

WEG S/A

**Quarterly Information -
03/31/2021**



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Quarterly Information Review Report

(A free translation of the original report in Portuguese)

To the Shareholders and Board of Directors
WEG S.A.
Jaraguá do Sul - SC

Introduction

We have reviewed the interim financial statements, individual and consolidated, of WEG S.A. ("Company") contained within the Quarterly Information for the quarter ended March 31, 2021, which comprise the balance sheet as of March 31, 2021 and the related statements of income and comprehensive income, for the three months periods then ended and the changes in shareholders' equity and cash flows for the three months period then ended, including the notes to the financial statements.

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

Scope of the review

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



Conclusion about the interim financial statements

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

Other issues

Statements of value added

The individual and consolidated interim financial statements, in relation to the statements of value added for the three-month period ended in March 31, 2021, prepared under the responsibility of the Company's Management and presented as supplementary information regarding IAS 34, were submitted to review procedures performed jointly with the review of the interim quarterly information of the Company. In order to form our conclusion, we assessed if the statements are reconciled with the interim accounting information and records, as applicable, and if their form and content are in accordance with the criteria defined in CPC 09 - Statements of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that the statements of value added aforementioned have not been fairly stated, in all material aspects, in relation to the interim financial statements, individual and consolidated, taken as a whole.

Corresponding Values

The exam of the balance sheets, individual and consolidated, for the period ended in December 31, 2020 and the review of interim financial information, individual and consolidated, related to statements of income and comprehensive income and net changes in equity and cash flows for the three-month period ended in March 31, 2020, were conducted under the responsibility of other independent auditors, which disclosed their audit report and review report without modifications, on February 23, 2021 and April 27, 2021 respectively. We weren't hired to audit, review or apply any other procedure over the individual and consolidated financial statements referring to the period ended in December 31, 2020 and over the interim financial information, both individual and consolidated, related to the three-months period ended in March 31, 2020 and, therefore, don't express an opinion, conclusion or any type assurance over them as a whole. The values related to the statements of value added, referring to the three-month period ended in March 31, 2020; were submitted to the same review procedures by those other independent auditors and, based on their review, those auditors disclosed a report stating that they didn't have any information that might lead them into believing that this statement of value added wasn't prepared, in all its relevant aspects, in a consistent manner with the interim financial statements as a whole.

Joinville, March 26, 2021

KPMG Auditores Independentes
CRC SC-000071/F-8
Original report in Portuguese signed by
Felipe Brutti da Silva
Accountant CRC RS-083891/O-0 T-RS

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Company information/Composition of capital**Number for shares
(Units)****Current quarter
03/31/2021****Paid-in capital**

Common shares	2,098,658,999
Preferred shares	0
Total	2,098,658,999

Treasury shares

Common shares	693,780
Preferred shares	0
Total	693,780

Individual Financial Statements/Balance Sheet - Assets

(R\$ in thousands)		Current Quarter	Prior Year
Code	Description	03/31/2021	12/31/2020
1	Total assets	12,067,696	11,713,015
1.01	Current assets	1,217,789	1,254,922
1.01.01	Cash and cash equivalents	397,266	390,133
1.01.01.01	Cash and banks	9	6
1.01.01.02	Short-term investments	397,257	390,217
1.01.02	Short-term investments	484,369	482,215
1.01.06	Taxes recoverable	15,765	2,978
1.01.06.01	Current taxes recoverable	15,765	2,978
1.01.08	Other current assets	320,389	379,596
1.01.08.03	Others	320,389	379,596
1.01.08.03.01	Dividends	250,000	241,917
1.01.08.03.02	Interest on capital	70,384	137,679
1.01.08.03.03	Others	5	0
1.02	Noncurrent assets	10,849,907	10,458,093
1.02.01	Long-term receivables	8,414	10,184
1.02.01.07	Deferred taxes	3,757	5,527
1.02.01.07.01	Deferred income tax and social contribution	3,757	5,527
1.02.01.10	Other noncurrent assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	10,837,373	10,443,777
1.02.02.01	Equity interests	10,837,373	10,443,777
1.02.02.01.02	Interest in subsidiaries	10,837,373	10,443,777
1.02.03	Property, plant and equipment	4,110	4,132
1.02.03.01	Property, plant and equipment in operation	4,110	4,132
1.02.04	Intangible	10	0
1.02.04.01	Intangible Assets	10	0

Individual Financial Statements/Balance Sheet - Liabilities and Equity

(R\$ in thousands)

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
2	Total liabilities	12,067,696	11,713,015
2.01	Current liabilities	86,671	145,120
2.01.01	Social and labor obligations	8,374	7,984
2.01.01.01	Social obligations	8,374	7,984
2.01.03	Tax obligations	10,990	205
2.01.03.01	Federal tax obligations	10,990	205
2.01.03.01.01	Income tax and social contribution payable	48	74
2.01.03.01.02	Other tax obligations	10,942	131
2.01.05	Other obligations	67,307	136,931
2.01.05.02	Others	67,307	136,931
2.01.05.02.01	Dividends and interest on capital payable	66,339	134,987
2.01.05.02.04	Others	968	1,944
2.02	Noncurrent liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.02.04.01	Labor and Civil Social Security Tax Provisions	4,730	4,730
2.03	Equity	11,976,295	11,563,165
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(141,733)	(132,242)
2.03.02.04	Options granted	7,279	11,512
2.03.02.05	Treasury shares	(11,913)	(15,779)
2.03.02.07	Premium on capital transaction	(137,099)	(127,975)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	2,782,943	3,512,410
2.03.04.01	Legal reserve	264,689	264,689
2.03.04.02	Statutory reserve	2,518,254	2,518,254
2.03.04.08	Additional dividend proposed	-	729,467
2.03.05	Retained earnings/accumulated losses	699,167	-
2.03.06	Carrying value adjustments	340,809	343,843
2.03.06.01	Deemed cost	340,809	343,843
2.03.08	Other comprehensive income	2,786,962	2,331,007
2.03.08.01	Derivative financial instruments	4,365	5,180
2.03.08.02	Cumulative translation adjustments	(4,288)	(4,288)
2.03.08.03	Cumulative translation adjustments	2,786,885	2,330,115

Individual Financial Statements/Income Statements

(R\$ in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
3.04	Operating income/expenses	771,452	438,348
3.04.02	General and administrative expenses	(1,346)	(1,369)
3.04.02.01	Management fees	(740)	(723)
3.04.02.02	Other administrative expenses	(606)	(646)
3.04.04	Other operating revenue	65	0
3.04.05	Other operating expenses	3,396	(206)
3.04.06	Share of profit or loss of investees	769,337	439,923
3.05	Profit before finance income (costs) and taxes	771,452	438,348
3.06	Finance income (costs)	(4,993)	2,809
3.06.01	Finance income	(3,629)	3,383
3.06.02	Finance costs	(1,364)	(574)
3.07	Profit before taxes on income	766,459	441,157
3.08	Income tax and social contribution	(2,201)	(1,134)
3.08.01	Current	(431)	0
3.08.02	Deferred	(1,770)	(1,134)
3.09	Profit for the period from continuing operations	764,258	440,023
3.11	Profit/loss for the period	764,258	440,023
3.99	Earnings per share – (real/share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common shares	0.36429	0.20977
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common shares	0.36418	0.20968

Individual Financial Statements/Statement of Comprehensive Income

(R\$ in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
4.01	Profit for the period	764,258	440,023
4.02	Other comprehensive income	461,808	921,898
4.02.01	Cumulative translation adjustments	462,624	892,266
4.02.02	Hedge Accounting	(816)	25,012
4.02.03	Change in equity interests	0	1,782
4.02.04	Foreign exchange differences – deemed cost	0	2,838
4.03	Total comprehensive income for the period	1,226,066	1,361,921

Individual Financial Statements/Cash Flow Statement – Indirect Method

(R\$ in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
6.01	Net cash from operating activities	(10,384)	(24,937)
6.01.01	Cash from operations	(9,215)	(13,271)
6.01.01.01	Profit before taxes	766,459	441,157
6.01.01.02	Depreciation and amortization	22	22
6.01.01.03	Share of profit or loss of investees	(769,337)	(439,923)
6.01.01.04	Stock option plan expenses	(2,154)	(8,732)
6.01.01.06	Income from financial investments	(4,205)	(5,795)
6.01.02	Changes in assets and liabilities	(1,169)	(11,666)
6.01.02.01	(Increase)/decrease in trade receivables	(308)	(19,796)
6.01.02.02	Increase/(decrease) in trade payables	(404)	8,164
6.01.02.03	Income tax and social contribution paid	(457)	(34)
6.02	Net cash from investing activities	872,305	482,894
6.02.01	Dividends and interest on capital received	872,305	469,062
6.02.04	Held-to-maturity financial investments	0	(898)
6.02.05	Income from financial investments	0	14,730
6.03	Net cash from investing activities	(854,788)	(486,047)
6.03.01	Dividends and interest on capital paid	(858,654)	(480,469)
6.03.02	Treasury shares	3,866	(5,578)
6.05	Increase (decrease) in cash and cash equivalents	7,133	(28,090)
6.05.01	Cash and cash equivalents at the beginning of the period	390,133	69,046
6.05.02	Cash and cash equivalents at the end of the period	397,266	40,956

Individual Financial Statements /Statements of Changes in Equity - 01/01/2021 to 03/31/2021

R\$ (in thousands)

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

Individual Financial Statements /Statements of Changes in Equity - 01/01/2020 to 03/31/2020

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247
5.03	Adjusted opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247
5.04	Capital transactions with shareholders	-	(18,582)	-	(66,584)	-	(85,166)
5.04.03	Options granted recognized	-	(6,428)	-	(3,163)	-	(9,591)
5.04.04	Treasury shares acquired	-	(11,762)	-	-	-	(11,762)
5.04.05	Treasury shares sold	-	10,213	-	-	-	10,213
5.04.07	Interest on capital	-	-	-	(63,421)	-	(63,421)
5.04.08	Capital transactions	-	(10,605)	-	-	-	(10,605)
5.05	Total comprehensive income	-	-	-	446,820	915,101	1,361,921
5.05.01	Profit for the period	-	-	-	440,023	-	440,023
5.05.02	Other comprehensive income	-	-	-	6,797	915,101	921,898
5.05.02.04	Translation adjustments for the period	-	-	-	-	892,266	892,266
5.05.02.06	Hedge Accounting - Cash flow, net of taxes	-	-	-	-	25,012	25,012
5.05.02.07	Realization of deemed cost	-	-	-	6,797	(3,959)	2,838
5.05.02.08	Changes in equity participation	-	-	-	-	1,782	1,782
5.06	Internal changes in equity	-	-	-	(351,892)	-	(351,892)
5.06.04	Payment of dividends	-	-	-	(351,892)	-	(351,892)
5.07	Closing balances	5,504,517	(118,820)	1,707,252	380,236	2,168,925	9,642,110

Individual Financial Statements/ Statements of Value AddedR\$ (in
thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
7.02	Inputs acquired from third parties	4,277	5,582
7.02.02	Materials, electric power, third-party services and others	7	(212)
7.02.03	Loss/recovery of assets	4,270	5,794
7.03	Gross value added	4,277	5,582
7.04	Retentions	(22)	(22)
7.04.01	Depreciation, amortization and depletion	(22)	(22)
7.05	Wealth created by the Company	4,255	5,560
7.06	Wealth received in transfer	765,708	443,306
7.06.01	Share of profit or loss of investees	769,337	439,923
7.06.02	Finance income	(3,629)	3,383
7.07	Wealth for distribution	769,963	448,866
7.08	Wealth distributed	769,963	448,866
7.08.01	Personnel	1,950	1,673
7.08.01.01	Salaries and wages	1,848	1,552
7.08.01.02	Benefits	67	74
7.08.01.03	Severance pay fund (FGTS)	35	47
7.08.02	Taxes, fees and contributions	2,391	1,332
7.08.02.01	Federal	2,391	1,332
7.08.03	Lenders and lessors	1,364	5,838
7.08.03.01	Interest	1,364	5,838
7.08.04	Lenders and lessors	764,258	440,023
7.08.04.01	Interest on capital	70,961	63,421
7.08.04.03	Retained earnings / Loss for the period	693,297	376,602

Consolidated Financial Statements Balance Sheet – Assets

(R\$ in thousands)

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
1	Total assets	21,161,200	19,927,896
1.01	Current assets	13,360,912	12,556,143
1.01.01	Cash and cash equivalents	3,387,742	3,892,140
1.01.01.01	Cash and banks	899,152	584,332
1.01.01.02	Short-term investments	2,488,590	3,307,808
1.01.02	Short-term investments	484,369	592,794
1.01.03	Trade receivables	3,835,893	3,417,251
1.01.03.01	Customers	3,835,893	3,417,251
1.01.04	Inventories	4,376,561	3,737,529
1.01.06	Taxes recoverable	512,198	339,283
1.01.06.01	Current taxes recoverable	512,198	339,283
1.01.08	Other current assets	764,149	577,146
1.01.08.03	Others	764,149	577,146
1.01.08.03.01	Derivative financial instruments	235,954	206,849
1.01.08.03.02	Others	528,195	370,297
1.02	Noncurrent assets	7,800,288	7,371,753
1.02.01	Long-term receivables	942,114	898,045
1.02.01.01	Financial Assets evaluated at fair value	2,451	-
1.02.01.01.01	Assets evaluated at fair value	2,451	-
1.02.01.07	Deferred taxes	327,360	360,390
1.02.01.07.01	Deferred income tax and social contribution	327,360	360,390
1.02.01.10	Other noncurrent assets	612,303	537,655
1.02.01.10.03	Judicial deposits	67,705	70,155
1.02.01.10.04	Taxes recoverable	32,145	31,214
1.02.01.10.05	Derivative financial instruments	392,678	318,291
1.02.01.10.06	Others	119,775	117,995
1.02.02	Investments	1,421	1,023
1.02.02.01	Equity interests	1,421	1,023
1.02.02.01.05	Other investments	1,421	1,023
1.02.03	Property, plant and equipment	5,179,661	4,877,210
1.02.03.01	Property, plant and equipment in operation	4,801,270	4,598,730
1.02.03.02	Right-of-Use Assets	378,391	278,480
1.02.04	Intangible assets	1,677,092	1,595,475
1.02.04.01	Intangible assets	277,373	276,765
1.02.04.01.02	Others	277,373	276,765
1.02.04.02	Goodwill	1,399,719	1,318,710

Consolidated Financial Statements Balance Sheet – Liabilities and Equity

(R\$ in thousands)

Code	Description	Current Quarter 03/31/2021	Prior Year 12/31/2020
2	Total liabilities	21,161,200	19,927,896
2.01	Current liabilities	6,488,389	5,882,044
2.01.01	Social and labor obligations	477,125	366,790
2.01.01.01	Social obligations	477,125	366,790
2.01.02	Trade payables	1,726,734	1,249,368
2.01.03	Tax obligations	298,671	240,467
2.01.03.01	Federal tax obligations	298,671	240,467
2.01.03.01.01	Income tax and social contribution payable	102,528	111,072
2.01.03.01.02	Others	196,143	129,395
2.01.04	Borrowings and financing	634,679	642,284
2.01.04.01	Borrowings and financing	634,679	642,284
2.01.04.01.01	In local currency	8,427	12,289
2.01.04.01.02	In foreign currency	626,252	629,995
2.01.05	Other obligations	3,351,180	3,383,135
2.01.05.02	Others	3,351,180	3,383,135
2.01.05.02.01	Dividends and interest on capital payable	67,189	136,007
2.01.05.02.04	Advances from customers	1,910,482	1,714,656
2.01.05.02.05	Profit sharing	166,077	335,428
2.01.05.02.06	Derivative financial instruments	11,688	14,011
2.01.05.02.07	Leases	72,103	63,994
2.01.05.02.08	Payables - subsidiaries abroad	349,008	249,933
2.01.05.02.09	Provision for product warranties	273,707	251,595
2.01.05.02.10	Bill and hold sales	221,439	263,294
2.01.05.02.11	Others	279,487	354,217
2.02	Noncurrent liabilities	2,295,565	2,115,554
2.02.01	Borrowings and financing	1,112,918	1,044,296
2.02.01.01	Borrowings and financing	1,112,918	1,044,296
2.02.01.01.01	In local currency	42,862	48,193
2.02.01.01.02	In foreign currency	1,070,056	996,103
2.02.02	Other obligations	479,206	388,928
2.02.02.02	Others	479,206	388,928
2.02.02.02.04	Derivative financial instruments	5,960	6,500
2.02.02.02.05	Leases	314,732	223,532
2.02.02.02.06	Others	158,514	158,896
2.02.03	Deferred taxes	86,289	69,625
2.02.03.01	Deferred income tax and social contribution	86,289	69,625
2.02.04	Provisions	617,152	612,705
2.03	Consolidated equity	12,377,246	11,930,298
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(141,733)	(132,242)
2.03.02.04	Options granted	7,279	11,512
2.03.02.05	Treasury shares	(11,913)	(15,779)
2.03.02.07	Premium on capital transaction	(137,099)	(127,975)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	2,782,943	3,512,410
2.03.04.01	Legal reserve	264,689	264,689
2.03.04.02	Statutory reserve	2,518,254	2,518,254
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2.03.06	Carrying value adjustments	340,809	343,843
2.03.06.01	Deemed cost	340,809	343,843
2.03.08	Other comprehensive income	2,786,962	2,331,007
2.03.08.01	Derivative financial instruments	4,365	5,180
2.03.08.02	Cumulative translation adjustments	(4,288)	(4,288)
2.03.08.03	Cumulative translation adjustments	2,786,885	2,330,115
2.03.09	Noncontrolling interests	400,951	367,133

Consolidated Financial Statements/Income Statements

R\$ (in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
3.01	Revenue from sale of products and/or services	5,076,879	3,714,436
3.02	Cost of sales and services	(3,457,140)	(2,616,903)
3.03	Gross profit	1,619,739	1,097,533
3.04	Operating income/expenses	(726,557)	(578,596)
3.04.01	Selling expenses	(434,281)	(349,093)
3.04.02	General and administrative expenses	(174,928)	(155,685)
3.04.02.01	Management fees	(6,060)	(6,953)
3.04.02.02	Other administrative expenses	(168,868)	(148,732)
3.04.04	Other operating income	16,211	7,885
3.04.05	Other operating expenses	(133,559)	(81,703)
3.05	Profit before finance income (costs) and taxes	893,182	518,937
3.06	Finance income (costs)	10,535	(752)
3.06.01	Finance income	163,865	381,196
3.06.02	Finance expenses	(153,330)	(381,948)
3.07	Profit before taxes on income	903,717	518,185
3.08	Income tax and social contribution	(124,796)	(64,210)
3.08.01	Current	(41,999)	(52,856)
3.08.02	Deferred	(82,797)	(11,354)
3.09	Profit for the period from continuing operations	778,921	453,975
3.11	Consolidated profit/loss for the period	778,921	453,975
3.11.01	Attributable to owners of the Company	764,258	440,023
3.11.02	Attributable to noncontrolling interests	14,663	13,952
3.99	Earnings per share – (real/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.36429	0.20977
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.36418	0.20968

Consolidated Financial Statements/Statement of Comprehensive Income

R\$ (in thousands)		YTD current year	YTD prior year
Code	Description	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
4.01	Consolidated profit for the period	778,921	453,975
4.02	Other comprehensive income	463,833	921,363
4.02.01	Cumulative translation adjustments	464,639	891,731
4.02.02	Hedge Accounting	(806)	25,012
4.02.03	Change in equity interests	-	1,782
4.02.04	Foreign exchange differences – deemed cost	-	2,838
4.03	Consolidated comprehensive income for the period	1,242,754	1,375,338
4.03.01	Attributable to owners of the Company	1,226,066	1,361,921
4.03.02	Attributable to noncontrolling interests	16,688	13,417

Consolidated Financial Statements/Cash Flow Statement – Indirect Method

R\$ (in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
6.01	Net cash from operating activities	404,453	525,737
6.01.01	Cash from operations	1,212,713	748,825
6.01.01.01	Profit before taxes	903,717	518,185
6.01.01.02	Depreciation, amortization and depletion	123,670	100,176
6.01.01.03	Employee profit sharing	135,762	76,749
6.01.01.04	Stock option plan expenses	4,424	3,367
6.01.01.05	Provision for credit risk	(3,221)	10,961
6.01.01.06	Provision for tax, civil and labor liabilities	4,447	(8,241)
6.01.01.07	Provision for inventory losses	11,861	25,239
6.01.01.08	Provision for product warranty	22,111	34,177
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	2,014	776
6.01.01.10	Accrued interest on borrowings	10,082	5,018
6.01.01.12	Income from financial investments	(2,154)	(17,582)
6.01.02	Changes in assets and liabilities	(808,260)	(223,088)
6.01.02.01	(Increase)/decrease in trade receivables	(464,873)	429,620
6.01.02.02	Increase/(decrease) in trade payables	484,123	(66,401)
6.01.02.03	(Increase)/decrease in inventories	(485,705)	(354,014)
6.01.02.04	Income tax and social contribution paid	(50,542)	(54,621)
6.01.02.05	Employee profit sharing paid	(291,263)	(177,672)
6.02	Net cash from investing activities	(5,237)	27,860
6.02.02	Property, plant and equipment	(116,754)	(112,683)
6.02.03	Intangible assets	(15,985)	(10,991)
6.02.04	Proceeds on disposal of property, plant and equipment	19,374	1,373
6.02.11	Held-to-maturity financial investments	(2,450)	(72,357)
6.02.12	Redemption of financial investments	110,578	222,518
6.03	Net cash from financing activities	(976,395)	(1,007,223)
6.03.01	Proceeds from borrowings and financing	7,291	16,574
6.03.02	Repayment of borrowings and financing	(114,231)	(522,415)
6.03.03	Interest paid on borrowings and financing	(14,347)	(4,268)
6.03.04	Treasury shares	(858,974)	(491,536)
6.03.05	Dividends/Interest on capital paid	3,866	(5,578)
6.04	Exchange rate changes on cash and cash equivalents	72,781	95,129
6.05	Increase (decrease) in cash and cash equivalents	(504,398)	(358,497)
6.05.01	Cash and cash equivalents at the beginning of the period	(3,892,140)	1,946,044
6.05.02	Cash and cash equivalents at the end of the period	3,387,742	1,587,547

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2021 to 03/31/2021

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(128,612)	2,782,943	729,467	2,674,850	11,563,165	367,133	11,930,298
5.03	Adjusted opening balances	5,504,517	(128,612)	2,782,943	729,467	2,674,850	11,536,165	367,133	11,930,298
5.04	Capital transactions with shareholders	-	(9,491)	-	(73,978)	-	(83,469)	17,130	(66,339)
5.04.03	Options granted recognized	-	(4,233)	-	(3,017)	-	(7,250)	-	(7,250)
5.04.05	Treasury shares sold	-	6,767	-	-	-	6,767	-	6,767
5.04.07	Interest on capital	-	-	-	(70,961)	-	(70,961)	-	(70,961)
5.04.08	Capital transactions	-	(12,205)	-	-	-	(12,205)	17,130	5,105
5.05	Total comprehensive income	-	-	-	773,145	452,921	1,266,066	16,688	1,242,754
5.05.01	Profit for the period	-	-	-	764,258	-	764,258	14,663	778,921
5.05.02	Other comprehensive income	-	-	-	8,887	452,921	461,808	2,025	463,833
5.05.02.04	Translation adjustments for the period	-	-	-	-	462,624	462,624	2,015	464,639
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	-	-	-	-	(816)	(816)	10	(806)
5.05.02.07	Realization of deemed cost	-	-	-	8,887	(8,887)	-	-	-
5.06	Internal changes in equity	-	-	-	(729,467)	-	(729,467)	-	(729,467)
5.06.04	Payment of dividends	-	-	-	(729,467)	-	(729,467)	-	(729,467)
5.07	Closing balances	5,504,517	(138,103)	2,782,943	699,167	3,127,771	11,976,295	400,951	12,377,246

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2020 to 03/31/2020

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247	212,743	8,929,990
5.03	Adjusted opening balances	5,504,517	(100,238)	1,707,252	351,892	1,253,824	8,717,247	212,743	8,929,990
5.04	Capital transactions with shareholders	-	(18,582)	-	(66,584)	-	(85,166)	14,977	(70,189)
5.04.03	Options granted recognized	-	(6,428)	-	(3,163)	-	(9,591)	-	(9,591)
5.04.04	Treasury shares acquired	-	(11,762)	-	-	-	(11,762)	-	(11,762)
5.04.05	Treasury shares sold	-	10,213	-	-	-	10,213	-	10,213
5.04.07	Interest on capital	-	-	-	(63,421)	-	(63,421)	-	(63,421)
5.04.08	Capital transactions	-	(10,605)	-	-	-	(10,605)	14,977	4,372
5.05	Total comprehensive income	-	-	-	446,820	915,101	1,361,921	13,417	1,375,338
5.05.01	Profit for the period	-	-	-	440,023	-	440,023	13,952	453,975
5.05.02	Other comprehensive income	-	-	-	6,797	915,101	921,898	(535)	921,363
5.05.02.04	Translation adjustments for the period	-	-	-	-	892,266	892,266	(535)	891,731
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	-	-	-	-	25,012	25,012	-	25,012
5.05.02.07	Realization of deemed cost	-	-	-	6,797	(3,959)	2,838	-	2,838
5.05.02.08	Change in equity interests	-	-	-	-	1,782	1,782	-	1,782
5.06	Internal changes in equity	-	-	-	(351,892)	-	(351,892)	-	(351,892)
5.06.04	Payment of dividends	-	-	-	(351,892)	-	(351,892)	-	(351,892)
5.07	Closing balances	5,504,517	(118,820)	1,707,252	380,236	2,168,925	9,642,110	241,137	9,883,247

Consolidated Financial Statements/Statements of Value Added

R\$ (in thousands)

Code	Description	YTD current year 01/01/2021 to 03/31/2021	YTD prior year 01/01/2020 to 03/31/2020
7.01	Revenues	5,765,000	4,135,558
7.01.01	Sales of goods, products and services	5,756,939	4,142,146
7.01.02	Other revenues	4,840	4,373
7.01.04	Allowance for / Reversal of allowance for doubtful debts	3,221	(10,961)
7.02	Inputs acquired from third parties	(3,042,374)	(2,355,833)
7.02.02	Materials, electric power, third-party services and others	(3,067,110)	(2,362,724)
7.02.03	Impairment/Recovery of assets	24,736	6,891
7.03	Gross value added	2,722,626	1,779,725
7.04	Retentions	(123,670)	(100,176)
7.04.01	Depreciation, amortization and depletion	(123,670)	(100,176)
7.05	Wealth created by the Company	2,598,956	1,679,549
7.06	Wealth received in transfer	163,865	381,196
7.06.02	Finance income	163,865	381,196
7.07	Wealth for distribution	2,762,821	2,060,745
7.08	Wealth distributed	2,762,821	2,060,745
7.08.01	Personnel	1,201,578	753,702
7.08.01.01	Salaries and wages	1,108,910	642,663
7.08.01.02	Benefits	144,623	82,632
7.08.01.03	Severance pay fund (FGTS)	38,045	28,407
7.08.02	Taxes, fees and contributions	625,063	468,983
7.08.02.01	Federal	540,774	428,575
7.08.02.02	State	75,825	36,014
7.08.02.03	Municipal	8,464	4,394
7.08.03	Lenders and lessors	157,259	384,085
7.08.03.01	Interest	153,227	381,827
7.08.03.02	Rentals	4,032	2,258
7.08.04	Lenders and lessors	778,921	453,975
7.08.04.01	Interest on capital	70,961	63,421
7.08.04.03	Retained earnings / Loss for the period	693,297	376,602
7.08.04.04	Noncontrolling interests	14,663	13,952

EARNINGS RELEASE

1Q 2021

Attractive Margins and Return on Invested Capital
 with signs of global economic activity improvement

Highlights



Net Operating Revenue (NOR) was **R\$ 5,076.9 million** in 1Q21, 36.7% higher than 1Q20 and 3.8% higher than 4Q20;



EBITDA⁽¹⁾ reached **R\$ 1,016.9 million**, 64.2% higher than 1Q20 and 3.7% higher than 4Q20, while **EBITDA margin** was **20.0%**, 3.3 p.p. higher than 1Q20 and 0.1 p.p. lower than the previous quarter;



Return on Invested Capital (ROIC) reached **28.2%** in 1Q21, up 7.5 p.p. from 1Q20 and up 2.7 p.p. from 4Q20.

Message from the Management

This quarter we continued to deliver good performance seen in previous quarters in most of our business areas. The performance in the domestic market was positive, sustaining high levels of revenues in short-cycle equipment, such as in Industrial Electro-Electronic Equipment and Commercial and Appliance Motors areas, motivated by the continued recovery of the economic activity started in the second half of last year. Likewise, long-cycle equipment has also had an important contribution, with significant deliveries made, as a result of contracts obtained in previous quarters, with emphasis on the areas of transmission and distribution (T&D) and industrial automation.

We continue to see an improvement in demand in the external market, mainly for short-cycle products, showing signs of a broader recovery in the global economy. This movement is reflected in the growth of our business in local currencies when compared to the same period last year. We had important performances in some regions, such as Industrial Electro-Electronic Equipment in China and Commercial and Appliance Motors in the Americas.

Revenue growth, improved operating margins, gains in scale, and efficiency in capital allocation are among the main factors that justify the growth of the company's financial indicators.

We were capable of making the necessary operational adjustments thanks to our modular production model, along with the health and safety protocols adopted since the first signs of COVID-19. These were decisive factors in managing the effects caused by the pandemic so far. This March marked a year of this unique moment in our history, however, we remain confident in our strategy to overcome the challenges presented, aware that this crisis is yet to be overcome.

Table 1 – Main Highlights

	1Q21	4Q20	%	1Q20	%
Return on Invested Capital	28.2%	25.5%	2.7 pp	20.7%	7.5 pp
Net Operating Revenue	5,076,879	4,889,918	3.8%	3,714,436	36.7%
Domestic Market	2,343,108	2,247,916	4.2%	1,692,400	38.4%
External Markets	2,733,771	2,642,002	3.5%	2,022,036	35.2%
<i>External Markets in US\$</i>	<i>498,120</i>	<i>490,086</i>	<i>1.6%</i>	<i>451,759</i>	<i>10.3%</i>
Net Income	764,258	742,229	3.0%	440,023	73.7%
Net Margin	15.1%	15.2%	-0.1 pp	11.8%	3.3 pp
EBITDA	1,016,852	981,015	3.7%	619,114	64.2%
EBITDA Margin	20.0%	20.1%	-0.1 pp	16.7%	3.3 pp
Earnings per Share (EPS)	0.36429	0.35383	3.0%	0.20977	73.7%

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

The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reais (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.

Net Operating Revenue

Net operating revenue increased by 36.7% over 1Q20, up 38.4% in the domestic market and 35.2% in the external markets as shown in table 1. The evolution of revenue proportion between markets is shown in figure 1.

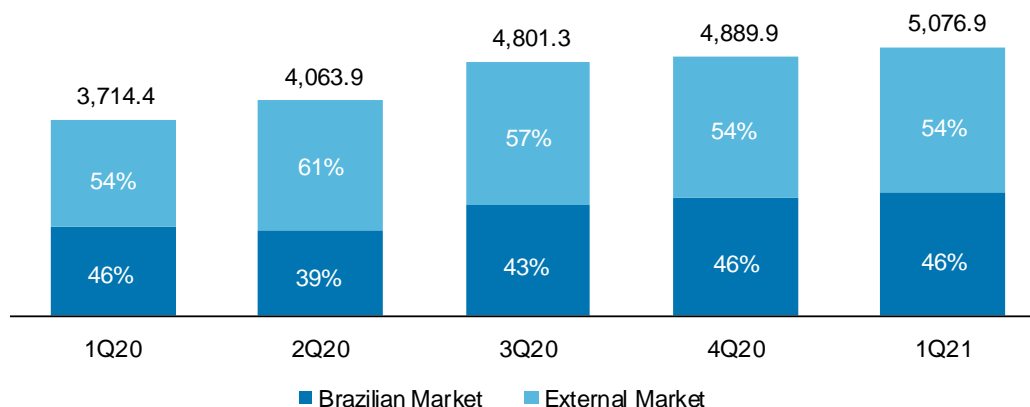


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 10.3% in relation to 1Q20 and increased by 1.6% in relation to 4Q20. The distribution of net revenue by geographic market is shown in table 2.

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

	1Q21		4Q20		1Q20		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	498,120	100.0%	490,086	100.0%	451,759	100.0%	1.6%	10.3%
North America	213,758	42.9%	215,277	43.9%	215,037	47.6%	-0.7%	-0.6%
South and Central America	58,354	11.7%	57,417	11.7%	38,400	8.5%	1.6%	52.0%
Europe	133,645	26.8%	122,190	24.9%	131,462	29.1%	9.4%	1.7%
Africa	32,102	6.4%	42,963	8.8%	27,106	6.0%	-25.3%	18.4%
Asia-Pacific	60,261	12.1%	52,239	10.7%	39,754	8.8%	15.4%	51.6%

Net operating revenue from the external market, measured in Brazilian Real, was positively impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 4.48 in 1Q20 to R\$ 5.49 in 1Q21, with 22.6% depreciation of the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from external market increased by 8.1% in relation to 1Q20.

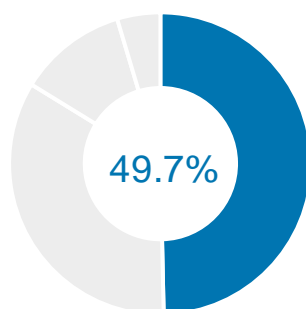
Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of recent acquisitions of MVISIA, BirminD and consolidation of TGM Kanis Turbinen GmbH, revenue would have grown by 36.2% vs. 1Q20.

Performance by Business Area

Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
1Q21	900,493	1,620,332
4Q20	912,650	1,641,303
Δ%	-1.3%	-1.3%
1Q20	600,641	1,308,235
Δ%	49.9%	23.9%



Share in NOR

Domestic Market

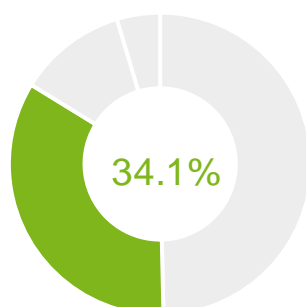
- We observed a good demand for short-cycle products. Segments such as mining and infrastructure were the main destinations for these products, with an emphasis on electric motors for driving pumps and serial automation equipment, where we have been gaining market share in recent quarters.
- Important supplies of long-cycle equipment, such as e-houses and automation panels, were also made in this first quarter for mining and oil & gas segments.

External Market

- Continued gradual recovery of industrial activity in the main regions of the world for short-cycle equipment, but some regions not yet recovering to pre-pandemic business volume. It is worth highlighting that our operations in China were significantly impacted by the pandemic in 1Q20. This fact, associated with the strong recovery of the Chinese economy in the last twelve months, helps to explain the revenue growth in the region.
- Despite the volatility in demand for long-cycle equipment presented in recent quarters, we observed an increase in the volume of quotations at the beginning of this year and, at the end of the quarter, an improvement in order bookings. These are typical recovery signs in industrial activity, which are already being seen in important segments such as mining, oil & gas, water & wastewater, and pulp & paper.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
1Q21	974,275	757,391
4Q20	872,027	732,372
Δ%	11.7%	3.4%
1Q20	784,278	530,151
Δ%	24.2%	42.9%



Share in NOR

Domestic Market

- As a recurring highlight in recent quarters, the transmission and distribution (T&D) business continue to be the main driver for much of the reported growth, with large transformers and substations being delivered for projects linked to the transmission line auctions carried out in recent years.
- The distributed solar generation (GD) business also showed good demand, contributing positively to the good performance of this business area, however at a slower pace than presented in recent quarters.

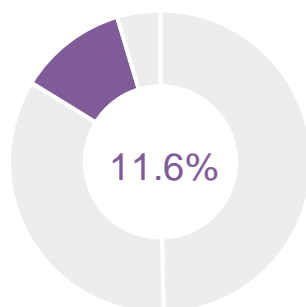
External Market

- We presented another quarter of strong results, especially in T&D in North America, with the important contribution of the synergy between our operations in the USA and Mexico.
- In the generation business, we highlight the good performance in our operation in India, despite the difficulties faced due to the pandemic in the country.

Performance by Business Area

Commercial and Appliance Motors

NOR	Domestic Market	External Market
1Q21	280,829	309,084
4Q20	272,769	220,060
Δ%	3.0%	40.5%
1Q20	170,592	159,515
Δ%	64.6%	93.8%



Share in NOR

Domestic Market

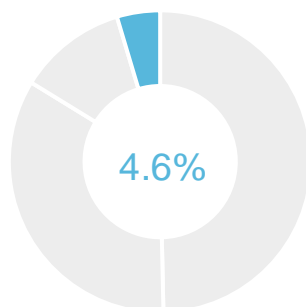
- Sales volume remains high in Brazil. Durable goods segments, such as air conditioners and washing machines, pumps, and machinery for the food sector were the main destinations for our products.
- As occurred during the second half of 2020, the high demand movement, partly supported by the restocking of our customers, is still present in this market.

External Market

- Commercial motors and white goods applications demonstrated important growth, a movement explained by an increase in our market share in countries where we concentrate our operations.

Paints and Varnishes

NOR	Domestic Market	External Market
1Q21	187,511	46,964
4Q20	190,470	48,267
Δ%	-1.6%	-2.7%
1Q20	136,889	24,135
Δ%	37.0%	94.6%



Share in NOR

Domestic Market

- As well as the short-cycle equipment business, this business area also kept on track, with robust demand in the main segments such as home appliances, metal structures, and sanitation.

External Market

- We recorded sales growth in Latin American countries, especially in Mexico, where we started operations at our new paint factory at the end of 2020.

Cost of Goods Sold

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

Table 3 – Costs

	1 Q21	4 Q20	HA%	1 Q20	HA%
Net Operating Revenues	5,076,879	4,889,918	3.8%	3,714,436	36.7%
Cost of Goods Sold	(3,457,140)	(3,293,619)	5.0%	(2,616,903)	32.1%
Gross Margin	31.9%	32.6%	-0.7 pp	29.5%	2.4 pp

With an operating activity close to normal in most of our operations in Brazil and important factories abroad approaching ideal levels of capacity utilization, we were able to improve gross margin in comparison with the previous year. Operational adjustments implemented since the beginning of the pandemic, efforts to reduce costs and improve processes that led to productivity gains, especially in our operations abroad, were decisive factors for this performance, despite the exchange rate variation in the period and the increases in the main raw materials used in our products.

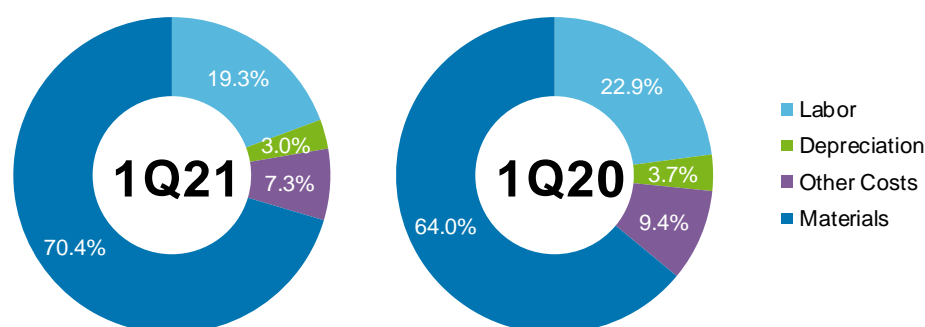


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 609.2 million in 1Q21, an increase of 20.7% vs. 1Q20 and an increase of 3.4% vs. 4Q20. When analyzed in relation to net operating revenue, these expenses accounted for 12.0%, down 1.6 p.p. vs. 1Q20 and down 0.1 p.p. vs. 4Q20.

It is worth mentioning that adjustments made since the beginning of the pandemic continue to contribute to the control of expenses, although in less intensity when compared to previous quarters, mainly due to the reduction in expenses with business trips.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in table 4. The EBITDA margin presented another quarter of evolution when compared to the same period of the previous year, reflecting the rationalization of costs and expenses, described above, better occupation of the factories, together with the improvement in the margin of some important operations abroad.

Table 4 – Calculation of EBITDA and EBITDA Margin

	1 Q21	4Q20	HA%	1 Q20	HA%
Net Operating Revenues	5,076,879	4,889,918	3.8%	3,714,436	36.7%
Net Income	764,258	742,229	3.0%	440,023	73.7%
Net Income Before Minorities	778,921	761,853	2.2%	453,975	71.6%
(+) Income Taxes & Contributions	124,796	107,806	15.8%	64,210	94.4%
(+/-) Financial Income (Expenses)	(10,535)	(9,220)	14.3%	752	n.a.
(+) Depreciation & Amortization	123,670	120,577	2.6%	100,176	23.5%
EBITDA	1,016,852	981,016	3.7%	619,114	64.2%
EBITDA Margin	20.0%	20.1%	-0.1 pp	16.7%	3.3 pp

Net Income

Net Income in 1Q21 was R\$ 764.3 million, an increase of 73.7% vs. 1Q20 and increase of 3.0% vs. 4Q20. Net margin reached 15.1%, 3.3 p.p. higher than 1Q20 and 0.1 p.p. lower than 4Q20.

Cash Flow

Cash generation in operating activities was R\$ 404.5 million in the first three months of 2021, a decrease of 23.1% compared to the previous year. This result is mainly driven by the increased demand for working capital in the period.

The level of investment (CAPEX⁽²⁾) in modernization and expansion of production capacity showed a slight increase compared to 2020, with continued investments in factories in Brazil, China, Mexico and US.

In financing activities, the company raised R\$ 7.3 million and made amortizations of R\$ 114.2 million, resulting in a net amortization of R\$ 106.9 million. Interest on loans consumed R\$ 14.3 million while payments to equity holders (dividends and interest on capital) totaled R\$ 859.0 million. The final result was consumption of R\$ 976.4 million in financing activities in the year.

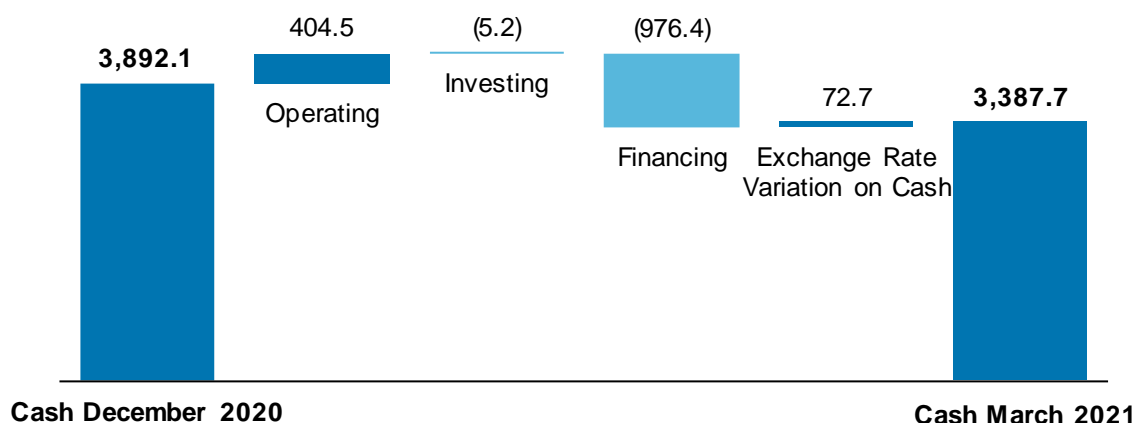


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Chart of figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 1,115.5 million in financial investments with no immediate liquidity, including derivatives (R\$ 1,117.9 million in December 2020).

Return on Invested Capital

The Return on Invested Capital (ROIC) in 1Q21 (accumulated in the last 12 months) increased by 7.5 p.p. over 1Q20, reaching 28.2%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and improved margins, more than offset the growth in capital employed, which expanded due to a greater need for working capital, and investments in fixed and intangible assets over the last 12 months.

Investments (CAPEX)

In 1Q21, we invested R\$ 132.7 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 57% of which are for production units in Brazil and 43% for industrial plants and other facilities abroad.

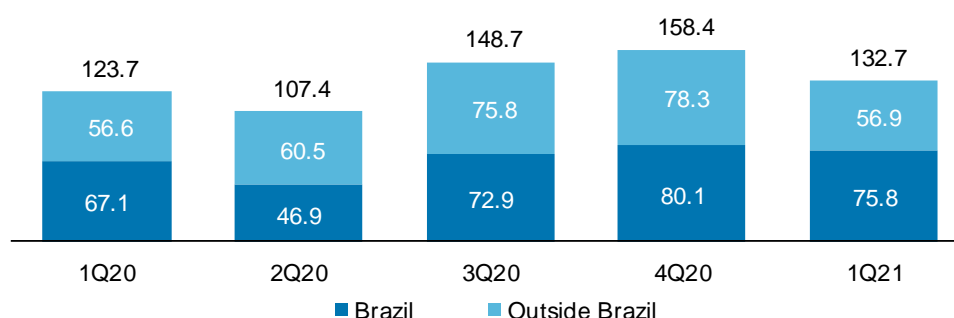


Figure 4 – CAPEX Evolution (figures in R\$ million)

Expenditures on research, development, and innovation activities totaled R\$ 142.4 million, representing 2.8% of net operating revenue in 1Q21.

Debt and Cash Position

Cash, cash equivalents, and financial investments and derivatives, invested in first-tier banks and denominated in Brazilian currency, 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

	March 2021		December 2020		March 2020	
Cash & Financial Instruments	4,503,194		5,010,074		3,401,613	
- Current	4,108,065		4,691,783		2,924,546	
- Long Term	395,129		318,291		477,067	
Debt	1,765,245	100%	1,707,091	100%	2,493,569	100%
- Current	646,367	37%	656,295	38%	888,160	36%
- In Brazilian Reais	8,427		12,289		88,305	
- In other currencies	637,940		644,006		799,855	
- Long Term	1,118,878	63%	1,050,796	62%	1,605,409	64%
- In Brazilian Reais	42,862		48,193		94,409	
- In other currencies	1,076,016		1,002,603		1,511,000	
Net Cash	2,737,949		3,302,983		908,044	

The characteristics of our indebtedness at the end of March were:

- Total Duration of 14.7 months, with duration of 18.8 months in the long term. In December 2020, these figures were 18.5 months and 21.8 months, respectively;
- Weighted average cost of debt denominated in Brazilian Reais is approximately 3.21% p.a. (vs. 2.8% p.a. in December 2020). The post-fixed contracts are indexed mainly to the CDI rate (Interbank Deposit Certificate in Brazil).

Dividends and Interest on Stockholders' Equity

At a meeting held on March 23, 2021, the Board of Directors decided to declare interest on equity in the total amount of R\$ 71.0 million before withholding income tax, with payment expected in August 11, 2021.

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.



1. INFORMATION ON THE COMPANY

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters; motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydro, thermal, biomass, wind and solar energy powerplants; solutions for the industry 4.0; no-breaks and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, and China, with commercial activities carried out in more than 135 countries.

The Company has shares traded on B3 under ticker symbol "WEGE3" and has been listed since June 2007 in the special segment of corporate governance called Novo Mercado. The Company has American Depositary Receipts (ADRs) - Level 1 that are traded on the over-the-counter (OTC) market in the United States under the ticker symbol "WEGZY".

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information, included in the Quarterly Information Form – ITR for the quarter ended March 31, 2021 includes the individual and consolidated interim financial information prepared considering all significant information on the Company, which corresponds to that used by Management in managing the activities, with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information - ITR.

The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, when required by the standard.

These individual and consolidated financial statements were approved and authorized for issue at the executive board meeting held on April 26, 2021.

The accounting policies, bases of consolidation and methods of calculation adopted in the preparation of the interim financial information, as well the key estimates and judgments used in applying the accounting policies are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2020, including the adoption of the new accounting standards, as applicable.

3. ACCOUNTING ESTIMATES

The interim financial information includes the use of estimates that took into consideration Management's assessments and judgments, past and current experiences, assumptions related to future events and other objective and subjective factors. The significant items subject to those estimates are:

- a) analysis of the credit risk to determine the allowance for doubtful debts;
- b) recognition of the allowance for inventory losses;
- c) review of the economic useful life of fixed assets and their recovery in operations;
- d) impairment test of intangible assets;
- e) fair value measurement of financial instruments;
- f) commitments to employee benefit plan;
- g) share-based plan transactions;

- h) deferred income and social contribution taxes; and
- i) provision for contingencies.

The settlement of transactions involving those estimates may lead to amounts different from those recorded in the interim financial information due to the inaccuracies inherent in the estimate process. These estimates are periodically reviewed.

4. DEDUCTION OF THE ICMS FROM THE CALCULATION BASE OF PIS AND COFINS

The Company's subsidiaries have filed lawsuits to recover the amounts taxed when the ICMS (State VAT) is added to the calculation base of PIS (Contribution to the Social Integration Program) and COFINS (Contribution for Social Security Funding).

Subsidiaries WEG Equipamentos Elétricos S.A. and WEG Drives & Controls Automação Ltda., obtained favorable court decisions that are final and may not be appealed, dated February 2021, which determine that in order to calculate the amounts unduly paid, one must consider the ICMS amount separately identified in the shipping invoices, as shown below:

Subsidiary	Type of lawsuit	Status	Period
WEG Equipamentos Elétricos S/A	Ordinary	Final favorable decision that may not be appealed	Oct/2003-Jan/2021
WEG Drives & Controls Ltda	Writ of mandamus	Final favorable decision that may not be appealed	Mar/12-Jan/21

Despite the favorable court decisions obtained by the subsidiaries, no tax credit asset was recognized in the interim financial statements, considering that the current scenario remains uncertain. The Office of the General Counsel for the National Treasury has filed a motion for clarification of the decision, which can have effects on the criterion applied to determine the calculation base of the credit (ICMS separately identified in the shipping invoices or ICMS actually paid) and cause the courts to modulate the effects of the decision over time.

The tax credits estimated when the quarterly financial statements were prepared totaled about R\$630,000 (whose calculation base is the ICMS separately identified in the shipping invoices) and R\$ 67,000 (according to Consultation Response 13 issued by COSIT - General Coordination of the Assessment System in 2018).

Considering the legal, tax and accounting aspects of the issue, the Company understands that it has no sufficient elements to reliably measure the credits resulting from the favorable decisions obtained by its subsidiaries and therefore the Company classified them as contingent asset, in accordance with CPC 25/IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Company will continue to follow up on the latest developments on the matter, and will decide what to do according to the decisions rendered by the Federal Supreme Court and/or the guidelines issued by regulatory agencies, as well as its best knowledge about the uncertainties involved in measuring contingent assets.



5. CASH AND CASH EQUIVALENTS

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
a) Cash and banks	9	6	899,152	584,332
b) Short-term investments	397,257	390,127	2,488,590	3,307,808
In local currency:	397,257	390,127	1,935,152	2,756,033
Bank Certificate of Deposit (CDB) and Repurchase Agreements	397,257	390,127	1,935,152	2,756,033
In foreign currency:	-	-	553,438	551,775
TOTAL	397,266	390,133	3,387,742	3,892,140

Investments in Brazil:

Short-term investments in Brazil refer mainly to funds invested in private securities with first tier financial institutions.

These investments yield an average rate of 102.13% of the Interbank Deposit Rate - CDI (102.41% of the CDI as at December 31, 2020).

6. SHORT-TERM INVESTMENTS

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
Bank Certificate of Deposit (CDB) and Funds	484,369	482,215	486,820	592,794
TOTAL	484,369	482,215	486,820	592,794
Current assets	484,369	482,215	484,369	592,794
Non-Current assets	-	-	2,451	-

Short-term investments yield average fixed rates of 103.23% of the CDI (103.20% of the CDI as at December 31, 2020).

7. TRADE RECEIVABLES

	CONSOLIDATED	
	03/31/21	12/31/20
a) Breakdown of balances:		
Domestic market	1,573,675	1,399,934
External market	2,320,579	2,078,899
SUBTOTAL	3,894,254	3,478,833
Allowance for doubtful debts	(58,361)	(61,582)
TOTAL	2,835,893	3,417,251
b) Losses on trade receivables in the period	3,750	19,562
c) Maturity of trade notes:		
Not past due	3,544,159	3,097,118
Past due:	350,095	381,715
Up to 30 days	204,449	217,894
From 31 to 90 days	58,031	69,990
From 91 to 180 days	31,366	34,928
Over 180 days	56,249	58,903
TOTAL	3,894,254	3,478,833

The movement in the allowance for doubtful debts is as follows:

Balance at 01/01/2020	(53,518)
Losses written off in the year	19,562
Recognition of provision in the year	(48,466)
Reversal of provision in the year	20,840
Balance at 12/31/2020	(61,582)
Losses written off in the period	3,750
Recognition of provision in the period	(6,725)
Reversal of provision in the period	6,196
Balance at 03/31/2021	(58,361)

8. INVENTORIES

	CONSOLIDATED	
	03/31/21	12/31/20
Finished goods	695,082	619,886
Work in progress	618,299	537,750
Raw materials and others	757,292	616,709
Imports in transit	241,412	74,603
Provision for slow-moving inventory losses	(44,517)	(43,019)
Total inventories - domestic market	2,267,568	1,805,929
Finished goods	863,501	899,065
Work in progress	794,265	692,901
Raw materials and others	586,873	464,917
Provision for slow-moving inventory losses	(135,646)	(125,283)
Total inventories – external market	2,108,993	1,931,600
GRAND TOTAL	4,376,561	3,737,529

The movement in the provision for slow-moving inventory losses is as follows:

Balance at 01/01/2020	(114,271)
Recognition of provision in the year	(112,879)
Reversal of provision in the year	58,848
Balance at 12/31/2020	(168,302)
Recognition of provision in the period	(33,034)
Reversal of provision in the period	21,173
Balance at 03/31/2021	(180,163)

Inventories are insured and their coverage is determined considering the values and level of risk involved. The recognition and reversal of provision for slow-moving inventory losses are recorded in cost of sales.

9. TAXES RECOVERABLE

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
BRAZIL	15,765	2,978	357,536	215,569
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	14,073	1,989	128,113	50,348
IRRF (Withholding Income Tax) on financial investments)	1,692	989	4,172	3,807
Financial credit from the IT Law – IRPJ/CSLL	-	-	23,625	21,772
ICMS (State VAT)	-	-	19,490	7,169
ICMS on purchases of property, plant and equipment	-	-	29,696	28,808
IPI (Federal VAT)	-	-	79,443	55,798
PIS/COFINS (Taxes on Revenue)	-	-	52,790	26,380
Reintegra	-	-	14,779	14,640
Others	-	-	5,428	6,847
FOREIGN	-	-	186,807	154,928
Income Tax	-	-	32,778	30,402
IVA / VAT	-	-	129,393	105,216
Others	-	-	24,636	19,310
TOTAL	15,765	2,978	544,343	370,497
Current assets	15,765	2,978	512,198	339,283
Noncurrent assets	-	-	32,145	31,214

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

10. RELATED PARTIES

The Company carried out trading transactions involving purchase and sale of goods and raw materials and contracting of services as well as financial transactions relating to loans and fundraising among Group companies, which are eliminated on consolidation, and Management compensation.

Amount of existing balances:	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
BALANCE SHEET ACCOUNTS				
Current liabilities	740	1,462	21,556	19,319
Contracts with Management	-	-	15,496	5,339
Profit sharing - Management	740	1,462	6,060	13,980

PROFIT & LOSS ACCOUNTS	PARENT		CONSOLIDATED	
	03/31/21	03/31/20	03/31/21	03/31/20
Management compensation:				
a) Fixed (fees)	740	723	6,060	6,953
Board of Directors	387	358	774	716
Board of Executive Officers	353	365	5,286	6,237
b) Variable (profit sharing)	740	723	6,060	5,818
Board of Directors	387	358	774	716
Board of Executive Officers	353	365	5,286	5,102

Additional Information:

a) Trading transactions

The purchase and sale of inputs and goods are conducted under conditions established between the parties;

b) Management of funds

The financial and trading transactions conducted among the Group companies are recorded and supported by the Group's policies. The credit/debit agreements entered into with Management are subject to interest of 95.0% of the CDI variation (95.0% of the CDI variation as at December 31, 2020);

c) Sureties and guarantees

WEG SA has sureties and guarantees for foreign subsidiaries in the amount of US\$ 10.4 million (US\$ 23.3 million at December 31, 2020);

d) Management compensation

The members of the Board of Directors received compensation in the amount of R\$ 774 (R\$ 716 as at March 31, 2020) and the executive officers received R\$ 5,286 (R\$ 6,237 as at March 31, 2020) for their services, corresponding to a total amount of R\$ 6,060 (R\$ 6,953 as at March 31, 2020).

A share of 0% to 2.5% of the consolidated profit for the year is expected to be paid to Management as long as they achieve the minimum operating performance targets. The performance targets refer to the Return on Invested Capital (weight of 70%), and growth of EBITDA (weight of 30%). The corresponding provision is recognized in profit or loss for the year in the amount of R\$ 6,060 (R\$ 5,818 as at March 31, 2020), in the other expenses line item. Directors receive benefits for the performance of their function.

11. DEFERRED TAXES

The deferred tax assets and liabilities were determined in accordance with CVM Resolution 599/09, which approved Technical Pronouncement CPC 32 – Income Taxes.

a) Breakdown of amounts:

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
Income tax losses	251	418	114,945	109,219
Social contribution losses	608	628	16,376	14,949
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	87,847	87,350
Taxes under litigation	1,608	1,608	53,578	56,185
Losses on trade receivables	-	-	14,593	14,289
Losses on slow-moving inventories	-	-	31,902	30,792
Product Warranties	-	-	80,055	68,641
Indemnities on labor and contractual terminations	-	-	59,004	58,512
Freight and sales commissions	-	-	16,152	11,922
Third-party services	-	-	47,340	48,568
Projects in progress – foreign subsidiaries	-	-	50,340	40,939
Employee profit sharing	-	-	46,937	104,643

Deferred revenue	-	-	43,846	47,070
Accelerated depreciation	-	-	(6,575)	(6,695)
Difference between tax and accounting amortization of goodwill	(3)	(3)	(39,116)	(37,865)
Difference between tax and accounting depreciation (useful life)	(13)	(13)	(254,602)	(241,269)
Others	2,613	4,203	29,641	37,018
Deemed cost of property, plant and equipment	(1,307)	(1,314)	(151,192)	(153,503)
TOTAL	3,757	5,527	241,071	290,765
Noncurrent assets	3,757	5,527	327,360	360,390
Noncurrent liabilities	-	-	(86,289)	(69,925)

b) Estimated realization period

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

In regard to deferred tax assets, recognized on income tax and social contribution losses, Management estimates that they will be realized within the next 5 years, taking into consideration the projection of future profits.

12. INVESTMENTS

11.1 Investments in subsidiaries

	Country	Equity	Profit (loss) for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				03/31/21		12/31/20		03/31/21	03/31/20	03/31/21	12/31/20
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	9,662,006	663,190	100.00	-	100.00	-	662,528	399,051	9,662,006	9,293,103
RF Reflorestadora Ltda.		149,997	87	100.00	-	100.00	-	87	603	149,997	149,910
WEG Amazônia S.A.		84,095	9,361	0.02	99.98	0.02	99.98	2	1	13	12
WEG Administradora de Bens Ltda.		12,820	(20)	99.06	0.94	99.06	0.94	(19)	16	12,700	12,928
WEG Logística Ltda.		197,064	4,922	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equip. Elétricos S.A.		475,467	50,994	-	100.00	-	100.00	-	-	2	2
WEG Drives & Controls Aut. Ltda.		829,320	99,208	100.00	-	100.00	-	99,208	35,629	829,321	805,266
WEG Partner Holding Ltda.		1	(0)	0.10	99.90	0.10	99.90	-	-	-	-
WEG-Cestari Redut. Motorredut. S.A.		93,044	8,753	-	50.01	-	50.01	-	-	-	-
Hidráulica Indl.- Ind. e Com. Ltda.		219,645	490	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,539	464	91.75	8.25	91.75	8.25	426	4	1,412	1,068
Paumar S.A. Indústria e Comércio		412,464	11,785	38.87	61.13	38.87	61.13	4,581	2,826	160,325	162,888
WEG-Jelec Oil and Gas Sol. Aut. Ltda.		11	0	-	100.00	-	100.00	-	-	-	-
Geremia Redutores Ltda.		49,590	3,514	-	50.01	-	50.01	-	-	-	-
PPI Multitask Sistem. E Autom. S.A.		3,838	537	-	51.00	-	51.00	-	-	-	-
Multitask Automação Industrial S.A.		319	(111)	-	51.00	-	51.00	-	-	-	-
V2COM Participações S.A.		23,062	(2,949)	-	51.00	-	51.00	-	-	-	-
V2 Tecnologia Ltda.		23,657	(2,523)	-	51.00	-	51.00	-	-	-	-
V2 Ind. e Com. de Equip. Elet. Ltda		-	(423)	-	-	-	51.00	-	-	-	-
Mvlsia Desenv. Inovadores S.A.		9,062	(360)	-	51.03	-	51.03	-	-	-	-
Blmind Automação e Serviços S.A.		8,677	(379)	-	51.00	-	51.00	-	-	-	-
Zest WEG Group Africa (Pty) Ltd.		252,747	2,308	-	100.00	-	100.00	-	-	-	-
Zest Energy (Pty) Ltd.		299	(0)	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		837	(1,817)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		193,540	4,314	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)	South Africa	(1,133)	2,148	-	86.67	-	86.67	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.		(614)	(11)	-	100.00	-	100.00	-	-	-	-
Zest WEG Investment Company (Pty) Ltd.		144,768	3,227	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH	Germany	76,430	(1,761)	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH		8,202	(329)	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH		26,853	1,108	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(29,338)	(2,978)	-	100.00	-	100.00	-	-	-	-
TGM Kanis Turbinen GmbH	Argentina	110,072	(3,586)	-	42.86	-	42.86	-	-	-	-
WEG Equipamientos Electricos S.A.		146,675	6,393	10.45	89.55	10.45	89.55	2,260	1,603	15,315	13,050
Pulverlux S.A.		17,860	1,947	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.	Australia	77,548	428	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	141,799	1,265	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH		1,573,982	268,575	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH		5,868,122	353,866	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Belgium	92,774	2,393	-	100.00	-	100.00	-	-	-	-
WEG Central Asia LLP	Kazakhstan	1,048	(102)	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	78,359	3,316	8.00	92.00	8.00	92.00	265	190	6,269	5,537
WEG (Nantong) Electric Motor Co., Ltd.	China	435,239	11,766	-	100.00	-	100.00	-	-	-	-

WEG S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION AS AT MARCH 31, 2021
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)



Changzhou Sinya Electromotor Co., Ltd.		(18,617)	(7,585)	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		(20,591)	(4,266)	-	100.00	-	100.00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.		5,255	(403)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(15,296)	(2,005)	-	100.00	-	100.00	-	-	-	-
The First Drive Technology Co., Ltd.		(6,865)	(1,414)	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		394,644	9,794	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	5,356	99	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.	Colombia	104,620	(4,391)	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	Arab Emirates	(29,047)	(71)	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	107,994	5,865	-	100.00	-	100.00	-	-	-	-
Autrial S.L.		(14,269)	519	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.		1,147,956	29,984	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC	United States	135,744	(204)	-	100.00	-	100.00	-	-	-	-
FTC Energy Group Inc.		28	-	-	100.00	-	100.00	-	-	-	-
Bluffton Motor Works, LLC		438,813	772	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		254,245	16,301	-	72.00	-	72.00	-	-	-	-
WEG France SAS	France	58,989	2,528	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	12,374	621	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(2,248)	42	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	284,206	6,591	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	41,656	2,973	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	79,631	2,896	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	5,422	120	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	(352)	226	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.		1,052,770	20,144	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.	Mexico	156,776	15,899	-	72.00	-	72.00	-	-	-	-
Voltran S.A. de C.V.		150,771	10,859	-	72.00	-	72.00	-	-	-	-
WEG Equipos Eléctricos S.A. de C.V.		18,533	(1,328)	-	100.00	-	100.00	-	-	-	-
WEG Power Systems S.A. de C.V.		5,118	(16)	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda.	Mozambique	(1,277)	(160)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.C.	Peru	26,337	(1,783)	0.05	99.95	0.05	99.95	(1)	-	13	13
WEG Poland Sp. z o.o.	Poland	867	-	-	100.00	-	-	-	-	-	-
WEGEuro Ind. Eléctrica S.A.	Portugal	200,120	6,674	-	100.00	-	100.00	-	-	-	-
WEG Electric CIS	Russia	23,977	2,688	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Sweden	30,538	1,350	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(234)	(37)	-	100.00	-	100.00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(5)	0	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	(1,185)	(5)	-	50.00	-	50.00	-	-	-	-
TOTAL								769,337	439,923	10,837,373	10,443,777

(*) Share of profit (loss) of investees adjusted for unrealized profits on related-party transactions.

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

Subsidiaries with negative equity are capitalized annually, in accordance with the legislation of each country.

12.2 Other investments

The Company and its subsidiaries have recorded other investments of R\$ 1,421 (R\$ 1,023 as at December 31, 2020).

12.3 Company Events

(i) V2 Tecnologia Ltda.

On February 2021 the merger of the company V2 Indústria e Comércio de Equipamentos Eletrônicos Ltda. on the company V2 Tecnologia Ltda.. The objective of this restructuring is the simplification and synergy of technical and management services, and the reduction of operating costs and administrative expenses.

13. PROPERTY, PLANT AND EQUIPMENT

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
Land	1,440	1,440	505,677	508,645
Constructions and facilities	5,639	5,639	2,246,925	2,127,181
Equipment	-	-	5,550,676	5,142,824
Furniture and fixtures	-	-	194,447	186,089
Hardware	-	-	190,290	177,206

Construction in progress	-	-	281,295	449,906	
Reforestation	-	-	60,020	59,816	
Others	-	-	109,609	83,271	
Total property, plant and equipment	7,079	7,079	9,138,939	8,734,938	
Accumulated depreciation/depletion	Annual depreciation rate (%)	(2,969)	(2,947)	(4,337,669)	(4,136,208)
Constructions and facilities	02 to 03	(2,969)	(2,947)	(672,074)	(630,519)
Equipment	05 to 20	-	-	(3,330,202)	(3,188,819)
Furniture and fixtures	07 to 10	-	-	(134,519)	(127,972)
Hardware	20 to 50	-	-	(132,470)	(124,484)
Reforestation	-	-	-	(27,267)	(27,166)
Others	-	-	-	(41,137)	(37,248)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET		4,110	4,132	4,801,270	4,598,730

a) Summary of the movement in property, plant and equipment – consolidated:

Classification of the PP&E	12/31/20	Transfer between classes	Acquisitions	Write-offs	Depreciation and depletion	Effect of exchange rate changes	03/31/21
Land	508,645	(15,799)	-	-	-	12,831	505,677
Constructions and facilities	1,496,662	22,507	4,678	(265)	(14,349)	65,618	1,574,851
Equipment	1,954,005	219,751	39,352	(2,046)	(67,109)	76,521	2,220,474
Furniture and fixtures	58,117	47	2,589	(26)	(2,421)	1,622	59,928
Hardware	52,722	886	7,207	(119)	(4,233)	1,357	57,820
Construction in progress	449,906	(225,751)	38,428	-	-	18,712	281,295
Reforestation	32,650	-	204	-	(101)	-	32,753
Advances to suppliers	20,539	(3,355)	22,728	-	-	760	40,672
Others	25,484	1,114	1,568	(466)	(1,374)	1,474	27,800
TOTAL	4,598,730	(600)	116,754	(2,922)	(89,587)	178,895	4,801,270

Previous Year	31/12/2019	Transf. Between groups	Allocation PPA Geremia	Consolid. TGM Kanis	Additions	Write-offs	Depreciation	Effect of exchange rates	31/12/2020
Total	3,776,561	(82)	15,763	42,805	625,651	(17,541)	(323,394)	478,967	4,598,730

b) Construction in progress – the Company has investments in progress in property, plant and equipment items as at March 31, 2021 amounting to R\$ 281,295 (R\$ 449,906 as at December 31, 2020), and the most significant investments are in Mexico unit, which amount to R\$ 132,781 (R\$ 316,558 as at December 31, 2020).

c) Amount offered as guarantee – PP&E items were offered as guarantee of borrowings, financing, labor claims and tax lawsuits in the consolidated amount of R\$ 31,166 (R\$ 31,166 as at December 31, 2020).

14. RIGHT OF USE OF LEASED ASSETS

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

	CONSOLIDATED	
	03/31/21	12/31/20
Properties	506,751	391,123
Machinery and equipment	29,762	23,765
Hardware	968	885
Vehicles	29,132	26,703
Total leases	556,613	442,476
Accumulated depreciation	(188,222)	(163,996)
Properties	(157,726)	(138,580)
Machinery and equipment	(14,315)	(11,049)
Hardware	(457)	(369)
Vehicles	(15,724)	(13,998)
TOTAL NET	378,391	278,480

a) Summary of the movement in right of use of leased assets:

Class	12/31/20	Transfer between classes	Additions	Write-offs	Depreciation	Foreign Exchange	03/31/21
Properties	252,543	-	102,191	(9,631)	(19,430)	23,352	349,025
Machinery and equipment	12,716	(566)	2,920	(6)	(1,068)	1,451	15,447
Hardware	516	-	-	-	(52)	47	511
Vehicles	12,705	566	2,272	(4)	(2,710)	579	13,408
TOTAL	278,480	-	107,383	(9,641)	(23,260)	25,429	378,391

Previous Year	31/12/2019	Transf. Between groups	Additions	Write-offs	Depreciation	Effect of exchange rates	31/12/2020
Total	204,623	-	113,394	(9,692)	(82,400)	52,555	278,480

15. INTANGIBLE ASSETS - CONSOLIDATED

	Amortization / No. of years	Cost	Accumulated amortization	03/31/21	12/31/20
Software license	5	213,357	(146,483)	66,874	65,534
Property right	30 – 80	118,805	(26,029)	92,776	85,237
Trademarks and patents	5	87,082	(77,991)	9,091	9,144
Projects	5	91,789	(51,103)	40,686	47,583
Others	5	268,097	(200,151)	67,946	69,267
Subtotal		779,130	(501,757)	277,373	276,765
Goodwill on acquisition subsidiaries	-	1,426,018	(26,299)	1,399,719	1,318,710
TOTAL		2,205,148	(582,056)	1,677,092	1,595,475

a) Summary of the movement in intangible assets:

	12/31/20	Transfer between classes	Additions	Write-offs	Amortization	Effect of exchange rate changes	03/31/21
Software license	65,534	3	5,064	(224)	(4,675)	1,172	66,874
Property right	85,237	-	-	-	(493)	8,032	92,776
Trademarks and patents	9,144	600	-	-	(586)	(67)	9,091

Projects	47,583	(3)	10,921	(18,220)	(252)	657	40,686
Others	69,267	-	-	(22)	(4,817)	3,518	67,946
Subtotal	276,765	600	15,985	(18,466)	(10,823)	13,312	277,373
Goodwill on acquisition of subsidiaries	1,318,710	-	-	-	-	81,009	1,399,719
TOTAL	1,595,475	600	15,985	(18,466)	(10,823)	94,321	1,677,092

Previous Year	31/12/2019	Transf. Between groups	Allocation PPA TGM	Consolid. TGM Kanis	Additions	Write-offs	Depreciation	Effect of exchange rates	31/12/2020
Total	1,319,746	82	(15,763)	8,022	89,998	(13,728)	(45,565)	252,683	1,585,475

b) Breakdown of goodwill generated on acquisition of subsidiaries:

	03/31/21	12/31/20
Electric Machinery Company LLC	278,896	254,390
Bluffton Motor Works, LLC	232,416	211,994
TGM Ind. e Com, de Turbinas e Transm. Ltda. (Merged)	116,516	116,516
Changzhou Sinya Electromotor Co., Ltd,	112,878	103,143
Zest WEG Group Africa (PTY) Ltd.	116,399	106,722
Trafo Equipamentos Elétricos S.A. (Merged)	62,827	62,827
WEG Transformadores Colombia S.A.S. (Merged)	66,261	64,978
WEG-Cestari Redutores e Motorreductores S.A.	48,139	48,139
Stardur Tintas Especiais Ltda. (Merged)	43,402	43,402
Watt Drive Antriebstechnik GmbH	45,419	43,291
Geremia Redutores Ltda	32,246	32,246
Changzhou Machine Master Co., Ltd, (Merged)	26,232	23,969
Others	218,088	207,093
TOTAL	1,399,719	1,318,710

c) Amortization schedule of intangible assets (except goodwill):

	03/31/21
2021	34,703
2022	39,011
2023	35,691
2024	31,718
2025	26,254
From 2026 onwards	109,996
TOTAL	277,373

16. TRADE PAYABLES

	CONSOLIDATED	
	03/31/21	12/31/20
Balance breakdown:		
Domestic market	706,453	558,899
External market	1,020,281	690,469
TOTAL	1,726,734	1,249,368

17. BORROWINGS AND FINANCING

Type	Annual charges at 03/31/21	CONSOLIDATED	
		03/31/21	12/31/20
IN LOCAL CURRENCY			
CURRENT		8,427	12,289
In Brazilian Reais, fixed rate			
Working capital		-	3,931
Property, plant and equipment		-	2,369

In Brazilian Reais, floating rate

Working capital	UFIR (+) 1.0% to 4.0% p.a.	648	783
Working capital	116% of CDI	7,734	5,156

Others

Others	Sundry	45	50
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NONCURRENT

42,869 48,193

In Brazilian Reais, fixed rate

Working capital	-	5,050
Property, plant and equipment	-	3,044

In Brazilian Reais, floating rate

Working capital	116% of CDI	42,769	40,000
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Others

Others	Sundry	93	99
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IN FOREIGN CURRENCY

CURRENT

626,252 629,995

In US Dollar

Working capital	Libor (+) 1.4% p.a.	495,513	442,044
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In Euros

Working capital	Euribor (+) 1.0% p.a.	15,891	16,069
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In Colombian Pesos

Working capital	-	37,141
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In Rand (South Africa)

Working capital	5.5% to 9.25% p.a.	56,799	80,160
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Other currencies

Working capital	Domestic market rates	58,049	54,581
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NONCURRENT

1,070,056 996,103

In US Dollar

Working capital	Libor (+) 1.4% p.a.	950,603	857,802
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In Euros

Working capital	Euribor	10,110	10,331
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In Mexican Pesos

Working capital	TIEE (+) 0.9% p.a.	107,587	125,942
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Other currencies

Working capital	Domestic market rates	1,756	2,028
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TOTAL BORROWINGS AND FINANCING

1,747,597 1,686,580

TOTAL CURRENT	634,679	642,284
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TOTAL NONCURRENT	1,112,918	1,044,296
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The FINAME Operations are guaranteed by endorsements and liens on assets.

a) Maturity of noncurrent borrowings and financing:

	03/31/21	12/31/20
2022	952,968	864,701
2023	354	1,350
2024	118,241	136,854
From 2025 onwards	41,355	41,391
TOTAL	1,112,918	1,044,296

b) The movement of borrowings and financing is as follows:

Balance at 01/01/2020	2,284,969
Intakes	211,487
Interest accrual	8,269
Amortization	(1,674,612)
Payment of interests	(11,784)
Exchange rate effects	868,251
Balance at 12/31/2020	1,686,580
Intakes	7,291
Interest accrual	10,082
Amortization	(114,231)
Payment of interests	(14,347)
Exchange rate effects	172,222
Balance at 03/31/2021	1,747,597

18. PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to administrative and judicial proceedings involving tax, labor and civil matters arising from the normal activities of their businesses. The corresponding provisions were recorded for proceedings the likelihood of loss of which was rated as "probable" based on the estimate of value at risk determined by the Company's legal counsel. The Company's management estimates that the provision for contingencies recognized is sufficient to cover any losses on ongoing proceedings,

a) Balance of provision for contingencies:

		PARENT		CONSOLIDATED	
		03/31/21	12/31/20	03/31/21	12/31/20
(i) Tax:		4,730	4,730	284,622	285,528
- IRPJ and CSLL	(a,1)	-	-	144,521	143,032
- INSS	(a,2)	4,730	4,730	59,830	59,803
- PIS and COFINS	(a,3)	-	-	67,109	69,452
- Others		-	-	13,162	13,241
(ii) Labor		-	-	198,637	196,971
(iii) Civil		-	-	129,921	126,241
(iv) Others		-	-	3,972	3,965
TOTAL		4,730	4,730	617,152	612,705

b) Statement of the movement for the year - consolidated:

	12/31/20	Additions	Interest	Write-offs	Reversals	03/31/21
a) Tax	285,528	2,253	651	-	(3,810)	284,622
b) Labor	196,971	2,554	1,746	(2,522)	(112)	198,637
c) Civil	126,241	8,730	80	(3,802)	(1,328)	129,921
d) Others	3,965	7	-	-	-	3,972
TOTAL	612,705	13,544	2,477	(6,324)	(5,250)	617,152

c) The provisions recognized refer mainly to:

(i) Tax contingencies

- (a.1) Refers to the proceeding regarding the difference of the IPC (Consumer Price Index) for January 1989 (“Plano Verão”) on the 16.24% inflation adjustment and the proceeding on the deduction from the calculation basis of 2011 RD&I Project expenditures (“Lei do Bem” – Innovation Tax Incentive Law).
- (a.2) Refers to contribution due to the Social Security. The litigation refers to social security charges levied on private pension plan, profit sharing, education allowance, among others.
- (a.3) Refers to non-approval by the Brazilian Federal Revenue Office of the request for offset of the credit balance of PIS and COFINS against federal tax debts.

(ii) Labor contingencies

The Company and its subsidiaries are defendants in labor claims primarily involving discussions about health and risk exposure, among others,

(iii) Civil contingencies

Refer mainly to civil lawsuits, including pain and suffering, aesthetic damage, occupational diseases and indemnities arising from occupational accidents,

d) Escrow deposits:

	PARENT		CONSOLIDATED	
	03/31/21	12/31/20	03/31/21	12/31/20
Tax	4,657	4,657	41,514	41,514
Labor and civil	-	-	21,096	23,905
Others	-	-	117	117
TOTAL RESTRICTED DEPOSITS	4,657	4,657	62,727	65,536
- Non-restricted escrow deposits	-	-	4,978	4,619
TOTAL ESCROW DEPOSITS	4,657	4,657	67,705	70,155

The escrow deposits not restricted to contingencies are awaiting court authorization for withdrawal.

e) Contingencies assessed as possible losses:

The Company and its subsidiaries are parties to other lawsuits for which the likelihood of loss is classified as “possible” and for which no provision for contingencies was recognized.

As at March 31, 2021, the estimated amount of these lawsuits amounted to R\$ 451,668 (R\$ 432,599 as at December 31, 2020).

(i) Tax

- Taxation on profits earned abroad in total estimated amount of R\$ 277.4 million (R\$ 276.6 million as at December 31, 2020);
- Levy of ICMS-ST on purchases of raw material in the amount of R\$ 26.5 million (R\$ 26.4 million as at December 31, 2020);
- Levy of social security contribution on dental care, education allowance, technical courses and salary premium for education in the amount of R\$ 23.7 million (R\$ 23.7 million as at December 31, 2020);
- Non-approval of IPI credits in the amount of R\$ 14.8 million (R\$ 14.8 million as at December 31, 2020);
- Other tax contingencies in the amount of R\$ 56.7 million (R\$ 37.5 million as at December 31, 2020).

(ii) Civil

- 3Z Movimentação Inteligente Ltda. in the estimated amount of R\$ 29.2 million (R\$ 29.2 million as at December 31, 2020);
- Saraiva Equipamentos Ltda. and Saraiva Engenharia Ltda. in the estimated amount of R\$ 17.1 million (R\$ 17.1 million as at December 31, 2020);
- Other civil lawsuits in the amount of R\$ 7.1 million (R\$ 7.3 million as at December 31, 2020).

19. PRIVATE PENSION PLAN

The Company and its subsidiaries are sponsors of WEG Seguridade Social, which has as main purpose to supplement the retirement benefits offered by the official social security system.

The Plan, administered by WEG Seguridade Social, includes monthly income benefits (retirement), annual bonus, supplemental sickness benefit, supplemental disability retirement, supplemental pension, supplemental annual bonus and death benefit.

The number of participants is 21,770 (20,697 as at March 31, 2020). The Company and its subsidiaries made contributions in the amount of R\$ 12,167 (R\$ 11,268 as at March 31, 2020).

Based on actuarial calculations made by independent actuaries in order to define the net liability value between the defined benefit obligation and the fair value of the plan assets, pursuant to the procedures established by CVM Resolution No. 695/12 – CPC 33 (R1) Employee Benefits, we did not identify any significant post-employment liabilities to be recognized by the Company.

20. EQUITY

a) Issued capital

The Company's capital is R\$ 5,504,517 (R\$ 5,504,517 as at December 31, 2020), comprising 2,098,658,999 registered book-entry common shares with no par value, all with voting rights, including the 693,780 shares held in treasury pursuant to item "c".

b) Shareholder compensation – Interest on capital

On March 23, 2021, the Company declared interest on capital in the gross amount of R\$ 70,961 (R\$ 63,421 in March 2020), net of R\$ 60,316 (R\$ 53,908 in March 2020) corresponding to R\$ 0.02875 per share, already deducting the withholding income tax of 15%, pursuant to paragraph 2 of Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax.

Interest on capital, pursuant to article 37 of the Bylaws and article 9 of Law 9,249/95, will be incorporated into mandatory dividends and paid beginning August 12, 2020.

c) Treasury shares

The shares acquired by the Company are held in treasury to be used by the beneficiaries of the Company's Stock Option Plan and Long-Term Incentive Plan or subsequent cancellation or disposal.

Until March 31, 2021, the beneficiaries of the Company's Stock Option Plan and Plan ILP exercised 225,168 shares. The Company holds in treasury 693,780 shares at the average cost of R\$ 17.17 per share, in the total amount of R\$ 11,913 (R\$ 15,779 as at December 31, 2020).

21. LONG-TERM INCENTIVE PLAN (LTIP)

The Extraordinary General Meeting (EGM) held on June 28, 2016 approved the share-based compensation plan called Long-term incentive plan (LTIP Plan) for its Management and officers.

(i) Plan

The Plan is managed by the Board of Directors and is aimed at granting shares issued by WEG S.A. (Company), classified as "WEGE3" on B3, to its management and officers in order to attract, motivate and retain them, as well as align their interests to those of the Company and its shareholders.

For the LIP Plan application in each year, and the consequent granting of shares, an essential condition (trigger) is that the Company has obtained, in the immediately preceding year, at least 10% of Return on Invested Capital (ROIC).

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

The number of shares granted to the participants is included in clauses 7 and 8 of the LIP Plan, which establishes the criteria for the number of shares to be granted and the vesting period to be complied with.

The Plan may be discontinued, suspended or altered at any time, upon a proposal approved by the Company's Board of Directors.

(ii) Program

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

Programs

The program participants are the officers of the Company and of its subsidiaries based in Brazil, excluding the officers of subsidiaries with third party participation.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, including the new market values in the strike price and the increase in shares for the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Program	Shares Granted		
	Number	Share value (R\$)	Amount of expenses to be allocated over the program term (R\$ thousand)
2016	354,167	11.95	4,232
2017	297,069	19.25	5,718
2018	331,010	18.72	6,197
2019	184,468	37.48	6,914
2020	80,651	86.25	6,957

Summary of the variation of the plan's shares:

Program	12/31/20	Granted	Exercised	Cancelled	Number of shares	
					Delivered in kind	03/31/21
2016	133,083	-	(74,113)	(5,149)	-	53,821
2017	171,313	-	(69,854)	(5,432)	-	96,027
2018	263,851	-	(83,428)	(7,749)	-	172,674
2019	152,641	-	(9,508)	(4,070)	-	139,063
2020	-	80,651	-	-	(6,670)	73,981
TOTAL	720,888	80,651	(236,903)	(22,400)	(6,670)	535,566

In the first quarter of 2021, expenses in the amount of R\$ 3,155 (R\$ 2,134 as at March 31, 2020) were posted to other income (expenses) line item in the income statement for the year matched against capital reserve in equity.

The shares exercised in the first quarter of 2021 amounted to R\$ 8,629 (R\$ 9,162 as at March 31, 2020) recording in capital reserve in equity the amount of R\$ 7,360 (R\$ 7,956 as at March 31, 2020) and R\$ 1,269 (R\$ 1,206 as at March 31, 2020) supplementing the amount provisioned recorded in other income (expenses) line item in the income statement for the year.

22. STOCK OPTION PLAN

The EGM held on June 28, 2016 approved the discontinuance of the Company's Stock Option Plan which had been approved at the EGM of February 22, 2011, and subsequent amendments, complying with the agreements that had already been entered into and not yet completed.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, increasing the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Summary of the movement of the plan's shares:

Number of shares

Program	12/31/20	Exercised	03/31/21
March/15	27,862	(27,862)	-
August/15	34,636	-	34,636
March/16	59,088	(25,254)	33,834
TOTAL	121,586	(53,116)	68,470

Expenses on stock options are accounted for over their vesting period.

In the first quarter of 2021, expenses in the amount of R\$ 3,045 (R\$ 3,796 as at March 31, 2020) were posted to other income (expenses) line item in the income statement for the year matched against capital reserve in equity.

The options exercised in the first quarter of 2021 amounted to R\$ 3,045 (R\$ 3,796 as at March 31, 2020) recognizing in capital reserve line item in equity the amount of R\$ 28 (R\$ 633 as at March 31, 2020) and R\$ 3,017 (R\$ 3,163 as at March 31, 2020) supplementing the amount provisioned recorded in retained earning line item.

23. NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	03/31/21	03/31/20
Gross revenue	5,850,702	4,244,646
Domestic market	2,974,293	2,115,036
External market	2,876,409	2,129,610
Deductions	(773,823)	(530,210)
Taxes	(680,060)	(427,710)
Returns and rebates	(93,763)	(102,500)
Net revenue	5,076,879	3,714,436
Domestic market	2,343,108	1,692,400
External market	2,733,771	2,022,036

24. CONSTRUCTION CONTRACTS

The revenues and costs from construction contracts are recognized according to the percentage of completion method, based on the costs incurred, considering the legal possibility of requiring the payment by the customer or delivery of the product to the customer (transfer of control).

	CONSOLIDATED	
	03/31/21	03/31/20
Gross operating revenues recognized	433,844	330,698
Costs incurred	(366,552)	(224,793)
	03/31/21	12/31/20
Advances received	364,370	262,046

25. OPERATING EXPENSES BY NATURE AND FUNCTION

	CONSOLIDATED	
	03/31/21	03/31/20
EXPENSES BY NATURE	(4,183,697)	(3,195,499)
Depreciation, amortization and depletion	(123,670)	(100,176)
Personnel expenses	(992,248)	(837,717)
Raw materials and consumables	(2,406,654)	(1,704,673)
Freight and insurance expenses	(127,087)	(95,803)
Other expenses	(534,038)	(457,130)
EXPENSE BY FUNCTION	(4,183,697)	(3,195,499)
Cost of sales and services	(3,457,140)	(2,616,903)
Selling expenses	(434,281)	(349,093)
General and administrative expenses	(168,868)	(148,732)
Management fees	(6,060)	(6,953)
Other operating income (expenses)	(117,348)	(73,818)

26. OTHER OPERATING INCOME (EXPENSES)

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

	CONSOLIDATED	
	03/31/21	03/31/20
OTHER OPERATING INCOME	16,211	7,885
OTHER OPERATING EXPENSES	(133,559)	(81,703)
Profit sharing – employees	(113,542)	(60,448)
Profit sharing – foreign subsidiaries	(22,220)	(16,301)
Profit sharing – management	(6,060)	(5,818)
Share-based plan	(4,424)	(3,367)
Others	12,687	4,231
TOTAL, NET	(117,348)	(73,818)

27. FINANCE INCOME (COSTS), NET

	PARENT		CONSOLIDATED	
	03/31/21	03/31/20	03/31/21	03/31/20
FINANCE INCOME	(3,629)	3,383	163,865	381,196
Income from short-term investments	4,194	4,707	19,745	26,484
Exchange rate changes	-	-	112,268	299,518
Exchange rate changes - Trade payables	-	-	16,040	12,194
Exchange rate changes - Trade receivables	-	-	83,970	124,289
Exchange rate changes – Borrowings	-	-	1,782	21,579
Exchange rate changes – Others	-	-	10,476	141,456
PIS/COFINS on interest on capital	(7,659)	(6,353)	(7,659)	(6,353)
PIS/COFINS on finance income	(197)	(282)	(1,886)	(2,265)
Derivatives	-	-	8,634	57,952
PROEX - Equaliz, Interest rate	-	-	8,712	8,503
Other income	33	5,311	24,051	(2,643)
FINANCE EXPENSES	(1,364)	(574)	(153,330)	(381,948)
Interest on borrowings and financing	-	-	(15,010)	(24,810)
Exchange rate changes	-	-	(98,741)	(321,351)
Exchange rate changes - Trade payables	-	-	(17,533)	(75,929)
Exchange rate changes - Trade receivables	-	-	(39,565)	(37,943)
Exchange rate changes – Borrowings	-	-	(36,735)	(139,918)
Exchange rate changes – Others	-	-	(4,908)	(67,561)
Derivatives	-	-	(25,889)	(20,171)
Other expenses	(1,364)	(574)	(13,599)	(15,616)
FINANCE INCOME (EXPENSES), NET	(4,993)	2,809	10,535	(752)

28. PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries in Brazil calculate income tax and social contribution based on taxable income, except for WEG Administradora de Bens Ltda., Agro Trafo Miner., Agric., Pec. and Administradora de Bens Ltda, which adopt the calculation based on the deemed income. The provision for income tax was recognized at a 15% rate, plus a 10% surtax, and the social contribution at a 9% rate. The taxes of foreign subsidiaries are recognized according to the legislation of each country,

Reconciliation of income tax and social contribution:

	PARENT		CONSOLIDATED	
	03/31/21	03/31/20	03/31/21	03/31/20
Profit before taxes on income	766,459	441,157	903,717	518,185
Statutory rate	34%	34%	34%	34%
IRPJ and CSLL calculated at statutory rate	(260,596)	(149,993)	(307,264)	(176,183)
Adjustments for calculation of income tax and social contribution at effective rate:				
Income from investments in subsidiaries	261,575	149,574	8,414	4,417
Difference in rates on income abroad	-	-	93,185	51,930
Tax incentives	-	-	56,134	42,145
Interest on capital	(4,027)	(1,790)	24,467	21,563
Other adjustments	847	1,075	268	(8,082)

IRPJ and CSLL in the income statement	(2,201)	(1,134)	124,796	(64,210)
Current tax	(431)	-	(41,999)	(52,856)
Deferred tax	(1,170)	(1,134)	(82,797)	(11,354)
Effective rate - %	0.29%	0.26%	13.81%	12.39%

29. INSURANCE COVERAGE

The Company and its subsidiaries have a Worldwide Insurance Program - WIP, in which the following world policies established stand out: Transport (Export, Import and Domestic), Civil Liability for Products, Civil Liability of Directors and Officers (D&O), Property/Operational Risks, Environment Pollution, Performance Bond and Engineering Risk (Construction, Installation, Assembly and Commissioning).

The insurance policies are taken only with first-tier multinational insurance companies.

Below we highlight the Indemnity Limits (LMI) of the policies comprising the WIP:

Insurance policy	Maximum Insured Amount (MIA)	Maturity
Operational risks (Equity)	US\$ 36 millions	03/31/2022
Loss of Profits	US\$ 15 millions (for Paint companies and newly acquired companies for the first 12 months with an indemnity period of 6 months)	03/31/2022
General Civil liability	US\$ 10 million	09/12/2022
Civil Liability for Products	US\$ 40 million	09/12/2022
Domestic Transport	R\$ 12 million per shipment/accumulation/trip	11/01/2022
International Transport - Export/Import	US\$ 6 million per shipment/accumulation/trip	11/01/2022
Environmental Pollution	US\$ 15 million	09/12/2022
Contractual Performance Bond	As stipulated in the contract	As per the agreement / delivery
Engineering, Installation and Assembly Risk	According to the value at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba) and US\$ 5 million in the USA;	As per the construction schedule / supply
Civil Liability of Directors & Officers (D&O)	US\$ 30 million	09/12/2021

30. FINANCIAL INSTRUMENTS

The Company and its subsidiaries performed the valuation of their financial instruments, including derivatives recorded in the financial statements, presenting the following values:

	CARRYING AMOUNT	
	03/31/21	12/31/20
Cash and cash equivalents	3,387,742	3,892,140
Cash and banks	892,152	584,332
Short-term investments:	2,488,590	3,307,808
- In local currency	1,935,152	2,756,033
- In foreign currency	553,438	551,775
Short-term investments	486,820	592,794
Derivatives	628,632	525,140
- <i>Non-Deliverable Forwards – NDF</i>	36,930	2,919
- <i>Hedge accounting</i>	591,702	522,221
Total – Assets	4,503,194	5,010,074

Borrowings and financing	1,747,597	1,686,580
- In local currency	51,289	60,482
- In foreign currency	1,696,308	1,626,098
Derivatives	17,648	20,511
- <i>Non-Deliverable Forwards – NDF</i>	6,374	8,221
- <i>SWAP</i>	5,960	6,500
- <i>Hedge accounting</i>	5,314	5,790
Total – Liabilities	1,765,245	1,707,091

All financial instruments are recognized in the consolidated interim financial information at their carrying amount, which approximates their fair value.

29.1 Risk factors

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

a) Credit risks

Arises from the possibility of the Company's subsidiaries not receiving amounts from sales or credits held with financial institutions generated by financial investments. To mitigate the risk of the sales transactions, the Company's subsidiaries adopt a policy of analyzing the financial position of their customers, establishing a credit limit and performing an ongoing monitoring of their debt balance. As regards the financial investments, the Company and its subsidiaries invest with institutions with low credit risk.

b) Foreign currency risks

The Company and its subsidiaries conduct import and export transactions in various currencies, they manage and monitor the exchange exposure seeking to balance their financial assets and liabilities within the limits established by Management.

The limit of exchange exposure sold/purchased (net) may be equivalent to up to one month of exports in foreign currencies as established by the Company's Board of Directors.

As at March 31, 2021, the Company and its subsidiaries made exports in the amount of USD 135.4 million (USD 141.1 million as at March 31, 2020), representing a natural hedge for part of the indebtedness and other costs associated to other currencies, mainly the US dollar.

c) Debt charge risks

These risks arise from the possibility that the subsidiaries may incur losses due to fluctuations in interest rates or other debt indexes, which would increase the finance costs related to borrowings and financing raised in the market, or decrease the finance income related to short-term investments of subsidiaries. The Company and its subsidiaries perform an ongoing monitoring of the market interest rates aiming at assessing the need for hedging against the risk of volatility of these rates.

d) Liquidity risk

Refers to the risk that the company doesn't have enough liquid assets to honor its financial obligations, due to the mismatch between the deadline and the expected receipts and payments. The chart below resumes the contractual obligations which might affect the company's liquidity:

Contractual Obligations	Less than 1 year	1-5 years	More than 5 years	31/12/2021
Borrowings and Financing	634,679	1,071,560	41,358	1,747,597
Derivatives	11,688	5,960	-	17,648
Total - Liabilities	646,367	1,077,250	41,358	1,765,245

29.2 Derivative financial instruments

The Company and its subsidiaries have the following derivative transactions:

Transaction	Currency	Notional Value	Purpose (Proteccion)
Non Deliverable Forwards NDF	USD / BRL	16,000	Exchange rate fluctuation in exports
	USD / EUR	20,500	
	USD / BRL	663	Exchange rate fluctuation in imports
	USD / ZAR	3,319	
	Total Dolar	40,482	
	EUR / BRL	16,800	Exchange rate fluctuation in exports
	EUR / ZAR	10,521	Exchange rate fluctuation in financing
	Total Euro	27,321	
	MXN / USD	1,500	Exchange rate fluctuation in exports
SWAP	EUR	10,000	Exchange rate fluctuation in interest over financing

The management of the Company and its subsidiaries maintain an ongoing monitoring of the derivative financial instruments contracted, through their internal controls.

The sensitivity analysis table (item 30,3) should be read jointly with the other financial assets and liabilities expressed in foreign currency as at March 31, 2021 since the estimated effects of the exchange rates on NDFs and swaps will be offset, if materialized, in whole or in part, against the fluctuations of all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used to mark to market the financial instruments, valid at March 31, 2021, should be considered. These rates represent the best estimate of the future behavior of their prices and represent the amount by which the positions could be settled on their maturity.

The Company and its subsidiaries made the recording based on their market price at March 31, 2021 at fair value and on the accrual basis. These transactions had a net positive impact of R\$ 17,255 (positive R\$ 37,781 as at March 31, 2020) which were recognized as finance income (cost). The Company and its subsidiaries have no margins given in guarantee for the derivative financial instruments outstanding at March 31, 2021.

c) Financial Derivatives instruments designated for hedge accounting:

The Company made the formal designation of its transactions subject to hedge accounting for hedging derivative instruments related to purchase of inputs and expenses denominated in foreign currency, documenting:

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

The Company and its subsidiaries entered into the following transactions involving derivatives designated for hedge accounting:

Transaction	Currency	Notional Value	Purpose (Proteccion)
Non Deliverable Forwards NDF	USD / BRL	15,992	Exchange rate fluctuation in imports
	USD / EUR	2,167	
	USD / BRL	74,300	Exchange rate fluctuation in financing
	AUD / EUR	7,936	
	GBP / EUR	6,571	
	MY R / EUR	10,800	
	CNY / BRL	1,500	Exchange rate fluctuation in exports
	USD	5,562	Copper price rate fluctuation
SWAP	EUR	250,000	Exchange rate fluctuation in interest over financing and pre-payment of exports (PPE)

The Company and its subsidiaries made the recording based on their fair value as at March 31, 2021 on the accrual basis. The accumulated value, net of taxes, recognized in equity is R\$ 4,365 positive (R\$ 5,180 positive at December 31, 2010).

29.3. Sensitivity analysis

The tables below present in reads the effects of "cash and expense" relating to the results of the financial instruments in each of the scenarios.

a) Non- Deliverable Forwards - NDF transactions:

Transaction	Risk	Currency	Notional value (In thousands)	Market value at 03/31/2021		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Non-Deliverable Forwards - NDF	Increase in Dollar	US\$/R\$	16,000	5.6519	474	7.0648	(22,134)	8.4778	(44,741)
	Decrease in Dollar	US\$/R\$	663	5.5543	240	4.1658	(681)	2.7772	(1,602)
	Decrease in Dollar	US\$/ZAR	3,319	15.4499	(1,082)	11.5874	(6,032)	7.7249	(10,982)
	Decrease in Dollar	US\$/EUR	20,500	1.1881	(1,312)	0.8810	(40,238)	0.5873	(118,089)
	Total Dollar		40,482		(1,680)				
	Increase in Euro	EUR/R\$	16,800	6.6889	947	8.3611	(27,147)	10.0334	(55,240)
	Decrease in Euro	EUR/COP	10,521	4,347.1100	(1,776)	3,260.3300	(19,498)	2,173.5600	(37,220)
	Total Euro		27,321		(829)				
	Increase in Mexican Pesos	MXN / USD	1,500	20.8611	178	26.0764	(2,172)	31.2917	(4,352)
	TOTAL				(2,331)				

b) SWAP transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 03/31/2021		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
SWAP	Decrease of Euribor	EUR	10,000	Interest - 0.87% p.a.	(5,960)	Interest - 1.09% p.a.	(6,204)	Interest - 1.31% p.a.	(6,448)
	TOTAL				(5,960)				

c) Hedge accounting transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 03/31/2021		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
NDF	Decrease in Dollar	USD/R\$	15,992	5.6527	12,775	4.2395	(9,824)	2.8263	(32,423)
	Decrease in Dollar	USD/EUR	74,300	1.1514	9,841	0.8826	(130,990)	0.5884	(412,650)
	Decrease in Euro	EUR/R\$	2,167	6.6296	3,348	4.9722	(244)	3.3148	(3,835)
	Decrease in Renminbi	CNY/R\$	1,500	5.4635	(46)	4.0976	(128)	2.7318	(292)
	Decrease in Australian Dollar	AUD/EUR	7,936	1.6355	(1,911)	1.1584	(13,372)	0.7723	(36,292)
	Decrease in Pound Sterling	GBP/EUR	6,571	0.9103	(3,160)	0.6404	(20,324)	0.4269	(54,653)
	Decrease in Malay Ringgit	MYR/EUR	10,800	5.0002	(197)	3.6991	(5,081)	2.4661	(14,850)
	Decrease in the price of Copper	USD	5,562	8.781,09	6,294	6,455.35	(3,036)	4,323.98	(12,120)
	TOTAL				27,574				

31. GOVERNMENT SUBSIDIES AND GRANTS

The Company and its subsidiaries obtained subsidies in the amount of R\$ 51,882 (R\$ 37,802 as at March 31, 2020) arising from tax incentives, recognized in profit or loss for the period:

	CONSOLIDATED	
	03/31/21	03/31/20
Total government subsidies and grants	51,882	37,802
a) WEG Linhares Equipamentos Elétricos S.A.	20,207	13,659
- ICMS (state VAT) incentive credit	15,661	9,000
- Reduction of IRPJ	4,540	4,653
- Municipal investment	6	6
b) WEG Drives & Controls – Automação Ltda.	19,188	14,709
- ICMS incentive credit	19,188	14,709
c) WEG Logística Ltda.	6,333	4,322
- ICMS incentive credit	6,333	4,322
d) WEG Amazônia S.A.	2,122	1,315
- Reduction of IRPJ	2,018	1,272
- ICMS (state VAT) incentive credit	104	43
e) WEG Equipamentos Elétricos S.A.	4,032	3,797
- ICMS incentive credit	4,032	3,797

There are no contingencies related to the subsidies, and all the conditions for obtaining government subsidies have been met.

32. SEGMENT INFORMATION

	Brazil				Abroad		Eliminations and Adjustments		Consolidated	
	Industry		Energy		03/31/21	03/31/20	03/31/21	03/31/20	03/31/21	03/31/20
	03/31/21	03/31/20	03/31/21	03/31/20						
Revenue from Sale of Products and/or Services	2,468,775	1,872,113	772,065	572,590	3,983,588	3,068,754	(2,147,549)	(1,799,021)	5,076,879	3,714,436
Profit (loss) before income taxes	1,218,780	747,235	457,348	310,548	823,622	638,333	(1,596,033)	(1,177,931)	903,717	518,185
Depreciation / Amortization / Depletion	40,670	37,398	16,030	15,941	70,084	43,800	(3,114)	3,037	123,670	100,176
Identifiable Assets	5,341,035	4,571,164	2,865,285	2,698,026	12,275,432	11,188,936	(4,629,715)	(4,250,812)	15,852,037	14,207,314
Identifiable Liabilities	2,083,035	1,718,765	1,295,918	1,294,934	6,100,545	5,474,767	(3,618,253)	(3,303,824)	5,861,245	5,184,642

Industry: single and three phase low/medium voltage motors, drives and controls, industrial automation equipment and services, paint & varnish.

Energy: electric generators for thermal and hydraulic power plants (biomass), hydraulic turbines (PCHs), transformers, substations, wind power generators, control panels, integration services of renewable and distributed energy systems and solutions,

Foreign: comprised of operations carried out by subsidiaries located in various countries,

The column of eliminations and adjustments includes the eliminations applicable to the Company in the context of the Consolidated Interim Financial Information.

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

The segment information is presented consistently with the reports used by Management to assess the performance of each segment of the Company.

33. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing profit for the year, attributable to the holders of the Company's common shares, by the weighted average number of common shares outstanding in the year.

	03/31/21	03/31/20
Profit attributable to the Company's shareholders	764,258	440,023
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,097,965	2,097,669
Basic earnings per share - R\$	0.36429	0.20977

b) Diluted

Diluted earnings per share are calculated by dividing profit for the year, attributable to the holders of the Company's common shares, by the weighted average number of common shares outstanding in the year plus the weighted average number of common shares that would be issued on conversion of potentially dilutive common shares.

	03/31/21	03/31/20
Profit attributable to the Company's shareholders	764,258	440,023
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,098,569	2,098,583
Diluted earnings per share - R\$	0.36418	0.20968



Board of Directors

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

Board of Executive Officers

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

Accountant

Marcelo Peters
CRC/SC 039928/O-0

Supervisory Board

Sitting members

Alidor Lueders – Chairman
Adelino Dias Pinho
Vanderlei Dominguez da Rosa

Deputy members

Ilário Bruch
José Luiz Ribeiro de Carvalho (until February 25, 2021)
Paulo Roberto Franceschi

Opinions and Statements / Officers' Statement on the Quarterly Information

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at March 31, 2021.

Jaraguá do Sul (SC), April 26, 2021

Harry Schmelzer Junior - Chief Executive Officer

Alberto Yoshikazu Kuba - Chief Industrial Motors Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Daniel Marteleto Godinho – Chief Corporate Strategies Officer

Eduardo de Nóbrega - Chief China Division Officer

Elder Stringari - Chief International Division Officer

Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer

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Julio Cesar Ramirez - Chief Commercial Motors Officer

Manfred Peter Johann - Chief Automation Division Officer

Reinaldo Richter - Chief Paints Division Officer

Wilson José Watzko - Chief Controlling Officer

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

By this instrument, the Chief Executive Officers and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under No. 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of KPMG Auditores Independentes, dated April 26, 2021, in respect of the quarterly information of WEG S.A. and Consolidated as at March 31, 2021.

Jaraguá do Sul (SC), April 26, 2021

Harry Schmelzer Junior - Chief Executive Officer

Alberto Yoshikazu Kuba - Chief Industrial Motors Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Daniel Marteleto Godinho – Chief Corporate Strategies Officer

Eduardo de Nóbrega - Chief China Division Officer

Elder Stringari - Chief International Division Officer

Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer

João Paulo Gualberto da Silva - Chief Energy Officer

Julio Cesar Ramirez - Chief Commercial Motors Officer

Manfred Peter Johann - Chief Automation Division Officer

Reinaldo Richter - Chief Paints Division Officer

Wilson José Watzko - Chief Controlling Officer