

WEG S.A.

Quarterly Information - 06/30/2022

Contents

Company information

Composition of capital	1
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Individual financial statements

Balance sheet - Assets	2
Balance sheet - Liabilities and equity	3
Income statements	4
Statement of comprehensive income	5
Cash flow statement	6

Statement of changes in equity

Statements of changes in equity - 01/01/2022 to 06/30/2022	7
Statements of changes in equity - 01/01/2021 to 06/30/2021	8
Statements of value added	9

Consolidated financial statements

Balance sheet - Assets	10
Balance sheet - Liabilities and equity	11
Income statement	13
Statement of comprehensive income	14
Cash flow statement	15

Statement of changes in equity

Statements of changes in equity - 01/01/2022 to 06/30/2022	16
Statements of changes in equity - 01/01/2021 to 06/30/2021	17
Statements of value added	18

Comments on performance	19
Notes to financial statements	27

Opinions and Statements

Review Report – Unqualified	53
Officers' Statement on the Quarterly Information	55
Officers' Statement on the Independent Auditor's Report	56

Company information/Composition of capital

Number of shares (Units)	Current Quarter 06/30/2022
Paid In Capital	
Common Shares	4,197,317,998
Preferred Shares	0
Total	4,197,317,998
Treasury Shares	
Common Shares	1,337,793
Preferred Shares	0
Total	1,337,793

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

Code	Description	Current Quarter 06/30/2022	Prior Year 12/31/2021
1	Total assets	13,870,269	13,820,203
1.01	Current assets	1,326,805	1,336,318
1.01.01	Cash and cash equivalents	11,545	232,548
1.01.01.01	Cash and banks	4	5
1.01.01.02	Short-term investments	11,541	232,543
1.01.02	Short-term investments	502,166	502,708
1.01.06	Taxes recoverable	36,558	5,247
1.01.06.01	Current taxes recoverable	36,558	5,247
1.01.06.01.01	Recoverable income tax and social contribution	36,558	5,247
1.01.08	Other current assets	776,536	595,815
1.01.08.03	Others	776,536	595,815
1.01.08.03.01	Dividends	484,140	400,000
1.01.08.03.02	Interest on capital	292,395	195,697
1.01.08.03.03	Others	1	118
1.02	Noncurrent assets	12,543,464	12,483,885
1.02.01	Long-term receivables	10,467	10,456
1.02.01.07	Deferred taxes	5,810	5,799
1.02.01.07.01	Deferred income tax and social contribution	5,810	5,799
1.02.01.10	Other noncurrent assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	12,528,985	12,469,374
1.02.02.01	Equity interests	12,528,985	12,469,374
1.02.02.01.02	Interest in subsidiaries	12,528,985	12,469,374
1.02.03	Property, plant and equipment	4,002	4,045
1.02.03.01	Property, plant and equipment in operation	4,002	4,045
1.02.04	Intangible	10	10
1.02.04.01	Intangible Assets	10	10

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

Code	Description	Current Quarter 06/30/2022	Prior Year 12/31/2021
2	Total liabilities	13,870,269	13,820,203
2.01	Current liabilities	451,595	210,502
2.01.01	Social and labor obligations	18,058	13,105
2.01.01.01	Social obligations	18,058	13,105
2.01.02	Trade Payables	292	306
2.01.03	Tax obligations	26,752	226
2.01.03.01	Federal tax obligations	26,752	226
2.01.03.01.01	Income tax and social contribution payable	6	45
2.01.03.01.02	Other tax obligations	26,746	181
2.01.05	Other obligations	406,493	196,865
2.01.05.02	Others	406,493	196,865
2.01.05.02.01	Dividends and interest on capital payable	401,429	194,780
2.01.05.02.04	Others	5,064	2,085
2.02	Noncurrent liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.02.04.01	Labor and Civil Social Security Tax Provisions	4,730	4,730
2.03	Equity	13,413,944	13,604,971
2.03.01	Paid-in capital	6,504,517	5,504,517
2.03.02	Capital reserves	-116,923	-120,840
2.03.02.04	Options granted	12,147	13,567
2.03.02.05	Treasury shares	-19,242	-11,216
2.03.02.07	Premium on capital transaction	-109,828	-123,191
2.03.03	Revaluation reserves	3,631	3,631
2.03.04	Earnings reserves	3,930,713	5,346,602
2.03.04.01	Legal reserve	-	443,986
2.03.04.02	Statutory reserve	3,485,565	4,041,579
2.03.04.08	Additional dividend proposed	445,148	861,037
2.03.05	Retained earnings/accumulated losses	991,795	0
2.03.06	Carrying value adjustments	309,283	322,893
2.03.06.01	Deemed cost	309,283	322,893
2.03.08	Other comprehensive income	1,790,928	2,548,168
2.03.08.01	Derivative financial instruments	-32,538	9,239
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,827,754	2,543,217

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

Code	Description	Current Quarter	YTD Current Year Prior Year Quarter Balances		YTD Prior Year
		04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
3.04	Operating income/expenses	915,078	1,858,976	1,134,529	1,905,980
3.04.02	General and administrative expenses	-1,893	-4,151	-1,373	-2,719
3.04.02.01	Management fees	-863	-1,746	-766	-1,506
3.04.02.02	Other administrative expenses	-1,030	-2,405	-607	-1,213
3.04.04	Other operating revenue	0	0	19	84
3.04.05	Other operating expenses	-5,533	-3,515	-3,019	376
3.04.06	Share of profit or loss of investees	922,504	1,866,642	1,138,902	1,908,239
3.05	Profit before finance income (costs) and taxes	915,078	1,858,976	1,134,529	1,905,980
3.06	Finance income (costs)	-3,220	-1,922	-551	-5,544
3.06.01	Finance income	-2,265	332	237	-3,392
3.06.02	Finance costs	-955	-2,254	-788	-2,152
3.07	Profit before taxes on income	911,858	1,857,054	1,133,978	1,900,436
3.08	Income tax and social contribution	1,107	-189	732	-1,469
3.08.01	Current	-25	-201	-75	-506
3.08.02	Deferred	1,132	12	807	-963
3.09	Profit for the period from continuing operations	912,965	1,856,865	1,134,710	1,898,967
3.11	Profit/loss for the period	912,965	1,856,865	1,134,710	1,898,967
3.99	Earnings per share – (real/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.21758	0.44253	0.27044	0.45256
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.21758	0.44253	0.2704	0.45249

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

Code	Description	Current Quarter	YTD Current Year	Prior Year Quarter	YTD Prior Year
		01/04/2022 to 06/30/2022	01/01/2022 to 06/30/2022	Balances 04/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
4.01	Profit for the period	912,965	1,856,865	1,134,709	1,898,967
4.02	Other comprehensive income	359,728	-757,240	-780,825	-319,017
4.02.01	Cumulative translation adjustments	336,477	-715,464	-774,211	-311,587
4.02.02	Hedge Accounting	23,251	-41,776	-6,614	-7,430
4.03	Total comprehensive income for the period	1,272,693	1,099,625	353,884	1,579,950

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

Code	Description	YTD Current Year	YTD Prior Year
		01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
6.01	Net cash from operating activities	-15,850	-16,091
6.01.01	Cash from operations	-23,191	-16,288
6.01.01.01	Profit before taxes	1,857,054	1,900,436
6.01.01.02	Depreciation and amortization	43	44
6.01.01.03	Equity equivalence	-1,866,642	-1,908,239
6.01.01.06	Income from financial investments	-12,226	-6,362
6.01.01.07	Provision for inventory losses	-1,420	-2,167
6.01.02	Changes in assets and liabilities	7,341	197
6.01.02.01	(Increase) / decrease in trade receivables	22,512	9,988
6.01.02.02	Increase/ (decrease) in trade payables	-14,932	-9,232
6.01.02.03	Income tax and social contribution paid	-239	-559
6.02	Net Cash from investing activities	852,586	1,025,259
6.02.02	Dividends and interest on capital received	839,956	1,024,795
6.02.04	Revenue from disposal of property, plant and equipment	-138	0
6.02.06	Withdraw of financial investments	12,768	464
6.03	Net cash from investing activities	-1,057,739	-855,260
6.03.01	Dividends and interest on capital paid	-1,049,713	-859,126
6.03.03	Interest paid on borrowings and financing	-8,026	3,866
6.05	Increase (Decrease) in Cash and Cash Equivalents	-221,003	153,908
6.05.01	Cash and Cash Equivalents at the beginning of the period	232,548	390,133
6.05.02	Cash and Cash Equivalents at the end of the period	11,545	544,041

Individual Financial Statements / Statements of Changes in Equity - 01/01/2022 to 06/30/2022 (R\$ In Thousands)

Code	Description	Paid-in Capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971
5.04	Capital transactions with shareholders	1,000,000	3,917	-1,000,000	-445,289	-	-441,372
5.04.01	Capital increase	1,000,000	-	-1,000,000	-	-	-
5.04.03	Options granted recognized	-	-1,420	-	-851	-	-2,271
5.04.05	Treasury shares sold	-	-6,520	-	-	-	-6,520
5.04.06	Dividends	-	-	-	-108,502	-	-108,502
5.04.07	Interest on Capital	-	-	-	-335,936	-	-335,936
5.04.08	Capital Transactions	-	11,857	-	-	-	11,857
5.05	Total comprehensive income	-	-	-	1,881,220	-770,850	1,110,370
5.05.01	Profit for the period	-	-	-	1,856,865	-	1,856,865
5.05.02	Other comprehensive income	-	-	-	24,355	-770,850	-746,495
5.05.02.04	Period Conversion Adjustments	-	-	-	-	-704,719	-704,719
5.05.02.06	Hedge Accounting – Cash, flow, net of taxes	-	-	-	-	-41,776	-41,776
5.05.02.07	Realization of deemed cost	-	-	-	24,355	-24,355	-
5.06	Internal Changes in Equity	-	-	-	-860,025	-	-860,025
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037
5.06.05	Dividend prepayments	-	-	-	1,012	-	1,012
5.07	Closing balances	6,504,517	-113,292	3,485,565	1,436,943	2,100,211	13,413,944

Individual Financial Statements / Statements of Changes in Equity - 01/01/2021 to 06/30/2021 (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	-	8,333	-	-455,603	-	-447,270
5.04.03	Options granted recognized	-	-2,195	-	-3,017	-	-5,212
5.04.05	Treasury shares sold	-	6,768	-	-	-	6,768
5.04.06	Dividends	-	-	-	-663,691	-	-663,691
5.04.07	Interest on capital	-	-	-	-157,101	-	-157,101
5.04.08	Capital Transactions	-	3,760	-	-	-	3,760
5.04.09	Additional Proposed Dividends	-	-	-	368,206	-	368,206
5.05	Total Comprehensive income	-	-	-	1,907,858	-327,908	1,579,950
5.05.01	Profit for the period	-	-	-	1,898,967	-	1,898,967
5.05.02	Other comprehensive income	-	-	-	8,891	-327,908	-319,017
5.05.02.04	Translation adjustments for the period	-	-	-	-	-311,587	-311,587
5.05.02.06	Hedge Accounting - Cash Flow net of taxes	-	-	-	-	-7,430	-7,430
5.05.02.07	Realization of deemed cost	-	-	-	8,891	-8,891	-
5.06	Internal changes in Equity	-	-	-	-729,015	-	-729,015
5.06.04	Payment of dividends	-	-	-	-729,467	-	-729,467
5.06.05	Prescribed Dividends	-	-	-	452	-	452
5.07	Closing Balances	5,504,517	-120,279	2,782,943	1,452,707	2,346,942	11,966,830

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

Code	Description	YTD current year	YTD prior year
		01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
7.02	Inputs acquired from third parties	722	2,220
7.02.02	Materials, electric power, third-party services and others	-697	-29
7.02.03	Loss/ recovery of assets	1,419	2,249
7.03	Gross value added	722	2,220
7.04	Retentions	-43	-44
7.04.01	Depreciation, amortization and depletion	-43	-44
7.05	Wealth created by the company	679	2,176
7.06	Wealth received in transfer	1,866,974	1,904,847
7.06.01	Share of profit or loss of investees	1,866,642	1,908,239
7.06.02	Finance income	332	-3,392
7.07	Wealth for distribution	1,867,653	1,907,023
7.08	Wealth distributed	1,867,653	1,907,023
7.08.01	Personnel	7,763	3,771
7.08.01.01	Salaries and wages	7,543	3,606
7.08.01.02	Benefits	132	95
7.08.01.03	Severance pay fund (FGTS)	88	70
7.08.02	Taxes, fees and contributions	771	2,133
7.08.02.01	Federal	771	2,133
7.08.03	Third party capital income	2,254	2,152
7.08.03.01	Interest	2,254	2,152
7.08.04	Equity capital income	1,856,865	1,898,967
7.08.04.01	Interest on capital	335,936	157,101
7.08.04.02	Dividends	553,650	663,691
7.08.04.03	Retained Earnings / Loss for the period	967,279	1,078,175

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

Code	Description	Current Quarter 06/30/2022	Prior Year 12/31/2021
1	Total assets	25,882,424	23,932,787
1.01	Current assets	17,566,996	15,945,946
1.01.01	Cash and cash equivalents	2,570,284	2,714,427
1.01.01.01	Cash and banks	568,121	529,822
1.01.01.02	Short-term investments	2,002,163	2,184,605
1.01.02	Short-term investments	502,166	502,708
1.01.03	Trade receivables	5,166,658	4,317,393
1.01.03.01	Customers	5,166,658	4,317,393
1.01.04	Inventories	7,659,131	6,497,048
1.01.06	Taxes recoverable	838,898	890,290
1.01.06.01	Current taxes recoverable	838,898	890,290
1.01.06.01.01	Recoverable income tax and social contributions	135,950	89,679
1.01.06.01.02	Other taxes recoverable	702,948	800,611
1.01.08	Other current assets	829,859	1,024,080
1.01.08.03	Others	829,859	1,024,080
1.01.08.03.01	Derivative financial instruments	167,083	409,337
1.01.08.03.02	Others	662,776	614,743
1.02	Noncurrent assets	8,315,428	7,986,841
1.02.01	Long-term receivables	1,043,647	930,416
1.02.01.01	Financial investments assessed at fair value through profit and loss	10,968	0
1.02.01.07	Deferred taxes	402,024	421,900
1.02.01.07.01	Deferred income tax and social contribution	402,024	421,900
1.02.01.10	Other noncurrent assets	630,655	508,516
1.02.01.10.03	Judicial deposits	79,913	82,235
1.02.01.10.04	Recoverable income tax and social contribution	2,786	3,435
1.02.01.10.05	Other taxes recoverable	457,748	319,496
1.02.01.10.06	Derivative Financial Instruments	82	0
1.02.01.10.07	Others	90,126	103,350
1.02.02	Investments	1,107	1,265
1.02.02.01	Equity interests	1,107	1,265
1.02.02.01.05	Other investments	1,107	1,265
1.02.03	Property, plant and equipment	5,758,142	5,504,772
1.02.03.01	Property, plant and equipment in operation	5,166,384	5,101,051
1.02.03.02	Right-of-Use Assets	591,758	403,721
1.02.04	Intangible assets	1,512,532	1,550,388
1.02.04.01	Intangible assets	210,823	188,080
1.02.04.01.02	Others	210,823	188,080
1.02.04.02	Goodwill	1,301,709	1,362,308

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

Code	Description	Current Quarter 06/30/2022	Prior Year 12/31/2021
2	Total liabilities	25,882,424	23,932,787
2.01	Current liabilities	10,410,529	7,927,884
2.01.01	Social and labor obligations	609,342	388,190
2.01.01.01	Social obligations	609,342	388,190
2.01.02	Trade payables	2,245,478	2,120,338
2.01.03	Tax obligations	488,367	279,271
2.01.03.01	Federal tax obligations	488,367	279,271
2.01.03.01.01	Income tax and social contribution payable	261,739	129,609
2.01.03.01.02	Others	226,628	149,662
2.01.04	Borrowings and financing	2,712,497	1,052,044
2.01.04.01	Borrowings and financing	2,712,497	1,052,044
2.01.04.01.01	In local currency	8,283	7,769
2.01.04.01.02	In foreign currency	2,704,214	1,044,275
2.01.05	Other obligations	4,354,845	4,088,041
2.01.05.02	Others	4,354,845	4,088,041
2.01.05.02.01	Dividends and interest on capital payable	402,775	195,272
2.01.05.02.04	Advances from customers	2,323,798	2,267,484
2.01.05.02.05	Profit sharing	270,396	384,272
2.01.05.02.06	Derivative financial instruments	119,483	17,324
2.01.05.02.07	Leases	64,360	73,268
2.01.05.02.08	Payables - subsidiaries abroad	433,169	363,386
2.01.05.02.09	Provision for product warranties	300,220	259,409
2.01.05.02.10	Bill and hold sales	189,517	273,578
2.01.05.02.11	Others	251,127	254,048
2.02	Noncurrent liabilities	1,671,144	1,994,231
2.02.01	Borrowings and financing	141,331	737,071
2.02.01.01	Borrowings and financing	141,331	737,071
2.02.01.01.01	In local currency	36,288	35,818
2.02.01.01.02	In foreign currency	105,043	701,253
2.02.02	Other obligations	798,655	542,097
2.02.02.02	Others	798,655	542,097
2.02.02.02.03	Tax Obligations	147,353	130,623
2.02.02.02.04	Derivative financial instruments	11,944	0
2.02.02.02.05	Leases	468,231	249,245
2.02.02.02.06	Others	171,127	162,229
2.02.03	Deferred taxes	66,634	71,892
2.02.03.01	Deferred income tax and social contribution	66,634	71,892
2.02.04	Provisions	664,524	643,171
2.03	Consolidated equity	13,800,751	14,010,672
2.03.01	Paid-in capital	6,504,517	5,504,517
2.03.02	Capital reserves	-116,923	-120,840
2.03.02.04	Options granted	12,147	13,567
2.03.02.05	Shares in treasury	-19,242	-11,216
2.03.02.07	Goodwill on capital transactions	-109,828	-123,191
2.03.03	Revaluation reserves	3,631	3,631
2.03.04	Earnings reserves	3,930,713	5,346,602

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

Code	Description	Current Quarter 06/30/2022	Prior Year 12/31/2021
2.03.04.01	Legal reserve	0	443,986
2.03.04.02	Statutory reserve	3,485,565	4,041,579
2.03.04.08	Additional dividend proposed	445,148	861,037
2.03.05	Retained earnings/accumulated losses	991,795	0
2.03.06	Carrying value adjustments	309,283	322,893
2.03.06.01	Deemed cost	309,283	322,893
2.03.08	Other comprehensive income	1,790,928	2,548,168
2.03.08.01	Derivative financial instruments	-32,538	9,239
2.03.08.02	Equity Participation Adjustments	-4,288	-4,288
2.03.08.03	Cumulative translation adjustments	1,827,754	2,543,217
2.03.09	Non controlling shareholders	386,807	405,701

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

Code	Description	Current Quarter	YTD Current Year	Prior Year Quarter	YTD Prior Year
		04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	Balances 04/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
3.01	Revenue from sale of products and/or services	7,185,787	14,013,893	5,748,206	10,825,085
3.02	Cost of sales and services	-5,217,781	-10,151,051	-4,001,699	-7,458,839
3.03	Gross profit	1,968,006	3,862,842	1,746,507	3,366,246
3.04	Operating income/expenses	-846,565	-1,642,813	-480,535	-1,207,092
3.04.01	Selling expenses	-506,697	-999,713	-443,133	-877,414
3.04.01.01	Reversal of allowance for doubtful debts	1,784	2,938	700	3,716
3.04.01.02	Other Selling expenses	-508,481	-1,002,651	-443,833	-881,130
3.04.02	General and administrative expenses	-214,447	-414,194	-193,870	-368,798
3.04.02.01	Management fees	-5,609	-12,715	-6,273	-12,333
3.04.02.02	Other administrative expenses	-208,838	-401,479	-187,597	-356,465
3.04.04	Other operating income	15,639	61,653	371,255	387,466
3.04.05	Other operating expenses	-141,060	-290,559	-214,787	-348,346
3.05	Profit before finance income (costs) and taxes	1,121,441	2,220,029	1,265,972	2,159,154
3.06	Finance income (costs)	-4,443	49,821	139,906	150,441
3.06.01	Finance income	120,091	544,190	425,155	589,020
3.06.02	Finance expenses	-124,534	-494,369	-285,249	-438,579
3.07	Profit before taxes on income	1,116,998	2,269,850	1,405,878	2,309,595
3.08	Income tax and social contribution	-190,878	-390,248	-253,477	-378,273
3.08.01	Current	-249,859	-392,355	-363,674	-405,673
3.08.02	Deferred	58,981	2,107	110,197	27,400
3.09	Profit for the period from continuing operations	926,120	1,879,602	1,152,401	1,931,322
3.11	Consolidated profit/loss for the period	926,120	1,879,602	1,152,401	1,931,322
3.11.01	Attributable to owners of the Company	912,965	1,856,865	1,134,709	1,898,967
3.11.02	Attributable to noncontrolling interests	13,155	22,737	17,692	32,355
3.99	Earnings per share – (Real/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.21758	0.44253	0.27044	0.45256
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.21753	0.44243	0.2704	0.45249

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

Code	Description	Current Quarter	YTD Current Year	Prior Year Quarter Balances	YTD Prior Year
		04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
4.01	Consolidated profit for the period	926,120	1,879,602	1,152,401	1,931,322
4.02	Other comprehensive income	358,339	-760,869	-783,961	-320,128
4.02.01	Cumulative translation adjustments	337,175	-715,808	-775,559	-310,920
4.02.02	Hedge Accounting	21,164	-45,061	-8,402	-9,208
4.03	Consolidated comprehensive income for the period	1,284,459	1,118,733	368,440	1,611,194
4.03.01	Attributable to owners of the Company	1,272,693	1,099,625	353,884	1,579,950
4.03.02	Attributable to noncontrolling interests	11,766	19,108	14,556	31,244

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

Code	Description	YTD current year	YTD prior year
		01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
6.01	Net cash from operating activities	60,253	526,893
6.01.01	Cash from operations	2,832,704	2,389,345
6.01.01.01	Profit before taxes	2,269,850	2,309,595
6.01.01.02	Depreciation, amortization and depletion	269,571	250,415
6.01.01.03	Employee profit sharing	262,085	320,750
6.01.01.04	Stock option plan expenses	8,382	6,463
6.01.01.05	Provision for credit risk	-3,059	-8,349
6.01.01.06	Provision for tax, civil and labor liabilities	21,353	753
6.01.01.07	Provision for inventory losses	14,619	-11,128
6.01.01.08	Provision for product warranty	40,811	9,353
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	4,576	4,145
6.01.01.10	Accrued interest on borrowings	-1,958	-303
6.01.01.12	Income from financial investments	-12,226	-6,779
6.01.01.14	Tax Credit - Exclusion of ICMS from the PIS/COFINS Calculation Basis	-41,300	-485,570
6.01.02	Changes in assets and liabilities	-2,772,451	-1,862,452
6.01.02.01	(Increase)/decrease in trade receivables	-1,328,485	-907,260
6.01.02.02	Increase/(decrease) in trade payables	612,146	848,857
6.01.02.03	(Increase)/decrease in inventories	-1,459,696	-1,240,638
6.01.02.04	Income tax and social contribution paid	-260,225	-259,925
6.01.02.05	Employee profit sharing paid	-336,191	-303,486
6.02	Net cash from investing activities	-521,817	-210,133
6.02.02	Property, plant and equipment	-408,976	-262,798
6.02.03	Intangible assets	-26,731	-38,213
6.02.04	Revenue from disposal of property, plant and equipment	10,531	37,605
6.02.09	Held-to-maturity financial investments	-98,441	0
6.02.11	Financial investments held to maturity	-10,968	-57,863
6.02.12	Redemption of financial investments	12,768	111,136
6.03	Net cash from financing activities	385,319	-879,815
6.03.01	Proceeds from borrowings and financing	2,130,264	211,291
6.03.02	Repayment of borrowings and financing	-663,867	-208,279
6.03.03	Interest paid on borrowings and financing	-24,431	-27,447
6.03.04	Dividends/Interest on capital paid	-1,048,621	-859,246
6.03.05	Treasury Shares	-8,026	3,866
6.04	Exchange rate changes on cash and cash equivalents	-67,898	-53,158
6.05	Increase (decrease) in cash and cash equivalents	-144,143	-616,213
6.05.01	Cash and cash equivalents at the beginning of the period	2,714,427	3,892,140
6.05.02	Cash and cash equivalents at the end of the period	2,570,284	3,275,927

Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2022 to 06/30/2022 (R\$ In Thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings Reserve	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.03	Adjusted opening balances	5,504,517	-117,209	4,485,565	861,037	2,871,061	13,604,971	405,701	14,010,672
5.04	Capital transactions with shareholders	1,000,000	3,917	-1,000,000	-445,289	-	-441,372	-38,002	-479,374
5.04.01	Capital increase	1,000,000	-	-1,000,000	-	-	-	-	-
5.04.03	Options granted recognized	-	-1,420	-	-851	-	-2,271	-	-2,271
5.04.05	Treasury shares sold	-	-6,520	-	-	-	-6,520	-	-6,520
5.04.06	Dividends	-	-	-	-108,502	-	-108,502	-	-108,502
5.04.07	Interest on capital	-	-	-	-335,936	-	-335,936	-	-335,936
5.04.08	Capital transactions	-	11,857	-	-	-	11,857	-38,002	-26,145
5.05	Total comprehensive income	-	-	-	1,881,220	-770,850	1,110,370	19,108	1,129,478
5.05.01	Profit for the period	-	-	-	1,856,865	-	1,856,865	22,737	1,879,602
5.05.02	Other comprehensive income	-	-	-	24,355	-770,850	-746,495	-3,629	-750,124
5.05.02.04	Translation adjustments for the period	-	-	-	-	-704,719	-704,719	-344	-705,063
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	-	-	-	-	-41,776	-41,776	-3,285	-45,061
5.05.02.07	Realization of deemed cost	-	-	-	24,355	-24,355	-	-	-
5.06	Internal changes in equity	-	-	-	-860,025	-	-860,025	-	-860,025
5.06.04	Payment of dividends	-	-	-	-861,037	-	-861,037	-	-861,037
5.06.05	Prescribed Dividends	-	-	-	1,012	-	1,012	-	1,012
5.07	Closing balances	6,504,517	-113,292	3,485,565	1,436,943	2,100,211	13,413,944	386,807	13,800,751

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2021 to 06/30/2021 (R\$ In Thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165	367,133	11,930,298
5.03	Adjusted opening balances	5,504,517	-128,612	2,782,943	729,467	2,674,850	11,563,165	367,133	11,930,298
5.04	Capital transactions with shareholders	-	8,333	-	-455,603	-	-447,270	-38,495	-485,765
5.04.03	Options granted recognized	-	-2,195	-	-3,017	-	-5,212	-	-5,212
5.04.04	Treasury Shares Acquired	-	6,768	-	-	-	6,768	-	6,768
5.04.06	Dividends	-	-	-	-663,691	-	-663,691	-	-663,691
5.04.07	Interest on Capital	-	-	-	-157,101	-	-157,101	-	-157,101
5.04.08	Capital Transactions	-	3,760	-	-	-	3,760	-38,495	-34,735
5.04.09	Additional Proposed Dividends	-	-	-	368,206	-	368,206	-	368,206
5.05	Total comprehensive income	-	-	-	1,907,858	-327,908	1,579,950	26,745	1,606,695
5.05.01	Profit for the period	-	-	-	1,898,967	-	1,898,967	32,355	1,931,322
5.05.02	Other comprehensive income	-	-	-	8,891	-327,908	-319,017	-5,610	-324,627
5.05.02.04	Period Conversion Adjustments	-	-	-	-	-311,587	-311,587	-3,832	-315,419
5.05.02.06	Hedge Accounting – Cash, flow, net of taxes	-	-	-	-	-7,430	-7,430	-1,778	-9,208
5.05.02.07	Realization of deemed cost	-	-	-	8,891	-8,891	-	-	-
5.06	Internal Changes in Equity	-	-	-729,015	-	-	-729,015	-	-729,015
5.06.04	Payment of dividends	-	-	-729,467	-	-	-729,467	-	-729,467
5.06.05	Prescribed Dividends	-	-	452	-	-	452	-	452
5.07	Closing balances	5,504,517	-120,279	2,053,928	2,181,722	2,346,942	11,966,830	355,383	12,322,213

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

Code	Description	YTD Current year	YTD prior year
		01/01/2022 to 06/30/2022	01/01/2021 to 06/30/2021
7.01	Revenues	15,708,691	12,207,178
7.01.01	Sales of goods, products and services	15,694,968	12,190,505
7.01.02	Other revenues	10,664	8,324
7.01.04	Allowance for / Reversal of allowance for doubtful debts	3,059	8,349
7.02	Inputs acquired from third parties	-9,369,257	-6,620,773
7.02.02	Materials, electric power, third-party services and others	-9,387,270	-6,640,461
7.02.03	Loss/ recovery of assets	18,013	19,688
7.03	Gross value added	6,339,434	5,586,405
7.04	Retentions	-269,571	-250,415
7.04.01	Depreciation, amortization and depletion	-269,571	-250,415
7.05	Wealth created by the Company	6,069,863	5,335,990
7.06	Wealth received in transfer	576,065	944,693
7.06.02	Finance income	544,190	589,020
7.06.03	Others	31,875	355,673
7.06.03.01	Tax credits – Exclusion of ICMS in the PIS/COFINS calculation basis	31,875	355,673
7.07	Wealth for distribution	6,645,928	6,280,683
7.08	Wealth distributed	6,645,928	6,280,683
7.08.01	Personnel	2,811,291	2,553,210
7.08.01.01	Salaries and wages	2,393,031	2,184,667
7.08.01.02	Benefits	329,162	293,819
7.08.01.03	Severance pay fund (FGTS)	89,098	74,724
7.08.02	Taxes, fees and contributions	1,456,023	1,355,111
7.08.02.01	Federal	1,295,898	1,190,123
7.08.02.02	State	142,246	147,720
7.08.02.03	Municipal	17,879	17,268
7.08.03	Lenders and lessors	499,012	441,040
7.08.03.01	Interest	487,609	434,102
7.08.03.02	Rentals	11,403	6,938
7.08.04	Lenders and lessors	1,879,602	1,931,322
7.08.04.01	Interest on capital	335,936	157,101
7.08.04.02	Dividends	553,650	663,691
7.08.04.03	Retained earnings / Loss for the period	967,279	1,078,175
7.08.04.04	Noncontrolling interests	22,737	32,355

Performance Review

Positive results with growth along the main business areas

Highlights



Net Operating Revenue (NOR) was **R\$ 7.185,8 million** in 2Q22, 25.0% higher than 2Q21 and 5.2% higher than 1Q22.



EBITDA⁽¹⁾ reached **R\$ 1,256.7 million**, 9.8% lower than 2Q21 and 1.9% higher than 1Q22, while **EBITDA margin** was **17.5%**, 6.7 p.p. lower than 2Q21, and 0.6 p.p. lower than the previous quarter. Adjusted by the non-recurrent tax credits from 2Q21, EBITDA showed growth of 14.5% compared to 2Q21.



Return on Invested Capital (ROIC⁽²⁾) reached **26.9%** in 2Q22, down 5.3 p.p. from 2Q21 and down 2.8 p.p. from 1Q22.

Message from the Management

The results for the second quarter of 2022 confirmed our expectations regarding the demand for our products and services, gradually overcoming the adversities in Brazil and the world macroeconomic scenario.

In Brazil, the strong revenue growth was supported by the good performance of the low voltage electric motors and automation products, especially sales of renewable energy generation projects and transmission & distribution. The external market continued to show an important demand for industrial goods, with an important growth in local currencies compared to the same period of the previous year.

It is important to highlight that in 2Q21 we had to account for non-recurring tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis, according to the material to a relevant fact disclosed on June 22, 2021. Adjusted for this effect, EBITDA and net income showed an increase of 14.5% and 6.6%, respectively, in relation to 2Q21.

Despite the global supply chain challenges, we are still facing and the consequent increase in raw material cost and the greater need for working capital, we believe that our long-term-oriented business model helps us mitigate these risks. The diversification of products and solutions, along with our global presence and exposure to businesses with good long-term prospects, are some of the most important factors that help us in this journey.

Table 1 – Main Highlights

	2Q22	1Q22	HA%	2Q21	HA%	06M22	06M21	HA%
Return on Invested Capital	26.9%	29.7%	-2.8 pp	32.2%	-5.3 pp	26.90%	32.20%	-5.3 pp
Net Operating Revenue	7,185,787	6,828,106	5.2%	5,748,206	25.0%	14,013,893	10,825,085	29.5%
Domestic Market	3,637,755	3,470,954	4.8%	2,577,971	41.1%	7,108,709	4,921,079	44.5%
External Markets	3,548,032	3,357,152	5.7%	3,170,235	11.9%	6,905,184	5,904,006	17.0%
External Markets in US\$	719,262	644,693	11.6%	600,806	19.7%	1,363,955	1,098,926	24.1%
Net Income	912,965	943,900	-3.3%	1,134,709	-19.5%	1,856,865	1,898,967	-2.2%
Net Margin	12.7%	13.8%	-1.1 pp	19.7%	-7.0 pp	13.3%	17.5%	-4.2 pp
EBITDA	1,256,661	1,232,938	1.9%	1,392,718	-9.8%	2,489,599	2,409,570	3.3%
EBITDA Margin	17.5%	18.1%	-0.6 pp	24.2%	-6.7 pp	17.8%	22.3%	-4.5 pp
Earnings per Share (EPS)	0.21758	0.22495	-3.3%	0.27045	-19.5%	0.44253	0.45256	-2.2%

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

Performance Review

Net Operating Revenue

Net operating revenue increased by 25.0% over 2Q21, up 41.1% in the domestic market and 11.9% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1.

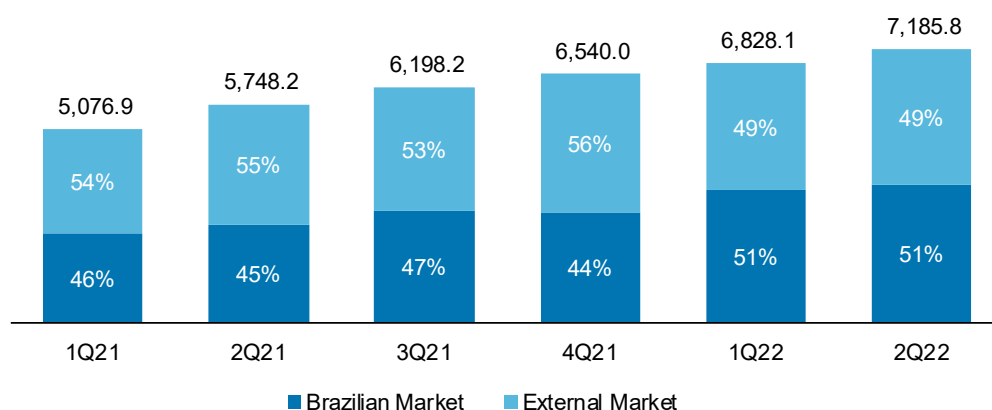


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 19.7% in relation to 2Q21 and 11.6% in relation to 1Q22. The distribution of net revenue by geographic markets is shown in Table 2.

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

	2Q22		1Q22		2Q21		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	719,262	100.0%	644,693	100.0%	600,806	100.0%	11.6%	19.7%
<i>North America</i>	336,683	46.8%	283,992	44.1%	260,106	43.3%	18.6%	29.4%
<i>South and Central America</i>	86,537	12.0%	72,355	11.2%	72,546	12.1%	19.6%	19.3%
<i>Europe</i>	174,106	24.2%	170,259	26.4%	154,484	25.7%	2.3%	12.7%
<i>Africa</i>	44,934	6.3%	43,890	6.8%	40,254	6.7%	2.4%	11.6%
<i>Asia-Pacific</i>	77,002	10.7%	74,197	11.5%	73,416	12.2%	3.8%	4.9%

Net operating revenue from the external market, measured in Brazilian Real, was impacted by the average US dollar exchange rate that moved from R\$ 5.29 in 2Q21 to R\$ 4.93 in 2Q22, a 6.9% depreciation over the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 23.7% in relation to 2Q21.

Consolidation and Acquisitions Adjustments

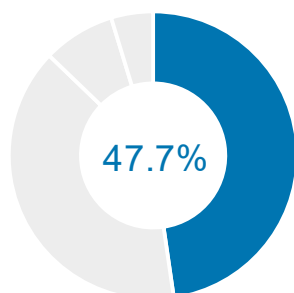
Adjusted for the consolidation effects of Balteau's acquisition, revenue would have grown by 24.2% vs. 2Q21.

Performance Review

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
2Q22	1,110,609	2,319,428
1Q22	1,004,713	2,183,585
Δ%	10,5%	6,2%
2Q21	851,190	1,865,878
Δ%	30,5%	24,3%



Share in NOR

Domestic Market

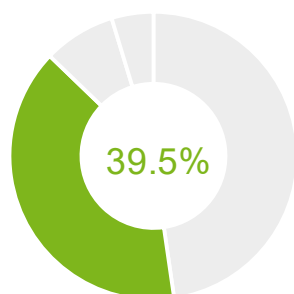
- Industrial activity showed good demand in Brazil, mainly in important segments such as agribusiness, pulp & paper, and mining. These segments were the highlights of a dispersed demand for short-cycle goods such as electric motors, gearboxes, and serial automation products.
- Revenue from long-cycle goods was in line with last quarters, with good performance in segments such as mining, pulp & paper, and water & wastewater, where we highlight the supply of automation panels.

External Market

- The continuity of industrial investment observed in recent quarters continues to favor this business area, despite the uncertainties present in the macroeconomic scenario. The short-cycle businesses showed an important revenue increase, with highlight to low voltage electric motors, with dispersed demand among different industrial segments.
- Long-cycle goods also presented revenue growth, a consequence of the already reported good order backlog, with revenues increasing in the oil & gas and mining segments.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q22	2,015,057	823,675
1Q22	2,014,992	750,701
Δ%	0,0%	9,7%
2Q21	1,204,262	931,744
Δ%	67,3%	-11,6%



Share in NOR

Domestic Market

- Important growth for all businesses in Brazil. The increasing demand for distributed solar generation (GD), as well as the considerable volume of wind turbines deliveries, were the main factors for the performance this quarter.
- The T&D business also showed a high volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, along with sales of transformers for distribution networks and general industries.

External Market

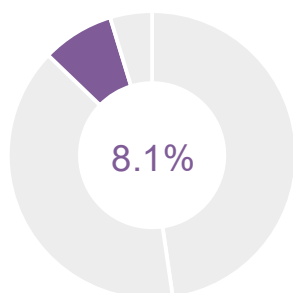
- Revenues presented fluctuations, typical of long-cycle businesses, mainly after important T&D projects deliveries in Colombia and South Africa and steam turbines in Europe during 2021.
- In North America, our primary operating region in this business area, we continue increasing the capacity of the new transformer factory in the US, taking advantage of the opportunities in the market to build a robust portfolio for the upcoming quarters.

Performance Review

Performance by Business Area

Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
2Q22	234,905	345,311
1Q22	206,555	374,591
Δ%	13,7%	-7,8%
2Q21	306,977	326,113
Δ%	-23,5%	5,9%



Share in NOR

Domestic Market

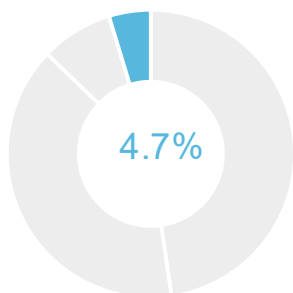
- The expected accommodation in demand, after the substantial sales volume in the same period last year, caused an impact on this quarter's performance. It is worth noting that we observed sales recovery by some customers and segments within the end of the quarter, especially in motors for the home appliance segment.

External Market

- The positive sales volume, compared to the same period last year, is mainly explained by the good economic activity and market share gains in Mexico and China. Applications such as pumps and compressors were the highlights of this quarter.

Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
2Q22	277,184	59,618
1Q22	244,694	48,275
Δ%	13,3%	23,5%
2Q21	215,542	46,500
Δ%	28,6%	28,2%



Share in NOR

Domestic Market

- Demand for paint and varnish products maintained a high level of sales, with highlights in segments such as wastewater, mining, and metal structures.

External Market

- Exports from Brazil to Latin American countries and sales from our operations from Mexico and Argentina contributed to the sales growth this quarter.

Performance Review

Cost of Goods Sold

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

Table 3 – Costs

	2Q22	1Q22	HA%	2Q21	HA%
Net Operating Revenues	7,185,787	6,828,106	5.2%	5,748,206	25.0%
Cost of Goods Sold	(5,217,781)	(4,933,270)	5.8%	(4,001,699)	30.4%
Gross Margin	27.4%	27.8%	-0.4 pp	30.4%	-3.0 pp

The cost increase for primary raw materials that make up our cost structure, notably steel and copper, together with the change in the product mix and energy and freight increases, were the main factors contributing to the reduction of the operating margins compared to 2Q21. Important to highlight the continuity of cost reduction programs and process improvements, which provided productivity gains, helped to offset part of this effect.

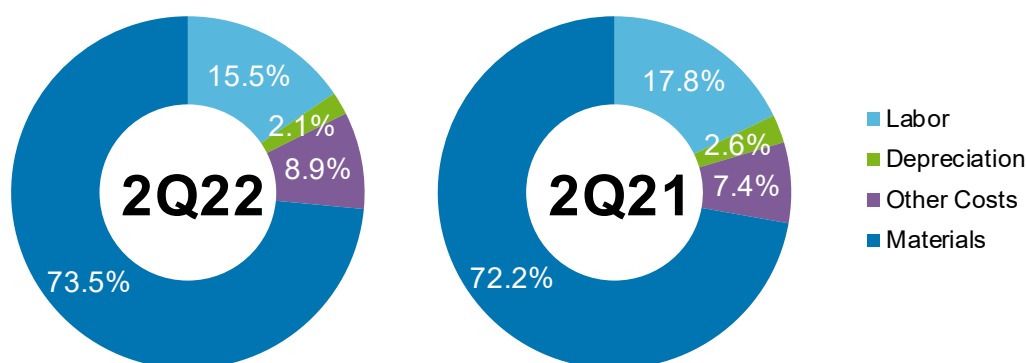


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 721.1 million in 2Q22, an increase of 13.2% vs. 2Q21 and an increase of 4.1% vs. 1Q22. When analyzed in relation to net operating revenue, these expenses accounted for 10.0%, down 1.1 p.p. vs. 2Q21 and down 0.1 p.p. vs. 1Q22.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in Table 4. We highlight that EBITDA was positively impacted in 2Q21 by the recognition of tax credits, referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding this non-recurring effect, EBITDA would have an increase of 14.5% compared with the same period in the previous year, with an EBITDA margin 1.6 p.p. lower.

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

Performance Review

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q22	1Q22	HA%	2Q21	HA%
Net Operating Revenues	7,185,787	6,828,106	5.2%	5,748,206	25.0%
Net Income	912,965	943,900	-3.3%	1,134,709	-19.5%
Net Income Before Minorities	926,120	953,482	-2.9%	1,152,402	-19.6%
(+) Income Taxes & Contributions	190,878	199,370	-4.3%	253,477	-24.7%
(+/-) Financial Income (Expenses)	4,443	(54,264)	n.a.	(139,906)	n.a.
(+) Depreciation & Amortization	135,221	134,350	0.6%	126,745	6.7%
EBITDA	1,256,662	1,232,938	1.9%	1,392,718	-9.8%
EBITDA Margin	17.5%	18.1%	-0.6 pp	24.2%	-6.7 pp

Net Income

Net Income in 2Q22 was R\$ 913.0 million, a decrease of 19.5% compared to 2Q21 and a decrease of 3.3% compared to 1Q22. The net margin reached 12.7%, 7.0 p.p. lower than 2Q21 and 1.1 p.p. lower than 1Q22.

Net Income was also positively impacted in 2Q21 by the recognition of tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding these non-recurring effects, net income would have increased 6.6% compared to the same period last year, with a net margin of 2.2 p.p. lower.

Cash Flow

Cash generation in operating activities was R\$ 60.3 million in the first half of 2022, still reflecting the greater need for working capital in the period, notably in relation to the increase in the company's inventories. This move was necessary due to the sales increase and the uncertain scenario in the global supply chain.

The level of investment (CAPEX⁽²⁾) 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, Mexico, India, China, and the US.

In financing activities, the company raised R\$ 2,130.3 million and made amortizations of R\$ 688.3 million, including interest on loans, resulting in net funding of R\$ 1,442.0 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 1,048.6 million. The final result was net funding of R\$ 385.3 million in financing activities in the period.

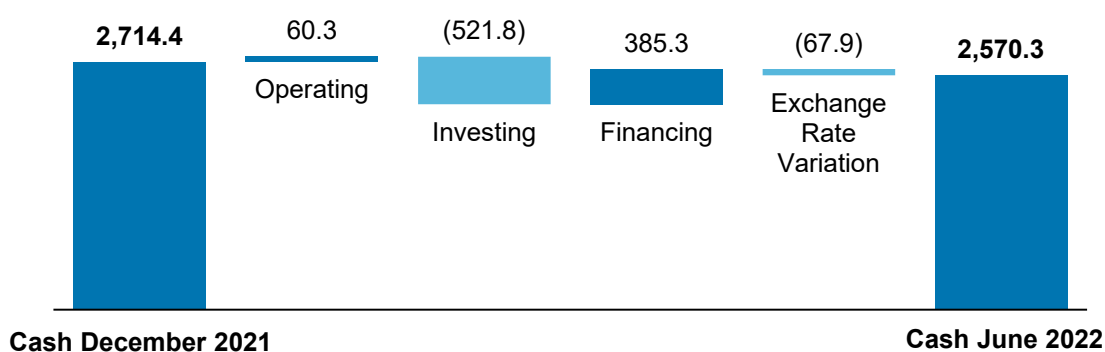


Figure 3 – Cash flow reconciliation (figures in R\$ million)

The chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 680.3 million in financial investments with no immediate liquidity, including derivatives (R\$ 912.0 million in December 2021).

Performance Review

Return on Invested Capital

The ROIC in 2Q22, accumulated in the last 12 months, reached 26.9%, decreasing by 5.3 p.p. over 2Q21. The increase in capital employed, which expanded due to a greater need for working capital and CAPEX, is the main reason for ROIC reduction, despite the rise of Net Operating Profit After Taxes (NOPAT) in the last 12 months.

Investments (CAPEX)

In 2Q22, we invested R\$ 226.1 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 55% for production units in Brazil and 45% for industrial plants and other facilities abroad.

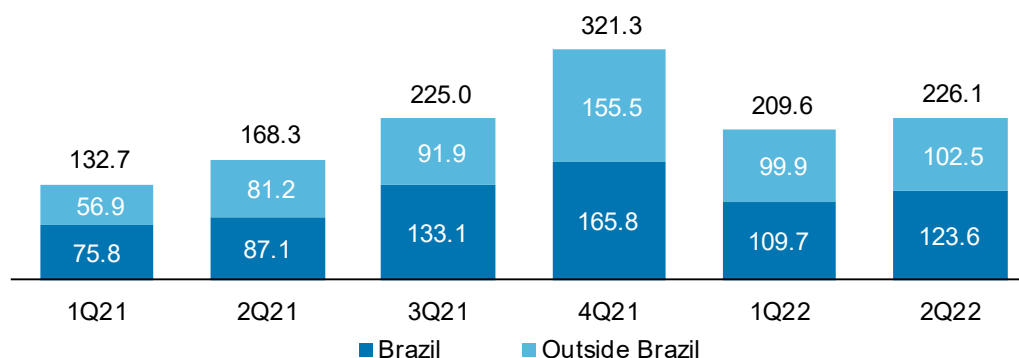


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 146.5 million, representing 2.0% of net operating revenue in 2Q22.

Debt and Cash Position

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

Table 5 – Cash and Debt

	June 2022		December 2021		June 2021	
Cash & Cash Equivalents	3,083,418		3,217,135		3,822,227	
Current	3,072,450		3,217,135		3,822,227	
Long Term	10,968		-		-	
Derivatives	35,738		392,013		427,383	
Short Term Assets	167,083		409,337		311,221	
Long Term Assets	82		-		134,806	
Short Term Liabilities	(119,483)		(17,324)		(13,934)	
Long Term Liabilities	(11,944)		-		(4,710)	
Debt	(2,853,828)	100%	(1,789,115)	100%	(1,501,736)	100%
Current	(2,712,497)	95%	(1,052,044)	59%	(939,588)	63%
In Brazilian Reais	(8,283)		(7,769)		(7,738)	
In other currencies	(2,704,214)		(1,044,275)		(931,850)	
Long Term	(141,331)	5%	(737,071)	41%	(562,148)	37%
In Brazilian Reais	(36,288)		(35,818)		(39,406)	
In other currencies	(105,043)		(701,253)		(522,742)	
Net Cash	265,328		1,820,033		2,747,874	

The total duration of our indebtedness was 5.5 months on June and 12.2 months in December 2021.

Performance Review

Dividends and Interest on Stockholders' Equity

For the first half of 2021, the Board of Directors approved *ad referendum* of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 22, as interest on stockholder's equity (JCP), to the gross amount of R\$ 154.3 million;
- On June 21, as interest on stockholder's equity (JCP), to the gross amount of R\$ 181.7 million.

The board of directors also approved, in a meeting held on July 19, 2022, intermediate dividends related to the net income for the first half of 2022, to the total amount of R\$ 553.7 million.

The proceeds will be paid on August 17, 2022. Amounts declared as remuneration to shareholders in the first half represented 47.9% of net income for the period.

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

Table 6 - Dividends

	1st Half 2022	1st Half 2021	%
Dividends	335,936	157,101	113.8%
Interest on stockholders' Equity	553,650	663,691	26.4%
Gross Total	889,586	820,792	43.2%
Net Earnings	1,856,865	1,898,967	-2.2%
Total Dividends / Net Earnings	47.9%	43.2%	

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



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

1 COMPANY'S INFORMATION

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters, motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydro, thermal, biomass, wind and solar energy power plants; solutions for the industry 4.0; UPSs and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, and China, with commercial activities carried out in more than 135 countries

The Company's shares are traded on B3 under the ticker "WEGE3" and has been listed in the corporate governance segment called Novo Mercado (New Market) since June 2007.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information, contained in the Quarterly Information Form – ITR for the period ended June 30, 2022, comprises the individual and consolidated interim financial information, prepared considering all the Company's relevant information, which correspond to those used by the Management in its management, in accordance with CPC 21(R1) – Interim Financial Reporting (equivalent to IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board – IASB) and presented in accordance with the standards issued by the Securities and Exchange Commission, applicable to the preparation of the Quarterly Information – ITR.

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

The approval and authorization for issuance of this individual and consolidated interim financial information were given by the Board of Directors in a meeting held on July 19, 2022.

Accounting policies, consolidation bases and calculation methods adopted in the preparation of interim financial information, as well as the main judgments adopted for the estimates used in applying accounting practices are the same as those used in the preparation of the individual and consolidated financial statements for the year ended December 31, 2021, considering the adoption of new accounting pronouncements, when applicable.

3 ACCOUNTING ESTIMATES

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

- a) analysis of credit risk to determine the allowance for doubtful accounts (Notes 6 and 29.1a);
- b) determination of provision for inventory losses (Note 7);
- c) deferred income tax and social contribution: considering the availability of future taxable income against which deductible temporary differences and tax losses can be used (Note 10); and
- d) provisions for contingencies (Note 17).

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



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

4 CASH AND CASH EQUIVALENTS

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
a) Cash and banks	4	5	568,121	529,822
b) Interest earning bank deposits	11,541	232,543	2,002,163	2,184,605
In local currency:	11,541	232,543	1,818,381	1,845,024
Bank deposit certificate (CDB) and repurchase and resale agreements	11,541	232,543	1,818,381	1,845,024
In foreign currency:	-	-	183,782	339,581
TOTAL	11,545	232,548	2,570,284	2,714,427

Investments in Brazil:

Interest earning bank deposits in Brazil are mainly represented by funds invested in private securities of top-tier institutions.

They are remunerated at the average rate of 102.21% of CDI (101.16% of CDI as of December 31, 2021).

5 INTEREST EARNING BANK DEPOSITS

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
In local currency:	502,166	502,708	502,166	502,708
Bank deposit certificate (CDB) and Funds	502,166	502,708	502,166	502,708
In foreign currency	-	-	10,968	-
TOTAL	502,166	502,708	513,134	502,708
Current assets	502,166	502,708	502,166	502,708
Non-current assets	-	-	10,968	-

Interest earning bank deposits are remunerated at the floating average rate of 104.70% of CDI (104.16% of CDI as of December 31, 2021).

6 CLIENTS

	CONSOLIDATED	
	06/30/22	12/31/21
a) Breakdown of balances:		
Domestic market	2,144,861	1,775,558
Foreign market	3,067,504	2,590,601
SUBTOTAL	5,212,365	4,366,159
Provisions with losses on clients' credits	(45,707)	(48,766)
TOTAL	5,166,658	4,317,393
b) Actual losses with client credits in the period	2,938	13,129
c) Maturity date of trade notes:		
Falling due	4,665,423	3,949,897
Overdue (days):	546,942	416,262
up to 30	354,121	236,004
31-90	93,743	89,559
91-180	40,274	27,672
>180	58,804	63,027
TOTAL	5,212,365	4,366,159



WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

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

Balance at 01/01/2021	(61,582)
Losses written-off in the year	13,129
Formation of provision for the period	(25,067)
Reversal of provision for the year	33,622
Exchange-rate change	(8,868)
Balance at 12/31/2021	(48,766)
Losses written-off for the period	2,938
Formation of provision for the period	(9,235)
Reversal of provision for the period	12,173
Exchange-rate change	(2,817)
Balance at 06/30/2022	(45,707)

7 INVENTORIES

	CONSOLIDATED	
	06/30/22	12/31/21
Finished goods	1,121,304	874,861
Work in process	895,026	964,547
Raw materials and other	2,057,940	1,342,445
Imports in transit	243,203	362,378
Provision for losses with low turnover inventories	(58,053)	(47,115)
Total inventories in domestic market	4,259,420	3,497,116
Finished goods	1,812,059	1,484,588
Work in process	845,946	864,977
Raw materials and other	855,942	760,922
Provision for losses with low turnover inventories	(114,236)	(110,555)
Total inventories in foreign market	3,399,711	2,999,932
OVERALL TOTAL	7,659,131	6,497,048

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

Balance at 01/01/21	(168,302)
Formation of provision for the period	(73,876)
Reversal of provision for the year	86,954
Exchange-rate change	(2,446)
Balance at 12/31/2021	(157,670)
Formation of provision for the period	(74,164)
Reversal of provision for the period	50,326
Exchange-rate change	9,219
Balance at 06/30/2022	(172,289)

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



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

8 RECOVERABLE TAXES

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
BRAZIL	36,558	5,247	1,128,086	1,029,203
Income tax and social contribution	36,558	5,247	89,490	42,951
IPI	-	-	144,701	135,663
PIS/COFINS	-	-	83,358	121,840
PIS/COFINS - Exclusion of ICMS from calculation basis	-	-	555,010	514,029
ICMS	-	-	154,941	125,262
ICMS over acquisitions of property, plant and equipment	-	-	49,979	41,223
Financial credit of Information Technology Act	-	-	32,717	30,537
REINTEGRA	-	-	14,542	14,673
Other	-	-	3,348	3,025
FOREIGN	-	-	171,346	184,018
Income tax	-	-	49,246	50,163
IVA / VAT	-	-	106,001	112,005
Other	-	-	16,099	21,850
TOTAL	36,558	5,247	1,299,432	1,213,221
Current assets	36,558	5,247	838,898	890,290
Non-current assets	-	-	460,534	322,931

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

9 RELATED PARTIES

There were commercial transactions of buying and selling products, raw materials and contracting services, as well as the financial transactions of loans, raising of funds between the companies of the Group, which are eliminated in the consolidation, and management remuneration.

Amount of existing balances:	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
ASSETS AND LIABILITIES				
Current liabilities	4,095	1,580	52,010	29,116
Contracts with Administrators	-	-	8,696	6,137
Bonus- Administrators	4,095	1,580	43,314	22,979
STATEMENT OF INCOME ACCOUNTS				
Management remuneration:				
a) Fixed (fees)	1,746	1,506	17,598	15,096
Board of Directors	911	788	1,821	1,575
Statutory Board	835	718	10,894	10,758
Non-Statutory Board	-	-	4,883	2,763
b) Variable (bonus)	4,095	1,506	43,314	15,096
Board of Directors	2,219	788	4,438	1,575
Statutory Board	1,876	718	18,763	10,758
Non-Statutory Board	-	-	20,113	2,763

Additional information:

a) Commercial operations

The purchase and sale of inputs and products are carried out under conditions established between the parties;


WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)
b) Management of funds

Financial and commercial transactions between the Group's companies are recorded and supported by the Group's convention. The contracts entered into with Directors are remunerated at 95.0% of the CDI change (95.0% of the CDI change as of December 31, 2021);

c) Sureties and guarantees

WEG S.A. granted guarantees and sureties to subsidiaries abroad, in the amount of US\$ 232.0 million (US\$ 17.0 million on December 31, 2021);

d) Management Compensation

The Board of Directors' Meeting held on March 22, 2022 approved the structure of the Executive Board composed of Statutory Officers and Non-Statutory Officers.

The members of the Board of Directors were remunerated in the amount of R\$ 1,821 (R\$ 1,575 on June 30, 2021), the Statutory Officers in the amount of R\$ 10,894 (R\$ 10,758 on June 30, 2021), and the Non-Statutory Officers in the amount of R\$ 4,883 (R\$ 2,763 on June 30, 2021).

It is foreseen that a bonus of up to 2.5% of the consolidated net income to be distributed to the Directors, provided that minimum operational performance targets are met. The performance targets refer to Return on Invested Capital, and EBITDA growth. The corresponding provision is recognized in the result for the period in the amount of R\$ 43,314 (R\$ 15,096 on June 30, 2021), under other operating expenses. The Directors receive benefits common to the exercise of their function.

10 DEFERRED TAXES

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

a) Breakdown of amounts:

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
Tax losses of IRPJ	-	-	98,012	99,670
CSLL negative calculation basis	660	564	14,050	14,158
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	103,460	94,229
Taxes challenged in court	1,608	1,608	87,492	91,572
Losses with clients' credits	-	-	11,756	16,198
Losses with inventories without turnover	-	-	33,730	29,690
Product warranties	-	-	87,419	67,863
Indemnities with labor and contractual terminations	-	-	68,920	63,412
Freight and sales commissions	-	-	22,547	19,263
Third party services	-	-	55,504	55,012
Projects in progress – Foreign subsidiaries	-	-	50,465	55,469
Employees' profit sharing	-	-	82,600	114,711
Derivatives - Hedge Accounting	-	-	12,464	(4,274)
Revenues to be carried out	-	-	41,324	39,208
Incentivized accelerated depreciation	-	-	(7,880)	(7,569)
Difference in amortization of tax x accounting goodwill	(3)	(3)	(47,623)	(42,482)
Difference for tax x accounting depreciation (useful life)	(12)	(12)	(294,006)	(261,509)
Other	4,827	4,927	54,557	49,026
Deemed cost of property, plant and equipment	(1,270)	(1,285)	(139,401)	(143,639)
TOTAL	5,810	5,799	335,390	350,008
Non-current assets	5,810	5,799	402,024	421,900
Non-current liabilities	-	-	(66,634)	(71,892)

In the first semester of 2022, net deferred taxes of R\$ 14,618 were recorded in the consolidated statements of income in the amount of R\$ 2,107 and R\$ 16,725 in shareholders' equity.



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

b) Estimated term for realization

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

Regarding the deferred tax credits, recorded on tax losses and negative basis of social contribution, Management estimates that they should be realized in the next 5 years, in view of the projection of future taxable income.

11 INVESTMENTS

11.1 Investments in subsidiaries

Company	Country	Shareholders' equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				06/30/22		12/31/21		06/30/22	06/30/21	06/30/22	12/31/21
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	11,158,594	1,531,001	100,00	-	100,00	-	1,626,025	1,716,929	11,158,594	11,256,698
RF Reflorestadora Ltda.		147,883	(1,186)	100,00	-	100,00	-	(1,186)	(637)	147,883	149,069
WEG Amazônia S.A.		78,247	7,426	0,02	99,98	0,02	99,98	1	3	12	14
WEG Administradora de Bens Ltda.		14,377	8	79,33	20,67	79,33	20,67	144	(93)	11,405	11,635
WEG Equipamentos e Logística Ltda.		330,041	18,970	-	100,00	-	100,00	-	-	-	-
WEG Linhares Equip. Elétr. S.A.		601,888	89,268	-	100,00	-	100,00	-	-	3	3
WEG Drives & Controls Aut. Ltda.		1,020,949	199,803	100,00	-	100,00	-	199,803	175,301	1,020,948	862,996
WEG Partner Holding Ltda.		1	-	0,10	99,90	0,10	99,90	-	-	-	-
WEG-Cestari Redut.Motorredut. S.A.		115,524	19,664	-	50,01	-	50,01	742	-	-	-
WEG Turbinas Ltda.		232,882	6,724	-	100,00	-	100,00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,855	740	91,75	8,25	91,75	8,25	679	350	1,702	1,549
Paumar S.A. Indústria e Comércio		421,624	60,140	38,87	61,13	38,87	61,13	34,278	11,340	163,888	163,204
WEG-Jelec Oil and Gas Sol.Aut.Ltda.		9	(1)	-	100,00	-	100,00	-	-	-	-
PPI Multitask Sistem. e Autom. S.A.		3,647	(390)	-	51,00	-	51,00	-	-	-	-
Multitask Soluções em Automaç. S.A.		2,181	552	-	51,00	-	51,00	-	-	-	-
V2COM Participações S.A.		31,124	(426)	-	51,00	-	51,00	-	-	-	-
V2 Tecnologia Ltda.		35,187	(403)	-	51,00	-	51,00	-	-	-	-
Mvisia Desenv. Inovadores S.A.		6,083	(2,083)	-	56,90	-	51,03	-	-	-	-
Birmind Automação e Serviços S.A.		5,720	(1,657)	-	51,00	-	51,00	-	-	-	-
Balteau Produtos Elétricos Ltda.		55,794	10,524	-	100,00	-	-	-	-	-	-
Balteau Group Participações Ltda.		58,501	10,607	-	100,00	-	-	-	-	-	-
Zest WEG Group Africa (PTY) Ltd.	South Africa	233,423	9,902	-	100,00	-	100,00	-	-	-	-
Zest Energy (Pty) Ltd.		1	1	-	100,00	-	100,00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		(1,968)	(3,028)	-	100,00	-	100,00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		191,825	15,607	-	74,80	-	74,80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)		3,453	1,817	-	86,67	-	86,67	-	-	-	-
ZEST WEG Investment Company (Pty) Ltd.		143,485	11,674	-	64,70	-	64,70	-	-	-	-
WEG Germany GmbH	Germany	78,558	4,197	-	100,00	-	100,00	-	-	-	-
Watt Drive GmbH		5,986	99	-	100,00	-	100,00	-	-	-	-
Wurtembergische Elektromotoren GmbH		24,207	830	-	100,00	-	100,00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(38,820)	(4,755)	-	100,00	-	100,00	-	-	-	-
TGM Kanis Turbinen GmbH	Argentina	78,927	2,649	-	42,86	-	42,86	-	-	-	-
WEG Equipamientos Electricos S.A.		194,435	138	10,45	89,55	10,45	89,55	5,479	4,337	20,301	19,563
Pulverlux S.A.		30,587	(210)	-	100,00	-	100,00	-	-	-	-
WEG Australia Pty Ltd.		76,218	4,282	-	100,00	-	100,00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	116,250	4,416	-	100,00	-	100,00	-	-	-	-
WEG International Trade GmbH		353,828	345,817	-	100,00	-	100,00	-	-	-	-
WEG Holding GmbH	Belgium	4,383,844	614,671	-	100,00	-	100,00	-	-	-	-
WEG Benelux S.A.		89,561	10,641	-	100,00	-	100,00	-	-	-	-
WEG Central Asia LLP	Kazakhstan	1,445	(200)	-	100,00	-	100,00	-	-	-	-
WEG Chile S.A.	China	52,937	8,442	8,00	92,00	8,00	92,00	675	710	4,235	4,630
WEG (Nantong) Electric Motor Co., Ltd.		435,568	27,490	-	100,00	-	100,00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		(12,600)	(10,135)	-	100,00	-	100,00	-	-	-	-



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

Company	Country	Shareholders' equity	Income (loss) for the year	Interest in capital (%)				Equity in net income of subsidiaries		Equity value of the investment	
				06/30/22		12/31/21		06/30/22	06/30/21	06/30/22	12/31/21
				Direct	Indirect	Direct	Indirect				
Changzhou Yatong Jiewei Elect., Ltd.		(39,654)	(7,504)	-	100,00	-	100,00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.		-	(27)	-	-	-	100,00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(22,958)	(2,963)	-	100,00	-	100,00	-	-	-	-
The First Drive Technology Co., Ltd.		-	-	-	100,00	-	100,00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		464,395	57,216	-	100,00	-	100,00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	6,976	661	-	100,00	-	100,00	-	-	-	-
WEG Colombia S.A.S.	Colombia	154,563	95	-	100,00	-	100,00	-	-	-	-
WEG Middle East Fze.	United Arab Emirates	(14,707)	5,107	-	100,00	-	100,00	-	-	-	-
WEG Iberia Industrial S.L.	Spain	99,377	5,888	-	100,00	-	100,00	-	-	-	-
Autrial S.L.U.		(11,827)	(733)	-	100,00	-	100,00	-	-	-	-
WEG Electric Corp.	United States	1,284,552	105,729	-	100,00	-	100,00	-	-	-	-
Electric Machinery Company LLC		131,821	5,373	-	100,00	-	100,00	-	-	-	-
Bluffton Motor Works, LLC		-	4,405	-	-	-	100,00	-	-	-	-
WEG Transformers USA LLC		249,026	(9,245)	-	72,00	-	72,00	-	-	-	-
WEG France SAS	France	51,828	1,888	-	100,00	-	100,00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	10,758	2,146	-	100,00	-	100,00	-	-	-	-
E & I Electrical Ghana Ltd.		(1,712)	(314)	-	90,00	-	90,00	-	-	-	-
WEG Industries (India) Private Ltd.	India	215,229	(15,743)	-	100,00	-	100,00	-	-	-	-
WEG (UK) Ltd.	England	42,879	4,747	-	100,00	-	100,00	-	-	-	-
WEG Italia S.R.L.	Italy	67,784	2,213	-	100,00	-	100,00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	4,831	847	-	95,00	-	95,00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	13,309	431	-	100,00	-	100,00	-	-	-	-
WEG México S.A. de C.V.	México	1,111,525	51,513	-	100,00	-	100,00	-	-	-	-
WEG Transform. México S.A. de C.V.		148,313	28,674	-	72,00	-	72,00	-	-	-	-
Voltan S.A. de C.V.		141,407	440	-	72,00	-	72,00	-	-	-	-
Zest WEG Group Mozambique, Lda	Mozambique	(1,609)	(138)	-	100,00	-	100,00	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.	Namibia	198	(14)	-	100,00	-	100,00	-	-	-	-
WEG Peru S.A.C.	Peru	27,842	3,410	0,05	99,95	0,05	99,95	2	(1)	14	13
WEG Poland Sp. z o.o.	Poland	474	199	-	100,00	-	100,00	-	-	-	-
WEGEuro Ind. Eléctrica S.A.	Portugal	173,803	27,414	-	100,00	-	100,00	-	-	-	-
WEG Rus LLC	Russia	22,675	(9,901)	-	100,00	-	100,00	-	-	-	-
WEG Scandinavia AB	Sweden	33,470	7,315	-	100,00	-	100,00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	(380)	(105)	-	100,00	-	100,00	-	-	-	-
WEG Elektrik Sanayî Anonim Şirketi	Turkey	2,346	(881)	-	100,00	-	100,00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(3)	(3)	-	100,00	-	100,00	-	-	-	-
E & I Zambia Ltd.	Zambia	3,361	1,322	-	50,00	-	50,00	-	-	-	-
TOTAL								1,866,642	1,908,239	12,528,985	12,469,374

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

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

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

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

11.2 Other investments

The Company and its subsidiaries have recorded other investments in the amount of R\$ 1,107 (R\$ 1,265 as of December 31, 2021).

11.3 Acquisition

Balteau Group Participações Ltda.

In September 2021, the Company announced an agreement to acquire Balteau Group Participações Ltda., a manufacturer of transformers for instruments and measurement sets, located in Itajubá, Minas Gerais, for the amount of R\$ 111,789. The company started to be consolidated as from the effective purchase, which occurred in February 2022, after all the precedent conditions were met, especially the approval from the Administrative Council for Economic Defense (CADE).



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

The excess of the consideration transferred in relation to the net assets acquired in the amount of R\$ 60,007, according to the Appraisal Report (Purchase Price Allocation), R\$ 47,245 were allocated to tangible and intangible assets, R\$ 16,650 to goodwill, and R\$ 3,888 to contingent liabilities.

The appraisal report considered for tangible assets the Direct Market Data Comparison and Cost Quantification methods and for intangible assets the Multi-Period Excess Earnings Method - MPEEM, Income Approach: With and Without Method - WWM and Relief-from-Royalty methods.

11.4 Corporate Event 2022

Changzhou Sinya Electromotor Co. Ltd.

In April 2022, Wuxi Ecovi Technology Co., Ltd. was merged into Changzhou Sinya Electromotor Co. Ltd.

WEG Electric Corp.

In April 2022, Bluffton Motor Works, LLC. was merged into WEG Electric Corp. to simplify the corporate structure and improve the operational organization.

12 PROPERTY, PLANT AND EQUIPMENT

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
Land	1,440	1,440	493,146	498,296
Constructions and facilities	5,639	5,639	2,226,529	2,267,573
Equipment	-	-	6,007,437	5,962,541
Furniture and fixtures	-	-	203,685	202,426
Hardware	-	-	205,641	203,314
Constructions in process	-	-	398,183	298,537
Reforestations	-	-	62,630	61,242
Other	-	-	175,089	155,399
Total property, plant and equipment	7,079	7,079	9,772,340	9,649,328
Accumulated depreciation/depletion	(3,077)	(3,034)	(4,605,956)	(4,548,277)
Annual depreciated rate (%)				
Constructions and facilities	(3,077)	(3,034)	(718,557)	(712,513)
Equipment	-	-	(3,545,617)	(3,494,644)
Furniture and fixtures	-	-	(134,610)	(137,346)
Hardware	-	-	(143,059)	(140,783)
Reforestation	-	-	(28,433)	(27,798)
Other	-	-	(35,680)	(35,193)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	4,002	4,045	5,166,384	5,101,051

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

Class	12/31/21	Transf. among Classes	Acquisitions Balteau	Allocation PPA Balteau	Acquisitions	Net write-offs	Depreciation and depletion	Foreign exchange effect	06/30/22
Land	498,296	28	3,508	-	4,317	-	-	(13,003)	493,146
Furniture and fixtures	65,080	(211)	422	-	11,214	(48)	(5,852)	(1,530)	69,075
Hardware	62,531	(82)	91	-	11,542	(678)	(9,739)	(1,083)	62,582
Construction in process	298,537	(75,706)	315	-	186,929	-	-	(11,892)	398,183
Reforestation	33,444	-	-	-	1,387	-	(634)	-	34,197
Advances to suppliers	87,308	(926)	-	-	25,052	-	-	(4,500)	106,934
Other	32,898	334	137	-	4,653	(945)	(2,990)	(1,612)	32,475
Total	5,101,051	114	45,025	19,418	408,976	(10,078)	(204,497)	(193,625)	5,166,384



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

Previous year:

Class	12/31/20	Transfer among classes	Acquisition	Net write-offs	Depreciation and depletion	Foreign exchange effect	12/31/21
Land	508,645	(15,504)	-	(1,241)	-	6,396	498,296
Constructions/facilities	1,496,662	42,230	28,812	(2,689)	(58,986)	49,031	1,555,060
Equipment	1,954,005	344,557	416,667	(16,069)	(289,943)	58,680	2,467,897
Furniture and fixtures	58,117	(26)	18,161	(779)	(10,794)	401	65,080
Hardware	52,722	779	27,288	(527)	(18,232)	501	62,531
Construction in process	449,906	(371,447)	207,167	-	-	12,911	298,537
Reforestation	32,650	-	1,427	-	(633)	-	33,444
Advances to suppliers	20,539	(3,710)	69,123	-	-	1,356	87,308
Other	25,484	2,519	12,204	(2,127)	(5,819)	637	32,898
Total	4,598,730	(602)	780,849	(23,432)	(384,407)	129,913	5,101,051

b) **Constructions in progress** – The Company has investments in constructions in progress as of June 30, 2022 in the amount of R\$ 398,183 (R\$ 298,537 as of December 31, 2021), being the most relevant investments in the Mexico unit, totaling R\$ 91,343 (R\$ 76,002 at December 31, 2021) and in the India unit, totaling R\$ 82,225 (R\$ 28,774 at December 31, 2021).

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

13 RIGHT-OF-USE IN LEASES

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

	CONSOLIDATED	
	06/30/22	12/31/21
Real estate	787,639	574,910
Machinery and equipment	31,922	32,481
Hardware	787	925
Vehicles	30,201	32,475
Total lease	850,549	640,791
Accumulated depreciation	(258,791)	(237,070)
Real estate	(220,669)	(200,285)
Machinery and equipment	(18,320)	(16,788)
Hardware	(591)	(591)
Vehicles	(19,211)	(19,406)
TOTAL NET	591,758	403,721

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

Class	12/31/21	Transfer among classes	Additions	Net write-off	Depreciations	Foreign Exchange effect	06/30/22
Real estate	374.625	(362)	263.399	(3.779)	(36.792)	(30.121)	566.970
Machinery and equipment	15.693	625	2.306	(161)	(3.570)	(1.291)	13.602
Hardware	334	(214)	208	-	(90)	(42)	196
Veículos	13.069	(163)	3.409	(176)	(3.454)	(1.695)	10.990
Total	403.721	(114)	269.322	(4.116)	(43.906)	(33.149)	591.758

Previous year:

Class	12/31/20	Transfer among classes	Additions	Net write-off	Depreciation	Foreign exchange effect	12/31/21
Real estate	252,543	91,569	122,867	(12,929)	(80,232)	807	374,625
Machinery and equipment	12,716	(32)	8,972	(189)	(6,186)	412	15,693
Hardware	516	-	-	-	(204)	22	334
Vehicles	12,705	351	9,284	(289)	(8,888)	(94)	13,069
Total	278,480	91,888	141,123	(13,407)	(95,510)	1,147	403,721



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

14 INTANGIBLE ASSETS – CONSOLIDATED

	Amortization/number of years	Cost	Accumulated amortization	06/30/22	12/31/21
Software license	5	265,151	(182,975)	82,176	74,960
Trademarks and patents	5	78,241	(68,786)	9,455	7,295
Projects	5	94,365	(46,805)	47,560	51,134
Other	5	311,425	(239,793)	71,632	54,691
Subtotal		749,182	(538,359)	210,823	188,080
Goodwill in the acquisition of subsidiaries	-	1,315,210	(13,501)	1,301,709	1,362,308
TOTAL		2,064,392	(551,860)	1,512,532	1,550,388

a) Summary of changes in intangible assets:

Classe	12/31/21	Transfer among classes	Acquisition of Balteau PPA	Allocation Balteau	Additions	Net write-offs	Amortization	Foreign exchange effect	06/30/22
Software license	74,960	(215)	31	-	19,229	(4)	(9,669)	(2,156)	82,176
Trademarks and patents	7,295	373	-	3,283	123	-	(1,523)	(96)	9,455
Projects	51,134	(293)	-	-	7,379	(5,025)	(5,088)	(547)	47,560
Other	54,691	135	-	24,544	-	-	(4,888)	(2,850)	71,632
Subtotal	188,080	-	31	27,827	26,731	(5,029)	(21,168)	(5,649)	210,823
Goodwill in the acquisition of subsidiaries	1,362,308	-	-	16,650	-	-	-	(77,249)	1,301,709
Total	1,550,388	-	31	44,477	26,731	(5,029)	(21,168)	(82,898)	1,512,532

Previous year:

Class	12/30/20	Transfer among classes	Additions	Net write-offs	Amortization	Foreign exchange effect	12/31/21
Software license	65,534	(1,217)	27,855	(473)	(17,125)	386	74,960
Right-of-use of property	85,237	(91,888)	-	-	(1,952)	8,603	-
Trademarks and patents	9,144	325	3	-	(2,301)	124	7,295
Projects	47,583	3,152	38,637	(37,025)	(1,273)	60	51,134
Other	69,267	(1,658)	-	(22)	(17,610)	4,714	54,691
Subtotal	276,765	(91,286)	66,495	(37,520)	(40,261)	13,887	188,080
Goodwill in the acquisition of subsidiaries	1,318,710	-	-	-	-	43,598	1,362,308
Total	1,595,475	(91,286)	66,495	(37,520)	(40,261)	57,485	1,550,388

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

	06/30/22	12/31/21
Electric Machinery Company LLC	256,412	273,178
Comercial Motors and Appliance North America	213,679	227,651
WEG Equipamentos Elétricos S.A.	187,225	187,225
China Group	144,779	159,655
Industrial Gearmotors and Reducers	117,610	123,289
Zest WEG Group Africa (Pty) Ltd.	133,827	105,455
WEG Colombia S.A.S.	61,179	66,520
Paumar S.A. Indústria e Comércio	65,498	65,498
Outros	121,500	153,837
TOTAL	1,301,709	1,362,308

**WEG S.A.**

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

*(Amounts expressed in thousands of reais unless otherwise indicated)***Amortization schedule of intangible assets (except for goodwill)**

	06/30/22
2022	27,346
2023	46,381
2024	42,200
2025	35,922
2026	25,266
From 2027 onwards	33,708
TOTAL	210,823

15 SUPPLIERS

	CONSOLIDATED	
	06/30/22	12/31/21
Breakdown of balances:		
Domestic market	1,053,190	851,995
Foreign market	1,192,288	1,268,343
TOTAL	2,245,478	2,120,338



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

16 LOANS AND FINANCING

Description	Annual charges at 06/30/2022	CONSOLIDATED	
		06/30/22	12/31/21
IN LOCAL CURRENCY			
CURRENT		8,283	7.769
In reais (R\$), fixed rate			
Working capital	12.15% and 13.62% p.a.	974	-
Property, plant and equipment	2.5% and 6% p.a.	817	1.068
In reais (R\$), floating rate			
Working capital	116% and 119% CDI	6,492	6.701
NON-CURRENT		36,288	35.818
In reais (R\$), fixed rate			
Working capital	12.15% and 13.62% p.a.	3,252	-
Property, plant and equipment	2.5% and 6% p.a.	536	818
In reais (R\$), floating rate			
Working capital	116% CDI	32,500	35.000
IN FOREIGN CURRENCY			
CURRENT		2,704,214	1.044.275
In US Dollars			
Working capital	Fixed: 3.7% a 3.9% p.a. / Floating: Libor (+) 1.4%	440,004	937.467
Export pre-payment (PPE)	p.a. Libor (+) 0.65% p.a. / 1.06% p.a.	525,219	1.047
In Euros			
Working capital	Euribor (+) 0.3% and 0.6% p.a.	1,487,067	10.278
In Mexican pesos			
Working capital	TIIE (+) 0.9% p.a.	50,761	53.209
In Rand (South Africa)			
Working capital	5.5% and 7.25% p.a.	102,027	28.877
In Colombian pesos			
Working capital	Fixed: 9.3% p.a.	19,792	-
Other Currencies			
Working capital	Domestic market rates	79,344	13.397
NON-CURRENT		105,043	701.253
In US Dollars			
Export pre-payment (PPE)	Libor (+) 0.65% p.a. / 1.06% p.a.	-	557.990
In Euros			
Working capital	Euribor	5,690	8.247
In Mexican pesos			
Working capital	TIIE (+) 0,9% p.a.	50,261	79.040
Other Currencies			
Working capital	Domestic market rates	49,092	55.976
TOTAL LOANS AND FINANCING		2,853,828	1,789,115
Total current		2,712,497	1,052,044
Total non-current assets		141,331	737,071

FINAME operations are guaranteed by sureties and liens.

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

	06/30/22	12/31/21
2023	4,633	564,151
2024	105,994	139,659
>2025	30,704	33,261
TOTAL	141,331	737,071



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

b) Changes in loans and financing are as follows:

Balance at 01/01/2021	1,686,580
Funding	503,206
Provision for interest	(943)
Amortizations	(241,149)
Interest payment	(52,680)
Exchange-rate change	(105,899)
Balance at 12/31/2021	1,789,115
Funding	1,848,694
Provision for interest	(1,958)
Amortization	(663,867)
Interest payment	(24,431)
Exchange-rate change	(93,725)
Balance at 06/30/2022	2,853,828

17 PROVISIONS FOR CONTINGENCIES

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

a) Balance of provisions for contingencies:

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
(i) Tax:	4,730	4,730	285,431	292,232
- IRPJ and CSLL (a.1)	-	-	154,838	145,768
- INSS (a.2)	4,730	4,730	60,404	60,015
- PIS and COFINS (a.3)	-	-	52,011	74,265
- Other	-	-	18,178	12,184
(ii) Labor	-	-	239,329	214,732
(iii) Civil	-	-	136,112	132,337
(iv) Other	-	-	3,652	3,870
TOTAL	4,730	4,730	664,524	643,171

b) Statement of changes for the period – consolidated:

	12/31/21	Additions	Interest	Write-offs	Reversals	06/30/22
a) Tax	292,232	14,146	6,390	-	(27,337)	285,431
b) Labor	214,732	27,141	2,515	(4,820)	(239)	239,329
c) Civil	132,337	23,522	1,559	(11,960)	(9,346)	136,112
d) Other	3,870	-	-	-	(218)	3,652
TOTAL	643,171	64,809	10,464	(16,780)	(37,140)	664,524

Previous year:

	12/31/20	Additions	Interest	Write-offs	Reversals	12/31/21
a) Tax	285,528	11,575	1,733	-	(6,604)	292,232
b) Labor	196,971	36,343	2,579	(13,635)	(7,526)	214,732
c) Civil	126,241	36,131	3,105	(21,831)	(11,309)	132,337
d) Other	3,965	36	-	-	(131)	3,870
TOTAL	612,705	84,085	7,417	(35,466)	(25,570)	643,171


WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)
c) The provisions recorded are mainly related to:
(i) Tax contingencies

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

(ii) Labor contingencies

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

(iii) Civil contingencies

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

d) Judicial deposits:

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	12/31/21	06/30/22	12/31/21
Tax	4,657	4,657	61,679	62,959
Labor and civil	-	-	12,046	13,732
Other	-	-	-	117
TOTAL AMOUNT OF RESTRICTED DEPOSITS	4,657	4,657	73,725	76,808
- Judicial Deposits not pegged	-	-	6,188	5,427
TOTAL JUDICIAL DEPOSITS	4,657	4,657	79,913	82,235

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

e) Possible contingencies:

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

As of June 30, 2022, the estimated amounts of such discussions totaled R\$ 979,907 (R\$ 951,530 as of December 31, 2021).

(i) Tax

- Taxation on profits earned abroad: Refers to tax assessment notices issued by the Brazilian Federal Revenue Service for the years 2007, 2008, 2013, 2015, 2016 and 2017, in the estimated amount of R\$ 774.8 million (R\$ 751.5 million as of December 31, 2021). The Company is disputing these administrative and judicial tax assessment notices, and the interim decisions at the judicial level obtained thus far have validated the tax treatment applied, leading the Company to maintain the same tax practice for the years 2018 to 2021, keeping the same level of exposure to this matter. The Company believes that the tax authority will be judicially compelled to accept the tax treatment adopted.
- Incidence of the ICMS-ST tax on raw material purchase operations, in the amount of R\$ 27.6 million (R\$ 26.9 million at December 31, 2021);
- Incidence of Social Security Contribution on Dental Assistance, School Allowance, Technical Courses and Education Allowance, in the amount of R\$ 24.2 million (R\$ 23.9 million at December 31, 2021);
- Non-approval of IPI credits in the amount of R\$ 15.4 million (R\$ 15.0 million as of December 31, 2021);
- Other tax contingencies in the amount of R\$ 68.5 million (R\$ 64.4 million as of December 31, 2021).

(ii) Civil

- 3Z Movimentação Inteligente Ltda., in the estimated amount of R\$ 33.4 million (R\$ 33.4 million at December 31, 2021);
- Saraiva Equipamentos Ltda. and Saraiva Engenharia Ltda., in the estimated amount of R\$ 17.1 million (R\$ 17.1 million at December 31, 2021);
- Mapfre Seguros Gerais S.A. in the estimated amount of R\$ 12.0 million (R\$ 12.0 million as of December 31, 2021);
- Other civil contingencies in the amount of R\$ 6.9 million (R\$ 7.3 million as of December 31, 2021)..



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

18 PENSION PLAN

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

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

The number of participants is 23,363 (22,424 as of June 30, 2021). The Company and its subsidiaries made contributions totaling R\$ 27,411 (R\$ 23,032 as of June 30, 2021).

Based on actuarial calculations performed by independent actuaries, with the aim of defining the net liability between the defined benefit obligation and the fair value of plan assets, according to the procedures established by CVM Resolution 695/12 – CPC 33 (R1) (IAS 19) Employee Benefits, we have not identified material post-employment liabilities to be recognized by the Company.

19 SHAREHOLDERS' EQUITY

a) Capital

The Company's capital is R\$ 6,504,517 (R\$ 5,504,517 as of December 31, 2021), represented by 4,197,317,998 nominative common shares with no par value, all with voting rights, including 1,337,793 shares under treasury as item "c".

At the Meeting of the Board of Directors held on April 26, 2022, the board members approved to submit – to the AGM/EGM – a capital increase from R\$ 5,504,517 to R\$ 6,504,517, by absorbing R\$ 1,000,000 of the balance of profit reserve, without increasing the number of shares.

b) Shareholder's Remuneration

b.1.) Interest on equity capital

The Company declared during the first semester, interest on equity in the gross amount of R\$ 335,936 (net R\$ 285,546) corresponding to 0.06805 per share, already deducting withholding income tax, as per the following Board of Directors' approvals:

- I. On March 22, 2022, in the gross amount of R\$ 154,275 (R\$ 70,961 in March 2021), net of R\$ 131,134 (R\$ 60,316 in March 2021) corresponding to R\$ 0.03125 per share, already deducting the 15% withholding income tax pursuant to paragraph 2, article 9 of Law 9249/95, except for the shareholders that are legal entities exempt from said taxation.
- II. On June 21, 2022, the gross amount of R\$ 181,661 (R\$ 86,140 in June 2021), net of R\$ 154,412 (R\$ 73,219 in June 2021) corresponding to R\$ 0.03680 per share, already deducting the 15% withholding income tax under the terms of § 2, article 9 of Law 9249/95, except for the shareholders that are legal entities exempt from said taxation.

b.2.) Interim Dividends

The Board of Directors approved on July 19, 2022 the distribution of interim dividends on the results calculated for the first half of 2022, in the amount of R\$ 553,650 (R\$ 0.13195 per share).

The total amount of dividends and interest on equity to be paid is R\$ 889,586 gross (R\$ 839,196 net), equivalent to 47.91% of the net profit obtained in the period (45.19% net).

The Interest on Equity, in accordance with article 37 of the Bylaws and article 9 of Law 9249/95, will be imputed to the mandatory dividends and will be paid as from August 17, 2022.

c) Treasury shares

The shares acquired by the Company are held in treasury for use by the beneficiaries of the Company's Long-Term Incentive Plan (ILP Plan), or subsequent cancellation/disposal.

As of June 30, 2022, the beneficiaries of the Stock Option Plan and the Company's ILP Plan were exercised in the amount of 356,676 shares. The Company holds 1,337,793 shares in treasury, at an average cost of R\$ 14.38 per share, in the total amount of R\$ 19,242 (R\$ 11,216 at December 31, 2021).



WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

20 LONG-TERM INCENTIVE PLAN (ILP PLAN)

The EGM held on June 28, 2016 approved the share-based compensation plan, called Long-Term Incentive Plan ("ILP" Plan) in favor of its directors and officers.

(i) Plan

The Plan – managed by the Board of Directors – aims to grant shares issued by WEG S.A. ("Company") characterized by B3 as "WEGE3" to directors and managers, with the objective of attracting, motivating and retaining them, as well as aligning their interests with the interests of the Company and its shareholders.

For the application of the ILP Plan, and the consequent granting of shares, each year it is an essential condition (trigger) that the Company – in the immediately preceding year – obtain at least the Return on Invested Capital (ROIC), defined by the Board of Directors.

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

The availability of shares granted to participants is established in clauses 7 and 8 of the ILP Plan, which sets out the criteria for determining the amount of shares to be granted and the grace period to be fulfilled.

The Plan may be terminated, suspended or amended, at any time, through a proposal approved by the Company's Board of Directors.

(ii) Program

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

Programs

The participants in the programs are the officers of the Company and its subsidiaries headquartered in Brazil, excluding the officers of subsidiaries with third-party ownership interest.

Summary of the transactions of the plan's shares:

Plan program	12/31/21	Granted	Number of shares	
			Exercised	06/30/22
2016	107,642	-	-	107,642
2017	192,054	-	(116,000)	76,054
2018	345,348	-	(130,646)	214,702
2019	278,126	-	(75,622)	202,504
2020	147,962	-	-	147,962
2021	-	249,894	-	249,894
TOTAL	1,071,132	249,894	(322,268)	998,758

In the first semester of 2022, expenses in the amount of R\$ 3,663 (R\$ 5,193 as of June 30, 2021) were recorded under "other income (loss)" in the statement of income for the year as a contra-entry of capital reserve in the shareholders' equity.

The shares exercised in the first semester of 2022 amounted to R\$ 9,802 (R\$ 8,629 as of June 30, 2021), moreover, the amount of R\$ 5,084 (R\$ 7,360 as of June 30, 2021) was recorded under capital reserve in shareholders' equity and the amount of R\$ 4,718 (R\$ 1,269 on June 30, 2021) as a complement to the provisioned amount was recorded under other income in the statement of income for the year



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

*(Amounts expressed in thousands of reais unless otherwise indicated)***21 STOCK OPTIONS PLAN**

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

Summary of the transactions of the plan's shares:

Plan program	12/31/21	Exercised	Number of shares
			06/30/22
Março/16	34,408	(34,408)	-
TOTAL	34,408	(34,408)	-

The options exercised in the first semester of 2022 amounted to R\$ 851 (R\$ 3,045 as of June 30, 2021) recorded in the retained earnings account.

22 NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	06/30/22	06/30/21
Gross revenue	15,940,276	12,371,727
Domestic market	8,734,381	6,182,156
Foreign market	7,205,895	6,189,571
Deductions	(1,926,383)	(1,546,642)
Taxes	(1,681,075)	(1,365,420)
Returns/Rebates	(245,308)	(181,222)
Net revenue	14,013,893	10,825,085
Domestic Market	7,108,709	4,921,079
Foreign Market	6,905,184	5,904,006
North America	3,232,283	2,556,012
South and Central America	830,783	712,891
Europa	1,671,485	1,518,086
Africa	431,382	395,564
Asia-Pacific	739,251	721,453

23 CONSTRUCTION AGREEMENTS

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

	CONSOLIDATED	
	06/30/22	12/31/21
Gross operating revenues recognized	1,707,957	811,942
Incurred costs	(1,480,607)	(704,068)
	06/30/22	12/31/21
Advances received	1,028,228	1,052,014



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

24 OPERATING EXPENSES BY TYPE AND FUNCTION

TYPE OF EXPENSE	CONSOLIDATED	
	06/30/22	06/30/21
	(11,793,864)	(8,665,931)
Depreciation, amortization and depletion	(269,571)	(250,415)
Personnel expenses	(2,294,586)	(2,043,251)
Raw materials and use and consumption material	(7,368,493)	(5,250,985)
Freight insurance expenses	(452,841)	(295,754)
Other expenses	(1,408,373)	(825,526)
PURPOSE OF THE EXPENSE	(11,793,864)	(8,665,931)
Cost of products sold and services rendered	(10,151,051)	(7,458,839)
Sales expenses	(999,713)	(877,414)
Administrative and general expenses	(414,194)	(368,798)
Other operating revenues/expenses	(228,906)	39,120

25 OTHER OPERATING REVENUES/EXPENSES

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

	CONSOLIDATED	
	06/30/22	06/30/21
OTHER OPERATING REVENUE	61,653	387,466
Recognition of Tax Credit arising from the Exclusion of ICMS from the PIS/COFINS Basis	31,875	355,673
Other	29,778	31,793
OTHER OPERATING EXPENSES	(290,559)	(348,346)
Profit sharing - Employees	(217,759)	(284,180)
Profit sharing - Foreign subsidiaries	(44,326)	(36,570)
Management bonus	(23,201)	(12,333)
Share-based plan	(8,382)	(6,463)
Other	3,109	(8,800)
TOTAL NET	(228,906)	39,120

26 NET FINANCIAL INCOME (LOSS)

	PARENT COMPANY		CONSOLIDATED	
	06/30/22	06/30/21	06/30/22	06/30/21
FINANCIAL REVENUES	332	(3,392)	544,190	589,020
Yield from interest earning bank deposits	33,289	12,881	123,509	45,938
Exchange rate change	-	-	310,486	319,172
Exchange-rate changes - Suppliers	-	-	29,423	27,207
Exchange-rate changes - Clients	-	-	74,686	134,656
Foreign Exchange-rate - Loans	-	-	102,875	70,224
Exchange-rate change - Other	-	-	103,502	87,085
PIS/COFINS over interest on own capital	(31,819)	(15,833)	(31,819)	(15,833)
PIS/COFINS on financial revenues	(1,568)	(607)	(8,915)	(14,291)
Derivatives	-	-	77,235	65,099
PROEX - Interest Rate Equaliz.	-	-	16,561	15,188
Interest on Tax Credit arising from the Exclusion of ICMS from the PIS/COFINS Calculation Basis	-	-	9,425	140,892
Other revenues	430	167	47,708	32,855
FINANCIAL EXPENSES	(2,254)	(2,152)	(494,369)	(438,579)
Interest on loans and financing	-	-	(21,545)	(27,125)
Exchange rate change	(11)	(4)	(328,550)	(336,858)
Exchange-rate changes - Suppliers	-	-	(41,220)	(35,212)
Exchange-rate changes - Clients	-	-	(85,502)	(159,345)
Foreign exchange-rate - loans	-	-	(72,004)	(36,954)
Exchange-rate change - Other	(11)	(4)	(129,824)	(105,347)
Derivatives	-	-	(104,461)	(39,075)
Other expenses	(2,243)	(2,148)	(39,813)	(35,521)
NET FINANCIAL INCOME (LOSS)	(1,922)	(5,544)	49,821	150,441


WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)
27 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

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

Reconciliation of income tax and social contribution:	PARENT COMPANY		CONSOLIDATED	
	06/30/22	06/30/21	06/30/22	06/30/21
Income before income taxes	1,857,054	1,900,436	2,269,850	2,309,595
Nominal rate	34%	34%	34%	34%
IRPJ and CSLL calculated at nominal rate	(631,398)	(646,148)	(771,749)	(785,263)
Adjustments for calculation of effective income tax and social contribution:				
Income (loss) from investments in subsidiaries	634,658	648,801	20,517	12,017
Difference in tax rates on earnings abroad	-	-	144,740	224,155
Tax incentives	-	-	104,209	119,578
Interest on own capital	(2,740)	(4,783)	114,757	54,264
Other adjustments	(709)	661	(2,722)	(3,024)
IRPJ and CSLL on income	(189)	(1,469)	(390,248)	(378,273)
Current tax	(201)	(506)	(392,355)	(405,673)
Deferred tax	12	(963)	2,107	27,400
Effective rate - %	0.01%	0.08%	17.19%	16.38%

28 INSURANCE COVERAGE

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

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

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

Policy	Maximum Indemnity Limit (LMI)	Maturity
Operating risks (Property)	US\$ 36 million	09/30/2022
Loss of profit	US\$ 15 million (for Paint companies with a six-month indemnity period)	09/30/2022
General liability	US\$ 10 million	09/12/2022
Civil liability - Products	US\$ 40 million	09/12/2022
National Transportation	R\$ 12 million per shipment/accumulation/voyage	11/01/2022
International transport import/export	US\$ 6 million per shipment /accumulation/trip	11/01/2022
Environmental pollution	USD 15 million	09/12/2022
Contractual guarantee	As contractually stipulated	Pursuant to agreement / delivery
Engineering Risk - Installation and Assembly	According to the amount at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba), and US\$ 5 million in the United States	According to the work/supply schedule
Management civil liability (D&O)	US\$ 30 million	03/12/2023



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

29 FINANCIAL INSTRUMENTS - CONSOLIDATED

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

	BOOK VALUE	
	06/30/22	12/31/21
Cash and cash equivalents	2,570,284	2,714,427
Cash and banks	568,121	529,822
Interest earning bank deposits:	2,002,163	2,184,605
- In local currency	1,818,381	1,845,024
- In foreign currency	183,782	339,581
Financial Investments	513,134	502,708
- In local currency	502,166	502,708
- In foreign currency	10,968	-
Derivatives	167,165	409,337
- <i>Non Deliverable Forwards</i> - NDF	3,011	13,937
- Designated as <i>Hedge Accounting</i>	164,154	395,400
Total liabilities	3,250,583	3,626,472
Loans and financing	2,853,828	1,789,115
- In local currency	44,571	43,587
- In foreign currency	2,809,257	1,745,528
Derivatives	131,427	17,324
- <i>Non Deliverable Forwards</i> - NDF	25,498	728
- SWAP	1,254	3,197
- Designated as <i>Hedge Accounting</i>	104,675	13,399
Total liabilities	2,985,255	1,806,439

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

Category of financial instruments

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

Fair value hierarchy

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

29.1 Risk factors

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

a) Credit risks

It arises from the possibility of subsidiaries not recovering amounts from transactions rendered or from credits held with financial institutions generated by interest earning bank deposits. To mitigate the risk derived from sales operations, Company's subsidiaries adopt the practice of analyzing its clients' economic and financial condition, defining a credit limit, and permanent following up on its outstanding positions. As for its interest earning bank deposits, the Company and its subsidiaries invest in low credit risk institutions. The maximum exposure to credit risk is the book values of the assets presented in the table above, in addition to the amount of R\$ 5,166,658 classified as trade accounts receivable. The Company believes that for the assets derived from trades receivable, there is a high risk of loss, in the amount of R\$ 39,281 and an average risk of loss of R\$ 6,426, considering the internal valuations performed from the perspective of the risk of non-receipt of these assets.

b) Foreign currency risks

The Company and its subsidiaries export and import goods in different currencies, and manage/monitor foreign exchange exposure, seeking to balance their financial assets and liabilities within the limits established by Management.

The short/long (net) exchange exposure limit may be up to the equivalent of one month's worth of exports in foreign currencies, as defined by the Company's Board of Directors.


WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

As of June 30, 2022, the Company and its subsidiaries carried out exports in the amount of US\$ 819.9 million (US\$ 342.2 million on June 30, 2021), representing a natural hedge for part of the debt and other costs pegged to other currencies, mainly in US dollars.

c) Debt change risks

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

d) Liquidity risk

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

Contractual obligations	< 1 year	1-5 years	> 5 years	Total at 06/30/22
Loans and financing	2,712,497	131,331	10,000	2,853,828
Derivatives	119,483	11,944	-	131,427
Total liabilities	2,831,980	143,275	10,000	2,985,255

29.2 Derivate financial instruments

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

Operation	Currency	Notional Value	Purpose (hedge)
Non Deliverable Forwards NDF	USD/CNY	1,500	Fluctuation in foreign exchange-rates in exports
	USD/BRL	114,000	
	EUR/BRL	74,500	
	EUR/CNY	9,700	
	AUD/CNY	1,500	
	USD/MXN	7,000	
	USD/ZAR	5,419	
	AUD/EUR	2,000	
	USD/EUR	62,500	
	USD/ZAR	3,168	Fluctuation in foreign exchange-rates in imports
SWAP	EUR	10,000	Fluctuation in interest rates of financing

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

The sensitivity analysis chart (item 30.3) should be read together with the other financial assets and liabilities expressed in foreign currency existing on June 30, 2022, since the effect of the estimated impacts of exchange rates on the NDFs and on the SWAPs presented will be offset, if effective, in whole or in part, with the oscillations on all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used for the mark-to-market of financial instruments – valid as at June 30, 2022 – should be considered. These rates represent the best estimate for the future behavior of their prices, and represent the value at which the positions could be liquidated upon maturity.

The Company and its subsidiaries made the accounting records based on their market price on June 30, 2022 at fair value and on an accrual basis. These operations had a net positive impact of R\$ 27,226 (positive of R\$ 26,024 as of June 30, 2021), which were recognized as a financial income. As of June 30, 2022, the Company and its subsidiaries do not have margins pledged as a collateral to outstanding derivative financial instruments.

Derivative financial instruments for hedge accounting

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

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


WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

- Description and identification of the derivative instrument and the hedged item;
- Description of covered risks and excluded risks;
- Description of actual hedge effectiveness assessment methods;
- Frequency of assessment of prospective effectiveness; and
- Description of hedge accounting policy

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

Operation	Currency	Notional Value	Purpose (hedge)
Non Deliverable Forwards NDF	USD/BRL	126,085	Fluctuation in foreign exchange-rates in imports
	EUR/BRL	18,052	
	USD/ZAR	3,178	
	USD/EUR	66,400	Fluctuation in foreign exchange-rates in financing
	GBP/EUR	6,571	
	COP/EUR	18,075,156	
	AUD/EUR	3,000	
SWAP	USD	183,333	Exchange-rate fluctuations in export prepayment financing (PPE)

The Company and its subsidiaries made the accounting record based on the fair value at June 30, 2022 on the accrual basis. The accumulated amount net of taxes recorded as Other Comprehensive Income in shareholders' equity is negative R\$ 32,538 (positive R\$ 9,238 at December 31, 2021).

29.3 Sensitivity analysis

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

a) Non-deliverable forwards (NDF) operations

Operation	Risk	Currency / Quotation	Notional value (\$ '000)	Market Value at 06/30/2022		Possible Scenario 25%		Remote Scenario 50%	
				Average price	R\$ '000	Average price	R\$ '000	Average price	R\$ '000
Non Deliverable Forwards - NDF	USD Increase	USD/ZAR	3,168	16.4125	(1,488)	20.5156	(5,663)	24.6188	(9,839)
	USD Increase	USD/CNY	1,500	6.6930	(7)	8.3662	(1,970)	10.0395	(3,932)
	USD Increase	USD/BRL	114,000	5.2828	(9,588)	6.6034	(160,147)	7.9241	(310,705)
	EUR Increase	EUR/BRL	74,500	5.5014	(8,826)	6.8768	(111,290)	8.2521	(213,754)
	EUR Increase	EUR/CNY	9,700	7.0213	812	8.7766	(12,503)	10.5319	(25,818)
	AUD Increase	AUD/CNY	1,500	4.6102	204	5.7628	(1,148)	6.9154	(2,500)
	USD Increase	USD/MXN	7,000	19.0732	696	23.6803	(6,017)	28.7118	(14,709)
	AUD Decrease	AUD/EUR	2,000	1.4980	102	1.1393	(2,305)	0.7596	(7,118)
	USD Decrease	USD/EUR	62,500	1.0601	(4,393)	0.7844	(113,639)	0.5229	(332,132)
TOTAL					(22,487)				

b) SWAP operations:

Operation	Risk	Currency / Quotation	Notional value (\$ '000)	Market Value at 06/30/2022		Possible Scenario 25%		Remote Scenario 50%	
				Average price	R\$ '000	Average price	R\$ '000	Average price	R\$ '000
SWAP	Euribor Increase	EUR	10,000	-1.25%	(1,254)	-1.56%	(1,323)	-1.87%	(1,391)
TOTAL					(1,254)				



WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

c) Hedge accounting operations:

Operation	Risk	Currency / Quotation	Notional value (\$ '000)	Market Value at 06/30/2022		Possible Scenario 25%		Possible Scenario 50%	
				Average price	R\$ '000	Average price	R\$ '000	Average price	R\$ '000
NDF	USD Increase	USD/BRL	126,085	5.6501	(11,942)	4.2376	(190,039)	2.8251	(368,137)
	EUR Decrease	EUR/BRL	18,052	6.1745	(8,756)	4.6309	(36,621)	3.0873	(64,486)
	USD Decrease	USD/ZAR	3,178	15.8068	1,047	12.3122	(2,992)	7.9034	(7,026)
	USD Decrease	USD/EUR	66,400	1.1369	(23,767)	0.7927	(138,624)	0.5285	(368,338)
	GBP Decrease	GBP/EUR	6,571	0.8568	141	0.6447	(13,831)	0.4298	(41,777)
	COP Decrease	COP/EUR	18,075,156	4,616.3785	186	3,492.5343	(6,909)	2,328.3562	(21,101)
	AUD Decrease	AUD/EUR	3,000	1.5239	111	1.1538	(3,454)	0.7692	(10,584)
	USD Decrease	USD/ZAR	5,419	14.6000	1,584	10.9500	(7,937)	7.3000	(14,290)
	Copper Decrease	USD	11,692	7,602.78	(7,844)	6,197.97	(21,110)	4,131.83	(34,375)
TOTAL					(49,239)				
SWAP	Queda do Dólar	USD	100,000	5.2380	(49,775)	3.9285	(177,521)	2.6190	(306,721)
	TOTAL				(49,775)				

d) Loan and financing transactions:

(i) Exchange-rate change:

Operation	Risk	Currency / Quotation	Notional Value (\$ '000)	Amount in 06/30/2022		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	R\$ 000	Average Price	R\$ 000	Average Price	R\$ 000
Working Capital	USD Decrease	USD/EUR	83333.3	1.047	437,929	0.7853	(109.48)	0.5235	(218,96)
	TOTAL				437,929				
PPE	USD Increase	USD/BRL	100,000	5.2374	525,219	6.5468	(129,456)	7.8561	(260,391)
	TOTAL				525,219				

(ii) Interest

Operation	Risk	Currency / Quotation	Notional Value (\$ '000)	Amount in 06/30/2022		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	R\$ 000	Average Price	R\$ 000	Average Price	R\$ 000
Working Capital	Libor Increase	USD	41,667	1.604% Libor + 1.4% p.a.	426	1.8593% Libor + 1.4% p.a.	(19)	1.9103% Libor + 1.4% p.a.	(39)
	TIIE Increase	MXN	386,030	7.2340% TIIE + 0.9% p.a.	1,030	7.9169% TIIE + 0.9% p.a.	(226)	9.5003% TIIE + 0.9% p.a.	(453)
	CDI Increase	BRL	40,000	15.25% 116% CDI	38,423	19.07% 116% CDI	(1,431)	22.88% 116% CDI	(2,860)
	CDI Increase	BRL	556	15.65% 119% CDI	570	19.56% 119% CDI	(22)	23.47% 119% CDI	(43)
	TOTAL				40,449				
PPE	Libor Increase	USD	50,000	1.0214% Libor + 0.65% p.a.	262,818	1.9268% Libor + 0.65% p.a.	(1,093)	2.1821% Libor + 0.65% p.a.	(1,238)
	TOTAL				262,818				



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

30 GOVERNMENT GRANTS AND ASSISTANCE

The Company and its subsidiaries obtained grants in the amount of R\$ 112,922 (R\$ 107,116 on June 30, 2021) deriving from tax incentives, recognized in the income (loss) for the period:

	CONSOLIDATED	
	06/30/22	06/30/21
Total government grants and assistance	112,922	107,116
a) WEG Linhares Equipamentos Elétricos S.A.	37,702	45,500
- ICMS stimulus credit	26,990	30,625
- Decrease in IRPJ	10,700	14,734
- Municipal investment	12	141
b) WEG Drives & Controls – Automação Ltda.	45,514	34,643
- ICMS stimulus credit	45,514	34,643
c) WEG Equipamentos e Logística Ltda.	17,106	13,062
- ICMS stimulus credit	17,106	13,062
d) WEG Equipamentos Elétricos S.A.	10,216	8,820
- ICMS incentive credit	9,469	8,141
- Municipal investment	747	679
e) WEG Amazônia S.A.	1,455	4,800
- Decrease in IRPJ	1,299	4,590
- ICMS stimulus credit	156	210
f) V2 Tecnologia Ltda.	929	291
- ICMS stimulus credit	929	291

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

31 SEGMENT INFORMATION

	Brazil				Foreign		Eliminations and adjustments		Consolidated	
	Industry		Energy							
	06/30/22	06/30/21	06/30/22	06/30/21	06/30/22	06/30/21	06/30/22	06/30/21	06/30/22	06/30/21
Revenue from sales of goods and/or services	7,766,085	5,361,205	2,661,064	1,760,767	10,658,050	8,741,588	(7,071,306)	(5,038,475)	14,013,893	10,825,085
Income (loss) before income taxes	3,038,053	2,963,576	1,003,586	1,182,738	1,481,267	1,790,634	(3,253,056)	(3,627,353)	2,269,850	2,309,595
Depreciation/ amortization / Depletion	95,653	80,614	37,354	31,979	140,893	142,643	(4,329)	(4,821)	269,571	250,415
	06/30/22	12/31/21	06/30/22	12/31/21	06/30/22	12/31/21	06/30/22	12/31/21	06/30/22	12/31/21
Identifiable assets	9,036,540	7,483,320	3,908,328	3,761,205	14,072,356	14,074,568	(5,471,183)	(5,842,649)	21,546,041	19,476,444
Identifiable liabilities	3,112,561	2,761,833	1,747,597	1,674,427	7,074,884	6,835,911	(4,505,573)	(4,389,822)	7,429,469	6,882,349

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

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

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

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

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



WEG S.A.
NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022
(Amounts expressed in thousands of reais unless otherwise indicated)

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

32 EARNINGS PER SHARE

a) BASIC

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

	06/30/22	06/30/21
Income attributable to controlling shareholders	1,856,865	1,898,967
Weighted average number of common shares (adjusted with the split) held by shareholders (shares/thousand)	4,195,995	4,196,102
Basic earnings per share - R\$ (with splitting)	0,44253	0,45256

b) Diluted

Net earnings per share are calculated by dividing net income attributed to the Parent Company's common shareholders by weighted average number of common shares available in the year plus weighted average number of common shares that would be issued upon conversion of stock option plans and Long-term incentive (ILP plan).

	06/30/22	06/30/21
Income attributable to controlling shareholders	1,856,865	1,898,967
Weighted average of common shares (adjusted with the split) potential dilutive held by shareholders (shares/thousand)	4,196,994	4,196,706
Diluted earnings per share - R\$ (with splitting)	0,44243	0,45249

33 SUBSEQUENT EVENTS

On July 18, 2022 the Company informed its shareholders and the market in general that it had signed binding documents with the Cevital Group, headquartered in Algeria, for the incorporation of the company WEG Algeria Motors SpA, with 51% participation by the WEG Group and 49% by the Cevital Group, which will operate in the production and sale of electric motors for washing machines, with an initial focus on the Algerian and North African markets.

The company will have its operations in the city of Setif and production will begin in the fourth quarter of 2022.



WEG S.A.

NOTES TO INTERIM FINANCIAL INFORMATION ON JUNE 30, 2022

(Amounts expressed in thousands of reais unless otherwise indicated)

Board of Directors

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

Audit Committee

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

Executive Board

Harry Schmelzer Junior - Chief Executive Officer
 Alberto Yoshikazu Kuba - Director - Industrial Motors
 André Luis Rodrigues - Administrative and Financial Director
 André Meneguetti Salgueiro - Chief Finance and Investor Relations Officer
 Carlos Diether Prinz - Diretor - Transmission and Distribution
 Eduardo de Nóbrega - Director - China
 Elder Stringari - International Director
 Hilton José da Veiga Faria - Director of Sustainability
 João Paulo Gualberto da Silva - Director – Electricity
 Julio Cesar Ramires - Director - Commercial Motors
 Manfred Peter Johann - Director – Automation

Accountant

Marcelo Peters
 CRC/SC 039928/O-0

Tax Council

Effective

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

Alternate members

Paulo Roberto Franceschi
 Silvia Maura Rodrigues Pereira
 Giuliano Barbato Wolf

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 June 30, 2022, which comprise the balance sheet as of June 30, 2022 and the related statements of income and comprehensive income, for the three and six months periods then ended and the changes in shareholders' equity and cash flows for the six 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 six months period ended in June 30, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information regarding IAS 34, were submitted to review procedures performed jointly with the review of the interim quarterly information of the Company. In order to form our conclusion, we assessed if the statements are reconciled with the interim accounting information and records, as applicable, and if their form and content are in accordance with the criteria defined in CPC 09 - Statements of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that the statements of value added aforementioned have not been fairly stated, in all material aspects, in relation to the interim financial statements, individual and consolidated, taken as a whole.

Joinville, July 19, 2022

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

Opinions and Statements / Officers' Statement on the Quarterly Information

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at June 30, 2022.

Jaraguá do Sul (SC), July 19, 2022

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Chief Industrial Motors Officer
André Luis Rodrigues - Chief Administrative and Financial Officer
André Meneguetti Salgueiro – Chief of Finances and Investors Relationship
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer
Eduardo de Nóbrega - Chief China Division Officer
Elder Stringari - Chief International Division Officer
Hilton José da Veiga Faria - Chief of Sustainability
João Paulo Gualberto da Silva - Chief Energy Officer
Julio Cesar Ramirez - Chief Commercial Motors Officer
Manfred Peter Johann - Chief Automation Division Officer

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

By this instrument, the Chief Executive Officers and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of KPMG Auditores Independentes, dated July 19, 2022, in respect of the quarterly information of WEG S.A. and Consolidated as at June 30, 2022.

Jaraguá do Sul (SC), July 19, 2022

Harry Schmelzer Junior - Chief Executive Officer
Alberto Yoshikazu Kuba - Chief Industrial Motors Officer
André Luis Rodrigues - Chief Administrative and Financial Officer
André Meneguetti Salgueiro – Chief of Finances and Investors Relationship
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer
Eduardo de Nóbrega - Chief China Division Officer
Elder Stringari - Chief International Division Officer
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