(Convenience translation into English from the original previously issued in Portuguese)

CIMENTO TUPI S.A.
(Under Court-Ordered Reorganization)

Independent auditor's report

Individual and consolidated financial statements
As at December 31, 2021

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Contents

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Management and Shareholders of
Cimento Tupi S.A. - Under Court-Ordered Reorganization
Rio de Janeiro - RJ

Disclaimer of opinion on the individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Cimento Tupi S.A. – Under Court-Ordered Reorganization ("Company"), identified as parent company and consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the respective statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

We do not issue an opinion on the accompanying individual and consolidated financial statements of Cimento Tupi S.A. – Under Court-Ordered Reorganization given that, due to the relevance of the matters described in the following section of this report "Basis for disclaimer of opinion on the individual and consolidated financial statements", we were unable to obtain proper and sufficient audit evidence to support our audit opinion on these individual and consolidated financial statements.

Basis for disclaimer of opinion on the individual and consolidated financial statements

Court-Ordered Reorganization Plan and material uncertainty as to the Company's ability to continue as a going concern

As mentioned in Notes 1.1 and 30 to the individual and consolidated financial statements, in the terms of Law No. 11.101/05, the Company filed a request for court-ordered reorganization on January 21, 2021, with the 3rd Business Court of the District of Rio de Janeiro state capital, receiving a favorable decision on January 22, 2021. With the approval of the court-ordered reorganization process on January 22, 2021, lawsuits filed against the Company have been suspended for a period of 180 days ("Stay Period").

On February 11, 2021, the Company filed a request with the New York Court for recognition of its court-ordered reorganization, in progress in Brazil, as the main proceeding in the Company's restructuring process, based on Chapter 15 of the United States Bankruptcy Code. With the New York Court's recognition of the court-ordered reorganization, the lawsuit filed in the same jurisdiction by certain holders of notes against the Company will be suspended until there are the New York Court's recognition and acceptance of its court-ordered reorganization plan, approved by the Brazilian Court, as mentioned above, so that its conditions will be mandatory and binding for all note holders, ending the lawsuit in progress in that country.

The Company presented in court, on March 26, 2021, the Court-Ordered Reorganization Plan ("PRJ") as well as the detailing of the means to be used for carrying it out (restructuring the indebtedness with payment proposals to the creditors subjected to court-ordered reorganization, disposal of assets, maintenance and increase of its activities and other means detailed on the PRJ), economic feasibility study, financial and economic position and valuation reports of assets and rights of the Company.

On October 14, 2021, the Court-ordered Reorganization Plan presented by the Company was approved by the majority of creditors at the General Creditors' Meeting then held, and later approved by the judge of the court-ordered reorganization on February 04, 2022. With the notification of the Company regarding the homologation of the PRJ on February 22, the Company will make the payments to its creditors, in the form established in the mentioned Plan.

Additionally, in the year ended December 31, 2021, the Company presented negative working capital (individual and consolidated) in the amounts of R$ 3,451,626 and R$ 3,376,125, respectively, operating losses (individual and consolidated) in the amounts of R$ 173,059 and R$ 172,767, respectively, losses for the year (individual and consolidated) in the amounts of R$ 127,856 thousand, accumulated losses in the amount of R$ 2,818,534 thousand, and presented deficit in equity of R$ 2,508,040 thousand. This situation indicates the existence of significant uncertainty that may cast doubt on the Company's and its controlled companies' ability to continue as a going concern and as to the basis of preparation of the individual and consolidated financial statements, considering that as at December 31, 2021, the Company's individual and consolidated assets and liabilities were classified and evaluated assuming that it will continue as a going concern.

As a result of these matters, we were unable to conclude on whether the use of the going-concern assumption, the basis for the development of these individual and consolidated financial statements for the year ended December 31, 2021, is appropriate, or on what would be the effects on the balances of assets, liabilities and on the elements of statements of operations, comprehensive income (loss), changes in equity and cash flows if these individual and consolidated financial statements were not prepared on a going-concern basis.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added for the year ended December 31, 2021, prepared under the responsibility of the Company's Management, whose presentation is considered supplementary information by the International Financial Reporting Standards - IFRS, which do not require the presentation of the statements of value added. These individual and consolidated statements were submitted to the same audit procedures followed for the audit of the Company's individual and consolidated financial statements. However, due to the relevance of the matters described in the section of this report "Basis for disclaimer of opinion on the individual and consolidated financial statements", we were unable to obtain proper and sufficient evidence to support our audit opinion on these individual and consolidated financial statements in relation to the individual and consolidated financial statements, taken as a whole. Consequently, we do not express an opinion on the statements of value added referred to above.

Responsibility of Management and those charged with governance for the individual and consolidated financial statements

The Company's Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Brazilian accounting practices and with the IFRS, issued by IASB, and for such internal control as Management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's and its controlled companies' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its controlled companies or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its controlled companies' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our responsibility is to conduct an audit of the individual and consolidated financial statements of the Company in accordance with Brazilian accounting practices and to issue an audit report thereon. However, due to the matters described in the "Basis for disclaimer of opinion on the individual and consolidated financial statements" section of this report, we were unable to obtain proper and sufficient audit evidence to support our audit opinion on these individual and consolidated financial statements.

We are independent of the Company in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, May 02, 2022.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/F

Cristiano Mendes de Oliveira
Accountant CRC 1 RJ 078157/O-2

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of financial position
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Assets				
Current				
Cash and cash equivalents (Note 6)	3,116	2,234	26,660	19,071
Accounts receivable (Note 7)	22,163	19,540	22,163	19,540
Inventories (Note 8)	70,656	52,895	105,690	85,854
Taxes to offset (Note 9)	35,168	26,275	35,279	26,335
Notes receivable (Note 10)	-	-	3,635	3,548
Advances to suppliers	6,435	4,356	7,348	5,496
Receivables from third parties	23	304	23	304
Other current assets	2,263	2,209	2,556	2,465
Total current assets	139,824	107,813	203,354	162,613
Noncurrent				
Notes receivable (Note 10)	4,922	5,533	4,922	5,533
Receivables from third parties	1,948	1,948	1,948	1,948
Related-party transactions (Note 15)	20,397	10,711	-	-
Taxes to offset (Note 9)	129,002	148,365	129,002	148,365
Deferred Income and Social Contribution taxes (Note 21)	305,798	248,904	305,798	248,904
Court deposits (Note 22)	12,696	15,513	13,401	15,663
Investments				
Controlled companies (Note 11)	106,443	96,493	-	-
Other investments	-	-	249	249
Fixed assets (Note 12)	559,283	551,410	586,913	578,052
Intangible assets (Note 13)	128,978	128,950	151,533	151,324
Total noncurrent assets	1,269,467	1,207,827	1,193,766	1,150,038
Total assets	1,409,291	1,315,640	1,397,120	1,312,651

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of financial position
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Liabilities				
Current				
Loans and financing (Note 14)	3,463,669	2,224,851	3,463,669	2,224,851
Trade accounts payable	30,813	17,560	31,587	24,472
Salaries and social charges	18,780	19,076	19,178	19,294
Income and Social Contribution Taxes payable	-	-	62	18
Related-party payables (Note 15)	15,592	15,593	-	-
Taxes in installments (Note 16)	36,834	36,868	38,886	38,908
Taxes payable (Note 17)	8,326	17,348	8,541	17,565
Other accounts payable (Note 18)	17,436	12,506	17,556	12,529
Total current liabilities	3,591,450	2,343,802	3,579,479	2,337,637
Noncurrent				
Loans and financing (Note 14)	215,525	1,208,673	215,525	1,208,673
Taxes in installments (Note 16)	101,520	130,573	105,896	136,783
Provision for contingencies (Note 22)	15	3,868	15	3,868
Other accounts payable (Note 18)	4,196	5,824	4,196	5,824
Provision for loss on investments (Note 19)	4,625	3,084	-	-
Total noncurrent liabilities	325,881	1,352,022	325,632	1,355,148
Equity (Note 20)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(2,818,534)	(2,690,678)	(2,818,534)	(2,690,678)
Total equity attributable to controlling shareholders	(2,508,040)	(2,380,184)	(2,508,040)	(2,380,184)
Noncontrolling interest	-	-	49	50
Total equity	(2,508,040)	(2,380,184)	(2,507,991)	(2,380,134)
Total liabilities and equity	1,409,291	1,315,640	1,397,120	1,312,651

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of operations
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais, except losses per share, stated in Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Net operating revenues (Note 23)	495,776	389,714	491,573	385,069
Cost of goods sold	(352,268)	(302,376)	(349,404)	(298,061)
Gross profit	143,508	87,338	142,169	87,008
Operating expenses				
Selling expenses	(11,204)	(10,988)	(11,204)	(10,988)
General and administrative expenses (Note 24)	(44,870)	(28,879)	(47,214)	(29,917)
Other operating revenues (expenses), net (Note 25)	(5,992)	89,936	(5,675)	90,219
	(62,066)	50,069	(64,093)	49,314
Operating income (loss) before equity in earnings (losses) of controlled companies and financial income (loss)	81,442	137,407	78,076	136,322
Equity in earnings (losses) of controlled companies (Note 11)	(2,989)	(2,511)	-	-
Financial income (loss) (Note 26)				
Financial expenses	(256,587)	(1,140,149)	(256,923)	(1,141,759)
Financial revenues	5,075	76,085	6,080	76,343
	(251,512)	(1,064,064)	(250,843)	(1,065,416)
Income (loss) before Income and Social Contribution taxes	(173,059)	(929,167)	(172,767)	(929,093)
Income and Social Contribution taxes (Note 21)	45,203	181,088	44,911	181,014
Minority interest	-	-	-	-
Loss for the year	(127,856)	(748,079)	(127,856)	(748,079)
Losses for the year attributable to				
Controlling shareholders	(127,856)	(748,079)	(127,856)	(748,079)
Noncontrolling shareholders	-	-	-	-
Basic and diluted losses per share (Note 20)				
Preferred shares	(5.4211)	(31.7184)	-	-
Common shares	(5.4211)	(31.7184)	-	-

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of comprehensive income (loss)
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Loss for the year	(127,856)	(748,079)	(127,856)	(748,079)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss), net of taxes	(127,856)	(748,079)	(127,856)	(748,079)
Attributable to		-		-
Controlling shareholders	(127,856)	(748,079)	(127,856)	(748,079)
Noncontrolling shareholders	-	-	-	-

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of changes in equity
(In thousands of Brazilian Reais)

		Capital reserve				
	Capital stock	Goodwill on share subscriptions	Accumulated losses	Total	Noncontrolling interest	Total
As at December 31, 2019	298,809	11,685	(1,942,599)	(1,632,105)	50	(1,632,055)
Loss for the year	-	-	(748,079)	(748,079)	-	(748,079)
As at December 31, 2020	298,809	11,685	(2,690,678)	(2,380,184)	50	(2,380,134)
Loss for the year	-	-	(127,856)	(127,856)	(1)	(127,857)
As at December 31, 2021	298,809	11,685	(2,818,534)	(2,508,040)	49	(2,507,991)

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of cash flows
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Loss before Income and Social Contribution taxes	(173,059)	(929,167)	(172,767)	(929,093)
Adjustments from				
Depreciation/amortization	20,538	19,951	21,460	20,562
Write-off of fixed and intangible assets	4,167	1,872	4,050	1,878
Equity in earnings (losses) of controlled companies	2,989	2,511	-	-
Contingencies	(3,589)	2,538	(3,589)	2,538
Exchange rate gains (losses) on foreign and intercompany loans	205,419	387,904	205,419	387,904
Discount to present value	(326)	(298)	(326)	(298)
Fines and interest on assets	(4,027)	(74,318)	(4,029)	(76,971)
Fines and interest on liabilities	49,360	744,909	49,640	746,462
Amortization of loan costs	-	83	-	83
Provision for expected losses	207	91	207	91
Other asset/liability write-offs	-	554	-	554
	101,679	156,630	100,065	153,710
(Increase)/decrease in asset accounts				
Accounts receivable	(2,831)	(7,885)	(2,831)	(7,885)
Notes receivable	1,111	5,660	1,024	8,260
Recoverable taxes	(148,135)	(179,997)	(150,575)	(182,447)
Inventories	(17,760)	(8,518)	(19,836)	(23,795)
Advances to suppliers	(2,079)	(3,952)	(1,852)	(3,835)
Other assets	(867)	3,541	191	3,805
Court deposits	2,821	(5,876)	2,265	(5,915)
Increase/(decrease) in liability accounts				
Trade accounts payable	13,251	(17,058)	7,112	(6,668)
Tax liabilities	117,263	98,351	117,304	101,071
Salaries and social charges	(296)	5,042	(115)	4,977
Interest paid on loans	(6)	843	(6)	843
Other liabilities	3,035	1,490	3,131	1,492
Net cash from operating activities	67,186	48,271	55,877	43,613
Cash flows from investing activities				
Acquisition of fixed assets	(34,635)	(23,619)	(36,430)	(25,116)
Disposal of fixed assets	-	-	1	119
Acquisition of investments	(11,399)	(11,934)	-	-
Acquisition of intangible assets	(158)	(43)	(339)	(1,012)
Indemnity of loss	-	235	-	235
Net cash from investing activities	(46,192)	(35,361)	(36,768)	(25,774)
Cash flows from financing activities				
Advance for Future Increase in Capital (AFAC) – Related-party payments	(8,592)	(9,618)	-	-
Receipt from related parties	-	131	-	-
Paid loans and financing	(11,520)	(3,018)	(11,520)	(3,018)
Net cash from financing activities	(20,112)	(12,505)	(11,520)	(3,018)
Net increase in cash and cash equivalents	882	405	7,589	14,821
Cash and cash equivalents at beginning of year	2,234	1,829	19,071	4,250
Cash and cash equivalents at end of year	3,116	2,234	26,660	19,071

The accompanying notes are an integral part of these individual and consolidated financial statements.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED REORGANIZATION

Statements of value added
As at December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Revenues				
Gross operating revenue	662,071	519,804	662,333	520,608
Sales returns	(992)	(790)	(992)	(790)
Allowance for doubtful accounts	(207)	(91)	(207)	(91)
Other operating revenues (expenses), net	(1,636)	677	(1,284)	917
	659,236	519,600	659,850	520,644
Inputs acquired from third parties				
Cost of goods sold	(298,665)	(240,996)	(291,736)	(234,145)
Materials, electricity, third-party services and others	(127,510)	(14,986)	(129,560)	(15,746)
Gross value added	233,061	263,618	238,554	270,753
Withholdings				
Depreciation and amortization	(20,538)	(19,951)	(21,460)	(20,562)
Net value added generated	212,523	243,667	217,094	250,191
Value added received in transfer				
Equity in earnings (losses) of controlled companies	(2,989)	(2,511)	-	-
Financial revenues	5,075	76,085	6,080	76,343
Deferred Income and Social Contribution Taxes	61,919	181,088	61,919	181,088
Total value added to be distributed	276,528	498,329	285,093	597,622
Controlling shareholders	276,528	498,329	285,093	507,622
Noncontrolling shareholders	-	-	-	-
Value added distribution				
Personnel and charges	56,736	45,854	59,508	47,576
Taxes, fees and contributions	87,514	57,573	92,827	63,499
Interest and rents	260,134	1,142,981	260,614	1,144,626
Loss for the year	(127,856)	(748,079)	(127,856)	(748,079)
Value added distributed	276,528	498,329	285,093	507,622

The accompanying notes are an integral part of these individual and consolidated financial statements.

1. Operations

Cimento Tupi S.A. (“Cimento Tupi” or “Company”), headquartered at Av. das Américas, 500, Rooms 205 and 206, Barra da Tijuca, Rio de Janeiro, 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), digging in reserves to obtain minerals, using cement byproducts, rendering concreting services and holding interest in other companies.

After the sharp economic slowdown in the country, which generated a significant impact on the cement sector between 2014 to 2019, the average price of cement had an increase in 2020 that continued throughout 2021.

According to the preliminary results from the National Cement Industry Union (SNIC), in 2021 the cement industry reported growth of 6.6% in comparison with the previous year. The main drivers of this outcome are still the maintenance of real estate constructions and self-building, which still play a significant role in cement sales, in addition to the resumption of infrastructure construction work. However, confidence indicators ended 2021 with a review below the optimism generated in the first half of the year, mostly due to a decrease in families’ consumption, high unemployment rates, drop in income and increase in inflation.

As for its indebtedness, considering that a large part of its debt is in foreign currency, the Company is exposed to exchange rate volatility.

1.1. Court-ordered Reorganization Plan

On January 21, 2021, the Company filed its request for court-ordered reorganization with the 3rd Business Court of the District of Rio de Janeiro state capital, which was approved on January 22, 2021. On March 26, 2021, it filed its Court-Ordered Reorganization Plan (“PRJ”) which describes the means to be used for the reorganization (restructuring indebtedness by payment proposals to the creditors subjected to the court-ordered reorganization, disposal of assets, maintenance and increase of its activities and other means detailed on the PRJ), economic feasibility study, financial and economic position and valuation reports of assets and rights of the Company.

On October 14, 2021, the Court-ordered Reorganization Plan (PRJ) presented by the Company was approved by the majority of creditors at the General Creditors' Meeting then held, and later approved by the judge of the court-ordered reorganization on February 04, 2022. With the notification of the Company regarding the homologation of the PRJ on February 22, the Company will make the payments to its creditors, in the form established in the mentioned Plan.

On 02/11/2021, the Company filed a request with the New York Court for recognition of its court-ordered reorganization, in progress in Brazil, as the main proceeding in the Company's restructuring process, based on Chapter 15 of the United States Bankruptcy Code. With the New York Court's recognition of the court-ordered reorganization, the lawsuit filed in the same jurisdiction by certain holders of notes against the Company will be suspended until there are the New York Court's recognition and acceptance of the Court-Ordered Reorganization Plan, approved by the Brazilian Court, as mentioned above, so that its conditions will be mandatory and binding for all note holders, ending the lawsuit in progress in that country.

1.2. Effects of COVID-19

Since the beginning of the COVID-19 pandemic, the Company adopted measures to protect its employees and their family members, partners, clients, and communities where it operates, with a wide and effective disclosure of information and guidelines related to preventive measures to lessen the spread of the virus, implementation of the remote work regime for employees in risk groups and possible activities, as well as the creation of a flow to treat suspected cases of infection by the new coronavirus in accordance with guidance from sanitary authorities.

2. Presentation of individual and consolidated financial statements and significant accounting practices

The individual and consolidated financial statements have been prepared assuming that the Company will continue as a going concern, and were approved by the Board of Directors on May 02, 2022.

The Company's individual and consolidated financial statements were and are presented in accordance with the Brazilian accounting practices and with the pronouncements issued by the Committee of Accounting Pronouncements (CPC), in conformity with the international accounting standards issued by the International Accounting Standards Board (IASB). The individual and consolidated financial statements present comparative information in relation to the previous period.

The individual and consolidated financial statements were prepared based on the historical cost, except for certain financial instruments measured at fair value through income (loss).

Items included in the financial statements of each of the Companies are measured using the currency of the primary economic environment in which the Company operates (functional currency). The individual and consolidated financial statements are presented in thousands of Brazilian Reais (R$ thousand), which is the Company's functional and reporting currency.

The financial statements have been prepared in accordance with various valuation bases used for accounting estimates. The accounting estimates involved in the preparation of the individual and consolidated financial statements were based on objective and subjective factors and Management's judgment to determine the proper fair value to be recorded in the financial statements. Relevant items subject to estimates include: allowance for doubtful accounts, provision for obsolescence of inventories, determination of useful life of fixed asset items, deferred Income and Social Contribution Taxes, provision for contingencies, and measurement of fair value of financial instruments. Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the individual and consolidated financial statements, due to the inherent inaccuracy of the estimates. The Company reviews these estimates and assumptions at least once a year.

The main accounting policies applied in the preparation of these individual and consolidated financial statements are set forth below. These policies have been consistently applied to every reported year, unless otherwise stated.

(a) Basis of consolidation

(i) Controlled Companies

The Company controls an Entity when it is exposed to, or is entitled to, variable returns from its involvement with the entity and it is able to affect these returns by exerting its control over the entity.

The controlled companies' financial statements are included in the consolidated financial statements as from the date the control starts until the control no longer exists.

The controlled companies' financial information is recognized through the equity method in the Parent Company's individual financial statements.

(ii) Loss of control

When the Company loses control over a controlled company, it derecognizes the assets and liabilities and any noncontrolling interest and other components recorded in equity related to this controlled company. Any gain or loss arising from the loss of control is recognized in the statement of operations. If the Company holds any interest on the former controlled company, it is measured at its fair value as at the date the control was lost.

(iii) Transactions eliminated in consolidation

Related-party transactions and balances, or any unrealized revenues or expenses arising from transactions between the Company and controlled companies are eliminated. Unrealized gains from transactions with investees accounted for on an equity basis are eliminated against the investment proportionally to the Company's interest on the investees. Unrealized losses are eliminated in the same way, but only when the transaction shows no evidence of impairment loss.

(b) Foreign currency

(i) Foreign-currency transactions

Foreign-currency transactions are translated into the respective functional currencies of the entities of the Company at the exchange rates in effect at the transaction dates.

Monetary assets and liabilities denominated and calculated in foreign currencies are retranslated into the functional currency at the exchange rate calculated as at the reporting date. Nonmonetary assets and liabilities denominated in foreign currencies and measured at fair value are retranslated to the functional currency at the exchange rate on the date fair value was calculated. Nonmonetary items stated at historical cost in foreign currency are translated using the exchange rate prevailing as at transaction date. Foreign currency differences arising from the translation are usually recognized in income (loss).

(ii) Foreign transactions

Assets and liabilities from foreign transactions, including goodwill and fair value adjustments arising from the acquisition, are translated into Brazilian Reais at the exchange rates as at the reporting date. Revenues and expenses from foreign transactions are translated into Brazilian Reais at the exchange rates as at transaction dates.

The differences in foreign currency arising from the translation to the reporting currency are recognized in other comprehensive income and accumulated under asset and liability valuation adjustments in equity. If the controlled company is not wholly-owned, the corresponding portion of the translation difference is attributed to the noncontrolling shareholders.

(c) Financial instruments – Initial recognition and subsequent measurement

Financial instruments are initially recorded at their fair value, plus, in the case of financial assets or liabilities other than at fair value through income (loss), transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities. These are subsequently measured at each reporting date according to the classification of financial instruments in the following categories: (i) at amortized cost, (ii) at fair value through income (loss) and (iii) at fair value through other comprehensive income (loss).

Financial assets and liabilities are offset and the net amount is reported on the statement of financial position when the Company is legally entitled to offset the amounts and has the intention to settle them on a net basis or simultaneously realize the asset and settle the liability. The legal right must not depend on future events and must be applicable in the regular course of business and in case of default, insolvency or bankruptcy of the Company or counterparty.

The Company’s financial assets include cash and cash equivalents, marketable securities, accounts receivable and related-party receivables.

(d) Operating revenue

(i) Sale of goods

The operating revenue is recognized when (i) the most significant risks and benefits inherent to ownership of assets are transferred to the buyer, (ii) financial economic benefits are probable to flow to the Company, (iii) the associated costs and possible return of goods can be reliably estimated, (iv) there is no continuous involvement with the sold assets, and (v) the revenue value can be reliably measured. Revenue is measured net of returns, business discounts and bonuses.

(e) Financial revenues and expenses

The Company's revenues and expenses comprise:

- Interest revenue;
- Interest expenses;
- Revenue from dividends;
- Net gains/losses from financial assets measured at fair value through income (loss);
- Net exchange rate gains (losses) on financial assets and liabilities;
- Net gains/losses on hedging instruments which are recognized in income (loss);

Interest expenses and revenues are recognized in income (loss) under the effective interest rate method.

Dividend revenue is recognized in the statement of operations on the date the Company's right to receive payment is established.

The Company classifies dividends and interest on equity capital received as cash flows from investing activities.

(f) Income and Social Contribution Taxes

Current and deferred Income and Social Contribution Taxes are calculated at the following rates: 15% plus a 10% surtax on any taxable income in excess of R$ 240, in the case of Income Tax; and 9% on taxable income, in the case of Social Contribution Tax, considering Income and Social Contribution tax loss carry forwards, up to 30% of taxable income.

Income and Social Contribution tax expenses include current and deferred income taxes. Current and deferred taxes are recognized in income (loss) unless they are related to business combination or to items directly recognized in equity or in other comprehensive income (loss).

(i) Expenses on current Income and Social Contribution taxes

Current tax expenses are the estimated tax payable or receivable calculated on taxable income or loss for the year, as well as any adjustment to payable taxes from prior years. The amount of current taxes payable or receivable is recognized in the statement of financial position as tax assets or liabilities at the estimate of the expected amount of taxes to be paid or received that best reflects uncertainties related to its calculation, if any. It is measured based on tax rates established at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred income and social contribution tax expenses

Deferred tax assets and liabilities are recognized for temporary differences between the book values of assets and liabilities for financial statement purposes and the amounts used for income tax purposes.

Changes in deferred tax assets and liabilities in the year are recognized as deferred Income and Social Contribution tax expenses. Deferred taxes are not recognized for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction which is not a business combination and that does not affect taxable income or loss nor accounting result;
- taxable temporary differences arising from initial recognition of goodwill.

A deferred tax asset is recognized according to non-utilized deductible tax losses and temporary differences, when it is probable that future taxable income will be available and against which they will be used. Deferred tax assets are reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that they will be realized.

Deferred tax assets and liabilities are measured at the rates which are expected to be applied to temporary differences when they reverse, at the established rates at the reporting date.

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Company expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(g) Accounts receivable

Accounts receivable are stated at their nominal and realization amounts, and trade accounts receivable abroad (if any) are adjusted according to the exchange rates in force at the date of the financial statements. When applicable, an allowance is recognized in an amount considered sufficient by Management for allowance for doubtful accounts based on an individual analysis of amounts receivable, considering: (i) the concept of incurred loss and expected loss, taking into account events of default that are likely to occur within twelve months after the date of disclosure of these financial statements, (ii) financial instruments that have significantly increased credit risk, but do not present objective evidence of impairment, and; (iii) financial assets that have already presented objective evidence of impairment as at December 31, 2021.

The allowance for doubtful accounts was recognized in an amount considered necessary and sufficient by Management to cover probable losses on the realization of these credits, which may be changed due to the recovery of credits from debtors or changes in the financial situation of clients.

The discount to present value of trade accounts receivable is not relevant due to its short-term realization.

(h) Impairment of financial assets

The Company and its controlled companies evaluate at least once a year if there is objective evidence that the financial asset or group of financial assets is not recoverable.

A financial asset or a group of financial assets is considered not to be recoverable if, and only if, there is objective evidence of impairment as the result of one or more events that happened after the asset's initial recognition ("impairment event"), impacting its future cash flows that can be reasonably estimated.

Financial liabilities, which are initially recognized at fair value, include trade accounts payable, loans and financing and related-party payables.

(i) Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined by using the average acquisition cost, not exceeding market value. Provisions for slow-moving or obsolete inventories are recognized when considered necessary by the Company's Management.

(i) Investments in controlled companies

A controlled company is an entity over which the Company exercises significant influence.

Based on the equity method, investment in controlled companies is accounted for in the statement of financial position at cost, plus changes after the acquisition of ownership interest in the controlled company.

Ownership interest held in the controlled company is stated in the statement of operations as equity in earnings (losses), representing the net income attributable to the shareholders of the controlled company.

When a change is directly recognized in equity of the controlled company, the Company recognizes its portion of the changes, and discloses this event, if applicable, in the statement of changes in equity. In the consolidated financial statements, unrealized gains and losses arising from transactions between the Company and its controlled company are eliminated according to the ownership interest held in such controlled company.

The financial statements of the controlled company are prepared for the same period of disclosure as the Company. Adjustments are made, if necessary, to align the accounting practices with those adopted by the Company.

After applying the equity method, the Company determines if additional impairment of its investments in its controlled company needs to be recognized. The Company determines, at each reporting date, whether there is objective evidence that such investments in the controlled company were impaired. If so, the Company calculates the impairment loss as the difference between the recoverable value of the controlled company and its book value, and also recognizes the amount in the statement of operations.

The controlled company's assets and liabilities abroad are translated into Brazilian reais at the exchange rate of the reporting date, and the related statements of operations are translated at the average monthly exchange rate. Exchange differences resulting from such translation are individually accounted for in equity.

(k) Fixed assets

(i) Recognition and measurement

Fixed asset items are measured at historical acquisition or construction cost, including costs of capitalized loans, less accumulated depreciation and impairment.

Any gains and losses on the disposal of a fixed asset item are recognized in income (loss).

(ii) Subsequent costs

Subsequent costs are capitalized only when it is probable that future economic benefits associated with them will be obtained by the Company.

(iii) Depreciation

Depreciation is calculated to amortize the cost of fixed asset items, net of its estimated residual values, using the straight-line method based on estimated useful life of the items. Depreciation is recognized in income (loss). Leased assets are depreciated at the lower period between the estimated useful lives of the assets and the contract term, unless it is more likely than not that the Company will obtain the item by the end of the lease term. Plots of land are not depreciated.

(In thousands of Brazilian Reais, unless otherwise stated)

The estimated useful lives of fixed assets are as follows:

Description	Years	Rate
Buildings	50	2%
Industrial machinery, equipment and facilities	30	3.33%
Furniture and fixtures	10	10%
Vehicles	5	20%
Railway wagons	30	3.33%
Others	5 to 25	4% to 20%

The depreciation methods, useful lives and residual values are reviewed as at each reporting date and adjusted if necessary.

(l) Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill is measured at cost, less accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Company and with finite useful lives are measured at cost, less accumulated amortization and any losses accumulated by impairment.

Amortization

Amortization is calculated using the straight-line method based on the estimated useful life of the items, net of their estimated residual values. The amortization is usually recognized in income (loss). Goodwill is not amortized.

(m) Impairment loss

(i) Nonderivative financial assets

Financial assets not classified as measured at fair value through income (loss), including investments accounted for using the equity method, are tested on the reporting date to determine if there is objective evidence of impairment.

Objective evidence that financial assets were impaired includes:

- Default or debtor late payments;
- Restructuring of an amount owed to the Company in circumstances that would not be accepted under normal conditions;
- Indication that debtors or issuers will go bankrupt/request court-ordered reorganization;
- Negative changes in the situation of payments from debtors or issuers;
- The disappearance of an active market for the instrument due to financial difficulties; or
- Observable data indicating reduction in the measurement of projected cash flows of a group of financial assets.

Financial assets measured at amortized cost

An impairment loss is calculated as the difference between the book value and the present value of estimated future cash flows discounted at the original effective interest rate of the asset. Losses are recognized in the statement of operations and in a valuation account. When the Company considers that there is no reasonable expectation of recovery, the amounts are written off. When a subsequent event indicates a reduction in impairment, the provision is reverted through income (loss).

Investments accounted for using the equity method

Impairment losses related to investees accounted for using the equity method are measured by comparing the recoverable value of the investment and its book value. They are recognized in income (loss) and reversed if there is a favorable change in the estimates used to determine the recoverable value.

(ii) Nonfinancial assets

The recoverable value of an asset or cash generating unit (CGU) is the higher between value in use and fair value less selling costs. The value in use is based on estimated future cash flows, discounted to present value at a discount rate before taxes that reflects current market valuations of the time value of money and of the specific risks of the asset or CGU.

An impairment loss is recognized if the book value of the asset or CGU exceeds its recoverable value.
A goodwill-related impairment loss is not reversed. As for other assets, impairment losses are reversed only if the asset’s new book value does not exceed the book value that would have been determined, net of depreciation or amortization, if the impairment loss had not been recognized.

(n) Trade accounts payable

Trade accounts payable are obligations payable for assets or services acquired in the ordinary course of business. They are classified as current liabilities if payment is due in a period of up to one year.

Otherwise, they are stated as noncurrent liabilities. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are usually recognized at the corresponding billed amount.

(o) Loans and financing

With the filing of the Company's request for Court-Ordered Reorganization in January 2021, loans and financing subjected to the court-ordered reorganization no longer incur interest until the homologation of the Court-Ordered Reorganization Plan, which occurred in February 2022. Interest and other financial conditions are now those provided for in the Plan.

Other post-petition loans and financing remain with their effective interest rates, incurred up to the reporting dates, in accordance with the financial agreement terms, less transaction costs incurred in raising of funds.

Costs of loans directly related to the acquisition, construction or manufacturing of an asset, that necessarily requires a significant time to be finished for use purposes, are capitalized as part of the cost of the asset. Loan costs include interest and other costs incurred by an entity related to the loan.

(p) Accounts receivable from and/or payable to related parties

These are stated at present and realization values. Management does not have the policy of recognizing allowance for doubtful accounts in transactions with related parties.

(q) Provisions

Provisions are recognized when the Company and its controlled companies have an actual obligation (legal or informal) as a result of past events, funds are likely to be necessary to settle this obligation and a reliable estimate of its amount can be made.

When the Company and its controlled companies expect the amount of a provision to be reimbursed, fully or partially, by means of an insurance contract, for example, this reimbursement is recognized as a separate asset, but only when its realization is considered virtually certain.

The Company and its controlled companies are party to legal and administrative proceedings.

Provisions are recognized for contingencies related to legal lawsuits to which funds are likely to be necessary to settle the contingency/obligation and a reasonable estimate may be made. The evaluation of the likelihood of loss considers the evidence available, the hierarchy of laws, available caselaw, the most recent court decisions and their significance in the legal system, as well as the opinion of external legal counselors. Provisions are reviewed and adjusted to take into account changes in circumstances in which the Company and its controlled companies are included.

(r) Capital stock

(i) Common shares

Additional costs directly attributable to the issuance of shares and share options are recognized as deduction from equity. Tax effects related to the costs of these transactions are accounted for under CPC 32 / IAS 12.

(ii) Preferred shares

Non-redeemable preferred shares are classified in equity, as the payment of dividends is discretionary, and they do not generate any obligation to deliver cash or other financial assets of the Company and do not require settlement in a variable number of equity instruments. Discretionary dividends are recognized as distributions in equity at the date of their approval by the Company's shareholders.

(iii) Repurchase and reissue of shares (treasury shares)

When shares recognized in equity are repurchased, the value of the paid compensation, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares, being then presented as a deduction from equity. When treasury shares are sold or subsequently reissued, the amount received is recognized as an increase in equity, and the gains or losses resulting from transactions are stated as capital reserve.

s) Statements of cash flows and value added

The statements of cash flows were prepared and are presented according to the Accounting Pronouncement CPC 03 (R2) - Statement of cash flows, issued by the Committee of Accounting Pronouncements (CPC). The Statements of value added were prepared and are presented according to Technical Pronouncement CPC 09 – Statement of Value Added, also issued by CPCs.

3. Significant judgments, estimates and assumptions

Judgments

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, as at the base date of the financial statements. However, the uncertainty related to these assumptions and estimates may lead to results requiring significant adjustments to the book value of the affected asset or liability in future periods.

Estimates and assumptions

The main assumptions related to uncertainties on future estimates and other significant sources of uncertainties at reporting date, involving a material risk of resulting in a significant adjustment to the book value of assets and liabilities in the following year are discussed below.

a) Fair value of financial instruments

When the fair value of financial assets and liabilities presented in the statement of financial position cannot be obtained from active markets, valuation techniques are used, including the discounted cash flow method. Data used in this method are based on those applied in the market, if possible. Otherwise, a certain level of judgment is required to determine fair value. Judgment includes consideration of the data used, such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors may affect the fair value of financial instruments.

b) Provisions for tax, civil and labor risks

The Company recognizes provisions for civil and labor claims. The evaluation of the likelihood of loss considers the evidence available, the hierarchy of laws, available case law, the most recent court decisions and their significance in the legal system, as well as the opinion of external legal counselors.

The provisions are reviewed and adjusted to take into consideration change in circumstances, such as applicable statutes of limitations, conclusions from tax inspections or additional exposures identified based on new matters or court decisions.

c) Impairment test

Management annually reviews the net book value of the Company’s assets with the purpose of identifying events or changes in economic, operating or technological circumstances that may indicate impairment or loss of their recoverable amount. When this evidence is identified, the recoverable value of the asset is calculated and if the net book value exceeds recoverable value an impairment charge is recognized writing the net book value down to recoverable value, when applicable.

The recoverable value of an asset or cash-generating unit is defined as the higher of its net sales price and value in use.

Assumptions used to determine asset values are based on the assessment or indication that assets recorded at book value exceed its recoverable value. These indications take into account the obsolescence of assets, the significant and unexpected reduction of its market value, changes in the macroeconomic environment in which the Company operates, and fluctuations in interest rates that may impact the future cash flows of cash generating units.
The Company’s main assets that have their recoverable values annually tested at the end of each year are intangible assets with indefinite useful lives.

4. New standards and interpretations

This standard is applicable to annual periods beginning on or after January 01, 2021.

- IFRS 10 (CPC 36 (R3)) - Consolidated Financial Statements and IAS 28 (amendments) (CPC 18 (R2)) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The effective date of the amendments has not yet been defined by IASB; however, early adoption is permitted.

Management does not expect the adoption of the standards listed above to have any material impact on the Company’s interim information and financial statements of future periods.

New standards, revisions and interpretations issued not yet in effect as at December 31, 2021

a) Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)

This standard is applicable to years beginning on or after January 01, 2022, for contracts existing on the date the amendments are first applied.

It specifically determines which costs should be considered when calculating the cost of fulfilling a contract.

The Company's Management does not expect significant impact upon the adoption of the mentioned standard.

b) Other standards

(i) Amendment to IAS 16 Property, Plant and Equipment - Classification of Proceeds before Intended Use. It elucidates aspects to be considered for the classification of items produced before fixed assets are in the conditions for intended use. This amendment is effective for years beginning on or after January 01, 2022;
(ii) Annual Improvements to IFRS Standards 2018-2020, effective for periods beginning on or after January 01, 2022. They amend IFRS 1, addressing aspects of first adoption in a controlled company; IFRS 9, addressing the 10% criterion for reversing financial liabilities; IFRS 16, addressing illustrative examples of leases; and IAS 41, addressing aspects of measurement at fair value. These amendments are effective for years beginning on or after January 01, 2022;
(iii) Amendment to IFRS 3 – This amendment includes conceptual alignment of the standard with the conceptual structure of IFRS standards. The amendments to IFRS 3 will be in effect for periods beginning on or after January 01, 2022;
(iv) Amendment to IFRS 17 – This amendment includes elucidation of aspects related to insurance contracts. The amendment to IFRS 17 will be in effect for periods beginning on or after January 01, 2023;
(v) Amendment to IAS 1 – Classification of liabilities as Current or Noncurrent. This amendment elucidates aspects to be considered for classification of liabilities as current or noncurrent. The amendment to IAS 1 will be in effect for periods beginning on or after January 01, 2023; and
(vi) Amendment to IFRS 4 - Extension of the temporary exemption from applying IFRS 9. This amendment elucidates aspects related to insurance contracts and the temporary exemption from applying IFRS 9 to insurance companies. The amendment to IFRS 4 will be in effect for periods beginning on or after January 01, 2023.

(In thousands of Brazilian Reais, unless otherwise stated)

Management is evaluating the impacts of the aforementioned new standards and amendments and considers that their adoption will not significantly affect the interim financial information of the Company and its controlled companies.

5. Consolidation

The financial statements include the statements of Cimento Tupi S.A. - Under court-ordered reorganization and of the controlled companies listed below, on which the Company holds interest higher than 20%.

	Ownership interest %			
	Capital stock		Voting capital	
	2021	2020	2021	2020
Touro Empreendimentos Imobiliários e Participações Ltda.	99.99	99.99	99.99	99.99
Tupi do Nordeste Ltda.	99.99	99.99	99.99	99.99
Tupi Rio Transportes S.A.	100.00	100.00	100.00	100.00
Tupimec - Indústria Mecânica Ltda.	99.99	99.99	99.99	99.99
Mape Incorporação e Empreendimentos Ltda.	99.99	99.99	99.99	99.99
Tupi Mineradora de Calcário Ltda.	99.90	99.90	99.90	99.90
Britas Arujá Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi Overseas Inc.	100.00	100.00	100.00	100.00
CP Cimento Overseas Co.	100.00	100.00	100.00	100.00

The consolidation process of accounts recorded in the statement of financial position and in income (loss) corresponds to the sum of balances in assets, liabilities, income and expenses according to their nature, plus the following eliminations:

- Ownership interest, reserves and retained earnings and accumulated losses;
- Balances of intercompany accounts and other asset and/or liability accounts maintained between the companies whose statements of financial position were included in consolidation;
- Balances of intercompany revenues and expenses;
- Effects from material intercompany transactions.

The periods of the financial information of consolidated controlled companies coincide with those of the Company. Accounting practices were consistently applied by all consolidated companies.

(In thousands of Brazilian Reais, unless otherwise stated)

6. Cash and cash equivalents

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash and banks	3,116	2,234	2,589	2,796
Bank Certificates of Deposit (CDB)	-	-	24,071	16,275
Cash and cash equivalents	3,116	2,234	26,660	19,071

CDBs refer to investments whose yields approximate the variation of the Interbank Deposit Rate (CDI).

The highest yield of the financial investments listed above is 96% of CDI.

7. Accounts receivable

	Parent Company		Consolidated	
	2021	2020	2021	2020
Notes receivable	32,555	29,725	32,555	29,725
Provision for expected losses	(10,392)	(10,185)	(10,392)	(10,185)
	22,163	19,540	22,163	19,540

The changes in the allowance for doubtful accounts during 2021 and 2020 were as follows:

Balances as at December 31, 2020	(10,185)
(+) Complement of the allowance for doubtful accounts	(207)
(-) Write-off for loss	-
Balances as at December 31, 2021	(10,392)
Balances as at December 31, 2019	(10,094)
(+) Complement of the allowance for doubtful accounts	(91)
(-) Write-off for loss	-
Balances as at December 31, 2020	(10,185)

The Company recognizes this allowance based on the history of its expected losses monitored by Management, at an amount deemed sufficient to cover probable losses on the realization of accounts receivable.

The balance of consolidated accounts receivable per maturity is as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Falling due	10,479	18,700	10,479	18,700
Overdue for up to 90 days	542	783	542	783
Between 91 and 180 days overdue	750	57	750	57
Overdue for more than 180 days	10,392	10,185	10,392	10,185
	22,163	29,725	22,163	29,725

(In thousands of Brazilian Reais, unless otherwise stated)

8. Inventories

	Parent Company		Consolidated	
	2021	2020	2021	2020
Finished goods	3,072	2,744	3,871	3,202
Work in process	5,247	4,093	5,247	4,093
Raw material - Slag	13,561	12,291	13,561	12,291
Raw material - Coke	5,806	3,277	5,806	3,277
Other raw materials	11,596	6,539	11,597	6,539
Materials for maintenance and consumption	31,140	23,157	31,145	23,157
Inventory in transit	234	794	234	794
Land for sale (i)	-	-	34,229	32,501
	70,656	52,895	105,690	85,854

(i) Refers to inventories of plots of land belonging to controlled companies Mape Incorporação e Empreendimentos Ltda. and Touro Empreendimentos Imobiliários e Participações Ltda.

9. Recoverable taxes

	Parent Company		Consolidated	
	2021	2020	2021	2020
Current assets				
State VAT (ICMS)	6,094	5,281	6,108	5,281
Income Tax/Social Contribution Tax	-	-	57	46
Taxes on sales (PIS/COFINS)	28,283	13,538	28,323	13,551
Federal VAT (IPI)	458	7,123	458	7,123
Others	333	333	333	334
	35,168	26,275	35,279	26,335
Noncurrent assets				
ICMS	5,315	6,516	5,315	6,516
PIS/COFINS	123,687	141,849	123,687	141,849
	129,002	148,365	129,002	148,365

In October 2020, the Company recognized the individual and consolidated balances of PIS and COFINS credits, amounting to R$ 32,512 thousand and R$ 142,856 thousand, respectively, subject to offset. These amounts, totaling R$ 175,368, result from a final and unappealable court decision issued on 09/30/2019, which removed ICMS from the calculation basis of PIS and COFINS and authorized the administrative offset of amounts paid in the five years prior to the decision, to be requested to and approved by the Brazilian Federal Revenue Service (RFB). On 02/19/2021, the RFB opened an assessment to calculate the total value of such credit, which was closed in March/2022, allowing the Company to offset the aforementioned credits.

(In thousands of Brazilian Reais, unless otherwise stated)

10. Notes receivable

	Parent Company		Consolidated	
	2021	2020	2021	2020
Seival Sul Mineração S.A. (i)	1,237	2,174	1,237	2,174
Ano Bom Incorp. e empreendimentos S.A. (ii)	-	-	2,882	2,795
Agemar Empreendimentos e Participações Ltda. (iii)	4,440	4,440	4,440	4,440
Discount to present value	(755)	(1,081)	(755)	(1,081)
Others	-	-	753	753
	4,922	5,533	8,557	9,081
Current assets	-	-	3,635	3,548
Noncurrent assets	4,922	5,533	4,922	5,533

(i) It refers to the balance receivable from the sale of shares of Companhia Nacional de Mineração Candiota;
(ii) It refers to the balance receivable from the sale of a property in Barra Mansa, state of Rio de Janeiro, by the Controlled Company Mape;
(iii) It refers to the balance receivable for the sale of the controlled company Suape Granéis do Nordeste Ltda.

(In thousands of Brazilian Reais, unless otherwise stated)

11. Investments in controlled companies

a) Statements on main controlled companies

	2021					2020				
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	Tupi Rio Transportes S.A.	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	Tupi Rio Transportes S.A.
Ownership interest - %	99.99	99.99	99.90	99.99	100.00	99.99	99.99	99.88	99.99	100.00
Equity	38,942	24	48,190	2,332	(4,616)	35,660	76	45,905	2,323	(3,084)
Income (loss) for the year	(843)	(52)	(570)	(411)	(1,540)	(197)	(35)	36	(398)	(2,282)

b) Changes in investments

	2021								2020
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	Tupi Rio Transportes S.A.	Touro Empreendimentos Imobiliários e Participações Ltda.	Others	Total	Total
Balance at beginning of year	35,658	75	45,856	2,323	-	12,320	261	96,493	84,788
Capital contributions	4,124	-	2,855	420	-	4,000	-	11,399	11,934
Equity in earnings (losses) of controlled companies	(843)	(52)	(570)	(411)	(1,540)	427	-	(2,989)	(2,511)
Reclassification as liabilities	-	-	-	-	1,540	-	-	1,540	2,282
Balance at end of year	38,939	23	48,141	2,332	-	16,747	261	106,443	96,493

	2020								2019
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Tupi do Nordeste Ltda.	Tupi Rio Transportes S.A.	Touro Empreendimentos Imobiliários e Participações Ltda.	Others	Total	Total
Balance at beginning of year	35,855	110	44,276	2,331	-	1,955	261	84,788	82,741
Capital contributions	-	-	1,544	390	-	10,000	-	11,934	4,126
Equity in earnings (losses) of controlled companies	(197)	(35)	36	(398)	(2,282)	365	-	(2,511)	(2,881)
Reclassification as liabilities	-	-	-	-	2,282	-	-	2,282	802
Balance at end of year	35,658	75	45,856	2,323	-	12,320	261	96,493	84,788

Mape Incorporação e Empreendimentos Ltda.

Mape is mainly engaged in developing, managing, purchasing and selling real estate.

Tupimec Indústria Mecânica Ltda.

Tupimec is mainly engaged in the manufacturing and installation of industrial machinery and equipment and railway equipment repair and maintenance services.

Tupi Mineradora de Calcário Ltda.

Tupi Mineradora is mainly engaged in exploring and using mineral reserves, as well as in exploring agriculture, livestock, afforestation and reforestation, with the sale of products from these activities.

Tupi do Nordeste Ltda.

Tupi do Nordeste is mainly engaged in exploring agriculture, livestock, afforestation and reforestation, with the sale of products from these activities and holding interest, as shareholder or member, in commercial, industrial or financial businesses, in accordance with the applicable legal requirements, in the region of Mossoró, state of Rio Grande do Norte.

Britas Arujá Ltda.

Britas Arujá is an entity in pre-operating stage established in the first quarter of 2015 and engaged in exploring, using, researching and mining mineral reserves, including granite grit found within Brazilian territory, and in trading the products deriving from such activities.

Touro Empreendimentos Imobiliários e Participações Ltda.

Touro Empreendimentos Imobiliários e Participações is mainly engaged in developing, managing, purchasing and selling properties.

Tupi Rio Transportes S/A

Tupi Rio’s main objective is road transport at the municipal, state and interstate levels, using its own fleet and/or a third party’s for the execution of freight in general and for transporting bagged and bulk cargo, liquid, gaseous and special cargo, or cargo stored in containers.

(In thousands of Brazilian Reais, unless otherwise stated)

12. Fixed assets

	Parent Company				
	2021			2020	
Accounts	Cost	Accumulated Depreciation/Depletion	Net balance	Net balance	Annual depreciation rates
Plots of land	29,330	-	29,330	28,698	
Buildings	108,854	(29,940)	78,914	81,262	2%
Industrial machinery, equipment and facilities	679,299	(294,329)	384,970	376,892	3.33%
Furniture and fixtures	3,397	(2,927)	470	256	10%
Vehicles	7,104	(4,707)	2,397	808	20%
Railway wagons	17,756	(3,547)	14,209	12,714	3.33%
Leasehold improvements	875	(875)	-	128	(*)
Machinery and equipment to be installed	2,714	(633)	2,081	2,171	3.33%
Construction in progress	27,020	-	27,020	26,023	
Advances to suppliers	-	-	-	2,062	
Limestone mines	23,136	(3,556)	19,580	20,038	(**)
Others	5,530	(5,218)	312	358	4% to 20%
	905,015	(345,732)	559,283	551,410	

	Consolidated				
	2021			2020	
Accounts	Cost	Accumulated depreciation/depletion	Net balance	Net balance	Annual depreciation rates
Plots of land	53,688	-	53,688	53,056	
Buildings	108,884	(29,962)	78,922	81,277	2%
Industrial machinery, equipment and facilities	680,674	(295,151)	385,523	377,230	3.33%
Furniture and fixtures	3,406	(2,935)	471	256	10%
Vehicles	13,033	(8,619)	4,414	2,093	20%
Railway wagons	17,756	(3,547)	14,209	12,714	3.33%
Leasehold improvements	875	(875)	-	128	(*)
Machinery and equipment to be installed	2,714	(633)	2,081	2,171	3.33%
Construction in progress	27,020	-	27,020	26,023	
Advances to suppliers	510	-	510	2,522	
Limestone mines	23,136	(3,556)	19,580	20,038	(**)
Others	5,725	(5,230)	495	544	4% to 20%
	937,421	(350,508)	586,913	578,052	

(*) Depreciation according to lease agreement terms;
(**) Limestone mines are amortized according to the period of depletion in proportion to the extracted ore.

As at December 31, 2021, the amount of R$ 20,015 (R$ 19,491 as at December 31, 2020), referring to depreciation, was accounted for as cost of goods sold.

As described in Note 12, Management reviewed the net book value of its assets as at December 31, 2021, to evaluate impairment, and the recognition of a provision for impairment was not considered necessary.

During the assessment of recoverability of its assets, the Company used the value in use per Cash Generating Unit (UCG) based on projections approved by Management and assumptions consistent with the analyses performed in 2021 and 2020, which consider:

- Review of scenarios for each UGC pursuant to business plans;
- The country's macroeconomic scenario;
- Cash flow period compatible with proven mineral reserves, without perpetuity, also including assets with long maturation periods;
- Constant dollar discount rate of 11.83% based on the Weighted Average Cost of Capital (WACC).

(In thousands of Brazilian Reais, unless otherwise stated)

Changes in fixed assets for the years ended December 31, 2021 and 2020, were as follows:

	Parent Company												
Cost of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2020	28,698	109,652	655,503	3,220	5,183	15,729	875	2,714	26,022	2,062	23,136	5,720	878,514
Additions	2,024	-	3,947	37	1,923	2,027	-	-	24,614	-	-	61	34,633
Transfers	-	89	22,514	249	18	-	-	-	(22,879)	-	-	9	-
Write-offs	(1,392)	(887)	(2,665)	(109)	(20)	-	-	-	(737)	(2,062)	-	(260)	(8,132)
Balance in 2021	29,330	108,854	679,299	3,397	7,104	17,756	875	2,714	27,020	-	23,136	5,530	905,015

	Parent Company												
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2020	-	(28,389)	(278,611)	(2,965)	(4,376)	(3,015)	(746)	(542)	-	-	(3,098)	(5,362)	(327,104)
Additions	-	(2,207)	(16,460)	(68)	(352)	(532)	(129)	(91)	-	-	(458)	(114)	(20,411)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	656	742	106	21	-	-	-	-	-	-	258	1,783
Balance in 2021	-	(29,940)	(294,329)	(2,927)	(4,707)	(3,547)	(875)	(633)	-	-	(3,556)	(5,218)	(345,732)

	Parent Company												
Net fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2021	29,330	78,914	384,970	470	2,397	14,209	-	2,081	27,020	-	19,580	312	559,283

(In thousands of Brazilian Reais, unless otherwise stated)

	Parent Company												
Cost of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2019	28,698	109,602	646,372	3,213	5,127	13,860	875	2,714	16,066	2,732	23,033	5,530	857,822
Additions	-	-	2,601	7	528	1,869	-	-	17,285	1,144	-	183	23,617
Transfers	-	50	7,123	-	-	-	-	-	(7,283)	-	103	7	-
Write-offs	-	-	(593)	-	(472)	-	-	-	(46)	(1,814)	-	-	(2,925)
Balance in 2020	28,698	109,652	655,503	3,220	5,183	15,729	875	2,714	26,022	2,062	23,136	5,720	878,514

	Parent Company												
Depreciation of fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2019	-	(26,183)	(262,880)	(2,911)	(4,679)	(2,545)	(604)	(452)	-	-	(2,640)	(5,263)	(308,157)
Additions	-	(2,206)	(16,073)	(54)	(169)	(470)	(142)	(90)	-	-	(458)	(99)	(19,761)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	342	-	472	-	-	-	-	-	-	-	814
Balance in 2020	-	(28,389)	(278,611)	(2,965)	(4,376)	(3,015)	(746)	(542)	-	-	(3,098)	(5,362)	(327,104)

	Consolidated												
Cost of fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2020	53,056	109,682	656,660	3,229	9,694	15,729	875	2,714	26,022	2,521	23,136	5,915	909,233
Additions	2,024	-	4,165	37	3,450	2,027	-	-	24,614	51	-	61	36,429
Transfers	-	89	22,514	249	18	-	-	-	(22,879)	-	-	9	-
Write-offs	(1,392)	(887)	(2,665)	(109)	(129)	-	-	-	(737)	(2,062)	-	(260)	(8,241)
Balance in 2021	53,688	108,884	680,674	3,406	13,033	17,756	875	2,714	27,020	510	23,136	5,725	937,421

(In thousands of Brazilian Reais, unless otherwise stated)

	Consolidated												
Depreciation of fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2020	-	(28,404)	(279,429)	(2,973)	(7,600)	(3,015)	(746)	(542)	-	-	(3,098)	(5,374)	(331,181)
Additions	-	(2,214)	(16,464)	(68)	(1,146)	(532)	(129)	(91)	-	-	(458)	(114)	(21,216)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	656	742	106	127	-	-	-	-	-	-	258	1,889
Balance in 2021	-	(29,962)	(295,151)	(2,935)	(8,619)	(3,547)	(875)	(633)	-	-	(3,556)	(5,230)	(350,508)

	Consolidated												
Net fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2021	53,688	78,922	385,523	471	4,414	14,209	-	2,081	27,020	510	19,580	495	586,913

	Consolidated												
Cost of fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2019	53,056	109,632	647,529	3,222	8,412	13,860	875	2,714	16,066	3,191	23,033	5,724	887,314
Additions	-	-	2,601	7	2,025	1,869	-	-	17,285	1,144	-	184	25,115
Transfers	-	50	7,123	-	-	-	-	-	(7,283)	-	103	7	-
Write-offs	-	-	(593)	-	(743)	-	-	-	(46)	(1,814)	-	-	(3,196)
Balance in 2020	53,056	109,682	656,660	3,229	9,694	15,729	875	2,714	26,022	2,521	23,136	5,915	909,233

	Consolidated												
Depreciation of fixed assets	Plots of land	Buildings	Industrial machinery, equipment and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equipment to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance in 2019	-	(26,197)	(263,694)	(2,919)	(7,444)	(2,545)	(604)	(452)	-	-	(2,640)	(5,275)	(311,770)
Additions	-	(2,207)	(15,735)	(54)	(774)	(470)	(142)	(90)	-	-	(458)	(99)	(20,029)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	618	-	-	-	-	-	-	-	618
Balance in 2020	-	(28,404)	(279,429)	(2,973)	(7,600)	(3,015)	(746)	(542)	-	-	(3,098)	(5,374)	(331,181)

(In thousands of Brazilian Reais, unless otherwise stated)

13. Intangible Assets

	Parent Company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances in 2020	93,564	35,143	243	128,950	93,564	57,372	388	151,324
Additions	-	-	158	158	-	181	158	339
Amortization	-	-	(130)	(130)	-	-	(130)	(130)
Balances in 2021	93,564	35,143	271	128,978	93,564	57,553	416	151,533

	Parent Company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balance in 2019	93,564	35,143	386	129,093	93,564	56,402	532	150,498
Additions	-	-	43	43	-	970	43	1,013
Amortization	-	-	(186)	(186)	-	-	(187)	(187)
Balances in 2020	93,564	35,143	243	128,950	93,564	57,372	388	151,324

Impairment test for cash generating units containing goodwill

Goodwill is directly related to the plant of Pedra do Sino (MG). The recoverable value of the assets was calculated based on the Company's cash generating unit: Pedra do Sino Plant. The methodology used was the discounted cash flow in the useful life of the assets of the cash generating unit.

As a consequence of the impairment test of the Company’s assets made as at December 31, 2021, the recoverable amount is higher than the assets’ book value. Accordingly, no provision was made for impairment as at December 31, 2021.

(In thousands of Brazilian Reais, unless otherwise stated)

14. Loans and financing (Consolidated)

	2021		2020		Current status
	Current	Noncurrent	Current	Noncurrent	
Parent Company					
In Domestic Currency					
Megeve Capital LLC Raised in April 2013, originally with adjustment at CDI + Interest of 1% p.a. and 0.5% p.a., with maturities up to Oct/2030	1,377	214,586	224,063	-	Post-petition Credit On July 30, 2021, the Company was notified regarding the credit assignment from BDMG to Megeve Capital LLC.
	1,377	214,586	224,063	-	
Working capital					
CCBs issued by Banco Credit Suisse, in April 2013, originally with adjustment at CDI + interest of 4% p.a. ABC Brasil and Banco CCB Brasil, with maturities up to 2021	113,512	-	108,789	-	ABC Brasil and CCB Brasil credits settled in the 1st quarter of 2021. CCBs credits issued by Banco Credit Suisse are post-petition credits
Geribá Participações (CCB issued originally by Banco Credit Suisse)	3,573	-	-	-	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
Votorantim S.A.,	24,897	-		24,851	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
	143,359	214,586	332,852	24,851	
In Foreign Currency					
Notes					
	1,931,494	-	1,787,084	-	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
Sinosure					
FacilityAgreement (Agricultural Bank of China)	112,715	-	103,791	-	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
Loan					
Tupacta AG	1,276,101	-	-	1,183,172	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
Others -	-	939	1,124	650	Petition credit – the homologation of the court-ordered reorganization occurred on 02/04/2022
	3,320,310	939	1,891,999	1,183,822	
Parent Company	3,463,669	215,525	2,224,851	1,208,673	
Consolidated	3,463,669	215,525	2,224,851	1,208,673	

(In thousands of Brazilian Reais, unless otherwise stated)

15. Related-party transactions

	2021							2020
	Tupi Rio Transportes S.A.	Tupi Mineradora de Calcáreo Ltda.	Touro Empreendimentos Imobiliários e Participações Ltda.	Tupi do Nordeste Ltda.	Mape Incorporação e Empreendimentos Ltda.	Britas Arujá Ltda.	Total	Total
Noncurrent assets								
Advance for increase in capital	260	-	20,137	-	-	-	20,397	10,711
Current liabilities								
Anticipated dividends	-	-	-	-	15,584	8	15,592	15,593
Transactions								
Cost of goods sold and services rendered	(34,580)	-	-	-	-	-	(34,580)	(35,703)

Related-party transactions mainly refer to intercompany accounts and provision of services and input for production and operation of the entities' businesses.

16. Taxes and contributions in installments

These mainly refer to the installment payment of ICMS of the states of São Paulo, Minas Gerais and Rio de Janeiro.

	Parent Company					
	2021			2020		
	Principal	Interest/Fine	Total	Principal	Interest/Fine	Total
Current liabilities	26,188	10,646	36,834	28,228	8,640	36,868
ICMS	21,835	8,917	30,752	22,735	8,451	31,186
Others	4,353	1,729	6,082	5,493	189	5,682
Noncurrent liabilities	76,501	25,019	101,520	90,927	39,646	130,573
ICMS	68,870	21,882	90,752	77,505	39,172	116,677
Others	7,631	3,137	10,768	13,422	474	13,896
	102,689	35,665	138,354	119,155	48,286	167,441

	Consolidated					
	2021			2020		
	Principal	Interest/Fine	Total	Principal	Interest/Fine	Total
Current liabilities	27,688	11,198	38,886	30,158	8,750	38,908
ICMS	22,732	9,025	31,757	23,651	8,556	32,207
Others	4,956	2,173	7,129	6,507	194	6,701
Noncurrent liabilities	80,389	25,517	105,906	96,828	39,955	136,783
ICMS	71,653	21,486	93,139	80,506	39,451	119,957
Others	8,736	4,031	12,767	16,322	504	16,826
	108,077	36,715	144,792	126,986	48,705	175,691

(In thousands of Brazilian Reais, unless otherwise stated)

17. Taxes payable

	Parent Company		Consolidated	
	2021	2020	2021	2020
ICMS	6,878	15,476	6,994	15,650
PIS/COFINS	-	789	78	822
Tax on Services (ISS)	550	564	556	570
Others	898	519	913	523
	8,326	17,348	8,541	17,565

18. Other payables

	Parent Company		Consolidated	
	2021	2020	2021	2020
Current liabilities				
Advances from customers	594	1,869	611	1,869
Credit purchase agreement - ICMS	4,800	4,800	4,800	4,800
Provision - electricity	3,915	5,375	3,915	5,375
Profit sharing program - 2021	6,004	-	6,004	-
Others	2,123	462	2,226	485
	17,436	12,506	17,556	12,529

	Parent Company		Consolidated	
	2021	2020	2021	2020
Noncurrent liabilities				
Credit purchase agreement - ICMS	4,192	5,824	4,192	5,824
	4,192	5,824	4,192	5,824

19. Provision for investments

	Parent Company		Consolidated	
	2021	2020	2021	2020
Noncurrent liabilities				
Investment - Tupi Rio Transportes	4,625	3,084	-	-
	4,625	3,084	-	-

20. Equity

a) Capital stock

As at December 31, 2021, fully subscribed and paid-in capital stock is represented by 11,793 common shares and 11,792 preferred shares with no par value. Preferred shares are not entitled to voting and to receiving minimum or fixed dividends.

b) Capital reserves

Goodwill reserve represents excess value upon issue or capitalization in relation to the basic share value on the date of issue, in 1996.

c) Statutory reserve

This reserve is recognized through the allocation of 5% of net income for the year until it reaches 20% of capital stock, which is the limit provided for in corporate law, and may be used to absorb accumulated losses.

d) Appropriated retained earnings

This account is recognized by retaining part of net income for the year, if any. Said retention is based on the capital budget prepared by Management and approved by Shareholders in the Annual General Meeting, and is intended to be used in the Company's future investments.

e) Dividends

Shareholders are entitled to mandatory dividends of 25% of net income for the year, adjusted in conformity with legal provisions.

Preferred shares are entitled to receive dividends per share that are 10% higher than dividends per share paid to common shares.

f) Earnings (losses) per share

In compliance with CPC 41, the Company presents the following statements on earnings (losses) per share for the years ended 2021 and 2020.

Basic earnings (losses) per share are calculated by dividing net income (loss) for the period, attributable to the holders of the parent company's common and preferred shares, by the weighted average of common and preferred shares outstanding during the period.

The following tables present the results and shares used to calculate basic and diluted losses per share:

	2021			2020		
	Common shares	Preferred shares	Total	*Common shares*	*Preferred shares*	*Total*
Loss for the year	(63,931)	(63,925)	(127,856)	(374,055)	(374,024)	(748,079)
Weighted average shares (in thousands of shares)	11,793	11,792		11,793	11,792	23,585
Basic and diluted losses per share	(5.4211)	(5.4211)		(31.7184)	(31.7184)	

(In thousands of Brazilian Reais, unless otherwise stated)

21. Income and Social Contribution Taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent Company									
	Income Tax					Social Contribution Tax				
	4th quarter/2021 – Quarterly taxable income	3rd quarter/2021 – Quarterly taxable income	2nd quarter/2021 – Quarterly taxable income	1st quarter/2021 – Quarterly taxable income	2020 – Annual taxable income	4th quarter/2021 – Quarterly taxable income	3rd quarter/2021 – Quarterly taxable income	2nd quarter/2021 – Quarterly taxable income	1st quarter/2021 – Quarterly taxable income	2020 – Annual taxable income
Income (loss) before taxes	(89,768)	(200,276)	410,745	(297,612)	(929,167)	(89,768)	(200,276)	410,745	(297,612)	(929,167)
ADDITIONS										
Equity in earnings (losses) of controlled companies	478	757	1,000	754	2,511	478	757	1,000	754	2,511
Realization sub-account dif. Positive assets	27	27	27	26	107	27	27	27	26	107
Amortization, cost of loan raising	-	-	-	-	82	-	-	-	-	82
Exchange rate gains (losses) on loans	83,976	260,201	-	274,933	387,904	83,976	260,201	-	274,933	387,904
Interest on loans	3,327	2,551	1,955	1,259	152,012	3,327	2,551	1,955	1,259	152,012
Provision for contingencies	48	-	18,793	-	2,538	48	-	18,793	-	2,538
Other add-backs	2,917	1,214	1,147	1,252	4,591	2,917	1,214	1,147	1,252	4,591
DEDUCTIONS										
Depreciation – Corporate x Tax rate differences	8,225	8,152	8,129	8,097	32,797	8,225	8,152	8,129	8,097	32,797
Exchange rate gains (losses) on loans	-	-	413,690	-	-	-	-	413,690	-	-
Reversal of contingencies	-	18,745	-	-	-	-	18,745	-	-	-
Other deductions	85	83	80	79	300	85	83	80	79	300
Adjusted income/(loss)	(7,305)	37,494	11,768	(27,564)	(412,519)	(7,305)	37,494	11,768	(27,564)	(412,519)
Applicable rates	25%	25%	25%	25%	25%	9%	9%	9%	25%	9%
Current Income and Social Contribution Taxes	-	(10,239)	(2,044)	-	-	-	(3,692)	(741)	-	-
Tax debts accrued from deferred Income and Social Contribution Taxes on temporary differences	49,424	(5,834)	3,396	(1,457)	133,153	17,792	(2,100)	1,222	(524)	47,935
Income and Social Contribution Taxes in income (loss)	49,424	(16,073)	1,352	(1,457)	133,153	17,792	(5,792)	481	(524)	47,935

(In thousands of Brazilian Reais, unless otherwise stated)

	Consolidated									
	Income Tax					Social Contribution Tax				
	4th quarter/2021 – Quarterly taxable income	3rd quarter/2021 – Quarterly taxable income	2nd quarter/2021 – Quarterly taxable income	1st quarter/2021 – Quarterly taxable income	2020 – Annual taxable income	4th quarter/2021 – Quarterly taxable income	3rd quarter/2021 – Quarterly taxable income	2nd quarter/2021 – Quarterly taxable income	1st quarter/2021 – Quarterly taxable income	2020 – Annual taxable income
Income (loss) before taxes	(89,602)	(200,189)	410,773	(297,602)	(929,093)	(89,602)	(200,189)	410,773	(297,602)	(929,093)
ADDITIONS										
Income (loss) from controlled companies under deemed profit	-	-	476	17	231	-	-	476	17	231
Realization sub-account dif. Positive assets	27	27	27	26	107	27	27	27	26	107
Amortization, cost of loan raising	-	-	-	-	82	-	-	-	-	82
Exchange rate gains (losses) on loans	83,976	260,201	-	274,933	387,904	83,976	260,201	-	274,933	387,904
Interest on loans	3,327	2,551	1,955	1,259	152,012	3,327	2,551	1,955	1,259	152,012
Provision for contingencies	48	-	18,793	-	2,538	48	-	18,793	-	2,538
Other add-backs	2,917	1,214	1,147	1,252	4,591	2,917	1,214	1,147	1,252	4,591
DEDUCTIONS										
Income (loss) from controlled companies under deemed profit	96	67	-	-	-	96	67	-	-	-
Depreciation – Corporate x Tax rate differences	8,225	8,152	8,129	8,097	32,797	8,225	8,152	8,129	8,097	32,797
Exchange rate gains (losses) on loans	-	-	413,690	-	-	-	-	413,690	-	-
Reversal of contingencies	-	18,745	-	-	-	-	18,745	-	-	-
Other deductions	85	83	80	79	300	85	83	80	79	300
Adjusted income/(loss)	(7,713)	36,757	11,272	(28,291)	(414,725)	(7,713)	36,757	11,272	(28,291)	(414,725)
Applicable rates	25%	25%	25%	25%	25%	9%	9%	9%	9%	9%
Current Income and Social Contribution Taxes	-	(10,239)	(2,044)	-	-	-	(3,692)	(741)	-	-
Current IRPJ and CSLL of controlled companies – taxable income	-	-	-	-	(7)	-	-	-	-	(4)
IRPJ and CSLL – Deemed profit	(120)	(61)	(18)	(6)	(39)	(47)	(26)	(10)	(4)	(24)
Tax debts accrued from deferred Income and Social Contribution Taxes on temporary differences	49,424	(5,834)	3,396	(1,457)	133,153	17,792	(2,100)	1,222	(524)	47,935
Income and Social Contribution Taxes in income (loss)	49,424	(16,134)	1,334	(1,463)	133,107	17,792	(5,818)	471	(528)	47,907

b) Breakdown of deferred Income and Social Contribution Taxes

	Parent company and Consolidated	
	2021	2020
Income and Social Contribution tax losses	130,261	135,285
Provisions for contingencies	5	1,315
Taxed transactions on a cash basis - (exchange rate gains (losses)/interest on loans)	285,720	212,786
Deferred IRPJ and CSLL tax assets	415,986	349,386
Deferred IRPJ and CSLL on temporary differences	(78,376)	(68,670)
Tax amortization of goodwill	(31,812)	(31,812)
Deferred IRPJ and CSLL tax liabilities	(110,188)	(100,482)
	305,798	248,904

(In thousands of Brazilian Reais, unless otherwise stated)

Deferred Income and Social Contribution Taxes on tax losses were not recognized, calculated as from the second half of 2015.

Income and Social Contribution tax losses have no statute of limitations; however, the Company may use only the amount equivalent to up to 30% of taxable income per year.

The Company realized part of the balance of deferred Income and Social Contribution taxes recognized on tax losses in 2014 and 2017.

22. Provisions for contingencies

The Company and its controlled companies are parties to lawsuits and administrative proceedings incidental to its business, regarding tax, labor, civil and other issues. Based on the opinion of its legal counselors, the Company conducts an analysis of pending lawsuits and recognizes a provision in an amount deemed sufficient to cover the estimated losses from ongoing lawsuits for those with expectation of probable loss.

As at December 31, 2021, the Company maintains a provision for contingencies arising from tax and labor claims whose likelihood of loss is probable, in the amount of R$ 15 (R$ 3,868 as at December 31, 2020).

	Parent Company		Consolidated	
	2021	2020	2021	2020
Initial balance	3,868	1,610	3,868	1,610
New ones	-	2,385	-	2,385
Adjustment	12	291	12	291
Concluded ones	(3,865)	(418)	(3,865)	(418)
Final balance	15	3,868	15	3,868

As at December 31, 2021, the Company has court deposits in the amount of R$ 13,397 (R$ 15,663 as at December 31, 2020).

In addition, the Company and its controlled companies are parties to civil, labor and tax proceedings whose likelihood of an unfavorable outcome has been rated as possible by Management and its legal counselors. Therefore, no provision for contingencies was set up.

(In thousands of Brazilian Reais, unless otherwise stated)

As at December 31, 2021, the amount of such contingencies was R$ 113,674 (R$ 139,953 as at December 31, 2020), as follows:

	Parent Company		Consolidated	
Type	2021	2020	2021	2020
Tax contingencies	39,151	64,362	100,410	123,407
Labor contingencies	11,533	12,381	12,241	13,190
Civil contingencies	1,010	3,356	1,023	3,356
	51,694	80,099	113,674	139,953

23. Net operating revenues

	Parent Company		Consolidated	
	2021	2020	2021	2020
Gross sales				
Sales of goods	662,071	519,804	662,334	520,608
Deductions from sales	(166,295)	(130,090)	(170,761)	(135,539)
Sales returns	(992)	(790)	(992)	(790)
ICMS on sales	(114,292)	(88,461)	(115,494)	(90,503)
PIS and COFINS on sales	(50,797)	(40,189)	(53,957)	(43,506)
Others	(214)	(650)	(318)	(740)
Net operating revenues	495,776	389,714	491,573	385,069

24. General and administrative expenses

	Parent Company		Consolidated	
	2021	2020	2021	2020
Expenses on salaries, charges, benefits and bonuses (**)	(23,158)	(17,359)	(23,343)	(17,475)
Lawyers' fees*	(13,571)	(4,996)	(14,460)	(5,030)
Lease of properties/vehicles/equipment	(310)	(302)	(349)	(333)
Travel expenses	(490)	(169)	(522)	(198)
Third-party/consulting services	(4,335)	(3,734)	(5,003)	(4,120)
Others	(3,006)	(2,319)	(3,537)	(2,761)
	(44,870)	(28,879)	(47,214)	(29,917)

(*) The increase in lawyer's fees is mostly due to the Company's court-ordered reorganization process;

(**) This includes a provision for the Profit Sharing Program (PPR), in the amount of R$ 6,004.

(In thousands of Brazilian Reais, unless otherwise stated)

25. Other operating revenues (expenses), net

	Parent Company		Consolidated	
	2021	2020	2021	2020
Provision for contingencies	(2,635)	-	(2,635)	-
PIS/COFINS credit (*)	3,463	98,194	3,463	98,194
Write-off of fixed assets/investments	(1,636)	610	(1,349)	800
Write-off of liabilities	-	-	-	-
ICMS on shipments	(1,855)	-	(1,855)	-
ICMS installment payment	(1,870)	-	(1,870)	-
Others	(1,459)	(8,868)	(1,429)	(8,775)
	(5,992)	89,936	(5,675)	90,219

(*) Recognition of PIS/COFINS credits.

26. Net financial income (loss)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Financial expenses				
Interest on loans	(21,811)	(162,967)	(21,811)	(162,967)
Interest/fines on tax installment payments	1,094	(17,791)	842	(19,297)
Discounts granted	(274)	(4,321)	(276)	(4,321)
Contractual interest	(29,922)	(566,957)	(29,922)	(566,957)
Exchange rate gains (losses) on loans	(205,433)	(387,867)	(205,433)	(387,867)
Other financial expenses	(241)	(246)	(323)	(350)
	(256,587)	(1,140,149)	(256,923)	(1,141,759)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Financial revenues				
Discounts obtained	203	528	206	530
Interest on financial investments	4	4	918	205
Interest received from customers	625	472	625	472
Other interest gains (mainly SELIC interest on recoverable PIS/COFINS)	3,917	77,173	4,004	77,173
Other financial revenues	326	(2,092)	327	(2,037)
	5,075	76,085	6,080	76,343
	(251,512)	(1,064,064)	(250,843)	(1,065,416)

27. Segment reporting

Management groups entities into two distinct segments:

a) Cement

This segment is mainly engaged in manufacturing cements and mortars of all types in the Company’s manufacturing units.

(In thousands of Brazilian Reais, unless otherwise stated)

b) Real estate management and development

This segment is mainly engaged in developing and administrating properties. This activity is carried out by two of the subsidiaries.

Management monitors the operating income (loss) of its business units separately for the purpose of making decisions on the allocation of funds and assessment of performance.

The segment's performance is appraised based on the operating result, measured in relation to the operating result of the consolidated financial information.

The Company's segment information is as follows:

	2021				
	Cement	Real estate management and development	Others	Eliminations	Total consolidated
Net revenue	495,776	26	30,351	(34,580)	491,573
Gross income (loss)	143,508	26	(1,365)	-	142,169
Depreciation and amortization	(20,538)	-	(922)	-	(21,460)
Operating income (loss)	81,442	(1,031)	(2,335)	-	78,076
Financial income (loss)	(251,512)	906	(237)	-	(250,843)
Equity in earnings (losses) of controlled companies	(2,989)	-	-	2,989	-
Income (loss) before taxes	(173,059)	(125)	(2,572)	2,989	(172,767)
Income and Social Contribution Taxes	45,203	(292)	-	-	44,911
Minority interest	-	-	-	-	-
Net income (loss)	(127,856)	(417)	(2,572)	2,989	(127,856)
Current Assets	139,824	60,695	4,401	(1,566)	203,354
Noncurrent assets	1,269,465	15,584	50,898	(142,185)	1,193,762
Current liabilities	3,591,450	20,383	5,201	(37,555)	3,579,479
Noncurrent liabilities	325,877	206	4,169	(4,624)	325,628

	2020				
	Cement	Real estate management and development	Others	Eliminations	Total consolidated
Net revenue	389,714	314	30,745	(35,704)	385,069
Gross income (loss)	87,338	274	(604)	-	87,008
Depreciation and amortization	(19,951)	-	(611)	-	(20,562)
Operating income (loss)	137,407	208	(1,293)	-	136,322
Financial income (loss)	(1,064,064)	23	(1,375)	-	(1,065,416)
Equity in earnings (losses) of controlled companies	(2,511)	-	-	2,511	-
Income (loss) before taxes	(929,167)	231	(2,668)	2,511	(929,093)
Income and Social Contribution Taxes	181,088	(63)	(11)	-	181,014
Minority interest	-	-	-	-	-
Net income (loss)	(748,079)	168	(2,679)	2,511	(748,079)
Current Assets	107,813	39,538	15,929	(667)	162,613
Noncurrent assets	1,207,827	15,584	49,174	(122,547)	1,150,038
Current liabilities	2,343,802	6,802	14,004	(26,971)	2,337,637
Noncurrent liabilities	1,352,022	339	5,871	(3,084)	1,355,148

(In thousands of Brazilian Reais, unless otherwise stated)

28. Financial instruments and risk management

28.1. Analysis of financial instruments

The fair value of financial assets and liabilities is included in the value by which an instrument may be changed in a current transaction between the parties on an arm's length basis, and not in a forced sale or settlement. The following methods and assumptions were used to estimate fair value.

- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations approximate their respective book value mostly due to these investments' short-term maturity;
- The fair value of receivables does not significantly differ from the book balances, since it is monetarily restated consistently with market rates and/or is adjusted by the provision for impairment.

Loans and financing bear fixed rates, which are consistent with those observable in the market; therefore, the book balances informed approximate their respective fair values.

The classification of financial assets of the Company and its controlled companies per category is as follows:

	Parent Company					
	2021			2020		
Financial assets	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	3,116	-	3,116	2,234	-	2,234
Accounts receivable	22,163	-	22,163	19,540	-	19,540
Note receivable and receivables from third parties	6,870	-	6,870	7,481	-	7,481
Related-party transactions	20,397	-	20,397	10,711	-	10,711
	52,546	-	52,546	39,966	-	39,966

	Consolidated					
	2021			2020		
Financial assets	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	26,660	-	26,660	19,071	-	19,071
Accounts receivable	22,163	-	22,163	19,540	-	19,540
Note receivable and receivables from third parties	10,505	-	10,505	11,029	-	11,029
	59,328	-	59,328	49,640	-	49,640

(In thousands of Brazilian Reais, unless otherwise stated)

28.2. Classification of financial instruments by category

The main financial liabilities of the Company and its controlled companies may be classified and accounted for at fair value through income (loss), as follows:

Financial liabilities	Parent Company 2021	Parent Company 2020
Trade accounts payable	31,587	17,560
Loans and financing	3,679,194	3,433,524
Related-party transactions	15,592	15,593
	3,726,373	3,466,677

Financial liabilities	Consolidated 2021	Consolidated 2020
Trade accounts payable	31,587	24,472
Loans and financing	3,679,194	3,433,524
	3,710,781	3,457,996

28.3. Risk management

Financial transactions of the Company and its controlled companies are previously approved by Management and performed through the financial department according to conservative strategies, aiming at safety, profitability and liquidity. Hedging mechanisms are adopted against financial risks stemming from liabilities contracted, either in foreign or domestic currency, in order to manage exposure to exchange and interest rate risks.

The criteria for selection of financial institutions obey parameters that take into consideration ratings made available by renowned agencies specialized in the analysis of risk, equity, and concentration levels of transactions and resources. The main market risk factors that could affect the Company’s business and that of its controlled companies are as follows:

a) Exchange rate risk

Exchange rate risks are related to the possibility of the Company incurring losses derived from fluctuations in exchange rates.

(In thousands of Brazilian Reais, unless otherwise stated)

The Company’s liabilities are indexed at US dollar, therefore, the unpredictability of floating liabilities substantially derives from foreign exchange variation, as shown in simulation of future values considering devaluation of Brazilian Real before US dollar by 25% and 50%.

		Sensitivity analysis	
Foreign currency loans	Amount in R$	(Scenario I) future value I	(Scenario II) future value II
Notes	1,931,494	2,414,367	2,897,241
Sinosure	112,715	140,894	169,072
Tupacta	1,276,101	1,595,126	1,914,151
Cemrock	939	1,174	1,408

b) Credit risk

Financial instruments are subject to credit risks such as cash and cash equivalents and trade accounts receivable. All operations are conducted with banks having acknowledged liquidity, thus minimizing risks.

The Company did not contract any loan operation in 2021.

The risk of incurring losses resulting from difficulty in receiving values billed to its clients is minimized, since sales are dispersed among a high number of clients, and contingent to a credit limit individually established per client.

c) Interest rate risk

This risk derives from the possibility of the Company incurring losses due to fluctuations in interest rates that increase financial expenses mainly stemming from loans.

d) Liquidity risk

Liquidity risk represents the risk of scarcity and difficulty on the part of the Company in paying its debts. The Company and its controlled companies seek to align the maturity of their debts with the period of cash generation to avoid a mismatch and generate the need for greater leverage.

In 2021, the Company did not make payments to creditors subject to the Court-Ordered Reorganization, only to post-petition creditors.

(In thousands of Brazilian Reais, unless otherwise stated)

The following table shows in detail the remaining contractual maturity of the Company's main financial liabilities and the contractual amortization terms. This table was prepared in accordance with the undiscounted cash flows of financial assets and liabilities based on the nearest date on which the Company and its controlled companies shall settle the respective obligations.

	Parent Company			
	Up to one year	From one to three years	Over three years	Total
Loans and financing	3,463,669	101,485	114,040	3,679,194
Trade accounts payable	30,813	-	-	30,813
Advances from customers	594	-	-	594
Other financial liabilities	96,374	76,979	33,373	206,726
Balances as at December 31, 2021	3,591,450	178,464	147,413	3,917,327

	Consolidated			
	Up to one year	From one to three years	Over three years	Total
Loans and financing	3,463,669	101,485	114,040	3,679,194
Trade accounts payable	31,587	-	-	31,587
Advances from customers	611	-	-	611
Other financial liabilities	83,612	74,591	35,512	193,715
Balances as at December 31, 2021	3,579,479	176,076	149,552	3,905,107

29. Insurance coverage

The Company and its controlled companies contract insurance coverage for its inventories and fixed-asset items as Named-perils and Civil Liability Insurances. Aspects considered when evaluating risks are as follows: (a) decentralized location of industrial plants (Minas Gerais, Rio de Janeiro and São Paulo); (b) nature of activities; and (c) accident prevention measures. Maximum Indemnity Limit (LMI) is R$ 198,685 for the industrial plants.

The amounts of contracted coverage take into consideration estimates to cover possible losses in sites with concentrated risks and maximum possible claim loss in a single event.

The risk assumptions adopted, due to their nature, were established by Management.

(In thousands of Brazilian Reais, unless otherwise stated)

30. Subsequent events

On October 14, 2021, the Court-ordered Reorganization Plan (PRJ) presented by the Company was approved by the majority of creditors at the General Creditors' Meeting then held, and later approved by the judge of the court-ordered reorganization on February 04, 2022. The Company was notified regarding the homologation of the PRJ on February 22, and on March 21, 2022, it started making the payments to its creditors, in the form and terms established in the mentioned Plan.

Below are presented the payments made by the Company up to April 2022, by class of creditor, in accordance with the terms of the Court-Ordered Reorganization Plan:

Creditors	Class	Relation – Article 7, paragraph 2 of Brazilian Bankruptcy Law (LRE)	Paid values
Labor	I	869	675
Unsecured	III	3,204,608	10,147
ME-EPP	IV	5,631	2,838

The full text of the court-ordered reorganization plan, approved at the General Creditors Meeting can be accessed on the Company's website, through the following link:
http://www.cimentotupi.com.br/cimentotupi/Portugues/detRecuperacaoJudicial.php