



**WEG S.A.**

A PUBLICLY LISTED COMPANY

CNPJ nº 84.429.695/0001-11

## **NOTICE TO THE MARKET**

### **Investments to expand transformer production capacity**

WEG S.A. (B3: WEGE3 / OTC: WEGZY) announces to its shareholders and the general market that it will invest R\$1.2 billion, over the next three years, to expand transformer production capacity in Brazil, Mexico and Colombia. Focusing on the main markets in which it operates, the Company plans initiatives to increase approximately 50% of its production capacity.

In Brazil, investments will take place in the Betim and Itajubá industrial sites, both in the State of Minas Gerais. In Betim, in addition to the building expansion to allocate new winding area, assembly, laboratory and warehouse, the company will also build a new factory dedicated to the production of radiators with approximately 4,600 m<sup>2</sup> (50,000 ft<sup>2</sup>). With an investment of about R\$200 million, the Betim operation will have more than 47,000 m<sup>2</sup> (506,000 ft<sup>2</sup>) built area.

In Itajubá, where WEG has a transformer factory for measuring instruments and sets, the Company intends to double its current production capacity with the construction of a new factory with 6,000 m<sup>2</sup> (65,000 ft<sup>2</sup>) of built area. The investment in the municipality, of approximately R\$83 million, will not only increase the company's market share but also allow for a greater volume of exports from Brazil, increasing its presence in the Americas.

In Mexico, WEG will invest around R\$765 million to build a new power transformer factory. The new unit will be built on the recently acquired land in Atotonilco de Tula and will have 33,000 m<sup>2</sup> (355,000ft<sup>2</sup>) of built area. The strategy of this project is to start serving the North American transmission market up to 550 kV, allowing the current Huehuetoca transformer factory to produce equipment from 138 kV to 230 kV and offering more capacity to meet the continuous and growing demand for transformers of power in the country and in the USA.

For Colombia, the plan is to increase local production capacity with the construction of a new transformer factory up to 60 MVA in the city of Rionegro, State of Antioquia. With approximately 23,000m<sup>2</sup> (248,000 ft<sup>2</sup>) of built area, the new industrial park will meet the demand of the oil sector and the need to expand and modernization of the energy park in neighboring markets such as Chile, Bolivia, Peru, Ecuador and Central America. Investment in the country will be approximately R\$190 million.

The investment schedule foresees completion of the works by December 2026. The new buildings will be designed to allow a gradual and continuous increase in production capacity and meet the company's expansion needs over the next few years.

Jaraguá do Sul, December 5, 2023

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