

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

MANAGEMENT REPORT - DECEMBER 31, 2021

DEAR SHAREHOLDERS:

Cimento Tupi S.A. - Under Court-Ordered Reorganization ("Company"), in compliance with the statutory and legal requirements, submits to you the Management Report and the Financial Statements for the year ended December 31, 2021.

1 - DESCRIPTION OF THE BUSINESS

The Company is engaged in manufacturing cement and mortars of all types in its manufacturing plants located in Volta Redonda - RJ, Pedra do Sino - MG and Mogi das Cruzes - SP, digging in reserves to obtain minerals, using cement byproducts, rendering concreting services, and holding interest in other companies.

2 - CEMENT MARKET

Due to the slowdown in civil construction as a result of the Brazilian economic crisis, in the period between 2014 and 2017, there has been a reduction in the demand for cement and a consequent reduction in the average price of the product. In 2018, there was an improvement in the average sales prices, which continued in 2019. In 2020, during the Covid-19 pandemic, do-it-yourself construction and residential and business renovations enabled the recovery of the cement market. 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.

3 - CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE OF THE COMPANY

Operating revenue

The Company's net revenue was R\$ 491,573 thousand in 2021, compared to R\$ 385,069 thousand in 2020, representing an increase of 27.66%.

Gross profit and Ebitda

In 2021, the consolidated gross income of the Company amounted to R\$ 142,169 thousand, in comparison with R\$ 87,008 thousand in 2020. Ebitda amounted to R\$ 118,776 thousand in 2021 and R\$ 70,750 in 2020.

	R\$ (Million)	2021	2020
Gross Profit		142	87
Selling expenses		(11)	(11)
General and administrative expenses		(47)	(30)
Other Operating Revenues (Expenses)		(6)	90
Operating Income		78	136
Depreciation, Amortization and Depletion		21	20
Nonrecurring Expenses (Revenues)		19	(86)
EBITDA		118	70

* Before financial revenues and expenses

Income (loss) for the year

Although the Company has presented Operating Income in 2021, in the amount of R\$ 78,076 thousand, due to the increase in financial expenses, mainly with exchange rate fluctuations on loans, the Company ended 2021 with losses amounting to R\$ 127,856 thousand.

4 - INVESTMENTS

In 2021, the Company had investment expenses amounting to R\$ 28,532 thousand, of which R\$ 22,734 was on the production line, with acquisition and maintenance of equipment, and R\$ 5,798 in other areas.

5 - GENERAL AND ADMINISTRATIVE EXPENSES

The increase in the amount of General and Administrative Expenses incurred by the Company between 2021 and 2020 was largely due to personnel and legal expenses.

6 - RELATION WITH EXTERNAL AUDIT

In compliance with CVM Instruction No. 381/2003, the Company informs that the audit company BDO RCS Auditores Independentes SS only rendered services related to the external audit in 2021.

7 - COURT-ORDERED REORGANIZATION

On 01/21/2021, the Company filed a request for court-ordered reorganization in view of the need to renegotiate its obligations with creditors and preserve its activities, which was judged favorably on 01/22/2021.

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 has been making 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 and, if the Company's Court-Ordered Reorganization Plan, approved and homologated by the Brazilian Court on 02/04/2022, is 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.

Management