Quarterly Financial Report

June 30, 2022

Release
Quarterly Financial Information
Selected Explanatory Notes
Independent auditor´s report

www.tupy.com.br

Strong Operating Result and Increase in Return on Invested Capital

Earnings Conference Call

Date: August 05, 2022

Portuguese/English

11:00 a.m. (Brasília) / **10:00 a.m.** (EST)

Dial in USA: +1 412 717-9627
Toll free USA: + 1 844 204-8942
Dial in Brazil: +55 11 4090-1621
Dial in Brazil: +55 11 3181-8565

Code: TUPY
Website: www.tupy.com.br/ri

Investor Relations

Thiago Fontoura Struminski
Chief Financial and
Investor Relations Officer

Hugo Zierth
IR Manager

Rafael Felipe Junckes

dri@tupy.com.br
+55 (11) 2763-7844

- **Revenues:** R$2.5 billion (+54% *vs* 2Q21). These figures include revenues from new operations.

- **Physical sales volume:** 176 thousand tons in 2Q22 (+37% *vs* 2Q21). On the same comparison base, excluding the effects from the new operations, volumes were still lower than in the pre-pandemic period due to impacts caused by semiconductors and other inputs in our customers' supply chain.

- **EBITDA (Adjusted and CVM):** R$345 million and R$332 million, respectively. The highest quarterly results in the Company's history.

- **Adjusted EBITDA Margin:** 13.7% in 2Q22 (*vs* 11.3% in 2Q21), including all of the Company's operations. The increase in margin results from the synergies that were captured, reflecting on all of the Company's plants, in addition to pass-through of costs and the initiatives made towards efficiency gains and cost reductions, thus mitigating the effects caused by the increase in raw material and freight expenses.

- **Return on Invested Capital (ROIC):** 13.6% in 2Q22 (*vs* 11.3% in 2Q21), despite working capital exceeding the pace of sales and a larger asset base due to the new plants.

- **Net Income:** The highest amount in the Company's history, reaching R$180 million in 2Q22, *vs* a net income of R$31 million in 2Q21.

Note: except when indicated, the amounts referring to 2Q22 include the Betim and Aveiro operations acquired on October 1, 2021.

MESSAGE FROM MANAGEMENT

The results for the second quarter of 2022 reflect the advances we made for a set of action plans aimed at offsetting inflation on prices for materials, services, and logistics, and was also affected by the appreciation of the Brazilian Real and consequences from the lack of complementary components at our customers.

As part of these action plans, we highlight the efforts carried out on the commercial front, such as the shortening of deadlines to pass-through costs, and the revision of corporate structure, which helped us reduce fixed costs and administrative expenses. In parallel, we made important enhancements in Tupy's Production System (SPT), resulting in the improvement of operating indicators in Joinville and at the plants in Mexico. In Betim and Aveiro, we advanced in the reorganization of projects and in adopting working methods that will benefit the Company's entire operations, achieving an even more flexible production model that is in line with our business plan.

The initiatives by our Management team and the resilience of the business model contributed to achieving solid results. We continued to increase profitability, even during a quarter characterized by high costs in raw materials and currency appreciation. In this quarter, we recorded the highest levels of net revenue and EBITDA in the Company's history. Net income, in turn, reached R$180 million, also the highest level in the Company's history.

Our disciplined investment profile contributed to the increase in ROIC, reaching approximately 14% in 2Q22 (*vs* 11% in 2Q21), despite the higher invested capital from the acquisition of the new plants. Debt is at very comfortable levels, with net debt at approximately 1.42x of LTM Adjusted EBITDA.

Pent-up demand e resilience against external factors

As in previous quarters, we still witnessed stoppages in customer production and volumes below potential due to bottlenecks at production chains. These interruptions increased Tupy's in-process and finished goods inventory levels. In the market, pent-up demand increased and was reflected in the expanded customer backlog indicators and lower inventory levels for finished equipment. These effects, plus the need for fleet renewal, will have a favorable impact on volumes, thus mitigating the adverse impacts from the rise in interest rates.

In addition to being a reference for quality and technological innovation in our industry, our plants are located in countries with competitive costs and energy availability. This combination allows 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. Currently, we have a robust pipeline of new contracts, with more than 30 projects for structural components for machinery and off-road equipment.

The New TUPY

On June 27, we held a Public Meeting with Investors (Tupy Day). In this event, we discussed our growth, sustainability, and innovation strategies. These strategies also substantiate our competitiveness and decarbonization journey, offering a wide range of solutions, such as the development of new materials, metal alloys, and machining techniques applicable in hydrogen-powered engines, biofuels, and many other alternatives that are being contemplated in a multi-fuel future. This also includes the development of products such as the Ultra Light Iron Block, used in hybrid and ethanol-powered vehicles and offering many benefits over current products. In addition to being more cost-effective, it reduces CO_2 emissions in the manufacturing process by approximately 50%. These strategies also contemplate processes that are currently not part of the business, but rely on knowledge that we and our partners already have, such as the recycling of lithium-ion batteries.

We also explored the opportunities arising from the acquisition of MWM. We initiated the integration planning process and expect the transaction to be approved by the Brazilian antitrust entity (CADE) under the same conditions that were signed in the agreement. With this move, we will advance in new business opportunities and become a unique Company in the industry, qualified to provide casting, machining, assembly, technical validation, and all related engineering services. Moreover, the transaction will provide us with new growth avenues adjacent to our current model, adding revenue diversity and exposure to countercyclical sectors, such as spare parts, reinforcing our resilience to market fluctuations. We highlight the market opportunities that exist for generator sets, low-carbon transport, and power generation in farmlands, meeting the decarbonization needs of Brazilian agribusiness.

This movement fulfills the strategic architecture we designed for the New Tupy: a larger, sustainable, diversified, and even more efficient Company, with unique market positioning and an increasingly important role in the decarbonization journey of our customers.

SUMMARIZED RESULTS

	Consolidated (R$ thousand)					
SUMMARY	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Revenues	**2,529,016**	**1,645,453**	**53.7%**	**4,893,313**	**3,189,708**	**53.4%**
Cost of goods sold	(2,019,094)	(1,410,559)	43.1%	(3,973,752)	(2,714,841)	46.4%
Gross Profit	**509,922**	**234,894**	**117.1%**	**919,561**	**474,867**	**93.6%**
% on Revenues	*20.2%*	*14.3%*	-	*18.8%*	*14.9%*	-
Operating expenses	(244,420)	(123,067)	98.6%	(424,372)	(241,428)	75.8%
Other operating expenses	(17,883)	(58,170)	-69.3%	(50,670)	(99,497)	-49.1%
Income before Financial Result	**247,619**	**53,657**	**361.5%**	**444,519**	**133,942**	**231.9%**
% on Revenues	9.8%	3.3%	-	*9.1%*	*4.2%*	-
Net financial income (loss)	6,599	(56,467)	-	(91,880)	(115,175)	-20.2%
Income (Loss) before Tax Effects	**254,218**	**(2,810)**	**-**	**352,639**	**18,767**	**-**
% on Revenues	*10.1%*	*-0.2%*	-	*7.2%*	*0.6%*	-
Income tax and social contribution	(74,645)	34,300	-	(99,067)	(2,183)	-
Net Income	**179,573**	**31,490**	**470.3%**	**253,572**	**16,584**	-
% on Revenues	*7.1%*	*1.9%*	-	*5.2%*	*0.5%*	-
EBITDA (CVM Inst. 527/12)	**332,053**	**141,514**	**134.6%**	**626,578**	**314,146**	**99.5%**
% on Revenues	13.1%	8.6%	-	12.8%	9.8%	-
Adjusted EBITDA	**345,494**	**185,728**	**86.0%**	**659,219**	**384,789**	**71.3%**
% on Revenues	*13.7%*	*11.3%*	-	*13.5%*	*12.1%*	-
Average exchange rate (R$/US$)	**4.93**	**5.29**	**-6.9%**	**5.08**	**5.39**	**-5.7%**
Average exchange rate (R$/€)	5.24	6.38	-17.8%	5.56	6.49	-14.4%

PHYSICAL SALES VOLUME

	Consolidated (metric tons)					
	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Domestic Market	**51,244**	**29,477**	**73.8%**	**101,972**	**54,962**	**85.5%**
Transportation, Infrastructure & Agriculture	48,069	26,104	84.1%	95,560	48,142	98.5%
Hydraulics	3,175	3,374	-5.9%	6,412	6,820	-6.0%
Foreign Market	**124,607**	**99,267**	**25.5%**	**245,027**	**201,149**	**21.8%**
Transportation, Infrastructure & Agriculture	120,866	95,625	26.4%	237,970	194,343	22.4%
Hydraulics	3,741	3,642	2.7%	7,057	6,806	3.7%
Total Physical Sales	**175,851**	**128,745**	**36.6%**	**347,000**	**256,110**	**35.5%**

Volumes increased over the previous quarter (1Q22) and the same period of the previous year (2Q21), even with the exclusion of the Betim (Brazil) and Aveiro (Portugal) operations.

- Sales in the Transportation, Infrastructure & Agriculture segment increased by 84% in the domestic market, reflecting the a greater share of products from the Betim plant aimed at this segment.

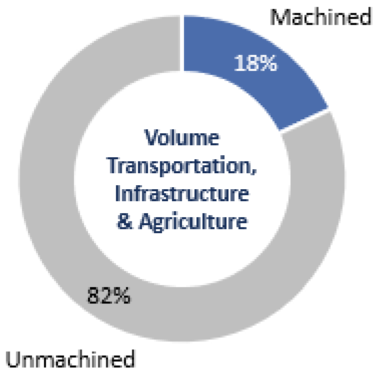
- The 26% growth in the foreign market was due to volumes from the Transportation, Infrastructure & Agriculture segment, arising from the demand for commercial vehicles and off-road equipment, in addition to volumes from the new plants.

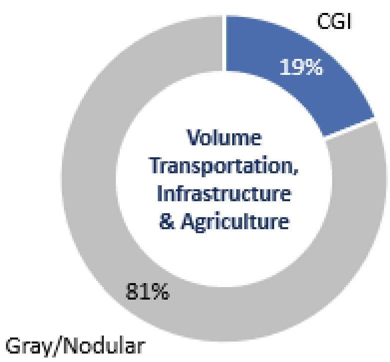
Despite the positive macroeconomic indicators and increased demand, our customers were affected by supply chain restrictions, especially the reduced supply of semiconductors. This phenomenon has been causing stoppages and reductions in production volume by engine manufacturers, therefore impacting the Company's results.

If, on one hand, these bottlenecks did not allow the production of capital goods to fully reflect the performance of the economy, on the other hand, pent-up demand and the need to replenish inventories will contribute with the rise in volumes as global chains normalize.

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

Partially or fully machined goods accounted for 18% of the portfolio of the Transportation, Infrastructure & Agriculture segment. In terms of product distribution, by type of material, CGI accounted for 19% of volume.





REVENUES

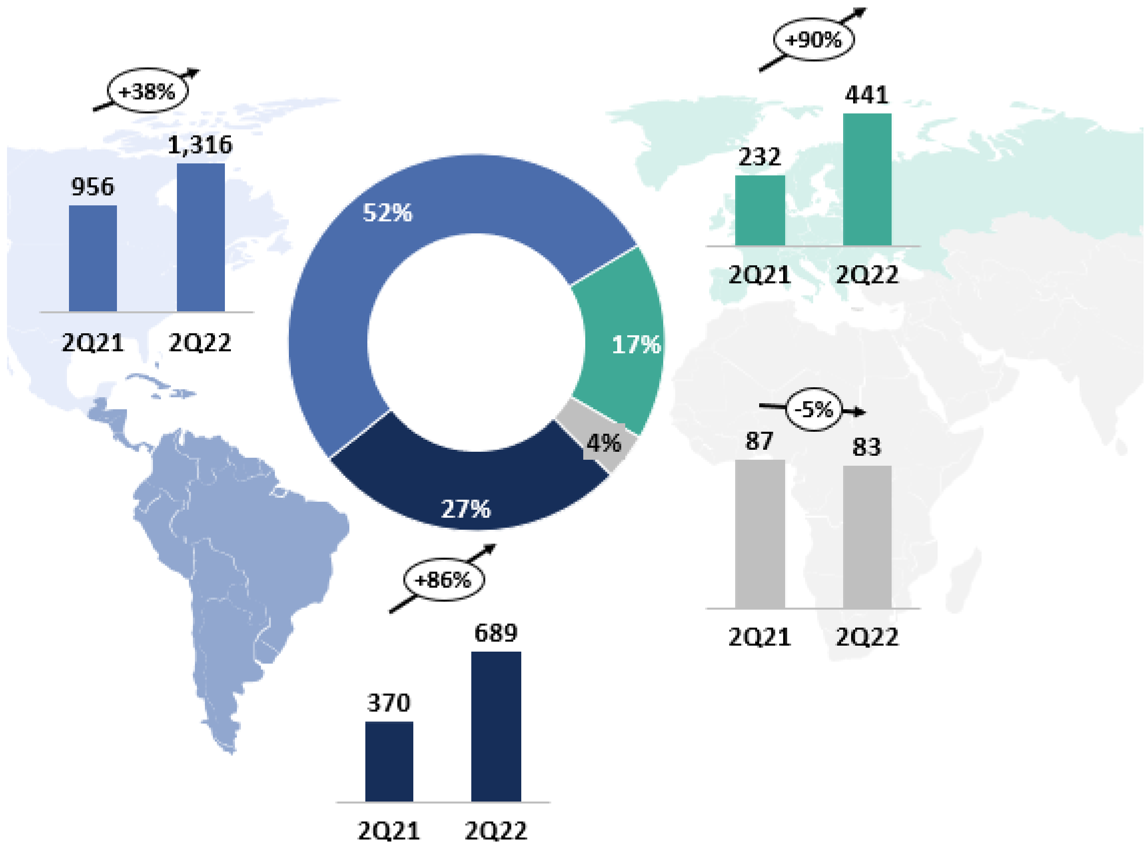
Compared to the same period of the previous year, revenues increased by 54%, with **revenue/kilo rising 13% over 2Q21**.

	Consolidated (R$ thousand)					
	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Revenues	**2,529,016**	**1,645,453**	**53.7%**	**4,893,313**	**3,189,708**	**53.4%**
Domestic market	671,501	357,355	87.9%	1,272,488	629,603	102.1%
Share (%)	*26.6%*	*21.7%*	-	*26.0%*	*19.7%*	-
Foreign market	1,857,515	1,288,098	44.2%	3,620,825	2,560,105	41.4%
Share (%)	*73.4%*	*78.3%*	-	*74.0%*	*80.3%*	-
Revenues by segment	**2,529,016**	**1,645,453**	**53.7%**	**4,893,313**	**3,189,708**	**53.4%**
Transportation, Infrastructure & Agriculture	2,433,922	1,562,520	55.8%	4,711,652	3,039,841	55.0%
Share (%)	*96.2%*	*95.0%*	-	*96.3%*	*95.3%*	-
Hydraulics	95,094	82,933	14.7%	181,661	149,867	21.2%
Share (%)	*3.8%*	*5.0%*	-	*3.7%*	*4.7%*	-

Revenues by market and performance in the period

In 2Q22, 52% of revenues originated in North America. The South and Central Americas accounted for 27%, and Europe for 18% 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)	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Revenues	**2,529,016**	**1,645,454**	**54%**	**4,893,313**	**3,189,708**	**53%**
Domestic Market	**671,501**	**357,355**	**88%**	**1,272,488**	**629,603**	**102%**
Transportation, Infrastructure & Agriculture	**615,519**	**311,480**	**98%**	**1,166,546**	**546,267**	**114%**
Passenger cars	187,967	39,181	380%	360,577	72,674	396%
Commercial vehicles	333,134	210,691	58%	604,267	366,794	65%
Off-road	94,418	61,608	53%	201,708	106,799	89%
Hydraulics	**55,983**	**45,875**	**22%**	**105,940**	**83,336**	**27%**
Foreign Market	**1,857,515**	**1,288,099**	**44%**	**3,620,825**	**2,560,105**	**41%**
Transportation, Infrastructure & Agriculture	**1,818,403**	**1,251,041**	**45%**	**3,545,106**	**2,493,574**	**42%**
Passenger cars	103,785	60,884	70%	240,836	123,953	94%
Light commercial vehicles	632,183	499,527	27%	1,282,153	1,036,205	24%
Medium and heavy commercial vehicles	502,040	314,209	60%	914,001	622,296	47%
Off-road	580,396	376,422	54%	1,108,115	711,120	56%
Hydraulics	**39,111**	**37,058**	**6%**	**75,721**	**66,531**	**14%**

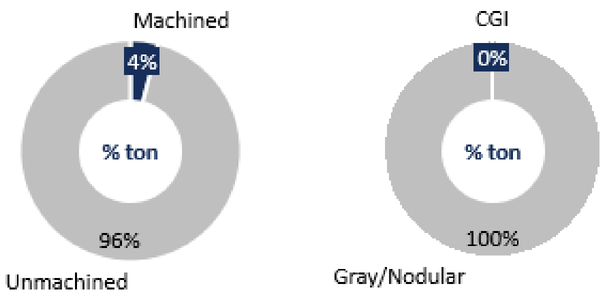
Note: The division among applications considers our best assumption for cases in which the same product is in two applications.

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

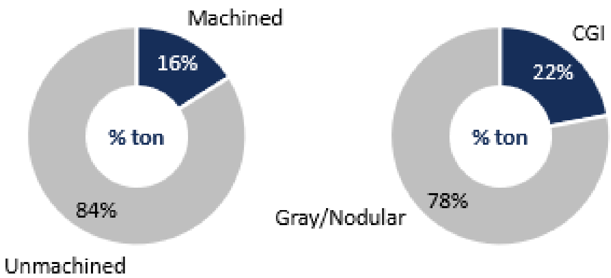
Δ % Revenues	% Revenues	% Revenues DM
380% ▲	7%	28%



Revenues from the Light Vehicle segment were impacted with the rise in production in the Brazilian market in relation to the same period of the previous year, as well as with the higher representativeness of the Betim operation in the segment.

Commercial vehicles

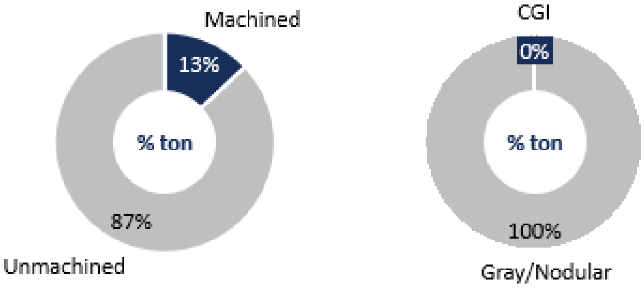
Δ % Revenues	% Revenues	% Revenues DM
58% ▲	13%	50%



Revenues from the Commercial Vehicles segment increased by 58% compared to the same period of the previous year, with volumes from the Betim plant mitigating the stoppage of vehicle manufacturers due to the lack of semiconductors and other components.

Off-road

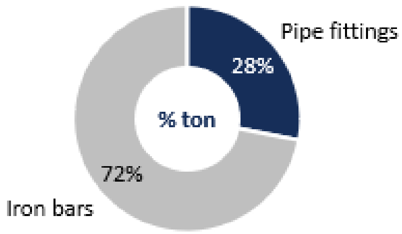
Δ % Revenues	% Revenues	% Revenues DM
53% ▲	4%	14%



Tupy's revenues from machinery and off-highway vehicles were impacted by the share of Betim plant in the segment. During the period, at the request of customers, a part of our production was allocated to our foreign plants.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
22% ▲	2%	8%

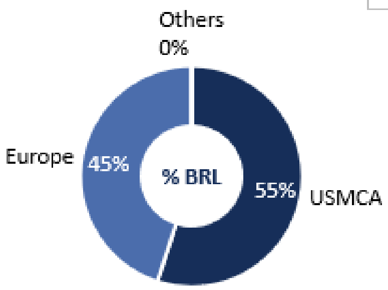


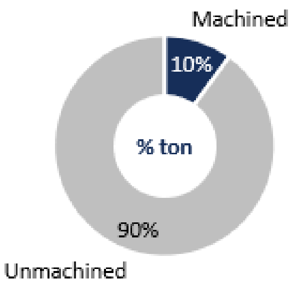
Revenues from sales in the Hydraulics segment rose by 22% over the same period of 2021. Volumes decrease were offset by price readjustments.

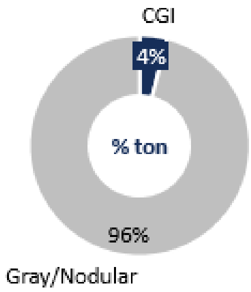
FOREIGN MARKET (EM)

Passenger cars

Δ % Revenues	% Revenues	% Revenues FM
70% ▲	4%	6%



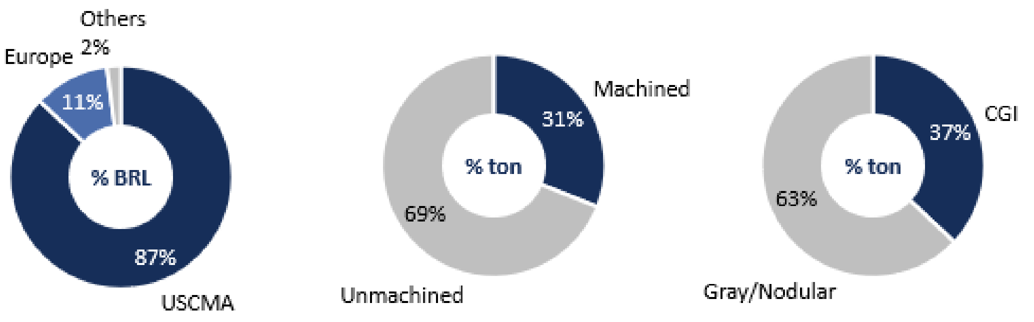




Despite the shortage of semiconductors that impacted customers' production, and consequently our volumes, revenues from this segment increased due to price readjustments and higher volumes in the Portugal plant.

Light commercial vehicles

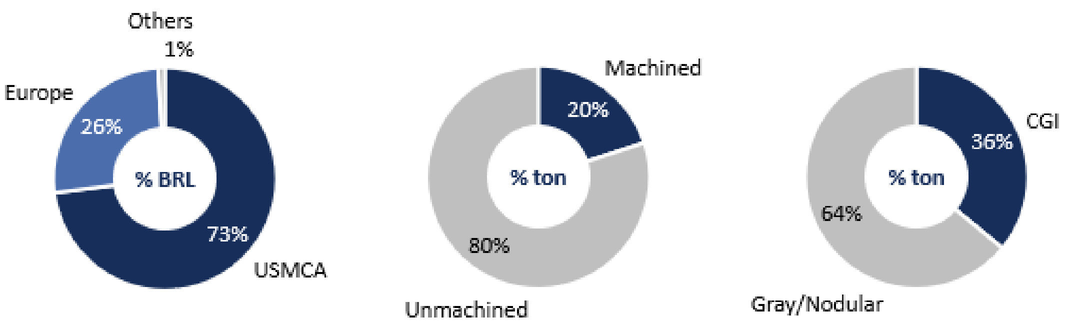
Δ % Revenues	% Revenues	% Revenues FM
27% ▲	25%	34%



Production for the Light Commercial Vehicles segment was positively impacted by the growth in demand for this type of application, representing more than 79% of sales in the light commercial vehicles segment in the North American market. However, clients continue to be affected by disruptions in supply chains for semiconductors and other inputs.

Medium and heavy commercial vehicles

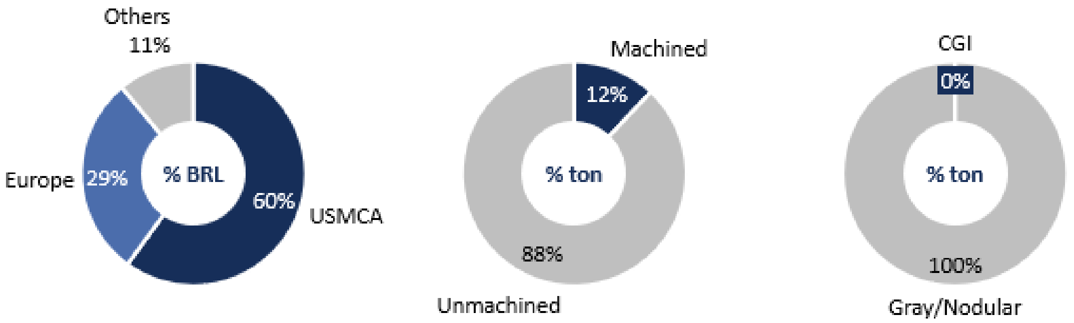
Δ % Revenues	% Revenues	% Revenues FM
60% ▲	20%	27%



Despite the shortages of semiconductors, revenue growth in 2Q22 was driven by the ramp-up of products, increasing demand for higher-value products, and production volumes from the acquired plants.

Off-road

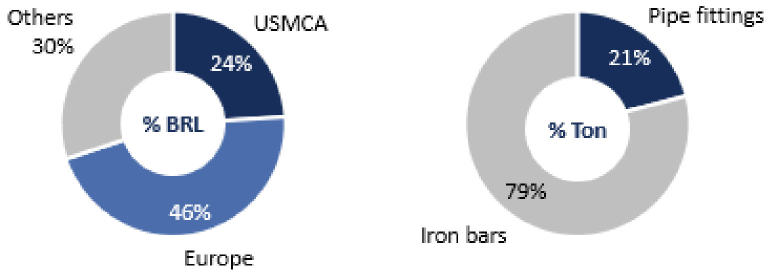
Δ % Revenues	% Revenues	% Revenues FM
54% ▲	23%	31%



In 2Q22, sales for off-road applications were impacted by the ramp-up of products and the increase in demand for machinery and equipment, mainly for the construction, mining, and agriculture sectors.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
6% ▲	2%	2%



During the second quarter of 2022, net revenues from the Hydraulics segment increased due to pent-up demand from customers and price readjustments.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$2,019 million in 2Q22.

Raw material costs and freight expenses remained at elevated levels, due to supply chain disruptions. This effect was mitigated by several management initiatives we implemented since last year, in addition to productivity gains and synergies captured from the new operations.

			Consolidated (R$ thousand)			
	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Revenues	**2,529,016**	**1,645,453**	**53.7%**	**4,893,313**	**3,189,708**	**53.4%**
Cost of goods sold	**(2,019,094)**	**(1,410,559)**	**43.1%**	**(3,973,752)**	**(2,714,841)**	**46.4%**
Raw material	(1,212,747)	(829,821)	46.1%	(2,386,615)	(1,592,987)	49.8%
Labor, profit sharing, and social benefits	(448,011)	(311,578)	43.8%	(859,336)	(590,234)	45.6%
Maintenance supplies	(140,286)	(94,839)	47.9%	(273,628)	(183,321)	49.3%
Energy	(122,462)	(79,421)	54.2%	(249,092)	(153,135)	62.7%
Depreciation	(76,118)	(70,643)	7.8%	(156,317)	(144,970)	7.8%
Other	(19,471)	(24,257)	-19.7%	(48,765)	(50,194)	-2.8%
Gross profit	**509,922**	**234,894**	**117.1%**	**919,561**	**474,867**	**93.6%**
% on Revenues	*20.2%*	*14.3%*	-	*18.8%*	*14.9%*	-
Operating expenses	**(244,420)**	**(123,067)**	**98.6%**	**(424,372)**	**(241,428)**	**75.8%**
% on Revenues	*9.7%*	*7.5%*	-	*8.7%*	*7.6%*	-

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 and coke costs, reflects the global economic recovery and bottlenecks in the production chain, impacting prices and availability of materials. These effects were partially offset by synergies among the operations, as well as several initiatives aimed at optimizing and substituting the use of materials, and the renegotiation of contracts with suppliers;

- Impact in labor costs were mainly caused by the increase in the number of employees compared to 2Q21 (a decrease was recorded against 1Q22), and overtime costs. 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 costs, mainly due to higher production volumes and the rise in generation and distribution tariffs compared to 2Q21. In comparison with the previous quarter (1Q22), a 3% drop was recorded despite the increase in production volume, due to the change in furnaces mix, as well as a lower use of thermoelectric energy plants in the Brazilian energy matrix;

- 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$5 million decrease in other operational costs includes the handling of products and materials, rents, health and safety, among other items.

Operating expenses, including administrative and selling expenses, reached R$244 million. In addition to the volume growth, the result was mainly impacted by the significant rise in freight expenses, which are passed-through according to contractual clauses, as well as the annual pay rise negotiation.

OTHER OPERATING INCOME (EXPENSES)

Other net operational expenses came in as an expense of R$18 million in 2Q22, compared to an expense of R$58 million in 2Q21.

	Consolidated (R$ thousand)					
	2Q22	**2Q21**	**Var. [%]**	**1H22**	**1H21**	**Var. [%]**
Depreciation of non-operating assets	(102)	(157)	-35.0%	(245)	(315)	-22.2%
Amortization of intangible assets	(4,340)	(13,799)	-68.5%	(17,784)	(28,539)	-37.7%
Other	(13,441)	(44,214)	-69.6%	(32,641)	(70,643)	-53.8%
Other operating expenses	**(17,883)**	**(58,170)**	**-69.3%**	**(50,670)**	**(99,497)**	**-49.1%**

Amortization expenses fell by 69%, mainly reflecting the end of the amortization of intangible assets from the acquisition of the Mexican subsidiaries in 2012.

The item "Others" account is comprised by (i) expenses for the constitution and updating of provisions, in the amount of R$10 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$3 million. The decrease compared to 2Q21 and 1Q22 was mainly due to lower expenses with strategic projects (M&A).

NET FINANCIAL INCOME (LOSS)

Net Financial Result came in as an income of R$7 million, against an expense of R$56 million in 2Q21.

	Consolidated (R$ thousand)					
	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Financial expenses	(42,664)	(31,567)	35.2%	(87,314)	(124,405)	-29.8%
Financial income	13,520	26,048	-48.1%	30,161	29,987	0.6%
Net monetary and exchange rate variations	35,743	(50,948)	-	(34,727)	(20,757)	67.3%
Net Financial Result	**6,599**	**(56,467)**	-	**(91,880)**	**(115,175)**	-20.2%

The increase in financial expenses in 2Q22 vs 2Q21 was mainly due to the rise in gross debt, related to liabilities assumed with the acquisition of the Betim and Aveiro operations, with payments of interest in Brazilian Reais.

Financial income reached R$14 million in the period. The comparison base was impacted by the mark-to-market of the derivative instrument used to adjust receivables from Eletrobrás to present value (non-cash effect), in the amount of R$20 million in 2Q21. These amounts were received in December 2021.

Income from net monetary and exchange variations totaled R$36 million and was comprised by (i) a positive variation in the balance sheet accounts in foreign currency, in the amount of R$55 million, resulting from the depreciation of the Brazilian real during the quarter, a non-cash effect, and (ii) the result of mark-to-market of hedge operations, corresponding to an expense of R$19 million in the period, but with a positive cash effect of R$7.4 million in the settled operations.

EARNINGS BEFORE TAXES AND NET INCOME

The Company's Net Income was R$180 million, due to the growth in operating income and the reduction in depreciation of intangible assets, as well as the effects from exchange rate variation on the financial result.

	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Income (Loss) before Tax Effects	**254,218**	**(2,810)**	-	**352,639**	**18,767**	-
Tax effects before currency impacts	(81,876)	15,907	-	(116,794)	(9,858)	-
Income (loss) before the currency effects on the tax base	**172,342**	**13,097**	**-**	**235,845**	**8,909**	-
Currency effects on the tax base	7,231	18,393	-60.7%	17,727	7,675	131.0%
Net Income (Loss)	**179,573**	**31,490**	**470.3%**	**253,572**	**16,584**	-

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 2Q22, the Company recorded a non-cash revenue of R$7 million (*vs* R$18 million in 2Q21).

EBITDA

The combination of the aforementioned factors resulted in CVM EBITDA of R$332 million. EBITDA adjusted for the constitution/update of provisions, write-off of sale of property, plant and equipment, and other items reached R$345 million, with a margin of 13.7%.

			Consolidated (R$ thousand)			
RECONCILIATION OF NET INCOME WITH EBITDA	**2Q22**	**2Q21**	**Var. [%]**	**1H22**	**1H21**	**Var. [%]**
Net Income (Loss) for the Period	**179,573**	**31,490**	**470.3%**	**253,572**	**16,584**	-
(+) Net Financial Result	(6,599)	56,467	-	91,880	115,175	-20.2%
(+) Income Tax and Social Contribution	74,645	(34,300)	-	99,067	2,183	-
(+) Depreciation and Amortization	84,434	87,858	-	182,059	180,204	1.0%
EBITDA (according to CVM Instruction 527/12)	**332,053**	**141,515**	**134.6%**	**626,578**	**314,146**	**99.5%**
% of revenues	*13.1%*	*8.6%*	-	*12.8%*	*9.8%*	-
(+) Other net operating expenses, net*	13,441	44,214	-69.6%	32,641	70,643	-53.8%
Adjusted EBITDA	**345,494**	**185,729**	**86.0%**	**659,219**	**384,789**	**71.3%**
% of revenues	*13.7%*	*11.3%*	-	*13.5%*	*12.1%*	-

The adjustments made to EBITDA are to offset the effects from items less related to the business, that are non-recurring, or have non-cash effect. These expenses totaled R$13 million in 2Q22 and refer to (i) the constitution and updating of provisions, in the amount of R$10 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$3 million.

We achieved EBITDA growth and margin recovery amidst a scenario that is still very challenging. Given the constraints in our customers' supply chain, physical volumes in 2Q22 advanced, however at levels lower than in the pre-pandemic period (2Q19) on the same comparison base, that is, excluding the Betim and Aveiro operations.

Costs with raw materials and freight expenses increased significantly during the year and were passed-through to prices. Despite the neutral effect in EBITDA, in absolute terms, this mechanism negatively impacts margins, given the increase in revenues.

Despite these factors, the Company recorded its highest historical Adjusted EBITDA, even after excluding results from the new plants, demonstrating the resilience of our business model and the outcome of several management initiatives.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant, and equipment and intangible assets totaled R$73 million in 2Q22, compared to R$47 million in 2Q21, with the comparison base affected by the postponement of investments due to the COVID-19 pandemic.

	Consolidated (R$ thousand)					
	2Q22	2Q21	Var. [%]	1H22	1H21	Var. [%]
Property, Plant, and Equipment						
Strategic investments	16,725	20,357	-17.8%	34,773	35,939	-3.2%
Maintenance and renovation of operating capacity	47,217	20,494	130.4%	71,509	28,952	147.0%
Environment	2,571	3,027	-15.1%	8,153	6,785	20.2%
Interest and financial charges	1,511	407	271.3%	2,707	803	237.1%
Intangible assets						
Software	4,202	1,823	130.5%	8,520	4,630	84.0%
Projects under development	747	999	-25.2%	1,044	1,814	-42.4%
	72,973	**47,107**	**54.9%**	**126,706**	**78,923**	**60.5%**
% on Revenues	*2.9%*	*2.9%*		*2.6%*	*2.5%*	

The amounts refer mainly to new foundry and machining programs, increase in operating efficiency, and the implementation of a new ERP (Enterprise Resource Planning) system in Mexico, in addition to initiatives related to safety and the environment.

WORKING CAPITAL

	Consolidated (R$ thousand)				
	2Q22	1Q22	4Q21	3Q21	2Q21
Balance sheet					
Accounts receivable	2,046,607	1,511,386	1,251,097	1,203,582	972,343
Inventories	1,706,324	1,347,450	1,487,934	997,192	843,982
Accounts payable	1,523,747	1,086,964	1,239,828	838,137	869,932
Sales outstanding [days]	82	65	58	70	62
Inventories [days]	83	68	81	69	65
Payables outstanding [days]	72	55	63	57	66
Cash conversion cycle [days]	**93**	**78**	**76**	**82**	**61**

There was a 15-day increase in the cash conversion cycle compared to 1Q22, impacted by temporary factors that will be offset during the second half of the year. The main lines presented the following variations:

- Average receivable period increased by 17 days of sales. This indicator was affected by the increase in sales volume, price pass-through, and significant exchange rate depreciation (USD/BRL 4.74 in March 2022 *vs* 5.24 in June 2022), impacting accounts receivable in foreign currency, which corresponded to 78% of the total for the period, and by the non-recurring effect from the implementation of the new ERP in Mexico.

- Inventories were up by R$359 million, representing a 15-day increase in cost of goods sold. The increase is explained by occasional customer stoppages during the quarter, caused by bottlenecks in the semiconductor and other input chains, impacting the formation of work-in-progress and raw materials inventories, as well as the effect of the exchange rate devaluation on inventories in foreign currency.

- The Accounts Payable line increased by R$437 million, due to higher volumes, inflation on prices of materials in the period, and currency devaluation, as well as the non-recurring impact from the implementation of the ERP at the Mexican plants.

CASH FLOW

	Consolidated (R$ thousand)					
CASH FLOW SUMMARY	**2Q22**	**2Q21**	**Variation**	**1H21**	**1H21**	**Variation**
Cash and cash equivalents at the beginning of the period	**952,897**	**1,382,887**	**-31.1%**	**1,272,445**	**1,425,113**	**-10.7%**
Cash from operating activities	(9,767)	43,836	-	(254,119)	52,948	-
Cash used in investing activities	(57,708)	(45,563)	26.7%	(123,144)	(85,239)	44.5%
Cash provided by (used in) financing activities	(95,033)	(4,856)	-	(32,547)	(126,589)	-
Currency effect on the cash for the year	48,052	(110,427)	-	(24,194)	(356)	-
Decrease in cash and cash equivalents	**(114,456)**	**(117,010)**	**-2.2%**	**(434,004)**	**(159,236)**	**172.6%**
Cash and cash equivalents at the end of the period	**838,441**	**1,265,877**	**-33.8%**	**838,441**	**1,265,877**	**-33.8%**

The Company registered a cash consumption of R$10 million from operating activities, compared to a cash generation of R$44 million in 2Q21. This result was due to the variation in working capital compared to the previous quarter (1Q22).

In terms of investment activities, we consumed R$58 million in 2Q22, 27% higher than in the same period of the previous year, due to additions to property, plant, and equipment and intangible assets related to programs and projects for new products, information technology systems, machining, safety, and the environment.

In terms of financing activities, we had a R$95 million consumption during 2Q22, due to the prepayment of debt liabilities assumed with the acquisition of the Betim pant, in the amount of R$73 million, and the amortization of other financing lines totalling R$22 million.

The combination of these factors, and the exchange rate variation on cash, which had a positive effect of R$48 million, decreased our cash and cash equivalent balance by R$114 million in the period. Therefore, we ended the second quarter of 2022 with a cash balance of R$838 million.

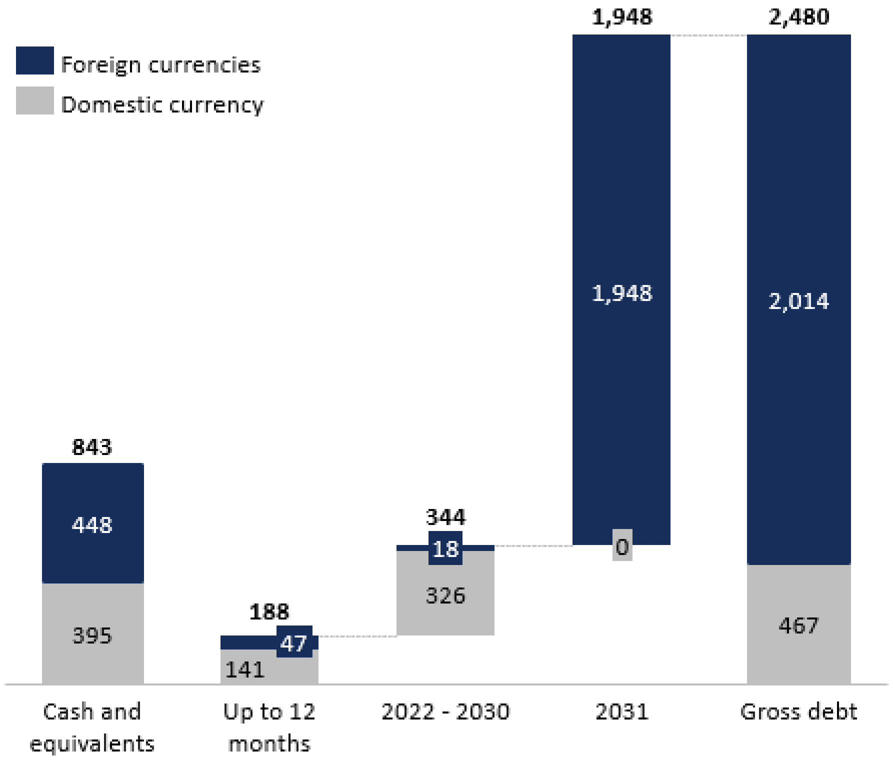
INDEBTEDNESS

The Company ended 2Q22 with net debt of R$1.6 billion, corresponding to a **net debt/LTM Adjusted EBITDA ratio of 1.42x (including Betim and Aveiro plants during 9 months of the LTM figures).**

Liabilities in foreign currency accounted for 81% of the total amount (2% short-term and 98% long-term debt), while 19% of total debt was denominated in Brazilian reais (30% short-term and 70% long-term debt). As for the Company's cash balance, 47% of the total amount is denominated in Brazilian reais and 53% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**2Q22**	**1Q22**	**4Q21**	**3Q21**	**2Q21**
Short term	188,354	241,374	508,889	39,370	177,684
Financing and loans	184,673	241,374	507,486	35,204	177,012
Financial instruments and derivatives	3,681	-	1,403	4,166	672
Long term	2,292,076	2,107,347	2,103,738	2,042,549	1,866,329
Gross debt	**2,480,430**	**2,348,721**	**2,612,627**	**2,081,919**	**2,044,013**
Cash and cash equivalents	838,441	952,897	1,272,445	1,091,723	1,265,877
Financial instruments and derivatives	4,639	27,129	678	241	5,978
Net debt	**1,637,350**	**1,368,695**	**1,339,504**	**989,955**	**772,158**
Gross debt/Adjusted EBITDA	2.15x	2.37x	2.98x	2.42x	2.47x
Net debt/Adjusted EBITDA	**1.42x**	**1.38x**	**1.53x**	**1.15x**	**0.93x**

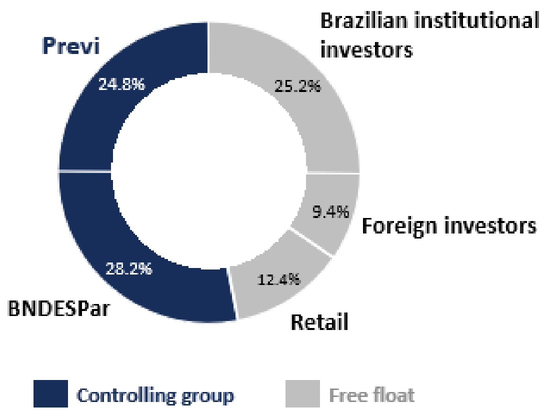
The Company's debt profile is as follows:



All amounts in R$ million.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of June 30, 2022, was as follows:



EXECUTIVE OFFICER'S STATEMENT

In compliance with the provisions established under Article 25 of CVM Instruction No. 480, of December 7, 2009, Tupy S.A.'s Executive Board declares that it has reviewed, discussed and agreed with the opinion presented in the Independent Auditor's Report on the Quarterly Financial Report, issued on this date, and with the Quarterly Financial Report of June 30, 2022.

Attachment I – Commercial vehicle production and sales in Brazil

	2Q22	2Q21	Var. (%)	1Q22	Var. (%)
Production					
Trucks					
Semi-light	459	606	-24.3%	346	32.7%
Light	4,413	6,626	-33.4%	6,210	-28.9%
Mdium	1,852	1,844	5.2%	1,553	19.3%
Semi-heavy	12,202	11,674	4.5%	10,695	14.1%
Heavy	18,463	20,890	-11.6%	15,579	18.5%
Total trucks	**37,389**	**41,640**	**-10.2%**	**34,383**	**8.7%**
Buses	7,629	5,148	48.2%	5,702	33.8%
Commercial Vehicles	**45,018**	**46,788**	**-3.8%**	**40,085**	**12.3%**
Sales					
Trucks					
Semi-light	1,746	1,762	-0.9%	1,225	42.5%
Light	2,682	2,999	-10.6%	2,769	-3.1%
Medium	2,847	2,579	10.4%	2,695	5.6%
Semi-heavy	8,092	7,813	3.6%	7,445	8.7%
Heavy	15,386	17,500	-12.1%	12,718	21.0%
Total trucks	**30,753**	**32,653**	**-5.8%**	**25,683**	**19.7%**
Buses	3,987	4,207	-5.2%	3,322	20.0%
Commercial Vehicles	**34,740**	**36,865**	**-5.8%**	**29,005**	**19.8%**
Export					
Trucks					
Semi-light	344	211	63.0%	281	22.4%
Light	746	697	7.0%	847	-11.9%
Mdium	198	243	-18.5%	123	61.0%
Semi-heavy	1,432	1,526	-6.2%	1,072	33.6%
Heavy	3,733	2,775	34.5%	2,362	58.0%
Total trucks	**6,453**	**5,452**	**18.4%**	**4,685**	**37.7%**
Buses	1,177	1,044	12.7%	970	21.3%
Commercial Vehicles	**7,630**	**6,496**	**17.5%**	**5,655**	**34.9%**

Source: ANFAVEA

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

	2Q22	2Q21	Var. (%)	1Q22	Var. (%)
North America					
Production					
Passenger cars	699,641	649,545	7.7%	685,119	2.1%
Light commercial vehicles – Class 1-3	2,616,405	2,148,206	21.8%	2,986,770	-12.4%
% Light commercial vehicles	**78.9%**	**76.8%**		**81.3%**	
Light Duty – Class 4-5	21,920	24,771	-11.5%	20,630	6.3%
Medium Duty – Class 6-7	32,661	27,746	17.7%	28,781	13.5%
Medium Duty – Class 8	78,632	67,575	16.4%	71,410	10.1%
Medium & Heavy Duty	**133,213**	**120,092**	**10.9%**	**120,821**	**10.3%**
United States					
Sales					
Passenger cars	760,428	1,062,169	-28.4%	679,178	12.0%
Light commercial vehicles – Class 1-3	2,753,739	3,363,645	-18.1%	2,639,611	4.3%
% Light commercial vehicles	**78.4%**	**76.0%**		**79.5%**	
Light Duty – Class 4-5	22,402	33,942	-34.0%	28,711	-22.0%
Medium Duty – Class 6-7	28,307	24,737	14.4%	26,790	5.7%
Medium Duty – Class 8	62,131	57,348	8.3%	50,143	23.9%
Medium & Heavy Duty	**112,840**	**116,027**	**-2.7%**	**198,887**	**-43.3%**
Europe					
Sales					
Passenger cars	2,362,562	2,801,100	-15.7%	2,245,796	5.2%

Source: Automotive News; Bloomberg; ACEA

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

	2Q22	2Q21	Var. (%)	1Q22	Var. (%)
Sales					
Americas					
United States and Canada	97,795	115,296	-15.2%	65,142	50.1%
Europe					
United Kingdom	14,582	15,498	-5.9%	13,579	7.4%

Source: ANFAVEA; Bloomberg; AEA; AXEMA

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(All amounts in thousands of reais)

A S S E T S

		Parent company		Consolidated	
	Note	6/30/22	12/31/21	6/30/22	12/31/21
CURRENT ASSETS					
Cash and cash equivalents	3	404,063	712,364	838,441	1,272,445
Derivative financial instruments	31	2,590	386	4,639	678
Trade account receivables	4	1,029,163	684,487	2,046,607	1,251,097
Inventories	5	531,238	436,420	1,706,324	1,487,934
Tooling	6	72,942	59,192	144,775	141,703
Income tax and social contribution recoverable	7	71	56,084	36,159	108,334
Other taxes recoverable	8	64,946	100,320	161,140	214,887
Other assets	10	57,166	59,162	130,826	106,869
Total current assets		2,162,179	2,108,415	5,068,911	4,583,947
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	7	7,102	18,245	7,102	18,245
Other taxes recoverable	8	85,567	80,980	132,748	85,115
Deferred income tax and social contribution	9	291,824	307,452	539,112	533,900
Related parties		-	125,198	-	-
Judicial deposits and other		7,083	11,985	8,618	13,350
Investments in equity instruments		2,966	2,097	12,854	12,434
Investments properties		-	-	5,694	5,716
Investments	12	2,646,264	2,402,961	-	-
Property, plant and equipment	13	632,931	633,824	2,015,258	2,132,529
Intangible assets	14	45,410	48,606	106,508	125,392
Total non-current assets		3,719,147	3,631,348	2,827,894	2,926,681
Total assets		5,881,326	5,739,763	7,896,805	7,510,628

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(All amounts in thousands of reais)

L I A B I L I T I E S

	Note	Parent company		Consolidated	
		6/30/22	12/31/21	6/30/22	12/31/21
CURRENT LIABILITIES					
Trade accounts payables	15	622,481	502,076	1,523,747	1,239,828
Loans and financing	16	62,622	69,161	184,673	507,486
Derivative financial instruments	31	3,178	1,220	3,681	1,403
Income taxes payable		-	-	-	-
Other taxes payable	17	1,153	8,181	139,768	72,443
Salaries, social security charges and profit sharing	18	181,403	149,881	325,253	271,469
Advances from customers		20,781	24,359	106,310	125,821
Related parties	11	6,835	5,086	-	-
Dividends and interest on shareholders' equity		152	22,312	152	22,312
Provision for tax, civil, social security and labor proceedings	19	30,356	34,064	30,356	34,064
Other liabilities	21	46,856	67,412	102,055	118,276
Total current liabilities		975,817	883,752	2,415,995	2,393,102
NON-CURRENT LIABILITIES					
Loans and financing	16	1,829,625	1,950,540	2,292,076	2,103,738
Provision for tax, civil, social security and labor proceedings	19	150,413	149,895	189,654	183,144
Retirement benefit obligations	20	-	-	75,075	72,803
Other long term liabilities		3,032	3,032	4,643	4,627
Total non-current liabilities		1,983,070	2,103,467	2,561,448	2,364,312
EQUITY					
Share capital	22	1,060,301	1,060,301	1,060,301	1,060,301
Share issuance costs		(6,541)	(6,541)	(6,541)	(6,541)
Share-based payments		7,353	8,680	7,353	8,680
Treasury shares		(1,105)	(5)	(1,105)	(5)
Carrying value adjustments		807,142	897,489	810,952	897,489
Income reserves		792,620	792,620	792,620	792,620
Retained earnings		262,669	-	258,859	-
Non-controlling interest		-	-	(3,077)	670
Total equity		2,922,439	2,752,544	2,919,362	2,753,214
Total liabilities and equity		5,881,326	5,739,763	7,896,805	7,510,628

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
PERIOD ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	6/30/22	6/30/21	6/30/22	6/30/21
NET REVENUE	23	2,280,917	1,787,177	4,893,313	3,189,708
Cost of products sold	24	(1,804,694)	(1,460,619)	(3,973,752)	(2,714,841)
GROSS PROFIT		476,223	326,558	919,561	474,867
Selling expenses	24	(156,124)	(56,080)	(276,512)	(121,198)
Administrative expenses	24	(85,268)	(79,709)	(136,522)	(111,534)
Management fees	11	(11,338)	(8,696)	(11,338)	(8,696)
Other operating expenses, net	26	(29,602)	(71,697)	(50,670)	(99,497)
Share of results of subsidiaries	12	157,934	(23,695)	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		351,825	86,681	444,519	133,942
Finance costs	25	(64,070)	(78,176)	(87,314)	(124,405)
Finance income	25	30,570	29,411	30,161	29,987
Monetary and foreign exchange variations, net	25	(9,773)	(11,499)	(34,727)	(20,757)
PROFIT BEFORE TAXATION		308,552	26,417	352,639	18,767
Income tax and social contribution	27	(51,170)	(9,833)	(99,067)	(2,183)
NET INCOME FOR THE PERIOD		257,382	16,584	253,572	16,584
TUPY SHAREHOLDERS NET INCOME (LOSS)		257,382	16,584	257,382	16,584
NON-CONTROLLING NET LOSS		-	-	(3,810)	-
EARNINGS PER SHARE					
Basic earnings per share	28	1.78554	0.11503	1.78554	0.11503
Diluted earnings per share	28	1.77580	0.11439	1.77580	0.11439

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
QUARTERS ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	4/1/22 6/30/22	4/1/21 6/30/21	4/1/22 6/30/22	4/1/21 6/30/21
NET REVENUE	23	1,187,484	975,554	2,529,016	1,645,453
Cost of products sold	24	(912,021)	(799,748)	(2,019,094)	(1,410,559)
GROSS PROFIT		275,463	175,806	509,922	234,894
Selling expenses	24	(98,101)	(25,816)	(165,244)	(61,702)
Administrative expenses	24	(45,834)	(41,795)	(72,864)	(56,903)
Management fees	11	(6,312)	(4,462)	(6,312)	(4,462)
Other operating expenses, net	26	(13,605)	(44,936)	(17,883)	(58,170)
Share of results of subsidiaries	12	94,759	21,641	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		206,370	80,438	247,619	53,657
Finance costs	25	(32,408)	(36,445)	(42,664)	(31,567)
Finance income	25	12,310	25,288	13,520	26,048
Monetary and foreign exchange variations, net	25	40,651	(44,032)	35,743	(50,948)
PROFIT BEFORE TAXATION		226,923	25,249	254,218	(2,810)
Income tax and social contribution	27	(45,289)	6,241	(74,645)	34,300
NET INCOME FOR THE PERIOD		181,634	31,490	179,573	31,490
TUPY SHAREHOLDERS NET INCOME (LOSS)		181,634	31,490	181,780	31,490
NON-CONTROLLING NET LOSS		-	-	(2,207)	-
EARNINGS PER SHARE					
Basic earnings (loss) per share	28	1.26005	0.21842	1.26005	0.21842
Diluted earnings (loss) per share	28	1.25318	0.21720	1.25318	0.21720

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
PERIOD ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	6/30/22	6/30/21	6/30/22	6/30/21
NET INCOME (LOSS) FOR THE YEAR		257,382	16,584	253,572	16,584
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	12b	(157,204)	(87,499)	(157,204)	(87,499)
Hedge of net investment abroad	31b	104,568	63,389	104,568	63,389
Tax effect on hedge of net investment abroad	31b	(35,552)	(21,554)	(35,552)	(21,554)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		169,194	(29,080)	165,384	(29,080)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		4/1/22 6/30/22	4/1/21 6/30/21	4/1/22 6/30/22	4/1/21 6/30/21
NET INCOME FOR THE PERIOD		181,634	31,490	179,573	31,490
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	11b	189,328	(284,046)	189,328	(284,046)
Hedge of net investment abroad	31b	(173,289)	238,236	(173,289)	238,236
Tax effect on hedge of net investment abroad	31b	58,919	(81,001)	58,919	(81,001)
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		256,592	(95,321)	254,531	(95,321)

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

(All amounts in thousands of reais)

						Carrying value adjustments		Revenue reserves					
	Note	Share capital	Share issue cost	Shared based payments	Treasury stock	Exchange variation of investees	Deemed cost of fixed assets	Legal reserve	Reserve for investments	Retained earnings (losses)	Total controlling shareholders	Non-controlling Shareholders	Total
AT DECEMBER 31, 2020		**1.060.301**	**(6.541)**	**5.245**	**(374)**	**823.450**	**26.184**	**95.756**	**549.436**	**-**	**2.553.457**	**-**	**2.553.457**
Comprehensive income for the period													
Loss for the period		-	-	-	-	-	-	-	-	16.584	16.584	-	16.584
Realization of carrying value adjustments		-	-	-	-	-	(2.972)	-	-	2.972	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(87.499)	-	-	-	-	(87.499)	-	(87.499)
Hedge of net investment abroad	28b	-	-	-	-	63.389	-	-	-	-	63.389	-	63.389
Tax impact on hedge of net investment abroad	28b	-	-	-	-	(21.554)	-	-	-	-	(21.554)	-	(21.554)
Total comprehensive income for the period		-	-	-	-	(45.664)	(2.972)	-	-	19.556	(29.080)	-	(29.080)
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	1.741	-	-	-	-	-	-	1.741	-	1.741
(-) Stock options exercised		-	-	(374)	374	-	-	-	-	-	-	-	-
Interest on shareholders' equity		-	-	-	-	-	-	-	(19.641)	-	(19.641)	-	(19.641)
Total contributions from shareholders and distributions to shareholders		-	-	1.367	374	-	-	-	(19.641)	-	(17.900)	-	(17.900)
AT JUNE 30, 2021		**1.060.301**	**(6.541)**	**6.612**	**-**	**777.786**	**23.212**	**95.756**	**529.795**	**19.556**	**2.506.477**	**-**	**2.506.477**
AT DECEMBER 31, 2021		**1.060.301**	**(6.541)**	**8.680**	**(5)**	**876.825**	**20.664**	**105.966**	**686.654**	**-**	**2.752.544**	**670**	**2.753.214**
Comprehensive income for the period													
Profit (loss) for the period		-	-	-	-	-	-	-	-	257.382	257.382	(3.810)	253.572
Realization of carrying value adjustments		-	-	-	-	-	(2.159)	-	-	2.159	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(157.204)	-	-	-	-	(157.204)	-	(157.204)
Hedge of net investment abroad	28b	-	-	-	-	104.568	-	-	-	-	104.568	-	104.568
Tax impact on hedge of net investment abroad	28b	-	-	-	-	(35.552)	-	-	-	-	(35.552)	-	(35.552)
Total comprehensive income for the year		-	-	-	-	(88.188)	(2.159)	-	-	259.541	169.194	(3.810)	165.384
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	1.801	-	-	-	-	-	-	1.801	-	1.801
Realization of management stock option plan		-	-	(3.128)	-	-	-	-	-	3.128	-	-	-
(-) Treasury stock		-	-	-	(1.100)	-	-	-	-	-	(1.100)	-	(1.100)
Total contributions from shareholders and distributions to shareholders		-	-	(1.327)	(1.100)	-	-	-	-	3.128	701	63	764
AT JUNE 30, 2022		**1.060.301**	**(6.541)**	**7.353**	**(1.105)**	**788.637**	**18.505**	**105.966**	**686.654**	**262.669**	**2.922.439**	**(3.077)**	**2.919.362**

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOW
PERIOD ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
Cash flow from operating activities:	Note	6/30/22	6/30/21	6/30/22	6/30/21
Profit for the period before income tax and social contribution		308,552	26,417	352,639	18,767
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	12 and 13	69,817	71,723	182,059	180,204
Share of results of subsidiaries	12	(157,934)	23,695	-	-
Disposals of property, plant and equipment		(316)	123	912	1,873
Interest accrued and foreign exchange variations		71,174	81,815	94,693	132,852
Provision for impairment of trade receivables		2,461	(4,565)	1,454	(4,219)
Provision for losses on inventory		1,402	(941)	(8,993)	(406)
Provision for contingencies	19	17,582	18,670	23,163	19,655
Stock option plan		1,801	1,741	1,801	1,741
Change in Eletrobrás credit		(869)	(16,946)	(869)	(16,946)
		313,670	201,732	646,859	333,521
Changes in operating assets and liabilities:					
Trade accounts receivables		(381,456)	(172,819)	(879,654)	(387,353)
Inventories		(96,220)	(109,938)	(240,872)	(96,109)
Tooling		(13,750)	682	(8,179)	3,711
Other taxes recoverable		26,849	9	(54,873)	(3,470)
Other assets		946	11,015	(25,185)	2,534
Judicial deposits and other		4,902	(4,762)	4,732	(4,768)
Trade payables		128,368	159,244	299,415	281,610
Other taxes payable		(7,028)	316	65,137	8,409
Salaries, social security charges and profit sharing		31,522	34,234	56,351	46,585
Advances from customers		(3,578)	(12,222)	(13,891)	(18,157)
Notes and other payables		(15,385)	(5,196)	(15,009)	(5,465)
Retirement benefit obligations		-	-	6,074	5,095
Payment of contingencies other liabitilies		(20,772)	(14,972)	(20,345)	(15,011)
Cash generated by operations		**(31,932)**	**87,323**	**(179,440)**	**151,132**
Interest paid		(67,233)	(75,004)	(66,745)	(87,686)
Income tax and social contribution paid		-	-	(7,934)	(10,498)
Net cash generated from operating activities		**(99,165)**	**12,319**	**(254,119)**	**52,948**
Cash flow from investing activities:					
Additions to fixed assets or intangibles	12 and 13	(60,742)	(59,327)	(124,194)	(86,289)
Cash generated on PPE disposals		1,050	1,804	1,050	1,050
Subsidiaries and associates		(120,797)	(146)	-	-
Net cash used in investing activities		**(180,489)**	**(57,669)**	**(123,144)**	**(85,239)**
Cash flow from financing activities:					
Payment of loans	16	(1,440)	(197,157)	(386,846)	(2,136,541)
Loans and financing raised	16	-	-	405,000	2,018,063
Lease payment from right of use		(2,849)	(3,154)	(7,177)	(8,111)
Forfaiting operation		-	-	(20,264)	-
Interest on capital and dividends paid		(22,160)	-	(22,160)	-
Treasury stock		(1,100)	-	(1,100)	-
Net cash used in financing activities		**(27,549)**	**(200,311)**	**(32,547)**	**(126,589)**
Effect of exchange rate differences on cash for the period		(1,098)	(2,358)	(24,194)	(356)
Increase in cash and cash equivalents		**(308,301)**	**(248,019)**	**(434,004)**	**(159,236)**
Cash and cash equivalents at the beginning of the year		712,364	832,175	1,272,445	1,425,113
Cash and cash equivalents at the end of the year		**404,063**	**584,156**	**838,441**	**1,265,877**

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
PERIOD ENDED JUNE 30, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	6/30/22	6/30/21	6/30/22	6/30/21
Origination of value added		2,476,127	1,941,821	5,186,074	3,344,006
Sale of products, net of returns and rebates	23	2,478,588	1,937,256	5,187,528	3,339,787
Provision for impairment of trade receivables		(2,461)	4,565	(1,454)	4,219
(-) Inputs acquired from third parties		(1,688,824)	(1,311,587)	(3,409,037)	(2,303,609)
Raw materials and processing material consumed		(1,391,192)	(1,022,693)	(2,303,042)	(1,451,777)
Materials, energy, third party services and other		(297,632)	(288,894)	(1,105,995)	(851,832)
GROSS VALUE ADDED		787,303	630,234	1,777,037	1,040,397
Retentions:		(69,817)	(71,723)	(182,059)	(180,204)
Depreciation and amortization	12 and 13	(69,817)	(71,723)	(182,059)	(180,204)
Net value added generated by the Company		717,486	558,511	1,594,978	860,193
Value added received through transfer		188,504	5,716	30,161	29,987
Share of results of subsidiaries	12	157,934	(23,695)	-	-
Finance income	25	30,570	29,411	30,161	29,987
VALUE ADDED TO DISTRIBUTE		**905,990**	**564,227**	**1,625,139**	**890,180**
Distribution of value added					
Personnel		418,920	354,270	913,415	631,553
Employees		299,460	265,829	743,751	534,867
Social charges - Government Severance Indemnity Fund for Employees (FGT		21,363	17,247	21,363	17,247
Profit sharing		37,243	23,491	68,690	31,830
Management fees		11,338	8,696	11,338	8,696
Workplace healthcare and safety		32,510	24,219	32,510	24,219
Food		7,384	6,793	7,384	6,793
Professional education, qualification and development		577	423	1,670	307
Other amounts		9,045	7,572	26,709	7,594
Government		155,845	103,698	336,111	96,881
Federal taxes and contributions		136,203	71,946	265,723	65,100
State taxes and rates		15,888	26,315	66,112	26,315
Municipal taxes, rates and other		3,754	5,437	4,276	5,466
Third party capital		73,843	89,675	122,041	145,162
Finance costs	25	64,070	78,176	87,314	124,405
Monetary and foreign exchange variations, net	25	9,773	11,499	34,727	20,757
Own capital		257,382	16,584	253,572	16,584
Retained earnings (losses)		257,382	16,584	253,572	16,584
TOTAL VALUE ADDED		**905,990**	**564,227**	**1,625,139**	**890,180**

(A free translation of the original in Portuguese)

NOTES TO THE FINANCIAL STATEMENTS

(A free translation of the original in Portuguese)

1. GENERAL INFORMATION

Tupy S.A. (the "Parent company") and its subsidiaries (together the "Company" or "Consolidated") develops and manufacturing highly engineered structural cast iron components applied to complex metallurgical an geometrical components. Those components are extensively used in capital goods of freight transport, infrastructure, agriculture and power generation. Promoting the quality of life, the access to health, basic sanitation, potable water, foods production and distribution and worldwide trade. Innovation and technical knowledge of its employees are its hallmark in the market over its 80 years. The plants are located in Joinville/SC, Mauá/SP, Betim/MG (Brazil), and in the cities of Saltillo and Ramos Arizpe (Mexico) and Aveiro (Portugal). In addition, Tupy has offices in Sao Paulo, USA, Germany, Italy and Netherlands.

Tupy S.A. is a publicly held corporation headquartered in Joinville, State of Santa Catarina, listed on the São Paulo Stock Exchange (ticker TUPY3) and in the Novo Mercado segment of B3.

These interim financial statements were approved for issuance by the Company's Board of Directors on August 04, 2022.

1.1 Impacts of the COVID-19 pandemic

The Company monitors the risks of the COVID-19 pandemic and the effects on the local and global economies, as well as the impact on its employees, operations, supply chain, demand for its products and the community.

The Company has been carrying out reviewing of recoverability of its relevant assets, in view of the impacts resulting from the pandemic on its operations, which have not resulted in the need to recognize significant losses in its financial statements.

The projections of operating income and cash flows indicate full conditions for the continuity of operations. The evolution of the entire economic context in the world is being monitored, as well as its implication in profitability and financial position, aiming to adapt the Company's operations to the evolving circumstances triggered by government regulations and market dynamics in the face of the COVID-19 pandemic. The profits achieved in the first quarter of 2021 demonstrate that the Company is successfully managing the crisis.

2. PRESENTATION AND PREPARATION OF THE QUARTERLY INFORMATION

The Company presents the interim financial statements in accordance with the Technical Pronouncement CPC 21 - "Interim Financial Reporting" and International Financial Reporting Standard IAS 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), and presented in accordance with the rules and regulations issued by the Brazilian Securities Commission (CVM), applicable to the preparation of interim information, and are identified as "Parent company" and "Consolidated", respectively.

Circular Letter CVM/SNC/SEP 003, of April 28, 2011, permits entities to present selected explanatory notes in cases of redundancy or duplication relative to the information already presented in the Company's annual financial statements. These interim condensed financial statements do not include all of the disclosures required in a complete set of financial statements and should be read together with the annual financial statements for the year ended December 31, 2021.

Accordingly, the Company discloses below a list of the explanatory notes that are not partially or completely presented in the interim condensed financial statements at March 31, 2022:

Not completely repeated	***Not partially repeated***
Investment properties Insurance Business combination Commitments	Trade receivables Income tax and social contribution recoverable Other taxes recoverable Property, plant and equipment Intangible assets Loans and financing Provision for tax, civil, social security and labor proceedings Share capital

2.1. Basis of preparation, functional and presentation currency

The interim financial statements have been prepared based on the historical cost, except for certain financial instruments, which are measured at their fair values, as described in the accounting policies. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

The functional and presentation currency are with the same as those for the annual financial statements for the year ended December 31, 2021.

2.2. Use of critical accounting estimates and judgments

The preparation of Parent Company and Consolidated interim information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, revenue and expenses.

In the preparation of these interim financial statements, the decisions made by the Company regarding the application of accounting policies and the main sources of uncertainty in estimates and critical accounting judgments were the same as those for the annual financial statements for the year ended December 31, 2021 and are disclosed in Note 2.4 of those financial statements.

2.3. Significant accounting policies

The accounting policies used in the preparation of these interim financial statements for the period ended June 30, 2022 are consistent with those used to prepare the annual financial statements for the year ended December 31, 2021, these policies are disclosed in Note 2 in the annual financial statements.

All amounts in thousands of Reais unless otherwise stated.

3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Cash and banks	2,049	9,817	3,926	14,692
Financial investments in Brazil	391,224	642,678	391,224	665,273
Financial investments abroad	10,790	59,869	443,291	592,480
	404,063	**712,364**	**838,441**	**1,272,445**

The financial investments disclosed as cash and cash equivalents are highly liquid securities with an insignificant risk of changes in value. Those investments in Brazil are remunerated based on the variation of the Interbank Deposit Certificate (CDI) rate, with an average rate equivalent to 5.53% per annum (4,56% at December 31, 2021). The investments abroad are denominated mostly in U.S. dollars at the average rate of 0.62% per annum (0.21% per annum in December 31, 2021) designed as time deposit and overnight.

The reduction in cash and cash equivalents is mainly due to the investment in working capital from the acquisition of Tupy Minas Gerais Ltda and Funfrap-Fundição Portuguesa S.A.

The Company operates with top tier institutions as detailed in note 32.1.

4. TRADE ACCOUNT RECEIVABLES

The composition of trade account receivables from clients by market is as follows:

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Domestic market	240,064	156,108	447,095	275,975
Foreign market	795,367	532,818	1,611,898	986,378
Provision for impairment of trade receivables	(6,268)	(4,439)	(12,386)	(11,256)
	1,029,163	**684,487**	**2,046,607**	**1,251,097**

Trade account receivables in the domestic market are denominated in Brazilian Reais and in the foreign market primarily in U.S. dollars and, also in Euro.

The increase in accounts receivable is mainly due to:

- the increase in the amount of sales in the period,
- the pass-through of cost inflation in sales price, especially of materials, freight and energy
- the impacts of the business combination for the acquisition of the Betim and Aveiro, and,
- partially reduced by the appreciation of the Real against the US Dollar, which went from R$5.5805 on December 31, 2021 to R$5.2380 on June 30, 2022.

The Company's trade account receivables in the foreign market include related party amounts which are eliminated upon consolidation, amounting R$567,791 (R$392,066 in December 31, 2021). (Note 10)

All amounts in thousands of Reais unless otherwise stated.

	Parent company		Consolidated	
	Jun/22	**Dec/21**	**Jun/22**	**Dec/21**
Falling due in up to 30 days	320,392	261,683	910,337	596,940
Falling due within 31 to 60 days	411,802	169,236	566,860	342,979
Falling due in more than 61 days	255,862	214,979	288,166	202,151
Total falling due	**988,056**	**645,898**	**1,765,363**	**1,142,070**
Overdue for up to 30 days	30,448	31,266	158,470	86,562
Overdue for 31 to 60 days	2,054	2,858	37,004	9,467
Overdue for more than 61 days	14,873	8,904	98,156	24,254
Total overdue	**47,375**	**43,028**	**293,630**	**120,283**
Provision for impairment of trade receivables	(6,268)	(4,439)	(12,386)	(11,256)
Total	**1,029,163**	**684,487**	**2,046,607**	**1,251,097**

In the period ended June 30, 2022, there was an increase in the volume of past dues, a fact that is mainly due to the implementation of SAP in Mexico, which result to delays in communication and sending invoices to customer portals in the first weeks of operation of the new ERP

As of June 30, 2022, the estimated loss in accounts receivable from customers represented 0.6% of the consolidated balance (On December 31, 2021 was 0.9%).

The Company does not expect others material adjustments due to the impacts caused by the Covid-19 pandemic in trade accounts receivables.

5. INVENTORIES

	Parent company		Consolidated	
	Jun/22	**Dec/21**	**Jun/22**	**Dec/21**
Finished products	231,710	189,643	494,551	482,219
Work in progress	169,128	99,455	706,430	564,642
Raw materials	110,567	128,691	407,312	356,566
Maintenance and other materials	36,912	34,308	168,131	163,600
Provision for losses	(17,079)	(15,677)	(70,100)	(79,093)
	531,238	**436,420**	**1,706,324**	**1,487,934**

Inventories are carried at the average acquisition and/or production cost, considering the full manufacturing costs absorption method, adjusted to the net realizable value, when applicable.

The Company did not observe any indicators that require the constitution of an additional losses provision due to COVID-19.

As of June 30, 2022, the Company has offered finished product inventory as collateral for labor and social security litigation amounting to R$11,853 (R$10,559 as of December 31, 2021). Currently, the Company adopts guarantee insurance.

6. TOOLING

	Parent company		Consolidated	
	Jun/22	**Dec/21**	**Jun/22**	**Dec/21**
Domestic market	32,119	23,055	47,452	39,320
Foreign market	40,824	36,137	97,324	102,383
	72,943	**59,192**	**144,776**	**141,703**

All amounts in thousands of Reais unless otherwise stated.

7. INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

	Jun/22			Dec/21		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	**71**	**7,102**	**7,173**	**56,084**	**18,245**	**74,329**
Income tax	71	1,624	1,695	56,084	2,947	59,031
Social contribution	-	5,478	5,478	-	15,298	15,298
Subsidiaries	**36,088**	**-**	**36,088**	**52,250**	**-**	**52,250**
Income tax	36,088	-	36,088	52,250	-	52,250
Consolidated	**36,159**	**7,102**	**43,261**	**108,334**	**18,245**	**126,579**

The reduction in the credit balance is due to its use to offset income tax and social contribution payable in the 2022 first quarter.

8. OTHER TAXES RECOVERABLE

Parent company

	Jun/22			Dec/21		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	6	-	6	1.337	2	1.339
ICMS recoverable - Santa Catarina (a)	29.994	26.095	56.089	29.988	21.457	51.445
Reintegra benefit (b)	762	52.694	53.456	678	52.744	53.422
COFINS, PIS and IPI recoverable (c)	34.184	6.778	40.962	68.317	6.777	75.094
	64.946	**85.567**	**150.513**	**100.320**	**80.980**	**181.300**

Consolidated

	Jun/22			Dec/21		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	6	-	6	1,337	2	1,339
ICMS recoverable - Santa Catarina (a)	29,994	26,095	56,089	29,988	21,457	51,445
ICMS recoverable - Minas Gerais (a)	10,646	742	11,388	8,167	853	9,020
Reintegra benefit (b)	1,241	52,694	53,935	910	52,744	53,654
COFINS, PIS and IPI recoverable (c)	40,935	9,104	50,039	79,395	10,059	89,454
Value-added tax (VAT) (d)	78,318	44,113	122,431	95,090	-	95,090
Consolidated	**161,140**	**132,748**	**293,888**	**214,887**	**85,115**	**300,002**

a. Value-added Tax on Sales and Services (ICMS) recoverable

Credits arising from the purchase of raw materials used in the process of constructing and purchasing property, plant and equipment assets, originally realizable in 48 installments, according to applicable state legislation. The decrease in the Company's sales in the Brazilian market, observed in recent years, contributed to the increase in the credit balance and the Company considered alternative methods to reimburse or compensate it.

In Santa Catarina, the Company was accomplishing the credit balance by transfer to third parties and with a special regim “pro-emprego”, which deferrs the payment of ICMS.

In São Paulo, realization takes place in normal sales operations.

In Minas Gerais, the amouting of Tupy Minas Gerais Ltda, realization takes place in normal sales operations.

The Company's projections identify the realization of credits in up to 2 years.

b. Special System for Refund of Tax Amounts to Exporting Companies (Reintegra) benefit

All amounts in thousands of Reais unless otherwise stated.

Credits arising from the benefit established by Provisional Measure 540 of August 2, 2011, reestablished by Law 13,043/14 and regulated by Decree 8,415/15, amended by Decree 8,543/15. The amount is basically composed of tax residue in the production chain which could be monetized after procedures to be initiated with the tax authorities.

c. Social Contribution on Revenues (COFINS), Social Integration Program (PIS) and Excise Tax (IPI) recoverable

These are credits generated mainly the right to exclude the ICMS from the calculation basis of the contribution to PIS and COFINS, according with 2 (two) writ of mandamus, one at the judicial subsection of the Federal Justice in São Paulo/SP and another filed in the judicial subsection of Joinville/SC. Those credits were recognized after the final decision in 2019 and 2020.

The Company is realizing the credit offsetting federal tax values, for the portion related to foreign sales. The credit from domestic sales are be compensated in the account.

The Company projections indicate the credit will be realized up to 2 years.

d. Value-added tax (VAT)

These are credits generated on the acquisition of inputs used in the production process of the subsidiaries in Mexico and the exports with clearance of goods in Italy, from the acquired companies. These credits are regularly reimbursed by the local tax authorities.

9. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION, NET

The composition of deferred tax assets and liabilities relating to income tax and social contribution, is as follows:

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Deferred assets				
Income tax and social contribution losses	192,555	223,308	295,132	326,403
Provisions for contingencies	58,460	60,489	74,759	75,069
Taxes and contribution recoverable	39,645	39,760	39,645	39,760
Property, plant and equipment - impairment	30,288	30,288	30,326	30,332
Salaries, social security charges and profit sharing	12,110	4,563	64,799	51,108
Provision for impairment of trade receivables	11,423	9,371	22,812	16,879
Provision for inventory losses	8,728	7,057	16,583	13,211
Share-based payments	2,499	2,950	2,499	2,950
Tooling	-	-	8,763	13,030
Financial derivative instruments	200	284	200	284
Other items	9,957	14,077	30,623	32,907
Property, plant and equipment - tax base (México)	-	-	20,690	10,982
Unrealized profits in subsidiaries	-	-	10,280	16,078
Subtotal	**365,865**	**392,147**	**617,111**	**628,993**
Deferred liabilities				
Depreciation rate differences	49,673	57,457	49,673	60,622
Business combination	14,835	16,593	14,835	16,593
Property, plant and equipment - carrying value adjustments	9,533	10,645	13,491	11,969
Deferred tax on intangible assets	-	-	-	5,909
Subtotal	**74,041**	**84,695**	**77,999**	**95,093**
Total deferred liabilities, net	**291,824**	**307,452**	**539,112**	**533,900**

The Mexican tax legislation allows the depreciation of property, plant and equipment on a tax basis, and accordingly, the Company records the temporary difference in the depreciation between the tax and the accounting bases. The temporary difference at June 30, 2022 was R$10,9821 (R$11,969 at December 31, 2021). The change is due to the foreign exchange difference between the currency in which the taxes are charged in Mexican pesos and the functional currency (U.S. dollar) of the subsidiaries in Mexico.

All amounts in thousands of Reais unless otherwise stated.

During the quarter ended June 30, 2022 and June 30, 2021 the changes in deferred tax assets and liabilities were as follow:

	Parent company		Consolidated	
	Jun/22	Mar/21	Jun/22	Mar/21
Opening balance	**307,452**	**316,080**	**533,900**	**428,733**
Recognized in profit (loss)				
Recognized in profit (loss) for the year	19,924	37,580	46,807	65,650
Recognized in comprehensive income for the year	(35,552)	(21,554)	(35,552)	(21,554)
Effects of currency translation into presentation currency	-	-	(6,043)	(6,847)
Closing balance	**291,824**	**332,106**	**539,112**	**465,982**

10. OTHER ASSETS

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Domestic market	57,166	59,162	83,891	76,944
Foreign market	-	-	46,935	29,925
	57,166	**59,162**	**130,826**	**106,869**

The increase compared to December 2021 is due to advances to employees, vacations and 13th month salary, recognition of expenses paid in advance and advances to suppliers.

11. RELATED PARTY TRANSACTIONS

The main transactions of the Company with related parties are summarized as follows:

a. Subsidiaries:

Assets	Jun/22	Dec/21
Trade account receivables	**567,791**	**392,066**
Tupy Mexico Saltillo, S.A. de C.V	305,740	198,706
Tupy American Foundry Corporation	179,572	164,967
Tupy Europe GmbH	53,879	21,257
Technocast, S.A. de C.V.	21,334	3,799
Funfrap - Fundição Portuguesa S.A.	5,696	2,760
Tupy Minas Gerais Ltda.	1,570	577
Related parties – loans	**-**	**125,198**
Tupy Minas Gerais Ltda	-	125,198
	567,791	**517,264**

Liabilities	Jun/22	Dec/21
Loans and financing	**1,885,213**	**2,009,584**
Tupy Overseas S.A	1,885,213	2,009,584
Other liabilities	**5,312**	**16,771**
Tupy Europe GmbH	3,148	9,910
Tupy American Foundry Co.	1,291	3,911
Tupy México Saltillo S.A. de CV	873	2,103
Tupy Minas Gerais Ltda	-	847
Related parties – loans	**6,835**	**5,086**
Tupy Agroenergética Ltda.	5,659	3,909
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "em liquidação"	1,176	1,177
	1,897,360	**2,031,441**

All amounts in thousands of Reais unless otherwise stated.

Statement of income	2Q22	2Q21	1H22	1H21
Revenues	**499,008**	**329,943**	**920,470**	**639,089**
Tupy American Foundry Corporation	300,916	198,566	531,024	392,833
Tupy Europe GmbH	69,345	58,380	126,901	112,974
Tupy Mexico Saltillo, S.A. de C.V	128,747	72,997	262,497	133,282
Other operating expenses, net	**19,294**	**664**	**28,962**	**1,020**
Technocast, S.A. de C.V.	14,828	654	19,989	1,010
Tupy Mexico Saltillo, S.A. de C.V	4,466	10	8,973	10
Finance costs	**(29,665)**	**(31,180)**	**(55,810)**	**(63,958)**
Tupy Overseas S.A.	(29,665)	(31,180)	(59,859)	(63,958)
Tupy Minas Gerais Ltda	-	-	4,049	-
	488,637	**299,427**	**893,622**	**576,151**

Information from operations of the subsidiaries is provided in Financial Statements of December 31, 2021. (Note 2.2)

The receivables (Note 4) and sales revenue of the Company with its subsidiaries represent mainly sales of products from the transportation, infrastructure & agriculture segment. Prices charged are in compliance with the Company's price lists, and terms range from 60 to 90 days, as established by the parties. On June 30 , 2022, the Company's related parties had no overdue receivables and, therefore, the Parent company did not record a provision for the impairment of these receivables.

Advances from customers correspond to amounts sent by the subsidiaries abroad for the future delivery of goods.

Notes and other payables to subsidiaries abroad represent the current accounts between the subsidiaries and the Parent company. Refers mainly, to quality assistance for transportation, infrastructure & agriculture products. With a maturity between 30 to 60 days.

The loan conditions granted by Tupy Overseas S.A. to the Parent company are disclosed in Note 16.

The other operations refer to loan agreements between the subsidiaries in Brazil and the Company, with no defined maturities, which bear interest equivalent to the Referential Rate (TR).

Other operations expenses, net, refer to transfer by sale of fixed assets from Brasil to Technocast S.A. de C.V. and Tupy México Saltillo, S.A. de C.V. subsidiaries.

b. Main stockholders:

The Company's main stockholders are BNDES Participações S.A. – BNDESPAR and PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil.

c. Management remuneration:

	Board of Directors		Board of Officers		Total	
	1H22	**1H21**	**1H22**	**1H21**	**1H22**	**1H21**
Fixed remuneration	2,271	2,140	3,631	3,260	5,902	5,400
Variable remuneration	-	-	3,937	1,909	3,937	1,909
Stock option plan	189	253	1,310	1,134	1,499	1,387
	2,460	**2,393**	**8,878**	**6,303**	**11,338**	**8,696**

	Board of Directors		Board of Officers		Total	
	2Q22	**2Q21**	**2Q22**	**2Q21**	**2Q22**	**2Q21**
Fixed remuneration	1,173	1,079	1,835	1,729	3,008	2,808
Variable remuneration	-	-	2,745	835	2,745	835
Stock option plan (Note 19)	79	118	480	701	559	819
	1,252	**1,197**	**5,060**	**3,265**	**6,312**	**4,462**

All amounts in thousands of Reais unless otherwise stated.

The overall amount of the annual remuneration, net of taxes, approved in April 29, 2022, at the Ordinary General Meeting for Board of Directors and Bord of officers for the year of 2022 is up to R$43,219 (R$37,239 for the year ended at December 31, 2021).

The statutory management remuneration is paid only at the Parent company level and, therefore, no management remuneration has been recorded in the subsidiaries.

The amounts recorded as variable remuneration of the Board of Officers are considered as a provision, based on to the goals established for the period.

Information about the Stock option plans for the Company´s statutory board members and the current Chairman of the Board of Directors (the "Plan"), approved in November 2014 and April 2019, are presented in note 24 in the annual financial statements from the year ended December 31, 2021.

Officers receive additional corporate benefits, such as corporate vehicles, reimbursement of vehicle-related expenses, health insurance and pension plan. In the quarter ended June 30, 2022, these benefits totaled R$1,004 (R$874 in the same period of the previous year).

The Company does not offer its officers a post-employment benefit plan.

d. Other related parties:

The Parent company sponsors the Associação Atlética Tupy (Tupy Athletic Association), a not-for-profit foundation that offers leisure activities and sports to the Company's employees. During the period of six-months ended June 30, 2022, the Company recognized sponsorship expenses of R$680 (R$112 in the same period of the previous year).

12. INVESTMENTS

a. Composition of investments

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT JUNE 30, 2022							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	2,189,963	1,912,982	41,226	111,045	100,00	118,614	1,970,273
Tupy Overseas	2,003,146	13,851	-	11,895	100,00	11,895	13,851
Tupy American Foundry Co.	432,760	200,843	-	7,441	100,00	10,211	190,379
Tupy Europe GmbH	456,202	230,034	-	10,902	100,00	10,351	223,377
Tupy Minas Gerais Ltda.	948,426	192,324	45,199	4,828	100,00	5,977	235,090
Tupy Agroenergética Ltda.	16,020	13,929	-	1,350	100,00	1,350	13,929
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,513	(635)	-	(464)	100,00	(464)	(635)
						157,934	**2,646,264**

(*) Adjusted by unrealized profits
(**) Tupy S.A. 99% and Tupy Agroenergética 1%

All amounts in thousands of Reais unless otherwise stated.

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT JUNE 30, 2021							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	1,811,505	1,755,878	41,226	(15,041)	100.00	(2,872)	1,796,811
Tupy Overseas	1,879,045	(13,133)	-	(43,959)	100.00	(43,959)	(13,133)
Tupy American Foundry Co.	397,084	181,558	-	13,929	100.00	14,976	177,534
Tupy Europe GmbH	259,653	226,450	-	6,446	100.00	8,886	223,567
Tupy Agroenergética Ltda.	12,649	11,700	-	(730)	100.00	(730)	11,700
Sociedade Técnica de Fundições Gerais SA. - Sofunge "em liquidação"	2,511	145	-	4	100.00	4	145
						(23,695)	**2,196,624**

(*) Adjusted by unrealized profits
(**) Tupy S.A. 99% and Tupy Agroenergética 1%

b. Changes in investments

Parent company	
AT DECEMBER 31, 2020	**2,307,818**
Share in the results of subsidiaries	(23,695)
Exchange variations of investees located abroad	(87,499)
AT JUNE 30, 2021	**2,196,624**
AT DECEMBER 31, 2021	**2,402,961**
Share in the results of subsidiaries	157,934
Exchange variations of investees located abroad	(157,204)
Tupy Minas Gerais payment of capital	247,744
Exchange variations of investees located abroad	(5,171)
AT JUNE 30, 2022	**2,646,264**

c. Tupy Minas Gerais Ltda.

On March 31, 2022, the Company's Board of Directors approved the conversion of the loan with the Parent Company into capital, in the amount of R$147,744 and on April 1, the amount of R$100,000 was transferred as capital payment.

All amounts in thousands of Reais unless otherwise stated.

13. PROPERTY, PLANT AND EQUIPMENT

Parent company	Machinery, facilities and equipment	Buildings	Land	Vehicles	Furniture, fittings and other	Right of use	Construction in progress	Total
Cost								
AT DECEMBER 31, 2020	**1,718,484**	**362,866**	**8,948**	**21,844**	**6,063**	**19,724**	**29,033**	**2,166,962**
Addition	72,962	6,550	-	3,667	620	2,277	58,202	144,278
Transfer to property, plant and equipment in use						-	-	-
Disposal	(16,827)	(104)	-	(1,230)	(1)	-	-	(18,162)
AT DECEMBER 31, 2021	**1,774,619**	**369,312**	**8,948**	**24,281**	**6,682**	**22,001**	**87,235**	**2,293,078**
Addition	46,330	1,892	-	1,424	565	1,213	11,590	63,014
Disposal	(9,836)	(3,255)	-	(823)	(98)	-	-	(14,012)
AT JUNE 30, 2022	**1,811,113**	**367,949**	**8,948**	**24,882**	**7,149**	**23,214**	**98,825**	**2,342,080**
Depreciation								
AT DECEMBER 31, 2020	**(1,332,895)**	**(181,857)**	**-**	**(15,998)**	**(4,200)**	**(10,929)**	**-**	**(1,545,879)**
Depreciation in the year	(109,926)	(11,319)	-	(1,741)	(398)	(6,424)	-	(129,808)
Disposal	15,308	104	-	1,020	1	-	-	16,433
AT DECEMBER 31, 2021	**(1,427,513)**	**(193,072)**	**-**	**(16,719)**	**(4,597)**	**(17,353)**	**-**	**(1,659,254)**
Depreciation in the year	(54,222)	(6,329)	-	(824)	(233)	(2,615)	-	(64,223)
Disposal	11,820	1,661	-	786	61	-	-	14,328
AT JUNE 30, 2022	**(1,469,915)**	**(197,740)**	**-**	**(16,757)**	**(4,769)**	**(19,968)**	**-**	**(1,709,149)**
Carrying amount								
AT DECEMBER 31, 2021	347,106	176,240	8,948	7,562	2,085	4,648	87,235	633,824
AT JUNE 30, 2022	341,198	170,209	8,948	8,125	2,380	3,246	98,825	632,931

Consolidated	Machinery, facilities and equipment	Buildings	Land	Vehicles	Furniture, fittings and other	Right of use	Construction in progress	Total
Cost								
AT DECEMBER 31, 2020	**4,527,424**	**979,892**	**86,479**	**24,993**	**38,550**	**53,842**	**128,469**	**5,839,649**
Business combination adition	906,147	451,061	51,501	4,426	52,893	6,035	20,159	1,492,222
Addition	134,432	16,188	-	3,686	1,322	29,172	87,604	272,404
Exchange variation	192,411	40,985	5,696	210	1,389	2,974	6,878	250,543
Disposal	(150,741)	(104)	-	(1,265)	(1)	-	-	(152,111)
AT DECEMBER 31, 2021	**5,609,673**	**1,488,022**	**143,676**	**32,050**	**94,153**	**92,023**	**243,110**	**7,702,707**
Addition	97,537	(24,003)	-	1,424	344	1,213	40,627	117,142
Exchange variation	(225,074)	(65,737)	(5,083)	(316)	(5,261)	(4,490)	(10,195)	(316,156)
Disposal	(12,430)	(3,565)	-	(923)	(109)	-	-	(17,027)
AT JUNE 30, 2022	**5,469,706**	**1,394,717**	**138,593**	**32,235**	**89,127**	**88,746**	**273,542**	**7,486,666**
Depreciation								
AT DECEMBER 31, 2020	**(3,489,345)**	**(543,981)**	**-**	**(17,948)**	**(27,390)**	**(34,128)**	**-**	**(4,112,792)**
Business combination adition	(757,599)	(325,030)	-	(2,981)	(46,536)	-	-	(1,132,146)
Depreciation in the year	(247,872)	(29,583)	-	(2,053)	(2,738)	(14,532)	-	(296,778)
Exchange variation	(149,061)	(22,896)	-	(127)	(1,008)	(1,977)	-	(175,069)
Disposal	145,447	104	-	1,055	1	-	-	146,607
AT DECEMBER 31, 2021	**(4,498,430)**	**(921,386)**	**-**	**(22,054)**	**(77,671)**	**(50,637)**	**-**	**(5,570,178)**
Depreciation in the year	(126,835)	(18,901)	-	(1,083)	(1,832)	(8,334)	-	(156,985)
Exchange variation	187,630	43,116	-	245	4,912	1,885	-	237,788
Disposal	14,410	1,971	-	886	700	-	-	17,967
AT JUNE 30, 2022	**(4,423,225)**	**(895,200)**	**-**	**(22,006)**	**(73,891)**	**(57,086)**	**-**	**(5,471,408)**
Carrying amount								
AT DECEMBER 31, 2021	1,111,243	566,636	143,676	9,996	16,482	41,386	243,110	2,132,529
AT JUNE 30, 2022	1,046,481	499,516	138,593	10,229	15,236	31,660	273,542	2,015,258

The Company offered property, plant and equipment items as collateral for loans and financing of R$5,821 (R$5,821 as of December 31, 2021) and R$5,895 (R$5,895 as of December 31, 2021) as collateral for tax proceeding. Currently, the Company adopts guarantee insurance.

Construction in progress mainly comprises several investments at capacity, environment, job safety program, and expansion of machining capacity in the Mexico plants.

All amounts in thousands of Reais unless otherwise stated.

During the first half of 2022, interest of loans and financing was capitalized on property, plant and equipment in the amount of R$2,707 (R$803 on June 30, 2021).

14. INTANGIBLE ASSETS

Parent company	Software	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2020	**41,890**	**2,126**	**8,874**	**52,890**
Acquisition/costs	1,754	3,489	1,857	7,100
Amortization	(9,665)	(1,719)	-	(11,384)
AT DECEMBER 31, 2021	**33,979**	**3,896**	**10,731**	**48,606**
Acquisition/costs	1,131	223	1,044	2,398
Transfers	-	1,717	(1,717)	-
Amortization	(4,704)	(890)	-	(5,594)
AT JUNE 30, 2022	**30,406**	**4,946**	**10,058**	**45,410**

Consolidated	Software	Contractual customer relationships	Goodwill	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2020	**46,148**	**73,372**	**41,226**	**2,126**	**8,874**	**171,746**
Business combination adition	6,767	-	-	-	-	6,767
Acquisition/costs	8,595	-	-	3,489	1,857	13,941
Disposal	(31)	-	-	-		(31)
Exchange variation	274	3,585	-	-	-	3,859
Disposal	(11,911)	(57,260)	-	(1,719)	-	(70,890)
AT DECEMBER 31, 2021	**49,842**	**19,697**	**41,226**	**3,896**	**10,731**	**125,392**
Acquisition/costs	8,297	-	-	223	1,044	9,564
Transfers	-	-	-	1,717	(1,717)	-
Disposal	(1,852)	-	-	-		(1,852)
Exchange variation	391	(1,913)	-	-	-	(1,522)
Amortization	(6,400)	(17,784)	-	(890)	-	(25,074)
AT JUNE 30, 2022	**50,278**	**-**	**41,226**	**4,946**	**10,058**	**106,508**

15. SUPPLIERS

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Domestic suppliers	480,292	358,695	627,279	480,115
Foreign suppliers	53,119	52,049	807,398	668,381
Subtotal	**533,411**	**410,744**	**1,434,677**	**1,148,496**
Forfaiting operation	89,070	91,332	89,070	91,332
	622,481	**502,076**	**1,523,747**	**1,239,828**

The increment in the suppliers balances reflects the renegotiation of payment terms, increase in material prces and higher purchase volume when compared to December 2021.

The Company has contracts signed with Banco do Brasil S.A., Banco Itaú Unibanco S.A. and Banco Santander S.A. to structure, with its main suppliers, the operation called "fortfaiting". In this operation, the suppliers transfer the right to receive the invoice to the financial institutions, which, in turn, become creditors of the operation. In this operation there is no charge of interest for the Company.

All amounts in thousands of Reais unless otherwise stated.

16. LOANS AND FINANCING

Parent company

	Maturity	Effective rate	Jun/22	Dec/21
Local currency			**7,034**	**10,117**
Sustainability	Jan/2025	5.59% p.a.	3,403	4,851
Leasing from right of use			3,631	5,266
Foreign currency			**1,885,213**	**2,009,584**
(a) Export prepayment - Tupy Overseas	Jul/2024	VC + 6.78% p.a.	1,885,213	2,009,584
Current portion			62,622	69,161
Non-current portion			1,829,625	1,950,540
			1,892,247	**2,019,701**

VC = Foreign exchange variation

Consolidated

	Maturity	Effective rate	Jun/22	Dec/21
Local currency			**466,644**	**464,177**
Sustainability	Jan/2025	5.59% p.a.	3,851	5,485
(b) Export credit notes	Feb/2025	CDI+1.66% p.a.	424,456	398,456
(c) Forfaiting operation	Jul/2022	17.3% p.a.	34,706	54,970
Leasing from right of use			3,631	5,266
Foreign currency			**2,010,105**	**2,147,047**
(d) Senior unsecured Notes - US$375.000	Feb/2031	VC + 4.5% a.a.	1,981,246	2,110,005
Leasing from right of use			28,859	37,042
Current portion			184,673	507,486
Non-current portion			2,292,076	2,103,738
			2,476,749	**2,611,224**

VC = Foreign exchange variation

Long term maturities are as follow:

	Parent company		Consolidated	
Year	Jun/22	Dec/21	Jun/22	Dec/21
2023	1.010	2.433	15.178	22.239
2024	1.828.584	1.948.076	4.522	481
2025 - 2030	31	31	324.031	31
2031	-	-	1.948.345	2.080.987
	1.829.625	**1.950.540**	**2.292.076**	**2.103.738**

The fair value of the Company's loans and financing (classified at Level 2 of the fair value hierarchy) is calculated through the discount of the future payment flows based on the curves, interest rates and currencies observable in the financial market. At June 30, 2022, the fair value of loans and financing was R$2,018,810 (R$2,459,977 at December 31, 2021).

a) Export Prepayments – Tupy Overseas S.A.

In January the Company paid interest of R$66,815 (in January of 2021 - R$64,183). The impact of foreign exchange variations during the three-months on the export prepayment amount with Tupy Overseas S.A. was a gain of R$119,523 (gain of R$70,802 in the period of six-months ended June 30, 2021).

b) Export credit notes – NCE

In the business combination concluded at October 1, 2021, the Company assumed an export credit note agreements from Tupy Minas Gerais Ltda in the amount of R$390,166, notional and pro-rate interest, firmed with Banco Bradesco S.A. maturing until July 2022 and average rate of CDI + 1.87% p.a. During the first half the amounting of R$385,000 was paid.

All amounts in thousands of Reais unless otherwise stated.

In February 11, 2022, Companys subsidiary Tupy Minas Gerais Ltda contracted an Export Credit Note with Banco do Brasil S.A. in the amount of R$405,000 with a rate of CDI + 1.62 p.a. and semestral amortization after February 10, 2023. The operation does not include covenants.

c) Forfaithing operation

Term extension operations carried out by Tupy Minas Gerais Ltda with Banco Daycoval S.A. and Banco Fidis S.A. The operations are contracted with a maximum due of 120 days and a rate of 17.3% p.a. During this period the amount of R$27,710 was settled and R$7,444 was contracted.

d) Senior Unsecured Notes - US$ 375,000

In February 2021, the Company completed the issuance of bonds ("issuance") in the international market, through its subsidiary Tupy Overseas S.A. These bonds are guaranteed by the Parent company and amount to US$375,000 (R$2,018,063), with single amortization in February of 2031. Interest, at the coupon of 4.50% p.a., are paid on a semiannual basis, in February and August. The Senior Unsecured Notes are fully and jointly guaranteed by the Company.

In February interests were paid amounting of R$43,964. The exchange variation occurred in the quarter was a gain of R$127,878. The interest provision recognized was R$43,084.

The Exchange rate variation ocurred between the issuance, February 2021, and June 30, 2021 was revenue of R$25,810.

Furthermore, the Issuance also includes non-financial Covenants. The main non-financial measure that could cause the early termination of the Issuance is the change in the Company's controlling interest in such a way that it decreases the external risk rating.

17. TAXES PAYABLES

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Income taxes payable	-	-	94,163	39,340
Other taxes payable	1,153	8,181	45,605	33,103
	1,153	**8,181**	**139,768**	**72,443**

The increase between June 2022 and December 2021 is mainly due to the provision for income tax for the 1st half of 2022 calculated in the subsidiary Tupy México Saltillo S.A. of C.V.

18. SALARIES, SOCIAL SECURITY CHARGES AND PROFIT SHARING

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Salaries	26,083	24,395	38,788	37,540
Provision for vacation pay and 13th month salary	99,503	67,992	161,919	108,740
Social charges	19,608	15,728	55,176	56,867
Profit sharing	35,619	41,207	68,779	67,763
Private pension plan	590	559	590	559
	181,403	**149,881**	**325,253**	**271,469**

The increase mainly reflects the reconstitution of vacation and 13th month salary provisions.

All amounts in thousands of Reais unless otherwise stated.

19. PROVISIONS FOR TAX, CIVIL, SOCIAL SECURITY AND LABOR CONTINGENCIES

The Company is a party to ongoing proceedings arising in the normal course of its business and for which provisions for probable losses were recorded based on estimates made by its legal counsel.

The changes in the provisions for tax, civil, social security and labor proceedings in the six-month period ended June 30, 2022 and the related judicial deposits were as follows:

Parent company

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2020	**48,428**	**73,435**	**73,822**	**11,027**	**(20,245)**	**186,467**
Additions	-	1	13	-	(108)	(94)
Restatements	4,621	(283)	24,853	4,490	-	33,681
Remuneration	-	-	-	-	(385)	(385)
Payments	(11,761)	-	(27,818)	(7,176)	-	(46,755)
Deposit Redemption	-	-	-	-	11,045	11,045
AT DECEMBER 31, 2021	**41,288**	**73,153**	**70,870**	**8,341**	**(9,693)**	**183,959**
Additions	(8)	-	(76)	-	-	(84)
Restatements	3,788	2,122	11,494	262	-	17,666
Remuneration	-	-	-	-	(232)	(232)
Payments	(7,636)	(202)	(15,126)	-	-	(22,964)
Deposit Redemption	-	-	-	-	2,424	2,424
AT JUNE 30, 2022	**37,432**	**75,073**	**67,162**	**8,603**	**(7,501)**	**180,769**
Current						30,356
Non-current						150,413
						180,769

Consolidated

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2020	**50,795**	**73,435**	**73,822**	**11,027**	**(20,245)**	**188,834**
Business combination adition	-	2,163	41,808	-	(14,003)	29,968
Additions	-	1	584	-	(714)	(129)
Restatements	5,966	(277)	23,194	4,490	-	33,373
Remuneration	-	-	-	-	(385)	(385)
Payments	(11,761)	-	(27,818)	(7,176)	-	(46,755)
Deposit Redemption	-	-	-	-	12,302	12,302
AT DECEMBER 31, 2021	**45,000**	**75,322**	**111,590**	**8,341**	**(23,045)**	**217,208**
Additions	(8)	-	6,668	-	(259)	6,401
Restatements	3,879	2,122	9,806	696	-	16,503
Remuneration	-	-	-	-	147	147
Payments	(7,636)	(202)	(15,126)	-	-	(22,964)
Deposit Redemption	-	-	-	-	2,715	2,715
AT JUNE 30, 2022	**41,235**	**77,242**	**112,938**	**9,037**	**(20,442)**	**220,010**
Current						30,356
Non-current						189,654
						220,010

The aforementioned provisions are adjusted mainly based on the Special System for Settlement and Custody (SELIC) rate, the impact of which on profit or loss for the period is described in Note 23.

Generally, the Company's provisions for legal proceedings are long term provisions. Considering the period necessary to conclude judicial proceedings in the Brazilian judicial system, making accurate estimates about the specific year in which a certain proceeding will be concluded is difficult. For this reason, the Company does not disclose the settlement flows of these liabilities.

All amounts in thousands of Reais unless otherwise stated.

Contingencies involving possible losses

	Controladora		Consolidado	
	jun/22	dez/21	jun/22	dez/21
Processos de IRPJ e CSLL	169,996	165,334	170,368	165,706
Créditos de PIS, COFINS e IPI	170,508	165,134	170,508	165,134
Créditos de ICMS	172,331	168,509	172,331	168,509
Débitos fiscais prescritos	141,906	143,679	141,906	143,679
Créditos Reintegra	37,950	36,358	37,950	36,358
Processos de natureza previdenciária	78,451	76,791	78,451	76,791
Processos de natureza trabalhista	68,492	68,710	113,143	120,098
Processos de natureza cível e outros	73,879	67,492	74,169	67,819
	913,513	**892,007**	**958,826**	**944,094**

The proceedings involving a risk of loss deemed “possible” are, substantially, the same as those disclosed in Note 22 to the annual financial statements for the year ended December 31, 2021.

20. RETIREMENT BENEFIT OBLIGATIONS

The operations in Mexico have defined benefit obligations. The purpose of these plans is to offer employees retirement benefits, in addition to and complementing those provided by other retirement or pension plans, whether public or private. In addition, the Mexican legislation also establishes other defined benefits such as age premium and legal indemnity.

Consolidated

Obligations recorded in the balance sheet	Jun/22	Dec/21
Social security plan benefits		
Pension plan	15,964	15,440
Other employee benefits		
Seniority premium	25,353	24,565
Legal indemnity	33,758	32,798
	75,075	**72,803**

21. OTHER LIABILITIES

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Domestic market	17,453	20,130	21,223	39,378
Foreign market	29,403	47,282	80,832	78,898
	46,856	**67,412**	**102,055**	**118,276**

The others liabilities are mainly provisions for operating costs and expenses.

All amounts in thousands of Reais unless otherwise stated.

22. EQUITY

a) Share capital

	Jun/22		Dec/21	
Share capital breakdown in number of shares	**Number**	**%**	**Number**	**%**
Controlling stockholders				
BNDES Participações S.A. – BNDESPAR	40,645,370	28.2%	40,645,370	28.2%
Caixa de Previdência dos Funcionários do Banco do Brasil – PREVI	35,814,154	24.8%	35,814,154	24.8%
Officers	194,482	0.1%	194,482	0.1%
Treasury stock	50,300	0.0%	300	0.0%
Non-controlling interests				
Trígono Capital Ltda	14,477,100	10.0%	14,477,100	10.0%
Other stockholders	52,996,094	36.9%	53,046,094	36.9%
Total outstanding shares	**144,177,500**	**100.0%**	**144,177,500**	**100.0%**

b) Treasury stock

On May 12, the Company's Board of Directors approved the repurchase shares program in order to comply with the long-term incentive program. The maximum period for acquisition is November 13, 2023 and the share limit for repurchase is 4,000,000 common shares of its own issue.

As of June 30, 2022, the market value of treasury shares was R$1,118.169,00

23. REVENUE

The reconciliation between gross and net sales and service revenue for the period is as follows:

	Parent company		Consolidated	
	1H22	**1H21**	**1H22**	**1H21**
Gross revenue	2,494,598	1,962,845	5,271,608	3,411,379
Returns and rebates	(16,010)	(25,589)	(84,080)	(71,592)
Revenue net of returns and rebates	**2,478,588**	**1,937,256**	**5,187,528**	**3,339,787**
Sales taxes	(197,671)	(150,079)	(294,215)	(150,079)
Net revenue	**2,280,917**	**1,787,177**	**4,893,313**	**3,189,708**
Net revenue				
Domestic market	802,158	629,603	1,272,488	629,603
Foreign market	1,478,759	1,157,574	3,620,825	2,560,105
	2,280,917	**1,787,177**	**4,893,313**	**3,189,708**

	Parent company		Consolidated	
	2Q22	**2Q21**	**2Q22**	**2Q21**
Gross revenue	1,306,571	1,071,953	2,736,212	1,764,619
Returns and rebates	(15,891)	(14,178)	(50,880)	(36,945)
Revenue net of returns and rebates	**1,290,680**	**1,057,775**	**2,685,332**	**1,727,674**
Sales taxes	(103,196)	(82,221)	(156,316)	(82,221)
Net revenue	**1,187,484**	**975,554**	**2,529,016**	**1,645,453**
Net revenue				
Domestic market	416,653	357,355	671,501	357,355
Foreign market	770,831	618,199	1,857,515	1,288,098
	1,187,484	**975,554**	**2,529,016**	**1,645,453**

All amounts in thousands of Reais unless otherwise stated.

24. COSTS AND EXPENSES BY NATURE

The composition of costs and expenses by nature, reconciled with the costs and expenses by function presented in the statement of income, is as follows:

	Parent company		Consolidated	
	1H22	1H21	1H22	1H21
Raw and processing materials	(1,162,213)	(893,578)	(2,386,615)	(1,592,987)
Maintenance and consumption materials	(103,043)	(104,170)	(310,229)	(217,628)
Salaries, payroll taxes and profit sharing	(415,384)	(343,294)	(888,315)	(626,543)
Social benefits	(49,152)	(38,377)	(67,261)	(38,756)
Electricity	(88,329)	(77,089)	(250,950)	(154,490)
Freight and commission on sales	(135,182)	(45,283)	(243,393)	(96,853)
Management fees	(11,338)	(8,696)	(11,338)	(8,696)
Other costs	(23,210)	(23,207)	(75,993)	(68,965)
	(1,987,851)	***(1,533,694)***	***(4,234,094)***	***(2,804,918)***
Depreciation	(69,573)	(71,410)	(164,030)	(151,351)
Costs and expenses total	**(2,057,424)**	**(1,605,104)**	**(4,398,124)**	**(2,956,269)**
Cost of products sold	(1,804,694)	(1,460,619)	(3,973,752)	(2,714,841)
Selling expenses	(156,124)	(56,080)	(276,512)	(121,198)
Administrative expenses	(85,268)	(79,709)	(136,522)	(111,534)
Management fees	(11,338)	(8,696)	(11,338)	(8,696)
Costs and expenses total	**(2,057,424)**	**(1,605,104)**	**(4,398,124)**	**(2,956,269)**

	Parent company		Consolidated	
	2Q22	2Q21	2Q22	2Q21
Raw and processing materials	(590,157)	(505,183)	(1,212,747)	(829,821)
Maintenance and consumption materials	(52,405)	(52,971)	(161,485)	(113,107)
Salaries, payroll taxes and profit sharing	(217,995)	(181,503)	(463,570)	(329,461)
Social benefits	(25,610)	(21,676)	(35,044)	(21,933)
Electricity	(40,505)	(39,676)	(123,240)	(80,108)
Freight and commission on sales	(86,749)	(22,399)	(148,065)	(50,965)
Management fees	(6,312)	(4,462)	(6,312)	(4,462)
Other costs	(8,049)	(8,748)	(33,060)	(29,867)
	(1,027,782)	***(836,618)***	***(2,183,522)***	***(1,459,724)***
Depreciation	(34,486)	(35,203)	(79,992)	(73,902)
Costs and expenses total	**(1,062,268)**	**(871,821)**	**(2,263,514)**	**(1,533,626)**
Cost of products sold	(912,021)	(799,748)	(2,019,094)	(1,410,559)
Selling expenses	(98,101)	(25,816)	(165,244)	(61,702)
Administrative expenses	(45,834)	(41,795)	(72,864)	(56,903)
Management fees	(6,312)	(4,462)	(6,312)	(4,462)
Costs and expenses total	**(1,062,268)**	**(871,821)**	**(2,263,514)**	**(1,533,626)**

The increase in costs and expenses is mainly due to the higher sales volume due to the merger of Tupy Minas Gerais Ltda. and Funfrap – Fundição Portuguesa S.A., due to the inflation of materials, the significant increase in freight expenses and salary negotiation on the base date.

All amounts in thousands of Reais unless otherwise stated.

25. FINANCE RESULTS

	Parent company		Consolidated	
Finance results	**1H22**	**1H21**	**1H22**	**1H21**
Financial liabilities at amortized cost	***(59,388)***	***(70,967)***	***(70,284)***	***(111,824)***
Borrowing	(57,562)	(70,757)	(68,458)	(111,614)
Notes payable and other financial liabilities	(1,826)	(210)	(1,826)	(210)
Financial assets at fair value through profit or loss	***-***	***(3,082)***	***-***	***(3,082)***
Credits - Eletrobrás (note)	-	(3,082)	-	(3,082)
Other finance costs	***(4,682)***	***(4,127)***	***(17,030)***	***(9,499)***
Finance costs	**(64,070)**	**(78,176)**	**(87,314)**	**(124,405)**
Financial assets at fair value through profit or loss	***870***	***20,027***	***870***	***20,027***
Credits - Eletrobrás (note)	-	19,629	-	19,629
Investments in equity instruments	870	398	870	398
Amortized cost	***22,965***	***7,189***	***22,965***	***7,189***
Cash and cash equivalents	22,965	7,189	22,965	7,189
Tax credits and other finance income	***6,735***	***2,195***	***6,326***	***2,771***
Finance income	**30,570**	**29,411**	**30,161**	**29,987**
Monetary and foreign exchange variations, net				
Foreign exchange variations	(20,997)	(17,255)	(47,556)	(26,992)
Derivative financial instruments	11,224	5,756	12,829	6,235
Foreign exchange variations, net	**(9,773)**	**(11,499)**	**(34,727)**	**(20,757)**
Finance results, net	**(43,273)**	**(60,264)**	**(91,880)**	**(115,175)**

	Parent company		Consolidated	
Finance results	**2Q22**	**2Q21**	**2Q22**	**2Q21**
Financial liabilities at amortized cost	***(30,075)***	***(32,212)***	***(35,365)***	***(25,728)***
Borrowing	(28,333)	(32,118)	(33,623)	(25,634)
Notes payable and other financial liabilities	(1,742)	(94)	(1,742)	(94)
Other finance costs	***(2,333)***	***(4,233)***	***(7,299)***	***(5,839)***
Finance costs	**(32,408)**	**(36,445)**	**(42,664)**	**(31,567)**
Financial assets at fair value through profit or loss	***585***	***20,166***	***585***	***20,166***
Credits - Eletrobrás (note)	-	19,629	-	19,629
Investments in equity instruments	585	537	585	537
Amortized cost	***10,732***	***3,770***	***10,732***	***3,770***
Cash and cash equivalents	10,732	3,770	10,732	3,770
Tax credits and other finance income	***993***	***1,352***	***2,203***	***2,112***
Finance income	**12,310**	**25,288**	**13,520**	**26,048**
Monetary and foreign exchange variations, net				
Foreign exchange variations	58,688	(54,590)	54,813	(62,615)
Derivative financial instruments	(18,037)	10,558	(19,070)	11,667
Foreign exchange variations, net	**40,651**	**(44,032)**	**35,743**	**(50,948)**
Finance results, net	**20,553**	**(55,189)**	**6,599**	**(56,467)**

All amounts in thousands of Reais unless otherwise stated.

26. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	1H22	1H21	1H22	1H21
Disposals of property, plant and equipment	1,363	(513)	135	(1,509)
Constitution and restatement of provision	(17,582)	(18,670)	(22,729)	(19,655)
Result on the sale of unusable and other assets	(13,139)	(52,201)	(10,047)	(49,479)
	(29,358)	*(71,384)*	*(32,641)*	*(70,643)*
Depreciation of non-operating assets	(244)	(313)	(245)	(315)
Amortization of intangible assets (note 13)	-	-	(17,784)	(28,539)
Total other operating expenses, net	**(29,602)**	**(71,697)**	**(50,670)**	**(99,497)**

	Parent company		Consolidated	
	2Q22	2Q21	2Q22	2Q21
Disposals of property, plant and equipment	1,378	(308)	150	(944)
Constitution and restatement of provision	(9,286)	(12,858)	(10,421)	(12,893)
Result on the sale of unusable and other assets	(5,595)	(31,614)	(3,170)	(30,377)
	(13,503)	*(44,780)*	*(13,441)*	*(44,214)*
Depreciation of non-operating assets	(102)	(156)	(102)	(157)
Amortization of intangible assets	-	-	(4,340)	(13,799)
Total other operating expenses, net	**(13,605)**	**(44,936)**	**(17,883)**	**(58,170)**

27. INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULTS

	Parent company		Consolidated	
	1H22	1H21	1H22	1H21
Net income (loss) before tax effects	**308,552**	**26,417**	**352,639**	**18,767**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(104,908)	(8,982)	(119,897)	(6,381)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico)	-	-	780	9,049
Finance income from monetary assets	-	-	14,248	7,193
Reintegra – benefit	483	384	483	384
Depreciation of non-operating assets	(83)	(106)	(83)	(106)
Effect of correction of fixed assets	-	-	(4,766)	(5,838)
Interests on capital	-	6,678	-	6,678
Share of results of subsidiaries	53,698	(8,056)	-	-
Other permanent (additions) exclusions	(360)	249	(7,559)	(20,837)
Tax effects recorded in the statement of income before	**(51,170)**	**(9,833)**	**(116,794)**	**(9,858)**
Effective rate of income tax before exchange effects	**17%**	**37%**	**33%**	**53%**
Effect of functional currency on tax base (a)	-	-	17,727	7,675
Tax effects recorded in the statement of income	**(51,170)**	**(9,833)**	**(99,067)**	**(2,183)**
Effective rate of income tax	**17%**	**37%**	**28%**	**12%**

All amounts in thousands of Reais unless otherwise stated.

	Parent company		Consolidated	
	2Q22	2Q21	2Q22	2Q21
Net income (loss) before tax effects	**226,923**	**25,249**	**254,218**	**(2,810)**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(77,154)	(8,585)	(86,434)	955
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico)	-	-	514	4,740
Finance income from monetary assets	-	-	13,284	3,051
Reintegra – benefit	257	206	257	206
Effect of correction of fixed assets	-	-	(4,766)	(1,403)
Depreciation of non-operating assets	(35)	(53)	(35)	(53)
Interests on capital	-	6,678	-	6,678
Share of results of subsidiaries	32,218	7,358	-	-
Other permanent (additions) exclusions	(575)	637	(4,696)	1,733
exchange effects	**(45,289)**	**6,241**	**(81,876)**	**15,907**
Effective rate of income tax before exchange effects	**20%**	**-25%**	**32%**	**566%**
Effect of functional currency on tax base (a)	-	-	7,231	18,393
Tax effects recorded in the statement of income	**(45,289)**	**6,241**	**(74,645)**	**34,300**
Effective rate of income tax	**20%**	**-25%**	**29%**	**1221%**

a) Effect of Functional currency on tax

The tax bases of 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 change the tax bases and consequently exchange effects are recognized as revenues and / or expenses for deferred income tax.

b) Composition of the tax effects recorded in the statement of income:

	Parent company		Consolidated	
	1H22	1H21	1H22	1H21
Tax effects recorded in the statement of income				
Current income tax and social contribution	(71,094)	(47,413)	(145,874)	(67,833)
Deferred income tax and social contribution	19,924	37,580	46,807	65,650
	(51,170)	**(9,833)**	**(99,067)**	**(2,183)**

	Parent company		Consolidated	
	2Q22	2Q21	2Q22	2Q21
Tax effects recorded in the statement of income				
Current income tax and social contribution	(5,415)	(47,413)	(15,880)	(50,771)
Deferred income tax and social contribution	(39,874)	53,654	(58,765)	85,071
	(45,289)	**6,241**	**(74,645)**	**34,300**

28. EARNINGS PER SHARE

a) Basic:

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average number of common shares outstanding during the period.

	2Q22	2Q21	1H22	1H21
Profit attributable to the stockholders of the Company	181,634	31,490	257,382	16,584
Outstanding shares	144,148,033	144,175,025	144,148,033	144,175,025
Basic results per share - R$	**1.26005**	**0.21842**	**1.78554**	**0.11503**

All amounts in thousands of Reais unless otherwise stated.

b) Diluted:

Diluted earnings per share is measured by the weighted average number of common shares outstanding, with the addition of the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The Company issue a potential convertible stock option plan. The number of common shares that would be issued is determined from fair value, based on the monetary value of subscription rights linked to outstanding stock options.

	2Q22	2Q21	1H22	1H21
Profit attributable to the stockholders of the Company	181,634	31,490	257,382	16,584
Outstanding shares	144,938,410	144,979,537	144,938,410	144,979,537
Diluted results per share - R$	**1.25318**	**0.21720**	**1.77580**	**0.11439**

29. SEGMENT REPORTING

The Company discloses information by operating segment based on the information reported to management and utilized in decision-making, in order to allocate funds to the segments and to assess their performance, as described below:

Transportation, infrastructure & agriculture - manufacture, to order, of cast and machined products, with significant technological content, such as powertrain (blocks and cylinder heads), brake, transmission, steering, axle and suspension components for global manufacturers of engines, passenger vehicles, commercial vehicles (trucks, buses, etc.), construction machines, tractors, agricultural machines, power generators and capital goods.

Hydraulics - manufacture of flexible iron connections for the construction industry and cast-iron shapes for general use

The following is the information on each reported segment:

a) Reconciliation of revenue, costs, expenses and profit

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	1H22	1H21	1H22	1H21	1H22	1H21
Net revenue (Note 23)	4,711,652	3,039,841	181,661	149,867	4,893,313	3,189,708
Costs and expenses, except depreciation (Note 24)	(4,077,406)	(2,679,975)	(156,688)	(124,944)	(4,234,094)	(2,804,919)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 26)	(31,448)	(67,553)	(1,193)	(3,090)	(32,641)	(70,643)
Depreciation and amortization	(178,039)	(175,855)	(4,020)	(4,349)	(182,059)	(180,204)
Impairment (notes 12 and 13)	-	-	-	-	-	-
Profit before finance results	**424,759**	**116,458**	**19,760**	**17,484**	**444,519**	**133,942**
Finance results (Note 25)					(91,880)	(115,175)
Profit before taxation					**352,639**	**18,767**
Income tax and social contribution (Note 27)					(99,067)	(2,183)
Profit (loss) for the period					**253,572**	**16,584**

All amounts in thousands of Reais unless otherwise stated.

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21
Net revenue (Note 23)	2,433,922	1,562,520	95,094	82,933	2,529,016	1,645,453
Costs and expenses, except depreciation (Note 24)	(2,101,901)	(1,396,354)	(81,621)	(63,371)	(2,183,522)	(1,459,725)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 26)	(13,441)	(41,124)	-	(3,090)	(13,441)	(44,214)
Depreciation and amortization	(82,399)	(85,656)	(2,035)	(2,201)	(84,434)	(87,857)
Profit before finance results	**236,181**	**39,386**	**11,438**	**14,271**	**247,619**	**53,657**
Finance results (Note 25)					6,599	(56,467)
Profit before taxation					**254,218**	**(2,810)**
Income tax and social contribution (Note 27)					(74,645)	34,300
Profit (loss) for the quarter					**179,573**	**31,490**

b) Reconciliation of costs and expenses by segment

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	1H22	1H21	1H22	1H21	1H22	1H21
Raw and processing materials	(2,299,296)	(1,524,504)	(87,319)	(68,483)	(2,386,615)	(1,592,987)
Maintenance and consumption materials	(302,843)	(210,366)	(7,386)	(7,262)	(310,229)	(217,628)
Salaries and payroll taxes	(853,324)	(594,178)	(34,991)	(32,365)	(888,315)	(626,543)
Social benefits	(66,289)	(37,956)	(972)	(800)	(67,261)	(38,756)
Electricity	(241,325)	(144,245)	(9,625)	(10,245)	(250,950)	(154,490)
Depreciation	(160,010)	(147,002)	(4,020)	(4,349)	(164,030)	(151,351)
Freight and commissions on sales	(229,740)	(86,884)	(13,653)	(9,969)	(243,393)	(96,853)
Management fees	(10,430)	(8,000)	(908)	(696)	(11,338)	(8,696)
Other costs	(74,159)	(73,841)	(1,834)	4,876	(75,993)	(68,965)
	(4,237,416)	**(2,826,976)**	**(160,708)**	**(129,293)**	**(4,398,124)**	**(2,956,269)**

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	2Q22	2Q21	2Q22	2Q21	2Q22	2Q21
Raw and processing materials	(1,166,404)	(791,862)	(46,343)	(37,959)	(1,212,747)	(829,821)
Maintenance and consumption materials	(157,872)	(109,515)	(3,613)	(3,592)	(161,485)	(113,107)
Salaries and payroll taxes	(445,823)	(313,041)	(17,747)	(16,420)	(463,570)	(329,461)
Social benefits	(34,531)	(21,503)	(513)	(430)	(35,044)	(21,933)
Electricity	(118,653)	(74,892)	(4,587)	(5,216)	(123,240)	(80,108)
Depreciation	(78,007)	(71,754)	(1,985)	(2,148)	(79,992)	(73,902)
Freight and commissions on sales	(140,409)	(45,862)	(7,656)	(5,103)	(148,065)	(50,965)
Management fees	(5,806)	(4,105)	(506)	(357)	(6,312)	(4,462)
Other costs	(32,354)	(35,520)	(706)	5,653	(33,060)	(29,867)
	(2,179,858)	**(1,468,054)**	**(83,656)**	**(65,572)**	**(2,263,514)**	**(1,533,626)**

c) Reconciliation of assets and liabilities

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
ASSETS	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21
Trade account receivables (Note 4)	1,999,923	1,208,792	46,684	42,305	2,046,607	1,251,097
Inventories (Note 5)	1,605,897	1,400,448	100,427	87,486	1,706,324	1,487,934
Tooling (Note 6)	144,775	141,703	-	-	144,775	141,703
Other assets (Note 10)	124,995	100,834	5,831	6,035	130,826	106,869
Property, plant and equipment (Note 13)	1,973,468	2,088,032	41,790	44,497	2,015,258	2,132,529
Intangible assets (Note 14)	106,508	125,392	-	-	106,508	125,392
Other assets not allocated	-	-	-	-	1,746,507	2,265,104
Total assets	**5,955,566**	**5,065,201**	**194,732**	**180,323**	**7,896,805**	**7,510,628**

All amounts in thousands of Reais unless otherwise stated.

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
LIABILITIES	**Jun/22**	**Dec/21**	**Jun/22**	**Dec/21**	**Jun/22**	**Dec/21**
Trade accounts payables (Note 15)	1,487,110	1,210,308	36,637	29,520	1,523,747	1,239,828
Income taxes payable	139,641	71,543	127	900	139,768	72,443
Salaries, social security charges and profit sharin	310,741	259,479	14,512	11,990	325,253	271,469
Advances from customers	103,388	113,191	2,922	12,630	106,310	125,821
Other liabilities (Note 21)	94,806	111,027	7,249	7,249	102,055	118,276
Deferred tax on intangible assets (Note 9)	-	5,909	-	-	-	5,909
Other liabilities not allocated	-	-	-	-	2,780,310	2,923,668
Equity (Note 22)	-	-	-	-	2,919,362	2,753,214
Total liabilities and equity	**2,135,686**	**1,771,457**	**61,447**	**62,289**	**7,896,805**	**7,510,628**

Segment-specific assets and liabilities are allocated directly to each segment, and criteria relating to the applicability and origin are used for common assets and liabilities. The Company does not allocate cash and cash equivalents, recoverable and deferred taxes, judicial and other deposits, and investments in companies to the reporting segments, as they are not directly related to the operations. For the same reason, loans and financing, dividends, provisions, deferred taxes and other long-term liabilities are also not allocated to the segments.

d) Major customers accounting for over 10% of the Company's total revenue

The Company has a diversified portfolio of local and foreign customers. The transportation, infrastructure & agriculture segment has customers that individually account for more than 10% of consolidated revenue, as follows:

Consolidated

Revenue	2Q22	%	2Q21	%	1H22	%	1H21	%
Tranportation, infrastructure & agricultur	**2,433,922**	**96.2**	**1,562,520**	**95.0**	**4,711,652**	**96.3**	**3,039,841**	**95.3**
Customer A	437,735	17.3	318,741	19.4	822,432	16.8	633,347	19.9
Customer B	400,015	15.8	284,280	17.3	748,744	15.3	627,535	19.7
Other customers	1,596,172	63.1	959,499	58.3	3,140,476	64.2	1,778,959	55.8
Hydraulics	**95,094**	**3.8**	**82,933**	**5.0**	**181,661**	**3.7**	**149,867**	**4.7**
Total Revenue	**2,529,016**	**100.0**	**1,645,453**	**100.0**	**4,893,313**	**100.0**	**3,189,708**	**100.0**

The sales in the Hydraulics segment are diversified.

All amounts in thousands of Reais unless otherwise stated.

e) Information on the countries from which the Company derives revenue

The revenue derived from customers in Brazil and from customers in each foreign country and their respective shares in the Company's total revenue for the period, are as follows:

Consolidated

	2Q22	%	2Q21	%	1H22	%	1H21	%
North America	**1,315,808**	**52.0**	**956,365**	**58.1**	**2,548,498**	**52.0**	**1,971,915**	**61.8**
United States	867,425	34.3	563,376	34.2	1,558,389	31.8	1,141,678	35.8
Mexico	427,270	16.9	386,367	23.5	951,066	19.4	814,549	25.5
Canada	21,113	0.8	6,622	0.4	39,043	0.8	15,688	0.5
South and Central Americas	**688,818**	**27.3**	**370,226**	**22.5**	**1,303,308**	**26.6**	**651,477**	**20.4**
Brazil - head office	671,501	26.6	357,355	21.7	1,272,488	26.0	629,603	19.7
Other countries	17,317	0.7	12,871	0.8	30,820	0.6	21,874	0.7
Europe	**441,816**	**17.5**	**231,947**	**14.1**	**887,016**	**18.1**	**418,493**	**13.1**
United Kingdom	81,880	3.2	79,778	4.8	164,607	3.4	141,949	4.5
Sweden	65,208	2.6	46,151	2.8	127,673	2.6	89,376	2.8
Netherlands	55,813	2.2	40,001	2.4	103,750	2.1	66,513	2.1
Hungary	4,052	0.2	15,804	1.0	10,378	0.2	36,328	1.1
Italy	160,300	6.3	25,899	1.6	319,024	6.5	39,703	1.2
Germany	27,096	1.1	14,056	0.9	47,477	1.0	25,493	0.8
Other countries	47,467	1.9	10,258	0.6	114,107	2.3	19,131	0.6
Asia, Africa and Oceania	**82,574**	**3.2**	**86,915**	**5.3**	**154,491**	**3.3**	**147,823**	**4.7**
Japan	45,156	1.8	40,942	2.5	76,755	1.6	68,461	2.1
South Africa	13,967	0.6	25,036	1.5	22,789	0.5	41,417	1.3
China	18,209	0.7	16,779	1.0	37,361	0.8	30,371	1.0
Other countries	5,242	0.1	4,158	0.3	17,586	0.4	7,574	0.3
Total	**2,529,016**	**100.0**	**1,645,453**	**100.0**	**4,893,313**	**100.0**	**3,189,708**	**100.0**

30. FINANCIAL INSTRUMENTS

		Parent company		Consolidated	
	Note	Jun/22	Dec/21	Jun/22	Dec/21
Financial assets at amortized cost		**1,497,475**	**1,593,196**	**3,024,492**	**2,643,761**
Cash and cash equivalents	3	404,063	712,364	838,441	1,272,445
Trade account receivables(*)	4	1,029,163	684,487	2,046,607	1,251,097
Mutuo		-	125,198	-	-
Notes and other financial assets		64,249	71,147	139,444	120,219
Effect on the Income Statement		*20,504*	*11,754*	*21,511*	*11,408*
Financial assets at fair value through profit or loss		**5,556**	**2,483**	**17,493**	**13,112**
Investments in equity instruments		2,966	2,097	12,854	12,434
Derivative financial instruments	31	2,590	386	4,639	678
Effect on the Income Statement		*19,864*	*24,787*	*20,030*	*25,089*
Financial liabilities at amortized cost		**2,564,768**	**2,614,533**	**4,107,346**	**3,996,267**
Trade accounts payables		622,481	502,076	1,523,747	1,239,828
Loans and financing	16	1,892,247	2,019,701	2,476,749	2,611,224
Dividends and interest on capital		152	22,312	152	22,312
Notes payable and other financial liabilities		49,888	70,444	106,698	122,903
Effect on the Income Statement		*(59,388)*	*(70,967)*	*(70,284)*	*(111,824)*
Financial liabilities at fair value through profit or loss		**3,178**	**1,220**	**3,681**	**1,403**
Derivative financial instruments	25	3,178	1,220	3,681	1,403
Effect on the Income Statement		*(7,770)*	*996*	*(6,331)*	*1,173*

(*) Includes the provision for impaired receivables

All amounts in thousands of Reais unless otherwise stated.

31. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE OF NET INVESTMENT ABROAD

a) Derivative financial instruments

In order to minimize the impact of foreign exchange rate on future cash flows, the Company contracted derivative financial instruments such as purchasing a "PUT" and ZCC – "zero-cost collar" operations which consists of purchasing a "PUT" option and the sale of a "CALL" option. Those operations have the same notional value, same counterparty, same maturity and there is no net premium. The fair value of this instrument is determined by observable market pricing model (through market information providers) and widely used by market participants to measure similar instruments.

The conflict between Russia and Ukraine has led to an increase in uncertainty around the world economic scenario. The inflationary persistence has increased the expectation of higher interest rate trajectories worldwide. In this scenario, the dynamics of emerging currencies continues to be influenced by the different magnitudes of monetary shrinkage between countries, in addition to changes in the perception of endogenous and exogenous risk-return to these countries. In the comparison between December 31, 2021 and June 30, 2022, the real increased by 6.14% against the US Dollar, and the Mexican Peso increased by 2.04%.

i. Parent company

On June 30, 2022, financial instruments totaled the amount of US$80,000, which US$67,500 in zero-cost collar operations, consisting of: purchase of PUT with average exercise price of R$4.95 and sales of CALL with average price average of R$5.94, and US$12,500 in purchase of PUT operation with average exercise price of R$4.69, maturing up to May 17, 2023.

In the period ended in June 30, 2022, the Company recognized in financial results a gain of R$11,224, considering R$10,978 was received of settlement of contracts in the period and gain R$246 due to the mark-to-market of these instruments.

In the same period of the previously year the Company recognized in financial results a gain of R$5,756. Which R$292 was received of settlement of contracts in the period and gain R$5,464 due to the mark-to-market of these instruments.

ii. Subsidiaries

In June 30, 2022, the subsidiaries derivative financial instruments in US dolar was US$62,000, in the zero-cost collar type totaled the amount of US$54,500. Which were made purchasing "PUT" with an average weighted price of exercise of MXN19.98 and sales "CALL" with an average weighted price of exercise of MXN22.35. And US$7,500 which were made purchasing "PUT" with an average weighted price of exercise of MXN19.27, with a due date at May 18, 2023.

The derivative financial instruments in EURO was US$4,500 in the zero-cost collar type. Which were made purchasing "PUT" with an average weighted price of exercise of EUR5.32 and sales "CALL" with an average weighted price of exercise of EUR5.879, with a due date at September 23, 2022.

On June 30, 2022, the subsidiaries recognized in their finance results as gain the amount of R$1,605, which R$215 was received of settlement of contracts in the period and gain R$1,390 due to the mark to market of these instruments.

On June 30, 2021, the Mexican subsidiaries recognized in their finance results a gain amount of R$479 due to the loss for the mark to market of these instruments

iii. Consolidated

In the period ended June 30, 2022, a gain of R$12,829 was recognized in the Consolidated financial result, considering R$11,193 was received of settlement of contracts in the period and gain R$1,636 due to the mark to market of these instruments.

In the same period of the previously year was recognized gain of R$6,235, which R$292 was received of settlement of contracts in the period and gain R$5,943 from the mark-to-market of these instruments.

Below are the net open positions at June 30, 2022 and December 31, 2021:

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Financial derivative instruments				
Liabilities	(3,178)	(1,220)	(3,681)	(1,403)
Assets	2,590	386	4,639	678
Financial derivative instruments, net	**(588)**	**(834)**	**958**	**(725)**

Below are the demonstrate the variation in the period and the due position at June 30, 2022:

	Parent company	Subsidiaries	Consolidated
Recognized in financial results	11,224	1,389	12,613
Settlement	(10,978)	215	(10,763)
Market to market	246	1,604	1,850
Foreign exchange impact	-	(167)	(167)
AT December 31, 2021	(834)	109	(725)
AT JUNE 30, 2022	**(588)**	**1,546**	**958**
Maturity date			
Due June 30, 2022	1,277	483	1,760
Due September 30, 2022	(642)	782	140
AT December 31, 2022	(865)	176	(689)
AT March 31, 2023	(358)	105	(253)
AT JUNE 30, 2022	**(588)**	**1,546**	**958**

b) Hedges of net investments abroad

With the objective of mitigating the effects of foreign exchange volatility on the results, the Company adopted hedges for the net investments abroad on January 10, 2014, as presented in the annual financial statement of year ended December 31, 2021 note 35.b.

In June 30, 2022, the Company has export prepayment contracts amounting to US$349,000, equivalent to R$1,828,062 as hedges of the investments in the subsidiaries in Mexico, Tupy México Saltillo, S.A. de C.V. and Technocast, S.A. de C.V., the functional currency of which is the U.S. dollar, and which had net assets of US$355,987, equivalent to R$1,864,659 representing 98.0% effectiveness.

In the period of 6 months ended on June 30, 2022, the Company recognized in carrying value adjustments, within equity, a gain of R$104,568 result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexicans subsidiaries resulted in a loss of R$157,204. Considering the tax effect was gain of R$35,552, the net value was a loss of R$88,188.

All amounts in thousands of Reais unless otherwise stated.

During the six-months period of 2021, the Company recognized in carrying value adjustments, within equity, a gain of R$63,389 result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexicans subsidiaries resulted in a gain of R$87,499. The tax effect was a loss of R$21,554, and the net loss was R$45,664.

32. FINANCIAL RISK MANAGEMENT

The Company has a financial management policy and internal procedures monitored by Risk and internal controlling area, which determines practices to identify, monitoring and controlling the exposure to financial risk.

32.1 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and financial investments, as well from credit exposure to customers, including outstanding trade receivables.

The Company sets exposure limits for each customer to limit the credit risk on trade receivables and risks are managed according to specific credit rating criteria, which include an analysis of customers in based on their payment ability, indebtedness level, market behavior and history with the Company. Furthermore, the Company carries out quantitative and qualitative analyses of its portfolio of trade receivables in order to determine the estimate for expected losses on receivables. As at June 30, 2022, expected losses on trade receivables amounted to R$12,386 (R$11,256 as at December 31, 2021), representing 0.6% of the consolidated balance of outstanding receivables at that date (0.9% as at December 31, 2021).

Considering the assets nature and historical indicators, the Company does not hold credit guarantee to cover credit risks related to its financial assets.

Credit quality of financial assets

The credit quality of financial assets is assessed by reference to external credit ratings (if available) or based on historical information about counterparty default rates.

	Parent company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Counterparties with external credit ratings*				
Cash and cash equivalents	**404,063**	**712,364**	**838,441**	**1,272,445**
AAA	211,926	385,275	301,987	443,614
AA+ / AA / AA-	183,224	267,220	183,224	361,614
A+ / A / A-	8,913	59,869	351,851	467,217
Outros	-	-	1,379	-
Derivative financial	**2,590**	**386**	**4,638**	**678**
AA+ / AA / AA-	-	264	-	264
AA+	2,590	25	4,638	25
Others	-	97	-	389
Counterparties without external credit rating				
Trade receivables	**1,029,163**	**684,487**	**2,046,609**	**1,251,097**
Low risk	982,068	642,364	1,999,156	1,209,033
Moderate risk	46,683	42,123	46,683	42,123
High risk	6,680	4,439	13,156	11,197
Provision for impairment of trade receivables	(6,268)	(4,439)	(12,386)	(11,256)
Other financial assets	**67,215**	**73,244**	**152,298**	**132,653**
Total	**1,503,031**	**1,470,481**	**3,041,986**	**2,656,873**

(*) The Company considers, for the classification of risk, the lowest rating between the rating agencies.

The risk assessment of trade receivables is as follows:

All amounts in thousands of Reais unless otherwise stated.

- Low risk - transportation, infrastructure & agriculture segment customers, except those customers with a history of losses.
- Moderate risk - hydraulics segment customers, except those who already have a history of losses.
- High risk - customers with provisioned balances and historical losses.

The other financial assets held by the Company are considered of high quality and do not present indications of losses.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will have difficulty complying with its obligations associated with financial liabilities that are to be settled in cash or other financial assets. The Company's approach to managing this risk is the maintenance of a minimum cash.

The Company is a counterparty to some financial agreements, which require the maintenance of financial ratios, or compliance with other specific clauses. The main operation, the Senior Unsecured Notes issued in 2021 require the Company to meet the Financial Debt / EBITDA financial index, if not complied with, may impose restrictions, which are detailed in Note 16.

Conform is determined in the financial management policy, which aims at ensuring that the Company has sufficient liquidity to settle its obligations without incurring losses or affecting its operations. This minimum cash amount corresponds to the projection of two-month of payments to trade accounts, salaries and social security, deducted 50% discount, for the same period plus the balance of the short-term loans and financing, net of derivative instruments. Moreover, the Company manages its investment portfolio using criteria for maximum concentration in financial institutions, in addition to global and local ratings.

The contractual maturities of financial liabilities are as follow:

Consolidated		Contractual cash flow					
FINANCIAL LIABILITIES	**Carrying amount**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total flow**
Borrowings	2,476,749	109,563	130,425	270,202	427,434	2,317,815	3,255,439
Financial derivative instruments	3,681	3,400	281	-	-	-	3,681
Trade payables and notes and other	1,625,802	1,625,802	-	-	-	-	1,625,802
Dividends payable	152	152	-	-	-	-	152
	4,106,384	**1,738,917**	**130,706**	**270,202**	**427,434**	**2,317,815**	**4,885,074**

The Company does not expect that the cash outflows included in its maturity analyses will occur significantly sooner or at amounts, which are significantly different. Furthermore, the Company generates sufficient cash to cover future payment obligations.

32.3 Market risk

The Brazilian Federal Government's economic policies can have important effects on Brazilian companies, including on Tupy, as well as market conditions and the prices of securities of Brazilian companies. Considering the nature of the Company's business and operations, the level of exports and the distribution of sales by market, a decrease in the North American economy, especially in the capital goods sector, may impact sales and revenues and, consequently, the profitability of the Company.

All amounts in thousands of Reais unless otherwise stated.

The main market risk factors to which it is exposed are related to: Exchange Rate, Interest Rate, Inflation in the main inputs, Credit Risk and Liquidity Risk. The objective of market risk management is to maintain exposure to market risks within acceptable levels, while optimizing returns.

The conflict between Russia and Ukraine has impacted energy and gas costs in Europe, location of Funfrap – Fundição Portuguesa S.A. Regarding the others subsidiaries, the Company does not expect significant impacts.

Interest rate risk

This risk refers to the Company's financial investments. The financial instruments with floating rates expose the Company to cash flow variation risk, whereas the financial instruments with fixed rates expose the Company to fair value risk. The Company uses derivative financial instruments, as follow:

Consolidated

	Note	Jun/22	Dec/21
Floating-rate instruments		**(33,681)**	**244,221**
Financial assets		391,224	642,678
Financial liabilities	16	(424,905)	(398,457)
Fixed-rate instruments		**(1,604,627)**	**(1,583,000)**
Financial assets		447,217	629,767
Financial liabilities	16	(2,051,844)	(2,212,767)

Sensitivity analysis of variations in floating interest rates

The Company has financial investments and borrowings exposed to the CDI (Interbank Deposit Certificate) rate variation. The fluctuations in interest rates may affect the Company's future results. Presented below are the impacts that would have been generated by changes in interest rates to which the Company is exposed.

Interest rate risk — Consolidated

			Scenarios				
Floating rate instruments	**Risk**	**Disclosed**	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
In Brazilian reais							
Investments	**Interest rate (CDI - % p.a.)**	**13.15**	**13.65**	**17.06**	**20.48**	**10.24**	**6.83**
Financial assets		391,224	391,224	391,224	391,224	391,224	391,224
Potential impact		-	1,729	11,747	23,494	(12,111)	(24,995)
Borrowings	**Interest rate (CDI - % p.a.)**	**13.15**	**13.65**	**17.06**	**20.48**	**10.24**	**6.83**
Financial liabilities		(424,905)	(424,905)	(424,905)	(424,905)	(424,905)	(424,905)
Potential impact		-	1,878	12,758	25,517	(13,153)	(27,147)

Foreign currency risk

The Company is exposed to foreign currency risk on sales, purchases and loans and financing denominated in currencies other than the Company´s functional currency, the Brazilian Real, while the Mexican subsidiary is exposed to foreign currency risk on costs and expenses denominated in a currency other than its functional currency, the U.S. dollar. Transactions of the Company are carried out in foreign currency are mainly denominated is U.S. dollar and the transactions in Mexican subsidiaries are mainly denominated in Mexican Peso.

In addition, considering the importance of the Company's operations in Mexico, the variation of the Mexican Peso has an impact on the income tax. Since the functional currency of the subsidiaries in Mexico is the U.S. dollar (US$). Note 27

All amounts in thousands of Reais unless otherwise stated.

The Company manages its exposure to foreign currency risk through a combination of debts, financial investments, accounts receivable and export revenues in foreign currency, hedges of the net investments abroad. The Company's exposure to foreign currency risk, considering the subsidiaries that use the Real (R$) as their functional currency, is as follows:

Parent company

Net exposure impacting profit	Note	Jun/22	Dec/21
Assets		**806,157**	**592,687**
Cash and cash equivalents abroad	3	10,790	59,869
Customers in the foreign market	4	795,367	532,818
Liabilities		**(97,148)**	**(238,963)**
Borrowings in foreign currency	16	(1,885,213)	(2,009,584)
Hedge of net investment abroad	31	1,828,062	1,947,595
Other amounts		(39,997)	(176,974)
Net exposure impacting profit			
In thousands of R$		709,009	353,724
In thousands of US$		125,712	57,028
In thousands of R$		8,538	5,071

The exposure of subsidiaries that use the U.S. dollar as functional currency is demonstrated bellow:

Subsidiaries

Net exposure impacting profit	Jun/22	Dec/21
Assets	**293,167**	**213,666**
Cash and cash equivalents abroad	155,799	80,181
Customers in the foreign market	41,323	25,421
Tax return	96,046	108,064
Liabilities	**(464,390)**	**(390,248)**
Trade accounts payables	(237,380)	(193,975)
Other amounts	(227,010)	(196,273)
Net exposure impacting profit		
In thousands of R$	(171,223)	(176,582)
In thousands of MXN	(773,627)	(968,830)
In thousands of R$	(12,347)	7,474
In thousands of MXN	17,202	7,309

Sensitivity analysis of foreign exchange exposure, except derivatives

This analysis is based on the foreign exchange rate fluctuation, in which the risk variables are evaluated with a 25% and 50% fluctuation compared to the probable scenario estimated by the Company. This analysis assumes that all other variables, especially the interest rates, will remain constant.

Consolidated				**Scenarios**		
	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate	**5.238**	**5.53**	**6.91**	**8.30**	**4.15**	**2.77**
Asset position	806,157	851,097	1,063,487	1,277,416	638,708	426,318
Liability position	(97,148)	(102,564)	(128,158)	(153,938)	(76,969)	(51,375)
Net exposure (R$ thousand)	709,009	748,533	935,329	1,123,478	561,739	374,943
Net exposure (US$ thousand)	135,359	135,359	135,359	135,359	135,359	135,358
Potential impact (R$ thousand)	**-**	**39,524**	**226,320**	**414,469**	**(147,270)**	**(334,066)**

Sensitivity analysis of foreign exchange exposure of derivatives

This analysis is based on the foreign exchange rate fluctuation against “CALL” and ‘PUT”, in which the risk variables are evaluated with a 25% and 50% fluctuation compared to the probable scenario estimated by the Company. This analysis assumes that all other variables will remain constant.

Parent company	Disclosed	Probable	Scenarios +25%	+50%	-25%	-50%
U.S. Dollar rate	**5.2380**	**5.53**	**6.91**	**8.30**	**4.15**	**2.77**
MTM Controladora	(588)	(8,743)	(80,759)	(182,718)	54,520	158,860
Potential impact (R$ thousand)		**(8,155)**	**(80,171)**	**(182,130)**	**55,108**	**159,448**

Subsidiaries	Disclosed	Probable	Scenarios +25%	+50%	-25%	-50%
U.S. Dollar rate vs. Mexican peso	**20.1335**	**20.74**	**25.93**	**31.11**	**15.56**	**10.37**
MTM Subsidiaries (US$ mil)	323	(301)	(8,163)	(15,713)	15,512	52,864
MTM Subsidiaries (R$ mil)	1,691	(1,664)	(56,405)	(130,420)	64,375	146,435
EURO rate	**5.4842**	**6.48**	**8.10**	**9.72**	**4.86**	**3.24**
MTM Subsidiaries (R$ mil)	(146)	(3,574)	(10,750)	(17,989)	1,715	8,609
Potential subsidiaries impact (R$ thousand)		**(6,783)**	**(61,917)**	**(81,254)**	**214,499**	**88,954**
Potential consolidated impact (R$ thousand)		**(14,938)**	**(142,088)**	**(263,384)**	**269,607**	**248,402**

Price risk

This risk relates to the possibility of fluctuations in the market prices of the inputs used in the manufacturing process, especially scrap, pig iron, metal alloys, coke and electricity. These price fluctuations could have an impact on the Company's costs. The Company monitors these prices, in order to pass on to customers any changes in its input prices.

32.4 Operating risk

This risk arises from all of the Company's operations and can cause direct or indirect losses associated with a variety of factors, such as processes, personnel, technology, infrastructure and external factors.

The Company's objective is to manage the operating risk to avoid losses and damages to its reputation, and to seek cost efficiencies.

The primary responsibility for developing and implementing operating risk controls lies with a centralized area of internal controls reporting to senior management.

32.5 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management can make (or can propose to the shareholders, when their approval is required) adjustments to the amount of dividends paid to shareholders, capital return to shareholders, issue new shares or sell assets to reduce, for example, debt.

The Company's management monitors the relationship between the Company's own capital (equity) and third-party capital that the Company utilizes to finance its operations. To mitigate liquidity risks and optimize the average cost of capital, the Company monitors its compliance with financial ratios required under loans and financing agreements.

The relationship between own capital versus third-party capital, at the end of each year, was as follows:

All amounts in thousands of Reais unless otherwise stated.

Consolidated

	Note	Jun/22	Dec/21
Own capital		**2,919,362**	**2,753,214**
Equity	22	2,919,362	2,753,214
Third party capital		**4,139,002**	**3,484,969**
Total current and non-current liabilities		4,977,443	4,757,414
Cash and cash equivalents	3	(838,441)	(1,272,445)
Own capital versus third-party capital ratio		**0.71**	**0.79**

32.6 Fair value

The carrying values of cash and cash equivalents and trade accounts receivables and payables, less impairment in the case of trade accounts receivables, are assumed to approximate their fair values.

All financial instruments classified as financial assets and financial liabilities at fair value through profit or loss (Note 31) and the fair value of loans and financing disclosed in Note 16 are calculated by discounting the future contractual cash flow at the current market interest rate that is available to the Company for similar financial instruments.

The valuations technique used by the Company are classified at Level 2 of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (Level 2) is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely to the minimum extent possible on the Company-specific estimates.

* * *

All amounts in thousands of Reais unless otherwise stated.

A free translation from Portuguese into English of Independent auditor's review report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with Accounting Pronouncement NBC TG 21 and IAS 34 - Interim Financial Reporting

KPMG Auditores Independentes
R. São Paulo, 31 - 1º andar - Sala 11 - Bairro Bucarein
89202-200 - Joinville/SC - Brasil
Caixa Postal 2077 - CEP 89201-970 - Joinville/SC - Brasil
Telefone +55 (47) 3205-7800
kpmg.com.br

Quarterly Information Review Report
(A free translation of the original report in Portuguese)

To the Shareholders and Board of Directors
Tupy S.A.
Joinville - SC

Introduction
We have reviewed the interim financial statements, individual and consolidated, of Tupy S.A. ("Company") contained within the Quarterly Information for the quarter ended June 30, 2022, which comprise the balance sheet as of June 30, 2022 and the related statements of income and comprehensive income, for the three and six months periods then ended and the changes in shareholders' equity and cash flows for the six months period then ended, including the notes to the financial statements.

Management is responsible for the preparation of the interim financial statements in accordance with the technical pronouncement CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of the review
We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). An interim review consists mainly in making enquiries and having discussions with persons responsable for financial and accounting matters, and applying analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion about the interim financial statements
Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 issued by the IASB applicable to the Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other issues
Statements of value added
The individual and consolidated interim financial statements, in relation to the statements of value added for the six months period ended in June 30, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information regarding IAS 34, were submitted to review procedures performed jointly with the review of the interim quarterly information of the Company. In order

to form our conclusion, we assessed if the statements are reconciled with the interim accounting information and records, as applicable, and if their form and content are in accordance with the criteria defined in CPC 09 - Statements of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that the statements of value added aforementioned have not been fairly stated, in all material aspects, in relation to the interim financial statements, individual and consolidated, taken as a whole.

Corresponding Values

The exam of the balance sheets, individual and consolidated, for the period ended in December 31,2021 and the review of interim financial information, individual and consolidated, related to statements of income and comprehensive income and net changes in equity and cash flows for the three and six months period ended in June 30, 2021, were conducted under the responsibility of other independent auditors, which disclosed their audit report and review report without modifications, on March 29, 2022 and August 05, 2021 respectively. The values related to the statements of value added, referring to the six months period ended in June 30, 2022; were submitted to the same review procedures by those other independent auditors and, based on their review, those auditors disclosed a report stating that they didn’t have any information that might lead them into believing that this statement of value added wasn’t prepared, in all its relevant aspects, in a consistent manner with the interim financial statements as a whole.

Joinville, August 04, 2022

KPMG Auditores Independentes
CRC SC-000071/F-8
Original report in Portuguese signed by
Felipe Brutti da Silva
Accountant CRC RS-083891/O-0 T-RS

Joinville, August 4, 2022

KPMG Auditores Independentes
CRC SC-000071/F-8
Original report in Portuguese signed by
Felipe Brutti da Silva
Accountant CRC RS-083891/O-0 T-RS