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**EARNINGS**

**4Q22**

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*Conference Call*

# 2022 highlights

- 2022 was atypical, with higher price **volatility** due to **market uncertainties**
- Rising **cost inflation**, at high levels for the entire industry
- Sector profitability was impacted**, reaching historically high levels in the first half of the year and historically low in the second half of the year
- CBA remained resilient**, with better results than the industry
- Advances in CBA strategy:
  - delivery of planned **investments**
  - entry into **new market segment** (secondary aluminum alloys)
  - non-core assets **disinvestment**
  - Conclusion of Follow-on** improving CBA's liquidity, with an ADTV of R\$50.1 million in 2022
- CBAV3 is part of **all B3 sustainability indexes**: ISE, ICO2 and IGPTW
- CBA joined the **"A List" from CDP** on Climate Change
- Change in **Company's organizational structure**





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# Aluminum Market Outlook

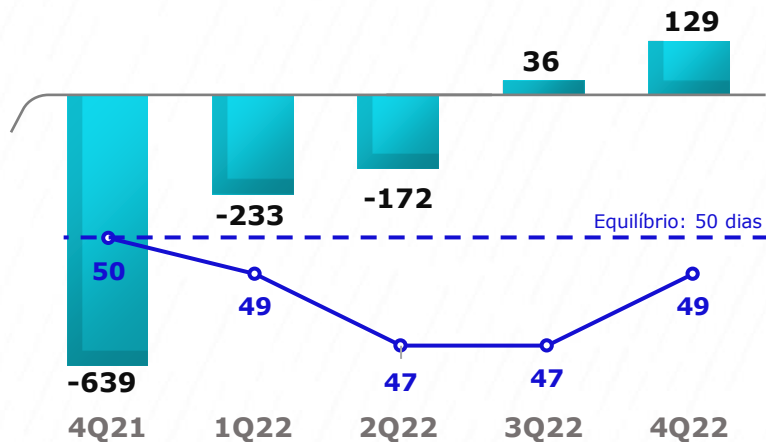
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4Q22



# Global aluminum market in deficit in 2022, but lower consumption in 4Q22 leads to a surplus in the period

## Global Balance<sup>1</sup> (kt) - Supply vs Demand



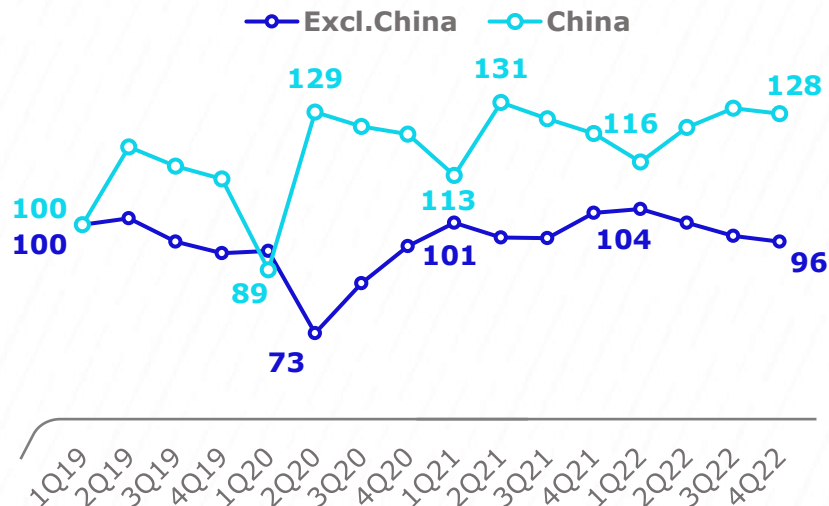
<sup>1</sup> Balance adjusted for net primary trade

- Balance (Kt) (Supply vs Demand)
- Stocks (consumption days)

**Global market registered a deficit of -240 Kt in 2022.**

## Primary Aluminum Demand

1Q19 = 100

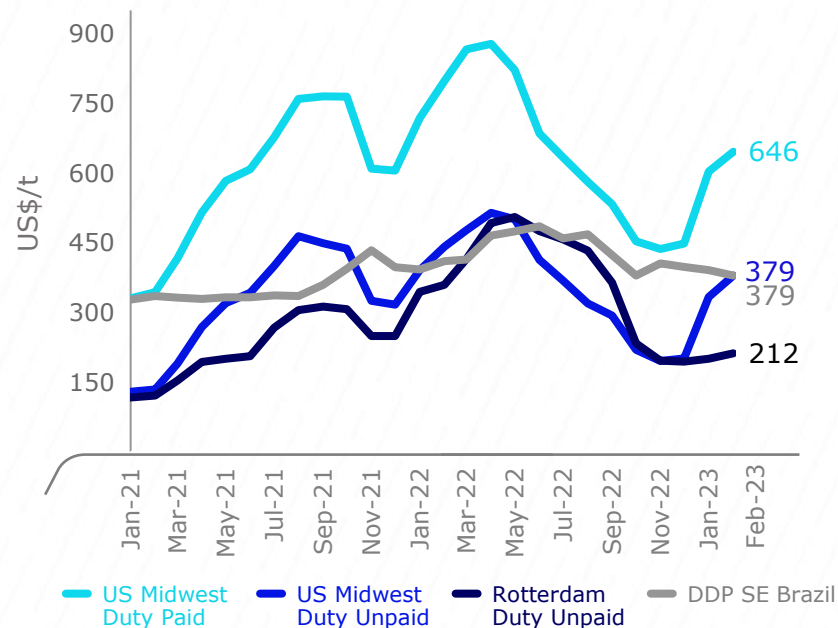


**Primary aluminum consumption slows in 4Q22 in China and other countries. Zero Covid policy, inflationary pressures and high interest rates impacted consumption**

# LME Aluminum remains sensitive to macroeconomic developments, especially in China

LME Aluminum boosted in early 2023, reflecting China's reopening expectations. However, uncertainties about global demand continue to bring volatility to the price

Tight physical market and positive sentiment leverage US Midwest premium. Other regional premiums remained relatively stable

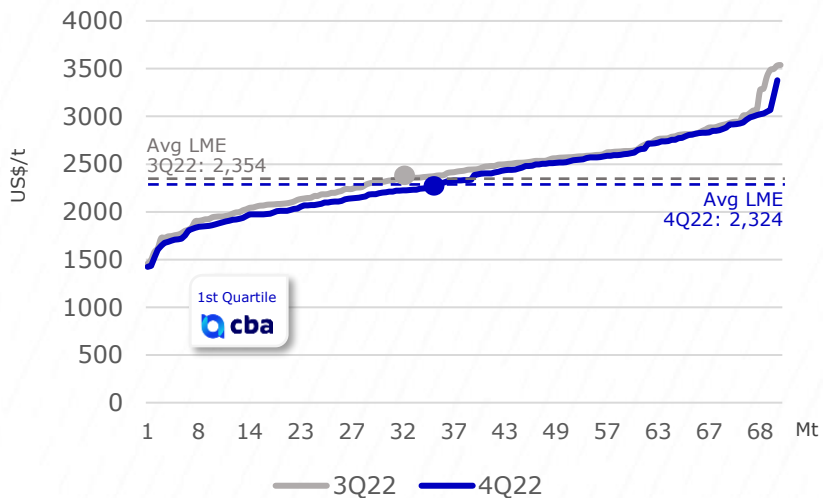


# Smelter margins strongly constrained, being below half of the values observed in 4Q21

Slight variation in industry average cost compared to the previous quarter, continuing at high levels

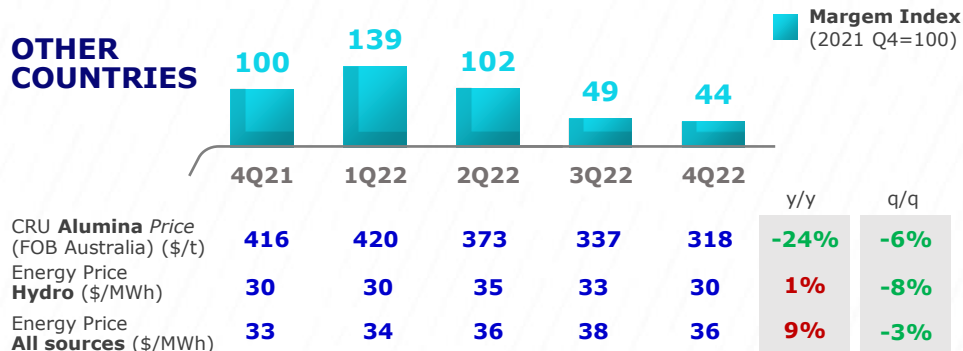
## Liquid Metal Cost Curve - 4Q22

CRU Liquid Metal Cost (US\$/t)

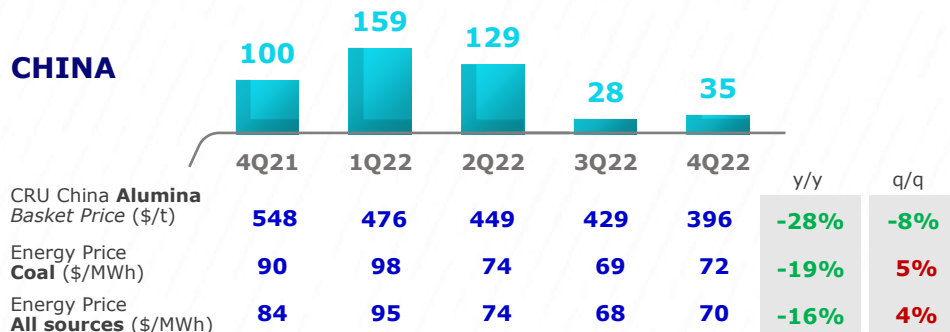


Sharp margins retraction due to falling aluminum prices. China's energy prices rise again from 3Q22

## OTHER COUNTRIES



## CHINA



	4Q21	1Q22	2Q22	3Q22	4Q22	y/y	q/q
CRU Alumina Price (FOB Australia) (\$/t)	416	420	373	337	318	-24%	-6%
Energy Price Hydro (\$/MWh)	30	30	35	33	30	1%	-8%
Energy Price All sources (\$/MWh)	33	34	36	38	36	9%	-3%

	4Q21	1Q22	2Q22	3Q22	4Q22	y/y	q/q
CRU China Alumina Basket Price (\$/t)	548	476	449	429	396	-28%	-8%
Energy Price Coal (\$/MWh)	90	98	74	69	72	-19%	5%
Energy Price All sources (\$/MWh)	84	95	74	68	70	-16%	4%

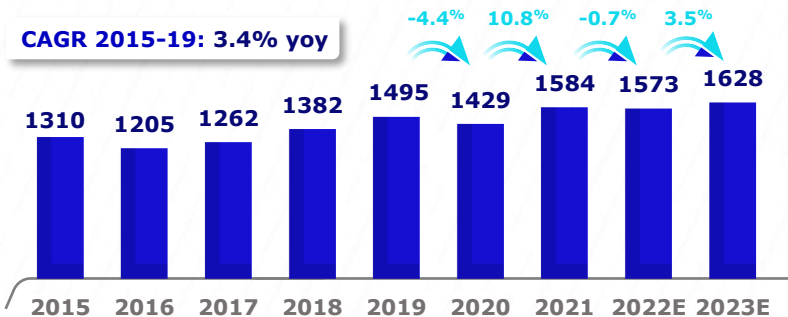
# Brazil: cooling consumption in 2022, however, it is worth noting that 2021 was a year of strong growth

- Growth in consumer durables segment in the 3Q22, but there is still a demand correction compared to the high baseline of 2021
- Self-construction/home improvement sector remained contracted versus 3Q22 and 4Q21 due to the end of emergency aid payments and increased inflation
- Packaging (excl. cans) stayed resilient in relation to 3Q22. In comparison with 4Q21, demand growth was relevant, especially for flexible packaging

- Aluminum cable market showed growth in relation to 3Q22. Compared to 4Q21, consumption has declined
- Total vehicle production dropped 8% vs. 3Q22. However, compared to 4Q21, production rose 3% (Anfavea)
- Increase in imports compared to 3Q22, but volumes are still below the levels observed in 4Q21
- Domestic premium followed international premiums' downward trend, but in lower intensity

## Aluminum consumption in Brazil (kt)

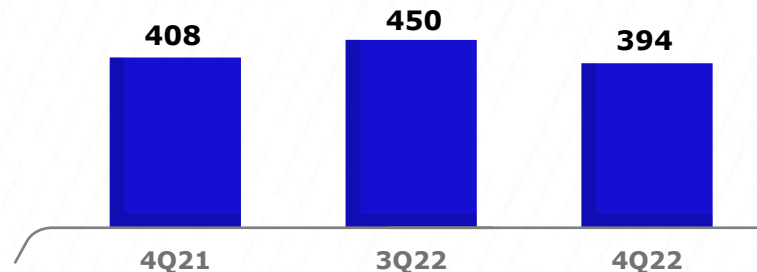
[ABAL Yearbook (data 2015-2021) and CRU Market Outlook Jan 2023 (data 2022E and 2023E)]



## Brazil DDP SE Premium (US\$/t)

[S&P Global Platts]

P1020: standard ingot, sow and T-bars



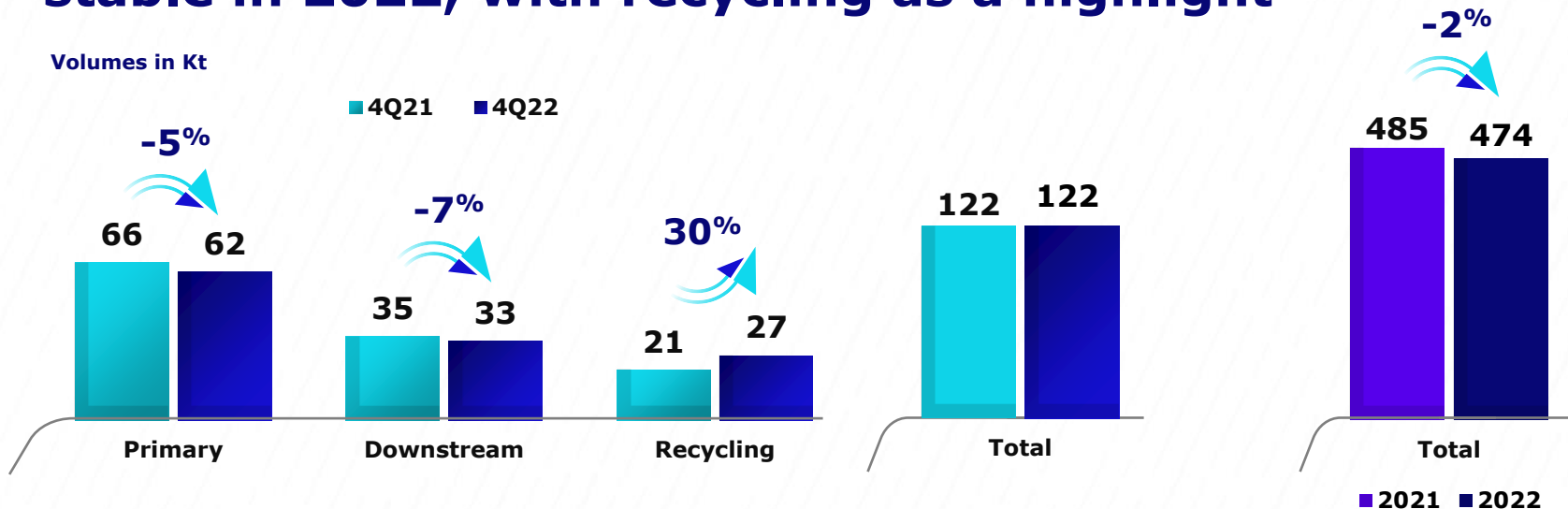


OPERATING  
AND FINANCIAL  
**PERFORMANCE**

# Sales volume remained stable in 4Q22 and practically stable in 2022, with recycling as a highlight

Volumes in Kt

■ 4Q21 ■ 4Q22



## 4Q22 highlights

**Primary:** drop in sales volume due to lower demand from the home improvement sector, which declined significantly after the dilution of emergency aid payments.

**Downstream:** the reduction occurred mainly in sheet for the consumer goods segment. It is worth noting that in 2021 the demand of the segment was punctually high.

**Recycling:** higher volume sold in the period. Total integration of Alux contributed with 6 thousand tons in the quarter.

# Favorable financial performance in 2022.

## In 4Q22, relevant reduction in the LME impacts the result

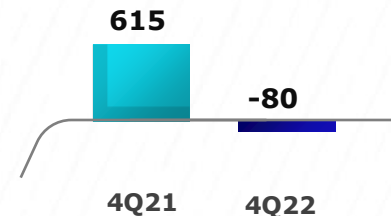
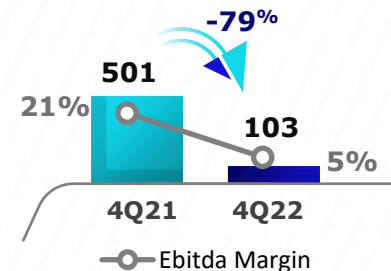
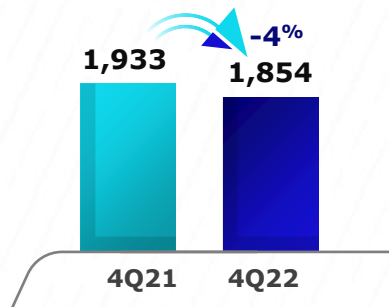
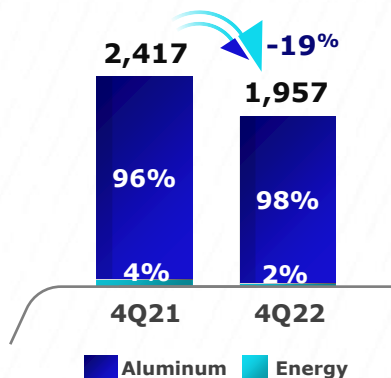
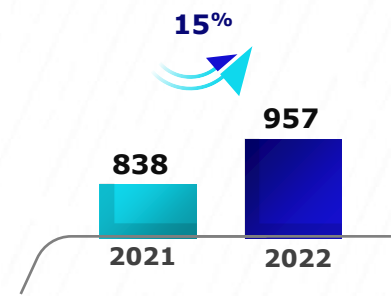
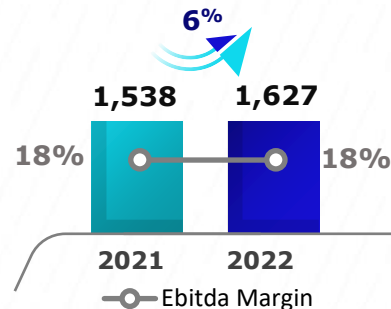
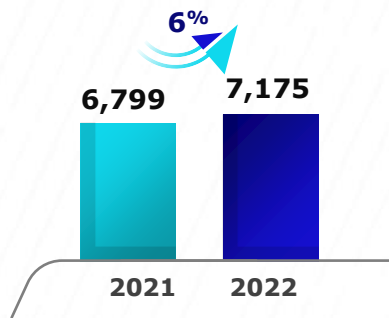
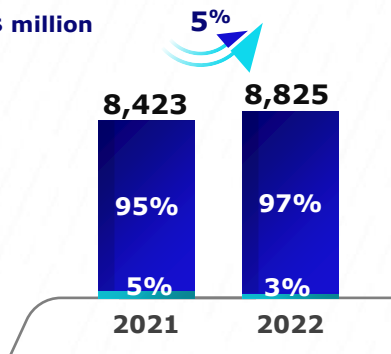
### Net Revenue

### Cost of Goods Sold

### Adjusted<sup>1</sup> EBITDA

### Net Income/ Loss

R\$ million



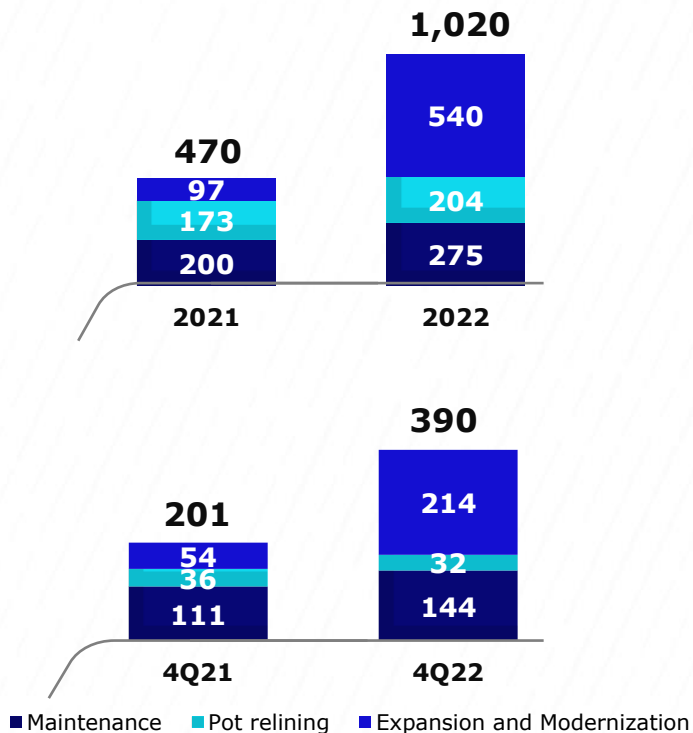
Aluminum Energy

Ebitda Margin

<sup>1</sup> Adjustments reflect equity income and dividends received from investees and nonrecurrent events in profit and loss, including the Market-to-Market ("MtM") of energy contracts.

# Expansion and Modernization projects follow the expected schedule

## R\$ million in cash basis



## Projects disclosed during the IPO process

- **Paste Plant Upgrade**

Ongoing project, which is a prerequisite for the restart of Pot Room 1

- **Dry waste disposal project**

In electromechanical assembly, with the start-up projected for 2024

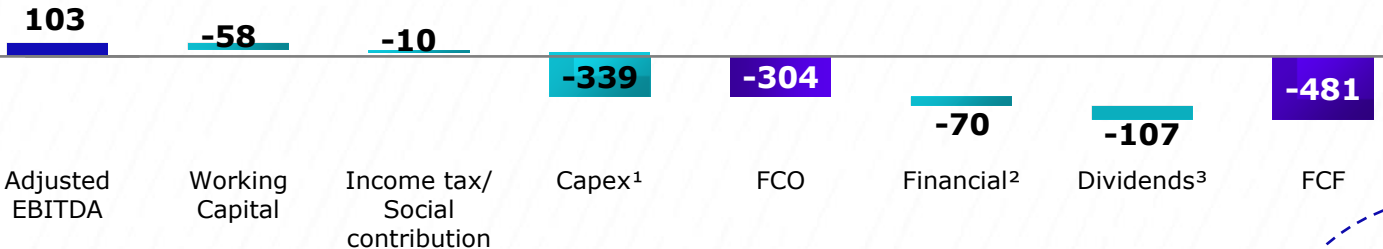
- **Additional aluminum production from recycling**

📄 **Recycling expansion at Metalex:** under implementation, with startup scheduled for the second half of 2023

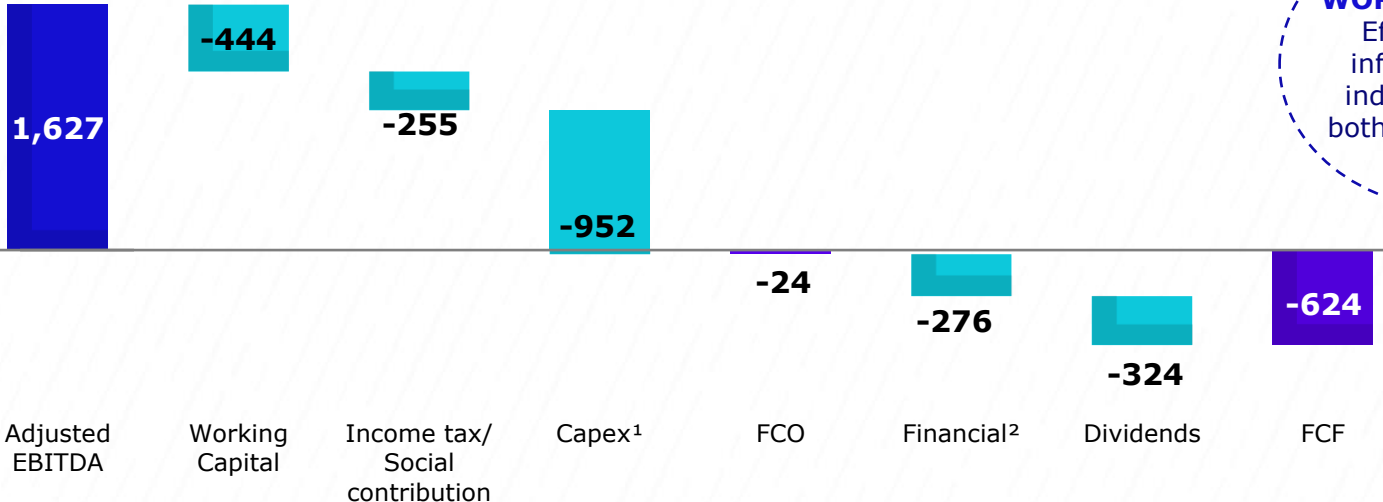
📄 **ReAl:** under implementation, with startup scheduled for the second half of 2023

# Cash consumption in the quarter as a reflection of an EBITDA affected by market conditions

**4Q22**  
(R\$ million)



**2022**  
(R\$ million)

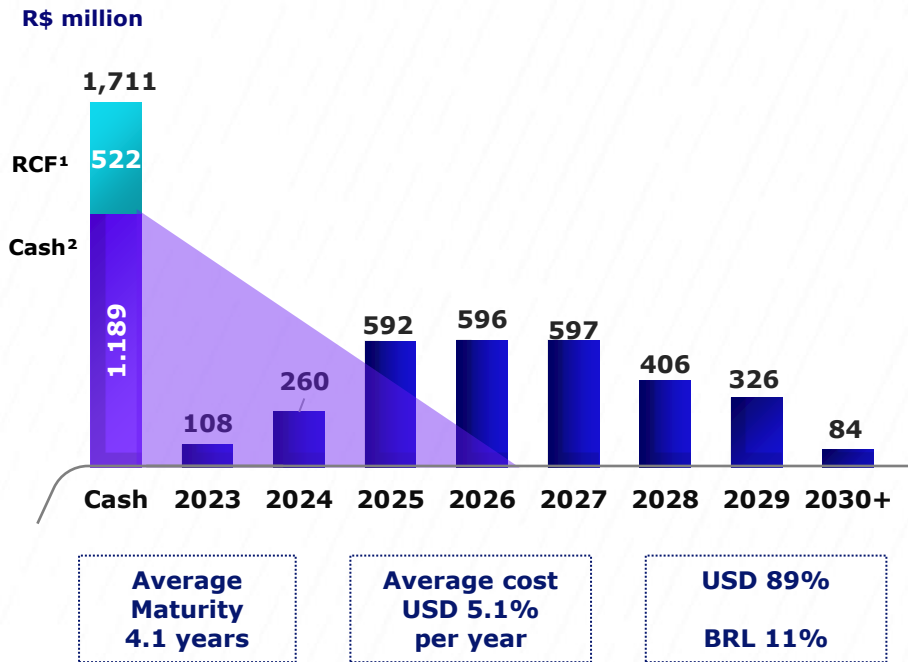


**WORKING CAPITAL**  
Effect mainly of inflation in global industry costs, for both 4Q22 and 2022

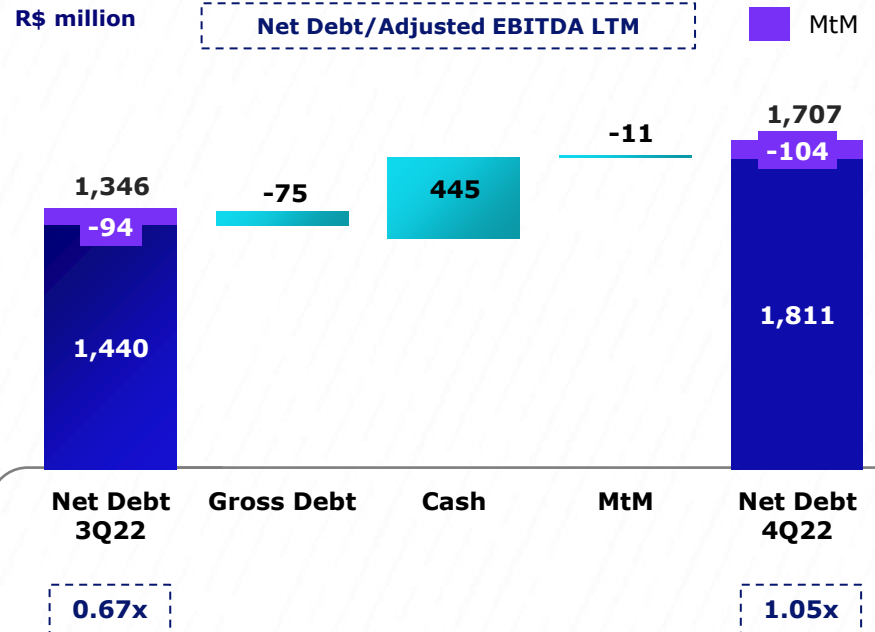
<sup>1</sup> Capex accrual basis <sup>2</sup> Acquisition, sale of assets and net interest <sup>3</sup> Dividends: 56 MM were paid by CBA and 51MM were paid by CBA Energy for Auren

# Debt long profile, with controlled leverage and ESG biased funding

## Debt Amortization Schedule



## Net Debt



<sup>1</sup> Revolving green credit facility of USD 100mm

<sup>2</sup> Includes cash, cash equivalents and financial investments



# ESG HIGHLIGHTS

# 2030 ESG Strategy – Highlights

Best practices related to emissions management and evolution in projects that enable environmental benefits

## ENVIRONMENTAL



**CLIMATE CHANGE  
MANAGEMENT**



**CIRCULAR  
ECONOMY**



**NATURAL  
RESOURCES**



**TAILING DAM  
MANAGEMENT**





**SDG :**



## 4Q22 highlights



alennium

-  **CBA joined the “A List” from CDP (*Carbon Disclosure Project*)** for its leadership in corporate transparency and performance on Climate Change
-  Presentation of CBA’s carbon reduction initiatives during a panel titled **“Aluminum’s Contributions to a Low Carbon Economy”** at COP27.
-  **CBA is the first company in Brazil to join the *First Movers Coalition* program**, an innovative partnership between the World Economic Forum and the United States, in support of decarbonizing the industry
-  **Launch of the Alennium seal**, which denotes the Company's commitment to low-carbon aluminum production with 100% renewable electricity

# 2030 ESG Strategy – Highlights

People-centered management sustained by high governance standards

## SOCIAL



**VALUING PEOPLE**



**SOCIAL LEGACY**



**SUSTAINABLE VALUE CHAIN**



**ETHICS AND TRANSPARENCY**



**ESG OWNERSHIP**

**SDG:**



CBA achieved **17.0% women** at the Company (vs. 16.7% in 3Q22). **For leadership, this figure is 21%.**

- Conclusion of the 59 Social Projects, with the main areas of action:
- **Education:** benefiting more than 40,000 students;
  - **Public Management Support:** focus on health management which covered 13 municipalities in the coverage area, impacting 473,000 inhabitants;
  - **Economic Development:** which aims to foster inclusive business models based on each municipality's vocation, total revenue of R\$ 798,000 was generated, benefiting 63 families.

## GOVERNANCE

**CBAV3 is part of all B3 ESG indexes** in its first eligible year after the IPO: ISE, 6th in the ranking, ICO2 and IGPTW.

CBA became one of the Ambassador companies of the **100% Transparency Movement**, an initiative linked to the Global Compact Network Brazil

**Financing contracts with ESG bias** with Financing Agency for Studies and Projects (FINEP) in the amount of R\$109 million and with the Brazilian Development Bank (BNDES) in a total of R\$ 611 million.

## Closing remarks

- 
**Average industry cost** continues at high levels. Even with persistent cost inflation, CBA remains in the 1st quartile of the global cost curve
- 
 Uncertainties in **demand recovery in China** maintains volatility for aluminum prices
- 
 Fall in LME aluminum prices combined with cost pressure impact **CBA's financial performance** in the quarter
- 
 Modernization and expansion projects follow expected schedule in line with **company's growth strategy**
- 
 New achievements on the **ESG fronts**, consolidating CBA's position as a reference in the industry





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*Investor Relations*



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