



Corporate Taxpayer's ID (CNPJ): 84.683.374/0003-00
Company Registry (NIRE): 42.3.0001628-4
PUBLICLY HELD COMPANY



MATERIAL FACT

ACQUISITION OF MWM DO BRASIL

Joinville, April 18, 2022 – Tupy S.A. (“Company” or “Tupy”, B3: TUPY3), pursuant to paragraph 4 of article 157 of Federal Law 6,404 of December 15, 1976, as amended and in force (“Brazilian Corporate Law”) and Resolution 44 of the Brazilian Securities and Exchange Commission (“CVM”), of August 23, 2021, hereby informs its shareholders and the market in general that, on this date, it has entered into a Quota Purchase Agreement with Navistar International Corporation, in turn, a subsidiary of TRATON SE (“Seller”), to acquire all assets and businesses of International Indústria Automotiva da América do Sul (“MWM do Brasil”) (“Transaction”).

With Net Operating Revenue of approximately two billion, six hundred and eighty-eight million reais (R\$2,688,000,000.00) in 2021, MWM is a benchmark company in engine assembly, machining and testing. It also provides value-added services.

MWM manufactures third-party engines under manufacturing contracts for leading Brazilian, European and North American companies in trucks, buses and machinery industries. This business is characterized by low needs of investments in fixed assets and working capital.

This new Company, a combination of Tupy and MWM **will bring to their clients a unique value proposition, based on the integration of casting, machining, assembling, engine calibration, technical validation and engineering services**. Also, MWM’s technical knowledge, industrial structure, and laboratories will support the needs of Tupy’ current customers, specially for adapting and converting engines and their applications in heavy vehicles, machinery and generator sets.

MWM is also present in the **Energy & Decarbonization** sector, with the manufacture of generator sets and conversion of engines for biofuels, such as natural gas, biodiesel, biogas and biomethane – the last three are the main methods to **decarbonize the agribusiness in Brazil**, used to production of electricity on rural properties and as fuel for truck fleets, buses and tractors. With a high growth potential, energy generation in urban areas and the countryside will add great opportunities for the companies, which will combine their technical knowledge to contribute to the decarbonization journey of customers.

MWM also operates in the **diesel engine components replacement market (after market)**, with around 600 point of sales and 300 repair shops accredited across Brazil. The company has recently started operation in Maritime segment, offering own and third-party propulsion systems and onboard energy.

This transaction is in line with Tupy growth strategy both in current businesses, by adding value to products, and in promoting viable solutions for decarbonization, benefiting from the high potential for biofuels, inherent to the size of Brazilian agribusiness.

The acquisition price (enterprise value) is eight hundred and sixty-five million reais (R\$865,000,000.00), representing approximately 4.0x MWM’s 2021 EBITDA, paid after closing. This value will be subject to price adjustments that are common to this type of transaction. The capital allocation strategy (combination of own and third-party funds) to pay for the Transaction will be timely evaluated.

The transaction has been approved by the Company’s Board of Directors on this date and is subject to approval by part of the Brazilian antitrust authority (CADE), as well as the compliance with other conditions usual for similar operations.



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The Company will call an Extraordinary Shareholders' Meeting (ESM) to approve the Transaction prior to the closing, pursuant to article 256, head of the Article, of Brazilian Corporate Law, when it will communicate a possible right of withdrawal to its shareholders and the market.

The Company communicates that, on this date, it has received a communication from BNDES Participações S.A. – BNDESPar and Caixa de Previdência dos Funcionários do Banco do Brasil – PREVI, which own Company shares representing 28.19% and 24.84%, respectively, of its share capital, pledging to approve, in an irrevocable and irreversible manner, the Transaction in the Extraordinary Shareholders' Meeting.

Finally, a conference call will be held on April 18, 2022, according to the details below, to provide more information about the next stages of the Transaction.

Conference call date: April 18, 2022

10 a.m. – EST

11 a.m. – BRT

Brazil dial-in +55 11 3181-8565 / +55 11 4090-1621

EUA dial-in +1 412 717-9627

EUA toll-free +1 844 204-8942

Access Code: Tupy

[Click here](#) to access the Webcast in English.

[Click here](#) to access the Webcast in Portuguese.

Thiago Fontoura Struminski

Vice-President of Finance, Management and Control
Investor Relations Officer

IR Contact Info:

Phone: +55 (11) 2763 7844

Email: dri@tupy.com.br

Website: www.tupy.com.br/ir