Quarterly Financial Report

September 30, 2021

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

www.tupy.com.br

3Q21: Strong operating result and margin recovery

Earnings Conference Call

Date: November 11, 2021

Portuguese/English

10:00 a.m. (EST) / **12:00 p.m.** (Brasília)

Dial in Brazil: +55 11 4090-1621
Dial in Brazil: +55 11 4210-1803
Dial in USA: +1 844 204-8942
Toll free USA: + 1 412 717-9627
Code: TUPY
Website: www.tupy.com.br/ir

Investor Relations

Thiago Fontoura Struminski
Chief Financial Officer and
Investor Relations Director

Hugo Zierth
IR Manager

Rafael Junckes

Renan Oliveira

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

- **Physical sales volume:** 132,000 tons, up 21% from 3Q20, despite the effect of temporary customer shutdowns due to a shortage of semiconductors. Growth in the domestic market (+49%) is a highlight;

- **Revenues:** R$1,834 million, an all-time high net revenue, due to pass-through of raw material costs from previous quarters, increased volumes and price adjustments;

- **Operating income:** an all-time high, reaching R$344 million, a growth of 22% compared to the previous year. Gross margin was 18.8%;

- **EBITDA:** R$276 million, a growth of 11% with a margin of 15.1%. Adjusted EBITDA was R$289 million, a 12% increase vs. the previous year and a margin of 15.8%. Recovery of margins to historic levels, despite sudden customer shutdowns that impacted volumes and cost dilution, and higher raw material prices.

- **Net income:** R$125 million, with a net margin of 6.8%

- **Return on Invested Capital (ROIC):** 11.9%, vs 11.3% in 2Q21 and 3.1% in 3Q20;

- **Interest on Equity:** payment of R$20.5 million on November 25, 2021 and a program for distribution of the same amount in January 2022, to be deliberated in due course, subject to the company's cash requirements.

MESSAGE FROM MANAGEMENT

Operating income and increased return on invested capital are the main highlights of this quarter, despite the disruption of global supply chains, impacting the supply of semiconductors and other important inputs for our customers. On the other hand, the strong demand for trucks, machinery and equipment, used in the cargo transport, infrastructure and agriculture segments, and the pass-through costs from previous quarters made Tupy present the highest net revenue, operating income and EBITDA in its history. These results, which include actions and commercial initiatives that have been implemented over the last few quarters, demonstrate that, despite short-term uncertainties, our competitive advantages and resilient business model have translated into returns for shareholders and other stakeholders.

Consistent demand

We are exposed to perennial industries that are essential for society and that have benefited from the recovery of the global economy. In order to manage the increase in demand, we prepared the operations with measures to promote greater production flexibility between plants and efficiencies in the operations, we hired employees and turned on equipment. However, despite the growth in our volumes, the solid economic indicators have not yet fully materialized into sales, due to the restrictions in the supply chains. Consequently, there was a rescheduling of production, which led to less cost dilution and impact on our margins.

Therefore, in addition to the payments provided for in the contracts, the Company has concentrated its efforts on anticipating payments and recovering costs incurred in previous quarters. This is due to the sudden and atypical increase in material prices observed in the last 12 months.

On the other hand, the discrepancy between supply and demand has generated two important effects, with positive consequences on our volumes for the coming years: (i) creation of pent-up demand and (ii) expressive reduction in our customers' inventory levels, and consequent need for restocking. These factors are expected to be driven by the growth of the economy and several infrastructure programs.

Operational coverage on three continents

On October 1, we announced the conclusion of the acquisition of Teksid's iron foundry units located in Brazil and Portugal. As a result of the integration, we have increased our production capacity by about 40%, and strengthened our global leadership and position as a strategic partner in the development of structural components that will be used in the decades to come.

We are now focused on implementing several opportunities for process improvements, capturing synergies and economies of scale in all areas, as well as understanding possible investment and working capital needs. Regarding production, we will focus the operations on the most efficient lines, according to each plant's vocation, besides sharing the best manufacturing and production engineering practices, optimizing the use of equipment and raw materials, contributing to the increase of quality and competitiveness.

Enabling present and future

The engineering and process knowledge acquired over the Company's existence, as well as the investment capacity, will allow it to capture new opportunities arising from the outsourcing trend. This also includes the advance in our offer of value-added services, such as component assembly and machining, with new contracts already confirmed for 2022.

Tupy Up and Tupy Tech's initiatives continue to advance, and the ecosystem has been expanded. Recently, we launched our open innovation portal, another way for us to connect with universities, researchers, startups, senior companies, students. The website brings together challenges that demand innovative and customized solutions. In partnerships, we have just applied for a patent for a new cast iron engine block concept that weighs about 5% less than aluminum. This solution is a great alternative for hybrid vehicles and will be presented at international motor conferences.

Tupy's current and future solutions have a common purpose: to dedicate the application of our technological knowledge to essential needs, contributing to the decarbonization journey of our customers towards the sustainable development.

SUMMARIZED RESULTS

Consolidated (R$ thousand)

SUMMARY	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Revenues	**1,833,810**	**1,250,336**	**46.7%**	**5,023,518**	**2,987,772**	**68.1%**
Cost of goods sold	(1,489,915)	(968,545)	53.8%	(4,204,756)	(2,520,135)	66.8%
Gross Profit	**343,895**	**281,791**	**22.0%**	**818,762**	**467,637**	**75.1%**
% on Revenues	*18.8%*	*22.5%*		*16.3%*	*15.7%*	
Operating expenses	(126,619)	(102,532)	23.5%	(368,047)	(275,720)	33.5%
Other operating expenses	(26,669)	(19,653)	35.7%	(126,166)	(74,652)	69.0%
Impairment expenses	-	-	-	-	(37,804)	-
Income before Financial Result	**190,607**	**159,606**	**19.4%**	**324,549**	**79,461**	**308.4%**
% on Revenues	*10.4%*	*12.8%*		*6.5%*	*2.7%*	
Net financial income (loss)	(1,236)	(2,782)		(116,411)	(247,050)	-52.9%
Income (Loss) before Tax Effects	**189,371**	**156,824**	**20.8%**	**208,138**	**(167,589)**	**-**
% on Revenues	*10.3%*	*12.5%*		*4.1%*	*-5.6%*	
Income tax and social contribution	(64,221)	(28,795)	123.0%	(66,404)	5,280	-
Net Income (Loss)	**125,150**	**128,029**	**-2.2%**	**141,734**	**(162,309)**	**-**
% on Revenues	*6.8%*	*10.2%*		*2.8%*	*-5.4%*	
EBITDA (CVM Inst. 527/12)	**276,323**	**248,756**	**11.1%**	**590,470**	**342,257**	**72.5%**
% on Revenues	*15.1%*	*19.9%*		*11.8%*	*11.5%*	
Adjusted EBITDA	**288,980**	**257,474**	**12.2%**	**673,770**	**419,737**	**60.5%**
% on Revenues	*15.8%*	*20.6%*		*13.4%*	*14.0%*	
Average exchange rate (R$/US$)	**5.23**	5.38	**-2.8%**	**5.33**	5.08	**5.0%**
Average exchange rate (R$/€)	6.16	6.29	-2.0%	6.38	5.72	11.5%

PHYSICAL SALES VOLUME

Consolidated (metric tons)

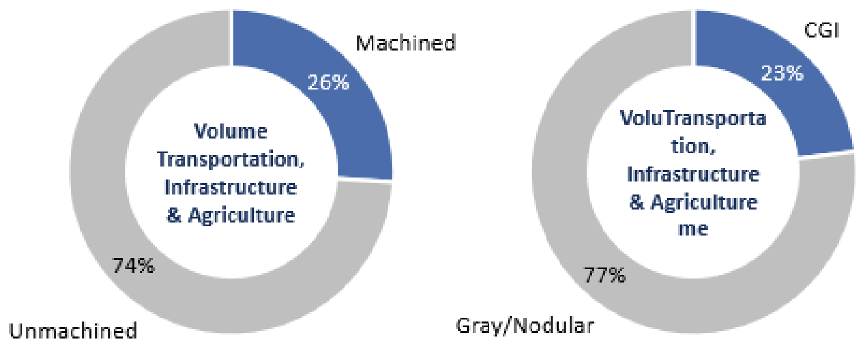
	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Domestic Market	**30,420**	**20,425**	**48.9%**	**85,382**	**50,190**	**70.1%**
Transportation, Infrastructure, and Agriculture	27,033	17,100	58.1%	75,175	42,531	76.8%
Hydraulics	3,387	3,325	1.9%	10,207	7,659	33.3%
Foreign Market	**101,348**	**88,358**	**14.7%**	**302,494**	**230,345**	**31.3%**
Transportation, Infrastructure, and Agriculture	98,180	86,450	13.6%	292,520	224,972	30.0%
Hydraulics	3,168	1,908	66.1%	9,974	5,373	85.6%
Total Physical Sales	**131,768**	**108,782**	**21.1%**	**387,876**	**280,535**	**38.3%**

Volumes follow the recovery trajectory, presenting in 3Q21 a 21% growth in relation to the same period of the previous year, due to, mainly, by the following factors:

- An 58% growth in domestic sales to the Transportation, Infrastructure and Agriculture segments, resulting from the economy upturn and the increase in indirect exports;
- In the foreign market, an increase of 14% in sales to the Transportation, Infrastructure and Agriculture segments due to positive market performance, especially in applications for off-road and medium and heavy commercial vehicles;
- In the Hydraulic segment, a 66% increase, in the foreign market, reflecting the economic recovery and price adjustments.

Share of CGI (Compacted Graphite Iron) and machining:

Partially or fully machined goods accounted for 26% of the portfolio of the Transportation, Infrastructure and Agriculture segment, in line with the same period last year. In terms of sales by type of goods, CGI accounted for 23% of the total compared to 27% in 3Q20. This decrease reflects a product mix more affected by the reduced availability of semiconductors.



REVENUES

Compared to the same period in 2020, revenues increased 47%, with **revenue/kilo rising 21% over 3Q20**.

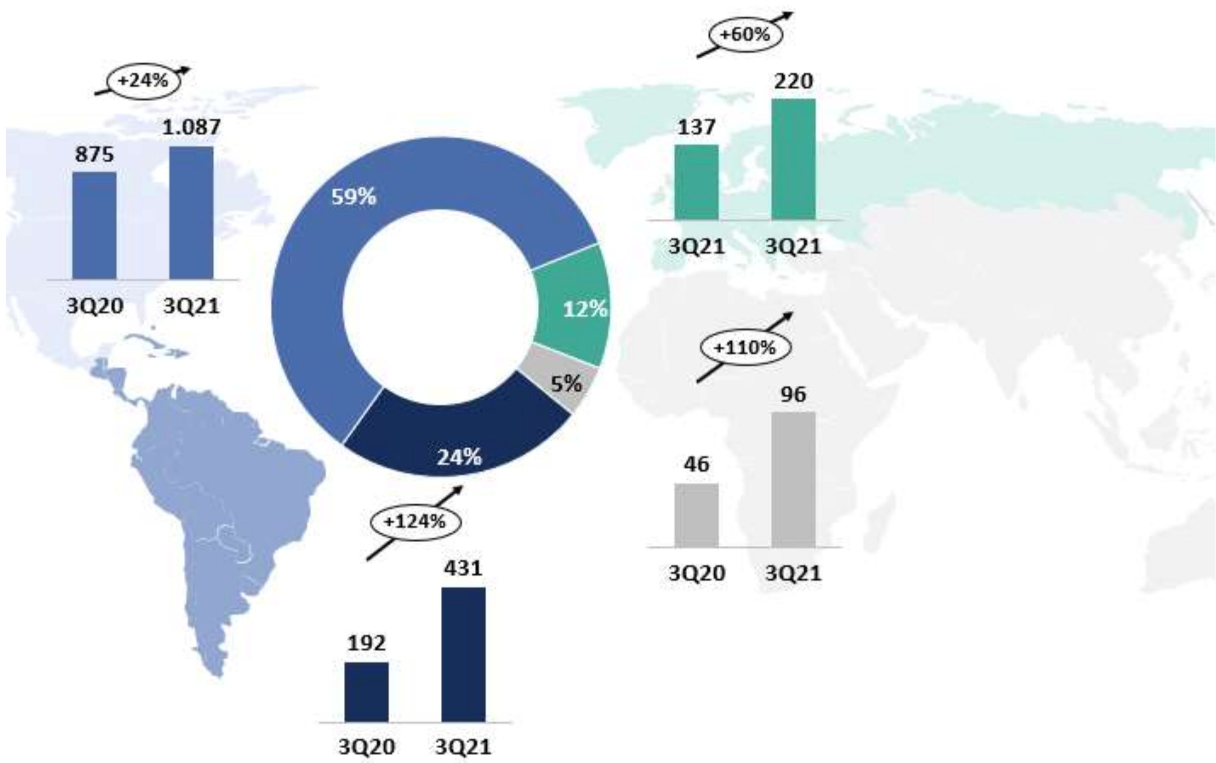
Consolidated (R$ thousand)

	3Q21	3Q20	Var.[%]	9M21	9M20	Change
Revenues	**1,833,810**	**1,250,336**	**46.7%**	**5,023,518**	**2,987,772**	**68.1%**
Domestic market	413,443	186,344	121.9%	1,043,046	447,975	132.8%
Share (%)	*22.5%*	*14.9%*		*20.8%*	*15.0%*	
Foreign market	1,420,367	1,063,992	33.5%	3,980,472	2,539,797	56.7%
Share (%)	77.5%	*85.1%*		79.2%	*85.0%*	
Revenues by segment	**1,833,810**	**1,250,336**	**46.7%**	**5,023,518**	**2,987,772**	**68.1%**
Transportation, Infrastructure, and Agriculture	1,741,386	1,193,894	45.9%	4,781,228	2,855,990	67.4%
Share (%)	*95.0%*	*95.5%*		*95.2%*	*95.6%*	
Hydraulics	92,424	56,442	63.8%	242,290	131,782	83.9%
Share (%)	*5.0%*	*4.5%*		*4.8%*	*4.4%*	

Revenues by market and performance in the period

In 3Q21, 59% of revenues originated in North America. The South and Central Americas accounted for 24%, and Europe for 12% of the total. The remaining 5% came from Asia, Africa and Oceania.

It is worth noting that multiple clients in the U.S. export their goods to other countries. Therefore, a substantial portion of sales to that region meets the global demand for commercial vehicles, machinery, and equipment.



Consolidated (R$ thousand)

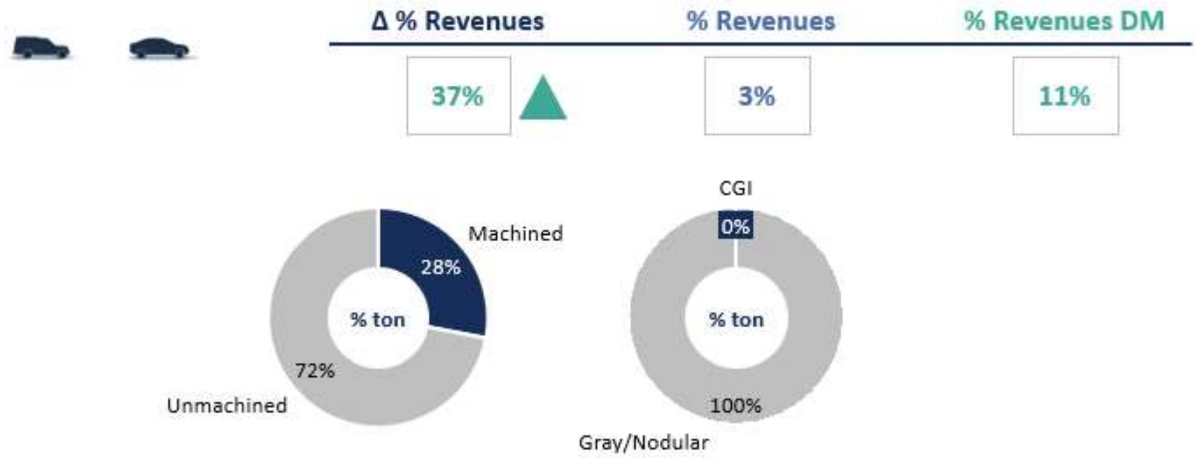
	3T2021	3Q20	Var. [%]	9M21	9M20	Var. [%]
Revenues	**1,833,810**	**1,250,336**	**46.7%**	**5,023,518**	**2,987,772**	**68.1%**
Domestic Market	**413,443**	**186,344**	**121.9%**	**1,043,046**	**447,975**	**132.8%**
Transportation, Infrastructure and Agriculture	**362,611**	**150,326**	**141.2%**	**908,878**	**367,037**	**147.6%**
Passenger cars	46,994	34,356	36.8%	119,668	75,027	59.5%
Commercial vehicles	254,853	89,709	184.1%	621,647	226,805	174.1%
Off-road	60,764	26,261	131.4%	167,563	65,205	157.0%
Hydraulics	**50,832**	**36,018**	**41.1%**	**134,168**	**80,938**	**65.8%**
Foreign Market	**1,420,367**	**1,063,992**	**33.5%**	**3,980,472**	**2,539,797**	**56.7%**
Transportation, Infrastructure and Agriculture	**1,378,775**	**1,043,568**	**32.1%**	**3,872,349**	**2,488,953**	**55.6%**
Passenger cars	61,249	53,343	14.8%	185,202	114,621	61.6%
Light commercial vehicles	544,443	559,495	-2.7%	1,580,648	1,178,298	34.1%
Medium and heavy commercial vehicles	334,084	206,612	61.7%	956,379	532,602	79.6%
Off-road	438,999	224,118	95.9%	1,150,119	663,433	73.4%
Hydraulics	**41,592**	**20,424**	**103.6%**	**108,123**	**50,844**	**112.7%**

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

In addition to the pass-through of material costs, experienced in all segments, revenues for the period were impacted by the following factors.

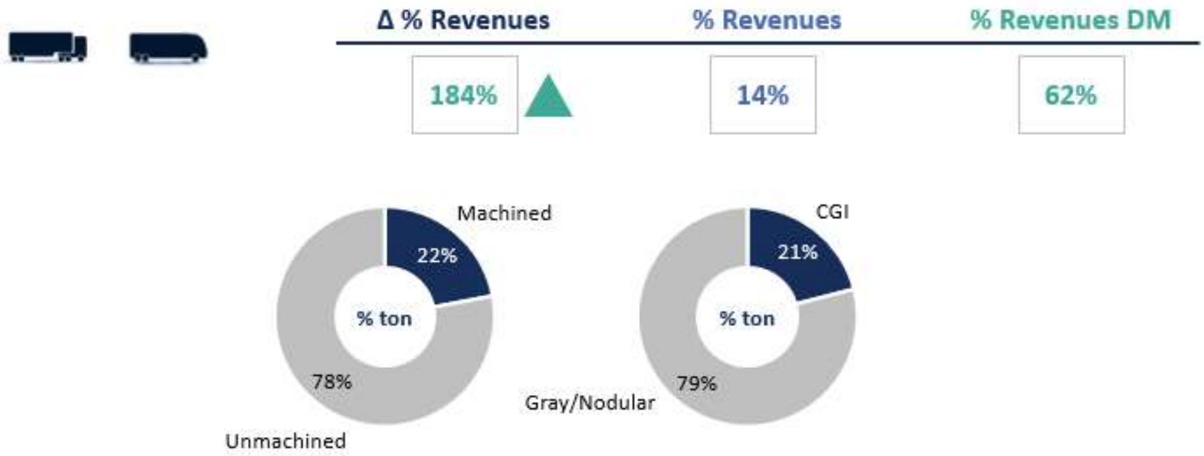
DOMESTIC MARKET (DM)

Passenger cars



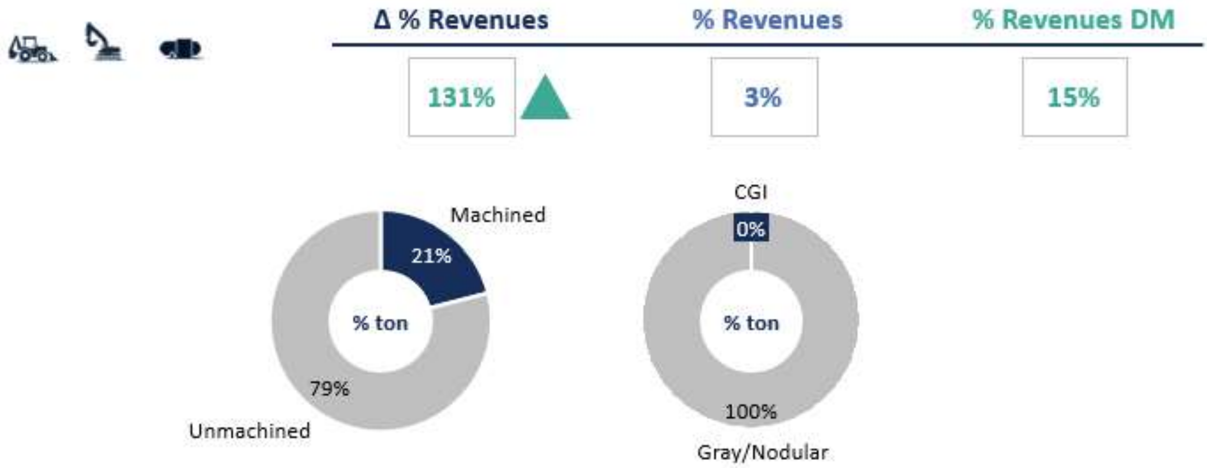
Sales revenues for this application recorded a 37% increase in the quarter over the same period last year, reflecting, among other factors, the performance of customers who have increased market share.

Commercial vehicles



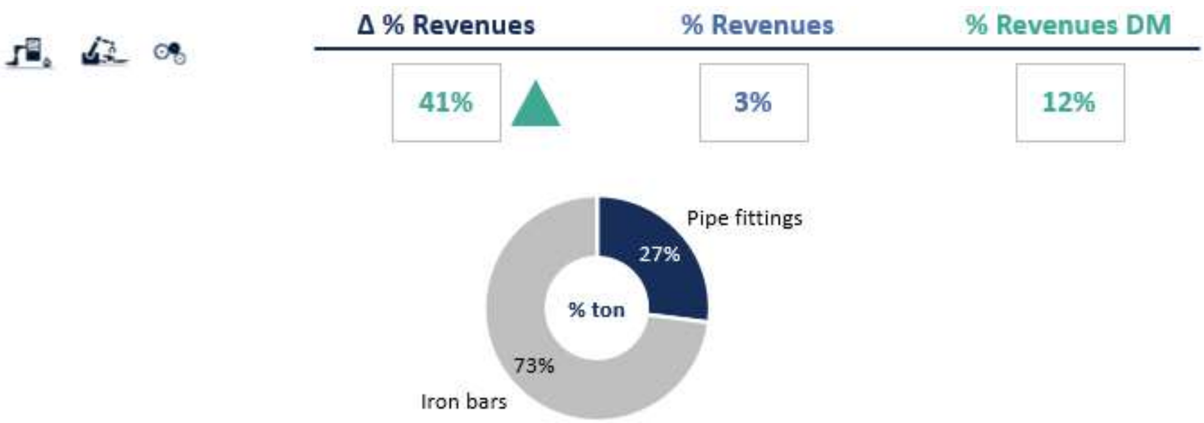
Revenues from commercial vehicle applications increased 184% compared to the same period of the previous year, due to increased demand in the domestic market and indirect exports, with the production of some customers directed to plants located in Brazil.

Off-road



Tupy's revenues from machine and off-road vehicle sales advanced 131% in 3Q21, mainly due to the positive performance of the Brazilian market, indirect export opportunities and product ramp-up.

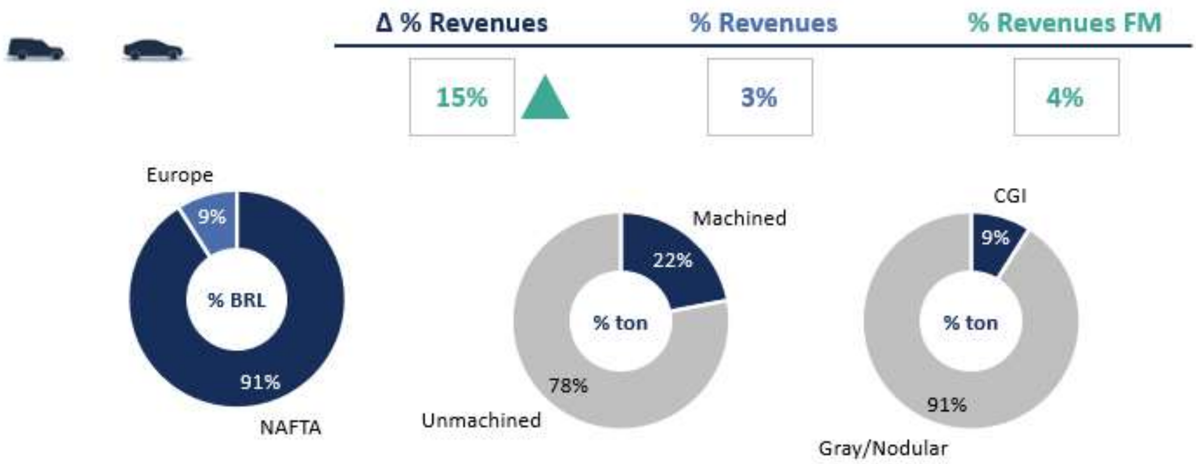
Hydraulics



During the third quarter of 2021, sales revenues in the Hydraulics segment presented an increase of 41% compared to the same period of 2020, mainly due to increased demand for iron bars and price adjustments.

FOREIGN MARKET (EM)

Passenger cars

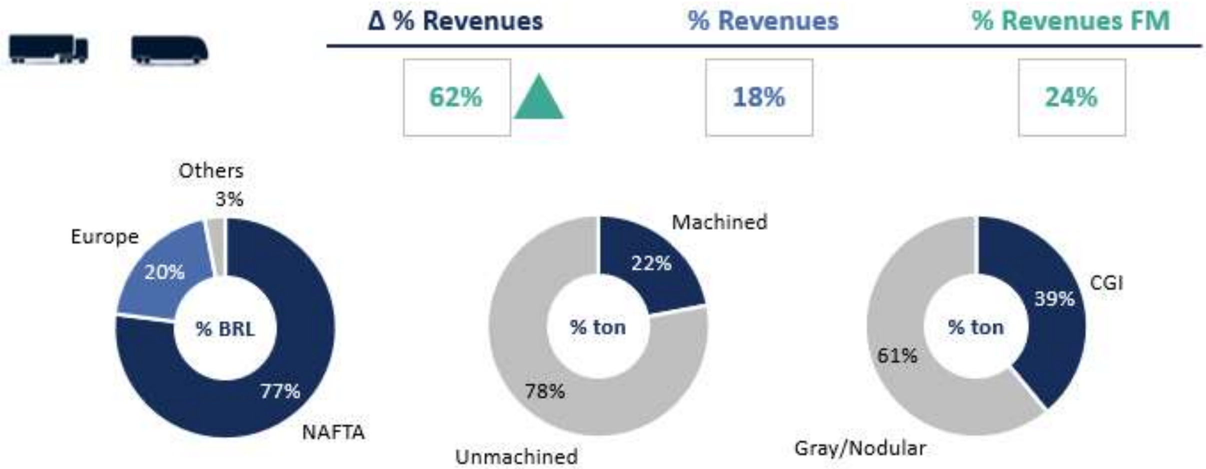


Revenues from products for passenger cars increased by 15% compared to 3Q20, due to mainly by a better product mix.

Light commercial vehicles

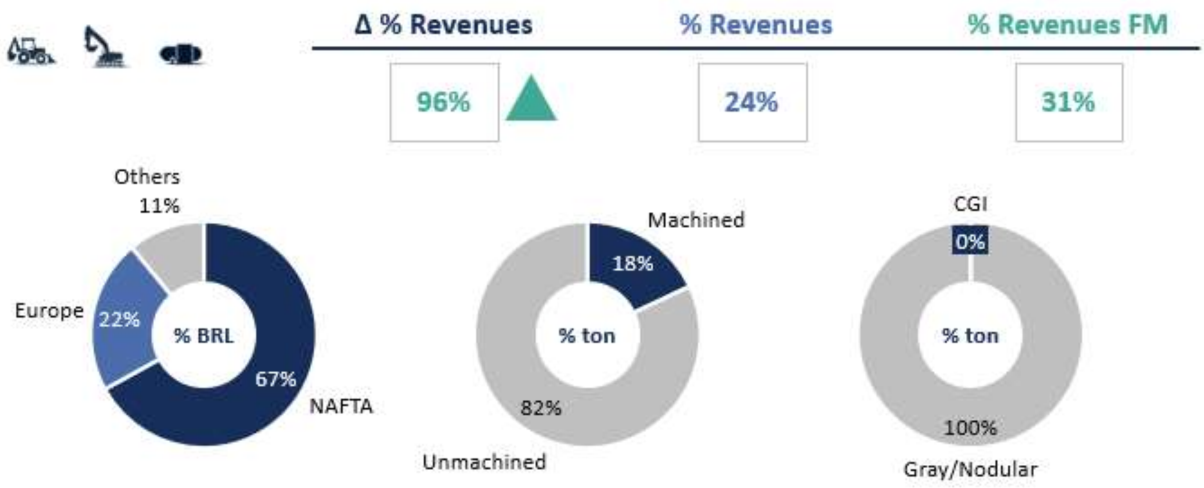
Despite the strong demand for this type of application, reflecting the recovery of some sectors of the economy, especially residential construction and agribusiness, revenues in the period were impacted by temporary customer downtime, due to the lack of semiconductors and other inputs, leading to a 3% decline when compared to 3Q20.

Medium and heavy commercial vehicles



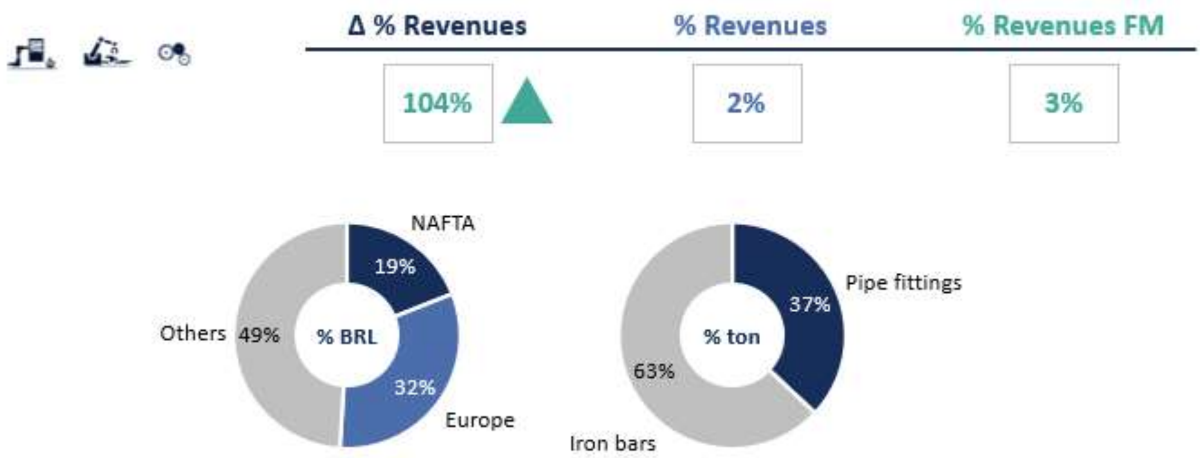
The 62% increase in sales in the third quarter of 2021 was caused mainly by the market recovery over the last 12 months, which reflects the improvement in macroeconomic indicators.

Off-road



Revenues from the off-road segment increased 96% year on year in 3Q21, due to the global recovery and the performance of important segments, such as agriculture and infrastructure.

Hydraulics



During the third quarter of 2021, there was an increase of 104% in net revenues from the Hydraulic segment, due to repressed demand from customers located in South America and Europe, and to price adjustments.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) totaled R$1,490 million in 3Q21, up 54% over 3Q20.

During this quarter there was a significant increase in raw material costs, compared to the same period last year. In some cases, there was a variation of more than 50% in the last 12 months. In comparison to the immediately preceding quarter (2Q21), the prices of several materials, such as scrap, remained stable. This effect, associated with the transfers of costs related to previous quarters, contributed to the Company's gross profit of R$344 million, **its all-time high.**

Consolidated (R$ thousand)

	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Revenues	**1,833,810**	**1,250,336**	**46.7%**	**5,023,518**	**2,987,772**	**68.1%**
Cost of goods sold	**(1,489,915)**	**(968,545)**	**53.8%**	**(4,204,756)**	**(2,520,135)**	**66.8%**
Raw material	(911,585)	(519,763)	75.4%	(2,504,572)	(1,235,906)	102.7%
Labor, profit sharing and social benefits	(312,132)	(218,029)	43.2%	(902,366)	(630,552)	43.1%
Maintenance materials and third parties	(98,916)	(85,685)	15.4%	(282,237)	(243,315)	16.0%
Energy	(80,422)	(64,204)	25.3%	(233,557)	(162,369)	43.8%
Depreciation	(68,557)	(75,175)	-8.8%	(213,527)	(218,715)	-2.4%
Other	(18,303)	(5,689)	221.7%	(68,497)	(29,278)	134.0%
Gross profit	**343,895**	**281,791**	**22.0%**	**818,762**	**467,637**	**75.1%**
% on Revenues	*18.8%*	*22.5%*		*16.3%*	*15.7%*	
Operating expenses	**(126,619)**	**(102,532)**	**23.5%**	**(368,047)**	**(275,720)**	**33.5%**
% on Revenues	*6.9%*	*8.2%*		*7.3%*	*9.2%*	

- Increase of 75% in raw material costs due, mainly, to the increase in production volumes and the material inflation observed in the period. The substantial increase in costs, in particular scrap costs, reflects the global economic recovery and was partially mitigated by several initiatives added to the actions implemented over the last few quarters, such as optimized use of materials, reduction of waste and renegotiation of contracts with suppliers, among others;

- Labor costs rose 43%, mainly, to an increase in the number of employees and overtime work to meet the increase in production volumes and to offset the increase in absenteeism, resulting from the protocols adopted by the company to fight the pandemic. The period was also affected by the negotiation of the annual pay rise date in the year-on-year comparison;

- Increase of 15% in the maintenance and third-party services account due to the impact of inflation and the increase in production volume in the period;

- Increase of 25% in energy expenses due to the increase in production volume and in generation and distribution tariffs in the yearly comparison;

- Depreciation costs were reduced by 8% due, mainly, to the exchange rate appreciation of the real against the dollar;

- Other costs rose R$13 million. The comparison base was affected by the receipt of residual amounts totaling R$9 million from the Reintegra benefit in 3Q20.

Operating expenses, including selling and administrative expenses, reached R$127 million, up 23% year on year due to higher use of freight (driven by higher sales, production flexibilization and negotiation of the annual pay rise date.

OTHER OPERATING INCOME (EXPENSES)

Other net operating expenses reached R$27 million in 3Q21, up 36% over R$20 million in 3Q20.

Consolidated (R$ thousand)

	3Q21	3Q20	Var. [%]	9M21	9M20	Var.[%]
Depreciation of non-operating assets	(154)	(158)	-2.5%	(469)	(491)	-4.5%
Amortization of intangible assets	(13,858)	(10,777)	28.6%	(42,397)	(34,485)	22.9%
Sale of land	-	9,635	-	-	20,135	-
Other	(12,657)	(18,353)	-31.0%	(83,300)	(59,811)	39.3%
Other operating expenses, net	**(26,669)**	**(19,653)**	**35.7%**	**(126,166)**	**(74,652)**	**69.0%**
Impairment of property, plant and equipment	-	-	-	-	(3,404)	-
Impairment of intangible assets	-	-	-	-	34,400	-
Total impairments adjustments	**-**	**-**	**-**	**-**	**(37,804)**	**-**

Expenses related to the amortization of intangible assets showed an increase of 29%, reflecting the increase in the base in relation to the same period of the previous year.

The item "Others" is composed by (i) constitution and updating of provisions in the amount of R$10 million (R$9 million in 3Q20) and (ii) R$3 million expenses related to the sale of unusable assets, write-off of fixed assets and other costs (R$10 million in 3Q20).

NET FINANCIAL INCOME (LOSS)

In 3Q21, the Company recorded a net financial loss of R$1 million, versus a loss of R$3 million in 3Q20.

Consolidated (R$ thousand)

	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Financial expenses	(35,093)	(45,933)	-23.6%	(159,498)	(156,135)	2.2%
Financial income	7,692	7,513	2.4%	37,679	24,499	53.8%
Monetary and exchange variations, net	26,165	35,638	-26.6%	5,408	(115,414)	-
Net Financial Result	**(1,236)**	**(2,782)**	-55.6%	**(116,411)**	**(247,050)**	-52.9%

Financial expenses were impacted by the depreciation of the real against the U.S. dollar (average exchange rate of R$5.23 in 3Q21 vs. 5.38 in 3Q20), with an effect on interest on dollar-denominated loans. Another factor is the reduction in the amount and cost of debt, given the amortization of loans contracted in March 2020 and the issue of Senior Notes in February 2021, with a 10-year term, impacts that totaled R$25 million. The restatement of the derivative instrument effect used to adjust Eletrobras' receivable credits to present value (with no cash effect) accounted for R$4 million in expenses. Other financial expenses totaled R$6 million in the quarter.

Financial income reached R$8 million in the period, arising from financial investments in reais and restatement of tax credits. The result was mainly influenced by the increase in the interest rate that remunerates financial investments in reais.

Income from net monetary and exchange variations totaled R$26 million due to (i) a positive variation of R$35 million in the balance sheet accounts and (ii) the result of hedge operations based on the zero-cost collar instrument, corresponding to an expense of R$9 million in the period, as a result of mark-to-market non-cash effect.

EARNINGS BEFORE TAXES AND NET INCOME

The Company recorded a net income of R$125 million, compared to a net income of R$128 million in 3Q20. The impact of the tax benefit arising from the payment of interest on equity was R$7 million.

Consolidated (R$ thousand)

	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Income (Loss) before Tax Effects	**189,371**	**156,824**	**20.8%**	**208,138**	**(167,589)**	**-**
Tax effects before currency impacts	(51,938)	(33,818)	53.6%	(61,796)	47,599	-
Income (loss) before the currency effects on the tax base	**137,433**	**123,006**	**11.7%**	**146,342**	**(119,990)**	**-**
Currency effects on the tax base	(12,283)	5,023	-	(4,608)	(42,319)	-89.1%
Net Income (Loss)	**125,150**	**128,029**	**-2.2%**	**141,734**	**(162,309)**	**-**
% on Revenues	*6.8%*	*10.2%*		*-5.4%*	*-5.4%*	

The tax bases of the assets and liabilities of companies located in Mexico, where the functional currency is the U.S. dollar, are held in Mexican pesos at their historical values. Fluctuations in exchange rates affect the tax bases and, consequently, the currency effects are recorded as deferred income tax revenues and/or expenses. In 3Q21, the Company recorded a non-cash expense of R$12 million.

EBITDA

The combination of the above-mentioned factors resulted in EBITDA of R$276 million, an increase of 11% over the same period of the previous year. Adjusted EBITDA for the effect of the constitution/update of provisions, write-off of property, plant and equipment items, and sale of unserviceable assets reached R$289 million. **Both represent the highest amounts in the company's history.** Margins came to 15.1% and 15.8%, respectively, in line with historical levels.

	Consolidated (R$ thousand)					
RECONCILIATION OF NET INCOME TO EBITDA	**3Q21**	**3Q20**	**Var. [%]**	**9M21**	**9M20**	**Var. [%]**
Net Income (Loss) for the Year	**125,150**	**128,029**	**-2.2%**	**141,734**	**(162,309)**	**-**
(+) Net financial income (loss)	1,236	2,782	-55.6%	116,411	247,050	-52.9%
(+) Income tax and social contribution	64,221	28,795	123.0%	66,404	(5,280)	-
(+) Depreciation and amortization	85,717	89,150	-3.9%	265,921	262,796	1.2%
EBITDA (CVM Instruction 527/12)	**276,324**	**248,756**	**11.1%**	**590,470**	**342,257**	**72.5%**
% on revenues	*15.1%*	*19.9%*		11.8%	*11.5%*	
(+) Other Net Operating Expenses*	12,657	8,718	45.2%	83,300	39,676	110.0%
(+) Impairment	-	-		-	37,804	
Adjusted EBITDA	**288,980**	**257,474**	**12.2%**	**673,770**	**419,737**	**60.5%**
% on revenues	15.8%	*20.6%*		13.4%	*14.0%*	

The adjustments made to EBITDA aim to offset the effects of items less similar to the Company's business, are non-recurring or have a non-cash effect. These expenses totaled R$13 million in 3Q21 and refer to (i) constitution and updating of provisions in the amount of R$10 million and (ii) R$3 million expenses related to the sale of unusable assets, write-off of fixed assets and other costs.

As in 2Q21, result in 3Q21 was also impacted by stoppages in the customers' supply chain because of the undersupply of semiconductors and other inputs. These stoppages have affected our processes and resulted in efficiency losses, as well as lower cost dilution, since our structure is sized to meet a volume that has not yet materialized. Meanwhile, the prices of raw materials continue at high levels.

Despite these effects, the 3Q21 EBITDA was benefited by contractual pass-through, related to the strong increase in costs incurred in the first semester, as well as by contractual negotiations. Excluding the one-time effect of these negotiations, the Adjusted EBITDA margin would be close to historical levels of approximately 14%.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Total investments in property, plant and equipment and intangible assets amounted to R$62 million in 3Q21, compared to R$32 million in 3Q20, the comparison basis being affected by the postponement of investments due to the COVID-19 pandemic.

Consolidated (R$ thousand)

	3Q21	3Q20	Var. [%]	9M21	9M20	Var. [%]
Property, Plant and Equipment						
Strategic investments	24,291	10,900	122.8%	60,229	28,716	109.7%
Maintenance and renovation	30,623	12,166	151.7%	59,575	54,323	9.7%
Environment	1,859	730	154.7%	8,645	2,119	308.0%
Interest and financial charges	739	355	108.2%	1,542	1,239	24.5%
Intangible assets						
Software	3,328	7,099	-53.1%	7,958	8,584	-7.3%
Projects under development	996	705	41.3%	2,810	2,021	39.0%
Total	**61,836**	**31,955**	**93.5%**	**140,759**	**97,002**	**45.1%**
% on Revenues	*3.4%*	*2.6%*		*2.8%*	*3.2%*	

The amounts refer mainly to new foundry and machining programs, IT and automation systems, and initiatives related to safety and the environment.

WORKING CAPITAL

Consolidated (R$ thousand)

	3Q21	2Q21	1Q21	4Q20	3Q20
Balance sheet					
Accounts receivable	1,203,582	972,343	991,661	683,404	836,020
Inventories	997,192	843,982	746,272	754,486	725,452
Accounts payable	838,137	869,932	777,710	616,194	538,689
Sales outstanding [days]	70	62	77	59	74
Inventories [days]	69	65	68	77	76
Payables outstanding [days]	57	66	72	62	57
Cash conversion cycle [days]	**82**	**61**	**73**	**74**	**93**

There was a 21-day increase in working capital in the period in relation to the previous quarter (2Q21), due to the increase in accounts receivable and inventories, and a reduction in the amount of accounts payable. The main lines presented the following variations:

- R$231 million increase in accounts receivables, equivalent to 8 days of sales. The increase in the average term was caused by the 9% exchange rate depreciation (closing rate US$/R$ 5.44 in Sept/21 vs. 5.00 in June/21) when converting to BRL the accounts receivable in foreign currency, which represented about 82% of the amount at the end of September, as well as by the increase in sales in the period;

- An increase of R$ 153 million in inventories, representing a 4-day increase in relation to the cost of goods sold. The exchange rate variation impacted inventories in foreign currency, which corresponded to 53% of the total in 3Q21. The sudden shutdowns of customers, due to a shortage of semiconductors, also contributed to the increase in inventories of finished products, given the maintenance of production;

- A decrease of R$32 million in the accounts payable line, representing a reduction of 9 days, resulting, mainly, from specific actions with suppliers in this period.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	3Q21	3Q20	Var.[%]	9M21	9M20	Var.[%]
Cash and cash equivalents at the beginning of the period	**1,265,877**	**1,281,999**	**-1.3%**	**1,425,113**	**840,030**	**69.7%**
Cash from operating activities	(29,316)	155,405	-	23,632	36,478	-35.2%
Cash used in investing activities	(61,375)	(22,154)	177.0%	(146,614)	(94,433)	55.3%
Cash used in financing activities	(144,180)	(6,230)	-	(270,769)	474,874	-
Currency effect on the cash for the year	60,717	24,695	145.9%	60,361	176,766	-65.9%
Increase (decrease) in cash and cash equivalents	**(174,154)**	**151,716**	**-**	**(333,390)**	**593,685**	**-**
Cash and cash equivalents at the end of the period	**1,091,723**	**1,433,715**	**-23.9%**	**1,091,723**	**1,433,715**	**-23.9%**

The Company registered a cash consumption of R$29 million from operating activities, compared to R$155 million generation in 3Q20, due to an increase in working capital, especially in accounts receivable and inventories. And the latter is impacted, mainly, due to the unavailability of semiconductors, resulting in a discrepancy between sales and production. Comparison basis was also affected by tax refunds of R$10 million and the receipt of R$5 million from the land sale in 3Q20.

Regarding investment activities, R$61 million were expended in 3Q21, an increase of 177% compared to the same period of the previous year, resulting from investments in programs and projects related to new products, machining, safety, and the environment.

In terms of financing activities, during 3Q21, there was a consumption of R$144 million compared to R$6 million in 3Q20, impacted by the amortization of bank loans and payment of interest on equity, in the amounts of R$120 million and R$20 million, respectively.

The combination of these factors and the exchange rate variation on cash, in the amount of R$61 million, resulted in a decrease of R$174 million in cash and cash equivalents in the period. Therefore, we ended the third quarter of 2021 with a cash balance of R$1,092 million.

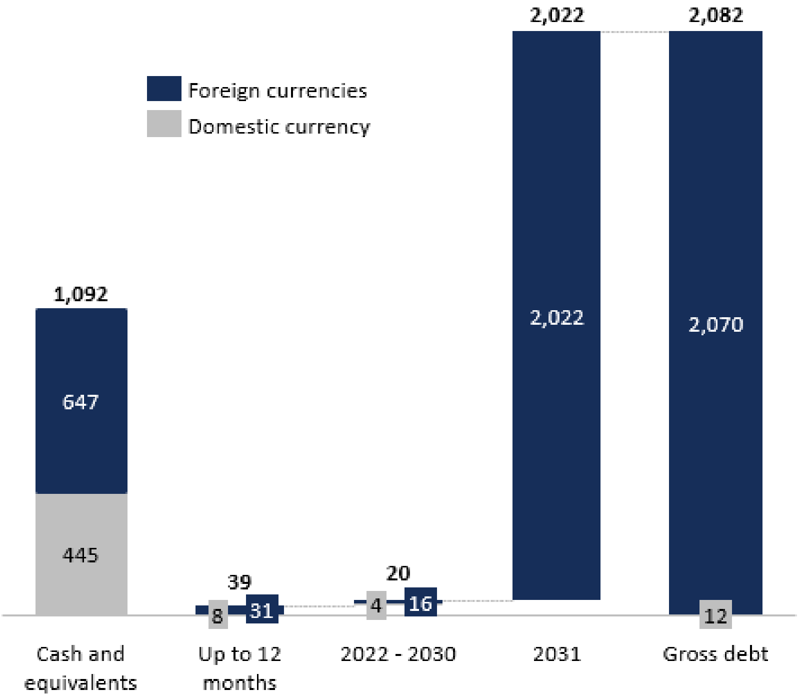
DEBT

The Company ended 3Q21 with net debt of R$990 million and a net debt/Adjusted LTM EBITDA ratio of 1.15x.

Foreign currency debt represents 99% of the total. As for the Company's cash balance, 41% of the total amount is denominated in Brazilian reais and 59% in foreign currency.

	Consolidated (R$ thousand)				
DEBT	**3Q21**	**2Q21**	**1Q21**	**4Q20**	**3Q20**
Short-term	39,370	177,684	164,680	403,629	623,190
Financing and loans	35,204	177,012	158,486	401,924	550,665
Financial instruments and derivatives	4,166	672	6,194	1,705	72,525
Long-term	2,042,549	1,866,329	2,125,644	1,823,618	1,980,553
Gross debt	**2,081,919**	**2,044,013**	**2,290,324**	**2,227,247**	**2,603,743**
Cash and cash equivalents	1,091,723	1,265,877	1,382,887	1,425,113	1,433,715
Financial instruments and derivatives	241	5,978	129	1,236	-
Net debt	**989,955**	**772,158**	**907,308**	**800,898**	**1,170,028**
Gross debt/adjusted EBITDA	2.42x	2.47x	3.58x	3.68x	4.55x
Net debt/Adjusted EBITDA	**1.15x**	**0.93x**	**1.42x**	**1.32x**	**2.05x**

The Company's debt profile is as follows:



All amounts in R$ million.

ACQUISITION OF TEKSID

On October 1, we announced the conclusion of the acquisition of Teksid's iron foundry operations located in Brazil and Portugal. As a result, the company now owns five plants on three continents, with a combined capacity of more than 950,000 tons per year, reinforcing its position with customers as a global partner. In addition to access to new customers and contracts, the transaction will allow the offer of high value-added services, such as machining and assembly of components, gains in operational efficiency through the sharing of best practices, optimization projects and asset flexibility, and synergies in procurement processes.

The integration process between the companies has already begun, including actions aimed at capturing the synergies and the results will be communicated to the market in due course.

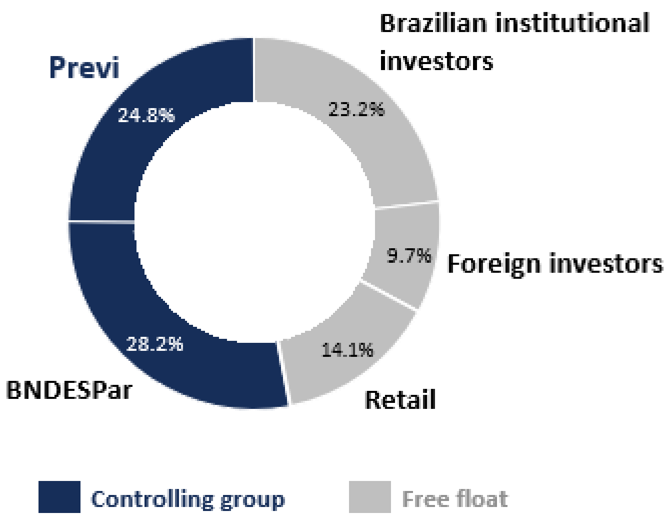
PAYMENT OF INTEREST ON EQUITY (IoE)

The Board of Directors approved the distribution of interest on equity in the amount of R$20.5 million to its shareholders (gross amount), with payment on November 25, 2021. Additionally, it has scheduled a future distribution of the same amount, which will be paid in January 2022, subject to the Company's financial situation and cash requirements for the operation and execution of its strategic planning.

These amounts, added to the amount of R$19.6 million distributed on August 26, 2021, total an IOE payment of R$60.6 million, referring to the year 2021.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of September 30, 2021 was as follows:



EXECUTIVE OFFICER'S STATEMENT

In compliance with the provisions established under Article 25 of CVM Instruction No. 480, of December 7, 2009, Tupy S.A.'s Executive Board declares that it has reviewed, discussed and agreed with the opinion presented in the Independent Auditor's Report on the Quarterly Financial Report, issued on this date, and with the Quarterly Financial Report of September 30, 2021.

Attachment I – Commercial vehicle production and sales in Brazil

(Units)

	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
Production						
Trucks						
Semi-light	567	129	339.5%	1,497	424	253.1%
Light	7,114	4,114	72.9%	19,077	9,460	101.7%
Mdium	2,232	1,366	63.4%	5,864	2,747	113.5%
Semi-heavy	12,772	8,208	55.6%	34,126	17,355	96.6%
Heavy	20,895	9,520	119.5%	57,738	28,089	105.6%
Total trucks	**43,580**	**23,337**	**86.7%**	**118,302**	**58,075**	**103.7%**
Buses	4,241	4,910	-13.6%	14,565	13,884	4.9%
Commercial Vehicles	**47,821**	**28,247**	**69.3%**	**132,867**	**71,959**	**84.6%**
Sales						
Trucks						
Semi-light	2,235	1,324	68.8%	5,582	3,360	66.1%
Light	3,551	2,329	52.5%	9,067	6,206	46.1%
Medium	3,310	2,441	35.6%	8,135	5,962	36.4%
Semi-heavy	9,131	6,374	43.3%	23,521	15,779	49.1%
Heavy	18,327	12,460	47.1%	48,984	31,481	55.6%
Total trucks	**36,554**	**24,928**	**46.6%**	**95,289**	**62,788**	**51.8%**
Buses	3,400	4,253	-20.1%	10,938	9,969	9.7%
Commercial Vehicles	**39,954**	**29,181**	**36.9%**	**106,227**	**72,757**	**46.0%**
Export						
Trucks						
Semi-light	247	67	268.7%	581	92	531.5%
Light	872	665	31.1%	2,487	1,400	77.6%
Mdium	282	130	116.9%	871	347	151.0%
Semi-heavy	1,503	1,241	21.1%	4,614	2,368	94.8%
Heavy	3,024	1,798	68.2%	8,106	4,493	80.4%
Total trucks	**5,928**	**3,901**	**52.0%**	**16,659**	**8,700**	**91.5%**
Buses	961	1,091	-11.9%	2,850	2,817	1.2%
Commercial Vehicles	**6,889**	**4,992**	**38.0%**	**19,509**	**11,517**	**69.4%**

Source: ANFAVEA

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

(Units)

	3Q21	3Q20	Var. (%)	9M21	9M20	Var. (%)
North America						
Production						
Passenger cars	584,522	964,547	-39.4%	1,980,277	2,349,711	-15.7%
Light commercial vehicles – Class 1-3	2,412,430	3,097,797	-22.1%	7,810,727	7,095,298	10.1%
% Light commercial vehicles	**80.5%**	**76.3%**	**+4.2p.p.**	**79.8%**	**75.1%**	**+4.7p.p.**
Light Duty – Class 4-5	26,191	24,274	7.9%	76,782	59,576	28.9%
Medium Duty – Class 6-7	22,119	27,554	-19.7%	79,070	73,083	8.5%
Medium Duty – Class 8	58,712	60,186	-2.4%	191,592	148,891	28.7%
Medium & Heavy Duty	**107,022**	**112,014**	**-4.5%**	**347,444**	**281,550**	**23.4%**
United States						
Sales						
Passenger cars	778,871	910,520	-14.5%	2,731,147	2,524,076	8.2%
Light commercial vehicles – Class 1-3	2,636,013	3,007,253	-12.3%	9,041,294	7,868,966	14.9%
% Light commercial vehicles	**77.2%**	**76.8%**	**+0.4p.p.**	**76.8%**	**75.7%**	**+1.1p.p.**
Light Duty – Class 4-5	33,179	32,739	1.3 %	99,971	89,712	11.4%
Medium Duty – Class 6-7	24,839	25,825	-3.8%	79,368	71,070	11.7%
Medium Duty – Class 8	52,155	51,287	1.7%	163,758	133,994	22.2%
Medium & Heavy Duty	**110,173**	**109,851**	**0.3%**	**343,097**	**294,776**	**16.4%**
Europe						
Sales						
Passenger cars	2,164,756	2,776,309	-22.0%	7,526,613	7,057,927	6.6%

Source: Automotive News; Bloomberg; ACEA

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
(All amounts in thousands of reais)

A S S E T S

		Parent company		Consolidated	
	Note	9/30/21	12/31/20	9/30/21	12/31/20
CURRENT ASSETS					
Cash and cash equivalents	3	468,152	832,175	1,091,723	1,425,113
Derivative financial instruments	27	221	1,103	241	1,236
Trade account receivables	4	735,277	499,141	1,203,582	683,404
Inventories	5	408,490	262,446	997,192	754,486
Tooling		54,833	43,973	166,547	183,146
Income tax and social contribution recoverable	6	53,756	50,332	105,268	94,171
Other taxes recoverable	7	96,116	44,978	175,683	132,267
Other assets		39,938	46,024	58,739	55,999
Total current assets		1,856,783	1,780,172	3,798,975	3,329,822
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	6	17,123	76,636	17,123	76,636
Other taxes recoverable	7	150,953	231,247	150,953	231,247
Deferred income tax and social contribution	8	342,168	316,080	500,690	428,733
Credits - Eletrobrás	10	93,618	81,446	93,618	81,446
Judicial deposits and other		39,014	47,738	40,106	48,824
Investments in equity instruments		2,460	2,350	12,449	11,645
Investments properties		-	-	5,716	6,363
Investments	11	2,378,666	2,307,818	-	-
Property, plant and equipment	12	614,733	621,083	1,719,235	1,726,857
Intangible assets	13	51,810	52,890	132,981	171,746
Total non-current assets		3,690,545	3,737,288	2,672,871	2,783,497
Total assets		5,547,328	5,517,460	6,471,846	6,113,319

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

(All amounts in thousands of reais)

L I A B I L I T I E S

		Parent company		Consolidated	
	Note	9/30/21	12/31/20	9/30/21	12/31/20
CURRENT LIABILITIES					
Trade accounts payables	14	431,287	336,604	838,137	616,194
Loans and financing	15	35,930	397,495	35,204	401,924
Derivative financial instruments	27	3,251	1,468	4,166	1,705
Income taxes payable		-	-	49,246	2,403
Other taxes payable		2,208	2,254	29,921	40,559
Salaries, social security charges and profit sharing	16	181,555	116,778	248,520	159,924
Advances from customers		17,058	27,366	143,192	169,689
Related parties	9	3,588	3,008	-	-
Dividends and interest on shareholders' equity	9d	20,634	135	20,634	135
Provision for tax, civil, social security and labor proceedings	17	32,290	37,016	32,290	37,016
Other liabilities		60,147	66,534	93,356	84,509
Total current liabilities		787,948	988,658	1,494,666	1,514,058
NON-CURRENT LIABILITIES					
Loans and financing	15	1,902,316	1,821,422	2,042,549	1,823,618
Provision for tax, civil, social security and labor proceedings	17	162,922	149,451	166,404	151,818
Retirement benefit obligations		-	-	73,666	65,446
Other long term liabilities		3,392	4,472	3,811	4,922
Total non-current liabilities		2,068,630	1,975,345	2,286,430	2,045,804
EQUITY					
Share capital	18	1,060,301	1,060,301	1,060,301	1,060,301
Share issuance costs		(6,541)	(6,541)	(6,541)	(6,541)
Share-based payments		7,761	5,245	7,761	5,245
Treasury shares		-	(374)	-	(374)
Carrying value adjustments	11b	878,154	849,634	878,154	849,634
Income reserves		605,058	645,192	605,058	645,192
Retained earnings		146,017	-	146,017	-
Total equity		2,690,750	2,553,457	2,690,750	2,553,457
Total liabilities and equity		5,547,328	5,517,460	6,471,846	6,113,319

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	9/30/21	9/30/20	9/30/21	9/30/20
NET REVENUE	19	2,897,433	1,683,248	5,023,518	2,987,772
Cost of products sold	20	(2,295,076)	(1,293,930)	(4,204,756)	(2,520,135)
GROSS (LOSS) PROFIT		602,357	389,318	818,762	467,637
Selling expenses	20	(93,270)	(72,848)	(190,394)	(139,226)
Administrative expenses	20	(119,495)	(89,226)	(164,628)	(126,006)
Management fees	9	(13,025)	(10,488)	(13,025)	(10,488)
Other operating expenses, net	22	(84,381)	(45,984)	(126,166)	(74,652)
Share of results of subsidiaries	11	(15,435)	(156,531)	-	-
PROFIT BEFORE IMPAIRMENTS		276,751	14,241	324,549	117,265
Impairment	22	-	(3,404)	-	(37,804)
PROFIT BEFORE FINANCE RESULTS AND INCOME TAXES		276,751	10,837	324,549	79,461
Finance costs	21	(120,004)	(150,352)	(159,498)	(156,135)
Finance income	21	36,651	21,670	37,679	24,499
Monetary and foreign exchange variations, net	21	9,357	(68,671)	5,408	(115,414)
		(73,996)	(197,353)	(116,411)	(247,050)
PROFIT (LOSS) BEFORE INCOME TAXES		202,755	(186,516)	208,138	(167,589)
Income tax and social contribution	23	(61,021)	24,207	(66,404)	5,280
NET INCOME (LOSS) FOR THE PERIOD		141,734	(162,309)	141,734	(162,309)
EARNINGS PER SHARE					
Basic earnings (loss) per share	24	0.98307	(1.12657)	0.98307	(1.12657)
Diluted earnings (loss) per share	24	0.97706	(1.12186)	0.97706	(1.12186)

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
QUARTERS ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		7/1/21	7/1/20	7/1/21	7/1/20
	Note	9/30/21	9/30/20	9/30/21	9/30/20
NET REVENUE	19	1,110,256	656,916	1,833,810	1,250,336
Cost of products sold	20	(834,457)	(466,877)	(1,489,915)	(968,545)
GROSS (LOSS) PROFIT		275,799	190,039	343,895	281,791
Selling expenses	20	(37,190)	(27,323)	(69,196)	(52,625)
Administrative expenses	20	(39,786)	(31,365)	(53,094)	(45,822)
Management fees	9	(4,329)	(4,085)	(4,329)	(4,085)
Other operating expenses, net	22	(12,684)	(18,178)	(26,669)	(19,653)
Share of results of subsidiaries	11	8,260	61,610	-	-
PROFIT BEFORE FINANCE RESULTS AND INCOME TAXES		190,070	170,698	190,607	159,606
Finance costs	21	(41,828)	(44,336)	(35,093)	(45,933)
Finance income	21	7,240	7,306	7,692	7,513
Monetary and foreign exchange variations, net	21	20,856	20,450	26,165	35,638
PROFIT BEFORE INCOME TAXES		176,338	154,118	189,371	156,824
Income tax and social contribution	23	(51,188)	(26,089)	(64,221)	(28,795)
NET INCOME (LOSS) FOR THE QUARTER		125,150	128,029	125,150	128,029
EARNINGS PER SHARE					
Basic earnings (loss) per share	24	0.86804	0.88863	0.86804	0.88863
Diluted earnings (loss) per share	24	0.86274	0.88492	0.86274	0.88492

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	9/30/21	9/30/20	9/30/21	9/30/20
NET INCOME (LOSS) FOR THE YEAR		141,734	(162,309)	141,734	(162,309)
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	11	86,283	681,367	86,283	681,367
Hedge of net investment abroad	27b	(81,024)	(558,607)	(81,024)	(558,607)
Tax effect on hedge of net investment abroad	27b	27,544	189,927	27,544	189,927
		32,803	312,687	32,803	312,687
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		174,537	150,378	174,537	150,378

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		7/1/21	7/1/20	7/1/21	7/1/20
		9/30/21	9/30/20	9/30/21	9/30/20
NET INCOME FOR THE PERIOD		125,150	128,029	125,150	128,029
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad		173,782	75,412	173,782	75,412
Hedge of net investment abroad	27b	(144,413)	(57,734)	(144,413)	(57,734)
Tax effect on hedge of net investment abroad	27b	49,098	19,630	49,098	19,630
		78,467	37,308	78,467	37,308
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		203,617	165,337	203,617	165,337

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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
AT DECEMBER 31, 2019		**1,060,301**	**(6,541)**	**7,968**	**-**	**580,123**	**33,129**	**95,756**	**616,667**	**-**	**2,387,403**
Comprehensive income for the period											
Profit for the period		-	-	-	-	-	-	-	-	(162,309)	(162,309)
Realization of carrying value adjustments		-	-	-	-	-	(5,323)	-	-	5,323	-
Foreign exchange variation of investees located abroad		-	-	-	-	681,367	-	-	-	-	681,367
Hedge of net investment abroad		-	-	-	-	(558,607)	-	-	-	-	(558,607)
Tax impact on hedge of net investment abroad		-	-	-	-	189,927	-	-	-	-	189,927
Total comprehensive income for the period		-	-	-	-	312,687	(5,323)	-	-	(156,986)	150,378
Contributions from shareholders and distributions to shareholders											
Management stock option plan		-	-	2,065	-	-	-	-	-	-	2,065
Realization of management stock option plan		-	-	(316)	-	-	-	-	-	316	-
(-) Shares in treasury acquired		-	-	-	(2,944)	-	-	-	-	-	(2,944)
Total contributions from shareholders and distributions to shareholders		-	-	1,749	(2,944)	-	-	-	-	316	(879)
AT SEPTEMBER 30, 2020		**1,060,301**	**(6,541)**	**9,717**	**(2,944)**	**892,810**	**27,806**	**95,756**	**616,667**	**(156,670)**	**2,536,902**
AT DECEMBER 31, 2020		**1,060,301**	**(6,541)**	**5,245**	**(374)**	**823,450**	**26,184**	**95,756**	**549,436**	**-**	**2,553,457**
Comprehensive income for the period											
Loss for the period		-	-	-	-	-	-	-	-	141,734	141,734
Realization of carrying value adjustments		-	-	-	-	-	(4,283)	-	-	4,283	-
Foreign exchange variation of investees located abroad	11	-	-	-	-	86,283	-	-	-	-	86,283
Hedge of net investment abroad	27b	-	-	-	-	(81,024)	-	-	-	-	(81,024)
Tax impact on hedge of net investment abroad	27b	-	-	-	-	27,544	-	-	-	-	27,544
Total comprehensive income for the year		-	-	-	-	32,803	(4,283)	-	-	146,017	174,537
Contributions from shareholders and distributions to shareholders											
Management stock option plan		-	-	2,890	-	-	-	-	-	-	2,890
(-) Stock options exercised		-	-	(374)	374	-	-	-	-	-	-
Allocation of loss:											
Interest on capital		-	-	-	-	-	-	-	(40,134)	-	(40,134)
Total contributions from shareholders and distributions to shareholders		-	-	2,516	374	-	-	-	(40,134)	-	(37,244)
AT SEPTEMBER 30, 2021		**1,060,301**	**(6,541)**	**7,761**	**-**	**856,253**	**21,901**	**95,756**	**509,302**	**146,017**	**2,690,750**

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TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOW
PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
Cash flow from operating activities:	Note	9/30/21	9/30/20	9/30/21	9/30/20
Profit for the period before income tax and social contribution		202,755	(186,516)	208,138	(167,589)
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	12 e 13	106,680	106,806	265,921	262,796
Impairment	12 e 13	-	3,404	-	37,804
Share of results of subsidiaries	11	15,435	156,531	-	-
Disposals of property, plant and equipment		64	1,835	2,400	5,250
Interest accrued and foreign exchange variations		93,178	178,635	129,725	234,464
Provision for impairment of trade receivables		(4,124)	8,183	(3,582)	9,553
Provision for losses on inventory		515	10,398	3,140	22,996
Provision for contingencies	17	28,276	27,132	29,391	27,252
Stock option plan		2,890	2,065	2,890	2,065
Change in Eletrobrás credit		(12,282)	33,875	(12,282)	33,875
		433,387	342,348	625,741	468,466
Changes in operating assets and liabilities:					
Trade accounts receivables		(213,519)	(94,494)	(552,523)	(19,826)
Inventories		(146,559)	27,308	(215,287)	34,402
Tooling		(10,860)	(4,584)	23,760	(28,700)
Other taxes recoverable		25,680	58,394	48,811	72,796
Other assets		4,511	15,492	(4,571)	4,892
Judicial deposits and other		8,724	(7,482)	8,718	(7,482)
Trade payables		97,189	(21,690)	212,750	(208,944)
Other taxes payable		(46)	(6,347)	(10,863)	(33,190)
Salaries, social security charges and profit sharing		64,777	1,248	85,623	(6,549)
Advances from customers		(10,308)	3,176	(34,510)	5,044
Notes and other payables		(6,387)	(107,980)	7,694	(81,218)
Retirement benefit obligations		-	-	5,069	(2,090)
Payment of contingencies other liabitilies		(20,611)	(21,815)	(20,642)	(21,778)
Cash generated by operations		**225,978**	**183,574**	**179,770**	**175,823**
Interest paid		(150,249)	(119,178)	(145,641)	(117,228)
Income tax and social contribution paid		-	-	(10,498)	(22,117)
Net cash generated from operating activities		**75,729**	**64,396**	**23,631**	**36,478**
Cash flow from investing activities:					
Additions to fixed assets or intangibles	12 e 13	(101,244)	(32,729)	(148,189)	(100,133)
Cash generated on property sales		-	-	-	5,000
Cash generated on PPE disposals		2,693	700	1,575	700
Subsidiaries and associates		580	4,227	-	-
Net cash used in investing activities		**(97,971)**	**(27,802)**	**(146,614)**	**(94,433)**
Cash flow from financing activities:					
Payment of loans	15	(318,129)	(3,556)	(2,257,636)	(3,556)
Loans and financing raised	15	-	494,412	2,018,063	494,412
Lease payment from right of use		(4,700)	(4,455)	(11,560)	(13,032)
Interest on capital and dividends paid		(21,238)	(6)	(21,238)	(6)
Income tax of interest on capital and dividends paid		1,603	-	1,603	-
Treasury stock		-	(2,944)	-	(2,944)
Net cash from (used) in financing activities		**(342,464)**	**483,451**	**(270,768)**	**474,874**
Effect of exchange rate differences on cash for the period		683	5,817	60,361	176,766
Increase in cash and cash equivalents		**(364,023)**	**525,862**	**(333,390)**	**593,685**
Cash and cash equivalents at the beginning of the year		832,175	362,600	1,425,113	840,030
Cash and cash equivalents at the end of the year		**468,152**	**888,462**	**1,091,723**	**1,433,715**

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	9/30/21	9/30/20	9/30/21	9/30/20
Origination of value added		3,154,281	1,792,759	5,279,824	3,095,913
Sale of products, net of returns and rebates	19	3,150,157	1,800,942	5,276,242	3,105,466
Provision for impairment of trade receivables		4,124	(8,183)	3,582	(9,553)
(-) Inputs acquired from third parties		(2,077,634)	(1,026,463)	(3,592,755)	(1,923,296)
Raw materials and processing material consumed		(1,693,821)	(696,703)	(2,401,091)	(940,915)
Materials, energy, third party services and other		(383,813)	(329,760)	(1,191,664)	(982,381)
GROSS VALUE ADDED		1,076,647	766,296	1,687,069	1,172,617
Retentions:		(106,680)	(110,210)	(265,921)	(300,600)
Depreciation and amortization	12 and 13	(106,680)	(106,806)	(265,921)	(262,796)
Impairment		-	(3,404)	-	(37,804)
Net value added generated by the Company		969,967	656,086	1,421,148	872,017
Value added received through transfer		21,216	(134,861)	37,679	24,499
Share of results of subsidiaries	11	(15,435)	(156,531)	-	-
Finance income	21	36,651	21,670	37,679	24,499
VALUE ADDED TO DISTRIBUTE		**991,183**	**521,225**	**1,458,827**	**896,516**
Distribution of value added					
Personnel		544,876	364,218	962,781	666,510
Employees		407,436	254,992	811,605	542,544
Social charges - Government Severance Indemnity Fund for Employees (FGTS)		26,706	17,904	26,706	17,904
Profit sharing		34,067	23,227	47,019	35,557
Management fees		13,025	10,488	13,025	10,488
Workplace healthcare and safety		39,991	42,825	39,991	42,825
Food		10,627	6,056	10,627	6,056
Professional education, qualification and development		842	413	965	1,370
Other amounts		12,182	8,313	12,843	9,766
Government		193,926	100,293	200,222	120,766
Federal taxes and contributions		140,126	53,497	146,392	73,963
State taxes and rates		46,632	39,057	46,632	39,057
Municipal taxes, rates and other		7,168	7,739	7,198	7,746
Third party capital		110,647	219,023	154,090	271,549
Finance costs	21	120,004	150,352	159,498	156,135
Monetary and foreign exchange variations, net	21	(9,357)	68,671	(5,408)	115,414
Own capital		141,734	(162,309)	141,734	(162,309)
Retained earnings (losses)		141,734	(162,309)	141,734	(162,309)
TOTAL VALUE ADDED		**991,183**	**521,225**	**1,458,827**	**896,516**

(A free translation of the original in Portuguese)

NOTES TO THE FINANCIAL STATEMENTS

(A free translation of the original in Portuguese)

1. GENERAL INFORMATION

Tupy S.A. (the "Parent company") and its subsidiaries (together the "Company" or "Consolidated") have domestic and foreign operations in the iron casting markets, especially engine blocks and cylinder heads. The Company also operates in the transportation, infrastructure, and agriculture (blocks, cylinder heads and parts) and hydraulics (steel shots and iron bar) segments. With a diversified customer base in the Americas, Europe and Asia. The Company has plants in Brazil, at Joinville and Maua, and Mexico, at Saltillo and Ramos Arizpe. In addition, the Parent company has investments in companies abroad that operate in logistics, trading, technical assistance and centralization of foreign corporate operations.

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

These interim financial statements were approved for issuance by the Company's Board of Directors on November 09, 2021.

1.1 Business combination

On December 19, 2019, the Company singned a Share Purchase Agreement with Fiat Chrysler Automobiles NV for the acquisition of 100% of Teksid's iron foundry business, including operations located in Brazil, Mexico, Poland, Portugal and China (the latter, a joint venture in which Teksid holds a 50% stake), as well as offices in the United States and Italy.

Based on the review and comments of the US antitrust authorities, Tupy and Stellantis, successor to Fiat Chrysler Automobiles N.V., agreed to review the transaction. In this new perimeter, the Company opted to acquire the assets with greater strategic alignment, and decided not to proceed with the acquisition of the plants in Mexico, Poland, assuming part of a joint venture in China and the administrative structures located in Italy and the United States.

On July 1, the Company signed with Stellantis NV, and with Teksid SpA, a fully owned subsidiary of Stellantis, the Amendment to the Share Purchase Agreement dated December 19, 2019 for the acquisition of the Brazilian and Portuguese operations of cast iron components, through the acquisition of Teksid's interest in the subsidiaries Teksid Iron do Brasil Ltda. and Funfrap-Fundição Portuguesa S.A. The Transaction was approved by the Company's Board of Directors on that date.

On August 5th, the Transaction was approved by the Extraordinary General Meeting.

On October 1 of this year, subsequent to the closing of the 3rd quarter (Note 29), the Company concluded the acquisition, thus obtaining control of Teksid SpA's Brazilian and Portuguese operations of iron components, through the acquisition of Teksid's interest in the subsidiaries Teksid Iron do Brasil Ltda. and Funfrap-Fundição Portuguesa S.A.

1.2 Impacts of the COVID-19 pandemic

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

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

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

In view of the scenarios caused by the global pandemic COVID-19 the Company reinforced its inventory levels, moving its products to geographical positions close to its customers in order to avoid shortages due to geographic mismatches and different recovery cycles. This has allowed, until then, to keep regular delivery of orders to customers. At this moment, the contracts signed with clients do not present risks of being terminated and the receivables of not being paid.

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, 2020.

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 September 30, 2021:

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

All amounts in thousands of Reais unless otherwise stated.

2.1. Basis of preparation, functional and presentation currency

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

The functional and presentation currency are with the same as those for the annual financial statements for the year ended December 31, 2020.

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, 2020 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 September 30, 2021 are consistent with those used to prepare the annual financial statements for the year ended December 31, 2020, these policies are disclosed in Note 2 in the annual financial statements.

3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	Sep/21	Dec/20	Sep/21	Dec/20
Cash and banks	56,816	19,215	57,848	19,401
Financial investments in Brazil	387,072	753,293	387,317	753,533
Financial investments abroad	24,264	59,667	646,558	652,179
	468,152	**832,175**	**1,091,723**	**1,425,113**

The financial investments disclosed as cash and cash equivalents are highly liquid securities with an insignificant risk of changes in value. Those investments in Brazil are remunerated based on the variation of the Interbank Deposit Certificate (CDI) rate, with an average rate equivalent to 3.51% per annum (2.86% at December 31, 2020). The investments abroad are denominated mostly in U.S. dollars at the average rate of 0.19% per annum (0.42% per annum in December 31, 2020) designed as time deposit and overnight.

The decrease presented in the period is substantially due to the payments of loans and financing (Export credit notes and Operation 4131) taken in March, 2020 in the amount of R$315.000 and equity interest paid amounting of R$21,238.

The Company operates with top tier institutions as detailed in note 28.1.

All amounts in thousands of Reais unless otherwise stated.

4. TRADE ACCOUNT RECEIVABLES

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

	Parent company		Consolidated	
	Sep/21	**Dec/20**	**Sep/21**	**Dec/20**
Domestic market	216,606	93,459	216,606	93,459
Foreign market	523,815	414,918	993,816	600,445
Provision for impairment of trade receivables	(5,144)	(9,236)	(6,840)	(10,500)
	735,277	**499,141**	**1,203,582**	**683,404**

Trade account receivables in the domestic market are denominated in Brazilian Reais and in the foreign market primarily in U.S. dollars. The sensitivity analysis of variations in floating interest rates of U.S. dollars are presented in note 28.3.

The main variation in trade account receivables reflects the price raise effective in the period connected with the increase in the volume of sales in third quarter of 2021 when compared to the last quarter of 2020, and the devaluation of the Real against the U.S. dollars, which went from R$5.1967 on December 31, 2020 to R$5.4394 on September 30, 2021.

	Parent company		Consolidated	
	Sep/21	**Dec/20**	**Sep/21**	**Dec/20**
Falling due in up to 30 days	274,555	193,181	560,955	388,920
Falling due within 31 to 60 days	186,061	194,531	378,833	204,138
Falling due in more than 61 days	232,450	87,918	161,640	29,235
Total falling due	**693,066**	**475,630**	**1,101,428**	**622,293**
Overdue for up to 30 days	38,164	18,963	78,275	47,281
Overdue for 31 to 60 days	3,677	3,097	15,243	11,240
Overdue for more than 61 days	5,514	10,687	15,476	13,090
Total overdue	**47,355**	**32,747**	**108,994**	**71,611**
Provision for impairment of trade receivables	(5,144)	(9,236)	(6,840)	(10,500)
Total	**735,277**	**499,141**	**1,203,582**	**683,404**

The Company's trade account receivables in the foreign market include related party amounts which are eliminated upon consolidation, amounting R$320,803 (R$324,208 in December 31, 2020). (Note 9)

As of September 30, 2021, the estimated loss in accounts receivable from customers represented 0.6% of the consolidated balance (On December 31, 2020 was 1.5%).

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

5. INVENTORIES

	Parent company		Consolidated	
	Sep/21	**Dec/20**	**Sep/21**	**Dec/20**
Finished products	164,185	99,099	248,901	230,758
Work in progress	113,662	76,299	480,288	297,785
Raw materials	113,841	75,435	215,828	181,355
Maintenance and other materials	33,599	27,895	92,313	81,586
Provision for losses	(16,797)	(16,282)	(40,138)	(36,998)
	408,490	**262,446**	**997,192**	**754,486**

All amounts in thousands of Reais unless otherwise stated.

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

The growth in the amount of inventories related to the raw material of the Parent Company, reflects the price increase in the period and the devaluation of the Real against the U.S. dollars, which went from R$5.1967 on December 31, 2020 to R$5.4394 on September 30, 2021. This variation reflects the increase of the inventories of the Mexican subsidiaries which has the U.S. dollar as functional currency.

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

As of September 30, 2021, the Company has offered finished product inventory as collateral for labor and social security litigation amounting to R$9,917 (R$9,584 as of December 31, 2020). Currently, the Company adopts guarantee insurance.

6. INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

	Sep/21			Dec/20		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	**53,756**	**17,123**	**70,879**	**50,332**	**76,636**	**126,968**
Income tax	53,756	1,868	55,624	50,332	45,482	95,814
Social contribution	-	15,255	15,255	-	31,154	31,154
Subsidiaries	**51,512**	**-**	**51,512**	**43,839**	**-**	**43,839**
Income tax	51,512	-	51,512	43,839	-	43,839
Consolidated	**105,268**	**17,123**	**122,391**	**94,171**	**76,636**	**170,807**

The Parent company selected the quarterly calculation of income tax and social contribution. In some periods the Company overpaid them. These amounts will be used to offset federal tax from Company, substantially income tax and social contribution or reimbursement of amounts from Mexican subsidiaries.

During 2021 the amounting of R$56,089 of income tax and social contribution credits was used to settle payable taxes.

7. OTHER TAXES RECOVERABLE

	Sep/21			Dec/20		
	Current	Non-current	Total	Current	Non-current	Total
Parent company	**96,116**	**150,953**	**247,069**	**44,978**	**231,247**	**276,225**
ICMS recoverable - São Paulo (a)	8,161	3	8,164	5,697	8,138	13,835
ICMS recoverable - Santa Catarina (a)	29,986	32,283	62,269	29,982	53,528	83,510
Reintegra benefit (b)	659	52,744	53,403	463	52,744	53,207
COFINS, PIS and IPI recoverable (c)	57,310	65,923	123,233	8,836	116,837	125,673
Subsidiaries	**79,567**	**-**	**79,567**	**87,289**	**-**	**87,289**
Value-added tax (VAT) (d)	79,567	-	79,567	87,289	-	87,289
Consolidated	**175,683**	**150,953**	**326,636**	**132,267**	**231,247**	**363,514**

All amounts in thousands of Reais unless otherwise stated.

a. Value-added Tax on Sales and Services (ICMS) recoverable in São Paulo and in Santa Catarina

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

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

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

The Company's projections identify the realization of credits in up to 4 years.

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

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

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

These are credits generated mainly the right to exclude the ICMS from the calculation basis of the contribution to PIS and COFINS, according with 2 (two) writ of mandamus, one at the judicial subsection of the Federal Justice in São Paulo/SP and another filed in the judicial subsection of Joinville/SC. Those credits were recognized after the final decision in 2019 and 2020. According with Financial Statements of December 31, 2020. (note 8 letter c)

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

The Company projections indicate the credit will be realized up to 3 years.

The Company continues to evaluate the best options for use and has not identified any risk of loss in the realization of these credits.

d. Value-added tax (VAT)

These are credits generated on the acquisition of inputs used in the production process of the subsidiaries in Mexico and are regularly reimbursed by the local tax authorities.

8. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION, NET

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

	Parent company		Consolidated	
	Sep/21	Dec/20	Sep/21	Dec/20
Deferred assets				
Income tax and social contribution losses	223,308	208,208	296,164	244,180
Provisions for contingencies	66,954	65,608	66,954	65,608
Taxes and contribution recoverable	39,564	39,629	39,564	39,629
Credits – Eletrobrás	6,849	10,881	6,849	10,881
Property, plant and equipment - impairment	30,288	30,288	30,288	30,288
Salaries, social security charges and profit sharing	9,901	10,066	52,090	39,870
Provision for impairment of trade receivables	10,875	11,206	10,875	11,206
Provision for inventory losses	8,100	5,989	8,100	5,989
Share-based payments	2,638	1,783	2,638	1,783
Tooling	-	-	27,877	40,051
Other items	15,742	14,448	26,996	30,085
Property, plant and equipment - tax base (México)	-	-	3,481	463
Unrealized profits in subsidiaries	-	-	10,945	12,738
Subtotal	**414,219**	**398,106**	**582,821**	**532,771**
Deferred liabilities				
Depreciation rate differences	60,769	68,537	60,769	68,537
Property, plant and equipment - carrying value adjustments	11,282	13,489	11,282	13,489
Deferred tax on intangible assets	-	-	10,080	22,012
Subtotal	**72,051**	**82,026**	**82,131**	**104,038**
Total deferred liabilities, net	**342,168**	**316,080**	**500,690**	**428,733**

The Mexican tax legislation allows the depreciation of property, plant and equipment on a tax basis, and accordingly, the Company records the temporary difference in the depreciation between the tax and the accounting bases. The temporary difference at September 30, 2021 was R$3,481 (R$463 at December 31, 2020). The change is due to the foreign exchange difference between the currency in which the taxes are charged in Mexican pesos and the functional currency (U.S. dollar) of the subsidiaries in Mexico.

During the period ended September 30, 2021 and September 30, 2020 the changes in deferred tax assets and liabilities were as follow:

	Parent company		Consolidated	
	Sep/21	Sep/20	Sep/21	Sep/20
Opening balance	**316,080**	**139,304**	**428,733**	**195,887**
Recognized in profit (loss)				
Recognized in profit (loss) for the year	(1,456)	24,401	35,527	16,086
Recognized in comprehensive income for the year	27,544	189,927	27,544	189,927
Effects of currency translation into presentation currency	-	-	8,886	40,435
Closing balance	**342,168**	**353,632**	**500,690**	**442,335**

All amounts in thousands of Reais unless otherwise stated.

9. RELATED PARTY TRANSACTIONS

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

a. Subsidiaries:

Assets	Sep/21	Dec/20
Trade account receivables		
Tupy Mexico Saltillo, S.A. de C.V	135,967	180,357
Tupy American Foundry Corporation	163,107	132,771
Tupy Europe GmbH	20,039	10,438
Technocast, S.A. de C.V.	1,690	642
	320,803	**324,208**

Liabilities	Sep/21	Dec/20
Loans and financing	**1,925,880**	**1,871,373**
Tupy Overseas S.A	1,925,880	1,871,373
Advances from customers	**6,771**	**6,469**
Tupy American Foundry Co.	4,869	4,652
Tupy Europe GmbH	1,902	1,817
Other liabilities	**11,043**	**19,677**
Tupy México Saltillo S.A. de CV	3,965	10,126
Tupy Europe GmbH	3,633	3,843
Tupy American Foundry Co.	3,445	5,708
Related parties – loans	**3,588**	**3,008**
Tupy Agroenergética Ltda.	2,409	1,823
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "in liquidation"	1,179	1,185
	1,947,282	**1,900,527**

Statement of income	3Q21	3Q20	9M21	9M20
Revenues	**382,693**	**300,600**	**1,021,782**	**812,860**
Tupy American Foundry Corporation	236,241	112,101	629,074	359,794
Tupy Europe GmbH	42,220	35,596	155,194	104,657
Tupy Mexico Saltillo, S.A. de C.V	104,232	152,903	237,514	348,409
Other operating expenses, net	**423**	**-**	**1,443**	**-**
Technocast, S.A. de C.V.	354	-	1,364	-
Tupy Mexico Saltillo, S.A. de C.V	69	-	79	-
Finance costs	**(31,695)**	**(33,016)**	**(95,653)**	**(93,316)**
Tupy Overseas S.A.	(31,695)	(33,016)	(95,653)	(93,316)
	351,421	**267,584**	**927,572**	**719,544**

The receivables and sales revenue of the Company with its subsidiaries represent sales of products from the transportation, infrastructure & agriculture segment. Prices charged are in compliance with the Company's price lists, and terms range from 60 to 90 days, as established by the parties. On September 30, 2021, the Company's related parties had no overdue receivables and, therefore, the Company did not record a provision for the impairment of these receivables.

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

All amounts in thousands of Reais unless otherwise stated.

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

The loan conditions granted by Tupy Overseas S.A. to the Parent company are disclosed in Note 15.

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

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

b. Main stockholders:

The Company's main stockholders are BNDES Participações S.A. – BNDESPAR 28.2% of the share capital and PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil 24.8% of the share capital.

c. Management remuneration:

	Board of Directors		Board of Officers		Total	
	9M21	**9M20**	**9M21**	**9M20**	**9M21**	**9M20**
Fixed remuneration	3,255	3,283	5,056	3,799	8,311	7,082
Variable remuneration	-	-	2,386	1,071	2,386	1,071
Stock option plan	363	475	1,965	1,860	2,328	2,335
	3,618	**3,758**	**9,407**	**6,730**	**13,025**	**10,488**

	Board of Directors		Board of Officers		Total	
	3Q21	**3Q20**	**3Q21**	**3Q20**	**3Q21**	**3Q20**
Fixed remuneration	1,158	1,439	1,796	1,287	2,954	2,726
Variable remuneration	-	-	477	670	477	670
Stock option plan	110	134	788	555	898	689
	1,268	**1,573**	**3,061**	**2,512**	**4,329**	**4,085**

The overall amount of the annual remuneration, net of taxes, approved at the Ordinary General Meeting for Board of Directors and Bord of officers for the year of 2021is up to R$37,239 (R$21,085 for the year ended at December 31, 2020) Since 2021 the amount of R$11,645 has been integrated at annual remuneration, as termination accruals.

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

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

Information about the Stock option plans for the Company´s statutory board members and the current Chairman of the Board of Directors (the “Plan”), approved in November 2014 and April 2019, are presented in note 22 in the annual financial statements from the year ended December 31, 2020.

Officers receive additional corporate benefits, such as corporate vehicles, reimbursement of vehicle-related expenses, health insurance and pension plan. In the quarter ended September 30, 2021, these benefits totaled R$911 (R$744 in the same period of the previous year).

All amounts in thousands of Reais unless otherwise stated.

The Company does not offer its officers 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, 2020. The amount will be considered as the mandatory minimum dividend of 2021.

Approved date	Form	Gross amount	per share	Net amount	Payment date
16.07.21	Interest on capital	19,641	0.1362	17,426	08.26.21
09.30.21	Interest on capital	20,493	0.1421	18,723	11.25.21
		40,134	**0.2784**	**36,149**	

e. Other related parties:

The Parent company sponsors the Associação Atlética Tupy (Tupy Athletic Association), a not-for-profit foundation that offers leisure activities and sports to the Company's employees. During the period of nine-months ended September 30, 2021, the Company recognized sponsorship expenses of R$192 (R$401 in the same period of the previous year).

10. CREDITS – ELETROBRÁS

Refiring to credits arising from the right to additional inflation adjustment of the Eletrobrás compulsory loan and related interest, based on Law n° 4.156/62.

In 2003, the right was recognized in a lawsuit moved by the Company, and in 2005, started the execution toward the Judicial Subsection from Joinville/SC.

In 2008, a technical inspection report was issued, which indicated the credit amount due in favor of the Company. The report has been ratified by the Judicial Subsection from Joinville/SC and by the Federal Regional Court of the fourth Region (“TRF4”), in 2011, when the cumulation of the interests was ratified.

In September 2016, the guarantee towards Eletrobrás assets, was specified in the amount of R$224,000, and after, the referred amount was transferred to a bank account related to the lawsuit.

Eletrobrás was in disagreement with the amount being charged from the Company and claims that the amount due is of R$72,470. In December 2019, the Judicial Subsection from Joinville/SC determined the payment of the undisputed amount in favor of the Company, being deducted the amount of the legal fees that resulted in a net amount of R$63,049.

Despite the low probability of Eletrobrás following with the payment through shares, the credits are influenced by a derivative, which was valued at its realization value on the balance sheet date by the black-sholes criterion reflecting the lowest and highest probable realization value in favor of the Company. The derivative has been actualized monthly, and the variation in the provision substantially reflects the change in market value of Eletrobrás shares and the decrease in the estimated credit realization term.

In December 2020, the ruling determined that the Judicial Accounting Office present a definitive update of the credit.

All amounts in thousands of Reais unless otherwise stated.

In August 2021, the Judicial Accounting Office presented the default values still owed by Eletrobrás in favor of the Company. However, there is still no consensus on the outstanding balance, and both parties expressed their opinion, and are awaiting the definition of the magistrate for the process to be forwarded. Appears mainly as related manifestations in the scope of the process by the expert and the defendant, the Company does not expect a relevant adjustment of the records.

Currently, the credits registered by the Company correspond to the last update which is mentioned on the records issued by the Judicial Accounting Office, net of change in fair value of derivative as the derivative mentioned before.

The credit recognition of the updated amount and the variation regarding the fair value from the derivative instrument is recognized in the finance results.

Parent Company and Consolidated

	Credits	Realizable value adjustment	Net realizable value
AT DECEMBER 31, 2019	**185,505**	**(33,356)**	**152,149**
Adjustment (nota 21)	(72,056)	-	(72,056)
Change in fair value of derivative (nota 21)	-	1,353	1,353
AT DECEMBER 31, 2020	**113,449**	**(32,003)**	**81,446**
Adjustment (nota 21)	312	-	312
Change in fair value of derivative (nota 21)	-	11,860	11,860
AT SEPTEMBER 30, 2021	**113,761**	**(20,143)**	**93,618**

11. INVESTMENTS

a. Composition of investments

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT SEPTEMBER 30, 2021							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	1,960,362	1,908,509	41,226	(15,757)	100,00	(6,355)	1,943,190
Tupy Overseas	2,030,422	(5,634)	-	(34,799)	100,00	(34,799)	(5,634)
Tupy American Foundry Co.	377,448	198,637	-	15,145	100,00	13,729	189,120
Tupy Europe GmbH	283,628	245,068	-	10,821	100,00	12,463	239,892
Tupy Agroenergética Ltda.	13,668	12,069	-	(361)	100,00	(361)	12,069
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,511	29	-	(112)	100,00	(112)	29
						(15,435)	**2,378,666**

(*) 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 DECEMBER 31, 2020							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	2,875,152	1,840,257	41,226	(123,758)	100.00	(110,099)	1,870,202
Tupy Overseas	1,893,239	25,970	-	1,595	100.00	1,595	25,970
Tupy American Foundry Co.	320,893	175,272	-	5,329	100.00	13,554	169,494
Tupy Europe GmbH	259,537	237,245	-	1,865	100.00	12,583	229,580
Tupy Agroenergética Ltda.	12,444	12,431	-	8,714	100.00	8,714	12,431
Sociedade Técnica de Fundições					100.00		
Gerais SA. - Sofunge "em liquidação"	2,511	141	-	(1,057)	100.00	(1,057)	141
						(74,710)	**2,307,818**

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

All amounts in thousands of Reais unless otherwise stated.

b. Changes in investments

Parent company	
AT DECEMBER 31, 2019	1,872,764
Share in the results of subsidiaries	(74,710)
Exchange variations of investees located abroad	509,764
AT DECEMBER 31, 2020	2,307,818
Share in the results of subsidiaries	(15,435)
Exchange variations of investees located abroad	86,283
AT SEPTEMBER 30, 2021	2,378,666

12. 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, 2019	**1,678,452**	**356,362**	**8,956**	**21,641**	**5,934**	**14,099**	**38,644**	**2,124,088**
Addition	-	-	-	-	-	5,625	54,682	60,307
Transfer to property, plant and equipment in use	50,722	8,187	-	885	161	-	(64,293)	(4,338)
Impairment	(3,404)	-	-	-	-	-	-	(3,404)
Disposal	(7,286)	(1,683)	(8)	(682)	(32)	-	-	(9,691)
AT DECEMBER 31, 2020	**1,718,484**	**362,866**	**8,948**	**21,844**	**6,063**	**19,724**	**29,033**	**2,166,962**
Addition	-	-	-	-	-	2,185	90,769	92,954
Transfer to property, plant and equipment in use	39,062	1,630	-	2,081	388	-	(43,161)	-
Disposal	(14,850)	-	-	-	(1)	-	-	(14,851)
AT SEPTEMBER 30, 2021	**1,742,696**	**364,496**	**8,948**	**23,925**	**6,450**	**21,909**	**76,641**	**2,245,065**
Depreciation								
AT DECEMBER 31, 2019	**(1,229,016)**	**(168,930)**	**-**	**(14,691)**	**(3,833)**	**(4,786)**	**-**	**(1,421,256)**
Depreciation in the year	(109,866)	(14,031)	-	(1,842)	(392)	(6,143)	-	(132,274)
Disposal	5,987	1,104	-	535	25	-	-	7,651
AT DECEMBER 31, 2020	**(1,332,895)**	**(181,857)**	**-**	**(15,998)**	**(4,200)**	**(10,929)**	**-**	**(1,545,879)**
Depreciation in the year	(82,953)	(8,456)	-	(1,333)	(295)	(5,085)	-	(98,122)
Disposal	13,668	-	-	-	1	-	-	13,669
AT SEPTEMBER 30, 2021	**(1,402,180)**	**(190,313)**	**-**	**(17,331)**	**(4,494)**	**(16,014)**	**-**	**(1,630,332)**
Carrying amount								
AT DECEMBER 31, 2020	385,589	181,009	8,948	5,846	1,863	8,795	29,033	621,083
AT SEPTEMBER 30, 2021	340,516	174,183	8,948	6,594	1,956	5,895	76,641	614,733

All amounts in thousands of Reais unless otherwise stated.

Consolidated	Machinery, facilities and equipment	Buildings	Land	Vehicles	Furniture, fittings and other	Right of use	Construction in progress	Total
Cost								
AT DECEMBER 31, 2019	**3,754,325**	**826,173**	**69,182**	**23,644**	**30,987**	**37,620**	**186,622**	**4,928,553**
Addition	-	-	-	-	-	9,198	122,754	131,952
Transfer to property, plant and equipment in use	199,241	19,623	-	1,475	1,276	-	(225,953)	(4,338)
Exchange variation	601,039	136,053	17,305	556	6,319	7,182	45,046	813,500
Impairment	(3,404)	-	-	-	-	-	-	(3,404)
Disposal	(23,777)	(1,957)	(8)	(682)	(32)	(158)	-	(26,614)
AT DECEMBER 31, 2020	**4,527,425**	**979,892**	**86,479**	**24,993**	**38,550**	**53,842**	**128,469**	**5,839,649**
Addition	-	-	-	-	-	28,655	129,991	158,646
Transfer to property, plant and equipment in use	87,519	7,549	-	2,100	842	-	(98,010)	-
Exchange variation	129,608	29,120	3,602	148	1,373	1,368	5,288	170,507
Impairment	-	-	-	-	-	-	-	-
Disposal	(66,720)	-	-	-	(1)	-	-	(66,721)
AT SEPTEMBER 30, 2021	**4,677,832**	**1,016,561**	**90,081**	**27,241**	**40,764**	**83,865**	**165,738**	**6,102,081**
Depreciation								
AT DECEMBER 31, 2019	**(2,806,036)**	**(438,405)**	**-**	**(16,072)**	**(19,976)**	**(13,728)**	**-**	**(3,294,217)**
Depreciation in the year	(242,106)	(28,661)	-	(2,008)	(2,748)	(17,781)	-	(293,304)
Transfers	-	-	-	-	-		-	-
Exchange variation	(457,465)	(78,019)	-	(403)	(4,691)	(2,619)	-	(543,197)
Disposal	16,262	1,104	-	535	25	-	-	17,926
AT DECEMBER 31, 2020	**(3,489,345)**	**(543,981)**	**-**	**(17,948)**	**(27,390)**	**(34,128)**	**-**	**(4,112,792)**
Depreciation in the year	(178,802)	(19,953)	-	(1,505)	(1,640)	(11,713)	-	(213,613)
Transfers	-	-	-	-	-		-	-
Exchange variation	(101,290)	(17,134)	-	(91)	(1,109)	(1,169)	-	(120,793)
Disposal	64,351	-	-	-	1	-	-	64,352
AT SEPTEMBER 30, 2021	**(3,705,086)**	**(581,068)**	**-**	**(19,544)**	**(30,138)**	**(47,010)**	**-**	**(4,382,846)**
Carrying amount								
AT DECEMBER 31, 2020	1,038,080	435,911	86,479	7,045	11,160	19,714	128,469	1,726,857
AT SEPTEMBER 30, 2021	972,746	435,493	90,081	7,697	10,626	36,855	165,738	1,719,235

The Company offered property, plant and equipment items as collateral for loans and financing of R$6,828 (R$10,594 as of December 31, 2020) and R$5,895 (R$5,895 as of December 31, 2020) as collateral for tax proceeding.

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

During the quarter, interest of loans and financing was capitalized on property, plant and equipment in the amount of R$1,542 (R$1,239 on September 30, 2020).

On September 30, 2021, due to the impacts of COVID-19, the Company reviewed the assumptions for the impairment´s calculation of its assets and did not identify the need for additional adjustments.

All amounts in thousands of Reais unless otherwise stated.

13. INTANGIBLE ASSETS

Parent company	Software	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2019	**41,743**	**1,121**	**9,246**	**52,110**
Acquisition/costs	3,096	961	1,970	6,027
Transfers	6,019	661	(2,342)	4,338
Amortization	(8,968)	(617)	-	(9,585)
AT DECEMBER 31, 2020	**41,890**	**2,126**	**8,874**	**52,890**
Acquisition/costs	2,986	1,682	2,810	7,478
Transfers	-	1,681	(1,681)	-
Amortization	(7,286)	(1,272)	-	(8,558)
AT SEPTEMBER 30, 2021	**37,590**	**4,217**	**10,003**	**51,810**

Consolidated	Software	Contractual customer relationships	Goodwill	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2019	**45,547**	**104,420**	**41,226**	**1,121**	**9,246**	**201,560**
Acquisition/costs	4,247	-	-	961	1,970	7,178
Transfers	6,019	-	-	661	(2,342)	4,338
Exchange variation	1,303	30,153	-	-	-	31,456
Disposal	(10,968)	(45,251)	-	(617)	-	(56,836)
Impairment	-	(15,950)	-	-	-	(15,950)
AT DECEMBER 31, 2020	**46,148**	**73,372**	**41,226**	**2,126**	**8,874**	**171,746**
Acquisition/costs	6,276	-	-	1,682	2,810	10,768
Transfers	-	-	-	1,681	(1,681)	-
Disposal	(31)	-	-	-		(31)
Exchange variation	182	2,624	-	-	-	2,806
Amortization	(8,639)	(42,397)	-	(1,272)	-	(52,308)
AT SEPTEMBER 30, 2021	**43,936**	**33,599**	**41,226**	**4,217**	**10,003**	**132,981**

On September 30, 2021, the Company reviewed the assumptions for the impairment´s calculation of its intangible assets and did not identify the need for additional adjustments.

14. SUPPLIERS

	Parent company		Consolidated	
	Sep/21	**Dec/20**	**Sep/21**	**Dec/20**
Domestic suppliers	396,666	311,815	396,666	311,816
Foreign suppliers	34,621	24,789	441,471	304,378
	431,287	**336,604**	**838,137**	**616,194**

The resulting variation observed in the period reflects the increase in the activity levels of Company as of December 31, 2020 and the products accrued inflation o in the period.

All amounts in thousands of Reais unless otherwise stated.

15. LOANS AND FINANCING

Parent company

	Maturity	Effective rate	Sep/21	Dec/20
Local currency			**12,366**	**347,544**
(a) 4131 operation	Sep/2021	CDI+4.5% p.a.	-	225,903
(b) Export credit notes	Mar/2021	198% CDI	-	103,621
Sustainability	Jan/2025	5.89% p.a.	5,690	8,828
Leasing from right of use			6,676	9,192
Foreign currency			**1,925,880**	**1,871,373**
(c) Export prepayment - Tupy Overseas	Jul/2024	VC + 6.78% p.a.	1,925,880	1,871,373
Current portion			35,930	397,495
Non-current portion			1,902,316	1,821,422
			1,938,246	**2,218,917**

Consolidated

	Maturity	Effective rate	Sep/21	Dec/20
Local currency			**12,366**	**347,544**
(a) 4131 operation	Sep/2021	CDI+4.5% p.a.	-	225,903
(b) Export credit notes	Mar/2021	198% CDI	-	103,621
Sustainability	Jan/2025	5.89% p.a.	5,690	8,828
Leasing from right of use			6,676	9,192
Foreign currency			**2,065,387**	**1,877,998**
(d) Senior unsecured Notes - US$350.000	Jul/2024	VC + 6.63% a.a.	-	1,865,843
(e) Senior unsecured Notes - US$375.000	Fev/2031	VC + 4.5% a.a.	2,033,329	-
Leasing from right of use			32,058	12,155
Current portion			35,204	401,924
Non-current portion			2,042,549	1,823,618
			2,077,753	**2,225,542**

Long term maturities are as follow:

	Parent company		Consolidated	
Year	Sep/21	Dec/20	Sep/21	Dec/20
2022-2023	3,453	28,745	19,928	28,745
2024	1,898,832	1,792,646	481	1,794,842
2025 - 2030	31	31	31	31
2031	-	-	2,022,109	-
	1,902,316	**1,821,422**	**2,042,549**	**1,823,618**

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 September 30, 2021, the fair value of loans and financing was R$1,888,472 (R$2,224,947 at December 31, 2020).

a) 4131 operation

In March 2020, 4131 operations were contracted in the amount of R$215,000 with Banco Santander, with an average term of 15 months, CDI rate + 4.5% per year and amortization at the end of the contracts.

In March 25 and September 22, 2021 occurred the payment of R$95,000 and R$120,000, respectively from Banco Santander.

b) Export credit notes – NCE

All amounts in thousands of Reais unless otherwise stated.

In March 2020, NCE operations were contracted in the amount of R$178,000 with Banco Itaú BBA, maturing in March 2021, with a weighted rate of 192% CDI and amortization at the end of the contract. Those contracts ware paid in November 30, 2020 amounting of R$78,000 and R$100,00 in March 25, 2021 from Banco Itaú BBA.

c) Export Prepayments – Tupy Overseas S.A.

In January and July of 2021 the Company paid interest of R$125.773 (in January and July of 2020 - R$113,942). The impact of foreign exchange variations during the nine months on the export prepayment amount with Tupy Overseas S.A. was a loss of R$84.626 (loss of R$561,890 in the period of nine-months ended September 30, 2020).

d) Senior Unsecured Notes - US$ 350,000

In February of 2021 the Company announced the repurchase of the senior unsecured notes due in July, 2024, the payment of this operation was R$58,009 referring to the premium and pro-rata interest.

In January 2021 the Company paid interest of R$61,003 and e foreign exchange variations reduction recognized between December 31, 2020 until the repurchase in March 03, 2021 was loss of R$120,762. During the nine-months period of 2020 (january and July, summed) the Company payed interestes in the amoung of R$113,942 and the Exchange rate variation impact was a loss of R$561,890.

The Issuance includes covenants, the main financial indicator of which is the net debt/ adjusted EBITDA, and, up to March 03, 2021, the Company is in compliance with the covenant terms. According with financial statements of year end of December 31, 2020. (note 16).

e) Senior Unsecured Notes - US$ 375,000

In February 2021, the Company completed the issuance of bonds ("issuance") in the international market, through its subsidiary Tupy Overseas S.A. These bonds are guaranteed by the Parent company and amount to US$375,000 (R$2,018,063), with single amortization in February of 2031. Interest, at the coupon of 4.50% p.a., are paid on a semiannual basis, in February and August. The funds provided by the Issuance are being used to pay Senior unsecured notes USD 350,000, issue by Tupy Overseas in 2014, with maturity in 2024 and coupon of 6.625%, costs related to the issuance amounting US$3,256, about R$18,048 and the premium of repurchase of US$7,728, about R$42,822 and as well as for ordinary business management. The Senior Unsecured Notes are fully and jointly guaranteed by the Company.

In August of 2021 interests were paid amounting of R$44,171. The variation occurred in the period between the Issuance and September 30, 2021 was a loss of R$17,757.

The Issuance includes covenants in annual basis, the main financial indicator of which is the net debt/ adjusted EBITDA, and, on September 30, 2021, the Company is in compliance with the covenant terms. In the case on non-compliance by the Company, they would result in prohibition to: (i) obtaining new loans and financing; (ii) distributing dividends in excess of the minimum amount provided by law; (iii) making investments that are not related to the maintenance of production activities; and (iv) repurchasing shares issued by the Company.

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

16. SALARIES, SOCIAL SECURITY CHARGES AND PROFIT SHARING

	Parent company		Consolidated	
	Sep/21	Dec/20	Sep/21	Dec/20
Salaries	27,064	20,220	43,261	27,550
Provision for vacation pay and 13th month salary	106,121	47,749	135,121	57,126
Social charges	18,688	15,822	31,137	31,547
Profit sharing	29,119	29,606	38,438	40,320
Private pension plan	563	3,381	563	3,381
	181,555	**116,778**	**248,520**	**159,924**

The Company's profit-sharing program applies proportionately according to time in service and is based on financial and operating indicators and individual performance goals. The Company introduced an optional private pension plan for all employees in Brazil. It is a defined contribution plan, for which the amount contributed by the employee, limited to an established percentage on the payroll, is matched with the same amount by the Company.

The variation occurred in the period represents the amounting of provision for vacation and 13th month salary.

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

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

The changes in the provisions for tax, civil, social security and labor proceedings in the nine-month period ended September 30, 2021 and the related judicial deposits were as follows:

Parent company

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2019	**52,949**	**71,267**	**77,342**	**11,139**	**(31,617)**	**181,080**
Additions	901	-	93	-	(2,050)	(1,056)
Restatements	(5,410)	2,236	38,728	456	-	36,010
Remuneration	-	-	-	-	(537)	(537)
Payments	(12)	(68)	(42,341)	(568)	-	(42,989)
Deposit Redemption	-	-	-	-	13,959	13,959
AT DECEMBER 31, 2020	**48,428**	**73,435**	**73,822**	**11,027**	**(20,245)**	**186,467**
Additions	-	-	14	-	(108)	(94)
Restatements	4,383	1,606	17,809	4,464	-	28,262
Remuneration	-	-	-	-	(277)	(277)
Payments	-	-	(22,549)	-	-	(22,549)
Deposit Redemption	-	-	-	-	3,403	3,403
AT SEPTEMBER 30, 2021	**52,811**	**75,041**	**69,096**	**15,491**	**(17,227)**	**195,212**

Current	32,290
Non-current	162,922
	195,212

All amounts in thousands of Reais unless otherwise stated.

Consolidated

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2019	**54,253**	**71,267**	**77,342**	**11,139**	**(31,617)**	**182,384**
Additions	901	-	93	-	(2,050)	(1,056)
Restatements	(4,347)	2,236	38,728	456	-	37,073
Remuneration	-	-	-	-	(537)	(537)
Payments	(12)	(68)	(42,341)	(568)	-	(42,989)
Deposit Redemption	-	-	-	-	13,959	13,959
AT DECEMBER 31, 2020	**50,795**	**73,435**	**73,822**	**11,027**	**(20,245)**	**188,834**
Additions	-	-	14	-	(108)	(94)
Restatements	5,492	1,612	17,809	4,464	-	29,377
Remuneration	-	-	-	-	(277)	(277)
Payments	-	-	(22,549)	-	-	(22,549)
Deposit Redemption	-	-	-	-	3,403	3,403
AT SEPTEMBER 30, 2021	**56,287**	**75,047**	**69,096**	**15,491**	**(17,227)**	**198,694**
Current						32,290
Non-current						166,404
						198,694

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 22.

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	
	Sep/21	**Dec/20**	**Sep/21**	**Dec/20**
IRPJ and CSLL processes	175,646	173,473	176,018	173,845
PIS, COFINS and IPI credits	155,270	152,403	155,270	152,403
ICMS credits	167,547	165,667	167,547	165,667
Expired tax debts	145,806	144,977	145,806	144,977
Reintegra credits	36,351	40,056	36,351	40,056
Social security	76,797	82,193	76,797	82,193
Labor lawsuits	71,252	67,386	71,323	67,457
Civil and other	69,779	42,332	70,180	42,723
	898,448	**868,487**	**899,292**	**869,321**

The proceedings involving a risk of loss deemed “possible” are, substantially, the same as those disclosed in Note 20 to the annual financial statements for the year ended December 31, 2020.

All amounts in thousands of Reais unless otherwise stated.

18. EQUITY

a) Share capital

	Sep/21		Dec/20	
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	156,876	0.1%	170,482	0.1%
Treasury stock	-	0.0%	24,656	0.0%
Non-controlling interests				
Trígono Capital Ltda	7,232,800	5.0%	-	0.0%
Other stockholders	60,328,300	41.9%	67,522,838	46.9%
Total outstanding shares	**144,177,500**	**100.0%**	**144,177,500**	**100.0%**

b) Treasury stock

During the year of 2020 the common shares was acquired to deliver to beneficiaries which exercise the option of the Stock Option Plan during the years 2019 and 2020. This operation was carried out in accordance with rules approved by the Board of Directors at a meeting held on January 22, 2020. On this date it was defined that the repurchase program would be effective until December 30, 2020 and would be for the acquisition of up to 235,000 common shares.

		Quantidade de opções	
	Value (R$ thousand)	Quantity	Share value (R$)
AT DECEMBER 31, 2019	-	-	-
Shares repurchase (i)	3,169	150,406	21.07
Shares used of stock option plan (ii)	(2,794)	(125,750)	22.22
AT DECEMBER 31, 2020	**374**	**24,656**	**15.17**
Shares used of stock option plan (ii)	(374)	(24,656)	15.17
AT SEPTEMBER 30, 2021	-	-	

(i) Shares used in the granting exercise provided for in the "Program for granting stock options".

(ii) Corresponds to repurchases made in the period in order to deliver common shares to Long-Term Incentive Plan (ILP) beneficiaries. The repurchases were made in accordance with rules approved by the Board of Directors, whose lowest and highest prices were R$14.10 and R$26.49, respectively.

19. REVENUE

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

	Parent company		Consolidated	
	9M21	9M20	9M21	9M20
Gross revenue	3,188,149	1,828,316	5,381,158	3,193,743
Returns and rebates	(37,992)	(27,374)	(104,916)	(88,277)
Revenue net of returns and rebates	**3,150,157**	**1,800,942**	**5,276,242**	**3,105,466**
Sales taxes	(252,724)	(117,694)	(252,724)	(117,694)
Net revenue	**2,897,433**	**1,683,248**	**5,023,518**	**2,987,772**
Net revenue				
Domestic market	1,043,046	447,975	1,043,046	447,975
Foreign market	1,854,387	1,235,273	3,980,472	2,539,797
	2,897,433	**1,683,248**	**5,023,518**	**2,987,772**

All amounts in thousands of Reais unless otherwise stated.

	Parent company		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Gross revenue	1,225,304	716,968	1,969,779	1,336,032
Returns and rebates	(12,403)	(11,389)	(33,324)	(37,033)
Revenue net of returns and rebates	**1,212,901**	**705,579**	**1,936,455**	**1,298,999**
Sales taxes	(102,645)	(48,663)	(102,645)	(48,663)
Net revenue	**1,110,256**	**656,916**	**1,833,810**	**1,250,336**
Net revenue				
Domestic market	413,443	186,344	413,443	186,344
Foreign market	696,813	470,572	1,420,367	1,063,992
	1,110,256	**656,916**	**1,833,810**	**1,250,336**

20. COSTS AND EXPENSES BY NATURE

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

	Parent company		Consolidated	
	9M21	9M20	9M21	9M20
Raw and processing materials	(1,430,195)	(648,872)	(2,504,572)	(1,235,906)
Maintenance and consumption materials	(156,518)	(147,680)	(330,871)	(282,071)
Salaries, payroll taxes and profit sharing	(527,892)	(351,477)	(953,297)	(656,052)
Social benefits	(62,762)	(57,237)	(63,932)	(58,776)
Electricity	(116,220)	(86,484)	(235,885)	(163,759)
Freight and commission on sales	(73,429)	(46,640)	(151,482)	(96,341)
Management fees	(13,025)	(10,488)	(13,025)	(10,488)
Other costs	(34,612)	(11,297)	(96,684)	(64,642)
	(2,414,653)	***(1,360,175)***	***(4,349,748)***	***(2,568,035)***
Depreciation	(106,213)	(106,317)	(223,055)	(227,820)
Costs and expenses total	**(2,520,866)**	**(1,466,492)**	**(4,572,803)**	**(2,795,855)**
Cost of products sold	(2,295,076)	(1,293,930)	(4,204,756)	(2,520,135)
Selling expenses	(93,270)	(72,848)	(190,394)	(139,226)
Administrative expenses	(119,495)	(89,226)	(164,628)	(126,006)
Management fees	(13,025)	(10,488)	(13,025)	(10,488)
Costs and expenses total	**(2,520,866)**	**(1,466,492)**	**(4,572,803)**	**(2,795,855)**

	Parent company		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Raw and processing materials	(536,617)	(246,112)	(911,585)	(519,763)
Maintenance and consumption materials	(52,348)	(49,158)	(113,243)	(99,540)
Salaries, payroll taxes and profit sharing	(184,598)	(122,275)	(326,754)	(228,577)
Social benefits	(24,385)	(19,560)	(25,176)	(20,098)
Electricity	(39,131)	(34,445)	(81,395)	(64,614)
Freight and commission on sales	(28,146)	(17,049)	(54,629)	(36,032)
Management fees	(4,329)	(4,085)	(4,329)	(4,085)
Other costs	(11,407)	(1,571)	(27,719)	(20,153)
	(880,961)	***(494,255)***	***(1,544,830)***	***(992,862)***
Depreciation	(34,801)	(35,395)	(71,704)	(78,215)
Costs and expenses total	**(915,762)**	**(529,650)**	**(1,616,534)**	**(1,071,077)**
Cost of products sold	(834,457)	(466,877)	(1,489,915)	(968,545)
Selling expenses	(37,190)	(27,323)	(69,196)	(52,625)
Administrative expenses	(39,786)	(31,365)	(53,094)	(45,822)
Management fees	(4,329)	(4,085)	(4,329)	(4,085)
Costs and expenses total	**(915,762)**	**(529,650)**	**(1,616,534)**	**(1,071,077)**

All amounts in thousands of Reais unless otherwise stated.

21. FINANCE RESULTS

	Parent company		Consolidated	
Finance results	**9M21**	**9M20**	**9M21**	**9M20**
Financial liabilities at amortized cost	***(105,224)***	***(106,196)***	***(136,900)***	***(104,459)***
Borrowing	(104,976)	(105,973)	(136,652)	(104,236)
Notes payable and other financial liabilities	(248)	(223)	(248)	(223)
Financial liabilities at fair value through profit or loss	-	***(3,991)***	-	***(3,991)***
Borrowing	-	(3,991)	-	(3,991)
Financial assets at fair value through profit or loss	***(7,457)***	***(33,427)***	***(7,457)***	***(33,427)***
Credits - Eletrobrás (note 10)	(7,457)	(33,427)	(7,457)	(33,427)
Other finance costs	***(7,323)***	***(6,738)***	***(15,141)***	***(14,258)***
Finance costs	**(120,004)**	**(150,352)**	**(159,498)**	**(156,135)**
Financial assets at fair value through profit or loss	***19,738***	***(448)***	***19,738***	***(448)***
Credits - Eletrobrás (note 10)	19,629	-	19,629	-
Investments in equity instruments	109	(448)	109	(448)
Amortized cost	***13,354***	***14,626***	***13,354***	***14,626***
Cash and cash equivalents	13,354	14,626	13,354	14,626
Tax credits and other finance income	***3,559***	***7,492***	***4,587***	***10,321***
Finance income	**36,651**	**21,670**	**37,679**	**24,499**
Monetary and foreign exchange variations, net				
Foreign exchange variations	11,899	109,649	8,555	123,353
Derivative financial instruments	(2,542)	(178,320)	(3,147)	(238,767)
Foreign exchange variations, net	**9,357**	**(68,671)**	**5,408**	**(115,414)**
Finance results, net	**(73,996)**	**(197,353)**	**(116,411)**	**(247,050)**

	Parent company		Consolidated	
Finance results	**3Q21**	**3Q20**	**3Q21**	**3Q20**
Financial liabilities at amortized cost	***(34,257)***	***(38,874)***	***(25,076)***	***(38,117)***
Borrowing	(34,219)	(38,743)	(25,038)	(37,986)
Notes payable and other financial liabilities	(38)	(131)	(38)	(131)
Financial liabilities at fair value through profit or loss	-	***(2,187)***	-	***(2,187)***
Borrowing	-	(2,187)	-	(2,187)
Financial assets at fair value through profit or loss	***(4,375)***	***(2,973)***	***(4,375)***	***(2,973)***
Credits - Eletrobrás (note 10)	(4,375)	(2,973)	(4,375)	(2,973)
Other finance costs	***(3,196)***	***(302)***	***(5,642)***	***(2,656)***
Finance costs	**(41,828)**	**(44,336)**	**(35,093)**	**(45,933)**
Financial assets at fair value through profit or loss	***(289)***	***(67)***	***(289)***	***(67)***
Investments in equity instruments	(289)	(67)	(289)	(67)
Amortized cost	***6,165***	***4,405***	***6,165***	***4,405***
Cash and cash equivalents	6,165	4,405	6,165	4,405
Tax credits and other finance income	***1,364***	***2,968***	***1,816***	***3,175***
Finance income	**7,240**	**7,306**	**7,692**	**7,513**
Monetary and foreign exchange variations, net				
Foreign exchange variations	29,154	19,527	35,547	12,841
Derivative financial instruments	(8,298)	923	(9,382)	22,797
Foreign exchange variations, net	**20,856**	**20,450**	**26,165**	**35,638**
Finance results, net	**(13,732)**	**(16,580)**	**(1,236)**	**(2,782)**

All amounts in thousands of Reais unless otherwise stated.

22. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	9M21	9M20	9M21	9M20
Recognition of Reintegra (note 7)	-	17,155	-	17,155
Disposals of property, plant and equipment	(818)	8,797	(2,036)	5,382
Provision for devaluation of maintenance parts	-	(9,146)	-	(9,146)
Constitution and restatement of provision	(28,276)	(27,132)	(29,391)	(27,252)
Property sale	-	-	-	9,635
Result on the sale of unusable and other assets	(54,820)	(35,169)	(51,873)	(35,450)
	(83,914)	*(45,495)*	*(83,300)*	*(39,676)*
Depreciation of non-operating assets	(467)	(489)	(469)	(491)
Amortization of intangible assets (note 13)	-	-	(42,397)	(34,485)
Total other operating expenses, net	**(84,381)**	**(45,984)**	**(126,166)**	**(74,652)**
Fixed assets impairment (note 12)	-	(3,404)	-	(3,404)
Intangible asset mpairments (note 13)	-	-	-	(34,400)
Total impairment adjustments	**-**	**(3,404)**	**-**	**(37,804)**

	Parent company		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Disposals of property, plant and equipment	(305)	(1,057)	(527)	(1,908)
Constitution and restatement of provision	(9,606)	(8,725)	(9,736)	(8,725)
Property sale	-	-	-	9,635
Result on the sale of unusable and other assets	(2,619)	(8,238)	(2,394)	(7,720)
	(12,530)	*(18,020)*	*(12,657)*	*(8,718)*
Depreciation of non-operating assets	(154)	(158)	(154)	(158)
Amortization of intangible assets	-	-	(13,858)	(10,777)
Total other operating expenses, net	**(12,684)**	**(18,178)**	**(26,669)**	**(19,653)**

23. INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULTS

	Parent company		Consolidated	
	9M21	9M20	9M21	9M20
Net income (loss) before tax effects	**202,755**	**(186,516)**	**208,138**	**(167,589)**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(68,937)	63,415	(70,767)	56,980
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico)	-	-	(9,616)	(2,182)
Finance income from monetary assets	-	-	6,462	(10,399)
Reintegra – benefit	606	14,377	606	14,377
Depreciation of non-operating assets	(159)	(166)	(159)	(166)
Additional income tax (Subsidiaries)	-	-	-	(1,376)
Effect of correction of fixed assets	-	-	(1,321)	989
Interests on capital	13,646	-	13,646	-
Share of results of subsidiaries	(5,248)	(53,221)	-	-
Other permanent (additions) exclusions	(929)	(198)	(647)	(10,624)
Tax effects recorded in the statement of income before	**(61,021)**	**24,207**	**(61,796)**	**47,599**
Effective rate of income tax before exchange effects	**30%**	**13%**	**30%**	**28%**
Effect of functional currency on tax base (a)	-	-	(4,608)	(42,319)
Tax effects recorded in the statement of income	**(61,021)**	**24,207**	**(66,404)**	**5,280**
Effective rate of income tax	**30%**	**13%**	**32%**	**3%**

All amounts in thousands of Reais unless otherwise stated.

	Parent company		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Net income (loss) before tax effects	**176,338**	**154,118**	**189,371**	**156,824**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(59,955)	(52,400)	(64,386)	(53,320)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico)	-	-	(567)	(4,497)
Finance income from monetary assets	-	-	(731)	16,724
Reintegra – benefit	222	5,327	222	5,327
Effect of correction of fixed assets	-	-	4,517	(1,625)
Depreciation of non-operating assets	(53)	(53)	(53)	(53)
Interests on capital	6,968	-	6,968	-
Share of results of subsidiaries	2,808	20,947	-	-
Other permanent (additions) exclusions	(1,178)	90	2,092	3,626
exchange effects	**(51,188)**	**(26,089)**	**(51,938)**	**(33,818)**
Effective rate of income tax before exchange effects	**29%**	**17%**	**27%**	**22%**
Effect of functional currency on tax base (a)	-	-	(12,283)	5,023
Tax effects recorded in the statement of income	**(51,188)**	**(26,089)**	**(64,221)**	**(28,795)**
Effective rate of income tax	**29%**	**17%**	**34%**	**18%**

On September 24, 2021, the Federal Supreme Court (STF), without judgment on the merits of RE No. 1.063.187, corrected the thesis of Topic No. 962 in the sense of being unconstitutional to a Corporate Income Tax (IRPJ) tax and the Social Contribution on Net Income (CSLL) on amounts related to the Selic rate received due to repeated tax overpayments. The Company evaluated the decision and concluded that it did not have relevant impacts on the calculation of the Company's IRPJ and CSLL, in accordance with ICPC 22 – Uncertainty on the treatment of income taxes equivalent to IFRIC 23.

a) Effect of Functional currency on tax

The tax bases of assets and liabilities of the companies located in Mexico, where the functional currency is the U.S. dollar, are held in Mexican Pesos at their historical values. Fluctuations in exchange rates change the tax bases and consequently exchange effects are recognized as revenues and / or expenses for deferred income tax. The strong devaluation of the Mexican Peso against the U.S. dollar, caused by the COVID-19 pandemic, resulted in the recognition of a relevant (loss) impact in nine-months period ended at September 30, 2021 of approximately R$42,319. The valuation observed during the nine-months period of 2021, reflect a loss of R$4,608.

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

	Parent company		Consolidated	
	9M21	9M20	9M21	9M20
Tax effects recorded in the statement of income				
Current income tax and social contribution	(59,565)	(194)	(101,931)	(10,806)
Deferred income tax and social contribution	(1,456)	24,401	35,527	16,086
	(61,021)	**24,207**	**(66,404)**	**5,280**

	Parent company		Consolidated	
	3Q21	3Q20	3Q21	3Q20
Tax effects recorded in the statement of income				
Current income tax and social contribution	(12,152)	(194)	(34,098)	(14,500)
Deferred income tax and social contribution	(39,036)	(25,895)	(30,123)	(14,295)
	(51,188)	**(26,089)**	**(64,221)**	**(28,795)**

All amounts in thousands of Reais unless otherwise stated.

24. EARNINGS PER SHARE

a) Basic:

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

	3Q21	3Q20	9M21	9M20
Profit attributable to the stockholders of the Company	125,150	128,029	141,734	(162,309)
Outstanding shares	144,175,025	144,073,838	144,175,025	144,073,838
Basic results per share - R$	**0.86804**	**0.88863**	**0.98307**	**(1.12657)**

b) Diluted:

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

	3Q21	3Q20	9M21	9M20
Profit attributable to the stockholders of the Company	125,150	128,029	141,734	(162,309)
Outstanding shares	145,061,308	144,679,088	145,061,308	144,679,088
Diluted results per share - R$	**0.86274**	**0.88492**	**0.97706**	**(1.12186)**

25. SEGMENT REPORTING

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

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

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

All amounts in thousands of Reais unless otherwise stated.

The following is the information on each reported segment:

a) Reconciliation of revenue, costs, expenses and profit

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Net revenue (Note 19)	4,781,228	2,855,990	242,290	131,782	5,023,518	2,987,772
Costs and expenses, except depreciation (Note 20)	(4,153,343)	(2,442,770)	(196,405)	(125,265)	(4,349,748)	(2,568,035)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 22)	(79,606)	(36,620)	(3,694)	(3,056)	(83,300)	(39,676)
Depreciation and amortization	(259,551)	(256,480)	(6,370)	(6,316)	(265,921)	(262,796)
Impairment (notes 12 and 13)	-	(37,804)	-	-	-	(37,804)
Profit before finance results	**288,728**	**82,316**	**35,821**	**(2,855)**	**324,549**	**79,461**
Finance results (Note 21)					(116,411)	(247,050)
Profit before taxation					**208,138**	**(167,589)**
Income tax and social contribution (Note 23)					(66,404)	5,280
Profit (loss) for the period					**141,734**	**(162,309)**

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Net revenue (Note 19)	1,741,680	1,193,894	92,424	56,442	1,834,104	1,250,336
Costs and expenses, except depreciation (Note 20)	(1,473,843)	(941,785)	(71,281)	(51,077)	(1,545,124)	(992,862)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 22)	(11,473)	(8,112)	(1,184)	(606)	(12,657)	(8,718)
Depreciation and amortization	(83,515)	(87,083)	(2,201)	(2,067)	(85,716)	(89,150)
Profit before finance results	**172,849**	**156,914**	**17,758**	**2,692**	**190,607**	**159,606**
Finance results (Note 21)					(1,236)	(2,782)
Profit before taxation					**189,371**	**156,824**
Income tax and social contribution (Note 23)					(64,221)	(28,795)
Profit for the quarter					**125,150**	**128,029**

b) Reconciliation of costs and expenses by segment

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	9M21	9M20	9M21	9M20	9M21	9M20
Raw and processing materials	(2,397,344)	(1,190,793)	(107,228)	(45,113)	(2,504,572)	(1,235,906)
Maintenance and consumption materials	(320,131)	(271,921)	(10,740)	(10,150)	(330,871)	(282,071)
Salaries and payroll taxes	(903,893)	(618,843)	(49,404)	(37,209)	(953,297)	(656,052)
Social benefits	(62,632)	(57,625)	(1,300)	(1,151)	(63,932)	(58,776)
Electricity	(220,719)	(153,626)	(15,166)	(10,133)	(235,885)	(163,759)
Depreciation	(216,685)	(221,504)	(6,370)	(6,316)	(223,055)	(227,820)
Freight and commissions on sales	(135,949)	(86,705)	(15,533)	(9,636)	(151,482)	(96,341)
Management fees	(11,982)	(9,650)	(1,043)	(838)	(13,025)	(10,488)
Other costs	(100,693)	(53,607)	4,009	(11,035)	(96,684)	(64,642)
	(4,370,028)	**(2,664,274)**	**(202,775)**	**(131,581)**	**(4,572,803)**	**(2,795,855)**

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	3Q21	3Q20	3Q21	3Q20	3Q21	3Q20
Raw and processing materials	(872,840)	(501,539)	(38,745)	(18,224)	(911,585)	(519,763)
Maintenance and consumption materials	(109,765)	(96,148)	(3,478)	(3,392)	(113,243)	(99,540)
Salaries and payroll taxes	(309,715)	(215,536)	(17,039)	(13,041)	(326,754)	(228,577)
Social benefits	(24,676)	(19,712)	(500)	(386)	(25,176)	(20,098)
Electricity	(76,474)	(60,273)	(4,921)	(4,341)	(81,395)	(64,614)
Depreciation	(69,683)	(76,065)	(2,021)	(2,150)	(71,704)	(78,215)
Freight and commissions on sales	(49,065)	(32,137)	(5,564)	(3,895)	(54,629)	(36,032)
Management fees	(3,982)	(3,758)	(347)	(327)	(4,329)	(4,085)
Other costs	(26,852)	(14,832)	(867)	(5,321)	(27,719)	(20,153)
	(1,543,052)	**(1,020,000)**	**(73,482)**	**(51,077)**	**(1,616,534)**	**(1,071,077)**

All amounts in thousands of Reais unless otherwise stated.

c) Reconciliation of assets and liabilities

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
ASSETS	**Sep/21**	**Dec/20**	**Sep/21**	**Dec/20**	**Sep/21**	**Dec/20**
Trade account receivables (Note 4)	1,158,930	646,023	44,652	37,381	1,203,582	683,404
Inventories (Note 5)	913,619	702,987	83,573	51,499	997,192	754,486
Tooling	166,547	183,146	-	-	166,547	183,146
Other assets	54,665	51,305	4,074	4,694	58,739	55,999
Property, plant and equipment (Note 12)	1,674,758	1,676,661	44,477	50,196	1,719,235	1,726,857
Intangible assets (Note 13)	132,981	171,746	-	-	132,981	171,746
Other assets not allocated	-	-	-	-	2,193,570	2,537,681
Total assets	**4,101,500**	**3,431,868**	**176,776**	**143,770**	**6,471,846**	**6,113,319**

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
LIABILITIES	**Sep/21**	**Dec/20**	**Sep/21**	**Dec/20**	**Sep/21**	**Dec/20**
Trade accounts payables (Note 14)	801,992	593,218	36,145	22,976	838,137	616,194
Income taxes payable	29,678	40,311	243	248	29,921	40,559
Salaries, social security charges and profit sharin	233,996	150,582	14,524	9,342	248,520	159,924
Advances from customers	140,575	167,324	2,617	2,365	143,192	169,689
Other liabilities	86,107	84,509	7,249	-	93,356	84,509
Deferred tax on intangible assets (Note 8)	10,080	22,012	-	-	10,080	22,012
Income and social contribution tax	49,246	2,403	-	-	49,246	2,403
Other liabilities not allocated	-	-	-	-	2,368,644	2,464,572
Equity (Note 18)	-	-	-	-	2,690,750	2,553,457
Total liabilities and equity	**1,351,674**	**1,060,359**	**60,778**	**34,931**	**6,471,846**	**6,113,319**

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

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

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

Consolidated

Revenue	3Q21	%	3Q20	%	9M21	%	9M20	%
Tranportation, infrastructure & agricultur	**1,741,386**	**95.0**	**1,193,894**	**95.5**	**4,781,228**	**95.1**	**2,855,990**	**95.6**
Customer A	388,425	21.2	215,313	17.2	1,021,772	20.3	540,765	18.1
Customer B	311,166	17.0	317,428	25.4	938,701	18.7	657,405	22.0
Customer C	154,194	8.4	155,744	12.5	468,613	9.3	310,907	10.4
Other customers	887,601	48.4	505,409	40.4	2,352,142	46.8	1,346,913	45.1
Hydraulics	**92,424**	**5.0**	**56,442**	**4.5**	**242,290**	**4.8**	**131,782**	**4.4**
Total Revenue	**1,833,810**	**100.0**	**1,250,336**	**100.0**	**5,023,518**	**99.9**	**2,987,772**	**100.0**

All amounts in thousands of Reais unless otherwise stated.

The sales in the Hydraulics segment are diversified.

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

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

Consolidated

	3Q21	%	3Q20	%	9M21	%	9M20	%
North America	**1,086,887**	**59.3**	**875,407**	**70.0**	**3,058,785**	**60.9**	**2,041,298**	**68.3**
United States	670,285	36.6	416,584	33.3	1,811,963	36.1	1,060,645	35.5
Mexico	408,492	22.3	455,571	36.4	1,223,024	24.3	967,830	32.4
Canada	8,110	0.4	3,252	0.3	23,798	0.5	12,823	0.4
South and Central Americ	**431,464**	**23.5**	**192,242**	**15.4**	**1,082,941**	**21.6**	**465,101**	**15.6**
Brazil - head office	413,443	22.5	186,344	14.9	1,043,046	20.8	447,975	15.0
Other countries	18,021	1.0	5,898	0.5	39,895	0.8	17,126	0.6
Europe	**219,645**	**11.9**	**137,128**	**11.0**	**638,155**	**12.7**	**358,029**	**12.1**
United Kingdom	45,930	2.5	40,066	3.2	187,879	3.7	121,881	4.1
Sweden	35,560	1.9	39,164	3.1	124,936	2.5	80,390	2.7
Netherlands	368	-	13,227	1.1	66,881	1.3	38,472	1.3
Hungary	23,858	1.3	17,494	1.4	60,186	1.2	47,278	1.6
Italy	351	-	12,520	1.0	40,054	0.8	32,136	1.1
Germany	8,779	0.5	10,083	0.8	34,272	0.7	28,462	1.0
Other countries	104,799	5.7	4,574	0.4	123,947	2.5	9,410	0.3
Asia, Africa and Oceania	**95,814**	**5.3**	**45,559**	**3.6**	**243,637**	**4.8**	**123,344**	**4.0**
Japan	45,262	2.5	7,581	0.6	113,723	2.3	30,498	1.0
South Africa	35,582	1.9	18,591	1.5	76,999	1.5	29,352	1.0
China	9,685	0.5	11,313	0.9	40,056	0.8	26,701	0.9
Other countries	5,285	0.4	8,074	0.6	12,859	0.2	36,793	1.1
Total	**1,833,810**	**100.0**	**1,250,336**	**100.0**	**5,023,518**	**100.0**	**2,987,772**	**100.0**

26. FINANCIAL INSTRUMENTS

		Parent company		Consolidated	
	Note	Sep/21	Dec/20	Sep/21	Dec/20
Financial assets at amortized cost		**1,282,381**	**1,425,078**	**2,394,150**	**2,213,340**
Cash and cash equivalents	3	468,152	832,175	1,091,723	1,425,113
Trade account receivables(*)	4	735,277	499,141	1,203,582	683,404
Notes and other financial assets		78,952	93,762	98,845	104,823
Effect on the Income Statement		*17,478*	*11,013*	*16,936*	*9,643*
Financial assets at fair value through profit or loss		**96,299**	**84,899**	**106,308**	**94,327**
Credits - Eletrobrás		93,618	81,446	93,618	81,446
Investments in equity instruments		2,460	2,350	12,449	11,645
Derivative financial instruments	27	221	1,103	241	1,236
Effect on the Income Statement		*19,288*	*(448)*	*18,855*	*(448)*
Financial liabilities at amortized cost		**2,453,706**	**2,626,662**	**3,033,691**	**2,931,302**
Trade accounts payables		431,287	336,604	838,137	616,194
Loans and financing	15	1,938,246	2,218,917	2,077,753	2,225,542
Dividends and interest on capital		20,634	135	20,634	135
Notes payable and other financial liabilities		63,539	71,006	97,167	89,431
Effect on the Income Statement		*(105,224)*	*(106,196)*	*(136,900)*	*(104,459)*
Financial liabilities at fair value through profit or loss		**3,251**	**1,468**	**4,166**	**1,705**
Derivative financial instruments	25	3,251	1,468	4,166	1,705
Effect on the Income Statement		*(2,092)*	*(3,991)*	*(2,264)*	*(3,991)*

(*) Includes the provision for impaired receivables

All amounts in thousands of Reais unless otherwise stated.

27. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE OF NET INVESTMENT ABROAD

a) Derivative financial instruments

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

The volatility of emerging currencies remains high with the forecast of a reduction in monetary stimuli in the main economies of the world, in addition to the higher inflationary risk and the upward movement in interest rates. In the comparison between September 30, 2021 and December 31, 2020, the value of the Real decreased 4.7% against the US dollar, while the Mexican Peso reduce 1.8%. On the other hand, in the comparison between September 30, 2021 and the immediately previous quarter - which ended June 30, 2021 - the Real devaluated 8.7% and the Mexican Peso 2.5% against the US Dollar.

The depreciation of both currencies during the period had a negative impact on the financial result of the Company, due to the mark-to-market of the instruments and a positive impact on was received of settlement of contracts in the period.

i. Parent company

On September 30, 2021, financial instruments totaled the amount of US$63,200 in zero-cost collar operations, consisting of: purchase of PUT with average exercise price of R$4.9489 and sales of CALL with average price average of R$6.0449, maturing up to August 2, 2022.

In the period ended in September 30, 2021, the Company recognized in financial results a loss of R$2,542, considering R$123 was received of settlement of contracts in the period and loss R$2,665 due to the mark-to-market of these instruments. In the same period of the previously year the Company recognized in financial results as loss of R$178,320, of which R$115,214 was payment of settlement of contracts in the period and R63,106 due to the mark-to-market of these instruments.

ii. Subsidiaries

In September 30, 2021, the subsidiaries derivative financial instruments in the zero-cost collar type totaled the amount of US$45,500. Which were made purchasing "PUT" with an average weighted price of exercise of MXN19.2608 and sales "CALL" with an average weighted price of exercise of MXN22.7716, with a due date at July 08, 2022.

On September 30, 2021, the Mexican subsidiaries recognized in their finance results as gain the amount of R$605 due to the mark to market of these instruments. On September 30, 2020, the Mexican subsidiaries recognized in their finance results as loss the amount of R$60,447. Considering, R$60,456 from the payment of settlement of contracts in the period and R$9 due to the gain for the mark to market of these instruments

iii. Consolidated

In the period ended September 30, 2021, a loss of R$3,147 was recognized in the Consolidated financial result, considering R$123 was received of settlement of contracts in the period and loss R$3,270 due to the mark to market of these instruments. In the same period of the previously year was recognized loss of R$238,767, R$175,672 from the settlement of contracts in the period and loss of R$63,097 for the mark-to-market of these instruments.

Below are the net open positions at September 30, 2021 and December 31, 2020:

	Parent company		Consolidated	
	Sep/21	Dec/20	Sep/21	Dec/20
Financial derivative instruments				
Liabilities	(3,251)	(1,468)	(4,166)	(1,705)
Assets	221	1,103	241	1,236
Financial derivative instruments, net	**(3,030)**	**(365)**	**(3,925)**	**(469)**

Below are the demonstrate the variation in the period and the due position at September 30, 2021:

	Parent company	Subsidiaries	Consolidated
Recognized in financial results	(2,542)	(605)	(3,147)
Settlement	(123)	-	(123)
Market to market	(2,665)	(605)	(3,270)
Foreign exchange impact	-	(186)	(186)
AT December 31, 2020	(365)	(104)	(469)
AT September 30, 2021	**(3,030)**	**(895)**	**(3,925)**
Maturity date			
Due December 31, 2021	(1,348)	(348)	(1,696)
Due March 31, 2022	(846)	(259)	(1,105)
Due June 30, 2022	(643)	(266)	(909)
Due September 30, 2022	(193)	(22)	(215)
AT September 30, 2021	**(3,030)**	**(895)**	**(3,925)**

b) Hedges of net investments abroad

With the objective of mitigating the effects of foreign exchange volatility on the results, the Company adopted hedges for the net investments abroad on January 10, 2014, as presented in the annual financial statement of year ended December 31, 2020 note 33.b.

In September 30, 2021, the Company has export prepayment contracts amounting to US$349,000, equivalent to R$1,898,351 as hedges of the investments in the subsidiaries in Mexico, Tupy México Saltillo, S.A. de C.V. and Technocast, S.A. de C.V., the functional currency of which is the U.S. dollar, and which had net assets of US$331,073, equivalent to R$1,800,838 representing 105.4% effectiveness.

In the period of 3 months ended on September 30, 2021, the Company recognized in carrying value adjustments, within equity, a loss of R$144,413 result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexicans subsidiaries resulted in a gain of R$173,782. Considering the net fiscal effect, the amount of gain of exchange rate R$49,098, and the net gain was R$78,467.

All amounts in thousands of Reais unless otherwise stated.

During the nine-months period of 2021, the Company recognized in carrying value adjustments, within equity, a loss of R$81,024 result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexicans subsidiaries resulted in a gain of R$86,283. Considering the net fiscal effect, the amount of gain of exchange rate R$27,544, and the net gain was R$32,803.

28. FINANCIAL RISK MANAGEMENT

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

28.1 Credit risk

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

The Company sets exposure limits for each customer to limit the credit risk on trade receivables and risks are managed according to specific credit rating criteria, which include an analysis of customers in based on their payment ability, indebtedness level, market behavior and history with the Company. Furthermore, the Company carries out quantitative and qualitative analyses of its portfolio of trade receivables in order to determine the estimate for expected losses on receivables. As at September 30, 2021, expected losses on trade receivables amounted to R$6,840 (R$10,500 as at December 31, 2020), representing 0.6% of the consolidated balance of outstanding receivables at that date (1.5% as at December 31, 2020).

The Company does not expect other material adjustments due to the impacts caused by the COVID-19 pandemic.

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

Credit quality of financial assets

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

	Parent company		Consolidated	
	Sep/21	Dec/20	Sep/21	Dec/20
Counterparties with external credit ratings*				
Cash and cash equivalents	**468,152**	**832,175**	**1,091,723**	**1,425,113**
AAA	271,112	190,102	285,956	195,550
AA+ / AA / AA-	172,776	495,005	239,382	662,992
A+ / A / A-	24,264	147,068	566,385	566,571
Derivative financial	**221**	**1,103**	**241**	**1,236**
AA+ / AA / AA-	221	1,103	241	1,236
Credits - Eletrobrás	**93,618**	**81,446**	**93,618**	**81,446**
AA	93,618	81,446	93,618	81,446
Counterparties without external credit rating				
Trade receivables	**735,277**	**499,141**	**1,203,582**	**683,404**
Low risk	691,568	468,408	1,173,437	646,185
Moderate risk	43,709	29,569	43,709	35,261
High risk	5,144	10,400	(6,724)	12,458
Provision for impairment of trade receivables	(5,144)	(9,236)	(6,840)	(10,500)
Other financial assets	**81,412**	**96,112**	**111,294**	**116,468**
Total	**1,378,680**	**1,509,977**	**2,500,458**	**2,307,667**

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

All amounts in thousands of Reais unless otherwise stated.

The risk assessment of trade receivables is as follows:

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

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

28.2 Liquidity risk

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

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

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

The contractual maturities of financial liabilities are as follow:

Consolidated		Contractual cash flow					
FINANCIAL LIABILITIES	Carrying amount	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total flow
Borrowings	2,077,753	57,834	57,600	112,054	276,236	2,452,829	2,956,553
Financial derivative instruments	4,166	3,042	1,124	-	-	-	4,166
Trade payables and notes and other	931,493	931,493	-	-	-	-	931,493
Dividends payable	20,634	20,634	-	-	-	-	20,634
	3,034,046	**1,013,003**	**58,724**	**112,054**	**276,236**	**2,452,829**	**3,912,846**

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

28.3 Market risk

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

All amounts in thousands of Reais unless otherwise stated.

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

Interest rate risk

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

Consolidated

	Note	Sep/21	Dec/20
Floating-rate instruments		**388,134**	**425,401**
Financial assets		388,134	754,925
Financial liabilities	15	-	(329,524)
Fixed-rate instruments		**(1,374,164)**	**(1,225,830)**
Financial assets		703,589	670,188
Financial liabilities	15	(2,077,753)	(1,896,018)

Sensitivity analysis of variations in floating interest rates

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

Interest rate risk — Consolidated

			Scenarios				
Floating rate instruments	**Risk**	**Disclosed**	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
In Brazilian reais							
Investments	**Interest rate (CDI - % p.a.)**	**5.15**	**8.15**	**10.19**	**12.23**	**6.11**	**4.08**
Financial assets		388,134	388,134	388,134	388,134	388,134	388,134
Potential impact		-	11,074	7,312	14,625	(7,453)	(15,197)

Foreign currency risk

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

In addition, considering the importance of the Company's operations in Mexico, the variation of the Mexican Peso has an impact on the income tax. Since the functional currency of the subsidiaries in Mexico is the U.S. dollar (US$). Note 23

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

All amounts in thousands of Reais unless otherwise stated.

Parent company			
Net exposure impacting profit	**Note**	**Sep/21**	**Dec/20**
Assets		**548,079**	**474,585**
Cash and cash equivalents abroad	3	24,264	59,667
Customers in the foreign market	4	523,815	414,918
Liabilities		**(194,747)**	**(119,555)**
Borrowings in foreign currency	15	(1,925,880)	(1,871,373)
Hedge of net investment abroad	27	1,898,351	1,813,648
Other amounts		(167,218)	(61,830)
Net exposure impacting profit			
In thousands of R$		353,332	355,030
In thousands of US$		64,958	68,318

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

Subsidiaries		
Net exposure impacting profit	**Sep/21**	**Dec/20**
Assets	**135,221**	**105,763**
Cash and cash equivalents abroad	19,234	7,627
Customers in the foreign market	8,034	7,793
Tax return	107,953	90,343
Liabilities	**(365,720)**	**(214,441)**
Trade accounts payables	(154,523)	(83,191)
Other amounts	(211,197)	(131,250)
Net exposure impacting profit		
In thousands of R$	(230,499)	(108,678)
In thousands of MXN	(871,122)	(416,391)

Sensitivity analysis of foreign exchange exposure, except derivatives

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

Consolidated			Scenarios			
	Disclosed	**Probable**	**+25%**	**+50%**	**-25%**	**-50%**
U.S. Dollar rate	**5.4394**	**5.25**	**6.56**	**7.88**	**3.94**	**2.63**
Asset position	548,079	528,995	660,992	793,996	396,998	265,001
Liability position	(194,747)	(187,966)	(234,868)	(282,128)	(141,064)	(94,162)
Net exposure (R$ thousand)	353,332	341,029	426,124	511,868	255,934	170,839
Net exposure (US$ thousand)	64,958	64,958	64,958	64,958	64,958	64,958
Potential impact (R$ thousand)	**-**	**(12,303)**	**72,792**	**158,536**	**(97,398)**	**(182,493)**

Sensitivity analysis of foreign exchange exposure of derivatives

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

Parent company	Disclosed	Probable	Scenarios +25%	+50%	-25%	-50%
U.S. Dollar rate	5.4394	5.25	6.56	7.88	3.94	2.63
MTM Controladora	(3,030)	230	(41,889)	(121,225)	56,342	134,407
Potential impact (R$ thousand)		3,260	(38,859)	(118,195)	59,372	137,437

Subsidiaries	Disclosed	Probable	Scenarios +25%	+50%	-25%	-50%
U.S. Dollar rate vs. Mexican peso	20.5623	22.00	27.50	33.00	16.50	11.00
MTM Subsidiaries (US$ mil)	(164)	(856)	(8,203)	(14,362)	6,847	32,221
MTM Subsidiaries (R$ mil)	(895)	(4,496)	(53,813)	(113,172)	26,976	84,741
Potential impact (R$ thousand)		(3,601)	(52,918)	(112,277)	27,871	85,636
Consolidated potential impact (R$ thousand)		(341)	(91,777)	(230,472)	87,243	223,073

Price risk

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

28.4 Operating risk

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

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

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

28.5 Capital management

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

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

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

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

All amounts in thousands of Reais unless otherwise stated.

Consolidated

	Note	Sep/21	Dec/20
Own capital		**2,690,750**	**2,553,457**
Equity	18	2,690,750	2,553,457
Third party capital		**2,689,373**	**2,134,749**
Total current and non-current liabilities		3,781,096	3,559,862
Cash and cash equivalents	3	(1,091,723)	(1,425,113)
Own capital versus third-party capital ratio		**1.00**	**1.20**

28.6 Fair value

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

All financial instruments classified as financial assets and financial liabilities at fair value through profit or loss (Note 26) and the fair value of loans and financing disclosed in Note 16 are calculated by discounting the future contractual cash flow at the current market interest rate that is available to the Company for similar financial instruments.

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

Specifically, for the case of the embedded credit derivative of Eletrobras (convertibility into shares), a valuation technique is used with inputs classified as level 3 of the fair value hierarchy. The effect of the option of conversion into shares is measured based on a stock pricing model (Black-Scholes) by including unobservable data, such as the historical volatility and equity value of the share. Unobservable data are used to measure fair value to the extent that relevant observable data are not available, thus admitting situations in which there is little or no market activity for the asset or liability on the measurement date. These unobservable data, however, reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Sensitivity analysis of the fair value of embedded derivatives

The Company performed a sensitivity analysis considering the receipt of equity shares in Eletrobras. Varying the share value and volatility and keeping all other variables in the model constant. In this context, share value scenarios between R$19.39 and R$58,16 and volatility between 16,3% and 49% per year were used, resulting in estimates of minimum and maximum receipts between R$46,930 and R$113,006, respectively.

29. SUBSEQUENTE EVENTS

Business combination

All amounts in thousands of Reais unless otherwise stated.

On October 1st, the Company concluded the acquisition, thus obtaining control, of the Brazilian and Portuguese operations of iron components from Teksid S.p.A. The enterprise value is €67,500. The purchase price is the result of the enterprise value, plus the working capital balance and cash amount, minus indebtedness and non-controlling interest, based on the estimated closing balance on September 30, 2021. The final transaction amount will be presented by the seller within a period not exceeding 45 days from the transaction date and will be submitted for validation by the Company within 45 days of receiving the final numbers. After that, the amount of the consideration can be adjusted, if necessary.

In this transaction Tupy S.A. acquired 100% of the share capital of the company Teksid Iron do Brasil Ltda, located in the city of Betim, state of Minas Gerais. On the same date, through its fully owned subsidiary Tupy Material & Components B.V., located in the Netherlands, the Company acquired 83.6% of the share capital of the company FUNFRAP – Fundição Portuguesa, S.A. located in the city of Aveiro, Portugal.

Through these acquisitions, the Company will expand its products and customer portfolio, which, together with the increased flexibility and scale of purchases, will generate greater value for shareholders. From an operational point of view, in addition to the combination of assets, there are other opportunities for synergy and gains of scale, expanding the share of machining and assembly services for customers at the Betim and Portugal plants, which will be implemented over time. The Company now has 5 plants on 3 continents with a combined capacity of more than 950,000 tons per year, reinforcing its position with customers as a global partner, including production strategies to address issues of local content and distribution of products more efficiently.

Specialists were hired to assess and determine the fair value of assets acquired and liabilities assumed in the acquisition, including also purchase price allocation, in accordance with CPC 15 (R1) – Business Combinations (IFRS 3). Considering that the date of completion of this acquisition occurred on October 1, 2021, it was not necessary to determine by the date of approval of these quarterly financial information the fair value of the assets assumed, liabilities acquired (including contingent liabilities in accordance with Technical Pronouncement CPC 25 - Provisions, Contingent Liabilities and Contingent Assets), allocation of intangibles and goodwill (or gain from a bargain purchase), since the determination of the fair value of such assets is in the process of being determined by the specialists, therefore not available to be disclosed by the present date. Due to this, the Company is disclosing, in a preliminary manner and subject to changes resulting from the process of allocation of the price paid and the calculation of fair values described in the previous paragraph, the net assets acquired, at book value, as shown in table a follow:

October 1st, 2021	Teksid Iron	Funfrap	Total
Temporary amount of assets assumed and liabilities acdquired			
Cash and cash equivalents	20,623	16,294	36,917
Trade account receivables	215,718	41,472	257,190
Inventories	203,878	40,140	244,018
Other assets	44,239	6,227	50,466
Property, plant and equipment	269,712	103,270	372,982
Intangible assets	6,766	-	6,766
Trade accounts payables	(281,429)	(42,847)	(324,276)
Loans and financing	(388,145)	-	(388,145)
Other liabilities	(85,254)	(80,860)	(166,114)
Provision for tax, civil, social security and labor proceedings	(43,971)	(1,153)	(45,124)
Non-controlling interests	-	(13,537)	(13,537)
Total assets assumed and liabilities acquired	(37,863)	69,006	31,143

The Company expects to have the purchase price allocation and other disclosures required in pronouncement CPC 15 – Business Combination, available for the disclosure of the financial statements as of December 31, 2021.

According to the appraisal report prepared pursuant to §1 of art. 256 of the Brazilian Corporation Law, shareholders were entitled to withdraw from the Company upon reimbursement of the value of their shares

All amounts in thousands of Reais unless otherwise stated.

calculated based on the Company's book equity as of December 31, 2020. During the period ended October 13, 2021, there was reimbursement of the totality of the participation of one shareholder corresponding to 300 shares for the total amount of R$5,313.00. The shares will be held in treasury.

* * *

Building a better
working world

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

Independent auditor's review report on individual and consolidated interim financial information

To the Shareholders, Board of Directors and Officers of
Tupy S.A.
Joinville, Santa Catarina

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Tupy S.A. ("Company"), contained in the Quarterly Information (ITR) Form for the quarter ended September 30, 2021, which comprises the statement of financial position as at September 30, 2021 and the related statements of profit or loss and of comprehensive income, for the three-month and the nine-month period then ended, and of changes in equity and of cash flows for the nine month periods then ended, including explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The above mentioned quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the nine-month periods ended September 30, 2021, prepared under the responsibility of the Company management and presented as supplementary information for purposes of IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information in order to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and content are consistent with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in the aforementioned Standard and consistently with the overall accompanying individual and consolidated interim financial information.

Blumenau, November 09, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC SC-000048/F-0

Alexandre Rubio
Accountant CRC-1SP 223.361/O-2