2Q25 Highlights

Impact of global uncertainties on demand for commercial vehicles

Earnings Call

Date: August 14, 2025

Portuguese/English

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Net Revenue: R$2.6 billion in 2Q25 (-6% vs. 2Q24). The depreciation of the Brazilian real partially offset the impact of the 10% decrease in physical sales volumes, led by the market performance of commercial vehicles in the United States and Europe.

Adjusted EBITDA: R$210 million (-47% vs. 2Q24), with a margin of 8% (vs. 14% in 2Q24). The year-over-year comparison was influenced by payments received related to price adjustments recognized in that period.

The margin of the traditional business, which includes structural components and hydraulic products, reached **7% in 2Q25.** The double-digit decline in sales and production volumes, which affected operational efficiency, quality indicators, and the dilution of costs and expenses, had an approximately R$90 million impact on EBITDA in the quarter. The margin of **MMW's operations stood at 10% in the period.**

Financial Result: net expense of **R$35 million** (vs. an expense of R$176 million in 2Q24), due to the positive impact of exchange rate variation on balance sheet accounts in foreign currency and the result of hedge operations (which recorded a negative result in 2024).

Net Income: R$24 million, up by 33% over the same period last year, driven by the improved financial result and the depreciation of the Mexican Peso over the tax base (a positive effect of R$75 million year over year).

Operating Cash Flow: generation of R$106 million (vs. R$413 million in 2Q24).

MESSAGE FROM MANAGEMENT

The scenario of uncertainties observed since last year intensified in the second quarter of 2025. The deterioration of the business environment, driven by geopolitical conflicts and the rise of trade barriers, has eroded the confidence of both companies and consumers.

This context, combined with depressed freight rates, negatively impacted the demand for commercial vehicles in North America and Europe, as reflected in the results reported by our main clients — leading truck manufacturers — which have also revised downward their projections for 2025.

In Brazil, the interest rates and more restrictive credit policies impacted the sales of heavy and extra-heavy commercial vehicles.

As a result, physical sales volume in the Structural Components segment declined by 10% compared to the same period last year. This impact was partially offset by a favorable exchange rate environment and revenue growth in the Manufacturing Contracts, Energy & Decarbonization, and Distribution Business Units.

Consolidated net revenue totaled R$2.6 billion in the quarter, down by 6% from the same period in 2024. Adjusted EBITDA came to R$210 million, down by 47% year over year, with a margin of 8% on net revenue.

The sharp drop in sales and production volumes affected the dilution of fixed costs, negatively impacting EBITDA by approximately R$90 million. The comparison base was also affected by non-recurring gains recorded in 2Q24, related to price adjustments from commercial negotiations.

Net income for the period was R$24 million, up by 33% over the previous year, driven by improved financial results.

Traditional Business: optimization of capacity and operational efficiency

In recent years, we have taken important steps toward market consolidation. Our global presence, with manufacturing facilities located in Brazil, Mexico, and Portugal, represents a significant competitive advantage.

Operations in Mexico have played a strategic role in securing higher value-added contracts, enabling clients to serve the North American market while complying with USMCA requirements. In a more protectionist scenario, these facilities become even more relevant within global supply chains.

The pursuit of operational efficiency — and returns above capital costs in all regions where we operate — is one of the pillars of our strategy. In this sense, we are adjusting our production capacity to meet current and future demand, enable new projects, and improve profitability.

This process began in Mexico in 2024 and will continue to intensify in 2025 and 2026, with capacity reductions and the reallocation of production according to the specifics of new product generations and client localization strategies. The commercial policy adopted by the United States led to a review of these projects, affecting the timeline for their completion, originally expected in 2025.

This reorganization will result in a reduction of approximately 25% in installed capacity compared to the post-acquisition scenario of the Aveiro and Betim plants, in line with our strategy of operational integration. We are now in the final stage of this process. The effects of these actions will begin to be felt starting next year, with an annual impact of R$100 million in 2026 and R$180 million from 2027 onward, due to the reduction in fixed costs.

This demanding process has provided the Company with valuable learning experiences in operating efficiently across three countries. We have built and integrated manufacturing network and developed Supply Chain strategies that allow the Company to offer clients flexible and competitive service solutions, while enabling risk mitigation, especially in a scenario of rising tariffs and regional content requirements. Tupy's solution portfolio is unique in the foundry industry, positioning the Company to meet the growing needs of clients and strengthening its role as a strategic partner to the world's leading vehicle and machinery manufacturers.

MWM: growth and margin expansion

We are building a larger, more diversified company, with a presence in high-growth, high-value-added segments.

MWM's revenue grew by 12% year over year, reflecting the strength of the operation and the effectiveness of the strategies implemented.

The Manufacturing Contracts Unit, which provides services to manufacturers, experienced a one-off impact earlier this year due to client shutdowns, but benefited from the recovery in volumes and contractual guarantees (take or pay) that ensure a minimum revenue base.

Sales of generator sets continued on a strong path, with double-digit growth. Scale gains and ongoing improvements in operational efficiency contributed to the increase in product EBITDA margin.

In the Aftermarket segment, 400 new products were launched in the first six months of the year, mainly for engines of other brands, expanding the portfolio and market penetration. We also recorded export growth across multiple regions and now count on a product development team based in China.

The acquisition of MWM is aligned with our strategy of expanding our role in the automotive chain, focusing on segments that are countercyclical to the traditional business. The initiative has proven successful, and the Company now operates under a Business Unit (BU) model formed of three independent and complementary fronts, whose performance continues to grow quarter over quarter, as planned.

Outlook

The next few quarters will be marked by challenges, with macroeconomic uncertainties continuing to impact the key markets in which we operate. In this environment, the continued pursuit of operational efficiency and disciplined capital allocation becomes even more important to maintaining our competitiveness.

We are undergoing a profound and structured transformation to reposition the organization in light of current challenges and prepare the business for a new cycle of sustainable growth. This journey involves a review of operating models, processes, and structures, with concrete actions in key areas such as manufacturing, quality, engineering, procurement, and people management, and is centered on simplification, increased productivity, higher quality standards, and greater cross-functional integration. We are enhancing modern management practices, with a focus on agility, efficiency, and data-driven decision-making. As a result, these initiatives are expected to improve our EBITDA margin by at least two percentage points starting in 2026.

The Company's restructuring in 2025 will allow for the efficient monetization of working capital, supporting cash generation despite the impact on EBITDA. However, with expected significant sales growth in 2026, resulting from new long-term contracts with more favorable commercial conditions, we foresee a significant dilution of fixed costs and improved operating profitability.

Despite short-term challenges, we remain fully committed to the rigorous execution of our strategic plan, identifying significant opportunities both in expanding our traditional business and diversifying through new services in sectors with solid fundamentals, such as freight transportation, infrastructure, agribusiness, and energy generation. In addition to organic growth, we are gaining market share in key segments for the Company.

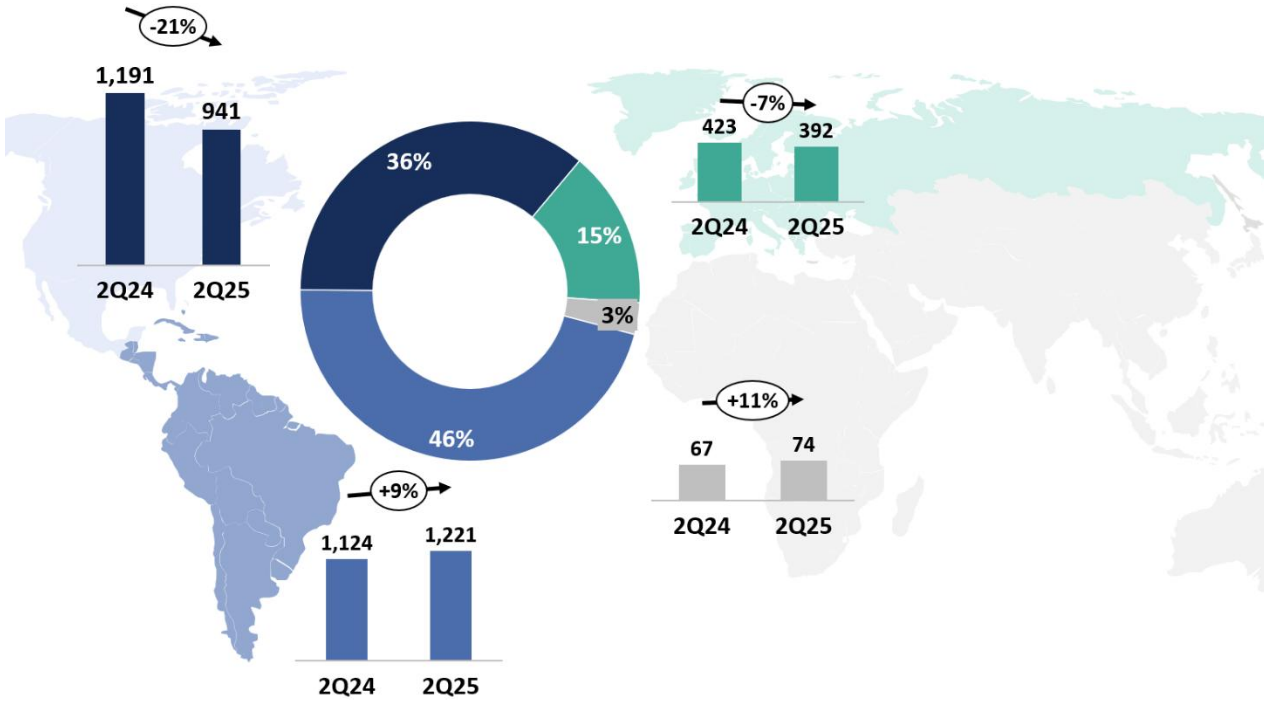
We will continue advancing in the expansion of new businesses, leveraging our technical expertise, extensive distribution network, and strong brands — pillars that support our ability to consistently generate value and position the Company for sustainable growth, with a leaner and more efficient operational structure.

SUMMARIZED RESULTS

	Consolidated (R$ thousand)					
SUMMARY	**2Q25**	**2Q24**	**Var. [%]**	**1H25**	**1H24**	**Var. [%]**
Revenues	**2,627,369**	**2,805,461**	**-6.3%**	**5,110,413**	**5,403,365**	**-5.4%**
Cost of goods sold	(2,262,465)	(2,262,294)	0.0%	(4,364,425)	(4,395,849)	-0.7%
Gross Profit	**364,904**	**543,167**	**-32.8%**	**745,988**	**1,007,516**	**-26.0%**
% on Revenues	*13.9%*	*19.4%*		*14.6%*	*18.6%*	
Operating expenses	(250,255)	(239,600)	4.4%	(478,978)	(483,366)	-0.9%
Other operating expenses	(37,438)	(56,222)	-33.4%	(76,443)	(83,933)	-8.9%
Income before Financial Result	**77,211**	**247,345**	**-68.8%**	**190,567**	**440,217**	**-56.7%**
% on Revenues	*2.9%*	*8.8%*		*3.7%*	*8.1%*	
Net financial result	(34,680)	(176,465)	-80.3%	(137,271)	(228,480)	-39.9%
Earnings before Tax Effects	**42,531**	**70,880**	**-40.0%**	**53,296**	**211,737**	**-74.8%**
% on Revenues	*1.6%*	*2.5%*		*1.0%*	*3.9%*	
Income tax and social contribution	(18,596)	(52,884)	-64.8%	(41,554)	(81,996)	-49.3%
Net Income	**23,935**	**17,996**	**33.0%**	**11,742**	**129,741**	**-90.9%**
% on Revenues	*0.9%*	*0.6%*		*0.2%*	*2.4%*	
EBITDA (CVM Resolution 156/22)	**174,432**	**340,867**	**-48.8%**	**383,445**	**623,346**	**-38.5%**
% on Revenues	*6.6%*	*12.2%*		*7.5%*	*11.5%*	
Adjusted EBITDA	**209,760**	**394,973**	**-46.9%**	**457,049**	**703,034**	**-35.0%**
% on Revenues	*8.0%*	*14.1%*		*8.9%*	*13.0%*	
Average exchange rate (BRL/USD)	**5.67**	**5.21**	**8.7%**	**5.76**	**5.08**	**13.3%**
Average exchange rate (BRL/EUR)	6.42	5.61	14.4%	6.29	5.50	14.5%

REVENUES

In 2Q25, 36% of revenues originated in North America. The South and Central Americas, in turn, accounted for 46%, and Europe for 15%. The remaining 3% came from Asia, Africa, and Oceania, and the acquired plants contributed to a higher exposure to the Brazilian and European markets.



Consolidated (R$ thousand)

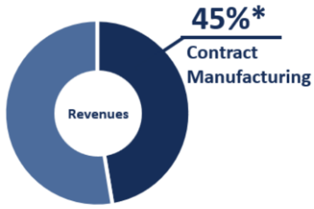
	2Q25	2Q24	Var. [%]	1H25	1H24	Var. [%]
Revenues	**2,627,369**	**2,805,461**	**-6.3%**	**5,110,413**	**5,403,365**	**-5.4%**
Domestic Market	**1,140,680**	**1,062,979**	**7.3%**	**2,098,465**	**1,997,440**	**5.1%**
Structural Components and Manufacturing Contracts	**800,931**	**757,860**	**5.7%**	**1,469,410**	**1,444,700**	**1.7%**
Commercial vehicles (and passenger cars)	704,420	676,686	4.1%	1,287,579	1,301,071	-1.0%
Off-road	96,511	81,174	18.9%	181,831	143,629	26.6%
Energy & Decarbonization	**177,283**	**147,470**	**20.2%**	**310,701**	**270,145**	**15.0%**
Distribution	**162,466**	**157,649**	**3.1%**	**318,354**	**282,594**	**12.7%**
Export Market	**1,486,689**	**1,742,482**	**-14.7%**	**3,011,948**	**3,405,925**	**-11.6%**
Structural Components and Manufacturing Contracts	**1,423,056**	**1,653,930**	**-14.0%**	**2,878,720**	**3,235,695**	**-11.0%**
Commercial vehicles (and passenger cars)	965,780	1,281,188	-24.6%	1,994,599	2,489,992	-19.9%
Off-road	457,276	372,742	22.7%	884,121	745,703	18.6%
Energy & Decarbonization	**16,269**	**42,184**	**-61.4%**	**48,122**	**79,951**	**-39.8%**
Distribution	**47,364**	**46,368**	**2.1%**	**85,106**	**90,280**	**-5.7%**

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

REVENUE BY BUSINESS UNIT

Structural Components and Manufacturing Contracts

Δ % Revenues	% Revenues DM	% Revenues FM
- 8% ▼	70%	96%



*% of products with added value (machining and/or assembly)

The decline in revenue was primarily driven by lower sales volumes of commercial vehicle applications in the North American market. Uncertainties surrounding tariffs and their effects on economic indicators, along with the depreciation of freight rates and high interest rates, led transportation companies to delay investments and the renewal of fleet, negatively impacting truck purchases.

In the European market, this scenario was partially offset by interest rate cuts in some countries and infrastructure investments. Sales were mainly driven by fleet renewal initiatives due to high utilization levels.

In Brazil, while the bus segment has performed well, supported by government programs, the heavy vehicle market has been negatively impacted by higher interest rates and more restrictive financing conditions for the agribusiness segment. Indirect exports by our clients also had a negative impact on the period's results.

The off-road segment, which is characterized by long production chains, has benefited from inventory replenishment in both international and domestic markets, due to the increased demand for applications involving larger engines, such as those used in large generators for datacenters.

Currently, approximately 45% of revenue comes from higher value-added products, such as machined and/or assembled components.

Distribution

Δ % Revenues	% Revenues DM	% Revenues FM
3% ▲	14%	3%

The Distribution Business Unit includes the aftermarket segment for diesel engine parts and hydraulic products.

Revenue from the aftermarket grew by 8%, reflecting the launch of new product lines ("*Masterparts*", a multi-brand product line, and "*Linha Opcional*", a more competitive line for MWM-branded products), as well as increased exports, particularly to the Argentine market.

On the other hand, revenue from hydraulic products declined by 6% year over year, due to lower exports, especially to the North American market, as a result of postponed investments.

The Business Unit accounted for 8% of the Company's total revenue in the second quarter of 2025.

Energy & Decarbonization

Δ % Revenues	% Revenues DM	% Revenues FM
2% ▲	16%	1%

The Energy & Decarbonization Unit grew by 2% compared to the same period last year.

Revenue from generator sets increased by 19%, due to a higher number of units sold and a product mix with a higher average price. EBITDA margins, in turn, have already surpassed the 10% mark, compared to the 7% recorded in 2024.

This performance, combined with higher revenue from new businesses, helped mitigate the effects of the reduction in own engine sales, mainly used by equipment manufacturers. Demand for these applications was negatively impacted by high interest rates, agricultural commodity prices, tight credit conditions, and the termination of a supply contract with an international client.

The segment accounted for 7% of the Company's total revenue in the period.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$2.3 billion in 2Q25, flat from 2Q24.

The drop in production and sales volumes, with an effect on the dilution of fixed costs, impacted the gross margin, which reached 14% in the period.

			Consolidated (R$ thousand)			
	2Q25	**2Q24**	**Var. [%]**	**1H25**	**1H24**	**Var. [%]**
Revenues	**2,627,369**	**2,805,461**	**-6.3%**	**5,110,413**	**5,403,365**	**-5.4%**
Cost of Goods Sold	**(2,262,465)**	**(2,262,294)**	**0.0%**	**(4,364,425)**	**(4,395,849)**	**-0.7%**
Raw material	(1,377,789)	(1,359,757)	1.3%	(2,600,538)	(2,657,732)	-2.2%
Labor, profit sharing, and social benefits	(480,682)	(493,751)	-2.6%	(947,423)	(937,480)	1.1%
Maintenance supplies	(167,964)	(172,285)	-2.5%	(335,449)	(341,533)	-1.8%
Energy	(105,463)	(111,638)	-5.5%	(216,915)	(226,716)	-4.3%
Depreciation	(85,712)	(82,030)	4.5%	(170,926)	(162,942)	4.9%
Others	(44,855)	(42,833)	4.7%	(93,174)	(69,446)	34.2%
Gross profit	**364,904**	**543,167**	**-32.8%**	**745,988**	**1,007,516**	**-26.0%**
% on Revenues	*13.9%*	*19.4%*		*14.6%*	*18.6%*	
Operating expenses	**(250,255)**	**(239,599)**	**4.4%**	**(478,978)**	**(483,365)**	**-0.9%**
% on Revenues	*9.5%*	*8.5%*		*9.4%*	*8.9%*	

Costs in 2Q25 were also affected by:

- Raw material: increased due to a higher share of value-added products, currency depreciation, and the growth of manufacturing contract operations;
- Labor: declined due to headcount reduction and depreciation of the Mexican Peso, mitigating the effect of inflation (annual salary adjustment);
- Maintenance and third-party services: reduced due to management initiatives and the depreciation of the Mexican peso, partially offsetting the inflation of services;
- Energy: reduced mainly due to the lower sales volume in the period;
- Depreciation: increased due to the depreciation of the Brazilian real against the U.S. dollar, with an impact on the value of foreign currency assets.
- Other operating costs: increased mainly due to costs with the handling of products and materials, engine engineering projects, leases, and health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R$250 million, up by 4% over 2Q24.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Income/Expenses came in as an expense of R$37 million in 2Q25 compared to an expense of R$56 million in the previous year.

Consolidated (R$ thousand)						
	2Q25	2Q24	Var. [%]	1H25	1H24	Var. [%]
Depreciation of non-operating assets	(2,110)	(2,116)	-0.3%	(2,839)	(4,245)	-33.1%
Others	(35,328)	(54,106)	-34.7%	(73,604)	(79,688)	-7.6%
Other operating expenses	**(37,438)**	**(56,222)**	**-33.4%**	**(76,443)**	**(83,933)**	**-8.9%**

The "Others" line consists of net expenses of R$35 million, arising from (i) the creation/update of provisions, of R$24 million (vs. R$28 million in 2Q24); (ii) expenses of R$4 million with restructuring (vs. R$21 million in 2Q24); (iii) sale of unserviceable items, write-off of PP&E and others, with a net expense of R$7 million (vs. R$5 million in 2Q24).

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$35 million in 2Q25, compared to an expense of R$176 million in the same period a year ago.

Consolidated (R$ thousand)						
	2Q25	2Q24	Var. [%]	1H25	1H24	Var. [%]
Financial expenses	(93,881)	(96,219)	-2.4%	(181,836)	(174,299)	4.3%
Financial income	33,282	34,722	-4.1%	67,036	65,908	1.7%
Net monetary and currency variations	25,919	(114,968)	-	(22,471)	(120,089)	-81.3%
Net Financial Result	**(34,680)**	**(176,465)**	**-80.3%**	**(137,271)**	**(228,480)**	-39.9%

Financial expenses fell by 2% from the previous year. The effects of higher interest rates in Brazil and the exchange rate depreciation, which impacted the provision of interest in foreign currency, were mitigated by a reduction in indebtedness, with R$366 million in amortizations during the first half of the year.

Financial income reached R$33 million in the period, boosted by higher interest rates, which, together with the allocation strategy, mitigated the lower cash balance compared to the same period last year.

Income from net monetary and exchange rate variations totaled R$26 million, composed of (i) positive variations in balance sheet accounts in foreign currency, of R$6 million. Currency exposure management initiatives mitigated the impact of the appreciation of the Brazilian real against the U.S. dollar compared to the previous quarter (1Q25); and (ii) results from hedge operations, corresponding to R$20 million in income for the period, of which R$14 million was mark-to-market gains on hedging instruments and R$6 million was cash effect from settled operations.

EARNINGS BEFORE TAX EFFECTS AND NET INCOME

The Company's net income totaled R$24 million, up by 33% over 2Q24, mainly due to the improved financial result (foreign exchange variations in balance sheet accounts in foreign currency and hedge operations) and the impact of exchange rate effects on tax bases.

	Consolidated (R$ thousand)					
	2Q25	**2Q24**	**Var. [%]**	**1H25**	**1H24**	**Var. [%]**
Earnings before Tax Effects	**42,531**	**70,880**	**-40.0%**	**53,296**	**211,737**	**-74.8%**
Tax effects before currency impacts	(27,295)	12,993	-	(45,646)	(43,991)	3.8%
Earnings before the currency effects on the tax base	**15,236**	**83,873**	**-99.3%**	**7,650**	**167,746**	**-95.4%**
Currency effects on the tax base	8,699	(65,877)	-	4,092	(38,005)	-
Net Income	**23,935**	**17,996**	**33.0%**	**11,742**	**129,741**	-90.9%

The tax bases of the assets and liabilities of the 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 2Q25, the Company recorded revenue of R$9 million, with no cash effect (vs. an expense of R$66 million in 2Q24).

EBITDA

The combination of the aforementioned factors resulted in CVM EBITDA of R$174 million, with a margin of 6.6% (vs. 12.2% in 2Q24). EBITDA adjusted for other operating expenses and income (creation/restatement of provisions, result of PP&E sales, and other expenses) reached R$210 million, with a margin of 8.0% in 2Q25 (vs. 14.1% in 2Q24).

The comparison base was impacted by the recognition, in 2024, of amounts related to commercial negotiations and price adjustments.

			Consolidated (R$ thousand)			
RECONCILIATION OF NET INCOME WITH EBITDA	**2Q25**	**2Q24**	**Var. [%]**	**1H25**	**1H24**	**Var. [%]**
Net Income for the Period	**23,935**	**17,996**	**33.0%**	**11,742**	**129,741**	-90.9%
(+) Net Financial Result	34,680	176,465	-80.3%	137,271	228,480	-39.9%
(+) Income Tax and Social Contribution	18,596	52,884	-64.8%	41,554	81,996	-49.3%
(+) Depreciation and Amortization	97,221	93,522	4.0%	192,878	183,129	5.3%
EBITDA (according to CVM 156/22)	**174,432**	**340,867**	**-48.8%**	**383,445**	**623,346**	**-38.5%**
% on revenues	*6.6%*	*12.2%*		*7.5%*	*11.5%*	
(+) Other Operating Expenses, Net	35,328	54,106	-34.7%	73,604	79,688	-7.6%
Adjusted EBITDA	**209,760**	**394,973**	**-46.9%**	**457,049**	**703,034**	**-35.0%**
% on revenues	*8.0%*	*14.1%*		*8.9%*	*13.0%*	

The margin of the traditional business, which includes structural components and hydraulic products, reached 7% in 2Q25. The double-digit decline in sales and production volumes, which affected operational efficiency, quality indicators, and the dilution of costs and expenses, had an impact of approximately R$90 million on EBITDA.

The margin of MMW's operations (Manufacturing Contracts, Aftermarket, and Energy & Decarbonization) stood at 10% in the period. The implementation of manufacturing and organizational optimization projects contributed to a significant increase in the EBITDA margin, which stood at 6% at the time of the acquisition.

INVESTMENTS IN PP&E AND INTANGIBLE ASSETS

Investments in PP&E and intangible assets totaled R$102 million in 2Q25 (accrual basis), compared to R$128 million in 2Q24, down by 20%.

Consolidated (R$ thousand)	2Q25	2Q24	Var. [%]	1H25	1H24	Var. [%]
PP&E						
Strategic investments	47,152	63,654	-25.9%	79,929	80,222	-0.4%
Maintenance and modernization of operational capacity	47,035	44,150	6.5%	69,149	90,446	-23.5%
Environment	1,635	12,061	-86.4%	4,027	14,445	-72.1%
Interest and financial charges	1,736	4,770	-63.6%	3,904	7,949	-50.9%
Intangible assets						
Software	1,868	2,509	-25.5%	2,908	5,500	-47.1%
Projects under development	2,620	933	180.8%	4,095	2,331	75.7%
	102,046	**128,077**	**-20.3%**	**164,012**	**200,893**	**-18.4%**
% on Revenues	*3.9%*	*4.6%*		*3.2%*	*3.7%*	

The figures mainly refer to new foundry and machining programs, higher operational efficiency, and synergies between operations, in addition to investments in health, safety, and the environment.

WORKING CAPITAL

Consolidated (R$ thousand)	2Q25	1Q25	4Q24	3Q24	2Q24
Balance Sheet					
Accounts receivable	1,935,840	2,028,377	1,837,435	2,110,455	2,091,348
Inventories	2,041,125	2,134,475	2,197,704	2,069,851	2,046,123
Accounts payable	1,321,633	1,574,755	1,482,620	1,411,298	1,406,553
Advances from Customers	*151,504*	*149,093*	*85,207*	*76,497*	*103,869*
Sales outstanding [days]	68	70	63	71	69
Inventories [days]	86	89	92	85	82
Payables outstanding [days]	62	73	65	61	60
Cash conversion cycle [days]	**92**	**86**	**90**	**95**	**91**

The cash conversion cycle increased by 6 days over the previous quarter (1Q25).

The main lines presented the following variations:

- Reduction of R$93 million in accounts receivable, equivalent to a two-day impact on the average collection period. The main driver was the appreciation of the Brazilian real against the U.S. dollar compared to the previous quarter (USD/BRL closing rate of 5.46 in

June 2025 vs. 5.74 in March 2025), which impacted foreign currency-denominated accounts receivable, accounting for 67% of the total. Seasonal factors, such as a higher concentration of sales in March, with cash inflows occurring throughout the second quarter, also influenced the period’s result.

- Decrease of R$93 million in inventories, with a three-day reduction in working capital, driven by management initiatives, particularly for work-in-process and finished goods, as well as the appreciation of the real against the U.S. dollar.

- Reduction of 11 days in accounts receivable turnover, due to a higher concentration of payments stemming from seasonal effects and lower purchasing volume in 2Q25, as a result of reduced production and, consequently, lower inventories. Accounts payable in foreign currency accounted for 40% of the total.

  The calculation of payables outstanding (in days) considers the advance, by customers, of working capital from the engine manufacturing contract.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	2Q25	2Q24	Var.[%]	1H25	1H24	Var.[%]
Cash and cash equivalents at the beginning of the period	**1,713,478**	**1,876,456**	**-8.7%**	**2,376,203**	**1,593,098**	**49.2%**
Cash from operating activities	106,418	413,333	-74.3%	174,265	534,501	-67.4%
Cash used in investing activities	(102,709)	(153,259)	-33.0%	(210,018)	(345,829)	-39,3%%
Cash provided by (used in) financing activities	(269,990)	134,755	-	(798,913)	463,427	-
Currency effect on the cash for the year	(10,573)	156,454	-	(104,913)	182,542	-
Increase (decrease) in cash and cash equivalents	**(276,854)**	**551,283**	**-**	**(939,579)**	**834,641**	**-**
Cash and cash equivalents at the end of the period	**1,436,624**	**2,427,739**	**-40.8%**	**1,436,624**	**2,427,739**	**-40.8%**

The Company reported an operating cash generation of R$106 million. The comparison with 2Q24 (the Company’s highest cash generation in a second quarter in its history) was affected by lower sales volumes, exchange rate variation (compared to the first quarter), and working capital initiatives carried out during that period.

Investment activities consumed R$103 million in 2Q25, compared to R$153 million in the same period a year ago.

As for investing activities, we recorded a consumption of R$270 million in 2Q25, mainly due to debt amortization and share buyback. The annual comparison was affected by financial funding that occurred in 2Q24.

The combination of these factors and the exchange rate variation on cash, with an impact of R$11 million, resulted in a R$277 million decrease in cash and cash equivalents in the period. Accordingly, we ended 1H25 with a balance of R$1,437 million.

INDEBTEDNESS

The Company ended 2Q25 with a net debt of R$2.6 billion. The decline in LTM Adjusted EBITDA (R$1,048 million in 2Q25 vs. R$1,233 million in 1Q25) contributed to an increase in leverage, which reached 2.45x.

Liabilities in foreign currency accounted for 59% of the total (4% in the short term and 96% in the long term), while 41% of debt is denominated in Brazilian reais (6% in the short term and 94% in the long term). As for cash and cash equivalents, 39% is denominated in foreign currency and 61% in Brazilian reais.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**2Q25**	**1Q25**	**4Q24**	**3Q24**	**2Q24**
Short term	196,248	301,363	660,196	683,329	1,186,934
Financing and loans	195,483	299,141	638,123	654,575	1,045,676
Financial instruments and derivatives	765	2,222	22,073	28,754	141,258
Long term	3,848,700	3,958,966	4,132,189	3,855,658	3,743,358
Gross debt	**4,044,948**	**4,260,329**	**4,792,385**	**4,538,987**	**4,930,292**
Cash and cash equivalents	1,436,624	1,713,478	2,376,203	2,167,915	2,427,739
Financial instruments and derivatives	40,547	40,472	73,825	32,392	69,630
Net debt	**2,567,777**	**2,506,379**	**2,342,357**	**2,338,680**	**2,432,923**
Gross debt/Adjusted EBITDA	3.86x	3.45x	3.70x	3.51x	3.73x
Net debt/Adjusted EBITDA	**2.45x**	**2.03x**	**1.81x**	**1.81x**	**1.84x**

The Company's debt profile is as follows (R$ million):