

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

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

Independent auditor's review report

Individual and consolidated interim financial
information
As at September 30, 2021

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(Under Court-Ordered Reorganization)

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REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We were engaged to review the individual and consolidated interim financial information of Cimento Tupi S.A. - Under Court-Ordered Reorganization ("Company"), which comprise the statement of financial position as at September 30, 2021, and the respective statements of operations, comprehensive income (loss), changes in equity and cash flows for the nine-month period then ended, including the corresponding notes.

The Company's Management is responsible for the preparation of this individual and consolidated interim financial information, in accordance with Technical Pronouncement CPC 21 (R1) and with International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. Our responsibility is to express a conclusion on this interim financial information based on our review. Due to the matters described in the "Basis for disclaimer of conclusion on the individual and consolidated interim financial information" section of this report, we were unable to obtain proper and sufficient evidence to support our conclusion on the individual and consolidated interim financial information.

Scope of the review

Due to the matters described in the paragraph included in the section "Basis for disclaimer of conclusion on the individual and consolidated interim financial information", we were unable to conduct our review in accordance with Brazilian and international auditing standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity"). Consequently, this report is issued with a disclaimer of conclusion. A review of interim financial information consists principally of applying analytical and other review procedures and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion. As previously mentioned in this paragraph, this report is issued with a disclaimer of conclusion.

Basis for disclaimer of conclusion on the individual and consolidated interim financial information

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

As mentioned in Note 1.1 to the individual and consolidated interim financial information, 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, the Company 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.

With the approval of the court-ordered reorganization request filed on January 22, 2021, lawsuits filed against the Company have been suspended for a period of 180 days ("Stay Period"). On August 24, 2021, the Stay Period was extended for an additional 180 days or until the conclusion of the General Creditor's Meeting, whichever occurs first.

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 and, if the Company's Court-Ordered Reorganization Plan is approved by the Brazilian Court and thus accepted by the New York Court, its conditions will be mandatory and binding for all Note holders, ending the lawsuit in progress in that country.

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 - (AGC). As soon as it is ratified by the judge, the Company will make the payments to its creditors, as established in the PRJ.

Additionally, in the nine-month period ended September 30, 2021, the Company reported accumulated losses of R\$ 2,799,835 thousand and individual and consolidated current liabilities exceeded individual and consolidated current assets by R\$ 3,390,141 thousand and R\$ 3,301,261 thousand, respectively, and deficit in equity of R\$ 2,489,291 thousand. This situation indicates the existence of material uncertainty that may cast doubt on the Company's and its controlled companies' ability to continue as a going concern and doubt as to the basis of preparation of the individual and consolidated interim financial information, considering that, as at September 30, 2021, the Company's individual and consolidated assets and liabilities were classified and evaluated assuming that the Company will continue as a going concern.

Due to the material uncertainty regarding the matters described above, it is not possible to reach a conclusion on the individual and consolidated interim financial information considering the possible interaction between these uncertainties and its possible cumulative effects on it, and neither to reach a conclusion on whether the assumption of its continuity as a going concern, basis for the preparation of this individual and consolidated interim financial information, is appropriate in such circumstances.



In view of this scenario of material uncertainty, that may affect the Company's capacity for investment in future operations, and result in possible impairment of assets, until the date of conclusion of our review, the Company's management had not yet conducted the impairment test of assets, as required by NBC TG 01 (R3) - Impairment, for considering that it is of utmost importance to wait for the approval of the Reorganization Plan, to more appropriately measure the eventual impairment of its assets. Consequently, we were unable to determine if it would be necessary to make adjustments to the balances of non-financial assets of the Company as at September 30, 2021, as well as to the items of the statements of operations, comprehensive income (loss), changes in equity, and cash flows for the quarter and nine-month period then ended.

Disclaimer of conclusion on the individual and consolidated interim financial information

Due to the relevance of the matters described in the paragraph included in the section "Basis for disclaimer of conclusion on the individual and consolidated interim financial information", we were unable to carry out sufficient review procedures to allow us to conclude if we became aware of any fact that would lead us to believe that the individual and consolidated interim financial information, included in the quarterly information above, has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of interim financial information, as well as its presentation in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM). Consequently, this report is issued with a disclaimer of conclusion.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's Management, whose presentation in the interim financial information is considered supplementary information by the International Financial Reporting Standards - IFRS, which do not require the presentation of the statements of value added. These statements were subjected to the same review procedures previously described. However, due to the relevance of the matters described in the "Basis for disclaimer of conclusion on the individual and consolidated interim financial information" section of this report, we were also unable to obtain proper and sufficient evidence to support our conclusion on these statements in relation to the individual and consolidated interim financial information, taken as a whole. Consequently, we do not express a conclusion on the Statement of value added referred to above.

The accompanying financial information has been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, January 14, 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 September 30, 2021 and December 31, 2020

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Assets				
Current assets				
Cash and cash equivalents (Note 5)	873	2,234	37,693	19,071
Accounts receivable (Note 6)	31,817	19,540	31,817	19,540
Inventories (Note 7)	56,769	52,895	91,452	85,854
Recoverable taxes (Note 8)	32,859	26,275	32,930	26,335
Notes receivable (Note 9)	-	-	3,598	3,548
Advances to suppliers	5,288	4,356	6,600	5,496
Receivables from third parties	304	304	304	304
Other current assets	1,570	2,209	1,694	2,465
Total current assets	129,480	107,813	206,088	162,613
Noncurrent assets				
Notes receivable (Note 9)	4,799	5,533	4,799	5,533
Receivables from third parties	1,948	1,948	1,948	1,948
Related-party transactions (Note 14)	39,272	10,711	-	-
Recoverable taxes (Note 8)	143,869	148,365	143,869	148,365
Deferred Income and Social Contribution taxes (Note 20)	238,582	248,904	238,582	248,904
Court deposits (Note 21)	12,581	15,513	12,686	15,663
Investments				
Controlled companies (Note 10)	99,331	96,493	-	-
Other investments	-	-	249	249
Fixed assets (Note 11)	557,647	551,410	584,982	578,052
Intangible assets (Note 12)	129,012	128,950	151,486	151,324
Total noncurrent assets	1,227,041	1,207,827	1,138,601	1,150,038
Total assets	1,356,521	1,315,640	1,344,689	1,312,651

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of financial position

As at September 30, 2021 and December 31, 2020

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Liabilities				
Current liabilities				
Loans and financing (Note 13)	3,376,101	2,224,851	3,376,101	2,224,851
Trade accounts payable	33,600	17,560	34,234	24,472
Salaries and social charges	21,525	19,076	21,972	19,294
Income and Social Contribution Taxes payable	12,301	-	12,329	18
Related-party payables (Note 14)	15,593	15,593	-	-
Taxes in installments (Note 15)	35,111	36,868	37,136	38,908
Taxes payable (Note 16)	12,748	17,348	12,911	17,565
Other accounts payable (Note 17)	12,642	12,506	12,666	12,529
Total current liabilities	3,519,621	2,343,802	3,507,349	2,337,637
Noncurrent liabilities				
Loans and financing (Note 13)	207,773	1,208,673	207,773	1,208,673
Taxes in installments (Note 15)	104,342	130,573	109,166	136,783
Provision for contingencies (Note 21)	3,868	3,868	3,868	3,868
Other accounts payable (Note 17)	5,824	5,824	5,824	5,824
Provision for loss on investments (Note 18)	4,434	3,084	-	-
Total noncurrent liabilities	326,241	1,352,022	326,631	1,355,148
Equity (Note 19)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(2,799,835)	(2,690,678)	(2,799,835)	(2,690,678)
Total equity attributable to controlling shareholders	(2,489,341)	(2,380,184)	(2,489,341)	(2,380,184)
Noncontrolling interest	-	-	50	50
Total equity	(2,489,341)	(2,380,184)	(2,489,291)	(2,380,134)
Total liabilities and equity	1,356,521	1,315,640	1,344,689	1,312,651

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of operations

For the periods ended September 30, 2021 and 2020

(In thousands of Brazilian Reais, except losses per share, stated in Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Net operating revenues (Note 22)	380,463	267,930	377,228	264,324
Cost of goods sold	(271,539)	(222,444)	(269,539)	(218,707)
Gross profit	108,924	45,486	107,689	45,617
Operating expenses				
Selling expenses	(7,671)	(7,912)	(7,671)	(7,912)
General and administrative expenses (Note 23)	(27,580)	(20,594)	(29,210)	(21,350)
Other operating revenues (expenses), net (Note 24)	(6,870)	(5,296)	(6,643)	(5,178)
	(42,121)	(33,802)	(43,524)	(34,440)
Operating income (loss) before equity in earnings (losses) of controlled companies and financial income (loss)	66,803	11,684	64,165	11,177
Equity in earnings (losses) of controlled companies (Note 10)	(2,511)	(1,903)	-	-
Financial income (loss) (Note 25)				
Financial expenses	(154,457)	(1,130,109)	(154,681)	(1,131,639)
Financial revenues	3,021	1,899	3,497	2,083
	(151,436)	(1,128,210)	(151,184)	(1,129,556)
Income (loss) before Income and Social Contribution taxes	(87,144)	(1,118,429)	(87,019)	(1,118,379)
Income and Social Contribution taxes (Note 20)	(22,013)	(7,142)	(22,138)	(7,192)
Minority interest	-	-	-	-
Loss for the period	(109,157)	(1,125,571)	(109,157)	(1,125,571)
Loss for the period attributable to				
Controlling shareholders	(109,157)	(1,125,571)	(109,157)	(1,125,571)
Noncontrolling shareholders	-	-	-	-
Basic and diluted losses per share (Note 19)				
Preferred shares	(4.6282)	(47.7240)	-	-
Common shares	(4.6282)	(47.7240)	-	-

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of comprehensive income (loss)

As at September 30, 2021 and 2020

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Loss for the period	(109,157)	(1,125,571)	(109,157)	(1,125,571)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss), net of taxes	<u>(109,157)</u>	<u>(1,125,571)</u>	<u>(109,157)</u>	<u>(1,125,571)</u>
Attributable to				
Controlling shareholders	(109,157)	(1,125,571)	(109,157)	(1,125,571)
Noncontrolling shareholders	-	-	-	-

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of changes in equity
As at September 30, 2021 and 2020
(In thousands of Brazilian Reais)

	Capital stock	Capital reserve Goodwill on subscription of shares	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 period	-	-	(1,125,571)	(1,125,571)	-	(1,125,571)
As at September 30, 2020	298,809	11,685	(3,068,170)	(2,757,676)	50	(2,757,626)
As at December 31, 2020	298,809	11,685	(2,690,678)	(2,380,184)	50	(2,380,134)
Loss for the period	-	-	(109,157)	(109,157)	-	(109,157)
As at September 30, 2021	298,809	11,685	(2,799,835)	(2,489,341)	50	(2,489,291)

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of cash flows

For the periods ended September 30, 2021 and 2020

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Cash flows from operating activities				
Loss before Income and Social Contribution taxes	(87,144)	(1,118,429)	(87,019)	(1,118,379)
Adjustments from				
Depreciation/amortization	15,297	14,942	15,942	15,313
Write-off of fixed assets	3,926	1,857	3,809	1,878
Equity in earnings (losses) of controlled companies	2,511	1,903	-	-
Contingencies	216	-	216	-
Exchange rate gains (losses) on foreign loans	121,443	549,906	121,443	549,906
Discount to present value	(242)	(221)	(242)	(221)
Fines and interest on assets	(2,361)	3,195	(2,362)	542
Fines and interest on liabilities	31,832	573,612	32,021	575,126
Amortization of loan costs	-	83	-	83
Allowance for doubtful accounts	137	(94)	137	(94)
Other assets/liabilities write-offs	-	690	-	690
	<u>85,615</u>	<u>27,444</u>	<u>83,945</u>	<u>24,844</u>
(Increase)/decrease in asset accounts				
Accounts receivable	(12,414)	(16,128)	(12,414)	(16,128)
Notes receivable	1,111	5,660	1,061	8,268
Recoverable taxes	(87,931)	(58,472)	(89,780)	(60,251)
Inventories	(3,874)	1,941	(5,598)	325
Advances to suppliers	(932)	(298)	(1,104)	(723)
Other assets	(454)	4,601	771	4,670
Court deposits	2,932	(5,903)	2,977	(5,942)
Increase/(decrease) in liability accounts				
Trade accounts payable	16,037	(17,472)	9,760	(14,129)
Tax liabilities	65,463	70,623	65,543	73,560
Salaries and social charges	2,450	7,035	2,678	7,224
Interest paid on loans	(6)	812	(6)	812
Other liabilities	(80)	7,414	(79)	7,680
Net cash from operating activities	<u>67,917</u>	<u>27,257</u>	<u>57,754</u>	<u>30,210</u>
Cash flows from investing activities				
Acquisition of fixed assets	(26,358)	(18,807)	(27,581)	(19,923)
Disposal of fixed assets	-	14	1	14
Acquisition of intangible assets	(158)	(43)	(258)	(880)
Acquisition of investments	(4,000)	-	-	-
Indemnity of loss	-	235	-	235
Net cash from investing activities	<u>(30,516)</u>	<u>(18,601)</u>	<u>(27,838)</u>	<u>(20,554)</u>
Cash flows from financing activities				
Advance for Future Increase in Capital- Related-party payments	(27,468)	(7,825)	-	-
Paid loans and financing	(11,294)	(2,077)	(11,294)	(2,077)
Net cash from financing activities	<u>(38,762)</u>	<u>(9,902)</u>	<u>(11,294)</u>	<u>(2,077)</u>
(Decrease) increase in cash and cash equivalents, net	<u>(1,361)</u>	<u>(1,246)</u>	<u>18,622</u>	<u>7,579</u>
Cash and cash equivalents at beginning of period	2,234	1,829	19,071	4,250
Cash and cash equivalents at end of period	873	583	37,693	11,829

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under court-ordered reorganization

Statements of value added

For the periods ended September 30, 2021 and 2020

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Revenues				
Gross operating revenues	507,779	357,199	507,928	357,655
Sales returns	(713)	(565)	(713)	(565)
Allowance for doubtful accounts	(137)	(94)	(137)	(94)
Other operating revenues (expenses), net	(1,395)	610	(1,164)	700
	<u>505,534</u>	<u>357,150</u>	<u>505,914</u>	<u>357,696</u>
Inputs acquired from third parties				
Costs of goods sold	(208,128)	(177,576)	(203,482)	(172,077)
Materials, electricity, third-party services and others	(99,146)	(80,253)	(100,472)	(80,803)
Gross value added	<u>198,260</u>	<u>99,321</u>	<u>201,960</u>	<u>104,816</u>
Withholdings				
Depreciation and amortization	(15,297)	(14,942)	(15,942)	(15,313)
Net value added generated	<u>182,963</u>	<u>84,379</u>	<u>186,018</u>	<u>89,503</u>
Value added received in transfer				
Equity in earnings (losses) of controlled companies	(2,511)	(1,903)	-	-
Financial revenues	3,021	1,899	3,497	2,083
Deferred Income and Social Contribution Taxes	(5,297)	(7,142)	(5,297)	(7,142)
Total value added to be distributed	<u>178,176</u>	<u>77,233</u>	<u>184,218</u>	<u>84,444</u>
Controlling shareholders	<u>178,176</u>	<u>77,233</u>	<u>184,218</u>	<u>84,444</u>
Noncontrolling shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Value added distribution				
Personnel and charges	37,000	33,008	38,820	34,249
Taxes, fees and contributions	93,359	37,677	97,305	42,101
Interest and rents	156,974	1,132,119	157,250	1,133,665
Loss for the period	(109,157)	(1,125,571)	(109,157)	(1,125,571)
Value added distributed	<u>178,176</u>	<u>77,233</u>	<u>184,218</u>	<u>84,444</u>

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Cimento Tupi S.A. - Under Court-Ordered Reorganization

Notes to the individual and consolidated financial statements

As at September 30, 2021

(In thousands of Brazilian Reais, unless otherwise stated)

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.

The country’s strong economic slowdown had a significant impact on the cement sector. Regarding prices, after successive decreases between 2014 and 2017, the average price stabilized in 2018 and remained the same in 2019, despite monthly fluctuations. The average price calculated in the period from January to December 2020 increased compared to the same period in 2019. This increase remained through the first half of 2021.

According to the preliminary results of the National Union of the Cement Industry (SNIC), in the first nine months of 2021, the cement industry grew by 9.7% compared to the same period of the previous year. The maintenance of real estate constructions and self-building, which still play a significant role in cement sales, are the main drivers of this performance. The volume of cement sales in September presented a decrease of 1.6% compared to the same month of 2020. The main indicators of sales in the segment are on slowdown due to the decrease in the population’s income and growing indebtedness of families, the high unemployment rates, reduction of the government’s emergency aid program and elevated interest rates and inflation.

As for the Company’s 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 judged favorably on January 22, 2021. On March 26, 2021, it filed its Court-Ordered Reorganization Plan (PJR), which specifies the means to be used for recovery (restructuring of debt with payment proposals to creditors submitted to the court-ordered reorganization process, disposal of assets, maintenance and growth of activities and other means mentioned in the plan), including the demonstration of its economic feasibility and economic and financial position, and valuation reports on its rights and assets.

With the approval of the court-ordered reorganization request filed on January 22, 2021, lawsuits filed against the Company have been suspended for a period of 180 days (“Stay Period”).

Cimento Tupi S.A. - Under Court-Ordered Reorganization

Notes to the individual and consolidated financial statements

As at September 30, 2021

(In thousands of Brazilian Reais, unless otherwise stated)

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 and, if the Company's Court-Ordered Reorganization Plan is approved by the Brazilian Court and thus accepted by the New York Court, its conditions will be mandatory and binding for all Note holders, ending the lawsuit in progress in that country.

The Company's Court-Ordered Reorganization Plan presented by the Company was approved by the majority of the creditors, at the General Creditors' Meeting held on October 14, 2021. As soon as it is ratified by the Judge, the Company will make the payments to its creditors, as established by the PRJ.

1.2. Effects of COVID-19

Cimento Tupi has created guidelines to protect its employees, families, partners, clients and the communities where it operates. The goals are to:

- Protect people, inside and outside of the Factory, from COVID-19;
- Reduce the exposure and the virus' potential speed of propagation;
- Disclose health-related information, in this moment of the pandemic;
- Establish strategies of Risk Communication; and
- Instruct the adoption of preventive measures to mitigate occasional transmissions.

The actions adopted by the Company so far are:

- Creation of a Crisis Committee;
- Constant disclosure of the preventive measures and instructions through the Whatsapp channel Conexão Tupi, e-mail, notice boards, DDS and meetings (videos, banners, notifications);
- Update of the website with the main actions and instructions;
- Decrease in business travels, participation in external events, organization of internal events and in-person training;
- Prioritizing the use of computer tools for meetings;
- Decrease in external visitors in factories and offices and, when it is necessary, compliance with the recommended preventive measures;
- Implantation of temporary remote work for the activities in which it is possible;
- Maintaining employees that are in "risk groups" primarily in social isolation (action applied in 2020);
- Development of a program for integration of new employees (of the Company and third parties) related to Covid-19;
- Carrying-out of the third-party employees' integration remotely; and
- Creation of a flow to handle cases of suspected infection by the new coronavirus (flow revised in accordance to guidance from official health authorities).

Cimento Tupi S.A. - Under Court-Ordered Reorganization

Notes to the individual and consolidated financial statements

As at September 30, 2021

(In thousands of Brazilian Reais, unless otherwise stated)

As a social project, the Company donated, in May 2020, two thousand five hundred (2,500) units of fabric masks to the community of Pedra do Sino in Carandaí, state of Minas Gerais (MG). In 2021, the Company donated around 9,800 items of Personal Protective Equipment (PPE) (masks and gloves) to Carandaí Hospital and conducted a solidary vaccination campaign, concluding the second-dose vaccination of all the company's personnel, and in return, donating over 1,695kg of food to institutions in the cities of Carandaí, Mogi das Cruzes and Rio de Janeiro. The Company continues to seek alternatives that may contribute to the efforts of preventing and monitoring the developments of the situation alongside the official health authorities.

Cimento Tupi S.A. is still actively monitoring the developments of COVID-19 in its business and implementing actions with the purpose of protecting its employees, its performance and liquidity, and seeking to meet the expectations of its clients, shareholders and suppliers.

2. Presentation of the individual and consolidated interim financial information

The individual and consolidated interim financial information has been prepared assuming that the Company will continue as a going concern and has been approved by the Board of Directors on December 29, 2021.

The Company's individual and consolidated interim financial information was and is presented in accordance with 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 information presents comparative information in relation to the previous period.

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

Items included in the financial information 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 interim financial information is presented in thousands of Brazilian Reais (R\$ thousand), which is the Company's functional and reporting currency.

Summary of the main accounting practices and estimates

The accounting practices used in the preparation of this individual and consolidated interim financial information are consistent with the ones used for the preparation of the individual and consolidated financial statements as at December 31, 2020, approved on June 15, 2021.

This individual and consolidated interim financial information must be analyzed considering the aforementioned individual and consolidated financial statements for a better understanding of the data presented.

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3. Consolidation

The interim financial information includes 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	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
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
Cimento Tupi Overseas Inc.	100.00	100.00	100.00	100.00
CP Cimento Overseas Co.	100.00	100.00	100.00	100.00
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
Vape 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

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.
- 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.

4. New standards, revisions and interpretations issued not yet in effect as at September 30, 2021

a) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

These apply to years beginning on or after January 01, 2022, for contracts existing on the date the amendments are first applied.

They specifically determine 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.

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b) Other standards

- (i) Amendment to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use. It elucidates aspects to be considered for the classification of items produced before fixed assets are in the conditions of 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 - It includes conceptual alignment of this standard with the conceptual structure of IFRS standards. The amendment to IFRS 3 will be in effect for periods beginning on or after January 01, 2022;
- (iv) Amendment to IFRS 17 - It 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 the 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. It 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;

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.

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5. Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash and banks	873	2,234	908	2,796
Bank Certificates of Deposit (CDB)	-	-	36,785	16,275
Cash and cash equivalents	<u>873</u>	<u>2,234</u>	<u>37,693</u>	<u>19,071</u>

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.

6. Accounts receivable

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Notes receivable	42,139	29,725	42,139	29,725
Provision for expected losses	(10,322)	(10,185)	(10,322)	(10,185)
	<u>31,817</u>	<u>19,540</u>	<u>31,817</u>	<u>19,540</u>

The changes in the allowance for doubtful accounts during the periods ended September 30, 2021 and 2020 were as follows:

Balances as at December 31, 2020	<u>(10,185)</u>
(+) Complement of the allowance for doubtful accounts	(137)
(-) Write-off for loss	-
Balances as at September 30, 2021	<u>(10,322)</u>
Balances as at December 31, 2019	<u>(10,094)</u>
(+) Complement of the allowance for doubtful accounts	(94)
(-) Write-off for loss	-
Balances as at September 30, 2020	<u>(10,188)</u>

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	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Falling due amounts	31,316	18,700	31,316	18,700
Up to 90 days overdue	410	783	410	783
Between 91 and 180 days overdue	91	57	31	57
Over 180 days overdue	10,322	10,185	10,322	10,185
	<u>42,139</u>	<u>29,725</u>	<u>42,139</u>	<u>29,725</u>

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7. Inventories

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Finished goods	2,290	2,744	2,783	3,202
Work in progress	2,844	4,093	2,844	4,093
Raw material - Slag	11,992	12,291	11,992	12,291
Raw material - Coke	5,452	3,277	5,452	3,277
Other raw materials	8,304	6,539	8,304	6,539
Materials for maintenance and consumption	25,972	23,157	25,980	23,157
Inventory in transit	(85)	794	(85)	794
Land for sale (i)	-	-	34,182	32,501
	<u>56,769</u>	<u>52,895</u>	<u>91,452</u>	<u>85,854</u>

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

8. Recoverable taxes

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current assets				
State VAT (ICMS)	5,466	5,281	5,468	5,281
Corporate Income Tax (IRPJ)/Social Contribution Tax (CSLL)	-	-	56	46
Taxes on Sales (PIS and COFINS)	18,261	13,538	18,274	13,551
Federal VAT (IPI)	8,799	7,123	8,799	7,123
Others	333	333	333	334
	<u>32,859</u>	<u>26,275</u>	<u>32,930</u>	<u>26,335</u>
Noncurrent assets				
ICMS	6,730	6,516	6,730	6,516
PIS and COFINS	137,139	141,849	137,139	141,849
	<u>143,869</u>	<u>148,365</u>	<u>143,869</u>	<u>148,365</u>

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). The Company was not able to reliably measure these credits in 2019 and thus recognized the amounts in 2020, when it obtained subsidies to support the amounts to be offset and the administrative qualification required for their use.

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9. Notes receivable

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Seival Sul Mineração S.A. (i)	1,199	2,174	1,199	2,174
Ano Bom Incorp. e empreendimentos S.A. (ii)	-	-	2,845	2,795
Agemar Empreendimentos e Participações Ltda. (iii)	4,440	4,440	4,440	4,440
Discount to present value	(840)	(1,081)	(840)	(1,081)
Others	-	-	753	753
	<u>4,799</u>	<u>5,533</u>	<u>8,397</u>	<u>9,081</u>
Current assets	-	-	3,598	3,548
Noncurrent assets	4,799	5,533	4,799	5,533

(i) It refers to the balance receivable from the sale of the 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.

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10. Investments in controlled companies

a) Statements on main controlled companies

	09/30/2021					12/31/2020				
	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	99.88	99.99	100.00	99.99	99.99	99.88	99.99	100.00
Equity	34,993	30	45,607	2,015	(4,434)	35,660	76	45,905	2,323	(3,084)
Income (loss) for the year	(668)	(45)	(297)	(308)	(1,349)	(197)	(35)	36	(398)	(2,282)

b) Changes in investments

	09/30/2021							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	-	-	-	-	-	4,000	-	4,000	11,934
Equity in earnings (losses) of controlled companies	(668)	(45)	(297)	(308)	(1,308)	156	-	(2,511)	(2,511)
Reclassification as liabilities	-	-	-	-	1,349	-	-	1,349	2,282
Balance at end of year	34,990	30	45,559	2,015	-	16,476	261	99,331	96,493

	12/31/2020							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

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Mape Incorporação e Empreendimentos Ltda.

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

Tupimec Indústria Mecânica Ltda.

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

Tupi Mineradora de Calcário Ltda.

Tupi Mineradora is an entity in pre-operating stage 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, administrating, 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.

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11. Fixed assets

Accounts	Parent company				
	09/30/2021			12/31/2020	
	Cost	Accumulated depreciation/ depletion	Net balance	Net balance	Annual depreciation rates
Plots of land	29,330	-	29,330	28,698	
Buildings	109,742	(30,047)	79,695	81,262	2%
Industrial machinery, equipment and facilities	666,299	(290,167)	376,132	376,892	3.33%
Furniture and fixtures	3,482	(2,992)	490	256	10%
Vehicles	7,086	(4,559)	2,527	808	20%
Railway wagons	17,034	(3,407)	13,627	12,714	3.33%
Leasehold improvements	875	(851)	24	128	(*)
Machinery and equipment to be installed	2,714	(611)	2,103	2,171	3.33%
Construction in progress	33,681	-	33,681	26,023	
Advances to suppliers	-	-	-	2,062	
Limestone mines	23,136	(3,441)	19,695	20,038	(**)
Others	5,586	(5,243)	343	358	4% to 20%
	<u>898,965</u>	<u>(341,318)</u>	<u>557,647</u>	<u>551,410</u>	
Accounts	Consolidated				
	09/30/2021			12/31/2020	
	Cost	Accumulated depreciation/ depletion	Net balance	Net balance	Annual depreciation rates
Plots of land	53,689	-	53,689	53,056	
Buildings	109,772	(30,062)	79,710	81,277	2%
Industrial machinery, equipment and facilities	667,456	(290,988)	376,468	377,230	3.33%
Furniture and fixtures	3,490	(3,000)	490	256	10%
Vehicles	12,772	(8,261)	4,511	2,093	20%
Railway wagons	17,034	(3,407)	13,627	12,714	3.33%
Leasehold improvements	875	(851)	24	128	(*)
Machinery and equipment to be installed	2,714	(611)	2,103	2,171	3.33%
Construction in progress	33,681	-	33,681	26,023	
Advances to suppliers	459	-	459	2,522	
Limestone mines	23,136	(3,441)	19,695	20,038	(**)
Others	5,781	(5,256)	525	544	4% to 20%
	<u>930,859</u>	<u>(345,877)</u>	<u>584,982</u>	<u>578,052</u>	

(*) Depreciation according to lease contract terms.

(**) Limestone mines are amortized according to the period of depletion in proportion to the extracted ore.

As at September 30, 2021, the amount of R\$ 14,726 (R\$ 14,605 as at September 30, 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, 2020, 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 2020 and 2019, 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).

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Changes in fixed assets for the periods ended September 30, 2021 and 2020, were as follows:

Parent company													
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 as at 12/31/2020	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	2,023	-	2,040	-	1,923	1,305	-	-	18,501	-	-	61	25,889
Transfers	-	90	9,761	249	-	-	-	-	(10,109)	-	-	9	-
Write-offs	(1,391)	-	(1,005)	(23)	(20)	-	-	-	(733)	(2,062)	-	(204)	(5,438)
Balance as at 09/30/2021	29,330	109,742	666,299	3,482	7,086	17,034	875	2,714	33,681	-	23,136	5,586	898,965

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 as at 12/31/2020	-	(28,389)	(278,611)	(2,965)	(4,376)	(3,015)	(746)	(542)	-	-	(3,098)	(5,362)	(327,104)
Additions	-	(1,658)	(12,295)	(50)	(204)	(392)	(105)	(69)	-	-	(343)	(86)	(15,202)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	739	23	21	-	-	-	-	-	-	205	988
Balance as at 09/30/2021	-	(30,047)	(290,167)	(2,992)	(4,559)	(3,407)	(851)	(611)	-	-	(3,411)	(5,243)	(341,318)

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 as at 09/30/2021	29,330	79,695	376,132	490	2,527	13,627	24	2,103	33,681	-	19,695	343	557,647

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Cost of fixed assets	Parent company												Total
	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	
Balances as at 12/31/2019	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	-	-	2,190	4	324	1,308	-	-	13,870	1,109	-	3	18,808
Transfers	-	-	4,514	-	-	-	-	-	(4,521)	-	-	7	-
Write-offs	-	-	(591)	-	(333)	-	-	-	(46)	(1,814)	-	-	(2,784)
Balances as at 09/30/2020	28,698	109,602	652,485	3,217	5,118	15,168	875	2,714	25,369	2,027	23,033	5,540	873,846

Depreciation of fixed assets	Parent company												Total
	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	
Balances as at 12/31/2019	-	(26,183)	(262,880)	(2,911)	(4,679)	(2,545)	(604)	(452)	-	-	(2,640)	(5,263)	(308,157)
Additions	-	(1,655)	(12,046)	(42)	(116)	(347)	(108)	(68)	-	-	(343)	(75)	(14,800)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	340	-	332	-	-	-	-	-	-	-	672
Balances as at 09/30/2020	-	(27,838)	(274,586)	(2,953)	(4,463)	(2,892)	(712)	(520)	-	-	(2,983)	(5,338)	(322,285)

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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 as at 12/31/2020	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	-	2,040	36	3,146	1,305	-	-	18,501	-	-	61	27,113
Transfers	-	90	9,761	249	-	-	-	-	(10,109)	-	-	9	-
Write-offs	(1,391)	-	(1,005)	(24)	(68)	-	-	-	(733)	(2,062)	-	(204)	(5,487)
Balance as at 09/30/2021	53,689	109,772	667,456	3,490	12,772	17,034	875	2,714	33,681	459	23,136	5,781	930,859

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 as at 12/31/2020	-	(28,404)	(279,429)	(2,973)	(7,600)	(3,015)	(746)	(542)	-	-	(3,098)	(5,374)	(331,181)
Additions	-	(1,658)	(12,298)	(50)	(728)	(392)	(105)	(69)	-	-	(343)	(87)	(15,730)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	739	23	67	-	-	-	-	-	-	-	1,034
Balance as at 09/30/2021	-	(30,062)	(290,988)	(3,000)	(8,261)	(3,407)	(851)	(611)	-	-	(3,441)	(5,256)	(345,877)

Consolidated													
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 as at 09/30/2021	53,689	79,710	376,468	490	4,511	13,627	24	2,103	33,681	459	19,695	525	584,982

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Cost of fixed assets	Consolidated												Total
	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	
Balances as at 12/31/2019	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	-	-	2,190	3	1,441	1,308	-	-	13,870	1,109	-	3	19,924
Transfers	-	-	4,514	-	-	-	-	-	(4,521)	-	-	7	-
Write-offs	-	-	(591)	-	(393)	-	-	-	(46)	-	-	-	(2,844)
Balances as at 09/30/2020	53,056	109,632	653,642	3,225	9,460	15,168	875	2,714	25,369	2,486	23,033	5,734	904,394

Depreciation of fixed assets	Consolidated												Total
	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	
Balances as at 12/31/2019	-	(26,197)	(263,694)	(2,919)	(7,444)	(2,545)	(604)	(452)	-	-	(2,640)	(5,275)	(311,770)
Additions	-	(1,656)	(12,049)	(42)	(483)	(347)	(108)	(68)	-	-	(343)	(75)	(15,171)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	340	-	373	-	-	-	-	-	-	-	713
Balances as at 09/30/2020	-	(27,853)	(275,403)	(2,961)	(7,554)	(2,892)	(712)	(520)	-	-	(2,983)	(5,350)	(326,228)

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12. Intangible assets - Parent company and Consolidated

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at 12/31/2020	93,564	35,143	243	128,950	93,564	57,372	388	151,324
Additions	-	-	158	158	-	99	159	258
Amortization	-	-	(96)	(96)	-	-	(96)	(96)
Balances as at 09/30/2021	93,564	35,143	305	129,012	93,564	57,471	451	151,486

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balance as at 12/31/2019	93,564	35,143	386	129,093	93,564	56,402	532	150,498
Additions	-	-	42	42	-	838	42	880
Amortization	-	-	(138)	(138)	-	-	(138)	(138)
Balances as at 09/30/2020	93,564	35,143	290	128,997	93,564	57,240	436	151,240

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, 2020, the recoverable amount is higher than the assets' book value. Accordingly, no provision was recognized for impairment as at September 30, 2021.

13. Loans and financing - Parent company and Consolidated

	09/30/2021		12/31/2020		Current status
	Current	Noncurrent	Current	Noncurrent	
Parent company					
In domestic currency					
Megeve Capital LLC					Post-petition credit
Raised in April 2013, originally with adjustment at CDI + interest of 1% p.a. and 0.5% p.a., with maturities up to October/2030	1,031	206,858	224,063	-	On July 30, 2021, the Company was notified of the credit assignment from BDMG to Megeve Capital LLC.
	1,031	206,858	224,063	-	
Working capital					
CCBs issued by Bank 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	113,815	-	108,789	-	ABC Brasil and CCB Brasil credits settled in the first quarter of 2021. CCBs credits issued by Banco Credit Suisse are post-petition credits
Votorantim S.A., raised in January 2017, with adjustment at INPC with maturities in Jan/2022	24,897	-	-	24,851	Awaiting approval of the Judicial Reorganization Plan
	139,743	206,858	332,852	24,851	

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Foreign currency

Notes						
Senior Unsecured Notes, issued in May 2011, February 2012 and October 2014, with interest of 9.75% p.a., with original maturities in May 2018.	1,882,657	-	1,787,084	-	-	Awaiting approval of the Judicial Reorganization Plan
Sinasure						
Facility Agreement (Agricultural Bank of China), raised in January 2013, with adjustment at Libor-12M interest + 2.80% p.a., with original maturities in Feb/2017	109,865	-	103,791	-	-	Awaiting approval of the Judicial Reorganization Plan
Loans						
Tupacta AG, raised in December 2018, with adjustment at the exchange rate + spread of 6% p.a., or IGPM + spread of 12% p.a., whichever is higher, with maturities in Dec/2028	1,243,836	-	-	1,183,172	-	Awaiting approval of the Judicial Reorganization Plan
Others - raised in September 2018, with interest of 15% p.a., with maturities up to Sep/2030	-	915	1,124	650	-	Awaiting approval of the Judicial Reorganization Plan
	<u>3,236,358</u>	<u>915</u>	<u>1,891,999</u>	<u>1,183,822</u>		
Parent company	<u>3,376,101</u>	<u>207,773</u>	<u>2,224,851</u>	<u>1,208,673</u>		
Consolidated	<u>3,376,101</u>	<u>207,773</u>	<u>2,224,851</u>	<u>1,208,673</u>		

Key: CCBs - Bank Credit Notes/ INPC - Consumer Price Index / IGPM - General Market Price Index

14. Related-party transactions

	09/30/2021					12/31/2020		
	Tupi Rio Transportes S.A.	Tupi Mineradora de Calcário 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	26	773	34,051	298	4,124	-	39,272	10,711
Current liabilities								
Anticipated dividends	-	-	-	-	15,584	9	15,593	15,593
Transactions								
Cost of goods sold and services rendered	(25,857)	-	-	-	-	-	(25,857)	(35,703)

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

15. 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					
	09/30/2021			12/31/2020		
	Principal	Interest/ fine	Total	Principal	Interest/ fine	Total
Current liabilities	26,659	8,452	35,111	28,228	8,640	36,868
ICMS	21,451	7,795	29,246	22,735	8,451	31,186
Others	5,208	657	5,865	5,493	189	5,682
Noncurrent liabilities	82,143	22,199	104,342	90,927	39,646	130,573
ICMS	72,912	21,026	93,938	77,505	39,172	116,677
Others	9,231	1,173	10,404	13,422	474	13,896
	<u>108,802</u>	<u>30,651</u>	<u>139,453</u>	<u>119,155</u>	<u>48,286</u>	<u>167,441</u>
	Consolidated					
	09/30/2021			12/31/2020		
	Principal	Interest/ fine	Total	Principal	Interest/ fine	Total
Current liabilities	28,246	8,890	37,136	30,158	8,750	38,908
ICMS	22,316	7,922	30,238	23,651	8,556	32,207
Others	5,930	968	6,898	6,507	194	6,701
Noncurrent liabilities	86,065	23,101	109,166	96,828	39,955	136,783
ICMS	75,256	21,284	96,540	80,506	39,451	119,957
Others	10,809	1,817	12,626	16,322	504	16,826
	<u>114,311</u>	<u>31,991</u>	<u>146,302</u>	<u>126,986</u>	<u>48,705</u>	<u>175,691</u>

16. Taxes payable

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
ICMS	10,204	15,476	10,285	15,650
PIS and COFINS	1,707	789	1,765	822
Tax on Services (ISS)	556	564	563	570
Others	281	519	298	523
	<u>12,748</u>	<u>17,348</u>	<u>12,911</u>	<u>17,565</u>

17. Other accounts payable

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current liabilities				
Advances from customers	855	1,869	855	1,869
Credit purchase agreement - ICMS	4,800	4,800	4,800	4,800
Provision - electricity	4,773	5,375	4,773	5,375
Others	2,214	462	2,238	485
	<u>12,642</u>	<u>12,506</u>	<u>12,666</u>	<u>12,529</u>

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	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Noncurrent liabilities				
Credit purchase agreement - ICMS	5,824	5,824	5,824	5,824
	<u>5,824</u>	<u>5,824</u>	<u>5,824</u>	<u>5,824</u>

18. Provision for investments

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Noncurrent liabilities				
Investment - Tupi Rio Transportes	4,434	3,084	-	-
	<u>4,434</u>	<u>3,084</u>	<u>-</u>	<u>-</u>

19. Equity

a) Capital stock

As at September 30, 2021, 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.

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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 periods ended September 30, 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:

	09/30/2021			09/30/2020		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Income/loss for the year	(54,581)	(54,576)	(109,157)	(562,809)	(562,762)	(1,125,571)
Weighted average shares (in thousands of shares)	11,793	11,792	23,585	11,793	11,792	23,585
Basic and diluted income/losses per share	(4.6282)	(4.6282)		(47.7240)	(47.7240)	

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20. Income and Social Contribution taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent company							
	Income Tax				Social Contribution Tax			
	3rd quarter 2021- Quarterly taxable income	2nd quarter 2021- Quarterly taxable income	1st quarter 2021- Quarterly taxable income	09/30/2020 - Annual taxable income	3rd quarter 2021 - Quarterly taxable income	2nd quarter 2021- Quarterly taxable income	1st quarter 2021- Quarterly taxable income	09/30/2020 - Annual taxable income
Income/loss before taxes	(200,276)	410,745	(297,612)	(1,118,429)	(200,276)	410,745	(297,612)	(1,118,429)
ADD-BACKS								
Equity in earnings (losses) of controlled companies	757	1,000	754	1,903	757	1,000	754	1,903
Realization of positive difference of sub-account - Assets	27	27	26	80	27	27	26	80
Amortization, cost of loan raising	-	-	-	82	-	-	-	82
Exchange rate gains (losses) on loans	260,201	-	274,933	549,906	260,201	-	274,933	549,906
Interest on loans	2,551	1,955	1,259	-	2,551	1,955	1,259	-
Provision for contingencies	-	18,793	-	-	-	18,793	-	-
Other add-backs	1,214	1,147	1,252	4,037	1,214	1,147	1,252	4,037
DEDUCTIONS								
Depreciation - Corporate x Tax rate differences	8,152	8,129	8,097	24,580	8,152	8,129	8,097	24,580
Exchange rate gains (losses) on loans	-	413,690	-	-	-	413,690	-	-
Reversal of contingencies	18,745	-	-	-	18,745	-	-	-
Other deductions	83	80	79	221	83	80	79	221
Adjusted income/loss	37,493	11,768	(27,564)	(587,222)	37,493	11,768	(27,564)	(587,222)
Applicable rates	25%	25%	25%	25%	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	(5,834)	3,396	(1,457)	(5,251)	(2,100)	1,222	(524)	(1,891)
Income and Social Contribution taxes in income (loss)	(16,073)	1,352	(1,457)	(5,251)	(5,792)	481	(524)	(1,891)

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	Consolidated							
	Income Tax				Social Contribution Tax			
	3rd quarter 2021- Quarterly taxable income	2nd quarter 2021- Quarterly taxable income	1st quarter 2021- Quarterly taxable income	09/30/2020 - Annual taxable income	3rd quarter 2021 - Quarterly taxable income	2nd quarter 2021- Quarterly taxable income	1st quarter 2021- Quarterly taxable income	09/30/2020 - Annual taxable income
Income/(loss) before taxes	(200,189)	410,773	(297,602)	(1,118,379)	(200,189)	410,773	(297,602)	(1,118,379)
ADD-BACKS								
Income (loss) from controlled companies under deemed profit	-	476	17	-	-	476	17	-
Realization of positive difference of sub-account - Assets	27	27	26	80	27	27	26	80
Amortization, cost of loan raising	-	-	-	82	-	-	-	82
Exchange rate gains (losses) on loans	260,201	-	274,933	549,906	260,201	-	274,933	549,906
Interest on loans	2,551	1,955	1,259	-	2,551	1,955	1,259	-
Provision for contingencies	-	18,793	-	-	-	18,793	-	-
Other add-backs	1,214	1,147	1,252	4,037	1,214	1,147	1,252	4,037
DEDUCTIONS								
Income (loss) from controlled companies under deemed profit	67	-	-	133	67	-	-	133
Depreciation - Corporate x Tax rate differences	8,152	8,129	8,097	24,580	8,152	8,129	8,097	24,580
Exchange rate gains (losses) on loans	-	413,690	-	-	-	413,690	-	-
Reversal of contingencies	18,745	-	-	-	18,745	-	-	-
Other deductions	83	80	79	221	83	80	79	221
Adjusted income/(loss)	36,756	11,272	(28,291)	(589,208)	36,756	11,272	(28,291)	(589,208)
Applicable rates	25%	25%	25%	25%	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	-	-	-	-	-	-	-	-
IRPJ and CSLL - Deemed profit	(61)	(18)	(6)	(31)	(26)	(10)	(4)	(19)
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(5,834)	3,395	(1,457)	(5,251)	(2,100)	1,223	(524)	(1,891)
Income and Social Contribution taxes in income (loss)	(16,134)	1,333	(1,463)	(5,282)	(5,818)	472	(528)	(1,910)

b) Breakdown of deferred Income and Social Contribution Taxes

	Parent company and consolidated	
	09/30/2021	12/31/2020
Income and Social Contribution tax losses	130,261	135,285
Provisions for contingencies	1,315	1,315
Taxed transactions on a cash basis - (exchange rate/interest)	214,746	212,786
Deferred IRPJ and CSLL tax assets	346,322	349,386
Deferred IRPJ and CSLL on temporary differences	(75,928)	(68,670)
Tax amortization of goodwill	(31,812)	(31,812)
Deferred IRPJ and CSLL tax liabilities	(107,740)	(100,482)
	238,582	248,904

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Deferred Income and Social Contribution 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.

21. 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 September 30, 2021, the Company maintains a provision for contingencies arising from labor and tax claims whose likelihood of loss is probable, in the amount of R\$ 3,868 (R\$ 3,868 as at December 31, 2020).

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Initial balance	1,610	1,610	1,610	1,610
New ones	2,385	2,385	2,385	2,385
Adjustment	291	291	291	291
Concluded ones	(418)	(418)	(418)	(418)
Final balance	<u>3,868</u>	<u>3,868</u>	<u>3,868</u>	<u>3,868</u>

As at September 30, 2021, the Company has court deposits in the amount of R\$ 12,686 (R\$ 15,663 as at December 31, 2020).

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Additionally, 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.

As at September 30, 2021, such contingencies amounted to R\$ 121,288 (R\$ 139,953 as at December 31, 2020), as follows:

Nature	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Tax contingencies	45,697	64,362	104,742	123,407
Labor contingencies	12,381	12,381	13,190	13,190
Civil contingencies	3,356	3,356	3,356	3,356
	<u>61,434</u>	<u>80,099</u>	<u>121,288</u>	<u>139,953</u>

22. Net operating revenue

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Gross sales				
Sales of goods	507,779	357,199	507,928	357,655
Deductions from sales	(127,316)	(89,269)	(130,700)	(93,331)
Sales returns	(713)	(565)	(713)	(565)
ICMS on sales	(87,467)	(60,677)	(88,395)	(62,227)
PIS and COFINS on sales	(38,985)	(27,666)	(41,361)	(30,117)
Others	(151)	(361)	(231)	(422)
Net operating revenues	<u>380,463</u>	<u>267,930</u>	<u>377,228</u>	<u>264,324</u>

23. General and administrative expenses

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Administrative personnel expenses	(14,146)	(12,482)	(14,291)	(12,573)
Lawyers' fees*	(7,626)	(3,189)	(8,312)	(3,206)
Lease of properties/vehicles/equipment	(234)	(220)	(271)	(232)
Travel expenses	(156)	(158)	(171)	(172)
Third-party/consulting services	(3,293)	(2,845)	(3,684)	(3,130)
Others	(2,125)	(1,700)	(2,481)	(2,037)
	<u>(27,580)</u>	<u>(20,594)</u>	<u>(29,210)</u>	<u>(21,350)</u>

* The increase in the amount for lawyers' fees is mostly due to the Company's court-ordered reorganization process

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	09/30/2021	09/30/2020	09/30/2021	09/30/2020
Provision for contingencies	(6,488)	-	(6,488)	-
PIS/COFINS credit	3,269	-	3,269	-
Write-off of fixed assets/investments	(1,395)	(4,460)	(1,210)	(4,408)
Write-off of liabilities	-	-	-	-
ICMS on shipments	(1,575)	-	(1,575)	-
ICMS installment payment	-	-	-	-
Others	(681)	(836)	(639)	(770)
	<u>(6,870)</u>	<u>(5,296)</u>	<u>(6,643)</u>	<u>(5,178)</u>

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The Company's segment information is as follows:

	09/30/2021				
	Cement	Real estate management and development	Other	Eliminations	Consolidated Total
Net revenue	380,463	25	22,597	(25,857)	377,228
Gross income (loss)	108,924	25	(1,260)	-	107,689
Depreciation and amortization	(15,297)	-	(645)	-	(15,942)
Operating income (loss)	66,803	(778)	(1,860)	-	64,165
Financial revenues (expenses)	(151,436)	391	(139)	-	(151,184)
Equity in earnings (losses) of controlled companies	(2,511)	-	-	2,511	-
Income (loss) before taxes	(87,144)	(387)	(1,999)	2,511	(87,019)
Income and Social Contribution Taxes	(22,013)	(125)	-	-	(22,138)
Minority interest	-	-	-	-	-
Net income (loss)	(109,157)	(512)	(1,999)	2,511	(109,157)
Current assets	129,480	74,500	2,748	(640)	206,088
Noncurrent assets	1,227,041	15,584	49,923	(153,947)	1,138,601
Current liabilities	3,519,621	38,372	4,860	(55,504)	3,507,349
Noncurrent liabilities	326,241	242	4,582	(4,434)	326,631

	09/30/2020				
	Cement	Real estate management and development	Other	Eliminations	Consolidated Total
Net revenue	267,930	236	22,548	(26,390)	264,324
Gross income (loss)	45,486	232	(101)	-	45,617
Depreciation and amortization	(14,942)	-	(371)	-	(15,313)
Operating income (loss)	11,684	184	(691)	-	11,177
Financial revenues (expenses)	(1,128,210)	(1)	(1,345)	-	(1,129,556)
Equity in earnings (losses) of controlled companies	(1,903)	-	-	1,903	-
Income (loss) before taxes	(1,118,429)	183	(2,036)	1,903	(1,118,379)
Income and Social Contribution Taxes	(7,142)	(50)	-	-	(7,192)
Minority interest	-	-	-	-	-
Net income (loss)	(1,125,571)	133	(2,036)	1,903	(1,125,571)
Current assets	85,323	30,441	7,171	(1,342)	121,593
Noncurrent assets	863,791	15,072	49,006	(107,931)	819,938
Current liabilities	2,493,949	7,182	5,836	(24,961)	2,482,006
Noncurrent liabilities	1,212,841	385	6,404	(2,479)	1,217,151

27. Financial instruments and risk management

27.1. 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.

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- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations approximate their respective book value mostly due to maturity in short term of these instruments.
- 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:

Financial assets	Parent company					
	09/30/2021			12/31/2020		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	873	-	873	2,234	-	2,234
Trade accounts receivable	31,817	-	31,817	19,540	-	19,540
Notes receivable and receivables from third parties	4,799	-	4,799	7,481	-	7,481
Related-party transactions	39,272	-	39,272	10,711	-	10,711
	<u>76,761</u>	<u>-</u>	<u>76,761</u>	<u>39,966</u>	<u>-</u>	<u>39,966</u>

Financial assets	Consolidated					
	09/30/2021			12/31/2020		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	37,693	-	37,693	19,071	-	19,071
Trade accounts receivable	31,817	-	31,817	19,540	-	19,540
Notes receivable and receivables from third parties	8,397	-	8,397	11,029	-	11,029
	<u>77,907</u>	<u>-</u>	<u>77,907</u>	<u>49,640</u>	<u>-</u>	<u>49,640</u>

27.2. 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:

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Financial liabilities	Parent company	
	09/30/2021	12/31/2020
Trade accounts payable	33,600	17,560
Loans and financing	3,583,874	3,433,524
Related-party transactions	15,593	15,593
	<u>3,633,067</u>	<u>3,466,677</u>

Financial liabilities	Consolidated	
	09/30/2021	12/31/2020
Trade accounts payable	34,234	24,472
Loans and financing	3,583,874	3,433,524
	<u>3,618,108</u>	<u>3,457,996</u>

27.3. 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.

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%.

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Foreign currency loans	Amount in Brazilian Reais	Sensitivity analysis	
		(Scenario I) future value I	(Scenario II) future value II
Notes	1,882,657	2,353,321	2,823,985
Sinosure	109,865	137,331	164,797
Tupacta	1,243,836	1,554,795	2,015,754
Cemrock	915	1,144	1,372

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 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.

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.

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	Parent company			Total
	Up to one year	One to three years	More than three years	
Loans and financing	3,376,101	150,047	57,726	3,583,874
Trade accounts payable	33,600	-	-	33,600
Advances from customers	855	-	-	855
Other financial liabilities	109,065	118,293	175	227,533
Balances as at September 30, 2021	<u>3,519,621</u>	<u>268,340</u>	<u>57,901</u>	<u>3,845,862</u>
	Consolidated			
	Up to one year	One to three years	More than three years	Total
Loans and financing	3,376,101	150,047	57,726	3,583,874
Trade accounts payable	34,234	-	-	34,234
Advances from customers	855	-	-	855
Other financial liabilities	96,159	118,339	519	215,017
Balances as at September 30, 2021	<u>3,507,349</u>	<u>268,386</u>	<u>58,245</u>	<u>3,833,980</u>

28. 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.

29. Subsequent events

There are no subsequent events to be disclosed between the period ended September 30, 2021, and the disclosure of the interim financial information that have, or may have, material effect over the financial situation and future results of the Company.