

# EARNINGS RELEASE

## 4Q 2021

### Continued growth and international expansion amid a still challenging operating environment

#### Highlights



**Net Operating Revenue (NOR)** was **R\$ 6,540.0 million** in 4Q21, 33.7% higher than 4Q20 and 5.5% higher than 3Q21.



**EBITDA<sup>(7)</sup>** reached **R\$ 1,124.9 million**, 14.7% higher than 4Q20 and 1.7% lower than 3Q21, while **EBITDA margin** was **17.2%**, 2.9 p.p. lower than 4Q20, and 1.3 p.p. lower than the previous quarter.



**Return on Invested Capital (ROIC<sup>(2)</sup>)** reached **30.5%** in 4Q21, up 5.0 p.p. from 4Q20 and down 0.8 p.p. from 3Q21.

#### Message from the Management

The continuity of the global economic recovery contributed to our revenue growth this quarter. In addition to the demand increase for industrial equipment in several regions, we kept our good performance in providing solutions linked to renewable energy generation.

In the domestic market, the Energy Generation, Transmission and Distribution (GTD) area stood out compared to the same period of the previous year, mainly influenced by the wind and solar generation businesses. Our Commercial and Appliance Motors area showed business-level accommodation after the high demand observed in recent quarters.

In the foreign market, we recorded another positive performance in the Industrial Electro-Electronic Equipment area, driven by the continuous demand from equipment manufacturers (OEMs) from different market segments. Our GTD and Commercial and Appliance Motors businesses also performed well, with sales growth and market share gains.

Global supply chain challenges and consequent pressure on the cost of goods sold, together with the change in our product mix, continued to pressure the company's operating margins. Despite this context, our business model based on vertical integration and financial flexibility allowed us to provide greater product availability and seize sales growth opportunities with market share gain in the main regions where we operate.

Table 1 – Main Highlights

	4Q21	3Q21	HA%	4Q20	HA%	12M21	12M20	HA%
Return on Invested Capital	30.5%	31.3%	-0.8 pp	25.5%	5.0 pp	30.5%	25.5%	5.0 pp
Net Operating Revenue	6,540,010	6,198,243	5.5%	4,889,918	33.7%	23,563,338	17,469,557	34.9%
Domestic Market	2,890,352	2,930,945	-1.4%	2,247,916	28.6%	10,742,376	7,629,787	40.8%
External Markets	3,649,658	3,267,298	11.7%	2,642,002	38.1%	12,820,962	9,839,770	30.3%
External Markets in US\$	653,383	624,344	4.7%	490,086	33.3%	2,376,654	1,903,899	24.8%
Net Income	874,055	812,925	7.5%	742,229	17.8%	3,585,947	2,340,873	53.2%
Net Margin	13.4%	13.1%	0.3 pp	15.2%	-1.8 pp	15.2%	13.4%	1.8 pp
EBITDA	1,124,940	1,144,010	-1.7%	981,015	14.7%	4,678,520	3,267,683	43.2%
EBITDA Margin	17.2%	18.5%	-1.3 pp	20.1%	-2.9 pp	19.9%	18.7%	1.2 pp
Earnings per Share (EPS)	0.20831	0.19372	7.5%	0.17692	17.7%	0.85459	0.55796	53.2%

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

## Net Operating Revenue

Net operating revenue increased by 33.7% over 4Q20, up 28.6% in the domestic market and 38.1% in the external market, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1.

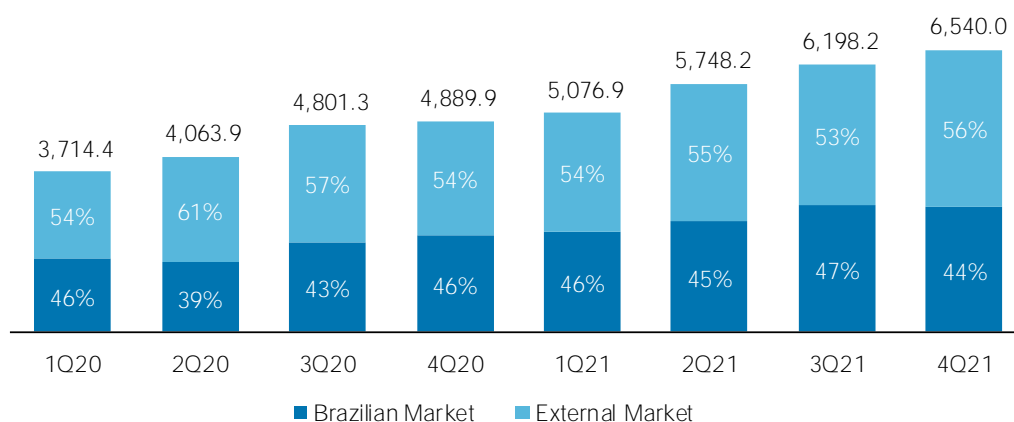


Figure 1 – Net operating revenue by market (figures in R\$ million)

Net operating revenue from the external market, measured by quarterly average US dollars (US\$), increased by 33.3% compared to 4Q20 and increased by 4.7% compared to 3Q21. The distribution of net revenue by the geographic market is shown in Table 2.

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

	4Q21		3Q21		4Q20		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	<i>653,383</i>	<i>100.0%</i>	<i>624,344</i>	<i>100.0%</i>	<i>490,086</i>	<i>100.0%</i>	<i>4.7%</i>	<i>33.3%</i>
<i>North America</i>	<i>280,829</i>	<i>43.0%</i>	<i>263,767</i>	<i>42.2%</i>	<i>215,277</i>	<i>43.9%</i>	<i>6.5%</i>	<i>30.5%</i>
<i>South and Central America</i>	<i>79,136</i>	<i>12.1%</i>	<i>87,017</i>	<i>13.9%</i>	<i>57,417</i>	<i>11.7%</i>	<i>-9.1%</i>	<i>37.8%</i>
<i>Europe</i>	<i>178,976</i>	<i>27.4%</i>	<i>149,358</i>	<i>23.9%</i>	<i>122,190</i>	<i>24.9%</i>	<i>19.8%</i>	<i>46.5%</i>
<i>Africa</i>	<i>42,126</i>	<i>6.4%</i>	<i>45,236</i>	<i>7.2%</i>	<i>42,963</i>	<i>8.8%</i>	<i>-6.9%</i>	<i>-1.9%</i>
<i>Asia-Pacific</i>	<i>72,316</i>	<i>11.1%</i>	<i>78,966</i>	<i>12.8%</i>	<i>52,239</i>	<i>10.7%</i>	<i>-8.4%</i>	<i>38.4%</i>

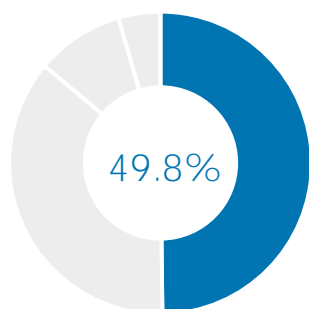
Net operating revenue from the external market, measured in Brazilian Real, was impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 5.39 in 4Q20 to R\$ 5.59 in 4Q21, a 3.6% depreciation of the Brazilian Real.

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 the external market increased by 36.3% compared to 4Q20.

## Performance by Business Area

### Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
4Q21	988,128	2,271,211
3Q21	984,664	1,964,283
Δ%	0.4%	15.6%
4Q20	912,650	1,641,303
Δ%	8.3%	38.4%



Share in NOR

#### Domestic Market

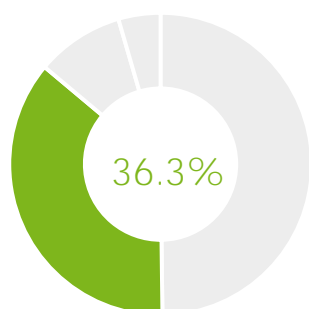
- Industrial activity remained positive in Brazil. Short-cycle products, such as electric motors, gearboxes, and serial automation equipment, continue to be in good demand, especially in the agricultural machinery & equipment and water & wastewater segments.
- Revenue from long-cycle equipment, such as medium voltage electric motors and automation panels, performed well, especially in the mining and pulp & paper segments.

#### External Market

- The recovery of industrial investment observed in recent quarters continued to positively influence our business, generating a significant sales increase for equipment manufacturers (OEMs). The short-cycle businesses, such as low voltage electric motors and serial automation equipment, were the main highlights this quarter, with dispersed demand among different industrial segments.
- Long-cycle equipment also showed an increase in sales, confirming the signs of recovery for our backlog previously reported, with improved sales and order entry in projects for oil & gas, mining, and water & wastewater segments.

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

NOR	Domestic Market	External Market
4Q21	1,399,039	974,982
3Q21	1,381,004	918,524
Δ%	1.3%	6.1%
4Q20	872,027	732,372
Δ%	60.4%	33.1%



Share in NOR

#### Domestic Market

- The growth of almost all businesses in Brazil contributed to another outstanding quarter. The gradual return of wind turbines sales, distributed solar generation kits (DG), and electric generators from other generation sources were the main factors responsible for this result.
- The T&D business had another quarter of high volume of deliveries, driven by large transformers and substations for projects linked to recent transmission auctions, together with sales of transformers for distribution networks and general industries.

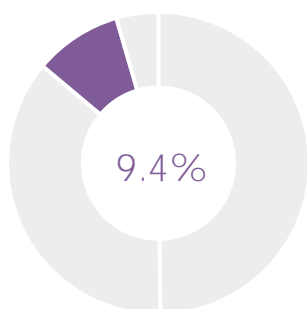
#### External Market

- T&D sales posted another positive quarter, with significant projects taking place in strategic regions for WEG, such as North America and South Africa.
- In generation, we highlight our steam turbine business again in Europe, where we continue expanding the sales of products and services in the region.

## Performance by Business Area

### Commercial and Appliance Motors

NOR	Domestic Market	External Market
4Q21	265,021	347,038
3Q21	326,397	336,843
Δ%	-18.8%	3.0%
4Q20	272,769	220,060
Δ%	-2.8%	57.7%



Share in NOR

#### Domestic Market

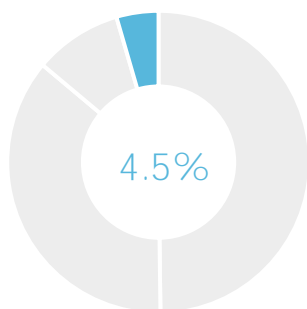
- Despite the good sales volume presented in other segments, such as food and beverages and agribusiness, the accommodation in demand for appliance motors, such as those used for washing machines, impacted this quarter's design. This movement was already expected after the strong recovery seen in recent quarters.

#### External Market

- We observed continued growth in demand for our products, a movement explained by the economic recovery acceleration and market share gains in the US and Mexico. Pump and compressor applications were the highlights this quarter.

### Paints and Varnishes

NOR	Domestic Market	External Market
4Q21	238,164	56,427
3Q21	238,880	47,648
Δ%	-0.3%	18.4%
4Q20	190,470	48,267
Δ%	25.0%	16.9%



Share in NOR

#### Domestic Market

- Demand for paint and varnish products maintained a high level of sales, with emphasis on segments such as road implements, aluminum profiles, and agricultural implements.

#### External Market

- We presented significant sales growth in Latin American countries, led mainly by Chile, through exports from Brazil, and Mexico, where we initiated operations on our new paint factory at the end of 2020.

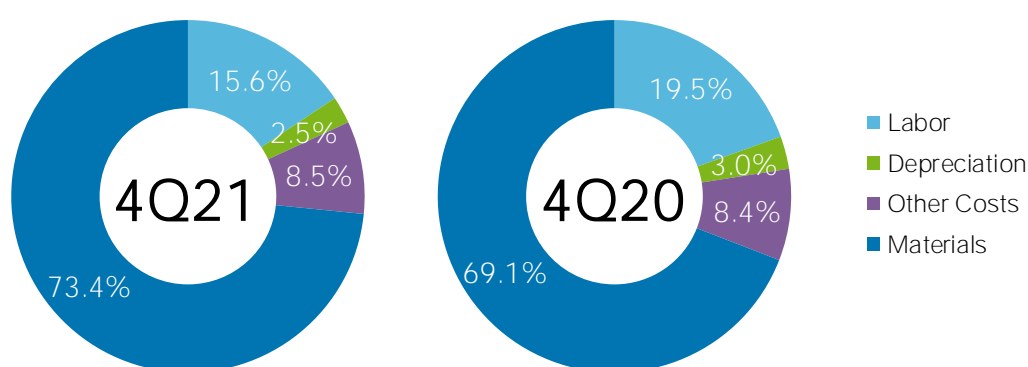
## Cost of Goods Sold

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

**Table 3 – Costs**

	4Q21	3Q21	HA%	4Q20	HA%
Net Operating Revenues	6,540,010	6,198,243	5.5%	4,889,918	33.7%
Cost of Goods Sold	(4,732,113)	(4,411,429)	7.3%	(3,293,619)	43.7%
Gross Margin	27.6%	28.8%	-1.2 pp	32.6%	-5.0 pp

Higher costs on the primary raw materials in our cost structure, notably steel and copper, along with the change in the product mix, were decisive factors for the reduction in operating margins this quarter, despite the continued cost reduction efforts and process improvements, which provided productivity gains, especially in our operations abroad.



**Figure 2 – COGS Composition**

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 699.4 million in 4Q21, an increase of 18.7% vs. 4Q20 and an increase of 5.4% vs. 3Q21. When analyzed compared to net operating revenue, these expenses accounted for 10.7%, down 1.4 p.p. vs. 4Q20 and in line with 3Q21.

## EBITDA e EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in Table 4. The challenges in the global supply chain and the consequent increase in raw material costs, together with the change in the product mix, notably the return of the wind generation business, resulted in a reduction in operating margins this quarter.

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

	4Q21	3Q21	HA%	4Q20	HA%
Net Operating Revenues	6,540,010	6,198,243	5.5%	4,889,918	33.7%
Net Income	874,055	812,925	7.5%	742,229	17.8%
Net Income Before Minorities	893,926	832,231	7.4%	761,853	17.3%
(+) Income Taxes & Contributions	108,748	185,534	-41.4%	107,806	0.9%
(+/-) Financial Income (Expenses)	(17,527)	(3,725)	370.5%	(9,220)	90.1%
(+) Depreciation & Amortization	139,793	129,970	7.6%	120,577	15.9%
<b>EBITDA</b>	<b>1,124,940</b>	<b>1,144,010</b>	<b>-1.7%</b>	<b>981,016</b>	<b>14.7%</b>
<b>EBITDA Margin</b>	<b>17.2%</b>	<b>18.5%</b>	<b>-1.3 pp</b>	<b>20.1%</b>	<b>-2.9 pp</b>

## Net Income

Net income in 4Q21 was R\$ 874,1 million, an increase of 17.8% vs. 4Q20 and an increase of 7.5% vs. 3Q21. The net margin reached 13.4%, 1.8 p.p. lower than 4Q20, and 0.3 p.p. higher than 3Q21.

## Cash Flow

Cash generation in operating activities was R\$ 939.4 million in 2021. This result was impacted by the increased demand for working capital in the period, notably in the increase in the company's inventories. This move was necessary due to the volatility and uncertainty scenario in the global supply chain.

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

The company raised R\$ 503.2 million in financing activities and made amortizations of R\$ 241.1 million, resulting in net funding of R\$ 262.1 million. Interest on loans consumed R\$ 52.7 million, while payments to equity holders (dividends and interest on capital) totaled R\$ 1,657.3 million. The final result was consumption of R\$ 1,443.4 million in financing activities in the period.

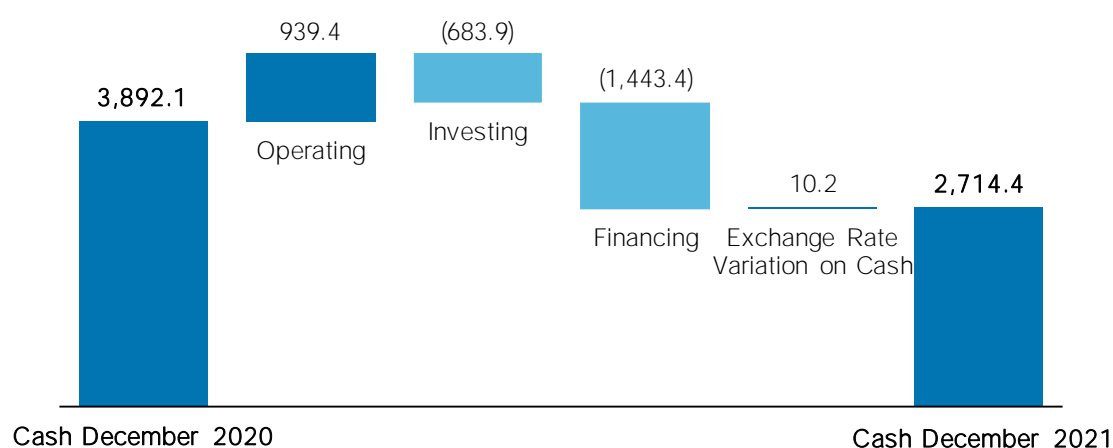


Figure 3 – Cash flow reconciliation (figures in R\$ million)

The chart of Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 912.0 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 4Q21, accumulated in the last 12 months, increased by 5.0 p.p. over 4Q20, reaching 30.5%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and improved margins, more than offset the increase in capital employed, which expanded due to a greater need for working capital, and investments in fixed and intangible assets over the last 12 months.

## Investments (CAPEX)

In 4Q21, we invested R\$ 321.3 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, of which 52% are for production units in Brazil and 48% for industrial plants and other facilities abroad.

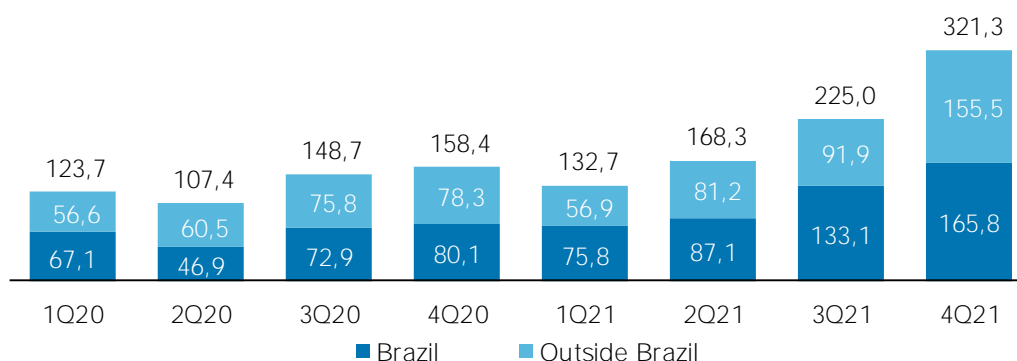


Figure 4 – CAPEX Evolution (figures in R\$ million)

## Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 548.8 million, representing 2.3% of net operating revenue in 2021.

## Debt and Cash Position

Cash, cash equivalents, 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

	December 2021		December 2020		December 2019	
<b>Cash &amp; Cash Equivalents</b>	<b>3,217,135</b>		<b>4,484,934</b>		<b>3,390,271</b>	
Current	3,217,135		4,484,934		3,390,271	
<b>Derivatives</b>	<b>392,013</b>		<b>504,629</b>		<b>170,613</b>	
<b>Debt</b>	<b>(1,789,115)</b>	<b>100%</b>	<b>(1,686,580)</b>	<b>100%</b>	<b>(2,284,969)</b>	<b>100%</b>
Current	(1,052,044)	59%	(642,284)	38%	(936,370)	41%
In Brazilian Reais	(7,769)		(12,289)		(87,566)	
In other currencies	(1,044,275)		(629,995)		(848,804)	
Long Term	(737,071)	41%	(1,044,296)	62%	(1,348,599)	59%
In Brazilian Reais	(35,818)		(48,193)		(107,930)	
In other currencies	(701,253)		(996,103)		(1,240,669)	
<b>Net Cash</b>	<b>1,820,033</b>		<b>3,302,983</b>		<b>1,275,915</b>	

The total duration of our indebtedness was 12.2 months at the end of 2021, with a duration of 19.7 months in the long term. In December 2020, these figures were 18.5 months and 21.8 months, respectively.

## Dividends and Interest on Stockholders' Equity

Management will propose, at the Annual General Meeting to be held on April 26, 2022, the allocation of R\$ 1,903.0 million for payment of Dividends and Interest on Stockholders' Equity, as remuneration to shareholders on the results for the year of 2021, representing 53.1% of net income.

Of this total, R\$ 820.8 million was declared in the first half of 2021 and paid on August 11, 2021.

The payment of remuneration to shareholders for the second half of 2021, totaling R\$ 1,082.2 million, shall occur on March 16, 2022.

Our practice is to declare Interest on Stockholders' Equity quarterly and interim and supplementary Dividends based on the profit obtained each semester, that is, six proceeds a year, paid semi-annually.

**Table 6 - Remuneration to Shareholders**

Event	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	23/03/2021	0.033823529
Interest on Stockholders' Equity	22/06/2021	0.020529412
Dividends	27/07/2021	0.158175000
Interest on Stockholders' Equity	21/09/2021	0.020705882
Interest on Stockholders' Equity	14/12/2021	0.032000000
Dividends	15/02/2022	0.205203678
<b>Total</b>		<b>0.470437501</b>

\* Gross value per share as announced, not adjusted for subsequent events (bonus/split).



## Results Conference Call

WEG will hold, on February 17, 2022 (Thursday), a teleconference in Portuguese, with simultaneous translation into English, also available on internet webcast, at the following time:

- 11h00 – São Paulo (BRT)
- 09h00 – New York (EST)
- 14h00 – London (GMT)

### Connecting phone numbers:

- Dial-in for connections in Brazil: 55 11 4090-1621 / 55 11 3181-8565
- Dial-in for connections in the United States: +1 412 717-9627
- Toll-free for connections in the United States: +1 844 204-8942
- Code: WEG

### Access to HD Web Phone (webphone connection):

- Conference call in Portuguese: [click here](#)
- Conference call in English: [click here](#)

### Access to Webcasting:

- Slides and original audio in Portuguese: <https://choruscall.com.br/weg/4t21.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/4q21.htm>
- The presentation will also be available on our Investor Relations website ([ir.weg.net](http://ir.weg.net)). Please, call approximately 10 minutes before the conference call time.

## Forward-Looking Statements

The statements contained in this report relating to WEG's business prospects, projections, and results and the company's growth potential are projected forecasts based on management's expectations regarding the future of WEG. These expectations are highly dependent on changes in the market, overall national economic performance, sector performance, international markets and are subject to change.

# FINANCIAL STATEMENTS

## 4Q 2021

Annex

## Annex I – Consolidated Income Statement – Quarterly

	4Q21		3Q21		4Q20		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Net Operating Revenues</b>	<b>6,540,010</b>	<b>100.0%</b>	<b>6,198,243</b>	<b>100.0%</b>	<b>4,889,918</b>	<b>100.0%</b>	<b>5.5%</b>	<b>33.7%</b>
Cost of Goods Sold	(4,732,113)	-72.4%	(4,411,429)	-71.2%	(3,293,619)	-67.4%	7.3%	43.7%
<b>Gross Profit</b>	<b>1,807,897</b>	<b>27.6%</b>	<b>1,786,814</b>	<b>28.8%</b>	<b>1,596,299</b>	<b>32.6%</b>	<b>1.2%</b>	<b>13.3%</b>
Sales Expenses	(497,901)	-7.6%	(457,889)	-7.4%	(405,746)	-8.3%	8.7%	22.7%
Administrative Expenses	(201,498)	-3.1%	(205,711)	-3.3%	(183,667)	-3.8%	-2.0%	9.7%
Financial Revenues	241,410	3.7%	162,309	2.6%	250,310	5.1%	48.7%	-3.6%
Financial Expenses	(223,883)	-3.4%	(158,584)	-2.6%	(241,089)	-4.9%	41.2%	-7.1%
Other Operating Income	11,227	0.2%	23,461	0.4%	30,704	0.6%	-52.1%	-63.4%
Other Operating Expenses	(134,577)	-2.1%	(132,634)	-2.1%	(178,405)	-3.6%	1.5%	-24.6%
Equity accounting	-	0.0%	-	0.0%	1,253	0.0%	n.m.	n.a.
<b>Earnings Before Taxes</b>	<b>1,002,675</b>	<b>15.3%</b>	<b>1,017,766</b>	<b>16.4%</b>	<b>869,659</b>	<b>17.8%</b>	<b>-1.5%</b>	<b>15.3%</b>
Income Taxes & Contributions	(118,725)	-1.8%	(169,456)	-2.7%	(181,288)	-3.7%	-29.9%	-34.5%
Deferred Taxes	9,976	0.2%	(16,078)	-0.3%	73,482	1.5%	n.a.	-86.4%
Minorities	(19,871)	-0.3%	(19,307)	-0.3%	(19,624)	-0.4%	2.9%	1.3%
<b>Net Earnings</b>	<b>874,055</b>	<b>13.4%</b>	<b>812,925</b>	<b>13.1%</b>	<b>742,229</b>	<b>15.2%</b>	<b>7.5%</b>	<b>17.8%</b>
<b>EBITDA</b>	<b>1,124,940</b>	<b>17.2%</b>	<b>1,144,010</b>	<b>18.5%</b>	<b>981,015</b>	<b>20.1%</b>	<b>-1.7%</b>	<b>14.7%</b>
<b>Earnings per Share (EPS)</b>	<b>0.20831</b>		<b>0.19372</b>		<b>0.17692</b>		<b>7.5%</b>	<b>17.7%</b>

## Annex II – Consolidated Income Statement – Accumulated

	12M21		12M20		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
<b>Net Operating Revenues</b>	<b>23,563,338</b>	<b>100.0%</b>	<b>17,469,557</b>	<b>100.0%</b>	<b>34.9%</b>
Cost of Goods Sold	(16,602,381)	-70.5%	(12,032,050)	-68.9%	38.0%
<b>Gross Profit</b>	<b>6,960,957</b>	<b>29.5%</b>	<b>5,437,507</b>	<b>31.1%</b>	<b>28.0%</b>
Sales Expenses	(1,833,204)	-7.8%	(1,506,817)	-8.6%	21.7%
Administrative Expenses	(776,007)	-3.3%	(654,469)	-3.7%	18.6%
Financial Revenues	992,739	4.2%	1,020,426	5.8%	-2.7%
Financial Expenses	(821,046)	-3.5%	(1,090,101)	-6.2%	-24.7%
Other Operating Income	422,154	1.8%	46,369	0.3%	n.m.
Other Operating Expenses	(615,557)	-2.6%	(510,136)	-2.9%	20.7%
Equity accounting	-	0.0%	3,870	0.0%	n.a.
<b>Earnings Before Taxes</b>	<b>4,330,036</b>	<b>18.4%</b>	<b>2,746,649</b>	<b>15.7%</b>	<b>57.6%</b>
Income Taxes & Contributions	(693,854)	-2.9%	(500,450)	-2.9%	38.6%
Deferred Taxes	21,298	0.1%	149,758	0.9%	-85.8%
Minorities	(71,533)	-0.3%	(55,084)	-0.3%	29.9%
<b>Net Earnings</b>	<b>3,585,947</b>	<b>15.2%</b>	<b>2,340,873</b>	<b>13.4%</b>	<b>53.2%</b>
<b>EBITDA</b>	<b>4,678,520</b>	<b>19.9%</b>	<b>3,267,683</b>	<b>18.7%</b>	<b>43.2%</b>
<b>Earnings per Share (EPS)</b>	<b>0.85459</b>		<b>0.55796</b>		<b>53.2%</b>

## Annex III – Consolidated Balance Sheet

	December 2021		December 2020		December 2019		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Current Assets</b>	<b>15,945,946</b>	<b>67%</b>	<b>12,556,143</b>	<b>63%</b>	<b>9,760,902</b>	<b>62%</b>	<b>27%</b>	<b>63%</b>
Cash & cash equivalents	3,217,135	13%	4,484,934	23%	3,390,271	22%	-28%	-5%
Receivables	4,317,393	18%	3,417,251	17%	2,747,084	18%	26%	57%
Inventories	6,497,048	27%	3,737,529	19%	2,817,129	18%	74%	131%
Other current assets	1,914,370	8%	916,429	5%	806,418	5%	109%	137%
<b>Noncurrent assets</b>	<b>7,986,841</b>	<b>33%</b>	<b>7,371,753</b>	<b>37%</b>	<b>5,926,739</b>	<b>38%</b>	<b>8%</b>	<b>35%</b>
Long Term Assets	930,416	4%	898,045	5%	597,797	4%	4%	56%
Deferred taxes	421,900	2%	360,390	2%	182,042	1%	17%	132%
Other non-current assets	508,516	2%	537,655	3%	415,755	3%	-5%	22%
Investment in Subs	1,265	0%	1,023	0%	28,012	0%	24%	-95%
Property, Plant & Equipment	5,504,772	23%	4,877,210	24%	3,981,184	25%	13%	38%
Right of use	403,721	2%	278,480	1%	204,623	1%	45%	97%
Intangibles	1,550,388	6%	1,595,475	8%	1,319,746	8%	-3%	17%
<b>Total Assets</b>	<b>23,932,787</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>15,687,641</b>	<b>100%</b>	<b>20%</b>	<b>53%</b>
<b>Current Liabilities</b>	<b>7,927,884</b>	<b>33%</b>	<b>5,882,044</b>	<b>30%</b>	<b>4,491,021</b>	<b>29%</b>	<b>35%</b>	<b>77%</b>
Social and Labor Liabilities	388,190	2%	366,790	2%	287,187	2%	6%	35%
Suppliers	2,120,338	9%	1,249,368	6%	839,879	5%	70%	152%
Fiscal and Tax Liabilities	279,271	1%	240,467	1%	134,510	1%	16%	108%
Short Term Debt	1,052,044	4%	642,284	3%	936,370	6%	64%	12%
Dividends Payable	195,272	1%	136,007	1%	145,376	1%	44%	34%
Advances from Clients	2,267,484	9%	1,714,656	9%	814,964	5%	32%	178%
Profit Sharring	384,272	2%	335,428	2%	212,608	1%	15%	81%
Derivatives	17,324	0%	14,011	0%	13,879	0%	24%	25%
Leasing	73,268	0%	63,994	0%	49,168	0%	14%	49%
Other Short Term Liabilities	1,150,421	5%	1,119,039	6%	1,057,080	7%	3%	9%
<b>Long Term Liabilities</b>	<b>1,994,231</b>	<b>8%</b>	<b>2,115,554</b>	<b>11%</b>	<b>2,266,630</b>	<b>14%</b>	<b>-6%</b>	<b>-12%</b>
Long Term Debt	737,071	3%	1,044,296	5%	1,348,599	9%	-29%	-45%
Other Long Term Liabilities	292,852	1%	165,396	1%	137,643	1%	77%	113%
Leasing	249,245	1%	223,532	1%	153,667	1%	12%	62%
Deferred Taxes	71,892	0%	69,625	0%	75,143	0%	3%	-4%
Contingencies Provisions	643,171	3%	612,705	3%	551,578	4%	5%	17%
<b>Equity</b>	<b>14,010,672</b>	<b>59%</b>	<b>11,930,298</b>	<b>60%</b>	<b>8,929,990</b>	<b>57%</b>	<b>17%</b>	<b>57%</b>
Owners of the Company	13,604,971	57%	11,563,165	58%	8,717,247	56%	18%	56%
Noncontrolling interests	405,701	2%	367,133	2%	212,743	1%	11%	91%
<b>Total Liabilities</b>	<b>23,932,787</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>15,687,641</b>	<b>100%</b>	<b>20%</b>	<b>53%</b>

## Annex IV – Consolidated Cash Flow Statement

	12 Months 2021	12 Months 2020
<b>Operating Activities</b>		
Net Earnings before Taxes	4,330,036	2,746,649
Depreciation and Amortization	520,178	451,359
Equity accounting	-	(3,870)
Provisions	556,531	606,019
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(506,942)	-
Changes in Assets & Liabilities	(3,960,418)	129,875
(Increase) / Reduction of Accounts Receivable	(1,357,761)	487,750
Increase / (Reduction) of Accounts Payable	1,223,148	785,538
(Increase) / Reduction of Inventories	(2,673,253)	(439,340)
Income Tax and Social Contribution on Net Earnings	(675,317)	(420,956)
Profit Sharing Paid	(477,235)	(283,117)
<b>Cash Flow from Operating Activities</b>	<b>939,385</b>	<b>3,930,032</b>
<b>Investment Activities</b>		
Fixed Assets	(780,849)	(481,104)
Intangible Assets	(66,495)	(77,442)
Results of sales of fixed assets	50,359	23,400
Financial investments held to maturity	(57,864)	(604,346)
Rescue of financial investments	170,979	1,491,202
<b>Cash Flow From Investment Activities</b>	<b>(683,870)</b>	<b>207,375</b>
<b>Financing Activities</b>		
Working Capital Financing	503,206	211,487
Long Term Financing	(241,149)	(1,674,612)
Interest paid on loans and financing	(52,680)	(11,784)
Treasury Shares	4,563	(4,360)
Dividends & Interest on Stockholders Equity Paid	(1,657,345)	(881,332)
<b>Cash Flow From Financing Activities</b>	<b>(1,443,405)</b>	<b>(2,360,601)</b>
<b>Changes in Cash and Equivalents caused by FX Changes</b>	<b>10,177</b>	<b>169,290</b>
<b>Change in Cash Position</b>	<b>(1,177,713)</b>	<b>1,946,096</b>
Cash & Cash Equivalents		
Beginning of Period	3,892,140	1,946,044
End of Period	2,714,427	3,892,140

Notes:

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

(2) Capital Expenditure

p.p. stands for percentage points

n.a. stands for not applicable

n.m. stands for not mentioned

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