TUPY

Increases in Margins and Return on Invested Capital

Impacts from increase in costs, currency appreciation and components shortages in the quarter were mitigated by cost reduction initiatives and synergies

Earnings Conference Call

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Portuguese/English

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- **Physical sales volume:** 171,000 tons in 1Q22 (+34% *vs* 1Q21), including the Betim and Aveiro operations (42,000 tons). On the same comparison base, volumes were still lower than in the pre-pandemic period, due to impacts caused by semiconductors and other inputs in customers' supply chain.

- **Revenues:** R$2.4 billion (+53% *vs* 1Q21). These figures include the revenues from new operations, which totaled R$445 million. Excluding this effect, revenue reached R$1.9 billion, the highest in the Company's history, demonstrating our ability to pass-through costs.

- **Adjusted EBITDA:** R$314 million, the highest amount in the Company's history, even excluding the new operations, which totaled R$22 million.

- **Adjusted EBITDA Margin:** 13.3% in 1Q22 (15.2% excluding the new operations). The combined margin of the new plants was 5.0% (*vs* 2.2% in 4Q21). Margin growth *vs* 1Q21 and the previous quarter was due to actions aimed at reducing fixed costs and expenses, implemented since 4Q21, and captured synergies, which was reflected at all plants.

- **Return on Invested Capital (ROIC):** 12.1% in 1Q22 (*vs* 6.7% in 1Q21), despite working capital needs exceeding the pace of sales and the larger asset base from the new plants.

- **Net income:** R$74 million in 1Q22 *vs* a loss of R$15 million in 1Q21;

- **M&A:** Agreement to acquire MWM do Brasil[1]. The transaction, in the amount of R$865 million, is in line with the Company's growth strategy for its current businesses, which is to add value by entering segments with high growth potential, as well as promoting viable decarbonization solutions.

[1] Pending approval from the Brazilian Antitrust Authority (CADE).
Note: except when indicated, the amounts referring to 1Q22 include the Betim and Aveiro operations acquired on October 1, 2021.

MESSAGE FROM MANAGEMENT

The results for the first quarter of 2022 reflect the benefits from several initiatives that were implemented more intensively since the end of 2021. We adjusted our production processes, cost structures and expenses to the challenges of our customers' supply chain, such as the shortage of semiconductors, increasing prices, and unavailability of materials.

We increased margins in the Betim and Aveiro operations, acquired in October 2021, which were impacted by non-recurring effects that commonly occur during integration processes. We are anticipating the synergies related to gains on bargain purchases, production flexibility, and exchange of best practices. We also identified many opportunities that will contribute to increases in margins and in the Company's Return on Invested Capital (ROIC) as a whole, in line with our business plan.

In this first quarter, we also had efficiency gains in the operations located in Mexico, resulting from several actions implemented by a new management structure.

Tupy's plants are located in countries with competitive costs and availability of energy, factors that, coupled with our scale, quality and innovation capacity proven over the decades, will allow us to offer new products and services to support the growth of our customers, the leading manufacturers of commercial vehicles, machinery and equipment in the West.

Solid results and resilience against external factors

As in previous quarters, we still witness customer stoppages and production volumes below their potential, due to bottlenecks in the production chain. However, even in this volatile scenario, increase in truck manufacturing is projected in both the foreign and domestic markets. This is expected either due to the replenishing of inventories, new investments, or incentives, such as the provisional measure for fleet renewal in Brazil, aimed at 26% of trucks circulating in the country.

The increase in raw material costs and the currency appreciation also impacted costs and revenues of the Company's operations in the quarter. Despite these effects, several management initiatives and the resilience of our business model contributed to achieving solid results. We increased margins and recorded, in this quarter, the highest net revenue and Adjusted EBITDA in the Company's history, even after excluding the Teksid operations acquired in October. Using this criterion for a better comparison, although the physical sales volume in the period decreased by 12% *vs* 1Q19 (pre-pandemic), our Adjusted EBITDA increased by 113% considering the same asset base and investments below depreciation.

Investment discipline also contributed to the increase in ROIC, which reached 12% in 1Q22 (*vs* 7% in 1Q21), despite the increase in invested capital due the acquisition of the new plants.

Acquisition of MWM do Brasil: adding value and decarbonization solutions

On April 18, 2022, we announced the acquisition of MWM do Brasil, which is still pending approval by the Brazilian Antitrust Authority (CADE).

This acquisition is in line with the strategic architecture we designed for Tupy, aimed at bringing many opportunities to advance our business, in particular for machining, assembly and engineering services. It also provides us with new growth avenues that are adjacent to our current model, adding revenue diversity and exposure to countercyclical sectors, such as spare parts, reinforcing our resilience to market fluctuations.

Expanding in the Energy sector will also increase our presence in businesses and customers that have grown with the Brazilian agricultural sector. In this scenario, we highlight businesses associated with new alternative fuels, such as biogas, biomethane, natural gas, biodiesel and hydrogen, which meet our customers' demand for decarbonization, in addition to energy generation.

All the innovations we have announced are the result of the ongoing transformation approach that we encourage at the Company. The technological capital and talent base that MWM team brings to Tupy reinforces our practice of continuing to invest in people and their unlimited capacity to transform knowledge, technology and partnerships into value.

Sustainability linked to business

We recently published our Sustainability Report, prepared according to the Global Reporting Initiative (GRI) guidelines. In the report, we highlight the importance of investing in technological knowledge in the pursuit of sustainable development. To achieve this, we believe in the strength of our Engineering team and the relationships fostered in the innovation ecosystem.

In fact, throughout 2022, we will announce new partnerships that will help position Tupy as an important player in the decarbonization process of its customers, capturing the opportunities that will arise from this new economy.

SUMMARIZED RESULTS

	Consolidated (R$ thousand)		
SUMMARY	**1Q22**	**1Q21**	**Chg. [%]**
Revenues	**2,364,297**	**1,544,255**	**53.1%**
Cost of goods sold	(1,954,658)	(1,304,282)	49.9%
Gross Profit	**409,639**	**239,973**	**70.7%**
% on Revenues	*17.3%*	*15.5%*	
Operating expenses	(179,952)	(118,361)	52.0%
Other operating expenses	(32,787)	(41,327)	-20.7%
Income before Financial Result	**196,900**	**80,285**	**145.3%**
% on Revenues	*8.3%*	*5.2%*	
Net financial income (loss)	(98,479)	(58,708)	
Income (Loss) before Tax Effects	**98,421**	**21,577**	**356.1%**
% on Revenues	*4.2%*	*1.4%*	
Income tax and social contribution Social	(24,422)	(36,483)	-33.1%
Net Income (Loss)	**73,999**	**(14,906)**	
% on Revenues	*3.1%*	*-1.0%*	
EBITDA (CVM Inst. 527/12)	**294,525**	**172,632**	**70.6%**
% on Revenues	*12.5%*	*11.2%*	
Adjusted EBITDA	**313,725**	**199,061**	**57.6%**
% on Revenues	*13.3%*	*12.9%*	
Average exchange rate (R$/US$)	**5.23**	**5.48**	**-4.6%**
Average exchange rate (R$/€)	5.87	6.60	-11.1%

PHYSICAL SALES VOLUME

	Consolidated (metric tons)		
	1Q22	1Q21	Chg. [%]
Domestic Market	**50,728**	**25,484**	**99.1%**
Transportation, Infrastructure, and Agriculture	47,491	22,038	115.5%
Hydraulics	3,237	3,447	-6.1%
Foreign Market	**120,421**	**101,882**	**18.2%**
Transportation, Infrastructure, and Agriculture	117,104	98,718	18.6%
Hydraulics	3,317	3,164	4.8%
Total Physical Sales	**171,149**	**127,366**	**34.4%**

Volumes are following a recovery path, increasing over the previous quarter (4Q21) and the same period of the previous year (1Q21), even with the exclusion of the Betim (Brazil) and Aveiro (Portugal) operations, which **represented approximately 42 thousand tons.**

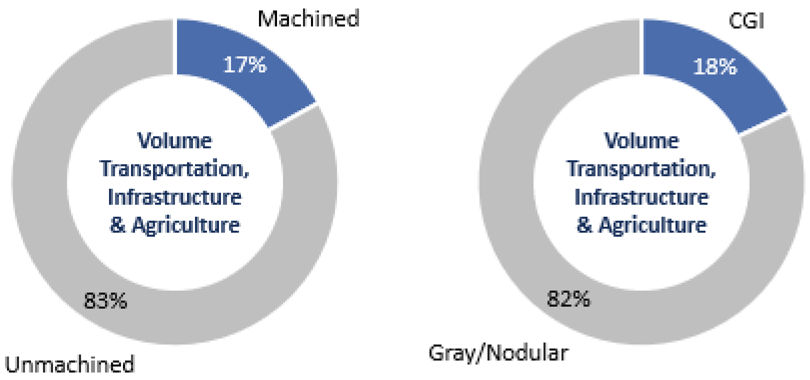
- Sales in sales in the Transportation, Infrastructure & Agriculture segment increased 115% in the domestic market, reflecting the positive performance for truck, machinery and equipment, as well as indirect exports and a greater share of products from the Betim plant aimed at the domestic market.
- The 19% growth in the foreign market was due to volumes for the Transportation, Infrastructure & Agriculture segment, with emphasis on off-road equipment.
- The Hydraulics segment recorded a 5% increase in volume for the foreign market, mainly driven by pent-up demand, among others.

Despite the positive macroeconomic indicators and high end-user demand, our customers were affected by supply chain restrictions, especially the reduced supply of semiconductors. This phenomenon has resulted in stoppages and reductions in production volume by engine manufacturers, impacting the Company's results, mainly in applications for light commercial vehicles and trucks.

Whereas supply chain constraints have prevented the production of capital goods from fully reflecting the economic performance, pent-up demand and the need to replenish inventories will contribute to an increase in volumes as global supply chains normalize.

Share of CGI (Compacted Graphite Iron) and machined goods:

Partially or fully machined products accounted for 17% of the portfolio of the Transportation, Infrastructure & Agriculture segment (23% excluding volumes from the Betim and Aveiro plants). In terms of product distribution, by type of material, CGI accounted for 18% of volume (24% excluding the new plants).



REVENUES

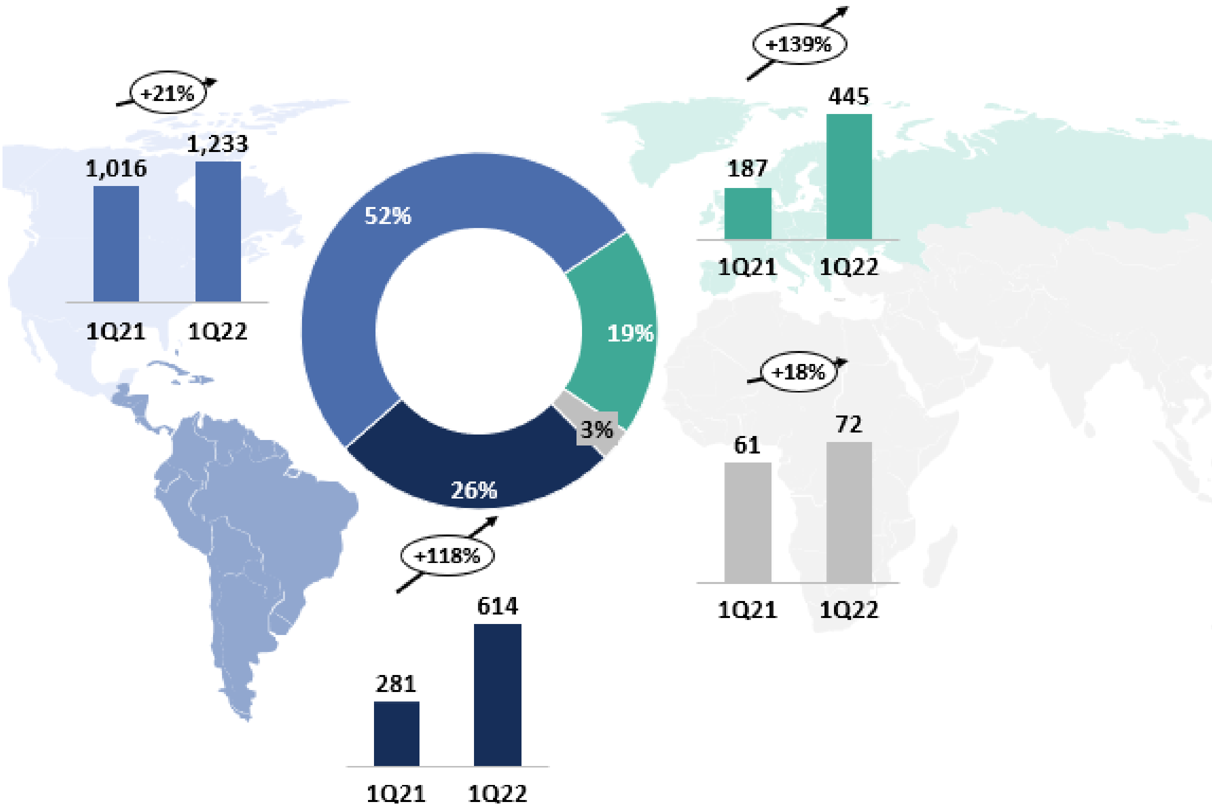
Compared to the same period in 2020, revenues increased 53%, with **revenue/kilo rising 14% over 1Q21**. The Betim and Aveiro operations contributed with R$445 million in 1Q22.

	Consolidated (R$ thousand)		
	1Q22	1Q21	Change
Revenues	**2,364,297**	**1,544,255**	**53.1%**
Domestic market	600,987	272,248	120.7%
Share (%)	*25.4%*	*17.6%*	
Foreign market	1,763,310	1,272,007	38.6%
Share (%)	*74.6%*	*82.4%*	
Revenues by segment	**2,364,297**	**1,544,255**	**53.1%**
Transportation, Infrastructure, and Agriculture	2,277,730	1,477,321	54.2%
Share (%)	*96.3%*	*95.7%*	
Hydraulics	86,567	66,934	29.3%
Share (%)	*3.7%*	*4.3%*	

Revenues by market and performance in the period

In 1Q22, 52% of revenues originated in North America. The South and Central Americas accounted for 26%, and Europe for 19% of the total. The remaining 3% came from Asia, Africa and Oceania, and the acquired plants contributed to a higher exposure to the Brazilian and European markets.

It is worth noting that multiple clients in the U.S. export their goods to other countries. Therefore, a substantial portion of sales to that region meets the global demand for commercial vehicles, machinery, and off-road equipment.



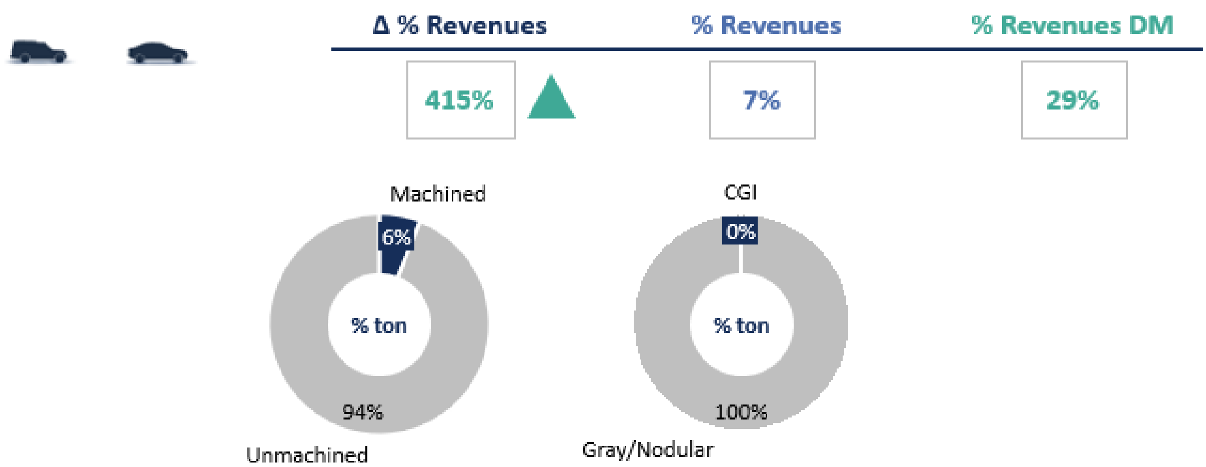
	Consolidated (R$ thousand)		
	1Q22	**1Q21**	**Chg. [%]**
Revenues	**2,364,297**	**1,544,255**	**53%**
Domestic Market	**600,987**	**272,248**	**121%**
Transportation, Infrastructure and Agriculture	**551,031**	**234,787**	**135%**
Passenger cars	172,607	33,493	415%
Commercial vehicles	271,133	156,103	74%
Off-road	107,291	45,191	137%
Hydraulics	**49,956**	**37,461**	**33%**
Foreign Market	**1,763,310**	**1,272,007**	**39%**
Transportation, Infrastructure and Agriculture	**1,726,699**	**1,242,534**	**39%**
Passenger cars	137,051	63,070	117%
Light commercial vehicles	649,969	536,678	21%
Medium and heavy commercial vehicles	411,961	308,087	34%
Off-road	527,718	334,699	58%
Hydraulics	**36,611**	**29,473**	**24%**

Note: The division among applications considers our best assumption for cases in which the same product is in two applications.

In addition to the revenue from the Betim and Aveiro operations and the price adjustments experienced in all segments, revenues for the period were impacted by the factors mentioned in the sections below.

DOMESTIC MARKET (DM)

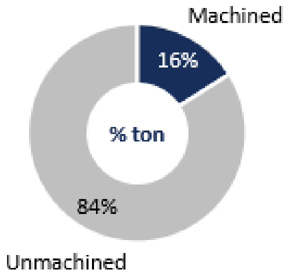
Passenger cars

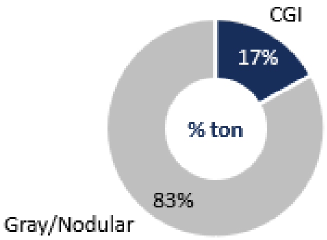


Light vehicle production in the Brazilian market decrease by approximately 18%, mainly due to a shortage of inputs and interruption in the production chains. This scenario's impact on our sales was offset by a client´s market share gain and higher volume of the Betim plant in this segment.

Commercial vehicles

Δ % Revenues	% Revenues	% Revenues DM
74% ▲	11%	45%

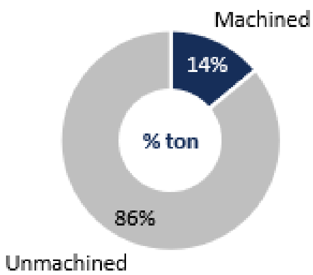


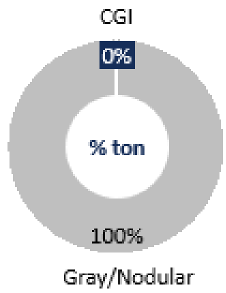


Revenues for the commercial vehicle segment increased compared to the same period last year, affected by increased demand in the domestic market and indirect exports.

Off-road

Δ % Revenues	% Revenues	% Revenues DM
137% ▲	5%	18%

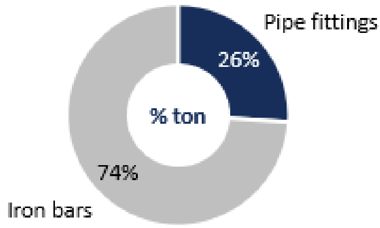




Tupy's revenues from machinery and off-highway vehicles were impacted by increased demand, in particular for agribusiness.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
33% ▲	2%	8%

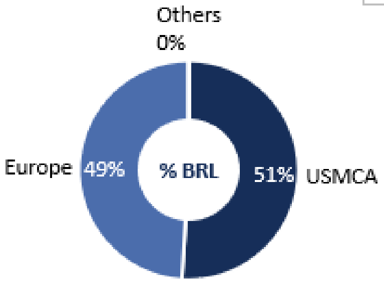


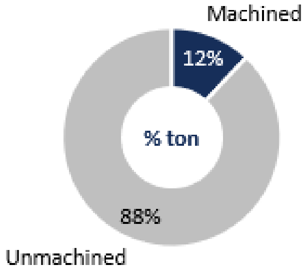
Sales revenues in the hydraulics segment showed a 33% increase over the same period in 2021, with the decline in volumes mitigated by price recomposition.

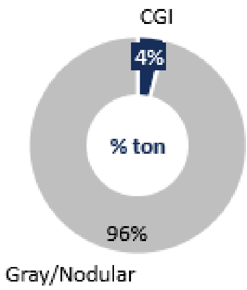
FOREIGN MARKET (EM)

Passenger cars

Δ % Revenues	% Revenues	% Revenues FM
117% ▲	6%	8%



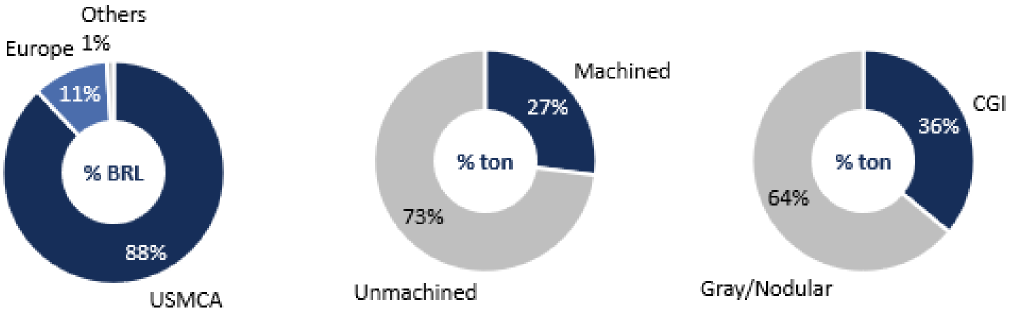




Despite the shortage of semiconductors that impacted customers' production and consequently our volumes, revenues from this segment increased due to the price recomposition for materials and higher volumes in the Portugal plant.

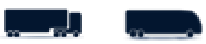
Light commercial vehicles

Δ % Revenues	% Revenues	% Revenues FM
21% ▲	27%	37%

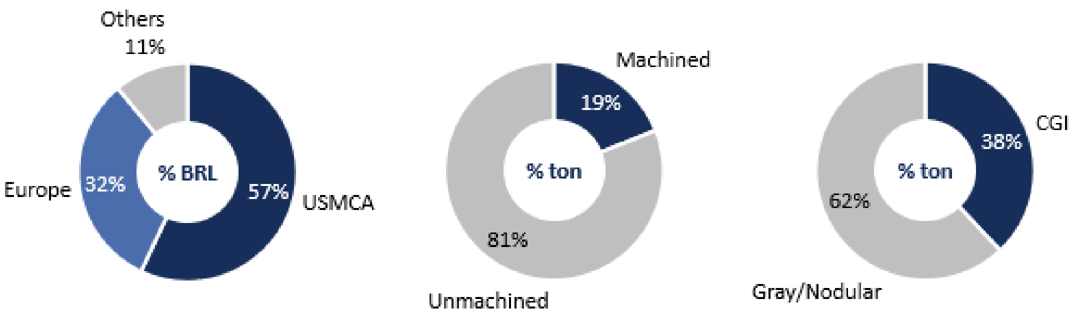


There was a strong demand for such an application, which represented 80% of light vehicle sales in the US during the period. Production, meanwhile, was impacted by restrictions in the supply of semiconductors and other inputs.

Medium and heavy commercial vehicles



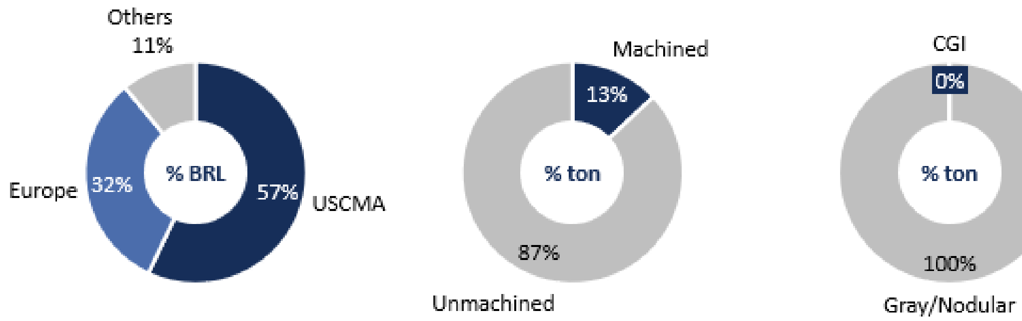
Δ % Revenues	% Revenues	% Revenues FM
34% ▲	17%	23%



Despite the shortages of semiconductors, revenue growth in 1Q22 was driven by increases in demand for higher-value products and production volumes from the acquired plants.

Off-road

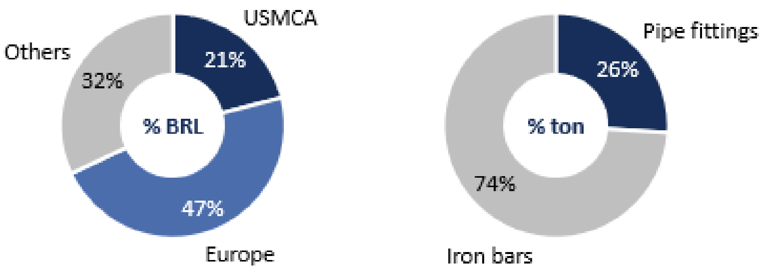
Δ % Revenues	% Revenues	% Revenues FM
58% ▲	22%	30%



In 1Q22, sales for off-road applications were impacted b the increase in demand for machinery and equipment, mainly for the construction, mining, and agriculture sectors.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
24% ▲	2%	2%



During the first quarter of 2022, there was an increase in net revenues from the Hydraulic segment, due to pent-up demand and price adjustments.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$1,955 million in 1Q22.

There was a significant increase in raw material costs, compared to the same period last year. This effect was mitigated by several cost and structure reduction initiatives implemented since last year, in addition to productivity gains and synergies captured from the new operations.

Consolidated (R$ thousand)	1Q22	1Q21	Chg. [%]
Revenues	**2,364,297**	**1,544,255**	**53.1%**
Cost of goods sold	**(1,954,658)**	**(1,304,282)**	**49.9%**
Raw material	(1,173,868)	(763,166)	53.8%
Labor, profit sharing and social benefits	(411,325)	(278,656)	47.6%
Maintenance materials and third parties	(133,342)	(88,482)	50.7%
Energy	(126,630)	(73,714)	71.8%
Depreciation	(80,199)	(74,327)	7.9%
Other	(29,294)	(25,937)	12.9%
Gross profit	**409,639**	**239,973**	**70.7%**
% on Revenues	*17.3%*	*15.5%*	
Operating expenses	**(179,952)**	**(118,361)**	**52.0%**
% on Revenues	*7.6%*	*7.7%*	

Besides the impact on the **year-on-year comparison by the addition of the Betim and Aveiro plants**, costs for the period were affected by the following factors:

- Increases in raw material cost, mainly due to inflation for these materials in the last 12 months. The substantial increase in costs, in particular scrap costs, reflects the global economic recovery and bottlenecks in the production chain, impacting prices and availability of materials. These effects were partially mitigated by several initiatives that were implemented over the past quarters, such as optimization of the use of materials, reduction of waste, and renegotiation of contracts with suppliers;

- Impact in labor costs were mainly caused by the increase in the number of employees in relation to 1Q21 (a decrease was recorded against 4Q21), and overtime costs, in addition to termination expenses; The period was also affected by the negotiation of the annual pay rise date.

- Increase in the maintenance and third-party services account due to the impact of inflation and higher production volume in the period;

- Increase in energy expenses due, mainly due to higher production volumes and the rise in generation and distribution tariffs in the annual comparison, with a greater use of energy from thermoelectric plants in the Brazilian energy matrix. There was also a substantial increase in energy costs at the Aveiro plant (Portugal), arising from the increase in the price of natural gas;

- The increase of 8% in depreciation costs was mainly due to the addition of assets originated from the acquisitions of the Betim and Aveiro plants;
- The R$4 million increase in other operational costs includes product and material handling, rents, health and safety, among other items.

Operating expenses, including administrative and selling expenses, reached R$180 million. The result was impacted by the increase in volumes and a significant growth in freight expenses, in addition to the annual pay rise negotiation.

OTHER OPERATING INCOME (EXPENSES)

Other net operational expenses came in as an expense of R$33 million in 1Q22, compared to an expense of R$41 million in 1Q21.

Consolidated (R$ thousand)			
	1Q22	1Q21	Chg. [%]
Depreciation of non-operating assets	(143)	(158)	-9.5%
Amortization of intangible assets	(13,444)	(14,740)	-8.8%
Other	(19,200)	(26,429)	-27.4%
Other operating expenses	**(32,787)**	**(41,327)**	**-20.7%**

Expenses related to the amortization of intangible assets reduced 9%, mainly reflecting the appreciation of the Brazilian real against the U.S. dollar in foreign-denominated assets.

The item "Others" account is comprised by (i) expenses for the constitution and updating of provisions, in the amount of R$12 million; and (ii) net expenses related to the sale of unusable assets, write-off of fixed assets and other costs, in the amount of R$7 million, the latter including expenses with M&A projects.

NET FINANCIAL INCOME (LOSS)

Net Financial Result came in as an expense of R$98 million, against R$59 million in 1Q21.

Consolidated (R$ thousand)			
	1Q22	1Q21	Chg. [%]
Financial expenses	(44,650)	(92,838)	-51.9%
Financial income	16,641	3,939	322.5%
Net monetary and exchange rate variations	(70,470)	30,191	
Net Financial Result	**(98,479)**	**(58,708)**	67.7%

The reduction in financial expenses compared to the previous year was due to the issuance of Senior Notes in February 2021, maturing in 2031, and the early settlement of a security maturing in 2024. In addition to the reduction in cost of debt (from 6.625% p.a. to 4.5% p.a.), the annual comparison was affected by the payment of a premium and interest *pro-rata* on the early settlement, in the amount of

R$58 million. The appreciation of the Brazilian real against the U.S. dollar in the period (average exchange rate of 5.23 in 1Q22 *vs* 5.48 in 1Q21) caused a reduction in the interest amount for our Senior Notes, which are denominated in U.S. dollars.

The result in 1Q22 includes the payment of interest in Brazilian reais, referring to liabilities assumed with the acquisition of the Betim and Aveiro operations (bank loans).

Financial income reached R$17 million in the period, mainly impacted by the rise in the interest rate that remunerates financial investments.

Income from net monetary and exchange variations totaled R$70 million due to (i) a negative variation in the balance sheet accounts in foreign currency, in the amount of R$102 million, resulting from the appreciation of the Brazilian real (approximately 15% from March 2021 to March 2022), with non-cash effect; and (ii) the result of hedge operations based on the zero-cost collar instrument, corresponding to a revenue of R$32 million in the period, with a cash effect of R$4 million.

EARNINGS BEFORE TAXES AND NET INCOME

The company's net income was R$74 million.

	Consolidated (R$ thousand)		
	1Q22	1Q21	Chg. [%]
Income before Tax Effects	**98,421**	**21,577**	**356.1%**
Tax effects before currency impacts	(34,918)	(25,765)	35.5%
Income (loss) before the currency effects on the tax base	**63,503**	**(4,188)**	
Currency effects on the tax base	10,496	(10,718)	
Net Income (Loss)	**73,999**	**(14,906)**	

The tax bases of the assets and liabilities of companies located in Mexico, where the functional currency is the U.S. dollar, are held in Mexican pesos at their historical values. Fluctuations in exchange rates affect the tax bases and, consequently, the currency effects are recorded as deferred income tax revenues and/or expenses. In 1Q22, a revenue of R$10 million was recorded, with non-cash effect (an expense of R$11 million was recorded in 1Q21).

EBITDA

The combination of the aforementioned factors resulted in CVM EBITDA of R$295 million. Adjusted EBITDA for the effect of the constitution/update of provisions, write-off of property, plant and equipment items, and other items reached R$314 million, with a margin of 13.3% (margin of 15.2% excluding the operations in Betim and Aveiro).

The recently acquired operations had an EBITDA of R$22 million and a margin of 5.0% (*vs* 2.2% in 4Q21), resulting from management initiatives and synergies already captured, which also impact Company's other plants. It is worth noting that margins in 1Q22 were higher than in 1Q21, despite the dilution effect caused by the incorporation of new plants.

	Consolidated (R$ thousand)		
RECONCILIATION OF NET INCOME TO EBITDA	**1Q22**	**1Q21**	**Chg. [%]**
Net Income (Loss) for the Year	**73,999**	**(14,906)**	
(+) Net financial income (loss)	98,479	58,708	67.7%
(+) Income tax and social contribution	24,422	36,483	-33.1%
(+) Depreciation and amortization	97,788	92,347	5.9%
EBITDA (CVM Instruction 527/12)	**294,525**	**172,632**	**70.7%**
% on revenues	*12.5%*	*11.2%*	
(+) Other net operating expenses*	19,200	26,429	-27.4%
(+) Impairment	-	-	
Adjusted EBITDA	**313,725**	**199,061**	**57.7%**
% on revenues	*13.3%*	*12.9%*	

The adjustments made to EBITDA aim to offset the effects of items less similar to the business, are non-recurring or have a non-cash effect. These expenses totaled R$19 million in 1Q22 and refer to (i) expenses for the constitution and updating of provisions. in the amount of R$12 million; and (ii) a net expense, in the amount of R$7 million, related to the sale of unusable assets, write-off of fixed assets and other costs, mainly arising from M&A expenses related to the acquisition of the Betim and Aveiro plants, and MWM do Brasil.

EBITDA growth and recovery in margins were achieved in a challenging scenario. Given the constraints in customers' supply chain, we recorded lower physical volumes in 1Q22 than in the pre-pandemic period (on the same comparison base, that is, excluding the Betim and Aveiro plantso), reducing by 14% and 12% *vs* 1Q18 and 1Q19, respectively.

Raw material costs increased significantly over the year and were passed-through , according to contractual clauses. Despite the EBITDA neutral effect, this mechanism negatively impacts the margins, due to the increase in revenues.

Despite these factors, the Company recorded its highest Adjusted EBITDA result, increasing 113% (excluding new plants) over the first quarter of 2019 (pre-pandemic), demonstrating the resilience of our business model and the outcome of several management initiatives.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Total investments in property, plant and equipment and intangible assets amounted to R$54 million in 1Q22, compared to R$32 million in 1Q21, the comparison basis being affected by the postponement of investments due to the COVID-19 pandemic.

	Consolidated (R$ thousand)		
	1Q22	1Q21	Chg. [%]
Property, Plant, and Equipment			
Strategic investments	18,048	15,582	15.8%
Maintenance and renovation	24,292	8,458	187.2%
Environment	5,582	3,758	48.5%
Interest and financial charges	1,196	396	202.0%
Intangible assets			
Software	4,318	2,807	53.8%
Projects under development	297	815	-63.6%
Total	**53,733**	**31,816**	**68.9%**
% on Revenues	*2.3%*	*2.1%*	

The amounts refer mainly to new foundry and machining programs, information and automation systems, and initiatives related to safety and the environment. This also reflects the increase in costs of machinery and equipment compared to the same period of the previous year.

WORKING CAPITAL

	Consolidated (R$ thousand)				
	1Q22	4T21	3T21	2T21	1Q21
Balance sheet					
Accounts receivable	1,511,386	1,251,097	1,203,582	972,343	991,661
Inventories	1,347,450	1,487,934	997,192	843,982	746,272
Accounts payable	1,086,964	1,239,828	838,137	869,932	777,710
Sales outstanding [days]	65	58	70	62	77
Inventories [days]	68	81	69	65	68
Payables outstanding [days]	55	63	57	66	71
Cash conversion cycle [days]	**78**	**76**	**82**	**61**	**74**

There was a two-day increase in working capital in the period compared to the 4Q21. The main lines presented the following variations:

- The average receivable period increased by 7 days of sales, due to seasonal factors, with a significant increase in sales in March 2022 over December 2021, and also due to the impact of the incorporation of new plants.

- Inventories decreased by R$140 million, representing a 13-day decrease in cost of goods sold. The decrease was due to several actions carried out by the Company aimed at adjusting inventories to its customers' production restrictions, mainly arising from the lack of semiconductors. We also had an effect from exchange rate variation (closing rate US$/R$ of 4.74 in March 2022 *vs* 5.58 in December 2021) on inventories in foreign currency.

- A reduction of R$153 million in accounts payable, corresponding to a 8-day decrease, mainly due to higher production volumes and the consequent upturn in raw material purchase in the period.

CASH FLOW

	Consolidated (R$ thousand)		
CASH FLOW SUMMARY	**1Q22**	**1Q21**	**Change**
Cash and cash equivalents at the beginning of the period	**1,272,445**	**1,425,113**	**-10.7%**
Cash from operating activities	(244,352)	9,112	
Cash used in investing activities	(65,436)	(39,676)	64.9%
Cash used in financing activities	62,486	(121,733)	
Currency effect on the cash for the year	(72,246)	110,071	
Increase (decrease) in cash and cash equivalents	**(319,548)**	**(42,226)**	**656.8%**
Cash and cash equivalents at the end of the period	**952,897**	**1,382,887**	**-31.1%**

The Company registered a cash consumption of R$244 million from operating activities, compared to a cash generation of R$9 million in 1Q21. This result was due to the variation in working capital compared to the previous quarter (4Q21), especially in the Accounts Receivable line. This was due to sales growth, especially in March, and payment to suppliers, covering mainly costs related to increasing inventories to serve customers in Europe, which were not included in the acquisition of Teksid's iron foundry businesses. The acquisition did not include inventories for subsidiaries that were not part of the transaction, and therefore we had to constitute this inventory.

Regarding investment activities, R$65 million were consumed in 1Q22, increasing 65% over the same period of the previous year, arising from additions to property, plant, and equipment, as well as intangible assets related to programs and projects for new products, machining, safety, and the environment.

Regarding financing activities, during 1Q22, there was a R$62 million increase due to the funding of R$405 million and amortization of loans, in the amount of R$313 million, mainly from extension in maturity and reduction in debt costs with the acquisition of the Betim plant. Additionally, we paid interest on equity in January 2022, in the amount of R$22 million. In 1Q21, the comparison with the same period in the previous year was impacted by the issuance of debt securities in the international market, in the amount of US$375 million. We also used U$350 million to pay Senior Unsecured Notes, issued in 2014, and R$198 million to amortize bank loans.

The combination of these factors and the exchange rate variation on cash, with negative effect of R$72 million, resulted in a decrease of R$320 million in cash and cash equivalents in the period. Therefore, we ended the first quarter of 2022 with a cash balance of R$953 million.

INDEBTEDNESS

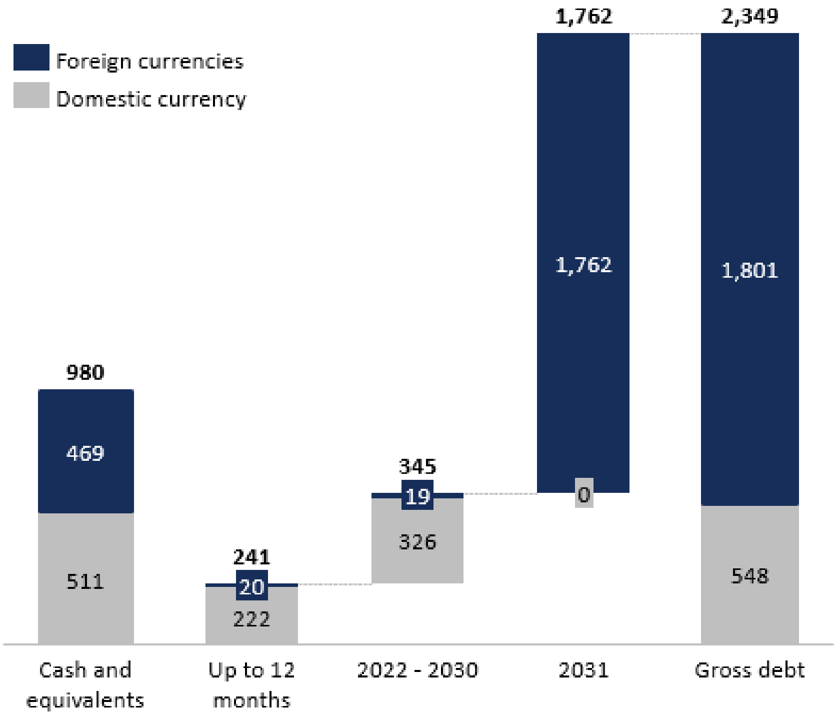
The Company ended 1Q22 with net debt of R$1.4 billion, corresponding to a **net debt/LTM Adjusted EBITDA ratio of 1.38x (excluding the Betim and Aveiro plants during 6 months of the LTM figures).**

Liabilities in foreign currency accounted for 77% of the total amount (1% short-term and 99% long-term debt), while 23% of total debt was denominated in Brazilian reais (41% short-term and 59% long-term debt). As for the Company's cash balance, 52% of the total amount is denominated in Brazilian reais and 48% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**1Q22**	**4T21**	**3T21**	**2T21**	**1Q21**
Short term	241,374	508,889	39,370	177,684	164,680
Financing and loans	241,374	507,486	35,204	177,012	158,486
Financial Instruments and Derivatives	-	1,403	4,166	672	6,194
Long term	2,107,347	2,103,738	2,042,549	1,866,329	2,125,644
Gross debt	**2,348,721**	**2,612,627**	**2,081,919**	**2,044,013**	**2,290,324**
Cash and cash equivalents	952,897	1,272,445	1,091,723	1,265,877	1,382,887
Derivative financial instruments	27,129	678	241	5,978	129
Net debt	**1,368,695**	**1,339,504**	**989,955**	**772,158**	**907,308**
Gross debt/Adjusted EBITDA	2.37x	2.98x	2.42x	2.47x	3.58x
Net debt/Adjusted EBITDA	**1.38x**	**1.53x**	**1.15x**	**0.93x**	**1.42x**

The reduction in short-term debt in relation to the previous quarter (4Q21) was due to the amortization of debts with the acquisition of the Betim plant, in the amount of R$313 million. Resouces came from funding transactions carried out in Reais (bank loan), at lower costs and with longer maturity. The increase in long-term debt was mitigated by the effect of the exchange rate appreciation on the Senior Notes, which is denominated in foreign currency.

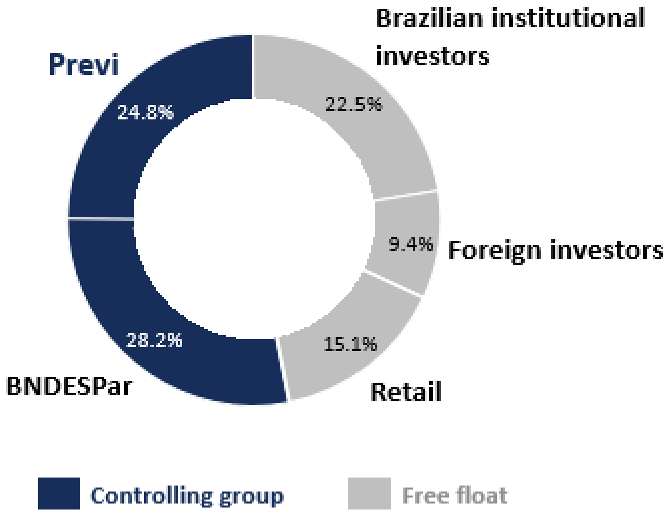
The Company's debt profile is as follows:



All amounts in R$ million.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of March 31, 2021, was as follows:



Attachment I – Commercial vehicle production and sales in Brazil

	1Q22	1Q21	Var. (%)
Production			
Trucks			
Semi-light	346	324	6.79%
Light	6,210	5,446	14.03%
Mdium	1,553	1,679	-7.50%
Semi-heavy	10,695	9,680	10.49%
Heavy	15,579	15,953	-2.34%
Total trucks	**34,383**	**33,082**	**3.93%**
Buses	5,702	5,176	10.16%
Commercial Vehicles	**40,085**	**38,258**	**4.78%**
Sales			
Trucks			
Semi-light	305	238	28.15%
Light	2,541	2,490	2.05%
Medium	2,684	2,244	19.61%
Semi-heavy	7,439	6,575	13.14%
Heavy	12,714	13,154	-3.34%
Total trucks	**25,683**	**24,701**	**3.98%**
Buses	3,322	3,331	-0.27%
Commercial Vehicles	**29,005**	**28,032**	**3.47%**
Export			
Trucks			
Semi-light	281	123	128.46%
Light	847	918	-7.73%
Mdium	123	346	-64.45%
Semi-heavy	1,072	1,585	-32.37%
Heavy	2,362	2,307	2.38%
Total trucks	**4,685**	**5,279**	**-11.25%**
Buses	970	845	14.79%
Commercial Vehicles	**5,655**	**6,124**	**-7.66%**

Source: ANFAVEA

Attachment II – Production and sales of light and commercial vehicles in foreign markets

	1Q22	1Q21	Var. (%)
North America			
Production			
Passenger cars	685,119	746,320	-8%
Light commercial vehicles – Class 1-3	2.986,770	2,875,579	4%
% Light commercial vehicles			
Light Duty – Class 4-5	20,630	25,820	-20%
Medium Duty – Class 6-7	28,781	29,792	-3%
Medium Duty – Class 8	71,410	65,305	9%
Medium & Heavy Duty	**120,821**	**120,917**	**0%**
United States			
Sales			
Passenger cars	679,178	891,276	-24%
Light commercial vehicles – Class 1-3	2,639,611	3,046,127	-13%
% Light commercial vehicles	**79.5%**	**77.4%**	
Light Duty – Class 4-5	56,625	65,700	-14%
Medium Duty – Class 6-7	53,580	59,694	-10%
Medium Duty – Class 8	88,682	108,510	-18%
Medium & Heavy Duty	**198,887**	**233,904**	**-15%**
Europe			
Sales			
Passenger cars	2,245,976	2,560,330	-12%

Fonte: Automotive News; Bloomberg; ACEA

Attachment III – Production and sales of agricultural machinery in global markets

	1Q22	1Q21	Var. (%)
Sales			
Americas			
United States	64,255	69,152	7%
Europe			
United Kingdom	13,579	14,712	8%

Source: ANFAVEA; Bloomberg; AEA; AXEMA