



Transcript

Video conference to announce the Results of 3Q25

AERIS ENERGY

Operator:

Good morning, everyone, and thank you for waiting. Welcome to the video conference to discuss the results of the third quarter of 2025 of AERIS ENERGY. I would like to point out that those who need simultaneous translations, that we have this tool available on the platform.

To access, click on the interpretation button in the globe icon at the bottom of the screen and choose your preferred language, Portuguese or English. For those listening to the video conference in English, there is the option to mute the original Portuguese audio by clicking on Mute Original Audio.

This video conference is being recorded and will be made available on the company's IR website, www.ri.aerisenergy.com.pr, where the complete material of the video conference is available. You can also download the presentation from the chat icon, including slides in English.

During the company's presentation, all participants will have their microphones disabled. After that, we'll start the Q&A session. To ask questions, click the Q&A icon at the bottom of the screen and write your question to join the Q. When you are announced, a prompt to enable your microphone will appear on the screen, and you must then unmute your microphone to ask questions.

We kindly request that all questions be asked at once. We emphasize the information contained in this presentation and any statements that may be made during this conference relating to business prospects, projections and operational and financial goals of AERIS are based on the beliefs and assumptions of the Company's management as well as on currently available information. Forward-looking statements are not a guarantee of performance. They involve risks and certainties and assumptions as they refer to future events and therefore depend on circumstances there may or may not occur.

Investors should understand that general economic conditions, market conditions and other operating factors may affect AERIS's future performance and lead to results that differ significantly from those expressed in such forward-looking statements.

Today, we are joined by the company's executives, Mr. Alexandre Negrão, CEO and Mr. José Azevedo CFO. Before we begin the presentation, I would like to invite you to follow the day's agenda, which is on slide three of the presentation. We'll start with Mr. Negrão. We'll address topics one and two, bring in the highlights of the period and then comment on operational performance. After that, I'll pass the floor to Mr. Azevedo, who will address Topic 3, presenting the company's results.

Once this part is finished, we'll start the Q&A session. And finally, Mr. Negrão will return to make his final remarks. You may proceed. Mr. Negrão.

Alexandre Negrão:

Thank you very much. Good morning.

Thank you, and good morning, everyone. Welcome to another AERIS conference.

Turning to slide 4, with the highlights of the third quarter of 2025:

When we talk about the market, it's impossible not to mention the central issue currently affecting our country the curtailment of wind generation.

As we know, due to Brazil's wind potential being heavily concentrated in the Northeast, where the wind season intensifies from July onward (that is, starting in the third quarter), it is natural that we address this matter here, especially as it is being widely discussed in Brasília right now.

This is a very concerning topic, as curtailment has shown a growing trend over the years. To give an idea, in 2024 we had an average cut rate of around 10%, and this year it has already reached about 17%.

As renewable capacity expands, this issue tends to increase. Therefore, it is crucial for the sector that we have clear rules and effective legislation.

Last week, Congress voted on Provisional Measure 1304, which was initially favorable for us, although it still requires presidential sanction. We are closely monitoring this development.

On the internal front, we remain focused on expanding and improving our services operations, while enhancing operational efficiency. Naturally, the service segment has also felt the growing pains of rapid expansion growth has been very fast over the past three years and since this area is largely labor-intensive, that creates some operational challenges.

To offset the current downturn in the domestic wind industry, the company remains strongly focused on exports. As you can see in our numbers, export volumes continue to grow and should remain a key driver in the coming quarters.

In parallel, we are pursuing operational recovery and financial improvement initiatives. As you know, we renegotiated our debts with creditors during the first and second quarters of the year, which gave us more breathing room to focus on operations. We continue to work on optimizing our working capital structure and improving efficiency, so the company can operate sustainably even with high idle capacity, as is currently the case.

Moving to slide 5, regarding operational performance, this chart illustrates exactly what I mentioned earlier:

If we analyze on an LTM basis comparing 2023, 2024, and 2025, we see a 50% reduction in megawatts delivered from 2023 to 2024, and a further 65% decline from 2024 to 2025.

This is a very sharp drop, which explains the compressed margins.

On slide 6, regarding production lines, we reported four active production lines during the third quarter. However, as highlighted in our release, only two of these lines are operating at full capacity; the other two are not. It's important to interpret this correctly four active lines does not mean all are running at maximum capacity.

Now, moving on to slide 7, I'll hand it over to our CFO, Mr. José Azevedo. Thank you.

José Azevedo:

Thank you, Alexandre.

Turning to slide 7:

Net revenue totaled R\$179 million in 3Q25 and R\$631.5 million for the first nine months of 2025. EBITDA was negative R\$48 million for the quarter and negative R\$55 million year-to-date. CAPEX reached R\$5.8 million in the quarter and R\$62.1 million in the first nine months. Finally, we reported a net loss of R\$144.4 million for the quarter and R\$412.9 million for the nine-month period.

On slide 8, revenue decreased 26.1% quarter-over-quarter and 51.6% year-to-date. This contraction reflects the sharp decline in wind farm investments over the past two years, which has directly affected demand for new projects.

Nevertheless, exports performed well, representing 51.6% of total revenue in the quarter, and the services division accounted for 29.3%, growing 21.6% versus 2Q25.

On slide 9, we show EBITDA performance for the quarter and last twelve months.

Three main factors led to the negative EBITDA of R\$48 million this quarter: Extraordinary expenses totaling R\$28.4 million, related to the regularization of the drawback regime (tax suspension for imported inputs used in exports) from 2024. Due to abrupt cancellations of export volumes since two OEMs exited Brazil and our remaining client reduced volumes we lost part of the import tax benefits.

The second factor was the temporary mismatch between exports and the recognition of tax incentives under the Drawback regime, amounting to approximately R\$2.5 million related to August and September 2025. This refers to demand that had originally been forecast for the domestic market.

As stipulated in the contract, the client has the right to redirect this demand. To clarify: in the past, clients used to plan well in advance, which allowed us to submit the request for the concession act (government authorization) in time to secure the benefit.

As the market has changed somewhat clients no longer maintain large inventories we had to handle this export demand and submitted the request for the concession act. However, the approval process usually takes around three to four months. Therefore, we expect to receive this benefit by December. The good news is that it can be applied retroactively to blades already exported within the past two years, allowing us to recover that amount.

Lastly, we faced lower productivity in some of our older production lines, which reduced operational efficiency and limited the dilution of fixed costs. Nevertheless, we emphasize that all of the effects observed this quarter are non-recurring, and the company remains firmly focused on efficiency improvement initiatives, the acquisition of new contracts, and continued cost and expense optimization.

Moving on to slide 10, we present investments totaling R\$5.8 million for the quarter, which are in line with the company's existing projects and budget.

On slide 11, cash and cash equivalents closed the quarter at R\$29.4 million. The company remains firmly committed to taking action on multiple fronts to ensure adequate short-term liquidity until operational volumes recover over the coming quarters.

Finally, on slide 12, regarding our capital structure: we ended the period with an increase of R\$57 million in gross debt, which reflects the accrual of interest on the debts renegotiated in May of this year. To reinforce and clarify, this process will continue on an ongoing basis until March 31, 2027, when we will make the first interest payment on the total outstanding amount at that time. That basically summarizes this section.

There is another point I would like to mention. When we look at the chart for the third quarter of 2025, we see a BNDES loan reflected there. It appears in this quarter because we breached certain covenants and subsequently initiated a renegotiation process. The process is taking a bit longer than initially expected, but we have the bank's consent to proceed with the renegotiation, which is already at an advanced stage. We expect to conclude it by the end of this year, by December 31.

With that, we conclude the presentation and will now begin the Q&A session. Thank you.

Lais Bortolozzo:

We will now open the Q&A session. To submit your questions in writing, click the Q&A icon at the bottom of your screen and type your message.

If you prefer to ask verbally, please also use the Q&A function to enter the queue. When your name is called, a prompt will appear on your screen to enable your microphone.

Please ask all your questions at once. We'll pause for a few seconds to gather questions.

The first question comes from Ramon at Axial Capital.

Ramon- Axial Capital:

Good morning, AERIS. Congratulations on the resilience of your results. I have two questions:

First, in your release, you mentioned that starting in 2026 AERIS expects to capture a new growth cycle. However, earlier this year you suggested a recovery beginning in 2027. What positive signals have led you to a more optimistic view?

Second, this week a large data center project was announced in Ceará involving Chinese and Brazilian-Asian investors. In your view, could this development positively impact new orders for AERIS?

Alexandre Negrão:

Good morning, Ramon. Thank you for your question.

The positive signals obviously come from our ongoing discussions with clients. We are in constant dialogue with our current customer, Vestas, regarding blade supply. We have been discussing new projects with them—both in Brazil and internationally. These conversations are progressing, and we are also in talks with other clients that are currently operating in Brazil or planning to establish operations here in the future.

It's important to remember that, although the current outlook for energy demand remains somewhat uncertain, the wind industry—particularly in base supply contracts—operates on a long-term project cycle, where contractual definitions and commitments are made well in advance of actual production.

Therefore, any new client that AERIS brings into its portfolio now would translate into deliveries starting around 2027. So yes, there are ongoing discussions, and we do see growth opportunities with both existing and potential customers.

Another positive indicator, of course, comes from market research. Our market intelligence team monitors sources such as McKinsey, Bloomberg, and GWEC, and these studies show a projected industry upturn beginning in 2027 and 2028. This growth outlook is supported by several factors—including broader sector expansion, as well as the development of data centers and green hydrogen projects in Brazil. That connects directly to your second question.

We do believe that the recently announced data center project should have a positive—though indirect—impact on us. When we look at market analyses from leading industry agencies, they all point to a recovery trajectory starting in 2027–2028, with consistent

annual installations of around 2.5 to 3 GW, potentially becoming sustainable from 2028 onward.

For context, Brazil installed 5 GW in 2023. We don't expect to reach that level again in the near term, but we also don't see the market remaining below 1 GW or at a standstill, as it is now.

So, to sum up, these positive signals stem both from client discussions and from comprehensive market analyses, which help us understand the broader trends not only in Brazil but globally as well.

Lais Bortolozzo:

The next question comes from Ricardo Peixinho.

You mentioned that Provisional Measure 1304 was favorable to AERIS. Could you elaborate? How does this measure help address the curtailment issue?

Alexandre Negrão:

Good morning, Ricardo. Thank you for your question.

It's not that the Provisional Measure (MP) 1304 directly solves AERIS's problem it actually helps improve the situation for the entire sector.

Currently, the cost of curtailment falls on the generators and project developers. However, under the current wording of the measure, this cost would be allocated to consumers, meaning it would be spread across the entire consumer base.

I won't go into a discussion of what is right or wrong here, but we believe this is the fairest approach. The generation cuts are not caused by the producers themselves, so it doesn't seem fair to us that generators should bear this cost.

So, from our perspective, this version of the measure is favorable for the sector. Of course, we still need to wait for the law to be sanctioned before it takes effect.

Lais Bortolozzo:

Next question comes from Lucas Serroni from XP.

How do you see your financing strategy to rebuild your cash position?

Alexandre Negrão:

Good morning, Lucas. To clarify this point about our cash position, which remains our main priority this year and next, it's truly our core focus.

We are evaluating options not only with banks but also with strategic partners, and we are carrying out targeted initiatives to ensure that we have the necessary liquidity until production volumes recover.

That's essentially what we are working on.

Lais Bortolozzo:

The next question comes from Claudio Pirala, shareholder.

Good morning. What's the company's strategy to survive until 2027 with such a shortage of cash until the industry resumes its activities?

Alexandre Negrão:

Good morning, Claudio.

That ties directly to the previous question—cash preservation is our main focus, and we are pursuing several measures to ensure liquidity.

Lais Bortolozzo:

The Q&A session has now ended.

I would now like to hand the floor over to Mr. Negrão for his final remarks.

Alexandre Negrão:

Well, everyone, as expected, we had another challenging quarter, with the company operating at around 85% idle capacity, which is the main reason why our margins remain under pressure.

Despite that, we continue to focus on growing our Services segment, as I mentioned earlier, as well as on export opportunities, which are not only already happening but which we intend to continue pursuing in the future.

At the same time, we're closely monitoring the developments around Provisional Measure 1304 to understand how the situation will unfold and how our sector could benefit from it.

Lastly, we still expect a soft performance in the last quarter, but we see improvement throughout 2026. As anticipated, 2025 should be the toughest year for us, with a gradual recovery expected in 2026 and 2027.

So, thank you all very much for joining us today, and I wish everyone a great day. Thank you.

Lais Bortolozzo:

The conference call for the third quarter has ended. Investor relations area is available to answer any further questions you may have. Thank you all for attending and have a good day!