

**DEAR SHAREHOLDERS:**

Cimento Tupi S.A. (“Company”), in compliance with the statutory requirements, submits to Messrs. shareholders the Management Report and the financial statements for the year ended December 31, 2019.

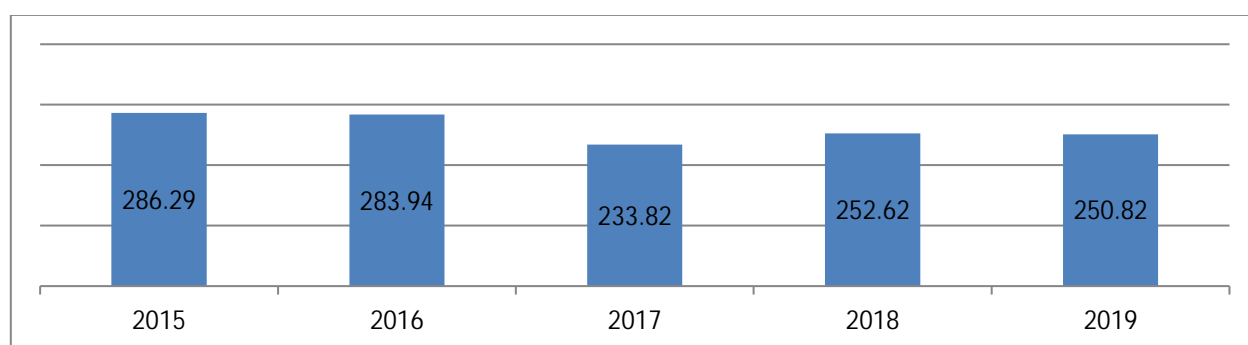
**1. DESCRIPTION OF THE BUSINESS**

The Company is engaged in manufacturing cement and mortars of all types in its manufacturing plants located in Volta Redonda - RJ, Pedra do Sino - MG and Mogi das Cruzes -SP, mining mineral reserves and using substances extracted during cement manufacturing, providing concreting services and holding interest in other companies.

**2. CEMENT MARKET**

The decline in cement demand in the country contributed to reduce prices charged by the Company between 2014 and 2017, due to the decrease in construction as a result of the Brazilian economic crisis. In 2018, we observed an improvement in average sales prices in comparison with 2017, which was maintained for 2019.

Average prices per tonne of cement + Clinker charged by the Company

**3. THE COMPANY'S BUSINESS PERFORMANCE**

In 2019, the Company presented an increase in the volume of sales in comparison with 2018.

	<b>ORDER OF CEMENT PER REGION in thousand/t</b>	
	<b>2019</b>	<b>2018</b>
<b>Cement (tonne)</b>	<b>1,284</b>	<b>1,181</b>
<b>Clinker (tonne)</b>	<b>1</b>	<b>-</b>

## 4 - CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE OF THE COMPANY

### Operating revenue

The Company's net revenue was R\$ 233,827 thousand in 2019, in comparison with R\$ 218,374 thousand in 2018, representing an increase of 7.08%.

### Gross profit and EBITDA

The consolidated gross loss of the Company in 2019 was R\$ (10,177) thousand, in comparison with consolidated loss in 2018 amounting to R\$ (657) thousand. EBITDA amounted to R\$ (24,650) thousand in 2019 and it amounted to R\$ (18,566) in 2018.

(R\$ million)	2019	2018
Gross profit	(10)	(1)
Selling expenses	(14)	(11)
General and administrative expenses	(34)	(26)
Other operating revenues (expenses)	34	2
<b>Operating profit*</b>	<b>(24)</b>	<b>(36)</b>
Depreciation, amortization and depletion	21	21
Nonrecurring expenses (revenues)	(22)	(3)
<b>EBITDA</b>	<b>(25)</b>	<b>(18)</b>

\*Before financial revenues and expenses

### Income (loss) for the year

In 2019, the Company reported losses amounting to R\$ (430,561) thousand, due to the increase in financial expenses mainly on loan interest.

## 5 - INVESTMENTS

The Company had investment expenses in 2019 amounting to R\$ 11,335 thousand, of which R\$ 8,781 was in the production line, and R\$ 2,554 in other areas.

## 6 - GENERAL AND ADMINISTRATIVE EXPENSES

The variation in amounts incurred by the Company under General and administrative expenses between 2018 and 2019 was mainly due to nonrecurring expenses amounting to R\$ 4,940, including court agreements and expenses on debt restructuring process of the Company with creditors in domestic and foreign currencies.

## 7 - RELATION WITH INDEPENDENT AUDIT

In compliance with CVM Instruction No. 381/2003, the Company informs that the audit company BDO RCS Auditores Independentes SS only rendered services related to the external audit during 2019.

### Management