-1,062,201	-3,508,166
6.01.02.01	(Increase)/decrease in clients	-571,403	-1,467,673
6.01.02.02	(Increase) decrease in inventories	-287,451	-1,794,363
6.01.02.03	(Increase)/decrease in recoverable taxes	126,602	238,845
6.01.02.04	Increase/(decrease) in suppliers	289,066	323,589
6.01.02.05	Increase/(decrease) in social/tax obligations	228,278	141,733
6.01.02.06	Increase/(decrease) in advances from clients	242,930	333,999
6.01.02.07	Increase/(decrease) in other accounts receivable/payable	343,068	-428,832
6.01.02.08	Income tax and social contribution	-853,668	-342,702
6.01.02.09	Payment of profit sharing - employees	-579,623	-512,762
6.02	Net cash used in investment activities	-1,277,039	-848,852
6.02.01	Property, plant and equipment	-1,173,067	-715,805
6.02.02	Intangible assets	-46,799	-46,521
6.02.03	Receipt from the sale of property, plant and equipment	7,497	8,595
6.02.04	Acquisition of equity interest - associated company	-60,928	0
6.02.07	Business acquisition - business combination, net of cash	-7,414	-97,307
6.02.09	Interest earning bank deposits held to maturity	0	-10,581
6.02.10	Redemption of interest earning bank deposits	3,672	12,767
6.03	Net cash from financing activities	-3,037,944	333,344
6.03.01	Funding loans and financing/derivatives	2,524,283	4,072,922
6.03.02	Payment of loans and financing	-3,110,385	-1,803,660
6.03.03	Interest paid on loans and financing	-105,051	-41,848
6.03.04	Acquisition of treasury stock	-40,396	-10,333
6.03.05	Settlement of treasury shares	3,149	2,813
6.03.06	Payment of dividends/interest on own capital	-2,309,544	-1,886,550
6.04	Exchange rate change on cash and cash equivalents	-117,930	-71,876
6.05	Increase (decrease) in cash and cash equivalents	691,834	908,828
6.05.01	Opening balance of cash and cash equivalents	4,451,002	2,714,427
6.05.02	Closing balance of cash and cash equivalents	5,142,836	3,623,255

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2023–09/30/2023 (R\$ In thousands)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795	413,560	15,248,355
5.03	Adjusted opening balances	6,504,517	-105,222	5,460,314	949,581	2,025,605	14,834,795	413,560	15,248,355
5.04	Capital transactions with partners	-	-26,399	-	-1,328,269	-	-1,354,668	-30,592	-1,385,260
5.04.03	Recognized options granted	-	-500	-	-	-	-500	-	-500
5.04.04	Treasury shares acquired	-	-40,396	-	-	-	-40,396	-	-40,396
5.04.05	Treasury shares sold	-	4,100	-	-	-	4,100	-	4,100
5.04.06	Dividends	-	-	-	-609,303	-	-609,303	-	-609,303
5.04.07	Interest on own capital	-	-	-	-718,966	-	-718,966	-	-718,966
5.04.08	Capital transactions	-	10,397	-	-	-	10,397	-30,592	-20,195
5.05	Total comprehensive income	-	-	-	3,997,988	-407,293	3,590,695	93,778	3,684,473
5.05.01	Net income for the period	-	-	-	3,986,741	0	3,986,741	92,879	4,079,620
5.05.02	Other comprehensive income	-	-	-	11,247	-407,293	-396,046	899	-395,147
5.05.02.04	Translation adjustments in the period	-	-	-	-	-368,439	-368,439	597	-367,842
5.05.02.06	Hedge accounting - Cash flow net of taxes	-	-	-	-	-27,607	-27,607	302	-27,305
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	11,247	-11,247	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-947,781	-	-947,781	-	-947,781
5.06.04	Payment of dividends	-	-	-	-949,581	-	-949,581	-	-949,581
5.06.05	Dividends prescribed	-	-	-	1,800	-	1,800	-	1,800
5.07	Closing balances	6,504,517	-131,621	5,460,314	2,671,519	1,618,312	16,123,041	476,746	16,599,787

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2022–09/30/2022 (R\$ In thousands)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.04	Capital transactions with partners	1,000,000	11,407	-1,000,000	-1,075,555	-	-1,064,148	-47,546	-1,111,694
5.04.01	Capital increases	1,000,000	-	-1,000,000	-	-	-	-	-
5.04.03	Recognized options granted	-	-334	-	-851	-	-1,185	-	-1,185
5.04.05	Treasury shares sold	-	-5,822	-	-	-	-5,822	-	-5,822
5.04.06	Dividends	-	-	-	-553,650	-	-553,650	-	-553,650
5.04.07	Interest on own capital	-	-	-	-521,054	-	-521,054	-	-521,054
5.04.08	Capital transactions	-	17,563	-	-	-	17,563	-47,546	-29,983
5.05	Total comprehensive income	-	-	-	3,029,842	-816,190	2,213,652	35,316	2,248,968
5.05.01	Net income for the period	-	-	-	3,014,897	-	3,014,897	38,909	3,053,806
5.05.02	Other comprehensive income	-	-	-	14,945	-816,190	-801,245	-3,593	-804,838
5.05.02.04	Translation adjustments in the period	-	-	-	-	-742,671	-742,671	-345	-743,016
5.05.02.06	Hedge accounting - Cash flow net of taxes	-	-	-	-	-58,574	-58,574	-3,248	-61,822
5.05.02.07	Realization of deemed cost, net of taxes	-	-	-	14,945	-14,945	-	-	-
5.06	Internal changes in shareholders' equity	-	-	-	-860,024	-	-860,024	-	-860,024
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037	-	-861,037
5.06.05	Dividends prescribed	-	-	-	1,013	-	1,013	-	1,013
5.07	Closing balances	6,504,517	-105,802	3,485,565	1,955,300	2,054,871	13,894,451	393,471	14,287,922

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




Code of account	Account description	Accumulated of the	Accumulated of the prior
		current year 01/01/2023–09/30/2023	year 01/01/2022–09/30/2022
7.01	Revenues	26,512,751	24,562,692
7.01.01	Sale of goods, products and services	26,475,016	24,537,089
7.01.02	Other revenues	54,420	23,266
7.01.04	Formation/reversal of allowance for doubtful accounts	-16,685	2,337
7.02	Inputs acquired from third parties	-14,862,061	-14,599,645
7.02.02	Materials, energy, outsourced services and other	-14,802,665	-14,600,953
7.02.04	Other	-59,396	1,308
7.03	Gross added value	11,650,690	9,963,047
7.04	Retentions	-460,358	-411,728
7.04.01	Depreciation, amortization and depletion	-460,358	-411,728
7.05	Net added value produced	11,190,332	9,551,319
7.06	Added value received as transfer	1,158,527	963,514
7.06.02	Financial revenues	1,134,662	931,639
7.06.03	Other	23,865	31,875
7.06.03.01	Recognition of tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	23,865	31,875
7.07	Total added value payable	12,348,859	10,514,833
7.08	Distribution of added value	12,348,859	10,514,833
7.08.01	Personnel	4,722,386	4,241,452
7.08.01.01	Direct remuneration	4,098,120	3,669,837
7.08.01.02	Benefits	479,262	440,423
7.08.01.03	Severance Pay Fund (FGTS)	145,004	131,192
7.08.02	Taxes, duties and contributions	2,535,489	2,345,106
7.08.02.01	Federal	2,250,278	2,093,632
7.08.02.02	State	260,219	224,696
7.08.02.03	Municipal	24,992	26,778
7.08.03	Third-party capital remuneration	1,011,364	874,469
7.08.03.01	Interest	993,095	856,402
7.08.03.02	Rentals	18,269	18,067
7.08.04	Remuneration of own capital	4,079,620	3,053,806
7.08.04.01	Interest on own capital	718,966	521,054
7.08.04.02	Dividends	609,303	553,650
7.08.04.03	Retained earnings / Loss for the period	2,658,472	1,940,193
7.08.04.04	Interest of non-controlling shareholders in retained earnings	92,879	38,909

EARNINGS RELEASE

3Q 2023

Positive performance of operating margins and return on invested capital

Highlights

-  **Net Operating Revenue (NOR)** was **R\$ 8,074.8 million** in 3Q23, 2.1% higher than 3Q22 and 1.2% lower than 2Q23.
-  **EBITDA⁽¹⁾** reached **R\$ 1,738.8 million**, 10.9% higher than 3Q22 and 5.1% lower than 2Q23, while **EBITDA margin** was **21.5%**, 170 bps higher than 3Q22 and 90 bps lower than the previous quarter.
-  **Return on Invested Capital (ROIC⁽²⁾)** reached **35.4%** in 3Q23, up 750 bps from 3Q22 and an increase of 100 bps from 2Q23.

Message from the Management

The results for the third quarter of 2023 showed positive performance in operating margins and return on invested capital. Maintenance of the operational efficiency of our industrial units in Brazil and abroad, the good demand for long-cycle products and the mix of products sold continued to contribute to this performance.

In Brazil, revenues from sales of long-cycle equipment continued to show good results, especially in Energy Generation, Transmission and Distribution (GTD), with highlights on Transmission & Distribution (T&D) and wind generation projects. We also continue to have a healthy demand for short-cycle equipment in automation and stability in the low-voltage electric motors business. Distributed solar generation revenues had a relevant reduction when compared to the same period last year.

In the external market, GTD showed growth as a result of the robust order backlog built in recent quarters, with the highlight on T&D business. In the remaining business areas, we observed sustained demand for our products and services, with revenue growth in local currencies compared to the same period of the previous year in the main markets in which we operate.

Even in an environment of accommodating demand for industrial equipment, we were able to grow in important segments such as oil & gas and water & wastewater. The lower growth in consolidated revenues compared to recent quarters was mainly concentrated in Brazil, due to the reduction in demand for some short-cycle businesses, notably distributed solar generation, and the appreciation of the Real against the US dollar, which negatively impacted the conversion of revenues from the external market.

Table 1 – Main Highlights

	3Q23	2Q23	HA%	3Q22	HA%	09M23	09M22	HA%
Return on Invested Capital	35.4%	34.4%	100 bps	27.9%	750 bps	35.4%	27.9%	750 bps
Net Operating Revenue	8,074,837	8,171,322	-1.2%	7,911,192	2.1%	23,942,316	21,925,085	9.2%
Domestic Market	3,826,685	3,744,356	2.2%	3,937,810	-2.8%	11,229,266	11,046,519	1.7%
External Markets	4,248,152	4,426,966	-4.0%	3,973,382	6.9%	12,713,050	10,878,566	16.9%
<i>External Markets in US\$</i>	<i>869,856</i>	<i>895,600</i>	<i>-2.9%</i>	<i>757,450</i>	<i>14.8%</i>	<i>2,542,669</i>	<i>2,121,405</i>	<i>19.9%</i>
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%	3,986,741	3,014,897	32.2%
Net Margin	16.2%	16.7%	-50 bps	14.6%	160 bps	16.7%	13.8%	290 bps
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%	5,260,993	4,057,704	29.7%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps	22.0%	18.5%	350 bps
Earnings per Share (EPS)	0.31270	0.32610	-4.1%	0.27598	13.3%	0.95019	0.71851	32.2%

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

Net Operating Revenue

Net operating revenue grew by 2.1% compared to 3Q22, down 2.8% in the domestic market and up 6.9% in the external market, as shown in Table 1. The evolution of the revenue proportion between markets is presented in Figure 1. Adjusted for the effects of the consolidation of the Gefran's Motion Control business acquisition, consolidated revenue for the quarter would have grown by 1.3% over 3Q22.

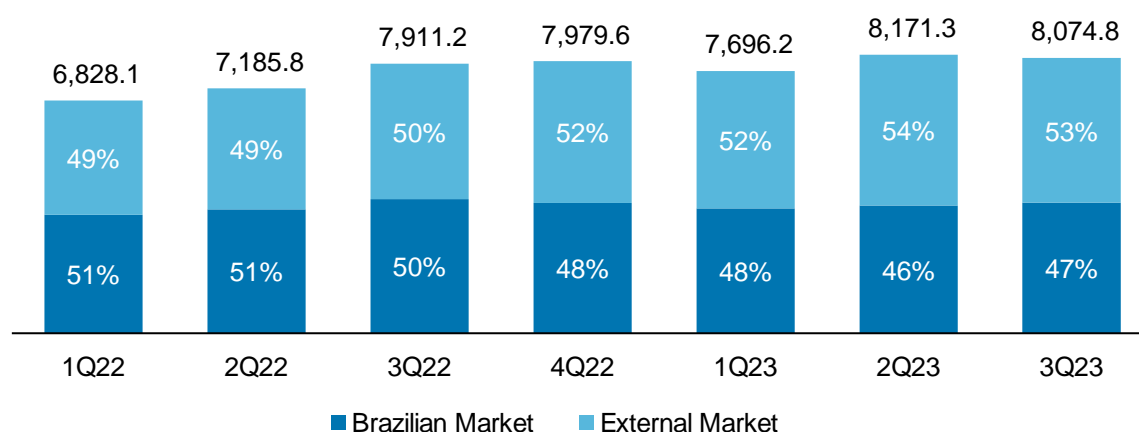


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 14.8% compared to 3Q22 and decreased 2.9% compared to 2Q23. The distribution of net revenue by geographic market is shown in Table 2.

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

	3Q23		2Q23		3Q22		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	869,856	100.0%	895,600	100.0%	757,450	100.0%	-2.9%	14.8%
<i>North America</i>	421,762	48.5%	405,728	45.3%	362,881	47.9%	4.0%	16.2%
<i>South and Central America</i>	107,686	12.4%	98,988	11.0%	98,001	12.9%	8.8%	9.9%
<i>Europe</i>	209,470	24.1%	258,445	28.9%	169,013	22.3%	-18.9%	23.9%
<i>Africa</i>	57,937	6.6%	56,579	6.3%	48,425	6.4%	2.4%	19.6%
<i>Asia-Pacific</i>	73,001	8.4%	75,860	8.5%	79,130	10.5%	-3.8%	-7.7%

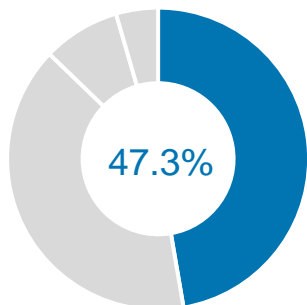
Net operating revenue from the external market was impacted by the average US dollar exchange rate that moved from R\$ 5.25 in 3Q22 to R\$ 4.88 in 3Q23, 7.0% depreciation over the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 19.4% when compared to 3Q22.

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
3Q23	1,353,146	2,466,847
2Q23	1,278,125	2,488,297
Δ%	5.9%	-0.9%
3Q22	1,306,327	2,585,842
Δ%	3.6%	-4.6%



Share in NOR

Domestic Market

Industrial activity in Brazil showed stability in demand for short-cycle products, with a positive environment for serial automation products, but accommodation in demand for electric motors. The highlighted segments were oil & gas and pulp & paper.

We continue to see good demand for long-cycle equipment, such as medium voltage electric motors and automation panels.

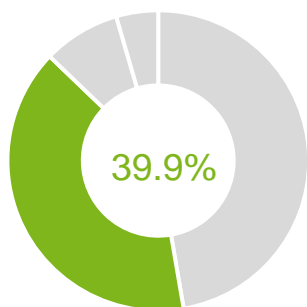
External Market

We observed good results in local currencies in most of the markets where we operate for short-cycle equipment, such as low-voltage electric motors and serial automation products, with highlights to the oil & gas and water & sanitation segments. Revenue performance in Reais was impacted by the exchange rate variation during the period.

Long-cycle equipment, such as high voltage motors and automation systems, contributed positively to the results, reflecting the order backlog built in recent quarters.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q23	1,907,630	1,317,581
2Q23	1,926,788	1,499,495
Δ%	-1.0%	-12.1%
3Q22	2,032,151	886,042
Δ%	-6.1%	48.7%



Share in NOR

Domestic Market

T&D business presented another quarter of good volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, together with sales of transformers for distribution networks.

Demand for distributed solar generation (DG) presented revenue below the same period of the previous year, still influenced by the high cost of financing, regulation change in the sector, and more recently by the reduction in the costs of raw materials and consequent impact on the prices of products sold.

External Market

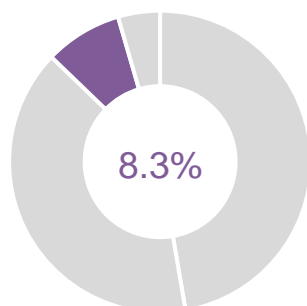
With recurring highlights in recent quarters, the T&D business continues to lead growth, especially in North America, where we seize opportunities, especially in the sale of transformers for renewable energy generation parks (wind and solar).

We maintained a good performance in other operations, building a healthy order book for the coming quarters.

Performance by Business Area

Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
3Q23	273,933	393,589
2Q23	251,007	377,367
Δ%	9.1%	4.3%
3Q22	286,015	423,556
Δ%	-4.2%	-7.1%



Share in NOR

Domestic Market

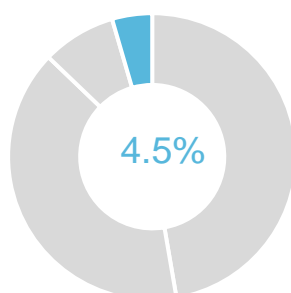
Continuity of recovery in the demand after accommodation due to the strong sales volume in the same period of the previous year. It is important to highlight the revenue growth compared to 2Q23, with an increase in demand for commercial motors, such as water pumps and air conditioner motors.

External Market

Fluctuation in demand in the external market, in markets such as Mexico and China, combined with the impact of exchange rate variation in the period, despite the good performance of commercial motors operations in the USA, reflecting gains in market share.

Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
3Q23	291,977	70,135
2Q23	288,436	61,807
Δ%	1.2%	13.5%
3Q22	313,317	77,942
Δ%	-6.8%	-10.0%



Share in NOR

Domestic Market

Despite the positive activity linked to the oil & gas and maintenance segments, general demand for industrial paint and varnish products was lower this quarter compared to the same period of the previous year.

The impact of exchange rate variations on the cost structure and on the sales price of products in this business area contributed to the drop in revenue compared to the same quarter last year.

External Market

The external market revenues also showed a reduction in revenue, mainly impacted by the exchange rate variation in the period and lower export activity from Brazil.

Cost of Goods Sold

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

Table 3 – Costs

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Cost of Goods Sold	(5,461,011)	5,416,788	0.8%	(5,493,544)	-0.6%
Gross Margin	32.4%	33.7%	-130 bps	27.4%	180 bps

The accommodation of prices on the main raw materials that make up our cost structure, notably steel and copper, together with a better mix of products sold, the increasing improvement in the performance of operations abroad, and the constant search for operational efficiency and productivity gains were important factors for the evolution of gross margin in the quarter when compared to the same period of the previous year.

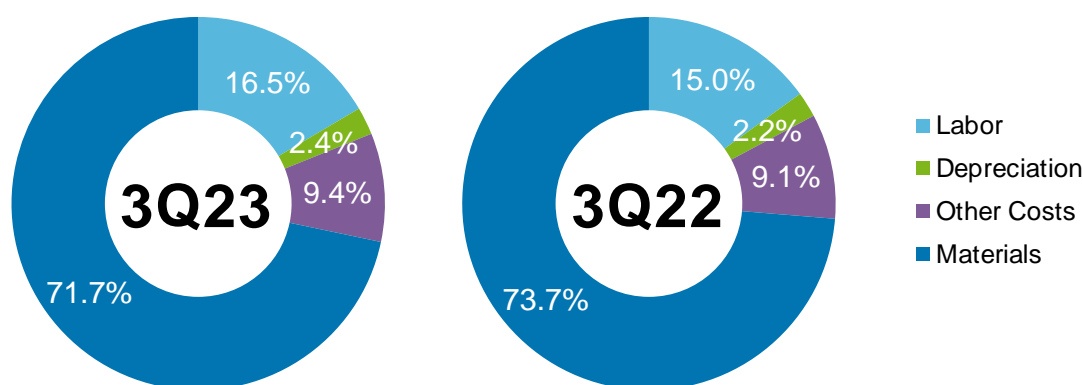


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General and Administrative (SG&A) expenses totaled R\$ 860.2 million in 3Q23, an increase of 8.5% vs. 3Q22 and an increase of 0.8% vs. 2Q23. When analyzed in relation to net operating revenue, they represented 10.7%, up 70 basis points compared to 3Q22 and down 30 basis points compared 2Q23.

EBITDA and EBITDA Margin

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

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%
Net Income Before Minorities	1,345,892	1,409,787	-4.5%	1,174,204	14.6%
(+) Income Taxes & Contributions	268,697	307,368	-12.6%	269,816	-0.4%
(+/-) Financial Income (Expenses)	(33,420)	(35,882)	-6.9%	(18,073)	84.9%
(+) Depreciation & Amortization	157,601	151,825	3.8%	142,157	10.9%
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps

Net Income

Net Income in 3Q23 was R\$ 1,311.7 million, an increase of 13.3% compared to 3Q22 and a decrease of 4.1% compared to 2Q23. The net margin reached 16.2%, 160 basis points higher than 3Q22 and 50 percentage points lower than 2Q23.

Cash Flow

Cash generation in operating activities was R\$ 5,124.7 million in the first nine months of the year, result of continued revenue growth and improvement in our operating margins. It is important to highlight the continuity of the process of normalizing inventory levels in the period, which increased last year and was necessary to ensure the availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 1,277.0 million. The level of CAPEX⁽³⁾ in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment in our factories in Brazil, Mexico, Portugal and India.

In financing activities, the Company raised R\$ 2,524.3 million and made amortizations of R\$3,215.4 million, including interest on loans, resulting in a net amortization of R\$ 691.2 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 2,309.5 million. The result was a consumption of R\$ 3,037.9 million in financing activities in the period.

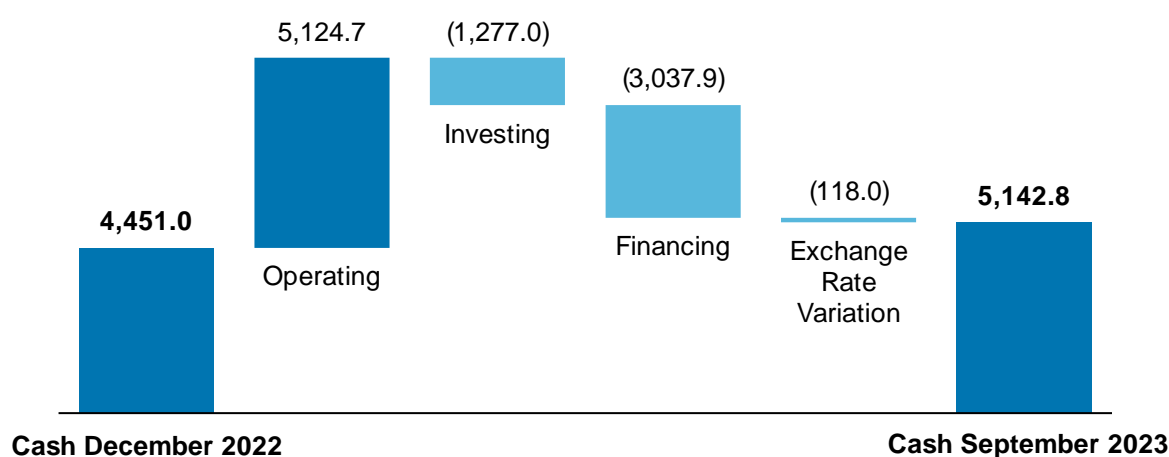


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 597.3 million in financial investments with no immediate liquidity, including derivative financial instruments (R\$ 577.8 million in December 2022).

Return on Invested Capital

The ROIC for 3Q23, accumulated over the last 12 months, reached 35.4%, an increase of 750 basis points over 3Q22 and an increase of 100 basis points over 2Q23. The growth in Operating Profit after Taxes (NOPAT⁽⁴⁾), mainly due to the improvement in operating margins, more than offset the growth in capital employed, which expansion is mainly explained by investments in fixed and intangible assets made over the last 12 months, and for the better control of the need for working capital in the period.

Investments (CAPEX)

In 3Q23, we invested R\$ 431.7 million in the modernization and expansion of production capacity, machinery and equipment and software licenses, 43% for production units in Brazil and 57% for industrial plants and other facilities abroad.

In Brazil, we made progress with investments in the expansion of production capacity for industrial motors, electric traction motors and battery packs. In Mexico, in addition to continuing to increase the production capacity of our motor and transformer factories, we also announced the acquisition of new land with a total area of 640,000 m² (6,900,000 ft²). Also abroad, we continued with the construction of the motors factory in Portugal and the expansion of the high voltage motors and generator factory in India.

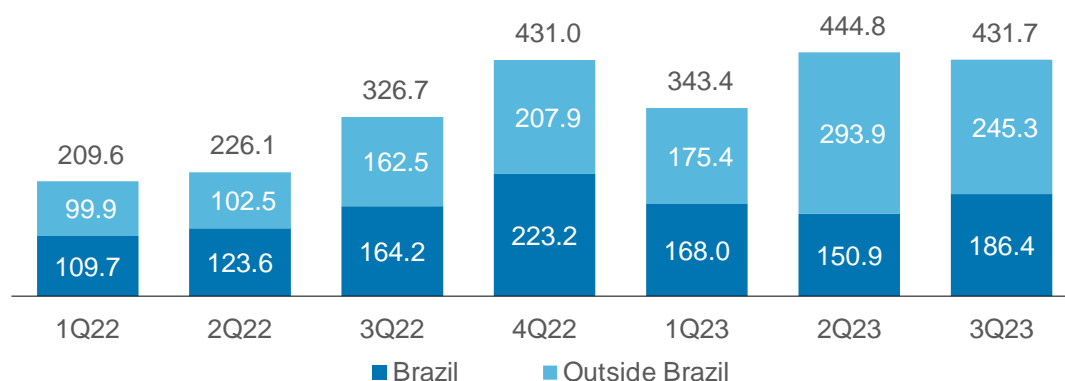


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development and innovation activities totaled R\$ 644.4 million, representing 2.7% of accumulated net operating revenue in 2023.

Debt and Cash Position

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

Table 5 – Cash and Debt

	September 2023		September 2022		December 2022	
Cash & Cash Equivalents	5,733,910		4,995,115		4,153,508	
Current	5,723,310		4,982,828		4,142,927	
Long Term	10,600		12,287		10,581	
Derivatives	(175,797)		(101,597)		42,156	
Short Term Assets	5,414		33,647		181,507	
Long Term Assets	859		-		1,730	
Short Term Liabilities	(110,393)		(87,831)		(133,364)	
Long Term Liabilities	(71,677)		(47,413)		(7,717)	
Debt	(2,848,572)		(3,459,692)		(3,835,041)	
Current	(2,189,867)		(2,307,817)		(2,639,967)	
In Brazilian Reais	(160,838)		(8,494)		(10,415)	
In other currencies	(2,029,029)		(2,299,323)		(2,629,552)	
Long Term	(658,705)		(1,151,875)		(1,195,074)	
In Brazilian Reais	(63,981)		(31,691)		(34,765)	
In other currencies	(594,724)		(1,120,184)		(1,160,309)	
Net Cash	2,709,541		1,433,826		360,623	

The total duration of our indebtedness was 13.0 months in September 2023 (11.8 months in December 2022).

EARNINGS RELEASE

3Q 2023

Positive performance of operating margins and return on invested capital

Dividends and Interest on Stockholders' Equity

As of August 16, we paid to shareholders the dividends that were declared for the first half of 2023, according to events approved in:

On March 14, as interest on stockholder's equity (JCP), to the gross amount of R\$ 223.4 million.

On June 20, as interest on stockholder's equity (JCP), to the gross amount of R\$ 244.6 million.

On July 18, as dividends in the total amount of R\$ 609.3 million.

Also, on September 19, the Board of Directors approved interest on stockholders' equity to the gross amount of R\$ 250.9 million. We will pay this interest from March 13, 2024.

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

Table 6 – Dividends

	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	Mar 14, 2023	0.053235294
Interest on Stockholders' Equity	Jun 20, 2023	0.058294118
Dividends	Jul 18, 2023	0.145202292
Interest on Stockholders' Equity	Sep 19, 2023	0.059823529
Total		0.316555233

Other Events

WEG acquires all shares in BirminD

On July 27, 2023, we announced an agreement to acquire the remaining partition of shares in BirminD, a technology company operating in the artificial intelligence market for industrial processes. WEG already held a controlling interest of 51% in the company and now assumes all the shares.




The acquisition is part of WEG's digital business growth strategy, which since 2020 has used BirminD technology in its solutions, including products and services such as B-WISE and Motion Drive Operation Center (MDOC), which is a monitoring of industrial assets using data sensing and diagnostics based on artificial intelligence insights and machine learning algorithms.

Acquisition of the industrial electric motors and generators businesses from Regal Rexnord

On September 25, 2023, we announced agreements with Regal Rexnord Corporation to acquire the industrial electric motors and generators business in the amount of US\$ 400.0 million (Enterprise Value - EV), to be paid upon completion of the transaction, which may be subject to price adjustments common to this type of operation. Net operating revenue of these businesses was US\$ 541.5 million in 2022, with an adjusted EBITDA margin of 9.5%. The agreement between the companies still depends on fulfilling customary closing conditions, including obtaining all regulatory approvals that are required in connection with the transaction.

Aligned with the strategy of continuous and sustainable growth, international expansion and diversification of WEG Group's industrial operations, this transaction includes the acquisition of 10 factories in 7 countries (United States, Mexico, China, India, Italy, Netherlands and Canada), commercial branches in 11 countries, and a team of approximately 2,800 employees worldwide. The geographic distribution of those operations is complementary to WEG Group's current footprint and will help achieve greater scale and cost efficiency as it integrates the operations into its existing business.

Highlights

-  **Net Operating Revenue (NOR)** was **R\$ 8,074.8 million** in 3Q23, 2.1% higher than 3Q22 and 1.2% lower than 2Q23.
-  **EBITDA⁽¹⁾** reached **R\$ 1,738.8 million**, 10.9% higher than 3Q22 and 5.1% lower than 2Q23, while **EBITDA margin** was **21.5%**, 170 bps higher than 3Q22 and 90 bps lower than the previous quarter.
-  **Return on Invested Capital (ROIC⁽²⁾)** reached **35.4%** in 3Q23, up 750 bps from 3Q22 and an increase of 100 bps from 2Q23.

Message from the Management

The results for the third quarter of 2023 showed positive performance in operating margins and return on invested capital. Maintenance of the operational efficiency of our industrial units in Brazil and abroad, the good demand for long-cycle products and the mix of products sold continued to contribute to this performance.

In Brazil, revenues from sales of long-cycle equipment continued to show good results, especially in Energy Generation, Transmission and Distribution (GTD), with highlights on Transmission & Distribution (T&D) and wind generation projects. We also continue to have a healthy demand for short-cycle equipment in automation and stability in the low-voltage electric motors business. Distributed solar generation revenues had a relevant reduction when compared to the same period last year.

In the external market, GTD showed growth as a result of the robust order backlog built in recent quarters, with the highlight on T&D business. In the remaining business areas, we observed sustained demand for our products and services, with revenue growth in local currencies compared to the same period of the previous year in the main markets in which we operate.

Even in an environment of accommodating demand for industrial equipment, we were able to grow in important segments such as oil & gas and water & wastewater. The lower growth in consolidated revenues compared to recent quarters was mainly concentrated in Brazil, due to the reduction in demand for some short-cycle businesses, notably distributed solar generation, and the appreciation of the Real against the US dollar, which negatively impacted the conversion of revenues from the external market.

Table 1 – Main Highlights

	3Q23	2Q23	HA%	3Q22	HA%	09M23	09M22	HA%
Return on Invested Capital	35.4%	34.4%	100 bps	27.9%	750 bps	35.4%	27.9%	750 bps
Net Operating Revenue	8,074,837	8,171,322	-1.2%	7,911,192	2.1%	23,942,316	21,925,085	9.2%
Domestic Market	3,826,685	3,744,356	2.2%	3,937,810	-2.8%	11,229,266	11,046,519	1.7%
External Markets	4,248,152	4,426,966	-4.0%	3,973,382	6.9%	12,713,050	10,878,566	16.9%
<i>External Markets in US\$</i>	<i>869,856</i>	<i>895,600</i>	<i>-2.9%</i>	<i>757,450</i>	<i>14.8%</i>	<i>2,542,669</i>	<i>2,121,405</i>	<i>19.9%</i>
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%	3,986,741	3,014,897	32.2%
Net Margin	16.2%	16.7%	-50 bps	14.6%	160 bps	16.7%	13.8%	290 bps
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%	5,260,993	4,057,704	29.7%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps	22.0%	18.5%	350 bps
Earnings per Share (EPS)	0.31270	0.32610	-4.1%	0.27598	13.3%	0.95019	0.71851	32.2%

Net Operating Revenue

Net operating revenue grew by 2.1% compared to 3Q22, down 2.8% in the domestic market and up 6.9% in the external market, as shown in Table 1. The evolution of the revenue proportion between markets is presented in Figure 1. Adjusted for the effects of the consolidation of the Gefran's Motion Control business acquisition, consolidated revenue for the quarter would have grown by 1.3% over 3Q22.

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

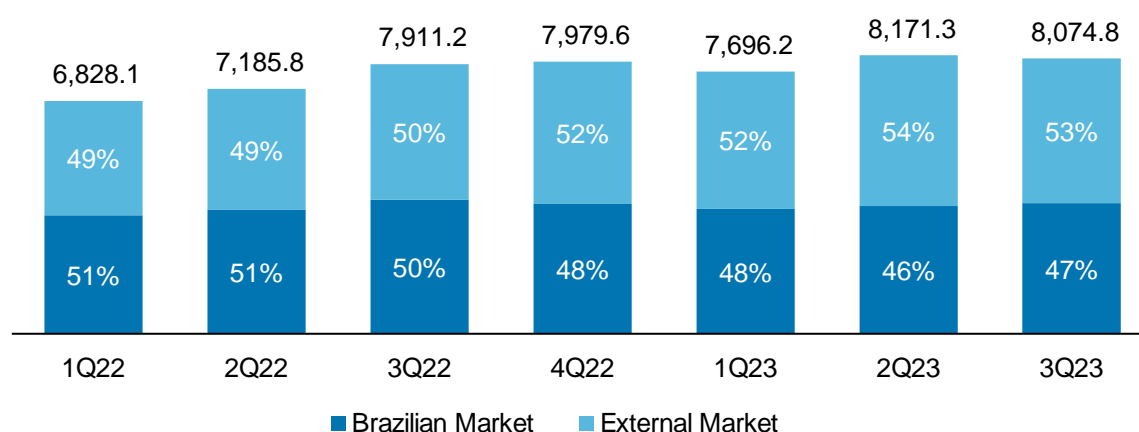


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 14.8% compared to 3Q22 and decreased 2.9% compared to 2Q23. The distribution of net revenue by geographic market is shown in Table 2.

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

	3Q23		2Q23		3Q22		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	869,856	100.0%	895,600	100.0%	757,450	100.0%	-2.9%	14.8%
<i>North America</i>	421,762	48.5%	405,728	45.3%	362,881	47.9%	4.0%	16.2%
<i>South and Central America</i>	107,686	12.4%	98,988	11.0%	98,001	12.9%	8.8%	9.9%
<i>Europe</i>	209,470	24.1%	258,445	28.9%	169,013	22.3%	-18.9%	23.9%
<i>Africa</i>	57,937	6.6%	56,579	6.3%	48,425	6.4%	2.4%	19.6%
<i>Asia-Pacific</i>	73,001	8.4%	75,860	8.5%	79,130	10.5%	-3.8%	-7.7%

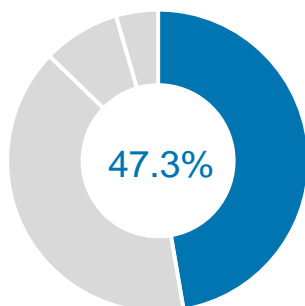
Net operating revenue from the external market was impacted by the average US dollar exchange rate that moved from R\$ 5.25 in 3Q22 to R\$ 4.88 in 3Q23, 7.0% depreciation over the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 19.4% when compared to 3Q22.

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
3Q23	1,353,146	2,466,847
2Q23	1,278,125	2,488,297
Δ%	5.9%	-0.9%
3Q22	1,306,327	2,585,842
Δ%	3.6%	-4.6%



Share in NOR

Domestic Market

Industrial activity in Brazil showed stability in demand for short-cycle products, with a positive environment for serial automation products, but accommodation in demand for electric motors. The highlighted segments were oil & gas and pulp & paper.

We continue to see good demand for long-cycle equipment, such as medium voltage electric motors and automation panels.

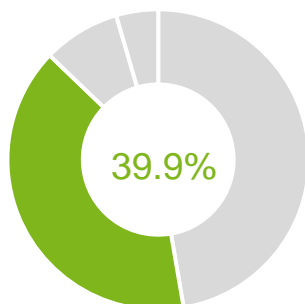
External Market

We observed good results in local currencies in most of the markets where we operate for short-cycle equipment, such as low-voltage electric motors and serial automation products, with highlights to the oil & gas and water & sanitation segments. Revenue performance in Reais was impacted by the exchange rate variation during the period.

Long-cycle equipment, such as high voltage motors and automation systems, contributed positively to the results, reflecting the order backlog built in recent quarters.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q23	1,907,630	1,317,581
2Q23	1,926,788	1,499,495
Δ%	-1.0%	-12.1%
3Q22	2,032,151	886,042
Δ%	-6.1%	48.7%



Share in NOR

Domestic Market

T&D business presented another quarter of good volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, together with sales of transformers for distribution networks.

Demand for distributed solar generation (DG) presented revenue below the same period of the previous year, still influenced by the high cost of financing, regulation change in the sector, and more recently by the reduction in the costs of raw materials and consequent impact on the prices of products sold.

External Market

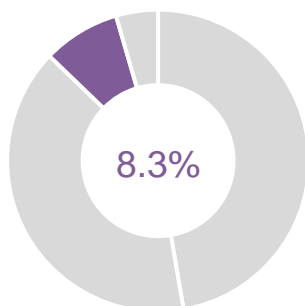
With recurring highlights in recent quarters, the T&D business continues to lead growth, especially in North America, where we seize opportunities, especially in the sale of transformers for renewable energy generation parks (wind and solar).

We maintained a good performance in other operations, building a healthy order book for the coming quarters.

Performance by Business Area

Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
3Q23	273,933	393,589
2Q23	251,007	377,367
Δ%	9.1%	4.3%
3Q22	286,015	423,556
Δ%	-4.2%	-7.1%



Share in NOR

Domestic Market

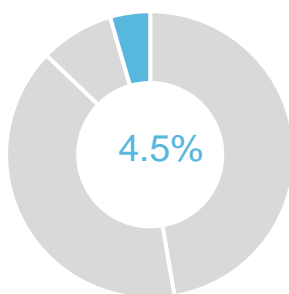
Continuity of recovery in the demand after accommodation due to the strong sales volume in the same period of the previous year. It is important to highlight the revenue growth compared to 2Q23, with an increase in demand for commercial motors, such as water pumps and air conditioner motors.

External Market

Fluctuation in demand in the external market, in markets such as Mexico and China, combined with the impact of exchange rate variation in the period, despite the good performance of commercial motors operations in the USA, reflecting gains in market share.

Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
3Q23	291,977	70,135
2Q23	288,436	61,807
Δ%	1.2%	13.5%
3Q22	313,317	77,942
Δ%	-6.8%	-10.0%



Share in NOR

Domestic Market

Despite the positive activity linked to the oil & gas and maintenance segments, general demand for industrial paint and varnish products was lower this quarter compared to the same period of the previous year.

The impact of exchange rate variations on the cost structure and on the sales price of products in this business area contributed to the drop in revenue compared to the same quarter last year.

External Market

The external market revenues also showed a reduction in revenue, mainly impacted by the exchange rate variation in the period and lower export activity from Brazil.

Cost of Goods Sold

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

Table 3 – Costs

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Cost of Goods Sold	(5,461,011)	5,416,788	0.8%	(5,493,544)	-0.6%
Gross Margin	32.4%	33.7%	-130 bps	27.4%	180 bps

The accommodation of prices on the main raw materials that make up our cost structure, notably steel and copper, together with a better mix of products sold, the increasing improvement in the performance of operations abroad, and the constant search for operational efficiency and productivity gains were important factors for the evolution of gross margin in the quarter when compared to the same period of the previous year.

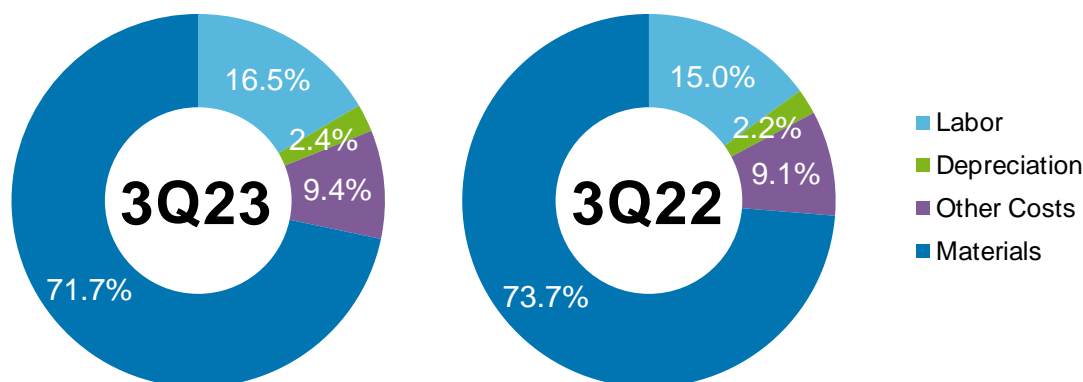


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General and Administrative (SG&A) expenses totaled R\$ 860.2 million in 3Q23, an increase of 8.5% vs. 3Q22 and an increase of 0.8% vs. 2Q23. When analyzed in relation to net operating revenue, they represented 10.7%, up 70 basis points compared to 3Q22 and down 30 basis points compared 2Q23.

EBITDA and EBITDA Margin

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

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%
Net Income Before Minorities	1,345,892	1,409,787	-4.5%	1,174,204	14.6%
(+) Income Taxes & Contributions	268,697	307,368	-12.6%	269,816	-0.4%
(+/-) Financial Income (Expenses)	(33,420)	(35,882)	-6.9%	(18,073)	84.9%
(+) Depreciation & Amortization	157,601	151,825	3.8%	142,157	10.9%
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps

Net Income

Net Income in 3Q23 was R\$ 1,311.7 million, an increase of 13.3% compared to 3Q22 and a decrease of 4.1% compared to 2Q23. The net margin reached 16.2%, 160 basis points higher than 3Q22 and 50 percentage points lower than 2Q23.

Cash Flow

Cash generation in operating activities was R\$ 5,124.7 million in the first nine months of the year, result of continued revenue growth and improvement in our operating margins. It is important to highlight the continuity of the process of normalizing inventory levels in the period, which increased last year and was necessary to ensure the availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 1,277.0 million. The level of CAPEX⁽³⁾ in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment in our factories in Brazil, Mexico, Portugal and India.

In financing activities, the Company raised R\$ 2,524.3 million and made amortizations of R\$3,215.4 million, including interest on loans, resulting in a net amortization of R\$ 691.2 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 2,309.5 million. The result was a consumption of R\$ 3,037.9 million in financing activities in the period.

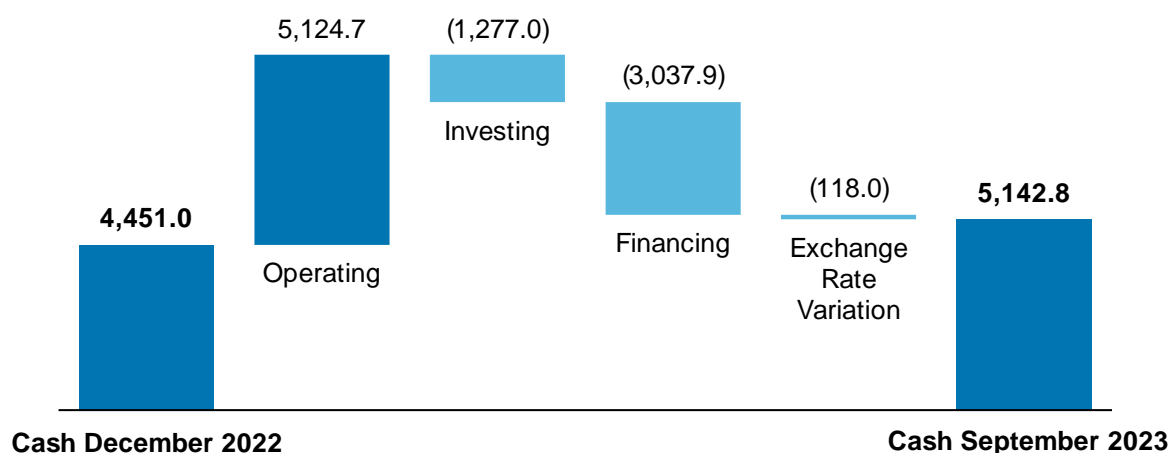


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 597.3 million in financial investments with no immediate liquidity, including derivative financial instruments (R\$ 577.8 million in December 2022).

Return on Invested Capital

The ROIC for 3Q23, accumulated over the last 12 months, reached 35.4%, an increase of 750 basis points over 3Q22 and an increase of 100 basis points over 2Q23. The growth in Operating Profit after Taxes (NOPAT⁽⁴⁾), mainly due to the improvement in operating margins, more than offset the growth in capital employed, which expansion is mainly explained by investments in fixed and intangible assets made over the last 12 months, and for the better control of the need for working capital in the period.

Investments (CAPEX)

In 3Q23, we invested R\$ 431.7 million in the modernization and expansion of production capacity, machinery and equipment and software licenses, 43% for production units in Brazil and 57% for industrial plants and other facilities abroad.

In Brazil, we made progress with investments in the expansion of production capacity for industrial motors, electric traction motors and battery packs. In Mexico, in addition to continuing to increase the production capacity of our motor and transformer factories, we also announced the acquisition of new land with a total area of 640,000 m² (6,900,000 ft²). Also abroad, we continued with the construction of the motors factory in Portugal and the expansion of the high voltage motors and generator factory in India.

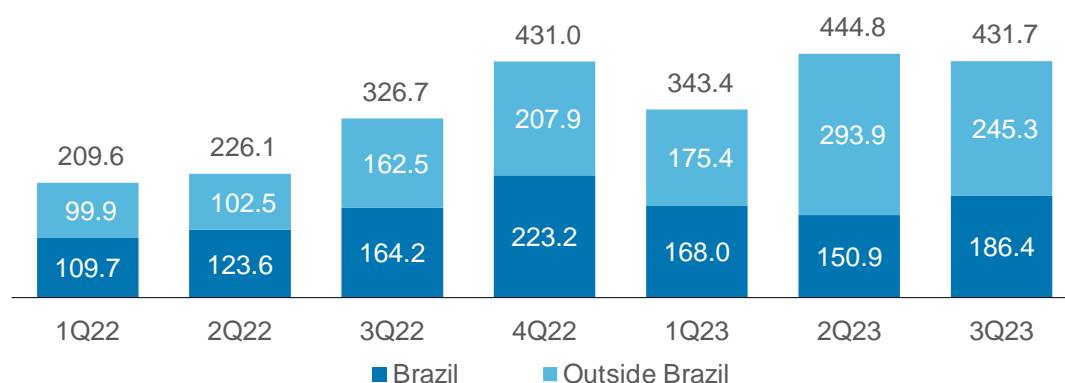


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development and innovation activities totaled R\$ 644.4 million, representing 2.7% of accumulated net operating revenue in 2023.

Debt and Cash Position

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

Table 5 – Cash and Debt

	September 2023		September 2022		December 2022	
Cash & Cash Equivalents	5,733,910		4,995,115		4,153,508	
Current	5,723,310		4,982,828		4,142,927	
Long Term	10,600		12,287		10,581	
Derivatives	(175,797)		(101,597)		42,156	
Short Term Assets	5,414		33,647		181,507	
Long Term Assets	859		-		1,730	
Short Term Liabilities	(110,393)		(87,831)		(133,364)	
Long Term Liabilities	(71,677)		(47,413)		(7,717)	
Debt	(2,848,572)	100%	(3,459,692)	100%	(3,835,041)	100%
Current	(2,189,867)	77%	(2,307,817)	67%	(2,639,967)	69%
In Brazilian Reais	(160,838)		(8,494)		(10,415)	
In other currencies	(2,029,029)		(2,299,323)		(2,629,552)	
Long Term	(658,705)	23%	(1,151,875)	33%	(1,195,074)	31%
In Brazilian Reais	(63,981)		(31,691)		(34,765)	
In other currencies	(594,724)		(1,120,184)		(1,160,309)	
Net Cash	2,709,541		1,433,826		360,623	

The total duration of our indebtedness was 13.0 months in September 2023 (11.8 months in December 2022).

Dividends and Interest on Stockholders' Equity

As of August 16, we paid to shareholders the dividends that were declared for the first half of 2023, according to events approved in:

On March 14, as interest on stockholder's equity (JCP), to the gross amount of R\$ 223.4 million.

On June 20, as interest on stockholder's equity (JCP), to the gross amount of R\$ 244.6 million.

On July 18, as dividends in the total amount of R\$ 609.3 million.

Also, on September 19, the Board of Directors approved interest on stockholders' equity to the gross amount of R\$ 250.9 million. We will pay this interest from March 13, 2024.

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

Table 6 – Dividends

	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	Mar 14, 2023	0.053235294
Interest on Stockholders' Equity	Jun 20, 2023	0.058294118
Dividends	Jul 18, 2023	0.145202292
Interest on Stockholders' Equity	Sep 19, 2023	0.059823529
Total		0.316555233

Other Events

WEG acquires all shares in BirminD

On July 27, 2023, we announced an agreement to acquire the remaining partition of shares in BirminD, a technology company operating in the artificial intelligence market for industrial processes. WEG already held a controlling interest of 51% in the company and now assumes all the shares.

The acquisition is part of WEG's digital business growth strategy, which since 2020 has used BirminD technology in its solutions, including products and services such as B-WISE and Motion Drive Operation Center (MDOC), which is a monitoring of industrial assets using data sensing and diagnostics based on artificial intelligence insights and machine learning algorithms.

Acquisition of the industrial electric motors and generators businesses from Regal Rexnord

On September 25, 2023, we announced agreements with Regal Rexnord Corporation to acquire the industrial electric motors and generators business in the amount of US\$ 400.0 million (Enterprise Value - EV), to be paid upon completion of the transaction, which may be subject to price adjustments common to this type of operation. Net operating revenue of these businesses was US\$ 541.5 million in 2022, with an adjusted EBITDA margin of 9.5%. The agreement between the companies still depends on fulfilling customary closing conditions, including obtaining all regulatory approvals that are required in connection with the transaction.

Aligned with the strategy of continuous and sustainable growth, international expansion and diversification of WEG Group's industrial operations, this transaction includes the acquisition of 10 factories in 7 countries (United States, Mexico, China, India, Italy, Netherlands and Canada), commercial branches in 11 countries, and a team of approximately 2,800 employees worldwide. The geographic distribution of those operations is complementary to WEG Group's current footprint and will help achieve greater scale and cost efficiency as it integrates the operations into its existing business.

Notes:
 (1) Earnings before Interest, Taxes, Depreciation, and Amortization
 (2) Capital Expenditure
 n.a. stands for not applicable
 n.m. stands for not mentioned
 bps stands for basis points

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**1 COMPANY'S INFORMATION**

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3.300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters, motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, in small hydro, thermal, biomass, wind and solar energy power plants; solutions for the industry 4.0; UPSs and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, Italy, Turkey and China, with commercial activities carried out in more than 135 countries. The Company's shares are traded on B3 under the ticker "WEGE3" and has been listed in the corporate governance segment called Novo Mercado (New Market) since June 2007.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

The approval and authorization for issuance of this individual and consolidated interim financial information were given by the Board of Directors in a meeting held on October 24, 2023.

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**3 ACCOUNTING ESTIMATES**

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

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

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



4 CASH AND CASH EQUIVALENTS

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
a) Cash and banks	8	6	912,599	710,905
b) Interest earning bank deposits	788,952	438,922	4,230,237	3,740,097
In domestic currency:	788,952	438,922	3,549,507	3,481,091
Bank Deposit Certificate (CDB) and repurchase and resale agreements	788,952	438,922	3,549,507	3,481,091
In foreign currency:	-	-	680,730	259,006
TOTAL	788,960	438,928	5,142,836	4,451,002

Investments in Brazil:

Interest earning bank deposits in Brazil are mainly represented by funds invested in private securities of top-tier institutions. They are remunerated at the average rate of 102.89% of CDI (102.16% of CDI as of December 31, 2022).

5 INTEREST EARNING BANK DEPOSITS

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
In domestic currency	580,474	531,826	580,474	531,826
Bank deposit certificate (CDB) and Funds	580,474	531,826	580,474	531,826
In foreign currency	-	-	10,600	12,287
TOTAL	580,474	531,826	591,074	544,113
Current assets	580,474	531,826	580,474	531,826
Non-current assets	-	-	10,600	12,287

Interest earning bank deposits include a Bank Deposit Certificates (CDBs) and investment funds that are recorded at fair value and held until maturity, being remunerated at an average floating rate of 105.15% of CDI rate (105.09% of the CDI rate in December 31, 2022).

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



6 CLIENTS

	CONSOLIDATED	
	09/30/2023	12/31/2022
a) Breakdown of balances:		
Domestic market	2,646,638	2,191,072
Foreign market	3,421,291	3,463,368
SUBTOTAL	6,067,929	5,654,440
Provision for losses on clients' credits	(56,108)	(40,017)
TOTAL	6,011,821	5,614,423
b) Actual losses with client credits in the period	6,604	20,122
c) Maturity date of trade notes:		
Falling due	5,516,988	5,055,040
Overdue (days):	550,941	599,400
≤30	310,668	394,082
31-90	95,849	102,279
91-180	54,717	43,681
>180	89,707	59,358
TOTAL	6,067,929	5,654,440

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

Balance at 01/01/2022	(48,766)
Losses written-off in the year	20,122
Formation of provision for the period	(22,590)
Reversal of provision for the year	10,940
Acquisition of Balteau and Gefran	(1,977)
Exchange-rate change	2,254
Balance at 12/31/2022	(40,017)
Losses written-off for the period	6,604
Formation of provision for the period	(31,744)
Reversal of provision for the period	8,455
Exchange-rate change	594
Balance at 09/30/2023	(56,108)

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



7 INVENTORIES

	CONSOLIDATED	
	09/30/2023	12/31/2022
Finished goods	1,074,327	944,297
Work in process	912,199	792,801
Raw materials and other	1,699,806	1,724,045
Imports in transit	193,258	268,003
Provision for losses with low turnover inventories	(63,622)	(62,541)
Total inventories in domestic market	3,815,968	3,666,605
Finished goods	1,990,647	2,267,601
Work in process	1,056,313	867,740
Raw materials and other	962,226	970,349
Provision for losses with low turnover inventories	(162,909)	(127,934)
Total inventories in foreign market	3,846,277	3,977,756
OVERALL TOTAL	7,662,245	7,644,361

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

Balance at 01/01/2022	(157,670)
Formation of provision for the period	(163,378)
Reversal of provision for the year	131,858
Acquisition of Balteau and Gefran	(11,255)
Exchange-rate change	9,970
Balance at 12/31/2022	(190,475)
Formation of provision for the period	(166,138)
Reversal of provision for the period	123,221
Exchange-rate change	6,861
Balance at 09/30/2023	(226,531)

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

8 RECOVERABLE TAXES

	CONSOLIDATED	
	09/30/2023	12/31/2022
BRAZIL	397,705	485,249
IPI	90,464	64,539
PIS/COFINS	88,656	55,781
PIS/COFINS - Exclusion of ICMS from calculation basis	16,127	161,031
ICMS	69,789	95,246
ICMS over acquisitions of property, plant and equipment	76,244	60,544
Financial credit of Information Technology Act	39,386	25,041
REINTEGRA	14,007	13,963
Other	3,032	9,104
FOREIGN	142,722	119,729
VAT	130,419	107,610
Other	12,303	12,119
TOTAL	540,427	604,978
Current assets	474,128	552,704
Non-current assets	66,299	52,274

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**9 RELATED PARTIES**

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

Amount of existing balances:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
ASSETS AND LIABILITIES				
Current liabilities	4,995	4,520	71,110	71,172
Contracts with Administrators	-	-	21,168	8,869
Bonus from management	4,995	4,520	49,942	62,303

STATEMENT OF INCOME ACCOUNTS

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Management fees:				
a) Fixed (fees)	2,766	2,572	27,675	26,757
Board of Directors	1,457	1,368	2,913	2,737
Statutory Board	1,309	1,204	13,095	14,806
Non-Statutory Executive Board	-	-	11,667	9,214
b) Variable (bonus)	8,943	6,640	89,477	70,307
Board of Directors	4,709	3,625	9,418	7,249
Statutory Board	4,234	3,015	42,337	30,197
Non-Statutory Executive Board	-	-	37,722	32,861

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 Administrators are remunerated at 95.0% of the CDI change;

c) Sureties and guarantees

WEG S.A. granted guarantees and sureties to subsidiaries abroad, with no financial costs in the amount of US\$ 174.4 million (US\$ 162.8 million on December 31, 2022);

d) Management remuneration

The members of the Board of Directors were remunerated in the amount of R\$ 2,913 (R\$ 2,737 as of September 30, 2022) and the Statutory Executive Board in the amount of R\$ 13,095 (R\$ 14,806 as of September 30, 2022), and the Statutory Executive Board in the amount of R\$ 11,667 (R\$ 9,214 as of September 30, 2022).

A bonus of up to 2.5% of the consolidated net income is expected to be distributed to the Directors, provided that minimum operational performance targets are met. Performance targets refer to Return on Invested Capital, EBITDA growth, employee health and safety performance indicators and reduction of Greenhouse Gas (GHG) emissions. The corresponding provision is recognized in the income (loss) for the period in the amount of R\$ 89,477 (R\$ 70,307 as of September 30, 2022) under "other operating expenses". Administrators receive usual market benefits.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**10 DEFERRED TAXES**

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

a) Breakdown of amounts:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax losses of IRPJ	-	-	45,089	81,950
CSLL negative calculation basis	551	584	596	10,769
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	138,932	113,818
Taxes challenged in court	1,608	1,608	65,437	59,264
Losses with clients' credits	-	-	10,516	9,503
Losses with inventories without turnover	-	-	43,814	33,096
Product warranties	-	-	103,845	103,259
Indemnities with labor and contractual terminations	-	-	82,275	76,059
Freight and sales commissions	-	-	15,097	26,571
Outsourced services	-	-	75,583	60,460
Projects in progress – Subsidiaries abroad	-	-	95,459	54,293
Employees' profit sharing	-	-	110,755	132,257
Derivatives – Hedge accounting	-	-	30,747	15,998
Unearned revenues	-	-	54,208	46,612
Incentivized accelerated depreciation	-	-	(8,155)	(7,679)
Difference in amortization of tax x accounting goodwill	(3)	(3)	(53,241)	(50,792)
Difference for tax vs accounting depreciation (useful life)	(10)	(12)	(332,415)	(299,492)
Other	6,062	6,150	48,989	34,885
Deemed cost of property, plant and equipment	(1,231)	(1,256)	(128,963)	(134,834)
TOTAL	6,977	7,071	398,568	365,997
Non-current assets	6,977	7,071	472,830	443,133
Non-current liabilities	-	-	(74,262)	(77,136)

Up to September 2023, net deferred taxes totaling R\$ 32,571 were recorded in the consolidated, with a revenue of R\$ 16,672 in the statement of income and R\$ 15,899 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.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



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	
				09/30/2023		12/31/2022		09/30/2023	09/30/2022	09/30/2023	12/31/2022
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	13,080,386	3,404,139	100.00	-	100.00	-	3,346,754	2,658,644	13,080,386	12,290,029
RF Reflorestadora Ltda.		151,029	3,815	100.00	-	100.00	-	3,815	(299)	151,029	149,816
WEG Amazônia S.A.		89,961	15,002	0.02	99.98	0.02	99.98	2	2	14	14
WEG Administradora de Bens Ltda.		14,731	361	79.33	20.67	79.33	20.67	287	190	11,686	11,406
WEG Equipamentos e Logística Ltda.		385,663	57,317	-	100.00	-	100.00	15,000	-	-	-
Balteau Produtos Elétricos Ltda.		85,103	26,258	-	100.00	-	100.00	4,868	-	-	-
WEG Linhares Equip. Elétr. S.A.		630,024	163,558	-	100.00	-	100.00	1	1	3	3
WEG Drives & Controls Aut. Ltda.		1,290,731	500,775	100.00	-	100.00	-	500,775	313,252	1,290,731	1,193,894
WEG Partner Holding Ltda.		1	-	-	100.00	0.10	99.90	-	-	-	-
WEG-Cestari Redut.Motorreduct. S.A.		148,966	25,449	-	50.01	-	50.01	-	742	-	-
WEG Turbinas e Solar Ltda.		916,513	240,120	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda. (**)		-	-	-	-	-	-	-	2,717	-	-
Paumar S.A. Indústria e Comércio		549,477	171,001	38.87	61.13	38.87	61.13	92,876	47,076	213,583	182,178
WEG-Jelec Oil and Gas Sol.Aut.Ltda.		8	(1)	-	100.00	-	100.00	-	-	-	-
PPI Multitask Sistem. e Autom. S.A.		7,169	596	-	51.00	-	51.00	-	-	-	-
V2COM Participações S.A.		27,724	(7,085)	-	51.00	-	51.00	-	-	-	-
V2 Tecnologia Ltda.		33,889	(7,016)	-	51.00	-	51.00	-	-	-	-
Mvisia Desenv. Inovadores Ltda.		49,103	3,624	-	100.00	-	100.00	-	-	-	-
Birmind Automação e Serviços Ltda.		52,594	(1,270)	-	100.00	-	51.00	-	-	-	-
Zest WEG Group Africa (PTY) Ltd.	South Africa	228,306	17,300	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		7,570	2,705	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		170,383	9,131	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		3,922	1,368	-	86.67	-	86.67	-	-	-	-
ZEST WEG Investment Company (Pty) Ltd.	Germany	127,446	8,611	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH		56,575	(23,982)	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH		25,249	740	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(49,316)	(2,304)	-	100.00	-	100.00	-	-	-	-
TGM Kanis Turbinen GmbH		91,922	7,719	-	42.86	-	42.86	-	-	-	-
WEG Automation GmbH	Algeria	7,118	362	-	100.00	-	100.00	-	-	-	-
WEG Algeria Motors SpA		105	(1,346)	-	51.00	-	51.00	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	154,314	(25,806)	10.45	89.55	10.45	89.55	9,365	8,913	16,118	19,363
Pulverlux S.A.		32,208	3,669	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.	Australia	82,248	7,936	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	106,342	(5,162)	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH		992,489	994,703	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH	Belgium	6,402,585	1,742,728	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.		99,554	8,175	-	100.00	-	100.00	-	-	-	-
WEG Central Asia LLP	Kazakhstan	15,023	11,725	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	China	82,589	21,137	8.00	92.00	8.00	92.00	1,691	1,109	6,607	5,461
WEG (Nantong) Electric Motor Co., Ltd.		437,869	37,954	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		(9,453)	9,732	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		(42,686)	(3,600)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(7,747)	12,925	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.	Singapore	534,950	72,005	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.		8,319	2,848	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.	Colombia	165,109	14,998	-	100.00	-	100.00	-	-	-	-
WEG Egypt LLC	Egypt	778	-	1.00	99.00	-	-	-	-	8	-
WEG Electric Egypt LLC		1,180	-	-	100.00	-	-	-	-	-	-
WEG Ecuador S.A.S	Ecuador	17,606	4,575	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	United Arab Emirates	32,073	11,215	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	113,007	13,888	-	100.00	-	100.00	-	-	-	-
Autrial S.L.U.		(5,153)	3,951	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.	United States	1,790,311	338,626	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC		152,374	6,896	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC	France	421,858	152,308	-	72.00	-	72.00	-	-	-	-
WEG France SAS		60,649	9,875	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	13,077	3,877	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(217)	130	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	222,806	22,122	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	44,701	354	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	226,903	22,946	-	100.00	-	100.00	-	-	-	-
WEG Automation Europe S.R.L.		104,324	5,487	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	4,710	184	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	10,258	(2,224)	-	100.00	-	100.00	-	-	-	-

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(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	
				09/30/2023		12/31/2022		09/30/2023	09/30/2022	09/30/2023	12/31/2022
				Direct	Indirect	Direct	Indirect				
WEG México S.A. de C.V.	Mexico	1,372,640	84,749	-	100.00	-	100.00	-	-	-	-
Voltran S.A. de C.V.		426,847	120,241	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda	Mozambique	(1,738)	(118)	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.	Namibia	161	(1)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.C.	Peru	39,970	8,259	0.05	99.95	0.05	99.95	4	3	20	17
WEG Poland Sp. z o.o.	Poland	3,868	2,978	-	100.00	-	100.00	-	-	-	-
WEGEuro Ind. Elétrica S.A.	Portugal	244,352	19,080	-	100.00	-	100.00	-	-	-	-
WEG Rus LLC	Russia	11,757	153	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Sweden	43,238	9,671	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(293)	251	-	100.00	-	100.00	-	-	-	-
WEG Elektrik Sanayi Anonim Sirketi	Turkey	19,729	4,213	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	2,867	212	-	50.00	-	50.00	-	-	-	-
TOTAL								3,975,438	3,032,350	14,770,185	13,852,181

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

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

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

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

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

11.2 Investments in associates

Company	Country	Shareholders' equity	Income (loss) for the period	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				09/30/2023		12/31/2022		09/30/2023	09/30/2022	09/30/2023	12/31/2022
				Direct	Indirect	Direct	Indirect				
Anemus Wind Holding S.A.	Brazil	-	-	-	6.50	-	-	-	-	60,000	-
Bewind GmbH	Germany	-	-	-	45.33	-	-	-	-	928	-
TOTAL								-	-	60,928	

11.3 Other investments

The Company and its subsidiaries have recorded other investments in the amount of R\$ 997 (R\$ 1,056 as of December 31, 2022).

11.4 Acquisition

(i) Gefran SpA (Motion Control Business) - WEG Automation Europe S.R.L. and WEG Automation GmbH

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

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

(ii) Anemus Wind Holding S.A.

On July 5, 2023, the Company announced an agreement with 2W Ecobank S.A. for the joint self-production of energy at the Anemus Wind Farms I, II and III, in the municipality of Currais Novos, state of Rio Grande do Norte, which have 33 WEG AGW147/4.2 model wind turbines. Together, they total 138.6 MW of installed capacity, being considered the acquisition of an associated company as we have significant influence through participation in its main financial and operational decisions.

The energy purchase contracts are worth approximately R\$ 970 million, effective for 20 years and starting in January 2024. The initiative will guarantee 30 MW (average) of renewable energy for WEG's industrial operations in the form of self-production by equivalence.

After meeting precedent conditions, the deal was completed with the acquisition of a 6.50% interest in the company Anemus Wind Holding S.A. for the amount of R\$ 60,000, with the signing of the agreement on September 29, 2023.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**(iii) Eólica do Agreste Potiguar II S.A.**

As of July 5, 2023, the Company announced a binding agreement with Alupar, a company specialized in the generation and transmission of electric power, for the formation of a corporate partnership for the self-production of energy to be used in WEG's operations in Brazil. Located in the municipality of Jandaíra, in the state of Rio Grande do Norte, in the Agreste Potiguar Wind Complex, the AW Santa Régia (EAP II) wind farm will have an installed capacity of 37.8 MW, physical guarantee of 21.7 MW (average), and will operate with nine WEG wind turbines model AGW 147 with a nominal power of 4.2 MW, and the acquisition of the associated company is considered since we have a significant influence due to participation in its main financial and operating decisions.

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

After meeting precedent conditions, the deal was completed with the acquisition of a 6.19% interest in the company Eólica do Agreste Potiguar II S.A. for the amount of R\$ 10,656, with the signing of the agreement on October 6, 2023.

(iv) Birmind Automação e Serviços Ltda.

On July 27, 2023, the Company announced to the market that it had signed an agreement to acquire the remaining portion of Birmind Automação e Serviços Ltda. for the amount of R\$ 3,479. The technology company operates in the artificial intelligence market for industrial processes.

The goodwill recorded was R\$ 2,303.

(v) Bewind GmbH

On September 25, 2023, the Company, through its subsidiary WEG Germany GmbH, signed an agreement to acquire 45.33% of Bewind GmbH for the amount of EUR 175 thousand. Such transaction was considered the acquisition of an associated company as we have significant influence through participation in its main financial and operational decisions. The Germany-based company specializes in engineering and developing technologies for wind turbines and their components.

(vi) Regal Rexnord Corporation – Industrial electric motors and generators business

On September 25, 2023, the Company announced that its indirect subsidiaries abroad entered into an agreement with Regal Rexnord Corporation ("Regal Rexnord") for the acquisition of the industrial electric motors and generators business, in the amount of US\$ 400.0 million (Enterprise Value - EV), to be paid after completion of the transaction, which will be subject to price adjustments common to this type of operation. The acquisition will be carried out by WEG Electric Corp and WEG Holding B.V., companies owned by WEG Equipamentos Elétricos S.A., a direct subsidiary of the Company.

This transaction focuses on the industrial electric motors and generators business, sold under the Marathon, Cemp and Rotor brands, from the Industrial Systems operating segment of Regal Rexnord, a company headquartered in the United States and listed on the New York Stock Exchange (NYSE: RRX). The net operating revenue of these businesses was US\$ 541.5 million in 2022, with an adjusted EBITDA margin of 9.5%.

Aligned with the WEG Group's strategy of continuous and sustainable growth, international expansion and diversification of industrial operations, such transaction includes the acquisition of 10 plants in seven countries (United States, Mexico, China, India, Italy, the Netherlands and Canada), commercial branches in 11 countries, and a team of approximately 2,800 employees worldwide.

The completion of the transaction is subject to the fulfillment of certain precedent conditions, including the necessary regulatory approvals related to the transaction.

11.5 Formations**(i) New companies in Egypt**

On March 15 and April 19, 2023, the companies WEG Egypt LLC and WEG Electric Egypt LLC were incorporated, respectively. The incorporation took place in September 2023 with the capitalization of both. The incorporations aim to provide greater sustainability to the Company's business in this country.

(ii) WEG Holding B.V.

On August 25, 2023, the company WEG Holding B.V. was incorporated in the Netherlands, specifically engaged in carrying out holding company activities. The incorporation will be effective at the time of capitalization.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



11.6 2023 Corporate event

(i) Voltran S.A. de C.V.

As of February 1, 2023, the company WEG Transformadores México S.A. de C.V. was taken over by the company Voltran S.A. de C.V., with the aim of simplifying the corporate structure and improving operational organization.

(ii) PPI Multitask Sistemas e Automação S.A.

On May 1, 2023, the company Multitask Soluções em Automação S.A. was merged by the company PPI Multitask Sistemas e Automação S.A., aiming to simplify the corporate structure.

12 PROPERTY, PLANT AND EQUIPMENT

		PARENT COMPANY		CONSOLIDATED	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Land		1,440	1,440	510,747	503,318
Constructions and facilities		5,639	5,639	2,456,240	2,349,827
Equipment		-	-	6,691,165	6,328,368
Furniture and fixtures		-	-	241,174	241,226
Hardware		-	-	222,322	222,527
Construction in process		-	-	789,675	590,565
Reforestation		-	-	67,967	63,817
Other		-	-	516,814	292,464
Total property, plant and equipment		7,079	7,079	11,496,104	10,592,112
Accumulated depreciation/depletion	Annual depreciated rate (%)	(3,186)	(3,121)	(5,021,466)	(4,904,483)
Constructions and facilities	02–03	(3,186)	(3,121)	(819,394)	(785,663)
Equipment	05–20	-	-	(3,833,047)	(3,738,560)
Furniture and fixtures	07–10	-	-	(157,225)	(161,512)
Hardware	20–50	-	-	(143,282)	(151,791)
Reforestation	-	-	-	(32,499)	(29,847)
Other	-	-	-	(36,019)	(37,110)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET		3,893	3,958	6,474,638	5,687,629

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

Class	12/31/2022	Transfer among classes	Allocation of PPA - Gefran	Acquisitions	Net write-offs	Deprec. and depletion	Foreign exchange effect	09/30/2023
Land	503,318	(832)	3,134	3,331	-	-	1,796	510,747
Buildings/Facilities	1,564,164	105,676	(401)	38,311	(3,362)	(50,439)	(17,103)	1,636,846
Equipment	2,589,808	165,732	4,980	383,797	(7,071)	(255,914)	(23,214)	2,858,118
Furniture and fixtures	79,714	1,001	-	16,871	(1,708)	(9,977)	(1,952)	83,949
Hardware	70,736	1,543	-	25,851	(1,560)	(16,521)	(1,009)	79,040
Construction in process	590,565	(273,801)	-	472,670	-	-	241	789,675
Reforestation	33,970	-	-	4,150	-	(2,652)	-	35,468
Advances to suppliers	219,634	-	-	213,662	-	-	7,369	440,665
Other	35,720	681	-	14,424	(3,197)	(5,312)	(2,186)	40,130
Total	5,687,629	-	7,713	1,173,067	(16,898)	(340,815)	(36,058)	6,474,638

Previous year:

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



b) Construction in progress – As of September 30, 2023, the Company has investments in progress in property, plant and equipment for expansion and modernization, in the amount of R\$ 789,675 (R\$ 590,565 as of December 31, 2022), with the most relevant investments in the unit of Mexico, totaling R\$ 252,139 (R\$ 164,860 as of December 31, 2022), at the India unit, totaling R\$ 85,548 (R\$ 99,892 as of December 31, 2022) and at the Portugal unit, totaling R\$ 67,742 (R\$ 53,171 as of December 31, 2022).

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

13 RIGHT-OF-USE IN LEASES

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

	CONSOLIDATED	
	09/30/2023	12/31/2022
Real estate	862,988	816,429
Machinery and equipment	36,042	35,324
Hardware	596	759
Vehicles	33,685	35,499
Total leases	933,311	888,011
Accumulated depreciation	(329,938)	(292,987)
Real estate	(285,159)	(246,984)
Machinery and equipment	(23,862)	(22,011)
Hardware	(461)	(533)
Vehicles	(20,456)	(23,459)
TOTAL NET	603,373	595,024

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

Class	12/31/2022	Transfer among classes	Additions	Net write-offs	Depreciation	Foreign exchange effect	09/30/2023
Real estate	569,445	167	125,141	(11,835)	(67,617)	(37,472)	577,829
Machinery and equipment	13,313	(25)	4,695	(376)	(4,847)	(580)	12,180
Hardware	226	-	5	(7)	(83)	(6)	135
Vehicles	12,040	(142)	6,688	(67)	(5,179)	(111)	13,229
Total	595,024		136,529	(12,285)	(77,726)	(38,169)	603,373

Previous year:

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

14 INTANGIBLE ASSETS – CONSOLIDATED

	Amortization/number of years	Cost	Accumulated amortization	09/30/2023	12/31/2022
Software license	5	292,853	(214,724)	78,129	87,054
Trademarks and patents	5	77,998	(71,180)	6,818	8,273
Projects	5	166,998	(64,627)	102,371	77,242
Business combination - client portfolio	5	56,439	(34,962)	21,477	23,813
Other	5	254,934	(221,331)	33,603	42,438
Subtotal		849,222	(606,824)	242,398	238,820
Goodwill in the acquisition of subsidiaries	-	1,248,713	(13,501)	1,235,212	1,285,195
TOTAL		2,097,935	(620,325)	1,477,610	1,524,015

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



a) Summary of changes in intangible assets:

Class	12/31/2022	Transfer among classes	Allocation of PPA – Gefran	Additions	Net write-offs	Amortization	Foreign exchange effect	09/30/2023
Software license	87,054	(497)	-	11,592	(116)	(19,108)	(796)	78,129
Trademarks and patents	8,273	(87)	156	10	-	(1,367)	(167)	6,818
Projects	77,242	1,267	3,279	35,197	(883)	(12,035)	(1,696)	102,371
Business combination - client portfolio	23,813	-	-	-	-	(2,336)	-	21,477
Other	42,438	(683)	-	-	-	(6,971)	(1,181)	33,603
Subtotal	238,820	-	3,435	46,799	(999)	(41,817)	(3,840)	242,398
Goodwill in the acquisition of subsidiaries	1,285,195	-	(3,734)	-	-	-	(46,249)	1,235,212
Total	1,524,015	-	(299)	46,799	(999)	(41,817)	(50,089)	1,477,610

Previous year:

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

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

	09/30/2023	12/31/2022
Electric Machinery Company LLC	245,133	255,418
Commercial motors and appliance – North America	204,280	212,851
WEG Equipamentos Elétricos S.A.	187,225	187,225
China Group	126,987	140,058
Industrial Gear Motors and Gear Trains	116,359	118,188
Zest WEG Group Africa (Pty) Ltd.	79,951	92,763
WEG Colombia S.A.S.	60,208	52,439
Paumar S.A. Indústria e Comércio	65,498	65,498
Other	149,571	160,755
TOTAL	1,235,212	1,285,195

Amortization schedule of intangible assets (except for goodwill):

	09/30/2023
2023	19,832
2024	58,453
2025	52,729
2026	40,749
2027	21,572
>2028	49,063
TOTAL	242,398

15 SUPPLIERS

	CONSOLIDATED	
	09/30/2023	12/31/2022
Breakdown of balances:		
Domestic market	1,024,656	880,818
Foreign market	1,275,429	1,155,398
TOTAL	2,300,085	2,036,216

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



16 LOANS AND FINANCING

Description	Annual charges at 09/30/2023	CONSOLIDATED	
		09/30/2023	12/31/2022
IN DOMESTIC CURRENCY CURRENT		160,838	8,494
In reais (R\$), fixed rate			
Working capital	12.15–13.62% p.a.	1,960	1,986
Property, plant and equipment	2.5–6% p.a.	364	506
In reais (R\$), floating rate			
Working capital	IPCA + 6.84% p.a.	151,328	-
Working capital	116% CDI	7,186	6,002
NON-CURRENT		63,981	31,691
In reais (R\$), fixed rate			
Working capital	12.15–13.62% p.a.	-	1,377
Property, plant and equipment	2.5–6% p.a.	56	314
In reais (R\$), floating rate			
Working capital	0–4% p.a.	36,425	-
Working capital	116% CDI	27,500	30,000
IN FOREIGN CURRENCY CURRENT		2,029,029	2,299,323
In US Dollars			
Working capital (ACCs)	4.8% p.a.	264,203	4,939
Export pre-payment (PPE)	4.44% p.a.	254,800	532,463
In Euros			
Working capital	EURIBOR (+) 0.64–0.89% / 0.69% p.a.	1,081,487	1,417,283
In Mexican pesos			
Working capital	TIIE (+) 0.9– 1.15% p.a.	179,143	52,030
In Rand (South Africa)			
Working capital	7.5% p.a.	146,831	139,955
In Colombian Pesos			
Working capital		-	17,761
In Indian Rupee			
Working capital	8.2–9.5% p.a.	100,667	132,004
Other currencies			
Working capital	Domestic market rates	1,898	2,888
NON-CURRENT		594,724	1,120,184
In US Dollars			
Working capital (ACCs)		-	260,855
Export pre-payment (PPE)	4.44% p.a.	500,700	782,565
In Euros			
Working capital	Euribor	1,356	4,401
In Mexican pesos			
Working capital		-	25,738
In Indian Rupee			
Working capital	6.48–8.28% p.a.	92,650	46,549
Other currencies			
Working capital	Domestic market rates	18	76
TOTAL LOANS AND FINANCING		2,848,572	3,459,692
Total current		2,189,867	2,307,817
Total non-current assets		658,705	1,151,875

FINAME operations are guaranteed by sureties and liens.

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

	09/30/2023	12/31/2022
2024	2,559	599,510
2025	599,721	532,365
2026	5,000	5,000
>2027	51,425	15,000
TOTAL	658,705	1,151,875

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



b) Changes in loans and financing are as follows:

Balance at 01/01/2022	1,789,115
Funding	4,253,529
Provision for interest	78,366
Amortization	(2,110,718)
Interest payment	(55,867)
Acquisition of Balteau and Gefran	33,047
Exchange-rate change	(527,780)
Balance at 12/31/2022	3,459,692
Funding	2,524,283
Provision for interest	109,255
Amortization	(3,110,385)
Interest payment	(105,051)
Exchange-rate change	(29,222)
Balance at 09/30/2023	2,848,572

17 PROVISION FOR CONTINGENCIES

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

a) Balance of provisions for contingencies:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
(i) Tax:	4,730	4,730	335,976	304,897
- IRPJ and CSLL (a.1)	-	-	177,030	160,471
- INSS (a.2)	4,730	4,730	69,010	68,579
- PIS and COFINS (a.3)	-	-	63,508	57,033
- Other	-	-	26,428	18,814
(ii) Labor	-	-	291,790	263,605
(iii) Civil	-	-	187,928	147,332
(iv) Other	-	-	3,654	3,654
TOTAL	4,730	4,730	819,348	719,488

b) Statement of changes for the period – consolidated:

	12/31/2022	Additions	Interest	Write-offs / Payments	Reversals	Foreign exchange effect	09/30/2023
a) Tax	304,897	14,852	19,883	(240)	(4,405)	989	335,976
b) Labor	263,605	71,272	13,751	(21,397)	(35,427)	(14)	291,790
c) Civil	147,332	91,658	13,794	(24,905)	(39,951)	-	187,928
d) Other	3,654	-	-	-	-	-	3,654
TOTAL	719,488	177,782	47,428	(46,542)	(79,783)	975	819,348

Previous year:

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**c) The provision recorded is mainly related to:****(i) Tax contingencies**

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

(ii) Labor contingencies

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

(iii) Civil liability contingencies

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

d) Judicial deposits:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax	4,657	4,657	65,951	61,674
Labor and civil	-	-	8,806	10,673
TOTAL AMOUNT OF RESTRICTED DEPOSITS	4,657	4,657	74,757	72,347
- Judicial deposits not pegged	-	-	6,610	6,616
TOTAL JUDICIAL DEPOSITS	4,657	4,657	81,367	78,963

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

e) Possible contingencies:

The Company and its subsidiaries are parties to other discussions whose likelihood of loss is considered "possible" and for which no provisions for contingencies were formed.

As of September 30, 2023, the estimated amounts of such discussions totaled R\$ 1,327,457 (R\$ 1,146,643 as of December 31, 2022).

(i) Tax

- Income taxes earned abroad: Refers to tax assessment notices issued by the Brazilian Federal Revenue Service for the years 2007, 2008, 2013, 2015, 2016 and 2017, in the estimated amount of R\$ 861.8 million (R\$ 807.5 million as of December 31, 2022). The Company is disputing these administrative and judicial tax assessment notices, and the interim decisions at the judicial level obtained thus far have validated the tax treatment applied, leading the Company to maintain the same tax practice for the years 2018 to 2022, keeping the same level of exposure to this matter. The Company, following the position expressed by its legal advisors, understands that it has sufficient elements to support its thesis on the topic;
- Incidence of Social Security Contribution on Dental Assistance, School Allowance, Technical Courses and Education Allowance, in the amount of R\$ 25.6 million (R\$ 24.5 million at December 31, 2022);
- Non-approval of IPI credits in the amount of R\$ 16.4 million (R\$ 15.8 million as of December 31, 2022);
- Other tax contingencies in the amount of R\$ 118.4 million (R\$ 142.1 million as of December 31, 2022).

(ii) Civil

- Mapfre Seguros Gerais S.A. in the estimated amount of R\$ 101.3 million (R\$ 84.3 million as of December 31, 2022);
- Other civil contingencies in the amount of R\$ 203.9 million (R\$ 72.4 million as of December 31, 2022).

Notes**WEG S.A.****NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023***(Amounts expressed in thousands of reais, unless otherwise indicated)***18 PENSION PLAN**

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

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

The number of participants is 24,543 (23,737 as of September 30, 2022). The Company and its subsidiaries made contributions totaling R\$ 46,094 (R\$ 41,202 as of September 30, 2022).

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

19 SHAREHOLDERS' EQUITY**a) Capital**

The Company's capital is R\$ 6,504,517 (R\$ 6,504,517 as of December 31, 2022), represented by 4,197,317,998 nominative common shares with no par value, all with voting rights, including 2,083,696 shares under treasury as item "c".

b) Remuneration to shareholders**b.1.) Interest on own capital**

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

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

Interest on own capital on March 14 and June 20, 2023, pursuant to article 37 of the Bylaws and art. 9 of Law 9249/95, were attributed to mandatory dividends and paid as from August 16, 2023.

- III. On September 19, 2023, in the gross amount of R\$ 250,974 (R\$ 185,118 in September 2022), net amount of R\$ 213,328 (R\$ 157,350 in September 2022), corresponding to R\$ 0.05085 per share, with the withholding income tax of 15% already deducted under the terms of §2, Art. 9 of Law 9249/95, except for corporate shareholders who are exempt from said taxation. Interest on own capital will be attributed to mandatory dividends and will be paid as from March 13, 2024.

b.2.) Interim dividends

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

The total amount of interim dividends and interest on own capital to be paid amount to the total gross amount of R\$ 1,077,295 (net amount of R\$ 1,007,096), equivalent to 40.27% of the net income obtained in the period (net of 37.65%). The interim dividends, pursuant to Article 37 of the Bylaws, were paid on August 16, 2023.

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.

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

As of September 30, 2023, the beneficiaries of the Company's ILP Plan were exercised in the amount of 301,419 shares. The Company holds 2,083,696 shares in treasury, at an average cost of R\$ 26.87 per share, in the total amount of R\$ 55,983 (R\$ 18,736 at December 31, 2022).

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 changes in plan's shares:

Program	12/31/2022	Granted	Exercised	In cash	Number of shares	
					09/30/2023	
2016	101,762	-	(11,378)	-	90,384	
2017	72,220	-	(7,656)	-	64,564	
2018	202,838	-	(131,118)	-	71,720	
2019	192,168	-	(82,272)	-	109,896	
2020	141,668	-	(45,220)	-	96,448	
2021	239,549	-	(15,755)	-	223,794	
2022	-	297,336	(8,020)	(16,422)	272,894	
TOTAL	950,205	297,336	(301,419)	(16,422)	929,700	

As of September 30, 2023, expenses in the amount of R\$ 7,507 (R\$ 5,893 as of September 30, 2022) were recorded under "other income (loss)" in the statement of income for the year as a contra-entry of capital reserve in the shareholders' equity.

The shares exercised as of September 30, 2023 amounted to R\$ 8,906 (R\$ 8,509 as of September 30, 2022), and the amount of R\$ 8,007 (R\$ 6,226 as of September 30, 2022) was recorded under Capital Reserve in shareholders' equity, and the amount of R\$ 899 (R\$ 2,283 as of September 30, 2022) as a complement to the provisioned amount was recorded under "Other Income (loss)" in the statement of income for the year.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)

**21 NET REVENUE**

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	09/30/2023	09/30/2022
Gross revenue	26,934,851	24,929,927
Domestic market	13,739,153	13,578,333
Foreign market	13,195,698	11,351,594
Deductions	(2,992,535)	(3,004,842)
Taxes	(2,532,700)	(2,612,004)
Returns/Rebates	(459,835)	(392,838)
Net revenue	23,942,316	21,925,085
Domestic market	11,229,266	11,046,519
Foreign market	12,713,050	10,878,566
North America	6,164,106	5,211,729
South and Central America	1,573,847	1,407,495
Europa	3,061,423	2,427,379
Africa	846,757	695,481
Asia-Pacific	1,066,917	1,136,482

22 CONSTRUCTION AGREEMENTS

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

	CONSOLIDATED	
	09/30/2023	09/30/2022
Gross operating revenues recognized	3,321,569	2,658,463
Incurred costs	(2,644,214)	(2,292,322)
	09/30/2023	12/31/2022
Advances received	926,832	1,174,717

23 OPERATING EXPENSES BY TYPE AND FUNCTION

TYPE OF EXPENSE	CONSOLIDATED	
	09/30/2023	09/30/2022
	(19,141,681)	(18,279,109)
Depreciation, amortization and depletion	(460,358)	(411,728)
Personnel expenses	(3,913,679)	(3,493,939)
Raw materials and use and consumption material	(11,275,896)	(11,332,047)
Freight insurance expenses	(728,456)	(741,031)
Maintenance of machinery, equipment, buildings and improvements	(246,066)	(211,062)
Electric power expenses	(186,832)	(188,644)
Profit sharing - employees	(407,792)	(337,146)
Profit sharing - subsidiaries abroad	(79,949)	(68,429)
Other expenses	(1,842,653)	(1,495,083)
PURPOSE OF THE EXPENSE	(19,141,681)	(18,279,109)
Cost of products sold and services rendered	(16,026,883)	(15,644,595)
Sales expenses	(1,773,007)	(1,561,980)
General and administrative expenses	(767,454)	(644,914)
Other operating revenues/expenses	(574,337)	(427,620)

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



24 OTHER OPERATING REVENUES/EXPENSES

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

	CONSOLIDATED	
	09/30/2023	09/30/2022
OTHER OPERATING REVENUE	113,620	86,762
Recognition of tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	23,865	31,875
Other	89,755	54,887
OTHER OPERATING EXPENSES	(687,957)	(514,382)
Profit sharing - Employees	(407,792)	(337,146)
Profit sharing - Subsidiaries abroad	(79,949)	(68,429)
Bonus from management	(89,477)	(70,307)
Share-based plan	(8,405)	(8,175)
Capital Loss/Gain on investments	(46,092)	(550)
Other	(56,242)	(29,775)
TOTAL NET	(574,337)	(427,620)

25 NET FINANCIAL INCOME (LOSS)

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
FINANCIAL REVENUES	102,653	52,624	1,134,662	931,639
Yield from interest earning bank deposits	100,806	51,836	469,127	209,675
Exchange rate change	-	-	357,719	516,450
Exchange-rate changes - Suppliers	-	-	54,438	37,377
Exchange-rate change - Clients	-	-	130,915	165,540
Foreign exchange-rate - Loans	-	-	85,853	105,525
Exchange-rate change - Other	-	-	86,513	208,008
Derivatives	-	-	157,525	112,665
PROEX – Interest Rate Equaliz.	-	-	55,240	18,392
Accrued interest over tax credit - Exclusion of ICMS from PIS/COFINS calculation basis	-	-	5,069	8,893
Other revenues	1,847	788	89,982	65,564
FINANCIAL EXPENSES	(71,787)	(55,087)	(996,852)	(863,745)
Interest on loans and financing	-	-	(109,255)	(44,576)
Exchange rate change	-	(11)	(472,661)	(485,796)
Exchange-rate changes - Suppliers	-	-	(49,028)	(68,446)
Exchange-rate change - Clients	-	-	(180,744)	(76,211)
Foreign exchange-rate - Loans	-	-	(91,224)	(159,459)
Exchange-rate change - Other	-	(11)	(151,665)	(181,680)
PIS/COFINS over interest on own capital	(65,636)	(49,625)	(65,636)	(49,625)
PIS/COFINS on financial revenues	(4,773)	(2,447)	(23,848)	(14,136)
Derivatives	-	-	(141,509)	(202,571)
Other expenses	(1,378)	(3,004)	(183,943)	(67,041)
NET FINANCIAL INCOME (LOSS)	30,866	(2,463)	137,810	67,894

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



26 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

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

Reconciliation of income tax and social contribution:

	PARENT COMPANY		CONSOLIDATED	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Income before income taxes	3,987,730	3,015,912	4,938,445	3,713,870
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL calculated at nominal rate	(1,355,828)	(1,025,410)	(1,679,072)	(1,262,715)
Adjustments for calculation of effective income tax and social contribution:				
Income (loss) from investments in subsidiaries	1,351,649	1,030,999	-	-
Difference in tax rates on earnings abroad	-	-	354,994	225,856
Tax incentives	-	-	205,043	167,092
Interest on own capital	3,193	(5,245)	245,646	177,995
Other adjustments	(3)	(1,359)	14,564	31,708
IRPJ and CSLL on income	(989)	(1,015)	(858,825)	(660,064)
Current tax	(896)	(1,244)	(875,497)	(672,398)
Deferred tax	(93)	229	16,672	12,334
Effective rate - %	0.02%	0.03%	17.39%	17.77%

27 INSURANCE COVERAGE

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

Insurance policies are issued only with top-tier multinational insurance companies.

Below is the Maximum Indemnifiable Limit (MIL) of the policies that comprise the WIP:

Policy	Maximum Indemnity Limit (LMI)	Maturity
Operating risks (property)	US\$ 36 million	09/30/2024
Loss of profit	US\$ 15 million (for Paint companies with a six-month indemnity period)	09/30/2024
General civil liability	US\$ 10 million	10/12/2024
Civil liability – products	US\$ 40 million	10/12/2024
National Transportation	R\$ 12 million per shipment/accumulation/voyage	11/01/2025
International transport import/export	US\$ 9 million per shipment /accumulation/trip	11/01/2025
Environmental pollution	US\$ 15 million	09/12/2024
Contractual guarantee	As provided for in the contract	Pursuant to agreement / delivery
Engineering Risk - Installation and Assembly	According to the value at risk of the supply	According to the work/supply schedule
Management civil liability (D&O)	US\$ 30 million	09/12/2024

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)**28 FINANCIAL INSTRUMENTS - CONSOLIDATED**

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

	BOOK VALUE	
	09/30/2023	12/31/2022
Cash and cash equivalents	5,142,836	4,451,002
Cash and banks	912,599	710,905
Interest earning bank deposits:	4,230,237	3,740,097
- In local currency	3,549,507	3,481,091
- In foreign currency	680,730	259,006
Interest earning bank deposits	591,074	544,113
- In local currency	580,474	531,826
- In foreign currency	10,600	12,287
Derivatives	6,273	33,647
- Non-deliverable forwards - NDF	2,568	16,849
- Designated as hedge accounting	3,705	16,798
Total assets	5,740,183	5,028,762
 Loans and financing	 2,848,572	 3,459,692
- In local currency	224,819	40,185
- In foreign currency	2,623,753	3,419,507
Derivatives	182,070	135,244
- Non-deliverable forwards - NDF	23,042	8,314
- Designated as hedge accounting	159,028	126,930
Total liabilities	3,030,642	3,594,936

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

Category of financial instruments

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

Fair value hierarchy

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

28.1 Risk factors

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

a) Credit risks

It arises from the possibility of subsidiaries not recovering amounts from transactions rendered or from credits held with financial institutions generated by interest earning bank deposits. To mitigate the risk derived from sales operations, Company's subsidiaries adopt the practice of analyzing its clients' economic and financial condition, defining a credit limit, and permanent following up on its outstanding positions. As for its interest earning bank deposits, the Company and its subsidiaries invest in low credit risk institutions. The maximum exposure to credit risk is the book values of the assets presented in the table above, in addition to the amount of R\$ 6,011,821 classified as trade accounts receivable. The Company believes that for the assets derived from trade accounts receivable, there is a high risk of loss, in the amount of R\$ 30,406 and an average risk of loss of R\$ 25,702, 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.

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



As of September 30, 2023, the Company and its subsidiaries carried out exports in the amount of US\$ 823.8 million (US\$ 888.6 million as of September 30, 2022), representing a natural hedge for part of the debt and other costs pegged to other currencies, mainly in US dollars.

c) Debt charge risks

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

d) Liquidity risk

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

Contractual obligations	≤01 year	01-05 years	>05 years	Total on 09/30/2023
Loans and financing	2,189,867	653,705	5,000	2,848,572
Derivatives	110,393	71,677	-	182,070
Total liabilities	2,300,260	725,382	5,000	3,030,642

28.2 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/ZAR	6,484	Fluctuation in foreign exchange-rates in exports
	EUR/ZAR	676	
	USD/CNY	4,500	
	USD/BRL	107,500	
	EUR/BRL	34,500	
	EUR/CNY	2,200	
	USD/EUR	62,000	

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

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

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

The Company and its subsidiaries made the accounting records based on their market price on September 30, 2023 at fair value and on an accrual basis. These operations had a net positive impact of R\$ 16,016 (negative of R\$ 89,906 as of September 30, 2022), which were recognized as a financial income (loss). As of September 30, 2023, the Company and its subsidiaries do not have margins pledged as a collateral to outstanding derivative financial instruments.

Derivative financial instruments for hedge accounting

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

- Date of designation and identification of hedge relationship;
- Description of the purpose of the hedging and risk management strategy;

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



- 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	65,786	Fluctuation in foreign exchange-rates in imports
	EUR/BRL	8,118	
	USD/ZAR	21,323	
	COP/USD	3,500	
	USD	11,990	Fluctuation in copper quote rates
	COP/EUR	73,870,000	Fluctuation in foreign exchange-rates in financing
	GBP/EUR	5,000	
	USD/EUR	52,500	
	AUD/EUR	3,000	
SWAP	USD	200,000	Exchange-rate fluctuations in export prepayment financing (PPE)
	BRL	150,000	IPCA fluctuations

The Company and its subsidiaries made the accounting record based on the fair value at September 30, 2023 on the accrual basis. The accumulated amount net of taxes recorded as Other Comprehensive Income in shareholders' equity is negative R\$ 60,734 (negative R\$ 33,127 as of December 31, 2022).

28.3 Sensitivity analysis

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

a) Non-deliverable forwards (NDF) operations:

Operation	Risk	Currency / Quotation	Notional value ('000)	Market value at 09/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Non-Deliverable Forwards – NDF	USD decrease	USD/ZAR	21,323	19.2664	(2,694)	14.5188	(30,607)	9.6337	(57,845)
	USD increase	USD/ZAR	6,484	19.4497	(369)	24.3121	(8,730)	29.1746	(17,091)
	EUR increase	EUR/ZAR	676	20.0252	(3)	25.0316	(900)	30.0379	(1,797)
	USD increase	USD/CNY	4,500	7.2614	(317)	9.0871	(5,920)	10.8928	(11,523)
	USD increase	USD/BRL	107,500	5.0423	(11,487)	6.3029	(146,998)	7.5634	(282,510)
	EUR increase	EUR/BRL	34,500	5.3443	(1,030)	6.6803	(47,125)	8.0164	(93,219)
	EUR increase	EUR/CNY	2,200	7.7127	274	9.6461	(2,636)	11.5685	(5,545)
	USD decrease	EUR/USD	62,000	1.0750	(4,516)	0.8063	(101,901)	0.5375	(305,703)
	USD decrease	USD/COP	3,500	4,082.61	(439)	3,061.95	(4,761)	2,041.30	(9,191)
TOTAL			242,683		(20,581)				

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



b) Hedge accounting operations:

Operation	Risk	Currency / Quotation	Notional value (R\$'000)	Market value at 09/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
NDF	USD decrease	USD/BRL	65,786	5.0778	(24,012)	3.8084	(107,523)	2.5389	(191,035)
	EUR decrease	EUR/BRL	8,118	5.4092	(8,839)	4.0569	(19,817)	2.7046	(30,794)
	COP decrease	EUR/COP	73,870,000	5,175.80	(8,429)	3,881.85	(25,372)	2,587.90	(76,116)
	GBP decrease	EUR/GBP	5,000	0.8755	45	0.6566	(10,090)	0.4377	(30,270)
	USD decrease	EUR/USD	52,500	1.1015	(7,437)	0.8262	(84,213)	0.5508	(252,639)
	AUD decrease	EUR/AUD	3,000	1.6705	(118)	1.2528	(3,173)	0.8352	(9,519)
	Copper decrease	USD	11,990	8,533.13	(563)	6,922.75	(14,666)	4,284.36	(28,298)
TOTAL			74,016,394		(49,353)				
SWAP	USD decrease	USD	200,000	5.4066	(105,306)	3.7557	(342,465)	2.5038	(579,768)
	IPCA incr.	BRL	150,000	5.19%	(555)	6.49%	(693)	7.79%	(832)
	TOTAL		350,000		(105,861)				

c) Loan and financing transactions:

(i) Exchange-rate change:

Operation	Risk	Currency / Quotation	Notional value ('000)	Amount at 09/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average price	R\$'000	Average price	R\$'000	Average price	R\$'000
Working capital	Argentine Peso increase	EUR/ARS	183	370.3700	997	462.9625	(45)	555.5550	(100)
	Argentine Peso increase	USD/ARS	99	256.7000	894	437.5625	(50)	525.0750	(89)
	TOTAL				1,891				
PPE (Export pre-payment)	USD increase	USD/BRL	200,000	5.0070	1,019,702	6.2588	(232,048)	7.5105	(482,398)
	TOTAL				1,019,702				

(ii) Interest:

Operation	Risk	Currency / Quotation	Notional value ('000)	Amount at 09/30/2023		Possible scenario, 25%		Remote scenario 50%	
				Average rate	R\$'000	Average rate	R\$'000	Average rate	R\$'000
Working capital	TIIE increase	MXN	627,604	11.50%	180,621	14.375%	(400)	17.250%	(800)
	CDI increase (95% CDI)	BRL	182,500	12.07%	186,014	15.09%	(5,509)	18.11%	(11,022)
	TOTAL				366,635				

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)

**29 GOVERNMENT GRANTS AND ASSISTANCE**

The Company and its subsidiaries obtained grants in the amount of R\$ 188,855 (R\$ 177,037 on September 30, 2022) deriving from tax incentives, recognized in the income (loss) for the period:

	CONSOLIDATED	
	09/30/2023	09/30/2022
Total government grants and assistance	188,855	177,037
a) WEG Linhares Equipamentos Elétricos S.A.	67,155	62,180
- ICMS stimulus credit	45,754	41,543
- Decrease in IRPJ	21,382	20,618
- Municipal investment	19	19
b) WEG Drives & Controls - Automação Ltda.	88,421	70,682
- ICMS stimulus credit	88,421	70,682
c) WEG Equipamentos e Logística Ltda.	16,707	26,363
- ICMS stimulus credit	16,707	26,363
d) WEG Equipamentos Elétricos S.A.	10,117	14,542
- ICMS incentive credit	9,112	13,795
- Municipal investment	1,005	747
e) WEG Amazônia S.A.	2,854	2,219
- Decrease in IRPJ	2,518	2,009
- ICMS stimulus credit	336	210
f) V2 Tecnologia Ltda.	2,069	1,051
- ICMS stimulus credit	2,069	1,051
g) WEG Turbinas e Solar Ltda.	1,532	-
- ICMS stimulus credit	1,532	-

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

30 SEGMENT INFORMATION

	Brazil				Foreign		Eliminations and adjustments		Consolidated	
	Industry		Energy		09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
	09/30/2023	09/30/2022	09/30/2023	09/30/2022						
Revenue from sales of goods and/or services	11,579,018	12,124,417	4,675,057	4,217,812	18,326,339	16,784,861	(10,638,098)	(11,202,005)	23,942,316	21,925,085
Income (loss) before income taxes	5,946,727	5,088,906	3,142,598	1,703,624	4,112,129	2,720,629	(8,263,009)	(5,799,289)	4,938,445	3,713,870
Depreciation/ Amortization / Depletion	156,314	146,965	65,461	57,426	245,594	214,390	(7,011)	(7,053)	460,358	411,728
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Identifiable assets	8,177,797	7,834,474	4,499,892	4,228,270	15,792,587	16,146,613	(5,366,147)	(6,232,773)	23,104,129	21,976,584
Identifiable liabilities	2,996,787	2,589,736	2,067,632	1,787,103	8,224,208	8,699,347	(4,536,222)	(5,493,307)	8,752,405	7,582,879

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

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

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

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

Notes

WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023

(Amounts expressed in thousands of reais, unless otherwise indicated)



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

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

31 EARNINGS PER SHARE

a) Basic

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

	09/30/2023	09/30/2022
Earnings attributable to controlling shareholders	3,986,741	3,014,897
Weighted average of common shares held by shareholders (shares/thousand)	4,195,717	4,196,013
Basic earnings per share - R\$	0.95019	0.71851

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).

	09/30/2023	09/30/2022
Earnings attributable to controlling shareholders	3,986,741	3,014,897
Weighted average of potentially diluted common shares held by shareholders (shares/thousand)	4,196,661	4,196,987
Diluted earnings per share - R\$	0.94998	0.71835

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

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

Audit Committee

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

Executive Board

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

Accountant

Marcelo Peters
 CRC/SC 039928/O-0

Tax Council**Full members**

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

Alternate members

Paulo Roberto Franceschi
 Silvia Maura Rodrigues
 Pereira
 Giuliano Barbato Wolf

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

KPMG Auditores Independentes Ltda.

Rua Xavantes, 54 – 1º andar – sala 04 - Bairro Atiradores

89203-900 - Joinville/SC - Brazil

Telephone +55 (41) 3304-2700

www.kpmg.com.br

Quarterly Information Review Report

(A free translation of the original report in Portuguese)

To the Shareholders, Board Members and Managers of

WEG S.A.

Jaraguá do Sul - SC

Introduction

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

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

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim information

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

Other issues**Statements of added value**

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

Joinville, September 02, 2023.

KPMG Auditores Independentes Ltda.

CRC SC-000071/F-8

Original report in Portuguese signed by

Felipe Brutti da Silva

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

Notes**WEG S.A.****NOTES TO INTERIM FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2023***(Amounts expressed in thousands of reais, unless otherwise indicated)***Opinions and Statements / Statement of the Executive Officers on the Financial Statements**

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

Jaraguá do Sul (SC), October 24, 2023.

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

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

By this document, the Chief Executive Officer and other Directors of WEG S.A., a publicly-held company headquartered at Avenida Prefeito Waldemar Grubba, nº 3300, enrolled with EIN 84.429.695/0001-11, for purposes of the item V of §1 of Article 27 of CVM Resolution 80, dated March 29, 2022, hereby declare that: reviewed, discussed and agreed with the opinions expressed in the KPMG Auditores Independentes' Report dated October 24, 2023, relating to the interim financial information of WEG S.A. and Consolidated as of September 30, 2023.

Jaraguá do Sul (SC), October 24, 2023

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

