

(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, 2023

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

Individual and consolidated interim financial information
As at September 30, 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the
Shareholders, Board Members and Management 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"), identified as parent company and consolidated, respectively, for the quarter ended September 30, 2023, which comprises the individual and consolidated interim statement of financial position as at September 30, 2023, and the respective individual and consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, as well as the corresponding notes.

The Company's Management is responsible for the preparation of the 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 the individual and consolidated interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international 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). 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.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and IAS 34, applicable to Quarterly Information.

Emphasis

Approval of Court-Ordered Reorganization Plan (PRJ) and going concern

We draw attention to Notes 1.1. and 28 to the individual and consolidated financial information, that on February 08, 2024, the Company entered into an agreement to support its restructuring with a group of creditors representing approximately 80% of the Company's total credits. In view of that, on February 23, 2024, the Company under Reorganization presented a New Court-Ordered Reorganization Plan ("New Plan"), for approval of its creditors who have not yet been paid by the previous plan.



On May 03, 2024, the Company requested the 3rd Business Court the ratification of its New Plan approved by obtaining sufficient number of creditors' Terms of Adhesion for such approval, without the need to hold a Creditors' Meeting, as provided for in Articles 45, 45-A and 58 of the LRF. The publication in the Electronic Court Register (DJE) of the approval decision for the New Plan occurred on July 03, 2024, enabling the Company to pay its creditors again, as established in the New Plan. With the protocol of the New Plan, all effects of the previous PRJ cease to have effect and acts performed during its term are cancelled, except payments made to creditors under this plan that are expressly authorized, validated and ratified for all legal purposes by the New Plan. With the approval of the New Court-ordered Reorganization Plan in Brazil, on September 10, 2024, the Motion Enforcing the Brazilian Reorganization Plan was filed in the New York Court. The Motion Enforcing the Brazilian Reorganization Plan recognizing, the court-ordered reorganization plan approved in Brazil, was issued by the New York Court, in the United States, on November 07, 2024.

Additionally, in the nine-month period ended September 30, 2023, the Company reported accumulated losses of R\$ 2,032,013 thousand and individual and consolidated current liabilities exceeded individual and consolidated current assets by R\$ 3,353,933 thousand and R\$ 3,223,331 thousand, respectively, and presented deficit in equity of R\$ 1,721,519 thousand. The Company's individual and consolidated interim financial information was prepared assuming the Company will continue as a going concern, which considers the success in implementing the Court-Ordered Reorganization Plan. These events or conditions indicate that there are significant uncertainties that may cast doubt on the going concern of the Company and its controlled companies. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of Value Added

The accompanying individual and consolidated interim financial information includes the statements of value added for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34. These individual and consolidated statements were submitted to the same review procedures followed for the review of the individual and consolidated interim financial information, for the purpose of concluding on whether they are reconciled with the individual and consolidated interim financial information and accounting records, as applicable, and if their form and contents meet the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". Based on our review, we are not aware of any fact that would lead us to believe that these individual and consolidated statements of value added were not prepared, in all material respects, in accordance with the criteria established in this Technical Pronouncement and consistently with the individual and consolidated interim financial information taken as a whole.

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

Rio de Janeiro, December 13, 2024.



BDO RCS Auditores Independentes SS Ltda.
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, 2023, and December 31, 2022
(In thousands of Brazilian Reais)

Assets	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current				
Cash and cash equivalents (Note 4)	804	2,012	68,478	56,446
Accounts receivable (Note 5)	32,446	25,609	32,446	25,655
Inventories (Note 6)	65,303	70,472	104,097	108,419
Taxes to offset (Note 7)	64,300	44,857	64,509	45,248
Notes receivable (Note 8)	2,837	-	6,181	3,127
Advances to suppliers	2,251	2,788	11,458	8,011
Other current assets	3,874	2,884	4,272	3,360
	<u>171,815</u>	<u>148,622</u>	<u>291,441</u>	<u>250,266</u>
Noncurrent				
Notes receivable (Note 8)	-	4,045	-	4,045
Receivables from third parties	1,948	1,948	1,948	1,948
Related-party transactions (Note 13)	68,380	46,430	-	-
Taxes to offset (Note 7)	60,865	91,089	60,865	91,089
Deferred Income and Social Contribution Taxes (Note 19)	757,219	794,311	757,219	794,311
Court deposits (Note 20)	15,550	14,823	16,244	15,528
Investments				
Controlled companies (Note 9)	121,596	119,427	-	-
Other investments	-	-	249	249
Fixed assets (Note 10)	557,604	567,404	591,131	595,474
Intangible assets (Note 11)	129,028	129,075	153,269	153,127
	<u>1,712,190</u>	<u>1,768,552</u>	<u>1,580,925</u>	<u>1,655,771</u>
Total assets	<u>1,884,005</u>	<u>1,917,174</u>	<u>1,872,366</u>	<u>1,906,037</u>

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, 2023, and December 31, 2022 (In thousands of Brazilian Reais)

Liabilities and equity	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current				
Loans and financing (Note 12)	3,377,726	3,471,155	3,377,726	3,471,155
Trade accounts payable	38,412	38,111	39,662	38,888
Payroll and social charges	13,362	12,155	14,046	12,677
Income and Social Contribution Taxes payable	1,410	1,525	1,684	1,733
Related-party transactions (Note 13)	15,592	15,592	-	-
Taxes and contributions in installments (Note 14)	57,789	49,669	59,887	51,848
Taxes payable (Note 15)	14,558	11,089	14,773	11,327
Other accounts payable (Note 16)	6,899	10,256	6,994	10,727
	<u>3,525,748</u>	<u>3,609,552</u>	<u>3,514,772</u>	<u>3,598,355</u>
Noncurrent				
Taxes and contributions in installments (Note 14)	73,909	91,051	75,217	93,710
Provision for contingencies (Note 20)	3,847	3,847	3,847	3,847
Provision for loss on investments (Note 17)	2,020	2,648	-	-
	<u>79,776</u>	<u>97,546</u>	<u>79,064</u>	<u>97,557</u>
Equity (Note 18)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(2,032,013)	(2,100,418)	(2,032,013)	(2,100,418)
Total equity attributable to controlling shareholders	<u>(1,721,519)</u>	<u>(1,789,924)</u>	<u>(1,721,519)</u>	<u>(1,789,924)</u>
Noncontrolling interest	-	-	49	49
	<u>(1,721,519)</u>	<u>(1,789,924)</u>	<u>(1,721,470)</u>	<u>(1,789,875)</u>
Total liabilities and equity	<u>1,884,005</u>	<u>1,917,174</u>	<u>1,872,366</u>	<u>1,906,037</u>

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 income

For the periods ended September 30, 2023 and 2022

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

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net operating revenue (Note 21)	381,873	458,283	378,483	454,367
Cost of goods sold	(304,758)	(331,064)	(300,301)	(324,993)
Gross profit	77,115	127,219	78,182	129,374
Operating expenses				
Selling expenses	(9,946)	(8,599)	(9,946)	(8,599)
General and administrative expenses (Note 22)	(39,224)	(67,106)	(40,498)	(68,212)
Other operating revenues (expenses), net (Note 23)	1,338	(1,518)	2,131	414
	(47,832)	(77,223)	(48,313)	(76,397)
Operating income before equity in earnings (losses) of controlled companies and financial income	29,283	49,996	29,869	52,977
Equity in earnings (losses) of controlled companies (Note 9)	2,798	5,390	-	-
Financial income (Note 24)				
Financial expenses	(58,626)	(46,008)	(59,128)	(46,739)
Financial revenues	131,902	111,320	136,218	116,030
	73,276	65,312	77,090	69,291
Income before Income and Social Contribution taxes	105,357	120,698	106,959	122,268
Income and social contribution taxes (Note 19)	(36,952)	(46,742)	(38,554)	(48,312)
Noncontrolling interest	-	-	-	-
Net income for the period	<u>68,405</u>	<u>73,956</u>	<u>68,405</u>	<u>73,956</u>
Net income attributed to				
Controlling shareholder	68,405	73,956	68,405	73,956
Noncontrolling shareholder	-	-	-	-
Basic and diluted net earnings per share (Note 18)				
Preferred shares	3.0384	3.2850	-	-
Common shares	2.7622	2.9864	-	-

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

For the periods ended September 30, 2023 and 2022

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net income for the period	68,405	73,956	68,405	73,956
Other comprehensive income	-	-	-	-
Total comprehensive income, net of taxes	<u>68,405</u>	<u>73,956</u>	<u>68,405</u>	<u>73,956</u>
Attributable to				
Controlling shareholder	68,405	73,956	68,405	73,956
Noncontrolling shareholder	-	-	-	-

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

For the periods ended September 30, 2023 and 2022

(In thousands of Brazilian Reais)

	Capital Stock	Capital reserve Goodwill from subscription of shares	Accumulated losses	Total	Noncontrolling interest	Total
Balances as at December 31, 2021	298,809	11,685	(2,818,534)	(2,508,040)	49	(2,507,991)
Net income for the period	-	-	73,956	73,956	-	73,956
Balances as at September 30, 2022	298,809	11,685	(2,744,578)	(2,434,084)	49	(2,434,035)
Balances as at December 31, 2022	298,809	11,685	(2,100,418)	(1,789,924)	49	(1,789,875)
Net income for the period	-	-	68,405	68,405	-	68,405
Balances as at September 30, 2023	298,809	11,685	(2,032,013)	(1,721,519)	49	(1,721,470)

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, 2023 and 2022

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flows from operating activities				
Income for the period before Income and Social Contribution taxes	105,357	120,698	106,959	122,268
Adjustments for				
Depreciation/amortization	16,961	16,187	17,836	17,131
Fixed assets written-off	190	229	190	106
Equity in earnings (losses) of controlled companies	(2,798)	(5,390)	-	-
Contingencies	114	210	114	210
Exchange rate gains (losses) on loans abroad	(124,608)	(102,977)	(124,608)	(102,977)
Discount to present value	(292)	(266)	(292)	(266)
Fines and interest on assets	(6,094)	(7,177)	(6,101)	(7,316)
Fines and interest on liabilities	55,381	35,963	55,696	36,422
Allowance for doubtful accounts	269	193	269	193
Other asset/liability write-offs	-	-	-	(1,021)
	<u>44,480</u>	<u>57,670</u>	<u>50,063</u>	<u>64,750</u>
(Increase)/decrease in asset accounts				
Accounts receivable	(7,106)	(15,492)	(7,060)	(15,546)
Notes receivable	1,500	1,243	1,283	2,840
Recoverable taxes	(81,436)	(100,285)	(85,139)	(104,302)
Inventories	5,169	5,166	4,322	4,081
Advances to suppliers	536	3,316	(3,448)	2,489
Court deposits	(727)	(906)	(718)	(906)
Other assets	(2,071)	(585)	(899)	668
Increase/(decrease) in liability accounts				
Trade accounts payable	4,514	(10,304)	4,989	(9,768)
Tax liabilities	75,480	140,468	76,065	141,170
Payroll and social charges	1,207	2,358	1,369	2,596
Paid interest on loans	(268)	(196)	(268)	(196)
Other liabilities	(3,245)	(10,513)	(3,621)	(10,517)
Net cash from operating activities	<u>38,033</u>	<u>71,940</u>	<u>36,938</u>	<u>77,359</u>
Cash flows from investing activities				
Acquisition of fixed assets	(15,606)	(22,870)	(21,939)	(24,431)
Disposal of fixed assets	1,187	-	1,187	-
Acquisition of intangible assets	(29)	(83)	(218)	(1,328)
Indemnity of loss	1,492	-	1,492	-
Net cash from investing activities	<u>(12,956)</u>	<u>(22,953)</u>	<u>(19,478)</u>	<u>(25,759)</u>
Cash flows from financing activities				
Advance for future increase in capital - (Payment) Receipt from related parties	(20,857)	(43,370)	-	-
Paid loans and financing	(5,428)	(7,521)	(5,428)	(7,521)
Net cash from financing activities	<u>(26,285)</u>	<u>(50,891)</u>	<u>(5,428)</u>	<u>(7,521)</u>
Increase / (Decrease) in cash and cash equivalents, net	<u>(1,208)</u>	<u>(1,904)</u>	<u>12,032</u>	<u>44,079</u>
Cash and cash equivalents at beginning of period	2,012	3,116	56,446	26,660
Cash and cash equivalents at end of period	804	1,212	68,478	70,739

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, 2023 and 2022

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues				
Gross operating revenue	510,976	611,862	511,276	612,690
Sales returns	(1,119)	(1,277)	(1,119)	(1,277)
Allowance for doubtful accounts	(269)	(193)	(269)	(193)
Other operating revenues (expenses), net	533	(11)	1,323	206
	<u>510,121</u>	<u>610,381</u>	<u>511,211</u>	<u>611,426</u>
Inputs acquired from third parties				
Cost of goods sold	(244,993)	(265,401)	(236,049)	(255,200)
Materials, energy, third-party services and others	(106,723)	(131,684)	(107,429)	(130,713)
Gross value added	<u>158,405</u>	<u>213,296</u>	<u>167,733</u>	<u>225,513</u>
Withholdings				
Depreciation and amortization	(16,961)	(16,187)	(17,836)	(17,131)
Net value added generated	<u>141,444</u>	<u>197,109</u>	<u>149,897</u>	<u>208,382</u>
Value added received through transfer				
Equity in earnings (losses) of controlled companies	2,798	5,390	-	-
Financial revenues	131,902	111,320	136,218	116,030
Deferred Income and Social Contribution Taxes	(35,453)	(41,185)	(35,453)	(41,185)
Total value added to be distributed	<u>240,691</u>	<u>272,634</u>	<u>250,662</u>	<u>283,227</u>
Controlling shareholders	240,691	272,634	250,662	283,227
Noncontrolling shareholders	-	-	-	-
Value added distribution				
Personnel and charges	47,726	52,192	51,180	55,164
Taxes, fees and contributions	63,082	97,626	69,131	104,675
Interest and rent	61,478	48,860	61,946	49,432
Net income for the period	<u>68,405</u>	<u>73,956</u>	<u>68,405</u>	<u>73,956</u>
Value added distributed	<u>240,691</u>	<u>272,634</u>	<u>250,662</u>	<u>283,227</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 information
For the period ended September 30, 2023
(In thousands of Brazilian Reais, unless otherwise stated)

1. Operations

Cimento Tupi S.A. - Under Court-Ordered Reorganization ("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 marked economic slowdown in the country, which had a significant impact on the cement sector between 2014 and 2019, the average price of cement increased in 2020 and remained unchanged throughout 2021 and 2022.

According to the preliminary results of the National Cement Industry Union (SNIC), in the first nine months of the year, there was a reduction of 2% in cement sales compared to the same period of 2022, with the notable factors that contributed to the slowdown in cement consumption being high interest rates making access to credit difficult and household debt and default.

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

Management considers the assumption that the Company will continue as a going concern, based on operating and financial projections contained in an economic feasibility report prepared by a specialized company that was attached to the New Court-Ordered Reorganization Plan ("New Plan") filed on February 23, 2024, and approved by its petition creditors not settled by the previous plan, which indicate that the Company will generate sufficient funds to continue operating and meeting its duties for the foreseeable future. These projections (Statements of financial position, income and cash flows) are based on Cimento Tupi's historical results and price and volume trends for the coming years, an analysis of the sector, and current market indicators, as well as the costs involved in operations, investments and payment of financial liabilities under the conditions provided for in the new Court-Ordered Reorganization Plan (PRJ), approved on July 03, 2024.

1.1. Court-Ordered Reorganization Plan

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

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

Notes to the individual and consolidated financial information
For the period ended September 30, 2023
(In thousands of Brazilian Reais, unless otherwise stated)

The Court-Ordered Reorganization Plan presented by the Company at the General Creditor's Meeting held on 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.

On April 19, 2023, the Court of Appeals of Rio de Janeiro issued a decision, by majority of votes, annulling the General Creditors' Meeting held on October 14, 2021, in which the Court-Ordered Reorganization Plan had been approved by the massive majority of its creditors, whose credits have been granted and validated by the trustee and judge in lower court.

By virtue of this decision, the Company was legally prevented from continuing to make payments to its creditors.

On February 08, 2024, the Company entered into an agreement to support its restructuring with a group of creditors that represent approximately 80% of the Company's total credits. In view of that, on February 23, 2024, the Company under Reorganization presented a New Court-Ordered Reorganization Plan ("New Plan"), for approval of its creditors who have not yet been paid by the previous plan, which was approved by obtaining sufficient number of creditors' Terms of Adhesion for such approval, without the need to hold a Creditors' Meeting, as provided for in Articles 45, 45-A and 58 of the Recovery and Bankruptcy Law (LRF). The publication in the Electronic Court Register (DJE) of the approval decision for the New Plan occurred on July 03, 2024, enabling the Company to pay its creditors again, as established in the New Plan. The publication of the decision approving the New Plan in the Official Gazette of the State of Rio de Janeiro occurred on July 03, 2024 so that the legal actions in Brazil filed against the Company by certain creditors group were ended.

It is worth noting that, with the approval of the New Plan, all effects of the previous PRJ ceased to have effect and acts performed during its term are cancelled, except payments made to creditors under this plan that are expressly authorized, validated and ratified for all legal purposes by the New 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, so that the conditions of the Reorganization Plan become mandatory and bind all holders of notes. The Motion Enforcing the Brazilian Reorganization Plan recognizing, in the United States, the reorganization plan approved in Brazil, was issued on November 07, 2024.

CIMENTO TUPI S.A. - UNDER COURT-ORDERED
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Notes to the individual and consolidated financial information
For the period ended September 30, 2023
(In thousands of Brazilian Reais, unless otherwise stated)

2. Basis of preparation and presentation of the individual and consolidated interim financial information

The Company's Management states that all relevant information on the interim financial information, and only such information, is being evidenced and corresponds to that used by it in its administration.

The interim financial information for the period ended September 30, 2023 was approved, authorized and completed by Management on November 13, 2024.

2.1. Statement of compliance

The Company's individual and consolidated interim financial information was prepared and is being presented according to Brazilian accounting practices, and in force at the date of issuance of the audit report, which comprises the provisions contained in the Brazilian Corporate Law and accounting procedures and standards issued by Committee of Accounting Pronouncements (CPC) and international accounting standards issued by the International Accounting Standards Board (IASB).

2.2. Basis of preparation

The individual and consolidated interim financial information was made using various accounting estimates, based on objective and subjective factors and on Management's judgment to determine the proper value to be recorded.

2.3. Functional and reporting currency

The interim financial information was prepared and is being presented in thousands of Brazilian Reais (R\$), which is the Company's functional currency.

2.4. Main accounting policies and use of estimates and judgment

In the preparation of the individual and consolidated interim financial information, the Company uses estimates and judgements based on available information, as well as adopts assumptions that impact the disclosed amounts of expenses, assets and liabilities, and the disclosures of contingent liabilities. Accounting estimates and judgments are continually reviewed based on historical experience and other factors, including expectations of future events considered reasonable in the circumstances.

Significant items subject to estimates include: determining the useful lives of intangible assets and their recoverability from operations, analyzing the client's credit standing, and assessing other risks to determine other provisions, including provisions for contingencies.

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

Notes to the individual and consolidated financial information
For the period ended September 30, 2023
(In thousands of Brazilian Reais, unless otherwise stated)

Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the interim financial information due to the inherent inaccuracy of the estimates. The Company reviews these estimates and assumptions at least quarterly.

In the preparation of the individual and consolidated interim financial information, accounting principles and practices consistent with those disclosed in the Company's individual and consolidated financial statements as at December 31, 2022 and approved on September 23, 2024 were adopted.

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

2.5. New accounting standards

No new standards and amendments not in force as at the quarter ended September 30, 2023 were identified that may affect the interim financial information for subsequent periods.

There are no other standards, amendments and interpretations of standards not yet in effect which the Company expects will significantly affect its quarterly information.

3. Consolidation

The interim financial information includes the financial statements of Cimento Tupi S.A. - Under Court-Ordered Reorganization and of the controlled companies listed below, in which the Company holds more than 20% of ownership interest.

	Ownership interest %			
	Capital stock		Voting capital	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
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
IMape 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

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The process of consolidation of accounts recorded in the statements of financial position and income corresponds to the sum of 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 assets and/or liability accounts held by the companies whose statements of financial position were included in consolidation.
- Balances of intercompany revenues and expenses.
- Effects of material intercompany transactions.

The financial information of the consolidated controlled companies was prepared for the same period as the Company's. Accounting practices were consistently applied by all consolidated companies.

4. Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and banks	(19)	1,274	(11)	1,303
Bank Certificates of Deposit (CDB)	823	738	44,003	45,204
Real Estate Receivables Certificates (CRI) and Bank Credit Note (CCB)	-	-	24,486	9,939
	<u>804</u>	<u>2,012</u>	<u>68,478</u>	<u>56,446</u>

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

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

5. Accounts receivable

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Notes receivable	38,813	31,682	38,813	31,728
Provision for expected losses	(6,367)	(6,073)	(6,367)	(6,073)
	<u>32,446</u>	<u>25,609</u>	<u>32,446</u>	<u>25,655</u>

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The changes in the allowance for doubtful accounts during the periods ended September 30, 2023 and December 31, 2022, are as follows:

Balances as at December 31, 2022	<u>(6,073)</u>
(+) Addition to the allowance for doubtful accounts	(294)
(-) Write-off for loss	-
Balances as at September 30, 2023	<u><u>(6,367)</u></u>
Balances as at December 31, 2021	<u>(10,392)</u>
(+) Addition to the allowance for doubtful accounts	(220)
(-) Write-off for loss	4,539
Balances as at December 31, 2022	<u><u>(6,073)</u></u>

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

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Falling due	30,312	23,935	30,312	23,981
Overdue for up to 90 days	1,461	1,590	1,461	1,590
Between 91 and 180 days overdue	673	84	673	84
More than 180 days overdue	6,367	6,073	6,367	6,073
	<u>38,813</u>	<u>31,682</u>	<u>38,813</u>	<u>31,728</u>

6. Inventories

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Finished goods	2,247	5,249	3,769	6,145
Work in process	1,416	3,651	1,416	3,651
Raw material - Slag	14,939	14,667	14,939	14,667
Raw material - Coke	1,875	4,426	1,875	4,426
Other raw materials	13,923	14,664	13,925	14,665
Materials for maintenance and consumption	27,776	28,619	27,812	28,632
Inventory in transit	3,127	(804)	3,127	(804)
Land for sale (i)	-	-	37,234	37,037
	<u>65,303</u>	<u>70,472</u>	<u>104,097</u>	<u>108,419</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.

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7. Taxes to offset

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current assets				
State VAT (ICMS)	725	1,072	727	1,074
Income Tax/Social Contribution Tax	541	116	748	501
Taxes on sales (PIS/COFINS)	61,743	43,140	61,743	43,144
Federal VAT (IPI)	594	529	594	529
Others	697	-	697	-
	<u>64,300</u>	<u>44,857</u>	<u>64,509</u>	<u>45,248</u>
Noncurrent assets				
ICMS	855	1,019	855	1,019
PIS/COFINS	60,010	90,070	60,010	90,070
	<u>60,865</u>	<u>91,089</u>	<u>60,865</u>	<u>91,089</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 September 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. On February 19, 2021, the Federal Revenue Service started the process of determining the total amount of this credit, which ended in March/2022, allowing the Company to offset such amount.

8. Notes receivable

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Ano Bom Incorp. e empreendimentos S.A. (i)	-	-	3,344	3,127
Agemar Empreendimentos e Participações Ltda. (ii)	2,940	4,440	2,940	4,440
Discount to present value	(103)	(395)	(103)	(395)
	<u>2,837</u>	<u>4,045</u>	<u>6,181</u>	<u>7,172</u>
Current assets	2,837	-	6,181	3,127
Noncurrent assets	-	4,045	-	4,045

- (i) 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;
- (ii) It refers to the balance receivable from the sale of the controlled company Suape Granéis do Nordeste Ltda.

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9. Investments in controlled companies

a) Statements of main controlled companies

	09/30/2023					12/31/2022						
	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.	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.
Ownership interest - %	99.99	99.99	99.90	99.99	100.00	99.99	99.99	99.99	99.99	99.99	100.00	99.99
Equity	48,467	(130)	49,744	1,935	(1,890)	21,240	48,208	(64)	49,768	2,324	(2,584)	18,918
Income (loss) for the period	259	(65)	(24)	(388)	694	2,322	2,859	(88)	(518)	(488)	2,041	2,171

b) Changes in investments

	09/30/2023							2022	
	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 period	48,204	-	49,719	2,325	-	18,918	261	119,427	106,443
Capital contributions	-	-	-	-	-	-	-	-	8,983
Equity in earnings (loss) of controlled companies	259	(65)	(24)	(388)	694	2,322	-	2,798	5,977
Reclassification as liability	-	65	-	-	(694)	-	-	(629)	(1,976)
Balance at end of period	48,463	-	49,695	1,937	-	21,240	261	121,596	119,427

	12/31/2022							2021	
	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	38,939	23	48,141	2,332	-	16,747	261	106,443	96,493
Capital contributions	6,406	-	2,096	481	-	-	-	8,983	11,399
Equity in earnings (loss) of controlled companies	2,859	(88)	(518)	(488)	2,041	2,171	-	5,977	(2,989)
Reclassification as liability	-	65	-	-	(2,041)	-	-	(1,976)	1,540
Balance at end of year	48,204	-	49,719	2,325	-	18,918	261	119,427	106,443

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Mape Incorporação e Empreendimentos Ltda.

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

Tupimec Indústria Mecânica Ltda.

Tupimec is mainly engaged in manufacturing and installing industrial machinery and equipment and repair and maintenance services for railway equipment.

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.

Britas Arujá Ltda.

Britas Arujá is an entity in pre-operating stage that is mainly engaged in exploring, using, researching and mining mineral reserves, including granite grit found in Brazilian territory, and trading 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 own properties.

Tupi Rio Transportes S/A

Tupi Rio is mainly engaged in road transport at the municipal, state and interstate levels, using its own fleet and/or a third party's for freight in general and for transporting bagged and bulk cargo, liquid, gaseous and special cargo, or cargo stored in containers, as well as hazardous products.

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10. Fixed assets

Parent company					
Accounts	09/30/2023			12/31/2022	Annual
	Cost	Accumulated Depreciation and depletion	Net	Net	Depreciation rates
Plots of land	29,425	-	29,425	29,425	
Buildings	108,854	(33,766)	75,088	76,727	2%
Industrial machinery, equipment and facilities	707,138	(323,593)	383,545	384,453	3,33%
Furniture and fixtures	3,572	(3,062)	510	515	10%
Vehicles	9,281	(5,276)	4,005	2,319	20%
Railway wagons	21,869	(4,688)	17,181	16,858	3,33%
Leasehold improvements	977	(884)	93	23	(*)
Machinery and equipment to be installed	2,714	(792)	1,922	1,990	3,33%
Construction in progress	25,673	-	25,673	32,319	
Advances to suppliers	363	-	363	2,450	
Limestone mines	23,136	(4,357)	18,779	19,123	(**)
Others	6,617	(5,597)	1,020	1,202	4% a 20%
	<u>939,619</u>	<u>(382,015)</u>	<u>557,604</u>	<u>567,404</u>	

Consolidated					
Accounts	09/30/2023			12/31/2022	Annual
	Cost	Accumulated Depreciation and depletion	Net	Net	Depreciation rates
Plots of land	54,044	-	54,044	53,897	
Buildings	108,884	(33,790)	75,094	76,735	2%
Industrial machinery, equipment and facilities	708,625	(324,467)	384,158	384,911	3,33%
Furniture and fixtures	3,588	(3,071)	517	521	10%
Vehicles	16,522	(10,337)	6,185	4,688	20%
Railway wagons	21,869	(4,688)	17,181	16,858	3,33%
Leasehold improvements	977	(884)	93	23	(*)
Machinery and equipment to be installed	2,714	(792)	1,922	1,990	3,33%
Construction in progress	25,916	-	25,916	32,431	
Advances to suppliers	6,036	-	6,036	2,910	
Limestone mines	23,136	(4,357)	18,779	19,123	(**)
Others	6,816	(5,610)	1,206	1,387	4% a 20%
	<u>979,127</u>	<u>(387,996)</u>	<u>591,131</u>	<u>595,474</u>	

(*) Depreciation according to the terms of lease agreements;

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

As at September 30, 2023, the amount of R\$ 16,046 (R\$ 15,905 as at September 30, 2022), referring to depreciation, was accounted for as cost of goods sold.

Management reviewed the net book value of its assets as at December 31, 2022, to test them for impairment, and the recognition of a provision for impairment was not considered necessary.

During the assessment of recoverability of its assets, the Company used value in use per Cash Generating Unit (UCG) based on projections approved by Management and assumptions that are consistent with analyses performed in 2022 and 2021, which consider:

- Review of scenarios for each UGC pursuant to business plans;

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- The country's macroeconomic scenario;
- Cash flow period compatible with proven mineral reserves, 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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The changes in fixed assets in the periods ended September 30, 2023 and 2022, 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
Balances as at 12/31/2022	29,425	108,854	696,003	3,515	7,675	21,021	902	2,714	32,319	2,450	23,136	6,578	934,592
Additions	-	-	1,408	57	2,209	894	-	-	9,036	1,962	-	39	15,605
Transfers	-	-	13,558	-	439	-	75	-	(14,072)	-	-	-	-
Write-offs	-	-	(3,831)	-	(1,042)	(46)	-	-	(1,610)	(4,049)	-	-	(10,578)
Balances as at 09/30/2023	29,425	108,854	707,138	3,572	9,281	21,869	977	2,714	25,673	363	23,136	6,617	939,619
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
Balances as at 12/31/2022	-	(32,127)	(311,550)	(3,000)	(5,356)	(4,163)	(879)	(724)	-	-	(4,013)	(5,376)	(367,188)
Additions	-	(1,639)	(13,250)	(62)	(784)	(525)	(5)	(68)	-	-	(344)	(221)	(16,898)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,207	-	864	-	-	-	-	-	-	-	2,071
Balances as at 09/30/2023	-	(33,766)	(323,593)	(3,062)	(5,276)	(4,688)	(884)	(792)	-	-	(4,357)	(5,597)	(382,015)
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
Balances as at 09/30/2023	29,425	75,088	383,545	510	4,005	17,181	93	1,922	25,673	363	18,779	1,020	557,604
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
Balances as at 12/31/2021	29,330	108,854	679,299	3,397	7,104	17,756	875	2,714	27,020	-	23,136	5,530	905,015
Additions	106	-	3,328	42	490	2,018	-	-	16,391	163	-	330	22,868
Transfers	-	-	13,901	33	81	700	27	-	(15,012)	-	-	270	-
Write-offs	(11)	-	(1,297)	(1)	-	-	-	-	(218)	-	-	(1)	(1,528)
Balances as at 09/30/2022	29,425	108,854	695,231	3,471	7,675	20,474	902	2,714	28,181	163	23,136	6,129	926,355
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
Balances as at 12/31/2021	-	(29,940)	(294,329)	(2,927)	(4,707)	(3,547)	(875)	(633)	-	-	(3,556)	(5,218)	(345,732)
Additions	-	(1,640)	(12,998)	(55)	(482)	(457)	(3)	(68)	-	-	(343)	(91)	(16,137)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1	1	-	-	-	-	-	-	-	-	2
Balances as at 09/30/2022	-	(31,580)	(307,326)	(2,981)	(5,189)	(4,004)	(878)	(701)	-	-	(3,899)	(5,309)	(361,867)

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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
Balances as at 12/31/2022	53,897	108,884	697,313	3,530	14,859	21,021	902	2,714	32,431	2,910	23,136	6,775	968,372
Additions	147	-	1,585	58	2,872	894	-	-	9,167	7,175	-	41	21,939
Transfers	-	-	13,558	-	439	-	75	-	(14,072)	-	-	-	-
Write-offs	-	-	(3,831)	-	(1,648)	(46)	-	-	(1,610)	(4,049)	-	-	(11,184)
Balances as at 09/30/2023	54,044	108,884	708,625	3,588	16,522	21,869	977	2,714	25,916	6,036	23,136	6,816	979,127
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
Balances as at 12/31/2022	-	(32,149)	(312,402)	(3,009)	(10,171)	(4,163)	(879)	(724)	-	-	(4,013)	(5,388)	(372,898)
Additions	-	(1,641)	(13,272)	(62)	(1,636)	(525)	(5)	(68)	-	-	(344)	(222)	(17,775)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,207	-	1,470	-	-	-	-	-	-	-	2,677
Balances as at 09/30/2023	-	(33,790)	(324,467)	(3,071)	(10,337)	(4,688)	(884)	(792)	-	-	(4,357)	(5,610)	(387,996)
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
Balances as at 09/30/2023	54,044	75,094	384,158	517	6,185	17,181	93	1,922	25,916	6,036	18,779	1,206	591,131
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
Balances as at 12/31/2021	53,688	108,884	680,674	3,406	13,033	17,756	875	2,714	27,020	510	23,136	5,725	937,421
Additions	220	-	3,359	48	2,169	2,018	-	-	16,391	163	-	330	24,698
Transfers	-	-	13,901	33	81	700	27	-	(15,012)	-	-	270	-
Write-offs	(11)	-	(1,392)	(1)	(144)	-	-	-	(218)	(50)	-	(1)	(1,817)
Balances as at 09/30/2022	53,897	108,884	696,542	3,486	15,139	20,474	902	2,714	28,181	623	23,136	6,324	960,302
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
Balances as at 12/31/2021	-	(29,962)	(295,151)	(2,935)	(8,619)	(3,547)	(875)	(633)	-	-	(3,556)	(5,230)	(350,508)
Additions	-	(1,641)	(13,021)	(56)	(1,401)	(457)	(3)	(68)	-	-	(343)	(92)	(17,082)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1	2	144	-	-	-	-	-	-	-	147
Balances as at 09/30/2022	-	(31,603)	(308,171)	(2,989)	(9,876)	(4,004)	(878)	(701)	-	-	(3,899)	(5,322)	(367,443)

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11. Intangible assets

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at 12/31/2022	93,564	35,199	312	129,075	93,564	59,106	457	153,127
Additions	-	-	29	29	-	189	29	218
Write-offs	-	(14)	-	(14)	-	(14)	-	(14)
Amortization	-	-	(62)	(62)	-	-	(62)	(62)
Balances as at 09/30/2023	<u>93,564</u>	<u>35,185</u>	<u>279</u>	<u>129,028</u>	<u>93,564</u>	<u>59,281</u>	<u>424</u>	<u>153,269</u>
	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at 12/31/2021	93,564	35,143	271	128,978	93,564	57,553	416	151,533
Additions	-	56	105	161	-	1,553	108	1,661
Amortization	-	-	(64)	(64)	-	-	(67)	(67)
Balances as at 12/31/2022	<u>93,564</u>	<u>35,199</u>	<u>312</u>	<u>129,075</u>	<u>93,564</u>	<u>59,106</u>	<u>457</u>	<u>153,127</u>

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, using discounted cash flows during the useful life of the cash generating unit's assets.

With the Company's assets having been tested for impairment as at December 31, 2022, the recoverable amount is higher than the assets' book value. Accordingly, no provision was made for impairment as at September 30, 2023.

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12. Loans and financing (Consolidated)

	09/30/2023		12/31/2022		Current status
	Current	Noncurrent	Current	Noncurrent	
Parent company Domestic currency Megeve Capital LLC					Credit, previously post-petition credit, transferred to Valais Fundo de Investimento em Participações Multiestratégia de Responsabilidade Limitada on 12/13/2023, and this credit becomes petition credit, subject to the conditions of the New Plan which was approved on 07.03.2024. On 08.09.24, Valais subscribed debentures issued by the Company and paid them in with the aforementioned Credit
Acquired in April 2013, originally adjusted at CDI + interest of 1% p.a. and 0.5% p.a., maturity up to Oct/2030	254,665	-	236,234	-	
	<u>254,665</u>	<u>-</u>	<u>236,234</u>	<u>-</u>	
Working capital Bank Credit Notes (CCBs) issued by Banco Credit Suisse in April 2013, originally adjusted at CDI + interest of 4% p.a.					Credit, previously post-petition credit, transferred to Valais Fundo de Investimento em Participações Multiestratégia de Responsabilidade Limitada on 12/13/2023, and this credit becomes petition credit, subject to the conditions of the New Plan which was approved on 07.03.2024. On 08.09.24, Valais subscribed debentures issued by the Company and paid them in with the aforementioned Credit.
	149,753	-	132,307	-	
Geribá Participações (CCB originally issued by Banco Credit Suisse)	3,573	-	3,573	-	Petition credit subject to the conditions of the New Plan which was approved on 07.03.2024.
	<u>407,991</u>	<u>-</u>	<u>372,114</u>	<u>-</u>	

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	<u>09/30/2023</u>		<u>12/31/2022</u>		<u>Current status</u>
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Noncurrent</u>	
Foreign currency Notes					Petition credit subject to the conditions of the New Plan which was approved on 07.03.2024.
	1,733,206	-	1,805,924	-	
<i>Sinosure - Facility Agreement</i> (Agricultural Bank of China)					Petition credit - Part of this credit was granted to Fontainenoir Overseas LTD in May/2024, subject to the conditions of the New Plan which was approved on 07.03.2024.
	96,169	-	102,506	-	
Tupacta AG					Petition credit subject to the conditions of the New Plan which was approved on 07.03.2024.
	1,139,740	-	1,189,861	-	
Other -	620	-	750	-	
	<u>2,969,735</u>	<u>-</u>	<u>3,099,041</u>	<u>-</u>	
Parent company	3,377,726	-	3,471,155	-	
Consolidated	3,377,726	-	3,471,155	-	

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13. Related-party transactions

	09/30/2023							12/31/2022	
	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.	Tupimec Indústria Mecânica Ltda.	Britas Arujá Ltda.	Total	Total
Noncurrent assets									
Advance for increase in capital	40	13,454	54,237	353	-	296	-	68,380	46,430
Current liabilities									
Anticipated dividends	-	-	-	-	15,584	-	8	15,592	15,592
Transactions									
Cost of goods sold, and services rendered	<u>(29,851)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,851)</u>	<u>(49,682)</u>

Related-party transactions mainly refer to intercompany accounts, as well as services rendered and the operation of the entities' businesses.

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14. Taxes and contributions in installments

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

	Parent company					
	09/30/2023			12/31/2022		
	Principal amount	Interest/fine	Total	Principal amount	Interest/fine	Total
Current liabilities	43,272	14,517	57,789	37,443	12,226	49,669
ICMS	39,384	13,858	53,242	33,307	11,102	44,409
Others	3,888	659	4,547	4,136	1,124	5,260
Noncurrent liabilities	52,067	21,842	73,909	63,766	27,285	91,051
ICMS	36,954	18,021	54,975	51,685	24,260	75,945
Others	15,113	3,821	18,934	12,081	3,025	15,106
	<u>95,339</u>	<u>36,359</u>	<u>131,698</u>	<u>101,209</u>	<u>39,511</u>	<u>140,720</u>
	Consolidated					
	09/30/2023			12/31/2022		
	Principal amount	Interest/fine	Total	Principal amount	Interest/fine	Total
Current liabilities	44,797	15,090	59,887	39,211	12,637	51,848
ICMS	40,241	14,163	54,404	34,158	11,340	45,498
Others	4,556	927	5,483	5,053	1,297	6,350
Noncurrent liabilities	53,918	21,299	75,217	65,978	27,732	93,710
ICMS	38,428	17,344	55,772	52,947	24,546	77,493
Others	15,490	3,955	19,445	13,031	3,186	16,217
	<u>98,715</u>	<u>36,389</u>	<u>135,104</u>	<u>105,189</u>	<u>40,369</u>	<u>145,558</u>

15. Taxes payable

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
ICMS	11,247	8,891	11,323	9,023
PIS/COFINS	2,426	713	2,553	796
Tax on Services (ISS)	551	564	556	570
Others	334	921	341	938
	<u>14,558</u>	<u>11,089</u>	<u>14,773</u>	<u>11,327</u>

16. Other accounts payable

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current liabilities				
Advances from customers	1,306	931	1,306	931
Provision - electricity	4,475	4,358	4,475	4,358
Profit sharing program	-	3,447	-	3,447
Others	1,118	1,520	1,213	1,991
	<u>6,899</u>	<u>10,256</u>	<u>6,994</u>	<u>10,727</u>

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17. Provision for investments

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Noncurrent liabilities				
Investment - Tupi Rio Transportes S/A	1,890	2,584	-	-
Investment - Tupimec Ind. Mecânica Ltda	130	64	-	-
	<u>2,020</u>	<u>2,648</u>	<u>-</u>	<u>-</u>

18. Equity

a) Capital stock

As at September 30, 2023, 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

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

c) Statutory reserve

This reserve is recognized through 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. Such 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.

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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, 2023 and 2022.

Basic earnings (losses) per share are calculated by dividing net income (loss) for the period attributable to 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 data on income and shares used to calculate basic and diluted losses per share:

	09/30/2023			09/30/2022		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Income for the period	32,575	35,830	68,405	35,219	38,737	73,956
Weighted average number of shares (in thousands of shares)	11,793	11,792	23,585	11,793	11,792	23,585
Basic and diluted earnings per share	<u>2.7623</u>	<u>3.0385</u>		<u>2.9864</u>	<u>3.2850</u>	

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19. Income and Social Contribution taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent company						Parent company					
	Income Tax						Social Contribution Tax					
	3rd quart/2023 - Quarterly	2nd quart/2023 - Quarterly	1st quart/2023 - Quarterly	3rd quart/2022 - Quarterly	2nd quart/2022 - Quarterly	1st quart/2022 - Quarterly	3rd quart/2023 - Quarterly	2nd quart/2023 - Quarterly	1st quart/2023 - Quarterly	3rd quart/2022 - Quarterly	2nd quart/2022 - Quarterly	1st quart/2022 - Quarterly
Income (loss) before taxes	(111,600)	153,243	63,714	(82,123)	(284,788)	487,609	(111,600)	153,243	63,714	(82,123)	(284,788)	487,609
Add-backs												
Equity in earnings (losses) of controlled companies	-	-	-	-	-	52	-	-	-	-	-	52
Realization of positive differences of sub-account asset	(4)	26	26	26	26	26	(4)	26	26	26	26	26
Exchange rate gains (losses) arising from loans	111,730	-	-	100,139	297,092	-	111,730	-	-	100,139	297,092	-
Interest on loans	4,902	4,575	4,534	4,262	3,676	3,111	4,902	4,575	4,534	4,262	3,676	3,111
Depreciation - Corporate x Tax rate differences	476	-	-	-	-	-	476	-	-	-	-	-
Provision for contingencies	50	36	28	-	-	40	50	36	28	-	-	40
Other add-backs	389	2,003	7,815	2,317	8,128	5,869	389	1,148	1,148	1,317	1,147	1,147
Deductions										2,979	2,463	-
Equity in earnings (losses) of controlled companies	1,380	3	1,415	2,979	2,463	-	1,380	3	1,415	8,189	8,391	8,411
Depreciation - Corporate x Tax rate differences	-	8,269	8,158	8,189	8,391	8,411	-	8,269	8,158	-	-	500,209
Exchange rate gains (losses) arising from loans	-	154,903	81,434	-	-	500,209	-	154,903	81,434	-	-	-
Other deductions	100	99	718	91	1,864	605	100	99	718	91	89	605
Adjusted income/(loss)	4,463	(3,391)	(15,608)	13,362	11,416	(12,518)	4,463	(4,246)	(22,275)	12,363	6,210	(17,240)
Applicable rates	25%	25%	25%	25%	25%	25%	9%	9%	9%	9%	9%	9%
Current Income and Social Contribution taxes	(1,097)	-	-	(2,407)	(1,980)	-	(402)	-	-	(779)	(391)	-
Tax debts accrued from deferred Income and Social Contribution Taxes on temporary differences	29,279	(38,492)	(16,855)	23,295	(52,506)	(1,072)	10,540	(13,857)	(6,068)	8,386	(18,902)	(386)
Income and Social Contribution Taxes in income (loss)	28,182	(38,492)	(16,855)	20,888	(54,486)	(1,072)	10,138	(13,857)	(6,068)	7,607	(19,293)	(386)

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	Consolidated						Consolidated					
	Income Tax						Social Contribution Tax					
	3rd - Quarter taxable income	2nd - Quarter taxable income	1st - Quarter taxable income	3rd - Quarter taxable income	2nd - Quarter taxable income	1st - Quarter taxable income	3rd - Quarter taxable income	2nd - Quarter taxable income	1st - Quarter taxable income	3rd - Quarter taxable income	2nd - Quarter taxable income	1st - Quarter taxable income
Income (loss) before taxes	(111,027)	153,462	64,524	(81,396)	(284,132)	487,796	(111,027)	153,462	64,524	(81,396)	(284,132)	487,796
Add-backs												
Realization of positive differences of sub-account asset	(4)	26	26	26	26	26	(4)	26	26	26	26	26
Exchange rate gains (losses) arising from loans	111,730	-	-	100,139	297,092	-	111,730	-	-	100,139	297,092	-
Interest on loans	4,902	4,575	4,534	4,262	3,676	3,111	4,902	4,575	4,534	4,262	3,676	3,111
Depreciation - Corporate x Tax rate differences	476	-	-	-	-	-	476	-	-	-	-	-
Provision for contingencies	50	36	28	-	-	40	50	36	28	-	-	40
Other add-backs	400	2,006	7,819	2,344	8,147	5,883	400	1,151	1,152	1,344	1,166	1,161
Deductions												
Income (losses) of controlled companies under the deemed profit method	665	463	2,223	2,273	2,443	415	665	463	2,223	2,273	2,443	415
Depreciation - Corporate x Tax rate differences	-	8,269	8,158	8,189	8,391	8,411	-	8,269	8,158	8,189	8,391	8,411
Exchange rate gains (losses) arising from loans	-	154,903	81,434	-	-	500,209	-	154,903	81,434	-	-	500,209
Other deductions	100	99	718	91	1,864	605	100	99	718	91	89	605
Adjusted income/(loss)	5,762	(3,629)	(15,602)	14,822	12,111	(12,784)	5,762	(4,484)	(22,269)	13,823	6,905	(17,506)
Applicable rates	25%	25%	25%	25%	25%	25%	9%	9%	9%	9%	9%	9%
Current Income and Social Contribution taxes	(1,097)	-	-	(2,407)	(1,980)	-	(402)	-	-	(779)	(391)	-
Current Corporate Income Tax (IRPJ) and Social Contribution Tax (CSLL) of controlled companies - taxable income	(138)	26	(28)	(176)	(232)	(19)	(55)	11	(12)	(70)	(81)	(9)
IRPJ and CSLL - Deemed profit	(276)	(185)	(563)	(349)	(249)	(114)	(104)	(71)	(207)	(131)	(94)	(45)
Tax debts accrued from deferred Income and Social Contribution Taxes on temporary differences	29,279	(38,492)	(16,855)	23,295	(52,506)	(1,072)	10,540	(13,857)	(6,068)	8,386	(18,902)	(386)
Income and Social Contribution Taxes in income (loss)	27,768	(38,651)	(17,446)	20,363	(54,967)	(1,205)	9,979	(13,917)	(6,287)	7,406	(19,468)	(440)

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Breakdown of deferred Income and Social Contribution Taxes

	Parent company and consolidated	
	09/30/2023	12/31/2022
Income and Social Contribution tax losses	700,915	695,508
Provisions for contingencies	1,308	1,308
Taxed transactions on a cash basis - (exchange rate gains (losses)/interest on loans)	179,741	217,597
Deferred IRPJ and CSLL tax assets	881,964	914,413
Deferred IRPJ and CSLL on temporary differences	(92,933)	(88,290)
Tax amortization of goodwill	(31,812)	(31,812)
Deferred IRPJ and CSLL tax liabilities	(124,745)	(120,102)
	<u>757,219</u>	<u>794,311</u>

Considering the expected generation of taxable income in the next years, the Company recognized deferred Income and Social Contribution Taxes on the balance of tax losses.

20. Provisions for contingencies

The Company and its controlled companies are parties to lawsuits and administrative proceedings in the course of their operations, 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 estimated losses on ongoing lawsuits for those with expectations of probable loss.

As at September 30, 2023, the Company maintains a provision for contingencies arising from labor and tax discussions whose likelihood of loss is probable, in the amount of R\$ 3,847 (R\$ 3,847 as at December 31, 2022).

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Initial balance	3,847	15	3,847	15
New	-	3,691	-	3,691
Adjustment	-	141	-	141
Concluded	-	-	-	-
Final balance	<u>3,847</u>	<u>3,847</u>	<u>3,847</u>	<u>3,847</u>

As at September 30, 2023, the Company has court deposits in the amount of R\$ 16,244 in its consolidated statements of financial position (R\$ 15,528 as at December 31, 2022).

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

As at September 30, 2023, the amount of such contingencies was R\$ 116,682 (R\$ 119,152 as at December 31, 2022), as follows:

Type	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax contingencies	41,327	41,621	104,726	107,196
Labor contingencies	8,586	8,586	8,646	8,646
Civil contingencies	3,296	3,296	3,310	3,310
	<u>53,209</u>	<u>53,503</u>	<u>116,682</u>	<u>119,152</u>

21. Net operating revenue

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Gross sales revenue				
Sales of goods	510,976	611,862	511,276	612,689
Deductions from sales	(129,103)	(153,579)	(132,793)	(158,322)
Sales returns	(1,119)	(1,277)	(1,119)	(1,277)
ICMS on sales	(88,895)	(105,462)	(89,811)	(106,640)
PIS and COFINS on sales	(39,089)	(46,840)	(41,788)	(50,310)
Others	-	-	(75)	(95)
Net operating revenue	<u>381,873</u>	<u>458,283</u>	<u>378,483</u>	<u>454,367</u>

22. General and administrative expenses

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Expenses on remuneration, charges and benefits	(22,435)	(30,836)	(22,647)	(30,984)
Lawyers' fees	(7,524)	(23,822)	(7,544)	(23,830)
Lease of properties/vehicles/equipment	(278)	(262)	(332)	(292)
Travel expenses	(743)	(817)	(755)	(848)
Third-party/consulting services	(5,429)	(8,785)	(5,778)	(9,234)
Others	(2,815)	(2,584)	(3,442)	(3,024)
	<u>(39,224)</u>	<u>(67,106)</u>	<u>(40,498)</u>	<u>(68,212)</u>

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23. Other operating revenues/(expenses), net

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
PIS/COFINS credit	646	619	646	619
Write-off of fixed assets/investments	533	(11)	1,259	65
ICMS on shipments	(797)	(664)	(797)	(664)
Taxes paid in installments	-	(1,629)	-	(1,629)
Inventory adjustment	1,261	-	1,261	-
Others	(305)	167	(238)	2,023
	<u>1,338</u>	<u>(1,518)</u>	<u>2,131</u>	<u>414</u>

24. Financial income (loss), net

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Financial expenses				
Interest on loans	(17,770)	(13,099)	(17,770)	(13,099)
Interest/finances on tax installment payments	(19,915)	(16,856)	(20,241)	(17,318)
Discounts granted	(145)	(257)	(150)	(258)
Contractual interest	(19,371)	(15,612)	(19,371)	(15,612)
Other financial expenses	(1,425)	(184)	(1,596)	(452)
	<u>(58,626)</u>	<u>(46,008)</u>	<u>(59,128)</u>	<u>(46,739)</u>

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Financial revenues				
Discounts obtained	120	616	122	619
Interest on financial investments	4	7	4,091	4,403
Interest received from customers	531	611	531	612
Exchange rate gains (losses) on loans	124,593	102,977	124,593	102,977
Other interest gains (mainly SELIC interest on PIS/COFINS recoverable)	6,362	6,843	6,589	7,153
Other financial revenues	292	266	292	266
	<u>131,902</u>	<u>111,320</u>	<u>136,218</u>	<u>116,030</u>
	<u>73,276</u>	<u>65,312</u>	<u>77,090</u>	<u>69,291</u>

25. 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.

b) Own properties management and development

This segment is mainly engaged in developing and administrating own properties. This activity is conducted by two of the Company's controlled companies.

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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 operating income (loss), measured in a manner consistent with that reported in the consolidated financial information.

The Company's segment information is as follows:

	09/30/2023				
	Cement	Real estate management and development	Others	Exclusions	Total Consolidated
Net revenue	381,873	6	26,455	(29,851)	378,483
Gross profit	77,115	6	1,061	-	78,182
Depreciation and amortization	(16,961)	-	(875)	-	(17,836)
Operating income/(loss)	29,283	(150)	736	-	29,869
Financial Income (loss)	73,276	4,138	(324)	-	77,090
Equity in earnings (losses) of controlled companies	2,798	-	-	(2,798)	-
Income (loss) before taxes	105,357	3,988	412	(2,798)	106,959
Income and Social Contribution taxes	(36,952)	(1,406)	(196)	-	(38,554)
Noncontrolling interest	-	-	-	-	-
Net income / (loss)	68,405	2,582	216	(2,798)	68,405
Current assets	171,815	108,714	11,996	(1,084)	291,441
Noncurrent assets	1,712,190	15,584	58,471	(205,320)	1,580,925
Current liabilities	3,525,748	54,555	19,525	(85,056)	3,514,772
Noncurrent liabilities	79,776	35	1,273	(2,020)	79,064

	09/30/2022				
	Cement	Real estate management and development	Others	Exclusions	Total Consolidated
Net revenue	458,283	6	34,248	(38,170)	454,367
Gross profit	127,219	6	2,149	-	129,374
Depreciation and amortization	(16,187)	-	(944)	-	(17,131)
Operating income/(loss)	49,996	915	2,066	-	52,977
Financial Income (loss)	65,312	4,281	(302)	-	69,291
Equity in earnings (losses) of controlled companies	5,390	-	-	(5,390)	-
Income (loss) before taxes	120,698	5,196	1,764	(5,390)	122,268
Income and Social Contribution taxes	(46,742)	(982)	(588)	-	(48,312)
Noncontrolling interest	-	-	-	-	-
Net income / (loss)	73,956	4,214	1,176	(5,390)	73,956
Current assets	149,178	104,649	7,501	(1,003)	260,325
Noncurrent assets	1,251,033	15,584	52,884	(190,133)	1,129,368
Current liabilities	3,73,732,437	60,217	10,312	(81,457)	3,721,509
Noncurrent liabilities	101,858	113	2,968	(2,720)	102,219

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26. Financial instruments and risk management

26.1. Analysis of financial instruments

The fair value of financial assets and liabilities is included in the value for which an instrument may be exchanged 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 the short-term maturity 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 observables 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					
	09/30/2023			12/31/2022		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Financial assets						
Cash and cash equivalents	804	-	804	2,012	-	2,012
Accounts receivable	32,446	-	32,446	25,609	-	25,609
Notes receivable and receivables from third parties	4,785	-	4,785	5,993	-	5,993
Related-party transactions	68,381	-	68,381	46,430	-	46,430
	<u>106,416</u>	<u>-</u>	<u>106,416</u>	<u>80,044</u>	<u>-</u>	<u>80,044</u>
	Consolidated					
	09/30/2023			12/31/2022		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Financial assets						
Cash and cash equivalents	68,478	-	68,478	56,446	-	56,446
Accounts receivable	32,446	-	32,446	25,655	-	25,655
Notes receivable and receivables from third parties	8,129	-	8,129	9,120	-	9,120
	<u>109,053</u>	<u>-</u>	<u>109,053</u>	<u>91,221</u>	<u>-</u>	<u>91,221</u>

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26.2. 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	
	09/30/2023	12/31/2022
Trade accounts payable	38,412	38,111
Loans and financing	3,377,726	3,471,155
Related-party transactions	15,592	15,592
	<u>3,431,730</u>	<u>3,524,858</u>

Financial liabilities	Consolidated	
	09/30/2023	12/31/2022
Trade accounts payable	39,662	38,888
Loans and financing	3,377,726	3,471,155
	<u>3,417,388</u>	<u>3,510,043</u>

26.3. Risk management

The financial transactions of the Company and its controlled companies are previously approved by the Company's Management and performed through the finance area according to conservative strategies, focusing on safety, profitability and liquidity. Hedging mechanisms are adopted against financial risks arising 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 those of its controlled companies are as follows:

a) Exchange rate risk

Exchange rate risk is related to the possibility of the Company incurring losses derived from fluctuation in exchange rates.

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As the Company's liabilities are recognized in US dollars, the unpredictability of floating liabilities substantially derives from fluctuation in exchange rates, as shown in the simulation of future values considering devaluation of the Brazilian Real before the US dollar of 25% and 50%.

Foreign-currency loans	Amount In R\$	Sensitivity analysis	
		(Scenario I) future value I	(Scenario II) Future Value II
Notes	1,733,206	2,166,507	2,599,809
Sinosure	96,169	120,211	144,253
Tupacta	1,139,740	1,424,675	1,709,610
Cemrock	620	775	930

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 with acknowledged liquidity, thus minimizing such risks.

The risk of incurring losses resulting from difficulty in receiving amounts from customers is minimized since sales are spread among a large number of customers, and subject to an individually established credit limit.

c) Interest rate risk

This risk derives from the possibility of the Company incurring losses due to fluctuation in interest rates increasing financial expenses mainly arising 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 create the need for greater leverage.

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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 according to the undiscounted cash flows of financial assets and liabilities based on the nearest date of maturity of the respective obligations.

	Parent company			Total
	Up to one year	One to three years	More than three years	
Loans and financing	3,377,726	-	-	3,377,726
Trade accounts payable	38,412	-	-	38,412
Advances from customers	1,306	-	-	1,306
Other financial liabilities	108,304	63,408	16,368	188,080
Balances as at September 30, 2023	<u>3,525,748</u>	<u>63,408</u>	<u>16,368</u>	<u>3,605,524</u>

	Consolidated			Total
	Up to one year	One to three years	More than three years	
Loans and financing	3,377,726	-	-	3,377,726
Trade accounts payable	39,662	-	-	39,662
Advances from customers	1,306	-	-	1,306
Other financial liabilities	96,078	64,628	14,436	175,142
Balances as at September 30, 2023	<u>3,514,772</u>	<u>64,628</u>	<u>14,436</u>	<u>3,593,836</u>

27. Insurance coverage

The Company and its controlled companies take out insurance for their inventories and fixed asset items in the Named-perils and Civil Liability categories. 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 industrial plants.

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

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

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28. Subsequent events

Approval of Court-Ordered Reorganization Plan

On February 08, 2024, the Company entered into an agreement to support its restructuring with a group of creditors that represent approximately 80% of the Company's total credits. In view of that, on February 23, 2024, the Company under Reorganization presented a New Court-Ordered Reorganization Plan ("New Plan"), which was approved by obtaining sufficient number of creditors' Terms of Adhesion for such approval, without the need to hold a Creditors' Meeting, as provided for in Articles 45, 45-A and 58 of the LRF. The publication in the Electronic Court Register (DJE) of the decision approving the New Plan occurred on July 03, 2024, enabling the Company to pay its creditors again, as established in the New Plan.

It is worth noting that, with the approval of the New Plan, all effects of the previous PRJ cease to have effect and acts performed during its term are cancelled, except payments made to creditors under this plan that are expressly authorized, validated and ratified for all legal purposes by the New Plan.

On July 05, 2024, the Company's extraordinary general meeting approved the issuance of debentures with a maturity period of one hundred and twenty (120) months from this date, with property mortgages as collateral. The aforementioned debentures were subscribed on August 09, 2024 by the creditor of Class II and paid in with credits, as detailed in the New Plan.

The Motion Enforcing the Brazilian Reorganization Plan recognizing, in the United States, the court-ordered reorganization plan approved in Brazil, was issued by the New York Court on November 07, 2024.

The New Plan can be fully consulted at the following link:
<http://cimentotupi.com.br/recuperacao-judicial/>

Conversion of all preferred shares issued by the Company into common shares

On December 9, 2024, an Company's Extraordinary General Meeting was held, which approved, among other resolutions, the conversion of all preferred shares issued into common, registered, book entry shares, with no par value, in the proportion of one common share for each converted preferred share; the split of each share issued by the Company at a ratio of 1:1000, so that for each common share issued by the Company that currently exists, 1,000 new common issued shares will be created and attributed to its holder; and the increase in capital, through the capitalization of credits held by certain creditors of Cimento Tupi, including Class III Credits held by Class III Unsecured Creditors who opted for Restructuring Option II, as provided for in the Company's Court-Ordered Reorganization Plan, with the issuance of new common shares.