(A free translation of the original in Portuguese)

Quartely Financial Report

June 30, 2023

Release
Quartely Financial Information
Selected Explanatory Notes
Independent auditors' report

TUPY

TUPY3 NOVO MERCADO

Strong operating cash generation. Price recovery and cost and inventory reduction

- **Revenues of R$3.0 billion in 2Q23** (+17% vs. 2Q22), including the result of MWM Tupy do Brasil ("MWM"), of approximately R$577 million. The impact from the change in the engine emission technology (Proconve P8/Euro 6) and the performance of economic indicators led to lower sales than those reported in 2Q22 (-7% in the physical volume of structural components). Initiatives to recompose and realize prices mitigated the effect of the drop in volumes.

- **Operating Cash Flow: generation of R$159 million in 2Q23 vs. consumption** of R$10 million in 2Q22 and R$132 million in 1Q23. This result was due to initiatives to manage working capital.

- **Adjusted EBITDA: R$332 million** (-4% vs. 2Q22), impacted by the 15% reduction in volumes, due to the performance of the domestic market and initiatives to reduce inventory and (ii) the appreciation of the Mexican Peso (12% average exchange rate vs 2Q22), with effect on costs. Factors mitigated by synergies, cost reduction and freight expenses, as well as price re-composition and realization.

- **Adjusted EBITDA margins:** 11.2%, similar to the previous quarter (1Q23), which already included the MWM result, despite the factors mentioned and the appreciation of the Real against the Dollar (5% average exchange rate vs 1Q23).

- **Net Income: R$62 million** in 2Q23, affected, among other factors, by the FX variation in the financial result (a R$40 million expense vs. a R$36 million revenue in 2Q22) and the restatement of the tax contingency, with a non-recurring effect of R$66 million. Excluding this effect, **net income would be R$128 million.**

Earnings Conference Call

Date: August 15, 2023

Portuguese/English

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

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 and IRO

Rodrigo Périco
Finance Director

Hugo Zierth
IR Manager

Renan Oliveira
Rafael Junckes
IR Specialists

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

MESSAGE FROM MANAGEMENT

We continue to make progress in building a new Tupy, a larger and more diversified Company with a unique positioning. Our capacity to offer complete solutions, our competitive advantages in terms of traditional operations and the opportunities created after the acquisition of MWM have contributed to the creation of new business opportunities.

The change in engine technology to the Proconve P8/Euro 6 standard impacted the entire production chain of commercial vehicles in Brazil. The substantial increase in vehicle prices and economic factors, such as the high interest rates and restrictions on credit availability, impacted demand for this type of application, which had a negative effect on structural components, machining, and assembly of engines.

Even with lower sales, we maintained our strategy to reduce inventories, suspending some operations. Even though this action contributed operating cash generation of R$159 million in the period, it had a significant impact on margins because of the lower dilution of costs.

The drop in sales and the initiatives to manage working capital led to a 15% reduction in the production of structural components in 2Q23, when compared to the same period of last year. This drop, together with the appreciation of the Mexican Peso and the Brazilian real against the Dollar, negatively affected revenues, operational leverage, and the financial result for the period.

Despite the external factors, we continue obtaining synergies from acquisitions. We have improved margins and investing to increase operational efficiency. We also reduced costs and expenses, especially with freight.

We have made significant progress, but we still have value to capture. The flexible production model we are expanding will contribute to better allocate products, based on the specialty of each plant and the cash cost associated with the production process of the units. On the commercial side, we are moving forward with the strategy to recompose and realize prices.

Opportunities and New Businesses

The greater offer of services covered by our Manufacturing Contracts has attracted our clients because they add value and meet the location needs of our clients' suppliers, maintaining them closer to their markets. The nearshoring movement seen in different regions opens opportunities for Tupy's various operating segments, given our technological capacity and operational structure.

In Brazil, both in terms of agricultural and construction machinery and trucks, as well as biogas plants, we have many nationalization opportunities. We are increasing the offer of complete biogas and biomethane solutions, from the receipt of organic matter, biofuel and biofertilizer production, and systems for using such clean fuels in tractors, trucks, and irrigation systems, to the generation of clean electricity. We currently have the largest center for the development of engines in Latin America, an essential asset to adapt machinery operating in Brazil to clean fuels we abundantly have, such as ethanol, biogas, methane, biodiesel, and with research breakthroughs, hydrogen.

In addition to the R&D partnerships we maintain with universities, research institutes and startups, we have also expanded commercial collaborations. At Rio Boat Show, we announced an agreement with

Swedish engine maker OXE Marine to bring the first diesel-powered outboard motors to the Brazilian market. Compared to conventional gasoline-powered outboard motors, OXE engines offer increased torque, lower Greenhouse Gas (GHG) emissions, better fuel consumption, superior reliability, and lower operating costs.

The advances in our grow strategy are based on investments in innovation, research and development and adherence to the best environmental, social and governance practices. We have recently earned awards for our operations. We have moved up 98 places in the past two years in the ranking of the 150 most innovative companies in Brazil, promoted by the Valor Econômico newspaper, and are the 4th most innovative company in the Capital Goods industry. In the same industry, we were one of the three highlights of Exame Magazine, which elected the Best Companies in the ESG category.

By sharing our advances and achievements, more than providing transparent communication, we would like to thank investors, shareholders, customers, employees, and partners for the trust they placed in our strategy and execution.

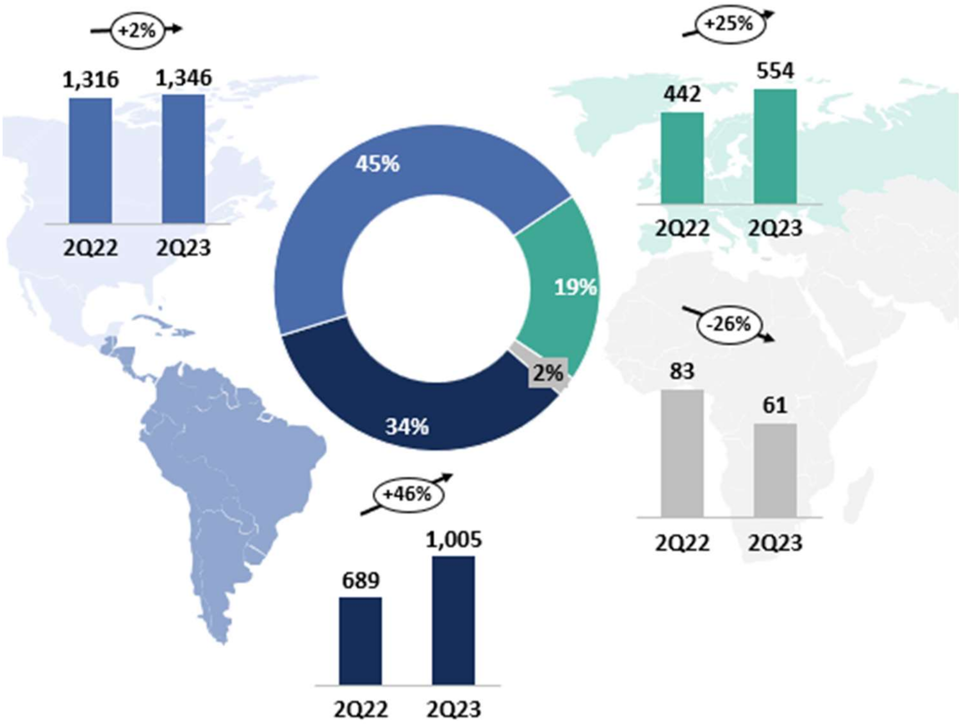
SUMMARIZED RESULTS

	Consolidated (R$ thousand)					
SUMMARY	**2Q23**	**2Q22**	**Var. [%]**	**1H23**	**1H22**	**Var. [%]**
Revenues	**2,965,864**	**2,529,016**	**17.3%**	**5,770,270**	**4,893,313**	**17.9%**
Cost of goods sold	(2,472,434)	(2,019,094)	22.5%	(4,772,140)	(3,973,752)	20.1%
Gross Profit	**(493,430)**	**509,922**	**-3.2%**	**(998,130)**	**919,561**	**8.5%**
% on Revenues	*16.6%*	*20.2%*		*17.3%*	*18.8%*	
Operating expenses	(249,355)	(244,420)	2.0%	(528,276)	(424,372)	24.5%
Other operating expenses	(64,661)	(17,883)	261.6%	(73,178)	(50,670)	44.4%
Income before Financial Result	**179,414**	**247,619**	**-27.5%**	**396,676**	**444,519**	**-10.8%**
% on Revenues	*6.0%*	*9.8%*		*6.9%*	*9.1%*	
Net financial result	(94,883)	6,599		(161,139)	(91,880)	75.4%
Income (Loss) before Tax Effects	**84,531**	**254,218**	**-66.7%**	**235,537**	**352,639**	**-33.2%**
% on Revenues	*2.9%*	*10.1%*		*4.1%*	*7.2%*	
Income tax and social contribution	(22,661)	(74,645)	-69.6%	(28,391)	(99,067)	-71.3%
Net Income	**61,870**	**179,573**	**-65.5%**	**207,146**	**253,572**	**-18.3%**
% on Revenues	*2.1%*	*7.1%*		*3.6%*	*5.2%*	
EBITDA (CVM Resol. 156/22)	**269,744**	**332,053**	**-18.8%**	**578,735**	**626,578**	**-7.6%**
% on Revenues	*9.1%*	*13.1%*		*10.0%*	*12.8%*	
Adjusted EBITDA	**332,250**	**345,494**	**-3.8%**	**647,603**	**659,219**	**-1.8%**
% on Revenues	*11.2%*	*13.7%*		*11.2%*	*13.5%*	
Average exchange rate (BRL/USD)	**4.95**	**4.93**	**0.4%**	**5.07**	**5.08**	**-0.1%**
Average exchange rate (BRL/€)	5.39	5.24	2.8%	5.48	5.56	-1.4%

REVENUES

In 2Q23, 45% of revenues originated in North America. The South and Central Americas accounted for 34%, and Europe for 19% of the total. The remaining 2% came from Asia, Africa, and Oceania, and the acquired plants 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 numerous 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, own manufactured engines, marine applications, lighting towers, in addition to products and services related to decarbonization.

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

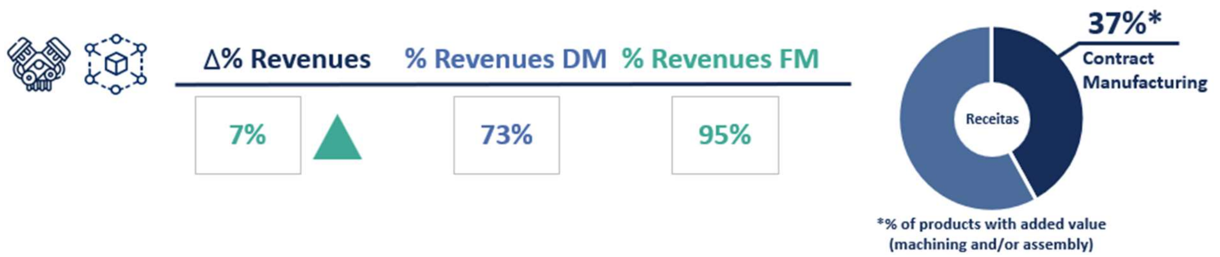
Consolidated (R$ thousand)

	2Q23	2Q22	Var. [%]	1H23	1H22	Var. [%]
Revenues	**2,965,864**	**2,529,016**	**17.3%**	**5,770,270**	**4,893,313**	**17.9%**
Domestic Market	**948,853**	**671,501**	**41.3%**	**1,839,588**	**1,272,488**	**44.6%**
Structural Components & Manufacturing Contracts	**697,979**	**615,519**	**13.4%**	**1,302,219**	**1,166,546**	**11.6%**
Passenger cars	166,495	187,967	-11.4%	341,034	360,577	-5.4%
Commercial vehicles	449,874	333,134	35.0%	796,760	604,267	31.9%
Off-road	81,611	94,418	-13.6%	164,425	201,708	-18.5%
Energy & Decarbonization	**110,754**			**255,027**		
Distribution	**140,118**	**55,983**	**150.3%**	**282,339**	**105,940**	**166.5%**
Export Market	**2,017,011**	**1,857,515**	**8.6%**	**3,930,682**	**3,620,825**	**8.6%**
Structural Components & Manufacturing Contracts	**1,908,242**	**1,818,403**	**4.9%**	**3,713,362**	**3,545,106**	**4.7%**
Passenger cars	112,422	103,785	8.3%	232,339	240,836	-3.5%
Light commercial vehicles	648,765	632,183	2.6%	1,235,423	1,282,153	-3.6%
Medium and heavy commercial vehicles	565,076	502,040	12.6%	1,090,450	914,001	19.3%
Off-road	581,979	580,396	0.3%	1,155,151	1,108,115	4.2%
Energy & Decarbonization	**49,066**			**100,078**		
Distribution	**59,700**	**39,111**	**52.6%**	**117,239**	**75,721**	**54.8%**

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

REVENUE BY BUSINESS UNIT

Structural Components & Manufacturing Contracts



Revenues from the Structural Components & Manufacturing Contracts segment were impacted by the lower production of the Brazilian market. This industry includes cast iron products for the capital goods market and value-added services like machining, assembly, and engineering services, as well as the assembly operations of MWM's third-party engines. This effect still reflects the replacement of the engine emission technology (Proconve P8 / Euro 6) and the consequent increase in the prices of commercial vehicles, as well as macroeconomic factors, such as high interest rates and credit restrictions.

Regarding the foreign market, we observed a drop in demand for applications that have a higher correlation with interest rates in the European and U.S. 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, 64% come from commercial vehicles; 25% from the off-road segment, and 11% 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	12%	2%

Revenues from the Energy & Decarbonization unit are composed of generator sets, in-house manufactured engines, applications for the maritime segment, lighting towers, irrigation and fertigation motorized pumps, vehicle conversion, and power generation. The generator sets segment was especially impacted by the reduction in demand due to high interest rates and the restricted access to credit. The lighting towers and vehicle conversion markets grew significantly compared to 1Q23, despite their low share of revenue.

In May, an irrigation and fertigation motorized pump was rolled out. In addition, several decarbonization-related projects are in the phase of testing and prospecting.

Distribution

Δ% Revenues	% Revenues DM	% Revenues FM
110%	15%	3%

The sales of the distribution segment grew by 110%, mainly due to the inclusion of revenues from MWM (spare parts for the domestic and export markets), highlighting 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$2.5 billion in 2Q23, including MWM's costs, impacting the YoY comparison.

The volume produced in the quarter dropped by 15% (excluding MWM) from 2Q22, resulting in a loss of efficiency and lower dilution of fixed costs. These effects were partially mitigated by several cost-cutting initiatives, in addition to productivity gains and synergies captured.

	Consolidated (R$ thousand)					
	2Q23	2Q22	Var. [%]	1H23	1H22	Var. [%]
Revenues	**2,965,864**	**2,529,016**	**17.3%**	**5,770,270**	**4,893,313**	**17.9%**
Cost of goods sold	**(2,472,434)**	**(2,019,094)**	**22.5%**	**(4,772,139)**	**(3,973,752)**	**20.1%**
Raw materials	(1,507,160)	(1,212,747)	24.3%	(2,943,491)	(2,386,615)	23.3%
Labor, profit sharing, and social benefits	(505,836)	(448,011)	12.9%	(957,437)	(859,336)	11.4%
Maintenance supplies	(182,222)	(140,286)	29.9%	(353,912)	(273,628)	29.3%
Energy	(120,829)	(122,462)	-1.3%	(231,009)	(249,092)	-7.3%
Depreciation	(82,621)	(76,118)	8.5%	(166,760)	(156,317)	6.7%
Others	(73,765)	(19,471)	278.9%	(119,530)	(48,765)	145.1%
Gross profit	**(493,430)**	**509,922**	**-3.2%**	**998,131**	**919,561**	**8.5%**
% on Revenues	*16.6%*	*20.2%*		*17.3%*	*18.8%*	
Operating expenses	**(249,355)**	**(244,420)**	**2.0%**	**(528,276)**	**(424,372)**	**24.5%**
% on Revenues	*8.4%*	*9.7%*		*9.2%*	*8.7%*	

In addition to including MWM's indicators, costs for 2Q23 were also affected by the following factors:

- Raw materials: currency appreciation (Mexican Peso), partially mitigated by the drop in prices of several inputs.
- Labor: annual pay rise negotiation and appreciation of the Mexican Peso.
- Maintenance and outsourced services: inflation, lower dilution of costs due to the volume produced, and appreciation of the Mexican Peso.
- Energy: a drop of 1%, due to the lower volume produced and the reduction in energy costs.
- Depreciation and amortization: an 8% increase in depreciation costs, due to the addition of the new operations.
- Increase of R$54 million in other operating costs, mainly owing to the addition of the MWM operation. This line includes costs with the handling of products and materials, engine engineering projects, rents, and health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R$249 million, up by 2% vs. 2Q22. Compared to 1Q23, which already included MWM's expenses, operating expenses saw an 11% reduction, mainly due to the drop in freight expenses and efficiency gains. In the period, these expenses accounted for 8% of the net revenue, vs. 10% in 2Q22 and 1Q23.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Expenses totaled R$65 million in 2Q23.

	Consolidated (R$ thousand)					
	2Q23	2Q22	Var. [%]	1H23	1H22	Var. [%]
Depreciation of non-operating assets	(2,155)	(102)		(4,310)	(245)	
Amortization of intangible assets		(4,340)			(17,784)	
Others	(62,506)	(13,441)	365.0%	(68,868)	(32,641)	111.0%
Other operating expenses	**(64,661)**	**(17,883)**	**261.6%**	**(73,178)**	**(50,670)**	**44.4%**

The "Others" line is composed of expenses totaling (i) R$48 million, resulting from the creation/restatement of provisions, (ii) R$1 million referring to the write-off of PP&E items, and (iii) R$14 million from the sale of unserviceable assets and other expenses.

The main variation in contingencies was the classification of losses, which changed from "possible" to "probable", with updated amounts totaling R$66 million (R$50 million in the "Other Operating Expenses" line and R$16 million in the "Taxes" line), corresponding to tax enforcement aimed at the full utilization of the tax loss and the negative base of Tupy Fundições Ltda., by reason of the merger into Tupy S.A. in 2007. The company claims that the full compensation was permitted in the case of winding up or merging the company, according to the tax legislation and court precedents of former *Conselho de Contribuintes* (Board of Tax Appeals), currently known as CARF.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$95 million.

	Consolidated (R$ thousand)					
	2Q23	2Q22	Var. [%]	1H23	1H22	Var. [%]
Financial expenses	(76,597)	(42,664)	79.5%	(159,929)	(87,314)	83.2%
Financial income	22,140	13,520	63.8%	51,227	30,161	69.8%
Net monetary and currency variations	(40,426)	35,743		(52,437)	(34,727)	51.0%
Net Financial Result	**(94,883)**	**6,599**		**(161,139)**	**(91,880)**	75.4%

The increase in financial expenses in 2Q23 vs. 2Q22 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$22 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$40 million and were comprised of (i) a negative variation in the balance sheet accounts in foreign currency, of R$59 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$19 million in the period, with a positive cash effect of R$15 million in the settled operations.

EARNINGS BEFORE TAXES AND NET INCOME

Net income was R$62 million, down by 66% year on year. The result was mainly due to the FX variation in the financial result (a R$40 million expense vs. a R$36 million revenue in 2Q22) and the non-recurring effect of the creation of a provision for tax contingency, with an approximate impact of R$66 million on Net Income. **Excluding this effect, Net Income would be R$128 million in the period.**

	2Q23	2Q22	Var. [%]	1H23	1H22	Var. [%]
Income (loss) before Tax Effects	**84,531**	**254,218**	**-66.7%**	**235,537**	**352,639**	**-33.2%**
Tax effects before currency impacts	(37,316)	(81,876)	-54.4%	(91,633)	(116,794)	-21.5%
Earnings before the currency effects on the tax base	**47,215**	**172,342**	**-72.6%**	**143,904**	**235,845**	**-39.0%**
Currency effects on the tax base	14,655	7,231	102.7%	63,242	17,727	256.8%
Net Income	**61,870**	**179,573**	**-65.5%**	**207,146**	**253,572**	**-18.3%**

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 2Q23, the Company recorded a R$15 million revenue, with no cash effect (vs. a R$7 million revenue in 2Q22).

EBITDA

The combination of the aforementioned factors resulted in an EBITDA (CVM) of R$270 million (R$320 million, excluding the nonrecurring effect of contingency). EBITDA adjusted for the write-off of tax credits, the creation/restatement of provisions, and the sale of PP&E items reached R$332 million, with a margin of 11.2%.

			Consolidated (R$ thousand)			
RECONCILIATION OF NET INCOME WITH EBITDA	**2Q23**	**2Q22**	**Var. [%]**	**1H23**	**1H22**	**Var. [%]**
Net Income for the Period	**61,870**	**179,573**	**-65.5%**	**207,146**	**253,572**	**-18.3%**
(+) Net Financial Result	94,883	(6,599)	-	161,139	91,880	75.4%
(+) Income Tax and Social Contribution	22,661	74,645	-69.6%	28,391	99,067	-71.3%
(+) Depreciation and Amortization	90,330	84,434	7.0%	182,059	182,059	0.0%
EBITDA (according to CVM Resolution 156/22)	**269,744**	**332,053**	**-18.8%**	**578,735**	**626,578**	**-7.6%**
% of revenues	*9.1%*	*13.1%*		*10.0%*	*12.8%*	
(+) Other net operating expenses, net*	62,506	13,441	365.0%	68,868	32,641	111.0%
Adjusted EBITDA	**332,250**	**345,494**	**-3.8%**	**647,603**	**659,219**	**-1.8%**
% of revenues	*11.2%*	*13.7%*		*11.2%*	*13.5%*	

The adjustments made to EBITDA aim to offset the effects from items less related to the business, have no cash effect, or non-recurring. These expenses consist of (i) an expense of R$48 million arising from the creation/reversal of provisions; (ii) an expense of R$1 million referring to the write-off of PP&E items; and (iii) an expense of R$14 million from the sale of unserviceable assets and other expenses.

The result for 2Q23 includes the indicators of MWM, which has margins lower than Tupy's, so affecting the annual comparison. In turn, the change in engine technology to the Proconve P8/Euro 6 standard still impacts the entire production chain of heavy vehicles in Brazil. Demand for this type of application was also affected by the significant increase in vehicle prices. In addition to these aspects, there are economic indicators such as the high interest rate and restrictions on credit availability. In terms of foreign market, we observed the cooling off demand in segments that are more sensitive to interest rates. These factors contributed to the lower volume production, which dropped -15% vs. 2Q22. We also noted the adverse effect of the appreciation of the Mexican Peso, which impacted the Company's costs.

We suspended the activities of some plants to reduce inventories. Despite the negative impact on margins, such initiatives **contributed to the strong operating cash generation in the period.**

These factors combined impacted the Company's Adjusted EBITDA in the period, due to the lower dilution of fixed costs and operational leverage, partially offset by several initiatives of recompose and realize prices. We also advanced in capturing synergies, reducing costs and freight expenses.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R$120 million in 2Q23, compared to R$73 million in 2Q22.

				Consolidated (R$ thousand)		
	2Q23	**2Q22**	**Var. [%]**	**1H23**	**1H22**	**Var. [%]**
Property, Plant, and Equipment						
Strategic investments	49,742	16,725	197.4%	84,356	34,773	142.6%
Maintenance and renovation of operating capacity	51,877	47,217	9.9%	99,116	71,509	38.6%
Environment	10,989	2,571	327.4%	15,019	8,153	84.2%
Interest and financial charges	2,969	1,511	96.5%	5,568	2,707	105.7%
Intangible assets						
Software	1,996	4,202	-52.5%	3,209	8,520	-62.3%
Projects under development	2,128	747	184.9%	3,476	1,044	233.0%
	119,701	**72,973**	**64.0%**	**210,744**	**126,706**	**66.3%**
% on Revenues	*4.0%*	*2.9%*		*3.7%*	*2.6%*	

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)				
	2Q23	**1Q23**	**4Q22**	**3Q22**	**2Q22**
Balance Sheet					
Accounts receivable	2,143,880	2,087,909	2,031,380	1,994,902	2,046,607
Inventories	2,021,128	2,185,575	2,207,884	1,589,339	1,706,324
Accounts payable	1,318,083	1,508,278	1,682,446	1,266,979	1,523,747
Sales outstanding [days]	66	64	60	63	82
Inventories [days]	73	78	79	62	83
Payables outstanding [days]	50	57	57	50	72
Cash conversion cycle [days]	**89**	**85**	**82**	**75**	**93**

The cash conversion cycle reduced by 4 days year on year and increased by 4 days quarter on quarter. The main lines presented the following variations quarter on quarter:

- Average receivable period increased by 2 days of sales, mainly due to higher sales and commercial negotiations, partially offset by the currency appreciation on accounts receivable in foreign currency that accounted for 75% of the total (closing rate of USD/BRL4.82 in June 2023 vs. USD/BRL5.08 in March 2023).

- Decrease of 5 days in Inventories in relation to the Cost of Goods Sold. The variation was mainly due to several actions carried out by the Company to reduce inventories in the operations located in Brazil and Mexico.

- Decrease of R$190 million in Accounts Payable. The lower production volume and the actions taken to reduce inventories contributed to the lower level of purchases in the period. This line was also impacted by the effect of the currency appreciation on accounts payable in foreign currency, which accounted for 43% of the total.

CASH FLOW

	Consolidated (R$ thousand)					
CASH FLOW SUMMARY	**2Q23**	**2Q22**	**Var. [%]**	**1H23**	**1H22**	**Var. [%]**
Cash and cash equivalents at beginning of period	**1,177,621**	**952,897**	**23.6%**	**1,509,829**	**1,272,445**	**18.7%**
Cash from operating activities	159,142	(9,767)		27,240	(254,119)	
Cash used in investing activities	(108,316)	(57,708)	87.7%	(207,017)	(123,144)	68.1%
Cash provided by (used in) financing activities	(45,649)	(95,033)	-52.0%	(131,835)	(32,547)	305.1%
Currency effect on the cash for the year	(33,852)	48,052	-170.4%	(49,271)	(24,194)	103.6%
Decrease in cash and cash equivalents	**(28,675)**	**(114,456)**	**-74.9%**	**(360,883)**	**(434,004)**	**-16.8%**
Cash and cash equivalents at end of period	**1,148,946**	**838,441**	**37.0%**	**1,148,946**	**838,441**	**37.0%**

The Company registered an **operating cash generation of R$159 million**, compared to a cash consumption of R$10 million in 2Q22 and R$132 million in 1Q23. This result was due to efforts to manage working capital, especially the reduction in inventories and the performance of MWM's operations.

Investment activities consumed R$108 million in 2Q23. Investments increased year over year and were related to supporting programs and projects, new products, casting, gains in efficiency & synergies, and safety and the environment.

Regarding financing activities, in 2Q23, consumption totaled R$46 million, mainly arising from the payment of Interest on Equity and the repurchase of shares. The comparison base with the same period of 2022 was impacted by the amortization of loans in 2Q22, related to 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$34 million, resulted in a decrease of R$29 million in cash and cash equivalents in the period. Accordingly, we ended 1H23 with a balance of R$1.149 million.

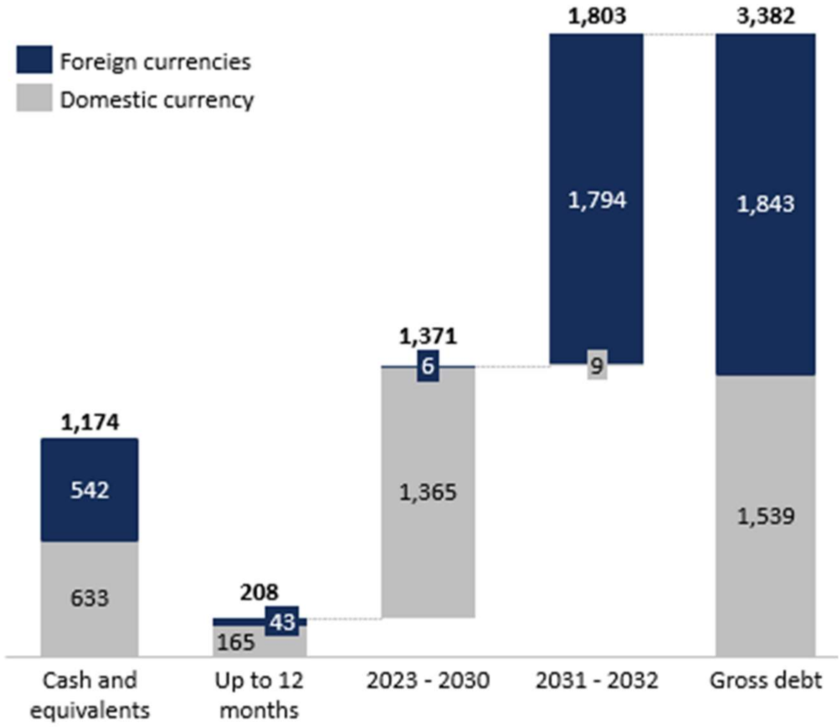
INDEBTEDNESS

The Company ended 2Q23 with net debt of R$3.4 billion, corresponding to a net debt/LTM Adjusted EBITDA ratio of 1.76x.

Liabilities in foreign currency accounted for 55% of the total (2% in the short term and 98% in the long term), while 45% of debt is denominated in Brazilian reais (11% in the short term and 89% in the long term). As for the Company's cash balance, 54% of the amount is denominated in Brazilian reais and 46% in foreign currency.

INDEBTEDNESS	2Q23	1Q23	4Q22	3Q22	2Q22
Short term	208,295	139,668	284,633	213,008	188,354
Financing and loans	206,312	138,681	284,303	209,723	184,673
Financial instruments and derivatives	1,983	987	330	3,285	3,681
Long term	3,173,618	3,274,608	3,235,576	3,304,338	2,292,076
Gross debt	**3,381,913**	**3,414,276**	**3,520,209**	**3,517,346**	**2,480,430**
Cash and cash equivalents	1,148,946	1,177,621	1,509,829	1,968,041	838,441
Financial instruments and derivatives	25,532	20,789	13,433	5,350	4,639
Net debt	**2,207,435**	**2,215,866**	**1,996,947**	**1,543,955**	**1,637,350**
Gross debt/Adjusted EBITDA	2.69x	2.69x	2.78x	2.88x	2.15x
Net debt/Adjusted EBITDA	**1.76x**	**1.75x**	**1.58x**	**1.27x**	**1.42x**

The Company's debt profile is as follows:



All amounts in R$ million.

EXECUTIVE OFFICERS' STATEMENT

In compliance with the provisions established under Article 27 of CVM Resolution 80, of March 29, 2022, 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 June 30, 2023.

Attachment I – Commercial Vehicle production and sales in Brazil

(Units)

	2Q23	2Q22	Var. (%)	1Q23	Var. (%)
Production					
Trucks					
Semi-light	169	459	-63.2%	565	-70.1%
Light	3,162	4,412	-28.3%	4,074	-22.4%
Medium	481	1,853	-74.0%	994	-51.6%
Semi-heavy	6,655	12,202	-45.5%	6,610	0.7%
Heavy	12,209	18,463	-33.9%	12,254	-0.4%
Total trucks	**22,676**	**37,389**	**-39.4%**	**24,497**	**-7.4%**
Buses	5,524	7,629	-27.6%	4,015	37.6%
Commercial Vehicles	**28,200**	**45,018**	**-37.4%**	**28,512**	**-1.1%**
Sales					
Trucks					
Semi-light	272	492	-44.7%	257	5.8%
Light	1,975	2,633	-25.0%	2,393	-17.5%
Medium	1,999	2,826	-29.3%	2,235	-10.6%
Semi-heavy	6,455	8,092	-20.2%	7,738	-16.6%
Heavy	11,191	15,383	-27.3%	13,705	-18.3%
Total Trucks	**21,892**	**29,426**	**-25.6%**	**26,328**	**-16.8%**
Buses	5,100	3,987	27.9%	6,216	-18.0%
Commercial Vehicles	**26,992**	**33,413**	**-19.2%**	**32,544**	**-17.1%**
Export					
Trucks					
Semi-light	265	344	-23.0%	317	-16.4%
Light	392	746	-47.5%	673	-41.8%
Medium	36	198	-81.8%	395	-90.9%
Semi-heavy	1,212	1,432	-15.4%	1,094	10.8%
Heavy	1,789	3,733	-52.1%	1,989	-10.1%
Total Trucks	**3,694**	**6,453**	**-42.8%**	**4,468**	**-17.3%**
Buses	1,441	1,176	22.5%	808	78.3%
Commercial Vehicles	**5,135**	**7,629**	**-32.7%**	**5,276**	**-2.7%**

Source: ANFAVEA

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

(Units)	2Q23	2Q22	Var. (%)	1Q23	Var. (%)
North America					
Production/Factory Shipments					
Passenger cars	792,885	694,182	14.2%	747,625	6.1%
Light comercial vehicles – Class 1-3	3,268,537	3,016,524	8.4%	3,114,975	4.9%
% Light comercial vehicles	**80,5%**	**81,3%**		**80,6%**	
Light Duty - Class 4-5	24,743	21,920	12.9%	18,667	32.5%
Medium Duty - Class 6-7	37,588	32,661	15.1%	36,860	2.0%
Medium Duty - Class 8	85,109	78,632	8.2%	85,348	-0.3%
Medium & Heavy Duty[1]	**147,440**	**133,213**	**10.7%**	**140,875**	**4.7%**
United States					
Sales					
Passenger cars	866,618	760,124	14.0%	768,759	12.7%
Light comercial vehicles – Class 1-3	3,249,206	2,753,764	18.0%	2,826,211	15.0%
% Light comercial vehicles	**78,9%**	**78,4%**		**78,6%**	
Light Duty - Class 4-5	32,682	22,402	45.9%	23,934	36.6%
Medium Duty - Class 6-7	33,560	28,764	16.7%	31,870	5.3%
Medium Duty - Class 8	70,922	62,057	14.3%	64,920	9.2%
Medium & Heavy Duty[1]	**137,164**	**113,223**	**21.1%**	**120,724**	**13.6%**
Europe					
Sales					
Passenger cars	2,787,942	2,364,298	17.9%	2,650,711	5.2%

Source: Automotive News; Bloomberg; ACEA

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

	(Units)				
	2Q23	**2Q22**	**Var. (%)**	**1Q23**	**Var. (%)**
Sales					
Americas					
United States and Canada	90,526	96,553	-6.2%	56,747	59.5%
Europe					
Germany	14,517	14,582	-0.4%	12,848	13.0%
United Kingdom	3,423	3,373	1.5%	3,354	2.1%

Source: ANFAVEA; Bloomberg; AEA

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 2023 AND DECEMBER 31, 2022
(All amounts in thousands of reais)

A S S E T S

		Parent company		Consolidated	
	Note	6/30/23	12/31/22	6/30/23	12/31/22
CURRENT ASSETS					
Cash and cash equivalents	3	259.213	704.746	1.148.946	1.509.829
Derivative financial instruments	31	10.033	5.141	25.532	13.433
Trade account receivables	4	1.245.021	1.035.555	2.143.880	2.031.380
Inventories	5	521.741	519.306	2.021.128	2.207.884
Tooling	6	86.638	70.402	212.790	166.374
Income tax and social contribution recoverable	7	3.826	8.069	46.857	47.427
Other taxes recoverable	8	76.746	60.052	270.644	281.732
Other assets		64.104	57.293	157.429	168.621
Total current assets		2.267.322	2.460.564	6.027.206	6.426.680
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	7	28.792	30.124	28.792	30.124
Other taxes recoverable	8	13.752	12.281	357.597	342.552
Deferred income tax and social contribution	9	245.188	265.839	655.352	657.132
Judicial deposits and other		7.678	9.099	28.729	30.165
Investments in equity instruments		2.828	2.746	9.035	15.496
Investments properties		-	-	5.694	5.694
Investments	11	4.165.938	4.136.047	-	-
Property, plant and equipment	12	761.037	708.827	2.551.581	2.584.302
Intangible assets	13	47.803	48.396	148.263	151.113
Total non-current assets		5.273.016	5.213.359	3.785.043	3.816.578
Total assets		7.540.338	7.673.923	9.812.249	10.243.258

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT JUNE 30, 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	6/30/23	12/31/22	6/30/23	12/31/22
CURRENT LIABILITIES					
Trade accounts payables	14	555,026	606,734	1,318,083	1,682,446
Business combination obligations	20	312,522	304,739	312,522	304,739
Loans and financing	15	1,322,918	62,021	159,921	238,505
Debentures	16	46,391	45,798	46,391	45,798
Derivative financial instruments	31	13	73	1,983	330
Other taxes payable		20,036	30,895	114,855	193,548
Salaries, social security charges and profit sharing		184,948	224,047	381,608	426,428
Advances from customers	17	15,723	18,149	280,890	194,992
Related parties	10	5,267	6,219	-	-
Dividends and interest on shareholders' equity		103,624	98,243	103,624	98,243
Provision for tax, civil, social security and labor proceedings	18	18,888	23,868	18,888	23,868
Other liabilities	21	23,467	28,025	181,332	181,448
Total current liabilities		2,608,823	1,448,811	2,920,097	3,390,345
NON-CURRENT LIABILITIES					
Loans and financing	15	470,631	1,860,831	2,179,939	2,242,516
Debentures	16	993,679	993,060	993,679	993,060
Provision for tax, civil, social security and labor proceedings	18	247,366	220,578	398,150	380,274
Business combination obligations		107,768	107,768	107,768	107,768
Retirement benefit obligations	19	-	-	100,407	91,367
Other long term liabilities		3,032	3,032	3,475	3,568
Total non-current liabilities		1,822,476	3,185,269	3,783,418	3,818,553
EQUITY					
Share capital	22	1,177,603	1,060,301	1,177,603	1,060,301
Share issuance costs		(6,541)	(6,541)	(6,541)	(6,541)
Share-based payments		6,596	9,876	6,596	9,876
Treasury shares	22b	(976)	(451)	(976)	(451)
Carrying value adjustments		709,525	799,055	709,525	799,055
Income reserves		1,018,936	1,177,603	1,018,936	1,177,603
Retained earnings		203,896	-	203,896	-
Non-controlling interest		-	-	(305)	(5,483)
Total equity		3,109,039	3,039,843	3,108,734	3,034,360
Total liabilities and equity		7,540,338	7,673,923	9,812,249	10,243,258

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

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

		Parent company		Consolidated	
	Note	6/30/23	6/30/22	6/30/23	6/30/22
NET REVENUE	23	2,220,722	2,280,917	5,770,270	4,893,313
Cost of products sold	24	(1,740,736)	(1,804,694)	(4,772,140)	(3,973,752)
GROSS PROFIT		479,986	476,223	998,130	919,561
Selling expenses	24	(137,879)	(156,124)	(326,947)	(276,512)
Administrative expenses	24	(105,873)	(96,606)	(201,329)	(147,860)
Other operating expenses, net	26	(58,577)	(29,602)	(73,178)	(50,670)
Share of results of subsidiaries		217,706	157,934	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		395,363	351,825	396,676	444,519
Finance costs	25	(135,280)	(64,070)	(159,929)	(87,314)
Finance income	25	27,350	30,570	51,227	30,161
Monetary and foreign exchange variations, net	25	(67,057)	(9,773)	(52,437)	(34,727)
PROFIT BEFORE TAXATION		220,376	308,552	235,537	352,639
Income tax and social contribution	27	(18,234)	(51,170)	(28,391)	(99,067)
NET INCOME FOR THE PERIOD		202,142	257,382	207,146	253,572
TUPY SHAREHOLDERS NET INCOME (LOSS)		202,142	257,382	202,142	257,527
NON-CONTROLLING NET LOSS		-	-	5,004	(3,955)
EARNINGS PER SHARE					
Basic earnings per share	28	1.40293	1.78554	1.40293	1.78554
Diluted earnings per share	28	1.39352	1.77580	1.39352	1.77580

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
QUARTERS ENDED JUNE 30, 2023 AND 2022
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		4/1/23	4/1/22	4/1/23	4/1/22
	Note	6/30/23	6/30/22	6/30/23	6/30/22
NET REVENUE	23	1,076,207	1,187,484	2,965,864	2,529,016
Cost of products sold	24	(875,527)	(912,021)	(2,472,434)	(2,019,094)
GROSS PROFIT		200,680	275,463	493,430	509,922
Selling expenses	24	(54,642)	(98,101)	(143,134)	(165,244)
Administrative expenses	24	(58,252)	(52,146)	(106,221)	(79,176)
Other operating expenses, net	26	(55,092)	(13,605)	(64,661)	(17,883)
Share of results of subsidiaries		122,414	94,759	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		155,108	206,370	179,414	247,619
Finance costs	25	(66,189)	(32,408)	(76,597)	(42,664)
Finance income	25	9,939	12,310	22,140	13,520
Monetary and foreign exchange variations, net	25	(47,469)	40,651	(40,426)	35,743
PROFIT BEFORE TAXATION		51,389	226,923	84,531	254,218
Income tax and social contribution	27	8,514	(45,289)	(22,661)	(74,645)
NET INCOME FOR THE PERIOD		59,903	181,634	61,870	179,573
TUPY SHAREHOLDERS NET INCOME (LOSS)		59,903	181,634	59,903	181,780
NON-CONTROLLING NET LOSS		-	-	1,967	(2,207)
EARNINGS PER SHARE					
Basic earnings (loss) per share	28	0.41574	1.26005	0.41574	1.26005
Diluted earnings (loss) per share	28	0.41296	1.25318	0.41296	1.25318

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

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

		Parent company		Consolidated	
	Note	6/30/23	6/30/22	6/30/23	6/30/22
NET INCOME (LOSS) FOR THE YEAR		202,142	257,382	207,146	253,572
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	11b	(179,560)	(157,204)	(179,560)	(157,204)
Hedge of net investment abroad	31b	139,077	104,568	139,077	104,568
Tax effect on hedge of net investment abroad	31b	(47,293)	(35,552)	(47,293)	(35,552)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		114,366	169,194	119,370	165,384

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED JUNE 30, 2023 AND 2022
(All amounts in thousands of reais, except earnings per share)

	Parent company		Consolidated	
	4/1/23 6/30/23	4/1/22 6/30/22	4/1/23 6/30/23	4/1/22 6/30/22
NET INCOME FOR THE PERIOD	59,903	181,634	61,870	179,573
Components of other comprehensive income to be reclassified to the results				
Foreign exchange variation of investees located abroad	(118,918)	189,328	(118,918)	189,328
Hedge of net investment abroad	91,159	(173,289)	91,159	(173,289)
Tax effect on hedge of net investment abroad	(30,995)	58,919	(30,995)	58,919
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER	1,149	256,592	3,116	254,531

See the accompanying notes to the quarterly information

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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		-	-	-	-	-	-	-	-	257,382	257,382	(3,810)	253,572
Realization of carrying value adjustments		-	-	-	-	-	(2,159)	-	-	2,159	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(157,204)	-	-	-	-	(157,204)	-	(157,204)
Hedge of net investment abroad	31b	-	-	-	-	104,568	-	-	-	-	104,568	-	104,568
Tax impact on hedge of net investment abroad	31b	-	-	-	-	(35,552)	-	-	-	-	(35,552)	-	(35,552)
Total comprehensive income for the period		-	-	-	-	(88,188)	(2,159)	-	-	259,541	169,194	(3,810)	165,384
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	1,801	-	-	-	-	-	-	1,801	-	1,801
Realization of management stock option plan		-	-	(3,128)	-	-	-	-	-	3,128	-	-	-
(-) Shares in treasury acquired		-	-	-	(1,100)	-	-	-	-	-	(1,100)	-	(1,100)
		-	-	-	-	-	-	-	-	-	-	63	63
Allocation of gain:													
Total contributions from shareholders and distributions to shareholders		-	-	(1,327)	(1,100)	-	-	-	-	3,128	701	63	764
AT JUNE 30, 2022		**1,060,301**	**(6,541)**	**7,353**	**(1,105)**	**788,637**	**18,505**	**105,966**	**686,654**	**262,669**	**2,922,439**	**(3,077)**	**2,919,362**
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		-	-	-	-	-	-	-	-	202,142	202,142	5,004	207,146
Realization of carrying value adjustments		-	-	-	-	-	(1,754)	-	-	1,754	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(179,560)	-	-	-	-	(179,560)	-	(179,560)
Hedge of net investment abroad	31b	-	-	-	-	139,077	-	-	-	-	139,077	-	139,077
Tax impact on hedge of net investment abroad	31b	-	-	-	-	(47,293)	-	-	-	-	(47,293)	-	(47,293)
Total comprehensive income for the year		-	-	-	-	(87,776)	(1,754)	-	-	203,896	114,366	5,004	119,370
Contributions from shareholders and distributions to shareholders													
		117,302	-	-		-	-	-	(117,302)	-	-	-	-
Management stock option plan		-	-	4,748	-	-	-	-	-	-	4,748	-	4,748
(-) Treasury share granted		-	-	(8,028)	8,028	-	-	-	-	-	-	-	-
(-) Shares in treasury acquired		-	-	-	(8,553)	-	-	-	-	-	(8,553)	-	(8,553)
Non-controlling net income		-	-	-	-	-	-	-	-	-	-	174	174
Allocation of gain:													
Interest on capital		-	-	-	-	-	-	-	(41,365)	-	(41,365)	-	(41,365)
Total contributions from shareholders and distributions to shareholders		117,302	-	(3,280)	(525)	-	-	-	(158,667)	-	(45,170)	174	(44,996)
AT JUNE 30, 2023		**1,177,603**	**(6,541)**	**6,596**	**(976)**	**694,693**	**14,832**	**131,380**	**887,556**	**203,896**	**3,109,039**	**(305)**	**3,108,734**

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	6/30/23	6/30/22	6/30/23	6/30/22
Profit for the period before income tax and social contribution		220.376	308.552	235.537	352.639
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	12 and 13	73.568	69.817	182.059	182.059
Share of results of subsidiaries	11	(217.706)	(157.934)	-	-
Disposals of property, plant and equipment		1.932	(316)	2.696	912
Interest accrued and foreign exchange variations	25	205.091	71.174	212.026	94.693
Provision for impairment of trade receivables		1.245	2.461	2.057	1.454
Provision for losses on inventory		(3.623)	1.402	(7.419)	(8.993)
Provision for contingencies	18	47.203	17.582	48.222	23.163
Stock option plan		4.748	1.801	4.748	1.801
Change in Eletrobrás credit		(82)	(869)	(82)	(869)
		332.752	313.670	679.844	646.859
Changes in operating assets and liabilities:					
Trade accounts receivables		(287.042)	(381.456)	(266.234)	(879.654)
Inventories		1.188	(96.220)	142.433	(240.872)
Tooling		(16.236)	(13.750)	(54.038)	(8.179)
Other taxes recoverable		(57.466)	26.849	(8.606)	(54.873)
Other assets		(7.861)	946	16.075	(25.185)
Judicial deposits and other		1.421	4.902	1.436	4.732
Trade payables		(35.549)	128.368	(261.778)	299.415
Other taxes payable		(10.859)	(7.028)	(77.467)	65.137
Salaries, social security charges and profit sharing		(39.099)	31.522	(36.377)	56.351
Advances from customers		(2.426)	(3.578)	91.393	(13.891)
Notes and other payables		(4.558)	(15.385)	(328)	(15.009)
Retirement benefit obligations		-	-	15.259	6.074
Payment of contingencies other liabitilies		(25.395)	(20.772)	(35.419)	(20.345)
Cash generated by operations		**(151.130)**	**(31.932)**	**206.193**	**(179.440)**
Interest paid		(65.166)	(67.233)	(78.603)	(66.745)
Income tax and social contribution paid		-	-	(100.350)	(7.934)
Net cash generated from operating activities		**(216.296)**	**(99.165)**	**27.240**	**(254.119)**
Cash flow from investing activities:					
Corportate Reorganization		(61)	-	-	-
Business Combinations Obligations		3.111	-	3.111	-
Additions to fixed assets or intangibles	12 and 13	(114.145)	(60.742)	(211.178)	(124.194)
Cash generated on PPE disposals		1.050	1.050	1.050	1.050
Subsidiaries and associates		3.212	(120.797)	-	-
Net cash used in investing activities		**(106.833)**	**(180.489)**	**(207.017)**	**(123.144)**
Cash flow from financing activities:					
Payment of loans	15	(1.037)	(1.440)	(82.118)	(386.846)
Interest on debentures		(72.208)	-	(72.208)	-
Loans and financing raised	15	-	-	81.000	405.000
Lease payment from right of use		(3.896)	(2.849)	(13.972)	(7.177)
Forfaiting operation		-	-	-	(20.264)
Interest on capital and dividends paid		(32.679)	(22.160)	(32.679)	(22.160)
Income tax of interest on capital and dividends paid		(3.305)	-	(3.305)	-
Treasury stock		(8.553)	(1.100)	(8.553)	(1.100)
Net cash used in financing activities		**(121.678)**	**(27.549)**	**(131.835)**	**(32.547)**
Effect of exchange rate differences on cash for the period		(726)	(1.098)	(49.271)	(24.194)
Increase in cash and cash equivalents		**(445.533)**	**(308.301)**	**(360.883)**	**(434.004)**
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		**259.213**	**404.063**	**1.148.946**	**838.441**

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	6/30/23	6/30/22	6/30/23	6/30/22
Origination of value added		2,378,280	2,476,127	6,240,499	5,186,074
Sale of products, net of returns and rebates	23	2,379,525	2,478,588	6,242,556	5,187,528
Provision for impairment of trade receivables		(1,245)	(2,461)	(2,057)	(1,454)
(-) Inputs acquired from third parties		(1,603,461)	(1,688,824)	(4,228,781)	(3,409,037)
Raw materials and processing material consumed		(1,288,793)	(1,391,192)	(2,785,562)	(2,303,042)
Materials, energy, third party services and other		(314,668)	(297,632)	(1,443,219)	(1,105,995)
GROSS VALUE ADDED		774,819	787,303	2,011,718	1,777,037
Retentions:		(73,568)	(69,817)	(182,059)	(182,059)
Depreciation and amortization	12 and 13	(73,568)	(69,817)	(182,059)	(182,059)
Net value added generated by the Company		701,251	717,486	1,829,659	1,594,978
Value added received through transfer		245,056	188,504	51,227	30,161
Finance income	25	27,350	30,570	51,227	30,161
VALUE ADDED TO DISTRIBUTE		**946,307**	**905,990**	**1,880,886**	**1,625,139**
Distribution of value added					
Personnel		430,703	418,920	1,130,813	913,415
Employees		317,890	299,460	931,621	743,751
Social charges - Government Severance Indemnity Fund for Employees (FGTS)		22,003	21,363	40,766	21,363
Profit sharing		28,091	37,243	53,449	68,690
Management fees		12,190	11,338	12,190	11,338
Workplace healthcare and safety		33,802	32,510	51,231	32,510
Food		7,188	7,384	13,760	7,384
Professional education, qualification and development		513	577	2,156	1,670
Other amounts		9,026	9,045	25,640	26,709
Government		111,125	155,845	330,561	336,111
Federal taxes and contributions		87,674	136,203	258,654	265,723
State taxes and rates		19,401	15,888	67,023	66,112
Municipal taxes, rates and other		4,050	3,754	4,884	4,276
Third party capital		202,337	73,843	212,366	122,041
Finance costs	25	135,280	64,070	159,929	87,314
Monetary and foreign exchange variations, net	25	67,057	9,773	52,437	34,727
Own capital		202,142	257,382	207,146	253,572
Retained earnings (losses)		202,142	257,382	207,146	253,572
TOTAL VALUE ADDED		**946,307**	**905,990**	**1,880,886**	**1,625,139**

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.

On November 30, 2022, the Company completed the acquisition of MWM Tupy do Brasil Ltda (former name: International Indústria Automotiva da América do Sul), thereby obtaining control of the operations.

The issue of these financial statements was authorized by the Board of Directors on August 14, 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 June 30, 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

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 June 30, 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	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Cash and banks	7,536	3,200	11,374	26,139
Financial investments in Brazil	228,410	625,633	621,519	916,210
Financial investments abroad	23,267	75,913	516,053	567,480
	259,213	**704,746**	**1,148,946**	**1,509,829**

All amounts in thousand of Reais unless otherwise stated.

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 4.74% 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.

4. ACCOUNTS RECEIVABLE

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

	Parent company		Consolidated	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Domestic market	216,920	176,808	593,187	638,762
Foreign market	1,039,044	868,056	1,636,308	1,469,486
Provision for impairment of trade receivables	(10,943)	(9,309)	(85,615)	(76,868)
	1,245,021	**1,035,555**	**2,143,880**	**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$ 4.8192 on December 31, 2022 to 5.0804 in June 30, 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$ 958,233 (R$ 783,444 at December 31, 2022). (Note 10)

	Parent company		Consolidated	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Falling due in up to 30 days	321,708	536,573	848,435	868,769
Falling due within 31 to 60 days	274,647	225,944	568,296	548,609
Falling due in more than 61 days	636,566	247,351	566,013	381,486
Total falling due	**1,232,921**	**1,009,868**	**1,982,744**	**1,798,864**
Overdue for up to 30 days	9,072	22,036	106,449	130,532
Overdue for 31 to 60 days	6,428	2,057	20,150	46,401
Overdue for more than 61 days	7,543	10,903	120,152	132,451
Total overdue	**23,043**	**34,996**	**246,751**	**309,384**
Provision for impairment of trade receivables	(10,943)	(9,309)	(85,615)	(76,868)
Total	**1,245,021**	**1,035,555**	**2,143,880**	**2,031,380**

As of June 30, 2023, the estimated loss in accounts receivable from customers represented 3.8% 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.

All amounts in thousand of Reais unless otherwise stated.

5. INVENTORIES

	Parent company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Finished products	223,112	223,862	548,183	622,443
Work in progress	145,033	154,674	569,383	621,202
Raw materials	127,847	121,402	759,400	821,826
Maintenance and other materials	39,849	37,091	211,151	216,821
Provision for losses	(14,100)	(17,723)	(66,989)	(74,408)
	521,741	**519,306**	**2,021,128**	**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 June 30, 2023, the Company had inventories of finished products offered as collateral for labor and social security lawsuits in the amount of R$ 9,046 (R$ 9,746 at December 31, 2022) in the Parent Company and Consolidated. Nowadays the Company has taken out guarantee insurance

6. TOOLING

	Parent company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Domestic market	39,827	28,310	63,273	41,964
Foreign market	46,809	42,092	149,515	124,410
	86,636	**70,402**	**212,788**	**166,374**

The increase in the period stems from the construction of tool projects defined with clients and manufacturing contracts from MWM Tupy do Brasil Ltda.

7. RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION

	Jun/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	**3,826**	**28,792**	**32,618**	**8,069**	**30,124**	**38,193**
Income tax	3,826	20,283	24,109	8,069	21,616	29,685
Social contribution	-	8,509	8,509	-	8,508	8,508
Subsidiaries	**43,031**	**-**	**43,031**	**39,358**	**-**	**39,358**
Income tax	43,031	-	43,031	39,343	-	39,343
Social contribution	-	-	-	15	-	15
Consolidated	**46,857**	**28,792**	**75,649**	**47,427**	**30,124**	**77,551**

8. OTHER RECOVERABLE TAXES

Parent company

	Jun/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	-	-	-	102	-	102
ICMS recoverable - Santa Catarina (a)	21,058	6,974	28,032	20,569	5,503	26,072
Reintegra benefit	761	-	761	795	-	795
COFINS, PIS and IPI recoverable (b)	54,927	6,778	61,705	38,586	6,778	45,364
	76,746	**13,752**	**90,498**	**60,052**	**12,281**	**72,333**

All amounts in thousand of Reais unless otherwise stated.

Consolidated

	Jun/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	21,013	87,868	108,881	11,101	92,897	103,998
ICMS recoverable - Santa Catarina (a)	21,058	6,974	28,032	20,569	5,503	26,072
ICMS recoverable - Minas Gerais (a)	2,173	3,259	5,432	3,543	3,259	6,802
Reintegra benefit	1,003	-	1,003	1,499	-	1,499
COFINS, PIS and IPI recoverable (b)	121,733	162,479	284,212	156,051	154,231	310,282
Value-added tax (VAT) (c)	103,664	97,017	200,681	88,969	86,662	175,631
Consolidated	**270,644**	**357,597**	**628,241**	**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.

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.

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.

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.

All amounts in thousand of Reais unless otherwise stated.

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	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Deferred assets				
Income tax and social contribution losses	156,336	178,723	411,984	436,988
Provisions for contingencies	47,986	56,222	109,447	113,485
Taxes and contribution recoverable	38,602	38,931	38,602	38,931
Property, plant and equipment - impairment	10,538	24,963	10,574	24,999
Salaries, social security charges and profit sharing	7,742	3,441	64,336	74,256
Provision for impairment of trade receivables	18,543	13,895	38,450	19,496
Provision for inventory losses	5,986	8,523	11,743	18,277
Share-based payments	2,242	3,357	2,242	3,357
Tooling	-	-	19,950	22,813
Other items	176	2,232	25,585	35,584
Property, plant and equipment - tax base (México)	-	-	71,845	39,065
Unrealized profits in subsidiaries	-	-	3,593	9,435
Subtotal	**288,151**	**330,287**	**808,351**	**836,686**
Deferred liabilities				
Depreciation rate differences	20,152	39,345	26,505	42,264
Business combination effect	11,732	14,835	11,732	14,835
Property, plant and equipment - carrying value adjustments	7,672	8,544	8,461	9,498
Financial derivative instruments	3,407	1,724	3,407	1,724
Deferred tax on asset valuation	-	-	36,855	36,855
Deferred tax on ICMS based on PIS/COFINS	-	-	66,039	74,378
Subtotal	**42,963**	**64,448**	**152,999**	**179,554**
Total deferred liabilities, net	**245,188**	**265,839**	**655,352**	**657,132**

Tax legislation in Mexico allows the Mexican subsidiaries 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 June 30, 2023, the amount of deferred taxes on temporary differences is R$ 71,8450 (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) .

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 June 30, 2023 the changes in deferred tax assets and liabilities were as follow:

All amounts in thousand of Reais unless otherwise stated.

	Parent company		Consolidated	
	Jun/23	Jun/22	Jun/23	Jun/22
Opening balance	265,839	307,452	657,132	533,900
Recognized in profit				
Recognized in profit for the year	26,642	19,924	70,575	46,807
Recognized in comprehensive income for the year	(47,293)	(35,552)	(47,293)	(35,552)
Effects of currency translation into presentation currency	-	-	(25,062)	(6,043)
Closing balance	**245,188**	**291,824**	**655,352**	**539,112**

10. RELATED PARTY TRANSACTIONS

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

a. Subsidiaries

Assets	Jun/23	Dec/22
Trade account receivables	**958,233**	**783,444**
Tupy Mexico Saltillo, S.A. de C.V	442,396	334,997
Tupy American Foundry Corporation	272,458	237,497
Tupy Europe GmbH	142,544	100,314
Tupy Materials & Components B.V.	31,856	46,332
MWM Tupy do Brasil	28,152	30,404
Technocast, S.A. de C.V.	25,613	26,212
Tupy Minas Gerais Ltda.	12,375	4,598
Funfrap - Fundição Portuguesa S.A.	2,839	3,090
Other assets	**4,672**	**-**
MWM Tupy do Brasil	4,672	-
	958,233	**783,444**

Liabilities	Jun/23	Dec/22
Loans and financing	**1,734,482**	**1,878,936**
Tupy Overseas S.A	1,734,482	1,878,936
Other liabilities	**29,480**	**8,598**
Tupy Minas Gerais Ltda.	22,239	-
MWM Tupy do Brasil	2,339	-
Tupy Europe GmbH	2,036	5,657
Tupy American Foundry Co.	2,029	2,061
Tupy México Saltillo S.A. de CV	760	880
Technocast, S.A. de C.V.	77	-
Related parties – loans	**5,266**	**6,219**
Tupy Agroenergética Ltda.	4,549	5,049
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "em liquidação"	717	1,170
	1,769,228	**1,893,753**

All amounts in thousand of Reais unless otherwise stated.

Statement of income	2Q23	2Q22	1H23	1H22
Revenues	**608,882**	**499,008**	**1,247,120**	**920,470**
Tupy American Foundry Corporation	256,633	300,916	512,879	531,024
Tupy Mexico Saltillo, S.A. de C.V	127,554	128,747	261,074	262,497
Tupy Europe GmbH	120,028	69,345	227,992	126,901
Tupy Material & Components B.V.	38,925	-	84,873	-
MWM Tupy do Brasil Ltda.	60,145	-	151,839	-
Tupy Minas Gerais Ltda.	5,597	-	8,463	-
Technocast, S.A. de C.V.	-	-	-	48
Other operating expenses, net	**16,925**	**19,079**	**26,515**	**26,118**
FUNFRAP – Fundição Portuguesa, S.A	327	3,890	3,988	5,123
Tupy Mexico Saltillo, S.A. de C.V	2,711	14	5,425	33
Tupy Material & Components B.V.	-	-	1,883	-
Tupy Europe GmbH	1,124	-	2,217	-
Technocast, S.A. de C.V.	12,515	14,828	12,754	19,989
Tupy American Foundry Corporation	248	347	248	973
Finance costs	**(29,747)**	**(29,665)**	**(60,114)**	**(55,810)**
Tupy Overseas S.A.	(29,747)	(29,665)	(60,114)	(59,859)
Tupy Minas Gerais Ltda.	-	-	-	4,049
	596,060	**488,422**	**1,213,521**	**890,778**

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

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 June 30, 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.

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 Parent Company, with an undefined term, remunerated at the change of the TR – Reference Rate.

The Company Board of Directors approved on April 24, 2023 the capital reduction of the subsidiary MWM Tupy do Brasil Ltda., in the amount of R$150,000. The reduction is intended to reinforce the Parent Company's cash to settle the commitment assumed in the business combination (Note 20).

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.

All amounts in thousand of Reais unless otherwise stated.

c. Management remuneration

	Board of Directors		Board of Officers		Total	
	1H23	1H22	1H23	1H22	1H23	1H22
Fixed remuneration	2,213	2,271	3,764	3,631	5,977	5,902
Variable remuneration	-	-	1,490	3,937	1,490	3,937
Stock option plan	104	189	4,619	1,310	4,723	1,499
	2,317	**2,460**	**9,873**	**8,878**	**12,190**	**11,338**

	Board of Directors		Board of Officers		Total	
	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22
Fixed remuneration	884	1,173	1,762	1,835	2,646	3,008
Variable remuneration	-	-	337	2,745	337	2,745
Stock option plan (Note 19)	40	79	3,611	480	3,651	559
	924	**1,252**	**5,710**	**5,060**	**6,634**	**6,312**

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. In this quarter, there was an impact arising from the acquired right of the beneficiaries regarding the 2020 Grant Plan.

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 June 30, 2023, these benefits totaled R$ 1,600 (R$ 1,004 in the same period of the previous year).

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

d. Interest on capital (JSCP)

The Company Board of Directors approved the distribution of interest on capital (JSCP), supported by the reserves for investments existing on December 31, 2022. The amount will be considered as the mandatory minimum dividend of 2023.

Approved date	Form	Gross amount	Per share	Net amount	Payment date
03.27.23	Interest on capital	41,365	0.2872	38,060	11.07.22
		41,365	**0.2872**	**38,060**	

e. 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 semester ended June 30, 2023, the Company recognized as sponsorship expenses the amount of R$ 624 (R$ 680 as of June 30, 2022).

All amounts in thousand of Reais unless otherwise stated.

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 JUNE 30, 2023							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	5,093,259	2,235,340	41,226	163,573	100,00	160,239	2,267,308
Tupy American Foundry Co.	548,722	202,191	-	9,574	100,00	12,468	199,755
Tupy Minas Gerais Ltda.	990,812	236,671	45,199	(11,080)	100,00	(8,418)	283,658
MWM Tupy do Brasil Ltda.	1,951,531	1,198,020	204,594	54,347	100,00	54,347	1,402,614
Tupy Agroenergética Ltda.	14,411	13,746	-	(663)	100,00	(663)	13,746
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,055	(1,143)	-	(267)	100,00	(267)	(1,143)
						217,706	**4,165,938**

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

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

b. Changes in investments

Parent company	
AT DECEMBER 31, 2021	**2,402,961**
Share in the results of subsidiaries	157,934
Exchange variations of investees located abroad	(157,204)
Tupy Minas Gerais payment of capital	247,744
Business combination	(5,171)
AT JUNE 30, 2022	**2,646,264**
AT DECEMBER 31, 2022	**4,136,047**
Share in the results of subsidiaries	217,706
Exchange variations of investees located abroad	(179,560)
Tupy Minas Gerais payment of capital	(8,316)
Corporate reorganization	61
AT JUNE 30, 2023	**4,165,938**

The equity in net income of subsidiaries is recognized in the income for the period and the exchange-rate change on foreign investees is recognized in comprehensive income and comprises the balance of the equity valuation adjustment account in shareholders' equity.

c. Tupy Materials & Components B.V.

As part of the Company´s organizational restructuring plan, in May 1st 2023 the participation in subsidiaries, Tupy Overseas of Luxemburg and Tupy Europe GmgH from German were fully contributed up in the Tupy Materials & Components. B.V. located in the Netherlands.

In May 31st 2023 the subsidiary Tupy Agroenergética Ltda sold to the Parent Company the share of Tupy Materials & Components B.V., equivalent to 1% of shares.

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	71,902	11,726	-	3,385	897	19,846	13,768	121,524
Disposal	(12,204)	(586)	-	(766)	(2)	(20,473)	-	(34,031)
AT JUNE 30, 2023	**1,882,516**	**391,984**	**8,948**	**33,561**	**6,577**	**26,936**	**148,160**	**2,498,682**
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	(55,176)	(6,285)	-	(1,142)	(227)	(4,552)	-	(67,382)
Disposal	10,993	159	-	472	2	20,473	-	32,099
AT JUNE 30, 2023	**(1,498,408)**	**(211,233)**	**-**	**(17,222)**	**(3,372)**	**(7,410)**	**-**	**(1,737,645)**
Carrying amount								
AT DECEMBER 31, 2022	368,593	175,737	8,948	14,390	2,535	4,232	134,392	708,827
AT JUNE 30, 2023	384,108	180,751	8,948	16,339	3,205	19,526	148,160	761,037

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	132,876	19,496	-	3,457	3,651	26,115	54,569	240,164
Exchange variation	(236,622)	(53,646)	(5,915)	(357)	(3,581)	(4,880)	(20,592)	(325,593)
Disposal	(25,927)	(590)	-	(1,001)	(225)	(21,171.00)	-	(48,914)
AT JUNE 30, 2023	**5,863,774**	**1,468,364**	**339,607**	**41,931**	**126,012**	**109,688**	**439,810**	**8,389,186**
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	(135,649)	(19,305)	-	(1,528)	(3,266)	(14,143)	-	(173,891)
Exchange variation	195,019	37,402	-	216	3,245	3,403	-	239,285
Disposal	14,552	161	-	659	222	20,634	-	36,228
AT JUNE 30, 2023	**(4,725,914)**	**(929,225)**	**-**	**(23,116)**	**(97,035)**	**(62,315)**	**-**	**(5,837,605)**
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 JUNE 30, 2023	1,137,860	539,139	339,607	18,815	28,977	47,373	439,810	2,551,581

The Company offered property, plant and equipment items as collateral for loans and financing of R$ 4,418 (R$ 2,665 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 semester, interest of loans and financing was capitalized on property, plant and equipment in the amount of R$ 5,568 (R$ 2,707 on June 30, 2022).

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	1,542	575	3,476	5,593
Amortization	(4,973)	(1,213)	-	(6,186)
AT JUNE 30, 2023	**27,829**	**4,148**	**15,826**	**47,803**

Consolidated	Software	Contractual customer relationships	Goodwill	Trademark	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	-	-	31,354	-	-	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**	**31,354**	**4,786**	**12,350**	**151,113**
Acquisition/costs	2,634	-	-	-	575	3,476	6,685
Exchange variation	(1,367)	-	-	-	-	-	(1,367)
Amortization	(6,955)	-	-	-	(1,213)	-	(8,168)
AT JUNE 30, 2023	**55,709**	**-**	**41,226**	**31,354**	**4,148**	**15,826**	**148,263**

14. SUPPLIERS

	Parent company		Consolidated	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Domestic suppliers	438,186	473,064	731,269	851,219
Foreign suppliers	50,181	58,418	510,732	746,318
Subtotal	**488,367**	**531,482**	**1,242,001**	**1,597,537**
Forfaiting operation	66,659	75,252	76,082	84,909
	555,026	**606,734**	**1,318,083**	**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$ 4.8192 on June 30, 2023.

The Company has agreements signed with financial institutions 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	Jun/23	Dec/22
Local currency			**59,067**	**43,916**
(a) FINEP	Jul/2032	10.20% a.a.	37,538	37,299
Sustainability	Jan/2025	5.92% a.a.	1,182	2,221
Leasing from right of use			20,347	4,396
Foreign currency			**1,734,482**	**1,878,936**
(b) Export prepayment - Tupy Overseas	Jul/2024	VC + 6.78% a.a.	1,734,482	1,878,936
Current portion			1,322,918	62,021
Non-current portion			470,631	1,860,831
			1,793,549	**1,922,852**

VC = Foreign exchange variation

Consolidated

	Maturity	Effective rate	Jun/23	Dec/22
Local currency			**498,594**	**478,739**
(a) FINEP	Jul/2032	10.20% a.a.	37,538	37,299
Sustainability	Jan/2025	6.30% a.a.	1,337	2,475
(c) Export credit notes	Feb/2025	CDI+1.66% a.a.	426,818	428,331
Leasing from right of use			32,901	10,634
Foreign currency			**1,841,266**	**2,002,282**
(d) Senior unsecured Notes - US$375.000	Feb/2031	VC + 4,5% a.a.	1,824,251	1,974,325
Leasing from right of use			17,015	27,957
Current portion			159,921	238,505
Non-current portion			2,179,939	2,242,516
			2,339,860	**2,481,021**

VC = Foreign exchange variation
CDI = Interbank deposit certificate

Long term maturities are as follow:

	Parent company		**Consolidated**	
Year	**Jun/23**	**Dec/22**	**Jun/23**	**Dec/22**
2023	-	164	-	1,306
2024	432,114	1,823,426	177,707	181,419
2025 - 2030	29,997	28,841	199,731	109,841
2031	5,238	5,238	1,799,219	1,946,789
2032	3,282	3,162	3,282	3,161
	470,631	**1,860,831**	**2,179,939**	**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 June 30, 2023, the fair value of loans and financing was R$ 1,971,909 (R$ 2,024,102 at December 31, 2022).

As of June 30, 2023, the Company addressed all restrictive clauses specific to each operation.

All amounts in thousand of Reais unless otherwise stated.

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.

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$ 139,077 (gain of R$ 119,523 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% per year. The first instalment occurred in February 2023 amouting of R$ 81,000.

In February the subsidiary took out a loan from Branco do Brasil S.A., amouting of R$ 81.000, restated at the CDI change + 1,5% and due in February 10, 2025.

Said contracts 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 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$ 149,438. 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$ 127,878

The Issue has covenants with annual measurement, and its main financial indicator is Net Debt/Adjusted EBITDA; as of June 30, 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 4^{th} issue of debentures in the amount of R$ 1,000,000. The balance will be amortized in two 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	**Jun/23**	**Dec/22**	**Jun/23**	**Dec/22**
Current	46,391	45,798	46,391	45,798
Non-current	993,679	993,060	993,679	993,060
	1,040,070	**1,038,858**	**1,040,070**	**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.

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 Debenture holders 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. ADVANCE FROM CLIENTS

	Parent company		Consolidated	
	jun/23	**dez/22**	**jun/23**	**dez/22**
Domestic market	13,510	17,240	196,487	130,506
Foreign market	2,213	909	84,403	64,486
	15,723	**18,149**	**280,890**	**194,992**

These refer to fund advances for the construction of customer tooling that will be used in the production process.

Change occurred in the period is mainly due to advances received from on going projects.

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

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

The changes in the provisions for tax, civil, social security and labor proceedings in the six-month period ended June 30, 2023 and the related judicial deposits were as follows:

All amounts in thousand of Reais unless otherwise stated.

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**
Business combination adition	43,600	25,000	-	-	-	68,600
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	**81,075**	**100,676**	**60,674**	**8,709**	**(6,688)**	**244,446**
Restatements	(6,256)	41,324	11,935	200	-	47,203
Remuneration	-	-	-	-	(43)	(43)
Payments	(47)	(8,803)	(16,915)	-	-	(25,765)
Deposit Redemption	-	-	-	-	413	413
AT JUNE 30, 2023	**74,772**	**133,197**	**55,694**	**8,909**	**(6,318)**	**266,254**

Current	18,888
Non-current	247,366
	266,254

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	3,480	54	7,464	-	-	10,998
Restatements	(5,973)	40,121	2,893	183	-	37,224
Remuneration	-	-	-	-	(43)	(43)
Payments	(31)	(9,006)	(28,007)	(443)	(3,713)	(41,200)
Deposit Redemption	-	-	-	-	5,917	5,917
AT JUNE 30, 2023	**85,148**	**237,656**	**118,335**	**8,909**	**(33,010)**	**417,038**

Current	18,888
Non-current	398,150
	417,038

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.

The main variation in relation to the tax contingencies was the change in the loss prognosis - from possible to probable in the process whose updated amount represents R$ 66,002, corresponding to the tax foreclosure whose object is alleged irregularity in the calculation of Taxable Income and Social Contribution on o Net Income for the calendar year 2007, due to the full use of the tax loss and negative basis of Tupy Fundições Ltda., upon the merger by Tupy S.A. The Company argues that full compensation was permitted, in the event of closure or incorporation of the company, by tax legislation and by the case law of the former Taxpayers Council – current CARF.

All amounts in thousand of Reais unless otherwise stated.

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	
	Jun/23	Dec/22	Jun/23	Dec/22
IRPJ and CSLL processes	106,138	181,199	106,510	181,571
PIS, COFINS and IPI credits	159,477	175,063	159,477	175,063
ICMS credits	510,845	493,113	510,845	493,113
Expired tax debts	145,489	144,261	145,489	144,261
Reintegra credits	39,954	40,334	39,954	40,334
Social security	123,778	86,965	123,778	86,965
Labor lawsuits	80,462	87,887	190,981	223,455
Civil and other	68,866	71,223	82,666	71,524
	1,235,009	**1,280,045**	**1,359,700**	**1,416,286**

The proceedings involving a risk of loss deemed “possible”, the main variation is the change in the loss prognosis - from possible to probable from IRPJ and CSLL process. The others proceedings, the same as those disclosed in Note 24 to the annual financial statements for the year ended December 31, 2022.

19. 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.

20. BUSINESS COMBINATIONS OBLIGATIONS

Acquisition of MWM Tupy do Brasil Ltda. generated several accounts payable to the former parent company, Navistar International Corporation, as follows:

Parent company and Consolidated			Consolidated	
	Jun/23	Dec/22	Jun/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	4,683	(3,100)	4,683	(3,100)
	420,290	**412,507**	**420,290**	**412,507**
Current portion	312,522	304,739	312,522	304,739
Non-current portion	107,768	107,768	107,768	107,768
	420,290	**412,507**	**420,290**	**412,507**

- 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, with no adjustment.

All amounts in thousand of Reais unless otherwise stated.

- 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.
- 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

21. SECURITIES PAYABLE AND OTHER

	Parent company		Consolidated	
Securities payable and other	**Jun/23**	**Dec/22**	**Jun/23**	**Dec/22**
Domestic market	13,605	13,530	96,276	99,404
Foreign market	7,524	14,495	85,056	82,044
	21,129	**28,025**	**181,332**	**181,448**

Securities payable and other are comprised of provisions for operating costs and expenses.

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

a) Capital

	Jun/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	201,092	0.1%	236,028	0.2%
Treasury stock	39,124	0.0%	20,533	0.0%
Non-controlling interests				
Trígono Capital Ltda	14,477,100	10.0%	14,477,100	10.0%
Other stockholders	53,000,660	36.9%	52,984,315	36.8%
Total outstanding shares	**144,177,500**	**100.0%**	**144,177,500**	**100.0%**

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 June 30, 2023, the market value of treasury shares was R$ 1,025,831.28.

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 closing the 2022 financial statements, exceeded the limit established in Art. 199 of Law 6,404/76, after making all the destinations provided for in corporate law.

23. 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	
	1H23	**1H22**	**1H23**	**1H22**
Gross revenue	2,407,234	2,494,598	6,349,525	5,271,608
Returns and rebates	(27,709)	(16,010)	(106,969)	(84,080)
Revenue net of returns and rebates	**2,379,525**	**2,478,588**	**6,242,556**	**5,187,528**
Sales taxes	(158,803)	(197,671)	(472,286)	(294,215)
Net revenue	**2,220,722**	**2,280,917**	**5,770,270**	**4,893,313**
Net revenue				
Domestic market	715,309	802,158	1,839,588	1,272,488
Foreign market	1,505,413	1,478,759	3,930,682	3,620,825
	2,220,722	**2,280,917**	**5,770,270**	**4,893,313**

	Parent company		Consolidated	
	2Q23	**2Q22**	**2Q23**	**2Q22**
Gross revenue	1,165,286	1,306,571	3,256,228	2,736,212
Returns and rebates	(10,638)	(15,891)	(51,322)	(50,880)
Revenue net of returns and rebates	**1,154,648**	**1,290,680**	**3,204,906**	**2,685,332**
Sales taxes	(78,441)	(103,196)	(239,042)	(156,316)
Net revenue	**1,076,207**	**1,187,484**	**2,965,864**	**2,529,016**
Net revenue				
Domestic market	354,787	416,653	948,853	671,501
Foreign market	721,420	770,831	2,017,011	1,857,515
	1,076,207	**1,187,484**	**2,965,864**	**2,529,016**

24. 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:

All amounts in thousand of Reais unless otherwise stated.

	Parent company		Consolidated	
	1H23	**1H22**	**1H23**	**1H22**
Raw and processing materials	(1,064,229)	(1,162,213)	(2,943,491)	(2,386,615)
Maintenance and consumption materials	(147,841)	(103,043)	(412,010)	(310,229)
Salaries, payroll taxes and profit sharing	(405,425)	(415,384)	(1,029,302)	(888,315)
Social benefits	(50,528)	(49,152)	(82,908)	(67,261)
Electricity	(85,627)	(88,329)	(232,088)	(250,950)
Freight and commission on sales	(116,091)	(135,182)	(250,526)	(243,393)
Management fees	(12,190)	(11,338)	(12,190)	(11,338)
Other costs	(29,143)	(23,210)	(155,846)	(75,993)
	(1,911,074)	***(1,987,851)***	***(5,118,361)***	***(4,234,094)***
Depreciation	(73,414)	(69,573)	(182,055)	(164,030)
Costs and expenses total	**(1,984,488)**	**(2,057,424)**	**(5,300,416)**	**(4,398,124)**
Cost of products sold	(1,740,736)	(1,804,694)	(4,772,140)	(3,973,752)
Selling expenses	(137,879)	(156,124)	(326,947)	(276,512)
Administrative expenses	(105,873)	(96,606)	(201,329)	(147,860)
Costs and expenses total	**(1,984,488)**	**(2,057,424)**	**(5,300,416)**	**(4,398,124)**

	Parent company		Consolidated	
	2Q23	**2Q22**	**2Q23**	**2Q22**
Raw and processing materials	(516,315)	(590,157)	(1,507,160)	(1,212,747)
Maintenance and consumption materials	(77,777)	(52,405)	(210,712)	(161,485)
Salaries, payroll taxes and profit sharing	(216,951)	(217,995)	(542,997)	(463,570)
Social benefits	(25,907)	(25,610)	(46,433)	(35,044)
Electricity	(43,867)	(40,505)	(121,365)	(123,240)
Freight and commission on sales	(42,736)	(86,749)	(102,117)	(148,065)
Management fees	(6,635)	(6,312)	(6,635)	(6,312)
Other costs	(21,459)	(8,049)	(91,889)	(33,060)
	(951,647)	***(1,027,782)***	***(2,629,308)***	***(2,183,522)***
Depreciation	(36,774)	(34,486)	(92,481)	(79,992)
Costs and expenses total	**(988,421)**	**(1,062,268)**	**(2,721,789)**	**(2,263,514)**
Cost of products sold	(875,527)	(912,021)	(2,472,434)	(2,019,094)
Selling expenses	(54,642)	(98,101)	(143,134)	(165,244)
Administrative expenses	(58,252)	(52,146)	(106,221)	(79,176)
Costs and expenses total	**(988,421)**	**(1,062,268)**	**(2,721,789)**	**(2,263,514)**

All amounts in thousand of Reais unless otherwise stated.

25. FINANCIAL INCOME (LOSS)

	Parent company		Consolidated	
Finance results	**1H23**	**1H22**	**1H23**	**1H22**
Financial liabilities at amortized cost	***(130,876)***	***(59,388)***	***(153,051)***	***(70,284)***
Borrowing	(130,587)	(57,562)	(152,762)	(68,458)
Notes payable and other financial liabilities	(289)	(1,826)	(289)	(1,826)
Other finance costs	***(4,404)***	***(4,682)***	***(6,878)***	***(17,030)***
Finance costs	**(135,280)**	**(64,070)**	**(159,929)**	**(87,314)**
Financial assets at fair value through profit or loss	***82***	***870***	***82***	***870***
Investments in equity instruments	82	870	82	870
Amortized cost	***26,651***	***22,965***	***44,318***	***22,965***
Cash and cash equivalents	26,651	22,965	44,318	22,965
Tax credits and other finance income	***617***	***6,735***	***6,827***	***6,326***
Finance income	**27,350**	**30,570**	**51,227**	**30,161**
Monetary and foreign exchange variations, net				
Foreign exchange variations	(77,963)	(20,997)	(88,602)	(47,556)
Derivative financial instruments (note 37)	10,906	11,224	36,165	12,829
Foreign exchange variations, net	**(67,057)**	**(9,773)**	**(52,437)**	**(34,727)**
Finance results, net	**(174,987)**	**(43,273)**	**(161,139)**	**(91,880)**

The variation in the period reflects the increase in financial costs for interest on debentures issued in September 2022 and the impact of the foreign exchange variation with the appreciation of the Real against the US Dollar when compared to the same period of the previous year.

	Parent company		Consolidated	
Finance results	**2Q23**	**2Q22**	**2Q23**	**2Q22**
Financial liabilities at amortized cost	***(64,306)***	***(30,075)***	***(79,457)***	***(35,365)***
Borrowing	(64,027)	(28,333)	(79,178)	(33,623)
Notes payable and other financial liabilities	(279)	(1,742)	(279)	(1,742)
Other finance costs	***(1,883)***	***(2,333)***	***2,860***	***(7,299)***
Finance costs	**(66,189)**	**(32,408)**	**(76,597)**	**(42,664)**
Financial assets at fair value through profit or loss	***523***	***585***	***523***	***585***
Investments in equity instruments	523	585	523	585
Amortized cost	***9,145***	***10,732***	***17,969***	***10,732***
Cash and cash equivalents	9,145	10,732	17,969	10,732
Tax credits and other finance income	***271***	***993***	***3,648***	***2,203***
Finance income	**9,939**	**12,310**	**22,140**	**13,520**
Monetary and foreign exchange variations, net				
Foreign exchange variations	(55,002)	58,688	(59,141)	54,813
Derivative financial instruments	7,533	(18,037)	18,715	(19,070)
Foreign exchange variations, net	**(47,469)**	**40,651**	**(40,426)**	**35,743**
Finance results, net	**(103,719)**	**20,553**	**(94,883)**	**6,599**

All amounts in thousand of Reais unless otherwise stated.

26. OTHER OPERATING REVENUES (EXPENSES), NET

	Parent company		Consolidated	
	1H23	1H22	1H23	1H22
Constitution and restatement of provision	(43,404)	(17,582)	(44,423)	(22,729)
Disposals of property, plant and equipment	(1,201)	1,363	(11,955)	135
Result on the sale of unusable and other assets	(13,816)	(13,139)	(12,490)	(10,047)
	(58,421)	***(29,358)***	***(68,868)***	***(32,641)***
Depreciation of non-operating assets	(156)	(244)	(4,310)	(245)
Amortization of intangible assets (note 14)	-	-	-	(17,784)
Total other operating expenses, net	**(58,577)**	**(29,602)**	**(73,178)**	**(50,670)**

	Parent company		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Constitution and restatement of provision	(46,675)	(9,286)	(47,944)	(10,421)
Disposals of property, plant and equipment	(752)	1,378	(10,804)	150
Result on the sale of unusable and other assets	(7,588)	(5,595)	(3,758)	(3,170)
	(55,015)	***(13,503)***	***(62,506)***	***(13,441)***
Depreciation of non-operating assets	(77)	(102)	(2,155)	(102)
Amortization of intangible assets	-	-	-	(4,340)
Total other operating expenses, net	**(55,092)**	**(13,605)**	**(64,661)**	**(17,883)**

27. INCOME TAX AND SOCIAL CONTRIBUTION ON INCOME

	Parent company		Consolidated	
	1H23	1H22	1H23	1H22
Net income (loss) before tax effects	**220,376**	**308,552**	**235,537**	**352,639**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(74,928)	(104,908)	(80,083)	(119,897)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico	-	-	(180)	780
Finance income from monetary assets	-	-	-	14,248
Reintegra – benefit	(17,399)	483	(17,399)	483
Depreciation of non-operating assets	(53)	(83)	(53)	(83)
Effect of correction of fixed assets	-	-	(5,491)	(4,766)
Interests on capital	14,064	-	14,064	-
Share of results of subsidiaries	74,020	53,698	-	-
Other permanent (additions) exclusions	(13,938)	(360)	(2,491)	(7,559)
Tax effects recorded in the statement of income before exchange effects	**(18,234)**	**(51,170)**	**(91,633)**	**(116,794)**
Effective rate of income tax before exchange effects	**8%**	**17%**	**39%**	**33%**
Effect of functional currency on tax base (a)	-	-	63,242	17,727
Tax effects recorded in the statement of income	**(18,234)**	**(51,170)**	**(28,391)**	**(99,067)**
Effective rate of income tax	**8%**	**17%**	**12%**	**28%**

All amounts in thousand of Reais unless otherwise stated.

	Parent company		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Net income (loss) before tax effects	**51,389**	**226,923**	**84,531**	**254,218**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(17,472)	(77,154)	(28,741)	(86,434)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico	-	-	(107)	514
Reintegra – benefit	258	257	258	257
Effect of correction of fixed assets	-	-	(726)	(4,766)
Depreciation of non-operating assets	(26)	(35)	(26)	(35)
Share of results of subsidiaries	41,621	32,218	-	-
Other permanent (additions) exclusions	(15,867)	(575)	(7,974)	8,588
Tax effects recorded in the statement of income before exchange effects	**8,514**	**(45,289)**	**(37,316)**	**(81,876)**
Effective rate of income tax before exchange effects	**-17%**	**-20%**	**-44%**	**-32%**
Effect of functional currency on tax base (a)	-	-	14,655	7,231
Tax effects recorded in the statement of income	**8,514**	**(45,289)**	**(22,661)**	**(74,645)**
Effective rate of income tax	**-17%**	**-20%**	**-27%**	**-29%**

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 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	
	1H23	1H22	1H23	1H22
Tax effects recorded in the statement of income				
Current income tax and social contribution	(44,876)	(71,094)	(98,966)	(145,874)
Deferred income tax and social contribution	26,642	19,924	70,575	46,807
	(18,234)	**(51,170)**	**(28,391)**	**(99,067)**

	Parent company		Consolidated	
	2Q23	2Q22	2Q23	2Q22
Tax effects recorded in the statement of income				
Current income tax and social contribution	(23,422)	(5,415)	(46,628)	(15,880)
Deferred income tax and social contribution	31,936	(39,874)	23,967	(58,765)
	8,514	**(45,289)**	**(22,661)**	**(74,645)**

28. 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.

	2Q23	2Q22	1H23	1H22
Profit attributable to the stockholders of the Company	59,903	181,634	202,142	257,382
Outstanding shares	144,086,083	144,148,033	144,086,083	144,148,033
Basic results per share - R$	**0.41574**	**1.26005**	**1.40293**	**1.78554**

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

All amounts in thousand of Reais unless otherwise stated.

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.

	2Q23	2Q22	1H23	1H22
Profit attributable to the stockholders of the Company	59,903	181,634	202,142	257,382
Outstanding shares	145,058,875	144,938,410	145,058,875	144,938,410
Diluted results per share - R$	**0.41296**	**1.25318**	**1.39352**	**1.77580**

29. 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:

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

Consolidated	**Structural components, manufacturing, energy & decarbonization**		**Distribution**		**Total**	
	1H23	**1H22**	**1H23**	**1H22**	**1H23**	**1H22**
Net revenue (Note 23)	5,370,692	4,711,652	399,578	181,661	5,770,270	4,893,313
Costs and expenses, except depreciation (Note 24)	(4,790,257)	(4,077,406)	(332,410)	(156,688)	(5,122,667)	(4,234,094)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 26)	(64,468)	(31,448)	(4,400)	(1,193)	(68,868)	(32,641)
Depreciation and amortization	(175,860)	(178,039)	(6,199)	(4,020)	(182,059)	(182,059)
Profit before finance results	**340,107**	**424,759**	**56,569**	**19,760**	**396,676**	**444,519**
Finance results (Note 25)					(161,139)	(91,880)
Profit before taxation					**235,537**	**352,639**
Income tax and social contribution (Note 27)					(28,391)	(99,067)
Profit for the period					**207,146**	**253,572**

Consolidated	**Structural components, manufacturing, energy & decarbonization**		**Distribution**		**Total**	
	2Q23	**2Q22**	**2Q23**	**2Q22**	**2Q23**	**2Q22**
Net revenue (Note 23)	2,766,046	2,433,922	199,818	95,094	2,965,864	2,529,016
Costs and expenses, except depreciation (Note 24)	(2,466,165)	(2,101,901)	(167,449)	(81,621)	(2,633,614)	(2,183,522)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 26)	(58,106)	(13,441)	(4,400)	-	(62,506)	(13,441)
Depreciation and amortization	(87,275)	(82,399)	(3,055)	(2,035)	(90,330)	(84,434)
Profit before finance results	**154,500**	**236,181**	**24,914**	**11,438**	**179,414**	**247,619**
Finance results (Note 25)					(94,883)	6,599
Profit before taxation					**84,531**	**254,218**
Income tax and social contribution (Note 27)					(22,661)	(74,645)
Profit for the quarter					**61,870**	**179,573**

All amounts in thousand of Reais unless otherwise stated.

b) Reconciliation of costs and expenses by segment

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
	1H23	1H22	1H23	1H22	1H23	1H22
Raw and processing materials	(2,729,965)	(2,299,296)	(213,526)	(87,319)	(2,943,491)	(2,386,615)
Maintenance and consumption materials	(390,829)	(302,843)	(21,181)	(7,386)	(412,010)	(310,229)
Salaries, social security charges and profit sharing	(975,982)	(853,324)	(53,310)	(34,991)	(1,029,292)	(888,315)
Social benefits	(78,456)	(66,289)	(4,463)	(972)	(82,919)	(67,261)
Electricity	(221,940)	(241,325)	(10,148)	(9,625)	(232,088)	(250,950)
Depreciation	(171,550)	(160,010)	(6,199)	(4,020)	(177,749)	(164,030)
Freight and commissions on sales	(237,682)	(229,740)	(12,844)	(13,653)	(250,526)	(243,393)
Management fees	(11,214)	(10,430)	(976)	(908)	(12,190)	(11,338)
Other costs	(144,189)	(74,159)	(15,962)	(1,834)	(160,151)	(75,993)
	(4,961,807)	**(4,237,416)**	**(338,609)**	**(160,708)**	**(5,300,416)**	**(4,398,124)**

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22
Raw and processing materials	(1,400,304)	(1,166,404)	(106,856)	(46,343)	(1,507,160)	(1,212,747)
Maintenance and consumption materials	(200,223)	(157,872)	(10,489)	(3,613)	(210,712)	(161,485)
Salaries, social security charges and profit sharing	(515,262)	(445,823)	(27,725)	(17,747)	(542,987)	(463,570)
Social benefits	(44,150)	(34,531)	(2,294)	(513)	(46,444)	(35,044)
Electricity	(116,038)	(118,653)	(5,327)	(4,587)	(121,365)	(123,240)
Depreciation	(85,031)	(78,007)	(3,144)	(1,985)	(88,175)	(79,992)
Freight and commissions on sales	(96,710)	(140,409)	(5,407)	(7,656)	(102,117)	(148,065)
Management fees	(6,104)	(5,806)	(531)	(506)	(6,635)	(6,312)
Other costs	(87,463)	(32,354)	(8,731)	(706)	(96,194)	(33,060)
	(2,551,285)	**(2,179,858)**	**(170,504)**	**(83,656)**	**(2,721,789)**	**(2,263,514)**

c) Reconciliation of assets and liabilities

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
ASSETS	Jun/23	Dec/22	Jun/23	Dec/22	Jun/23	Dec/22
Trade account receivables (Note 4)	2,002,644	1,908,975	141,236	122,405	2,143,880	2,031,380
Inventories (Note 5)	1,856,352	2,024,088	164,776	183,796	2,021,128	2,207,884
Tooling	212,790	166,374	-	-	212,790	166,374
Other assets	150,890	162,777	6,539	5,844	157,429	168,621
Property, plant and equipment (Note 12)	2,501,658	2,532,112	49,923	52,190	2,551,581	2,584,302
Intangible assets (Note 13)	148,263	151,113	-	-	148,263	151,113
Other assets not allocated	-	-	-	-	2,577,178	2,933,584
Total assets	**6,872,597**	**6,945,439**	**362,474**	**364,235**	**9,812,249**	**10,243,258**

Consolidated	Structural components, manufacturing, energy & decarbonization		Distribution		Total	
LIABILITIES	Jun/23	Dec/22	Jun/23	Dec/22	Jun/23	Dec/22
Trade accounts payables	1,241,785	1,592,384	76,298	90,062	1,318,083	1,682,446
Income taxes payable	104,792	185,115	10,063	8,433	114,855	193,548
Salaries, social security charges and profit sharin	366,812	408,504	14,796	17,924	381,608	426,428
Advances from customers	277,808	193,469	3,082	1,523	280,890	194,992
Other liabilities	179,050	174,199	2,282	7,249	181,332	181,448
Deferred tax on intangible assets (Note 9)	36,855	36,855	-	-	36,855	36,855
Other liabilities not allocated	-	-	-	-	4,389,892	4,493,181
Equity	-	-	-	-	3,108,734	3,034,360
Total liabilities and equity	**2,207,102**	**2,590,526**	**106,521**	**125,191**	**9,812,249**	**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	2Q23	%	2Q22	%	1H23	%	1H22	%
Structural components, manufacturing, ener	**2,766,046**	**93.3**	**2,433,922**	**96.2**	**5,370,692**	**93.1**	**4,711,652**	**96.3**
Customer A	356,426	12.0	437,746	17.3	682,944	11.8	822,443	16.8
Customer B	373,410	12.6	400,015	15.8	725,089	12.6	748,744	15.3
Other customers	2,036,210	68.7	1,596,161	63.1	3,962,659	68.7	3,140,465	64.2
Distribution	**199,818**	**6.7**	**95,094**	**3.8**	**399,578**	**6.9**	**181,661**	**3.7**
Total Revenue	**2,965,864**	**100.0**	**2,529,016**	**100.0**	**5,770,270**	**100.0**	**4,893,313**	**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

	2Q23	%	2Q22	%	1H23	%	1H22	%
North America	**1,345,770**	**45.3**	**1,315,808**	**52.0**	**2,626,957**	**45.5**	**2,548,498**	**52.0**
United States	792,860	26.7	867,425	34.3	1,562,865	27.1	1,558,389	31.8
Mexico	534,869	18.0	427,270	16.9	1,029,371	17.8	951,066	19.4
Canada	18,041	0.6	21,113	0.8	34,721	0.6	39,043	0.8
South and Central Americas	**1,004,880**	**33.9**	**688,818**	**27.3**	**1,934,964**	**33.6**	**1,303,308**	**26.6**
Brazil - head office	948,853	32.0	671,501	26.6	1,839,588	31.9	1,272,488	26.0
Other countries	56,027	1.9	17,317	0.7	95,376	1.7	30,820	0.6
Europe	**554,228**	**18.8**	**441,816**	**17.5**	**1,080,651**	**18.7**	**887,016**	**18.2**
United Kingdom	147,311	5.0	81,880	3.2	271,831	4.7	164,607	3.4
Sweden	72,788	2.5	65,208	2.6	130,692	2.3	127,673	2.6
Netherlands	31,692	1.1	55,813	2.2	53,868	0.9	103,750	2.1
Italy	164,835	5.6	160,300	6.3	340,630	5.9	321,562	6.6
Spain	33,632	1.1	29,491	1.2	65,075	1.1	71,451	1.5
Germany	81,445	2.7	27,096	1.1	166,630	2.9	47,477	1.0
Other countries	22,525	0.8	22,028	0.9	51,925	0.9	50,496	1.0
Asia, Africa and Oceania	**60,986**	**2.0**	**82,574**	**3.2**	**127,698**	**2.2**	**154,491**	**3.2**
Japan	28,010	0.9	45,156	1.8	58,277	1.0	76,755	1.6
India	11,229	0.4	3,043	0.1	18,886	0.3	9,634	0.2
South Africa	2,817	0.1	13,967	0.6	4,579	0.1	22,789	0.5
China	14,506	0.5	18,209	0.7	36,524	0.6	37,361	0.8
Other countries	4,424	0.1	2,199	-	9,432	0.2	7,952	0.1
Total	**2,965,864**	**100.0**	**2,529,016**	**100.0**	**5,770,270**	**100.0**	**4,893,313**	**100.0**

All amounts in thousand of Reais unless otherwise stated.

30. FINANCIAL INSTRUMENTS

		Parent company		Consolidated	
	Note	Jun/23	Dec/22	Jun/23	Dec/22
Financial assets at amortized cost		**1,576,016**	**1,806,693**	**3,478,984**	**3,739,995**
Cash and cash equivalents	3	259,213	704,746	1,148,946	1,509,829
Trade account receivables(*)	4	1,245,021	1,035,555	2,143,880	2,031,380
Notes and other financial assets		71,782	66,392	186,158	198,786
Effect on the Income Statement		*25,406*	*20,504*	*42,261*	*21,511*
Financial assets at fair value through profit or loss		**12,861**	**7,887**	**34,567**	**28,929**
Investments in equity instruments		2,828	2,746	9,035	15,496
Derivative financial instruments	30	10,033	5,141	25,532	13,433
Effect on the Income Statement		*14,413*	*19,864*	*37,362*	*20,030*
Financial liabilities at amortized cost		**3,516,430**	**3,697,744**	**4,986,444**	**5,485,584**
Trade accounts payables		555,026	606,734	1,318,083	1,682,446
Loans and financing	15	1,793,549	1,922,852	2,339,860	2,481,021
Debentures	16	1,040,070	1,038,858	1,040,070	1,038,858
Dividends and interest on capital		103,624	98,243	103,624	98,243
Notes payable and other financial liabilities		24,161	31,057	184,807	185,016
Effect on the Income Statement		*(130,876)*	*(59,388)*	*(153,051)*	*(70,284)*
Financial liabilities at fair value through profit or loss		**13**	**73**	**1,983**	**330**
Derivative financial instruments	25	13	73	1,983	330
Effect on the Income Statement		*(3,425)*	*(7,770)*	*(1,115)*	*(6,331)*

(*) Includes the provision for impaired receivables

31. 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 June 30, 2023, the real appreciated by 7.64% against the USD and 5.51% against the Euro, and the Mexican Peso appreciated by 12.24% against the USD.

All amounts in thousand of Reais unless otherwise stated.

i - Parent company

On June 30, 2023, the financial instruments amounted to US$ 72,900 in zero cost collar operations, comprising: purchase of PUT with weighted average exercise price of R$ 4.8956 and sales of CALL with weighted average exercise price of R$ 5.5312, and US$ 5.000 in purchase of PUT operation PUT with weighted average exercise price of R$ 4.8764 with maturities up to April 30, 2024.

In the period ended June 30, 2023, the Company recognized revenue of R$ 10,906 in its financial income (loss), of which R$ 5,954 received from adjustments arising from the settlement of contracts in the period and a gain of R$ 4,952 from the mark-to-market of these instruments. In the same period of 2022, it recognized an revenue of R$ 11,224 in its financial income (loss), with the received of R$ 10,978 of adjustments arising from the settlement of contracts in the period and of R$ 246 due to the mark-to-market of these instruments.

ii – Subsidiaries

As of June 30, 2023, U.S. dollar-denominated financial instruments amounted to US$ 37,412 in purchase of PUT with a weighted average exercise price of MXN 17.7913 e US$ 24,179 in zero cost collar operations, which consist of: purchase of PUT with a weighted average exercise price of MXN 18.3710 and sales of CALL with a weighted average exercise price of MXN 20.2155, with maturities up to February 29, 2024.

As of June 30, 2023, the financial instruments in EURO of the zero cost collar operations amounted to EUR 15,753, which consist of: purchase of PUT with a weighted average exercise price of EUR 5.3886 and sales of CALL with a weighted average exercise price of EUR 5.8830. The NDF operation amounted to EUR 8.500, at the weighted average exercise price of EUR 5.5270, with maturities up to April 25, 2024.

In the period ended June 30, 2023, the subsidiaries recognized revenue of R$ 28,550 in their financial income (loss), of which R$ 21,253 was received from adjustments arising from the settlement of contracts in the period and R$ 7,297 from the mark-to-market of these instruments. In the same period of the previous year, the subsidiaries recognized revenue of R$ 1,605, R$ 215 from settlement of contracts in the period and R$ 1,390, arising from the mark-to-market of these instruments.

iii - Consolidated

In the period ended June 30, 2023, the revenue of R$ 39,455 was recognized in the consolidated financial income (loss), of which R$ 27,206 was received from adjustments arising from the settlement of contracts in the period and a gain of R$ 12,249 from the mark-to-market of these instruments. In the same period of the previous year, and revenue of R$ 12,829 was recognized in the consolidated financial income (loss), of which R$ 11,193 was received of adjustments arising from the settlement of contracts in the period and a gain of R$ 1,636 due to the mark-to-market of these instruments.

The net outstanding positions at June 30, 2023 and December 31, 2022 are as follows:

	Parent company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Financial derivative instruments				
Liabilities	(13)	(73)	(1,983)	(330)
Assets	10,033	5,141	25,532	13,433
Financial derivative instruments, net	**10,020**	**5,068**	**23,549**	**13,103**

Below is the change in the period and the maturities of the outstanding position on June 30, 2023:

All amounts in thousand of Reais unless otherwise stated.

	Parent company	Subsidiaries	Consolidated
Recognized in financial results	10,906	25,259	36,165
Settlement	(5,954)	(18,880)	(24,834)
Market to market	4,952	6,379	11,331
Foreign exchange impact	-	(885)	(885)
AT December 31, 2021	5,068	8,035	13,103
AT JUNE 30, 2023	**10,020**	**13,529**	**23,549**
Maturity date			
Due September 30, 2023	6,313	8,073	14,386
Due December 31, 2023	2,930	4,527	7,457
Due March 31, 2024	593	884	1,477
Due June 31, 2024	184	45	229
AT JUNE 30, 2023	**10,020**	**13,529**	**23,549**

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 note 37 b as presented in the annual financial statement of year ended December 31, 2022.

At June 30, 2023, the Company has export prepayment agreements in the amount of US$ 349,000 equivalent to R$ 1,681,901 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$) and have net assets of US$ 387,301, equivalent to R$ 1,866,480, which represents the effectiveness of 90.1%.

In the period of six-months ended on June 30, 2023, the Company recognized in carrying value adjustments, within equity, a gain of R$ 139,077, R$ 91,794 net of the tax effect, 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$ 179,560, and the net loss was R$ 87,776.

During the six-months period of 2022, the Company recognized in carrying value adjustments, within equity, a gain of R$104,568, R$69,016 net of the tax effect, result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexicans subsidiaries resulted in a loss of R$ 157,204, and the net gain was R$88,188.

32. 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.

32.1 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 June 30, 2023, the Company had expected losses on trade accounts receivable of R$ 85,615 (R$ 76,868 on

All amounts in thousand of Reais unless otherwise stated.

December 31, 2022), which represented 3.8% 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	
	Jun/23	**Dec/22**	**Jun/23**	**Dec/22**
Counterparties with external credit ratings*				
Cash and cash equivalents	**259,213**	**704,746**	**1,148,946**	**1,509,829**
AAA	59,943	331,221	411,048	656,422
AA+ / AA / AA-	170,985	297,612	247,407	330,222
A+ / A / A-	5,018	75,913	467,224	523,030
Outros	23,267	-	23,267	155
Derivative financial	**10,033**	**5,141**	**25,532**	**13,433**
AA+ / AA / AA-	10,033	5,141	25,532	13,433
Counterparties without external credit rating				
Trade receivables	**1,245,021**	**1,035,555**	**2,143,880**	**2,031,380**
Low risk	1,201,101	991,681	2,099,960	1,987,506
Moderate risk	43,920	43,874	43,920	43,874
High risk	10,943	9,309	85,615	76,868
Provision for impairment of trade receivables	(10,943)	(9,309)	(85,615)	(76,868)
Other financial assets	**74,610**	**69,138**	**195,193**	**214,282**
Total	**1,588,877**	**1,814,580**	**3,513,551**	**3,768,924**

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

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.

32.2 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	2,339,860	91,429	152,979	366,224	177,657	2,095,593	2,883,882
Trade payables and notes and other	1,499,415	1,499,415	-	-	-	-	1,499,415
Debentures	1,040,070	75,252	71,601	297,353	1,147,763	-	1,591,969
Dividends payable	103,624	65,564	38,060	-	-	-	103,624
Financial derivative instruments	1,983	1,983	-	-	-	-	1,983
	4,984,952	**1,733,643**	**262,640**	**663,577**	**1,325,420**	**2,095,593**	**6,080,873**

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.

32.3 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	Jun/23	Dec/22
Floating-rate instruments		**(1,029,061)**	**(808,465)**
Financial assets		477,136	696,280
Financial liabilities	15 e 16	(1,506,197)	(1,504,745)
Fixed-rate instruments		**(1,179,975)**	**(1,201,585)**
Financial assets		671,810	813,549
Financial liabilities	15 e 16	(1,851,785)	(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**

Floating rate instruments	Risk	Disclosed	Scenarios				
			Probable	+25%	+50%	-25%	-50%
In Brazilian reais							
Investments	**Interest rate (CDI - % a.a.)**	**13.65**	**7.90**	**9.875**	**11.85**	**5.925**	**3.95**
Financial assets		477,136	477,136	477,136	477,136	477,136	477,136
Potential impact		-	(24,140)	8,733	17,467	(8,896)	(18,131)
Borrowings	**Interest rate (CDI - % a.a.)**	**13.65**	**7.90**	**9.875**	**11.85**	**5.925**	**3.95**
Financial liabilities		(1,506,197)	(1,506,197)	(1,506,197)	(1,506,197)	(1,506,197)	(1,506,197)
Potential impact		-	(76,204)	27,569	55,139	(28,083)	(57,234)

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	Jun/23	Dec/22
Assets	**1,062,311**	**943,969**
Cash and cash equivalents abroad	23,267	75,913
Customers in the foreign market	1,039,044	868,056
Liabilities	**(33,849)**	**(58,136)**
Borrowings in foreign currency	(1,734,482)	(1,878,936)
Hedge of net investment abroad	1,681,901	1,820,977
Other amounts	18,732	(177)
Net exposure impacting profit		
In thousands of R$	1,028,462	885,833
In thousands of US$	192,263	154,544
In thousands of EUR	18,239	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	**Jun/23**	**Dec/22**
Assets	**595,577**	**267,384**
Cash and cash equivalents abroad	19,165	11,944
Customers in the foreign market	420,298	172,138
Tax return	156,114	83,302
Liabilities	**(313,541)**	**(361,982)**
Trade accounts payables	(123,120)	(187,728)
Other amounts	(190,421)	(174,254)
Net exposure impacting profit		
In thousands of R$	282,036	(94,598)
In thousands of MXN	339,287	(518,656)
In thousands of US$	9,222	(17,691)
In thousands of EUR	27,024	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	**4.8192**	**5.20**	**6.50**	**7.80**	**3.90**	**2.60**
Asset position	1,062,311	1,146,252	1,432,815	1,719,378	859,689	573,126
Liability position	(33,849)	(36,524)	(45,655)	(54,785)	(27,393)	(18,262)
Net exposure (R$ thousand)	1,028,462	1,109,728	1,387,160	1,664,593	832,296	554,864
Net exposure (US$ thousand)	213,409	213,409	213,409	213,409	213,409	213,409
Potential impact (R$ thousand)	**-**	**81,266**	**358,698**	**636,131**	**(196,166)**	**(473,598)**

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	10,020	(2,049)	(73,696)	(166,558)	71,337	168,391
Potential impact (R$ thousand)		**(12,069)**	**(83,716)**	**(176,578)**	**61,317**	**158,371**

			Scenarios			
Subsidiaries	**Disclosed**	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
U.S. Dollar rate vs. Mexican peso	**18.0415**	**20.96**	**26.2**	**31.44**	**15.72**	**10.48**
MTM Subsidiaries (US$ mil)	2,851	(1,425)	(696)	(8,667)	8,089	41,846
MTM Subsidiaries (R$ mil)	13,739	(7,409)	(37,024)	(67,599)	31,547	108,800
EURO rate	**5.2626**	**5.22**	**6.53**	**7.83**	**3.92**	**2.61**
MTM Subsidiaries (R$ mil)	(210)	113	(2,576)	(11,409)	7,838	16,217
Potential subsidiaries impact (R$ thousand)		**(20,824)**	**(53,128)**	**(92,537)**	**25,857**	**111,489**
Potential consolidated impact (R$ thousand)		**(32,893)**	**(136,844)**	**(269,115)**	**87,174**	**269,860**

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.

32.4 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.

32.5 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	Jun/23	Dec/22
Own capital		**3,108,734**	**3,034,360**
Equity	22	3,108,734	3,034,360
Third party capital		**5,554,569**	**5,699,069**
Total current and non-current liabilities		6,703,515	7,208,898
Cash and cash equivalents	3	(1,148,946)	(1,509,829)
Own capital versus third-party capital ratio		**0.56**	**0.53**

32.6 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.

All amounts in thousand of Reais unless otherwise stated.

KPMG Auditores Independentes Ltda
Rua Xavantes, 54 – 1º andar – sala 04 - Bairro Atiradores
89203-900 - Joinville/SC - Brasil
Telefone +55 (41) 3304-2700
www.kpmg.com.br

Quarterly Information Review Report

(A free translation of the original report in Portuguese)

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

Introduction

We have reviewed the interim financial statements, individual and consolidated, of Tupy S.A. ("Company") contained within the Quarterly Information for the quarter ended June 30, 2023, which comprise the balance sheet as of June 30, 2023 and the related statements of income and comprehensive income, for the three and six months periods then ended and the changes in shareholders' equity and cash flows for the six months period then ended, including the notes to the financial statements.

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

Scope of the review

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

Conclusion

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 matters

Statements of value added

The individual and consolidated interim financial statements, in relation to the statements of value added for the six-month period ended in June 30, 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, June 14, 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