TUPY

Strong operating results and increased return on invested capital

All-time Company's annual revenue and EBITDA. Impact of semiconductor and other supply chain shortages offset by cost pass- throughs

Earnings Conference Call

Date: March 30, 2022

Portuguese/English

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

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- **Physical sales volume:** 150,000 tons in 4Q21 (+34% *vs* 4Q20) and 538,000 tons in 2021 (+37% *vs* 2020). Figures include the recently acquired operations (31 thousand tons). Robust macroeconomic indicators in 2021 have not yet fully realized in sales due to the semiconductor impact (declines of 15% and 10% vs 2018 and 2019, not considering new operations);

- **Revenues:** R$ 2.1 billion in 4Q21 (+62% *vs* 4Q20) and R$ 7.1 billion in 2021, (+66% *vs* 2020). These figures include the revenues from new operations, which totaled R$302 million. Such figures demonstrate the ability to pass-through the significant costs with materials and expenses over the year;

- **Adjusted EBITDA:** R$204 million (/NOR 9.9%) in 4Q21 and R$878 million - the highest in the Company's history, (/NOR 12.4%) in 2021. Despite a 15% reduction in physical volumes vs 2018 (highest in recent years), Adjusted EBITDA increased 29% year-over-year (excluding new operations).

- **EBITDA Margin**: impacted by the partial incorporation of the new operations (EBITDA of R$7 million and margin of 2.2%) and the total pass-through of materials with high inflation rates in the year.

- **Return on Invested Capital (ROIC):** 10.6% in 2021 (vs 5.2% in 2020), despite working capital needs exceeding the pace of sales and the larger asset base from the new plants;

- **Net Income:** R$61 million in 4Q21 and R$203million in 2021.

- **Interest on Equity (IoE):** R$20 million in November 2021 and R$22 million in January 2022. Interest on shareholders' equity regarding the fiscal year 2021 totaled R$62 million.

Unless otherwise stated, the 4Q21 and 2021 figures include the Betim and Aveiro operations acquired on October 1, 2021.

MESSAGE FROM MANAGEMENT

2021 has been marked by significant developments for Tupy's growth and strategic positioning. By combining plants acquired in Brazil and Portugal, we reinforce our global leadership in structural cast iron components dedicated to capital goods.

Our customer base has been expanded and now we supply all truck, agricultural, construction machinery, and engine manufacturers in the West. These two plants expand our production capacity nearly 40%.

Integrating the new units has been occurring as planned. The team was preserved, and this process has been considerably facilitated. Eventually, plants will benefit from identified synergies and shared best practices, which will contribute to increased margins in these operations.

Robust results and resilience to external factors

In 2021, the Company has been prepared to meet demand for capital goods compatible with strong economic indicators. However, restricted semiconductor supply, led to comparatively low sales and sudden production stoppages. In addition, instability in the power and gas supply in Mexico has led to additional shutdowns.

This year has also been affected by unprecedented material and energy inflation, which has been fully offset by cost pass-throughs. However, most of these transfers are made in total values and, therefore, we notice margin reductions. Nonetheless, we have made progress in total EBITDA and have increased ROIC from 5.2% in 2020 to 10.6% in 2021.

Our business model's resilience and the implementation of several efficiency-oriented initiatives have contributed to achieve solid results. Company's highest net revenue and EBITDA ever. By comparing last year with 2018, Tupy (without recently acquired plants), in a higher macroeconomic indicator scenario in 2021, sold 15% less and achieved 30% more EBITDA. That demand, which will not be met in 2021, is held back. Fleet has achieved a high occupancy rate, matured, and will be replaced over the next few quarters.

Sustainability integrated into the Company's strategy

Also last year, we published our first Sustainability Report, prepared following the guidelines of the Global Reporting Initiative (GRI) and our materiality matrix. We have thus defined key indicators aligned with the Company's environmental, social and governance (ESG) aspects. The report is published annually and is used as a management tool. Bringing exposure to the initiatives taken has also contributed to becoming even more aware about our processes and has resulted in us being upgraded by some major ESG ratings in the market.

SUMMARIZED RESULTS

Consolidated (R$ thousand)

SUMMARY	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Revenues	**2,059,017**	**1,269,824**	**62.1%**	**7,082,535**	**4,257,596**	**66.4%**
Cost of goods sold	(1,754,054)	(1,052,461)	66.7%	(5,958,810)	(3,572,596)	66.8%
Gross Profit	**304,963**	**217,363**	**40.3%**	**1,123,725**	**685,000**	**64.0%**
% on Revenues	*14.8%*	*17.1%*		*15.9%*	*16.1%*	
Operating expenses	(186,006)	(108,305)	71.7%	(554,053)	(384,025)	44.3%
Other operating expenses	(8,282)	9,842		(134,448)	(64,810)	107.4%
Impairment expenses	-	18,450	-100.0%	-	(19,354)	-
Income before Financial Result	**110,675**	**137,350**	**-19.4%**	**435,224**	**216,811**	**100.7%**
% on Revenues	*5.4%*	*10.8%*		*6.1%*	*5.1%*	
Net financial income (loss)	(30,786)	(93,887)		(147,197)	(340,937)	-56.8%
Income (Loss) before Tax Effects	**79,889**	**43,463**	**83.8%**	**288,027**	**(124,126)**	
% on Revenues	*3.9%*	*3.4%*		*4.1%*	*-2.9%*	
Income tax and social contribution	(18,711)	42,636		(85,115)	47,916	
Net Income (Loss)	**61,178**	**86,099**	**-28.9%**	**202,912**	**(76,210)**	
% on Revenues	*3.0%*	*6.8%*		*2.9%*	*-1.8%*	
EBITDA (CVM Inst. 527/12)	**212,423**	**224,694**	**-5.5%**	**802,892**	**566,951**	**41.6%**
% on Revenues	*10.3%*	*17.7%*		*11.3%*	*13.3%*	
Adjusted EBITDA	**203,871**	**185,478**	**9.9%**	**877,640**	**605,215**	**45.0%**
% on Revenues	*9.9%*	*14.6%*		*12.4%*	*14.2%*	
Average exchange rate (R$/US$)	**5.59**	**5.39**	**3.6%**	**5.40**	**5.16**	**4.6%**
Average exchange rate (R$/€)	6.38	6.43	-0.7%	6.38	5.90	8.1%

PHYSICAL SALES VOLUME

Consolidated (metric tons)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Domestic Market	**46,810**	**23,397**	**100.1%**	**132,192**	**73,587**	**79.6%**
Transportation, Infrastructure, and Agriculture	44,018	20,192	118.0%	119,193	62,723	90.0%
Hydraulics	2,792	3,205	-12.9%	12,999	10,864	19.7%
Foreign Market	**102,907**	**88,277**	**16.6%**	**405,401**	**318,622**	**27.2%**
Transportation, Infrastructure, and Agriculture	99,886	85,653	16.6%	392,406	310,625	26.3%
Hydraulics	3,021	2,624	15.2%	12,995	7,997	62.5%
Total Physical Sales	**149,717**	**111,674**	**34.1%**	**537,593**	**392,209**	**37.1%**

Volumes are following the recovery path, increasing 34% in 4Q21 compared to the same period of the previous year, due to the Betim and Aveiro plants acquisitions, which represented approximately 31 thousand tons in the period, as well as the following factors:

- Increase in Transportation, Infrastructure & Agriculture sales in the domestic market, due to the performance of the economy, especially in agribusiness, and indirect exports, and also due to the increase in volumes coming from the Betim and Aveiro plants.
- In the foreign market, an increase of 17% 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.
- Hydraulics segment volume increase of 15% in the foreign market, mainly reflecting the industrial activity recovery in the United States, when compared to 4Q20.

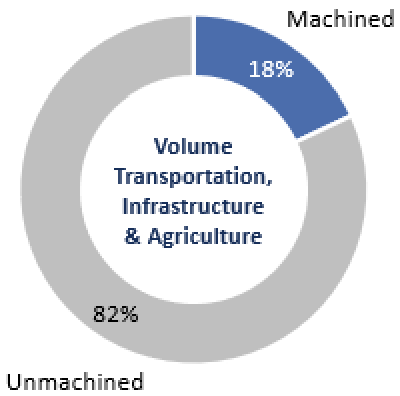
Despite strong macroeconomic indicators and high end-user demand, our customers were affected by supply chain restrictions, especially the reduced supply of semiconductors.

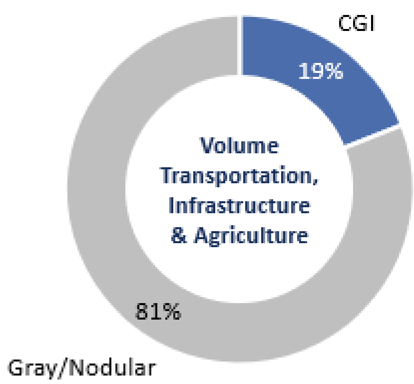
As a result, our volumes declined from 2018 and 2019 (pre-pandemic), dropping 15% and 10% respectively, figures that disregard sales from the recently acquired Betim and Aveiro operations.

Whereas specific supply chain constraints have prevented the production of capital goods from fully reflecting the economic performance, pent-up demand and the need to replenish inventories will contribute to an increase in volumes as global supply chains normalize.

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

Partially or fully machined goods accounted for 18% of the portfolio of the Transportation, Infrastructure and Agriculture segment - 23%, excluding the volumes of the Betim and Aveiro plants. In terms of sales by type of goods, CGI accounted for 19% of the total -24% excluding the new plants.





REVENUES

Compared to the same period in 2020, revenues increased 62%, with **revenue/kilo rising 21% over 4Q20**.

Consolidated (R$ thousand)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Revenues	**2,059,017**	**1,269,824**	**62.1%**	**7,082,535**	**4,257,596**	**66.4%**
Domestic market	557,155	230,179	142.1%	1,600,201	678,154	136.0%
Share (%)	*27.1%*	*18.1%*		*22.6%*	*15.9%*	
Foreign market	1,501,862	1,039,645	44.5%	5,482,334	3,579,442	53.2%
Share (%)	*72.9%*	*81.9%*		*77.4%*	*84.1%*	
Revenues by segment	**2,059,017**	**1,269,824**	**62.1%**	**7,082,535**	**4,257,596**	**66.4%**
Transportation, Infrastructure, and Agriculture	1,967,649	1,205,875	63.2%	6,748,877	4,061,866	66.2%
Share (%)	*95.6%*	*95.0%*		*95.3%*	*95.4%*	
Hydraulics	91,368	63,949	42.9%	333,658	195,730	70.5%
Share (%)	*4.4%*	*5.0%*		*4.7%*	*4.6%*	

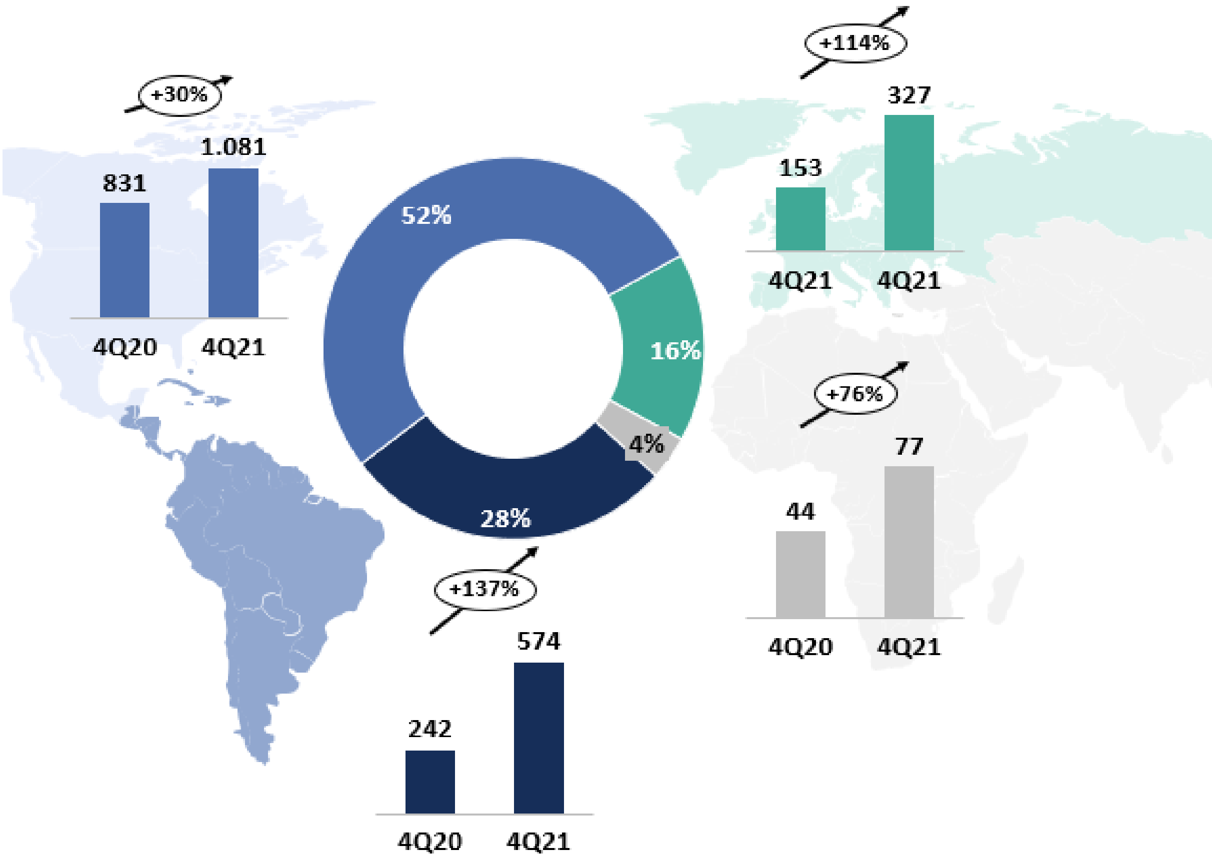
Revenues from the Betim and Aveiro operations were R$302 million in 4Q21.

The transaction perimeter announced on October 1, 2021 did not include Teksid's finished goods inventories present from Italy, aimed at supplying the European market and representing up to 6 weeks of sales. Since billing began only after these inventories were consumed by customers, **this non-recurring effect impacted revenues for the period by approximately R$90 million.**

Revenues by market and performance in the period

In 4Q21, 52% of revenues originated in North America. The South and Central Americas accounted for 28%, and Europe for 16% of the total. The remaining 4% came from Asia, Africa and Oceania, and the acquired plants contributed to a higher exposure to the Brazilian and European markets.

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



Consolidated (R$ thousand)

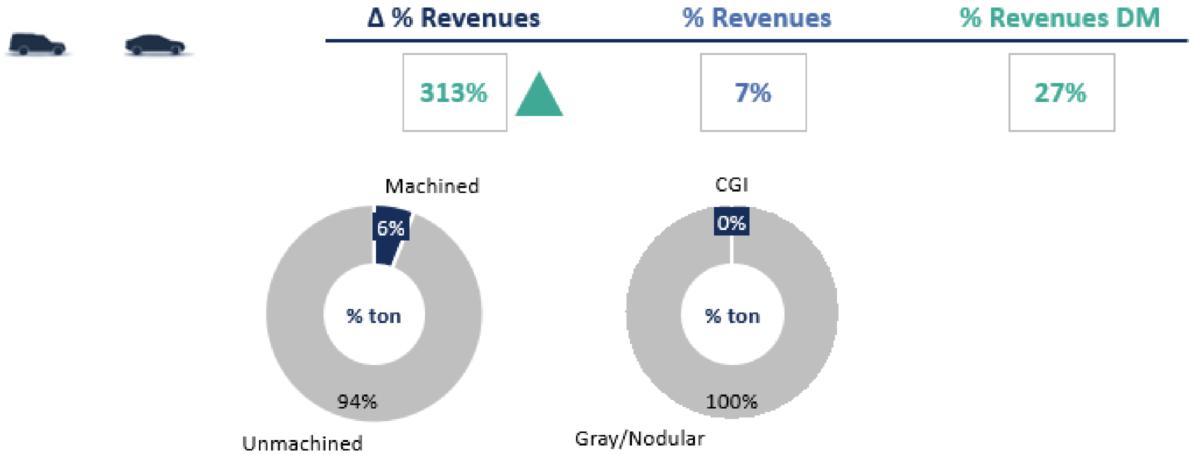
	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Revenues	**2,059,017**	**1,269,824**	**62%**	**7,082,535**	**4,257,596**	**66%**
Domestic Market	**557,155**	**230,179**	**142%**	**1,600,201**	**678,154**	**136%**
Transportation, Infrastructure and Agriculture	**509,061**	**193,126**	**164%**	**1,417,939**	**560,163**	**153%**
Passenger cars	150,114	36,356	313%	269,783	111,384	142%
Commercial vehicles	273,966	128,790	113%	895,613	355,595	152%
Off-road	84,980	27,980	204%	252,544	93,185	171%
Hydraulics	**48,094**	**37,053**	**30%**	**182,262**	**117,991**	**54%**
Foreign Market	**1,501,862**	**1,039,645**	**44%**	**5,482,334**	**3,579,442**	**53%**
Transportation, Infrastructure and Agriculture	**1,458,588**	**1,012,749**	**44%**	**5,330,937**	**3,501,702**	**52%**
Passenger cars	85,913	52,346	64%	271,116	166,966	62%
Light commercial vehicles	526,892	446,630	18%	2,107,540	1,624,928	30%
Medium and heavy commercial vehicles	341,039	237,125	44%	1,297,419	769,728	69%
Off-road	504,743	276,648	82%	1,654,863	940,080	76%
Hydraulics	**43,274**	**26,896**	**61%**	**151,397**	**77,740**	**95%**

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

Besides the revenue from the Betim and Aveiro operations and the pass-on of material costs, experienced in all segments, revenues for the period were impacted by the following factors.

DOMESTIC MARKET (DM)

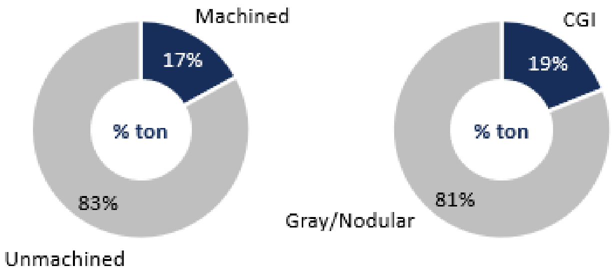
Passenger cars



Light vehicle production in the Brazilian market presented a decrease of approximately 15%, caused mainly by a shortage of inputs and interruption in the production chains. This scenario's impact on our sales was offset by the greater participation of the Betim operation in this segment.

Commercial vehicles

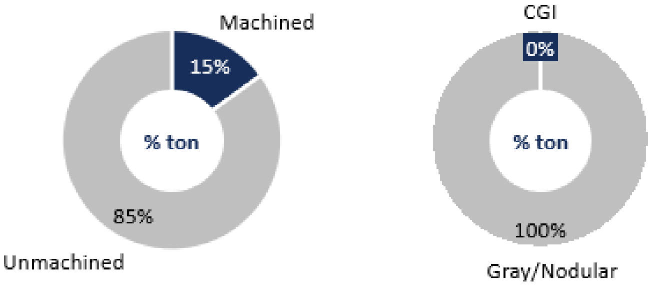
Δ % Revenues	% Revenues	% Revenues DM
113% ▲	13%	49%



Revenues for the commercial vehicle segment increased compared to the same period last year, affected by increased demand in the domestic market, resulting mainly from the performance of agribusiness, and indirect exports.

Off-road

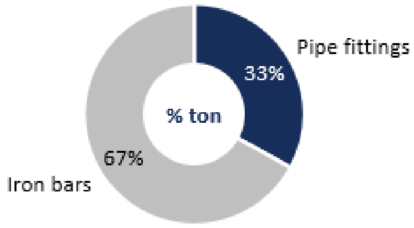
Δ % Revenues	% Revenues	% Revenues DM
204% ▲	4%	15%



Tupy's revenues from machinery and off-highway vehicles were impacted by increased demand for off-road machinery and equipment, especially related to agribusiness, and indirect export opportunities.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
30% ▲	2%	9%

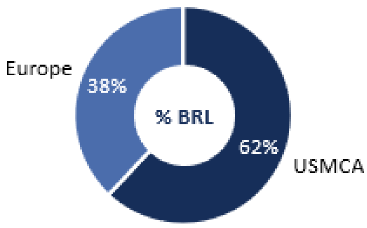


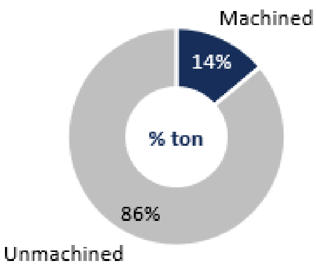
Sales revenues in the hydraulics segment showed a 30% increase over the same period in 2020, with the decline in volumes mitigated by price recomposition.

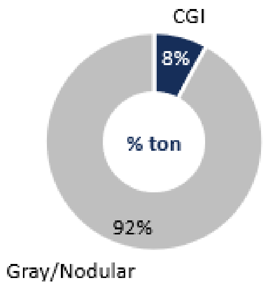
FOREIGN MARKET (EM)

Passenger cars

Δ % Revenues	% Revenues	% Revenues FM
64% ▲	4%	6%



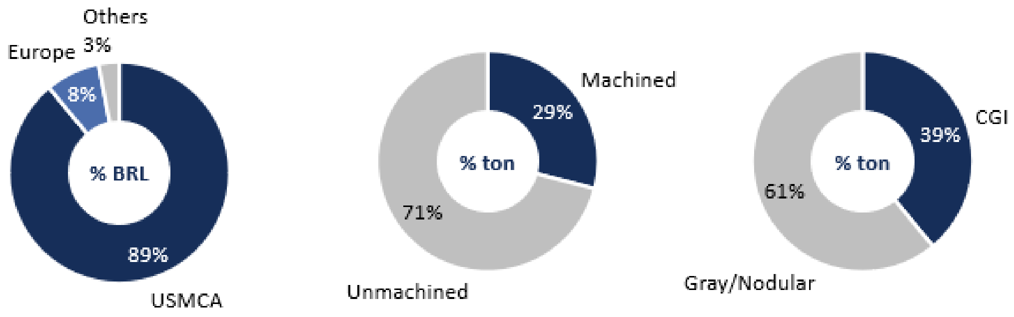




Despite the shortage of semiconductors that impacted customers' production and consequently our volumes, the segment's revenues presented growth due to the price recomposition and volume addition of the Betim and Portugal operations, mentioned above, and due to the exchange rate depreciation.

Light commercial vehicles

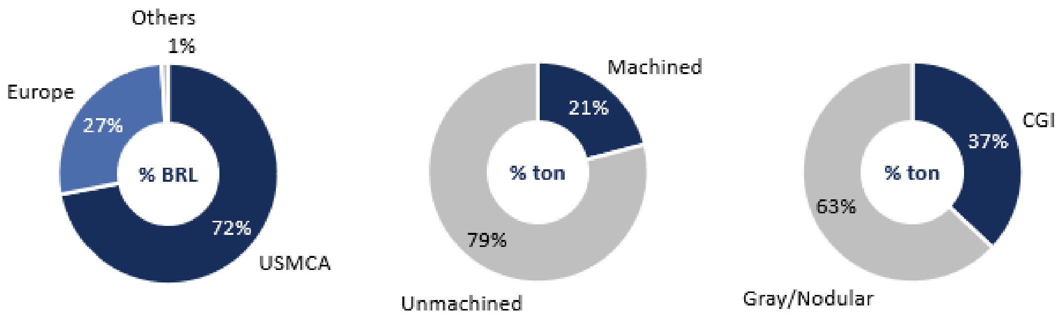
Δ % Revenues	% Revenues	% Revenues FM
18% ▲	26%	35%



There is a strong demand for such an application, which represented 80% of light vehicle sales in the US during the period. Production, meanwhile, was impacted by restrictions in the supply of semiconductors and other inputs, causing temporary shutdowns of customers.

Medium and heavy commercial vehicles

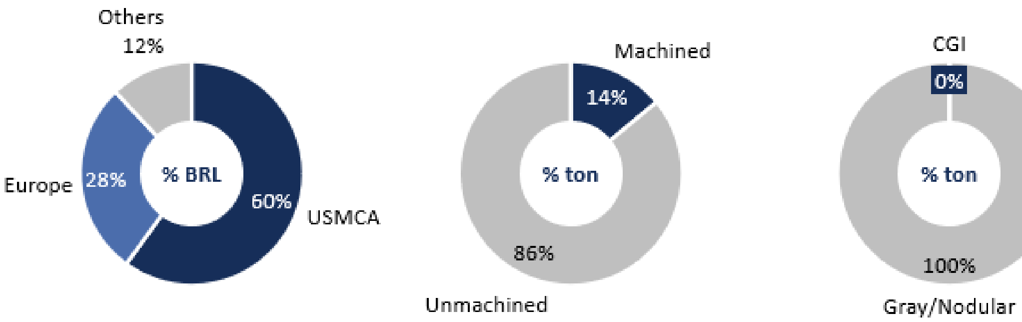
Δ % Revenues	% Revenues	% Revenues FM
44% ▲	17%	23%



Revenue growth in 4Q21 was driven by gains in customer market share and increased demand for higher-value products, despite the impacts of the semiconductor shortage.

Off-road

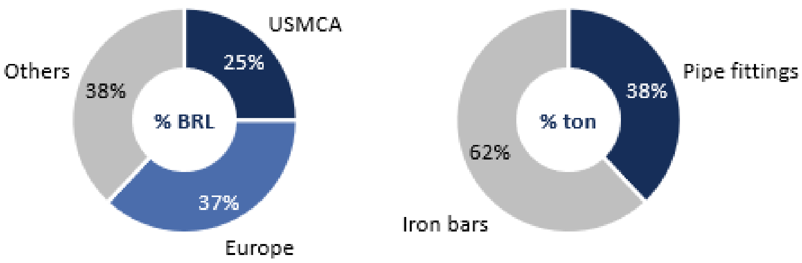
Δ % Revenues	% Revenues	% Revenues FM
82% ▲	25%	34%



Sales for off-road business in 4Q21 increased compared to the same period last year, due to the performance of several segments, such as construction and agriculture.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
61% ▲	2%	3%



During the fourth quarter of 2021, there was an increase in net revenues from the Hydraulic segment, due to repressed demand from customers located in North America, and to price adjustments.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) totaled R$1,754 million in 4Q21.

During this year 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 (3Q21), the prices of several materials, such as scrap, remained at high levels.

Consolidated (R$ thousand)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Revenues	**2,059,017**	**1,269,824**	**62.1%**	**7,082,535**	**4,257,596**	**66.4%**
Cost of goods sold	**(1,754,054)**	**(1,052,461)**	**66.7%**	**(5,958,810)**	**(3,572,596)**	**66.8%**
Raw material	(1,022,304)	(558,051)	83.2%	(3,526,875)	(1,793,957)	96.6%
Labor, profit sharing and social benefits	(382,747)	(251,599)	52.1%	(1,285,113)	(882,151)	45.7%
Maintenance materials and third parties	(134,991)	(95,884)	40.8%	(417,228)	(339,199)	23.0%
Energy	(107,229)	(59,903)	79.0%	(340,786)	(222,272)	53.3%
Depreciation	(81,239)	(73,277)	10.9%	(294,766)	(291,992)	1.0%
Other	(25,544)	(13,747)	85.8%	(94,041)	(43,025)	118.6%
Gross profit	**304,963**	**217,363**	**40.3%**	**1,123,725**	**685,000**	**64.0%**
% on Revenues	*14.8%*	*17.1%*		*15.9%*	*16.1%*	
Operating expenses	**(186,006)**	**(108,305)**	**71.7%**	**(554,053)**	**(384,025)**	**44.3%**
% on Revenues	*9.0%*	*8.5%*		*7.8%*	*9.0%*	

Besides the impact on the year-on-year comparison by the addition of the Betim and Aveiro plants, costs for the period were affected by the following factors:

- Raw material cost increase resulting mainly from material inflation in the period, the exchange rate effect on inputs used in plants in Brazil and Mexico, and quality indicators due to the material shortage. 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;

- Impact in labor costs due to increase in the number of employees and overtime work to meet production volumes. The period was also affected by the negotiation of the annual pay rise date and for termination expenses;

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

- Increase in energy expenses due to the higher volume produced and the increase in generation and distribution tariffs in the year-on-year comparison;

- Increase of 11% in depreciation costs due, mainly, to the addition of assets originated from the acquisitions of the Betim and Aveiro plants.

- A R$12 million increase in other operational costs, which includes product and material handling, rents, health and safety, among other items. The comparison base was affected by the receipt of residual amounts totaling R$9 million from the Reintegra benefit in 4Q20.

Betim and Aveiro plants were affected by non-recurring factors, including the lower dilution of fixed costs arising from the reduction in revenues due to the consumption of inventories not included in the transaction perimeter, and costs related to their recomposition.

Operating expenses, including selling and administrative expenses, reached R$186 million. The result was impacted by higher volumes and a significant increase in freight expenses, in addition to the annual pay rise negotiation. The year-on-year comparison was also affected by the increase in expenses at the Betim and Aveiro plants, which totaled R$24 million in the period.

OTHER OPERATING INCOME (EXPENSES)

Other net operational expenses were an expense of R$8 million in 4Q21, compared to revenues of R$10 million in 4Q20.

Consolidated (R$ thousand)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Depreciation of non-operating assets	(1,971)	(158)		(2,440)	(649)	276.0%
Amortization of intangible assets	(14,863)	(10,766)	38.1%	(57,260)	(45,251)	26.5%
Sale of land	-	-		-	20,135	
Gain on bargain purchase	48,804	-		48,804	-	
Other	(40,252)	20,766		(123,552)	(39,045)	216.4%
Other operating expenses	**(8,282)**	**9,842**		**(134,448)**	**(64,810)**	**107.4%**
Impairment of property, plant and equipment					(3,404)	
Impairment of intangible assets	-	18,450		-	(15,950)	
Total impairment adjustments	-	**18,450**		-	**(19,354)**	

Expenses related to the amortization of intangible assets grew38%, reflecting the increase in the base in relation to the same period of the previous year, including the newly acquired operations, and the depreciation of the real against the dollar.

Results were also affected by the revenue of R$49 million from gains on bargain purchase (accounting effect) resulting from the acquisition of the Betim and Aveiro plants. An advantageous purchase is measured as the surplus between the net fair value, on the acquisition date, of the assets acquired and liabilities assumed in relation to the acquisition value.

The “Others” account comprises (i) net expenses of R$34 million, referring to the sale of unserviceable assets, and others, resulting mainly from M&A expenses (related to the acquisition of the Betim and Aveiro plants), (ii) expenses for setting up and updating provisions in the amount of R$5 million and (iii) expenses of R$2 million in write-offs of fixed assets. The year-on-year comparison was impacted by the receipt of R$58 million in ICMS credits from the PIS/COFINS tax base in 4Q20.

NET FINANCIAL INCOME (LOSS)

In 4Q21, the Company recorded a net financial loss of R$31 million, versus a loss of R$94 million in 4Q20.

Consolidated

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Financial expenses	(47,523)	(79,394)	-40.1%	(207,021)	(235,529)	-12.1%
Financial income	10,303	15,113	-31.8%	47,982	39,612	21.1%
Net monetary and exchange rate variations	6,434	(29,606)		11,842	(145,020)	
Net Financial Result	**(30,786)**	**(93,887)**	-67.2%	**(147,197)**	**(340,937)**	-56.8%

Financial expenses were impacted by the appreciation of the Brazilian real against the U.S. dollar (average exchange rate of 5.59 in 4Q21 vs 5.39 in 4Q20) impacting the Senior Notes issued in February 2021, and also the interest payment in Reais due to the debts contracted in the acquisition of the Betim and Aveiro operations (bank loans). The restatement of the derivative instrument effect used to adjust Eletrobras' receivable credits to present value (with no cash effect) accounted for R$3 million in expenses (R$37 million in 4Q20).

Financial income reached R$10 million in the period, arising from financial investments in reais and restatement of tax credits. The result was also impacted by the increase in the interest rate that remunerates our financial investments. Meanwhile, the comparison base was affected by the extraordinary update of tax credits in 4Q20, in the amount of R$8 million.

Income from net monetary and exchange variations totaled R$6 million due to (i) a positive variation of R$4 million in the balance sheet accounts and (ii) the result of hedge operations based on the zero-cost collar instrument, corresponding to a revenue of R$2 million in the period, as a result of mark-to-market and with a R$1 million cash effect.

EARNINGS BEFORE TAXES AND NET INCOME

The company's net income was R$61 million.

Consolidated (R$ thousand)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Income (Loss) before Tax Effects	**79,889**	**43,463**	**83.8%**	**288,027**	**(124,126)**	
Tax effects before currency impacts	(20,525)	(3,598)	470.4%	(71,010)	44,001	
Income (loss) before the currency effects on the tax base	**59,364**	**39,865**	**48.9%**	**205,706**	**(80,125)**	
Currency effects on the tax base	1,814	46,234	-96.1%	(2,794)	3,915	
Net Income (Loss)	**61,178**	**86,099**	**-28.9%**	**202,912**	**(76,210)**	

The impact of the tax benefit arising from the payment of interest on equity was R$7 million.

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. Revenue of R$2 million was recorded in 4Q21, with no cash effect (R$46 million in 4Q20).

EBITDA

The combination of the aforementioned factors resulted in CVM EBITDA of R$212 million. Adjusted EBITDA due to the constitution/updating of provisions, write-off of sales of fixed assets, bargain purchase, and other items reached R$204 million, with margins of 10%.

Consolidated

RECONCILIATION OF NET INCOME TO EBITDA	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Net Income (Loss) for the Year	**61,178**	**86,099**	**-28.9%**	**202,912**	**(76,210)**	**-**
(+) Net financial income (loss)	30,786	93,887	-67.2%	147,197	340,937	-56.8%
(+) Income tax and social contribution	18,711	(42,636)	-	85,115	(47,916)	-
(+) Depreciation and amortization	101,748	87,344	16.5%	367,668	350,140	5.0%
EBITDA (CVM Instruction 527/12)	**212,423**	**224,694**	**-5.5%**	**802,892**	**566,951**	**41.6%**
% on revenues	*10.3%*	*17.7%*		*11.3%*	*13.3%*	
(+) Other net operating expenses*	(8,552)	(20,766)	-58.8%	74,748	18,910	295.3%
(+) Impairment	-	(18,450)		-	19,354	
Adjusted EBITDA	**203,871**	**185,478**	**9.9%**	**877,640**	**605,215**	**45.0%**
% on revenues	*9.9%*	*14.6%*		*12.4%*	*14.2%*	

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$9 million in 4Q21 and refer to (i) a R$49 million revenue from bargain purchase related to the acquisition of the Betim and Aveiro plants; (ii) R$34 million expenses from the sale of unserviceable assets, and other costs, including M&A expenses; (iii) constitution and update of provisions in the amount of R$5 million and (iv) write-off of fixed assets in the amount of R$2 million.

The 2021 result was impacted by slowdown in the customers' supply chain because of the undersupply of semiconductors and other inputs. Thus, the strong economic indicators were not realized in sales, which presented lower levels than those observed in 2018 and 2019. 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.

Raw material costs increased significantly over the year, being passed through prices, according to contractual clauses. Despite the EBITDA neutral effect, this mechanism negatively impacts the margins, due to the increase in revenues.

The quarter's result was also affected by the newly acquired transactions, which reported EBITDA of R$7 million and a margin of 2.2% on net revenues, impacted by non-recurring effects. We have begun several initiatives in the operational, commercial, and purchasing areas that will contribute to the increase in margins over 2022.

Despite these facts, we delivered the higher total and per kg Adjusted EBITDA in the Company's history, with growth of 25% and 39%, (excluding new plants) versus 2019 (pre-pandemic), evidencing the resilience of the business model and several management initiatives.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Total investments in property, plant and equipment and intangible assets amounted to R$116 million in 4Q21, compared to R$40 million in 4Q20, the comparison basis being affected by the postponement of investments due to the COVID-19 pandemic.

Consolidated (R$ thousand)

	4Q21	4Q20	Chg. [%]	2021	2020	Chg. [%]
Property, Plant and Equipment						
Strategic investments	46,067	12,997	254.4%	106,296	41,713	154.8%
Maintenance and renovation	61,415	20,791	195.4%	120,990	75,114	61.1%
Environment	4,856	2,191	121.6%	13,501	4,310	213.2%
Interest and financial charges	904	378	139.2%	2,446	1,617	51.3%
Intangible assets						
Software	2,865	1,682	70.3%	10,823	10,266	5.4%
Projects under development	308	1,571	-80.4%	3,118	3,592	-13.2%
Total	**116,415**	**39,610**	**193.9%**	**257,174**	**136,612**	**88.3%**
% on Revenues	*5.7%*	*3.1%*		*3.6%*	*3.2%*	

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

WORKING CAPITAL

	Consolidated (R$ thousand)				
	4Q21	3Q21	2Q21	1Q21	4Q20
Balance sheet					
Accounts receivable	1,251,097	1,203,582	972,343	991,661	683,404
Inventories	1,487,934	997,192	843,982	746,272	754,486
Accounts payable	1,239,828	838,137	869,932	777,710	616,194
Sales outstanding [days]	58	70	62	77	59
Inventories [days]	81	69	65	68	77
Payables outstanding [days]	63	57	66	72	62
Cash conversion cycle [days]	**76**	**82**	**61**	**73**	**74**

There was a 6-day decrease in working capital in the period compared to the previous quarter (3Q21). The main lines presented the following variations:

- Despite inclusion of the accounts receivable originating from the Betim and Aveiro operations in this quarter, the average receivable term had a reduction equivalent to 12 days of sales, due to the seasonality of the period (sales decrease compared to 3Q21). Accounts receivable in foreign currency (78% of the total) were also impacted by the exchange devaluation (closing rate US$/R$5.58 in December/21 vs 5.44 in September/21).

- An increase of R$491 million in inventories, representing a 12-day increase in relation to the cost of goods sold. The exchange rate variation impacted inventories in foreign currency, which corresponded to 61% of the total in 4Q21. Customer outages continue, due to a shortage of semiconductors, contributed to the increase in inventories of finished products, given the maintenance of production. Additionally, this period includes inventories present in the newly acquired operations, in addition to the inventory recomposition of the Betim and Aveiro customers located in Europe.

- The accounts payable line increased by R$ 402 million, resulting in an increase of 6 days, mainly due to several initiatives promoted to lengthen payment terms.

CASH FLOW

Consolidated (R$ thousand) (v1.03)

CASH FLOW SUMMARY	4Q21	4Q20	Change	2021	2020	Change
Cash and cash equivalents at the beginning of the period	**1,091,723**	**1,433,715**	**-23.9%**	**1,425,113**	**840,030**	**69.7%**
Cash from operating activities	300,635	255,181	17.8%	324,266	291,659	11.2%
Cash used in investing activities	(24,397)	(28,335)	-13.9%	(171,011)	(122,768)	39.3%
Cash used in financing activities	(112,544)	(185,157)	39.2%	(383,312)	289,717	
Currency effect on the cash for the year	17,028	(50,292)		77,389	126,475	-38.8%
Increase (decrease) in cash and cash equivalents	**180,722**	**(8,602)**		**(152,668)**	**585,083**	
Cash and cash equivalents at the end of the period	**1,272,445**	**1,425,113**	**-10.7%**	**1,272,445**	**1,425,113**	**-10.7%**

The Company presented cash generation of R$301 million from operating activities, an increase of 18% compared to the same period of the previous year. The result was impacted, among other factors, by a net receipt of R$79 million related to a lawsuit filed against Eletrobrás for the recovery of interest and adjustment on a compulsory loan.

Regarding investment activities, R$24 million were consumed in 4Q21, resulting from additions to property, plant and equipment and intangible assets related to new product programs and projects, machining, safety and environment, and a R$60 million cash position receipt and other adjustments related to the acquisition of Teksid's iron foundry business in Brazil and Portugal.

Regarding financing activities, during 4Q21, there was a R$113 million consumption, resulting from the amortization of intercompany loans of the acquired units in Betim and Aveiro maintained with Teksid do Brasil and Teksid SpA respectively, totaling R$86 million and settled on the closing day of the operation as provided for in the agreement between the parties, as well as payment of interest on equity in the amount of R$20 million in November. Comparison base was affected by the amortization of bank loans totaling R$181 million in 4Q20, originating from the R$494 million funding realized in 1Q20, aiming to increase liquidity in face of the uncertain scenario caused by the COVID-19 pandemic.

The combination of these factors and the exchange rate variation on cash, in the amount of R$17 million, resulted in increase of R$181 million in cash and cash equivalents in the period. Therefore, we ended the fourth quarter of 2021 with a cash balance of R$1,272 million.

INDEBTEDNESS

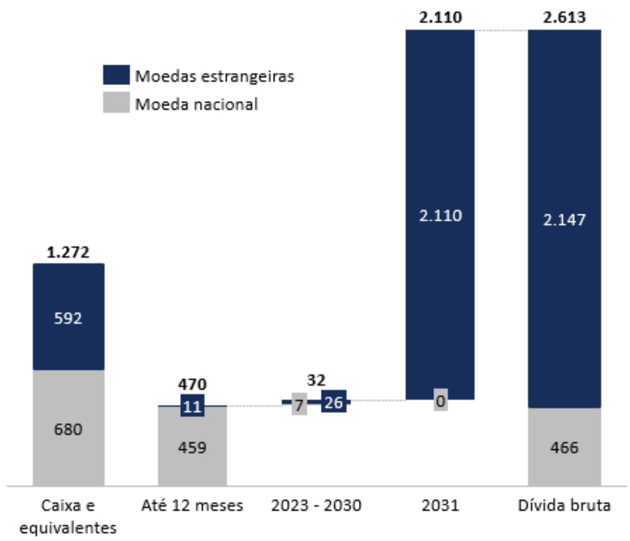
The Company ended the 4Q21 with net debt of R$1.3 billion and a net debt/LTM Adjusted EBITDA ratio of 1.53x.

Liabilities in foreign currency represented 82% of the total amount (0.5% short-term and 99.5% long-term debt), while 18% of total debt is denominated in R$ (98.5% short-term and 1.5% long-term debt). As for the Company's cash balance, 53% of the total amount is denominated in Brazilian reais and 47% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**4Q21**	**3Q21**	**2Q21**	**1Q21**	**4Q20**
Short term	508,889	39,370	177,684	164,680	403,629
Financing and loans	507,486	35,204	177,012	158,486	401,924
Derivative financial instruments	1,403	4,166	672	6,194	1,705
Long term	2,103,738	2,042,549	1,866,329	2,125,644	1,823,618
Gross debt	**2,612,627**	**2,081,919**	**2,044,013**	**2,290,324**	**2,227,247**
Cash and cash equivalents	1,272,445	1,091,723	1,265,877	1,382,887	1,425,113
Derivative financial instruments	678	241	5,978	129	1,236
Net debt	**1,339,504**	**989,955**	**772,158**	**907,308**	**800,898**
Gross debt/adjusted EBITDA	2.98x	2.42x	2.47x	3.58x	3.68x
Net debt/Adjusted EBITDA	**1.53x**	**1.15x**	**0.93x**	**1.42x**	**1.32x**

The short-term debt increase is due to the bank loan commitments of the newly acquired Betim operation, amounting to R$399 million.

The Company's debt profile is as follows:



All amounts in R$ million.

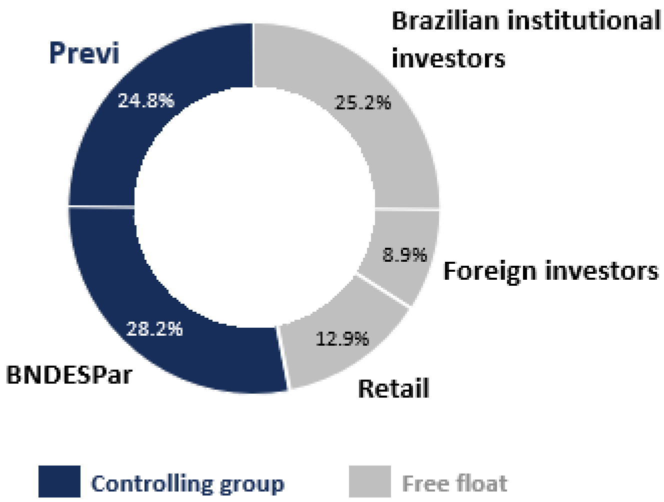
PAYMENT OF INTEREST ON EQUITY (IoE)

On January 17 the payment of interest on equity in the amount of R$22 million was made.

These amounts, combined with the R$20 million distributed in August and November 2021, total an IOE payment of R$62 million, for fiscal year 2021.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of December 31, 2021 was as follows:



Attachment I – Commercial vehicle production and sales in Brazil

	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Production						
Trucks						
Semi-light	517	195	165.1%	2,014	619	225.4%
Light	5.400	5,268	2.5%	24,429	14,728	65.9%
Mdium	1.478	1,533	-3.6%	7,390	4,280	72.7%
Semi-heavy	12,046	9,857	22.2%	46,172	27,212	69.7%
Heavy	21,067	16,008	31.6%	78,805	44,097	78.7%
Total trucks	**40,508**	**32,861**	**23.3%**	**158,810**	**90,936**	**74.6%**
Buses	4,316	4,521	-4.5%	18,881	18,405	2.6%
Commercial Vehicles	**44,824**	**37,382**	**19.9%**	**177,691**	**109,341**	**62.5%**
Sales						
Trucks						
Semi-light	303	344	-11.9%	1,128	981	15.0%
Light	3,336	2,830	17.9%	12,262	9,028	35.8%
Medium	3,033	2,393	26.7%	11,153	8,353	33.5%
Semi-heavy	8,659	7,340	18.0%	32,163	23,098	39.2%
Heavy	17,156	12,809	33.9%	66,118	44,282	49.3%
Total trucks	**32,487**	**25,716**	**26.3%**	**122,824**	**85,742**	**43.2%**
Buses	3,122	3,970	-21.4%	14,060	13,940	0.9%
Commercial Vehicles	**35,609**	**29,686**	**20.0%**	**136,884**	**99,682**	**37.3%**
Export						
Trucks						
Semi-light	162	155	4.5%	743	247	200.8%
Light	871	880	-1.0%	3,358	2,280	47.3%
Mdium	177	246	-28.0%	1,048	593	76.7%
Semi-heavy	1,638	1,134	44.4%	6,252	3,502	78.5%
Heavy	3,192	2,128	50.0%	11,298	6,621	70.6%
Total trucks	**6,040**	**4,543**	**33.0%**	**22,699**	**13,243**	**71.4%**
Buses	1,384	1,302	6.3%	4,234	4,119	2.8%
Commercial Vehicles	**7,424**	**5,845**	**27.0%**	**26,933**	**17,362**	**55.1%**

Source: ANFAVEA

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

	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
North America						
Production						
Passenger cars	633,368	939,403	-32.6%	3,364,513	3,463,479	-2.9%
Light commercial vehicles – Class 1-3	2,655,479	3,242,810	-18.1%	11,695,774	11,111,776	5.3%
% Light commercial vehicles	**80.7%**	**77.5%**	**3.2%**	**77.7%**	**76.2%**	**1.4%**
Light Duty – Class 4-5	24,842	21,880	13.5%	101,624	81,456	24.8%
Medium Duty – Class 6-7	33,211	27,554	20.5%	79,070	73,083	8.2%
Medium Duty – Class 8	74,341	60,186	23.5%	191,592	148,891	28.7%
Medium & Heavy Duty	**132,394**	**109,620**	**20.8%**	**372,286**	**303,430**	**22.7%**
United States						
Sales						
Passenger cars	645,909	897,516	-28.0%	2,634,226	3,247,237	-18.9%
Light commercial vehicles – Class 1-3	2,698,900	2,917,377	-7.5%	10,514,743	10,012,675	5.0%
% Light commercial vehicles	**80.7%**	**76.5%**	**4.2%**	**80.0%**	**75.5%**	**4.5%**
Light Duty – Class 4-5	37,046	37,892	-2.2%	373,828	343,711	8.8%
Medium Duty – Class 6-7	27,241	30,044	-9.3%	292,534	272,007	7.5%
Medium Duty – Class 8	58,273	58,007	0.5%	221,980	192,001	15.6%
Medium & Heavy Duty	**122,560**	**125,943**	**-2.7%**	**888,342**	**807,719**	**10.0%**
Europe						
Sales						
Passenger cars	2,173,642	2,881,486	-24.6%	9,700,192	9,939,418	-2.4%

Source: Automotive News; Bloomberg; ACEA

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

(Unidades)						
	4Q21	4Q20	Var. (%)	2021	2020	Var. (%)
Sales						
Americas						
United States and Canada	84,281	80,190	5.1%	358,756	322,526	11.2%
Europe						
United Kingdom	2,165	2,111	2.6%	12,017	10,380	15.8%

Source: ANFAVEA; Bloomberg; AEA; AXEMA