

2Q23 Earnings Release

July 18, 2023



June 30, 2023

Share price at 7/17/2023
ROMI3 - R\$15.62 per share

Market value
R\$ 1.386.0 million
US\$ 288,3 million

Number of shares
Common: 88,734,045
Total: 88,734,045

Free float = 50.8%

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

July 19, 2023

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

https://us02web.zoom.us/webinar/register/WN_sciE_nDBT-6lyMPsG_DASA

Webinar ID: 895 4703 2083

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

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

Santa Bárbara d'Oeste - São Paulo, June 30, 2023

ROMI S.A. ("ROMI" or "Company") (B3: 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 2023 ("2Q23"). 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

Fábio B. Taiar

Investor Relations Officer
+55 (19) 3455-9418
dri@romi.com

Highlights

Adjusted EBITDA in 2Q23 was R\$ R\$41,2 M with margin of 13.4%

- The gross margin in 2Q23 increased by 1.5 p.p. compared to the same period of 2022, driven by the performance of the ROMI Machines and B+W Machines Business Units.
- The gross and adjusted operating margin of the ROMI Machines Unit in 2Q23 grew by 1.0 p.p. and 0.8 p.p. compared to the same period of 2022, with the growth of the machine rental business;
- The B+W Machines Unit in 2Q23 posted a significant increase in operating margins, reflecting gains in operational efficiency and the increase in revenues from services provided, spare parts, and sale of machines.

R\$'000	Quarterly					Acumulated		
	2Q22	1Q23	2Q23	Chg.	Chg.	1H22	1H23	Var 2023/2022
Revenues Volume								
ROMI Machines (units)	294	205	272	32,7%	-7,5%	550	477	-13,3%
Burkhardt+Weber (units)	3	0	2	-	-33,3%	3	2	-33,3%
Rough and Machined Cast Iron Parts (tons)	6.519	4.232	3.542	-16,3%	-45,7%	12.080	7.774	-35,6%
Net Operating Revenue	372.062	259.155	308.636	19,1%	-17,0%	657.397	567.791	-13,6%
Gross margin (%)	28,2%	33,1%	29,7%			29,0%	31,2%	0,0%
Operating Income (EBIT)	40.345	37.045	33.561	-9,4%	-16,8%	68.910	70.606	2,5%
Operating margin (%)	10,8%	14,3%	10,9%			10,5%	12,4%	0,0%
Operating Income (EBIT) - adjusted (*)	40.345	30.767	26.755	-13,0%	-33,7%	68.910	57.522	-16,5%
Operating margin (%) - adjusted (*)	10,8%	11,9%	8,7%			10,5%	10,1%	0,0%
Net Income	33.000	36.130	32.625	-9,7%	-1,1%	63.504	68.755	8,3%
Net margin (%)	8,9%	13,9%	10,6%			9,7%	12,1%	0,0%
Net Income - adjusted (*)	33.000	30.052	26.036	-13,4%	-21,1%	63.504	56.088	-11,7%
Net margin (%) - adjusted (*)	8,9%	11,6%	8,4%			9,7%	9,9%	0,0%
EBITDA	52.502	51.671	48.038	-7,0%	-8,5%	92.561	99.709	7,7%
EBITDA margin (%)	14,1%	19,9%	15,6%			14,1%	17,6%	0,0%
EBITDA - adjusted (*)	52.502	45.393	41.232	-9,2%	-21,5%	92.561	86.625	-6,4%
EBITDA margin (%) - adjusted	14,1%	17,5%	13,4%			14,1%	15,3%	0,0%
Investments (**)	34.262	21.420	32.805	53,1%	-4,3%	57.357	54.225	-5,5%

(*) 1Q23 and 2Q23: EBIT and EBITDA are adjusted by the amounts of R\$6,278 and R\$6,806, respectively; and Profit by the amounts of R\$6,078 and R\$ 6,589, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project.

1H23: EBIT and EBITDA are adjusted by the amount of R\$13,084; and Profit by the amount of R\$12,667, referring to the recognition of the impacts of the Vila Romi Residence project.

(**) Of the investments made in 1Q23 and 2Q23, the amounts of R\$8.4 million and R\$22,947 million, respectively, refer to machines manufactured by the Company that were allocated to the machinery rental business. In the first half of 2022 and 2023, R\$36,892 million and R\$31,558 were invested, respectively.

Corporate Profile



Founded in 1930, ROMI is a renowned company operating in the Brazilian industrial machinery and equipment market. Over the years, it has emerged as a key manufacturer of rough and machined cast iron parts, establishing itself as a key player in the industry. Notably, ROMI is publicly listed on the B3 exchange's prestigious "New Market" segment, which is dedicated to companies with a strong commitment to corporate governance.

Specializing in an extensive range of machine tools, ROMI manufactures Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes, and Drilling Mills. Additionally, ROMI manufactures Plastic Injection and Blow Molding Machines, as well as ductile or CDI gray cast iron parts, both raw and machined.

A distinguishing feature of ROMI's products and services lies in its incorporation of Industry 4.0 technologies across its products and services. These advanced capabilities facilitate the intelligent utilization of data generated by ROMI equipment. The data can be processed internally through built-in artificial intelligence or transmitted via networks (connectivity) to a central analysis site.

These high-quality equipment and solutions are globally distributed and widely adopted across various industrial sectors. Industries such as agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive, and wind energy rely on ROMI's machinery for their operations.

ROMI operates a network of thirteen manufacturing units. These units encompass four facilities dedicated to the final assembly of industrial machinery, two foundries, four units for machining mechanical

components, two units for manufacturing steel sheet components, and one unit for the assembly of electronic panels. While eleven units are based in Brazil, two are located in Germany. The Company's production capacity amounts to approximately 2,900 industrial machines and 50,000 metric tons of castings per year.

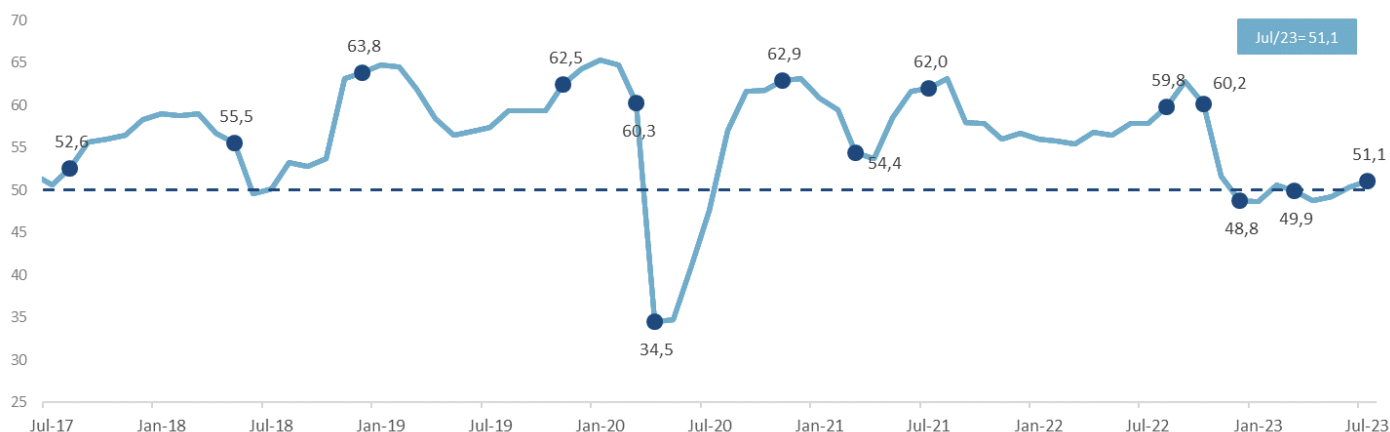
Benefiting from its extensive history, diverse product portfolio, and global presence, ROMI has established itself as a trusted leader in the Brazilian industrial machinery and equipment market. The company's unwavering commitment to innovation, quality, and customer satisfaction sets it apart, ensuring continued success and a strong market position.

Current Economic Scenario

Although the year 2023 continues to indicate an unstable environment for investments, both in the domestic and international markets, we can observe a positive trend in the domestic market. The business confidence index shows a gradual recovery, as does the utilization of installed capacity.

In June and July, we observed a gradual recovery in the Industrial Entrepreneur Confidence Index (ICEI), reaching a level of 51.1. However, the world scenario of high inflation and interest rates presents a more challenging environment for making investments, mainly in the foreign market.

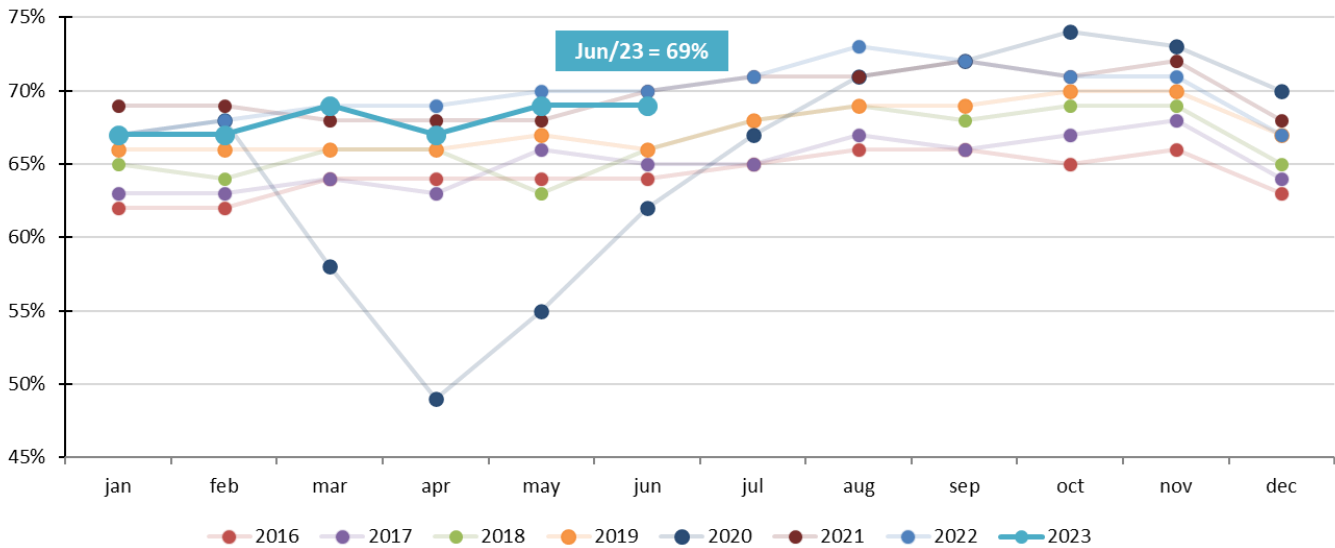
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI-ICEI, July 2023

The Installed Capacity Utilization (UCI) index for the domestic industry in general, released by the National Confederation of Industry (CNI), remained stable in the first half of 2023, and in June it reached the level of 69%, showing that industrial activity continues to operate at normal levels.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, July 2023

The past few years have been characterized by a volatile business environment marked by uncertainty. These conditions have presented significant obstacles in effectively managing production volumes. As a response, the Company has implemented a series of strategic measures to optimize its operational structure, enhance planning and manufacturing processes, and improve its ability to swiftly adapt to fluctuations in demand.

The Company has strategically prioritized the development of new product generations aligned with the technological advancements of Industry 4.0. This strategic focus has yielded significant advancements in technological content, resulting in a successful market reception of our recent product launches, both domestically and internationally. Looking ahead, ROMI remains committed in launching new machine generations and integrating cutting-edge technologies into our product portfolio, ensuring our continued relevance and competitiveness in the industry.

Furthermore, we have expanded our international presence and introduced innovative customer solutions, including machine leasing and financial support, facilitated through the establishment of a fintech division. These strategic initiatives continue to solidify our position and instill a strong sense of confidence in our ability to seize opportunities, both domestically and internationally.

Market

The Company holds a prominent position in the market, driven by its notable competitive advantages. Ongoing investments in cutting-edge product development and innovative solutions, alongside an extensive nationwide distribution network, contribute to its market leadership. The Company's unwavering commitment to customer satisfaction is exemplified by the provision of a dedicated in-house technical assistance service, machine rental options, attractive customer credit packages in local currency, and efficient product delivery. As a result, the ROMI brand enjoys a long-standing reputation for excellence and prestige, as recognized and valued by its discerning customers.

Incoming Orders

Order Entry (R\$ 000)	2Q22	1Q23	2Q23	Chg. 2Q23/1Q23	Chg. 2Q23/2Q22	1H22	1H23	Chg. 23/22
Gross Values, sales taxes included								
ROMI Machines	283.333	199.713	212.684	6,5%	-24,9%	476.058	412.397	-13,4%
Burkhardt+Weber Machines	53.725	-	47.635	0,0%	-11,3%	95.140	47.635	-49,9%
Rough and Machined Cast Iron Parts	143.276	60.676	21.379	-64,8%	-85,1%	237.209	82.055	-65,4%
Total *	480.333	260.389	281.698	8,2%	-41,4%	808.406	542.087	-32,9%

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

At the end of the first half of 2023, we could see a gradual recovery of industrial entrepreneur confidence, as well as the installed capacity utilization remaining at normal levels, which demonstrates that the domestic market has good prospects for normalization throughout the second half the year.

In the foreign market, the current levels of inflation and the perspective of rising interest rates are affecting investment prospects. As a result of this moment in the domestic and foreign markets, at the ROMI Machines Unit, incoming orders in 2Q23 showed a 24.9% drop in comparison with the same period in 2022, due to orders from the domestic market and the consolidation of the machine rental business.

As previously 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 the second quarter of 2023, 58 new machines have been rented, or 72 new contracts (54 machines in the second quarter of 2022, or 72 new contracts), whose contracts represent approximately R\$20.9 million (R\$21.9 million in the second quarter of 2022). Since the date this solution was launched to the market, in June 2020, 536 machines have been rented, or 649 contracts, representing R\$171.1 million. Such contracts are valid for 12 to 24 months.

In 2Q23, the German subsidiary B+W has received significant new orders, leading to a substantial increase in Order Entry. These new orders are expected to materialize throughout the year 2024.

The Cast and Machined Cast Iron Parts Unit had a significant reduction of 85.1% in incoming orders, primarily due to a decrease in new projects related to the wind power sector. This is largely due to the impact of declining electricity prices, which has prompted a review or postponement of certain projects. However, it's important to note that the other segments served by this unit are maintaining order levels comparable to those of 2022.

Order Backlog

Order Backlog (R\$ 000) Gross Values, sales taxes included	2Q22	1Q23	2Q23	Chg. 2Q23/1Q23	Chg. 2Q23/2Q22
ROMI Machines	409.224	263.208	271.745	3,2%	-33,6%
Burkhardt+Weber Machines	167.937	188.043	199.688	6,2%	18,9%
Rough and Machined Cast Iron Parts	327.143	118.609	62.966	-46,9%	-80,8%
Total *	904.304	569.861	534.400	-6,2%	-40,9%

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

At the end of the second quarter of 2023, the order backlog dropped by 40.90% compared to the same period in 2022. However, when compared to 1Q23, the Burkhardt-Weber Machinery Unit showed an important recovery in order entry in 2Q23, presenting an increase, in reais, of 18.9% when compared to 2Q22 (growth of 20.5%, in Euros).

Operational Performance

Net Operating Revenue by Business Unit

The net operating revenue posted in 2Q23 reached R\$308.6 million, a 17.0% decrease in comparison with 2Q22, especially as a consequence of lower sales at the Rough and Machined Cast Iron Parts Business Units, reflecting the slowdown in wind energy projects.

Net Operating Revenue (R\$ 000)	Quarterly					Accumulated		
	2Q22	1Q23	2Q23	Var. 2Q23/1Q23	Var. 2Q23/2Q22	1H22	1H23	Chg. 23/22
ROMI Machines	203,242	165,242	202,947	22.8%	-0.1%	380,531	368,189	-3.2%
Burkhardt+Weber Machines	43,033	15,623	45,900	193.8%	6.7%	54,262	61,523	13.4%
Rough and Machined Cast Iron Parts	125,787	78,290	59,789	-23.6%	-52.5%	222,604	138,079	-38.0%
Total	372,062	259,155	308,636	19.1%	-17.0%	657,397	567,791	-13.6%

ROMI MACHINES

This Business Unit's net operating revenue reached R\$202.9 million in 2Q23, a stable amount compared to 2Q22. Although there was a reduction in export volumes, the growth in revenues from machine rental allowed for the maintenance of revenue volumes in 2023.

BURKHARDT + WEBER MACHINES

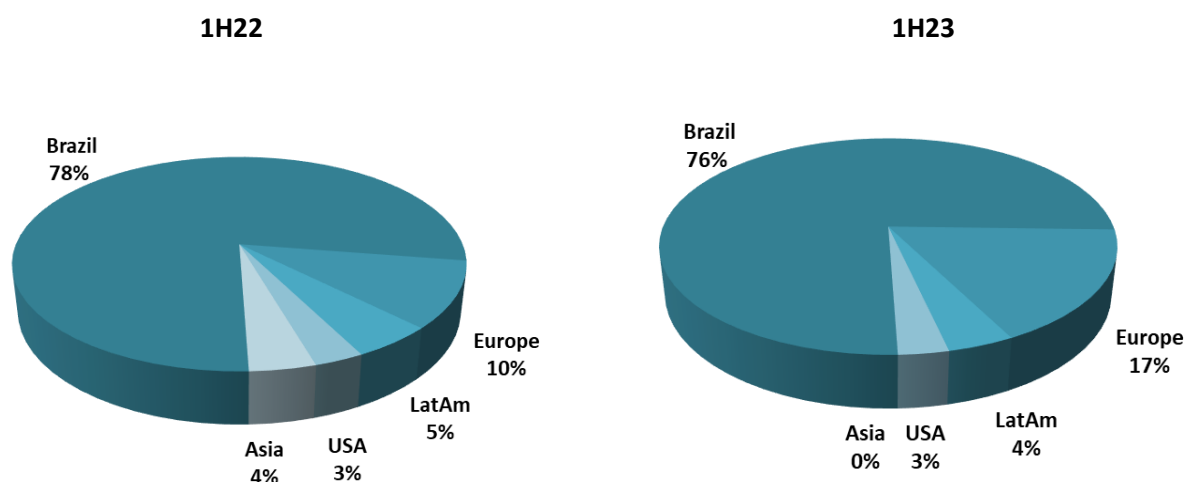
The revenue of German subsidiary BW, in Reais, reached a total of R\$45.9 million in 2Q23, a volume 6.7% higher when compared to 2Q22, reflecting the increase in revenues from technical assistance service, spare parts and sale of machines.

ROUGH AND MACHINED CAST IRON PARTS

The net operating revenue of this Business Unit was R\$59.8 million in 2Q23, which represents a volume 23.6% lower compared to 1Q23, due to the already mentioned reduction in the business related to large rough and machined cast iron parts for the wind energy sector.

Net Operating Revenue per Geographical Region

During the first half of 2023, the domestic market constituted 76% of Romi's consolidated revenue, showing a slight decrease from 78% recorded in the same period in 2022. When considering the revenue generated from foreign markets, which includes sales by Romi subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico, and Spain) as well as direct sales to other markets, the distribution of Romi's consolidated revenue by geographical region was as follows:



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

Foreign Sales	Quarterly					Accumulated		
	2Q22	1Q23	2Q23	Var. 2Q23/1Q23	Chg. 2Q23/2Q22	1H22	1H23	Chg. 23/22
Net Sales (R\$ million)	90.2	53.3	86.2	61.7%	-4.4%	149.70	139.5	-6.8%
Net Sales (US\$ million)	18.2	10.4	17.1	64.4%	-6.0%	29.90	27.5	-8.0%

Gross and Operating Margins

The gross margin obtained in 2Q23 was 29.7%, an increase of 1.5 p.p. compared to 2Q22, due to the positive performance of the ROMI Machines and B+W Machines Units. The Adjusted Operating Margin (EBIT) in the same period decreased by 2.2 p.p., primarily due to the decrease in the revenues during this quarter.

Gross Margin	Quarterly					Accumulated		
	2Q22	1Q23	2Q23	Chg.pp 2Q23/1Q23	Chg.pp 2Q23/2Q22	1H22	1H23	Chg. pp 2023/2022
ROMI Machines	36.6%	48.5%	37.6%	(10.9)	1.0	39.1%	42.5%	3.4
Burkhardt+Weber Machines	9.4%	8.4%	15.2%	6.8	5.9	-3.9%	13.5%	17.4
Rough and Machined Cast Iron Parts	21.1%	5.5%	13.7%	8.2	(7.3)	19.7%	9.1%	(10.6)
Total	28.2%	33.1%	29.7%	(3.4)	1.4	29.0%	31.2%	2.2

EBIT Margin - Adjusted	Quarterly					Accumulated		
	2Q22	1Q23	2Q23	Chg.pp 2Q23/1Q23	Chg.pp 2Q23/2Q22	1H22	1H23	Chg. pp 2023/2022
ROMI Machines	15.3%	27.1%	16.1%	(11.0)	0.8	17.8%	21.0%	3.2
Burkhardt+Weber Machines	-16.2%	-55.4%	-7.3%	48.1	8.8	-41.7%	-19.5%	22.2
Rough and Machined Cast Iron Parts	12.9%	-6.9%	-4.2%	2.7	(17.2)	10.7%	-5.7%	(16.4)
Total	10.8%	11.9%	8.7%	(3.2)	(2.2)	10.5%	10.1%	(0.4)

(*) 1Q23 and 2Q23: EBIT and EBITDA are adjusted by the amounts of R\$6,278 and R\$6,806, respectively; and Profit by the amounts of R\$6,078 and R\$ 6,589, respectively, referring to the recognition of the impacts of the Vila Romi Residence project.

(**) 1H23: EBIT and EBITDA are adjusted by the amount of R\$13,084; and Profit by the amount of R\$12,667, referring to the recognition of the impacts of the Vila ROMI Residence project.

ROMI MACHINES

The gross margin of this Business Unit, in 2Q23, showed an increase of 1.0 p.p. when compared to the same period last year. The current level of gross margin and the control of operating expenses resulted in an increase in adjusted operating margin (EBIT) of 0.8 p.p. in the same comparison period.

BURKHARDT + WEBER MACHINES

The gross margin and operating margin of this Business Unit in 2Q23 showed a significant improvement of 5.9 p.p. and 8.8 p.p., respectively, compared to 2Q22, due to the increase in revenue volume and operational improvements implemented.

ROUGH AND MACHINED CAST IRON PARTS

In 2Q23, the gross margin of this Business Unit decreased by 7.3 p.p. compared to 2Q22, and its operating margin (EBIT) decreased by 17.2 p.p. in the same comparison period. This reduction is due to lower volume of revenue and production in 2Q23, and to the expenses with adapting the structure to a lower level of production expected in 2023, since this business unit has a significant fixed cost.

EBITDA and EBITDA Margin

In 2Q23, the operating cash generation as measured by adjusted EBITDA amounted to R\$41.2 million, representing an EBITDA margin of 13.4% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	2Q22	1Q23	2Q23	Chg. 2Q23/1Q23	Chg. 2Q23/2Q22	1H22	1H23	Chg. 2023/2022
Net Income	33,000	36,130	32,625	-9.7%	-1.1%	63,504	68,755	8.3%
Income tax and social contributions	5,121	5,218	1,998	-61.7%	-61.0%	12,394	7,216	-41.8%
Net Financial Income	2,224	(4,303)	(1,062)	-75.3%	-147.8%	(6,988)	(5,365)	-23.2%
Depreciation and amortization	12,157	14,626	14,477	-1.0%	19.1%	23,651	29,103	23.1%
EBITDA	52,502	51,671	48,038	-7.0%	-8.5%	92,561	99,709	7.7%
EBITDA Margin	14.1%	19.9%	15.6%	-21.9%	10.3%	28.2%	17.6%	(10.6)
EBITDA - Adjusted (*)	52,502	45,393	41,232	-9.2%	-21.5%	92,561	86,625	-6.4%
EBITDA Margin - Adjusted (*)	14.1%	17.5%	13.4%	-23.7%	-5.3%	14.1%	15.3%	1.2
Total Net Operating Revenue	372,062	259,155	308,636	19.1%	-17.0%	657,397	567,791	-13.6%

(*) 1Q23 and 2Q23: EBIT and EBITDA are adjusted by the amounts of R\$6,278 and R\$6,806, respectively; and Profit by the amounts of R\$6,078 and R\$ 6,589, respectively, referring to the recognition of the impacts of the Vila Romi Residence project.

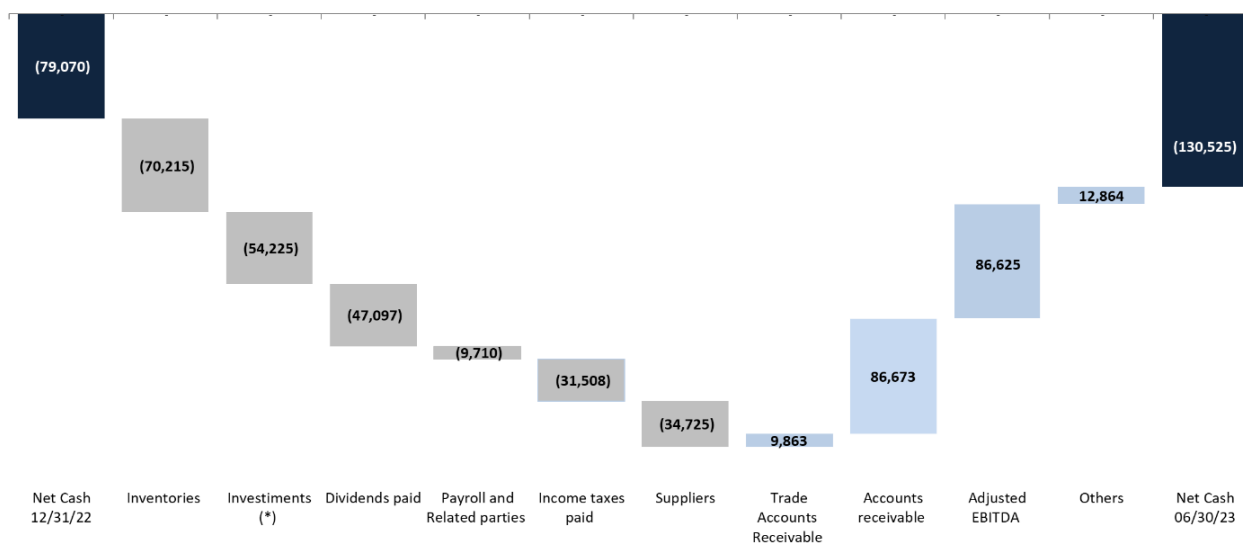
(**) 1H23: EBIT and EBITDA are adjusted by the amount of R\$13,084; and Profit by the amount of R\$12,667, referring to the recognition of the impacts of the Vila ROMI Residence project.

Adjusted Profit for the Period

The adjusted profit for 2Q23 was R\$26.0 million, a decrease of 21.1% compared to the profit for 2Q22.

Evolution of Net Cash (Debt) Position

The main changes in net cash position during the second quarter of 2023, 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.

During the second quarter of 2023, the net cash (debt) position had the following significant variations:

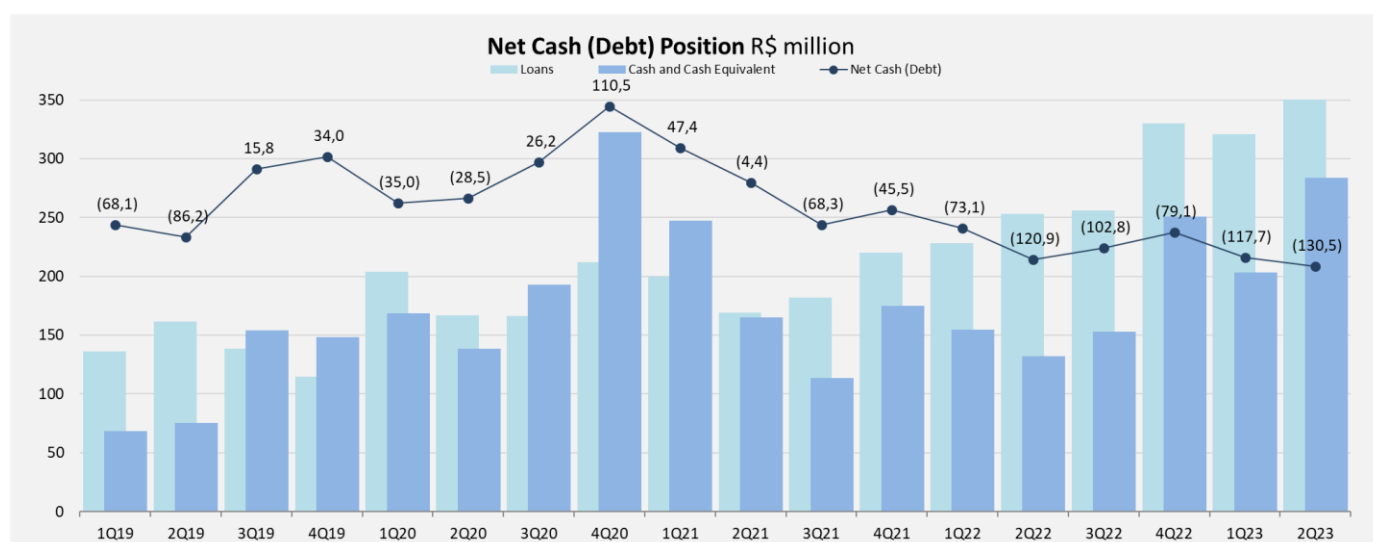
- The investments made in 1H23 were focused on enhancing the maintenance, productivity, flexibility, and competitiveness of our manufacturing facilities, with particular emphasis on the new machine rental business; and
- Payments of interest on capital and interim dividends, declared in December 2022, January and March 2023, paid during the first half of 2023, amounting to R\$47.1 million;

Financial Position

Short-term investments are made with prime institutions with low credit risk and their yield is mainly linked to the Interbank Certificate of Deposit (CDI). The consolidated net cash position as at June 30, 2023 was negative by R\$130.5 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, 2023, the amount of financing in local currency was R\$213.1 million, and in foreign currency R\$201.4 million, totaling R\$414.5 million, of which R\$134.7 million maturing in up to 12 months.

As at June 30, 2023, the Company recorded R\$284.0 million as cash and cash equivalents and short-term investments.



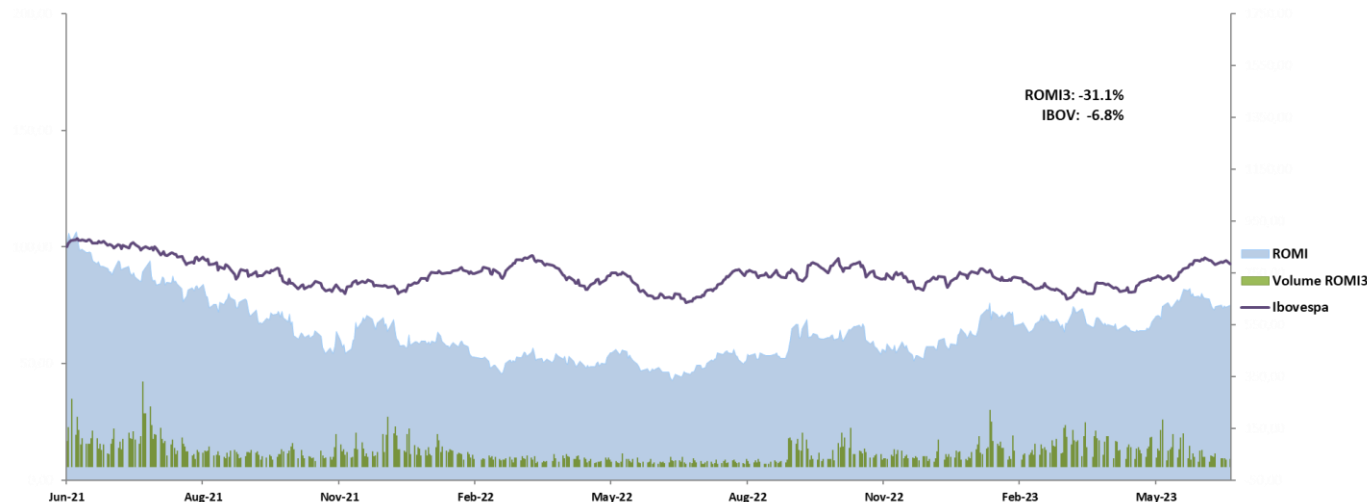
The balances recorded under “Finame Manufacturer Financing” are not used in the calculation of the Company's net debt.

As at June 30, 2023, the Company did not have any derivative transactions.

Capital Markets

Share Performance ROMI3 x Ibovespa

Period: July 30, 2021 to June 17, 2023



Note: The performance of ROMI3 shares shown in the chart above does not consider the distribution of profits made in the period presented, as well as the stock bonus in shares that occurred in October 2022 and March 2023.

Source: B3.

On June 17, 2023 the Company's common shares (ROMI3), which were quoted at R\$15.62, posted devaluation of 31.1% since June 31, 2021 and 6.0% since March 31, 2023. The Ibovespa Index (Ibovespa) went down 6.8% and up 16.0%, respectively, in the same periods.

The Company's market capitalization on June 17, 2023 was R\$1.386,03 million. The average daily trading volume during 2Q23 was R\$12.6 million.

Vila Romi Residence

In April 2022, through the subsidiary Rominor Empreendimentos Imobiliários S.A. (“Rominor Empreendimentos”), 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, 339 lots have been sold, with the General Sales Value (“GSV”) estimated at around R\$130 million. The interest of Rominor Empreendimentos, 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 these interim financial statements, the subsidiary Rominor Empreendimentos had received approximately R\$40.9 million (amount plus monetary adjustment and interest), of which R\$12.2 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 June 30, 2023, the percentage of completion of the works was 34.62% according to the aforementioned construction measurement report, which resulted in the following impacts on the financial statements:

(i) Net operating revenue/EBIT/EBITDA: R\$13.0 million; and (ii) profit for the period: R\$12.7 million.

ESG at ROMI

In line with the best market practices, ROMI has been strongly engaged in ESG actions, focused on the areas of Environment, Social Responsibility and Corporate Governance. Therefore, we highlight the following activities in the quarter:

ESG REPORT

On May 19, 2023, ROMI released the *ESG Report* and the new version of the ESG Portal, through which ROMI made public its main actions in the areas of Environment, Social Responsibility and Corporate Governance, available on the Internet portal and in PDF file formats.

Available at <https://www.romi.com/esg/>

DIVERSITY AND INCLUSION POLICY

On June 6, 2023, ROMI's Board of Directors approved the Diversity and Inclusion Policy, which aims to translate and consolidate ROMI's commitment to this topic.

Available at <https://www.romi.com/investors/corporate-governance/compliance/diversity-and-inclusion-policy/>

COMPLIANCE WEEK 2023

From June 19 to 23, 2023, ROMI held Compliance Week 2023, in which trainings, communications, videos and educational activities were carried out, with a focus on the theme of "Respect for People" (including combating harassment, diversity, and inclusion).

Thus, ROMI reaffirms its commitment to aligning with the best ESG practices.



Consolidated Balance Sheet

IFRS (R\$ 000)

	06/30/22	12/31/22	03/31/23	06/30/23	06/30/22	12/31/22	03/31/23	06/30/23
ASSETS					LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT	1,229,703	1,388,934	1,341,221	1,410,441	CURRENT	633,309	597,847	637,203
Cash and Cash equivalents	89,609	131,999	180,990	247,248	Loans and financing	72,097	53,714	135,023
Financial investments	42,537	118,814	22,362	36,789	FINAME manufacturer financing	142,329	154,076	158,271
Trade accounts receivable	241,373	275,323	190,284	185,205	Trade accounts payable	175,612	135,557	122,297
Onlending of Finame manufacturer financing	152,741	162,993	167,928	170,319	Payroll and related taxes	47,513	48,850	35,063
Inventories	645,892	640,797	714,432	711,012	Taxes payables	18,616	37,397	14,439
Recoverable taxes	35,315	41,880	46,472	36,675	Advances from customers	120,290	106,404	125,356
Other receivables	22,236	17,128	18,753	23,193	Related parties	2,983	9,406	1,420
Judicial Deposits	-	-	-	-	Dividends	21,418	15,130	16,547
					Provision for contingent liabilities	2,349	2,683	2,492
					Other payables	30,102	34,630	26,295
NON CURRENT	336,552	369,461	367,933	372,371	NON CURRENT	418,701	551,688	459,425
Trade accounts receivable	19,152	28,571	29,752	32,016	Loans and financing	180,986	276,169	185,995
Onlending of Finame manufacturer financing	203,865	243,845	239,144	237,779	FINAME manufacturer financing	199,924	237,055	234,586
Recoverable taxes	73,213	56,440	57,635	58,620	Deferred income and social contribution taxes	35,399	35,440	34,907
Deferred income and social contribution taxes	21,198	19,006	21,878	24,113	Reserve for contingencies	283	270	416
Judicial Deposits	12,163	12,200	12,212	12,135	Other payables	2,109	2,754	3,521
Other receivables	6,961	9,399	7,312	7,709				
INVESTMENTS					SHAREHOLDER'S EQUITY	971,079	1,093,127	1,098,280
Property, Plant and Equipment	388,875	420,275	422,905	431,391	Capital	637,756	771,454	904,772
Investment Properties	16,579	15,251	15,251	15,251	Retained earnings	262,496	248,144	120,860
Intangible assets	53,073	51,012	49,186	45,668	Cumulative translation adjustments	70,827	73,529	72,648
TOTAL ASSETS	2,024,782	2,244,933	2,196,496	2,275,123	NON CONTROLLING INTERESTS	1,693	2,271	1,588
					TOTAL SHAREHOLDER'S EQUITY	972,772	1,095,398	1,099,868
					TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	2,024,782	2,244,933	2,196,496
								2,275,123

Consolidated Income Statement

IFRS (R\$ thousand)

	2Q22	1Q23	2Q23	Chg. 2Q23/1Q23	Chg. 2Q23/2Q22	1H22	1H23	Chg. 2023/2022
Net Operating Revenue	372,062	259,155	308,636	19.1%	-17.0%	657,397	567,791	-13.6%
Cost of Goods Sold	(267,095)	(173,378)	(217,089)	25.2%	-18.7%	(466,825)	(390,467)	-16.4%
Gross Profit	104,967	85,777	91,547	6.7%	-12.8%	190,572	177,324	-7.0%
Gross Margin %	28.2%	33.1%	29.7%			29.0%	31.2%	
Operating revenues (expenses)	(64,622)	(48,732)	(57,986)	19.0%	-10.3%	(121,662)	(106,718)	-12.3%
Selling expenses	(32,414)	(25,421)	(28,915)	13.7%	-10.8%	(58,001)	(54,336)	-6.3%
Research and development expenses	(7,745)	(7,681)	(8,472)	10.3%	9.4%	(14,669)	(16,153)	10.1%
General and administrative expenses	(21,549)	(20,590)	(25,380)	23.3%	17.8%	(43,666)	(45,970)	5.3%
Management profit sharing and compensation	(3,540)	(3,517)	(3,475)	-1.2%	-1.8%	(6,978)	(6,992)	0.2%
Other operating income, net	626	8,477	8,256	-2.6%	1218.8%	1,652	16,733	912.9%
Operating Income (loss) before Financial Results	40,345	37,045	33,561	-9.4%	-16.8%	68,910	70,606	2.5%
Operating Margin %	10.8%	14.3%	10.9%			10.5%	12.4%	
Operating Income (loss) before Financial Results - Adjusted (*)	40,345	30,767	26,755	-13.0%	-33.7%	68,910	57,522	-16.5%
Operating Margin % - Adjusted (*)	10.8%	11.9%	8.7%			10.5%	10.1%	
Financial Results, Net	(2,224)	4,303	1,062	-75.3%	147.8%	6,988	5,365	-23.2%
Financial income	3,842	9,791	7,223	-26.2%	88.0%	7,482	17,014	127.4%
Financial expenses	(3,983)	(6,037)	(6,677)	10.6%	67.6%	(6,824)	(12,714)	86.3%
Exchange gain (loss), net	(2,083)	549	516	-6.0%	124.8%	6,330	1,065	-83.2%
Operations Operating Income	38,121	41,348	34,623	-16.3%	-9.2%	75,898	75,971	0.1%
Income tax and social contribution	(5,121)	(5,218)	(1,998)	-61.7%	-61.0%	(12,394)	(7,216)	-41.8%
Income (loss) for Continued Operation	33,000	36,130	32,625	-9.7%	-1.1%	63,504	68,755	8.3%
Net Margin %	8.9%	13.9%	10.6%			9.7%	12.1%	
Net income - Adjusted (*)	33,000	30,052	26,036	-13.4%	-21.1%	63,504	56,088	-11.7%
Net Margin % - Adjusted (*)	8.9%	11.6%	8.4%			9.7%	9.9%	
Net profit (loss) concerning:								
Controlling interests	32,880	35,998	32,497	-9.7%	-1.2%	63,268	68,496	8.3%
Non controlling interests	120	132	128	-3.0%	6.7%	236	260	10.2%
EBITDA	52,502	51,671	48,038	-7.0%	-8.5%	92,561	99,709	7.7%
Profit (loss) for the period	33,000	36,130	32,625	-9.7%	-1.1%	63,504	68,755	8.3%
Income tax and social contribution	5,121	5,218	1,998	-61.7%	-61.0%	12,394	7,216	-41.8%
Financial result, net	2,224	(4,303)	(1,062)	-75.3%	-147.8%	(6,988)	(5,365)	-23.2%
Depreciation and amortization	12,157	14,626	14,477	-1.0%	19.1%	23,651	29,103	23.1%
EBITDA Margin %	14.1%	19.9%	15.6%			14.1%	17.6%	
EBITDA - Adjusted (*)	52,502	45,393	41,232	-9.2%	-21.5%	92,561	86,625	-6.4%
EBITDA Margin % - Adjusted (*)	14.1%	17.5%	13.4%			14.1%	15.3%	
Nº of shares in capital stock (th)	73,334	88,734	88,734			73,334	88,734	0.0%
Profit (loss) per share - R\$	0.45	0.41	0.37			0.86	0.77	-10.5%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	2Q22	1Q23	2Q23
Cash from operating activities			
Net Income before taxation	38,121	41,348	34,623
Financial expenses and exchange gain	34,577	(802)	1,380
Depreciation and amortization	12,768	14,626	14,477
Allowance for doubtful accounts and other receivables	523	(644)	508
Proceeds from sale of fixed assets and intangibles	(350)	(3,056)	(6,897)
Provision for inventory realization	-	1,699	(1,525)
Reserve for contingencies	126	162	50
Trade accounts receivable	(46,727)	85,971	3,893
Onlending of Finame manufacturer financing	6,340	412	(790)
Inventories	(70,236)	(75,330)	4,804
Recoverable taxes, net	(835)	(8,659)	6,578
Judicial deposits	(55)	(12)	77
Other receivables	(2,234)	2,273	(2,631)
Trade accounts payable	32,926	(12,670)	(21,234)
Payroll and related taxes	9,269	(13,787)	10,798
Taxes payable	(3,412)	(4,792)	(417)
Advances from customers	15,913	18,952	(16,153)
Other payables	5,149	(15,752)	2,267
Cash provided by (used in) operating activities	31,863	29,939	29,808
Income tax and social contribution paid	(324)	(23,917)	(7,591)
Net Cash provided by (used in) operating activities	31,539	6,022	22,217
Financial Investments	23,249	96,452	(14,427)
Purchase of fixed assets	(35,032)	(21,420)	(31,018)
Sales of fixed assets	1,748	9,630	14,224
Purchase of intangible assets	(18)	-	(181)
Net cash Used in Investing Activities	(10,053)	84,662	(31,402)
Interest on capital paid	(12,714)	(29,364)	(18,548)
New loans and financing	(5,973)	-	102,910
Payments of loans and financing	(149)	(7,639)	(10,207)
Interests paid (including Finame manufacturer financing)	(10,635)	(11,599)	(12,943)
New loans in Finame manufacturer	40,697	47,530	60,187
Payment of Finame manufacturer financing	(40,932)	(39,156)	(45,423)
Net Cash provided by (used in) Financing Activities	(29,706)	(40,228)	75,976
Increase (decrease) in cash and cash equivalents	(8,220)	50,456	66,791
Exchange variation changes on cash and cash equivalents abroad	8,797	(1,467)	(531)
Cash and cash equivalents - beginning of period	89,032	131,999	180,990
Cash and cash equivalents - end of period	89,609	180,990	247,248

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 2Q23

R\$ 000	ROMI Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	202,947	45,900	59,789	308,636
Cost of Sales and Services	(102,926)	(38,915)	(75,248)	(217,089)
Business Units Transfers	768	-	24,436	25,204
Business Units Transfers	(24,436)	-	(768)	(25,204)
Gross Profit	76,353	6,985	8,209	91,547
<i>Gross Margin %</i>	<i>37.6%</i>	<i>15.2%</i>	<i>13.7%</i>	<i>29.7%</i>
Operating Expenses	(43,694)	(10,348)	(10,750)	(64,792)
Selling	(23,529)	(3,637)	(1,749)	(28,915)
General and Administrative	(13,082)	(6,711)	(5,587)	(25,380)
Research and Development	(6,321)	-	(2,151)	(8,472)
Management profit sharing	(2,212)	-	(1,263)	(3,475)
Other operating revenue	1,450	-	-	1,450
Operating loss before Financial Results - Adjusted (*)	32,659	(3,363)	(2,541)	26,755
<i>Operating Margin % - Adjusted (*)</i>	<i>16.1%</i>	<i>-7.3%</i>	<i>-4.2%</i>	<i>8.7%</i>
Depreciation and amortization	8,064	2,591	3,822	14,477
EBITDA - Adjusted (*)	40,722	(772)	1,282	41,232
<i>EBITDA Margin % - Adjusted (*)</i>	<i>20.1%</i>	<i>-1.7%</i>	<i>2.1%</i>	<i>13.4%</i>

Income Statement by Business Units - 2Q22

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
<i>Gross Margin %</i>	<i>36.6%</i>	<i>9.4%</i>	<i>21.1%</i>	<i>28.2%</i>
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
<i>Operating Margin %</i>	<i>15.3%</i>	<i>-16.2%</i>	<i>12.9%</i>	<i>10.8%</i>
Depreciation and amortization	6,114	2,592	3,451	12,157
EBITDA	37,143	(4,359)	19,718	52,502
<i>EBITDA Margin %</i>	<i>18.3%</i>	<i>-10.1%</i>	<i>15.7%</i>	<i>14.1%</i>

Income Statement by Business Units - 1H23

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	368,189	61,523	138,079	567,791
Cost of Sales and Services	(173,178)	(53,225)	(164,064)	(390,467)
Business Units Transfers	1,303	-	39,821	41,125
Business Units Transfers	(39,821)	-	(1,303)	(41,125)
Gross Profit	156,494	8,298	12,532	177,324
<i>Gross Margin %</i>	<i>42.5%</i>	<i>13.5%</i>	<i>9.1%</i>	<i>31.2%</i>
Operating Expenses	(79,050)	(20,316)	(20,436)	(119,802)
Selling	(44,053)	(6,915)	(3,368)	(54,336)
General and Administrative	(22,589)	(13,401)	(9,980)	(45,970)
Research and Development	(11,988)	-	(4,165)	(16,153)
Management profit sharing	(4,069)	-	(2,923)	(6,992)
Other operating revenue	3,649	-	-	3,649
Operating loss before Financial Results - Adjusted (*)	77,443	(12,018)	(7,904)	57,522
<i>Operating Margin % - Adjusted (*)</i>	<i>21.0%</i>	<i>-19.5%</i>	<i>-5.7%</i>	<i>10.1%</i>
Depreciation and amortization	15,989	5,192	7,922	29,103
EBITDA - Adjusted (*)	93,433	(6,826)	18	86,625
<i>EBITDA Margin % - Adjusted (*)</i>	<i>25.4%</i>	<i>-11.1%</i>	<i>0.0%</i>	<i>15.3%</i>

Income Statement by Business Units - 1H22

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	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>
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>

Attachment II - Financial Statements of BW

Balance Sheet BW

	(€ Mil)			
ASSETS	06/30/22	12/31/22	03/31/23	06/30/23
CURRENT	24,989	28,454	28,383	32,815
Cash and Cash equivalents	511	291	135	110
Trade accounts receivable	6,600	12,892	5,859	7,890
Inventories	14,529	12,697	19,103	21,566
Recoverable taxes	876	697	718	510
Deferred income and social contribution taxes	1,179	1,035	1,443	1,588
Related Parties	178	92	29	42
Other receivables	1,116	750	1,096	1,109
Investments				
Property, plant and equipment	12,277	12,047	12,107	12,050
Investment in subsidiaries	-	-	-	-
Intangible assets	9,516	9,019	8,775	8,529
TOTAL ASSETS	46,782	49,520	49,265	53,394
LIABILITIES AND SHAREHOLDER'S EQUITY	06/30/22	12/31/22	03/31/23	06/30/23
CURRENT	18,889	21,296	24,868	26,379
Loans and financing	991	2,727	3,930	3,931
Trade accounts payable	3,405	4,508	3,351	4,202
Payroll and related taxes	1,508	760	1,259	1,584
Taxes payable	221	597	152	14
Advances from customers	8,761	7,965	12,121	12,009
Other payables	3,132	3,369	2,431	2,597
Related Parties	871	1,371	1,624	2,042
NON CURRENT	7,646	7,556	4,705	8,160
Loans and financing	3,849	3,849	1,042	4,542
Deferred income and social contribution taxes	3,797	3,707	3,662	3,618
SHAREHOLDER'S EQUITY	20,248	20,669	19,694	18,856
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	12,718	13,139	12,164	11,326
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	46,782	49,520	49,265	53,394

BW Income Statement

(€ Mil)

	2Q22	1Q23	2Q23	1H22	1H23
Net Operating Revenue	8,100	2,804	8,518	10,025	11,322
Cost of Goods Sold	(7,175)	(2,570)	(7,221)	(9,902)	(9,791)
Gross Profit	925	234	1,297	124	1,530
Gross Margin %	11.4%	8.3%	15.2%	1.2%	13.5%
Operating Expenses	(2,085)	(1,789)	(1,923)	(3,709)	(3,711)
Selling expenses	(960)	(588)	(678)	(1,439)	(1,266)
General and administrative expenses	(1,125)	(1,201)	(1,245)	(2,271)	(2,446)
Operating Income before Financial Results	(1,160)	(1,555)	(626)	(3,586)	(2,181)
Operating Margin %	-14.3%	-55.5%	-7.3%	-35.8%	-19.3%
Financial Results, Net	(94)	(45)	(149)	(175)	(194)
Operations Operating Income	(1,254)	(1,600)	(775)	(3,761)	(2,375)
Income tax and social contribution	390	452	190	1,114	642
Net income	(863)	(1,148)	(584)	(2,647)	(1,732)
Net Margin %	-10.7%	-40.9%	-6.9%	-26.4%	-15.3%
EBITDA	(665)	(1,089)	(144)	(2,592)	(1,233)
Net income / loss for the period	(863)	(1,148)	(585)	(2,647)	(1,733)
Income tax and social contribution	(390)	(452)	(190)	(1,114)	(642)
Financial income, net	94	45	149	175	194
Depreciation and amortization	495	467	482	994	949
EBITDA Margin %	-8.2%	-38.8%	-1.7%	-25.9%	-10.9%