

## **Cimento Tupi S.A. –Under Court-Ordered Reorganization**

### **Interim financial information**

**For the periods ended September 30, 2022 and 2021 (in thousands of Brazilian Reais)**

**The Company presents next the result of its operational performance.**

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#### **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 Information for the period ended September 30, 2022.

### **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 from 2014 to 2017, there has been a reduction in the demand for cement and a consequent reduction in the average price of the product. In 2018, an increase in the average price of sales was observed, which was maintained 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. In the first nine months of 2022, there was a reduction in relation to the same period of 2021, due to the rise of production costs in the cement industry, in addition to an increase in inflation and interest rates.

### **3 - CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE OF THE COMPANY**

#### **Operating revenue**

The Company's net revenue in the period from January to September 2022 was R\$ 454,367 thousand, compared to R\$ 377,228 thousand in the same period of 2021, representing an increase of 20.45%.

#### **Gross profit and Ebitda**

The Company's consolidated gross profit in the period from January to September 2022 was R\$ 129,374 thousand, compared to R\$ 107,689 thousand in the same period of 2021. Ebitda of the first nine months of 2022 was R\$ 101,445 thousand compared to R\$ 95,314 in the same period of 2021.

	<b>Jan to Sep 2022</b>	<b>Jan to Sep 2021</b>
Gross profit	129,374	107,689
Selling expenses	(8,599)	(7,671)
General and administrative expenses	(68,212)	(29,210)
Other operating revenues (expenses)	414	(6,643)
<b>Operating income</b>	<b>52,977</b>	<b>64,165</b>
Depreciation, Amortization and Depletion	17,131	15,942
Nonrecurring Expenses (Revenues)	31,337	15,207
<b>EBITDA</b>	<b>101,445</b>	<b>95,314</b>

\* Before financial revenues and expenses

### General and administrative expenses

In the period from January to September 2022, the Company reported expenses in the amount of R\$ 68,212 in comparison with R\$ 29,210 in the same period of 2021, mostly arising from personnel and legal expenses related to the court-ordered reorganization process.

### Financial liabilities

The Company reported net debt of R\$2,277,838 in the period from January to September 2022 and of R\$ 3,546,181 in the same period of 2021. With the ratification of the Court-Ordered Reorganization Plan (PRJ), the Company began the payments as established in the aforementioned PRJ. As certain creditors chose payment options included in the PRJ that established haircuts, until September 2022, the amount of R\$ 1,074,183 was recorded as debt forgiveness, reducing liabilities by that amount.

	<b>Jan to Sep 2022</b>	<b>Jan to Sep 2021</b>
<b>Short term</b>		
Bank Indebtedness		
Domestic currency	128,348	139,743
Foreign currency	43,473	3,236,358
<b>Total</b>	<b>171,821</b>	<b>3,376,101</b>
<b>Long term</b>		
Bank Indebtedness		
Domestic currency	232,796	206,858
Foreign currency	1,943,960	915
<b>Total</b>	<b>2,176,756</b>	<b>207,773</b>
<b>Total debt</b>		
Domestic currency	361,144	346,601
Foreign currency	1,987,433	3,237,273
<b>Total</b>	<b>2,348,577</b>	<b>3,583,874</b>
<b>Cash and cash equivalents</b>	<b>70,739</b>	<b>37,693</b>
<b>Net debt</b>	<b>2,277,838</b>	<b>3,546,181</b>

## 4 - COURT-ORDERED REORGANIZATION

On January 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.

The Court-Ordered Reorganization Plan presented by the Company at the General Creditor's Meeting of October 14, 2021, was approved by the majority of the creditors, and ratified by the Judge of the Court-Ordered Reorganization on February 04, 2022. Since the Company's notification on the ratification of the PRJ on February 22, 2022, the Company has been making payments to creditors, as established in the mentioned Plan.

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 approved by the Brazilian Court on February 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.

On July 25, 2022, the Judge of the 13th Civil Division of the Court of Justice of the State of Rio de Janeiro, justice of the Appeal filed by certain foreign Funds, holders of notes against the decision to ratify the Court-Ordered Reorganization Plan, granted the stay of execution formulated in the appeal, through a monocratic decision.

On August 15, 2022, the Reporting Judge revoked the decision on the stay of execution, therefore reestablishing, for all effects, the court decision that approved the Court-ordered Reorganization Plan, allowing the Company to resume the fulfilment of the Plan's requirements as approved by most of the creditors. To date, the appeal has not yet been judged.

On October 14, 2022, the Company received correspondence sent by Megeve Capital LLC, assignee of post-petition credits originally held by Banco de Desenvolvimento de Minas Gerais (BDMG), in which they stated that the Company's debt to the referred creditor is considered overdue in advance, based exclusively on its request for Court-Ordered Reorganization. The Company promptly responded to the creditor regarding such unfounded allegation, since the court-ordered reorganization was requested in January 2021, long before Megeve acquired said credits, and BDMG has never used such event as an attempt to collect the debt in advance. Additionally, the Company has been regularly and timely complying with the obligations of the contract, including in relation to the monthly installment payments as of November 2021, with no remark or opposition from Megeve.

## **Management**