

4Q22 *Earnings Release*

January 31, 2023



December 31, 2022

Share price at 01/30/2023
ROMI3 - R\$18,45 per share

Market value
R\$1,488.3 million
US\$291.0 million

Number of shares
Common: 80,667,314
Total: 80,667,314

Free float = 50.8%

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

February 1, 2023

11 a.m. (São Paulo) | 2 p.m. (London) | 9 a.m. (New York)

https://us02web.zoom.us/webinar/register/WN_N3ApDOepSDqVwCEVEf4RuQ

ID Zoom: 820 3245 1919

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

International dialing numbers: <https://us02web.zoom.us/j/kszWE5ZfN>

Santa Bárbara d'Oeste - São Paulo, December 31, 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 fourth quarter of 2022 ("4Q22"). 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.

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Highlights

Adjusted EBITDA in 4Q22 was R\$124.8 (+46.6% over 4Q21)

- Consolidated net operating revenue in 4Q22 reached R\$536.2 million, growth of 21.1% compared to 4Q21, reflecting the significant order entry observed in the last quarters of Romi machines and Rough and Machined Cast Iron Parts;
- At the Romi Machines Unit, net operating revenue, in 4Q22, grew by 30.6% compared to 4Q21, which, combined with the effective control of operating expenses, resulted in a 42.7% growth in adjusted operating profit, in that same comparison period;
- At the Rough and Machined Cast Iron Parts Unit, net operating revenue increased by 40.3% in 4Q22 compared to 4Q21, with the continuity of deliveries of large parts and the recovery of the other segments. Operating margin grew by 14.7 p.p., reflecting the higher production volume and improved operational efficiency;
- The order backlog in 4Q22 at the Burkhardt+Weber Unit reached R\$191.7 million, an increase of 78.2% compared to 4Q21. In euros, it reached €34.4 million, growth of 82.0% over the same period of comparison, demonstrating the recovery of operations and future prospects;
- Romi launched *ESG Portal* during the third quarter of 2022, in line with the best market practices ("see ESG section at ROMI"). The continuous evolution of ESG practices resulted in an important evolution of the Company's score at the Ethos Institute, which increased from 5.4 to 7.5 at the end of 2022.

	Quarterly					Acumulated		
R\$'000	4Q21	3Q22	4Q22	Chg. 4Q22/3Q22	Chg. 4Q22/4Q21	2021	2022	Chg. 2022/2021
Revenues Volume								
Romi Machines (units)	338	355	382	7,6%	13,0%	1.201	1.287	7,2%
Burkhardt+Weber (units)	7	2	8	300%	14%	18	13	-27,8%
Rough and Machined Cast Iron Parts (tons)	6.089	7.294	6.844	-6%	12%	27.045	26.218	-3,1%
Net Operating Revenue	442.834	398.690	536.215	34,5%	21,1%	1.383.499	1.592.302	15,1%
Gross margin (%)	32,0%	34,3%	33,8%			32,3%	32,0%	
Operating Income (EBIT)	74.009	78.067	124.161	59,0%	67,8%	211.548	271.138	28,2%
Operating margin (%)	16,7%	19,6%	23,2%			15,3%	17,0%	
Operating Income (EBIT) - adjusted (*)	74.009	68.603	110.746	61,4%	49,6%	211.548	248.259	17,4%
Operating margin (%) - adjusted (*)	16,7%	17,2%	20,7%			15,3%	15,6%	
Net Income	54.739	64.920	87.670	35,0%	60,2%	204.148	216.096	5,9%
Net margin (%)	12,4%	16,3%	16,3%			14,8%	13,6%	
Net Income - adjusted (*)	54.739	55.771	74.622	33,8%	36,3%	159.091	193.897	21,9%
Net margin (%) - adjusted (*)	12,4%	14,0%	13,9%			11,5%	12,2%	
EBITDA	85.183	92.068	138.246	50,2%	62,3%	253.924	321.885	26,8%
EBITDA margin (%)	19,2%	23,1%	25,8%			18,4%	20,2%	
EBITDA - adjusted (*)	85.183	82.604	124.831	51,1%	46,5%	253.924	299.005	17,8%
EBITDA margin (%) - adjusted	19,2%	20,7%	23,3%			18,4%	18,8%	
Investments (**)	36.542	42.418	27.547	-35,1%	-24,6%	99.815	127.322	27,6%

(*) 3Q22, 4Q22 and 2022: are adjusted by the values of: (i) EBIT and EBITDA in the amounts of R\$9,463, R\$13,415 and R\$22,879, respectively; and (ii) Profit in the amounts of R\$9,149, R\$13,048 and R\$22,197, respectively, referring to the recognition of the impacts of the Vila Romi Residence project, as described in the section "Vila Romi Residence (real estate project)" and the sale of a non-industrial land owned by the Company.

(**) Of the investments made in 4Q21, 3Q22 and 4Q22, the amounts of R\$10.2, R\$16.8 and R\$11.2 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. In the accumulated of the years 2021 and 2022, R\$38.9 and R\$64.9 million were invested, respectively.

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.

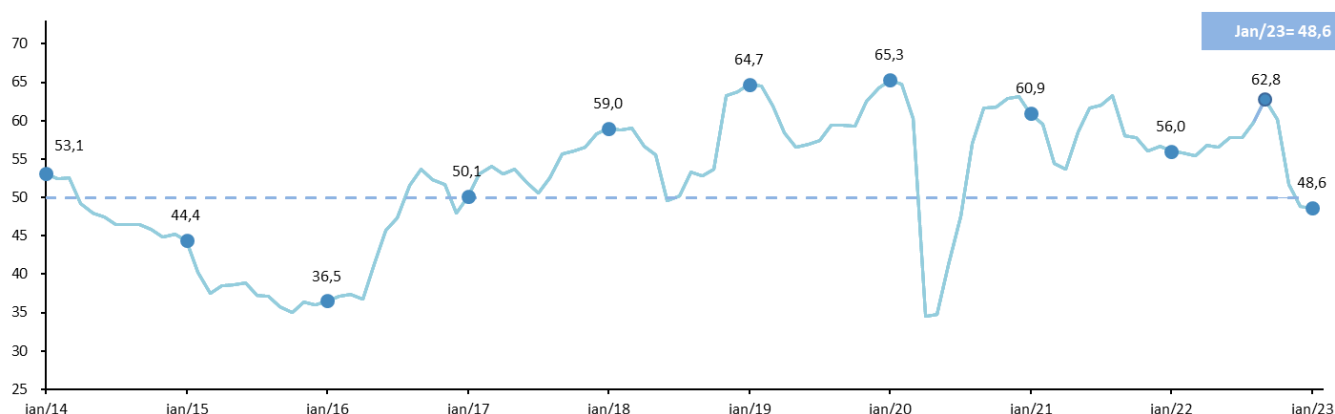
Current Economic Scenario

A large portion of 2022 continued to indicate a favorable environment for investments, as we can see in the business confidence indexes 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.

The Company, having already consolidated channels in the foreign market, as well as new solutions, such as the leasing of machines and financial support to its customers in the acquisition of equipment, has strengthened these businesses with the aim of continuing to support its customers with excellence, in addition to achieving relevant sales and, consequently, operating volumes.

Added to a global scenario of inflation and rising interest rates, we currently have a more challenging and turbulent environment for investments, both in the domestic and foreign markets, already reflected in the incoming orders in 4Q22, detailed later in this report.

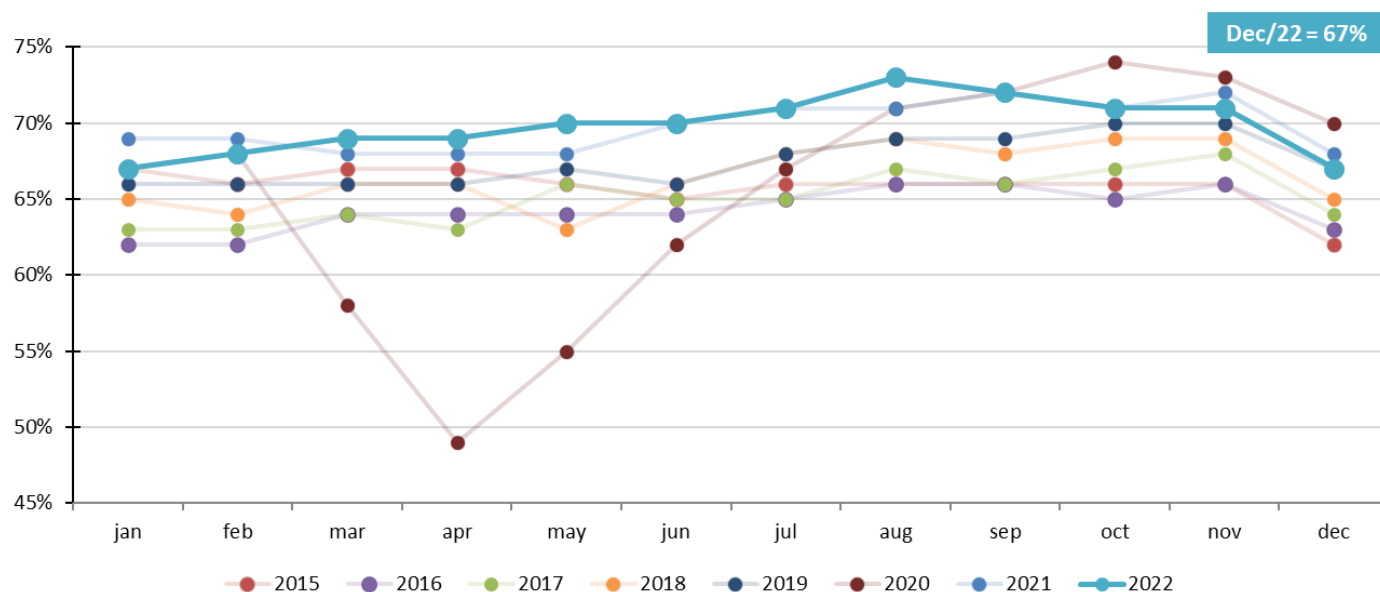
Industrial Entrepreneur Confidence Index - ICEI



Source: CNI-ICEI, January 2023

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), shown recovery in 2022, and in December it reached the level of 67%, a level that demonstrates that industrial activity continues operate at very adequate levels.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, December 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, with a more agile and flexible 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 consolidated successfully in the domestic and foreign markets.

Additionally, we strengthened our structures abroad and developed new solutions for our customers, such as machine leasing and financial support, through the creation of a *fintech*. These strategies give us great confidence that we are well prepared to keep seizing the opportunities, both in the domestic and in foreign markets.

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, machine rental, 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	4Q21	3Q22	4Q22	Chg. 4Q22/3Q22	Chg. 4Q22/4Q21	2021	2022	Chg. 22/21
Romi Machines	183,354	240,161	140,122	-41.7%	-23.6%	839,362	856,341	2.0%
Burkhardt+Weber Machines	71,606	41,254	88,470	114.5%	23.6%	181,747	224,864	23.7%
Rough and Machined Cast Iron Parts	254,545	82,207	52,386	-36.3%	-79.4%	636,167	371,803	-41.6%
Total *	509,504	363,622	280,978	-22.7%	-44.9%	1,657,275	1,453,007	-12.3%

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

The recovery of industrial activities in Brazil that started in mid-2020 continued throughout 2021 and 2022, which had a positive impact on incoming orders, mainly at the Romi Machinery unit, which grew 31.2% in incoming orders in 2022, when compared to the year 2021. The confidence of the industrial entrepreneur and the use of installed capacity also showed favorable levels until recently, demonstrating the environment of optimism to perform investments.

However, at the domestic level, in an environment of higher real interest rates, we will notice a drop in confidence indexes starting October 2022, creating an environment with a higher level of uncertainty. In the foreign market, the current inflation levels and the prospects of higher interest rates are also affecting the investment outlook. This new environment has affected the incoming orders for Romi machines, both in the domestic and foreign markets, resulting in a volume of new orders in 4Q22 that was 23.6% lower when compared to the same period in 2021.

As already mentioned, the new generations of products, with important technological evolutions in the mechatronic part, in thermal compensation and in their connectivity, also allowed the Company to seek competitive alternatives to enable new business to its customers, such as, for example, the leasing of machines. In 2022, 164 new machines were leased, or 214 new contracts (162 machines in 2021, or 203 new contracts), whose contracts represent about R\$66.6 million (R\$47.8 million in 2021). Since the date this solution was launched to the market in June 2020, 436 machines, or 527 contracts, have been leased, representing R\$136.6 million. These contracts are valid for 12 to 24 months.

In 4Q22, German subsidiary BW presented growth in new orders, which totaled R\$88.4 million, representing an increase of 23.6%, and, in euros, this growth was 42.1% when compared to the same period from 2021. Projects were carried out in Asia, the United States and Europe, demonstrating BW's ability to carry out high technology projects in various segments and locations.

The Cast and Machined Cast Iron Unit showed a 79.4% reduction in incoming orders, as a result of the reduction in new projects linked to wind energy, which, given the drop in the price of electricity, are being reviewed. The other segments served by this unit continue with high levels of orders.

Order Backlog

Order Backlog (R\$ 000)	4Q21	3Q22	4Q22	Chg. 4Q22/3Q22	Chg. 4Q22/4Q21
Gross Values, sales taxes included					
Romi Machines	331,040	394,019	221,881	-43.7%	-33.0%
Burkhardt+Weber Machines	107,583	175,982	191,711	8.9%	78.2%
Rough and Machined Cast Iron Parts	330,310	246,154	145,559	-40.9%	-55.9%
Total *	768,933	816,155	559,151	-31.5%	-27.3%

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

At the end of the fourth quarter of 2022, the order backlog dropped by -27.3% compared to the same period in 2021. The increase in the turnover of Burkhardt+Weber Machines in the foreign market stands out, demonstrating an important recovery since 2021.

Operational Performance

Net Operating Revenue by Business Unit

The net operating revenue posted in 4Q22 reached R\$536.2 million, 21.1% higher than in 4Q21, especially at the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

	Quarterly					Accumulated		
Net Operating Revenue (R\$ 000)	4Q21	3Q22	4Q22	Var. 4Q22/3Q22	Var. 4Q22/4Q21	2021	2022	Chg. 22/21
Romi Machines	227,022	227,557	296,512	30.3%	30.6%	746,642	904,600	21.2%
Burkhardt+Weber Machines	119,073	22,333	103,971	365.5%	-12.7%	245,312	180,566	-26.4%
Rough and Machined Cast Iron Parts	96,739	148,800	135,732	-8.8%	40.3%	391,548	507,136	29.5%
Total	442,834	398,690	536,215	34.5%	21.1%	1,383,502	1,592,302	15.1%

Romi Machines

The net operating revenue of this Business Unit reached R\$296.5 million in 4Q22, an increase of 30.6% compared to 4Q21, reflecting the strong order entry in the last quarters and the significant increase in revenues with machine rental, a business launched by Romi in mid-2020.

Burkhardt + Weber Machines

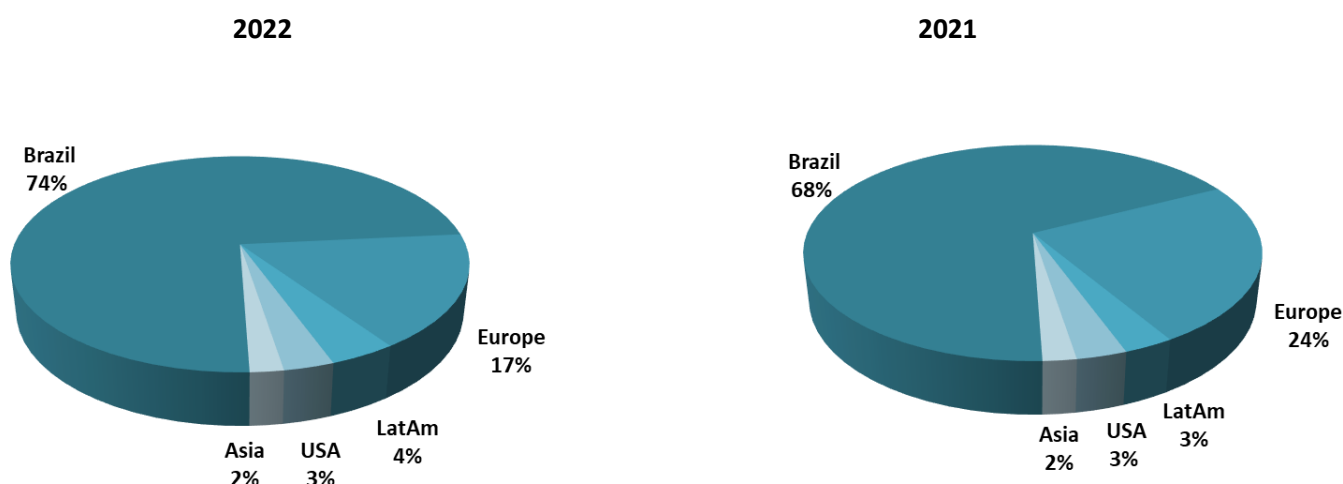
The revenue of German subsidiary BW, in Reais, reached a total of R\$104.0 million in 4Q22, due to the concentration of machine deliveries in this quarter. This revenue, when compared to 4Q21, presented a decrease of 12.7%, reflecting the exchange rate devaluation of the Euro against the Real throughout 2022. In euros, it reached €18.9 million in 4Q22 and €18.6 million in 4Q21, a growth of 1.5%.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$135.7 million in 4Q22, up 40.3% over 4Q21, due to the 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 74% of Romi's consolidated revenue in 2022 (68% in 2021). 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		
	4Q21	3Q22	4Q22	Var. 4Q22/3Q22	Chg. 4Q22/4Q21	2021	2022	Chg. 21/20
Net Sales (R\$ million)	203.6	81.3	165.1	103.1%	-18.9%	460.1	396.1	-13.9%
Net Sales (US\$ million)	36.3	15.5	31.4	102.6%	-13.5%	84.8	76.8	-9.4%

Gross and Operating Margins

The gross margin obtained in 4Q22 was 33.8%, an increase of 1.8 p.p. compared to 4Q21, mainly due to the increase in the gross margin of the Rough and Machined Cast Iron Parts Unit and the revenue mix, with a greater relative presence of Romi machines. The adjusted operating margin (EBIT) increased by 4.0. in the same period. The higher volume of revenues, combined with the focus on projects aimed at operating efficiency and the efficient control over expenses, resulted in this growth in operating margins.

Gross Margin	Quarterly					Accumulated		
	4Q21	3Q22	4Q22	Chg. p.p. 4Q22/3Q22	Chg. p.p. 4Q22/4Q21	2021	2022	Chg. pp 2022/2021
Romi Machines	45.2%	41.3%	45.3%	4.1	0.1	43.2%	41.7%	(1.5)
Burkhardt+Weber Machines	28.0%	6.2%	21.2%	15.1	(6.8)	19.4%	11.8%	(7.6)
Rough and Machined Cast Iron Parts	6.1%	28.0%	18.4%	(9.6)	12.3	19.5%	21.8%	2.2
Total	32.0%	34.3%	33.8%	(0.5)	1.8	32.3%	32.0%	(0.3)

EBIT Margin - Adjusted	Quarterly					Accumulated		
	4Q21	3Q22	4Q22	Chg. p.p. 4Q22/3Q22	Chg. p.p. 4Q22/4Q21	2021	2022	Chg. pp 2022/2021
Romi Machines	26.7%	21.7%	29.2%	7.5	2.5	24.1%	22.5%	(1.6)
Burkhardt+Weber Machines	15.3%	-50.2%	10.6%	60.8	(4.7)	-1.1%	-12.6%	(11.5)
Rough and Machined Cast Iron Parts	-5.1%	20.4%	9.6%	(10.8)	14.7	8.7%	13.3%	4.5
Total	16.7%	17.2%	20.7%	3.4	4.0	15.3%	15.6%	0.3

(*) 3Q22, 4Q22 and 2022: are adjusted by the values of: (i) EBIT and EBITDA in the amounts of R\$9,463, R\$13,415 and R\$22,878, respectively; and (ii) Profit in the amounts of R\$9,149, R\$13,048 and R\$22,197, respectively, referring to the recognition of the impacts of the Vila Romi Residence project, as described in the section "Vila Romi Residence (real estate project)" and the sale of a non-industrial land owned by the Company.

Romi Machines

In 4Q22, the gross margin of this Business Unit was at a high level, given the revenue mix, with a greater presence in the domestic market and rental machines. The higher volume of revenues, the high level of gross margin and the control of operating expenses resulted in an increase in the adjusted operating margin (EBIT) of 2.5 p.p. in the same comparison period.

Burkhardt + Weber Machines

The gross margin and the operating margin of this Business Unit in 4Q22 decreased by 6.8 p.p. and 4.7p.p., respectively, when compared to 4Q21. The revenue mix, coupled with the inflationary environment, resulted in this reduction in margins.

Rough and Machined Cast Iron Parts

In 4Q22, the gross margin of this Business Unit grew by 12.3 p.p. compared to 4Q21, and its operating margin (EBIT) grew by 14.7 p.p. in the same comparison period. This increase is due to the higher revenue and production volume in 4Q22, as well as the result of projects focused on improving productivity and operational efficiency, which reduced spending on quality in this quarter, when compared to 4Q21.

EBITDA and EBITDA Margin

In 4Q22, the operating cash generation as measured by adjusted EBITDA amounted to R\$124.8 million, representing an EBITDA margin of 23.3% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	4Q21	3Q22	4Q22	Chg. 4Q22/3Q22	Chg. 4Q22/4Q21	2021	2022	Chg. 2022/2021
Net Income	54,735	64,920	87,670	35.0%	60.2%	204,148	216,096	5.9%
Income tax and social contributions	17,068	18,059	32,542	80.2%	90.7%	9,118	62,993	590.9%
Net Financial Income	2,203	(4,912)	3,949	-180.4%	79.3%	(1,719)	(7,951)	362.5%
Depreciation and amortization	11,177	14,001	14,085	0.6%	26.0%	42,376	50,747	19.8%
EBITDA	85,183	92,068	138,246	50.2%	62.3%	253,927	321,885	26.8%
EBITDA Margin	19.2%	23.1%	25.8%	11.6%	34.0%	18.4%	20.2%	10.1%
EBITDA - Adjusted (*)	85,183	82,604	124,831	51.1%	46.5%	253,927	299,005	17.8%
EBITDA Margin - Adjusted (*)	19.2%	20.7%	23.3%	12.4%	21.0%	18.4%	18.8%	2.3%
Total Net Operating Revenue	442,834	398,690	536,215	7.2%	21.1%	1,383,499	1,592,302	15.1%

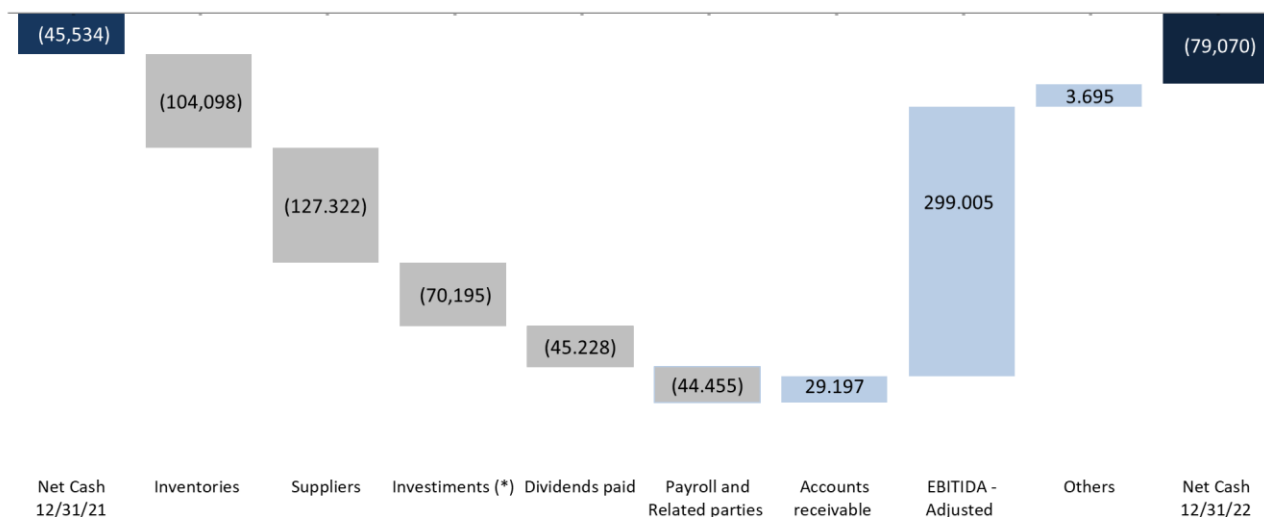
(*) 3Q22, 4Q22 and 2022: are adjusted by the values of: (i) EBIT and EBITDA in the amounts of R\$9,463, R\$13,415 and R\$22,878, respectively; and (ii) Profit in the amounts of R\$9,149, R\$13,048 and R\$22,197, respectively, referring to the recognition of the impacts of the Vila Romi Residence project, as described in the section "Vila Romi Residence (real estate project)" and the sale of a non-industrial land owned by the Company.

Adjusted Profit for the Period

The adjusted profit for 4Q22 was R\$74.6 million, an increase of 36.4% compared to the adjusted profit for 4Q21. The adjusted profit for 2022 was R\$193.9 million, growth of 21.9% compared to 2021.

Evolution of Net Cash (Debt) Position

The main changes in net cash position during 2022, 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 2022, the Company's net cash position presented the following main changes:

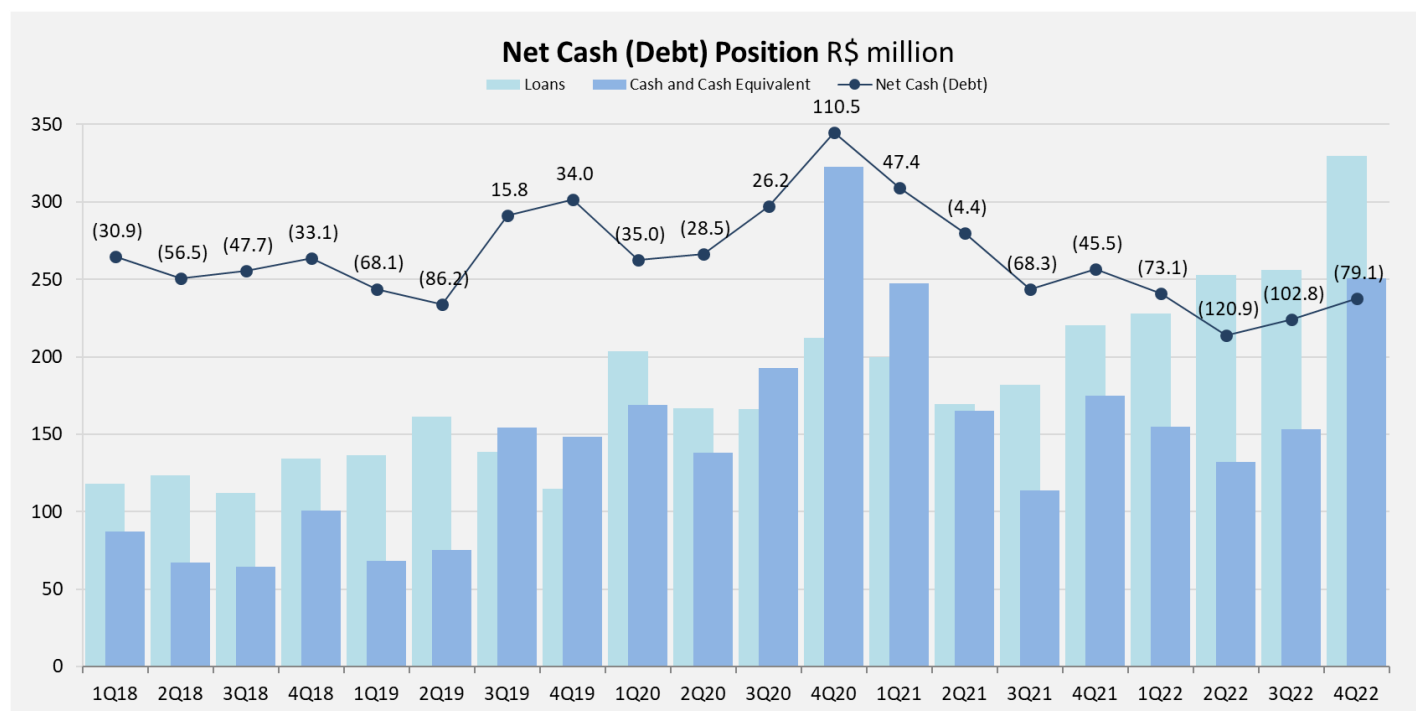
- Investments made in 2022 aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing facilities and, mainly, related to the new machine rental business.
- Payment of interest on capital and interim dividends, declared in December 2021 and throughout 2022 and paid in the amount of R\$70.1 million;
- Increase in trade accounts receivable, mainly due to the Parent company and German subsidiary B+W's revenue, which will be received at the beginning of 2023.

Financial Position

Short-term investments are made with prime 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 December 31, 2022 was negative by R\$79.1 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 December 31, 2022, the amount of financing in local currency was R\$129.3 million, and in foreign currency R\$262.5 million, totaling R\$329.8 million, of which R\$53 million maturing in up to 12 months.

As at December 31, 2022, the Company recorded R\$250.8 million as cash and cash equivalents and short-term investments.



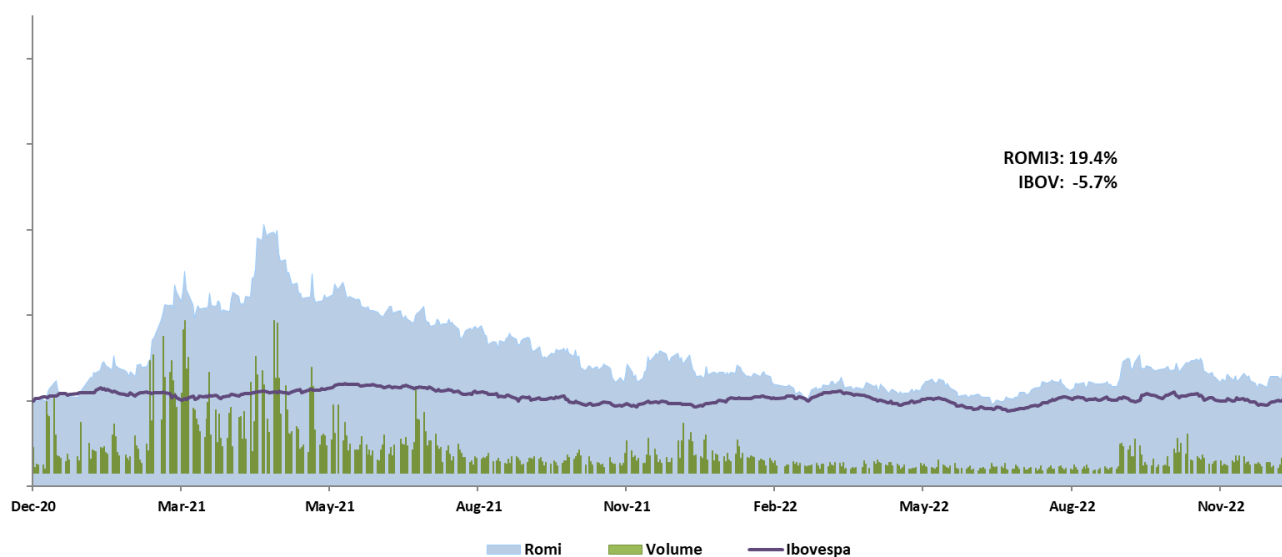
The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

As at December 31, 2022, the Company did not have any derivative transactions.

Capital Markets

Share Performance ROMI3 x Ibovespa

Period: 12/30/2020 to 01/30/2023



Source: B3

On January 30, 2023 the Company's common shares (ROMI3), which were quoted at R\$18.45, posted valuation of 19.4% since December 30, 2020 and 0.2% since December 31, 2021. The Ibovespa Index (Ibovespa) went down 5.7% and up 7.1%, respectively, in the same periods.

The Company's market capitalization on January 30, 2023 was R\$1.488,3 million. The average daily trading volume during 4Q22 was R\$10.6 million.

Vila Romi Residence

In April 2022, through the subsidiary Rominor Empreendimentos Imobiliários S.A. (Rominor), there was the launch of the closed subdivision Vila Romi Residence, which has 350 lots between 300m² and 884m², whose delivery and completion forecast is by the end of 2024. Currently, 350 lots have been sold, with the General Sales Value ("GSV") estimated at around R\$137 million. The interest of Rominor, a wholly-owned subsidiary of the Company in this project, is 50% of GSV.

The payment terms vary from cash up to 10 years of direct financing, with 10% of the total land value being mandatory. The financing installments are monetarily adjusted by the IPCA, plus 12% interest per year. In cases where the land was financed, the property itself appears as a guarantee for the payment of the installments.

As of the date of this financial statements, the subsidiary Rominor had received approximately R\$36.0 million (amount plus monetary adjustment and interest), of which R\$19.2 million are recorded under advances from customers, in current liabilities.

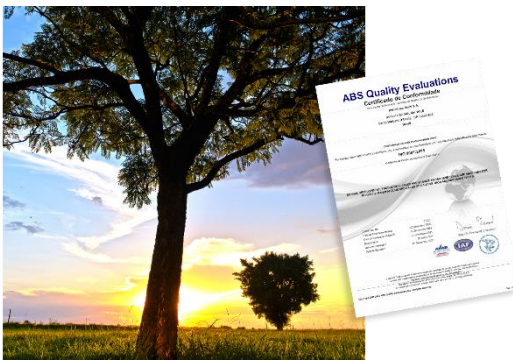
Management, based on CPC47 - Revenue from Contracts with Customers and the applicable CVM rules, adopted as a criterion for the recognition of the enterprise's revenue the *Percentage of Completion* (POC) methodology, where revenue and the respective costs are recognized in profit or loss in proportion to the percentage of completion of the infrastructure works, through measurement reports issued monthly. As at December 31, 2022, the percentage of completion of the works was 19.08% according to the aforementioned construction measurement report, which resulted in the following impacts on the financial statements: (i) Net operating revenue: R\$ 14.6 (ii) EBIT/EBITDA: R\$14.0 million; and (iii) profit for the period: R\$13.6 million.

ESG at ROMI

Romi launches ESG Portal, in line with market best practices

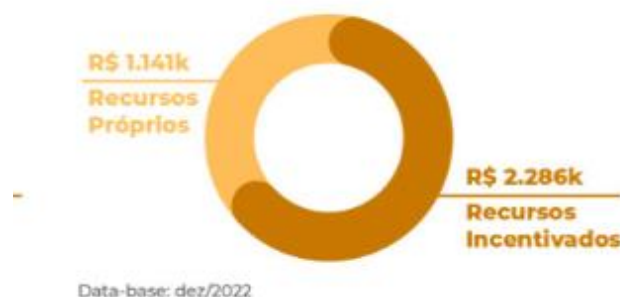
Aiming at the best market practices, in September 2022 Romi launched its *ESG Portal*, thus being aligned with companies that have a high level of governance, in addition to reinforcing its focus on sustainable and socially committed operations.

The ESG program, whose acronym means “*Environmental, Social and Governance*”, has the main objective of disclosing the main actions related to the Company's environmental, social and governance practices. In recent years, the term ESG has gained more visibility due to a greater concern of the market, government and society with objectives and practices increasingly present in the daily lives of companies. In its actions related to the environment, Romi discloses its main data related to the consumption of water, electricity and waste management, in addition to its commitment to the management of these indicators. It is also possible to check some actions applied in products and processes that contribute to actions related to the environment.



Committed to social actions, Romi has been concerned with social responsibility since its foundation, always working to be a transforming factor in the local community, through education and culture. In the new portal, it is possible to check all the actions that contribute to society's development, such as cultural support to entities and social projects. Also noteworthy are the actions that the company has taken to integrate and qualify its employees, with a focus on training and internal programs.

Another highlight is the Inclusion and Diversity actions. Romi has increasingly invested to become a more inclusive company and providing equal opportunities for all, without age, gender or race discrimination.





INSTITUTO
ETHOS

As part of the Ethos Institute's Business Pact for Integrity and Against Corruption since 2021, Romi's Governance actions have followed a strict internal control, assuming the commitment to disclose Brazilian anti-corruption legislation to its employees and stakeholders, so that it is fully complied with. After joining the pact, Romi joined the Ethos Institute and has continuously improved its actions, based on the institute's diagnosis and

recommendations. In 2022, Romi implemented several actions related to ESG, which raised its classification according to the Thematic Guide's Diagnostic Report: Integrity, Prevention and Fight against Corruption. The Company went from 5.4 to 7.5 (on a maximum scale of 8.0), which places Romi among the companies that have the best practices.



The disclosure of data related to ESG and the adherence to the Business Pact for Integrity and Against Corruption represent the consolidation of principles and values that are part of the company. “We are increasingly committed and focused on producing value for our customers and investors in a sustainable way. These initiatives represent a series of actions instituted to achieve increasingly better results, in addition to contributing to the development of the community, a purpose that we have followed since the foundation of Fundação Romi, by our founder Américo Emílio Romi in 1957.”

To check all the actions carried out by the company in all ESG pillars, visit <https://www.romi.com/esg/>.

Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	12/31/21	09/30/22	12/31/22	LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/21	09/30/22	12/31/22
CURRENT	1,164,282	1,326,286	1,388,934	CURRENT	576,153	714,791	597,847
Cash and Cash equivalents	99,911	109,497	131,999	Loans and financing	70,732	64,963	53,714
Financial investments	74,786	43,471	118,814	FINAME manufacturer financing	142,830	142,990	154,076
Trade accounts receivable	237,952	233,521	275,323	Trade accounts payable	129,391	203,581	135,557
Onlending of Finame manufacturer financing	152,775	152,703	162,993	Payroll and related taxes	46,062	57,833	48,850
Inventories	536,699	727,582	640,797	Taxes payables	21,246	34,163	37,397
Recoverable taxes	48,935	39,495	41,880	Advances from customers	103,997	142,422	106,404
Other receivables	13,224	20,017	17,128	Related parties	7,680	5,743	9,406
Judicial Deposits	-	-	-	Dividends	18,191	22,110	15,130
				Provision for contingent liabilities	1,445	2,406	2,683
				Other payables	34,579	38,580	34,630
NON CURRENT	339,204	370,365	369,461	NON CURRENT	413,406	444,656	551,688
Trade accounts receivable	20,714	31,243	28,571	Loans and financing	149,499	190,842	276,169
Onlending of Finame manufacturer financing	218,866	217,661	243,845	FINAME manufacturer financing	219,104	216,469	237,055
Recoverable taxes	70,472	74,941	56,440	Deferred income and social contribution taxes	41,361	33,908	35,440
Deferred income and social contribution taxes	10,557	26,871	19,006	Reserve for contingencies	347	281	270
Judicial Deposits	12,097	12,200	12,200	Other payables	3,095	3,156	2,754
Other receivables	6,498	7,449	9,399				
Investments				SHAREHOLDER'S EQUITY	963,288	1,016,966	1,093,127
Property, Plant and Equipment	370,348	415,522	420,275	Capital	637,756	771,454	771,454
Investment Properties	16,621	16,004	15,251	Retained earnings	233,695	178,117	248,144
Intangible assets	64,065	49,820	51,012	Cumulative translation adjustments	91,837	67,395	73,529
				NON CONTROLLING INTERESTS	1,673	1,584	2,271
				TOTAL SHAREHOLDER'S EQUITY	964,961	1,018,550	1,095,398
TOTAL ASSETS	1,954,520	2,177,997	2,244,933	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,954,520	2,177,997	2,244,933

Consolidated Income Statement

IFRS (R\$ thousand)

	4Q21	3Q22	4Q22	Chg. 4Q22/3Q22	Chg. 4Q22/4Q21	2021	2022	Chg. 2022/2021
Net Operating Revenue	442,834	398,690	536,215	34.5%	21.1%	1,383,499	1,592,302	15.1%
Cost of Goods Sold	(300,965)	(261,833)	(354,812)	35.5%	17.9%	(936,710)	(1,083,488)	15.7%
Gross Profit	141,869	136,857	181,403	32.5%	27.9%	446,789	508,832	13.9%
Gross Margin %	32.0%	34.3%	33.8%			32.3%	32.0%	
Operating revenues (expenses)	(67,860)	(58,790)	(57,242)	-2.6%	-15.6%	(235,241)	(237,694)	1.0%
Selling expenses	(33,635)	(34,181)	(33,574)	-1.8%	-0.2%	(110,896)	(125,756)	13.4%
Research and development expenses	(6,909)	(7,441)	(7,797)	4.8%	12.9%	(27,077)	(29,907)	10.5%
General and administrative expenses	(22,297)	(22,791)	(24,919)	9.3%	11.8%	(85,846)	(91,376)	6.4%
Management profit sharing and compensation	(4,632)	(4,842)	(5,755)	18.9%	24.2%	(15,720)	(17,575)	11.8%
Other operating income, net	(387)	10,465	14,803	41.5%	-3925.1%	4,298	26,920	526.3%
Operating Income (loss) before Financial Results	74,009	78,067	124,161	59.0%	67.8%	211,548	271,138	28.2%
Operating Margin %	16.7%	19.6%	23.2%			15.3%	17.0%	
Operating Income (loss) before Financial Results - Adjusted (*)	74,009	68,603	110,746	61.4%	49.6%	211,548	248,259	17.4%
Operating Margin % - Adjusted (*)	16.7%	17.2%	20.7%			15.3%	15.6%	
Financial Results, Net	(2,203)	4,912	(3,949)	-180.4%	79.3%	1,718	7,951	362.9%
Financial income	2,708	6,007	5,586	-7.0%	106.3%	12,332	19,075	54.7%
Financial expenses	(3,677)	(3,459)	(6,468)	87.0%	75.9%	(14,000)	(16,751)	19.7%
Exchange gain (loss), net	(1,234)	2,364	(3,067)	-229.7%	148.5%	3,386	5,627	66.2%
Operations Operating Income	71,807	82,979	120,212	44.9%	67.4%	213,266	279,089	30.9%
Income tax and social contribution	(17,068)	(18,059)	(32,542)	80.2%	90.7%	(9,118)	(62,993)	590.9%
Income (loss) for Continued Operation	54,739	64,920	87,670	35.0%	60.2%	204,148	216,096	5.9%
Net Margin %	12.4%	16.3%	16.3%			14.8%	13.6%	
Net income - Adjusted (*)	54,739	55,771	74,622	33.8%	36.3%	159,091	193,897	21.9%
Net Margin % - Adjusted (*)	12.4%	14.0%	13.9%			11.5%	12.2%	
Net profit (loss) concerning:								
Controlling interests	54,625	64,792	86,966	34.2%	59.2%	203,778	215,027	5.5%
Non controlling interests	114	128	722	464.1%	533.3%	374	1,069	185.8%
EBITDA	85,183	92,068	138,246	50.2%	62.3%	253,927	321,885	26.8%
Profit (loss) for the period	54,735	64,920	87,670	35.0%	60.2%	204,152	216,096	5.9%
Income tax and social contribution	17,068	18,059	32,542	80.2%	90.7%	9,118	62,993	590.9%
Financial result, net	2,203	(4,912)	3,949	-180.4%	79.3%	(1,719)	(7,951)	362.5%
Depreciation and amortization	11,177	14,001	14,085	0.6%	26.0%	42,376	50,747	19.8%
EBITDA Margin %	19.2%	23.1%	25.8%			18.4%	20.2%	
EBITDA - Adjusted (*)	85,183	82,604	124,831	51.1%	46.5%	253,927	299,005	17.8%
EBITDA Margin % - Adjusted (*)	19.2%	20.7%	23.3%			18.4%	18.8%	
Nº of shares in capital stock (th)	80,667	80,667	80,667			80,667	80,667	0.0%
Profit (loss) per share - R\$	0.68	0.80	1.09			2.53	2.67	5.7%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	4Q21	3Q22	4Q22	2021	2022
Cash from operating activities					
Net Income before taxation	71,803	82,979	120,212	213,266	279,089
Financial expenses and exchange gain	(11,092)	(19,466)	3,747	(16,387)	5,955
Depreciation and amortization	9,841	14,001	14,085	42,376	50,746
Allowance for doubtful accounts and other receivables	255	(481)	507	(980)	(636)
Proceeds from sale of fixed assets and intangibles	(1,507)	(4,287)	(21,012)	(2,251)	(26,816)
Provision for inventory realization	(1,449)	259	(1,352)	(5,435)	(4,341)
Reserve for contingencies	(369)	55	131	(234)	1,026
Trade accounts receivable	(34,699)	(10,982)	(45,625)	(44,754)	(80,424)
Onlending of Finame manufacturer financing	(6,149)	(12,579)	(36,981)	(36,252)	(34,770)
Inventories	60,361	(81,791)	115,861	(160,223)	(84,702)
Recoverable taxes, net	(18,487)	(11,581)	23,981	(26,573)	12,638
Judicial deposits	(5)	(37)	-	(10,213)	(103)
Other receivables	8,554	12,529	(736)	11,881	5,518
Trade accounts payable	(27,682)	30,488	(65,649)	34,952	18,813
Payroll and related taxes	(9,531)	10,320	(8,983)	9,899	2,788
Taxes payable	24,139	(3,127)	(19,053)	(2,343)	(42,604)
Advances from customers	(3,086)	22,132	(36,018)	33,535	2,407
Other payables	9,265	2,700	8,842	2,115	1,414
Cash provided by (used in) operating activities	70,162	31,132	51,957	42,379	121,228
Income tax and social contribution paid	(390)	(875)	(8,723)	(722)	(10,159)
Net Cash provided by (used in) operating activities	69,772	30,257	43,234	41,657	111,069
Financial Investments	(24,503)	(934)	(75,343)	52,380	(44,028)
Purchase of fixed assets	(43,518)	(33,444)	(30,334)	(100,321)	(132,197)
Sales of fixed assets	2,394	5,294	11,708	4,505	21,043
Purchase of intangible assets	(2,221)	-	(132)	(2,791)	(252)
Net cash Used in Investing Activities	(67,848)	(29,084)	(94,101)	(46,227)	(155,434)
Interest on capital paid	(18,290)	(15,017)	(23,919)	(130,398)	(70,195)
New loans and financing	50,269	39,420	101,681	129,906	187,746
Payments of loans and financing	(9,973)	(2,896)	(41,942)	(118,226)	(63,246)
Interests paid (including Finame manufacturer financing)	(12,244)	(16,880)	2,813	(43,930)	(36,665)
New loans in Finame manufacturer	61,691	64,225	71,402	220,079	211,922
Payment of Finame manufacturer financing	(41,482)	(39,474)	(38,241)	(151,067)	(156,272)
Net Cash provided by (used in) Financing Activities	29,971	29,378	71,794	(93,636)	73,290
Increase (decrease) in cash and cash equivalents	31,895	30,551	20,927	(98,206)	28,925
Exchange variation changes on cash and cash equivalents abroad	4,828	(10,663)	1,575	2,699	3,163
Cash and cash equivalents - beginning of period	63,188	89,609	109,497	195,418	99,911
Cash and cash equivalents - end of period	99,911	109,497	131,999	99,911	131,999

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 4Q22

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	296,512	103,971	135,732	536,215
Cost of Sales and Services	(138,136)	(81,884)	(134,792)	(354,812)
Business Units Transfers	502	-	24,503	25,005
Business Units Transfers	(24,503)	-	(502)	(25,005)
Gross Profit	134,375	22,087	24,941	181,403
Gross Margin %	45.3%	21.2%	18.4%	33.8%
Operating Expenses	(47,762)	(11,032)	(11,863)	(70,657)
Selling	(27,201)	(4,755)	(1,618)	(33,574)
General and Administrative	(12,887)	(6,277)	(5,755)	(24,919)
Research and Development	(5,868)	-	(1,929)	(7,797)
Management profit sharing	(3,194)	-	(2,561)	(5,755)
Other operating revenue	1,388	-	-	1,388
Operating Income (loss) before Financial Results - Adjusted (*)	86,613	11,055	13,078	110,746
Operating Margin % - Adjusted (*)	29.2%	10.6%	9.6%	20.7%
Depreciation and amortization	7,484	2,730	3,871	14,085
EBITDA - Adjusted (*)	94,097	13,785	16,949	124,831
EBITDA Margin % - Adjusted (*)	31.7%	13.3%	12.5%	23.3%

Income Statement by Business Units - 4Q21

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	227,022	119,073	96,739	442,834
Cost of Sales and Services	(111,903)	(85,767)	(103,295)	(300,965)
Business Units Transfers	256	-	12,729	12,985
Business Units Transfers	(12,729)	-	(256)	(12,985)
Gross Profit	102,645	33,306	5,918	141,869
Gross Margin %	45.2%	28.0%	6.1%	32.0%
Operating Expenses	(41,949)	(15,060)	(10,850)	(67,859)
Selling	(24,120)	(7,780)	(1,734)	(33,634)
General and Administrative	(10,749)	(7,280)	(4,920)	(22,949)
Research and Development	(4,868)	-	(2,041)	(6,909)
Management profit sharing	(2,477)	-	(2,155)	(4,632)
Other operating revenue	265	-	-	265
Operating loss before Financial Results	60,696	18,246	(4,932)	74,010
Operating Margin %	26.7%	15.3%	-5.1%	16.7%
Depreciation and amortization	5,007	3,150	3,020	11,177
EBITDA	65,703	21,396	(1,912)	85,187
EBITDA Margin %	28.9%	18.0%	-2.0%	19.2%

Income Statement by Business Units - 2022

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	904,600	180,566	507,136	1,592,302
Cost of Sales and Services	(428,190)	(169,667)	(485,613)	(1,083,470)
Business Units Transfers	1,277	10,464	90,130	101,871
Business Units Transfers	(100,594)	-	(1,277)	(101,871)
Gross Profit	377,092	21,363	110,377	508,832
Gross Margin %	41.7%	11.8%	21.8%	32.0%
Operating Expenses	(173,353)	(44,143)	(43,077)	(260,573)
Selling	(102,591)	(16,922)	(6,243)	(125,756)
General and Administrative	(43,179)	(27,221)	(20,976)	(91,376)
Research and Development	(22,178)	-	(7,729)	(29,907)
Management profit sharing	(9,447)	-	(8,129)	(17,576)
Other operating revenue	4,042	-	-	4,042
Operating Income before Financial Results - Adjusted (*)	203,740	(22,780)	67,300	248,259
Operating Margin % - Adjusted (*)	22.5%	-12.6%	13.3%	15.6%
Depreciation and amortization	24,562	11,875	14,309	50,746
EBITDA - Adjusted (*)	228,302	(10,905)	81,609	299,005
EBITDA Margin % - Adjusted (*)	25.2%	-6.0%	16.1%	18.8%

(*) 4Q22 / 2022: adjusted by the recognition of revenue related to "Vila Romi Residence.

Income Statement by Business Units - 2021

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	746,639	245,312	391,548	1,383,499
Cost of Sales and Services	(363,322)	(197,734)	(375,654)	(936,710)
Business Units Transfers	1,210	-	61,753	62,963
Business Units Transfers	(61,753)	-	(1,210)	(62,963)
Gross Profit	322,773	47,578	76,438	446,789
Gross Margin %	43.2%	19.4%	19.5%	32.3%
Operating Expenses	(142,774)	(50,237)	(42,231)	(235,242)
Selling	(81,871)	(20,742)	(8,282)	(110,895)
General and Administrative	(35,938)	(31,356)	(18,552)	(85,846)
Research and Development	(19,435)	-	(7,642)	(27,077)
Management profit sharing	(7,966)	-	(7,755)	(15,721)
Other operating revenue	2,437	1,861	-	4,298
Operating Income before Financial Results	180,000	(2,659)	34,207	211,548
Operating Margin %	24.1%	-1.1%	8.7%	15.3%
Depreciation and amortization	18,427	12,134	11,815	42,376
EBITDA	198,427	9,475	46,022	253,924
EBITDA Margin %	26.6%	4.2%	11.8%	18.4%

Attachment II - Financial Statements of BW

Balance Sheet BW

	(€ Mil)		
ASSETS	12/31/21	09/30/22	12/31/22
CURRENT	24,277	29,208	28,454
Cash and Cash equivalents	3,415	121	291
Trade accounts receivable	11,557	6,910	12,892
Inventories	7,611	18,595	12,697
Recoverable taxes	383	753	697
Deferred income and social contribution taxes	155	1,634	1,035
Related Parties	404	188	92
Other receivables	752	1,007	750
Investments			
Property, plant and equipment	12,581	12,225	12,047
Investment in subsidiaries	-	-	-
Intangible assets	9,989	9,264	9,019
TOTAL ASSETS	46,847	50,697	49,520
LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/21	09/30/22	12/31/22
CURRENT	14,825	24,212	21,296
Loans and financing	-	2,501	2,727
Trade accounts payable	1,403	3,941	4,508
Payroll and related taxes	885	1,429	760
Taxes payable	1,164	461	597
Advances from customers	6,895	11,668	7,965
Other payables	3,487	3,038	3,369
Related Parties	991	1,174	1,371
NON CURRENT	8,892	7,601	7,556
Loans and financing	5,006	3,849	3,849
Deferred income and social contribution taxes	3,886	3,752	3,707
SHAREHOLDER'S EQUITY	23,130	18,884	20,669
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	15,600	11,354	13,139
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	46,847	50,697	49,520

BW Income Statement

	(€ Mil)			(€ Mil)	
	4Q21	3Q22	4Q22	2021	2022
Net Operating Revenue	18,683	4,269	18,967	38,971	33,261
Cost of Goods Sold	(13,456)	(3,833)	(14,536)	(31,349)	(28,271)
Gross Profit	5,227	436	4,431	7,622	4,990
Gross Margin %	28.0%	10.2%	23.4%	19.6%	15.0%
Operating Expenses	(2,361)	(2,390)	(2,041)	(7,919)	(8,141)
Selling expenses	(1,219)	(819)	(874)	(3,282)	(3,132)
General and administrative expenses	(1,141)	(1,572)	(1,167)	(4,636)	(5,010)
Operating Income before Financial Results	2,867	(1,955)	2,390	(297)	(3,151)
Operating Margin %	15.3%	-45.8%	12.6%	-0.8%	-9.5%
Financial Results, Net	(81)	(98)	(125)	(277)	(398)
Operations Operating Income	2,786	(2,053)	2,265	(574)	(3,549)
Income tax and social contribution	(702)	496	(555)	275	1,056
Net income	2,084	(1,557)	1,710	(300)	(2,494)
Net Margin %	11.2%	-36.5%	9.0%	-0.8%	-7.5%
EBITDA	3,443	(1,457)	2,867	1,645	(1,181)
Net income / loss for the period	2,084	(1,557)	1,710	(300)	(2,493)
Income tax and social contribution	702	(496)	555	(275)	(1,056)
Financial income, net	81	98	125	277	398
Depreciation and amortization	576	498	477	1,942	1,969
EBITDA Margin %	18.4%	-34.1%	15.1%	4.2%	-3.6%