

3Q22 *Earnings Release*

October 25, 2022



September 30, 2022

Share price at 10/24/2022
ROMI3 - R\$16.51 per share

Market value
R\$1,331,8 million
US\$253.2 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**

October 26, 2022

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

https://us02web.zoom.us/webinar/register/WN_UQPuQVYQSzuYlQ4pvjvufA

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, September 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 third quarter of 2022 ("3Q22"). 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

EBITDA adjusted in 3Q22 was R\$82.6M (+23.6% over 3Q21);

Order backlog reaches R\$816.2M at the end of 3Q22 (+14.8% over 3Q21)

- Consolidated net operating revenue in 3Q22 reached R\$398.7 million, up 8.8% over 3Q21, reflecting the consistent increase in incoming orders observed in recent quarters.
- At the Romi Machiners Unit, net operating revenue increased by 16.9% in 3Q22 compared to 3Q21, due to the resumption of orders in the domestic and foreign markets. The increase in revenue, coupled with an effective control over operating expenses, resulted in an increase of 6.6% in operating profit compared to 3Q21;
- At the Rough and Machined Cast Iron Parts Unit, net operating revenue increased by 27.3% in 3Q22 compared to 3Q21, with the continuity of deliveries of large parts and the recovery of the other segments. Operating margin grew by 6.9 p.p., reflecting the higher production volume and improved operational efficiency;
- In 3Q22, the order backlog at the Burkhardt+Weber Unit reached R\$176.0 million, an increase of 21.6% compared to 3Q21, in euros reached €34.7 million an increase of 50.9% reflecting the gradual resumption of projects that had been suspended due to the COVID-19 pandemic;
- At the end of 3Q22, the Company's order backlog reached R\$816.2 million, an increase of 14.8% in comparison to 3Q21, with highlights to the Burkhardt+Weber Machines and Raw and Machined Cast Iron Parts business units;
- ROMI launches ESG Portal, in line with the best market practices ("see ESG section at ROMI").

R\$'000	Quarterly					Acumulated		
	3Q21 ³	2Q22	3Q22	Chg. 3Q22/2Q22	Chg. 3Q22/3Q21	9S21	9S22	Chg. 2022/2021
Revenues Volume								
Romi Machines (units)	312	294	355	20,7%	13,8%	863	905	4,9%
Burkhardt+Weber (units)	6	3	2	-33%	-67%	11	5	-54,5%
Rough and Machined Cast Iron Parts (tons)	7.819	6.519	7.294	12%	-7%	20.956	19.374	-7,6%
Net Operating Revenue	366.577	372.062	398.690	7,2%	8,8%	940.665	1.056.087	12,3%
<i>Gross margin (%)</i>	31,3%	28,2%	34,3%			32,4%	31,0%	
Operating Income (EBIT)	56.122	40.345	78.067	93,5%	39,1%	137.542	146.977	6,9%
<i>Operating margin (%)</i>	15,3%	10,8%	19,6%			14,6%	13,9%	
Operating Income (EBIT) - adjusted	56.122	40.345	68.603	70,0%	22,2%	137.542	137.513	0,0%
<i>Operating margin (%) - adjusted</i>	15,3%	10,8%	17,2%			14,6%	13,0%	
Net Income	85.850	33.000	64.920	96,7%	-24,4%	149.413	128.424	-14,0%
<i>Net margin (%)</i>	23,4%	8,9%	16,3%			15,9%	12,2%	
Net Income - adjusted	40.789	33.000	55.771	69,0%	36,7%	104.352	119.275	14,3%
<i>Net margin (%) - adjusted</i>	11,1%	8,9%	14,0%			11,1%	11,3%	
EBITDA	66.826	52.502	92.068	75,4%	37,8%	168.741	184.629	9,4%
<i>EBITDA margin (%)</i>	18,2%	14,1%	23,1%			17,9%	17,5%	
EBITDA - adjusted	66.826	52.502	82.604	57,3%	23,6%	168.741	175.165	3,8%
<i>EBITDA margin (%) - adjusted</i>	18,2%	14,1%	20,7%			17,9%	16,6%	
Investments (⁴)	25.696	34.262	42.418	23,8%	65,1%	63.414	99.775	57,3%

(*) 9M21: On March 20, 2019, the Company filed for a writ of mandamus in order to recover taxes that it believes were unduly paid in the last five years, since IRPJ (corporate income tax) and CSLL (social contribution on net income) were not levied on the amounts related to monetary adjustment and late payment interest on the refund of tax credits. This subject was submitted to the analysis of general repercussion on September 24, 2021 when, judging extraordinary appeal 1.063.187, the Supreme Federal Court (STF), by unanimous decision, ruled on the non-levy of IRPJ and CSLL on the amounts related to monetary adjustment and interest on the refund of tax credits, as transcribed below: "The levy of IRPJ and CSLL on the amounts related to the Selic rate received due to claim for refund of undue payment is unconstitutional". The effects of the acknowledgment represented the following impacts on the statements of income: (i) finance income: R\$2.1 million; and (ii) income tax and social contribution on income: R\$42.9 million.

3Q22 / 9M22: adjusted by the amounts of: (i) EBIT and EBITDA in the amount of R\$9,463; and (ii) Profit in the amount of R\$9,149, referring to the recognition of the impacts of the Vila Romi Residence project, as described in the section "Vila Romi Residence (real estate project)".

(**) Of the investments made in 3Q21, 2Q22 and 3Q22, the amounts of R\$9.4, R\$23.7 and R\$16.8 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

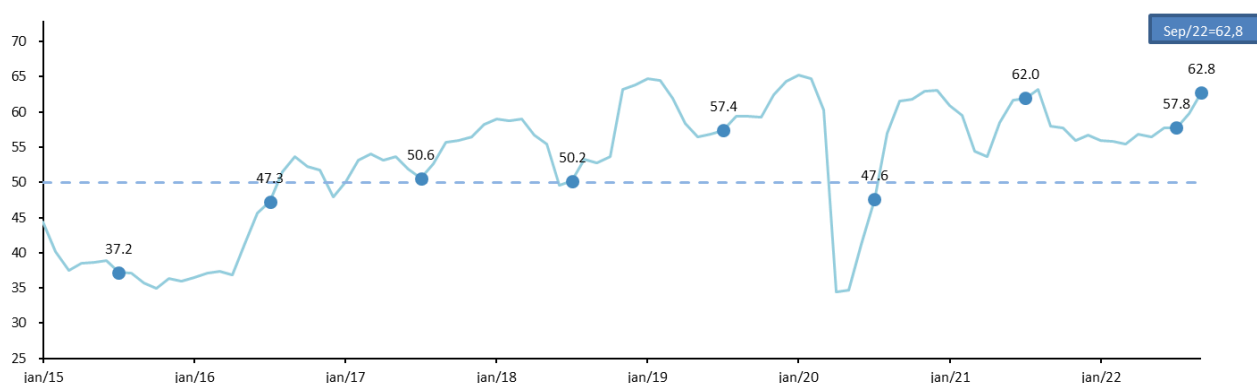
Year 2022 continued to indicate a favorable environment for investments, as we can see in the business confidence indexes and the use of installed capacity. This recovery in business volume can be noticed in all units, both in businesses in the domestic market and in exports and more recently at the Burkhardt Weber business unit. Although the current level of real interest rates and the prospects indicate its increase and the current exchange rate level represent 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 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.

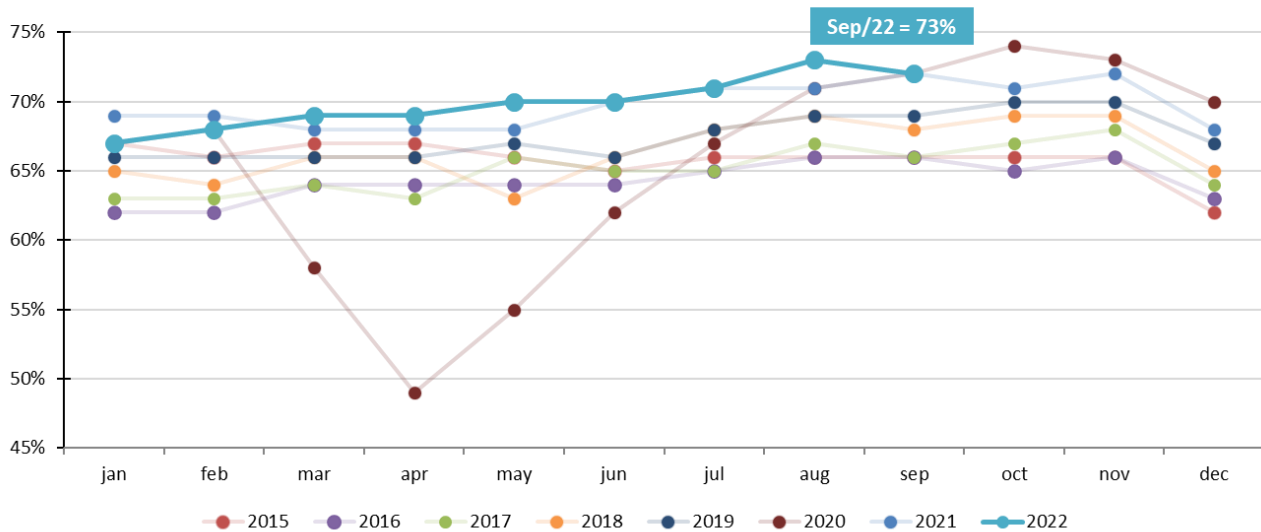
Industrial Entrepreneur Confidence Index - ICEI



Source: CNI - ICEI, September 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 June it reached the level of 73%, the highest level for that month since 2015, which continues to stimulate investments.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, September 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 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, 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	3Q21	2Q22	3Q22	Chg. 3Q22/2Q22	Chg. 3Q22/3Q21	9M21	9M22	Chg. 22/21
Romi Machines	241.335	283.333	240.161	-15,2%	-0,5%	656.008	716.219	9,2%
Burkhardt+Weber Machines	29.896	53.725	41.254	-23,2%	38,0%	110.141	136.394	23,8%
Rough and Machined Cast Iron Parts	126.711	143.276	82.207	-42,6%	-35,1%	381.622	319.416	-16,3%
Total *	397.942	480.333	363.623	-24,3%	-8,6%	1.147.771	1.172.028	2,1%

* 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 machine rental. In 3Q22, 140 new machines were leased (111 machines in 3Q21), with contracts representing approximately R\$45.0 million (R\$28.4 million in 3Q21). Since the launch of this solution in the market in June 2020, 413 machines have been leased, with contracts representing R\$93.9 million. These contracts are effective for 12 to 24 months.

The German subsidiary BW, in 3Q22, showed growth in new orders, which totaled R\$41.2 million, an increase of 38.0%, in euros this growth was of 62.5% comparison with the same period of 2021. Projects in both Asia and Europe are recovering, following the gradual recovery of the economy in these continents.

The Cast and Machined Products Unit presented a reduction of 35,1% in the entry of orders, as a result of new projects linked to wind energy, which, given the drop in energy prices, were being reviewed.

Order Backlog

Order Backlog (R\$ 000)	3Q21	2Q22	3Q22	Chg. 3Q22/2Q22	Chg. 3Q22/3Q21
Gross Values, sales taxes included					
Romi Machines	380.419	409.224	394.019	-3,7%	3,6%
Burkhardt+Weber Machines	144.727	167.937	175.982	4,8%	21,6%
Rough and Machined Cast Iron Parts	185.538	327.143	246.154	-24,8%	32,7%
Total *	710.685	904.304	816.155	-9,7%	14,8%

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

At the end of the third quarter of 2022, the order backlog grew by 14.8% compared to the same period in 2021. This growth occurred in all business units, with emphasis on the increase in the business volume of Burkhardt+Weber Machines and Rough and Machined Cast Iron Parts, in the domestic and foreign markets, which has shown an important recovery since 2021.

Operational Performance

Net Operating Revenue by Business Unit

The net operating revenue posted in 3Q22 reached R\$398.7 million, 8.8% higher than in 3Q21, especially at the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

	Quarterly					Accumulated		
Net Operating Revenue (R\$ 000)	3Q21	2Q22	3Q22	Var. 3Q22/2Q22	Var. 3Q22/3Q21	9M21	9M22	Chg. 22/21
Romi Machines	194,669	203,242	227,557	12.0%	16.9%	519,618	608,088	17.0%
Burkhardt+Weber Machines	55,064	43,033	22,333	-48.1%	-59.4%	126,239	76,595	-39.3%
Rough and Machined Cast Iron Parts	116,844	125,787	148,800	18.3%	27.3%	294,809	371,404	26.0%
Total	366,577	372,062	398,690	7.2%	8.8%	940,666	1,056,087	12.3%

Romi Machines

The net operating revenue of this Business Unit reached R\$227.6 million in 3Q22, an increase of 16.9% compared to 3Q21, reflecting the recovery in the volume of orders in the domestic and foreign markets and the significant increase in revenues with machine rental, a business launched by Romi in mid-2020.

Burkhardt + Weber Machines

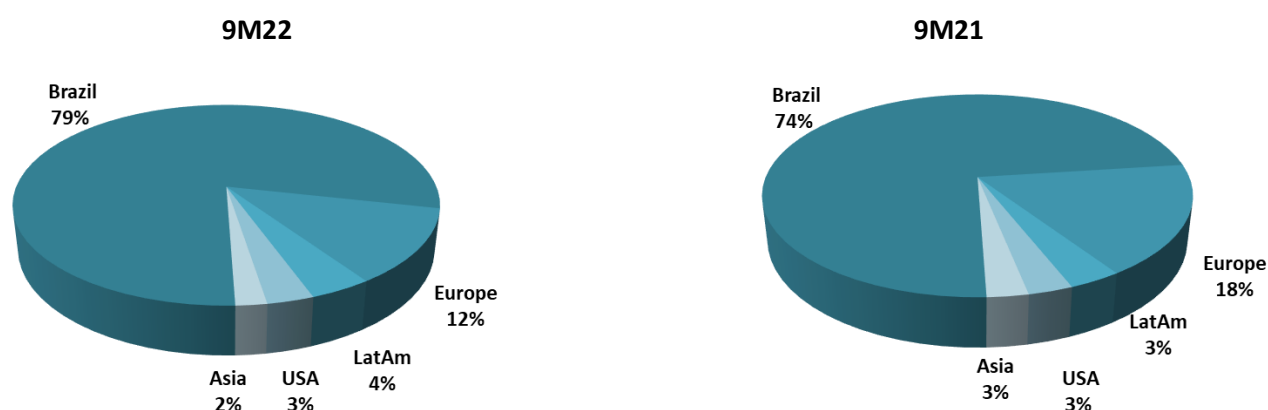
In 3Q22 the revenue of the German subsidiary BW in Reais was 59.4% lower than in 3Q21 as a result of the larger concentration of machine deliveries from the second quarter of this year.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$148.8 million in 3Q22, up 27.3% over 3Q21, 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 79% of Romi's consolidated revenue in 9M22 (73% in 9M21). 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		
	3Q21	2Q22	3Q22	Var. 3Q22/2Q22	Chg. 3Q22/3Q21	9M21	9M22	Chg. 21/20
Net Sales (R\$ million)	106.3	90.2	81.3	-9.9%	-23.5%	256.5	231.0	-9.9%
Net Sales (US\$ million)	20.3	18.2	15.9	-12.6%	-21.7%	48.5	45.8	-5.6%

Gross and Operating Margins

The gross margin obtained in 3Q22 was 34.3%, an increase of 3.0 p.p. compared to 3Q21, due to the increase in the gross margin of the Rough and Machined Cast Iron Parts Unit. The operating margin (EBIT) increased by 1.9 p.p. in the same period. The higher volume of revenues, combined with the focus on projects aimed at operating efficiency and the efficient control over operating expenses, resulted in this growth in operating margins.

	Quarterly					Accumulated		
Gross Margin	3Q21	2Q22	3Q22	Chg. p.p. 3Q22/2Q22	Chg. p.p. 3Q22/3Q21	9M21	9M22	Chg. pp 2022/2021
Romi Machines	41.8%	36.6%	41.3%	4.6	(0.5)	42.4%	39.9%	(2.4)
Burkhardt+Weber Machines	12.7%	9.4%	6.2%	(3.2)	(6.5)	11.3%	-0.9%	(12.3)
Rough and Machined Cast Iron Parts	22.6%	21.1%	28.0%	6.9	5.4	23.9%	23.0%	(0.9)
Total	31.3%	28.2%	34.3%	6.1	3.0	32.4%	31.0%	(1.4)

	Quarterly					Accumulated		
EBIT Margin - Adjusted	3Q21	2Q22	3Q22	Chg. p.p. 3Q22/2Q22	Chg. p.p. 3Q22/3Q21	9M21	9M22	Chg. pp 2022/2021
Romi Machines	23.8%	15.3%	21.7%	6.4	(2.1)	23.0%	19.3%	(3.7)
Burkhardt+Weber Machines	-11.0%	-16.2%	-50.2%	(34.1)	(39.2)	-16.6%	-44.2%	(27.6)
Rough and Machined Cast Iron Parts	13.6%	12.9%	20.4%	7.5	6.9	13.3%	14.6%	1.3
Total	15.3%	10.8%	17.2%	6.4	1.9	14.6%	13.0%	(1.6)

(*) **3Q22 / 9M22**: adjusted for the recognition of the result of the “Vila Romi Residence” project, as described in this report.

Romi Machines

The gross margin of this Business Unit in 3Q22, in view of the recovery in relation to the immediately previous quarter, returned to the best historical levels and remained stable when compared to 3Q21. The operating margin (EBIT) resulted in a reduction of -2.1 p.p. resulted from the increase in business expenses related to fair participation and logistics costs in 3Q22, when the same comparison period.

Burkhardt + Weber Machines

The gross margin and the operating margin of this business unit in 3Q22 decreased by -6.5 p.p. and -39.2 p.p., respectively, when compared to 3Q21. 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 3Q22, the gross margin of this Business Unit grew by 5.4 p.p. compared to 3Q21, and its operating margin (EBIT) grew by 6.9 p.p. in the same comparison period. This growth was due to the higher volume of revenues and production in 3Q22, reflecting the deliveries of large castings and machined parts, the recovery of the other manufacturing segments, and the projects focused on increasing productivity and operational efficiency.

EBITDA and EBITDA Margin

In 3Q22, the operating cash generation as measured by EBITDA amounted to R\$92.1 million, representing an EBITDA margin of 22.8% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	3Q21	2Q22	3Q22	Chg. 3Q22/2Q22	Chg. 3Q22/3Q21	9M21	9M22	Chg. 2022/2021
Net Income	85,850	33,000	64,920	96.7%	-24.4%	149,413	128,424	-14.0%
Income tax and social contributions	(28,159)	5,121	18,059	252.6%	-164.1%	(7,950)	30,453	-483.1%
Net Financial Income	(1,569)	2,224	(4,912)	-320.9%	213.1%	(3,921)	(11,900)	203.5%
Depreciation and amortization	10,704	12,157	14,001	15.2%	30.8%	31,199	37,652	20.7%
EBITDA	66,826	52,502	92,068	75.4%	37.8%	168,741	184,629	9.4%
EBITDA Margin	18.2%	14.1%	23.1%	63.6%	26.7%	17.9%	17.5%	-2.5%
EBITDA - Adjusted (*)	66,826	52,502	82,604	57.3%	23.6%	168,741	175,165	3.8%
EBITDA Margin - Adjusted (*)	18.2%	14.1%	20.7%	46.8%	13.7%	17.9%	16.6%	-7.5%
Total Net Operating Revenue	366,577	372,062	398,690	7.2%	8.8%	940,666	1,056,087	12.3%

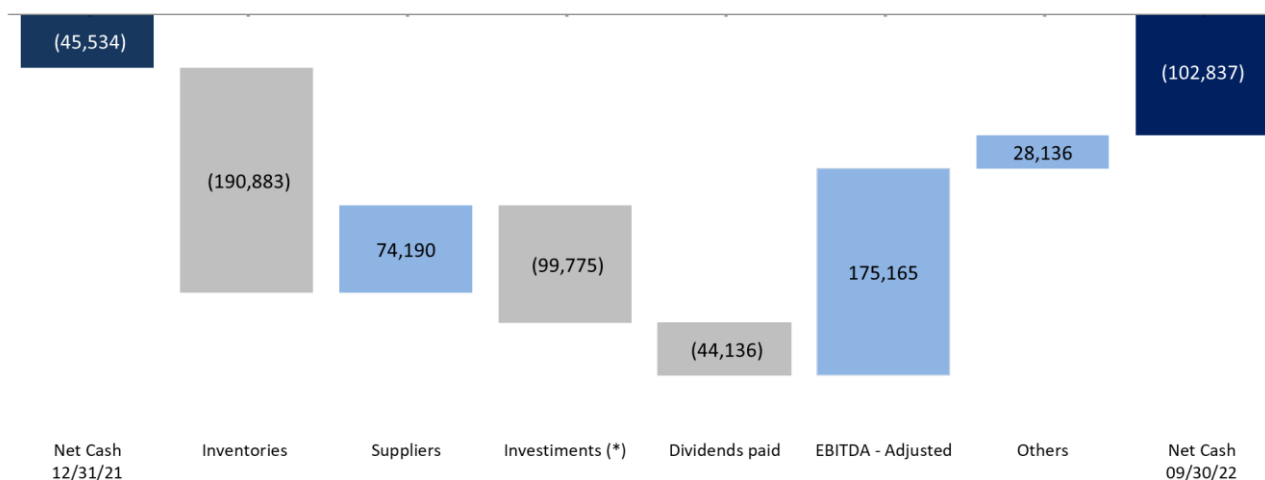
(*) **3Q22 / 9M22**: adjusted for the recognition of the result of the “Vila Romi Residence” project, as described in this report.

Adjusted Profit for the Period

The profit for 3Q22 was R\$55.8 million, an increase of 36.7% compared to the adjusted profit for 3Q21.

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 9M22, the Company's net cash position presented the following main changes:

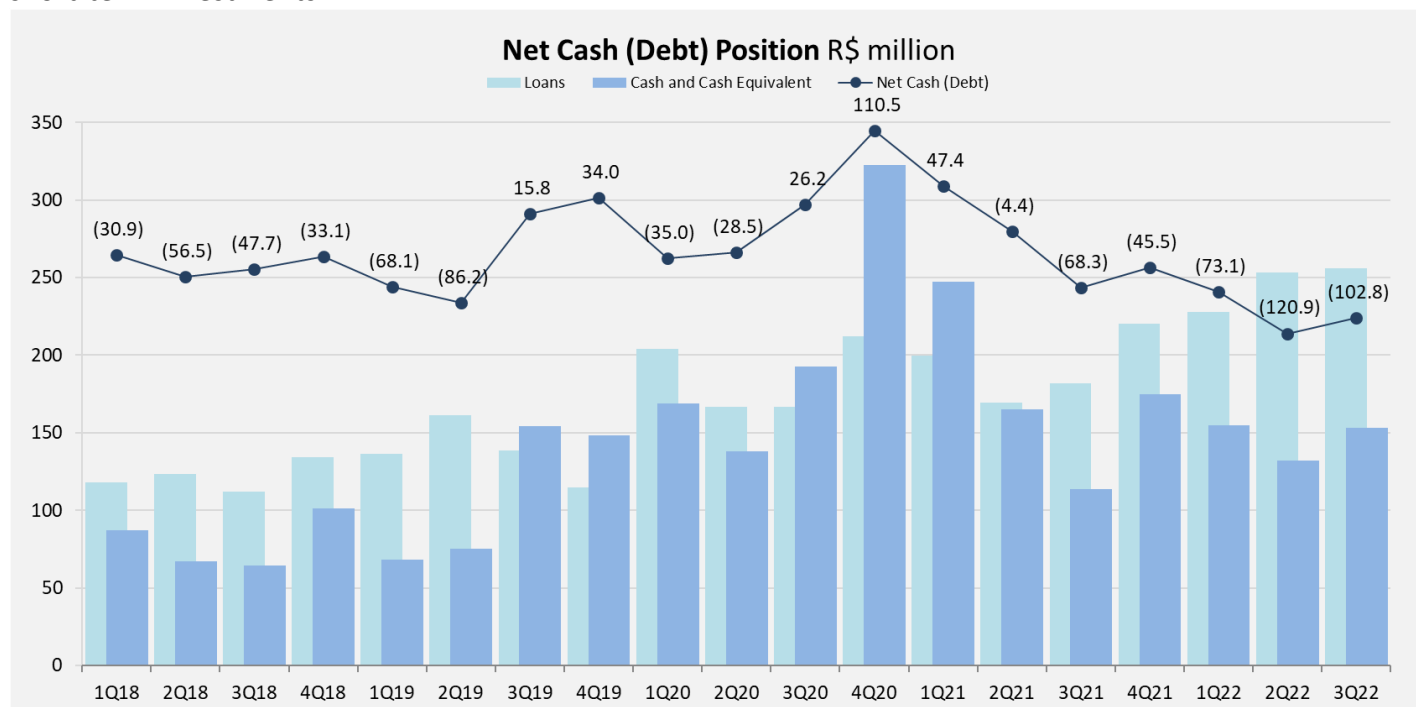
- Increase in inventories due to the growth of the order backlog, inflation aspects and the increase in the delivery time of important suppliers;
- Payment of interest on capital and interim dividends, declared in December 2021, February 2022, March 2022 and June 2022, paid up to September 30, 2022; and
- 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.

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 September 30, 2022 was negative by R\$102.8 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 September 30, 2022, the amount of financing in local currency was R\$57.8 million, and in foreign currency R\$198.0 million, totaling R\$255.8 million, of which R\$65.0 million maturing in up to 12 months.

As at September 30, 2022, the Company recorded R\$153.0 million as cash and cash equivalents and short-term investments.



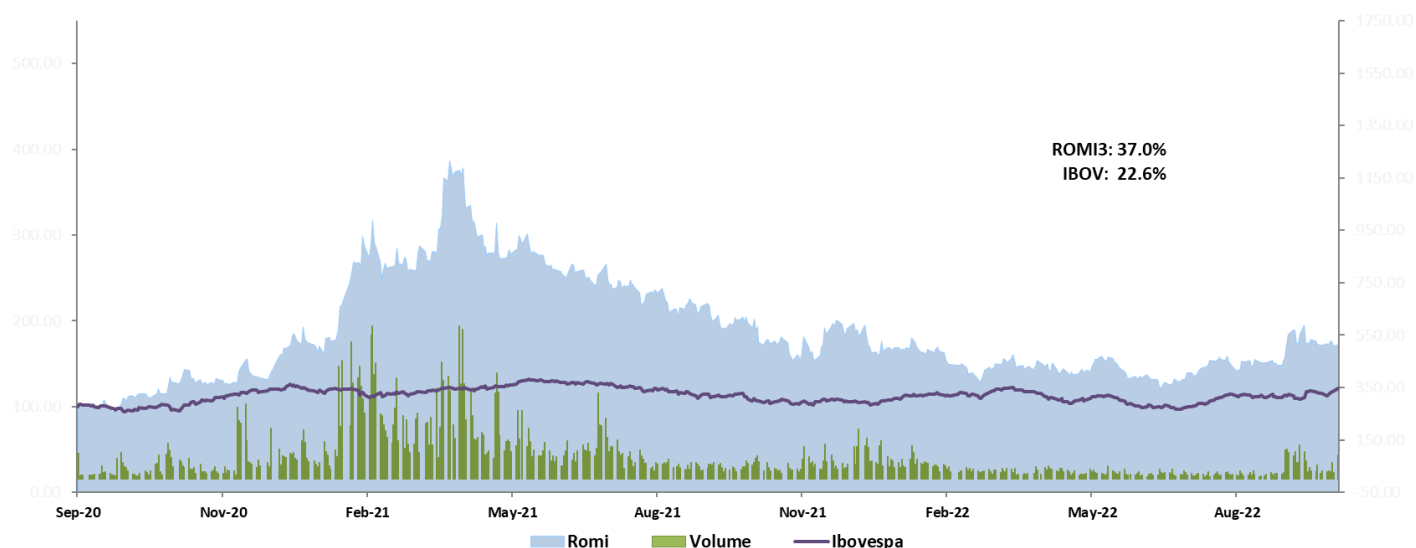
The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

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

Capital Markets

Share Performance Romi3 x Ibovespa

Period: 9/01/2020 to 10/24/2022



Source: B3

On October 24, 2022 the Company's common shares (ROMI3), which were quoted at R\$16.51, posted valuation of 37.0% since September 30, 2020 and desvaluation of 10.3% since December 31, 2021. The Bovespa Index (Ibovespa) went up by 22.6% and 10.7%, respectively, in the same periods.

The Company's market capitalization on October 24, 2022 was R\$1,331,8 million. The average daily trading volume during 3Q22 was R\$6.7 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 ranged from cash, and can be financed for up to 10 years, with 10% of the total land value being mandatory. The financing installments are monetarily adjusted by the IPC-A, 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 interim financial information, the subsidiary Rominor had received approximately R\$27.6 million (amount plus monetary adjustment and interest), of which R\$13.9 million are recorded under advances from customers, in current liabilities.

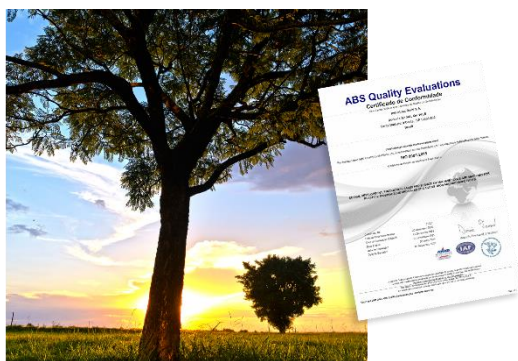
Management, based on CPC47 - Revenue from Contracts with Customers and the applicable CVM rules, adopted as a criterion for the recognition of the enterprise's revenue the *Percentage of Completion* (POC) methodology, where revenue and the respective costs are recognized in profit or loss in proportion to the percentage of completion of the infrastructure works, through measurement reports issued monthly. As at September 30, 2022, the percentage of completion of the works was 13.15% according to the aforementioned construction measurement report, which resulted in the following impacts on the quarterly information: (i) Net operating revenue: R\$10.0 million; (ii) EBIT/EBITDA: R\$9.5 million; and (iii) profit for the period: R\$9.1 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 in becoming a more inclusive company and providing equal opportunities for all, without age, gender or race discrimination.





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.

According to the CEO and Chief Executive Officer, Luiz Cassiano Rando Rosolen, the disclosure of data related to ESG and the adherence to the Business Pact for Integrity and Against Corruption of the Ethos Institute, 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)

	09/30/21	12/31/21	06/30/22	09/30/22		09/30/21	12/31/21	06/30/22	09/30/22
ASSETS					LIABILITIES AND SHAREHOLDER'S EQUITY				
CURRENT	1,137,982	1,164,282	1,229,703	1,326,286	CURRENT	574,515	576,153	633,309	714,791
Cash and Cash equivalents	63,188	99,911	89,609	109,497	Loans and financing	34,170	70,732	72,097	64,963
Financial investments	50,283	74,786	42,537	43,471	FINAME manufacturer financing	138,253	142,830	142,329	142,990
Trade accounts receivable	193,624	237,952	241,373	233,521	Trade accounts payable	156,606	129,391	175,612	203,581
Onlending of Finame manufacturer financing	147,982	152,775	152,741	152,703	Payroll and related taxes	55,593	46,062	47,513	57,833
Inventories	584,342	536,699	645,892	727,582	Taxes payables	23,225	21,246	18,616	34,163
Recoverable taxes	84,277	48,935	35,315	39,495	Advances from customers	107,083	103,997	120,290	142,422
Other receivables	14,286	13,224	22,236	20,017	Related parties	4,886	7,680	2,983	5,743
Judicial Deposits	-	-	-	-	Dividends	25,513	18,191	21,418	22,110
					Provision for contingent liabilities	1,525	1,445	2,349	2,406
					Other payables	27,661	34,579	30,102	38,580
NON CURRENT	330,486	339,204	336,552	370,365	NON CURRENT	404,876	413,406	418,701	444,656
Trade accounts receivable	24,778	20,714	19,152	31,243	Loans and financing	147,600	149,499	180,986	190,842
Onlending of Finame manufacturer financing	217,650	218,866	203,865	217,661	FINAME manufacturer financing	211,616	219,104	199,924	216,469
Recoverable taxes	49,050	70,472	73,213	74,941	Deferred income and social contribution taxes	41,490	41,361	35,399	33,908
Deferred income and social contribution taxes	21,078	10,557	21,198	26,871	Reserve for contingencies	561	347	283	281
Judicial Deposits	12,092	12,097	12,163	12,200	Other payables	3,609	3,095	2,109	3,156
Other receivables	5,838	6,498	6,961	7,449					
Investments					SHAREHOLDER'S EQUITY	919,233	963,288	971,079	1,016,966
Property, Plant and Equipment	349,784	370,348	388,875	415,522	Capital	637,756	637,756	637,756	771,454
Investment Properties	16,621	16,621	16,579	16,004	Retained earnings	189,845	233,695	262,496	178,117
Intangible assets	65,310	64,065	53,073	49,820	Cumulative translation adjustments	91,632	91,837	70,827	67,395
					NON CONTROLLING INTERESTS	1,559	1,673	1,693	1,584
					TOTAL SHAREHOLDER'S EQUITY	920,792	964,961	972,772	1,018,550
TOTAL ASSETS	1,900,183	1,954,520	2,024,782	2,177,997	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,900,183	1,954,520	2,024,782	2,177,997

Consolidated Income Statement

IFRS (R\$ thousand)

	3Q21	1Q22	2Q22	3Q22	Chg. 3Q22/2Q22	Chg. 3Q22/3Q21	9M21	9M22	Chg. 2022/2021
Net Operating Revenue	366.577	285.335	372.062	398.690	7,2%	8,8%	940.666	1.056.087	12,3%
Cost of Goods Sold	(251.945)	(199.730)	(267.095)	(261.833)	-2,0%	3,9%	(635.745)	(728.658)	14,6%
Gross Profit	114.632	85.605	104.967	136.857	30,4%	19,4%	304.921	327.429	7,4%
Gross Margin %	31,3%	30,0%	28,2%	34,3%			32,4%	31,0%	
Operating revenues (expenses)	(58.510)	(57.040)	(64.622)	(58.790)	-9,0%	0,5%	(167.379)	(180.452)	7,8%
Selling expenses	(26.943)	(25.587)	(32.414)	(34.181)	5,5%	26,9%	(77.259)	(92.182)	19,3%
Research and development expenses	(7.001)	(6.924)	(7.745)	(7.441)	-3,9%	6,3%	(20.168)	(22.110)	9,6%
General and administrative expenses	(21.904)	(22.117)	(21.549)	(22.791)	5,8%	4,0%	(63.549)	(66.457)	4,6%
Management profit sharing and compensation	(3.938)	(3.438)	(3.540)	(4.842)	36,8%	23,0%	(11.088)	(11.820)	6,6%
Other operating income, net	1.276	1.026	626	10.465	1571,7%	720,1%	4.685	12.117	158,6%
Operating Income (loss) before Financial Results	56.122	28.565	40.345	78.067	93,5%	39,1%	137.542	146.977	6,9%
Operating Margin %	15,3%	10,0%	10,8%	19,6%			14,6%	13,9%	
Operating Income (loss) before Financial Results - Adjusted (*)	56.122	28.565	40.345	68.603	70,0%	22,2%	137.542	137.513	0,0%
Operating Margin % - Adjusted (*)	15,3%	10,0%	10,8%	17,2%			14,6%	13,0%	
Financial Results, Net	1.569	9.212	(2.224)	4.912	-320,9%	213,1%	3.921	11.900	203,5%
Financial income	4.869	3.640	3.842	6.007	56,4%	23,4%	9.624	13.489	40,2%
Financial expenses	(3.224)	(2.841)	(3.983)	(3.459)	-13,2%	7,3%	(10.323)	(10.283)	-0,4%
Exchange gain (loss), net	(76)	8.413	(2.083)	2.364	-213,5%	-3210,5%	4.620	8.694	88,2%
Operations Operating Income	57.691	37.777	38.121	82.979	117,7%	43,8%	141.463	158.877	12,3%
Income tax and social contribution	28.159	(7.273)	(5.121)	(18.059)	252,6%	-164,1%	7.950	(30.453)	-483,1%
Income (loss) for Continued Operation	85.850	30.504	33.000	64.920	96,7%	-24,4%	149.413	128.424	-14,0%
Net Margin %	23,4%	10,7%	8,9%	16,3%			15,9%	12,2%	
Net income - Adjusted (*)	40.789	30.504	33.000	55.771	69,0%	36,7%	104.352	119.275	14,3%
Net Margin %	11,1%	10,7%	8,9%	14,0%			11,1%	11,3%	
Net profit (loss) concerning:									
Controlling interests	85.747	30.388	32.880	64.792	97,1%	-24,4%	149.153	128.061	-14,1%
Non controlling interests	103	116	120	128	6,7%	24,3%	260	364	40,0%
EBITDA	66.826	40.059	52.502	92.068	75,4%	37,8%	168.741	184.629	9,4%
Profit (loss) for the period	85.850	30.504	33.000	64.920	96,7%	-24,4%	149.413	128.424	-14,0%
Income tax and social contribution	(28.159)	7.273	5.121	18.059	252,6%	-164,1%	(7.950)	30.453	-483,1%
Financial result, net	(1.569)	(9.212)	2.224	(4.912)	-320,9%	213,1%	(3.921)	(11.900)	203,5%
Depreciation and amortization	10.704	11.494	12.157	14.001	15,2%	30,8%	31.199	39.220	25,7%
EBITDA Margin %	18,2%	14,0%	14,1%	23,1%			17,9%	17,5%	
EBITDA - Adjusted (*)	66.826	40.059	52.502	82.604	57,3%	23,6%	168.741	175.165	3,8%
EBITDA Margin % - Adjusted (*)	18,2%	14,0%	14,1%	20,7%			17,9%	16,6%	
Nº of shares in capital stock (th)	73.334	73.334	73.334	73.603			73.334	73.603	
Profit (loss) per share - R\$	1,17	0,41	0,45	0,88			2,03	1,74	-14,5%

(*) 9M21: adjusted for the impacts of the lawsuit referring to the non-levy of IRPJ and CSLL on the amounts related to monetary adjustment and interest on late payment in the refund and reimbursement of tax credits.

3Q22 / 9M22: adjusted by the recognition of revenue from the "Vila Romi Residence" project.

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	3Q21	2Q22	3Q22	9M21	9M22
Cash from operating activities					
Net Income before taxation	57,691	38,121	82,979	141,463	158,877
Financial expenses and exchange gain	4,718	34,577	(19,466)	(5,295)	2,208
Depreciation and amortization	12,040	12,768	14,001	32,535	39,220
Allowance for doubtful accounts and other receivables	(511)	523	(481)	(1,235)	(1,143)
Proceeds from sale of fixed assets and intangibles	(249)	(350)	(4,287)	(744)	(5,804)
Provision for inventory realization	230	-	259	(3,986)	(2,989)
Reserve for contingencies	324	126	55	135	895
Trade accounts receivable	(12,661)	(46,727)	(10,982)	(10,055)	(34,799)
Onlending of Finame manufacturer financing	(9,326)	6,340	(12,579)	(30,103)	2,211
Inventories	(72,147)	(70,236)	(81,791)	(220,584)	(187,892)
Recoverable taxes, net	6,759	(835)	(11,581)	(8,086)	(11,343)
Judicial deposits	(10,116)	(55)	(37)	(10,208)	(103)
Other receivables	4,016	(2,234)	12,529	3,327	6,254
Trade accounts payable	4,795	32,926	30,488	62,634	84,462
Payroll and related taxes	10,269	9,269	10,320	19,430	11,771
Taxes payable	(8,104)	(3,412)	(3,127)	(26,482)	(23,551)
Advances from customers	5,108	15,913	22,132	36,621	38,425
Other payables	4,892	5,149	2,700	(7,150)	(7,428)
Cash provided by (used in) operating activities	(2,272)	31,863	31,132	(27,783)	69,271
Income tax and social contribution paid	(41)	(324)	(875)	(332)	(1,436)
Net Cash provided by (used in) operating activities	(2,313)	31,539	30,257	(28,115)	67,835
Financial Investments	3,974	23,249	(934)	76,883	31,315
Purchase of fixed assets	(14,223)	(35,032)	(33,444)	(56,803)	(101,863)
Sales of fixed assets	802	1,748	5,294	2,111	9,335
Purchase of intangible assets	(347)	(18)	-	(570)	(120)
Net cash Used in Investing Activities	(9,794)	(10,053)	(29,084)	21,621	(61,333)
Interest on capital paid	(36,472)	(12,714)	(15,017)	(112,108)	(46,276)
New loans and financing	22,105	(5,973)	39,420	79,637	86,065
Payments of loans and financing	(18,043)	(149)	(2,896)	(108,253)	(21,304)
Interests paid (including Finame manufacturer financing)	(12,778)	(10,635)	(16,880)	(31,686)	(39,478)
New loans in Finame manufacturer	58,414	40,697	64,225	158,388	140,520
Payment of Finame manufacturer financing	(39,183)	(40,932)	(39,474)	(109,585)	(118,031)
Net Cash provided by (used in) Financing Activities	(25,957)	(29,706)	29,378	(123,607)	1,496
Increase (decrease) in cash and cash equivalents	(38,064)	(8,220)	30,551	(130,101)	7,998
Exchange variation changes on cash and cash equivalents abroad	(9,424)	8,797	(10,663)	(2,129)	1,588
Cash and cash equivalents - beginning of period	110,676	89,032	89,609	195,418	99,911
Cash and cash equivalents - end of period	63,188	89,609	109,497	63,188	109,497

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 3Q22

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	227.557	22.333	148.800	398.690
Cost of Sales and Services	(96.455)	(31.421)	(133.957)	(261.833)
Business Units Transfers	372	10.464	27.141	37.976
Business Units Transfers	(37.605)	-	(372)	(37.976)
Gross Profit	93.869	1.376	41.612	136.857
Gross Margin %	41,3%	6,2%	28,0%	34,3%
Operating Expenses	(44.461)	(12.590)	(11.202)	(68.253)
Selling	(28.098)	(4.313)	(1.770)	(34.181)
General and Administrative	(9.369)	(8.277)	(5.145)	(22.791)
Research and Development	(5.466)	-	(1.975)	(7.441)
Management profit sharing	(2.531)	-	(2.312)	(4.842)
Other operating revenue	1.002	-	-	1.002
Operating Income (loss) before Financial Results	49.408	(11.214)	30.411	68.604
Operating Margin %	21,7%	-50,2%	20,4%	17,2%
Depreciation and amortization	6.676	3.625	3.700	14.001
EBITDA	56.083	(7.589)	34.110	82.604
EBITDA Margin %	24,6%	-34,0%	22,9%	20,7%
EBITDA - Adjusted (*)	65.547	(7.589)	34.110	92.068
EBITDA Margin % - Adjusted (*)	28,8%	-34,0%	22,9%	23,1%

Income Statement by Business Units - 3Q21

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	194.669	55.064	116.844	366.577
Cost of Sales and Services	(93.713)	(48.087)	(110.145)	(251.945)
Business Units Transfers	287	-	19.957	20.244
Business Units Transfers	(19.957)	-	(287)	(20.244)
Gross Profit	81.286	6.977	26.369	114.632
Gross Margin %	41,8%	12,7%	22,6%	31,3%
Operating Expenses	(34.957)	(13.048)	(10.505)	(58.510)
Selling	(19.509)	(5.300)	(2.134)	(26.943)
General and Administrative	(8.940)	(7.748)	(4.564)	(21.252)
Research and Development	(4.986)	-	(2.015)	(7.001)
Management profit sharing	(2.146)	-	(1.792)	(3.938)
Other operating revenue	624	-	-	624
Operating Income (loss) before Financial Results	46.329	(6.071)	15.864	56.122
Operating Margin %	23,8%	-11,0%	13,6%	15,3%
Depreciation and amortization	5.466	2.269	2.969	10.704
EBITDA	51.795	(3.802)	18.833	66.825
EBITDA Margin %	26,6%	-6,9%	16,1%	18,2%

Income Statement by Business Units - 9M22

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	608.088	76.595	371.404	1.056.087
Cost of Sales and Services	(290.054)	(87.783)	(350.821)	(728.658)
Business Units Transfers	775	10.464	65.627	76.866
Business Units Transfers	(76.091)	-	(775)	(76.866)
Gross Profit	242.717	(724)	85.436	327.429
Gross Margin %	39,9%	-0,9%	23,0%	31,0%
Operating Expenses	(125.591)	(33.111)	(31.214)	(189.916)
Selling	(75.390)	(12.167)	(4.625)	(92.182)
General and Administrative	(30.292)	(20.944)	(15.221)	(66.457)
Research and Development	(16.310)	-	(5.800)	(22.110)
Management profit sharing	(6.253)	-	(5.568)	(11.821)
Other operating revenue	2.654	-	-	2.654
Operating Income before Financial Results	117.127	(33.835)	54.222	137.513
Operating Margin %	19,3%	-44,2%	14,6%	13,0%
Depreciation and amortization	18.080	9.134	10.438	37.652
EBITDA - Adjusted (*)	135.206	(24.701)	64.660	175.165
EBITDA Margin % - Adjusted (*)	22,2%	-32,2%	17,4%	16,6%
EBITDA	144.670	(24.701)	64.660	184.629
EBITDA Margin %	23,8%	-32,2%	17,4%	17,5%

Income Statement by Business Units - 9M21

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	519.618	126.239	294.808	940.665
Cost of Sales and Services	(251.419)	(111.967)	(272.359)	(635.745)
Business Units Transfers	954	-	49.024	49.978
Business Units Transfers	(49.024)	-	(954)	(49.978)
Gross Profit	220.129	14.272	70.519	304.920
Gross Margin %	42,4%	11,3%	23,9%	32,4%
Operating Expenses	(100.820)	(35.177)	(31.381)	(167.378)
Selling	(57.749)	(12.962)	(6.548)	(77.259)
General and Administrative	(25.189)	(24.076)	(13.632)	(62.897)
Research and Development	(14.567)	-	(5.601)	(20.168)
Management profit sharing	(5.488)	-	(5.600)	(11.088)
Other operating revenue	2.173	1.861	-	4.034
Operating Income before Financial Results	119.309	(20.905)	39.138	137.542
Operating Margin %	23,0%	-16,6%	13,3%	14,6%
Operating loss before Financial Results - Adjusted (*)	119.309	(20.905)	39.138	137.542
Operating Margin % - Adjusted (*)	23,0%	-16,6%	13,3%	14,6%
Depreciation and amortization	14.032	8.373	8.795	31.200
EBITDA	133.341	(12.532)	47.933	168.742
EBITDA Margin %	25,7%	-9,9%	16,3%	17,9%
EBITDA - Adjusted (*)	133.341	(12.532)	47.933	168.742
EBITDA Margin % - Adjusted (*)	25,7%	-9,9%	16,3%	17,9%

Attachment II - Financial Statements of BW

Balance Sheet BW

	(€ Mil)			
ASSETS	09/30/21	12/31/21	06/30/22	09/30/22
CURRENT	24,693	24,277	24,989	29,208
Cash and Cash equivalents	916	3,415	511	121
Trade accounts receivable	6,177	11,557	6,600	6,910
Inventories	15,194	7,611	14,529	18,595
Recoverable taxes	793	383	876	753
Deferred income and social contribution taxes	902	155	1,179	1,634
Related Parties	50	404	178	188
Other receivables	661	752	1,116	1,007
Investments				
Property, plant and equipment	12,638	12,581	12,277	12,225
Investment in subsidiaries	-	-	-	-
Intangible assets	10,209	9,989	9,516	9,264
TOTAL ASSETS	47,540	46,847	46,782	50,697
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/21	12/31/21	06/30/22	09/30/22
CURRENT	17,364	14,825	18,889	24,212
Loans and financing	-	-	991	2,501
Trade accounts payable	3,697	1,403	3,405	3,941
Payroll and related taxes	1,526	885	1,508	1,429
Taxes payable	420	1,164	221	461
Advances from customers	8,366	6,895	8,761	11,668
Other payables	2,878	3,487	3,132	3,038
Related Parties	477	991	871	1,174
NON CURRENT	9,020	8,892	7,646	7,601
Loans and financing	5,089	5,006	3,849	3,849
Deferred income and social contribution taxes	3,931	3,886	3,797	3,752
SHAREHOLDER'S EQUITY	21,156	23,130	20,248	18,884
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	13,626	15,600	12,718	11,354
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	47,540	46,847	46,782	50,697

BW Income Statement

	(€ Mil)			(€ Mil)	
	3Q21	2Q22	3Q22	9M21	9M22
Net Operating Revenue	8,899	8,100	4,269	20,288	14,294
Cost of Goods Sold	(7,779)	(7,175)	(3,833)	(17,893)	(13,735)
Gross Profit	1,120	925	436	2,395	559
Gross Margin %	12.6%	11.4%	10.2%	11.8%	3.9%
Operating Expenses	(2,114)	(2,085)	(2,390)	(5,558)	(6,100)
Selling expenses	(857)	(960)	(819)	(2,063)	(2,257)
General and administrative expenses	(1,257)	(1,125)	(1,572)	(3,495)	(3,843)
Operating Income before Financial Results	(994)	(1,160)	(1,955)	(3,164)	(5,541)
Operating Margin %	-11.2%	-14.3%	-45.8%	-15.6%	-38.8%
Financial Results, Net	(104)	(94)	(98)	(196)	(273)
Operations Operating Income	(1,098)	(1,254)	(2,053)	(3,360)	(5,814)
Income tax and social contribution	276	390	496	977	1,610
Net income	(823)	(863)	(1,557)	(2,384)	(4,204)
Net Margin %	-9.2%	-10.7%	-36.5%	-11.8%	-29.4%
EBITDA	(568)	(665)	(1,457)	(1,798)	(4,049)
Net income / loss for the period	(823)	(863)	(1,557)	(2,384)	(4,204)
Income tax and social contribution	(276)	(390)	(496)	(977)	(1,610)
Financial income, net	104	94	98	196	273
Depreciation and amortization	426	495	498	1,366	1,492
EBITDA Margin %	-6.4%	-8.2%	-34.1%	-8.9%	-28.3%