

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Romi S.A.

Report on Review of Individual and
Consolidated Interim Financial Information for the
Quarter Ended June 30, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
Romi S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Romi S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form - ITR, for the quarter ended June 30, 2022, which comprises the individual and consolidated balance sheet as at June 30, 2022 and the related individual and consolidated statements of profit and loss and of comprehensive income for the three- and six-month periods then ended, and the individual and consolidated statements of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Interim Financial Information (ITR) referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

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Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added - DVA for the six-month period ended June 30, 2022, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information - ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in such standard and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Campinas, July 19, 2022



DELOITTE TOUCHE TOHMATSU

Auditores Independentes Ltda.



Paulo de Tarso Pereira Jr.

Engagement Partner

ROMI S.A.

BALANCE SHEETS
QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Parent		Consolidated				Parent		Consolidated	
	Note	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021		Note	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
ASSETS						LIABILITIES AND EQUITY					
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	25,789	28,047	89,609	99,911	Borrowings	13	61,221	70,541	72,097	70,732
Short-term investments	3	42,537	74,786	42,537	74,786	FINAME manufacturer financing	14	142,329	142,830	142,329	142,830
Trade accounts receivable	4	168,462	123,874	241,373	237,952	Trade accounts payable		152,829	115,340	175,612	129,391
Onlending of FINAME - manufacturer financing	5	152,741	152,775	152,741	152,775	Payroll and related taxes		37,105	37,882	47,513	46,062
Inventories	6	499,707	431,176	645,892	536,699	Taxes payable		9,702	7,086	18,616	21,246
Related parties	8	43,237	53,303	-	-	Advances from customers		47,288	53,046	120,290	103,997
Taxes recoverable	9	25,162	40,337	35,315	48,935	Profit sharing		2,983	7,680	2,983	7,680
Other receivables		13,975	6,833	22,236	13,224	Dividends and interest on capital		21,407	17,983	21,418	18,191
		971,610	911,131	1,229,703	1,164,282	Provision for tax, labor and civil risks	15	2,349	1,445	2,349	1,445
						Other payables		8,429	5,020	30,102	34,579
						Related parties	8	2,811	3,096	-	-
								488,453	461,949	633,309	576,153
NONCURRENT ASSETS						NONCURRENT LIABILITIES					
Trade accounts receivable	4	10,664	13,439	19,152	20,714	Borrowings	13	148,342	117,868	180,986	149,499
Onlending of FINAME - manufacturer financing	5	203,865	218,866	203,865	218,866	FINAME manufacturer financing	14	199,924	219,104	199,924	219,104
Related parties	8	36,174	51,473	-	-	Provision for tax, labor and civil risks	15	283	347	283	347
Taxes recoverable	9	73,207	70,466	73,213	70,472	Other payables		41	15	2,109	3,095
Deferred income tax and social contribution	16	13,825	9,599	21,198	10,557	Provision for equity deficit of subsidiaries	7	7,788	11,089	-	-
Judicial deposits	15	12,163	12,097	12,163	12,097	Deferred income tax and social contribution	16	-	-	35,399	41,361
Other receivables		6,482	5,932	6,961	6,498			-	-	-	-
		356,380	381,872	336,552	339,204			356,378	348,423	418,701	413,406
Investments in subsidiaries	7	160,380	191,012	-	-	TOTAL LIABILITIES		844,831	810,372	1,052,010	989,559
Property, plant and equipment	11	313,144	275,200	388,875	370,348	EQUITY					
Investment property	10	13,500	13,500	16,579	16,621	Capital	17	637,756	637,756	637,756	637,756
Intangible assets	12	896	945	53,073	64,065	Earnings reserve		262,496	233,695	262,496	233,695
		844,300	862,529	795,079	790,238	Carrying value adjustment		70,827	91,837	70,827	91,837
								971,079	963,288	971,079	963,288
						NONCONTROLLING INTERESTS		-	-	1,693	1,673
						TOTAL EQUITY		971,079	963,288	972,772	964,961
TOTAL ASSETS		1,815,910	1,773,660	2,024,782	1,954,520	TOTAL LIABILITIES AND EQUITY		1,815,910	1,773,660	2,024,782	1,954,520

The accompanying notes are an integral part of these financial statements.

ROMI S.A.
STATEMENTS OF PROFIT AND LOSS
QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$, except for earnings per share expressed in Brazilian reais)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent			
	Current quarter 2022	Accumulated current year 2022	Same quarter prior 2021	Accumulated prior year 2021
Operations				
Net operating revenue	319,096	578,967	275,006	473,294
Cost of sales and services	(233,488)	(416,919)	(184,748)	(313,919)
Gross profit	85,608	162,048	90,258	159,375
Operating income (expenses)				
Selling	(20,241)	(36,846)	(15,341)	(28,233)
General and administrative	(10,952)	(21,343)	(8,510)	(16,884)
Research and development	(7,745)	(14,669)	(6,953)	(13,167)
Management profit sharing and fees	(3,499)	(6,900)	(4,148)	(7,091)
Equity in earnings of subsidiaries	(1,152)	(9,407)	335	(9,726)
Other operating income (expenses), net	686	1,712	851	893
	(42,903)	(87,453)	(33,766)	(74,208)
Operating profit	42,705	74,595	56,492	85,167
Finance income (costs)				
Finance income	2,846	5,938	2,418	4,475
Finance costs	(3,168)	(5,228)	(2,668)	(6,057)
Foreign exchange gains (losses), net	(1,854)	6,718	2,384	4,457
	(2,176)	7,428	2,134	2,875
Profit before taxation	40,529	82,023	58,626	88,042
Income tax and social contribution				
Current	(7,649)	(18,754)	(15,890)	(24,636)
Deferred	(9,984)	(22,980)	(11,913)	(17,588)
	2,335	4,226	(3,977)	(7,048)
Profit for the period	32,880	63,269	42,736	63,406
	-19%	-23%	-27%	-28%
 Basic earnings per share in reais - R\$	 0.45	 0.86	 0.58	 0.86

The accompanying notes are an integral part of these financial statements.

ROMI S.A.
STATEMENTS OF PROFIT AND LOSS
QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$, except for earnings per share expressed in Brazilian reais)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Consolidated			
	Current quarter 2022	Accumulated current year 2022	Same quarter prior 2021	Accumulated prior year 2021
Operations				
Net operating revenue	372,062	657,397	351,459	574,089
Cost of sales and services	(267,095)	(466,825)	(236,640)	(383,800)
Gross profit	104,967	190,572	114,819	190,289
Operating income (expenses)				
Selling	(32,414)	(58,001)	(27,923)	(50,316)
General and administrative	(21,549)	(43,666)	(21,222)	(41,645)
Research and development	(7,745)	(14,669)	(6,953)	(13,167)
Management profit sharing and fees	(3,540)	(6,978)	(4,182)	(7,150)
Other operating income, net	626	1,652	1,506	3,409
	(64,622)	(121,662)	(58,774)	(108,869)
Operating profit	40,345	68,910	56,045	81,420
Finance income (costs)				
Finance income	3,842	7,482	2,609	4,755
Finance costs	(3,983)	(6,824)	(3,211)	(7,099)
Foreign exchange gains (losses), net	(2,083)	6,330	2,830	4,696
	(2,224)	6,988	2,228	2,352
Profit before taxation	38,121	75,898	58,273	83,772
Income tax and social contribution				
Current	(5,121)	(12,393)	(15,454)	(20,209)
Deferred	(9,876)	(23,320)	(12,111)	(17,955)
	4,755	10,927	(3,343)	(2,254)
Profit for the period	33,000	63,505	42,819	63,563
Attributable to				
Controlling interests	32,880	63,269	42,736	63,406
Noncontrolling interests	120	236	83	157
	33,000	63,505	42,819	63,563

The accompanying notes are an integral part of these financial statements.

ROMI S.A.

STATEMENTS OF COMPREHENSIVE INCOME

QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

				Parent
	Current quarter	Accumulated	Same quarter	Accumulated
	2022	current year	prior	prior year
		2022	2021	2021
Profit for the period	32,880	63,269	42,736	63,406
Foreign currency translation effects	3,938	(21,010)	(16,199)	(4,883)
Comprehensive profit for the period	<u>36,818</u>	<u>42,259</u>	<u>26,537</u>	<u>58,523</u>

The accompanying notes are an integral part of these financial statements.

ROMI S.A.

STATEMENTS OF COMPREHENSIVE INCOME

QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Current quarter	Accumulated	Same quarter prior	Consolidated
	2022	current year	2021	Accumulated
		2022		prior year
				2021
Profit for the period	33,000	63,505	42,819	63,563
Foreign currency translation effects	3,938	(21,010)	(16,199)	(4,883)
Comprehensive profit for the period	<u>36,938</u>	<u>42,495</u>	<u>26,620</u>	<u>58,680</u>
Attributable to				
Controlling interests	36,818	42,259	26,537	58,523
Noncontrolling interests	<u>120</u>	<u>236</u>	<u>83</u>	<u>157</u>
	<u>36,938</u>	<u>42,495</u>	<u>26,620</u>	<u>58,680</u>

The accompanying notes are an integral part of these financial statements.

ROMI S.A.

STATEMENTS OF CHANGES IN EQUITY

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Attributable to the controlling interests									
Note	Earnings reserve				Carrying value adjustment	Profit for the year	Total	Noncontrolling interests	Total
	Capital	Earnings reserve	Legal reserve	Total					
At December 31, 2020	637,756	23,849	63,045	86,894	88,353	-	813,003	1,581	814,584
Profit for the period	-	-	-	-	-	63,406	63,406	157	63,563
Foreign currency translation effects	-	-	-	-	(4,883)	-	(4,883)	-	(4,883)
Total comprehensive income for the period	-	-	-	-	(4,883)	63,406	58,523	157	58,680
Interest on capital	-	-	-	-	-	(19,800)	(19,800)	-	(19,800)
Dividends paid by subsidiary	-	-	-	-	-	-	-	(124)	(124)
Transfers between reserves	-	43,606	-	43,606	-	(43,606)	-	-	-
Total contributions by and distributions to controlling interests	-	43,606	-	43,606	-	(63,406)	(19,800)	(124)	(19,925)
At June 30, 2021	637,756	67,455	63,045	130,500	83,470	-	851,726	1,613	853,339
At December 31, 2021	637,756	160,461	73,234	233,695	91,837	-	963,288	1,673	964,961
Profit for the period	-	-	-	-	-	63,269	63,269	236	63,505
Foreign currency translation effects	-	-	-	-	(21,010)	-	(21,010)	-	(21,010)
Total comprehensive income for the period	-	-	-	-	(21,010)	63,269	42,259	236	42,495
Interim dividends	17	-	-	-	-	(7,333)	(7,333)	-	(7,333)
Interest on capital	17	-	-	-	-	(27,135)	(27,135)	-	(27,135)
Dividends paid by subsidiary	-	-	-	-	-	-	-	(216)	(216)
Transfers between reserves	-	28,801	-	28,801	-	(28,801)	-	-	-
Total contributions by and distributions to controlling interests	-	28,801	-	28,801	-	(63,269)	(34,468)	(216)	(34,684)
At June 30, 2022	637,756	189,262	73,234	262,496	70,827	-	971,079	1,693	972,772

The accompanying notes are an integral part of these financial statements.

ROMI S.A.

STATEMENTS OF CASH FLOWS
QUARTERS ENDED JUNE 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Note	Parent		Consolidated	
		2022	2021	2022	2021
Cash flows from operating activities					
Profit before taxation		82,023	88,042	75,898	83,772
Adjustments from:					
Unrealized finance costs and foreign exchange difference		4,097	(7,725)	21,674	(10,013)
Depreciation and amortization	11, 12	16,563	12,098	25,219	20,495
Allowance (reversal) for doubtful accounts and other receivables	4, 5	(213)	88	(662)	(724)
Recognition (reversal) of inventory realization	6	131	(3,184)	(3,248)	(4,216)
Gain (loss) on disposals of property, plant and equipment and intangible assets	11, 12	(1,990)	(495)	(1,517)	(495)
Equity in earnings of subsidiaries	7	9,407	9,726	-	-
Recognition (reversal) of provision for contingent liabilities	15	840	(189)	840	(189)
Change in operating assets and liabilities					
Trade accounts receivable		(64,220)	(14,938)	(23,817)	2,606
Related parties (assets and liabilities)		25,877	(570)	-	-
Onlending of FINAME - manufacturer financing		14,790	(20,777)	14,790	(20,777)
Inventories		(68,660)	(121,443)	(106,101)	(148,437)
Taxes recoverable		(10,520)	(32,117)	238	(14,845)
Judicial deposits		(66)	(92)	(66)	(92)
Other receivables		(4,490)	1,112	(6,275)	(689)
Trade accounts payable		45,242	50,017	53,974	57,839
Payroll and related taxes		(777)	5,585	1,451	9,161
Taxes payable		2,611	4,109	(20,424)	(18,378)
Advances from customers		(5,758)	8,301	16,293	31,513
Other payables		(1,256)	(1,275)	(10,128)	(12,042)
Cash provided by operations		43,631	(23,727)	38,139	(25,511)
Income tax and social contribution paid		-	-	(561)	(291)
Net cash provided by operating activities		43,631	(23,727)	37,578	(25,802)
Cash flows from investing activities					
Short-term investments	3	32,249	72,909	32,249	72,909
Purchase of property, plant and equipment	11	(56,389)	(36,105)	(68,419)	(42,580)
Purchase of intangible assets	12	(120)	(223)	(120)	(223)
Revenue from the sale of fixed assets		4,041	1,309	4,041	1,309
Dividends received	7	2,913	1,664	-	-
Capital increase in subsidiary	7	(6,000)	-	-	-
Net cash used in investing activities		(23,306)	39,554	(32,249)	31,415
Cash flows from financing activities					
Interest on capital and dividends paid	17	(31,043)	(75,512)	(31,259)	(75,636)
New borrowings		43,637	57,532	46,645	57,532
Financing paid		(10,489)	(89,227)	(18,408)	(90,210)
Interest paid		(5,007)	(5,792)	(5,179)	(5,792)
New Finame - manufacturer financing		76,295	99,974	76,295	99,974
Payment of Finame - manufacturer financing		(78,557)	(70,402)	(78,557)	(70,402)
Interest paid - Finame - manufacturer financing		(17,419)	(13,116)	(17,419)	(13,116)
Net cash provided by (used in) financing activities		(22,583)	(96,543)	(27,882)	(97,650)
Increase (decrease) in cash and cash equivalents, net		(2,258)	(80,716)	(22,553)	(92,037)
Cash and cash equivalents at the beginning of the period		28,047	140,932	99,911	195,418
Foreign exchange gains (losses) on cash equivalents of foreign subsidiaries		-	-	12,251	7,295
Cash and cash equivalents at the end of the period		25,789	60,216	89,609	110,676
		-	-	-	-

The accompanying notes are an integral part of this financial information.

ROMI S.A.

**STATEMENTS OF VALUE ADDED
QUARTERS ENDED JUNE 30**

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent		Consolidated	
	2022	2021	2022	2021
Revenues				
Sales of goods, products and services	662,836	545,232	742,054	646,123
Revenues related to the constructions of own assets	68,146	27,478	75,967	35,533
Allowance for doubtful accounts	213	(384)	662	1,207
Other operating income, net	1,712	893	1,652	3,409
	<u>732,907</u>	<u>573,219</u>	<u>820,335</u>	<u>686,272</u>
Inputs acquired from third parties				
Materials used	(475,369)	(289,319)	(479,320)	(300,388)
Other costs of products and services	(19,398)	(37,871)	(20,908)	(43,705)
Electricity, third-party services and other expenses	<u>(29,352)</u>	<u>(50,300)</u>	<u>(38,715)</u>	<u>(75,550)</u>
	<u>(524,119)</u>	<u>(377,490)</u>	<u>(538,943)</u>	<u>(419,643)</u>
Gross value added	208,788	195,729	281,392	266,629
Depreciation and amortization	<u>(16,563)</u>	<u>(12,097)</u>	<u>(25,219)</u>	<u>(20,495)</u>
Net value added generated by the Company	<u>192,225</u>	<u>183,632</u>	<u>256,173</u>	<u>246,134</u>
Value added received through transfers				
Equity in earnings of subsidiaries	(9,407)	(9,726)	-	-
Finance income (costs) and net foreign exchange gains (losses)	<u>12,656</u>	<u>8,932</u>	<u>13,812</u>	<u>9,451</u>
Total value added to distribute	<u>195,474</u>	<u>182,838</u>	<u>269,985</u>	<u>255,585</u>
Distribution of value added				
Employees				
Payroll and related taxes	95,520	85,780	154,331	157,405
Sales commission	5,225	2,601	5,225	2,601
Management profit sharing and fees	6,898	7,080	6,940	7,136
Private pension plan	604	504	604	504
Taxes, fees and contributions	16,287	16,490	28,983	17,509
Interest	5,228	6,057	6,824	2,403
Rentals	2,443	920	4,025	4,588
Interest on capital	34,468	19,800	34,468	19,800
Noncontrolling interests	-	-	(216)	33
Retained earnings	<u>28,801</u>	<u>43,606</u>	<u>28,801</u>	<u>43,606</u>
Value added distributed	<u>195,474</u>	<u>182,838</u>	<u>269,985</u>	<u>255,585</u>

The accompanying notes are an integral part of these financial statements.

Romi S.A.

Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

1 General information

Romi S.A.(Parent) and its subsidiaries (jointly referred to as “Company” or “Consolidated”), has been listed on the "New Market" of B3 S.A. - Brasil, Bolsa, Balcão, since March 23, 2007, and is based in Santa Barbara D'Oeste, São Paulo. The Company is engaged in the assembly and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing systems analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of rough cast parts and machined cast parts; export and import, and representation on its own account or on account of third parties, and the provision of related services. It also holds investments in other companies, and manages its own and/or third party assets.

The Company's industrial facilities consist of thirteen plants in three units located in the city of Santa Bárbara d'Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The latter is a plant for large tooling machinery for special applications, with high precision and productivity. It also holds interest in subsidiaries in Brazil and abroad.

This interim financial information was approved by the Company's Board of Directors and authorized for issue on July 19, 2022.

Possible impacts related to the Russia and Ukraine conflict

On February 24, 2022, for political and economic reasons, Russia invaded the Ukrainian territory initiating an armed conflict against Ukraine. From that moment on, Governments, entrepreneurs and the entire world population started to keep track of the development of the conflict and evaluate any economic impacts triggered by those countries. Until the date of approval of this individual and consolidated interim financial information, the Company's management has assessed and concluded that there are no significant impacts on its operation. Management constantly evaluates the development of this matter in order to implement measures to mitigate any impact on its operations.

2 Basis of preparation and accounting policies

The individual and consolidated interim financial information for the quarter ended June 30, 2022 has been prepared in accordance with CVM Ruling No. 673 dated October 20, 2011, which approved accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

The accounting practices adopted by the Company in the preparation of the individual and consolidated interim financial information are the same as those used in the preparation of the financial statements for the year ended December 31, 2021 and, therefore, should be read in conjunction with those financial statements.

The preparation of the individual and consolidated statements of value added (DVA) is required by the Brazilian corporate law and the accounting practices adopted in Brazil for listed companies, but is not required by IFRS. Therefore, under IFRS, the presentation of such statements is considered supplementary information, and not part of the set of financial information.

(a) Notes included in the financial statements for the year ended December 31, 2021 not included in this quarterly information

The individual and consolidated interim financial information is presented in accordance with technical pronouncement 7 CPC 21 and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this individual and consolidated interim financial information involves judgment by the Company's management on the materiality and changes that should be disclosed in the accompanying notes. Accordingly, this individual and consolidated interim financial information includes selected notes and does not comprise all notes presented for the year ended December 31, 2021. As permitted by Circular Letter 03/2011 of the Brazilian Securities and Exchange Commission (CVM), the following notes are not presented:

- Basis of preparation and significant accounting policies (Note 2);
- Pension plan (Note 18);
- Insurance (Note 19);
- Financial instruments and operational risks (Note 20);
- Net sales revenue (Note 23);
- Expenses by nature (Note 24);
- Finance income (costs) (Note 25); and
- Other operating income (expenses), net (Note 26).

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Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

3 Cash and cash equivalents and short-term investments

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Cash and banks	22,956	4,272	86,776	52,276
Bank deposit certificates (CDB) (a)	2,775	23,712	2,775	47,572
Other	58	63	58	63
Total cash and cash equivalents	25,789	28,047	89,609	99,911
Short-term investments backed by debentures (a)	30,760	24,400	30,760	24,400
Investment funds DI and fixed income (b)	11,777	50,386	11,777	50,386
Total assets held for trading	42,537	74,786	42,537	74,786

(a) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") rate.

(b) They are comprised of investment funds with notes backed by LTN and NTN.

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

4 Trade accounts receivable

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Current				
Domestic customers (Brazil)	152,012	106,984	160,622	109,169
Foreign customers	17,424	18,186	85,894	134,697
Allowance for doubtful accounts	(974)	(1,296)	(5,143)	(5,914)
	<u>168,462</u>	<u>123,874</u>	<u>241,373</u>	<u>237,952</u>
Noncurrent				
Domestic customers (Brazil)	4,269	7,248	4,547	7,895
Foreign customers	6,868	6,801	15,078	13,429
Allowance for doubtful accounts	(473)	(610)	(473)	(610)
	<u>10,664</u>	<u>13,439</u>	<u>19,152</u>	<u>20,714</u>

Trade accounts receivable are recorded at their amortized costs, which approximate their fair values.

The balance of current trade accounts receivable as at June 30, 2022 and December 31, 2021, parent and consolidated, is distributed as follows:

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Falling due	146,135	103,816	204,250	197,743
Past due:				
1 to 30 days	11,066	11,303	18,920	21,507
31 to 60 days	5,443	2,376	5,951	3,612
61 to 90 days	798	724	2,767	3,894
91 to 180 days	1,057	2,060	4,385	5,031
181 to 360 days	1,038	1,605	1,281	1,678
Over 360 days	3,899	3,286	8,962	10,401
	23,301	21,354	42,266	46,123
Total	169,436	125,170	246,516	243,866
Allowance for doubtful accounts	(974)	(1,296)	(5,143)	(5,914)
Total current	168,462	123,874	241,373	237,952

The balance of noncurrent trade accounts receivable as at June 30, 2022, parent and consolidated, is distributed as follows:

	Parent	Consolidated
Falling due:		
2023 (6 months)	5,507	11,540
2024	4,715	7,170
2025 onward	915	915
Allowance for doubtful accounts	(473)	(473)
Total – noncurrent	10,664	19,152

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

Changes in the allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent		Consolidated	
	2022	2021	2022	2021
Balance at December 31	1,906	1,763	6,524	6,829
Receivables recognized for the period	-	1,668	40	1,621
Receivables written off	(459)	(1,525)	(459)	(1,525)
Foreign exchange difference	-	-	(489)	(401)
At June 30	<u>1,447</u>	<u>1,906</u>	<u>5,616</u>	<u>6,524</u>

The allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable. The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

5 Onlending of FINAME manufacturer financing

		Parent and Consolidated
	June 30, 2022	December 31, 2021
Current		
FINAME falling due	142,196	143,370
FINAME awaiting release (a)	803	806
FINAME past due (b)	15,455	14,224
	158,454	158,400
Allowance for doubtful accounts	(5,713)	(5,625)
	<u>152,741</u>	<u>152,775</u>
Noncurrent		
FINAME falling due	203,024	218,059
FINAME awaiting release (a)	3,647	3,455
	206,671	221,514
Allowance for doubtful accounts	(2,806)	(2,648)
	<u>203,865</u>	<u>218,866</u>
Total	<u>356,606</u>	<u>371,642</u>

The item "Onlending of FINAME manufacturer financing" refers to sales to customers financed by funds from the Brazilian Development Bank ("BNDES") (Note 14) which are carried at their amortized costs, which approximate their fair values.

FINAME manufacturer refers to financing specifically linked to sales transactions, with terms of up to 60 months with a grace period of up to six months, in accordance with the terms defined by the BNDES at the time of the financing.

The financing terms are also based on customer's characteristics. Funds are released by the BNDES on identification of a customer and sale, as well as checking that a customer has fulfilled the terms of Circular Letter 195 dated July 28, 2006 issued by BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company retains title to the financed equipment until the final settlement of the obligation by the customer.

The differences between onlending of FINAME manufacturer financing receivables and payables include:

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions that meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.
- (b) FINAME past due: refers to amounts receivable not settled by customers on their due dates. The Company records the provision for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machines) recovered through execution of the covenant regarding reservation of title over the machinery sold (security interest) and the value of the receivables from the defaulting customer. In instances in which the security interest cannot be located, a full loss provision is made for the balance of the receivable.

The machinery repossessed as part of the execution process is recorded at its carrying amount, not exceeding its fair value, under "Other receivables", pending a final court decision, after which it is transferred to inventories. As at June 30, 2022, the balance of repossessed machinery, included under "Other receivables", parent and consolidated, amounted to R\$103 (R\$169 as at December 31, 2021) in current assets and R\$4,589 (R\$4,690 as at December 31, 2021) in noncurrent assets.

As at June 30, 2022 and December 31, 2021, the balances of "Onlending of FINAME manufacturer financing", parent and consolidated, were as follows:

	Parent and Consolidated	
	June 30, 2022	December 31, 2021
Falling due	142,999	144,176
Past due:		
1 to 30 days	1,855	1,522
31 to 60 days	899	840
61 to 90 days	734	538
91 to 180 days	1,933	1,283
181 to 360 days	995	1,141
Over 360 days	9,039	8,900
	15,455	14,224
Total - current	158,454	158,400

The expected realization of noncurrent receivables relating to the onlending of FINAME - manufacturer financing, parent and consolidated, is as follows:

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	Parent and Consolidated
Falling due:	
2023 (6 months)	60,842
2024	93,415
2025	46,060
2026 onward	6,354
Total – noncurrent	206,671

Changes in the allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent and Consolidated
At December 31, 2021	8,273
Allowance recognized (or written off) for the period	246
At June 30, 2022	8,519

The allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable.

The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

6 Inventories

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Finished products	40,951	25,891	79,696	68,093
Used machinery	2,567	5,002	2,567	5,002
Work in progress	137,367	117,620	180,876	139,514
Raw materials and components	290,024	265,902	338,763	301,530
Imports in transit	28,798	16,761	43,990	22,559
Total	499,707	431,176	645,892	536,699

The inventory balances, parent and consolidated, as at June 30, 2022 are net of provision for slow-moving inventories and inventories posing a remote probability of being realized through sale or use, amounting to R\$22,754 and R\$30,681 (R\$22,623 and R\$33,591 as at December 31, 2021), respectively.

The changes in the provision to bring inventories to their net realizable value are as follows:

	Parent	Consolidated
At January 1, 2020	22,623	33,592
Inventories sold or written off	(5,111)	(3,591)
Provision recognized	4,904	4,846
Foreign exchange difference	-	(4,504)
Transfer of provision resulting from machines repossessed during the period	338	338
At June 30, 2022	22,754	30,681

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Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

The changes in the provision for inventory losses by class of inventories are as follows:

	Parent		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Finished products	1,274	1,266	3,235	3,869
Used machinery	1,022	2,220	1,022	2,220
Work in progress	5,702	5,249	5,702	5,249
Raw materials and components	14,756	13,888	20,722	22,254
Total	22,754	22,623	30,681	33,592

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

7 Investments in subsidiaries

The Company's investments in its subsidiaries are as follows:

		Ownership interest					
		June 30, 2022			December 31, 2021		
		Direct	Indirect	Noncontrolling	Direct	Indirect	Noncontrolling
1.	Romi Itália S.r.l. ("Romi Italy")	99.99	0.01	-	99.99	0.01	-
1.1	Romi Machines UK Ltd.	-	100.00	-	-	100.00	-
1.2	Romi France SAS	-	100.00	-	-	100.00	-
1.3	Romi Máquinas España S.A.	-	100.00	-	-	100.00	-
2.	Romi Europa GmbH ("Romi Europe")	100.00	-	-	100.00	-	-
	Burkhardt + Weber						
	Fertigungssysteme GmbH						
2.1	("B+W")	-	100.00	-	-	100.00	-
	Burkhardt + Weber / Romi						
2.1.1	(Shanghai) Co., Ltd	-	100.00	-	-	100.00	-
	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor						
3.	Comércio")	93.07	-	6.93	93.07	-	6.93
4.	Romi BW Machine Tools, Ltd.	100.00	-	-	100.00	-	-
	Rominor Empreendimentos						
	Imobiliários S.A. ("Rominor						
5.	Empreendimentos")	100.00	-	-	100.00	-	-
6.	Romi A.L. S.A. ("Romi A.L.")	100.00	-	-	100.00	-	-
	Irsa Maquinas México S. de R. L.						
7.	de C.V.	99.99	-	0.01	99.99	0.01	-
	Romi Administração e Gestão						
8.	de Bens Ltda ("Prodz")	100.00	-	-	100.00	-	-

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	Subsidiary	Country	Main activity
1.	Romi Itália S.r.l. ("Romi Italy")	Italy	
1.1	Romi Machines UK Ltd.	United Kingdom	Sale of machines for plastics and machine tools, spare parts and technical support.
1.2	Romi France SAS	France	
1.3	Romi Máquinas España S.A.	Spain	
2.	Romi Europa GmbH ("Romi Europe")	Germany	
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W")	Germany	Production and sale of large tooling machinery with high technology, precision and productivity, as well as machinery for specialized applications.
2.1.1	Burkhardt + Weber / Romi (Shanghai) Co., Ltd	China	Sale of machine tools produced by B+W and provision of services (spare parts and technical support).
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Real estate activity, including purchases and sales, lease of company-owned properties, exploration of real estate rights, intermediation of real estate businesses, and provisions of sureties and guarantees.
4.	Romi BW Machine Tools, Ltd.	United States of America	Sale of machine tools, spare parts, technical support and cast and machined products in North America.
5.	Romi Empreendimentos Imobiliários S.A.	Brazil	Interest in real estate ventures.
6.	Romi A.L. S.A. ("Romi A.L.")	Uruguay	Sales representation for operations in the foreign market.
7.	Irsa Maquinas Mexico S. de R. L. de C.V.	Mexico	Sale of machines for plastics and machine tools, spare parts and technical support.
8.	Prodz Administração e Gestão de Bens Ltda.	Brazil	Intermediation and representation of services and businesses in general, except real estate

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Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	June 30, 2022								
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq . México (7)	Prodz (8)	Total
Investments:									
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000		
Ownership interest	100.0%	100.0%	93.07%	100.0%	100.0%	100.0%	100.0%	100.0%	
Current assets	71,580	136,954	24,497	21,475	20,932	11,891	14,476	8,288	
Noncurrent assets	12,061	124,957	300	543	1,166	-	7,278	-	
Current liabilities	52,631	115,116	362	22,926	14,959	-	23,909	355	
Noncurrent liabilities	23,362	43,767	-	3,568	-	-	1,157	-	
Equity (equity deficit) of subsidiary	7,648	103,028	24,435	(4,476)	7,139	11,891	(3,312)	7,933	
Changes in investment:									
Investment balance as at December 31, 2021	9,148	141,126	22,479	(6,376)	3,339	12,920	(4,713)	2,000	179,923
Foreign exchange differences on foreign investments	(1,259)	(19,438)	-	473	-	(805)	19	-	(21,010)
Dividends proposed and paid (b)	-	-	(2,913)	-	-	-	-	-	(2,913)
Equity in earnings of subsidiaries	(242)	(18,660)	3,176	1,427	3,800	(224)	1,383	(67)	(9,407)
Capital increase in subsidiary	-	-	-	-	-	-	-	6,000	6,000
Equivalent value - closing balance	7647	103,028	22,742	(4,476)	7,139	11,891	(3,312)	7,933	152,592
Investment in subsidiaries	7,647	103,028	22,742	-	7,139	11,891	-	7,933	160,380
Provision for equity deficit of subsidiaries	-	-	-	(4,476)	-	-	(3,312)	-	(7,788)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 1, 2022, in the amount of R\$3,130, related to the second half of 2021. The Company received from this distribution the amount of R\$2,913.

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Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	June 30, 2021							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. México (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	61,923	146,735	23,208	14,846	2,512	11,799	13,762	
Noncurrent assets	9,481	144,802	300	1,600	-	-	2,968	
Current liabilities	51,874	110,718	223	23,283	4	2	19,836	
Noncurrent liabilities	18,249	54,861		280	-	-	-	
Equity (equity deficit) of subsidiary	1,281	125,958	23,285	(7,117)	2,508	11,797	(3,106)	
Changes in investment:								
Investment balance as at December 31, 2020	1,549	142,572	21,230	(8,001)	2,517	12,525	(3,128)	169,264
Foreign exchange differences on foreign investments	(309)	(4,518)	-	280	-	(455)	120	(4,883)
Dividends proposed and paid (b)	-	-	(1,664)	-	-	-	-	(1,664)
Equity in earnings of subsidiaries	41	(12,096)	2,106	603	(9)	(274)	(97)	(9,726)
Equivalent value - closing balance	1,281	125,958	21,672	(7,117)	2,508	11,797	(3,106)	152,991
Investment in subsidiaries	1,281	125,958	21,672	-	2,508	11,797	-	163,215
Provision for equity deficit of subsidiaries	-	-	-	(7,117)	-	-	(3,106)	(10,224)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 11, 2021, in the amount of R\$1,788, related to the second half of 2020. The Company received from this distribution the amount of R\$1,664.

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8 Related party transactions and balances

The balances and transactions with related parties as at June 30, 2022 and December 31, 2021 are as follows:

(i) Balance sheet accounts – Parent

	Receivables		Payables	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Direct subsidiaries				
Romi Europe	9,864	10,496	428	334
Romi Italy	6,629	15,407	-	-
Romi BW Machine Tools	17,997	24,459	56	599
Romi A.L.	-	-	742	638
Irsa Máquinas México	19,410	21,266	18	-
	53,900	71,628	1,244	1,571
Indirect subsidiaries				
B+W - Burkhardt+Weber	1,140	2,168	-	1,525
Romi France S.A.S.	8,365	7,799	-	-
Romi Máquinas España S.A.	10,468	10,594	-	-
Romi Machines UK	5,538	12,587	1,567	-
	25,511	33,148	1,567	1,525
Total	79,411	104,776	2,811	3,096
Current	43,237	53,303	2,811	3,096
Noncurrent	36,174	51,473	-	-
Total	79,411	104,776	2,811	3,096

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(In thousands of Brazilian reais (R\$), unless otherwise stated)

(ii) Transactions

	Revenue from Sales of goods and services		Operating expense and finance income (costs)	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Romi Europe	3,011	4,074	948	1,404
Rominor Comércio	21	18	-	-
Romi Italy	7,593	5,930	-	-
Romi BW Machine Tools	5,673	5,246	1,004	14
Romi France S.A.S.	4,348	6,318	-	-
Romi A.L.	-	-	352	355
Romi Machines UK	12,238	9,888	-	94
Irsa Maquinas Mexico	4,855	4,090	-	-
B+W - Burkhardt + Weber	1,661	2,315	-	-
Romi Máquinas España	2,464	2,913	-	-
Prodz	48	-	-	-
Total	41,912	40,792	2,304	1,867

The main balances and transactions with the aforementioned related parties refer to trading transactions between the parent and its subsidiaries.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, but it does not have material transactions with related parties other than those described above. Decisions regarding transactions between the parent and its subsidiaries are made by management. Notes fall due in the short term.

The Company provides administrative services, mainly accounting and legal services, to the parent Fênix Empreendimentos S.A. The revenue until June 30, 2022 was R\$76 (R\$80 as at June 30, 2021).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor's Office. Donations until June 30, 2022 totaled R\$546 (R\$495 as at June 30, 2021).

As informed in note 10 – Investment property, through the subsidiary Rominor Empreendimentos Imobiliários S.A. ("Rominor Empreendimentos"), there was the launch of the land subdivision - Vila Romi Residence, 35 Lots were sold to the Company's related parties in the total amount of R\$14.4 million. These sales were made at market value, in accordance with the Company's Related Party

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(In thousands of Brazilian reais (R\$), unless otherwise stated)

Transaction Policy and in line with the New Market practices. The price list of the lots and other conditions were approved at the Board of Directors' Meeting on 3/29/2022, whose resolutions were taken exclusively by the independent members of the Board of Directors who considered themselves unimpeded, according to the minute disclosed to the market on the same date.

Management compensation for the periods ended June 30, 2022 and 2021 was as follows:

	June 30, 2022	June 30, 2021
Fees and charges	3,599	3,464
Profit sharing	2,973	3,273
Private pension plan	200	240
Healthcare plan	126	114
Parent	6,898	7,091
Fees and charges of subsidiaries	81	59
Consolidated	6,979	7,150

The amounts shown above comply with the limits established by the Board of Directors and approved at the Annual General Meeting of Shareholders held on March 15, 2022.

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Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

9 Taxes recoverable

The breakdown of taxes recoverable is as follows:

	Note	June 30, 2022	December 31, 2021
Current			
Withholding Income Tax (IRRF)		84	175
Corporate Income Tax (IRPJ)		-	134
Social Contribution on Net Income (CSLL)		-	16
Social Security Contribution (INSS)		-	5
ICMS included in the PIS and COFINS tax base	15 (a)	-	12,314
Excise Tax (IPI)		6100	6,854
Value-added Tax on Sales and Services (ICMS)		7591	3,049
Social Integration Program (PIS)		2455	3,870
Social Contribution on Revenues (COFINS)		5,598	13,920
IRPJ/CSLL - "Plano Verão"		3,334	-
Total Parent		25,162	40,337
Taxes recoverable of subsidiaries		10,153	8,595
Total Consolidated		35,315	48,935
Noncurrent			
Selic proceeding		49,811	48,086
Value-added Tax on Sales and Services (ICMS)		23372	22,281
OTHER		24	99
Total Parent		73,207	70,466
Taxes recoverable of subsidiaries		6	6
Total Consolidated		73,213	70,472

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

10 Investment property

In 2012, the Company's management decided, based on the perspectives of short and medium-term expansion of operations, to classify certain property as "Investment Property" for future capital appreciation. The amounts classified as investment property are R\$13,500 (R\$13,500 as at December 31, 2021) in the parent and R\$16,593 (R\$16,621 as at December 31, 2021) in the consolidated.

The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert who applied a methodology accepted by the Brazilian Institute of Engineering Appraisals as well as recent transactions with similar property and assessed the fair value less cost to sell of this property at R\$110,661 in the parent and R\$188,003 in the consolidated.

As at March 31, 2022, through its wholly-owned subsidiary ROMINOR Empreendimentos Imobiliários S.A., it entered into the Sale of a Property to third parties, namely the "(Land located at Rua Dona Margarida)", with total area of 4,103 m², subdivided in 9 plots of land at an average value of R\$700.00/m² in the city of Santa Barbara D'Oeste. The proceeds from the sale of 6 plots of land in the first quarter were classified in the line item "Operating income", with an impact of R\$ 2,985 on net operating income (expenses) and R\$ 2,613 on profit for the period. In the second quarter, the impact of the proceeds from the sale of the 3 remaining plots of land was R\$1,155 on net operating income (expenses) and R\$1,079 on profit for the period.

In April 2022, through the subsidiary Rominor Empreendimentos Imobiliários S.A. ("Rominor Empreendimentos"), there was the launch of the land subdivision Vila Romi Residence with 352 lots between 300m² and 884m², which is expected to be completed and delivered in 2024. So far, sales are indicating that the total General Sales Value (GSV) estimated at around R\$ 137 million are adequate. Rominor Empreendimentos' interest, a wholly-owned subsidiary of the Company in this project is 50% of GSV. As of the date of this interim financial information, the subsidiary "Rominor Empreendimentos" had recorded approximately R\$13.7 million as advances from customers related to its share in the land subdivision.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

11 Property, plant and equipment

Changes in property, plant and equipment, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2021, net	275,200	370,348
Additions	56,389	68,419
Disposals	(2,051)	(2,524)
Depreciation	(16,394)	(23,484)
Foreign exchange difference	-	(23,884)
At June 30, 2022, net	313,144	388,875
	313,144	388,875
Total cost	725,555	886,322
Accumulated depreciation	(412,411)	(497,447)
Net balance	313,144	388,875

Due to the financing agreements with the BNDES, the Company pledged as collateral property, plant and equipment items amounting to R\$168,375 as at June 30, 2022 (R\$133,744 as at December 31, 2021). These items refer to land, buildings, facilities, machinery and equipment.

Of the investments made in the first half of 2022, machines manufactured by the Company allocated to the machinery rental business, a new solution launched in the third quarter of 2020, represented R\$38.0 million and R\$4.5 million of depreciation. Since the launch of the solution, the total residual value of the investments until June 30, 2022 is R\$86.7 million, with accumulated depreciation in the same period of R\$9.7 million.

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property, plant and equipment and intangible assets as at December 31, 2021. For June 30, 2022, the Company made a follow-up and did not consider necessary to perform a new test for the quarter.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

12 Intangible assets

Changes in intangible assets, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2021, net	945	64,065
Additions	120	120
Amortization	(169)	(1,735)
Foreign exchange difference	-	(9,377)
At June 30, 2022, net	896	53,073
Total cost	7,263	103,575
Accumulated amortization	(6,367)	(50,502)
Net balance	896	53,073

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property, plant and equipment and intangible assets as at December 31, 2021. For June 30, 2022, the Company made a follow-up and did not consider necessary to perform a new test for the quarter.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

13 Borrowings

Changes in borrowings, parent and consolidated, are as follows:

			Parent	Consolidated
	Domestic currency	Foreign currency	Total	Total
Borrowing balance at				
December 31, 2021	64,219	124,190	188,409	220,231
New borrowing	-	43,637	43,637	46,645
Payment of principal	(3,138)	(7,351)	(10,489)	(18,408)
Payment of interest	(4,153)	(854)	(5,007)	(5,179)
Exchange and monetary differences (principal and interest)	-	(12,361)	(12,361)	4,420
Interest at the end of the period	4,302	1,072	5,374	5,374
Borrowing balance at				
June 30, 2022	61,230	148,333	209,563	253,083
Current	5,660	55,561	61,221	72,097
Noncurrent	55,570	92,772	148,342	180,986
	61,230	148,333	209,563	253,083

The maturities of financing recorded in noncurrent liabilities as at June 30, 2022, parent and consolidated, were as follows:

	Parent	Consolidated
2023 (6 months)	11,731	34,712
2024	125,645	131,108
2025 onward	10,966	15,166
Total	148,342	180,986

Romi S.A.

Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

14 FINAME manufacturer financing

		Parent and Consolidated
	June 30,	December 31,
	2022	2021
Current		
FINAME manufacturer financing	142,329	142,830
Noncurrent		
FINAME manufacturer financing	199,924	219,104
Total	342,253	361,934

The agreements related to FINAME manufacturing financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. Balances are directly related to the balances of "Onlending of FINAME manufacturer financing" (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are on-lent in full to the financed customers and amounts received on a monthly basis under the line item "Amounts receivable - onlending of FINAME manufacturer financing" are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains as the main debtor in this transaction.

The balances of the line item "FINAME manufacturer financing" and, consequently, of the line item "Onlending of FINAME manufacturer financing" as at June 30, 2022 and December 31, 2021 were monetarily adjusted through the end of the reporting period. The difference of R\$14,353 between these line items as at June 30, 2022 (R\$9,707 as at December 31, 2021) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet released by the agent bank. Management understands that there are no risks to the realization of these receivables, other than the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The noncurrent maturities of the FINAME manufacturer financing as at June 30, 2022, parent and consolidated, were as follows:

Romi S.A.

Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	Parent and Consolidated
2023	59,391
2024	90,845
2025	44,181
2026 onward	5,507
Total	199,924

15 Provision for tax, labor and civil risks

The Company's management, based on the opinion of legal counsel, classified the legal proceedings in accordance with the likelihood of loss, as follows:

	Parent and Consolidated	
	June 30, 2022	December 31, 2021
Tax	10	8
Civil	1,427	674
Labor	1,195	1,110
Total	2,632	1,792
Current liabilities	2,349	1,445
Noncurrent liabilities	283	347
	2,632	1,792

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

For legal proceedings classified as probable losses, changes in the provision for the period ended June 30, 2022 are as follows:

	December 31, 2021	Additions	Utilizations/ reversals	Monetary adjustment and Foreign exchange difference	June 30, 2022
Tax	8	-		2	10
Civil	674	-	-	753	1,427
Labor	1,110	78	(160)	167	1,195
Total Parent	1,792	78	(160)	922	2,632
Total Parent and Consolidated	1,792	78	(160)	922	2,632

As at June 30, 2022, the main legal proceedings classified by Management, based on the opinion of its legal counsels, as probable losses or as legal obligation, are as follows:

(a) Tax proceedings

Refer to the provisions for:

- (i) Excess of IRPJ and CSLL on interest on capital: Refers to the deductibility of interest on capital, based on profits from previous years, which were not distributed at the time they were calculated. According to the analysis of our legal counselors, decisions at the judicial level are mostly favorable to taxpayers.

As at June 30, 2022, there were no legal proceedings with risks of losses classified as probable.

(b) Civil proceedings

These refer to civil proceedings in which the Company is the defendant related mainly to the following claims: (i) revision/termination of contracts; (ii) damages; and (iii) annulment of protest of notes with losses and damages, among others.

The amount added for the period ended June 30, 2022 refers to the reassessment of civil lawsuits, which resulted in a new update of risks and consequently of values.

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Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

(c) Labor claims

The Company has recorded a provision for contingencies for labor claims in which it is the defendant, the main causes are as follows: (i) additional overtime due to reduction of lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) damages for work-related accident/disease; and (v) jointly liability over outsourced companies, among others.

(d) Judicial deposits

The Company has judicial deposits amounting to R\$ 12,163 as at June 30, 2022 (2021 – R\$1,976) of different natures and classified in noncurrent assets, referring to possible or remote lawsuits.

The tax, civil and labor proceedings assessed as representing possible losses involve matters similar to those above. The Company's management believes that the outcomes of ongoing legal proceedings shall not result in disbursements higher than those recognized in the provision. The amounts involved do not qualify as legal obligations.

On August 31, 2021, the Company deposited in court the amount of R\$10,072 related to the proceeding regarding ICMS in the PIS and COFINS tax base; although a final and unappealable decision was rendered on February 21, 2019, only on September 2, 2020 the Brazilian Federal Revenue Office decided to verify whether the tax credits stated in the DCFT (Declaration of Federal Tax Debts and Credits) referred to PIS and COFINS levied on ICMS included in the respective tax bases. A tax notice was issued, requiring the presentation of various accounting documents.

After analysis, the Federal Revenue Office understood that the Company would have considered, in the calculation of PIS and Cofins levied on ICMS stated in the shipping invoices, operations of sale of goods and services that supposedly would not have been included in the calculation bases of such contributions. The Federal Revenue concluded that part of the PIS and COFINS tax credits stated in the DCTF related to the writ of mandamus would not correspond to the amount of ICMS stated in the invoices and thus a collection letter was issued, requiring the payment of these amounts.

After a detailed analysis of such collection, the Company understood that the Federal Revenue made several mistakes in its calculation of PIS and COFINS; thus, for legal reasons it was necessary to make a deposit in court to contest such undue collection.

As at December 31, 2021, in an analysis made by our legal counselors, this proceeding was classified as possible loss. For the period ended June 30, 2022, the Company's Management reassessed and concluded that there are no facts or factors that change the conclusion previously reached at the time of issue of the individual and consolidated financial statements at December 31, 2021.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

16 Income tax and social contribution

Income tax is calculated at the rate of 15% on the taxable profits plus a 10% surtax on taxable profit exceeding R\$240, and social contribution is calculated at the rate of 9% on taxable profits, except for subsidiaries Rominor Comércio and Rominor Empreendimentos, which pay income tax and social contribution based on the deemed taxable income method.

The reconciliation of the tax effect on the Company's profit before income tax and social contribution through application of the prevailing tax rates as at June 30, 2022 and 2021 is as follows:

	Parent		Consolidated	
	2022	2021	2022	2021
Profit before income tax and social contribution	82,023	88,042	75,898	83,772
Statutory rate (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution expense at statutory rates	(27,888)	(29,934)	(25,805)	(28,482)
Interest on capital	9,226	6,732	9,226	6,732
Monetary variation - Selic proceeding	695	-	695	-
Research and development ("Lei do Bem" - Law 11,196/05)	2,223	1,983	2,223	1,983
Equity in earnings of subsidiaries	(3,198)	(3,307)	-	-
Unrecorded deferred income tax and social contribution in subsidiaries	-	-	1,032	(106)
Management profit sharing	(1,011)	(1,113)	(1,011)	(1,113)
Other additions (deductions), net	1,199	1,003	1,247	777
Current and deferred income tax and social contribution income (expense)	(18,754)	(24,636)	12,393	(20,209)

The amount in the consolidated financial information refers basically to the difference in the calculation of income tax and social contribution between actual income method <lucro real> and deemed taxable income method <lucro presumido>, due to the fact that subsidiaries Rominor Comércio and Rominor Empreendimentos opted to calculate tax based on deemed taxable income method in the periods presented, and for non-recognition of deferred income taxes on the tax losses of foreign subsidiaries, except for BW.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

The breakdown of income tax and social contribution income (expense) is as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	<u>Parent</u>	<u>Consolidated</u>	<u>Parent</u>	<u>Consolidated</u>
At December 31, 2021	9,599	10,557	-	41,361
Changes in the year				
Additions	5,016	11,717	-	-
Realization	(790)	(790)	-	-
Foreign exchange difference	-	(286)	-	(5,962)
At June 30, 2022	13,825	21,198	-	35,399

Changes in deferred tax assets and liabilities, parent and consolidated, for the period ended June 30, 2022 were as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current	(22,980)	(17,588)	(23,320)	(17,955)
Deferred	4,226	(7,048)	10,927	(2,254)
Total	(18,754)	(24,636)	(12,393)	(20,209)

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

17 Equity

Capital

As at June 30, 2022, the Company's subscribed and paid-up capital amounting to R\$637,756 (R\$637,756 as at December 31, 2021) is represented by 73,333,922 book-entry, registered common shares, without par value (73,333,922 in 2021).

Income reserve

a) Legal reserve

As required by Article 193 of Law 6404/76, the balance of the line item "Legal reserve" is equivalent to 5% of the profit for the year, limited to 20% of the share capital.

b) Dividends and interest on capital

Until the period ended March 31, 2022, distributions of interest on capital of R\$27,135 and interim dividends ("Dividends") of R\$7,333 were approved, according to the notice to the market on the dates below:

1. According to the notice to the market on February 1, 2022, the distribution of interim dividends ("Dividends") in the gross amount of R\$7,333, at 0.10 per share, was approved, for payment on March 22, 2022.
2. According to the notice to the market on March 15, 2022, the distribution of interest on capital to be attributed to the mandatory dividends for 2021 in the gross amount of R\$12,467, at 0.17 per share, was approved, for payment on May 18, 2022.
3. According to the notice to the market on June 7, 2022, the distribution of interest on capital in the gross amount of R\$ 14,668, at 0.20 per share, was approved for payment on August 24, 2022.

The total amount paid by the Company in the period ended June 30, 2022, net of withholding income tax, was R\$31,043.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of outstanding common shares in the period, excluding common shares purchased by the parent and held as treasury shares.

	Note	June 30, 2022	June 30, 2021
Profit (loss) for the period attributable to the controlling interests		63,269	63,406
Weighted average number of shares outstanding		73,334	73,334
Basic and diluted earnings per share		0.86	0.86
Profit (loss) for the period attributable to the controlling interests		63,269	63,406
Basic and diluted earnings (loss) per share - adjusted		0.86	0.86

Basic and diluted earnings per share are the same, since the Company does not have any instruments diluting the earnings per share.

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

18 Segment reporting - consolidated

To manage its business, the Company is organized into three business units on which the Company reports its primary information by segment, namely: Romi Machinery, Burkhardt+Weber Machinery and Cast and Machined Products. The information for the period ended June 30, 2022 was prepared and is being presented on a comparative basis with the period ended June 30, 2021, according to the Company's segments:

	June 30, 2022				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	380,531	54,262	222,604	-	657,397
Cost of sales and services	(193,599)	(56,362)	(216,864)	-	(466,825)
Transfers remitted	403	-	38,487	(38,890)	
Transfers received	(38,487)	-	(403)	38,890	
Gross profit	148,848	(2,100)	43,824	-	190,572
Operating (expenses) income:					
Selling expenses	(47,292)	(7,854)	(2,855)	-	(58,001)
General and administrative expenses	(20,923)	(12,667)	(10,076)	-	(43,666)
Research and development	(10,844)	-	(3,825)	-	(14,669)
Management fees	(3,723)	-	(3,255)	-	(6,978)
Other income (expenses), net	1,652	-	-	-	1,652
Operating profit (loss) before finance income (costs)	67,718	(22,621)	23,813	-	68,910
Inventories	459,721	79,662	106,509	-	645,892
Depreciation and amortization	11,403	7,077	6,739	-	25,219
Property, plant and equipment, net	258,177	66,858	63,840	-	388,875
Intangible assets	892	52,176	5	-	53,073
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	89,915	542,298	22,243	2,941	657,397

Romi S.A.

Notes to the interim financial information

at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

	June 30, 2021				
	Romi Machines	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	324,949	71,175	177,965	-	574,089
Cost of sales and services	(157,706)	(63,880)	(162,214)	-	(383,800)
Transfers remitted	667	-	29,067	(29,734)	
Transfers received	(29,067)	-	(667)	29,734	
Gross profit	138,843	7,295	44,151	-	190,289
Operating (expenses) income:					
Selling expenses	(38,241)	(7,663)	(4,413)	-	(50,316)
General and administrative expenses	(16,250)	(16,328)	(9,067)	-	(41,645)
Research and development	(9,580)	-	(3,586)	-	(13,167)
Management fees	(3,342)	-	(3,808)	-	(7,150)
Other operating income (expenses), net	1,549	1,861	-	-	3,409
Operating profit (loss) before finance income (costs)	72,980	(14,835)	23,277	-	81,420
Inventories	358,615	75,101	77,611	-	511,327
Depreciation and amortization	8,567	6,103	5,826	-	20,495
Property, plant and equipment, net	133,337	76,049	122,415	-	331,801
Intangible assets	1,064	61,977	10	-	63,051
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	111,116	444,495	14,817	3,661	574,089

Romi S.A.

Notes to the interim financial information at June 30, 2022

(In thousands of Brazilian reais (R\$), unless otherwise stated)

19 Future commitments

On April 10, 2017, the Parent and Centrais Elétricas Cachoeira Dourada S.A. - CDSA, belonging to Endesa, decided to amend the agreement for the supply of electric energy entered into on May 1, 2007, which intended to contract a volume of electric energy according to the Company's needs. On May 30, 2019, the Company entered into an electric energy purchase agreement with Engie Brasil Energia Comercializadora LTDA - Engie, for the periods following the ongoing agreement with CDSA. As a result, the supply of electric energy has been extended for further three years, up to December 31, 2023, and has reflected the following commitments that will be adjusted annually by the General Market Price Index (IGP-M).

Year of supply	Amount
2022	17,634
2023	18,759
2024	16,473
2025 onward	15,800
	<u>68,666</u>

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

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2Q22 *Earnings Release*

July 19, 2022



June 30, 2022

Share price at 7/18/2022
ROMI3 - R\$12.04 per share

Market value
R\$882.9 million
US\$162.4 million

Number of shares
Common: 73,333,922
Total: 73,333,922

Free float = 50.8%

**Earnings Conference Call broadcast over the web in Portuguese, with
simultaneous translation into English**

July 20, 2022

11 a.m. (São Paulo) | 3 p.m. (London) | 10 a.m. (New York)

https://us02web.zoom.us/webinar/register/WN_INWaJW1kTXSHoXI2XHvaKw

ID Zoom: 820 3245 1919

Dial-in number: +55 (11) 4632-2236

International dial-in numbers: <https://us02web.zoom.us/j/kszWE5ZfN>

Santa Bárbara d'Oeste - São Paulo, June 30, 2022

Romi S.A. ("Romi" or "Company") (B3: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Rough and Machined Cast Iron Parts, announces its results for the second quarter of 2022 ("2Q22"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with the International Financial Reporting Standards (IFRS)

Statements contained in this release related to Romi's business outlook, projections of operating and financial results and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, the economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.

Investor Relations Contact

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Investor Relations Officer
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Highlights

**Incoming orders of R\$480.3M in 2Q22 (+35.8% over 2Q21);
Order backlog reaches R\$904.3M at the end of 2Q22 (+36.8% over 2Q21)**

- Incoming orders in 2Q22 exceeded the volume obtained for the same period of 2021 by 35.8%, with growth in all business units.
- Incoming orders in 2Q22 at the Romi Machinery Unit grew by 36.5% compared to 2Q21, showing continuous demand in the domestic market and the increase in exports due to the consolidation of the new generations of machines launched in recent years.
- Incoming orders grew by 19.9% at the Rough and Machined Cast Iron Parts Unit in 2Q22 in comparison with 2Q21, given the continued demand for large parts and the important recovery of the other segments served by this business unit.
- Consolidated net operating revenue in 2Q22 reached R\$372.1 million, up 5.9% over 2Q21, reflecting the consistent increase in incoming orders observed in recent quarters.
- At the end of 2Q22, the Company's order backlog reached R\$904.3 million, an increase of 36.8% in comparison to 2Q21, mainly at the Romi Machines and Rough and Machined Cast Iron Parts business units;

	Quarterly					Accumulated		
R\$'000	2Q21	1Q22	2Q22	Chg. 2Q22/1Q22	Chg. 2Q22/2Q21	1H21	1H22	Chg. 2022/2021
Revenues Volume								
Romi Machines (units)	317	256	294	14.8%	-7.3%	536	550	2.6%
Burkhardt + Weber (units)	5	-	3		-40.0%	5	3	-40.0%
Rough and Machined Cast Iron Parts (tons)	7,329	5,561	6,519	17.2%	-11.1%	13,137	12,080	-8.0%
Net Operating Revenue	351,459	285,335	372,062	30.4%	5.9%	574,089	657,397	14.5%
Gross margin (%)	32.7%	30.0%	28.2%			33.1%	29.0%	
Operating Income (EBIT)	56,045	28,565	40,345	41.2%	-28.0%	81,420	68,910	-15.4%
Operating margin (%)	15.9%	10.0%	10.8%			14.2%	10.5%	
Net Income	42,819	30,504	33,000	8.2%	-22.9%	63,563	63,505	-0.1%
Net margin (%)	12.2%	10.7%	8.9%			11.1%	9.7%	
EBITDA	66,486	40,059	52,502	31.1%	-21.0%	101,915	92,561	-9.2%
EBITDA margin (%)	18.9%	14.0%	14.1%			17.8%	14.1%	
Investments (¹)	19,267	23,095	34,262	48.4%	77.8%	37,577	57,357	52.6%

(1) Of the investments made in 2Q21, 1Q22 and 2Q22, the amounts of R\$11.9, R\$14.3 and R\$23.7 million refer to machines manufactured by the Company that were allocated to the machine rental business, a new solution launched in the third quarter of 2020.

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of rough and machined cast iron parts.

The Company is listed on B3's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines and ductile or CDI gray cast iron parts, either in raw or machined form. The Company's cutting-edge products and services, which feature Industry 4.0 technologies, enable the smart use of the data generated, whether through built-in artificial intelligence or through the transfer of big data over the networks (connectivity) to a central analysis site. This equipment is sold worldwide and used by a number of industrial segments, such as the agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive and wind energy industries, among many others.

The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and a unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The Company has an installed production capacity of approximately 2,900 industrial machines and 50,000 thousand metric tons of castings per year.

Current Economic Scenario

Year 2022 continued to indicate a favorable environment for investments, as we can see in the business confidence indices and the use of installed capacity. This recovery in business volume can be noticed in all units, both in businesses in the domestic market and in exports and more recently at the Burkhardt Weber business unit. Although the current level of real interest rates and the prospects indicate its increase and the current exchange rate level represents new challenges to competitiveness of the national industry, the costs, and the global logistics availability, as well as the impacts of geopolitical conflicts continue stimulating the production in Brazil.

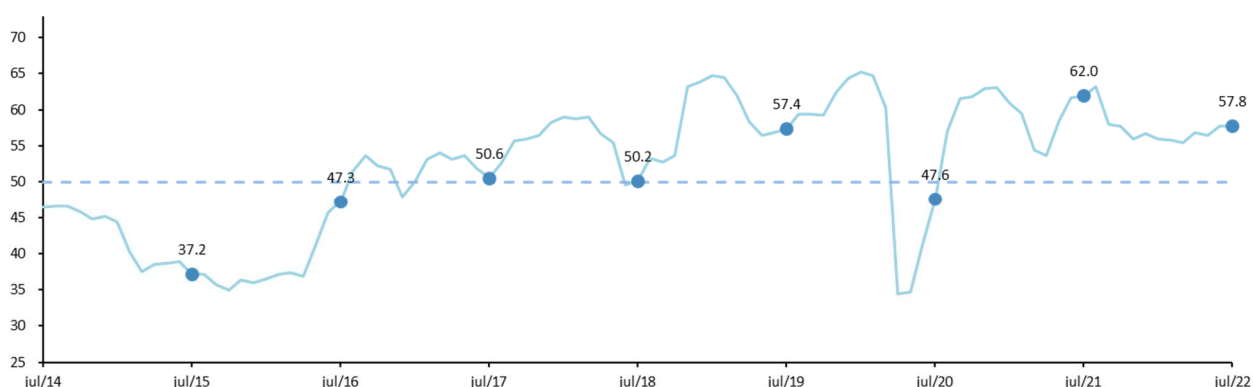
In May 2022, the largest fair of machinery and equipment in Latin America, Feimec (International Fair of Machinery and Equipment) returned. The number of exhibitors and visitors exceeded expectations and the business volume also demonstrated the good moment experienced by the industry in general, which had a positive impact on the growth of orders at the Romi Machines Unit in 2Q22.

In view of the more concrete signs of this resumption, the Company prepared itself, especially in relation to orders for raw materials and components along the supply chain, which have allowed us to serve customers in an appropriate and competitive period. Romi is prepared to continue to support its customers by providing high-technology products, within deadlines suitable to the market's needs.

In the foreign market we have also noted a recovery of machine orders, not only for Romi Machines, but also for BW Machines, the latter with relevant orders placed in the last quarters. These orders reflect the economic recovery and, consequently, the growing volume of opportunities both in the Asian continent and in Europe.

The Industrial Entrepreneur Confidence Index (ICEI) continues to show, in 2022, the recovery that started in 2021, and in recent months this index has stabilized at a level considered very positive for new investments.

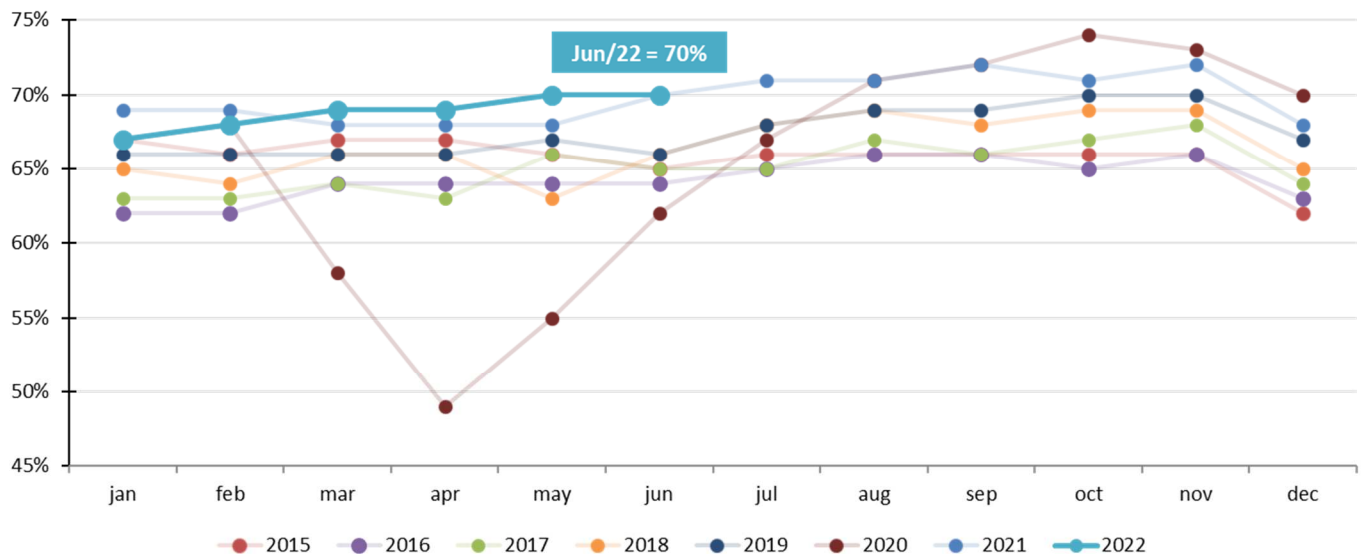
Industrial Entrepreneur Confidence Index - ICEI



Source: CNI-ICEI, July 2022

Having suffered the impact of the pandemic, the Installed Capacity Utilization (UCI) index of the domestic industry in general, released by the National Confederation of Industry (CNI), has shown a constant evolution in 2022, and in May it reached the level of 70%, the highest level for the month of May since 2015, which continues to stimulate investments.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, June 2022

The past few years have been marked by an environment of uncertainty and high volatility, with major challenges in relation to production volume management, for example. Accordingly, we continue to implement actions to streamline the structure and the planning and manufacturing process, to respond quickly to the demand volatility. Over the past few years we have made several optimizations, especially in indirect structures and internal processes automation. We also reinforced the focus on cost and expense reduction projects, in addition to investing in automation and productivity, focusing on the increase of profitability, which can be noted since 2017. Strategically, we have defined the development of new product generations as a priority, and have advanced significantly in terms of technological content, aligned to the needs of Industry 4.0, and the lines launched in 2018 and 2019 have been consolidating successfully in the domestic and foreign markets. This gives us great confidence that we are well prepared to keep seizing the opportunities arising from the rebound in the domestic and foreign economies.

Market

The Company's main leading edges in the market - ongoing investments in the development of cutting-edge products and solutions, nationwide distribution network, own permanent technical assistance service, availability of attractive customer credit packages in local currency, and short product delivery times - are all recognized by the customers, giving the Romi brand name a traditional and prestigious reputation.

Incoming Orders

Order Entry (R\$ 000) Gross Values, sales taxes included	2Q21	1Q22	2Q22	Chg. 2Q22/1Q22	Chg. 2Q22/2Q21	1H21	1H22	Chg. 22/21
Romi Machines	207,562	192,725	283,333	47.0%	36.5%	414,673	476,057	14.8%
Burkhardt+Weber Machines	26,728	41,415	53,725	29.7%	101.0%	80,245	95,140	18.6%
Rough and Machined Cast Iron Parts	119,460	93,933	143,276	52.5%	19.9%	254,911	237,209	-6.9%
Total *	353,750	328,072	480,333	46.4%	35.8%	749,829	808,406	7.8%

* The informed amounts related to incoming orders and order backlog do not include parts and services.

Although the environment presents uncertainties, both related to the pandemic and to geopolitical events, the recovery of industrial activities in Brazil started in mid-2020 continued throughout 2021 and 2022. The confidence of the industrial entrepreneur and the use of installed capacity have been showing favorable levels, demonstrating that the environment of optimism remains in 2022. In the foreign market, the recent resumption of the main markets boosted the volume of new orders, as well as the consolidation of new generations of machines launched in recent years, with significant evolution of embedded technology and productivity. The new generations of products mentioned above, with important technological developments in the mechatronics, thermal compensation and connectivity aspects, also allowed the Company to seek competitive alternatives to enable new business for its customers, such as the leasing of machines, for example. In 2Q22, 54 new machines were leased (37 machines in 2Q21), with contracts representing approximately R\$16.4 million (R\$8.5 million in 2Q21). Since the launch of this solution in the market in June 2020, 386 machines have been leased, with contracts representing R\$83.4 million. These contracts are effective for 12 to 24 months.

The German subsidiary BW, in 2Q22, showed strong growth in new orders, which totaled R\$53.7 million, an increase of 101.0% in comparison with the same period of 2021. Projects in both Asia and Europe showed recovery, following the gradual recovery of the economy in Asia and Europe.

The volume of new orders for the Rough and Machined Cast Iron Parts Unit grew further in 2Q22, by 19.9% in comparison with 2Q21. Both the large parts segment for the energy segment and the other segments served by this unit have grown and showed favorable prospects for 2022.

Order Backlog

Order Backlog (R\$ 000) Gross Values, sales taxes included	2Q21	1Q22	2Q22	Chg. 2Q22/1Q22	Chg. 2Q22/2Q21
Romi Machines	326,608	330,716	409,224	23.7%	25.3%
Burkhardt+Weber Machines	146,063	140,481	167,937	19.5%	15.0%
Rough and Machined Cast Iron Parts	188,265	320,190	327,143	2.2%	73.8%
Total *	660,936	791,386	904,304	14.3%	36.8%

* The informed amounts related to incoming orders and order backlog do not include parts and services.

At the end of the second quarter of 2022, the order backlog grew by 36.8% compared to the same period in 2021. This growth occurred in all business units, with emphasis on the increase in the business volume of Romi Machines and Rough and Machined Cast Iron Parts, in the domestic and foreign markets, which has shown an important recovery since 2021.

The German subsidiary B+W obtained an important volume of new orders in 2Q22, reflecting the 15.0% increase in its order backlog in 2Q22, when compared to the backlog at the end of 2Q21.

Operational Performance

Net Operating Revenue by Business Unit

The net operating revenue posted in 2Q22 reached R\$372.1 million, 5.9% higher than in 2Q21, especially at the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

Net Operating Revenue (R\$ 000)	Quarterly					Accumulated		
	2Q21	1Q22	2Q22	Var. 2Q22/1Q22	Var. 2Q22/2Q21	1H21	1H22	Chg. 22/21
Romi Machines	193,015	177,289	203,242	14.6%	5.3%	324,949	380,531	17.1%
Burkhardt+Weber Machines	57,659	11,229	43,033	283.2%	-25.4%	71,175	54,262	-23.8%
Rough and Machined Cast Iron Parts	100,785	96,817	125,787	29.9%	24.8%	177,965	222,604	25.1%
Total	351,459	285,335	372,062	30.4%	5.9%	574,089	657,397	14.5%

Romi Machines

The net operating revenue of this Business Unit reached R\$203.2 million in 2Q22, an increase of 5.3% compared to 2Q21, reflecting the recovery in the volume of orders in the domestic and foreign markets and the significant increase in revenues with machine leasing, a business launched by Romi in mid-2020.

Burkhardt + Weber Machines

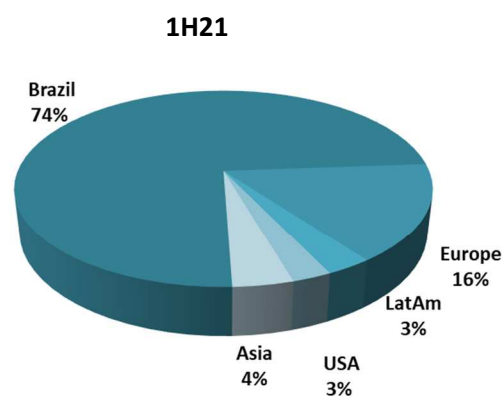
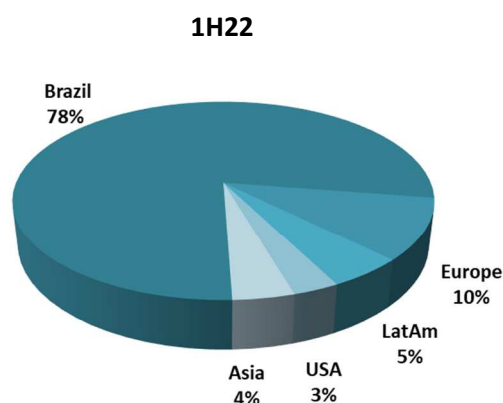
In 2Q22 the revenue of the German subsidiary BW in Reais was 25.4% lower than in 2Q21 as a result of the larger concentration of machine deliveries from the second quarter of this year.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$125.8 million in 2Q22, which represents a growth of 24.8% compared to 2Q21, due to the continuity of business related to large rough and machined cast iron parts for the energy sector and the recovery of the other segments served by this unit.

Net Operating Revenue per Geographical Region

The domestic market accounted for 78% of Romi's consolidated revenue in 1H22 (74% in 1H21). Considering the revenue obtained in foreign markets, which takes into account sales by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's consolidated revenue by geographical region was the following:



The following shows the foreign market revenue, in Reais (R\$) and in US dollars (US\$):

Foreign Sales	Quarterly					Accumulated		
	2Q21	1Q22	2Q22	Var. 2Q22/1Q22	Chg. 2Q22/2Q21	1H21	1H22	Chg. 21/20
Net Sales (R\$ million)	105.5	59.5	90.2	51.6%	-14.5%	150.2	149.7	-0.3%
Net Sales (US\$ million)	20.2	11.7	18.2	55.6%	-9.9%	28.2	29.9	6.0%

Gross and Operating Margins

The gross margin obtained in 2Q22 was 28.2%, a decrease of 4.5 p.p. compared to 2Q21, due to the decrease in the gross margin of Romi Machines and Rough and Machined Cast Iron Parts Units. The drop in gross margin also had an impact on the operating margin (EBIT), which fell 5.1 p.p. in the same period.

Gross Margin	Quarterly					Accumulated		
	2Q21	1Q22	2Q22	Chg. p.p. 2Q22/1Q22	Chg. p.p. 2Q22/2Q21	1H21	1H22	Chg. pp 2022/2021
Romi Machines	40.6%	42.0%	36.6%	(5.4)	(4.0)	42.7%	39.1%	(3.6)
Burkhardt+Weber Machines	18.0%	-54.5%	9.4%	63.9	(8.7)	10.2%	-3.9%	(14.1)
Rough and Machined Cast Iron Parts	25.9%	17.9%	21.1%	3.2	(4.8)	24.8%	19.7%	(5.1)
Total	32.7%	30.0%	28.2%	(1.8)	(4.5)	33.1%	29.0%	(4.2)

EBIT Margin - Adjusted	Quarterly					Accumulated		
	2Q21	1Q22	2Q22	Chg. p.p. 2Q22/1Q22	Chg. p.p. 2Q22/2Q21	1H21	1H22	Chg. pp 2022/2021
Romi Machines	22.1%	20.7%	15.3%	(5.4)	(6.9)	22.8%	17.8%	(5.0)
Burkhardt+Weber Machines	-4.4%	-139.6%	-16.2%	123.4	(11.7)	-20.8%	-41.7%	(20.8)
Rough and Machined Cast Iron Parts	15.7%	7.8%	12.9%	5.1	(2.8)	13.1%	10.7%	(2.4)
Total	15.9%	10.0%	10.8%	0.8	(5.1)	14.3%	10.5%	(3.9)

Romi Machines

The gross margin of this Business Unit in 2Q22 decreased by 4.0 p.p. compared to 2Q21, due to the product mix and the recent appreciation of the Real, which impacted export margins. This reduction in gross margin also had an impact on the operating margin (EBIT), which fell 6.9 p.p. in the same period.

Burkhardt + Weber Machines

The gross margin and the operating margin of this business unit in 2Q22 decreased by 8.7 p.p. and 11.7 p.p., respectively, when compared to 2Q21. Both periods presented very low net operating revenue due to the lack of machine deliveries, which makes it difficult to compare margins in these periods.

Rough and Machined Cast Iron Parts

In 2Q22, the gross margin of this Business Unit decreased by 4.8 p.p. compared to 2Q21, and its operating margin (EBIT) decreased by 2.8 p.p. in the same comparison period. This reduction is due to the costs of developing and improving production processes.

EBITDA and EBITDA Margin

In 2Q22, the operating cash generation as measured by EBITDA amounted to R\$52.5 million, representing an EBITDA margin of 14.1% in the quarter, as shown in the table below:

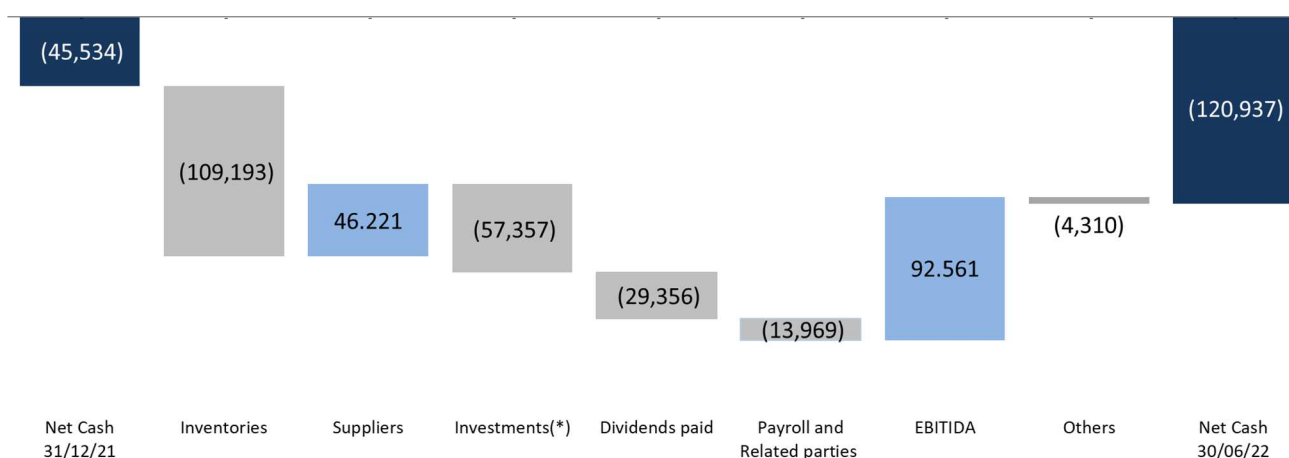
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	2Q21	1Q22	2Q22	Chg. 2Q22/1Q22	Chg. 2Q22/2Q21	1H21	1H22	Chg. 2022/2021
Net Income	42,819	30,504	33,000	8.2%	-22.9%	63,563	63,504	-0.1%
Income tax and social contributions	15,454	7,273	5,121	-29.6%	-66.9%	20,209	12,394	-38.7%
Net Financial Income	(2,228)	(9,212)	2,224	-124.1%	-199.8%	(2,352)	(6,988)	197.1%
Depreciation and amortization	10,441	11,494	12,157	5.8%	16.4%	20,495	23,651	15.4%
EBITDA	66,486	40,059	52,502	31.1%	-21.0%	101,915	92,561	-9.2%
EBITDA Margin	18.9%	14.0%	14.1%	0.5%	-25.4%	34.8%	28.2%	-19.2%
Total Net Operating Revenue	351,459	285,335	372,062	-35.6%	28.2%	574,089	657,397	14.5%

Profit for the Period

The profit for 2Q22 was R\$33.0 million, a decrease of 22.9% compared to the profit for 2Q21, mainly due to the financial result.

Evolution of Net Cash (Debt) Position

The main changes in net cash position during the first half of 2022 (1H22), in thousands of Reais, are described below:



*The balances recognized under "Investments" are net of the impacts recognized in accordance with CPC 06 (R2) - Leases, equivalent to international standard IFRS 16 - Leases.

In 1H22, the Company's net cash position presented the following main changes:

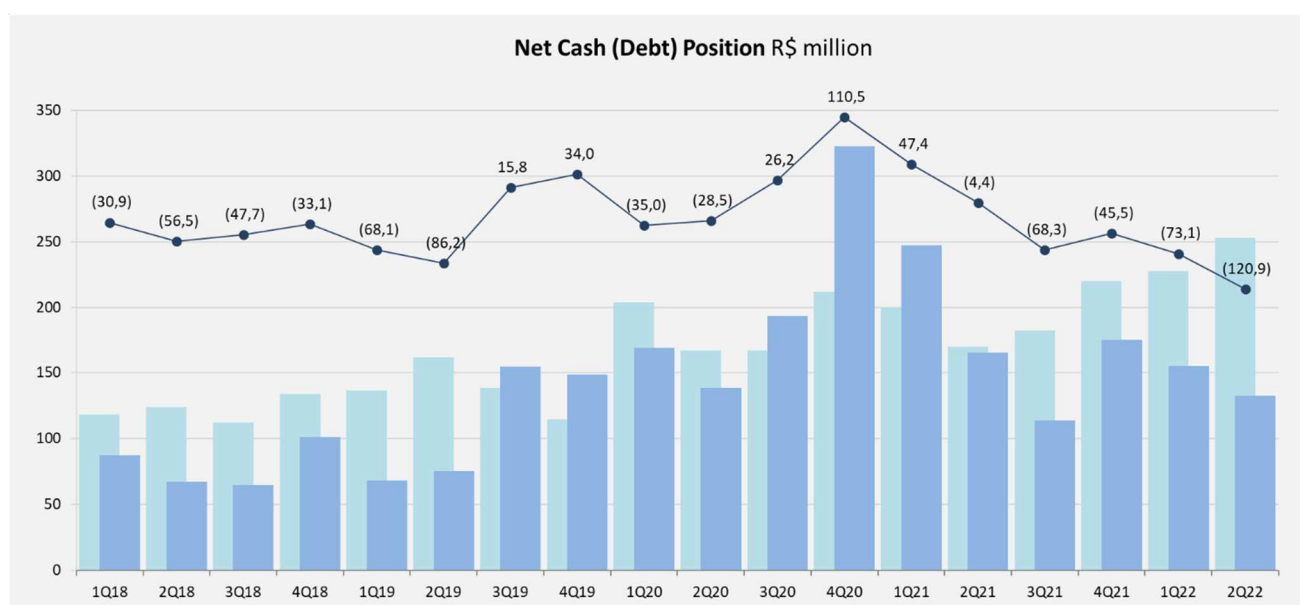
- Increase in inventories due to the growth of the order backlog, inflation aspects and the increase in the delivery time of important suppliers;
- Payment of interest on capital and interim dividends, declared in December 2021, February 2022 and March 2022, paid during the first half of 2022;
- Investments made in 2022 aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing facilities and, mainly, related to the new machine rental business; and

Financial Position

Short-term investments are made with prime financial institutions with low credit risk and their yield is mainly pegged to the Interbank Certificate of Deposit (CDI). The consolidated net cash position as at June 30, 2022 was negative by R\$120.9 million.

The Company's borrowings are used mainly for investments in the modernization of its manufacturing facilities, research and development of new products, and financing of exports and imports. As at June 30, 2022, the amount of financing in local currency was R\$61.2 million, and in foreign currency R\$191.9 million, totaling R\$253.1 million, of which R\$72.1 million maturing in up to 12 months.

As at June 30, 2022, the Company recorded R\$132.1 million as cash and cash equivalents and short-term investments.



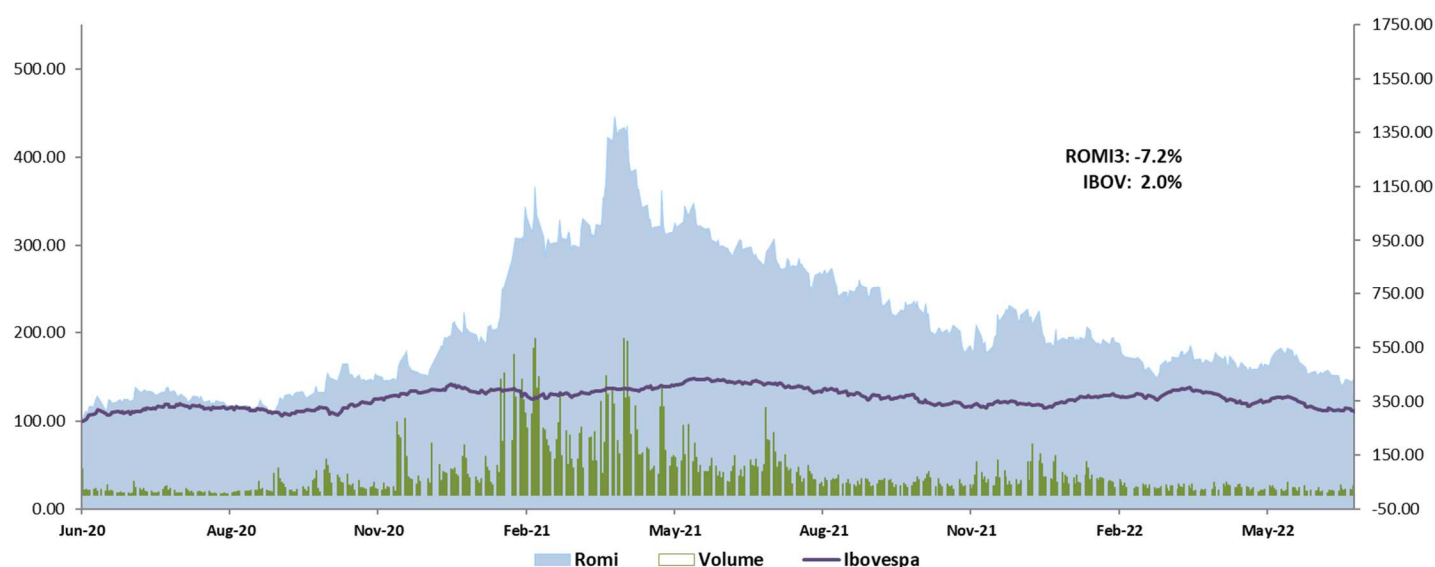
The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

As at June 30, 2022, the Company did not have any derivative transactions.

Capital Markets

Share Performance Romi3 x Ibovespa

Period: 06/01/2020 to 07/18/2022



Source: B3.

On July 18, 2022 the Company's common shares (ROMI3), which were quoted at R\$12.04, posted devaluation of 7.2% since June 30, 2020 and 34.6% since December 31, 2021. The Bovespa Index (Ibovespa) went up by 2.0% and devaluation 7.5%, respectively, in the same periods.

The Company's market capitalization on July 18, 2022 was R\$882,9 million. The average daily trading volume during 2Q22 was R\$5.3 million.

Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	06/30/21	12/31/21	03/31/22	06/30/22	LIABILITIES AND SHAREHOLDER'S EQUITY	06/30/21	12/31/21	03/31/22	06/30/22
CURRENT	1,092,746	1,164,282	1,147,778	1,229,703	CURRENT	537,149	576,153	564,188	633,309
Cash and Cash equivalents	110,676	99,911	89,032	89,609	Loans and financing	35,506	70,732	64,617	72,097
Financial investments	54,257	74,786	65,786	42,537	FINAME manufacturer financing	118,208	142,830	142,651	142,329
Trade accounts receivable	181,648	237,952	204,784	241,373	Trade accounts payable	152,663	129,391	145,702	175,612
Onlending of Finame manufacturer financing	141,290	152,775	153,304	152,741	Payroll and related taxes	45,324	46,062	38,244	47,513
Inventories	511,327	536,699	575,910	645,892	Taxes payables	18,780	21,246	18,468	18,616
Recoverable taxes	76,193	48,935	41,583	35,315	Advances from customers	101,975	103,997	104,377	120,290
Other receivables	17,355	13,224	17,379	22,236	Related parties	3,074	7,680	1,529	2,983
Judicial Deposits	-	-	-	-	Dividends	35,418	18,191	19,465	21,418
					Provision for contingent liabilities	1,422	1,445	2,220	2,349
					Other payables	24,779	34,579	26,915	30,102
NON CURRENT	284,098	339,204	333,358	336,552	NON CURRENT	399,596	413,406	408,699	418,701
Trade accounts receivable	19,334	20,714	16,466	19,152	Loans and financing	133,873	149,499	163,311	180,986
Onlending of Finame manufacturer financing	214,598	218,866	209,961	203,865	FINAME manufacturer financing	222,662	219,104	208,602	199,924
Recoverable taxes	21,565	70,472	71,450	73,213	Deferred income and social contribution taxes	39,314	41,361	34,163	35,399
Deferred income and social contribution taxes	20,481	10,557	15,858	21,198	Reserve for contingencies	309	347	286	283
Judicial Deposits	1,976	12,097	12,108	12,163	Other payables	3,438	3,095	2,337	2,109
Other receivables	6,144	6,498	7,515	6,961					
Investments					SHAREHOLDER'S EQUITY	851,726	963,288	948,928	971,079
Property, Plant and Equipment	331,801	370,348	373,546	388,875	Capital	637,756	637,756	637,756	637,756
Investment Properties	18,388	16,621	16,593	16,579	Retained earnings	130,500	233,695	244,283	262,496
Intangible assets	63,051	64,065	52,113	53,073	Cumulative translation adjustments	83,470	91,837	66,889	70,827
					NON CONTROLLING INTERESTS	1,613	1,673	1,573	1,693
					TOTAL SHAREHOLDER'S EQUITY	853,339	964,961	950,501	972,772
TOTAL ASSETS	1,790,084	1,954,520	1,923,388	2,024,782	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,790,084	1,954,520	1,923,388	2,024,782

Consolidated Income Statement

IFRS (R\$ thousand)

	2Q21	1Q22	2Q22	Chg. 2Q22/1Q22	Chg. 2Q22/2Q21	1H21	1H22	Chg. 2022/2021
Net Operating Revenue	351,459	285,335	372,062	30.4%	5.9%	574,089	657,397	14.5%
Cost of Goods Sold	(236,640)	(199,730)	(267,095)	33.7%	12.9%	(383,800)	(466,825)	21.6%
Gross Profit	114,819	85,605	104,967	22.6%	-8.6%	190,289	190,572	0.1%
Gross Margin %	32.7%	30.0%	28.2%			33.1%	29.0%	
Operating revenues (expenses)	(58,774)	(57,040)	(64,622)	13.3%	9.9%	(108,869)	(121,662)	11.8%
Selling expenses	(27,923)	(25,587)	(32,414)	26.7%	16.1%	(50,316)	(58,001)	15.3%
Research and development expenses	(6,953)	(6,924)	(7,745)	11.9%	11.4%	(13,167)	(14,669)	11.4%
General and administrative expenses	(21,222)	(22,117)	(21,549)	-2.6%	1.5%	(41,645)	(43,666)	4.9%
Management profit sharing and compensation	(4,182)	(3,438)	(3,540)	3.0%	-15.4%	(7,150)	(6,978)	-2.4%
Other operating income, net	1,506	1,026	626	-39.0%	-58.4%	3,409	1,652	-51.5%
Operating Income (loss) before Financial Results	56,045	28,565	40,345	41.2%	-28.0%	81,420	68,910	-15.4%
Operating Margin %	15.9%	10.0%	10.8%			14.2%	10.5%	
Operating Income (loss) before Financial Results - Adjusted (*)	56,045	28,565	40,345	41.2%	-28.0%	81,420	68,910	-15.4%
Operating Margin % - Adjusted (*)	15.9%	10.0%	10.8%			14.2%	10.5%	
Financial Results, Net	2,228	9,212	(2,224)	-124.1%	-199.8%	2,352	6,988	197.1%
Financial income	2,609	3,640	3,842	5.5%	47.3%	4,755	7,482	57.4%
Financial expenses	(3,211)	(2,841)	(3,983)	40.2%	24.0%	(7,099)	(6,824)	-3.9%
Exchange gain (loss), net	2,830	8,413	(2,083)	-124.8%	-173.6%	4,696	6,330	34.8%
Operations Operating Income	58,273	37,777	38,121	0.9%	-34.6%	83,772	75,898	-9.4%
Income tax and social contribution	(15,454)	(7,273)	(5,121)	-29.6%	-66.9%	(20,209)	(12,394)	-38.7%
Net income	42,819	30,504	33,000	8.2%	-22.9%	63,563	63,504	-0.1%
Net Margin %	12.2%	10.7%	8.9%			11.1%	9.7%	
Net profit (loss) concerning:								
Controlling interests	42,736	30,388	32,880	8.2%	-23.1%	63,406	63,268	-0.2%
Non controlling interests	83	116	120	3.4%	44.6%	157	236	50.3%
EBITDA	66,486	40,059	52,502	31.1%	-21.0%	101,915	92,561	-9.2%
Profit (loss) for the period	42,819	30,504	33,000	8.2%	-22.9%	63,563	63,505	-0.1%
Income tax and social contribution	15,454	7,273	5,121	-29.6%	-66.9%	20,209	12,393	-38.7%
Financial result, net	(2,228)	(9,212)	2,224	-124.1%	-199.8%	(2,352)	(6,988)	197.1%
Depreciation and amortization	10,441	11,494	12,157	5.8%	16.4%	20,495	23,651	15.4%
EBITDA Margin %	18.9%	14.0%	14.1%			17.8%	14.1%	
EBITDA - Adjusted (*)	66,486	40,059	52,502	31.1%	-21.0%	101,915	92,561	-9.2%
EBITDA Margin % - Adjusted (*)	18.9%	14.0%	14.1%			17.8%	14.1%	
Nº of shares in capital stock (th)	73,334	73,334	73,334			73,334	73,334	
Profit (loss) per share - R\$	0.58	0.41	0.45			0.86	0.86	-0.2%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	2Q21	1Q22	2Q22
Cash from operating activities			
Net Income before taxation	58,273	37,777	38,121
Financial expenses and exchange gain	(11,437)	(12,903)	34,577
Depreciation and amortization	10,441	12,451	12,768
Allowance for doubtful accounts and other receivables	(515)	(1,185)	523
Proceeds from sale of fixed assets and intangibles	(307)	(1,167)	(350)
Provision for inventory realization	(6,151)	(3,248)	-
Reserve for contingencies	(176)	714	126
Trade accounts receivable	(23,558)	22,910	(46,727)
Onlending of Finame manufacturer financing	(17,313)	8,450	6,340
Inventories	(47,667)	(35,865)	(70,236)
Recoverable taxes, net	(6,874)	1,073	(835)
Judicial deposits	25	(11)	(55)
Other receivables	(842)	(4,041)	(2,234)
Trade accounts payable	12,827	21,048	32,926
Payroll and related taxes	13,062	(7,818)	9,269
Taxes payable	(15,090)	(17,012)	(3,412)
Advances from customers	(15,349)	380	15,913
Other payables	3,551	(15,277)	5,149
Cash provided by (used in) operating activities	(47,100)	6,276	31,863
Income tax and social contribution paid	(144)	(237)	(324)
Net Cash provided by (used in) operating activities	(47,244)	6,039	31,539
Financial Investments	45,187	9,000	23,249
Purchase of fixed assets	(24,273)	(33,387)	(35,032)
Sales of fixed assets	985	2,293	1,748
Purchase of intangible assets	(1)	(102)	(18)
Net cash Used in Investing Activities	21,898	(22,196)	(10,053)
Interest on capital paid	(10,705)	(18,545)	(12,714)
New loans and financing	-	52,618	(5,973)
Payments of loans and financing	(16,248)	(18,259)	(149)
Interests paid (including Finame manufacturer financing)	(8,444)	(11,963)	(10,635)
New loans in Finame manufacturer	59,757	35,598	40,697
Payment of Finame manufacturer financing	(37,591)	(37,625)	(40,932)
Net Cash provided by (used in) Financing Activities	(13,231)	1,824	(29,706)
Increase (decrease) in cash and cash equivalents	(38,577)	(14,333)	(8,220)
Exchange variation changes on cash and cash equivalents abroad	1,518	3,454	8,797
Cash and cash equivalents - beginning of period	147,735	99,911	89,032
Cash and cash equivalents - end of period	110,676	89,032	89,609

Attachment I – Income Statement by Business Unit

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	203,242	43,033	125,787	372,062
Cost of Sales and Services	(106,642)	(39,009)	(121,444)	(267,095)
Business Units Transfers	329	(22,830)	22,500	-
Business Units Transfers	(22,500)	22,830	(329)	0
Gross Profit	74,429	4,024	26,514	104,967
Gross Margin %	36.6%	9.4%	21.1%	28.2%
Operating Expenses	(43,400)	(10,975)	(10,247)	(64,622)
Selling	(25,764)	(5,080)	(1,570)	(32,414)
General and Administrative	(10,578)	(5,895)	(5,076)	(21,549)
Research and Development	(5,765)	-	(1,981)	(7,745)
Management profit sharing	(1,920)	-	(1,620)	(3,540)
Other operating revenue	626	-	-	626
Operating Income (loss) before Financial Results	31,029	(6,951)	16,267	40,345
Operating Margin %	15.3%	-16.2%	12.9%	10.8%
Operating loss before Financial Results - Adjusted (*)	31,029	(6,951)	16,267	40,345
Operating Margin % - Adjusted (*)	15.3%	-16.2%	12.9%	10.8%
Depreciation and amortization	6,114	2,592	3,451	12,157
EBITDA	37,143	(4,359)	19,718	52,502
EBITDA Margin %	18.3%	-10.1%	15.7%	14.1%
EBITDA - Adjusted (*)	37,143	(4,359)	19,718	52,502
EBITDA Margin % - Adjusted (*)	18.3%	-10.1%	15.7%	14.1%

Income Statement by Business Units - 2Q21

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	193,015	57,659	100,785	351,459
Cost of Sales and Services	(98,587)	(47,274)	(90,779)	(236,640)
Business Units Transfers	333	-	16,431	16,764
Business Units Transfers	(16,431)	-	(333)	(16,764)
Gross Profit	78,330	10,385	26,104	114,819
Gross Margin %	40.6%	18.0%	25.9%	32.7%
Operating Expenses	(35,581)	(12,929)	(10,264)	(58,774)
Selling	(20,636)	(4,921)	(2,365)	(27,923)
General and Administrative	(9,264)	(8,007)	(3,950)	(21,222)
Research and Development	(5,015)	-	(1,938)	(6,953)
Management profit sharing	(2,172)	-	(2,010)	(4,182)
Other operating revenue	1,506	-	-	1,506
Operating Income (loss) before Financial Results	42,749	(2,544)	15,840	56,045
Operating Margin %	21.4%	-4.4%	15.7%	15.5%
Operating loss before Financial Results - Adjusted (*)	42,749	(2,544)	15,840	56,045
Operating Margin % - Adjusted (*)	21.4%	-4.4%	15.7%	15.5%
Depreciation and amortization	4,502	2,996	2,943	10,441
EBITDA	47,251	452	18,783	66,486
EBITDA Margin %	23.7%	0.8%	18.6%	18.5%
EBITDA - Adjusted (*)	47,251	452	18,783	66,486
EBITDA Margin % - Adjusted (*)	23.7%	0.8%	18.6%	18.5%

Income Statement by Business Units - 1H22

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	380,531	54,262	222,604	657,397
Cost of Sales and Services	(193,599)	(56,362)	(216,864)	(466,825)
Business Units Transfers	403	-	38,487	38,890
Business Units Transfers	(38,487)	-	(403)	(38,890)
Gross Profit	148,849	(2,100)	43,823	190,572
<i>Gross Margin %</i>	<i>39.1%</i>	<i>-3.9%</i>	<i>19.7%</i>	<i>29.0%</i>
Operating Expenses	(81,129)	(20,521)	(20,012)	(121,662)
Selling	(47,292)	(7,854)	(2,855)	(58,001)
General and Administrative	(20,923)	(12,667)	(10,076)	(43,666)
Research and Development	(10,844)	-	(3,825)	(14,669)
Management profit sharing	(3,723)	-	(3,256)	(6,979)
Other operating revenue	1,652	-	-	1,652
Operating Income before Financial Results	67,720	(22,621)	23,811	68,910
<i>Operating Margin %</i>	<i>17.8%</i>	<i>-41.7%</i>	<i>10.7%</i>	<i>10.5%</i>
Operating loss before Financial Results - Adjusted (*)	67,720	(22,621)	23,811	68,910
<i>Operating Margin % - Adjusted (*)</i>	<i>17.8%</i>	<i>-41.7%</i>	<i>10.7%</i>	<i>10.5%</i>
Depreciation and amortization	11,403	5,509	6,739	23,651
EBITDA	79,123	(17,112)	30,550	92,561
<i>EBITDA Margin %</i>	<i>20.8%</i>	<i>-31.5%</i>	<i>13.7%</i>	<i>14.1%</i>
EBITDA - Adjusted (*)	79,123	(17,112)	30,550	92,561
<i>EBITDA Margin % - Adjusted (*)</i>	<i>20.8%</i>	<i>-31.5%</i>	<i>13.7%</i>	<i>14.1%</i>

Income Statement by Business Units - 1H21

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	324,949	71,175	177,965	574,089
Cost of Sales and Services	(157,706)	(63,880)	(162,214)	(383,800)
Business Units Transfers	667	-	29,067	29,734
Business Units Transfers	(29,067)	-	(667)	(29,734)
Gross Profit	138,843	7,295	44,151	190,289
<i>Gross Margin %</i>	<i>42.7%</i>	<i>10.2%</i>	<i>24.8%</i>	<i>33.1%</i>
Operating Expenses	(65,863)	(22,130)	(20,874)	(108,868)
Selling	(38,241)	(7,663)	(4,413)	(50,316)
General and Administrative	(16,250)	(16,328)	(9,067)	(41,645)
Research and Development	(9,580)	-	(3,586)	(13,167)
Management profit sharing	(3,342)	-	(3,808)	(7,150)
Other operating revenue	1,549	1,861	-	3,409
Operating Income before Financial Results	72,980	(14,835)	23,276	81,421
<i>Operating Margin %</i>	<i>22.5%</i>	<i>-20.8%</i>	<i>13.1%</i>	<i>14.2%</i>
Operating loss before Financial Results - Adjusted (*)	73,935	(14,835)	23,276	82,376
<i>Operating Margin % - Adjusted (*)</i>	<i>22.8%</i>	<i>-20.8%</i>	<i>13.1%</i>	<i>14.3%</i>
Depreciation and amortization	8,566	6,104	5,826	20,495
EBITDA	81,545	(8,731)	29,102	101,916
<i>EBITDA Margin %</i>	<i>25.1%</i>	<i>-12.3%</i>	<i>16.4%</i>	<i>17.8%</i>
EBITDA - Adjusted (*)	82,500	(8,731)	29,102	102,871
<i>EBITDA Margin % - Adjusted (*)</i>	<i>25.4%</i>	<i>-12.3%</i>	<i>16.4%</i>	<i>17.9%</i>

Attachment II - Financial Statements of BW

Balance Sheet BW

(€ Mil)

ASSETS	06/30/21	12/31/21	03/31/22	06/30/22
CURRENT	24,492	24,277	22,166	24,989
Cash and Cash equivalents	2,073	3,415	1,414	511
Trade accounts receivable	7,458	11,557	6,932	6,600
Inventories	12,676	7,611	11,298	14,529
Recoverable taxes	710	383	480	876
Deferred income and social contribution taxes	671	155	834	1,179
Related Parties	-	404	202	178
Other receivables	904	752	1,006	1,116
Investments				
Property, plant and equipment	12,606	12,581	12,432	12,277
Investment in subsidiaries	-	-	-	-
Intangible assets	10,461	9,989	9,736	9,516
TOTAL ASSETS	47,559	46,847	44,334	46,782
LIABILITIES AND SHAREHOLDER'S EQUITY	06/30/21	12/31/21	03/31/22	06/30/22
CURRENT	16,535	14,825	15,410	18,889
Loans and financing	-	-	1,074	991
Trade accounts payable	2,083	1,403	1,843	3,405
Payroll and related taxes	1,646	885	1,443	1,508
Taxes payable	335	1,164	(39)	221
Advances from customers	9,653	6,895	7,939	8,761
Other payables	2,354	3,487	2,561	3,132
Related Parties	464	991	590	871
NON CURRENT	9,148	8,892	7,691	7,646
Loans and financing	5,172	5,006	3,849	3,849
Deferred income and social contribution taxes	3,976	3,886	3,842	3,797
SHAREHOLDER'S EQUITY	21,876	23,130	21,234	20,248
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	14,346	15,600	13,704	12,718
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	47,559	46,847	44,334	46,782

BW Income Statement

	(€ Mil)			(€ Mil)	
	2Q21	1Q22	2Q22	1H21	1H22
Net Operating Revenue	9,353	1,925	8,100	11,388	10,025
Cost of Goods Sold	(7,595)	(2,727)	(7,175)	(10,114)	(9,902)
Gross Profit	1,758	(802)	925	1,274	124
Gross Margin %	18.8%	-41.7%	11.4%	11.2%	1.2%
Operating Expenses	(2,043)	(1,624)	(2,085)	(3,444)	(3,709)
Selling expenses	(791)	(479)	(960)	(1,206)	(1,439)
General and administrative expenses	(1,252)	(1,146)	(1,125)	(2,238)	(2,271)
Operating Income before Financial Results	(285)	(2,426)	(1,160)	(2,170)	(3,586)
Operating Margin %	-3.0%	-126.0%	-14.3%	-19.1%	-35.8%
Financial Results, Net	(23)	(81)	(94)	(92)	(175)
Operations Operating Income	(308)	(2,507)	(1,254)	(2,262)	(3,761)
Income tax and social contribution	66	724	390	701	1,114
Net income	(242)	(1,783)	(863)	(1,561)	(2,647)
Net Margin %	-2.6%	-92.6%	-10.7%	-13.7%	-26.4%
EBITDA	184	(1,927)	(665)	(1,230)	(2,592)
Net income / loss for the period	(242)	(1,783)	(863)	(1,561)	(2,647)
Income tax and social contribution	(66)	(724)	(390)	(701)	(1,114)
Financial income, net	23	81	94	92	175
Depreciation and amortization	469	499	495	940	994
EBITDA Margin %	2.0%	-100.1%	-8.2%	-10.8%	-25.9%