Quarterly Financial Report

March 31, 2021

Release
Financial Information
Explanatory Notes
Independent auditor´s report

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TUPY

1Q21 Highlights

Record first-quarter operating income and EBITDA and highest-ever net revenues

- **Physical sales volume:** year-on-year growth of 15%, reaching 127,000 tons, with strong performance in all segments and regions;

- **Revenues:** R$1,544 million, up 41% over 1Q20, due to higher volume, depreciation of the real and pass-through of material costs. The highest net revenues ever;

- **Operating income:** gross profit of R$240 million, a first-quarter record; The 15.5% gross margin was impacted by raw material costs that have not yet been passed through, two-week stoppages in Mexico, caused by the electricity and natural gas supply instability, higher absenteeism (COVID-19 health and safety protocol) and foreign exchange variation on foreign-currency costs;

- **EBITDA:** R$173 million, up 49%, with an 11.2% margin, 60 bps higher than in 1Q20. Adjusted EBITDA reached R$199 million in the quarter, a first-quarter record, reflecting several efficiency gain initiatives. The adjusted EBITDA margin was 12.9%, as the aforementioned impacts related to materials and stoppages had an effect of approximately 320 bps on the indicator;

- **Net income (loss):** a loss of R$15 million (versus a loss of R$208 million in 1Q20), as a result of non-recurring financial expenses of R$58 million related to the prepayment of debt due in 2024. In February, the Company issued a bond due in 2031 at 4.5% p.a., with an annual reduction of US$6 million in financial expenses over the next 10 years.

Earnings Conference Call

Date: April 29, 2021

Portuguese/English

11:00 a.m. (EST) / **12:00 p.m.** (BRT)

Dial in USA: +1 412 717-9627
Toll free USA: + 1 844 204-8942
Dial in Brazil: +55 11 3181-8565
Dial in Brazil: +55 11 4210-1803
Code: Tupy
Website: www.tupy.com.br/ir

Investor Relations

Thiago Fontoura Struminski
CFO

Hugo Zierth
IR Manager

Renan Oliveira
IR Analyst

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

MESSAGE FROM MANAGEMENT

In the first quarter of 2021, we continued the recovery trend seen in the second half of last year. This performance was due to our exposure to perennial sectors, which have benefitted from higher demand for infrastructure, commodities, transport and logistics services, as well as several government stimulus packages.

The physical sales volume grew 15% in 1Q21 compared to 1Q20. This upturn, added to the depreciation of the real, the pass-through of cost increases – still in progress – and a better product mix, helped Tupy reach record revenues of R$1,544 million in the quarter.

Nevertheless, the first months of the year were characterized by a significant increase in raw material costs, with the acceleration of the trend seen in the fourth quarter of 2020. Our contracts establish pass-through mechanisms, but the continuous rise in input prices and the lag for price increases impacted the margins for the period. The 1Q21 result was also severely affected by the temporary stoppage of our operations in Northern Mexico in February. The stoppage, caused by the electricity and natural gas supply instability due to a snowstorm in Texas, had an impact of approximately R$22 million on EBITDA in the period.

These effects were partially offset by efficiency gains of several projects implemented over the last few quarters, which allow for greater flexibility, process improvements and initiatives in the Procurement and Logistics areas, which are increasingly strategic for our business, recently integrated into a new vice-presidency. These initiatives and the substantial increase in revenues **helped the Company reach its highest first-quarter operating income and EBITDA.**

Caring for the part and the whole

The health of our employees and communities continues to be a priority for the Company. In our operations, the protocols are constantly controlled and reviewed by the medical staff. Some of these initiatives, such as time off for employees who have had contact with infected people, have had an impact on absenteeism rates, but have enabled us to maintain a low number of contaminated people.

In Brazil, in addition to maintaining the operation of our Screening and Testing Center, we have contributed to the health system by donating 60 oxygen cylinders, an extremely important input for COVID-19 treatment. In Mexico, in addition to encouraging the donation of blood and plasma in our plants, we also donated more than 3,000 items to support the firefighting efforts in Sierra de Arteaga, in Coahuila state. In addition to solidarity, these actions have in common the work of our employees, 'Tupy Transformers', a volunteer group for which we have deep respect and admiration.

Sustainable development is built in partnership

We have just published our first Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) guidelines and based on our materiality matrix, developed with inputs from more than 735 consultations with various stakeholders. We have thus defined key indicators aligned with the Company's environmental, social and governance (ESG) aspects.

In addition to giving visibility to the actions we conducted over the past year, the report serves as a management tool and will be published annually. Later this year, we will disclose our public commitments in order to contribute to global goals such as the Sustainable Development Goals (SDGs).

In the report, we highlight Tupy's positioning in circular economy and the importance of investing in technological knowledge in the pursuit of sustainable development. We believe in the strength of our Engineering team and the relationships fostered in the innovation ecosystem.

For example, we have recently signed a partnership agreement with the Polytechnic School of the University of São Paulo – USP, funding research into the application of hydrometallurgy for battery recycling. The expectation is that the results obtained will contribute to generate new business to the Company, according to the strategy of offering solutions to segments that could be benefit by our knowledge in complex metallurgy, considering our current portfolio. Besides entering a market with high growth potential, we reaffirm our commitment to promoting science and the circular economy, characteristics that have marked Tupy since its foundation.

We dedicate our technological knowledge to developing solutions that enable access to drinking water, sanitation, housing, health, energy and food, with a direct impact on a more dignified and longer life. However, we are aware that our role in this journey toward sustainable development goes beyond the sectors in which we operate, covering both our operations and the conditions in which our products are used.

At home or at work, #weareallTupy

MAIN INDICATORS

Consolidated (R$ thousand)

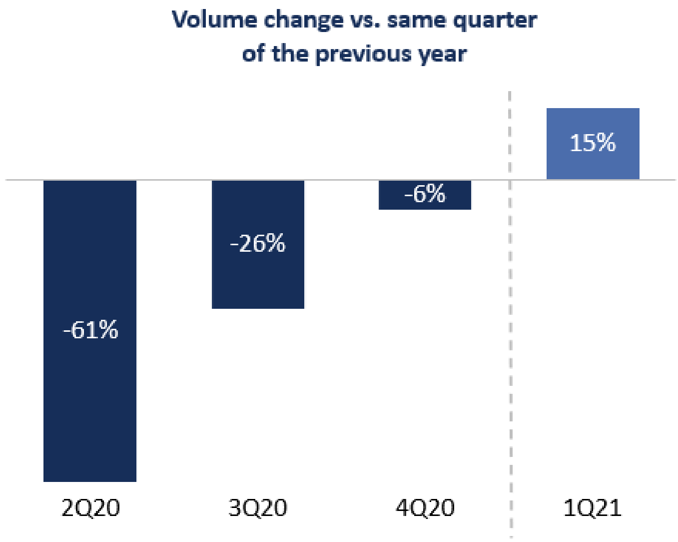
SUMMARY	1Q21	1Q20	Var. [%]
Revenues	**1,544,255**	**1,092,564**	**41.3%**
Cost of goods sold	(1,304,282)	(900,002)	44.9%
Gross Profit	**239,973**	**192,562**	**24.6%**
% of Revenues	*15.5%*	*17.6%*	
Operating expenses	(118,361)	(99,841)	18.5%
Other operating expenses	(41,327)	(27,326)	51.2%
Operating Income	**80,285**	**65,395**	**22.8%**
Impairment	-	(34,400)	-
Income before Financial Results	**80,285**	**30,995**	**159.0%**
% of Revenues	*5.2%*	*2.8%*	
Net financial income (loss)*	(58,708)	(218,491)	-73.1%
Income (Loss) before Tax Effects	**21,577**	**(187,496)**	**-**
% of Revenues	*1.4%*	*-*	
Income tax and social contribution	(36,483)	(20,021)	-
Net Income*	**(14,906)**	**(207,517)**	**-92.8%**
% of Revenues	*-*	*-*	
EBITDA (CVM Instruction 527/12)	**172,632**	**115,931**	**48.9%**
% of Revenues	*11.2%*	*10.6%*	
Adjusted EBITDA	**199,061**	**164,567**	**21.0%**
% of Revenues	*12.9%*	*15.1%*	
Average exchange rate (R$/US$)	5.48	4.47	23.0%
Average exchange rate (R$/€)	6.60	4.92	34.1%

* The 1Q21 results was impacted by premium on early settlement and pro-rata interest of the Senior Notes due 2024, in the amount of R$ 58 million

SALES VOLUME

Consolidated (metric tons)	1Q21	1Q20	Var. [%]
Domestic Market	**25,484**	**19,965**	**27.6%**
Transportation, Infrastructure and Agriculture	22,038	17,495	26.0%
Hydraulics	3,447	2,470	39.5%
Foreign Market	**101,882**	**91,177**	**11.7%**
Transportation, Infrastructure and Agriculture	98,718	89,171	10.7%
Hydraulics	3,164	2,005	57.8%
Total Sales Volume	**127,366**	**111,141**	**14.6%**

Volume continues the path of gradual recovery, which has been observed since June 2020, with year-on-year growth of 15% in 1Q21, led by the recovery of applications for commercial and off-road vehicles.

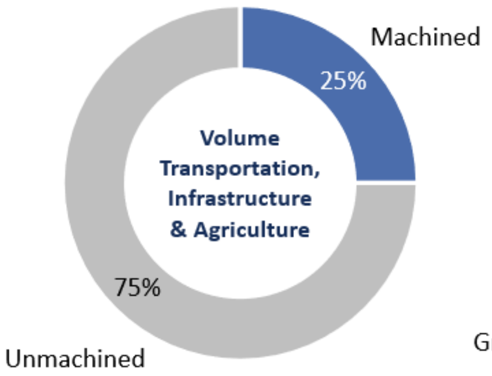


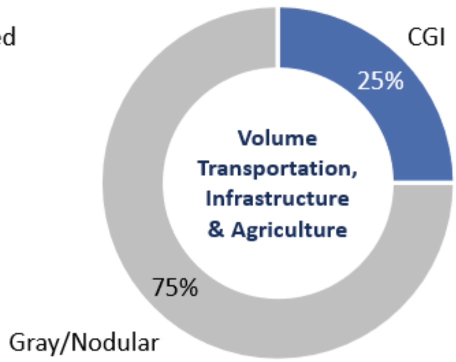
Compared to 1Q20, the result for the period was mainly impacted by the following factors:

- An increase of 26% in domestic sales to the Transportation, Infrastructure and Agriculture segments due to market recovery and the increase in indirect exports;
- In the foreign market, an increase of 11% in sales to the Transportation, Infrastructure and Agriculture segments due to positive market performance and inventory replenishment, especially in applications for off-road and medium and heavy commercial vehicles;
- In the Hydraulic segment, we recorded an increase of 40% and 58%, in the domestic and foreign markets, respectively, reflecting the economic recovery and pent-up demand.

Share of CGI (Compacted Graphite Iron) and machining:

Partially or fully machined goods accounted for **25%** of the portfolio of the Transportation, Infrastructure and Agriculture segment, **in line with the same period last year.** The distribution of goods by type of material shows that CGI goods accounted for **25% of sales volume (vs. 23% in 1Q20).**





REVENUES

Compared to the same period in 2020, revenues increased 41%, with **revenue/kilo rising 23% over 1Q20**.

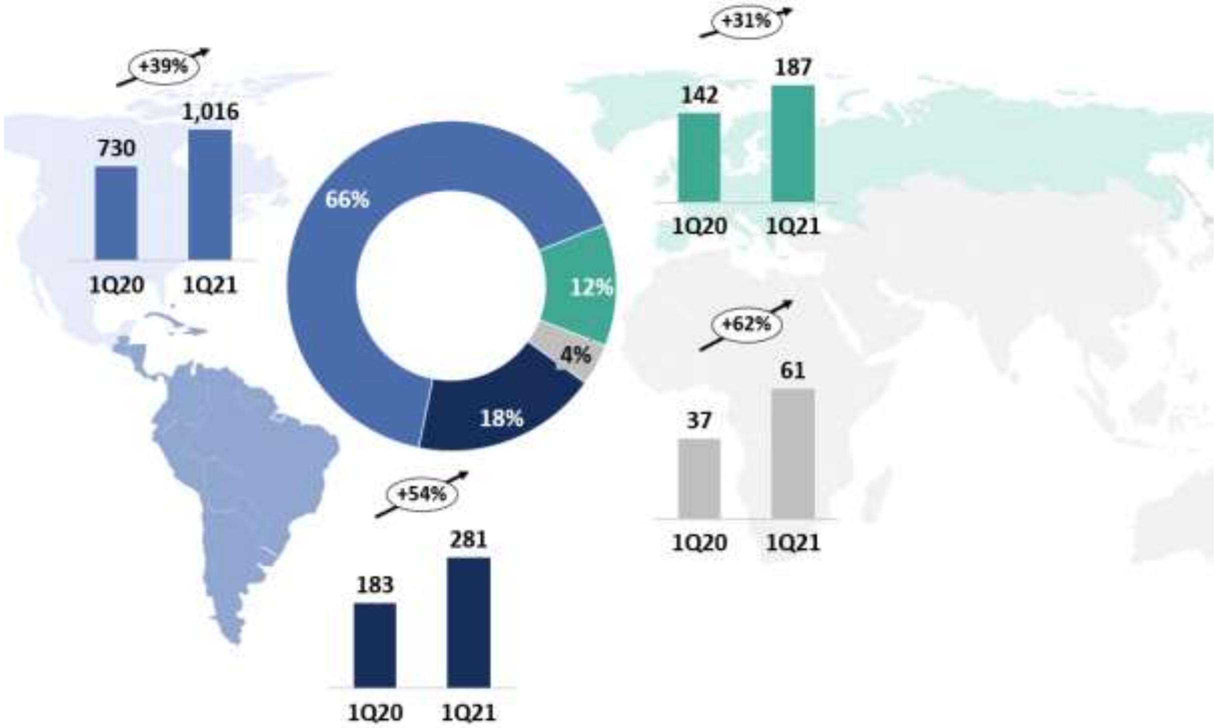
Consolidated (R$ thousand)

	1Q21	1Q20	Var.[%]
Revenues	**1,544,255**	**1,092,564**	**41.3%**
Domestic market	272,248	174,405	56.1%
Share (%)	*17.6%*	*16.0%*	
Foreign market	1,272,007	918,159	38.5%
Share (%)	*82.4%*	*84.0%*	
Revenues by segment	**1,544,255**	**1,092,564**	**41.3%**
Transportation, Infrastructure and Agriculture	1,477,321	1,048,185	40.9%
Share (%)	*95.7%*	*95.9%*	
Hydraulics	66,934	44,379	50.8%
Share (%)	*4.3%*	*4.1%*	

Revenues by market and performance in the period

In 1Q21, 66% of revenues originated in North America. South and Central America accounted for 18% and Europe for 12% of the total. The remaining 4% 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 this region meets the global demand for commercial vehicles, machinery and equipment.



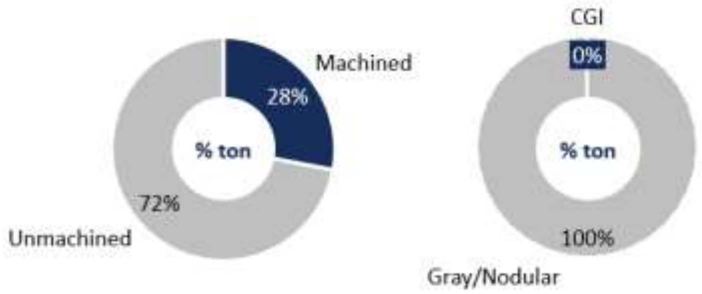
Consolidated (R$ thousand)	1Q21	1Q20	Var. [%]
Revenues	**1,544,255**	**1,092,564**	**41.3%**
Domestic Market	**272,248**	**174,405**	**56.1%**
Transportation, Infrastructure and Agriculture	**234,787**	**149,406**	**57.1%**
Passenger cars	33,493	35,764	-6.4%
Commercial vehicles	156,103	91,240	71.1%
Off-road	45,191	22,402	101.7%
Hydraulics	**37,461**	**24,999**	**49.8%**
Foreign Market	**1,272,007**	**918,159**	**38.5%**
Transportation, Infrastructure and Agriculture	**1,242,534**	**898,779**	**38.2%**
Passenger cars	63,070	45,941	37.3%
Light commercial vehicles	536,678	427,190	25.6%
Medium and heavy commercial vehicles	308,087	194,065	58.8%
Off-road	334,700	231,583	44.5%
Hydraulics	**29,473**	**19,380**	**52.1%**

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

DOMESTIC MARKET (DM)

Passenger cars

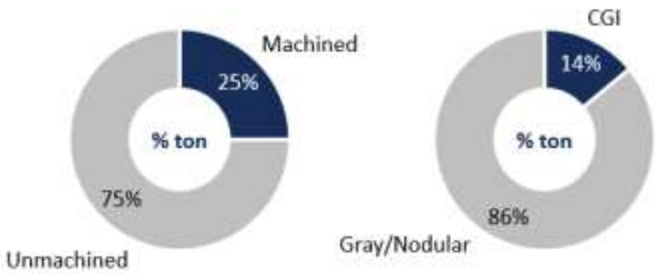
Δ % Revenues	% Revenues	% Revenues DM
6% ▼	2%	12%



Revenues from sales of this application fell 6% year on year in 1Q21, reflecting the market performance and the phase out of certain products.

Commercial vehicles

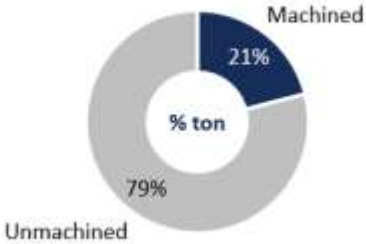
Δ % Revenues	% Revenues	% Revenues DM
71% ▲	10%	57%

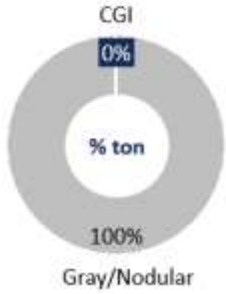


Revenues from commercial vehicle applications increased 71% year on year, due to higher demand in the domestic market and indirect exports.

Off-road

Δ % Revenues	% Revenues	% Revenues DM
102% ▲	3%	17%

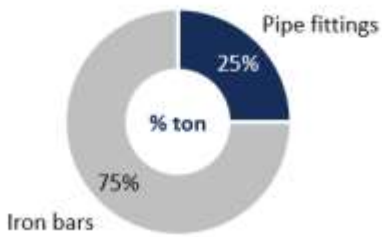




Tupy's revenues from off-road machinery and vehicles sales increased 102% in 1Q21, mainly due to indirect export opportunities, the ramp up of one of our products and currency depreciation since some of our contracts are denominated in foreign currency, in addition to the positive performance of the domestic market.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
50% ▲	2%	14%



During the first quarter of 2021, revenues from sale in the Hydraulics segment rose 50% over 1Q20, fueled by the recovery in demand, reflecting a 40% increase in physical sales volume and a better product mix.

FOREIGN MARKET (FM)

Passenger cars

Revenues from products for passenger cars increased 37% over 1Q20, mainly impacted by the positive market performance and stock replenishment, in addition to currency depreciation.

Light commercial vehicles

Similar to previous quarters, pick-ups and SUVs accounted for a large share of sales in the "light vehicles" category in the USA (78% vs 74% in 1Q20), reflecting the recovery of sectors of the economy that use these applications, especially the heaviest applications, such as residential construction and agribusiness.

The year-on-year comparison was also affected by currency depreciation, in addition to the product phase out.

Medium and heavy commercial vehicles

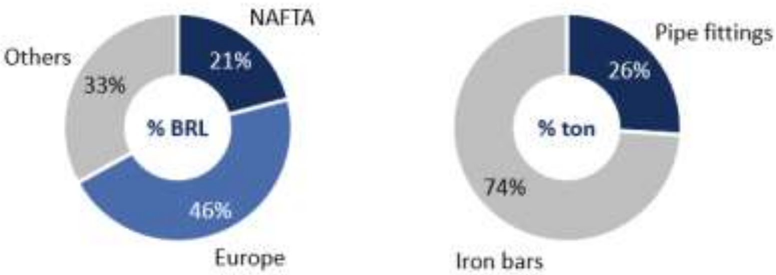
The 59% increase in sales in 1Q21 was mainly due to the global market recovery for this segment, as well as inventory replenishment and currency depreciation.

Off-road

Revenues from the off-road segment increased 45% year on year in 1Q21, thanks to the global recovery and the performance of important segments, such as agriculture and infrastructure, in addition to the impact of currency depreciation.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
52% ▲	2%	2%



During the first quarter of 2021, net revenues from the Hydraulics segment increased 52%, due to pent-up demand of customers in Europe and North America, a better product mix and the depreciation of the real.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) totaled R$1,304 million in 1Q21, up 45% over 1Q20.

This quarter was characterized by a significant increase in raw material costs over both 4Q20 and 1Q20, with an upturn of more than 80% in the last 12 months in some cases. According to the Material Fact published in February, the period was also affected by stoppages that affected our Mexican operations for about two weeks, due to problems in the supply of electricity and gas, with an impact on labor and energy costs, as well as lower dilution of fixed costs, totaling R$17 million.

These factors were partially mitigated by several initiatives implemented by the Procurement department, including the development of new suppliers in Brazil and abroad, and projects carried out by the new management team in recent quarters that led to operational efficiency gains, such as transfer of production to more efficient production lines; use of mathematical models to optimize material use and costs and reduce waste; stoppage of less efficient equipment; and renegotiation of supply and service contracts, among others.

Despite the stoppages, material inflation and other costs arising from the depreciation of the real, **gross profit totaled R$240 million, a first-quarter record for the Company.**

	Consolidated (R$ thousand)		
	1Q21	**1Q20**	**Var. [%]**
Revenues	**1,544,255**	**1,092,564**	**41.3%**
Cost of goods sold	**(1,304,282)**	**(900,002)**	**44.9%**
Raw material	(763,166)	(428,350)	78.2%
Labor, profit sharing and social benefits	(278,656)	(237,531)	17.3%
Maintenance materials and third parties	(88,482)	(94,040)	-5.9%
Energy	(73,714)	(57,515)	28.2%
Depreciation	(74,327)	(68,744)	8.1%
Other	(25,937)	(13,822)	87.7%
Gross profit	**239,973**	**192,562**	**24.6%**
% of Revenues	*15.5%*	*17.6%*	
Operating Expenses	**(118,361)**	**(99,841)**	**18.5%**
% of Revenues	*7.7%*	*9.1%*	

- Raw material costs increased 78% due to higher production volume, material inflation in the period and the effect of currency depreciation on inputs used in our Mexican operations, as well as the indirect effect of exchange rate on materials consumed in Brazil. 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 17%, mainly driven by an increase in headcount and overtime, as a result of higher production volume and higher absenteeism, due to protocols adopted by the Company to fight the pandemic, as well as the negotiation of the annual pay rise date in the year-on-year comparison and currency depreciation;

- Maintenance and third-party services fell 6%. The impact of inflation and currency depreciation in the period was mitigated by a decline in third-party services and contract renegotiations, as well as revenues from the sale of by-products (cost reducer);

- Energy costs climbed 28%, fueled by higher production volume and an increase in distribution and generation tariffs in the year-on-year comparison, as well as the exchange rate variation since part of the energy contracts in Mexico are denominated in U.S. dollars.

- Depreciation costs increased 8%, mainly due to the effects of currency depreciation on foreign assets;

- Other costs rose R$12 million. The comparison base was affected by the receipt of residual amounts totaling R$9 million from the *Reintegra* benefit in 1Q20.

Operating expenses, including selling and administrative expenses, reached R$118 million, up 19% year on year due to higher use of freight (driven by higher sales and production flexibilization), currency depreciation and negotiation of the annual pay rise date.

OTHER OPERATING INCOME (EXPENSES)

Other net operating expenses reached R$41 million in 1Q21, up 51% over R$27 million in 1Q20.

	Consolidated (R$ thousand)		
	1Q21	1Q20	Var. [%]
Depreciation of non-operating assets	(158)	(168)	-6.0%
Amortization of intangible assets	(14,740)	(12,922)	14.1%
Other	(26,429)	(14,236)	85.6%
Other net operating expenses	**(41,327)**	**(27,326)**	**51.2%**
Impairment of intangible assets	-	(34,400)	-
Total impairment adjustments	**-**	**(34,400)**	**-**

Expenses related to the amortization of intangible assets increased 14%, due to the appreciation of the real against the U.S. dollar in the period.

The "Others" account comprises (i) expenses amounting to R$ 19 million related to the sale of unusable assets and other costs (R$8 million in 1Q20, with the increase being due to expenses related to the acquisition of Teksid's iron casting business), (iii) constitution and update of provisions totaling R$7 million (R$3 million in 1Q20) and (iv) write-offs of property, plant and equipment items in the amount of R$ 1 million (R$3 million in 1Q20).

NET FINANCIAL INCOME (LOSS)

In 1Q21, the Company recorded a net financial loss of R$59 million, versus a loss of R$218 million in 1Q20.

	Consolidated (R$ thousand)		
	1Q21	1Q20	Var. [%]
Financial expenses	(92,838)	(91,715)	1.2%
Financial income	3,939	12,071	-67.4%
Net monetary and exchange rate variations	30,191	(138,847)	-
Net financial income (loss)	**(58,708)**	**(218,491)**	**-73.1%**

Financial expenses were impacted by the depreciation of the real against the U.S. dollar in the period (average exchange rate of R$5.48 in 1Q21 versus R$4.46 in 1Q20), which affected interest on borrowings denominated in U.S. dollars, as well as the recognition of interest on bank debt taken out in 1Q20. These factors, added to the premium on early settlement and pro-rata interest of the Senior Notes due 2024, in the amount of R$58 million, totaled expenses of R$86 million in the period. The restatement of the derivative instrument used to adjust receivables from Eletrobras to present value (non-cash effect) accounted for R$3 million in expenses. Other financial expenses totaled R$4 million in the quarter.

In February, the Company concluded the issue of international debt securities totaling US$375 million, at a coupon of 4.5% p.a. and amortization in 2031. **In addition to extending the Company's debt, the operation will result in an annual reduction of US$6 million in financial expenses (cash effect) for 10 years.**

Financial income reached R$4 million in the period, arising from financial investments in reais and restatement of tax credits. The result was mainly impacted by the decline in the interest rates earned on our financial investments in reais.

Income from net monetary and exchange variations totaled R$30 million due to (i) a positive variation of R$36 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$5 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 loss of R$15 million, compared to a net loss of R$208 million in 1Q20. The result was impacted by non-recurring financial expenses totaling R$58 million related to the premium on early settlement and pro-rata interest of the Senior Notes due 2024.

	Consolidated (R$ thousand)		
	1Q21	1Q20	Var. [%]
Income (loss) before tax effects	**21,577**	**(187,496)**	**-**
Tax effects before foreign exchange impacts	(25,765)	50,059	-
Income (loss) before exchange rate effects on the tax base	**(4,188)**	**(137,437)**	**-**
Exchange rate effects on the tax base	(10,718)	(70,080)	-
Net Income	**(14,906)**	**(207,517)**	**-**
% of Revenues	*-1.0%*	*-19.0%*	

The tax base 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 tax bases and, consequently, exchange rate effects are recognized in deferred income tax revenues and/or expenses. In 1Q21, the Company recorded a non-cash expense of R$11 million.

EBITDA

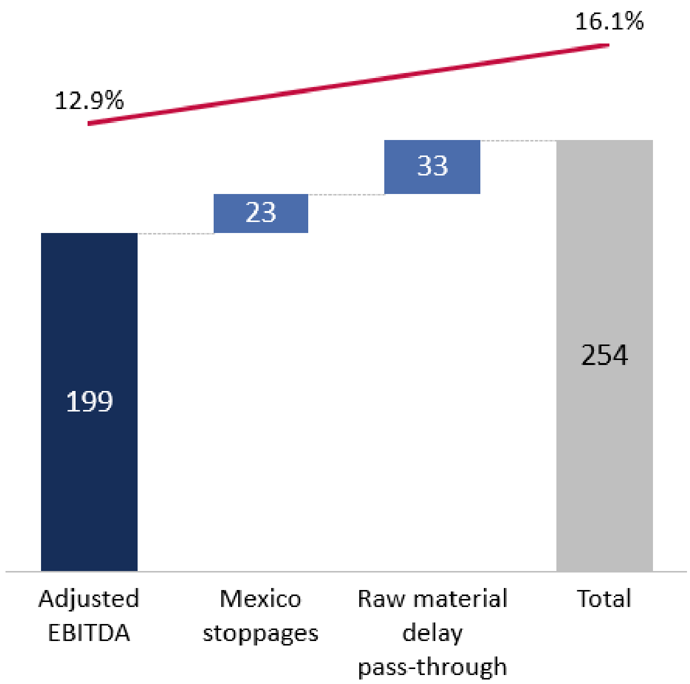
The combination of the aforementioned factors resulted in EBITDA of R$173 million, a 49% increase over the same period of the previous year. Adjusted EBITDA for the effect of the constitution/update of provisions, write-off of property, plant and equipment items, and sale of unserviceable assets reached R$199 million, **the highest figures for a first quarter in the Company's history.**

	Consolidated (R$ thousand)		
RECONCILIATION OF NET INCOME TO EBITDA	**1Q21**	**1Q20**	**Var. [%]**
Net Income (Loss) for the Period	**(14,906)**	**(207,517)**	**-92.8%**
(+) Net financial income (loss)	58,708	218,491	-73.1%
(+) Income tax and social contribution	36,483	20,021	82.2%
(+) Depreciation and amortization	92,347	84,936	8.7%
EBITDA (CVM Instruction 527/12)	**172,632**	**115,931**	**48.9%**
% of Revenues	*11.2%*	*10.6%*	
(+) Other net operating expenses*	26,429	14,236	85.6%
(–) Impairment	-	(34,400)	-
Adjusted EBITDA	**199,061**	**164,567**	**21.0%**
% of Revenues	*12.9%*	*15.1%*	

The adjustments made to EBITDA aim to offset the effect of items that present less correlation with the Company's business, are non-recurring or have a non-cash effect. These expenses totaled R$ 26 million in 1Q21 and comprise (i) R$ 19 million in expenses related to the sale of unusable assets and other costs, (iii) R$7 million in constitution and update of provisions and (iii) R$ 1 million in write-offs of property, plant and equipment items.

The margins for the period were impacted by a significant increase in raw material costs, with acceleration of the trend seen in the fourth quarter of 2020. Our contracts establish pass-through mechanisms, but the continuous rise in input prices and the necessary terms for price increases impacted the margins for the period. The 1Q21 result was also affected by the temporary stoppage of our operations in northern Mexico in February. The stoppage, caused by the electricity and natural gas supply instability resulting from a snowstorm in Texas, affected operations for around two weeks.

The following chart shows the effect of the stoppages (costs and volume loss) and the delay in the pass-through of material costs on adjusted EBITDA for the period (amount in R$ million and margin in relation to net revenues).



INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R$32 million in 1Q21, versus R$38 million in 1Q20.

Consolidated (R$ thousand)	1Q21	1Q20	Var. [%]
Property, Plant and Equipment			
Strategic investments	15,582	7,087	119.9%
Maintenance and modernization	8,458	26,623	-68.2%
Environment	3,758	1,174	220.1%
Interest and financial charges	396	435	-9.0%
Intangible Assets			
Software	2,807	1,483	89.3%
Projects under development	815	966	-15.6%
Total	**31,816**	**37,768**	**-15.8%**
% of Revenues	*2.1%*	*3.5%*	

In the period, the Company invested in new programs and machining projects, in addition to initiatives related to safety and the environment.

WORKING CAPITAL

	1Q21	4Q20	3Q20	2Q20	1Q20
Balance sheet					
Accounts receivable	991,661	683,404	836,020	547,149	796,215
Inventories	746,272	754,486	725,452	765,179	825,971
Accounts payable	777,710	616,194	538,689	343,151	645,820
Sales outstanding [days]	77	59	74	47	58
Inventories [days]	68	77	76	77	73
Payables outstanding [days]	72	62	57	35	55
Cash conversion cycle [days]	**73**	**74**	**93**	**89**	**76**

The one-day reduction in working capital observed in the period in relation to the previous quarter (4Q20) was mainly due to the increase in accounts payable and the reduction in inventories during the quarter. The main lines presented the following variations:

- An increase of R$308 million in the accounts receivable line, equivalent to 18 days of sales, due to seasonality and higher sales volume in March 2021 compared to December 2020. The increase in the average sales outstanding was also impacted by the 10% currency depreciation (the US$/R$ exchange rate was R$5.20 in 4Q20 vs. R$5.70 in 1Q21) in the conversion of accounts receivable in foreign currency, which represented around 86% of the total at the end of March;

- A decrease of R$8 million in inventories, with a 9-day reduction in relation to the cost of goods sold. The Company maintains its strategy of production flexibility at plants in order to increase operational efficiency. Throughout the pandemic, inventory levels increased in order to mitigate any risks related to shortages in customer supply due to their importance in the supply chain, a situation that is expected to normalize throughout 2021. The exchange rate variation also impacted inventories in foreign currency, which corresponded to 59% of the total in 1Q21;

- An increase of R$162 million in accounts payable, corresponding to a 10-day increase over the previous quarter, mainly due to the production increase and the consequent upturn in raw material purchase volume in the period. This line was also impacted by higher input prices and the effect of the depreciation of the real on accounts payable in foreign currency, which represented around 52% of the total at the end of March.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	1Q21	1Q20	Var.[%]
Cash and cash equivalents at the beginning of the period	**1,425,113**	**840,030**	**69.7%**
Cash from operating activities	9,112	(34,296)	-
Cash used in investing activities	(39.676)	(41,906)	-5.3%
Cash used in financing activities	(121,773)	486,454	-
Effect of the exchange rate on cash for the period	110,071	114,693	-4.0%
Increase (decrease) in cash and cash equivalents	**(42,226)**	**524,945**	**-**
Cash and cash equivalents at the end of period	**1,382,887**	**1,364,975**	**1.3%**

The Company generated R$ 9 million in cash from operating activities, versus a cash consumption of R$34 million in 1Q20, mainly due to lower working capital variation. Due to sales seasonality, the first quarter usually presents lower operational cash generation, and the amount recorded in 2021 was the highest for the period in the last five years.

Investment activities consumed R$ 40 million in 1Q21, a 5% increase over the same period of the previous year.

In terms of financing activities, we recorded a consumption of R$122 million in 1Q21, versus generation of R$486 million in 1Q20, impacted by bank loans taken out in the amount of R$494 million to increase liquidity given the scenario of uncertainty regarding the recovery of the global economy. The result for the period was mainly impacted by the issue of debt securities in the international market in the amount of US$375 million, used to pay Senior Unsecured Notes totaling US$350 million issued in 2014. The Company also amortized R$195 million in bank loans.

The combination of these factors and the exchange rate variation on cash, in the amount of R$110 million, resulted in a decrease of R$42 million in cash and cash equivalents in the period. Therefore, we ended the first quarter of 2021 with a cash balance of R$1,383 million. This amount represents up 1% over 1Q20, with the annual comparison being affected by the amortization of loans in the amount of R$374 million in the last 12 months, related to loans contracted in March 2020.

DEBT

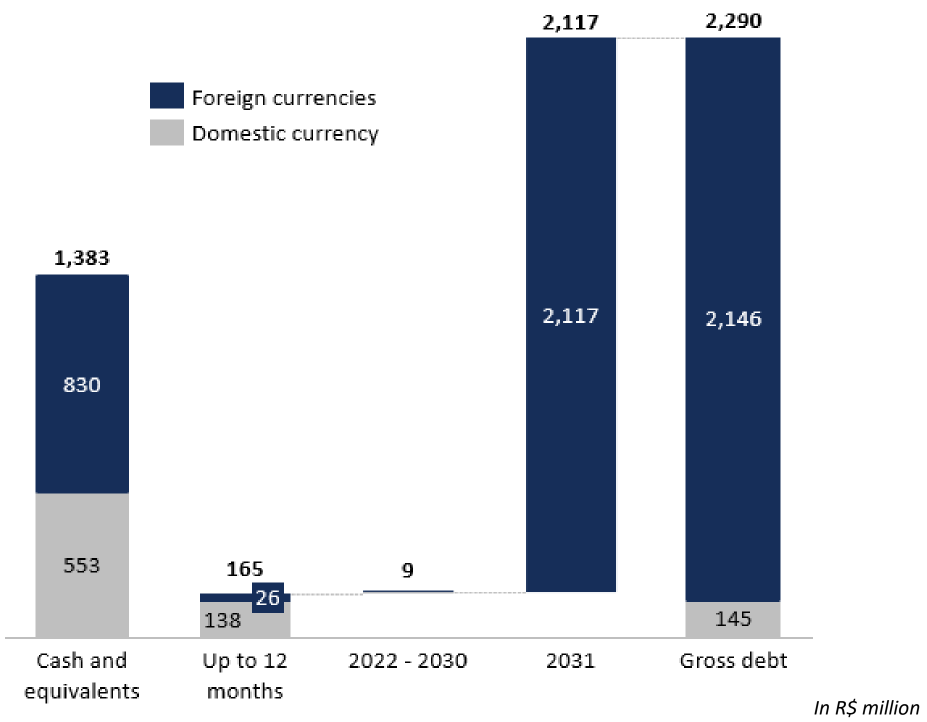
The Company closed 1Q21 with net debt of R$907 million and a net debt/LTM adjusted EBITDA ratio of 1.4x.

Foreign currency liabilities represented 94% of the total (1% short-term and 99% long-term debt), while 6% of the debt is denominated in Brazilian reais (96% short-term and 4% long-term debt). As for the cash balance, 40% is denominated in Brazilian reais and 60% in foreign currency.

In February, the Company concluded the issue, through its subsidiary Tupy Overseas S.A., backed by the Parent Company, of international debt securities totaling US$375 million (R$2,018 million), with a one-time amortization in February 2031. The interest, at a coupon of 4.5% p.a., is paid on a semi-annual basis in February and August. The proceeds from the issue were used to pay US$350 million in Senior Unsecured Notes issued by the subsidiary Tupy Overseas in 2014, due in 2024 at 6.625%.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**1Q21**	**4Q20**	**3Q20**	**2Q20**	**1Q20**
Short-term	164,680	403,629	623,190	621,013	651,268
Financing and loans	158,486	401,924	550,665	456,928	420,833
Financial instruments and derivatives	6,194	1,705	72,525	164,085	230,435
Long-term	2,125,644	1,823,618	1,980,553	2,043,544	1,948,534
Gross debt	**2,290,324**	**2,227,247**	**2,603,743**	**2,664,557**	**2,599,802**
Cash and cash equivalents	1,382,887	1,425,113	1,433,715	1,281,999	1,364,975
Financial instruments and derivatives	129	1,236	-	-	-
Net debt	**907,308**	**800,898**	**1,170,028**	**1,382,558**	**1,234,827**
Gross debt/adjusted EBITDA	3.58x	3.68x	4.55x	5.11x	3.57x
Net debt/Adjusted EBITDA	**1.42x**	**1.32x**	**2.05x**	**2.65x**	**1.70x**

The Company's debt profile is as follows:



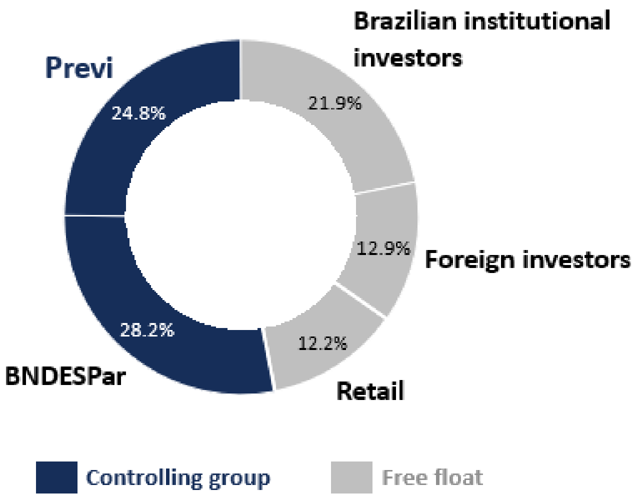
TEKSID ACQUISITION

On April 14, 2021, the Brazilian Antitrust Authority (Conselho Administrativo de Defesa Econômica – CADE) approved the acquisition of the iron casting business of Teksid S.p.A. by the Company.

The approval of the transaction was subject to the formalization of a Concentration Control Agreement to be signed by the parties to address competitive concerns identified by CADE, and the completion of the transaction is pending approval by U.S. and Mexican authorities.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of March 31, 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 March 31, 2021.

Attachment I – Commercial vehicle production and sales in Brazil

	(Units)		
	1Q21	1Q20	Var. (%)
Production			
Trucks			
Semi-light	324	243	33,3%
Light	5,491	4,080	34.6%
Medium	1,634	938	74.2%
Semi-heavy	9,680	6,450	50.1%
Heavy	15,953	12,995	22.8%
Total trucks	**33,082**	**24,706**	**33.9%**
Buses	5,176	5,974	-13.4%
Commercial vehicles	**38,258**	**30,680**	**24.7%**
Sales			
Trucks			
Semi-light	1,580	1,043	51.5%
Light	2,517	2,205	14.1%
Medium	2,246	1,787	25.7%
Semi-heavy	6,578	4,905	34.1%
Heavy	13,156	10,195	29.0%
Total trucks	**26,077**	**20,135**	**29.5%**
Buses	3,331	3,661	-9.0%
Commercial vehicles	**29,408**	**23,796**	**23.6%**
Exports			
Trucks			
Semi-light	123	17	623.5%
Light	915	402	127.6%
Medium	346	187	85.0%
Semi-heavy	1,585	745	112.8%
Heavy	2,307	1,408	63.8%
Total trucks	**5,276**	**2,759**	**91.2%**
Buses	845	1,009	-16.3%
Commercial vehicles	**6,121**	**3,768**	**62.4%**

Source: ANFAVEA

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

	(Units)		
	1Q21	1Q20	Var. (%)
North America			
Production			
Passenger cars	752,203	1,033,884	-27.2%
Light commercial vehicles – Class 1-3	2,876,231	2,834,804	1.5%
Heavy Duty – Class 8	65,305	60,650	7.7%
Medium & Heavy Duty[1]	**98,790**	**113,554**	**-13.0%**
United States			
Sales			
Passenger cars	886,724	922,853	-3.9%
Light commercial vehicles – Class 1-3	3,037,022	2,589,931	17.3%
% Light commercial vehicles	**77.4%**	**73.7%**	**+3.7p.p.**
Light Duty – Class 4-5	32,850	30,047	9.3%
Medium Duty – Class 6-7	29,792	25,946	14.8%
Heavy Duty – Class 8	54,255	47,616	13.9%
Medium & Heavy Duty[1]	**116,897**	**103,609**	**12.8%**
Europe			
Sales			
Passenger cars	2,560,330	2,480,186	3.2%

Source: Automotive News; Bloomberg; ACEA

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

	(Units)		
	1Q21	1Q20	Var. (%)
Sales			
Americas			
United States and Canada	70,091	45,905	52.7%
Europe			
Germany	14,712	10,540	39.6%
United Kingdom	3,259	2,893	12.7%

Source: ANFAVEA; Bloomberg; AEM

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TUPY S.A. AND SUBSIDIARIES

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

A S S E T S

		Parent company		Consolidated	
	Note	3/31/21	12/31/20	3/31/21	12/31/20
CURRENT ASSETS					
Cash and cash equivalents	3	631,946	832,175	1,382,887	1,425,113
Derivative financial instruments	27	7	1,103	129	1,236
Trade account receivables	4	583,839	499,141	991,661	683,404
Inventories	5	305,418	262,446	746,272	754,486
Tooling	6	51,813	43,973	197,574	183,146
Income tax and social contribution recoverable	7	51,818	50,332	110,919	94,171
Other taxes recoverable	8	47,649	44,978	112,227	132,267
Other assets		47,001	46,024	63,206	55,999
Total current assets		1,719,491	1,780,172	3,604,875	3,329,822
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	7	75,919	76,636	75,919	76,636
Other taxes recoverable	8	219,047	231,247	219,047	231,247
Deferred income tax and social contribution	9	359,453	316,080	483,903	428,733
Credits - Eletrobrás	11	78,364	81,446	78,364	81,446
Judicial deposits and other		47,708	47,738	48,794	48,824
Investments in equity instruments		2,211	2,350	12,504	11,645
Investments properties		-	-	6,363	6,363
Investments	12	2,459,029	2,307,818	-	-
Property, plant and equipment	13	604,536	621,083	1,786,787	1,726,857
Intangible assets	14	53,442	52,890	164,548	171,746
Total non-current assets		3,899,709	3,737,288	2,876,229	2,783,497
Total assets		5,619,200	5,517,460	6,481,104	6,113,319

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEETS AT MARCH 31, 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	3/31/21	12/31/20	3/31/21	12/31/20
CURRENT LIABILITIES					
Trade accounts payables	15	413,789	336,604	777,710	616,194
Loans and financing	16	166,495	397,495	158,486	401,924
Derivative financial instruments	27	5,175	1,468	6,194	1,705
Income taxes payable		-	-	35,652	2,403
Other taxes payable		838	2,254	46,437	40,559
Salaries, social security charges and profit sharing		129,524	116,778	180,787	159,924
Advances from customers		30,770	27,366	173,928	169,689
Related parties	10	2,862	3,008	-	-
Dividends and interest on shareholders' equity		135	135	135	135
Provision for tax, civil, social security and labor proceedings	17	33,321	37,016	33,321	37,016
Other liabilities		65,234	66,534	89,883	84,509
Total current liabilities		848,143	988,658	1,502,533	1,514,058
NON-CURRENT LIABILITIES					
Loans and financing	16	1,994,697	1,821,422	2,125,644	1,823,618
Provision for tax, civil, social security and labor proceedings	17	151,586	149,451	154,903	151,818
Retirement benefit obligations		-	-	72,786	65,446
Other long term liabilities		4,352	4,472	4,816	4,922
Total non-current liabilities		2,150,635	1,975,345	2,358,149	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		5,745	5,245	5,745	5,245
Treasury shares		(150)	(374)	(150)	(374)
Carrying value adjustments	12b	929,192	849,634	929,192	849,634
Income reserves		645,192	645,192	645,192	645,192
Retained earnings		(13,317)	-	(13,317)	-
Total equity		2,620,422	2,553,457	2,620,422	2,553,457
Total liabilities and equity		5,619,200	5,517,460	6,481,104	6,113,319

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
QUARTERS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		1/1/21	1/1/20	1/1/21	1/1/20
	Note	3/31/21	3/31/20	3/31/21	3/31/20
NET REVENUE	19	811,623	597,064	1,544,255	1,092,564
Cost of products sold	20	(660,871)	(484,247)	(1,304,282)	(900,002)
GROSS (LOSS) PROFIT		150,752	112,817	239,973	192,562
Selling expenses	20	(30,264)	(25,252)	(59,496)	(51,014)
Administrative expenses	20	(37,914)	(32,198)	(54,631)	(45,437)
Management fees	10	(4,234)	(3,390)	(4,234)	(3,390)
Other operating expenses, net	22	(26,761)	(13,834)	(41,327)	(27,326)
Share of results of subsidiaries	12	(45,336)	(139,935)	-	-
PROFIT BEFORE IMPAIRMENTS		6,243	(101,792)	80,285	65,395
Impairment	22	-	-	-	(34,400)
PROFIT BEFORE FINANCE RESULTS AND INCOME TAXES		6,243	(101,792)	80,285	30,995
Finance costs	21	(41,731)	(89,683)	(92,838)	(91,715)
Finance income	21	4,123	10,721	3,939	12,071
Monetary and foreign exchange variations, net	21	32,533	(65,781)	30,191	(138,847)
PROFIT BEFORE INCOME TAXES		1,168	(246,535)	21,577	(187,496)
Income tax and social contribution	23	(16,074)	39,018	(36,483)	(20,021)
NET INCOME (LOSS) FOR THE QUARTER		(14,906)	(207,517)	(14,906)	(207,517)
EARNINGS PER SHARE					
Basic earnings (loss) per share	24	(0.10339)	(1.43997)	(0.10339)	(1.43997)
Diluted earnings (loss) per share	24	(0.10294)	(1.43433)	(0.10294)	(1.43433)

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
		1/1/21 3/31/21	1/1/20 3/31/20	1/1/21 3/31/21	1/1/20 3/31/20
NET INCOME FOR THE PERIOD		(14,906)	(207,517)	(14,906)	(207,517)
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	12	196,547	493,835	196,547	493,835
Hedge of net investment abroad		(174,847)	(406,540)	(174,847)	(406,540)
Tax effect on hedge of net investment abroad		59,447	138,224	59,447	138,224
		81,147	225,519	81,147	225,519
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		66,241	18,002	66,241	18,002

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
(All amounts in thousands of reais)

						Carrying value adjustments		Revenue reserves			
	Note	Share capital	Share issue cost	Shared based payments	Treasury stock	Exchange variation of investees	Deemed cost of fixed assets	legal reserve	Reserve for investments	Retained earnings (losses)	Total
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		-	-	-	-	-	-	-	-	(207,517)	(207,517)
Realization of carrying value adjustments		-	-	-	-	-	(1,691)	-	-	1,691	-
Foreign exchange variation of investees located abroad		-	-	-	-	493,835	-	-	-	-	493,835
Hedge of net investment abroad		-	-	-	-	(406,540)	-	-	-	-	(406,540)
Tax impact on hedge of net investment abroad		-	-	-	-	138,224	-	-	-	-	138,224
Total comprehensive income for the period		-	-	-	-	225,519	(1,691)	-	-	(205,826)	18,002
Contributions from shareholders and distributions to shareholders											
Management stock option plan		-	-	759	-	-	-	-	-	-	759
Realization of management stock option plan		-	-	(316)	-	-	-	-	-	316	-
(-) Shares in treasury acquired		-	-	-	(2,944)	-	-	-	-	-	(2,944)
Total contributions from shareholders and distributions to shareholders		-	-	443	(2,944)	-	-	-	-	316	(2,185)
AT MARCH 31, 2020		**1,060,301**	**(6,541)**	**8,411**	**(2,944)**	**805,642**	**31,438**	**95,756**	**616,667**	**(205,510)**	**2,403,220**
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		-	-	-	-	-	-	-	-	(14,906)	(14,906)
Realization of carrying value adjustments		-	-	-	-	-	(1,589)	-	-	1,589	-
Foreign exchange variation of investees located abroad	12	-	-	-	-	196,547	-	-	-	-	196,547
Hedge of net investment abroad		-	-	-	-	(174,847)	-	-	-	-	(174,847)
Tax impact on hedge of net investment abroad		-	-	-	-	59,447	-	-	-	-	59,447
Total comprehensive income for the year		-	-	-	-	81,147	(1,589)	-	-	(13,317)	66,241
Contributions from shareholders and distributions to shareholders											
Management stock option plan		-	-	724	-	-	-	-	-	-	724
(-) Stock options exercised		-	-	(224)	224	-	-	-	-	-	-
Total contributions from shareholders and distributions to shareholders		-	-	500	224	-	-	-	-	-	724
AT MARCH 31, 2021		**1,060,301**	**(6,541)**	**5,745**	**(150)**	**904,597**	**24,595**	**95,756**	**549,436**	**(13,317)**	**2,620,422**

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

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TUPY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOW
PERIOD ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
Cash flow from operating activities:	Note	3/31/21	3/31/20	3/31/21	3/31/20
Profit for the period before income tax and social contribution		1,168	(246,535)	21,577	(187,496)
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	13 e 14	36,364	35,960	92,347	84,936
Impairment	14	-	-	-	34,400
Share of results of subsidiaries	12	45,336	139,935	-	-
Disposals of property, plant and equipment		(549)	778	565	3,342
Interest accrued and foreign exchange variations		19	96,606	52,045	170,764
Provision for impairment of trade receivables		387	19	316	19
Provision for losses on inventory		(1,665)	1,665	961	7,966
Provision for contingencies	17	5,812	2,539	6,762	2,659
Stock option plan		724	759	724	759
Change in Eletrobrás credit		3,221	49,873	3,221	49,873
		90,817	81,599	178,518	167,222
Changes in operating assets and liabilities:					
Trade accounts receivables		(44,998)	88,071	(310,552)	57,115
Inventories		(41,307)	(16,979)	45,323	(88,763)
Tooling		(7,840)	(7,533)	(685)	(10,854)
Other taxes recoverable		8,760	43,555	51,648	55,767
Other assets		(1,502)	8,616	(7,833)	(3,956)
Judicial deposits and other		30	280	30	280
Trade payables		80,527	(15,333)	139,543	(77,414)
Other taxes payable		(1,416)	(5,759)	2,488	(29,207)
Salaries, social security charges and profit sharing		12,746	(34,696)	16,532	(38,739)
Advances from customers		3,404	8	(9,088)	9,010
Notes and other payables		(1,300)	(8,819)	3,260	9,283
Retirement benefit obligations		-	-	1,087	(13,570)
Other liabilities		(7,492)	(4,968)	(7,478)	(4,978)
Cash generated by operations		**90,429**	**128,042**	**102,793**	**31,196**
Interest paid		(74,598)	(50,785)	(87,000)	(49,061)
Income tax and social contribution paid		-	-	(6,681)	(16,430)
Net cash generated from operating activities		**15,831**	**77,257**	**9,112**	**(34,295)**
Cash flow from investing activities:					
Additions to fixed assets or intangibles	14	(25,260)	(13,443)	(40,201)	(41,906)
Cash generated on PPE disposals		1,279	-	525	-
Subsidiaries and associates		(146)	(57)	-	-
Net cash used in investing activities		**(24,127)**	**(13,500)**	**(39,676)**	**(41,906)**
Cash flow from financing activities:					
Payment of loans	16	(196,185)	(1,186)	(2,135,569)	(1,186)
Loans and financing raised	16	-	494,412	2,018,063	494,412
Lease payment from right of use		(1,538)	(1,253)	(4,227)	(3,822)
Interest on capital and dividends paid		-	(6)	-	(6)
Treasury stock		-	(2,944)	-	(2,944)
Net cash from (used) in financing activities		**(197,723)**	**489,023**	**(121,733)**	**486,454**
Effect of exchange rate differences on cash for the period		5,790	6,815	110,071	114,692
Increase in cash and cash equivalents		**(200,229)**	**559,595**	**(42,226)**	**524,945**
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		**631,946**	**922,195**	**1,382,887**	**1,364,975**

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
PERIOD ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of reais, except earnings per share)

		Parent company		Consolidated	
	Note	3/31/21	3/31/20	3/31/21	3/31/20
Origination of value added		879,094	643,650	1,611,797	1,139,150
Sale of products, net of returns and rebates	19	879,481	643,669	1,612,113	1,139,169
Provision for impairment of trade receivables		(387)	(19)	(316)	(19)
(-) Inputs acquired from third parties		(574,269)	(364,737)	(1,089,500)	(672,319)
Raw materials and processing material consumed		(438,865)	(253,996)	(646,639)	(336,614)
Materials, energy, third party services and other		(135,404)	(110,741)	(442,861)	(335,705)
GROSS VALUE ADDED		304,825	278,913	522,297	466,831
Retentions:		(36,364)	(35,960)	(92,347)	(119,336)
Depreciation and amortization	13 and 14	(36,364)	(35,960)	(92,347)	(84,936)
Impairment	14	-	-	-	(34,400)
Net value added generated by the Company		268,461	242,953	429,950	347,495
Value added received through transfer		(41,213)	(129,214)	3,939	12,071
Share of results of subsidiaries	12	(45,336)	(139,935)	-	-
Finance income	21	4,123	10,721	3,939	12,071
VALUE ADDED TO DISTRIBUTE		**227,248**	**113,739**	**433,889**	**359,566**
Distribution of value added					
Personnel		156,990	133,473	289,043	244,191
Employees		116,965	88,681	244,352	194,226
Social charges - Government Severance Indemnity Fund for Employees (FGTS)		7,817	7,976	7,817	7,976
Profit sharing		11,116	13,397	16,070	17,726
Management fees		4,234	3,390	4,234	3,390
Workplace healthcare and safety		10,484	14,279	10,484	14,279
Food		2,628	2,381	2,628	2,381
Professional education, qualification and development		127	182	- 85	496
Other amounts		3,619	3,187	3,543	3,717
Government		75,966	32,319	97,105	92,330
Federal taxes and contributions		49,396	5,250	70,535	65,254
State taxes and rates		23,764	24,801	23,764	24,801
Municipal taxes, rates and other		2,806	2,268	2,806	2,275
Third party capital		9,198	155,464	62,647	230,562
Finance costs	21	41,731	89,683	92,838	91,715
Monetary and foreign exchange variations, net	21	(32,533)	65,781	(30,191)	138,847
Own capital		(14,906)	(207,517)	(14,906)	(207,517)
Retained earnings (losses)		(14,906)	(207,517)	(14,906)	(207,517)
TOTAL VALUE ADDED		**227,248**	**113,739**	**433,889**	**359,566**

All amounts in thousands of Reais unless otherwise stated.
See accompanying notes

(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 significant position in the domestic and foreign iron casting markets, with a diversified customer base in the Americas, Europe and Asia. The Company also operates in the transportation, infrastructure and agriculture (structural components) and hydraulics (steel shots and iron bar) segments. The Company has plants in Brazil, at Joinville, State of Santa Catarina and Mauá (activities are suspended for undetermined time), and Mexico, at Saltillo and Ramos Arizpe. In addition to its plants, the Parent Company has investments in companies abroad that operate in logistics, trading and technical assistance.

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.

On December 19, 2019, the Company entered into a Share Purchase Agreement with Fiat Chrysler Automobiles NV, for the acquisition of 100% of Teksid's iron castings 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.

The transaction is subject to approval by antitrust authorities in the competent jurisdictions, as well as to the verification of other certain suspensive conditions usual for similar operations. As disclosed in the annual financial statements for the year ended December 31, 2020 (note 1) and note 29 to this interim condensed financial statements.

These interim condensed financial statements were approved for issuance by the Company's Board of Directors on April 28, 2021.

1.1 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. A Crisis Committee was created, which monitors daily the evolution of the pandemic and implements contingency plans in order to act quickly.

The Company has been carrying out tests 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 Parent company's interim financial statements in accordance with the Technical Pronouncement CPC 21 - "Interim Financial Reporting" and the Consolidated interim financial statements in accordance with Technical Pronouncement CPC 21 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 March 31, 2021:

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

2.1. Basis of preparation

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.

All amounts in thousands of Reais unless otherwise stated.

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 condensed 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.

2.3. Significant accounting policies

The accounting policies used in the preparation of these interim condensed financial statements for the period ended March 31, 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	
	Mar/21	Dec/20	Mar/21	Dec/20
Cash and banks	2,575	19,215	2,693	19,401
Financial investments in Brazil	549,985	753,293	550,230	753,533
Financial investments abroad	79,386	59,667	829,964	652,179
	631,946	**832,175**	**1,382,887**	**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 2.13% per annum (2.86% at December 31, 2020). The investments abroad are denominated mostly in U.S. dollars at the average rate of 0.13% per annum (0.42% per annum in December 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$195.000.

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

4. TRADE ACCOUNT RECEIVABLES

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

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Domestic market	144,806	93,459	144,806	93,459
Foreign market	449,382	414,918	858,664	600,445
Provision for impairment of trade receivables	(10,349)	(9,236)	(11,809)	(10,500)
	583,839	**499,141**	**991,661**	**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 mainly variation in trade account receivable reflects the increase in sales in March 2021 when compared to December, 2020 and the devaluation of the Real against the U.S. dollars, which went from 5.1967 on December 31, 2020 to 5.6973 on March 31, 2021.

All amounts in thousands of Reais unless otherwise stated.

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Falling due in up to 30 days	247,329	193,181	513,104	388,920
Falling due within 31 to 60 days	139,130	194,531	321,141	204,138
Falling due in more than 61 days	170,506	87,918	74,552	29,235
Total falling due	**556,965**	**475,630**	**908,797**	**622,293**
Overdue for up to 30 days	20,467	18,963	69,598	47,281
Overdue for 31 to 60 days	7,540	3,097	16,397	11,240
Overdue for more than 61 days	9,216	10,687	8,678	13,090
Total overdue	**37,223**	**32,747**	**94,673**	**71,611**
Provision for impairment of trade receivables	(10,349)	(9,236)	(11,809)	(10,500)
Total	**583,839**	**499,141**	**991,661**	**683,404**

The Company's trade account receivables in the foreign market include related party amounts which are eliminated upon consolidation, amounting R$307,786 (R$324,028 in December 31, 2020). (Note 10)

As of March 31, 2021, the estimated loss in accounts receivable from customers represented 1.2% of the consolidated balance of accounts receivable (at December 31, 2020 was 1.5%).

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

5. INVENTORIES

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Finished products	103,219	99,099	205,509	230,758
Work in progress	96,934	76,299	306,765	297,785
Raw materials	90,078	75,435	182,354	181,355
Maintenance and other materials	29,804	27,895	89,603	81,586
Provision for losses	(14,617)	(16,282)	(37,959)	(36,998)
	305,418	**262,446**	**746,272**	**754,486**

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

As of March 31, 2021, the Company has offered finished product inventory as collateral for labor and social security litigation amounting to R$9,631 (R$9,584 as of December 31, 2020) in the Parent company and Consolidated. Currently, the Company adopts guarantee insurance.

6. TOOLING

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Domestic market	14,058	14,183	14,058	14,183
Foreign market	37,755	29,790	183,516	168,963
	51,813	**43,973**	**197,574**	**183,146**

All amounts in thousands of Reais unless otherwise stated.

7. INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

	Mar/21			Dec/20		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	**51,818**	**75,919**	**127,737**	**50,332**	**76,636**	**126,968**
Income tax	51,818	44,753	96,571	50,332	45,482	95,814
Social contribution	-	31,166	31,166	-	31,154	31,154
Subsidiaries	**59,101**	**-**	**59,101**	**43,839**	**-**	**43,839**
Income tax	59,101	-	59,101	43,839	-	43,839
Consolidated	**110,919**	**75,919**	**186,838**	**94,171**	**76,636**	**170,807**

8. OTHER TAXES RECOVERABLE

	Mar/21			Dec/20		
	Current	Non-current	Total	Current	Non-current	Total
Parent company	**47,649**	**219,047**	**266,696**	**44,978**	**231,247**	**276,225**
ICMS recoverable - São Paulo (a)	7,224	9,668	16,892	5,697	8,138	13,835
ICMS recoverable - Santa Catarina (a)	29,982	39,777	69,759	29,982	53,528	83,510
Reintegra benefit (b)	917	52,766	53,683	463	52,744	53,207
COFINS, PIS and IPI recoverable (c)	9,526	116,836	126,362	8,836	116,837	125,673
Subsidiaries	**64,578**	**-**	**64,578**	**87,289**	**-**	**87,289**
Value-added tax (VAT)	64,578	-	64,578	87,289	-	87,289
Consolidated	**112,227**	**219,047**	**331,274**	**132,267**	**231,247**	**363,514**

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.

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 8,543/15. The Company prepared reports that prove the existence of tax residue in the production chain which will 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)

All amounts in thousands of Reais unless otherwise stated.

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.

9. 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	
	Mar/21	Dec/20	Mar/21	Dec/20
Deferred assets				
Income tax and social contribution losses	248,771	208,208	299,739	244,180
Provisions for contingencies	64,079	65,608	64,079	65,608
Taxes and contribution recoverable	39,759	39,629	39,759	39,629
Credits – Eletrobrás	11,966	10,881	11,966	10,881
Property, plant and equipment - impairment	30,288	30,288	30,288	30,288
Salaries, social security charges and profit sharing	8,270	10,066	39,171	39,870
Provision for impairment of trade receivables	10,753	11,206	10,753	11,206
Provision for inventory losses	6,192	5,989	6,192	5,989
Share-based payments	1,953	1,783	1,953	1,783
Tooling	-	-	39,722	40,051
Financial derivative instruments	1,757	124	1,757	124
Other items	14,728	14,324	31,330	29,961
Property, plant and equipment - tax base (México)	-	-	-	463
Unrealized profits in subsidiaries	-	-	9,242	12,738
Subtotal	**438,516**	**398,106**	**585,951**	**532,771**
Deferred liabilities				
Depreciation rate differences	66,393	68,537	66,393	68,537
Property, plant and equipment - carrying value adjustments	12,670	13,489	12,670	13,489
Deferred tax on intangible assets	-	-	19,607	22,012
Property, plant and equipment - tax base (México)	-	-	3,378	-
Subtotal	**79,063**	**82,026**	**102,048**	**104,038**
Total deferred assets, net	**359,453**	**316,080**	**483,903**	**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 March 31, 2021 was R$3,378 (-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.

As a result of COVID-19, the Company carried out an assessment on the realization of the balances referring to deferred tax assets and it is not expected any difficulties in realizing them.

During the period ended March 31, 2021, the changes in deferred tax assets and liabilities were as follow:

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Opening balance	316,080	139,304	428,733	195,887
Recognized in profit (loss)				
Recognized in profit (loss) for the year	(16,074)	39,018	(19,421)	8,007
Recognized in comprehensive income for the year	59,447	138,224	59,447	138,224
Effects of currency translation into presentation currency	-	-	15,144	29,764
Closing balance	**359,453**	**316,546**	**483,903**	**371,882**

All amounts in thousands of Reais unless otherwise stated.

10. RELATED PARTY TRANSACTIONS

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

a. Subsidiaries:

Assets	Mar/21	Dec/20
Trade account receivables		
Tupy Mexico Saltillo, S.A. de C.V	64,085	180,357
Tupy American Foundry Corporation	209,157	132,771
Tupy Europe GmbH	33,583	10,438
Technocast, S.A. de C.V.	960	642
	307,785	**324,208**

Liabilities	Mar/21	Dec/20
Loans and financing	**2,016,444**	**1,871,373**
Tupy Overseas S.A	2,016,444	1,871,373
Advances from customers	**7,092**	**6,469**
Tupy American Iron & Alloys Corporation	5,100	4,652
Tupy Europe GmbH	1,992	1,817
Other liabilities	**16,367**	**19,677**
Tupy México Saltillo S.A. de CV	9,770	10,126
Tupy Europe GmbH	4,163	3,843
Tupy American Foundry Co.	2,434	5,708
Related parties – loans	**2,862**	**3,008**
Tupy Agroenergética Ltda.	1,683	1,823
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "in liquidation"	1,179	1,185
	2,042,765	**1,900,527**

Statement of income	1Q21	1Q20
Revenues	**309,146**	**271,971**
Tupy American Foundry Corporation	194,267	120,240
Tupy Europe GmbH	54,594	54,261
Tupy Mexico Saltillo, S.A. de C.V	60,285	97,470
Other operating expenses, net	**356**	**-**
Technocast, S.A. de C.V.	356	-
Finance costs	**(32,778)**	**(27,744)**
Tupy Overseas S.A.	(32,778)	(27,744)
	276,724	**244,227**

The receivables and sales revenue of the Company with its subsidiaries mainly represent sales of products from the transportation, infrastructure & agriculture and hydraulic segments. Prices charged are in compliance with the Company's price lists, and terms range from 60 to 90 days, as established by the parties. At March 31, 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 16.

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 of the machining line 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 and PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil.

c. Management remuneration:

	Board of Directors		Board of Officers		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Fixed remuneration	1,061	626	1,531	1,160	2,592	1,786
Variable remuneration	-	-	1,074	1,045	1,074	1,045
Stock option plan	135	188	433	371	568	559
	1,196	**814**	**3,038**	**2,576**	**4,234**	**3,390**

The overall amount of the annual remuneration, for the year of 2021 for Board of Directors and Bord of officers, will be approved at the Ordinary General Meeting of April 30, 2021.

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 the annual financial statements from the year ended December 31, 2020 (Note 22).

Officers receive additional corporate benefits, such as corporate vehicles, reimbursement of vehicle-related expenses, health insurance, pension plan and severance pay. In the quarter ended March 31, 2021, these benefits totaled R$283 (R$270 in the same period of the previous year).

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

d. 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 three months ended March 31, 2021, the Company recognized sponsorship expenses of R$47 (R$296 in the same period of the previous year).

All amounts in thousands of Reais unless otherwise stated.

11. 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.

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 MARCH 31, 2021	**113,449**	**(32,003)**	**81,446**
Adjustment (nota 21)	108	-	108
Change in fair value of derivative (nota 21)	-	(3,190)	(3,190)
	113,557	**(35,193)**	**78,364**

All amounts in thousands of Reais unless otherwise stated.

12. 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 MARCH 31, 2021							
investment in subsidiary company							
Tupy Materials & Components B.V(**)	3,060,600	1,996,396	41,226	(18,400)	100,00	(5,425)	2,033,717
Tupy Overseas	2,110,767	(23,121)	-	(51,497)	100,00	(51,497)	(23,121)
Tupy American Foundry Co.	427,353	199,789	-	7,423	100,00	8,790	193,020
Tupy Europe GmbH	300,481	251,269	-	2,337	100,00	3,951	243,997
Tupy Agroenergética Ltda.	12,227	11,271	-	(1,159)	100,00	(1,159)	11,271
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,516	145	-	4	100,00	4	145
						(45,336)	**2,459,029**

(*) 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%

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	(45,336)
Exchange variations of investees located abroad	196,547
AT MARCH 31, 2021	**2,459,029**

All amounts in thousands of Reais unless otherwise stated.

13. 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	-	-	-	-	-	1,428	15,789	17,217
Transfer to property, plant and equipment in use	11,367	1,301	-	52	88	-	(12,808)	-
Disposal	(8,532)	-	-	-	-	-	-	(8,532)
AT MARCH 31, 2021	**1,721,319**	**364,167**	**8,948**	**21,896**	**6,151**	**21,152**	**32,014**	**2,175,647**
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)
Transfers	-	-	-	-	-	-	-	-
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	(27,538)	(3,383)	-	(450)	(97)	(2,091)	-	(33,559)
Disposal	8,327	-	-	-	-	-	-	8,327
AT MARCH 31, 2021	**(1,352,106)**	**(185,240)**	**-**	**(16,448)**	**(4,297)**	**(13,020)**	**-**	**(1,571,111)**
Carrying amount								
AT DECEMBER 31, 2020	385,589	181,009	8,948	5,846	1,863	8,795	29,033	621,083
AT MARCH 31, 2021	369,213	178,927	8,948	5,448	1,854	8,132	32,014	604,536

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	-	-	-	-	-	1,757	28,194	29,951
Transfer to property, plant and equipment in use	41,110	1,301	-	71	302	-	(42,784)	-
Exchange variation	271,401	59,416	7,429	306	2,823	3,299	9,435	354,109
Disposal	(10,540)	-	-	-	-	-	-	(10,540)
AT MARCH 31, 2021	**4,829,396**	**1,040,609**	**93,908**	**25,370**	**41,675**	**58,897**	**123,314**	**6,213,169**
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)
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	(60,750)	(7,304)	-	(508)	(635)	(5,197)	-	(74,394)
Exchange variation	(209,334)	(35,026)	-	(188)	(2,258)	(2,365)	-	(249,171)
Disposal	9,975	-	-	-	-	-	-	9,975
AT MARCH 31, 2021	**(3,749,454)**	**(586,311)**	**-**	**(18,644)**	**(30,283)**	**(41,690)**	**-**	**(4,426,382)**
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 MARCH 31, 2021	1,079,942	454,298	93,908	6,726	11,392	17,207	123,314	1,786,787

The Company offered property, plant and equipment items as collateral for loans and financing of R$9,167 (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.

All amounts in thousands of Reais unless otherwise stated.

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$396 (R$435 on March 31, 2020).

On March 31, 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.

14. 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	860	1,682	815	3,357
Transfers	-	1,477	(1,477)	-
Amortization	(2,458)	(347)	-	(2,805)
AT MARCH 31, 2021	**40,292**	**4,938**	**8,212**	**53,442**

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	1,125	-	-	1,682	815	3,622
Transfers	-	-	-	1,477	(1,477)	-
Exchange variation	408	6,725	-	-	-	7,133
Amortization	(2,866)	(14,740)	-	(347)	-	(17,953)
AT MARCH 31, 2021	**44,815**	**65,357**	**41,226**	**4,938**	**8,212**	**164,548**

At March 31, 2021, the Company reviewed the assumptions for the impairment´s calculation of its intangible assets and did not identify the need for additional adjustments.

15. SUPPLIERS

	Parent company		Consolidated	
	Mar/21	**Dec/20**	**Mar/21**	**Dec/20**
Domestic suppliers	370,234	311,815	370,235	311,816
Foreign suppliers	43,555	24,789	407,475	304,378
	413,789	**336,604**	**777,710**	**616,194**

The variation presented in the period reflects the increase in the Company's activity levels from December 31, 2020 and, the exchange variation level from foreign suppliers.

All amounts in thousands of Reais unless otherwise stated.

16. LOANS AND FINANCING

Parent company

	Maturity	Effective rate	Mar/21	Dec/20
Local currency			**144,748**	**347,544**
(a) 4131 operation	Sep/2021	CDI+4.5% p.a.	128,027	225,903
(b) Export credit notes	Mar/2021	198% CDI	-	103,621
Sustainability	Jan/2025	5.89% p.a.	7,639	8,828
Leasing from right of use			9,082	9,192
Foreign currency			**2,016,444**	**1,871,373**
(c) Export prepayment - Tupy Overseas	Jul/2024	VC + 6.78% p.a.	2,016,444	1,871,373
Current portion			166,495	397,495
Non-current portion			1,994,697	1,821,422
			2,161,192	**2,218,917**

VC = Foreign exchange variation
CDI = Interbank deposit certificate

Consolidated

	Maturity	Effective rate	Mar/21	Dec/20
Local currency			**144,748**	**347,544**
(a) 4131 operation	Sep/2021	CDI+4.5% p.a.	128,027	225,903
(b) Export credit notes	Mar/2021	198% CDI	-	103,621
Sustainability	Jan/2025	5.89% p.a.	7,639	8,828
Leasing from right of use			9,082	9,192
Foreign currency			**2,139,382**	**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.	2,128,802	-
Leasing from right of use			10,580	12,155
Current portion			158,486	401,924
Non-current portion			2,125,644	1,823,618
			2,284,130	**2,225,542**

VC = Foreign exchange variation
CDI = Interbank deposit certificate

Long term maturities are as follow:

	Parent company		Consolidated	
Year	Mar/21	Dec/20	Mar/21	Dec/20
2022-2023	5,828	28,745	8,081	28,745
2024	1,988,838	1,792,646	481	1,794,842
2025	31	31	31	31
2031	-	-	2,117,051	-
2,031	**1,994,697**	**1,821,422**	**2,125,644**	**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 March 31, 2021, the fair value of loans and financing was R$2,251,212 (R$2,222,947 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 1.3 years, CDI rate + 4.5% per year and amortization at the end of the contracts.

All amounts in thousands of Reais unless otherwise stated.

In March 25, 2021 there is a payment of R$95,000 from Banco Santander.

b) Export credit notes – NCE

In March 2020, NCE operations were contracted in the amount of R$178,000 with Banco Itaú BBA, maturing in December 2020, with a weighted rate of 192% CDI and amortization at the end of the contract. In November 30, 2020 there is a payment of R$78,000 from Banco Itaú BBA.

In March 25, 2021 there is a payment of R$100,000 from Banco Itaú BBA.

c) Export Prepayments – Tupy Overseas S.A.

In January the Company payed interest of R$64,183 (in January of 2020 - R$49,959). The impact of foreign exchange variations during the first quarter on the export prepayment amount with Tupy Overseas S.A. was a loss of R$176,475 (loss of R$407,632 in the quarter ended March 31, 2020).

d) Senior Unsecured Notes - US$ 350,000

In January 2021 the Company paid interest of R$61,003 (R$48,048 paid in January 2020). The foreign exchange variations reduction recognized in the period from senior unsecured notes in the period amounted to R$120,762 (loss of R$410,016 in the same period of 2020). In February 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.

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 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.

The Issuance includes covenants, the main financial indicator of which is the net debt/ adjusted EBITDA, and, on March 31, 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.

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

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

The changes in the provisions for tax, civil, social security and labor proceedings in the three-month period ended March 31, 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	-	-	(41)	-	1,120	1,079
Restatements	384	271	5,130	68	-	5,853
Remuneration	-	-	-	-	(83)	(83)
Payments	-	-	(8,784)	-	-	(8,784)
Deposit Redemption	-	-	-	-	375	375
AT MARCH 31, 2021	**48,812**	**73,706**	**70,127**	**11,095**	**(18,833)**	**184,907**
Current						33,321
Non-current						151,586
						184,907

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	-	-	(41)	-	1,120	1,079
Restatements	1,334	271	5,130	68	-	6,803
Remuneration	-	-	-	-	(83)	(83)
Payments	-	-	(8,784)	-	-	(8,784)
Deposit Redemption	-	-	-	-	375	375
AT MARCH 31, 2021	**52,129**	**73,706**	**70,127**	**11,095**	**(18,833)**	**188,224**
Current						33,321
Non-current						154,903
						188,224

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.

All amounts in thousands of Reais unless otherwise stated.

Contingencies involving possible losses

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
IRPJ and CSLL processes	174,281	173,473	174,653	173,845
PIS, COFINS and IPI credits	145,648	152,403	145,648	152,403
ICMS credits	166,042	165,667	166,042	165,667
Expired tax debts	145,142	144,977	145,142	144,977
Reintegra credits	35,045	40,056	35,045	40,056
Social security	82,479	82,193	82,479	82,193
Labor lawsuits	71,544	67,386	71,616	67,457
Civil and other	48,656	42,332	49,067	42,723
	868,837	**868,487**	**869,692**	**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.

18. EQUITY

a) Share capital

	Mar/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	170,482	0.1%	170,482	0.1%
Treasury stock	9,902	0.0%	24,656	0.0%
Non-controlling interests				
Other stockholders	67,537,592	46.9%	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. 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.

	Value (R$ thousand)	Quantity	Share value (R$)
AT DECEMBER 31, 2019	**(1,809)**	**(89,898)**	**-**
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)	(223)	(14,754)	15.15
AT MARCH 31, 2021	**151**	**9,902**	**15.21**

(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.

As of March 31, 2021, the market value of treasury shares was R$206.

All amounts in thousands of Reais unless otherwise stated.

19. REVENUE

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

	Parent company		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Gross revenue	890,892	653,515	1,646,760	1,169,007
Returns and rebates	(11,411)	(9,846)	(34,647)	(29,838)
Revenue net of returns and rebates	**879,481**	**643,669**	**1,612,113**	**1,139,169**
Sales taxes	(67,858)	(46,605)	(67,858)	(46,605)
Net revenue	**811,623**	**597,064**	**1,544,255**	**1,092,564**
Net revenue				
Domestic market	272,248	174,405	272,248	174,405
Foreign market	539,375	422,659	1,272,007	918,159
	811,623	**597,064**	**1,544,255**	**1,092,564**

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	
	1Q21	1Q20	1Q21	1Q20
Raw and processing materials	(388,395)	(246,320)	(763,166)	(428,350)
Maintenance and consumption materials	(51,199)	(49,934)	(104,521)	(105,990)
Salaries, payroll taxes and profit sharing	(161,791)	(137,916)	(297,082)	(248,962)
Social benefits	(16,701)	(19,829)	(16,823)	(20,361)
Electricity	(37,413)	(28,755)	(74,382)	(57,960)
Freight and commission on sales	(22,884)	(17,549)	(45,888)	(38,263)
Management fees	(4,234)	(3,390)	(4,234)	(3,390)
Other costs	(14,459)	(5,601)	(39,098)	(24,721)
	(697,076)	***(509,294)***	***(1,345,194)***	***(927,997)***
Depreciation	(36,207)	(35,793)	(77,449)	(71,846)
Costs and expenses total	**(733,283)**	**(545,087)**	**(1,422,643)**	**(999,843)**
Cost of products sold	(660,871)	(484,247)	(1,304,282)	(900,002)
Selling expenses	(30,264)	(25,252)	(59,496)	(51,014)
Administrative expenses	(37,914)	(32,198)	(54,631)	(45,437)
Management fees	(4,234)	(3,390)	(4,234)	(3,390)
Costs and expenses total	**(733,283)**	**(545,087)**	**(1,422,643)**	**(999,843)**

All amounts in thousands of Reais unless otherwise stated.

21. FINANCE RESULTS

	Parent company		Consolidated	
Finance results	**1Q21**	**1Q20**	**1Q21**	**1Q20**
Financial liabilities at amortized cost	***(36,412)***	***(32,408)***	***(86,096)***	***(31,957)***
Borrowing	(36,296)	(32,368)	(85,980)	(31,917)
Notes payable and other financial liabilities	(116)	(40)	(116)	(40)
Financial assets at fair value through profit or loss	***(3,082)***	***(49,097)***	***(3,082)***	***(49,097)***
Credits - Eletrobrás (note 11)	(3,082)	(49,097)	(3,082)	(49,097)
Other finance costs	***(2,237)***	***(8,178)***	***(3,660)***	***(10,661)***
Finance costs	**(41,731)**	**(89,683)**	**(92,838)**	**(91,715)**
Financial assets at fair value through profit or loss	***(139)***	***(776)***	***(139)***	***(776)***
Investments in equity instruments	(139)	(776)	(139)	(776)
Amortized cost	***3,419***	***3,660***	***3,419***	***3,660***
Cash and cash equivalents	3,419	3,660	3,419	3,660
Tax credits and other finance income	***843***	***7,837***	***659***	***9,187***
Finance income	**4,123**	**10,721**	**3,939**	**12,071**
Derivative financial instruments				
Foreign exchange variations	37,335	73,126	35,623	106,144
Derivative financial instruments	(4,802)	(138,907)	(5,432)	(244,991)
Foreign exchange variations, net	**32,533**	**(65,781)**	**30,191**	**(138,847)**
Finance results	**(5,075)**	**(144,743)**	**(58,708)**	**(218,491)**

22. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	1Q21	**1Q20**	**1Q21**	**1Q20**
Disposals of property, plant and equipment	(205)	(646)	(565)	(3,210)
Constitution and restatement of provision	(5,812)	(2,539)	(6,762)	(2,659)
Result on the sale of unusable and other assets	(20,587)	(10,482)	(19,102)	(8,367)
	(26,604)	***(13,667)***	***(26,429)***	***(14,236)***
Depreciation of non-operating assets	(157)	(167)	(158)	(168)
Amortization of intangible assets	-	-	(14,740)	(12,922)
Total other operating expenses, net	**(26,761)**	**(13,834)**	**(41,327)**	**(27,326)**
Impairments	-	-	-	(34,400)
Total impairment adjustments	**-**	**-**	**-**	**(34,400)**

All amounts in thousands of Reais unless otherwise stated.

23. INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULTS

	Parent company		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Net income (loss) before tax effects	**1,168**	**(246,535)**	**21,577**	**(187,496)**
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(397)	83,822	(7,336)	63,749
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexico)	-	-	4,309	10,205
Finance income from monetary assets	-	-	4,142	(16,145)
Reintegra – benefit	178	3,099	178	3,099
Effect of correction of fixed assets	-	-	(4,435)	2,212
Depreciation of non-operating assets	(53)	(57)	(53)	(57)
Effects of different rates in subsidiaries	-	-	-	(1,376)
Share of results of subsidiaries	(15,414)	(47,578)	-	-
Other permanent (additions) exclusions	(388)	(268)	(22,570)	(11,628)
Tax effects recorded in the statement of income before exchange effects	**(16,074)**	**39,018**	**(25,765)**	**50,059**
Effective rate of income tax before exchange effects	**1376%**	**16%**	**119%**	**27%**
Effect of functional currency on tax base (a)	-	-	(10,718)	(70,080)
Tax effects recorded in the statement of income	**(16,074)**	**39,018**	**(36,483)**	**(20,021)**
Effective rate of income tax	**1376%**	**16%**	**169%**	**-11%**

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 March 31, 2021 of approximately R$70,080. The valuation observed during the first quarter of 2021, reflect a loss of R$10,718.

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

	Parent company		Consolidated	
	1Q21	1Q20	1Q21	1Q20
Tax effects recorded in the statement of income				
Current income tax and social contribution	-	-	(17,062)	(28,028)
Deferred income tax and social contribution	(16,074)	39,018	(19,421)	8,007
	(16,074)	**39,018**	**(36,483)**	**(20,021)**

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.

	1Q21	1Q20
Profit attributable to the stockholders of the Company	(14,906)	(207,517)
Outstanding shares	144,167,598	144,112,146
Basic results per share - R$	**(0.10339)**	**(1.43997)**

b) Diluted:

All amounts in thousands of Reais unless otherwise stated.

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 market price.

	1Q21	1Q20
Profit attributable to the stockholders of the Company	(14,906)	(207,517)
Outstanding shares	144,806,191	144,771,368
Diluted results per share - R$	**(0.10294)**	**(1.43341)**

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 and power generators.

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

The following is the information on each reported segment:

a) Reconciliation of revenue, costs, expenses and profit

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Net revenue (Note 19)	1,477,321	1,048,185	66,934	44,379	1,544,255	1,092,564
Costs and expenses, except depreciation (Note 20)	(1,283,674)	(888,613)	(61,520)	(39,384)	(1,345,194)	(927,997)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 22)	(25,245)	(12,218)	(1,184)	(2,018)	(26,429)	(14,236)
Depreciation and amortization	(90,146)	(82,838)	(2,201)	(2,098)	(92,347)	(84,936)
Impairment (note 14)	-	(34,400)	-	-	-	(34,400)
Profit before finance results	**78,256**	**30,116**	**2,029**	**879**	**80,285**	**30,995**
Finance results (Note 21)					(58,708)	(218,491)
Profit before taxation					**21,577**	**(187,496)**
Income tax and social contribution (Note 23)					(36,483)	(20,021)
Loss for the quarter					**(14,906)**	**(207,517)**

All amounts in thousands of Reais unless otherwise stated.

b) Reconciliation of costs and expenses by segment

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
	1Q21	1Q20	1Q21	1Q20	1Q21	1Q20
Raw and processing materials	(732,642)	(412,304)	(30,524)	(16,046)	(763,166)	(428,350)
Maintenance and consumption materials	(100,851)	(102,681)	(3,670)	(3,309)	(104,521)	(105,990)
Salaries and payroll taxes	(281,137)	(236,545)	(15,945)	(12,417)	(297,082)	(248,962)
Social benefits	(16,453)	(19,921)	(370)	(440)	(16,823)	(20,361)
Electricity	(69,353)	(55,032)	(5,029)	(2,928)	(74,382)	(57,960)
Depreciation	(75,248)	(69,748)	(2,201)	(2,098)	(77,449)	(71,846)
Freight and commissions on sales	(41,022)	(34,885)	(4,866)	(3,378)	(45,888)	(38,263)
Management fees	(3,895)	(3,119)	(339)	(271)	(4,234)	(3,390)
Other costs	(38,321)	(24,126)	(777)	(595)	(39,098)	(24,721)
	(1,358,922)	**(958,361)**	**(63,721)**	**(41,482)**	**(1,422,643)**	**(999,843)**

c) Reconciliation of assets and liabilities

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
ASSETS	Mar/21	Dec/20	Mar/21	Dec/20	Mar/21	Dec/20
Trade account receivables (Note 4)	950,064	646,023	41,597	37,381	991,661	683,404
Inventories (Note 5)	687,169	702,987	59,103	51,499	746,272	754,486
Tooling (Note 6)	197,574	183,146	-	-	197,574	183,146
Other assets	58,412	51,305	4,794	4,694	63,206	55,999
Property, plant and equipment (Note 13)	1,738,831	1,676,661	47,956	50,196	1,786,787	1,726,857
Intangible assets (Note 14)	164,548	171,746	-	-	164,548	171,746
Other assets not allocated	-	-	-	-	2,531,056	2,537,681
Total assets	**3,796,598**	**3,431,868**	**153,450**	**143,770**	**6,481,104**	**6,113,319**

Consolidated	Tranportation, infrastructure & agriculture		Hydraulics		Total	
LIABILITIES	Mar/21	Dec/20	Mar/21	Dec/20	Mar/21	Dec/20
Trade accounts payables (Note 15)	744,939	593,218	32,771	22,976	777,710	616,194
Income taxes payable	46,345	40,311	92	248	46,437	40,559
Salaries, social security charges and profit sharin	170,425	150,582	10,362	9,342	180,787	159,924
Advances from customers	171,840	167,324	2,088	2,365	173,928	169,689
Other liabilities	82,634	84,509	7,249	-	89,883	84,509
Deferred tax on intangible assets (Note 9)	19,607	22,012	-	-	19,607	22,012
Income and social contribution tax	35,652	2,403	-	-	35,652	2,403
Other liabilities not allocated	-	-	-	-	2,536,678	2,464,572
Equity (Note 18)	-	-	-	-	2,620,422	2,553,457
Total liabilities and equity	**1,271,442**	**1,060,359**	**52,562**	**34,931**	**6,481,104**	**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.

All amounts in thousands of Reais unless otherwise stated.

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	1Q21	%	1Q20	%
Tranportation, infrastructure & agricultur	**1,477,321**	**95.7**	**1,048,185**	**95.9**
Customer A	343,255	22.2	111,873	10.2
Customer B	314,606	20.4	139,633	12.8
Customer C	158,735	10.3	107,358	9.8
Other customers	660,725	42.8	689,321	63.1
Hydraulics	**66,934**	**4.3**	**44,379**	**4.1**
Total Revenue	**1,544,255**	**100.0**	**1,092,564**	**100.0**

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

	1Q21	%	1Q20	%
North America	**1,015,550**	**65.7**	**730,237**	**66.9**
United States	578,302	37.4	364,399	33.4
Mexico	428,182	27.7	360,179	33.0
Canada	9,066	0.6	5,659	0.5
South and Central Americ	**281,251**	**18.2**	**182,766**	**16.8**
Brazil - head office	272,248	17.6	174,405	16.0
Other countries	9,003	0.6	8,361	0.8
Europe	**186,547**	**12.0**	**142,066**	**13.0**
United Kingdom	62,171	4.0	54,126	5.0
Sweden	43,225	2.8	30,747	2.8
Netherlands	22,247	1.4	13,388	1.2
Hungary	20,524	1.3	20,537	1.9
Italy	13,804	0.9	8,533	0.8
Germany	11,436	0.7	11,172	1.0
Other countries	13,140	0.9	3,563	0.3
Asia, Africa and Oceania	**60,907**	**4.1**	**37,495**	**3.3**
Japan	27,519	1.8	5,994	0.5
South Africa	16,381	1.1	8,904	0.8
China	13,592	0.9	8,733	0.8
Other countries	3,415	0.3	13,864	1.2
Total	**1,544,255**	**100.0**	**1,092,564**	**100.0**

All amounts in thousands of Reais unless otherwise stated.

26. FINANCIAL INSTRUMENTS

		Parent company		Consolidated	
	Note	Mar/21	Dec/20	Mar/21	Dec/20
Financial assets at amortized cost		**1,310,494**	**1,425,078**	**2,486,548**	**2,213,340**
Cash and cash equivalents	3	631,946	832,175	1,382,887	1,425,113
Trade account receivables(*)	4	583,839	499,141	991,661	683,404
Notes and other financial assets		94,709	93,762	112,000	104,823
Effect on the Income Statement		*3,032*	*3,641*	*3,103*	*3,641*
Financial assets at fair value through profit or loss		**80,582**	**84,899**	**90,997**	**94,327**
Credits - Eletrobrás		78,364	81,446	78,364	81,446
Investments in equity instruments		2,211	2,350	12,504	11,645
Derivative financial instruments	27	7	1,103	129	1,236
Effect on the Income Statement		*(1,235)*	*(3,411)*	*(1,255)*	*(4,672)*
Financial liabilities at amortized cost		**2,644,702**	**2,626,662**	**3,156,674**	**2,931,302**
Trade accounts payables		413,789	336,604	777,710	616,194
Loans and financing	16	2,161,192	2,218,917	2,284,130	2,225,542
Dividends and interest on capital		135	135	135	135
Notes payable and other financial liabilities		69,586	71,006	94,699	89,431
Effect on the Income Statement		*(36,412)*	*(32,408)*	*(86,096)*	*(31,957)*
Financial liabilities at fair value through profit or loss		**5,175**	**1,468**	**6,194**	**1,705**
Derivative financial instruments	25	5,175	1,468	6,194	1,705
Effect on the Income Statement		*(3,706)*	*(136,272)*	*(4,316)*	*(241,095)*

(*) Includes the provision for impaired receivables

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 COVID-19 pandemic caused great volatility in the global financial markets, which led to a depreciation of 9.6% of the Brazilian Real and 2.7% of the Mexican Peso against the U.S. dollar in the comparison between March 31, 2021 and December 31, 2020.

Due to the strong devaluation, had a negative impact on the result of the contracted position by marking to market of the instruments, however it does not impact the cash flow.

i. Parent company

On March 31, 2021, financial instruments totaled the amount of US$82,400 in zero-cost collar operations, consisting of: purchase of PUT with average exercise price of R$4.8334 and sales of CALL with average price average of R$6.2156, maturing up to December 15, 2021.

In the three-month period ended March 31, 2021, the Company recognized in financial results a loss of R$4,802 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$138,907, of which R$7,136 was payment of settlement of contracts in the period and R$131,771 due to the mark-to-market of these instruments.

All amounts in thousands of Reais unless otherwise stated.

ii. Subsidiaries

In March 31, 2021, the subsidiaries derivative financial instruments in the zero-cost collar type totaled the amount of US$59,100. Which were made purchasing "PUT" with an average weighted price of exercise of MXN19.0895 and sales "CALL" with an average weighted price of exercise of MXN22.9094, with a due date at December 17, 2021.

On March 31, 2021, the Mexican subsidiaries recognized in their finance results as loss the amount of R$627 due to the mark to market of these instruments. On March 31, 2020, the Mexican subsidiaries recognized in their finance results as loss the amount of R$106.084. Considering, R$10,458 from the payment of settlement of contracts in the period and R$95,626 due to the losses for the mark to market of these instruments

iii. Consolidated

In the three-month period ended March 31, 2021, a loss of R$5,432 was recognized in the Consolidated financial result, due to the mark to market of these instruments. In the same period of the previously year was recognized loss of R$244,991, R$17,594from the settlement of contracts in the period and loss of R$227,397 for the mark-to-market of these instruments.

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

	Parent company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Financial derivative instruments				
Liabilities	(5,175)	(1,468)	(6,194)	(1,705)
Assets	7	1,103	129	1,236
Financial derivative instruments, net	**(5,168)**	**(365)**	**(6,065)**	**(469)**

Below are the demonstrate the variation in the period and the due position at March 3031, 2021:

	Parent company	Subsidiaries	Consolidated
Recognized in financial results	(4,802)	(627)	(5,429)
Settlement	(0)	-	(0)
Market to market	(4,803)	(627)	(5,430)
Foreign exchange impact	-	(166)	(166)
AT December 31, 2019	(365)	(104)	(469)
AT March 31, 2021	**(5,168)**	**(897)**	**(6,065)**
Maturity date			
Due June 30, 2021	(1,394)	(176)	(1,570)
Due September 30, 2021	(2,665)	(409)	(3,074)
Due December 31, 2021	(1,109)	(312)	(1,421)
AT March 31, 2021	**(5,168)**	**(897)**	**(6,065)**

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 32.b.

In March 31,2021, the Company has export prepayment contracts amounting to US$349,000, equivalent to R$1,988,358 as hedges of the investments in the subsidiaries in Mexico, Tupy México Saltillo, S.A. de C.V. and

All amounts in thousands of Reais unless otherwise stated.

Technocast, S.A. de C.V., the functional currency of which is the U.S. dollar, and which had net assets of US$350,342, equivalent to R$1,996,002 representing 99.6% effectiveness.

During the first quarter ended March 31, 2021, the Company recognized in carrying value adjustments, within equity, a loss of R$174,847 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$197,099, the net result was a gain of R$22,252. Considering the net fiscal effect, the amount of loss of exchange rate R$59,447, and the net gain was R$81,699.

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 March 31, 2021, expected losses on trade receivables amounted to R$11,809 (R$10,500 as at December 31, 2020), representing 1.2% 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 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	
	Mar/21	Dec/20	Mar/21	Dec/20
Counterparties with external credit ratings*				
Cash and cash equivalents	**631,946**	**832,175**	**1,382,887**	**1,425,113**
AAA	179,178	190,102	182,290	195,550
AA+ / AA / AA-	452,601	495,005	672,012	662,992
A+ / A / A-	167	147,068	528,585	566,571
Derivative financial	**7**	**1,103**	**129**	**1,236**
AA+ / AA / AA-	7	1,103	129	1,236
Credits - Eletrobrás	**78,364**	**81,446**	**78,364**	**81,446**
AA	78,364	81,446	78,364	81,446
Counterparties without external credit rating				
Trade receivables	**583,839**	**499,141**	**991,661**	**683,404**
Low risk	549,552	468,408	952,615	646,185
Moderate risk	30,396	29,569	35,333	35,261
High risk	14,240	10,400	15,522	12,458
Provision for impairment of trade receivables	(10,349)	(9,236)	(11,809)	(10,500)
Other financial assets	**96,920**	**96,112**	**124,504**	**116,468**
Total	**1,391,076**	**1,509,977**	**2,577,545**	**2,307,667**

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

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, 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:

All amounts in thousands of Reais unless otherwise stated.

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	2,284,130	185,419	56,951	104,044	290,161	2,617,197	3,253,772
Financial derivative instruments	6,194	6,194	-	-	-	-	6,194
Trade payables and notes and other	867,593	867,593	-	-	-	-	867,593
Dividends payable	135	135	-	-	-	-	135
	3,158,052	**1,059,341**	**56,951**	**104,044**	**290,161**	**2,617,197**	**4,127,694**

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.

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 and loans and financing. 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	Mar/21	Dec/20
Floating-rate instruments		**422,203**	**425,401**
Financial assets		550,230	754,925
Financial liabilities	16	(128,027)	(329,524)
Fixed-rate instruments		**(1,323,446)**	**(1,225,830)**
Financial assets		832,657	670,188
Financial liabilities	16	(2,156,103)	(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 - Normative Instruction 475				
Floating rate instruments	Risk	Disclosed	Probable	+25%	+50%	-25%	-50%
In Brazilian reais							
Investments	**Interest rate (CDI - % p.a.)**	**2.65**	**4.90**	**6.13**	**7.35**	**3.68**	**2.45**
Financial assets		550,230	550,230	550,230	550,230	550,230	550,230
Potential impact		-	-	6,425	12,851	(6,501)	(13,158)
Borrowings	**Interest rate (TJLP - % p.a.)**	**2.65**	**4.90**	**6.13**	**7.35**	**3.68**	**2.45**
Financial liabilities		128,027	128,027	128,027	128,027	128,027	128,027
Potential impact		-	-	(1,495)	(2,991)	1,513	3,063

All amounts in thousands of Reais unless otherwise stated.

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 27

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:

Parent company

Net exposure impacting profit	Note	Mar/21	Dec/20
Assets		**528,768**	**474,585**
Cash and cash equivalents abroad	3	79,386	59,667
Customers in the foreign market	4	449,382	414,918
Instrumentos financeiros derivativos - *Nocional*	27	-	-
Liabilities		**(113,346)**	**(119,555)**
Borrowings in foreign currency	16	(2,016,444)	(1,871,373)
Hedge of net investment abroad	27	1,988,358	1,813,648
Other amounts		(85,260)	(61,830)
Net exposure impacting profit			
In thousands of R$		415,422	355,030
In thousands of US$		72,916	68,318

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

Subsidiaries

Net exposure impacting profit	Mar/21	Dec/20
Assets	**134,763**	**105,763**
Cash and cash equivalents abroad	23,829	7,627
Customers in the foreign market	8,205	7,793
Tax return	102,729	90,343
Liabilities	**(315,417)**	**(214,441)**
Trade accounts payables	(111,044)	(83,191)
Other amounts	(204,373)	(131,250)
Net exposure impacting profit		
In thousands of R$	(180,654)	(108,678)
In thousands of MXN	(648,202)	(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 - Normative Instruction 475				
	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate	**5.6973**	**5.28**	**6.60**	**7.92**	**3.96**	**2.64**
Asset position	528,768	490,038	612,548	735,057	367,529	245,019
Liability position	(113,346)	(105,044)	(131,305)	(157,566)	(78,783)	(52,522)
Net exposure (R$ thousand)	415,422	384,994	481,243	577,491	288,746	192,497
Net exposure (US$ thousand)	72,916	72,916	72,916	72,916	72,916	72,916
Potential impact (R$ thousand)	**-**	**(30,428)**	**65,821**	**162,069**	**(126,676)**	**(222,925)**

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.

		Scenarios - Normative Instruction 475				
Parent company	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate	**5.6973**	**5.28**	**6.60**	**7.92**	**3.96**	**2.64**
MTM Controladora	(5,168)	1,983	(46,104)	(153,817)	73,767	188,581
Potential impact (R$ thousand)		**7,151**	**(40,936)**	**(148,649)**	**78,935**	**193,749**

		Scenarios - Normative Instruction 475				
Subsidiaries	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate vs. Mexican peso	**20.4400**	**21.95**	**27.44**	**32.93**	**16.46**	**10.98**
MTM Subsidiaries (US$ mil)	(158)	(1,372)	(10,597)	(18,762)	8,914	43,198
MTM Subsidiaries (R$ mil)	(898)	(7,243)	(69,940)	(148,596)	35,300	114,042
Potential impact (R$ thousand)		**(6,345)**	**(69,042)**	**(147,699)**	**36,198**	**114,940**
Consolidated potential impact (R$ thousand)		**806**	**(109,978)**	**(296,347)**	**115,133**	**308,689**

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.

All amounts in thousands of Reais unless otherwise stated.

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:

Consolidated

	Note	Mar/21	Dec/20
Own capital		**2,620,422**	**2,553,457**
Equity	18	2,620,422	2,553,457
Third party capital		**2,477,795**	**2,134,749**
Total current and non-current liabilities		3,860,682	3,559,862
Cash and cash equivalents	3	(1,382,887)	(1,425,113)
Own capital versus third-party capital ratio		**1.06**	**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.

All amounts in thousands of Reais unless otherwise stated.

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$17,41 and R$52,23 and volatility between 21,8% and 97.3% per year were used, resulting in estimates of minimum and maximum receipts between R$40,992 and R$100,849, respectively.

29. SUBSEQUENT EVENT

After an initial technical opinion unfavorable to the acquisition of the Brazilian subsidiary, issued on December 8, 2020 by the General Superintendence of CADE (Administrative Council for Economic Defense), on April 14, 2021, the Administrative Council for Economic Defense - CADE approved, in session public hearing held on this date, the acquisition, by the Company, of the iron smelting business of Teksid SpA ("Teksid"). The approval of the transaction was conditioned to the formalization of a Concentration Control Agreement to be signed by the parties that aims to meet the competitive concerns identified by CADE. The Company informs that it has obtained the approvals from the antitrust bodies of the competent European jurisdictions and awaits the approvals from the American and Mexican authorities to complete the acquisition.

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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

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

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 March 31, 2021, which comprises the statement of financial position as at March 31, 2021 and the related statements of profit or loss and of comprehensive income, the statements of changes in equity and of cash flows for the three 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 interim individual and consolidated 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 abovementioned quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the three-month periods ended March 31, 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, April 28, 2021.

ERNST & YOUNG
Auditores Independentes S/S
CRC 2SP 015199/O-6

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