

(A free translation of the original in Portuguese)



Quartely Financial Report

September 30, 2023

Release

Quartely Financial Information

Selected Explanatory Notes

Independent auditors' report





Strong operating cash generation, capture of synergies and growth of margins

Earnings Conference Call

Date: November 14, 2023

Portuguese/English

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- **Revenues: R\$3.0 billion in 3Q23** (+10% vs. 3Q22), including the result of MWM Tupy do Brasil (“MWM”), of approximately R\$597 million. Impact of the 7% appreciation in the BRL against the USD, with 68% of the Company’s revenues in the period in foreign currency. Drop in the manufacture of heavy vehicles in Brazil, due to the change in the engine emission technology (Proconve P8 / Euro 6) and the performance of economic indicators, resulting in lower sales compared to the same period of 2022 (-7% in the physical volume of structural components).
- **Operating Cash Flow: generation of R\$359 million in 3Q23**, an increase of 56% year on year, due to efficiency gains and working capital reduction initiatives.
- **Adjusted EBITDA of R\$367 million, the highest quarterly figure in the Company’s history, with a margin of 12.3%** (vs. 11.2% in 1H23, which already included the result of MWM). CVM EBITDA reached R\$350 million (+16% vs. 3Q22), with a margin of 11.8%. The capture of synergies, the initiatives to reduce costs and expenses, and the efficiency gains mitigated the impact of the appreciation in the BRL (7%) and the Mexican Peso (16%) – the currency which represents about 20% of the Company’s total costs – the drop in volumes, and the inflation of services and labor.
- **Net Income: R\$150 million** (vs. R\$192 million in 3Q22), corresponding to 5% of net revenue. The year-on-year comparison was impacted, among other factors, by increased financial expenses due to the issue of debentures, for the acquisition of MWM, totaling R\$1 billion, in September 2022, the exchange rate effect on the tax base of assets and liabilities located in Mexico (non-cash effect), and the recognition of tax credits with a positive impact of R\$22 million in 3Q22.

 **MESSAGE FROM MANAGEMENT**

We continue to make progress in building a new Tupy, a Company with multiple growth opportunities which invests in technologies that promote energy efficiency and are fundamentally important for the decarbonization process.

As for the traditional business, the greater offer of services covered by our Manufacturing Contracts has attracted current and potential clients because they add value and meet the location needs of their supplier bases. Our comparable advantages create numerous opportunities and have already contributed to the formation of new partnerships.

We continue obtaining synergies arising from the acquisitions. We have made significant progress, with efficiency gains and lower costs and expenses.

These initiatives contributed to the increase in margins in 3Q23, in comparison with the first half of the year, despite the appreciation in the BRL and the Mexican Peso (7% and 16% vs. the USD, respectively, in the annual comparison), with high impact on revenues, while our service, energy and labor costs were impacted by the global inflation, even though we saw a decrease in some materials. We were also impacted by the lackluster performance of the production of heavy vehicles in Brazil, due to the change in the engine emission technology (Proconve P8 / Euro 6), and economic indicators, negatively impacting the performance of structural components, machining and engine assembly. The drop in volumes impacts revenues and costs, as the operations are structured for higher production levels.

Adjusted EBITDA totaled R\$367 million in 3Q23, the highest quarterly figure in the Company's history, with a margin of 12.3%, representing an increase of 110 bps over 1H23.

These results alongside our efficient working capital management contributed to our strong operating cash generation that reached R\$359 million in the period.

New Business

We are increasing the offer of complete biogas and biomethane solutions, involving the production of biofuels, biofertilizers and equipment for the use of such clean fuels in tractors, trucks, irrigation systems, and the generation of clean electricity. The solutions for replacing diesel with biomethane-powered engines for trucks, generator sets and agricultural irrigation motor pumps have been widely accepted. Moreover, in the coming months, we will begin operations with agricultural cooperative Primato, consisting of the first stage of a project to develop a biogas and vehicle conversion plant. We will also announce new projects for the utilization of solid waste in urban areas.

Our history of over 85 years has been backed by research, development, and innovation. Such competitive edge enables us to conquer new businesses, making Tupy a strategic partner toward the carbonization of its customers.

This recognition of these efforts is a source of pride for the entire team. Among its numerous accomplishments, Tupy was recognized by the Brazilian National Confederation of Industry - CNI as one of the three outstanding players in the innovative products category of large-sized companies.

Despite short-term oscillations in demand in some markets, we will continue capturing efficiency gains to flexibilize operations, carry out new projects aiming at creating value for cast iron products, and diversify segments with high growth potential, such as Energy & Decarbonization, and Spart Parts.

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

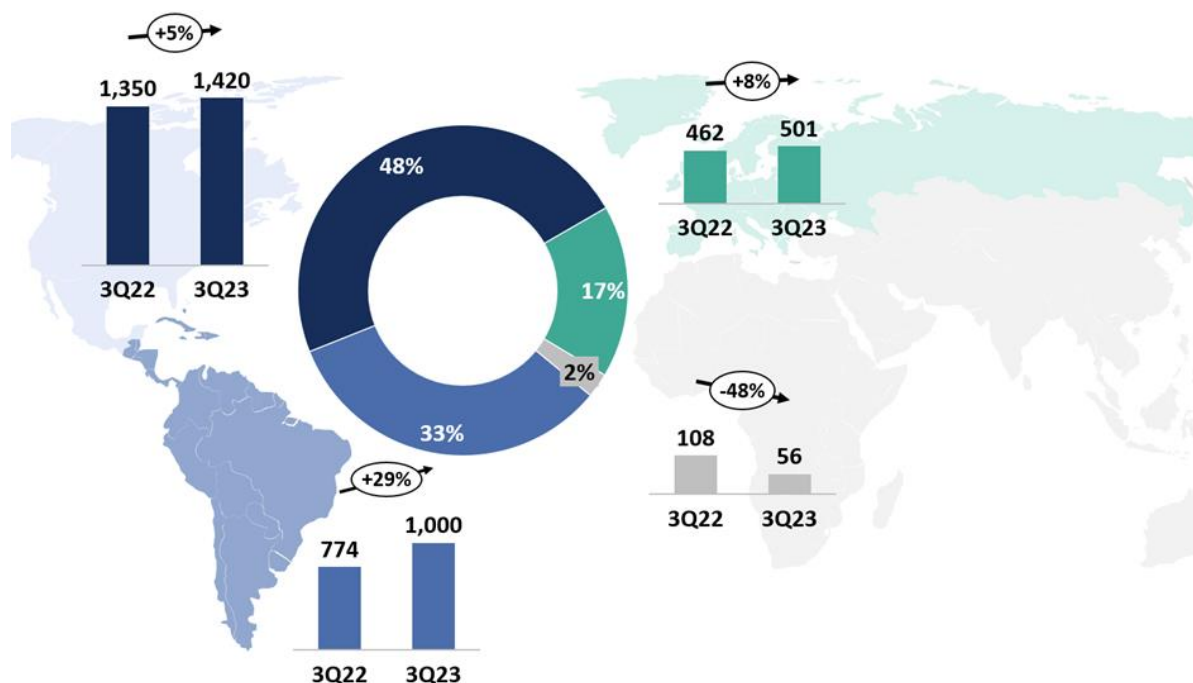
SUMMARIZED RESULTS

Consolidated (R\$ thousand)						
SUMMARY	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Revenues	2,975,942	2,694,013	10.5%	8,746,212	7,587,326	15.3%
Cost of goods sold	(2,453,403)	(2,158,931)	13.6%	(7,225,543)	(6,132,683)	17.8%
Gross Profit	(552,539)	(535,082)	-2.3%	1,520,669	1,454,643	4.5%
% on Revenues	17.6%	19.9%		17.4%	19.2%	
Operating expenses	(241,570)	(258,644)	-6.6%	(769,846)	(683,016)	12.7%
Other operating expenses	(19,112)	(57,715)	-66.9%	(92,290)	(108,385)	-14.8%
Income before Financial Result	261,857	218,723	19.7%	658,533	663,242	-0.7%
% on Revenues	8.8%	8.1%		7.5%	8.7%	
Net financial result	(47,010)	(9,959)	372.0%	(208,149)	(101,839)	104.4%
Income before Tax Effects	214,847	208,764	2.9%	450,384	561,403	-19.8%
% on Revenues	7.2%	7.7%		5.1%	7.4%	
Income tax and social contribution	(64,768)	(16,515)	292.2%	(93,159)	(115,582)	-19.4%
Net Income	150,079	192,249	-21.9%	357,225	445,821	-19.9%
% on Revenues	5.0%	7.1%		4.1%	5.9%	
EBITDA (CVM Inst. 527/12)	350,060	300,512	16.5%	928,795	927,090	0.2%
% on Revenues	11.8%	11.2%		10.6%	12.2%	
Adjusted EBITDA	367,027	358,142	2.5%	1,014,630	1,017,361	-0.3%
% on Revenues	12.3%	13.3%		11.6%	13.4%	
Average exchange rate (BRL/USD)	4.88	5.25	-7.0%	5.01	5.14	-2.6%
Average exchange rate (BRL/€)	5.31	5.28	0.5%	5.43	5.46	-0.6%

REVENUES

In 3Q23, 48% of revenues originated in North America. The South and Central Americas accounted for 33%, and Europe for 17% of the total. The remaining 2% came from Asia, Africa, and Oceania, and the acquired plants contributed to higher exposure to the Brazilian and European markets.

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



Revenue by Business Unit

To reflect the new profile of the Company, recent acquisitions, and opportunities for new business, in 1Q23, changes were made to the managerial presentation of Net Revenue.

The Transportation, Infrastructure, Agriculture, and Energy Generation Segment was split into **Structural Components & Manufacturing Contracts**, corresponding respectively to cast iron products and value-added services such as machining and assembly of components. **Energy and Decarbonization** covers results related to generator sets, company manufactured engines, marine applications, lighting towers, and decarbonization-related products and services.

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

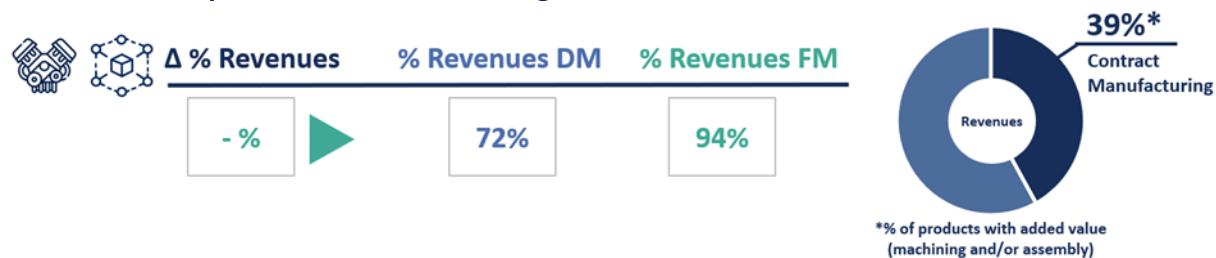
Consolidated (R\$ thousand)

	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Revenues	2,975,942	2,694,013	10.5%	8,746,212	7,587,326	15.3%
Domestic Market	958,659	751,988	27.5%	2,798,242	2,024,476	38.2%
Structural Components & Manufacturing Contracts	687,208	698,789	-1.7%	1,989,427	1,865,338	6.7%
Passenger cars	174,550	191,516	-8.9%	515,585	552,089	-6.6%
Commercial vehicles	428,262	397,598	7.7%	1,225,021	1,001,864	22.3%
Off-road	84,396	109,676	-23.0%	248,822	311,385	-20.1%
Energy & Decarbonization	119,312			374,340		
Distribution	152,139	53,198	186.0%	434,478	159,138	173.0%
Export Market	2,017,283	1,942,025	3.9%	5,947,970	5,562,850	6.9%
Structural Components & Manufacturing Contracts	1,904,684	1,897,576	0.4%	5,618,056	5,442,679	3.2%
Passenger cars	112,189	109,535	2.4%	344,527	350,368	-1.7%
Light commercial vehicles	655,634	697,018	-5.9%	1,891,066	1,979,172	-4.5%
Medium and heavy commercial vehicles	628,574	461,783	36.1%	1,719,025	1,375,784	24.9%
Off-road	508,287	629,240	-19.2%	1,663,438	1,737,355	-4.3%
Energy & Decarbonization	54,497			154,573		
Distribution	58,102	44,449	30.7%	175,341	120,171	45.9%

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

REVENUE BY BUSINESS UNIT

Structural Components & Manufacturing Contracts



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

Applications for medium and heavy commercial vehicles and machinery with larger engines continue showing solid fundamentals, resulting from, among other factors, investments in infrastructure and non-residential construction.

In terms of applications, 66% refer to commercial vehicles; 23% to the off-road segment, and 11% to passenger cars.

Approximately 39% of revenue comes from products that include machining or engine assembly services for third parties (manufacturing contracts).

Energy & Decarbonization



Revenues from the Energy & Decarbonization unit are composed of generator sets, company manufactured engines, applications for the maritime segment, lighting towers, irrigation and fertigation motor pumps, vehicle conversion, and power generation. The generator sets, lighting towers and vehicle conversion segment saw growth quarter on quarter in 3Q23, despite its lower share in revenue.

To meet demand from the agribusiness sector, in May, the motor pump, which is used for irrigation and fertigation, was launched under the MWM brand. Also, various decarbonization projects encompassing motor conversion and solid waste use are in the testing and prospecting phases.

Distribution



The sales of the distribution segment grew by 115%, mainly due to the inclusion of revenues from MWM (spare parts for the domestic and export markets), highlighting the launch of new products (optional and multi-brand lines).

COST OF GOODS SOLD AND OPERATING EXPENSES

The Cost of Goods Sold (COGS) totaled R\$2.5 billion in 3Q23, including MWM's costs, impacting the YOY comparison.

The effects of the exchange variation, which had a significant impact on costs in Mexican Pesos, were mitigated by several cost-cutting initiatives, productivity gains and the capture of synergies, resulting in a gross margin of 18% (vs. 17% in 1H23 and 20% in 3Q22).

	Consolidated (R\$ thousand)					
	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Revenues	2,975,942	2,694,013	10.5%	8,746,212	7,587,326	15.3%
Cost of goods sold	(2,453,403)	(2,158,931)	13.6%	(7,225,543)	(6,132,683)	17.8%
Raw material	(1,538,073)	(1,315,586)	16.9%	(4,481,564)	(3,702,201)	21.1%
Labor, profit sharing, and social benefits	(475,756)	(456,825)	4.1%	(1,433,193)	(1,316,161)	8.9%
Maintenance materials and third parties	(179,523)	(142,680)	25.8%	(533,435)	(416,308)	28.1%
Energy	(122,408)	(136,062)	-10.0%	(353,417)	(385,154)	-8.2%
Depreciation	(80,280)	(77,752)	3.3%	(247,040)	(234,069)	5.5%
Others	(57,363)	(30,026)	91.0%	(176,894)	(78,791)	124.5%
Gross profit	522,539	535,082	-2.3%	1,520,669	1,454,643	4.5%
<i>% on Revenues</i>	<i>17.6%</i>	<i>19.9%</i>		<i>17.4%</i>	<i>19.2%</i>	
Operating expenses	(241,570)	(258,644)	-6.6%	(769,846)	(683,016)	12.7%
<i>% on Revenues</i>	<i>8.1%</i>	<i>9.6%</i>		<i>8.8%</i>	<i>9.0%</i>	

In addition to including MWM's indicators, costs for 3Q23 were also mainly affected by the following factors:

- Raw materials: currency appreciation (Mexican Peso) partially mitigated by the drop in prices of several inputs.
- Labor: annual pay increase negotiation and appreciation in the Mexican Peso.
- Maintenance and outsourced services: services inflation and appreciation in the Mexican Peso.
- Energy: a drop of 10%, due to the lower sales volume and the reduction in energy prices in the Aveiro operation, in the annual comparison.
- Depreciation and amortization: increase of 3% in depreciation costs, due to the addition of the new operations.
- Increase of R\$27 million in the other operating costs line, mainly owing to the addition of the MWM operation. The line includes costs with the handling of products and materials, engine engineering projects, leases, and health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R\$242 million, down by 7% vs. 3Q22. Compared to 2Q23, which already included MWM's expenses, we saw a 3% reduction, mainly due to the drop in freight expenses and efficiency gains. In the period, these expenses accounted for 8% of the net revenue, vs. 10% in 3Q23.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Expenses totaled R\$19 million in 3Q23.

Consolidated (R\$ thousand)						
	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Depreciation of non-operating assets	(2,145)	(85)	2423.5%	(6,455)	(330)	1856.1%
Amortization of intangible assets	-	-	-	-	(17,784)	-58.1%
Others	(16,967)	(57,630)	-70.6%	(85,835)	(90,271)	-4.9%
Other operating expenses	(19,112)	(57,715)	-66.9%	(92,290)	(108,385)	-14.8%

The "Others" line is composed of expenses of (i) R\$21 million, resulting from the creation/restatement of provisions, (ii) R\$5 million referring to the write-off of PP&E items, and (iii) R\$9 million (revenue) from the sale of unserviceable assets and others.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R\$47 million.

Consolidated (R\$ thousand)						
	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Financial expenses	(86,775)	(52,499)	65.3%	(246,704)	(139,813)	76.5%
Financial income	27,227	22,741	19.7%	78,454	52,902	48.3%
Net monetary and currency variations	12,538	19,799	-36.7%	(39,899)	(14,928)	167.3%
Net Financial Result	(47,010)	(9,959)	372.0%	(208,149)	(101,839)	104.4%

The increase in financial expenses in 3Q23 vs. 3Q22 was mainly due to the increase of gross debt arising from debenture issues, totaling R\$1 billion, to pay for the acquisition of MWM, and the rise in the interest rate (SELIC), which directly impacts interests of borrowings in BRL.

Financial income reached R\$31 million in the period. The increase was mainly due to income from financial investments in BRL.

Revenues from net monetary and currency variations totaled R\$13 million and were comprised of (i) a positive variation in the balance sheet accounts in foreign currency, of R\$20 million, resulting from the depreciation of BRL versus the previous quarter, with no cash effect, and (ii) the result of the hedge operations, corresponding to an expense of R\$8 million in the period, with a positive cash effect of R\$13 million in the settled operations.

▽ EARNINGS BEFORE TAXES AND NET INCOME

The Company's Net Income was R\$150 million, down by 22% over the previous year. The result was mainly due to higher financial expenses, owing to the issue of debentures, the exchange rate effect on the tax base of assets and liabilities located in Mexico (non-cash effect), and the recognition of tax credits totaling R\$22 million in 3Q22.

Consolidated (R\$ thousand)						
	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Income (Loss) before Tax Effects	214,847	208,764	2.9%	450,384	561,403	-19.8%
Tax effects before currency impacts	(46,928)	(16,965)	176.6%	(138,561)	(133,759)	3.6%
Earnings before the currency effects on the tax base	167,919	191,799	-12.5%	311,823	427,644	-27.1%
Currency effects on the tax base	(17,840)	450	-	45,402	18,177	149.8%
Net Income	150,079	192,249	-21.9%	357,225	445,821	-19.9%
% on revenues	5.0%	7.1%		4.1%	5.9%	

The tax bases of the assets and liabilities of the companies located in Mexico, where the functional currency is the USD, are held in Mexican pesos at their historical values. Fluctuations in exchange rates affect the tax bases and, consequently, the currency effects are recorded as deferred income tax revenues and/or expenses. In 3Q23, an expense of R\$18 million was recorded, with non-cash effect (vs. an expense of R\$0.5 million in 3Q22).

▽ EBITDA

The combination of the aforementioned factors resulted in an EBITDA (CVM) of R\$350 million, with a margin of 11.8%. EBITDA adjusted for the write-off of tax credits, the creation/restatement of provisions, and the sale of PP&E items reached R\$367 million, with a margin of 12.3%.

Consolidated (R\$ thousand)						
RECONCILIATION OF NET INCOME WITH EBITDA	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
Net Income for the Period	150,079	192,249	21.9%	357,225	445,821	-19.9%
(+) Net Financial Result	47,010	9,959	372.0%	208,149	101,839	104.4%
(+) Income Tax and Social Contribution	64,768	16,515	292.2%	93,159	115,582	-19.4%
(+) Depreciation and Amortization	88,203	81,789	7.8%	270,262	263,848	2.4%
EBITDA (according to CVM Instruction 527/12)	350,060	300,512	16.5%	928,795	927,090	0.2%
% on revenues	11.8%	11.2%		10.6%	12.2%	
(+) Other net operating expenses, net*	16,967	57,630	-70.6%	85,835	90,271	-4.9%
Adjusted EBITDA	367,027	358,142	2.5%	1,014,630	1,017,361	-0.3%
% on revenues	12.3%	13.3%		11.6%	13.4%	

The adjustments made to EBITDA aim to offset the effects from items less related to the business, that are non-recurring, or that have a non-cash effect. These expenses consist of (i) R\$21 million, resulting

from the creation/restatement of provisions, (ii) R\$5 million referring to the write-off of PP&E items, and (iii) R\$9 million (revenue) from the sale of unserviceable assets and others.

The third-quarter result includes the indicators of MWM, which has margins lower than Tupy's, thereby affecting the annual comparison. We also noted an adverse effect of the appreciation in the BRL against the USD, which represents approximately 68% of revenues, and the Mexican Peso, with direct impact on approximately 20% of costs.

In turn, the change in engine technology to the Proconve P8 / Euro 6 standard still impact the entire production chain of heavy vehicles in Brazil. Demand for this type of application was also affected by the significant increase in vehicle prices. In addition to these aspects, there are economic factors, such as the current interest rate levels and restrictions on credit availability. Regarding the foreign market, we observed the cooling off demand in segments that are more sensitive to interest rates, as well as the inflation of services and labor in all operations.

These events were offset by the capture of synergies arising from the acquisitions, efficiency gains, and the initiatives to reduce costs and expenses.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R\$151 million in 3Q23, compared to R\$106 million in 3Q22.

	Consolidated (R\$ thousand)					
	3Q23	3Q22	Var. [%]	9M23	9M22	Var. [%]
PP&E						
Strategic investments	66,063	47,617	38.7%	150,419	82,390	82.6%
Maintenance and renovation of operating capacity	57,851	40,901	65.9%	166,967	112,410	48.5%
Environment	6,589	7,183	-8.3%	21,608	15,336	40.9%
Interest and financial charges	3,726	1,643	126.8%	9,294	4,350	113.7%
Intangible assets						
Software	5,481	6,877	-20.3%	8,690	15,397	-43.6%
Projects under development	1,268	1,399	-9.4%	4,744	2,443	94.2%
Total	150,978	105,620	42.9%	361,722	232,326	55.7%
<i>% on Revenues</i>	5.1%	3.9%		3.1%	3.1%	

The amounts mainly refer to new foundry and machining programs, higher operating efficiency, and synergies and investments in health, safety, and the environment.


WORKING CAPITAL

	Consolidated (R\$ thousand)				
	3Q23	2Q23	1Q23	4Q22	3Q22
Balance Sheet					
Accounts receivable	2,220,125	2,143,880	2,087,909	2,031,380	1,994,902
Inventories	1,977,233	2,021,128	2,185,575	2,207,884	1,589,339
Accounts payable	1,397,277	1,318,083	1,508,278	1,682,446	1,266,979
Sales outstanding [days]	69	66	64	60	63
Inventories [days]	74	73	78	79	62
Payables outstanding [days]	53	50	57	57	50
Cash conversion cycle [days]	90	89	85	82	75

The cash conversion cycle increased by 1 day compared to 2Q23. The main lines presented the following variations:

- Increase of R\$76 million in accounts receivable, with an impact on the average receivable period equivalent to 3 days of sales, mainly due to the currency appreciation over foreign currency accounts receivable that accounted for 75% of the total (closing rate of USD/BRL 5.01 in September 2023 vs. USD/BRL of R\$4.82 in June 2023).
- Reduction of R\$44 million in Inventories and increase of 1 day, in relation to the Cost of Goods Sold. The positive variation was due to the inclusion of MWM do Brasil's operations, with longer terms, being offset by the several actions carried out by the Company to reduce inventories in the operations located in Brazil and Mexico.
- Increase of R\$79 million in Accounts Payable, with a 3-day impact. The higher production volume contributed to the increased number of purchases in the period, and the comparison base was impacted by the significant reduction in inventories and the consequent purchase volume in the previous quarter (2Q23). This line was also affected by the effect of currency appreciation on accounts payable in foreign currency, which accounted for 41% of the total.

CASH FLOW

CASH FLOW SUMMARY	Consolidated (R\$ thousand)					
	3Q23	3Q22	Var.	9M23	9M22	Var.
Cash and cash equivalents at the beginning of the period	1,148,946	838,441	37.0%	1,509,829	1,272,445	18.7%
Cash from operating activities	358,570	229,601	56.2%	385,810	(24,518)	-
Cash used in investing activities	(299,315)	(103,917)	183.2%	(501,332)	(227,061)	120.8%
Cash provided by (used in) financing activities	(79,725)	995,041	-	(211,560)	962,494	-
Currency effect on the cash for the year	9,299	8,875	4.8%	(39,972)	(15,319)	160.9%
Increase (decrease) in cash and cash equivalents	(6,171)	1,129,600	-100.5%	(367,054)	695,596	-
Cash and cash equivalents at the end of the period	1,142,775	1,968,041	-41.9%	1,142,775	1,968,041	-41.9%

The Company recorded an operating cash generation of R\$359 million, from R\$230 million in 3Q22 and R\$159 million in 2Q23. This result was due to efforts to manage working capital, especially the reduction in inventories, the performance of MWM's operations, and receivables arising from commercial negotiations.

Investment activities consumed R\$299 million in 3Q23, vs. R\$104 million in the same period a year ago. The variation was mainly due to the cash return of R\$170 million to MWM's former controlling shareholder, as per contractual conditions.

As for financing activities, in 3Q23, consumption totaled R\$80 million, mainly arising from the payment of Interest on Equity and the repurchase of shares. In 3Q23, the comparison with the same period in the previous year was impacted by the conclusion of the fourth debenture issue of R\$1 billion in September 2022.

The combination of these factors, and the exchange rate variation on cash, which had a positive effect of R\$9 million, decreased our cash and cash equivalent balance by R\$6 million in the period. Accordingly, we closed 9M23 with a balance of R\$1.143 million.

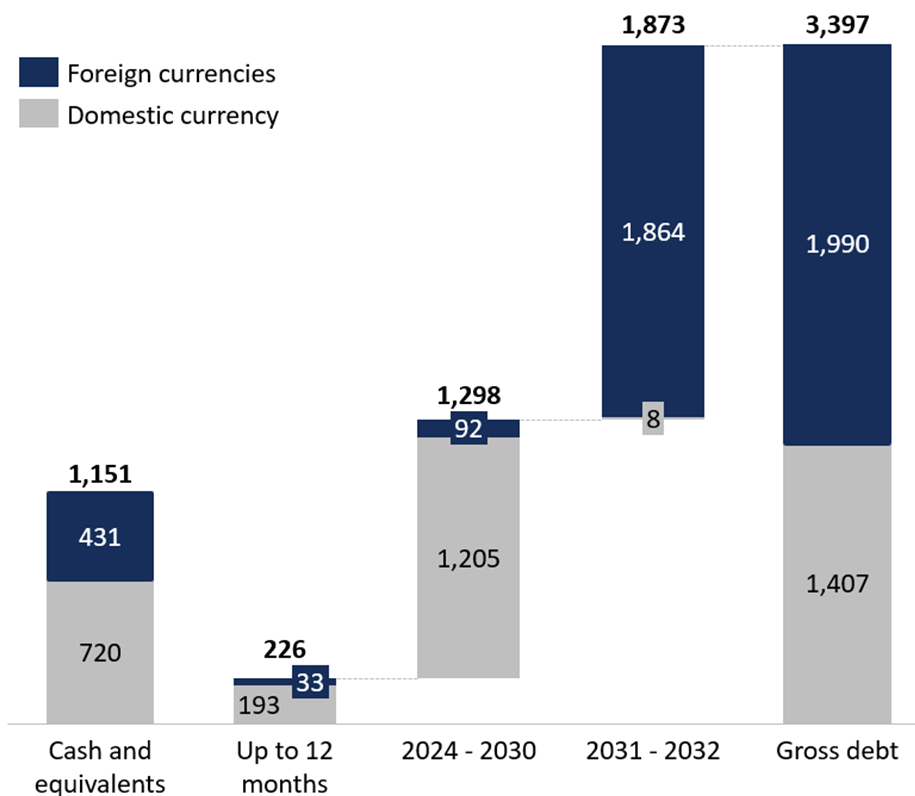
INDEBTEDNESS

The Company ended 3Q23 with a net debt of R\$3.4 billion, corresponding to a net debt/LTM Adjusted EBITDA ratio of 1.78x.

Foreign currency liabilities accounted for 59% of the total (2% in the short term and 98% in the long term), while 41% of debt is denominated in BRL (14% in the short term and 86% in the long term). As for the Company's cash balance, 63% of the total amount is denominated in BRL and 37% in foreign currency.

Consolidated (R\$ thousand)					
INDEBTEDNESS	3Q23	2Q23	1Q23	4Q22	3Q22
Short term	226,040	208,295	139,668	284,633	213,008
Financing and loans	219,161	206,312	138,681	284,303	209,723
Financial instruments and derivatives	6,879	1,983	987	330	3,285
Long term	3,170,678	3,173,618	3,274,608	3,235,576	3,304,338
Gross debt	3,396,718	3,381,913	3,414,276	3,520,209	3,517,346
Cash and cash equivalents	1,142,775	1,148,946	1,177,621	1,509,829	1,968,041
Financial instruments and derivatives	8,058	25,532	20,789	13,433	5,350
Net debt	2,245,885	2,207,435	2,215,866	1,996,947	1,543,955
Gross debt/Adjusted EBITDA	2.69x	2.69x	2.69x	2.78x	2.88x
Net debt/Adjusted EBITDA	1.78x	1.76x	1.75x	1.58x	1.27x

The Company's debt profile is as follows:



All amounts in R\$ million.

EXECUTIVE OFFICERS' STATEMENT

In compliance with the provisions contained in Article 27 of CVM Instruction 80, of March 29, 2022, the Board of Executive Officers of Tupy S.A. declares that it has reviewed, discussed and agreed with the opinion expressed in the Independent Auditor's Report on the Interim Financial Information, issued on this date, and with the Interim Financial Information of September 30, 2023.

Attachment I – Commercial Vehicle production and sales in Brazil

	(Units)				
	3Q23	3Q22	Var. (%)	2Q23	Var. (%)
Production					
Trucks					
Semi-light	212	329	-35.6%	169	25.4%
Light	2,875	5,103	-43.7%	3,162	-9.1%
Medium	806	2,447	-67.1%	481	67.6%
Semi-heavy	5,665	13,930	-59.3%	6,655	-14.9%
Heavy	15,034	23,094	-34.9%	12,209	23.1%
Total trucks	24,592	44,903	-45.2%	22,676	8.4%
Buses	5,816	10,493	-44.6%	5,524	5.3%
Commercial Vehicles	30,408	55,396	-45.1%	28,200	7.8%
Sales					
Trucks					
Semi-light	325	512	-36.5%	272	19.5%
Light	2,083	2,928	-28.9%	1,975	5.5%
Medium	1,874	2,440	-23.2%	1,999	-6.3%
Semi-heavy	6,758	9,095	-25.7%	6,455	4.7%
Heavy	13,578	18,600	-27.0%	11,191	21.3%
Total Trucks	24,618	33,575	-26.7%	21,892	12.5%
Buses	4,465	4,594	-2.8%	5,100	-12.5%
Commercial Vehicles	29,083	38,169	-23.8%	26,992	7.7%
Export					
Trucks					
Semi-light	165	98	68.4%	265	-37.7%
Light	371	778	-52.3%	392	-5.4%
Medium	212	274	-22.6%	36	488.9%
Semi-heavy	1,139	1,892	-39.8%	1,212	-6.0%
Heavy	2,418	3,797	-36.3%	1,789	35.2%
Total Trucks	4,305	6,839	-37.1%	3,694	16.5%
Buses	1,487	1,815	-18.1%	1,441	3.2%
Commercial Vehicles	5,792	8,654	-33.1%	5,135	12.8%

Source: ANFAVEA

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

	(Units)				
	3Q23	3Q22	Var. (%)	2Q23	Var. (%)
North America					
Production					
Passenger cars	791,862	692,562	14.3%	866,618	-8.6%
Light comercial vehicles – Class 1-3	3,213,680	3,038,764	5.8%	3,249,206	-1.1%
% Light comercial vehicles	80.2%	81.4%	-1.2%	78.9%	1.6%
Light Duty - Class 4-5	24,958	26,884	-7.2%	24,743	0.9%
Medium Duty - Class 6-7	35,057	32,295	8.6%	37,588	-6.7%
Medium Duty - Class 8	82,485	85,154	-3.1%	84,164	-2.0%
Medium & Heavy Duty¹	142,500	144,333	-1.3%	146,495	-2.7%
United States					
Sales					
Passenger cars	813,736	724,478	12.3%	866,618	-6.1%
Light comercial vehicles – Class 1-3	3,166,241	2,687,630	17.8%	3,249,206	-2.6%
% Light comercial vehicles	79.6%	78.8%	0.8%	78.9%	0.8%
Light Duty - Class 4-5	32,834	30,813	6.6%	32,682	0.5%
Medium Duty - Class 6-7	32,052	27,802	15.3%	33,560	-4.5%
Medium Duty - Class 8	66,561	67,050	-0.7%	70,922	-6.1%
Medium & Heavy Duty¹	131,447	125,665	4.6%	137,164	-4.2%
Europe					
Sales					
Passenger cars	2,502,096	2,178,911	14.8%	2,787,942	-10.3%

Source: Automotive News; Bloomberg; ACEA

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

	(Units)				
	3Q23	3Q22	Var. (%)	2Q23	Var. (%)
Sales					
Americas					
United States and Canada	72,953	77,296	-5.6%	90,526	-19.4%
Europe					
Germany	12,464	13,764	-9.4%	14,517	-14.1%
United Kingdom	2,925	2,877	1.7%	3,354	-12.8%

Source: ANFAVEA; Bloomberg; AEA

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES**BALANCE SHEETS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022****(All amounts in thousands of reais)****ASSETS**

	Note	Parent company		Consolidated	
		9/30/23	12/31/22	9/30/23	12/31/22
CURRENT ASSETS					
Cash and cash equivalents	3	469,388	704,746	1,142,775	1,509,829
Derivative financial instruments	31	1,765	5,141	8,058	13,433
Trade account receivables	4	903,996	1,035,555	2,220,125	2,031,380
Inventories	5	507,702	519,306	1,977,233	2,207,884
Tooling	6	104,357	70,402	258,583	166,374
Income tax and social contribution recoverable	7	1,258	8,069	25,114	47,427
Other taxes recoverable	8	57,396	60,052	339,833	281,732
Other assets		48,855	57,293	152,609	168,621
Total current assets		2,094,717	2,460,564	6,124,330	6,426,680
NON-CURRENT ASSETS					
Income tax and social contribution recoverable	7	29,871	30,124	53,162	30,124
Other taxes recoverable	8	14,698	12,281	270,334	342,552
Deferred income tax and social contribution	9	238,743	265,839	691,033	657,132
Judicial deposits and other		7,199	9,099	28,209	30,165
Investments in equity instruments		2,563	2,746	8,671	15,496
Investments properties		-	-	5,694	5,694
Investments	11	4,085,699	4,136,047	-	-
Property, plant and equipment	12	793,926	708,827	2,655,816	2,584,302
Intangible assets	13	49,149	48,396	151,680	151,113
Total non-current assets		5,221,848	5,213,359	3,864,599	3,816,578
Total assets		7,316,565	7,673,923	9,988,929	10,243,258

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES**BALANCE SHEETS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022**

(All amounts in thousands of reais)

LIABILITIES

	Note	Parent company		Consolidated	
		9/30/23	12/31/22	9/30/23	12/31/22
CURRENT LIABILITIES					
Trade accounts payables	14	585,399	606,734	1,397,277	1,682,446
Business combination obligations	20	148,581	304,739	148,581	304,739
Loans and financing	15	1,329,581	62,021	210,617	238,505
Debentures	16	8,544	45,798	8,544	45,798
Derivative financial instruments	31	4,898	73	6,879	330
Other taxes payable		45,714	30,895	131,970	193,548
Salaries, social security charges and profit sharing		205,734	224,047	424,276	426,428
Advances from customers	17	16,242	18,149	254,585	194,992
Related parties	10	4,702	6,219	-	-
Dividends and interest on shareholders' equity	10 b	141,512	98,243	141,512	98,243
Provision for tax, civil, social security and labor proceedings	18	17,836	23,868	17,836	23,868
Other liabilities	21	32,021	28,025	175,258	181,448
Total current liabilities		2,540,764	1,448,811	2,917,335	3,390,345
NON-CURRENT LIABILITIES					
Loans and financing	15	140,245	1,860,831	2,176,627	2,242,516
Debentures	16	994,051	993,060	994,051	993,060
Provision for tax, civil, social security and labor proceedings	18	248,941	220,578	402,599	380,274
Business combination obligations		107,768	107,768	107,768	107,768
Retirement benefit obligations	19	-	-	104,385	91,367
Other long term liabilities		16,449	3,032	16,887	3,568
Total non-current liabilities		1,507,454	3,185,269	3,802,317	3,818,553
EQUITY					
Share capital	22	1,177,603	1,060,301	1,177,603	1,060,301
Share issuance costs		(6,541)	(6,541)	(6,541)	(6,541)
Share-based payments		9,370	9,876	9,370	9,876
Treasury shares	22b	(2,677)	(451)	(2,677)	(451)
Carrying value adjustments		756,078	799,055	756,078	799,055
Income reserves		981,051	1,177,603	981,051	1,177,603
Retained earnings		353,463	-	353,463	-
Non-controlling interest		-	-	930	(5,483)
Total equity		3,268,347	3,039,843	3,269,277	3,034,360
Total liabilities and equity		7,316,565	7,673,923	9,988,929	10,243,258

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES**STATEMENTS OF INCOME****PERIOD ENDED DECEMBER 31, 2022 AND 2021****(All amounts in thousands of reais, except earnings per share)**

	Note	Parent company		Consolidated	
		9/30/23	9/30/22	9/30/23	9/30/22
NET REVENUE	23	3,525,291	3,683,390	8,746,212	7,587,326
Cost of products sold	24	(2,645,417)	(2,854,883)	(7,225,543)	(6,132,683)
GROSS PROFIT		879,874	828,507	1,520,669	1,454,643
Selling expenses	24	(191,861)	(265,601)	(458,213)	(455,722)
Administrative expenses	24	(168,374)	(150,388)	(311,633)	(227,294)
Other operating expenses, net	26	(73,064)	(87,527)	(92,290)	(108,385)
Share of results of subsidiaries	11	208,747	225,529	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		655,322	550,520	658,533	663,242
Finance costs	25	(206,701)	(107,280)	(246,704)	(139,813)
Finance income	25	41,013	51,157	78,454	52,902
Monetary and foreign exchange variations, net	25	(45,873)	12,696	(39,899)	(14,928)
PROFIT BEFORE TAXATION		443,761	507,093	450,384	561,403
Income tax and social contribution	27	(92,769)	(55,422)	(93,159)	(115,582)
NET INCOME FOR THE PERIOD		350,992	451,671	357,225	445,821
TUPY SHAREHOLDERS NET INCOME (LOSS)		350,992	451,671	350,992	451,671
NON-CONTROLLING NET LOSS		-	-	6,233	(5,850)
EARNINGS PER SHARE					
Basic earnings per share	28	2.43621	3.13339	2.43621	3.13339
Diluted earnings per share	28	2.41640	3.11630	2.41640	3.11630

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES**STATEMENTS OF INCOME****QUARTERS ENDED SEPTEMBER 30, 2023 AND 2022****(All amounts in thousands of reais, except earnings per share)**

	Note	Parent company		Consolidated	
		7/1/23	7/1/22	7/1/23	7/1/22
		9/30/23	9/30/22	9/30/23	9/30/22
NET REVENUE	23	1,304,569	1,402,473	2,975,942	2,694,013
Cost of products sold	24	(904,681)	(1,050,189)	(2,453,403)	(2,158,931)
GROSS PROFIT		399,888	352,284	522,539	535,082
Selling expenses	24	(53,982)	(109,477)	(131,266)	(179,210)
Administrative expenses	24	(62,501)	(53,782)	(110,304)	(79,434)
Other operating expenses, net	26	(14,487)	(57,925)	(19,112)	(57,715)
Share of results of subsidiaries		(8,959)	67,595	-	-
PROFIT BEFORE FINANCE RESULTS AND TAXES		259,959	198,695	261,857	218,723
Finance costs	25	(71,421)	(43,210)	(86,775)	(52,499)
Finance income	25	13,663	20,587	27,227	22,741
Monetary and foreign exchange variations, net	25	21,184	22,469	12,538	19,799
PROFIT BEFORE TAXATION		223,385	198,541	214,847	208,764
Income tax and social contribution	27	(74,535)	(4,252)	(64,768)	(16,515)
NET INCOME FOR THE PERIOD		148,850	194,289	150,079	192,249
TUPY SHAREHOLDERS NET INCOME (LOSS)		148,850	194,289	148,849	194,289
NON-CONTROLLING NET LOSS		-	-	1,230	(2,040)
EARNINGS PER SHARE					
Basic earnings (loss) per share	28	1.03316	1.34785	1.03316	1.34785
Diluted earnings (loss) per share	28	1.02476	1.34049	1.02476	1.34049

(A free translation of the original in Portuguese)

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

	Note	Parent company		Consolidated	
		9/30/23	9/30/22	9/30/23	9/30/22
NET INCOME (LOSS) FOR THE YEAR		350,992	451,671	357,225	445,821
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad	11b	(98,763)	(96,265)	(98,763)	(96,265)
Hedge of net investment abroad	31c	88,278	45,726	88,278	45,726
Tax effect on hedge of net investment abroad	31c	(30,021)	(15,547)	(30,021)	(15,547)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		310,486	385,585	316,719	379,735

TUPY S.A. AND SUBSIDIARIES**STATEMENTS OF COMPREHENSIVE INCOME****QUARTERS ENDED SEPTEMBER 30, 2023 AND 2022****(All amounts in thousands of reais, except earnings per share)**

		Parent company		Consolidated	
		7/1/23	7/1/22	7/1/23	7/1/22
		9/30/23	9/30/22	9/30/23	9/30/22
NET INCOME FOR THE PERIOD		148,850	194,289	150,079	192,249
Components of other comprehensive income to be reclassified to the results					
Foreign exchange variation of investees located abroad		80,797	189,331	80,797	189,331
Hedge of net investment abroad		(50,799)	(173,288)	(50,799)	(173,288)
Tax effect on hedge of net investment abroad		17,272	58,919	17,272	58,919
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		196,120	269,251	197,349	267,211

See the accompanying notes to the quarterly information

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIESSTATEMENT OF CHANGES IN EQUITY(All amounts in thousands of reais)

	Note	Share capital	Share issue cost	Shared based payments	Treasury stock	Carrying value adjustments		Revenue reserves		Retained earnings (losses)	Total controlling shareholders	Non-controlling Shareholders	Total
						Exchange variation of investees	Deemed cost of fixed assets	Legal reserve	Reserve for investments				
AT DECEMBER 31, 2021		1,060,301	(6,541)	8,680	(5)	876,825	20,664	105,966	686,654	-	2,752,544	670	2,753,214
Comprehensive income for the period													
Net income for the period		-	-	-	-	-	-	-	-	451,671	451,671	(5,850)	445,821
Realization of carrying value adjustments		-	-	-	-	-	(3,103)	-	-	3,103	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(96,265)	-	-	-	-	(96,265)	-	(96,265)
Hedge of net investment abroad	31c	-	-	-	-	45,726	-	-	-	-	45,726	-	45,726
Tax impact on hedge of net investment abroad	31c	-	-	-	-	(15,547)	-	-	-	-	(15,547)	-	(15,547)
Total comprehensive income for the period		-	-	-	-	(66,086)	(3,103)	-	-	454,774	385,585	(5,850)	379,735
Contributions from shareholders and distributions to shareholders													
Management stock option plan		-	-	2,693	-	-	-	-	-	-	2,693	-	2,693
Realization of management stock option plan		-	-	(3,128)	-	-	-	-	-	3,128	-	-	-
(-) Shares in treasury acquired		-	-	-	(1,115)	-	-	-	-	-	(1,115)	-	(1,115)
Allocation of gain:		-	-	-	-	-	-	-	-	-	-	165	165
Interest on shareholders' equity		-	-	-	-	-	-	-	(32,413)	-	(32,413)	-	(32,413)
Total contributions from shareholders and distributions to shareholders		-	-	(435)	(1,115)	-	-	-	(32,413)	3,128	(30,835)	165	(30,670)
AT SEPTEMBER 30, 2022		1,060,301	(6,541)	8,245	(1,120)	810,739	17,561	105,966	654,241	457,902	3,107,294	(5,015)	3,102,279
AT DECEMBER 31, 2022		1,060,301	(6,541)	9,876	(451)	782,469	16,586	131,380	1,046,223	-	3,039,843	(5,483)	3,034,360
Comprehensive income for the period													
Net income for the period		-	-	-	-	-	-	-	-	350,992	350,992	6,233	357,225
Realization of carrying value adjustments		-	-	-	-	-	(2,471)	-	-	2,471	-	-	-
Foreign exchange variation of investees located abroad	11b	-	-	-	-	(98,763)	-	-	-	-	(98,763)	-	(98,763)
Hedge of net investment abroad	31c	-	-	-	-	88,278	-	-	-	-	88,278	-	88,278
Tax impact on hedge of net investment abroad	31c	-	-	-	-	(30,021)	-	-	-	-	(30,021)	-	(30,021)
Total comprehensive income for the year		-	-	-	-	(40,506)	(2,471)	-	-	353,463	310,486	6,233	316,719
Contributions from shareholders and distributions to shareholders													
Management stock option plan		117,302	-	-	-	-	-	-	(117,302)	-	-	-	-
(-) Treasury share granted		-	-	8,514	-	-	-	-	-	-	8,514	-	8,514
(-) Treasury share granted		-	-	(9,020)	9,020	-	-	-	-	-	-	-	-
(-) Shares in treasury acquired		-	-	-	(11,246)	-	-	-	-	-	(11,246)	-	(11,246)
Non-controlling net income		-	-	-	-	-	-	-	-	-	-	180	180
Allocation of gain:		-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital		-	-	-	-	-	-	-	(79,250)	-	(79,250)	-	(79,250)
Total contributions from shareholders and distributions to shareholders		117,302	-	(506)	(2,226)	-	-	-	(196,552)	-	(81,982)	180	(81,802)
AT SEPTEMBER 30, 2023		1,177,603	(6,541)	9,370	(2,677)	741,963	14,115	131,380	849,671	353,463	3,268,347	930	3,269,277

See the accompanying notes to the quarterly information

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TUPY S.A. AND SUBSIDIARIES**STATEMENTS OF CASH FLOW****PERIOD ENDED DECEMBER 31, 2022 AND 2021****(All amounts in thousands of reais, except earnings per share)**

	Note	Parent company		Consolidated	
		9/30/23	9/30/22	9/30/23	9/30/22
Cash flow from operating activities:					
Profit for the period before income tax and social contribution		443,761	507,093	450,384	561,403
Adjustment to reconcile profit (losses) with cash provided by operating activities:					
Depreciation and amortization	12 and 13	110,646	104,946	270,262	263,848
Share of results of subsidiaries	11	(208,747)	(225,529)	-	-
Disposals of property, plant and equipment		5,539	(5,570)	8,890	(4,296)
Interest accrued and foreign exchange variations	25	252,179	24,836	276,618	59,646
Provision for impairment of trade receivables		(1,653)	3,728	(2,998)	2,721
Provision for losses on inventory		(5,991)	1,060	(9,100)	(11,378)
Provision for contingencies	18	94,143	28,680	103,073	34,512
Stock option plan		8,514	2,693	8,514	2,693
REINTEGRA impairment		-	52,744	-	52,744
Change in Eletrobrás credit		183	(771)	183	(771)
		698,574	493,910	1,105,826	961,122
Changes in operating assets and liabilities:					
Trade accounts receivables		87,864	(420,622)	(284,894)	(706,639)
Inventories		17,595	(65,503)	211,783	(98,708)
Tooling		(33,955)	(11,334)	(95,457)	(10,179)
Other taxes recoverable		(88,391)	20,577	(20,489)	(100,612)
Other assets		6,863	(951)	20,664	(60,893)
Judicial deposits and other		1,900	5,256	1,956	5,086
Trade payables		(21,134)	64,091	(250,415)	4,304
Other taxes payable		14,819	13,399	(60,763)	106,566
Salaries, social security charges and profit sharing		(18,313)	64,110	2,310	98,662
Advances from customers		(1,907)	(1,313)	62,374	(22,852)
Notes and other payables		3,996	(5,518)	(6,071)	(26,363)
Retirement benefit obligations		-	-	15,840	8,630
Payment of contingencies other liabilities		(58,395)	(37,216)	(73,461)	(37,112)
Cash generated by operations		609,516	118,886	629,203	121,012
Interest paid		(125,198)	(67,384)	(111,584)	(136,604)
Income tax and social contribution paid		-	-	(131,809)	(8,926)
Net cash generated from operating activities		484,318	51,502	385,810	(24,518)
Cash flow from investing activities:					
Corporata Reorganization	11	(61)	-	-	-
Business Combinations Obligations		(166,673)	-	(166,673)	-
Additions to fixed assets or intangibles	12 and 13	(164,700)	(127,809)	(336,234)	(228,636)
Cash generated on PPE disposals		1,575	1,575	1,575	1,575
Subsidiaries and associates		2,648	(173,241)	-	-
Net cash used in investing activities		(327,211)	(299,475)	(501,332)	(227,061)
Cash flow from financing activities:					
Payment of loans	15	(436,728)	(2,082)	(163,457)	(387,569)
Debentures issued	16	-	1,000,000	-	1,000,000
Interest on debentures	16	(147,008)	-	(147,008)	-
Loans and financing raised	15	89,665	37,221	170,591	442,221
Lease payment from right of use		(8,698)	(4,533)	(24,459)	(13,913)
Forfeiting operation		-	-	-	(54,970)
Capital reduction		150,000	-	-	-
Interest on capital and dividends paid		(32,676)	(22,160)	(32,676)	(22,160)
Income tax of interest on capital and dividends paid		(3,305)	-	(3,305)	-
Treasury stock		(11,246)	(1,115)	(11,246)	(1,115)
Financial investment		-	-	-	-
Net cash used in financing activities		(399,996)	1,007,331	(211,560)	962,494
Effect of exchange rate differences on cash for the period		7,531	53	(39,972)	(15,319)
Increase in cash and cash equivalents		(235,358)	759,411	(367,054)	695,596
Cash and cash equivalents at the beginning of the year		704,746	712,364	1,509,829	1,272,445
Cash and cash equivalents at the end of the year		469,388	1,471,775	1,142,775	1,968,041

See the accompanying notes to the quarterly information

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TUPY S.A. AND SUBSIDIARIES**STATEMENT OF VALUE ADDED****PERIOD ENDED SEPTEMBER 30, 2023 AND 2022****(All amounts in thousands of reais, except earnings per share)**

	Note	Parent company		Consolidated	
		9/30/23	9/30/22	9/30/23	9/30/22
Origination of value added		3,781,492	3,988,757	9,478,301	8,053,578
Sale of products, net of returns and rebates	23	3,779,839	3,992,485	9,475,303	8,056,299
Provision for impairment of trade receivables		1,653	(3,728)	2,998	(2,721)
(-) Inputs acquired from third parties		(2,415,354)	(2,756,173)	(6,380,890)	(5,360,583)
Raw materials and processing material consumed		(1,942,486)	(2,191,481)	(4,208,640)	(3,566,263)
Materials, energy, third party services and other		(472,868)	(564,692)	(2,172,250)	(1,794,320)
GROSS VALUE ADDED		1,366,138	1,232,584	3,097,411	2,692,995
Retentions:		(110,646)	(104,946)	(270,262)	(263,848)
Depreciation and amortization	12 and 13	(110,646)	(104,946)	(270,262)	(263,848)
Net value added generated by the Company		1,255,492	1,127,638	2,827,149	2,429,147
Value added received through transfer		249,760	276,686	78,454	52,902
Finance income	25	41,013	51,157	78,454	52,902
VALUE ADDED TO DISTRIBUTE		1,505,252	1,404,324	2,905,603	2,482,049
Distribution of value added					
Personnel		656,654	638,842	1,705,297	1,386,958
Employees		480,169	454,230	1,408,703	1,131,040
Social charges - Government Severance Indemnity Fund for Employees (FGTS)		33,075	31,981	58,294	31,981
Profit sharing		45,442	60,184	78,512	102,218
Management fees		19,046	17,433	19,046	17,433
Workplace healthcare and safety		52,829	49,347	79,913	49,347
Food		11,036	11,204	21,134	11,204
Professional education, qualification and development		934	1,111	3,413	2,204
Other amounts		14,123	13,352	36,282	41,531
Government		245,032	219,227	556,478	494,529
Federal taxes and contributions		208,906	173,640	447,939	364,623
State taxes and rates		29,976	39,575	101,172	123,110
Municipal taxes, rates and other		6,150	6,012	7,367	6,796
Third party capital		252,574	94,584	286,603	154,741
Finance costs	25	206,701	107,280	246,704	139,813
Monetary and foreign exchange variations, net	25	45,873	(12,696)	39,899	14,928
Own capital		350,992	451,671	357,225	445,821
Retained earnings (losses)		350,992	451,671	357,225	445,821
TOTAL VALUE ADDED		1,505,252	1,404,324	2,905,603	2,482,049

(A free translation of the original in Portuguese)
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1. GENERAL INFORMATION

Tupy S.A. ("Parent Company") and its subsidiaries (jointly, "Company" or "Consolidated") develop and produce cast iron structural components of high geometric and metallurgical complexity. These engineering solutions are applied in the sectors of freight transportation, infrastructure, agribusiness, and energy generation and, contribute to people's quality of life, promoting access to health, basic sanitation, drinking water, food production and distribution, and global trade. The technological innovation involved in producing and creating these pieces is the company's specialty, in its 85-year history. The Company has industrial plants in Brazil, in Joinville-SC, Betim-MG and São Paulo-SP, and a distribution center in Jundiaí-SP. Abroad, its units are located in the cities of Saltillo and Ramos Arizpe, Mexico, as well as in the city of Aveiro, Portugal. In addition to the industrial plants, the Parent Company has a subsidiary in the Netherlands, which centralizes the Company's operations abroad and another one in Luxembourg, for issuing debt securities on the international market. Additionally, it has sales offices in Germany, USA, and Italy.

Tupy S.A. is a corporation (*sociedade anônima*), headquartered in Joinville-SC, registered on the São Paulo Stock Exchange ("B3": TUPY3) and listed on the *Novo Mercado* of B3 S.A.

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

The issue of these financial statements was authorized by the Board of Directors on November 13, 2023.

2. PRESENTATION AND PREPARATION OF THE QUARTERLY INFORMATION

The Company presents the interim financial statements in accordance with the Technical Pronouncement CPC 21 - "Interim Financial Reporting" and International Financial Reporting Standard IAS 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), and presented in accordance with the rules and regulations issued by the Brazilian Securities Commission (CVM), applicable to the preparation of interim information, and are identified as "Parent company" and "Consolidated", respectively. Circular Letter CVM/SNC/SEP 003, of April 28, 2011, permits entities to present selected explanatory notes in cases of redundancy or duplication relative to the information already presented in the Company's annual financial statements. These interim condensed financial statements do not include all of the disclosures required in a complete set of financial statements and should be read together with the annual financial statements for the year ended December 31, 2022.

Accordingly, the Company discloses below a list of the explanatory notes that are not partially or completely presented in the interim condensed financial statements at September 30, 2023

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

2.1 Basis of preparation, functional and presentation currency

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

The functional and presentation currency are with the same as those for the annual financial statements for the year ended December 31, 2022.

2.2 Use of critical accounting estimates and judgments

The preparation of Parent Company and Consolidated interim information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, revenue and expenses.

In the preparation of these interim financial statements, the decisions made by the Company regarding the application of accounting policies and the main sources of uncertainty in estimates and critical accounting judgments were the same as those for the annual financial statements for the year ended December 31, 2022 and are disclosed in Note 2.4 of those financial statements.

2.3 Significant accounting policies

The accounting policies used in the preparation of these interim financial statements for the period ended September 30, 2023 are consistent with those used to prepare the annual financial statements for the year ended December 31, 2022, these policies are disclosed in Note 2 in the annual financial statements.

3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Cash and banks	2,448	3,200	23,022	26,139
Financial investments in Brazil	431,143	625,633	696,918	916,210
Financial investments abroad	35,797	75,913	422,835	567,480
	469,388	704,746	1,142,775	1,509,829

Interest earning bank deposits presented as cash and cash equivalents are securities with immediate liquidity and represent an insignificant risk of change in value. In Brazil, investments are remunerated by the change in the CDI (Interbank Deposit Certificate) rate, with an average rate equivalent to 13.38% p.a. (12.45% p.a. for the year ended December 31, 2022). Abroad, investments are predominantly in US

dollars (US\$) and remunerated at the average rate of 1.86% per annum (2.08% per annum at December 31, 2022) called “time deposit” and “overnight”.

The balance of cash and cash equivalents carries R\$ 243,132 from the acquiree MWM Tupy do Brasil Ltda. Such amount will be reimbursed to the seller as soon as the procedures related to the price adjustment to be defined between the parties.

The cash and cash equivalent balance carried R\$ 243,132 from the acquired MWM Tupy do Brasil Ltda., arising from the business combination that occurred on November 30, 2022, which would be returned to the seller after discussions about the final adjustment of the transaction price. On September 29, 2023, after partial agreement, R\$ 169,785 was reimbursed. The remaining balance is under discussion between the parties and the final approved value will then be the subject of the estimated final settlement that will occur by the end of the year 2023.

The Company operates with first-rate institutions, as detailed in Note 31.1.

4. ACCOUNTS RECEIVABLE

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

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Domestic market	254,590	176,808	561,673	638,762
Foreign market	658,714	868,056	1,699,240	1,469,486
Provision for impairment of trade receivables	(9,308)	(9,309)	(40,788)	(76,868)
	903,996	1,035,555	2,220,125	2,031,380

The balance of accounts receivable from the domestic market is denominated in Brazilian Reais; from the foreign market, it is predominantly in US Dollars and, to a lesser extent, in Euros.

The accounts receivable was impacted by increase in volume and adjustments in selling prices in the period, compared to the previous year, and reduced in part by the appreciation of the Brazilian Real (R\$) against the US Dollar (US\$), which went from R\$ 5.2177 on December 31, 2022 to 5.0076 in September 30, 2023.

The balance of accounts receivable from the Parent Company includes amounts referring to sales to related parties that are eliminated in Consolidated, in the amount of R\$ 555,965 (R\$ 783,444 at December 31, 2022). (Note 10)

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Falling due in up to 30 days	370,434	536,573	895,838	868,769
Falling due within 31 to 60 days	298,990	225,944	683,347	548,609
Falling due in more than 61 days	227,550	247,351	495,882	381,486
Total falling due	896,974	1,009,868	2,075,067	1,798,864
Overdue for up to 30 days	7,275	22,036	99,065	130,532
Overdue for 31 to 60 days	1,004	2,057	17,178	46,401
Overdue for more than 61 days	8,051	10,903	69,603	132,451
Total overdue	16,330	34,996	185,846	309,384
Provision for impairment of trade receivables	(9,308)	(9,309)	(40,788)	(76,868)
Total	903,996	1,035,555	2,220,125	2,031,380

As of June 30, 2023, the estimated loss in accounts receivable from customers represented 1.8% of the consolidated balance (On December 31, 2022 was 3.6%).

The increase in the estimate for losses on receivables is due to the pre-existing balance in the acquiree MWM Tupy do Brasil Ltda, with roughly 60% of the estimated loss referring to a single client, whose debts are being discussed in a lawsuit. The reversal represent a portion amount that had been pending for a long time, fully provisioned for the amount of R\$ 36,725, recognized in MWM Tupy do Brasil Ltda, acquired on November 30, 2022. The amount received will be sent to the former parent company, Navistar International Corporation, as agreed in the contract between the parties.

5. INVENTORIES

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Finished products	254,056	223,862	623,114	622,443
Work in progress	112,514	154,674	511,210	621,202
Raw materials	113,002	121,402	693,752	821,826
Maintenance and other materials	39,862	37,091	214,465	216,821
Provision for losses	(11,732)	(17,723)	(65,308)	(74,408)
	507,702	519,306	1,977,233	2,207,884

Inventories are carried at the average acquisition and/or production cost, considering the full manufacturing costs absorption method, adjusted to the net realizable value, when applicable. The reduction observed in products in production and raw materials is due to actions to reduce working capital.

At September 30, 2023, the Company had inventories of finished products offered as collateral for labor and social security lawsuits in the amount of R\$ 11,328 (R\$ 9,746 at December 31, 2022) in the Parent Company and Consolidated. Nowadays the Company has taken out guarantee insurance.

6. TOOLING

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Domestic market	48,109	28,310	73,104	41,964
Foreign market	56,248	42,092	185,479	124,410
	104,357	70,402	258,583	166,374

The increase in the period stems from the construction of tool projects defined with clients.

7. RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION

	Sep/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
Parent Company	1,258	29,871	31,129	8,069	30,124	38,193
Income tax	1,258	21,360	22,618	8,069	21,616	29,685
Social contribution	-	8,511	8,511	-	8,508	8,508
Subsidiaries	23,856	23,291	47,147	39,358	-	39,358
Income tax	23,856	23,291	47,147	39,343	-	39,343
Social contribution	-	-	-	15	-	15
Consolidated	25,114	53,162	78,276	47,427	30,124	77,551

8. OTHER RECOVERABLE TAXES

Parent company

	Sep/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	-	-	-	102	-	102
ICMS recoverable - Santa Catarina (a)	12,585	7,920	20,505	20,569	5,503	26,072
Reintegra benefit	821	-	821	795	-	795
COFINS, PIS and IPI recoverable (b)	43,990	6,778	50,768	38,586	6,778	45,364
	57,396	14,698	72,094	60,052	12,281	72,333

Consolidated

	Sep/23			Dec/22		
	Current	Non-current	Total	Current	Non-current	Total
ICMS recoverable - São Paulo (a)	29,543	86,098	115,641	11,101	92,897	103,998
ICMS recoverable - Santa Catarina (a)	12,585	7,920	20,505	20,569	5,503	26,072
ICMS recoverable - Minas Gerais (a)	2,318	3,259	5,577	3,543	3,259	6,802
Reintegra benefit	906	-	906	1,499	-	1,499
COFINS, PIS and IPI recoverable (b)	178,866	72,379	251,245	156,051	154,231	310,282
Value-added tax (VAT) (c)	115,615	100,678	216,293	88,969	86,662	175,631
Consolidated	339,833	270,334	610,167	281,732	342,552	624,284

a. ICMS recoverable

These are credits arising from purchases of raw materials used in the manufacturing process of exported products and purchases of realizable property, plant and equipment, at their origin, in 48 installments, pursuant to applicable state legislation.

In Santa Catarina, the Company has been realizing these amounts – through transfers to third parties and with the expansion of the “Pro-Emprego” regime, which differs from the ICMS (VAT) charge on purchases of materials and energy.

The accumulated credit in São Paulo originates from the business combination for the acquisition of MWM Tupy do Brasil Ltda.

Such credit was constituted over the years, especially in 2018 essentially due to ICMS payments in the customs clearance of goods carried out within the state of São Paulo without equivalent consideration of consumption (debits), in view of the representativeness of export activities (exempt) and of interstate sales (carried out at a lower rate than practiced in the aforementioned customs clearance) in the operation.

Actions toward realizing this asset are under way, both in terms of establishing an agreement to minimize the accumulation of credits and to maximize the generation of debts. However, given the uncertainties regarding actual consumption and the significant credit balance at December 31, 2022, the Company recognized an impairment allowance in the amount of R\$ 61,933. The foregoing estimate was applied in measuring the base opening balance for the business combination. The Company did not identify the need for an adjustment on September 30, 2023.

b. Recoverable PIS, COFINS and IPI

These are credits stemming from the acquisition of inputs used in the production process and are offset against taxes levied on the sale of goods, and to offset other federal taxes for the original portion proportional to export revenues. For credits originating in proportion to revenues from the domestic market, such credits are used by offsetting against a memorandum account.

The business combination for the acquisition of MWM Tupy do Brasil Ltda brought PIS and COFINS assets from the exclusion of ICMS from the calculation basis in the amount of R\$ 218,760. Of this amount, R\$ 168,760 will be reimbursed to the seller as it is used by the acquiree.

c. Value added tax – VAT

These are credits arising from the acquisition of inputs used in the production process of subsidiaries in Mexico and from exports, from companies acquired on October 1, 2021, with customs clearance taking place in Italy. The aforementioned credits are reimbursed regularly by the respective tax authorities.

9. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION, NET

The breakdown of deferred tax credits and debits stemming from income tax and social contribution, according to the balance sheet accounts, is presented below:

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Deferred assets				
Income tax and social contribution losses	139,134	178,723	427,323	436,988
Provisions for contingencies	47,637	56,222	101,048	113,485
Taxes and contribution recoverable	38,602	38,931	38,602	38,931
Property, plant and equipment - impairment	10,538	24,963	10,575	24,999
Salaries, social security charges and profit sharing	10,163	3,441	66,442	74,256
Provision for impairment of trade receivables	20,388	13,895	29,508	19,496
Provision for inventory losses	5,504	8,523	10,995	18,277
Share-based payments	3,185	3,357	3,185	3,357
Tooling	-	-	20,328	22,813
Financial derivative instruments	1,232	25	1,232	25
Other items	-	2,232	28,113	35,584
Property, plant and equipment - tax base (México)	-	-	67,167	39,065
Unrealized profits in subsidiaries	-	-	13,012	9,435
Subtotal	276,383	330,312	817,530	836,711
Deferred liabilities				
Depreciation rate differences	15,922	39,345	21,873	42,264
Business combination effect	11,732	14,835	11,732	14,835
Property, plant and equipment - carrying value adjustments	7,303	8,544	8,098	9,498
Financial derivative instruments	600	1,749	600	1,748
Deferred tax on asset valuation	-	-	36,855	36,855
Deferred tax on ICMS based on PIS/COFINS	-	-	45,256	74,378
Other items	2,083	-	2,083	-
Subtotal	37,640	64,474	126,497	179,579
Total deferred liabilities, net	238,743	265,838	691,033	657,132

Tax legislation in Mexico allows the Mexican subsidiaries to carry out depreciation based on tax property, plant and equipment, so the Company records the temporary difference in depreciation between the tax base and the accounting base. As of September 30, 2023, the amount of deferred taxes on temporary differences is R\$ 67,167 (R\$ 39,065 as of December 31, 2022). The change during the year is due to the exchange-rate impact between the tax calculation currency in Mexico (Mexican Pesos) and the Functional Currency (USD).

The business combination through the acquisition of MWM Tupy do Brasil Ltda. brought a deferred income tax asset on tax losses, in the amount of R\$ 139,160, and R\$ 87,217 of temporary differences. Of the portion corresponding to the tax loss credit, R\$ 119,160 will be reimbursed to the seller as it is used by the acquiree, up to 10 (ten) years. It also brought deferred liabilities in the amount of R\$ 74,378 referring to the taxation of PIS and COFINS credits on ICMS, which will only take place at the time of its

use, the amount of R\$ 29,112 was used up to September 30, 2023. Said amount will be deducted from the PIS and COFINS amount to be refunded to the seller.

The Company carried out an assessment of the realization of outstanding amounts, which indicates the full recovery of these deferred taxes.

During the quarter ended September 30, 2023 the changes in deferred tax assets and liabilities were as follow:

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Opening balance	265,839	307,452	657,132	533,900
Recognized in profit				
Recognized in profit for the year	2,925	5,216	69,441	46,282
Recognized in comprehensive income for the year	(30,021)	(15,547)	(30,021)	(15,547)
Effects of currency translation into presentation currency	-	-	(5,519)	(6,627)
Closing balance	238,743	297,121	691,033	558,008

10. RELATED PARTY TRANSACTIONS

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

a. Subsidiaries

Assets	Sep/23	Dec/22
Trade account receivables	555,965	783,444
Tupy Mexico Saltillo, S.A. de C.V	319,939	334,997
Tupy American Foundry Corporation	89,950	237,497
Tupy Europe GmbH	64,474	100,314
Tupy Materials & Components B.V.	22,103	46,332
MWM Tupy do Brasil	55,258	30,404
Technocast, S.A. de C.V.	1,352	26,212
Tupy Minas Gerais Ltda.	2,855	4,598
Funfrap - Fundação Portuguesa S.A.	34	3,090
Other assets	11,315	-
MWM Tupy do Brasil	11,315	-
	567,280	783,444
Liabilities	Sep/23	Dec/22
Loans and financing	1,316,569	1,878,936
Tupy Overseas S.A	1,316,569	1,878,936
Other liabilities	50,757	8,598
Tupy Minas Gerais Ltda.	37,780	-
Tupy Europe GmbH	2,356	5,657
Tupy American Foundry Co.	9,832	2,061
Tupy México Saltillo S.A. de CV	789	880
Technocast, S.A. de C.V.	-	-
Related parties – loans	4,702	6,219
Tupy Agroenergética Ltda.	3,969	5,049
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "em liquidação"	733	1,170
	1,372,028	1,893,753

Statement of income	3Q23	2Q22	9M23	9M22
Revenues	729,362	530,443	1,976,482	1,450,933
Tupy American Foundry Corporation	274,819	307,735	787,698	838,759
Tupy Mexico Saltillo, S.A. de C.V.	161,117	141,239	422,191	403,736
Tupy Europe GmbH	116,661	78,380	344,653	205,281
Tupy Material & Components B.V.	65,808	3,040	150,681	3,040
MWM Tupy do Brasil Ltda.	104,085	-	255,924	-
Tupy Minas Gerais Ltda.	6,872	20	15,335	40
Technocast, S.A. de C.V.	-	29	-	77
Other operating expenses, net	13,431	7,784	39,946	33,902
FUNFRAP – Fundação Portuguesa, S.A	-	1,339	3,988	6,462
Tupy Mexico Saltillo, S.A. de C.V.	1,350	-	6,775	33
Tupy Material & Components B.V.	7,256	-	9,139	-
Tupy Europe GmbH	-	1,717	2,217	1,717
Technocast, S.A. de C.V.	2,640	3,038	15,394	23,027
Tupy American Foundry Corporation	2,185	1,690	2,433	2,663
Finance costs	(25,910)	(31,992)	(86,024)	(87,802)
Tupy Overseas S.A.	(25,910)	(31,992)	(86,024)	(91,851)
Tupy Minas Gerais Ltda.	-	-	-	4,049
	716,883	506,235	1,930,404	1,397,033

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

The rights receivable (Note 4) and the parent company's sales revenues with its subsidiaries are basically represented by sales of goods in the structural components, manufacturing, energy & decarbonization segment. The amounts comply with the sales price lists practiced by the Company and the terms are from 60 to 90 days, as established among the parties. As of September 30, 2023, the related parties did not have overdue notes due to default and, therefore, the Parent Company does not have a provision for loss of these receivables.

Securities payable and other refer to current accounts between the Subsidiaries and the Parent Company, basically for technical assistance in the structural components, manufacturing, energy & decarbonization segments, with a term from 30 to 60 days, as established between the parts.

The conditions of the loan granted by Tupy Overseas S.A. to the Parent Company are disclosed in note 15.

Other transactions correspond to intercompany loan agreements payable between subsidiaries in Brazil and the Parent Company, with an undefined term, remunerated at the change of the TR – Reference Rate.

b. Main shareholders

The Company's main shareholders are BNDES Participações S.A. – BNDESPAR (28.2%) and PREVI – Caixa de Previdência dos Funcionários do Banco do Brasil (24.8%).

c. Management remuneration

	Board of Directors		Board of Officers		Total	
	9M23	9M22	9M23	9M22	9M23	9M22
Fixed remuneration	3,106	3,480	5,137	5,486	8,243	8,966
Variable remuneration	-	-	2,438	6,075	2,438	6,075
Stock option plan	337	253	8,028	1,965	8,365	2,218
	3,443	3,733	15,603	13,526	19,046	17,259

	Board of Directors		Board of Officers		Total	
	3Q23	2Q22	3Q23	2Q22	3Q23	2Q22
Fixed remuneration	892	1,210	1,374	1,856	2,266	3,066
Variable remuneration	-	-	948	2,138	948	2,138
Stock option plan (Note 19)	233	64	3,409	655	3,642	719
	1,125	1,274	5,731	4,649	6,856	5,923

The annual global remuneration, net of payroll charges, approved at the Ordinary General Meeting held in April 28, 2023 for the Board of Directors and Executive Board for the year ended December 31, 2023 is R\$ 50,564 (R\$ 43,219 for the year ended December 31, 2022). The annual global remuneration includes the amount of R\$ 11,084 (R\$ 11,718 for 2022) as allowance for discontinuance of position.

Statutory management remuneration takes place only at the Parent Company; therefore, there is no remuneration at subsidiaries.

The amounts related to the variable remuneration of the Executive Board are recorded as provision, in accordance with the targets established for the year.

For share-based remuneration, information on the Stock Option or Stock Subscription Plans issued by Tupy S.A. ("Plan"), approved in April 2019 and November 2022, are disclosed in Note 26 in the Financial Statements of December 31, 2022. In this quarter, there was an impact arising from the acquired right of the beneficiaries regarding the 2020 Grant Plan.

As corporate benefits, the Company's Officers are entitled to a car, refund of expenses, health insurance, life insurance, defined contribution pension plan and indemnity for contract termination. As of September 30, 2023, these benefits totaled R\$ 1,978 (R\$ 1,555 in the same period of the previous year).

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

d. Interest on capital (JSCP)

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

Approved date	Form	Gross amount	Per share	Net amount	Payment date
03.27.23	Interest on capital	41,365	0.2872	38,060	11.07.22
09.26.23	Interest on capital	37,885	0.2629	34,580	To be define
		79,250	0.2872	72,640	

The open amount of R\$ 141,512 includes the portion relating to the dividend for the period ended in December 31, 2022 of R\$ 65,378, paid on October 17, 2023. The JSCP installments approved in 2023 of R\$ 72,640 and balances of previous installments.

e. Other related parties

The Parent Company takes part, as a sponsor, in Associação Atlética Tupy, a not-for-profit foundation that develops leisure and sports activities for the Company's employees. In the 9 months period ended September 30, 2023, the Company recognized as sponsorship expenses the amount of R\$ 1,015 (R\$ 1,053 as of September 30, 2022).

11. INVESTMENTS

a. Breakdown of investments in subsidiaries

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT SEPTEMBER 30, 2023							
Investment in subsidiary company							
Tupy Materials & Components B.V(**)	5,100,033	2,282,677	41,226	125,000	100,00	114,148	2,295,563
Tupy American Foundry Co.	375,438	213,828	-	13,222	100,00	11,858	203,824
Tupy Minas Gerais Ltda.	925,948	213,310	45,199	(34,441)	100,00	(33,128)	258,536
MWM Tupy do Brasil Ltda.	1,871,917	1,104,867	202,518	109,011	100,00	109,011	1,307,385
Tupy Agroenergética Ltda.	14,063	13,329	-	(1,080)	100,00	(1,080)	13,329
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	13,513	7,062	-	7,938	100,00	7,938	7,062
						208,747	4,085,699

(*) Adjusted by unrealized profits

Parent company	Total assets	Equity	Goodwill	Profit (loss) for the period	Interest in capital (%)	Share in the results of subsidiaries (*)	Book value (*)
AT SEPTEMBER 30, 2022							
Investment in subsidiary company							
Tupy Materials & Components B.V(**)	2,279,096	2,015,451	41,226	160,847	100,00	171,699	2,084,900
Tupy Overseas	2,055,737	21,164	-	18,562	100,00	18,562	21,164
Tupy American Foundry Co.	417,104	206,498	-	6,704	100,00	8,647	193,189
Tupy Europe GmbH	538,128	228,468	-	17,518	100,00	14,423	220,541
Tupy Minas Gerais Ltda.	993,046	251,836	45,199	12,104	100,00	10,912	293,543
Tupy Agroenergética Ltda.	15,542	14,583	-	2,004	100,00	2,004	14,583
Sociedade Técnica de Fundições Gerais SA. - Sofunge "in liquidation"	2,512	(889)	-	(718)	100,00	(718)	(889)
						225,529	2,827,031

(*) Adjusted by unrealized profits

(**) Tupy S.A. 99% and Tupy Agroenergética 1%

b. Changes in investments

Parent company	
AT DECEMBER 31, 2021	2,402,961
Share in the results of subsidiaries	225,529
Exchange variations of investees located abroad	(96,265)
Tupy Minas Gerais payment of capital	299,977
Business combination	(5,171)
AT SEPTEMBER 30, 2022	2,827,031
AT DECEMBER 31, 2022	4,136,047
Share in the results of subsidiaries	208,747
Exchange variations of investees located abroad	(98,763)
Tupy Minas Gerais payment of capital	(10,393)
Corporate reorganization	61
Capital reduction	(150,000)
AT SEPTEMBER 30, 2023	4,085,699

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

c. Tupy Materials & Components B.V.

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

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

d. MWM Tupy do Brasil Ltda.

The Company Board of Directors approved on April 24, 2023 the capital reduction of the subsidiary MWM Tupy do Brasil Ltda., and it was paid in August 26 the amount of R\$150,000. The reduction is intended to reinforce the Parent Company's cash to settle the commitment assumed in the business combination (Note 20).

12. PROPERTY, PLANT AND EQUIPMENT

a. Changes in property, plant and equipment

Parent company	Machinery, facilities and equipment	Buildings	Land	Vehicles	Furniture, fittings and other	Right of use	Construction in progress	Total
Cost								
AT DECEMBER 31, 2021	1,774,619	369,312	8,948	24,281	6,682	22,001	87,235	2,293,078
Addition	123,579	14,787	-	8,774	1,143	5,562	47,157	201,002
Disposal	(75,380)	(3,255)	-	(2,113)	(2,143)	-	-	(82,891)
AT DECEMBER 31, 2022	1,822,818	380,844	8,948	30,942	5,682	27,563	134,392	2,411,189
Addition	118,174	16,732	-	5,274	1,007	24,636	26,190	192,013
Disposal	(19,032)	(586)	-	(1,056)	(2)	(24,259)	-	(44,935)
AT SEPTEMBER 30, 2023	1,921,960	396,990	8,948	35,160	6,687	27,940	160,582	2,558,267
Depreciation								
AT DECEMBER 31, 2021	(1,427,513)	(193,072)	-	(16,719)	(4,597)	(17,353)	-	(1,659,254)
Depreciation in the year	(107,233)	(13,696)	-	(1,714)	(455)	(5,978)	-	(129,076)
Disposal	80,521	1,661	-	1,881	1,905	-	-	85,968
AT DECEMBER 31, 2022	(1,454,225)	(205,107)	-	(16,552)	(3,147)	(23,331)	-	(1,702,362)
Depreciation in the year	(83,021)	(9,377)	-	(1,744)	(350)	(6,883)	-	(101,375)
Disposal	16,837	159	-	713	2	21,685	-	39,396
AT SEPTEMBER 30, 2023	(1,520,409)	(214,325)	-	(17,583)	(3,495)	(8,529)	-	(1,764,341)
Carrying amount								
AT DECEMBER 31, 2022	368,593	175,737	8,948	14,390	2,535	4,232	134,392	708,827
AT SEPTEMBER 30, 2023	401,551	182,665	8,948	17,577	3,192	19,411	160,582	793,926

Consolidado	Máquinas, instalações e equipamentos	Edificações	Terrenos	Veículos	Móveis, utensílios e outros	Direito uso de ativos	Imobilizações em andamento	Total
	Custo							
Saldo em 31 de dezembro de 2021	5,609,673	1,488,022	143,676	32,050	94,153	92,023	243,110	7,702,707
Combinação de negócios	453,307	81,041	207,230	473	30,286	11,731	356	784,424
Adições	252,937	3,448	-	9,913	9,168	10,512	173,795	459,773
Variação cambial	(231,105)	(65,842)	(5,384)	(323)	(5,027)	(4,642)	(11,428)	(323,751)
Baixas	(91,365)	(3,565)	-	(2,281)	(2,413)	-	-	(99,624)
Saldo em 31 de dezembro de 2022	5,993,447	1,503,104	345,522	39,832	126,167	109,624	405,833	8,523,529
Adições	212,974	34,254	-	5,877	5,639	35,545	89,544	383,833
Variação cambial	(130,472)	(31,005)	(3,119)	(207)	(2,361)	(2,676)	(9,592)	(179,432)
Baixas	(25,873)	(590)	-	(1,700)	(230)	(29,758)	-	(58,151)
Saldo em 30 de setembro de 2023	6,050,076	1,505,763	342,403	43,802	129,215	112,735	485,785	8,669,779
Depreciação								
Saldo em 31 de dezembro de 2021	(4,498,430)	(921,386)	-	(22,054)	(77,671)	(50,637)	-	(5,570,178)
Combinação de negócios	(337,588)	(31,534)	-	(473)	(22,698)	(5,312)	-	(397,605)
Depreciação no período	(252,710)	(39,249)	-	(2,229)	(4,323)	(18,295)	-	(316,806)
Variação cambial	192,942	42,715	-	244	4,654	2,035	-	242,590
Baixas	95,950	1,971	-	2,049	2,802	-	-	102,772
Saldo em 31 de dezembro de 2022	(4,799,836)	(947,483)	-	(22,463)	(97,236)	(72,209)	-	(5,939,227)
Depreciação no período	(201,079)	(28,813)	-	(2,326)	(4,959)	(20,774)	-	(257,951)
Variação cambial	108,082	21,960	-	130	2,128	1,654	-	133,954
Baixas	21,371	161	-	979	227	26,523	-	49,261
Saldo em 30 de setembro de 2023	(4,871,462)	(954,175)	-	(23,680)	(99,840)	(64,806)	-	(6,013,963)
Valor contábil								
Em 31 de dezembro de 2022	1,193,611	555,621	345,522	17,369	28,931	37,415	405,833	2,584,302
Em 30 de setembro de 2023	1,178,614	551,588	342,403	20,122	29,375	47,929	485,785	2,655,816

The Company offered property, plant and equipment items as collateral for loans and financing of R\$ 1,008 (R\$ 2,665 as of December 31, 2022) and R\$ 5,895 (R\$ 5,895 as of December 31, 2022) as collateral for tax proceeding.

Construction in progress includes several investments in sustaining capacity, the environment, labor safety and expansion of machining capacity in the Mexico plants.

During the nine-months period, interest of loans and financing was capitalized on property, plant and equipment in the amount of R\$ 9,294 (R\$ 4,350 on September 30, 2022).

13. INTANGIBLE ASSETS

Parent company	Software	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2021	33,979	3,896	10,731	48,606
Acquisition/costs	6,713	1,182	3,336	11,231
Transfers	-	1,717	(1,717)	-
Amortization	(9,432)	(2,009)	-	(11,441)
AT DECEMBER 31, 2022	31,260	4,786	12,350	48,396
Acquisition/costs	4,184	1,096	4,744	10,024
Amortization	(7,443)	(1,828)	-	(9,271)
AT SEPTEMBER 30, 2023	28,001	4,054	17,094	49,149

Consolidated	Software	Contractual customer relationships	Goodwill	Trademark	Internal projects	Projects in progress	Total
AT DECEMBER 31, 2021	49,842	19,697	41,226	-	3,896	10,731	125,392
Business combination addition	3,353	-	-	31,354	-	-	34,707
Acquisition/costs	21,335	-	-	-	1,182	3,336	25,853
Transfers	-	-	-	-	1,717	(1,717)	-
Disposal	(1,852)	-	-	-	-	-	(1,852)
Exchange variation	671	(1,913)	-	-	-	-	(1,242)
Disposal	(11,952)	(17,784)	-	-	(2,009)	-	(31,745)
AT DECEMBER 31, 2022	61,397	-	41,226	31,354	4,786	12,350	151,113
Acquisition/costs	7,594	-	-	-	1,096	4,744	13,434
Exchange variation	(556)	-	-	-	-	-	(556)
Amortization	(10,483)	-	-	-	(1,828)	-	(12,311)
AT SEPTEMBER 30, 2023	57,952	-	41,226	31,354	4,054	17,094	151,680

14. SUPPLIERS

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Domestic suppliers	465,821	473,064	830,980	851,219
Foreign suppliers	39,957	58,418	391,598	746,318
Subtotal	505,778	531,482	1,222,578	1,597,537
Forfeiting operation	79,621	75,252	174,699	84,909
	585,399	606,734	1,397,277	1,682,446

The changes in the period reflect the reduction of activity in the period and the appreciation of the Real against the US dollar (US\$) which was R\$ 5.2177 on December 31, 2022 and R\$ 5.0076 on September 30, 2023.

The Company has agreements signed with financial institutions to structure, with its main suppliers, a transaction called “drawee risk”. In this transaction, suppliers transfer the right to receive from securities to the financial institutions, which become the operation’s creditors. Considering there are no financial interest, neither guarantee granted, the deadlines do not change significantly and that these are operations for the supply of goods and services, the Company recognizes the respective financial liabilities arising from these transactions under the heading Suppliers. Further details about these transactions are included in Financial Statements of December 31, 2022 (note 2.6 g).

15. LOANS AND FINANCING

Controladora	Vencimento	Taxa efetiva	set/23	dez/22
Moeda Nacional			58,801	43,916
(a) Financiadora de estudos e projetos – FINEP	Jul/2032	TJLP + 10,20% a.a.	37,627	37,299
Finame (PSI)	Jan/2025	5,80% a.a.	840	2,221
Arrendamentos Direito Uso de Ativos			20,334	4,396
Moeda Estrangeira			1,411,025	1,878,936
(c) Pré-pagamento de exportações - Tupy Overseas	Jul/2024	VC + 6,78% a.a.	1,316,569	1,878,936
(b) BNDES - Exim	Ago/2028	VC + 5,58% a.a.	94,456	-
Parcela circulante			1,329,581	62,021
Parcela não circulante			140,245	1,860,831
			1,469,826	1,922,852

Consolidado

	Venc.	Taxa efetiva	set/23	dez/22
Moeda Nacional			404,109	478,739
(a) Financiadora de estudos e projetos – FINEP	Jul/2032	TJLP + 10,20% a.a.	37,627	37,299
Finame (PSI)	Jan/2025	5,80% a.a.	995	2,475
(d) Nota de Crédito a Exportação - NCE	Fev/2025	CDI + 1,59% a.a.	329,667	428,331
Arrendamentos Direito Uso de Ativos			35,820	10,634
Moeda Estrangeira			1,983,135	2,002,282
(e) <i>Senior Unsecured Notes</i> - US\$375.000	Fev/2031	VC + 4,5% a.a.	1,874,820	1,974,325
(b) BNDES - Exim	Ago/2028	VC + 5,58% a.a.	94,456	-
Arrendamentos Direito Uso de Ativos			13,859	27,957
Parcela circulante			210,617	238,505
Parcela não circulante			2,176,627	2,242,516
			2,387,244	2,481,021

Long term maturities are as follow:

Year	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
2023	-	164	-	1,306
2024	2,246	1,823,426	3,894	181,419
2025 - 2030	129,505	28,841	299,747	109,841
2031	5,362	5,238	1,869,854	1,946,789
2032	3,132	3,162	3,132	3,161
	140,245	1,860,831	2,176,627	2,242,516

The fair value of the Company's loans and financing (classified at Level 2 of the fair value hierarchy) is calculated through the discount of the future payment flows based on the curves, interest rates and currencies observable in the financial market. At September 30, 2023, the fair value of loans and financing was R\$ 2,027,230 (R\$ 2,024,102 at December 31, 2022).

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

a) Financiadora de Estudos e Projetos - FINEP

This refers to financing for innovation projects obtained from Financiadora de Estudos e Projetos - FINEP, contracted on July 14, 2022, a credit facility in the amount of R\$ 103,000.

On September 6, 2022, the amount of R\$ 37,080 was released, with an average term of 10 years and interest of 10.20% p.a. Resources with costs in TJLP – Long-term interest rate.

The guarantees consist of a bank guarantee with Banco Bradesco S.A.

b) Prepayment of exports – Tupy Overseas S.A.

In July 2023 the Parent Company started a prepayment monthly program. During the third quarter USD 90,000 was paid corresponding to R\$ 435,724. In the period, interest installment was paid in the amount of R\$ 120,384 (R\$ 126,6127 in the same period previously year). The impact of the exchange-rate variation on the prepayment amount payable with Tupy Overseas, for the period was revenue of R\$ 88,753 (gain of R\$ 126,617 in the same period in the previously year).

In order to cover the payment flow, with full maturity in July 2024, the Company will seek resources in the same way as those indicated in item c) below.

c) BNDES – EXIM

In August 2023, the Parent Company raised a BNDES-Exim line with Banco Itaú S.A., in the amount of USD 18,330, equivalent to R\$ 89,666, maturing on August 15, 2028, with interest settled quarterly and amortization of the principal at the maturity of the operation updated by the currency exchange variation + 5.58% per year. To cover this exchange rate exposure, a swap operation was carried out at a cost of 108.5% of the CDI (note 31 b).

Financial liabilities are being measured at fair value through profit or loss.

d) Export credit notes – NCE

On February 11, 2022, the subsidiary Tupy Minas Gerais Ltda. took out a loan from Banco do Brasil S.A., in the amount of R\$ 405,000, restated at the CDI change + 1.62% per year. The instalments occurred in February and August 2023 amounting of R\$ 1621,000.

In February 2023 the subsidiary took out a loan from Banco do Brasil S.A., amounting of R\$ 81.000, restated at the CDI change + 1,5% and due in February 10, 2025.

Said contracts does not have covenants.

e) Senior Unsecured Notes – USD 375,000

In February 2021, the Company concluded the issue of debt securities (“issue”) in the international market, through its subsidiary Tupy Overseas S.A., guaranteed by the Parent Company, in the amount of US\$ 375,000 equivalent to R\$ 2,018,063, with only one amortization in February 2031. Interest at a coupon of 4.50% per annum will be paid semi-annually in February and August. The Senior Unsecured Notes are fully and jointly guaranteed by the Company.

In February and August 2023, interest payments amounted to R\$ 85,009. The exchange-rate change recognized in the year was revenue of R\$ 78,788. In February and August 2022, interest was paid in the amount of R\$ 87,015. The exchange-rate change in the period was an revenue of R\$ 136,050

The Issue has covenants with annual measurement, and its main financial indicator is Net Debt/Adjusted EBITDA; as of September 30, 2023, the Company meets all criteria established. Failure to comply could result in the impediment of: (i) make fundings of loans and financing; (ii) distributing dividends higher than the legal minimum; (iii) making investments unrelated to the maintenance of productive activities; and (iv) buying back shares issued by the Company.

Additionally, non-financial covenants are applicable to the Issue, and the main non-financial measure that could result in the early maturity of the Issue is a change in the Company's control that reduces its external risk classification (rating).

16. DEBENTURES

On September 6, 2022, the Company concluded the 4th issue of debentures in the amount of R\$ 1,000,000. The balance will be amortized in two consecutive annual installments maturing on September 6, 2026 and 2027, with half-yearly interest of CDI + 1.5% p.a.

Issue costs totaled R\$ 6,515 and is monthly amortized over the term of the transaction.

Debentures	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Current	8,544	45,798	8,544	45,798
Non-current	994,051	993,060	994,051	993,060
	1,002,595	1,038,858	1,002,595	1,038,858

Total net proceeds raised through the Restricted Offering were designated for financing the acquisition of one hundred percent (100%) of the quotas issued by MWM Tupy do Brasil Ltda. occurred in December 01, 2022

In March and September 2023, interest payments amounted to R\$ 147,008, considering the nature this amount is classified as financing activities in the Company statement of cash flow.

The debentures are simple, that is, they will not be convertible into shares issued by the Company.

Debentures are unsecured and do not have real or fiduciary guarantee, nor any segregation of the Issuer's assets in particular, not offering any privilege over the Issuer's assets to guarantee Debenture holders in case court or out-of-court foreclosure of the Issuer's obligations arising from Debentures and the Issue Deed is needed, and will not grant any special or general privilege to Debenture Holders, that is, without any preference, Debenture Holders competing on equal terms with other unsecured creditors in the event of the Issuer's bankruptcy.

17. ADVANCE FROM CLIENTS

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Tooling	16,242	18,149	128,545	108,974
Working capital	-	-	126,040	86,018
	16,242	18,149	254,585	194,992

These refer to fund advances for the construction of customer tooling that will be used in the production process and for payment in advance for manufacturing contracts working capital.

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

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

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

Parent company

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2021	41,288	73,153	70,870	8,341	(9,693)	183,959
Business combination addition	43,600	25,000	-	-	-	68,600
Additions	194	9,061	504	139	380	10,278
Restatements	3,629	(6,336)	25,837	229	-	23,359
Remuneration	-	-	-	-	(445)	(445)
Payments	(7,636)	(202)	(36,537)	-	-	(44,375)
Deposit Redemption	-	-	-	-	3,070	3,070
AT DECEMBER 31, 2022	81,075	100,676	60,674	8,709	(6,688)	244,446
Additions	-	66,006	-	-	-	66,006
Restatements	307	3,609	23,916	305	-	28,137
Reversal	(7,076)	(26,847)	-	-	-	(33,923)
Remuneration	-	-	-	-	(43)	(43)
Payments	(76)	(8,845)	(29,948)	-	-	(38,869)
Deposit Redemption	-	-	-	-	1,023	1,023
AT SEPTEMBER 30, 2023	74,230	134,599	54,642	9,014	(5,708)	266,777
Current						17,836
Non-current						248,941
						266,777

Consolidated

	Civil	Tax	Labor	Social security	Judicial deposits	Total
AT DECEMBER 31, 2021	45,000	75,322	111,590	8,341	(23,045)	217,208
Business combination addition	46,700	128,640	29,081	-	(16,093)	188,328
Additions	223	9,061	11,566	139	121	21,110
Restatements	3,710	(6,334)	23,771	689	-	21,836
Remuneration	-	-	-	-	485	485
Payments	(7,961)	(202)	(40,023)	-	-	(48,186)
Deposit Redemption	-	-	-	-	3,361	3,361
AT DECEMBER 31, 2022	87,672	206,487	135,985	9,169	(35,171)	404,142
Additions	3,534	66,078	14,299	-	(61)	83,850
Restatements	694	2,431	15,749	288	-	19,162
Reversal	(7,076)	(26,847)	-	-	-	(33,923)
Remuneration	-	-	-	-	(43)	(43)
Payments	(43)	(9,052)	(46,422)	(443)	(6,614)	(62,574)
Deposit Redemption	-	-	-	-	9,821	9,821
AT SEPTEMBER 30, 2023	84,781	239,097	119,611	9,014	(32,068)	420,435
Current						17,836
Non-current						402,599
						420,435

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 26.

The main variation in relation to the tax contingencies was the change in the loss prognosis - from possible to probable in the process whose updated amount represents R\$ 66,994, corresponding to the tax foreclosure whose object is alleged irregularity in the calculation of Taxable Income and Social Contribution on o Net Income for the calendar year 2007, due to the full use of the tax loss and negative basis of Tupy Fundições Ltda., upon the merger by Tupy S.A. The Company argues that full compensation was permitted, in the event of closure or incorporation of the company, by tax legislation and by the case law of the former Taxpayers Council – current CARF.

Generally, the Company's provisions for legal proceedings are long term provisions. Considering the period necessary to conclude judicial proceedings in the Brazilian judicial system, making accurate estimates about the specific year in which a certain proceeding will be concluded is difficult. For this reason, the Company does not disclose the settlement flows of these liabilities.

Contingencies involving possible losses

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
IRPJ and CSLL processes	107,489	181,199	107,861	181,571
PIS, COFINS and IPI credits	161,816	175,063	161,816	175,063
ICMS credits	518,854	493,113	518,854	493,113
Expired tax debts	146,679	144,261	146,679	144,261
Reintegra credits	40,813	40,334	40,813	40,334
Social security	125,820	86,965	125,820	86,965
Labor lawsuits	78,303	87,887	165,980	223,455
Civil and other	69,216	71,223	83,023	71,524
	1,248,990	1,280,045	1,350,846	1,416,286

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

19. OBLIGATIONS WITH RETIREMENT AND HEALTH CARE BENEFITS

Mexico operations have defined benefit obligations. The purpose of these plans is to offer employees retirement benefits that are additional and supplementary to those provided by other public or private retirement or pension plans. In addition, Mexican legislation also provides for other defined benefits related to premium for seniority and legal indemnity.

Recently acquired MWM Tupy do Brasil Ltda. grants a prepaid medical plan to its employees of the prepayment type, with premiums based on age group. Current employees (future retirees) make a fixed contribution to the medical plan and are therefore eligible to remain in the plans after retirement.

20. BUSINESS COMBINATIONS OBLIGATIONS

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

Parent company and Consolidated	Parent Company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Cash and cash equivalents	73,348	243,132	73,348	243,132
Recoverable taxes	94,381	94,381	94,381	94,381
Deferred income tax	119,160	119,160	119,160	119,160
Working capital adjustment	43,400	43,400	43,400	43,400
Reimbursement of CSLL debt	(84,466)	(84,466)	(84,466)	(84,466)
Others	10,526	(3,100)	10,526	(3,100)
	256,349	412,507	256,349	412,507
Current portion	148,581	304,739	148,581	304,739
Non-current portion	107,768	107,768	107,768	107,768
	256,349	412,507	256,349	412,507

- Cash and cash equivalents: amounts assumed on transaction date with a commitment to return to the previous parent company within 135 days, subsequently extended by mutual agreement between the parties. On September 29, 2023, through a partial agreement

between the parties, R\$169,785 was repayment, with the balance still under negotiation with an estimated completion date of the end of the year of 2023. Recoverable taxes: are PIS and COFINS (taxes on revenue) credits resulting from the exclusion of ICMS in the calculation basis and as they are realized by MWM, they will be paid by Tupy S.A. to the previous parent company,

- Deferred income tax: are income tax credits on tax losses which, as they are realized by MWM, will be paid by Tupy S.A. to the previous parent company.
- Working capital adjustment: corresponds to the change between working capital on closing date, July 31, 2021, and the closing date. Said value represents the best estimate and will be subject to evaluation and validation between the parties.
- Reimbursement of CSLL debt: corresponds to the potential contingency of Social Contribution on Net Income, due to non-taxation of MWM's export revenues in the period from January 1, 2018 to November 30, 2022. Considering the premises of MWM's purchase and sale agreement, if the contingency becomes an effective debt of MWM, it will be charged to the seller Navistar International Corporation

21. SECURITIES PAYABLE AND OTHER

Securities payable and other	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Domestic market	17,312	13,530	87,465	99,404
Foreign market	14,709	14,495	87,793	82,044
	32,021	28,025	175,258	181,448

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

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

a) Capital

Share capital breakdown in number of shares	Sep/23		Dec/22	
	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	240,862	0.2%	236,028	0.2%
Treasury stock	100,000	0.1%	20,533	0.0%
Non-controlling interests				
Trígono Capital Ltda	14,477,100	10.0%	14,477,100	10.0%
Other stockholders	52,900,014	36.8%	52,984,315	36.8%
Total outstanding shares	144,177,500	100.0%	144,177,500	100.0%

Repurchase of shares

On May 12, 2022 the Company's Board of Directors approved the opening of the share buyback program to meet the long-term incentive program. Deadline for acquisition is November 13, 2023 and the limit of shares for repurchase is 4,000,000 common shares issued by the Company itself.

As of September 30, 2023, the market value of treasury shares was R\$ 2,719,000.00.

On April 28, 2023, the Company's shareholders approved a capital increase, in the amount of R\$ 117,302, with profit reserves that, at the time of closing the 2022 financial statements, exceeded the limit established in Art. 199 of Law 6,404/76, after making all the destinations provided for in corporate law.

23. REVENUES

We present below the reconciliation of gross revenue for tax purposes and the revenues presented in the income (loss) for the year:

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Gross revenue	3,821,363	4,026,386	9,667,086	8,194,793
Returns and rebates	(41,524)	(33,901)	(191,778)	(138,494)
Revenue net of returns and rebates	3,779,839	3,992,485	9,475,308	8,056,299
Sales taxes	(254,548)	(309,095)	(729,096)	(468,973)
Net revenue	3,525,291	3,683,390	8,746,212	7,587,326
Net revenue				
Domestic market	1,125,034	1,287,716	2,798,242	2,024,476
Foreign market	2,400,257	2,395,674	5,947,970	5,562,850
	3,525,291	3,683,390	8,746,212	7,587,326
	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Gross revenue	1,414,129	1,531,788	3,317,561	2,923,185
Returns and rebates	(13,815)	(17,891)	(84,809)	(54,414)
Revenue net of returns and rebates	1,400,314	1,513,897	3,232,752	2,868,771
Sales taxes	(95,745)	(111,424)	(256,810)	(174,758)
Net revenue	1,304,569	1,402,473	2,975,942	2,694,013
Net revenue				
Domestic market	409,725	485,558	958,659	751,988
Foreign market	894,844	916,915	2,017,283	1,942,025
	1,304,569	1,402,473	2,975,942	2,694,013

The consolidated information in 2023 includes the revenues of MWM Tupy do Brasil Ltda., which was not present in the same period of the previous year.

24. COSTS AND EXPENSES BY NATURE

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

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Raw and processing materials	(1,610,799)	(1,870,704)	(4,481,564)	(3,702,201)
Maintenance and consumption materials	(233,796)	(164,401)	(625,416)	(473,480)
Salaries, payroll taxes and profit sharing	(617,739)	(642,080)	(1,538,080)	(1,360,236)
Social benefits	(78,921)	(74,651)	(127,878)	(103,437)
Electricity	(130,669)	(131,028)	(355,035)	(387,741)
Freight and commission on sales	(159,592)	(233,455)	(354,920)	(404,857)
Management fees	(19,045)	(17,261)	(19,045)	(17,261)
Other costs	(44,669)	(32,674)	(229,644)	(120,752)
	(2,895,230)	(3,166,254)	(7,731,582)	(6,569,965)
Depreciation	(110,422)	(104,618)	(263,807)	(245,734)
Costs and expenses total	(3,005,652)	(3,270,872)	(7,995,389)	(6,815,699)
Cost of products sold	(2,645,417)	(2,854,883)	(7,225,543)	(6,132,683)
Selling expenses	(191,861)	(265,601)	(458,213)	(455,722)
Administrative expenses	(168,374)	(150,388)	(311,633)	(227,294)
Costs and expenses total	(3,005,652)	(3,270,872)	(7,995,389)	(6,815,699)

	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Raw and processing materials	(546,570)	(708,491)	(1,538,073)	(1,315,586)
Maintenance and consumption materials	(85,955)	(61,358)	(213,406)	(163,251)
Salaries, payroll taxes and profit sharing	(212,314)	(226,696)	(508,788)	(471,921)
Social benefits	(28,393)	(25,499)	(44,959)	(36,176)
Electricity	(45,042)	(42,699)	(122,947)	(136,791)
Freight and commission on sales	(43,501)	(98,273)	(95,671)	(161,464)
Management fees	(6,855)	(5,923)	(6,855)	(5,923)
Other costs	(15,524)	(9,464)	(78,216)	(44,759)
	(984,154)	(1,178,403)	(2,608,915)	(2,335,871)
Depreciation	(37,010)	(35,045)	(86,058)	(81,704)
Costs and expenses total	(1,021,164)	(1,213,448)	(2,694,973)	(2,417,575)
Cost of products sold	(904,681)	(1,050,189)	(2,453,403)	(2,158,931)
Selling expenses	(53,982)	(109,477)	(131,266)	(179,210)
Administrative expenses	(62,501)	(53,782)	(110,304)	(79,434)
Costs and expenses total	(1,021,164)	(1,213,448)	(2,694,973)	(2,417,575)

The consolidated information in 2023 includes the costs and expenses of MWM Tupy do Brasil Ltda., which was not present in the same period of the previous year.

25. FINANCIAL INCOME (LOSS)

Finance results	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Financial liabilities at amortized cost	(190,764)	(99,477)	(223,444)	(116,347)
Borrowing	(190,445)	(97,746)	(223,125)	(114,616)
Notes payable and other financial liabilities	(319)	(1,731)	(319)	(1,731)
Financial liabilities at fair value through profit or loss	(6,065)	-	(6,065)	-
Borrowing	(4,790)	-	(4,790)	-
Swap operation	(1,275)	-	(1,275)	-
Other finance costs	(9,872)	(7,803)	(17,195)	(23,466)
Finance costs	(206,701)	(107,280)	(246,704)	(139,813)
Financial assets at fair value through profit or loss	(183)	771	(183)	771
Investments in equity instruments	(183)	771	(183)	771
Amortized cost	38,852	42,311	71,958	42,311
Cash and cash equivalents	38,852	42,311	71,958	42,311
Tax credits and other finance income	2,344	8,075	6,679	9,820
Finance income	41,013	51,157	78,454	52,902
Monetary and foreign exchange variations, net				
Foreign exchange variations	(48,628)	1,360	(68,137)	(30,167)
Derivative financial instruments (note 37)	2,755	11,336	28,238	15,239
Foreign exchange variations, net	(45,873)	12,696	(39,899)	(14,928)
Finance results, net	(211,561)	(43,427)	(208,149)	(101,839)

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

Finance results	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Financial liabilities at amortized cost	(59,888)	(40,089)	(70,393)	(46,063)
Borrowing	(59,858)	(40,184)	(70,363)	(46,158)
Notes payable and other financial liabilities	(30)	95	(30)	95
Financial liabilities at fair value through profit or loss	(6,065)	-	(6,065)	-
Borrowing	(4,790)	-	(4,790)	-
Swap operation	(1,275)	-	(1,275)	-
Other finance costs	(5,468)	(3,121)	(10,317)	(6,436)
Finance costs	(71,421)	(43,210)	(86,775)	(52,499)
Financial assets at fair value through profit or loss	(265)	(99)	(265)	(99)
Investments in equity instruments	(265)	(99)	(265)	(99)
Amortized cost	12,201	19,346	27,640	19,346
Cash and cash equivalents	12,201	19,346	27,640	19,346
Tax credits and other finance income	1,727	1,340	(148)	3,494
Finance income	13,663	20,587	27,227	22,741
Monetary and foreign exchange variations, net				
Foreign exchange variations	29,335	22,357	20,465	17,389
Derivative financial instruments	(8,151)	112	(7,927)	2,410
Foreign exchange variations, net	21,184	22,469	12,538	19,799
Finance results, net	(36,574)	(154)	(47,010)	(9,959)

All amounts in thousand of Reais unless otherwise stated.

The consolidated information in 2023 includes the financial income (loss) of MWM Tupy do Brasil Ltda., which was not present in the same period of the previous year.

26. OTHER OPERATING REVENUES (EXPENSES), NET

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Recognition of Reintegra (note 7)	-	(52,694)	-	(52,694)
Constitution and restatement of provision	(56,421)	(28,680)	(65,447)	(34,061)
Disposals of property, plant and equipment	(1,051)	1,807	(6,976)	533
Result on the sale of unusable and other assets	(15,368)	(7,632)	(13,412)	(4,049)
	(72,840)	(87,199)	(85,835)	(90,271)
Depreciation of non-operating assets	(224)	(328)	(6,455)	(330)
Amortization of intangible assets (note 13)	-	-	-	(17,784)
Total other operating expenses, net	(73,064)	(87,527)	(92,290)	(108,385)

	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Recognition of Reintegra (note 8)	-	(52,694)	-	(52,694)
Constitution and restatement of provision	(13,017)	(11,098)	(21,024)	(11,332)
Disposals of property, plant and equipment	150	444	(5,011)	398
Result on the sale of unusable and other assets	(1,552)	5,507	9,068	5,998
	(14,419)	(57,841)	(16,967)	(57,630)
Depreciation of non-operating assets	(68)	(84)	(2,145)	(85)
Total other operating expenses, net	(14,487)	(57,925)	(19,112)	(57,715)

The consolidated information in 2023 includes other operating revenues (expenses), net of MWM Tupy do Brasil Ltda., which was not present in the same period of the previous year.

27. INCOME TAX AND SOCIAL CONTRIBUTION ON INCOME

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Net income (loss) before tax effects	443,761	507,093	450,384	561,403
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(150,879)	(172,412)	(153,131)	(190,877)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexicc)	-	-	(242)	1,443
Tax overpayments	-	21,836	-	21,836
Reintegra – benefit	(17,120)	781	(17,120)	781
Depreciation of non-operating assets	(76)	(112)	(76)	(112)
Effect of correction of fixed assets	-	-	(1,139)	(1,245)
Interests on capital	26,945	11,020	26,945	11,020
Share of results of subsidiaries	70,974	76,680	-	-
Other permanent (additions) exclusions	(22,613)	6,785	6,202	23,395
Tax effects recorded in the statement of income before	(92,769)	(55,422)	(138,561)	(133,759)
Effective rate of income tax before exchange effects	21%	11%	31%	24%
Effect of functional currency on tax base (a)	-	-	45,402	18,177
Tax effects recorded in the statement of income	(92,769)	(55,422)	(93,159)	(115,582)
Effective rate of income tax	21%	11%	21%	21%

	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Net income (loss) before tax effects	223,385	198,541	214,847	208,764
Statutory tax rate	34%	34%	34%	34%
Expenses at statutory rate	(75,951)	(67,504)	(73,048)	(70,980)
Tax effect of permanent (additions) exclusions:				
Additional income tax (Services Companies – Mexicc)	-	-	(62)	663
Tax overpayments	-	21,836	-	21,836
Reintegra – benefit	279	298	279	298
Effect of correction of fixed assets	-	-	4,352	3,521
Depreciation of non-operating assets	(23)	(29)	(23)	(29)
Interests on capital	12,881	11,020	12,881	11,020
Share of results of subsidiaries	(3,046)	22,982	-	-
Other permanent (additions) exclusions	(8,675)	7,145	8,693	16,706
exchange effects	(74,535)	(4,252)	(46,928)	(16,965)
Effective rate of income tax before exchange effects	33%	2%	22%	8%
Effect of functional currency on tax base (a)	-	-	(17,840)	450
Tax effects recorded in the statement of income	(74,535)	(4,252)	(64,768)	(16,515)
Effective rate of income tax	33%	2%	30%	8%

a) Functional currency effect on tax basis

The tax bases of the assets and liabilities of companies located in Mexico, where the functional currency is the U.S. dollar, are maintained in Mexican Pesos at their historical values. Fluctuations in exchange rates modify the tax bases, and consequently, exchange effects are recognized as deferred income tax revenues and/or expenses.

b) Breakdown of tax effect recorded in the income (loss) for the period

	Parent company		Consolidated	
	9M23	9M22	9M23	9M22
Tax effects recorded in the statement of income				
Current income tax and social contribution	(95,694)	(60,638)	(162,600)	(161,864)
Deferred income tax and social contribution	2,925	5,216	69,441	46,282
	(92,769)	(55,422)	(93,159)	(115,582)

	Parent company		Consolidated	
	3Q23	3Q22	3Q23	3Q22
Tax effects recorded in the statement of income				
Current income tax and social contribution	(50,818)	10,456	(63,634)	(15,990)
Deferred income tax and social contribution	(23,717)	(14,708)	(1,134)	(525)
	(74,535)	(4,252)	(64,768)	(16,515)

The consolidated information in 2023 includes income tax and social contribution on income of MWM Tupy do Brasil Ltda., which was not present in the same period of the previous year.

28. EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing income attributable to Company's shareholders by the weighted average number of outstanding common shares during the period.

	3Q23	3Q22	9M23	9M22
Profit attributable to the stockholders of the Company	148,850	194,289	350,992	451,671
Outstanding shares	144,072,980	144,147,672	144,072,980	144,147,672
Basic results per share - R\$	1.03316	1.34785	2.43621	3.13339

b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, presuming the conversion of all the potential common shares with dilutive effects. The Company offers a plan with options to purchase potential common shares with dilutive effects. The

calculation made to determine the number of shares that could have been issued at fair value was based on the monetary value of the subscription rights linked to the outstanding stock options.

	3Q23	3Q22	9M23	9M22
Profit attributable to the stockholders of the Company	148,850	194,289	350,992	451,671
Outstanding shares	145,253,901	144,938,410	145,253,901	144,938,410
Diluted results per share - R\$	1.02476	1.34049	2.41640	3.11630

29. SEGMENT INFORMATION

The Company discloses information by operating business segment, in accordance with that reported to management bodies for decisions on resource allocations and performance evaluations, as described below.

Structural components, manufacturing, energy & decarbonization – Custom manufacturing of cast and machined products, with high technological content and added services, for global manufacturers of engines used in passenger cars, commercial vehicles, construction machinery, tractors, agricultural machinery, power generators, capital goods in general and engine assembly for third parties.

Distribution (formerly: Hydraulics) – Distribution of self-made and third-party spare parts, malleable iron connections for the construction industry and cast iron profiles for diversified use.

As a result of the business combination that took place on December 1, 2022 (note 39 of financial statements of December 31, 2022), the Company decided to adjust the denomination of its operating business segments in order to accommodate the new operations acquired in the transaction.

Information on the reported segments is shown below:

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

Consolidated	Structural components, manufacturing, energy & decarbonization					
	decarbonization		Distribution		Total	
	9M23	9M22	9M23	9M22	9M23	9M22
Net revenue (Note 23)	8,136,393	7,308,017	609,819	279,309	8,746,212	7,587,326
Costs and expenses, except depreciation (Note 24)	(7,225,120)	(6,328,644)	(506,462)	(241,321)	(7,731,582)	(6,569,965)
Other operating expenses, net, except amortization of intangible assets and depreciation (Note 26)	(80,296)	(86,996)	(5,539)	(3,275)	(85,835)	(90,271)
Depreciation and amortization	(260,811)	(257,889)	(9,451)	(5,959)	(270,262)	(263,848)
Profit before finance results	570,166	634,488	88,367	28,754	658,533	663,242
Finance results (Note 25)					(208,149)	(101,839)
Profit before taxation					450,384	561,403
Income tax and social contribution (Note 27)					(93,159)	(115,582)
Profit for the period					357,225	445,821

Consolidado	Componentes estruturais, manufatura, energia e descarbonização					
	descarbonização		Distribuição		Total	
	3T23	3T22	3T23	3T22	3T23	3T22
Receitas (nota 23)	2,765,701	2,596,365	210,241	97,648	2,975,942	2,694,013
Custos e despesas, exceto depreciação (nota 24)	(2,434,666)	(2,251,334)	(174,249)	(84,537)	(2,608,915)	(2,335,871)
Outras despesas operacionais líquidas, exceto amortização de intangíveis e depreciação (nota 26)	(11,428)	(57,630)	(5,539)	-	(16,967)	(57,630)
Depreciação e amortização	(85,148)	(79,754)	(3,055)	(2,035)	(88,203)	(81,789)
Resultado antes do resultado financeiro	234,459	207,647	27,398	11,076	261,857	218,723
Resultado financeiro líquido (nota 25)					(47,010)	(9,959)
Resultado antes dos tributos sobre o lucro					214,847	208,764
Imposto de renda e contribuição social (nota 27)					(64,768)	(16,515)
Lucro líquido do exercício					150,079	192,249

b) Reconciliation of costs and expenses by segment

Consolidated	Structural components, manufacturing, energy &					
	decarbonization		Distribution		Total	
	9M23	9M22	9M23	9M22	9M23	9M22
Raw and processing materials	(4,155,774)	(3,567,044)	(325,790)	(135,157)	(4,481,564)	(3,702,201)
Maintenance and consumption materials	(592,738)	(462,318)	(32,678)	(11,162)	(625,416)	(473,480)
Salaries, social security charges and profit sharing	(1,456,909)	(1,307,953)	(81,171)	(52,283)	(1,538,080)	(1,360,236)
Social benefits	(121,326)	(101,961)	(6,552)	(1,476)	(127,878)	(103,437)
Electricity	(338,992)	(373,801)	(16,043)	(13,940)	(355,035)	(387,741)
Depreciation	(254,356)	(239,775)	(9,451)	(5,959)	(263,807)	(245,734)
Freight and commissions on sales	(335,176)	(381,811)	(19,744)	(23,046)	(354,920)	(404,857)
Management fees	(17,521)	(15,879)	(1,524)	(1,382)	(19,045)	(17,261)
Other costs	(206,685)	(117,877)	(22,960)	(2,875)	(229,645)	(120,752)
	(7,479,477)	(6,568,419)	(515,913)	(247,280)	(7,995,390)	(6,815,699)

Consolidated	Structural components, manufacturing, energy &					
	decarbonization		Distribution		Total	
	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22
Raw and processing materials	(1,425,809)	(1,267,748)	(112,264)	(47,838)	(1,538,073)	(1,315,586)
Maintenance and consumption materials	(201,909)	(159,475)	(11,497)	(3,776)	(213,406)	(163,251)
Salaries, social security charges and profit sharing	(480,927)	(454,629)	(27,861)	(17,292)	(508,788)	(471,921)
Social benefits	(42,870)	(35,672)	(2,089)	(504)	(44,959)	(36,176)
Electricity	(117,052)	(132,476)	(5,895)	(4,315)	(122,947)	(136,791)
Depreciation	(82,806)	(79,765)	(3,252)	(1,939)	(86,058)	(81,704)
Freight and commissions on sales	(97,494)	(152,071)	(6,900)	(9,393)	(104,394)	(161,464)
Management fees	(6,307)	(5,449)	(548)	(474)	(6,855)	(5,923)
Other costs	(62,495)	(43,718)	(6,998)	(1,041)	(69,493)	(44,759)
	(2,517,669)	(2,331,003)	(177,304)	(86,572)	(2,694,973)	(2,417,575)

c) Reconciliation of assets and liabilities

Consolidated	Structural components, manufacturing, energy &					
	decarbonization		Distribution		Total	
	Sep/23	Dec/22	Sep/23	Dec/22	Sep/23	Dec/22
ASSETS						
Trade account receivables (Note 4)	2,079,029	1,908,975	141,096	122,405	2,220,125	2,031,380
Inventories (Note 5)	1,814,053	2,024,088	163,180	183,796	1,977,233	2,207,884
Tooling	258,583	166,374	-	-	258,583	166,374
Other assets	147,626	162,777	4,983	5,844	152,609	168,621
Property, plant and equipment (Note 12)	2,603,059	2,532,112	52,757	52,190	2,655,816	2,584,302
Intangible assets (Note 13)	151,680	151,113	-	-	151,680	151,113
Other assets not allocated	-	-	-	-	2,572,883	2,933,584
Total assets	7,054,030	6,945,439	362,016	364,235	9,988,929	10,243,258

Consolidated	Structural components, manufacturing, energy &					
	decarbonization		Distribution		Total	
	Sep/23	Dec/22	Sep/23	Dec/22	Sep/23	Dec/22
LIABILITIES						
Trade accounts payables	1,303,013	1,592,384	94,264	90,062	1,397,277	1,682,446
Income taxes payable	118,993	185,115	12,977	8,433	131,970	193,548
Salaries, social security charges and profit sharing	407,817	408,504	16,459	17,924	424,276	426,428
Advances from customers	251,391	193,469	3,194	1,523	254,585	194,992
Other liabilities	172,593	174,199	2,665	7,249	175,258	181,448
Deferred tax on intangible assets (Note 9)	36,855	36,855	-	-	36,855	36,855
Other liabilities not allocated	-	-	-	-	4,299,431	4,493,181
Equity	-	-	-	-	3,269,277	3,034,360
Total liabilities and equity	2,290,662	2,590,526	129,559	125,191	9,988,929	10,243,258

Dedicated assets and liabilities are allocated directly to segments. For those in common use, criteria are used according to their applicability or origin. As they are not directly related to the transaction, the Company does not allocate to the reported segments the assets of cash and cash equivalents, recoverable and deferred taxes and contributions, judicial deposits and other and investments in other

companies. On the liability side, for the same reason, financing and loans, dividends, provisions, deferred taxes and other long-term liabilities are not allocated.

d) Material clients responsible for more than 10% of the Company's total revenues

The Company has a diversified portfolio of domestic and foreign clients. In the structural components, manufacturing, energy & decarbonization segment, there are clients who individually represent more than 10% of consolidated revenues, as shown below:

Consolidated								
Revenue	3Q23	%	3Q22	%	9M23	%	9M22	%
Structural components, manufacturing, ener	2,765,701	92.9	2,596,365	96.4	8,136,393	93.0	7,308,017	96.3
Customer A	454,444	15.3	449,397	16.7	1,137,388	13.0	1,271,829	16.8
Customer B	371,872	12.5	405,989	15.1	1,096,961	12.5	1,154,733	15.2
Other customers	1,939,385	65.2	1,740,979	64.6	5,902,044	67.5	4,881,455	64.3
Distribution	210,241	7.1	97,648	3.6	609,819	7.0	279,309	3.7
Total Revenue	2,975,942	100.0	2,694,013	100.0	8,746,212	100.0	7,587,326	100.0

The breakdown of sales in the distribution segment is diversified.

e) Information on the countries where the Company holds revenues

Revenues from clients, attributed to the home country and each foreign country, and their share in the Company's total revenues for the year are broken down as follows:

Consolidated								
	3Q23	%	3Q22	%	9M23	%	9M22	%
North America	1,419,560	47.7	1,350,012	50.2	4,046,518	46.2	3,898,112	51.4
United States	862,403	29.0	802,607	29.8	2,425,269	27.7	2,360,952	31.1
Mexico	545,476	18.3	526,734	19.6	1,574,847	18.0	1,477,446	19.5
Canada	11,681	0.4	20,671	0.8	46,402	0.5	59,714	0.8
South and Central Americas	999,873	33.6	774,161	28.7	2,934,837	33.6	2,077,469	27.4
Brazil - head office	958,659	32.2	751,988	27.9	2,798,242	32.0	2,024,476	26.7
Other countries	41,214	1.4	22,173	0.8	136,595	1.6	52,993	0.7
Europe	500,887	16.9	461,957	17.2	1,581,538	18.1	1,349,312	17.7
United Kingdom	123,644	4.2	124,250	4.6	395,475	4.5	288,857	3.8
Sweden	76,981	2.6	56,485	2.1	207,673	2.4	184,158	2.4
Netherlands	18,911	0.6	43,054	1.6	72,779	0.8	146,804	1.9
Hungary	-	-	-	-	-	-	-	-
Italy	155,136	5.2	147,612	5.5	495,647	5.7	466,636	6.2
Spain	17,158	0.6	31,046	1.2	82,351	0.9	102,497	1.4
Germany	85,604	2.9	37,021	1.4	252,234	2.9	84,498	1.1
Other countries	23,453	0.8	22,489	0.8	75,379	0.9	75,862	0.9
Asia, Africa and Oceania	55,622	1.8	107,883	3.9	183,319	2.1	262,433	3.5
Japan	35,011	1.2	73,640	2.7	93,288	1.1	150,395	2.0
India	9,559	0.3	4,396	0.2	28,445	0.3	14,030	0.2
South Africa	31	-	1,835	0.1	4,610	0.1	24,624	0.3
China	6,631	0.2	24,442	0.9	43,155	0.5	61,803	0.8
Other countries	4,390	0.1	3,570	-	13,821	0.1	11,581	0.2
Total	2,975,942	100.0	2,694,013	100.0	8,746,212	100.0	7,587,326	100.0

30. FINANCIAL INSTRUMENTS

	Note	Parent company		Consolidated	
		Sep/23	Dec/22	Sep/23	Dec/22
Financial assets at amortized cost		1,429,438	1,806,693	3,543,718	3,739,995
Cash and cash equivalents	3	469,388	704,746	1,142,775	1,509,829
Trade account receivables(*)	4	903,996	1,035,555	2,220,125	2,031,380
Notes and other financial assets		56,054	66,392	180,818	198,786
<i>Effect on the Income Statement</i>		<i>40,505</i>	<i>38,583</i>	<i>74,956</i>	<i>39,590</i>
Financial assets at fair value through profit or loss		4,328	7,887	16,729	28,929
Investments in equity instruments		2,563	2,746	8,671	15,496
Derivative financial instruments	31	1,765	5,141	8,058	13,433
<i>Effect on the Income Statement</i>		<i>9,144</i>	<i>20,687</i>	<i>32,058</i>	<i>22,167</i>
Financial liabilities at amortized cost		3,247,802	3,697,744	5,120,773	5,485,584
Trade accounts payables		585,399	606,734	1,397,277	1,682,446
Loans and financing	15	1,469,826	1,922,852	2,387,244	2,481,021
Debentures	16	1,002,595	1,038,858	1,002,595	1,038,858
Dividends and interest on capital		141,512	98,243	141,512	98,243
Notes payable and other financial liabilities		48,470	31,057	192,145	185,016
<i>Effect on the Income Statement</i>		<i>(190,764)</i>	<i>(99,477)</i>	<i>(223,444)</i>	<i>(116,347)</i>
Financial liabilities at fair value through profit or loss		98,079	73	100,060	330
Derivative financial instruments	31	4,898	73	6,879	330
Loans and financing	15	94,456	-	94,456	-
Swap operation		(1,275)	-	(1,275)	-
<i>Effect on the Income Statement</i>		<i>(6,572)</i>	<i>(8,580)</i>	<i>(4,003)</i>	<i>(6,157)</i>

(*) Includes the provision for impaired receivables

31. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE OF NET FOREIGN INVESTMENT

Derivative financial instruments

In order to minimize the impacts of exchange-rate change on future cash flows, the Company contracted financial instruments, as follow:

- structured operations in the zero-cost collar (ZCC) modality, which consists of the purchase of a put option and the sale of a call option; the operations have the same notional value, same counterparty, same maturity and there is no net premium.
- Purchase of a put option.
- Non-Deliverable Forwards (NDF) which consist of operations of purchase of foreign currency without physical delivery, at an agreed price, on a specific future date.
- *Swap* is a operation that promotes the exchange of profitability between two parties with the future exchange of cash flows, according to pre-established rules.

These instruments' fair value is measured using widely used market information providers, based on *Black-Scholes* pricing model, broadly used by market participants to measure similar instruments.

In the external scenario, the U.S. monetary policy may remain restrictive for some time. In this scenario, the dynamics of emerging currencies continue to be influenced by the different magnitudes of monetary tightening among countries, in addition to changes in the perception of endogenous and exogenous risk-return to these countries. In the comparison between December 31, 2022, and September 30, 2023, the real appreciated by 4.03% against the USD and 4.84% against the Euro, and the Mexican Peso appreciated by 10.57% against the USD.

a) Options

i - Parent company

On September 30, 2023, the financial instruments amounted to US\$ 96,100 in zero cost collar operations, comprising: purchase of PUT with weighted average exercise price of R\$ 4.8051 and sales of CALL with weighted average exercise price of R\$ 5.3665, with maturities up to August 25, 2024.

In the period ended September 30, 2023, the Company recognized revenue of R\$ 2,755 in its financial income (loss), of which R\$ 9,681 received from adjustments arising from the settlement of contracts in the period and a loss of R\$ 6,926 from the mark-to-market of these instruments. In the same period of 2022, it recognized a revenue of R\$ 11,336 in its financial income (loss), with the received of R\$ 11,721 of adjustments arising from the settlement of contracts in the period and of R\$ 385 due to the mark-to-market of these instruments.

ii – Subsidiaries

As of September 30, 2023, U.S. dollar-denominated financial instruments amounted to US\$ 58,673 in zero cost collar operations, which consist of: purchase of PUT with a weighted average exercise price of MXN 17.3618 and sales of CALL with a weighted average exercise price of MXN 19.1542, with maturities up to August 09, 2024.

As of September 30, 2023, the financial instruments in EURO of the zero cost collar operations amounted to EUR 18.795, which consist of: purchase of PUT with a weighted average exercise price of EUR 5.3497 and sales of CALL with a weighted average exercise price of EUR 5.7229. The NDF operation amounted to EUR 6.500, at the weighted average exercise price of EUR 5.4575, with maturities up to December 07, 2024.

In the period ended September 30, 2023, the subsidiaries recognized revenue of R\$ 25,483 in their financial income (loss), of which R\$ 28,921 was received from adjustments arising from the settlement of contracts in the period and loss of R\$ 3,438 from the mark-to-market of these instruments. In the same period of the previous year, the subsidiaries recognized revenue of R\$ 3,905, R\$ 919 from settlement of contracts in the period and R\$ 2,984, arising from the mark-to-market of these instruments.

iii - Consolidated

In the period ended September 30, 2023, the revenue of R\$ 28,238 was recognized in the consolidated financial income (loss), of which R\$ 38,602 was received from adjustments arising from the settlement of contracts in the period and a loss of R\$ 10,364 from the mark-to-market of these instruments. In the same period of the previous year, and revenue of R\$ 15,239 was recognized in the consolidated financial income (loss), of which R\$ 12,640 was received of adjustments arising from the settlement of contracts in the period and a gain of R\$ 2,599 due to the mark-to-market of these instruments.

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

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Financial derivative instruments				
Liabilities	(3,623)	(73)	(5,604)	(330)
Assets	1,765	5,141	8,058	13,433
Financial derivative instruments, net	(1,858)	5,068	2,454	13,103

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

	Parent company	Subsidiaries	Consolidated
AT December 31, 2021	5,068	8,035	13,103
Recognized in financial results	2,755	25,483	28,238
Settlement	(9,681)	(28,921)	(38,602)
Foreign exchange impact	-	(285)	(285)
AT SEPTEMBER 30, 2023	(1,858)	4,312	2,454
Maturity date			
Due December 31, 2023	667	3,562	4,229
Due March 31, 2024	(1,475)	769	(706)
Due June 30, 2024	(949)	(58)	(1,007)
Due September 30, 2024	(101)	39	(62)
AT SEPTEMBER 30, 2023	(1,858)	4,312	2,454

b) Swap operation

In August 2023, the Parent Company contracted a swap operation of US\$ 18,330, reflecting the cash flow of the BNDES Exim pre-shipment financing line, with quarterly interest and amortization in a single installment due on August 15, 2028. The purpose of this instrument is to exchange (i) currency from North American Dollars (US\$) to Reais and (ii) interest of 5.58% p.a. to 108.5% CDI. (note 15 c)

Financial liabilities are being measured at fair value through profit or loss.

c) Hedge of foreign investment, net

Focusing on mitigating the impacts of exchange rate volatility on results, on January 10, 2014, the Company started to adopt the hedge of net foreign investment (net investment hedge), as note 37 b as presented in the annual financial statement of year ended December 31, 2022.

At September 30, 2023, the Company has export prepayment agreements in the amount of US\$ 259,000 equivalent to R\$ 1,296,968 designated as hedge instruments for investments in the indirect subsidiaries in Mexico, Tupy México Saltillo, S.A. de C.V. and Technocast, S.A. de C.V., whose functional currency is the U.S. dollar (US\$). The net investment hedge object is protecting 85% of the net assets of US\$ 315,562, equivalent to R\$ 1,580,206, which represents the effectiveness of 82.1%.

In the period of nine-months ended on September 30, 2023, the Company recognized in carrying value adjustments, within equity, a gain of R\$ 88,278, R\$ 58,257 net of the tax effect, result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexican subsidiaries resulted in a loss of R\$ 98,763, and the net loss was R\$ 40,506.

During the nine-months period of 2022, the Company recognized in carrying value adjustments, within equity, a gain of R\$ 45,726, R\$ 30,179 net of the tax effect, result of the conversion of the prepayment contracts designated as hedge instruments. As a result, the investments in the Mexican subsidiaries resulted in a loss of R\$ 96,265, and the net loss was R\$ 66,086.

32. FINANCIAL RISK MANAGEMENT

The Company has a financial management policy and internal rules monitored by the Risks and Internal Controls area, which determine practices for identifying, monitoring and controlling exposure to financial risks.

32.1 Credit risk

The credit risk arises from cash and cash equivalents, derivative financial instruments, interest earning bank deposits, and exposure to client credit, including outstanding accounts receivable.

Credit risk management of trade accounts receivable is carried out through a joint assessment of payment capacity, indebtedness ratio, market behavior and history with the Company, which establishes individual credit limits. Additionally, the Company performs a quantitative and qualitative analysis of the receivables portfolio, to determine the provision for losses on receivables. As of September 30, 2023, the Company had expected losses on trade accounts receivable of R\$ 40,788 (R\$ 76,868 on December 31, 2022), which represented 1.8% of the balance of outstanding accounts receivable (consolidated) on that date (3.6% on December 31, 2022).

Credit quality of financial assets

The credit quality of financial assets is evaluated by reference to external credit ratings (if any) or to historical information about counterparty default indexes:

	Parent company		Consolidated	
	Sep/23	Dec/22	Sep/23	Dec/22
Counterparties with external credit ratings*				
Cash and cash equivalents	469,388	704,746	1,142,775	1,509,829
AAA	230,737	331,221	519,870	656,422
AA+ / AA / AA-	187,087	297,612	210,721	330,222
A+ / A / A-	28,287	75,913	382,011	523,030
Outros	23,277	-	30,173	155
Derivative financial	1,765	5,141	8,058	13,433
AA+ / AA / AA-	1,765	5,141	8,058	13,433
Counterparties without external credit rating				
Trade receivables	903,996	1,035,555	2,220,125	2,031,380
Low risk	858,009	991,681	2,174,138	1,987,506
Moderate risk	45,987	43,874	45,987	43,874
High risk	9,308	9,309	40,788	76,868
Provision for impairment of trade receivables	(9,308)	(9,309)	(40,788)	(76,868)
Other financial assets	58,617	69,138	189,489	214,282
Total	1,433,766	1,814,580	3,560,447	3,768,924

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

b (***) It does not consider provision for impairment of trade receivables

Trade accounts receivable presents the following risk classifications:

- Low risk, clients in the structural components, manufacturing, energy & decarbonization segment, except clients that have already presented historical losses.
- Moderate risk, clients in the dis segment, except clients that have already experienced historical losses.
- High risk, clients that have provisioned balances and historical losses.

The other financial assets held by the Company are considered of high quality and do not show signs of loss.

32.2 Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to managing this risk is to maintain a minimum cash position.

The Company is a counterparty in some financing agreements, which require the maintenance of financial indexes, or compliance with other specific clauses. The main operations, the Senior Unsecured Notes issued in 2021 and the debentures issued in 2022, require the Company to meet the Net Debt/EBITDA financial ratio. If not complied with, it may impose restrictions, which are detailed in notes 15 and 16.

In order to guarantee sufficient liquidity to fulfill its obligations without causing losses or harming the Company's operations, the minimum cash is equivalent to the projection of two months of payment to suppliers, wages and charges, tax obligations, deducting receipts with a 50% discount for the same period, plus the balance of short-term loans and financing and mark-to-market of derivative instruments. In addition, the Company manages its investment portfolio following criteria of maximum concentration limits in financial institutions, as well as their global and local ratings.

We present below the contractual maturities of financial liabilities:

Consolidated	Contractual cash flow						
	Carrying amount	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total flow
FINANCIAL LIABILITIES							
Borrowings	2,387,244	169,107	152,942	187,677	364,049	2,115,366	2,989,141
Trade payables and notes and other	1,572,535	1,572,535	-	-	-	-	1,572,535
Debentures	1,002,595	71,601	75,861	147,459	1,221,796	-	1,516,717
Dividends payable	141,512	106,497	35,015	-	-	-	141,512
Financial derivative instruments	6,879	6,879	-	-	-	-	6,879
	5,110,765	1,926,619	263,818	335,136	1,585,845	2,115,366	6,226,784

No cash flow expected, included in the analysis of the maturation of the Company, may occur significantly sooner or in amounts significantly different. In addition, the Company has sufficient cash generation to face the flow of future payments.

32.3 Market risk

The economic policies of the world's major economies and the Brazilian Federal Government can have important effects on Brazilian companies, including the Company, as well as on market conditions and the prices of securities of Brazilian companies. Considering the nature of the Company's businesses and operations, level of exports and distribution of sales by market, a slowdown in the U.S. economy, mainly in the capital goods sector, could impact sales and revenues and, consequently, the profitability of the Company.

The main market risk factors to which it is exposed are related to: Exchange Rate, Interest Rate, and Inflation in the main inputs, Credit Risk and Liquidity Risk. The Company operates by managing its exposure to these factors, keeping them within acceptable parameters in order to optimize returns.

Interest rate risk

The interest rate risk arises from interest earning bank deposits and loans and financing maintained by the Company. Financial instruments with floating rates expose the Company to the risk of fluctuations in cash flow and the fixed-rate instruments expose it to fair value risk, and the Company may use derivative financial instruments, as follows:

Consolidated			
	Note	Sep/23	Dec/22
Floating-rate instruments		(824,330)	(808,465)
Financial assets		641,503	696,280
Financial liabilities	15 and 16	(1,465,833)	(1,504,745)
Fixed-rate instruments		(1,422,734)	(1,201,585)
Financial assets		501,272	813,549
Financial liabilities	15 and 16	(1,924,006)	(2,015,134)

Sensitivity analysis of changes in variable interest rates

The Company has interest earning bank deposits and debt instruments exposed to both CDI change.

Interest rate fluctuations may impact the Company's future results. The impacts that would be generated by fluctuations in interest rates to which the Company is exposed are as follows.

Interest rate risk							Consolidated
Floating rate instruments	Risk	Disclosed	Probable	Scenarios			
				+25%	+50%	-25%	-50%
In Brazilian reais							
Investments	Interest rate (CDI - % a.a.)	13.65	11.65	14.5625	17.475	8.7375	5.825
Financial assets		641,503	641,503	641,503	641,503	641,503	641,503
Potential impact		-	(11,289)	16,734	33,468	(17,182)	(35,311)
Borrowings	Interest rate (CDI - % a.a.)	13.65	11.65	14.5625	17.475	8.7375	5.825
Financial liabilities		(1,465,833)	(1,465,833)	(1,465,833)	(1,465,833)	(1,465,833)	(1,465,833)
Potential impact		-	(25,796)	38,238	76,474	(39,262)	(80,684)

Currency risk

The Parent Company is subject to currency risk on sales, purchases and loans denominated in a currency other than its functional currency, the Real. The Mexican subsidiary is subject to currency risk on costs and expenses denominated in a currency other than its functional currency, the U.S. Dollar. The Parent Company's foreign currency transactions are predominantly denominated in U.S. Dollars (US\$) and the subsidiary's transactions in Mexico, subject to currency risk, are predominantly denominated in Mexican Pesos.

Additionally, given the relevance of the Company's operations in Mexico, the change of the Mexican Peso also has an impact on the calculation of income tax, given that the net exchange-rate change arising from monetary assets and liabilities in dollars directly impacts the calculation basis of this tax (Note 27).

The Company manages its exposure to exchange rates by combining debt, interest earning bank deposits, accounts receivable, revenue from exports in foreign currency, operations with derivatives and hedge of net foreign investment. The Company's exposure, considering the subsidiaries that use the Real (R\$) as their functional currency, is shown below:

Parent company		
Net exposure impacting profit	Sep/23	Dec/22
Assets	694,511	943,969
Cash and cash equivalents abroad	35,797	75,913
Customers in the foreign market	658,714	868,056
Liabilities	(63,560)	(58,136)
Borrowings in foreign currency	(1,411,025)	(1,878,936)
Hedge of net investment abroad	1,296,968	1,820,977
Other amounts	50,497	(177)
Net exposure impacting profit		
In thousands of R\$	630,951	885,833
In thousands of US\$	131,785	154,544
In thousands of EUR	11,977	13,194

The Company's exposure, considering the subsidiaries whose functional currency is in U.S. Dollar is shown below:

Subsidiaries		
Net exposure impacting profit	Sep/23	Dec/22
Assets	674,069	267,384
Cash and cash equivalents abroad	80,357	11,944
Customers in the foreign market	484,473	172,138
Tax return	109,239	83,302
Liabilities	(509,039)	(361,982)
Trade accounts payables	(233,483)	(187,728)
Other amounts	(275,556)	(174,254)
Net exposure impacting profit		
In thousands of R\$	165,030	(94,598)
In thousands of MXN	(314,297)	(518,656)
In thousands of US\$	5,897	(17,691)
In thousands of EUR	42,639	24,416

Sensitivity analysis of foreign exchange exposure, except derivatives

This analysis is based on the exchange rate change, in which the risk variable is evaluated with a change of 25% and 50%, in relation to the probable scenario budgeted by the Company. This analysis considers that all the remaining variables, especially interest rates, are kept constant.

Consolidated	Scenarios					
	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate	5.0076	5.2	6.5	7.8	3.9	2.6
Asset position	694,511	721,195	901,494	1,081,793	540,896	360,598
Liability position	(63,560)	(66,002)	(82,503)	(99,003)	(49,502)	(33,001)
Net exposure (R\$ thousand)	630,951	655,193	818,991	982,790	491,394	327,597
Net exposure (US\$ thousand)	125,999	125,999	125,999	125,999	125,998	125,999
Potential impact (R\$ thousand)	-	24,242	188,040	351,839	(139,557)	(303,354)

Sensitivity analysis of foreign exchange exposure of derivatives

This analysis is based on the exchange rate change in relation to contracted CALL and PUT prices, in which the risk variable is evaluated with fluctuations of 25% and 50%, in relation to the probable scenario budgeted by the Company. This analysis considers that all the remaining variables are kept constant.

Parent company	Scenarios					
	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate	5.0076	5.2	6.5	7.8	3.9	2.6
MTM Controladora	(1,858)	(7,123)	(111,374)	(233,647)	80,343	200,450
Potential impact (R\$ thousand)		(5,265)	(109,517)	(231,789)	82,200	202,307
Subsidiaries	Scenarios					
	Disclosed	Probable	+25%	+50%	-25%	-50%
U.S. Dollar rate vs. Mexican peso	17.4127	20.96	26.2	31.44	15.72	10.48
MTM Subsidiaries (US\$ mil)	796	(5,791)	(15,997)	(22,924)	5,384	35,740
MTM Subsidiaries (R\$ mil)	3,987	(30,112)	(103,977)	(178,805)	20,997	92,924
EURO rate	5.3000	5.22	6.53	7.83	3.92	2.61
MTM Subsidiaries (R\$ mil)	324	719	(9,591)	(25,021)	14,569	29,480
Potential subsidiaries impact (R\$ thousand)		(33,704)	(117,879)	(208,137)	31,254	118,092
Potential consolidated impact (R\$ thousand)		(38,969)	(227,396)	(439,926)	113,455	320,400

Price risk

It arises from the possibility of fluctuations in the market prices of inputs used in the production process, mainly scrap, pig iron, metallic alloys, coke and electric power. These price fluctuations may cause

changes in the Company's costs. The Company monitors them to reflect, in its sales prices, any fluctuations.

32.4 Operating risk

It arises from all the Company's operations and may generate direct or indirect losses associated with a variety of causes related to processes, personnel, technology, infrastructure and external factors.

The Company's objective is to manage operating risk and avoid losses and damages to reputation and to seek cost efficiency.

The main responsibility for the development and implementation of controls for operational risks is exercised by a centralized area of Internal Controls under the management of Top Management.

32.5 Capital management

The Company's objectives in managing its capital are to safeguard the business continuity capacity to offer return to shareholders and benefits to the other stakeholders besides maintaining an optimal capital structure to reduce this cost.

To maintain or adjust the Company's capital structure, Management may - or propose to, in cases that must be approved by shareholders - review dividend payment policy, return capital to shareholders, issue new shares or sell assets to reduce, for example, indebtedness level.

The Company's Management monitors the ratio between own and third-party capital used to finance its operations. To mitigate liquidity risks and optimize the average cost of capital, the Company monitors compliance with financial ratios in financing and loan agreements.

The ratio of own capital versus third-party capital, at the end of each period, is presented below:

Consolidated			
	Note	Sep/23	Dec/22
Own capital		3,269,277	3,034,360
Equity	22	3,269,277	3,034,360
Third party capital		5,576,877	5,699,069
Total current and non-current liabilities		6,719,652	7,208,898
Cash and cash equivalents	3	(1,142,775)	(1,509,829)
Own capital versus third-party capital ratio		0.59	0.53

32.6 Fair value

It is assumed that cash and cash equivalents, trade accounts receivable and accounts payable balances at book value, less impairment in case accounts receivable approximate their fair values.

All financial instruments classified as financial assets and financial liabilities at fair value through profit or loss (note 30) and the fair value of financing and loans disclosed in note 15 are calculated by discounting future contractual cash flows at the interest rate prevailing in the market, which are available to the Company for similar financial instruments.

The valuation techniques used by the Company are classified as level 2 of the fair value hierarchy. The fair value of financial instruments that are not negotiated on active markets (level 2) is determined based on evaluation techniques that maximize the use of data adopted by the market where they are available with the least possible use of specific estimates of the Company.

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Quarterly Information Review Report

(A free translation of the original report in Portuguese)

To the Shareholders and Board of Directors

Tupy S.A.

Joinville - SC

Introduction

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

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

Scope of the review

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

Conclusion about the interim financial statements

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 issued by the IASB applicable to the Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other issues

Statements of value added

The individual and consolidated interim financial statements, in relation to the statements of value added for the nine-month period ended in September 30, 2023, prepared under the responsibility of the Company's Management and presented as supplementary information regarding IAS 34, were submitted to review procedures performed jointly with the review of the interim quarterly information of the Company. In order to form our conclusion, we assessed if the statements are reconciled with the interim accounting information and records, as applicable, and if their form and content are in accordance with the criteria defined in CPC 09 - Statements of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that the statements of value added aforementioned have not been fairly stated, in all material aspects, in relation to the interim financial statements, individual and consolidated, taken as a whole.

Joinville, November 13, 2023

KPMG Auditores Independentes Ltda.
CRC SC-000071/F-8
Original report in Portuguese signed by
Felipe Brutti da Silva
Accountant CRC RS-083891/O-0 T-RS