(A free translation of the original in Portuguese)

Quartely Financial Report

March 31, 2023

Release
Quartely Financial Information
Selected Explanatory Notes
Independent auditors' report

Progress in synergies and 96% increase in Net Income

Initiatives in the operations mitigated impacts arising from the drop in volumes

- **Revenues of R$2.8 billion in 1Q23** (+19% vs. 1Q22), including the result of MWM Tupy do Brasil ("MWM"), of approximately R$550 million. The one-off impact from the change in the engine emission technology (Proconve P8 / Euro 6) together with the performance of economic indicators led to lower sales than those reported in 2022 (-7% in the volume of structural components).

- **Gross Profit of R$505 million** (+23%) with a margin of 18.0% vs. 17.3% in 1Q22. Synergies obtained and cost reduction initiatives mitigated the effect of lower volumes and MWM result, which has margins lower than Tupy's.

- **Adjusted EBITDA: R$315 million** (+1% *vs.* 1Q22), with a margin of 11.2% on net revenue, reflecting full results from MWM. Progress in synergies, offsetting the lower dilution of fixed costs resulting from the drop in volumes produced, higher freight prices (passed to prices), and restructuring expenses amounting R$ 14 million.

- **Net Income: R$145 million** in 1Q23, up by 96% over 1Q22.

- **Operational cash generation:** Consumption of R$132 million in 1Q23, due to seasonality, compared to the R$244 million reported in 1Q22 (representing improvement of 46% in the indicator).

- **Announcement of new contracts:** (i) supply of blocks and cylinder heads, including casting, machining, and pre-assembly, for Class 8 trucks for the North American market and pickups in South America, with expected additional revenue of R$650 million at maturity, and (ii) new business: supply of cylinder heads for hydrogen-powered combustion engines, as a result of Research & Development initiatives.

Earnings call

Date: 05/11/2023

Portuguese/English

10:00 a.m. (Brasilia)/**09:00 a.m.** (NYT)

Dial in Brazil: +55 11 4090-1621
Dial in Brazil: +55 11 3181-8565
Dial in USA: +1 412 717-9627
Toll free USA: + 1 844 204-8942
Code: TUPY
Website: www.tupy.com.br/ir

Investor Relations

Fernando Cestari de Rizzo
CEO & IRO

Thiago Struminski
CFO

Hugo Zierth

Rafael Felipe Junckes

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

MESSAGE FROM MANAGEMENT

We are making progress in building a new Tupy, a larger and diversified Company, with a unique positioning. These characteristics, combined with our comparative advantages and a reference team in engineering, have allowed Tupy to benefit from important trends in the segments where we operate.

We recently announced manufacturing contracts that will come into effect as of 2024 and will generate additional revenues of approximately R$650 million per year at maturity, including machining and pre-assembly services. These businesses reflect our strategy of adding more value to our products, and the need for customers to reposition their supply chains to regions closer to their markets (nearshoring), as well as benefiting from commercial agreements such as the USMCA.

We recently announced a partnership with the Primato cooperative, the first phase of a project with high scalability potential. In 2023, we expect to announce several initiatives related to vehicle conversion, energy generation, and other opportunities arising from the use of urban and agribusiness waste, as well as the use of natural gas. MWM's expertise in biofuels, engines, generator sets, and biotechnology, and its unparalleled testing and development structure in Brazil, puts us in a unique position to generate new businesses by offering a wide range of products and services that will contribute to reducing CO2 emissions in important segments of the Brazilian economy.

We will have an increasingly relevant role in our customers' decarbonization journey, through the development of suitable materials and engineering solutions for different geographies and applications in a multi-fuel future. In this context, initiatives related to the hydrogen economy play an important role in our strategy. We recently announced the execution of a partnership agreement with MAN for the supply of cylinder heads for hydrogen-powered truck engines. This solution stands out for its low cost, high efficiency, and tolerance to hydrogen with lower purity, as well as its much superior durability compared to other zero-emission solutions.

1Q23 Result: Decrease in volumes and gains in efficiency

The change in engine technology to the Proconve P8/Euro 6 standard impacted the entire production chain of heavy vehicles in Brazil. In addition to the purchasing anticipation observed in 2022, the significant increase in vehicle prices impacted the demand for this type of application in 1Q23. In addition to these aspects, there are economic indicators such as the high interest rate and restrictions on credit availability, with repercussions on consumer confidence.

The first quarter of 2023 includes, for the first time, the full result of MWM, since the acquisition occurred on November 30, 2022. Despite having lower margins than Tupy's, the combination of the two Companies' skills will allow the achievement of high-value-added contracts and diversification of the product portfolio, including in segments with higher market multiples, such as spare parts and energy.

This quarter, we advanced another step in the efficiency of our operations and execution of acquisition synergies. Despite lower volumes and other factors, the operational performance made further progress. We see opportunities to capture, especially in the plants located in Mexico and Betim, in industrial operations, and in the costs of acquiring materials and services.

We are preparing the Company for a new growth cycle, making necessary investments, and adjusting the organizational structure to the challenges and numerous opportunities that will arise in the coming years, reflecting our new business model. We will also prioritize cash generation through various initiatives to reduce inventories.

We recently released our Sustainability Report, prepared according to the Global Reporting Initiative (GRI) standards and major international frameworks. I invite you to access the document, in which we present our progress and initiatives related to environmental, social, and governance factors that will play a key role in this new Tupy.

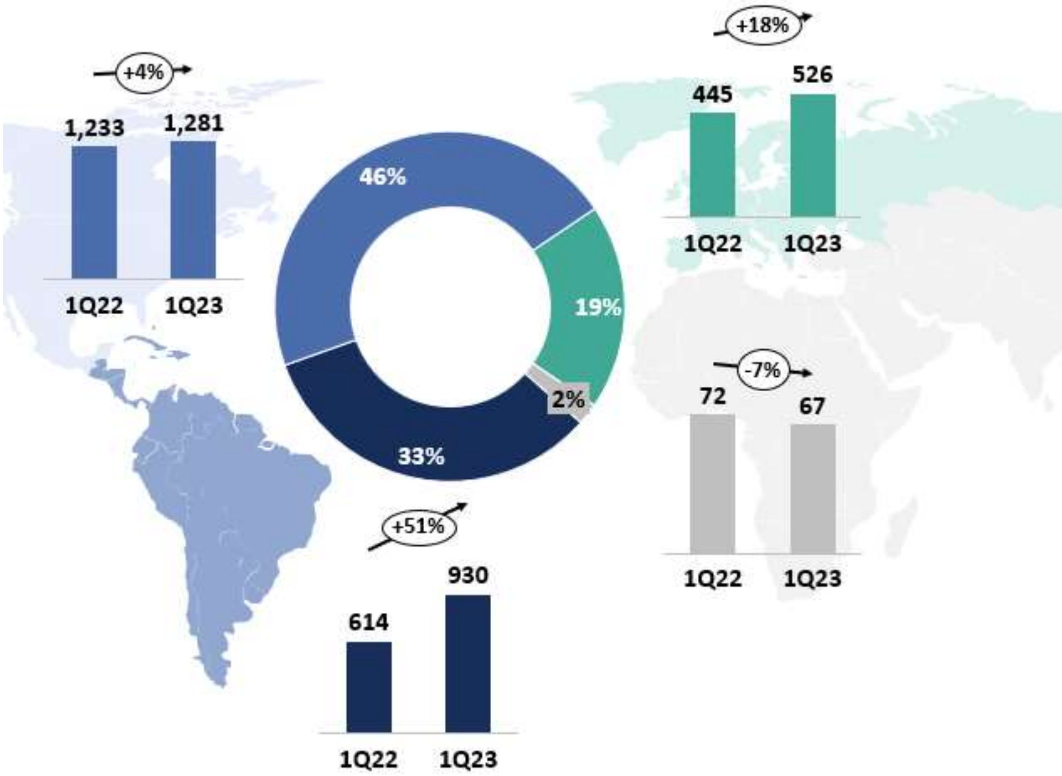
SUMMARIZED RESULTS

	Consolidated (R$ thousand)		
SUMMARY	**1Q23**	**1Q22**	**Var. [%]**
Revenues	**2,804,406**	**2,364,297**	**18.6%**
Cost of goods sold	(2,299,706)	(1,954,658)	17.7%
Gross Profit	**504,700**	**409,639**	**23.2%**
% on Revenues	*18.0%*	*17.3%*	
Operating expenses	(278,921)	(179,952)	55.0%
Other operating expenses	(8,517)	(32,787)	-74.0%
Earnings before Financial Result	**217,262**	**196,900**	**10.3%**
% on Revenues	*7.7%*	*8.3%*	
Net financial income (loss)	(66,256)	(98,479)	-32,7%
Earnings before Tax Effects	**151,006**	**98,421**	**53.4%**
% on Revenues	*5.4%*	*4.2%*	
Income tax and social contribution	(5,730)	(24,422)	-76.5%
Net Income	**145,276**	**73,999**	**96.3%**
% on Revenues	*5.2%*	*3.1%*	
EBITDA (CVM Inst. 527/12)	**308,991**	**294,525**	**4.9%**
% on Revenues	*11.0%*	*12.5%*	
Adjusted EBITDA	**315,353**	**313,725**	**0.5%**
% on Revenues	*11.2%*	*13.3%*	
Average exchange rate (R$/US$)	**5.20**	**5.59**	**-0.6%**
Average exchange rate (R$/€)	5.58	6.38	-5.0%

REVENUES

Compared to the same period of the previous year, revenues increased by 19%. In 1Q23, 46% of revenues originated in North America. The South and Central Americas accounted for 33%, and Europe for 19% of the total. The remaining 2% came from Asia, Africa, and Oceania, and the plants acquired contributed to higher exposure to the Brazilian and European markets.

It is worth noting that several customers 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.



Revenue by Business Unit

To reflect the new profile of the Company, recent acquisitions, and opportunities for new business, changes were made to the managerial presentation of Net Revenue:

The Transportation, Infrastructure, Agriculture, and Energy Generation Segment was split into **Structural Components & Manufacturing Contracts**, corresponding respectively to cast iron products and value-added services such as machining and assembly of components, and **Energy and Decarbonization**, comprising generator sets, self-manufactured engines, marine applications, lighting towers, and products and services related to decarbonization.

In turn, the **distribution unit** encompasses revenue from aftermarket parts from MWM and hydraulic products.

	Consolidated (R$ Thousand)		
	1Q23	1Q22	Var. [%]
Revenues	**2,804,406**	**2,364,297**	**18.6%**
Domestic Market	**890,735**	**600,987**	**48.2%**
Structural Components & Manufacturing Contracts	**604,240**	**551,031**	**9.7%**
Passenger cars	174,540	172,607	1.1%
Commercial vehicles	346,885	271,133	27.9%
Off-road	82,815	107,291	-22.8%
Energy & Decarbonization	**144,274**		
Distribution	**142,221**	**49,956**	**185.1%**
Export Market	**1,913,671**	**1,763,310**	**8.5%**
Structural Components & Manufacturing Contracts	**1,805,122**	**1,726,699**	**4.5%**
Passenger cars	119,916	137,051	-12.5%
Light commercial vehicles	586,659	649,969	-9.7%
Medium and heavy commercial vehicles	525,375	411,961	27.5%
Off-road	573,172	527,718	8.6%
Energy & Decarbonization	**51,010**		
Distribution	**57,539**	**36,611**	**57.2%**

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

REVENUE BY BUSINESS UNIT

Structural Components & Contract Manufacturing

Revenues from the Structural Components & Manufacturing Contracts segment, were impacted by production reduction in the Brazilian market, especially in applications for commercial vehicles. The segment includes cast iron products for the capital goods market and value-added services such as machining, assembly, and engineering services, as well as the assembly operations of MWM's third-party engines. This effect reflects the anticipation of customer production in 4Q22, caused by the replacement of engine emission technology (Proconve P8 / Euro 6), and the subsequent increase in the prices of trucks sold in 1Q23, as well as macroeconomic factors such as high interest rates, credit restrictions, and a decline in consumer confidence.

Regarding the foreign market, we observed a drop in demand for applications that have a higher correlation with interest rates in the European and North American markets, such as passenger cars and light commercial vehicles. Applications for heavy commercial and off-road vehicles continue to show solid fundamentals, resulting, among other factors, from investments in infrastructure.

In terms of applications, 61% come from commercial vehicles; 27% from the off-road segment, and 12% from passenger cars.

Approximately 37% of revenue comes from products that include machining or engine assembly services for third parties (manufacturing contracts).

Energy & Decarbonization

% Revenues	% Revenues DM	% Revenues FM
N/A	16%	3%

Revenues from the Energy & Decarbonization unit are composed of generator sets, in-house manufactured engines, applications for the maritime segment, lighting towers, vehicle conversion, and power generation. Several products were launched during the quarter, and various decarbonization-related projects are in the testing and prospecting phases.

Distribution

Δ% Revenues	% Revenues DM	% Revenues FM
131%	16%	3%

The sales of the distribution segment, which includes aftermarket spare parts from MWM and the hydraulic products segment, grew by 131%, mainly due to the inclusion of revenue from the aftermarket business, featuring the launch of new products (optional and multi-brand lines).

COST OF GOODS SOLD AND OPERATING EXPENSES

The Cost of Goods Sold (COGS) totaled R$2,3 billion in 1Q23, including MWM Tupy do Brasil's costs, impacting the YoY comparison.

The volume produced in the quarter fell by 10% (excluding MWM) from 1Q22, resulting in a loss of efficiency and lower dilution of fixed costs. These effects were mitigated by several cost and structure reduction initiatives implemented since last year, in addition to productivity gains and with captured synergies. Therefore, even with the inclusion of MWM's operations, which have margins lower than Tupy's, and the decrease in volumes, the **gross margin, of 18.0%, was higher than that reported in 1Q22.**

	1Q23	1Q22	Var. [%]
Revenues	**2,804,406**	**2,364,297**	**18.6%**
Cost of goods sold	**(2,299,706)**	**(1,954,658)**	**17.7%**
Raw material	(1,436,331)	(1,173,868)	22.4%
Labor, profit sharing, and social benefits	(451,601)	(411,325)	9.8%
Maintenance supplies	(171,690)	(133,342)	28.8%
Energy	(110,180)	(126,630)	-13.0%
Depreciation	(84,139)	(80,199)	4.9%
Other	(45,765)	(29,294)	56.2%
Gross profit	**504,700**	**409,639**	**23.2%**
% on Revenues	*18.0%*	*17.3%*	
Operating expenses	**(278,921)**	**(179,952)**	**55.0%**
% on Revenues	*9.9%*	*7.6%*	

Costs in 1Q23 were also impacted by the following factors, compared to the same period of the previous year:

- Raw materials: YoY drop in input prices and increase in the percentage of structural components produced in CGI.
- Labor: annual pay rise negotiation, appreciation of the Mexican Peso, and restructuring/synergy costs, mitigated by the reduction in the headcount.
- Maintenance and outsourced services: inflation and appreciation of the Mexican Peso.
- Depreciation and amortization: increase of 4% in depreciation costs, due to the addition of the new operations.
- Increase of R$16 million in other operational costs, which includes product and material handling, engine engineering projects, rents, and health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R$279 million. In addition to the impact of the addition of expenses from the new operation, the result was mainly impacted by the significant rise in freight prices observed since 2Q22, as well as the annual pay rise negotiation and restructuring expenses.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Expenses totaled R$9 million in 1QT23.

	Consolidated (R$ thousand)		
	1Q23	1Q22	Var. [%]
Depreciation of non-operating assets	(2,155)	(143)	
Amortization of intangible assets	-	(13,444)	
Other	(6,362)	(19,200)	-66.9%
Other operating expenses	**(8,517)**	**(32,787)**	**-74.0%**

The “Others” line is composed of (i) net revenue of R$4 million, resulting from the creation/restatement of provisions, (ii) expense of R$1 million referring to the write-off of PP&E items, and (iii) expense of R$9 million from the sale of unserviceable assets and other expenses.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$66 million.

	Consolidated (R$ thousand)		
	1Q23	1Q22	Var. [%]
Financial expenses	(83,332)	(44,650)	86.6%
Financial income	29,087	16,641	74.8%
Net monetary and currency variations	(12,011)	(70,470)	-83.0%
Net Financial Result	**(66,256)**	**(98,479)**	-32.7%

The increase in financial expenses in 1Q23 *vs* 1Q22 was mainly due to the increase of gross debt arising from debenture issues, totaling R$1 billion, aimed at the payment for the acquisition of MWM, and the rise in the interest rate (SELIC), which directly impacts interests of borrowings in Brazilian reais.

Financial income reached R$29 million in the period. The increase was due to a higher cash balance in Brazilian reais and the interest rates that remunerate financial investments.

Expenses from net monetary and currency variations totaled R$12 million and were comprised of (i) a negative variation in the balance sheet accounts in foreign currency, of R$29 million, resulting from the appreciation of the Brazilian real during the quarter, with no cash effect, and (ii) the result of the mark-to-market of hedge operations, corresponding to an income of R$17 million in the period, with a positive cash effect of R$11 million in the settled operations.

EARNINGS BEFORE TAXES AND NET INCOME

The Company's Net Income was R$145 million, a 96% increase over the same period in 2022, due to the growth in operating income and the exchange effects on the tax base.

	1Q23	1Q22	Var. [%]
Income (loss) before tax effects	**151,006**	**98,421**	**53.4%**
Tax effects before currency impacts	(54,317)	(34,918)	55.6%
	-36%	*-35%*	
Gains before currency effects on the tax base	**96,689**	**63,503**	**52.3%**
Currency effects on the tax base	48,587	10,496	362.9%
Net Income	**145,276**	**73,999**	**96.3%**

The tax bases of the assets and liabilities of the companies located in Mexico, where the functional currency is the U.S. dollar, are held in Mexican pesos at their historical values. Fluctuations in exchange rates affect the tax bases and, consequently, the currency effects are recorded as deferred income tax revenues and/or expenses. In 1Q23, the Company recorded a revenue of R$49 million, with no cash effect (*vs.* revenue of R$ 9 million in 1Q22).

EBITDA

The combination of the aforementioned factors resulted in an EBITDA (CVM) of R$309 million. EBITDA adjusted for the write-off of tax credits, the creation/restatement of provisions, and the sale of PP&E items reached R$315 million, with a margin of 11.2%.

RECONCILIATION OF NET INCOME WITH EBITDA	1Q23	1Q22	Var. [%]
Net Income for the Period	**145,276**	**73,999**	**96.3%**
(+) Net Financial Result	66,256	98,479	-32.7%
(+) Income Tax and Social Contribution	5,730	24,422	-76.5%
(+) Depreciation and Amortization	91,729	97,625	-6.0%
EBITDA (according to CVM Instruction 527/12)	**308,991**	**294,525**	**4.9%**
% of revenues	*11.0%*	*12.5%*	
(+) Other net operating expenses, net*	6,362	19,200	-66.9%
Adjusted EBITDA	**315,353**	**313,725**	**0.5%**
% of revenues	*11.2%*	*13.3%*	

The adjustments made to EBITDA aim to offset the effects from items less related to the business, have no cash effect, or are non-recurring. These expenses totaled R$7 million in 1Q23 and refer to (i) net revenue of R$4 million, resulting from the creation/restatement of provisions, (ii) expense of R$1 million referring to the write-off of PP&E items, and (iii) expense of R$10 million from the sale of unserviceable assets and other expenses.

We carried out several initiatives to reduce costs and continue capturing synergies from the acquisition of the Aveiro and Betim operations, which impact all the plants.

The result of 1Q23 includes, for the first time, the indicators of MWM (since the acquisition occurred on November 30, 2022), which has margins lower than Tupy's. In turn, the change in engine technology to the Proconve P8/Euro 6 standard impacted the entire production chain of heavy vehicles in Brazil. In addition to the purchasing anticipation observed in 2022, the significant increase in vehicle prices impacted the demand for this type of application. In addition to these aspects, there are economic indicators such as the high interest rate and restrictions on credit availability, with repercussions on consumer confidence. In terms of foreign market, we observed the cooling off of demand in segments that are more sensitive to interest rates, such as the light commercial vehicles market.

These factors impacted Tupy's and MWM's results for the period, both in terms of net revenue and margins, due to lower dilution of fixed costs and operational leverage. The higher expenses, mainly arising from the rise in freight prices, also impacted the indicator.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

Investments in property, plant, and equipment, and intangible assets totaled R$91 million in 1Q23, compared to R$54 million in 1Q22.

Consolidated (R$ thousand)

	1Q23	1Q22	Var. [%]
Property, Plant, and Equipment			
Strategic investments	34,614	18,048	91.8%
Maintenance and renovation of operating capacity	47,239	24,292	94.5%
Environment	4,030	5,582	-27.8%
Interest and financial charges	2,599	1,196	117.3%
Intangible assets			
Software and others	1,213	4,318	-71.9%
Projects under development	1,348	297	353.9%
Total	**91,043**	**53,733**	**69.4%**
% on Revenues	*3.3%*	*2.0%*	

The amounts refer mainly to new foundry and machining programs, an increase in operating efficiency and synergies, and investments in health, safety, and the environment.

WORKING CAPITAL

Consolidated (R$ thousand)

	1Q23	4Q22	3Q22	2Q22	1Q22
Balance sheet					
Accounts receivable	2,087,909	2,031,380	1,994,902	2,046,607	1,511,386
Inventories	2,185,575	2,207,884	1,589,339	1,706,324	1,347,450
Accounts payable	1,508,278	1,682,446	1,266,979	1,523,747	1,086,964
Sales outstanding [days]	64	60	63	82	65
Inventories [days]	78	79	62	83	68
Payables outstanding [days]	57	57	50	72	55
Cash conversion cycle [days]	**85**	**82**	**75**	**93**	**78**

We observed an increase of three days in the cash conversion cycle compared to 4Q22. The main lines presented the following variations:

- The average receivable period increased by 4 days of sales, mainly because of the higher volume of sales coming from MWM (3 months in 1Q23 vs. 1 month in 4Q22). Accounts Receivable in foreign currency (71% of the total) were also impacted by the currency appreciation (closing rate of US$/R$5.08 in March/23 vs. US$/R$5.22 in December/22).

- Decrease of 1 day in Inventories in relation to the Cost of Goods Sold. The increase was due to the lower volume produced quarter-over-quarter.

- Decrease of R$174 million in Accounts Payable. Production decline and actions to reduce inventories contributed to the lower level of purchases in the period. This line was also impacted by the effect of the appreciation of the real on accounts payable in foreign currency, which accounted for 49% of the total.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	1Q23	1Q22	Var. [%]
Cash and cash equivalents at the beginning of the period	**1,509,829**	**1,272,445**	**18.7%**
Cash applied in the activities	(131,902)	(244,352)	-46.0%
Cash used in investing activities	(98,701)	(65,436)	50.8%
Cash provided by (used in) financing activities	(86,186)	62,486	-
Currency effect on the cash for the year	(15,419)	(72,246)	-78.7%
Decrease in cash and cash equivalents	**(332,208)**	**(319,548)**	**4.0%**
Cash and cash equivalents at the end of the period	**1,177,621**	**952,897**	**23.6%**

The Company registered an operating cash consumption of R$132 million, compared to R$244 million in 1Q22. The result is mainly due to the variation of working capital compared to 4Q22, featuring accounts payable and receivable, because of seasonal factors.

Investment activities consumed R$99 million in 1Q23. Investments increased year over year, and were related to supporting projects, new products, and casting programs; gains in efficiency & synergies among the operations; and safety and the environment.

Regarding financing activities, in 1Q23, consumption totaled R$86 million, mainly arising from the semi-annual payment of interest of debentures issued in September 2022, at CDI + 1.5% p.a. The comparison base with the same period of 2022 was impacted by the funding of R$405 million and amortization of loans, totaling R$313 million, mainly from extension in maturity and reduction in debt costs with the acquisition of the Betim plant.

The combination of these factors and the currency variation on cash, with a negative effect of R$15 million, resulted in a decrease of R$332 million in cash and cash equivalents in the period. Accordingly, we ended 1Q23 with a balance of R$1,178 million.

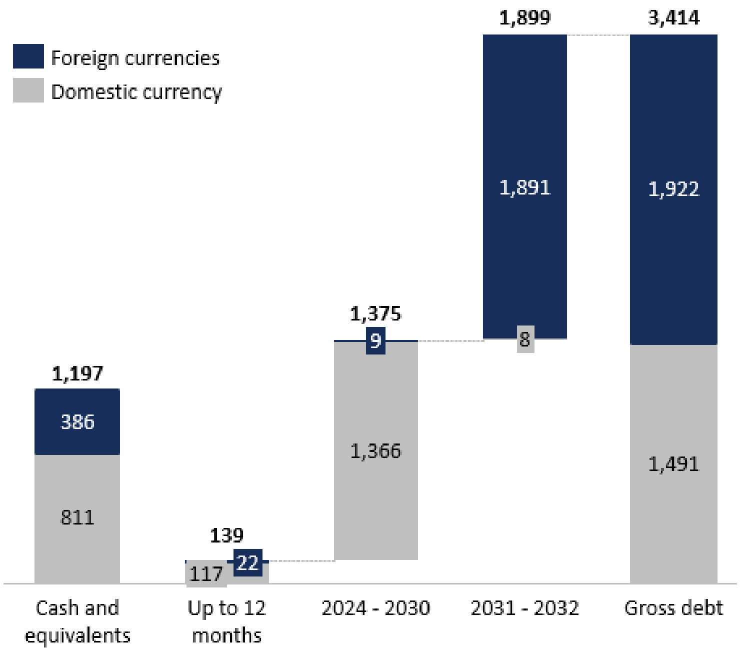
INDEBTEDNESS

The Company ended 1Q23 with net debt of R$2.2 billion, corresponding to a net debt/LTM Adjusted EBITDA ratio of 1.75x.

Liabilities in foreign currency accounted for 56% of the total (1% in the short term and 99% in the long term), while 44% of debt is denominated in Brazilian reais (8% in the short term and 92% in the long term). As for the Company's cash balance, 67% of the amount is denominated in Brazilian reais and 33% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**1Q23**	**4Q22**	**3Q22**	**2Q22**	**1Q22**
Short term	139,668	284,633	213,008	188,354	241,374
Financing and loans	138,681	284,303	209,723	184,673	241,374
Derivative financial instruments	987	330	3,285	3,681	-
Long term	3,274,608	3,235,576	3,304,338	2,292,076	2,107,347
Gross debt	**3,414,276**	**3,520,209**	**3,517,346**	**2,480,430**	**2,348,721**
Cash and cash equivalents	1,177,621	1,509,829	1,968,041	838,441	952,897
Derivative financial instruments	20,789	13,433	5,350	4,639	27,129
Net debt	**2,215,866**	**1,996,947**	**1,543,955**	**1,637,350**	**1,368,695**
Gross debt/Adjusted EBITDA	2.69x	2.78x	2.88x	2.15x	2.37x
Net debt/Adjusted EBITDA	**1.75x**	**1.58x**	**1.27x**	**1.42x**	**1.38x**

The Company's debt profile is as follows:



STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS

In compliance with the provisions established under Article 25 of CVM Instruction 480, of December 7, 2009, the Board of Executive Officers of Tupy S.A. declares that it has reviewed, discussed and agreed with the opinion presented in the Independent Auditor's Report on the Interim Financial Information, issued on this date, and with the Interim Financial Information of March 31, 2023

Anexo I – Production and sales of commercial vehicles in Brazil

	1Q23	1Q22	Var. (%)
Produção			
Trucks			
Semi-light	565	346	63.3%
Light	4,074	6,210	-34.4%
Medium	994	1,553	-36.0%
Semi-heavy	6,610	10,695	-38.2%
Heavy	12.254	15,579	-21.3%
Total Trucks	**24,497**	**34,383**	**-28.8%**
Buses	4,015	5,702	-29.6%
Commercial Vehicles	**28,512**	**40,085**	**-28.9%**
Sales			
Trucks			
Semi-light	2,392	1,225	95.3%
Light	2,501	2,769	-9.7%
Medium	2,269	2,695	-15.8%
Semi-heavy	7,742	7,445	4.0%
Heavy	13,712	12,718	7.8%
Total Trucks	**28,616**	**26,852**	**6.6%**
Buses	6,219	3,322	87.2%
Commercial Vehicles	**34,835**	**30,174**	**15.4%**
Export			
Trucks			
Semi-light	317	281	12.8%
Light	673	847	-20.5%
Medium	395	123	221.1%
Semi-heavy	1,094	1,072	2.1%
Heavy	1,989	2,362	-15.8%
Total Trucks	**4,468**	**4,685**	**-4.6%**
Buses	970	808	20.0%
Commercial Vehicles	**5,438**	**5,493**	**-1.0%**

Source: ANFAVEA

Anexo II – Production and sales of light and commercial vehicles in international markets

	1Q23	1Q22	Var. (%)
North America			
Production			
Passenger cars	747,625	685,103	9.1%
Light Comercial Vehicles	3,114,975	2,986,015	4.3%
% Light Commercial Vehicles			
Light Duty 4-5	18,667	20,630	-9.5%
Medium Duty Classe 6-7	36,816	28,781	27.9%
Medium Duty Classe 8	85,348	71,410	19.5%
Medium & Heavy Duty	**140,831**	**120,821**	**16.6%**
United States			
Sales			
Passenger cars	768,851	681,132	12.9%
Light Comercial Vehicles	2,826,118	2,636,374	7.2%
% Light Commercial Vehicles	**78.6%**	**79.5%**	**-1.1%**
Light Duty 4-5	21,981	28,311	-22.4%
Medium Duty Classe 6-7	30,096	26,059	15.5%
Medium Duty Classe 8	60,019	44,636	34.5%
Medium & Heavy Duty	**112,096**	**99,006**	**13.2%**
Europe			
Sales			
Automóveis	2,650,743	2,247,564	17.9%

Source: Automotive News; Bloomberg; ACEA

Anexo III – Agricultural machinery production and sales in global markets

	(Unidades)		
	1Q23	1Q22	Var. (%)
Sales			
Americas			
Estados Unidos & Canada	56,747	64,934	-12.6%
Europa			
Germany	12,848	13,579	-5.4%

Source: ANFAVEA; Bloomberg; AEM

* * *

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT MARCH 31, 2023 AND DECEMBER 31, 2022
(All amounts in thousands of reais)

A S S E T S

		Parent company		Consolidated	
	Note	3/31/23	12/31/22	3/31/23	12/31/22
CURRENT ASSETS					
Cash and cash equivalents	3	526,074	704,746	1,177,621	1,509,829
Derivative financial instruments	30	6,263	5,141	20,789	13,433
Trade account receivables	4	1,096,568	1,035,555	2,087,909	2,031,380
Inventories	5	491,268	519,306	2,185,575	2,207,884
Tooling	6	84,611	70,402	201,191	166,374
Income tax and social contribution recoverable	7	4,008	8,069	36,530	47,427
Other taxes recoverable	8	63,556	60,052	285,260	281,732
Other assets		67,065	57,293	188,368	168,621
Total current assets		2,339,413	2,460,564	6,183,243	6,426,680
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	7	30,231	30,124	30,231	30,124
Other taxes recoverable	8	12,024	12,281	360,261	342,552
Deferred income tax and social contribution	9	244,247	265,839	676,084	657,132
Judicial deposits and other		8,701	9,099	29,773	30,165
Investments in equity instruments		2,305	2,746	13,817	15,496
Investments properties		-	-	5,694	5,694
Investments	11	4,164,457	4,136,047	-	-
Property, plant and equipment	12	724,864	708,827	2,579,377	2,584,302
Intangible assets	13	47,525	48,396	148,957	151,113
Total non-current assets		5,234,354	5,213,359	3,844,194	3,816,578
Total assets		7,573,767	7,673,923	10,027,437	10,243,258

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT MARCH 31, 2023 AND DECEMBER 31, 2022
(All amounts in thousands of reais)

L I A B I L I T I E S

		Parent company		Consolidated	
	Note	3/31/23	12/31/22	3/31/23	12/31/22
CURRENT LIABILITIES					
Trade accounts payables	14	565,363	606,734	1,508,278	1,682,446
Business combination obligations	19	304,739	304,739	304,739	304,739
Loans and financing	15	34,311	62,021	127,853	238,505
Debentures	16	10,828	45,798	10,828	45,798
Derivative financial instruments	30	-	73	987	330
Other taxes payable		26,974	30,895	170,054	193,548
Salaries, social security charges and profit sharing		185,318	224,047	388,973	426,428
Advances from customers		15,831	18,149	252,249	194,992
Related parties	10	5,715	6,219	-	-
Dividends and interest on shareholders' equity		136,988	98,243	136,988	98,243
Provision for tax, civil, social security and labor proceedings	17	20,737	23,868	20,737	23,868
Other liabilities	20	24,895	28,025	154,462	181,448
Total current liabilities		1,331,699	1,448,811	3,076,148	3,390,345
NON-CURRENT LIABILITIES					
Loans and financing	15	1,824,313	1,860,831	2,281,301	2,242,516
Debentures	16	993,307	993,060	993,307	993,060
Provision for tax, civil, social security and labor proceedings	17	204,115	220,578	360,624	380,274
Deferred income tax and social contribution	9	-	-	-	-
Business combination obligations		107,768	107,768	107,768	107,768
Retirement benefit obligations	18	-	-	97,652	91,367
Other long term liabilities		3,032	3,032	3,528	3,568
Total non-current liabilities		3,132,535	3,185,269	3,844,180	3,818,553
EQUITY					
Share capital	21	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		11,103	9,876	11,103	9,876
Treasury shares		(3,840)	(451)	(3,840)	(451)
Carrying value adjustments		769,172	799,055	769,172	799,055
Income reserves		1,136,238	1,177,603	1,136,238	1,177,603
Retained earnings		143,100	-	143,100	-
Non-controlling interest		-	-	(2,424)	(5,483)
Total equity		3,109,533	3,039,843	3,107,109	3,034,360
Total liabilities and equity		7,573,767	7,673,923	10,027,437	10,243,258

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
QUARTERS ENDED MARCH 31, 2023 AND 2022
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	1/1/23 3/31/23	1/1/22 3/31/22	1/1/23 3/31/23	1/1/22 3/31/22
NET REVENUE	22	1,144,515	1,093,433	2,804,406	2,364,297
Cost of products sold	23	(865,209)	(892,673)	(2,299,706)	(1,954,658)
GROSS PROFIT		279,306	200,760	504,700	409,639
Selling expenses	23	(83,237)	(58,023)	(183,813)	(111,268)
Administrative expenses	23	(47,621)	(44,460)	(95,108)	(68,684)
Management fees	10	-	-	-	-
Other operating expenses, net	25	(3,485)	(15,997)	(8,517)	(32,787)
Share of results of subsidiaries	11	95,292	63,175	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		240,255	145,455	217,262	196,900
Finance costs	24	(69,091)	(31,662)	(83,332)	(44,650)
Finance income	24	17,411	18,260	29,087	16,641
Monetary and foreign exchange variations, net	24	(19,588)	(50,424)	(12,011)	(70,470)
PROFIT BEFORE TAXATION		168,987	81,629	151,006	98,421
Income tax and social contribution	26	(26,748)	(5,881)	(5,730)	(24,422)
NET INCOME FOR THE PERIOD		142,239	75,748	145,276	73,999
TUPY SHAREHOLDERS NET INCOME (LOSS)		142,239	75,748	142,239	75,748
NON-CONTROLLING NET LOSS		-	-	3,037	(1,749)
EARNINGS PER SHARE					
Basic earnings (loss) per share	27	0.98755	0.52538	0.98755	0.52538
Diluted earnings (loss) per share	27	0.97817	0.52160	0.97817	0.52160

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED MARCH 31, 2023 AND 2022
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		1/1/23 3/31/23	1/1/22 3/31/22	1/1/23 3/31/23	1/1/22 3/31/22
NET INCOME FOR THE PERIOD		142,239	75,748	145,276	73,999
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	11b	(60,642)	(346,532)	(60,642)	(346,532)
Hedge of net investment abroad	30b	47,918	277,857	47,918	277,857
Tax effect on hedge of net investment abroad	30b	(16,298)	(94,471)	(16,298)	(94,471)
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		113,217	(87,398)	116,254	(89,147)

(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, 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													
Net income for the period		-	-	-	-	-	-	-	-	75,748	75,748	(1,749)	73,999
Realization of carrying value adjustments		-	-	-	-	-	(1,112)	-	-	1,112	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(346,532)	-	-	-	-	(346,532)	-	(346,532)
Hedge of net investment abroad	30b	-	-	-	-	277,857	-	-	-	-	277,857	-	277,857
Tax impact on hedge of net investment abroad	30b	-	-	-	-	(94,471)	-	-	-	-	(94,471)	-	(94,471)
Total comprehensive income for the period		-	-	-	-	(163,146)	(1,112)	-	-	76,860	(87,398)	(1,749)	(89,147)
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	1,191	-	-	-	-	-	-	1,191	-	1,191
Total contributions from shareholders and distributions to shareholders		-	-	1,191	-	-	-	-	-	-	1,191	338	1,529
AT MARCH 31, 2022		**1,060,301**	**(6,541)**	**9,871**	**(5)**	**713,679**	**19,552**	**105,966**	**686,654**	**76,860**	**2,666,337**	**(741)**	**2,665,596**
AT DECEMBER 31, 2022		**1,060,301**	**(6,541)**	**9,876**	**(451)**	**782,469**	**16,586**	**131,380**	**1,046,223**	**-**	**3,039,843**	**(5,483)**	**3,034,360**
Comprehensive income for the period													
Net income for the period		-	-	-	-	-	-	-	-	142,239	142,239	3,037	145,276
Realization of carrying value adjustments		-	-	-	-	-	(861)	-	-	861	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(60,642)	-	-	-	-	(60,642)	-	(60,642)
Hedge of net investment abroad	30b	-	-	-	-	47,918	-	-	-	-	47,918	-	47,918
Tax impact on hedge of net investment abroad	30b	-	-	-	-	(16,298)	-	-	-	-	(16,298)	-	(16,298)
Total comprehensive income for the year		-	-	-	-	(29,022)	(861)	-	-	143,100	113,217	3,037	116,254
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	1,421	-	-	-	-	-	-	1,421	-	1,421
(-) Treasury share granted		-	-	(194)	194	-	-	-	-	-	-	-	-
(-) Shares in treasury acquired		-	-	-	(3,583)	-	-	-	-	-	(3,583)	-	(3,583)
Non-controlling net income		-	-	-	-	-	-	-	-	-	-	22	22
Allocation of gain:													
Interest on capital		-	-	-	-	-	-	-	(41,365)	-	(41,365)	-	(41,365)
Total contributions from shareholders and distributions to shareholders		-	-	1,227	(3,389)	-	-	-	(41,365)	-	(43,527)	22	(43,505)
AT MARCH 31, 2023		**1,060,301**	**(6,541)**	**11,103**	**(3,840)**	**753,447**	**15,725**	**131,380**	**1,004,858**	**143,100**	**3,109,533**	**(2,424)**	**3,107,109**

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOW
PERIOD ENDED DECEMBER 31, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
Cash flow from operating activities:	Note	3/31/23	3/31/22	3/31/23	3/31/22
Profit for the period before income tax and social contribution		168,987	81,629	151,006	98,421
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	12 and 13	36,719	35,229	91,729	97,625
Share of results of subsidiaries	11	(95,292)	(63,175)	-	-
Disposals of property, plant and equipment		575	63	1,277	63
Interest accrued and foreign exchange variations		88,243	78,646	87,442	30,594
Provision for impairment of trade receivables		(633)	256	(8,297)	(751)
Provision for losses on inventory		(1,568)	827	(640)	(5,480)
Provision for contingencies	17	(3,271)	8,296	(3,521)	12,308
Stock option plan		1,421	1,191	1,421	1,191
Change in Eletrobrás credit		441	(285)	441	(285)
		195,622	142,677	320,858	233,686
Changes in operating assets and liabilities:					
Trade accounts receivables		(84,913)	(232,539)	(90,136)	(420,069)
Inventories		29,606	10,413	3,642	49,444
Tooling		(14,209)	(9,021)	(37,044)	1,251
Other taxes recoverable		(20,747)	28,663	(63,177)	1,702
Other assets		(10,297)	11,379	(19,302)	16,210
Judicial deposits and other		398	1,260	392	1,281
Trade payables		(22,873)	33,655	(131,212)	(14,660)
Other taxes payable		(3,921)	(6,041)	(22,458)	(3,330)
Salaries, social security charges and profit sharing		(38,729)	(1,753)	(34,313)	7,291
Advances from customers		(2,318)	1,412	59,078	(16,672)
Notes and other payables		(3,130)	(27,484)	(27,287)	(29,559)
Retirement benefit obligations		-	-	8,262	3,831
Payment of contingencies other liabitilies		(16,323)	(8,775)	(19,300)	(7,428)
Cash generated by operations		**8,166**	**(56,154)**	**(51,997)**	**(177,022)**
Interest paid		(63,601)	(67,050)	(76,439)	(62,738)
Income tax and social contribution paid		-	-	(3,466)	(4,592)
Net cash generated from operating activities		**(55,435)**	**(123,204)**	**(131,902)**	**(244,352)**
Cash flow from investing activities:					
Additions to fixed assets or intangibles	12 and 13	(47,492)	(31,518)	(99,226)	(65,961)
Cash generated on PPE disposals		525	525	525	525
Subsidiaries and associates		3,660	(21,646)	-	-
Net cash used in investing activities		**(43,307)**	**(52,639)**	**(98,701)**	**(65,436)**
Cash flow from financing activities:					
Payment of loans	15	(543)	(720)	(624)	(313,045)
Loans and financing raised	15	-	-	-	405,000
Lease payment from right of use		(1,788)	(1,471)	(7,151)	(3,560)
Forfaiting operation		-	-	-	(3,749)
Interest on capital and dividends paid		(2,620)	(22,160)	(2,620)	(22,160)
Treasury stock		(3,583)	-	(3,583)	-
Net cash used in financing activities		**(80,742)**	**(24,351)**	**(86,186)**	**62,486**
Effect of exchange rate differences on cash for the period		812	(4,770)	(15,419)	(72,246)
Increase in cash and cash equivalents		**(178,672)**	**(204,964)**	**(332,208)**	**(319,548)**
Cash and cash equivalents at the beginning of the year		704,746	712,364	1,509,829	1,272,445
Cash and cash equivalents at the end of the year		**526,074**	**507,400**	**1,177,621**	**952,897**

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
PERIOD ENDED DECEMBER 31, 2022 AND 2021
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	3/31/23	3/31/22	3/31/23	3/31/22
Origination of value added		1,225,510	1,187,652	3,045,947	2,502,947
Sale of products, net of returns and rebates	22	1,224,877	1,187,908	3,037,650	2,502,196
Provision for impairment of trade receivables		633	(256)	8,297	751
(-) Inputs acquired from third parties		(776,937)	(805,051)	(2,023,241)	(1,647,379)
Raw materials and processing material consumed		(636,703)	(652,032)	(1,327,934)	(1,106,373)
Materials, energy, third party services and other		(140,234)	(153,019)	(695,307)	(541,006)
GROSS VALUE ADDED		448,573	382,601	1,022,706	855,568
Retentions:		(36,719)	(35,229)	(91,729)	(97,625)
Depreciation and amortization	12 and 13	(36,719)	(35,229)	(91,729)	(97,625)
Net value added generated by the Company		411,854	347,372	930,977	757,943
Value added received through transfer		112,703	81,435	29,087	16,641
Share of results of subsidiaries	11	95,292	63,175	-	-
Finance income	24	17,411	18,260	29,087	16,641
VALUE ADDED TO DISTRIBUTE		**524,557**	**428,807**	**960,064**	**774,584**
Distribution of value added					
Personnel		201,333	194,664	546,555	430,049
Employees		148,448	139,386	452,068	358,336
Social charges - Government Severance Indemnity Fund for Emplo		10,736	9,779	21,399	9,779
Profit sharing		11,972	16,681	21,736	24,798
Management fees		5,555	5,026	5,555	5,026
Workplace healthcare and safety		16,316	16,499	24,510	16,499
Food		3,373	3,433	6,613	3,433
Professional education, qualification and development		238	210	1,117	210
Other amounts		4,695	3,650	13,557	11,968
Government		92,306	76,309	172,890	155,416
Federal taxes and contributions		65,362	54,719	122,553	110,826
State taxes and rates		24,904	19,593	47,960	42,332
Municipal taxes, rates and other		2,040	1,997	2,377	2,258
Third party capital		88,679	82,086	95,343	115,120
Finance costs	24	69,091	31,662	83,332	44,650
Monetary and foreign exchange variations, net	24	19,588	50,424	12,011	70,470
Own capital		142,239	75,748	145,276	73,999
Retained earnings		142,239	75,748	145,276	73,999
TOTAL VALUE ADDED		**524,557**	**428,807**	**960,064**	**774,584**

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

NOTES TO THE FINANCIAL STATEMENTS

All amounts in thousand of Reais unless otherwise stated.

(A free translation of the original in Portuguese)

1. GENERAL INFORMATION

Tupy S.A. (“Parent Company”) and its subsidiaries (jointly, “Company” or “Consolidated”) develop and produce cast iron structural components of high geometric and metallurgical complexity. These engineering solutions are applied in the sectors of freight transportation, infrastructure, agribusiness, and energy generation and, contribute to people’s quality of life, promoting access to health, basic sanitation, drinking water, food production and distribution, and global trade. The technological innovation involved in producing and creating these pieces is the company’s specialty, in its 85-year history. The Company has industrial plants in Brazil, in Joinville-SC, Betim-MG and São Paulo-SP, and a distribution center in Jundiaí-SP. Abroad, its units are located in the cities of Saltillo and Ramos Arizpe, Mexico, as well as in the city of Aveiro, Portugal. In addition to the industrial plants, the Parent Company has a subsidiary in the Netherlands, which centralizes the Company’s operations abroad and another one in Luxembourg, for issuing debt securities on the international market. Additionally, it has sales offices in Germany, Brazil, USA, and Italy.

Tupy S.A. is a corporation (*sociedade anônima*), headquartered in Joinville-SC, registered on the São Paulo Stock Exchange (“BOVESPA”: TUPY3) and listed on the *Novo Mercado* of B3 S.A.

The issue of these financial statements was authorized by the Board of Directors on May 10, 2023.

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, 2022.

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, 2023

Not completely repeated	***Not partially repeated***
Investment properties Salaries, social security charges and profit sharing 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

All amounts in thousand of Reais unless otherwise stated.

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, 2022.

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, 2022 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 March 31, 2023 are consistent with those used to prepare the annual financial statements for the year ended December 31, 2022, these policies are disclosed in Note 2 in the annual financial statements.

3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Cash and banks	7,856	3,200	30,322	26,139
Financial investments in Brazil	496,652	625,633	761,022	916,210
Financial investments abroad	21,566	75,913	386,277	567,480
	526,074	**704,746**	**1,177,621**	**1,509,829**

Interest earning bank deposits presented as cash and cash equivalents are securities with immediate liquidity and represent an insignificant risk of change in value. In Brazil, investments are remunerated by the change in the CDI (Interbank Deposit Certificate) rate, with an average rate equivalent to 13.65% p.a. (12.45% p.a. for the year ended December 31, 2022). Abroad, investments are predominantly in US dollars (US$) and remunerated at the average rate of 3.06% per annum (2.08% per annum at December 31, 2022) called “time deposit” and “overnight”.

The balance of cash and cash equivalents carries R$ 243,132 from the acquiree MWM Tupy do Brasil Ltda. Such amount will be reimbursed to the seller as soon as the procedures related to the price adjustment to be defined between the parties.

The Company operates with first-rate institutions, as detailed in Note 31.1.

All amounts in thousand of Reais unless otherwise stated.

4. ACCOUNTS RECEIVABLE

The trade accounts receivable, indicated by market and by aging, are shown below:

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Domestic market	204,399	176,808	557,594	638,762
Foreign market	901,448	868,056	1,614,859	1,469,486
Provision for impairment of trade receivables	(9,279)	(9,309)	(84,544)	(76,868)
	1,096,568	**1,035,555**	**2,087,909**	**2,031,380**

The balance of accounts receivable from the domestic market is denominated in Brazilian Reais; from the foreign market, it is predominantly in US Dollars and, to a lesser extent, in Euros.

The accounts receivable was impacted by increase in volum and adjustments in selling prices in the period, compared to the previous year, and reduced in part by the appreciation of the Brazilian Real (R$) against the US Dollar (US$), which went from R$ 5.2177 on December 31, 2022 to 5.0804 in March 31, 2023.

The amount of accounts receivable from the Parent Company includes amounts referring to sales to related parties that are eliminated in Consolidated, in the amount of R$ 7744,438 (R$ 783,444 at December 31, 2022). (Note 10)

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Falling due in up to 30 days	538,030	536,573	842,120	868,769
Falling due within 31 to 60 days	290,716	225,944	602,152	548,609
Falling due in more than 61 days	240,571	247,351	387,765	381,486
Total falling due	**1,069,317**	**1,009,868**	**1,832,037**	**1,798,864**
Overdue for up to 30 days	27,686	22,036	145,703	130,532
Overdue for 31 to 60 days	1,638	2,057	26,796	46,401
Overdue for more than 61 days	7,206	10,903	167,917	132,451
Total overdue	**36,530**	**34,996**	**340,416**	**309,384**
Provision for impairment of trade receivables	(9,279)	(9,309)	(84,544)	(76,868)
Total	**1,096,568**	**1,035,555**	**2,087,909**	**2,031,380**

As of March 31, 2023, the estimated loss in accounts receivable from customers represented 3.9% of the consolidated balance (On December 31, 2022 was 3.6%).

The increase in the estimate for losses on receivables is due to the pre-existing balance in the acquiree MWM Tupy do Brasil Ltda, with roughly 60% of the estimated loss referring to a single client, whose debts are being discussed in a lawsuit.

5. INVENTORIES

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Finished products	191,002	223,862	578,929	622,443
Work in progress	142,739	154,674	618,705	621,202
Raw materials	133,681	121,402	845,759	821,826
Maintenance and other materials	40,001	37,091	215,950	216,821
Provision for losses	(16,155)	(17,723)	(73,768)	(74,408)
	491,268	**519,306**	**2,185,575**	**2,207,884**

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.

At December 31, 2023, the Company had inventories of finished products offered as collateral for labor and social security lawsuits in the amount of R$ 11,932 (R$ 9,746 at December 31, 2022) in the Parent Company and Consolidated. Nowadays the Company has taken out guarantee insurance

All amounts in thousand of Reais unless otherwise stated.

6. TOOLING

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Domestic market	37,350	28,310	60,216	41,964
Foreign market	47,261	42,092	140,975	124,410
	84,611	**70,402**	**201,191**	**166,374**

The increase in the period stems from the construction of tool projects defined with clients.

7. RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION

	Mar/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	**4,008**	**30,231**	**34,239**	**8,069**	**30,124**	**38,193**
Income tax	4,008	21,722	25,730	8,069	21,616	29,685
Social contribution	-	8,509	8,509	-	8,508	8,508
Subsidiaries	**32,522**	**-**	**32,522**	**39,358**	**-**	**39,358**
Income tax	32,507	-	32,507	39,343	-	39,343
Social contribution	15	-	15	15	-	15
Consolidated	**36,530**	**30,231**	**66,761**	**47,427**	**30,124**	**77,551**

8. OTHER RECOVERABLE TAXES

Parent company

	Mar/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	-	-	-	102	-	102
ICMS recoverable - Santa Catarina (a)	13,700	5,246	18,946	20,569	5,503	26,072
Reintegra benefit	763	-	763	795	-	795
COFINS, PIS and IPI recoverable (b)	49,093	6,778	55,871	38,586	6,778	45,364
	63,556	**12,024**	**75,580**	**60,052**	**12,281**	**72,333**

Consolidated

	Mar/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	19,666	99,550	119,216	11,101	92,897	103,998
ICMS recoverable - Santa Catarina (a)	13,700	5,246	18,946	20,569	5,503	26,072
ICMS recoverable - Minas Gerais (a)	4,093	3,259	7,352	3,543	3,259	6,802
Reintegra benefit	1,590	-	1,590	1,499	-	1,499
COFINS, PIS and IPI recoverable (b)	149,820	154,230	304,050	156,051	154,231	310,282
Value-added tax (VAT) (c)	96,391	97,976	194,367	88,969	86,662	175,631
Consolidated	**285,260**	**360,261**	**645,521**	**281,732**	**342,552**	**624,284**

a. ICMS recoverable

These are credits arising from purchases of raw materials used in the manufacturing process of exported products and purchases of realizable property, plant and equipment, at their origin, in 48 installments, pursuant to applicable state legislation.

In Santa Catarina, the Company has been realizing these amounts – through transfers to third parties and with the expansion of the “Pro-Emprego” regime, which differs from the ICMS (VAT) charge on purchases of materials and energy.

The accumulated credit in São Paulo originates from the business combination for the acquisition of MWM Tupy do Brasil Ltda.

All amounts in thousand of Reais unless otherwise stated.

Such credit was constituted over the years, especially in 2018 essentially due to ICMS payments in the customs clearance of goods carried out within the state of São Paulo without equivalent consideration of consumption (debits), in view of the representativeness of export activities (exempt) and of interstate sales (carried out at a lower rate than practiced in the aforementioned customs clearance) in the operation.

The accumulation was mitigated after the granting of a Special Import Regime by the state tax authorities, ensuring the suspension of the foregoing tax in all operations involving the internalization of raw materials originating from abroad.

The subsidiary also adhered to different regimes/programs provided for in federal and state legislation, especially the following initiatives:

- RECOF – Customs System for Industrial Warehouse under Computerized Control - Regime Aduaneiro de Entreposto Industrial sob Controle Informatizado.
- RESE – Special Simplified Export Regime (State of São Paulo).
- E-Credac – (CAT Ordinance 26/2010): the Subsidiary submitted the documents and obtained favorable court orders legitimizing the credit in the amount of R$ 48,927 at December 31, 2022.

Actions toward realizing this asset are under way, both in terms of establishing an agreement to minimize the accumulation of credits and to maximize the generation of debts. However, given the uncertainties regarding actual consumption and the significant credit balance at December 31, 2022, the Company recognized an impairment allowance in the amount of R$ 61,933. The foregoing estimate was applied in measuring the base opening balance for the business combination (Note 39).

b. Recoverable PIS, COFINS and IPI

These are credits stemming from the acquisition of inputs used in the production process and are offset against taxes levied on the sale of goods, and to offset other federal taxes for the original portion proportional to export revenues. For credits originating in proportion to revenues from the domestic market, such credits are used by offsetting against a memorandum account.

The business combination for the acquisition of MWM Tupy do Brasil Ltda brought PIS and COFINS assets from the exclusion of ICMS from the calculation basis in the amount of R$ 218,760. Of this amount, R$ 168,760 will be reimbursed to the seller as it is used by the acquiree.

c. Value added tax – VAT

These are credits arising from the acquisition of inputs used in the production process of subsidiaries in Mexico and from exports, from companies acquired on October 1, 2021, with customs clearance taking place in Italy. The aforementioned credits are reimbursed regularly by the respective tax authorities.

9. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION, NET

The breakdown of deferred tax credits and debits stemming from income tax and social contribution, according to the balance sheet accounts, is presented below:

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Deferred assets				
Income tax and social contribution losses	164,599	178,723	427,893	436,988
Provisions for contingencies	49,404	56,222	111,721	113,485
Taxes and contribution recoverable	38,602	38,931	38,602	38,931
Property, plant and equipment - impairment	10,577	24,963	10,615	24,999
Salaries, social security charges and profit sharing	10,761	3,441	69,474	74,256
Provision for impairment of trade receivables	16,041	13,895	35,543	19,496
Provision for inventory losses	8,174	8,523	13,310	18,277
Share-based payments	3,774	3,357	3,774	3,357
Tooling	-	-	25,243	22,813
Other items	1,396	2,232	41,861	35,584
Property, plant and equipment - tax base (México)	-	-	60,960	39,065
Unrealized profits in subsidiaries	-	-	7,582	9,435
Subtotal	**303,328**	**330,287**	**846,578**	**836,686**
Deferred liabilities				
Depreciation rate differences	33,985	39,345	40,115	42,264
Business combination effect	14,835	14,835	14,835	14,835
Property, plant and equipment - carrying value adjustments	8,132	8,544	8,960	9,498
Financial derivative instruments	2,129	1,724	2,129	1,724
Deferred tax on asset valuation	-	-	36,855	36,855
Deferred tax on ICMS based on PIS/COFINS	-	-	67,600	74,378
Subtotal	**59,081**	**64,448**	**170,494**	**179,554**
Total deferred liabilities, net	**244,247**	**265,839**	**676,084**	**657,132**

Tax legislation in Mexico allows the Company to carry out depreciation based on tax property, plant and equipment, so the Company records the temporary difference in depreciation between the tax base and the accounting base. As of March 31, 2023, the amount of deferred taxes on temporary differences is R$ 660,960 (R$ 39,065 as of December 31, 2022). The change during the year is due to the exchange-rate impact between the tax calculation currency in Mexico (Mexican Pesos) and the Functional Currency (USD) of the subsidiaries in Mexico.

The business combination through the acquisition of MWM Tupy do Brasil Ltda. brought a deferred income tax asset on tax losses, in the amount of R$ 139,160, and R$ 87,217 of temporary differences. Of the portion corresponding to the tax loss credit, R$ 119,160 will be reimbursed to the seller as it is used by the acquiree. It also brought deferred liabilities in the amount of R$ 74,378 referring to the taxation of PIS and COFINS credits on ICMS, which will only take place at the time of its use. Said amount will be deducted from the PIS and COFINS amount to be refunded to the seller.

The Company carried out an assessment of the realization of outstanding amounts, which indicates the full recovery of these deferred taxes.

During the quarter ended March 31, 2023 and March 31, 2022 the changes in deferred tax assets and liabilities were as follow:

	Parent company		Consolidated	
	Mar/23	Mar/21	Mar/23	Mar/21
Opening balance	265,839	307,452	657,132	533,900
Recognized in profit (loss)				
Recognized in profit (loss) for the year	(5,294)	59,798	46,608	105,572
Recognized in comprehensive income for the year	(16,298)	(94,471)	(16,298)	(94,471)
Effects of currency translation into presentation currency	-	-	(11,358)	(36,743)
Closing balance	**244,247**	**272,779**	**676,084**	**508,258**

All amounts in thousand of Reais unless otherwise stated.

10. RELATED PARTY TRANSACTIONS

The Parent Company's main transactions with related parties can be summarized as follows:

a. Subsidiaries

Assets	Mar/23	Dec/22
Trade account receivables	**744,438**	**783,444**
Tupy Mexico Saltillo, S.A. de C.V	368,048	334,997
Tupy American Foundry Corporation	137,823	237,497
Tupy Europe GmbH	143,099	100,314
Tupy Materials & Components B.V.	28,509	46,332
MWM Tupy do Brasil	29,267	30,404
Technocast, S.A. de C.V.	24,045	26,212
Tupy Minas Gerais Ltda.	9,623	4,598
Funfrap - Fundição Portuguesa S.A.	4,024	3,090
	744,438	**783,444**

Liabilities	Mar/23	Dec/22
Loans and financing	**1,798,104**	**1,878,936**
Tupy Overseas S.A	1,798,104	1,878,936
Other liabilities	**15,410**	**8,598**
Tupy Minas Gerais Ltda.	8,017	-
Tupy Europe GmbH	3,839	5,657
Tupy American Foundry Co.	2,753	2,061
Tupy México Saltillo S.A. de CV	801	880
Related parties – loans	**5,715**	**6,219**
Tupy Agroenergética Ltda.	4,549	5,049
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "em liquidação"	1,166	1,170
	1,819,229	**1,893,753**

Statement of income	1Q23	1Q22
Revenues	**638,238**	**421,462**
Tupy American Foundry Corporation	256,246	230,108
Tupy Mexico Saltillo, S.A. de C.V	133,520	133,750
Tupy Europe GmbH	107,964	57,556
Tupy Material & Components B.V.	45,948	-
MWM Tupy do Brasil Ltda.	91,694	-
Tupy Minas Gerais Ltda.	2,866	-
Technocast, S.A. de C.V.	-	48
Other operating expenses, net	**9,590**	**-**
FUNFRAP – Fundição Portuguesa, S.A	3,661	-
Tupy Mexico Saltillo, S.A. de C.V	2,714	-
Tupy Material & Components B.V.	1,883	-
Tupy Europe GmbH	1,093	-
Technocast, S.A. de C.V.	239	-
Finance costs	**(30,367)**	**(26,145)**
Tupy Overseas S.A.	(30,367)	(30,194)
Tupy Minas Gerais Ltda.	-	4,049
	617,461	**395,317**

The subsidiaries' operating activities are disclosed in note 2.2. in Financial Statements of December 31, 2022.

All amounts in thousand of Reais unless otherwise stated.

The rights receivable (Note 4) and the parent company's sales revenues with its subsidiaries are basically represented by sales of goods in the structural components, manufacturing, energy & decarbonization segment. The amounts comply with the sales price lists practiced by the Company and the terms are from 60 to 90 days, as established among the parties. As of March 31, 2023, the related parties did not have overdue notes due to default and, therefore, the Parent Company does not have a provision for loss of these receivables.

The intercompany loan agreement between the Parent Company and Tupy Minas Gerais Ltda., existing on December 31, 2021, was capitalized on March 31, 2022 (Note 12 c)

Securities payable and other refer to current accounts between the Subsidiaries and the Parent Company, basically for technical assistance in the structural components, manufacturing, energy & decarbonization segments, with a term from 30 to 60 days, as established between the parts.

The conditions of the loan granted by Tupy Overseas S.A. to the Parent Company are disclosed in note 15.

Other transactions correspond to intercompany loan agreements payable between subsidiaries in Brazil and the Company, with an undefined term, remunerated at the change of the TR – Reference Rate.

b. Main shareholders

The Company's main shareholders 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	
	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22
Fixed remuneration	1,329	1,098	2,001	1,795	3,330	2,893
Variable remuneration	-	-	1,153	1,192	1,153	1,192
Stock option plan (Note 19)	64	110	1,008	831	1,072	941
	1,393	**1,208**	**4,162**	**3,818**	**5,555**	**5,026**

The annual global remuneration, net of payroll charges, approved at the Ordinary General Meeting handle in April 28, 2023 for the Board of Directors and Executive Board for the year ended December 31, 2023 is R$ 50,564 (R$ 43,219 for the year ended December 31, 2022). The annual global remuneration includes the amount of R$ 11,084 (R$ 11,718 for 2022) as allowance for discontinuance of position.

Statutory management remuneration takes place only at the Parent Company; therefore, there is no remuneration at subsidiaries.

The amounts related to the variable remuneration of the Executive Board are recorded as provision, in accordance with the targets established for the year.

For share-based remuneration, information on the Stock Option or Stock Subscription Plans issued by Tupy S.A. ("Plan"), approved in April 2019 and November 2022, are disclosed in Note 26 in the Financial Statements of December 31, 2022.

As corporate benefits, the Company's Officers are entitled to a car, refund of expenses, health insurance, life insurance, defined contribution pension plan and indemnity for contract termination. As of March 31, 2023, these benefits totaled R$ 557 (R$ 363 in the same period of the previous year).

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

d. Other related parties

The Parent Company takes part, as a sponsor, in Associação Atlética Tupy, a not-for-profit foundation that develops leisure and sports activities for the Company's employees. In the quarter ended March

All amounts in thousand of Reais unless otherwise stated.

31, 2023, the Company recognized as sponsorship expenses the amount of R$ 251 (R$ 327 as of March 31, 2022).

11. INVESTMENTS

a. Breakdown of investments in subsidiaries

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT MARCH 31, 2023							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	2,317,053	1,969,510	41,226	79,469	100,00	74,765	2,015,635
Tupy Overseas	1,951,871	45,080	-	6,466	100,00	6,466	45,080
Tupy American Foundry Co.	463,006	207,501	-	4,101	100,00	4,263	201,211
Tupy Europe GmbH	590,793	248,043	-	2,922	100,00	3,037	243,118
Tupy Minas Gerais Ltda.	997,531	232,615	45,199	(15,136)	100,00	(17,414)	272,143
MWM Tupy do Brasil Ltda.	1,926,707	1,167,440	206,670	24,548	100,00	24,548	1,374,110
Tupy Agroenergética Ltda.	14,613	14,049	-	(360)	100,00	(360)	14,049
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,503	(889)	-	(13)	100,00	(13)	(889)
						95,292	**4,164,457**

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

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT MARCH 31, 2022							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	1,927,005	1,696,463	41,226	61,816	100,00	61,617	1,741,589
Tupy Overseas	1,784,144	6,884	-	6,035	100,00	6,035	6,884
Tupy American Foundry Co.	361,275	180,996	-	7,518	100,00	10,753	177,008
Tupy Europe GmbH	390,986	213,440	-	3,895	100,00	6,098	211,622
Tupy Minas Gerais Ltda.	854,269	66,145	50,370	(21,351)	100,00	(21,710)	117,455
Tupy Agroenergética Ltda.	14,934	13,008	-	429	100,00	429	13,008
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,514	(218)	-	(47)	100,00	(47)	(218)
						63,175	**2,267,348**

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

b. Changes in investments

Parent company	
AT DECEMBER 31, 2021	**2,402,961**
Share in the results of subsidiaries	63,175
Exchange variations of investees located abroad	(346,532)
Business combination	147,744
AT MARCH 31, 2022	**2,267,348**
AT DECEMBER 31, 2022	**4,136,047**
Share in the results of subsidiaries	95,292
Exchange variations of investees located abroad	(60,642)
Business combination	(6,240)
AT MARCH 31, 2023	**4,164,457**

All amounts in thousand of Reais unless otherwise stated.

12. PROPERTY, PLANT AND EQUIPMENT

a. Changes in 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, 2021	**1,774,619**	**369,312**	**8,948**	**24,281**	**6,682**	**22,001**	**87,235**	**2,293,078**
Addition	123,579	14,787	-	8,774	1,143	5,562	47,157	201,002
Disposal	(75,380)	(3,255)	-	(2,113)	(2,143)	-	-	(82,891)
AT DECEMBER 31, 2022	**1,822,818**	**380,844**	**8,948**	**30,942**	**5,682**	**27,563**	**134,392**	**2,411,189**
Addition	26,079	3,787	-	414	426	18,818	712	50,236
Disposal	(5,052)	(586)	-	(536)	(2)	-	-	(6,176)
AT MARCH 31, 2023	**1,843,845**	**384,045**	**8,948**	**30,820**	**6,106**	**46,381**	**135,104**	**2,455,249**
Depreciation								
AT DECEMBER 31, 2021	**(1,427,513)**	**(193,072)**	**-**	**(16,719)**	**(4,597)**	**(17,353)**	**-**	**(1,659,254)**
Depreciation in the year	(107,233)	(13,696)	-	(1,714)	(455)	(5,978)	-	(129,076)
Disposal	80,521	1,661	-	1,881	1,905	-	-	85,968
AT DECEMBER 31, 2022	**(1,454,225)**	**(205,107)**	**-**	**(16,552)**	**(3,147)**	**(23,331)**	**-**	**(1,702,362)**
Depreciation in the year	(27,681)	(3,154)	-	(569)	(111)	(2,109)	-	(33,624)
Disposal	5,172	159	-	268	2	-	-	5,601
AT MARCH 31, 2023	**(1,476,734)**	**(208,102)**	**-**	**(16,853)**	**(3,256)**	**(25,440)**	**-**	**(1,730,385)**
Carrying amount								
AT DECEMBER 31, 2022	368,593	175,737	8,948	14,390	2,535	4,232	134,392	708,827
AT MARCH 31, 2023	367,111	175,943	8,948	13,967	2,850	20,941	135,104	724,864

Consolidated	Machinery, facilities and equipment	Buildings	Land	Vehicles	Furniture, fittings and other	Right of use	Construction in progress	Total
Cost								
AT DECEMBER 31, 2021	**5,609,673**	**1,488,022**	**143,676**	**32,050**	**94,153**	**92,023**	**243,110**	**7,702,707**
Business combination adition	453,307	81,041	207,230	473	30,286	11,731	356	784,424
Addition	252,937	3,448	-	9,913	9,168	10,512	173,795	459,773
Exchange variation	(231,105)	(65,842)	(5,384)	(323)	(5,027)	(4,642)	(11,428)	(323,751)
Disposal	(91,365)	(3,565)	-	(2,281)	(2,413)	-	-	(99,624)
AT DECEMBER 31, 2022	**5,993,447**	**1,503,104**	**345,522**	**39,832**	**126,167**	**109,624**	**405,833**	**8,523,529**
Addition	63,971	7,675	-	481	1,311	25,087	15,044	113,569
Exchange variation	(77,838)	(16,892)	(2,039)	(116)	(880)	(1,623)	(6,851)	(106,239)
Disposal	(5,595)	(586)	-	(573)	(134)	(698.00)	-	(7,586)
AT MARCH 31, 2023	**5,973,985**	**1,493,301**	**343,483**	**39,624**	**126,464**	**132,390**	**414,026**	**8,523,273**
Depreciation								
AT DECEMBER 31, 2021	**(4,498,430)**	**(921,386)**	**-**	**(22,054)**	**(77,671)**	**(50,637)**	**-**	**(5,570,178)**
Business combination adition	(337,588)	(31,534)	-	(473)	(22,698)	(5,312)		(397,605)
Depreciation in the year	(252,710)	(39,249)	-	(2,229)	(4,323)	(18,295)	-	(316,806)
Exchange variation	192,942	42,715	-	244	4,654	2,035	-	242,590
Disposal	95,950	1,971	-	2,049	2,802	-	-	102,772
AT DECEMBER 31, 2022	**(4,799,836)**	**(947,483)**	**-**	**(22,463)**	**(97,236)**	**(72,209)**	**-**	**(5,939,227)**
Depreciation in the year	(68,572)	(9,751)	-	(764)	(1,641)	(6,938)	-	(87,666)
Exchange variation	63,155	11,460	-	66	867	1,140	-	76,688
Disposal	5,568	159	-	291	130	161	-	6,309
AT MARCH 31, 2023	**(4,799,685)**	**(945,615)**	**-**	**(22,870)**	**(97,880)**	**(77,846)**	**-**	**(5,943,896)**
Carrying amount								
AT DECEMBER 31, 2022	1,193,611	555,621	345,522	17,369	28,931	37,415	405,833	2,584,302
AT MARCH 31, 2023	1,174,300	547,686	343,483	16,754	28,584	54,544	414,026	2,579,377

The Company offered property, plant and equipment items as collateral for loans and financing of R$ 2,011 (R$ 5,821 as of December 31, 2022) and R$ 5,895 (R$ 5,895 as of December 31, 2022) as collateral for tax proceeding.

Construction in progress includes several investments in sustaining capacity, the environment, labor safety and expansion of machining capacity in the Mexico plants.

During the quarter, interest of loans and financing was capitalized on property, plant and equipment in the amount of R$1,196 (R$396 on March 31, 2021).

All amounts in thousand of Reais unless otherwise stated.

13. INTANGIBLE ASSETS

Parent company	Software	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2021	**33,979**	**3,896**	**10,731**	**48,606**
Acquisition/costs	6,713	1,182	3,336	11,231
Transfers	-	1,717	(1,717)	-
Amortization	(9,432)	(2,009)	-	(11,441)
AT DECEMBER 31, 2022	**31,260**	**4,786**	**12,350**	**48,396**
Acquisition/costs	429	447	1,348	2,224
Amortization	(2,496)	(599)	-	(3,095)
AT MARCH 31, 2023	**29,193**	**4,634**	**13,698**	**47,525**

Consolidated	Software	Contractual customer relationships	Goodwill	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2021	**49,842**	**19,697**	**41,226**	**3,896**	**10,731**	**125,392**
Business combination adition	3,353	-	-	-	-	34,707
Acquisition/costs	21,335	-	-	1,182	3,336	25,853
Transfers	-	-	-	1,717	(1,717)	-
Disposal	(1,852)	-	-	-		(1,852)
Exchange variation	671	(1,913)	-	-	-	(1,242)
Disposal	(11,952)	(17,784)	-	(2,009)	-	(31,745)
AT DECEMBER 31, 2022	**61,397**	**-**	**41,226**	**4,786**	**12,350**	**151,113**
Acquisition/costs	766	-	-	447	1,348	2,561
Exchange variation	(654)	-	-	-	-	(654)
Amortization	(3,464)	-	-	(599)	-	(4,063)
AT MARCH 31, 2023	**58,045**	**-**	**41,226**	**4,634**	**13,698**	**148,957**

14. SUPPLIERS

	Parent company		Consolidated	
	Mar/23	**Dec/22**	**Mar/23**	**Dec/22**
Domestic suppliers	442,825	473,064	763,408	851,219
Foreign suppliers	52,491	58,418	663,304	746,318
Subtotal	**495,316**	**531,482**	**1,426,712**	**1,597,537**
Forfaiting operation	70,047	75,252	81,566	84,909
	565,363	**606,734**	**1,508,278**	**1,682,446**

The changes in the period reflect the reduction of activity in the periodand the appreciation of the Real against the US dollar (US$) which was R$ 5.2177 on December 31, 2022 and R$ 5.5805 on March 31, 2023.

The Company has agreements signed with Banco do Brasil S.A., Banco Itaú Unibanco S.A. and Banco Santander S.A. to structure, with its main suppliers, a transaction called "drawee risk". In this transaction, suppliers transfer the right to receive from securities to the financial institutions, which become the operation's creditors. Further details about these transactions are included in Financial Statements of December 31, 2022 (note 2.6 g).

All amounts in thousand of Reais unless otherwise stated.

15. LOANS AND FINANCING

Parent company

	Maturity	Effective rate	Mar/23	Dec/22
Local currency			**60,520**	**43,916**
(a) FINEP	Jul/2032	10.20% p.a.	37,417	37,299
Sustainability	Jan/2025	5.59% p.a.	1,676	2,221
Leasing from right of use			21,427	4,396
Foreign currency			**1,798,104**	**1,878,936**
(b) Export prepayment - Tupy Overseas	Jul/2024	VC + 6.78% p.a.	1,798,104	1,878,936
Current portion			34,311	62,021
Non-current portion			1,824,313	1,860,831
			1,858,624	**1,922,852**

VC = Foreign exchange variation
CDI = Interbank deposit certificate

Consolidated

	Maturity	Effective rate	Mar/23	Dec/22
Local currency			**487,234**	**478,739**
(a) FINEP	Jul/2032	10.20% p.a.	37,417	37,299
Sustainability	Jan/2025	6.30% p.a.	1,831	2,475
(c) Export credit notes	Feb/2025	CDI+1.66% p.a.	412,239	428,331
Leasing from right of use			35,747	10,634
Foreign currency			**1,921,920**	**2,002,282**
(d) Senior unsecured Notes - US$375.000	Feb/2031		1,901,313	1,974,325
Leasing from right of use			20,607	27,957
Current portion			127,853	238,505
Non-current portion			2,281,301	2,242,516
			2,409,154	**2,481,021**

VC = Foreign exchange variation
CDI = Interbank deposit certificate

Long term maturities are as follow:

	Parent company		**Consolidated**	
Year	**Mar/23**	**Dec/22**	**Mar/23**	**Dec/22**
2023	-	164	-	1,306
2024	1,785,819	1,823,426	269,704	181,419
2025 - 2030	29,973	28,841	112,241	109,841
2031	5,238	5,238	1,896,073	1,946,789
2032	3,283	3,162	3,283	3,161
	1,824,313	**1,860,831**	**2,281,301**	**2,242,516**

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 March 31, 2023, the fair value of loans and financing was R$ 1,985,315 (R$ 2,024,102 at December 31, 2022).

As of March 31, 2023, the Company addresses all restrictive clauses specific to each operation.

a) Financiadora de Estudos e Projetos - FINEP

This refers to financing for innovation projects obtained from Financiadora de Estudos e Projetos - FINEP, contracted on July 14, 2022, a credit facility in the amount of R$ 103,000.

On September 6, 2022, the amount of R$ 37,080 was released, with an average term of 10 years and interest of 10.20% p.a. Resources with costs in TJLP – Long-term interest rate.

The guarantees consist of a bank guarantee.

All amounts in thousand of Reais unless otherwise stated.

b) Prepayment of exports – Tupy Overseas S.A.

In January 2023, interest installment was paid in the amount of R$ 62,163 (R$ 66,815 in January 2022). The impact of the exchange-rate change on the prepayment amount payable with Tupy Overseas, for the period was revenue of R$ 47,918 (gain of R$ 294,102 in the same period in the previously year).

c) Export credit notes – NCE

On February 11, 2022, the subsidiary Tupy Minas Gerais Ltda. took out a loan from Banco do Brasil S.A., in the amount of R$ 405,000, restated at the CDI change + 1.62% p.a. and with semi-annual amortizations as from February 10, 2025. Said contract does not have covenants.

d) *Senior Unsecured Notes – USD 375,000*

In February 2021, the Company concluded the issue of debt securities (“issue”) in the international market, through its subsidiary Tupy Overseas S.A., guaranteed by the Parent Company, in the amount of US$ 375,000 equivalent to R$ 2,018,063, with only one amortization in February 2031. Interest at a coupon of 4.50% per annum will be paid semi-annually in February and August. The proceeds from the Issue were used to pay the debt, Senior Unsecured Notes US$ 350,000 issued by the subsidiary Tupy Overseas in 2014. The Senior Unsecured Notes are fully and jointly guaranteed by the Company.

In February 2023, interest payments amounted to R$ 43,459. The exchange-rate change recognized in the year was revenue of R$ 51,487. In February 2022, interest was paid in the amount of R$ 43,964. The exchange-rate change in the period was an revenue of R$ 316,114.

The Issue has covenants with annual measurement, and its main financial indicator is Net Debt/Adjusted EBITDA; as of March 31, 2023, the Company meets all criteria established. Failure to comply could result in the impediment of: (i) make fundings of loans and financing; (ii) distributing dividends higher than the legal minimum; (iii) making investments unrelated to the maintenance of productive activities; and (iv) buying back shares issued by the Company.

Additionally, non-financial covenants are applicable to the Issue, and the main non-financial measure that could result in the early maturity of the Issue is a change in the Company's control that reduces its external risk classification (rating).

16. DEBENTURES

On September 6, 2022, the Company concluded the 4th issue of debentures in the amount of R$ 1,000,000. The balance will be amortized in two (02) consecutive annual installments maturing on September 6, 2026 and 2027, with half-yearly interest of CDI + 1.5% p.a.

Issue costs totaled R$ 6,515 and is monthly amortized over the term of the transaction.

	Parent company		Consolidated	
Debentures	**Mar/23**	**Dec/22**	**Mar/23**	**Dec/22**
Current	10,828	45,798	10,828	45,798
Non-current	993,307	993,060	993,307	993,060
	1,004,135	**1,038,858**	**1,004,135**	**1,038,858**

Total net proceeds raised through the Restricted Offering were designated for (i) financing the acquisition of one hundred percent (100%) of the quotas issued by MWM Tupy do Brasil Ltda. and (ii) cash reinforcement to meet the Issuer's commitments.

In March 2023, interest payments amounted to R$ 72,208, considering the nature this amount is classified as financing activities in the Company statement of cash flow.

All amounts in thousand of Reais unless otherwise stated.

The debentures are simple, that is, they will not be convertible into shares issued by the Company.

Debentures are unsecured and do not have real or fiduciary guarantee, nor any segregation of the Issuer's assets in particular, not offering any privilege over the Issuer's assets to guarantee Debentureholders in case court or out-of-court foreclosure of the Issuer's obligations arising from Debentures and the Issue Deed is needed, and will not grant any special or general privilege to Debenture Holders, that is, without any preference, Debenture Holders competing on equal terms with other unsecured creditors in the event of the Issuer's bankruptcy.

17. 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 three-month period ended March 31, 2023 and the related judicial deposits were as follows:

Parent company

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2021	**41,288**	**73,153**	**70,870**	**8,341**	**(9,693)**	**183,959**
Additions	194	9,061	504	139	380	10,278
Restatements	3,629	(6,336)	25,837	229	-	23,359
Remuneration	-	-	-	-	(445)	(445)
Payments	(7,636)	(202)	(36,537)	-	-	(44,375)
Deposit Redemption	-	-	-	-	3,070	3,070
AT DECEMBER 31, 2022	**37,475**	**75,676**	**60,674**	**8,709**	**(6,688)**	**175,846**
Restatements	93	(7,913)	4,449	100	-	(3,271)
Remuneration	-	-	-	-	(58)	(58)
Payments	(9)	(8,803)	(7,580)	-	-	(16,392)
Deposit Redemption	-	-	-	-	127	127
AT MARCH 31, 2023	**37,559**	**58,960**	**57,543**	**8,809**	**(6,619)**	**156,252**
Current						20,737
Non-current						204,115
						224,852

Consolidated

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2021	**45,000**	**75,322**	**111,590**	**8,341**	**(23,045)**	**217,208**
Business combination adition	46,700	128,640	29,081	-	(16,093)	188,328
Additions	223	9,061	11,566	139	121	21,110
Restatements	3,710	(6,334)	23,771	689	-	21,836
Remuneration	-	-	-	-	485	485
Payments	(7,961)	(202)	(40,023)	-	-	(48,186)
Deposit Redemption	-	-	-	-	3,361	3,361
AT DECEMBER 31, 2022	**87,672**	**206,487**	**135,985**	**9,169**	**(35,171)**	**404,142**
Additions	267	-	4,971	-	(50)	5,188
Restatements	93	(8,843)	(122)	113	-	(8,759)
Remuneration	-	-	-	-	321	321
Payments	7	(8,803)	(10,703)	-	(159)	(19,658)
Deposit Redemption	-	-	-	-	127	127
AT MARCH 31, 2023	**88,039**	**188,841**	**130,131**	**9,282**	**(34,932)**	**381,361**
Current						20,737
Non-current						360,624
						381,361

All amounts in thousand of Reais unless otherwise stated.

The aforementioned provisions are adjusted mainly based on the Special System for Settlement and Custody (SELIC) rate and the General Market Price Index (IGPM) e, the impact of which on profit or loss for the period is described in Note 25.

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.

Contingencies involving possible losses

	Parent company		Consolidated	
	Mar/23	**Dec/22**	**Mar/23**	**Dec/22**
IRPJ and CSLL processes	169,427	181,199	169,800	181,571
PIS, COFINS and IPI credits	156,659	175,063	156,659	175,063
ICMS credits	499,873	493,113	499,873	493,113
Expired tax debts	144,304	144,261	144,304	144,261
Reintegra credits	38,888	40,334	38,888	40,334
Social security	121,787	86,965	121,787	86,965
Labor lawsuits	91,916	87,887	219,366	223,455
Civil and other	71,963	71,223	83,738	71,524
	1,294,817	**1,280,045**	**1,434,415**	**1,416,286**

The proceedings involving a risk of loss deemed “possible” are, substantially, the same as those disclosed in Note 24 to the annual financial statements for the year ended December 31, 2022.

18. OBLIGATIONS WITH RETIREMENT AND HEALTH CARE BENEFITS

Mexico operations have defined benefit obligations. The purpose of these plans is to offer employees retirement benefits that are additional and supplementary to those provided by other public or private retirement or pension plans. In addition, Mexican legislation also provides for other defined benefits related to premium for seniority and legal indemnity.

Recently acquired MWM Tupy do Brasil Ltda. grants a prepaid medical plan to its employees of the prepayment type, with premiums based on age group. Current employees (future retirees) make a fixed contribution to the medical plan and are therefore eligible to remain in the plans after retirement.

19. BUSINESS COMBINATIONS OBLIGATIONS

Acquisition of MWM Tupy do Brasil Ltda. (formerly International Indústria Automotiva da América do Sul) (“MWM”) generated several accounts payable to the former parent company, Navistar International Corporation, as follows:

Parent company and Consolidated			Consolidated	
	Mar/23	**Dec/22**	**Mar/23**	**Dec/22**
Cash and cash equivalents	243,132	243,132	243,132	243,132
Recoverable taxes	94,381	94,381	94,381	94,381
Deferred income tax	119,160	119,160	119,160	119,160
Working capital adjustment	43,400	43,400	43,400	43,400
Reimbursement of CSLL debt	(84,466)	(84,466)	(84,466)	(84,466)
Others	(3,100)	(3,100)	(3,100)	(3,100)
	412,507	**412,507**	**412,507**	**412,507**
Current portion	304,739	304,739	304,739	304,739
Non-current portion	107,768	107,768	107,768	107,768
	412,507	**412,507**	**412,507**	**412,507**

All amounts in thousand of Reais unless otherwise stated.

- Cash and cash equivalents: amounts assumed on transaction date with a commitment to return to the previous parent company within 135 days. Accord agreement between the parties the time was extended up to May 2023, with no adjustment.
- Recoverable taxes: are PIS and COFINS (taxes on revenue) credits resulting from the exclusion of ICMS in the calculation basis and as they are realized by MWM, they will be paid by Tupy S.A. to the previous parent company,
- Deferred income tax: are income tax credits on tax losses which, as they are realized by MWM, will be paid by Tupy S.A. to the previous parent company.
- Working capital adjustment: corresponds to the change between working capital on closing date, July 31, 2021, and the closing date. Said value represents the best estimate and will be subject to evaluation and validation between the parties within a period of 135 days Accord agreement between the parties the time was extended up to May 2023, with no adjustment.
- Reimbursement of CSLL debt: corresponds to the potential contingency of Social Contribution on Net Income, due to non-taxation of MWM's export revenues in the period from January 1, 2018 to November 30, 2022. Considering the premises of MWM's purchase and sale agreement, if the contingency becomes an effective debt of MWM, it will be charged to the seller Navistar International Corporation

20. SECURITIES PAYABLE AND OTHER

	Parent company		Consolidated	
Securities payable and other	**Mar/23**	**Dec/22**	**Mar/23**	**Dec/22**
Domestic market	13,535	13,530	87,521	99,404
Foreign market	11,360	14,495	66,941	82,044
	24,895	**28,025**	**154,462**	**181,448**

Securities payable and other are comprised of provisions for operating costs and expenses and the variation in the quarter is due valuation of the Real against to the North American Dollar, which went from R$ 5.2177 on December 31, 2022 to R$ 5.0804 on March 31, 2023.

21. CAPITAL, EQUITY VALUATION ADJUSTMENT, RESERVES AND ALLOCATION OF NET INCOME

a) Capital

	Mar/23		Dec/22	
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	236,028	0.2%	236,028	0.2%
Treasury stock	161,684	0.1%	20,533	0.0%
Non-controlling interests				
Trígono Capital Ltda	14,477,100	10.0%	14,477,100	10.0%
Other stockholders	52,843,164	36.8%	52,984,315	36.8%
Total outstanding shares	**144,177,500**	**100.0%**	**144,177,500**	**100.0%**

All amounts in thousand of Reais unless otherwise stated.

b) Repurchase of shares

On May 12, 2022 the Company's Board of Directors approved the opening of the share buyback program to meet the long-term incentive program. Deadline for acquisition is November 13, 2023 and the limit of shares for repurchase is 4,000,000 common shares issued by the Company itself.

As of March 31, 2023, the market value of treasury shares was R$ 3,915,986.48.

22. REVENUES

We present below the reconciliation of gross revenue for tax purposes and the revenues presented in the income (loss) for the year:

	Parent company		Consolidated	
	1Q23	1Q22	1Q23	1Q22
Gross revenue	1,241,948	1,188,027	3,093,297	2,535,396
Returns and rebates	(17,071)	(119)	(55,647)	(33,200)
Revenue net of returns and rebates	**1,224,877**	**1,187,908**	**3,037,650**	**2,502,196**
Sales taxes	(80,362)	(94,475)	(233,244)	(137,899)
Net revenue	**1,144,515**	**1,093,433**	**2,804,406**	**2,364,297**
Net revenue				
Domestic market	360,522	385,505	890,735	600,987
Foreign market	783,993	707,928	1,913,671	1,763,310
	1,144,515	**1,093,433**	**2,804,406**	**2,364,297**

23. COSTS AND EXPENSES BY NATURE

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

	Parent company		Consolidated	
	1Q23	1Q22	1Q23	1Q22
Raw and processing materials	(547,914)	(572,056)	(1,436,331)	(1,173,868)
Maintenance and consumption materials	(70,064)	(50,638)	(201,298)	(148,744)
Salaries, payroll taxes and profit sharing	(188,474)	(197,389)	(486,305)	(424,745)
Social benefits	(24,621)	(23,542)	(36,475)	(32,217)
Electricity	(41,760)	(47,824)	(110,723)	(127,710)
Freight and commission on sales	(73,355)	(48,433)	(148,409)	(95,328)
Management fees	(5,555)	(5,026)	(5,555)	(5,026)
Other costs	(7,684)	(15,161)	(63,957)	(42,934)
	(959,427)	***(960,069)***	***(2,489,053)***	***(2,050,572)***
Depreciation	(36,640)	(35,087)	(89,574)	(84,038)
Costs and expenses total	**(996,067)**	**(995,156)**	**(2,578,627)**	**(2,134,610)**
Cost of products sold	(865,209)	(892,673)	(2,299,706)	(1,954,658)
Selling expenses	(83,237)	(58,023)	(183,813)	(111,268)
Administrative expenses	(47,621)	(44,460)	(95,108)	(68,684)
Costs and expenses total	**(996,067)**	**(995,156)**	**(2,578,627)**	**(2,134,610)**

All amounts in thousand of Reais unless otherwise stated.

24. FINANCIAL INCOME (LOSS)

	Parent company		Consolidated	
Finance results	**1Q23**	**1Q22**	**1Q23**	**1Q22**
Financial liabilities at amortized cost	***(66,570)***	***(29,313)***	***(73,594)***	***(34,919)***
Borrowing	(66,560)	(29,229)	(73,584)	(34,835)
Notes payable and other financial liabilities	(10)	(84)	(10)	(84)
Other finance costs	***(2,521)***	***(2,349)***	***(9,738)***	***(9,731)***
Finance costs	**(69,091)**	**(31,662)**	**(83,332)**	**(44,650)**
Financial assets at fair value through profit or loss	***(441)***	***285***	***(441)***	***285***
Investments in equity instruments	(441)	285	(441)	285
Amortized cost	***17,506***	***12,233***	***26,349***	***12,233***
Cash and cash equivalents	17,506	12,233	26,349	12,233
Tax credits and other finance income	***346***	***5,742***	***3,179***	***4,123***
Finance income	**17,411**	**18,260**	**29,087**	**16,641**
Monetary and foreign exchange variations, net				
Foreign exchange variations	(22,961)	(79,685)	(29,461)	(102,369)
Derivative financial instruments	3,373	29,261	17,450	31,899
Foreign exchange variations, net	**(19,588)**	**(50,424)**	**(12,011)**	**(70,470)**
Finance results, net	**(71,268)**	**(63,826)**	**(66,256)**	**(98,479)**

25. OTHER OPERATING REVENUES (EXPENSES), NET

	Parent company		Consolidated	
	1Q23	**1Q22**	**1Q23**	**1Q22**
Constitution and restatement of provision	3,271	(8,296)	3,521	(12,308)
Disposals of property, plant and equipment	(449)	(15)	(1,151)	(15)
Result on the sale of unusable and other assets	(6,228)	(7,544)	(8,732)	(6,877)
	(3,406)	***(15,855)***	***(6,362)***	***(19,200)***
Depreciation of non-operating assets	(79)	(142)	(2,155)	(143)
Amortization of intangible assets	-	-	-	(13,444)
Total other operating expenses, net	**(3,485)**	**(15,997)**	**(8,517)**	**(32,787)**

26. INCOME TAX AND SOCIAL CONTRIBUTION ON INCOME

	Parent company		Consolidated	
	1Q23	**1Q22**	**1Q23**	**1Q22**
Net income (loss) before tax effects	**168,987**	**81,629**	**151,006**	**98,421**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(57,456)	(27,754)	(51,342)	(33,463)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexicc	-	-	(73)	266
Reintegra – benefit	(17,657)	226	(17,657)	226
Effect of correction of fixed assets	-	-	(4,765)	(4,129)
Depreciation of non-operating assets	(27)	(48)	(27)	(48)
Interests on capital	14,064	-	14,064	-
Share of results of subsidiaries	32,399	21,480	-	-
Other permanent (additions) exclusions	1,929	215	5,483	2,230
exchange effects	**(26,748)**	**(5,881)**	**(54,317)**	**(34,918)**
Effective rate of income tax before exchange effects	**16%**	**7%**	**36%**	**35%**
Effect of functional currency on tax base (a)	-	-	48,587	10,496
Tax effects recorded in the statement of income	**(26,748)**	**(5,881)**	**(5,730)**	**(24,422)**
Effective rate of income tax	**16%**	**7%**	**4%**	**25%**

a) Functional currency effect on tax basis

The tax bases of the assets and liabilities of companies located in Mexico, where the functional currency is the U.S. dollar, are maintained in Mexican Pesos at their historical values. Fluctuations in exchange

All amounts in thousand of Reais unless otherwise stated.

rates modify the tax bases, and consequently, exchange effects are recognized as deferred income tax revenues and/or expenses.

b) Breakdown of tax effect recorded in the income (loss) for the period

	Parent company		Consolidated	
	1Q23	1Q22	1Q23	1Q22
Tax effects recorded in the statement of income				
Current income tax and social contribution	(21,454)	(65,679)	(52,338)	(129,994)
Deferred income tax and social contribution	(5,294)	59,798	46,608	105,572
	(26,748)	**(5,881)**	**(5,730)**	**(24,422)**

27. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing income attributable to Company's shareholders by the weighted average number of outstanding common shares during the period.

	1Q23	1Q22
Profit attributable to the stockholders of the Company	142,239	75,748
Outstanding shares	144,031,667	144,177,200
Basic results per share - R$	**0.98755**	**0.52538**

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, presuming the conversion of all the potential common shares with dilutive effects. The Company offers a plan with options to purchase potential common shares with dilutive effects. The calculation made to determine the number of shares that could have been issued at fair value was based on the monetary value of the subscription rights linked to the outstanding stock options.

	1Q23	1Q22
Profit attributable to the stockholders of the Company	142,239	75,748
Outstanding shares	145,412,902	145,223,073
Diluted results per share - R$	**0.97817**	**0.52160**

28. SEGMENT INFORMATION

The Company discloses information by operating business segment, in accordance with that reported to management bodies for decisions on resource allocations and performance evaluations, as described below.

Structural components, manufacturing, energy & decarbonization – Custom manufacturing of cast and machined products, with high technological content and added services, for global manufacturers of engines used in passenger cars, commercial vehicles, construction machinery, tractors, agricultural machinery, power generators, capital goods in general and engine assembly for third parties.

Distribution (formerly: Hydraulics) – Distribution of self-made and third-party spare parts, malleable iron connections for the construction industry and cast iron profiles for diversified use.

As a result of the business combination that took place on December 1, 2022 (note 39 of financial statements of December 31, 2022), the Company decided to adjust the denomination of its operating business segments in order to accommodate the new operations acquired in the transaction.

Information on the reported segments is shown below:

All amounts in thousand of Reais unless otherwise stated.

a) Reconciliation of revenues, costs, expenses and net income

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22
Net revenue (Note 22)	2,604,646	2,277,730	199,760	86,567	2,804,406	2,364,297
Costs and expenses, except depreciation (Note 23)	(2,324,003)	(1,975,555)	(165,050)	(75,017)	(2,489,053)	(2,050,572)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 25)	(5,947)	(19,200)	(415)	-	(6,362)	(19,200)
Depreciation and amortization	(88,674)	(95,590)	(3,055)	(2,035)	(91,729)	(97,625)
Profit before finance results	**186,022**	**187,385**	**31,240**	**9,515**	**217,262**	**196,900**
Finance results (Note 24)					(66,256)	(98,479)
Profit before taxation					**151,006**	**98,421**
Income tax and social contribution (Note 26)					(5,730)	(24,422)
Profit for the quarter					**145,276**	**73,999**

b) Reconciliation of costs and expenses by segment

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22
Raw and processing materials	(1,329,661)	(1,132,892)	(106,670)	(40,976)	(1,436,331)	(1,173,868)
Maintenance and consumption materials	(190,606)	(144,971)	(10,692)	(3,773)	(201,298)	(148,744)
Salaries and payroll taxes	(439,135)	(383,439)	(24,727)	(15,975)	(463,862)	(399,414)
Profit sharing	(21,585)	(24,062)	(858)	(1,269)	(22,443)	(25,331)
Social benefits	(34,306)	(31,758)	(2,169)	(459)	(36,475)	(32,217)
Electricity	(105,902)	(122,672)	(4,821)	(5,038)	(110,723)	(127,710)
Depreciation	(86,519)	(82,003)	(3,055)	(2,035)	(89,574)	(84,038)
Freight and commissions on sales	(140,972)	(89,331)	(7,437)	(5,997)	(148,409)	(95,328)
Management fees	(5,110)	(4,624)	(445)	(402)	(5,555)	(5,026)
Other costs	(56,726)	(41,806)	(7,231)	(1,128)	(63,957)	(42,934)
	(2,410,522)	**(2,057,558)**	**(168,105)**	**(77,052)**	**(2,578,627)**	**(2,134,610)**

c) Reconciliation of assets and liabilities

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
ASSETS	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22
Trade account receivables (Note 4)	1,955,535	1,908,975	132,374	122,405	2,087,909	2,031,380
Inventories (Note 5)	2,003,646	2,024,088	181,929	183,796	2,185,575	2,207,884
Tooling	201,191	166,374	-	-	201,191	166,374
Other assets	181,527	162,777	6,841	5,844	188,368	168,621
Property, plant and equipment (Note 12)	2,527,767	2,532,112	51,610	52,190	2,579,377	2,584,302
Intangible assets (Note 13)	148,957	151,113	-	-	148,957	151,113
Other assets not allocated	-	-	-	-	2,636,060	2,933,584
Total assets	**7,018,623**	**6,945,439**	**372,754**	**364,235**	**10,027,437**	**10,243,258**

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
LIABILITIES	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22
Trade accounts payables	1,426,828	1,592,384	81,450	90,062	1,508,278	1,682,446
Income taxes payable	160,457	185,115	9,597	8,433	170,054	193,548
Salaries, social security charges and profit sharin	374,148	408,504	14,825	17,924	388,973	426,428
Advances from customers	250,369	193,469	1,880	1,523	252,249	194,992
Other liabilities	151,627	174,199	2,835	7,249	154,462	181,448
Deferred tax on intangible assets (Note 9)	36,855	36,855	-	-	36,855	36,855
Other liabilities not allocated	-	-	-	-	4,409,457	4,493,181
Equity	-	-	-	-	3,107,109	3,034,360
Total liabilities and equity	**2,400,284**	**2,590,526**	**110,587**	**125,191**	**10,027,437**	**10,243,258**

All amounts in thousand of Reais unless otherwise stated.

Dedicated assets and liabilities are allocated directly to segments. For those in common use, criteria are used according to their applicability or origin. As they are not directly related to the transaction, the Company does not allocate to the reported segments the assets of cash and cash equivalents, recoverable and deferred taxes and contributions, judicial deposits and other and investments in other companies. On the liability side, for the same reason, financing and loans, dividends, provisions, deferred taxes and other long-term liabilities are not allocated.

d) Material clients responsible for more than 10% of the Company's total revenues

The Company has a diversified portfolio of domestic and foreign clients. In the structural components, manufacturing, energy & decarbonization segment, there are clients who individually represent more than 10% of consolidated revenues, as shown below:

Consolidated

Revenue	1Q23	%	1Q22	%
Structural components, manufacturing, ener	**2,604,646**	**92.9**	**2,277,730**	**96.3**
Customer A	326,518	11.6	384,697	16.3
Customer B	351,679	12.5	348,729	14.7
Other customers	1,926,449	68.7	1,544,304	65.3
Distribution	**199,760**	**7.1**	**86,567**	**3.7**
Total Revenue	**2,804,406**	**100.0**	**2,364,297**	**100.0**

The breakdown of sales in the distribution segment is diversified.

e) Information on the countries where the Company holds revenues

Revenues from clients, attributed to the home country and each foreign country, and their share in the Company's total revenues for the year are broken down as follows:

Consolidated

	1Q23	%	1Q22	%
North America	**1,281,187**	**45.7**	**1,232,690**	**52.2**
United States	770,005	27.5	690,855	29.2
Mexico	494,502	17.6	523,905	22.2
Canada	16,680	0.6	17,930	0.8
South and Central Americas	**930,084**	**33.2**	**614,490**	**26.0**
Brazil - head office	890,735	31.8	600,987	25.4
Other countries	39,349	1.4	13,503	0.6
Europe	**526,423**	**18.7**	**445,200**	**18.8**
United Kingdom	124,520	4.4	82,727	3.5
Sweden	57,904	2.1	62,465	2.6
Netherlands	22,176	0.8	47,937	2.0
Italy	175,795	6.3	161,262	6.8
Spain	31,443	1.1	41,960	1.8
Germany	85,185	3.0	20,381	0.9
Other countries	29,400	1.0	28,468	1.2
Asia, Africa and Oceania	**66,712**	**2.4**	**71,917**	**3.0**
Japan	30,267	1.1	31,599	1.3
India	7,657	0.3	6,591	0.3
South Africa	1,762	0.1	8,822	0.4
China	22,018	0.8	19,152	0.8
Other countries	5,008	0.1	5,753	0.2
Total	**2,804,406**	**100.0**	**2,364,297**	**100.0**

All amounts in thousand of Reais unless otherwise stated.

29. FINANCIAL INSTRUMENTS

		Parent company		Consolidated	
	Note	Mar/23	Dec/22	Mar/23	Dec/22
Financial assets at amortized cost		**1,698,408**	**1,806,693**	**3,483,671**	**3,739,995**
Cash and cash equivalents	3	526,074	704,746	1,177,621	1,509,829
Trade account receivables(*)	4	1,096,568	1,035,555	2,087,909	2,031,380
Notes and other financial assets		75,766	66,392	218,141	198,786
Effect on the Income Statement		*18,139*	*11,977*	*34,646*	*12,984*
Financial assets at fair value through profit or loss		**8,568**	**7,887**	**34,606**	**28,929**
Investments in equity instruments		2,305	2,746	13,817	15,496
Derivative financial instruments	30	6,263	5,141	20,789	13,433
Effect on the Income Statement		*5,751*	*29,024*	*19,411*	*29,186*
Financial liabilities at amortized cost		**3,593,037**	**3,697,744**	**5,216,545**	**5,485,584**
Trade accounts payables		565,363	606,734	1,508,278	1,682,446
Loans and financing	15	1,858,624	1,922,852	2,409,154	2,481,021
Debentures	16	1,004,135	1,038,858	1,004,135	1,038,858
Dividends and interest on capital		136,988	98,243	136,988	98,243
Notes payable and other financial liabilities		27,927	31,057	157,990	185,016
Effect on the Income Statement		*(66,570)*	*(29,313)*	*(73,594)*	*(34,919)*
Financial liabilities at fair value through profit or loss		**-**	**73**	**987**	**330**
Derivative financial instruments	25	-	73	987	330
Effect on the Income Statement		*(2,818)*	*522*	*(2,401)*	*2,998*

(*) Includes the provision for impaired receivables

30. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE OF NET FOREIGN INVESTMENT

a) Derivative financial instruments

In order to minimize the impacts of exchange-rate change on future cash flows, the Company contracted financial instruments, as follow:

- structured operations in the zero-cost collar (ZCC) modality, which consists of the purchase of a put option and the sale of a call option; the operations have the same notional value, same counterparty, same maturity and there is no net premium.
- Purchase of a put option.
- Non-Deliverable Forwards (NDF) which consist of operations of purchase of foreign currency without physical delivery, at an agreed price, on a specific future date. These instruments' fair value is measured using widely used market information providers, based on *Black-Scholes* pricing model, broadly used by market participants to measure similar instruments.

In the external scenario, there is a possible accommodation in prices in the U.S. economy, which could lead to a lesser need for an increase in interest rates by the FED. In this scenario, the dynamics of emerging currencies continue to be influenced by the different magnitudes of monetary tightening among countries, in addition to changes in the perception of endogenous and exogenous risk-return to these countries. In the comparison between December 31, 2022, and March 31, 2023, the real appreciated by 2.63% against the USD and 2.99% against the Euro, and the Mexican Peso appreciated by 7.45% against the USD.

i - Parent company

On March 31, 2023, the financial instruments amounted to US$ 58,700 in zero cost collar operations, comprising: purchase of PUT with weighted average exercise price of R$ 5.1253 and sales of CALL with weighted average exercise price of R$ 5.8017, with maturities up to November 17, 2023.

All amounts in thousand of Reais unless otherwise stated.

In the period ended March 31, 2023, the Company recognized revenue of R$ 3,373 in its financial income (loss), of which R$ 2,178 received from adjustments arising from the settlement of contracts in the period and a gain of R$ 1,195 from the mark-to-market of these instruments. In the same period of 2022, it recognized an revenue of R$ 29,261 in its financial income (loss), with the received of R$ 3,912 of adjustments arising from the settlement of contracts in the period and of R$ 25,349 due to the mark-to-market of these instruments.

ii – Subsidiaries

As of March 31, 2023, U.S. dollar-denominated financial instruments amounted to US$ 64,414 in purchase of PUT with a weighted average exercise price of MXN 18.66 e US$ 22,947 in zero cost collar operations, which consist of: purchase of PUT with a weighted average exercise price of MXN 18.70 and sales of CALL with a weighted average exercise price of MXN 20.41, with maturities up to January 12, 2024.

As of March 31, 2023, the financial instruments in EURO of NDF amounted to EUR 11.800, at the weighted average exercise price of EUR 5.39, with maturities up to June 07, 2023. The instruments of the zero cost collar operations amounted to EUR 7,900, which consist of: purchase of PUT with a weighted average exercise price of EUR 5.36 and sales of CALL with a weighted average exercise price of EUR 6.26, with maturities up to November 06, 2023.

In the period ended March 31, 2023, the subsidiaries recognized revenue of R$ 14,077 in their financial income (loss), of which R$ 8,573 was received from adjustments arising from the settlement of contracts in the period and R$ 5,504 from the mark-to-market of these instruments. In the same period of the previous year, the subsidiaries recognized revenue of R$ 2,645 in their financial income (loss), arising from the mark-to-market of these instruments.

iii - Consolidated

In the period ended March 31, 2023, the revenue of R$ 17,450 was recognized in the consolidated financial income (loss), of which R$ 10,751 was received from adjustments arising from the settlement of contracts in the period and a gain of R$ 6,699 from the mark-to-market of these instruments. In the same period of the previous year, an revenue of R$ 31,906 was recognized in the consolidated financial income (loss), of which R$ 3,912 was received of adjustments arising from the settlement of contracts in the period and a gain of R$ 27,994 due to the mark-to-market of these instruments.

The net outstanding positions at March 31, 2023 and December 31, 2022 are as follows:

	Parent company		Consolidated	
	Mar/23	**Dec/22**	**Mar/23**	**Dec/22**
Financial derivative instruments				
Liabilities	-	(73)	(987)	(330)
Assets	6,263	5,141	20,789	13,433
Financial derivative instruments, net	**6,263**	**5,068**	**19,802**	**13,103**

All amounts in thousand of Reais unless otherwise stated.

Below is the change in the period and the maturities of the outstanding position on March 31, 2023:

	Parent company	Subsidiaries	Consolidated
Recognized in financial results	3,373	13,477	16,850
Settlement	(2,178)	(7,973)	(10,151)
Market to market	1,195	5,504	6,699
Foreign exchange impact	-	-	-
AT December 31, 2021	5,068	8,035	13,103
AT MARCH 31, 2023	**6,263**	**13,539**	**19,802**
Maturity date			
Due June 30, 2022	2,917	8,219	11,136
Due September 30, 2022	2,490	3,995	6,485
Due December 31, 2022	856	1,160	2,016
Due March 31, 2024	-	165	165
AT MARCH 31, 2023	**6,263**	**13,539**	**19,802**

b) Hedge of foreign investment, net

Focusing on mitigating the impacts of exchange rate volatility on results, on January 10, 2014, the Company started to adopt the hedge of net foreign investment (net investment hedge) , as presented in the annual financial statement of year ended December 31, 2022.

At March 31, 2023, the Company has export prepayment agreements in the amount of US$ 349,000 equivalent to R$ 1,773,059 designated as hedge instruments for investments in the indirect subsidiaries in Mexico, Tupy México Saltillo, S.A. de C.V. and Technocast, S.A. de C.V., whose functional currency is the U.S. dollar (US$) and have net assets of US$ 369,097, equivalent to R$ 1,875,158, which represents the effectiveness of 94.6%.

In the period of 3 months ended on March 31, 2023, the Company recognized in carrying value adjustments, within equity, a gain of R$ 47,918 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$ 60,075, and the net loss was R$ 28,455.

During the three-months period of 2022, the Company recognized in carrying value adjustments, within equity, a gain of R$277,857 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$94, and the net gain was R$183,386.

31. . FINANCIAL RISK MANAGEMENT

The Company has a financial management policy and internal rules monitored by the Risks and Internal Controls area, which determine practices for identifying, monitoring and controlling exposure to financial risks.

31.1 Credit risk

The credit risk arises from cash and cash equivalents, derivative financial instruments, interest earning bank deposits, and exposure to client credit, including outstanding accounts receivable.

Credit risk management of trade accounts receivable is carried out through a joint assessment of payment capacity, indebtedness ratio, market behavior and history with the Company, which establishes individual credit limits. Additionally, the Company performs a quantitative and qualitative analysis of the receivables portfolio, to determine the provision for losses on receivables. As of March 31, 2023, the Company had expected losses on trade accounts receivable of R$ 84,544 (R$ 76,868 on

All amounts in thousand of Reais unless otherwise stated.

December 31, 2022), which represented 3.9% of the balance of outstanding accounts receivable (consolidated) on that date (3.6% on December 31, 2022).

The Company also has credit insurance to cover risks associated with MWM's exports and sales of generators in the domestic market.

Credit quality of financial assets

The credit quality of financial assets is evaluated by reference to external credit ratings (if any) or to historical information about counterparty default indexes:

	Parent company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Counterparties with external credit ratings*				
Cash and cash equivalents	**526,074**	**704,746**	**1,177,621**	**1,509,829**
AAA	224,846	331,221	460,281	656,422
AA+ / AA / AA-	279,410	297,612	316,296	330,222
A+ / A / A-	21,818	75,913	398,938	523,030
Outros	-	-	2,106	155
Derivative financial	**6,263**	**5,141**	**20,789**	**13,433**
AA+ / AA / AA-	6,263	5,141	20,789	13,433
Counterparties without external credit rating				
Trade receivables	**1,096,568**	**1,035,555**	**2,087,909**	**2,031,380**
Low risk	1,047,283	991,681	2,038,624	1,987,506
Moderate risk	49,285	43,874	49,285	43,874
High risk	9,279	9,309	84,544	76,868
Provision for impairment of trade receivables	(9,279)	(9,309)	(84,544)	(76,868)
Other financial assets	**78,071**	**69,138**	**231,958**	**214,282**
Total	**1,706,976**	**1,814,580**	**3,518,277**	**3,768,924**

(*) The Company considers, for the classification of risk, the lowest rating between the rating agencies.
(**) It does not consider provision for impairment of trade receivables

Trade accounts receivable presents the following risk classifications:

- Low risk, clients in the structural components, manufacturing, energy & decarbonization segment, except clients that have already presented historical losses.
- Moderate risk, clients in the dis segment, except clients that have already experienced historical losses.
- High risk, clients that have provisioned balances and historical losses.

The other financial assets held by the Company are considered of high quality and do not show signs of loss.

31.2 Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to managing this risk is to maintain a minimum cash position.

The Company is a counterparty in some financing agreements, which require the maintenance of financial indexes, or compliance with other specific clauses. The main operations, the Senior Unsecured Notes issued in 2021 and the debentures issued in 2022, require the Company to meet the Net Debt/EBITDA financial ratio. If not complied with, it may impose restrictions, which are detailed in notes 15 and 16.

All amounts in thousand of Reais unless otherwise stated.

In order to guarantee sufficient liquidity to fulfill its obligations without causing losses or harming the Company's operations, the minimum cash is equivalent to the projection of two months of payment to suppliers, wages and charges, tax obligations, deducting receipts with a 50% discount for the same period, plus the balance of short-term loans and financing and mark-to-market of derivative instruments. In addition, the Company manages its investment portfolio following criteria of maximum concentration limits in financial institutions, as well as their global and local ratings.

We present below the contractual maturities of financial liabilities:

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	2,409,154	176,471	155,023	372,605	185,304	2,191,727	3,081,130
Trade payables and notes and other	1,662,740	1,662,740	-	-	-	-	1,662,740
Debentures	1,004,135	75,252	71,601	297,353	1,147,763	-	1,591,969
Dividends payable	136,988	98,928	38,060	-	-	-	136,988
Financial derivative instruments	987	987	-	-	-	-	987
	5,214,004	**2,014,378**	**264,684**	**669,958**	**1,333,067**	**2,191,727**	**6,473,814**

No cash flow expected, included in the analysis of the maturation of the Company, may occur significantly sooner or in amounts significantly different. In addition, the Company has sufficient cash generation to face the flow of future payments.

31.3 Market risk

The economic policies of the world's major economies and the Brazilian Federal Government can have important effects on Brazilian companies, including the Company, as well as on market conditions and the prices of securities of Brazilian companies. Considering the nature of the Company's businesses and operations, level of exports and distribution of sales by market, a slowdown in the U.S. economy, mainly in the capital goods sector, could impact sales and revenues and, consequently, the profitability of the Company.

The main market risk factors to which it is exposed are related to: Exchange Rate, Interest Rate, and Inflation in the main inputs, Credit Risk and Liquidity Risk. The Company operates by managing its exposure to these factors, keeping them within acceptable parameters in order to optimize returns.

Interest rate risk

The interest rate risk arises from interest earning bank deposits and loans and financing maintained by the Company. Financial instruments with floating rates expose the Company to the risk of fluctuations in cash flow and the fixed-rate instruments expose it to fair value risk, and the Company may use derivative financial instruments, as follows:

Consolidated	Note	Mar/23	Dec/22
Floating-rate instruments		**(878,935)**	**(808,465)**
Financial assets		575,519	696,280
Financial liabilities	15 e 16	(1,454,454)	(1,504,745)
Fixed-rate instruments		**(1,356,733)**	**(1,201,585)**
Financial assets		602,102	813,549
Financial liabilities	15 e 16	(1,958,835)	(2,015,134)

All amounts in thousand of Reais unless otherwise stated.

Sensitivity analysis of changes in variable interest rates

The Company has interest earning bank deposits and debt instruments exposed to both CDI change.

Interest rate fluctuations may impact the Company's future results. The impacts that would be generated by fluctuations in interest rates to which the Company is exposed are as follows.

Interest rate risk								Consolidated
			Scenarios					
Floating rate instruments	Risk	Disclosed	Probable	+25%	+50%	-25%	-50%
In Brazilian reais							
Investments	**Interest rate (CDI - % p.a.)**	**13.65**	**7.90**	**9.88**	**11.85**	**5.93**	**3.95**
Financial assets		575,519	575,519	575,519	575,519	575,519	575,519
Potential impact		-	(29,118)	10,534	21,069	(10,731)	(21,869)
Borrowings	**Interest rate (CDI - % p.a.)**	**13.65**	**7.90**	**9.88**	**11.85**	**5.93**	**3.95**
Financial liabilities		(1,454,454)	(1,454,454)	(1,454,454)	(1,454,454)	(1,454,454)	(1,454,454)
Potential impact		-	(73,587)	26,622	53,244	(27,119)	(55,267)

Currency risk

The Parent Company is subject to currency risk on sales, purchases and loans denominated in a currency other than its functional currency, the Real. The Mexican subsidiary is subject to currency risk on costs and expenses denominated in a currency other than its functional currency, the U.S. Dollar. The Parent Company's foreign currency transactions are predominantly denominated in U.S. Dollars (US$) and the subsidiary's transactions in Mexico, subject to currency risk, are predominantly denominated in Mexican Pesos.

Additionally, given the relevance of the Company's operations in Mexico, the change of the Mexican Peso also has an impact on the calculation of income tax, given that the net exchange-rate change arising from monetary assets and liabilities in dollars directly impacts the calculation basis of this tax (Note 26).

The Company manages its exposure to exchange rates by combining debt, interest earning bank deposits, accounts receivable, revenue from exports in foreign currency, operations with derivatives and hedge of net foreign investment. The Company's exposure, considering the subsidiaries that use the Real (R$) as their functional currency, is shown below:

Parent company		
Net exposure impacting profit	Mar/23	Dec/22
Assets	**923,014**	**943,969**
Cash and cash equivalents abroad	21,566	75,913
Customers in the foreign market	901,448	868,056
Liabilities	**(61,339)**	**(58,136)**
Borrowings in foreign currency	(1,798,104)	(1,878,936)
Hedge of net investment abroad	1,773,060	1,820,977
Other amounts	(36,294)	(177)
Net exposure impacting profit		
In thousands of R$	861,675	885,833
In thousands of US$	145,776	154,544
In thousands of EUR	18,013	13,194

The Company's exposure, considering the subsidiaries whose functional currency is in U.S. Dollar is shown below:

Subsidiaries		
Net exposure impacting profit	**Mar/23**	**Dec/22**
Assets	**660,478**	**267,384**
Cash and cash equivalents abroad	145,838	11,944
Customers in the foreign market	461,274	172,138
Tax return	53,366	83,302
Liabilities	**(574,209)**	**(361,982)**
Trade accounts payables	(540,402)	(187,728)
Other amounts	(33,807)	(174,254)
Net exposure impacting profit		
In thousands of R$	86,269	(94,598)
In thousands of MXN	(298,997)	(518,656)
In thousands of US$	13,947	(17,691)
In thousands of EUR	18,047	24,416

Sensitivity analysis of foreign exchange exposure, except derivatives

This analysis is based on the exchange rate change, in which the risk variable is evaluated with a change of 25% and 50%, in relation to the probable scenario budgeted by the Company. This analysis considers that all the remaining variables, especially interest rates, are kept constant.

Consolidated			Scenarios			
	Disclosed	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
U.S. Dollar rate	**5.0804**	**5.20**	**6.50**	**7.80**	**3.90**	**2.60**
Asset position	923,014	944,743	1,180,929	1,417,115	708,557	472,372
Liability position	(61,339)	(62,783)	(78,478)	(94,174)	(47,087)	(31,391)
Net exposure (R$ thousand)	861,675	881,960	1,102,451	1,322,941	661,470	440,981
Net exposure (US$ thousand)	169,608	169,608	169,608	169,608	169,608	169,608
Potential impact (R$ thousand)	**-**	**20,285**	**240,776**	**461,266**	**(200,205)**	**(420,694)**

Sensitivity analysis of foreign exchange exposure of derivatives

This analysis is based on the exchange rate change in relation to contracted CALL and PUT prices, in which the risk variable is evaluated with fluctuations of 25% and 50%, in relation to the probable scenario budgeted by the Company. This analysis considers that all the remaining variables are kept constant.

			Scenarios			
Parent company	**Disclosed**	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
U.S. Dollar rate	**5.0804**	**5.20**	**6.50**	**7.80**	**3.90**	**2.60**
MTM Controladora	6,263	2,933	(45,403)	(119,213)	65,592	138,054
Potential impact (R$ thousand)		**(3,330)**	**(51,665)**	**(125,475)**	**59,329**	**131,791**

			Scenarios			
Subsidiaries	**Disclosed**	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
U.S. Dollar rate vs. Mexican peso	**18.0415**	**20.96**	**26.20**	**31.44**	**15.72**	**10.48**
MTM Subsidiaries (US$ mil)	2,764	(1,348)	(5,329)	(8,138)	14,498	63,329
MTM Subsidiaries (R$ mil)	14,044	(7,010)	(34,641)	(63,473)	56,543	164,656
EURO rate	**5.5244**	**5.22**	**6.53**	**7.83**	**3.92**	**2.61**
MTM Subsidiaries (R$ mil)	(505)	(3,131)	7,741	13,501	(9,434)	(15,120)
Potential subsidiaries impact (R$ thousand)		**(23,680)**	**(40,440)**	**(63,511)**	**33,570**	**135,997**
Potential consolidated impact (R$ thousand)		**(27,010)**	**(92,105)**	**(188,986)**	**92,899**	**267,788**

Price risk

It arises from the possibility of fluctuations in the market prices of inputs used in the production process, mainly scrap, pig iron, metallic alloys, coke and electric power. These price fluctuations may cause changes in the Company's costs. The Company monitors them to reflect, in its sales prices, any fluctuations.

31.4 Operating risk

It arises from all the Company's operations and may generate direct or indirect losses associated with a variety of causes related to processes, personnel, technology, infrastructure and external factors.

The Company's objective is to manage operating risk and avoid losses and damages to reputation and to seek cost efficiency.

The main responsibility for the development and implementation of controls for operational risks is exercised by a centralized area of Internal Controls under the management of Top Management.

31.5 Capital management

The Company's objectives in managing its capital are to safeguard the business continuity capacity to offer return to shareholders and benefits to the other stakeholders besides maintaining an optimal capital structure to reduce this cost.

To maintain or adjust the Company's capital structure, Management may - or propose to, in cases that must be approved by shareholders - review dividend payment policy, return capital to shareholders, issue new shares or sell assets to reduce, for example, indebtedness level.

The Company's Management monitors the ratio between own and third-party capital used to finance its operations. To mitigate liquidity risks and optimize the average cost of capital, the Company monitors compliance with financial ratios in financing and loan agreements.

The ratio of own capital versus third-party capital, at the end of each period, is presented below:

Consolidated

	Note	Mar/23	Dec/22
Own capital		**3,107,109**	**3,034,360**
Equity	21	3,107,109	3,034,360
Third party capital		**5,742,707**	**5,699,069**
Total current and non-current liabilities		6,920,328	7,208,898
Cash and cash equivalents	3	(1,177,621)	(1,509,829)
Own capital versus third-party capital ratio		**0.54**	**0.53**

31.6 Fair value

It is assumed that cash and cash equivalents, trade accounts receivable and accounts payable balances at book value, less impairment in case accounts receivable approximate their fair values.

All financial instruments classified as financial assets and financial liabilities at fair value through profit or loss (note 29) and the fair value of financing and loans disclosed in note 15 are calculated by discounting future contractual cash flows at the interest rate prevailing in the market, which are available to the Company for similar financial instruments.

The valuation techniques used by the Company are classified as level 2 of the fair value hierarchy. The fair value of financial instruments that are not negotiated on active markets (level 2) is determined based on evaluation techniques that maximize the use of data adopted by the market where they are available with the least possible use of specific estimates of the Company.

32. SUBSEQUENTE EVENTS

All amounts in thousand of Reais unless otherwise stated.

- On April 28, 2023, the Company's shareholders approved a capital increase, in the amount of R$ 117,302, with profit reserves that, at the time of year ended December 31, 2022 in the annual financial statements, exceeded the limit established in Art. 199 of Law 6404/76, after making all the allocations provided for in Corporate Law have been made.

- At a meeting held on April 24, 2023, the Company's Board of Directors approved the Capital reduction of the subsidiary MWM Tupy do Brasil Ltda., in the amount of R$ 150,000. The purpose of reduction is intended to reinforce the Parent Company's cash to settle the commitment assumed in the business combination (Note 19)

* * *

(A free translation of the original in Portuguese)

KPMG Auditores Independentes Ltda
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 March 31, 2023, which comprise the balance sheet as of March 31, 2023 and the related statements of income and comprehensive income, for the three months periods then ended and the changes in shareholders' equity and cash flows for the three 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 three-month period ended in March 31, 2023, 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.

Joinville, May 10, 2023

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