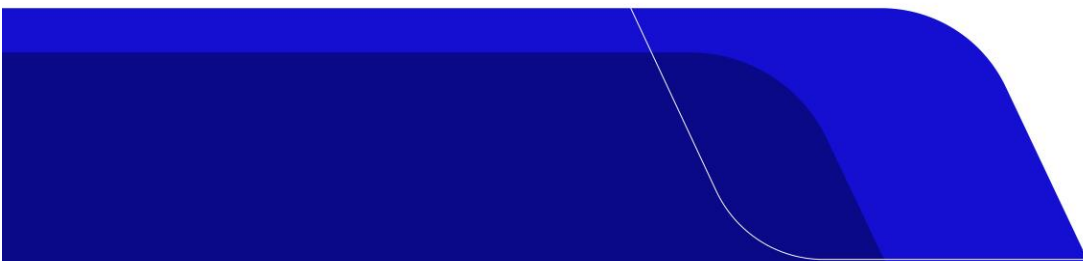




Parent company and consolidated
condensed interim financial statements
at June 30, 2023





(A free translation of the original in Portuguese)

Report on review of parent company and consolidated condensed interim financial statements

To the Board of Directors and Stockholders
Companhia Brasileira de Alumínio

Introduction

We have reviewed the accompanying condensed interim balance sheet of Companhia Brasileira de Alumínio ("Company") as at June 30, 2023 and the related condensed interim statements of operations, comprehensive income and cash flows for the quarter and six-month period then ended, and the condensed statements of changes in equity for the six-month period then ended, as well as the accompanying consolidated condensed interim balance sheet of Companhia Brasileira de Alumínio and its subsidiaries ("Consolidated") as at June 30, 2023 and the related consolidated condensed interim statements of operations, comprehensive income and cash flows for the quarter and six-month period then ended, and the consolidated condensed interim statements of changes in equity for the six-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these parent company and consolidated condensed interim financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.



Companhia Brasileira de Alumínio

Other matters

Condensed statements of value added

The interim condensed financial statements referred to above include the parent company and consolidated condensed statements of value added for the six-month period ended June 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the condensed interim financial statements for the purpose of concluding whether they are reconciled with the condensed interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these condensed statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated condensed interim financial statements taken as a whole.

Curitiba, August 7, 2023

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Carlos Eduardo Guaraná Mendonça
Contador CRC 1SP196994/O-2

(A free translation of the original in Portuguese)

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Condensed interim statement of operations

Six-month periods ended June 30

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Net revenue from goods sold and services rendered	4.1	3,142,721	3,949,010	3,581,066	4,622,883
Cost of goods sold and services rendered	5	(3,099,008)	(2,903,653)	(3,493,709)	(3,406,687)
Gross profit		43,713	1,045,357	87,357	1,216,196
Operating income (expenses)					
Selling expenses	5	(20,849)	(19,626)	(23,756)	(23,176)
General and administrative expenses	5	(180,918)	(170,745)	(204,247)	(198,098)
Other operating income (expenses), net	7	20,226	93,147	31,860	90,526
		(181,541)	(97,224)	(196,143)	(130,748)
Operating profit (loss) before equity interest and finance result		(137,828)	948,133	(108,786)	1,085,448
Equity results					
Equity in the results of investees	16	43,304	73,233	44,243	4,418
Net finance results	8				
Finance income		76,444	116,295	94,402	131,657
Finance costs		(209,393)	(293,498)	(237,229)	(315,285)
Result of derivative financial instruments		212,140	141,664	240,406	169,546
Foreign exchange gains (losses)		88,627	57,332	86,412	52,391
		167,818	21,793	183,991	38,309
Profit before taxes		73,294	1,043,159	119,448	1,128,175
Income tax	21				
Current			(137,806)	(14,799)	(185,390)
Deferred		(66,933)	(9,684)	(64,957)	(5,829)
Profit for the period attributable to shareholders		6,361	895,669	39,692	936,956
Attributable to owners of the parent		6,361	895,669	6,361	895,669
Attributable to non-controlling interests				33,331	41,287
Profit for the period		6,361	895,669	39,692	936,956
Weighted average number of outstanding shares, in thousands		595,833	595,833		
Basic and diluted earnings per thousand shares	24 (c)	10.68	1,503.22		

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of operations

Quarters ended June 30

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022
Net revenue from goods sold and services provided	1,501,087	1,993,240	1,665,247	2,331,218
Cost of goods sold and services rendered	(1,499,546)	(1,407,142)	(1,637,905)	(1,668,972)
Gross profit	1,541	586,098	27,342	662,246
Operating income (expenses)				
Selling expenses	(9,495)	(9,654)	(11,338)	(12,207)
General and administrative expenses	(97,112)	(98,880)	(108,779)	(112,789)
Other operating income (expenses), net	(128,327)	147,700	(120,042)	151,552
	(234,934)	39,166	(240,159)	26,556
Operating profit (loss) before equity interest and finance result	(233,393)	625,264	(212,817)	688,802
Equity results				
Equity in the results of investees	33,200	(5,362)	25,815	(14,774)
	33,200	(5,362)	25,815	(14,774)
Net finance results				
Finance income	43,255	81,105	48,770	89,847
Finance costs	(103,678)	(149,475)	(122,934)	(161,048)
Result of derivative financial instruments	177,671	(23,623)	197,155	(27,995)
Foreign exchange gains (losses)	62,864	(27,029)	61,494	(29,037)
	180,112	(119,022)	184,485	(128,233)
Profit (loss) before taxes	(20,081)	500,880	(2,517)	545,795
Income tax				
Current		(87,868)	(7,462)	(113,247)
Deferred	(40,598)	76,482	(39,630)	78,327
Profit (loss) for the quarter attributable to shareholders	(60,679)	489,494	(49,609)	510,875
Attributable to owners of the parent	(60,679)	489,494	(60,679)	489,494
Attributable to non-controlling interests			11,070	21,381
Profit (loss) for the quarter	(60,679)	489,494	(49,609)	510,875
Weighted average number of outstanding shares, in thousands	595,833	595,833		
Basic and diluted earnings (losses) per thousand shares	(101.84)	821.53		

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of comprehensive income
Six-month periods ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Profit for the period		6,361	895,669	39,692	936,956
Other components of comprehensive income (loss) to be reclassified to the statement of operations					
Operating hedge accounting, net of tax effects	24 (b)	90,326	167,461	90,326	167,461
Share of other comprehensive income (loss) of investees		(16,128)	303	(16,128)	303
		74,198	167,764	74,198	167,764
Total comprehensive income for the period		80,559	1,063,433	113,890	1,104,720
Comprehensive income attributable to shareholders					
Attributable to owners of the parent				80,559	1,063,433
Attributable to non-controlling interests				33,331	41,287
				113,890	1,104,720

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of comprehensive income
Quarters ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022	4/1/2022 to 6/30/2022
Profit (loss) for the quarter	(60,679)	489,494	(49,609)	510,875
Other components of comprehensive income (loss) to be reclassified to the statement of operations				
Operating hedge accounting, net of tax effects	59,125	(84,161)	59,125	(84,161)
Share of other comprehensive income (loss) of investees	632	(662)	632	(662)
	59,757	(84,823)	59,757	(84,823)
Total comprehensive income (loss) for the quarter	(922)	404,671	10,148	426,052
Comprehensive income attributable to shareholders				
Attributable to owners of the parent			(922)	404,671
Attributable to non-controlling interests			11,070	21,381
			10,148	426,052

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows
Six-month periods ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Cash flow from operating activities					
Profit before income tax and social contribution		73,294	1,043,159	119,448	1,128,175
Adjustments to non-cash items					
Interest, indexation accruals and exchange variations		18,664	113,596	1,832	114,657
Equity results	16 (b)	(43,304)	(73,233)	(44,243)	(4,418)
Depreciation, amortization and depletion	5	241,470	208,345	279,707	252,366
Energy futures contracts	7	52,080	46,919	52,080	46,919
Loss on sale of property, plant and equipment		12,078	1,165	12,279	1,484
Reversal of provision for impairment of assets	7	(113,192)	(191,657)	(113,349)	(191,657)
Derivative financial instruments	26.2	(287,882)	(2,842)	(240,406)	(30,724)
Write-off of lease agreements		(1,102)		(1,102)	
Constitution of provisions, net		7,100	35,159	5,643	34,988
		(40,794)	1,180,611	71,889	1,351,790
Decrease (increase) in assets					
Financial investments		11,857	45,945	52,008	42,313
Derivative financial instruments			(222,947)		(222,947)
Trade receivables		(26,826)	123,022	(22,254)	165,694
Inventories		(428,117)	(180,661)	(442,984)	(175,981)
Taxes recoverable		(12,976)	(44,967)	(13,051)	25,314
Judicial deposits		(5,373)	(9,233)	(5,089)	(9,318)
Other credits and other assets		42,864	(1,686)	28,002	(28,304)
Increase (decrease) in liabilities					
Trade payables		32,308	81,471	(17,154)	59,296
Confirming payables		60,965	(450,616)	56,651	(448,940)
Salaries and payroll charges		(13,677)	(18,593)	(15,036)	(19,700)
Taxes payable		(11,735)	(8,494)	(20,022)	(68,045)
Payments of tax, civil and labor proceedings		(10,164)	(23,933)	(10,164)	(26,053)
Other obligations and other liabilities		4,211	56,807	(17,322)	47,518
Cash provided by (used in) operating activities		(397,457)	526,726	(354,526)	692,637
Interest paid on borrowing, debentures and use of public assets (UBP)		(128,329)	(109,174)	(132,328)	(114,409)
Income tax and social contribution paid			(102,247)	(20,754)	(172,191)
Net cash provided by (used in) operating activities		(525,786)	315,305	(507,608)	406,037
Cash flow from investing activities					
Acquisition of property, plant and equipment and intangible assets	17 e 18	(480,287)	(304,411)	(557,301)	(326,019)
Acquisition of 80% of Alux			(128,246)		(128,246)
Acquisition remaining 20% Alux		(49,000)		(49,000)	
Capital increase in investees	16 (b)	(34,584)	(60,000)	(34,584)	
Proceeds from corporate transactions	16 (a)	49,981		49,981	
Proceeds from sale of PP&E and intangible assets		1,154	1,262	1,189	1,335
Dividends received		38,179	26,802	39,690	664
Net cash used in investing activities		(474,557)	(464,593)	(550,025)	(452,266)
Cash flow from financing activities					
Share issue costs			(262)		(262)
Proceeds from borrowings	19 (c)	1,223,421		1,236,664	
Repayments of borrowing and debentures	19 (c)	(9,621)	(65,944)	(9,621)	(65,944)
Dividends paid			5,785		5,785
Derivative financial instruments		94,491	(172,000)	23,415	(217,241)
Settlement of leases		(10,517)	(13,005)	(13,725)	(14,883)
Net cash provided by (used in) financing activities		1,297,774	(245,426)	1,236,733	(292,545)
Net increase (decrease) in cash and cash equivalents		297,431	(394,714)	179,100	(338,774)
Cash effects of company acquired and included in consolidation					15,647
Cash and cash equivalents at the beginning of the period		552,839	1,280,956	849,082	1,449,345
Cash and cash equivalents at the end of the period		850,270	886,242	1,028,182	1,126,218
Non-cash transactions					
New lease agreements				3,525	9,440
Accounts payable			5,000		5,000

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows
Quarters ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	4/1/2023 to 6/30/2023	4/1/2022 to 6/30/2022	4/1/2023 to 6/30/2023	4/1/2022 to 6/30/2022
Cash flow from operating activities				
Profit (loss) before income tax and social contribution	(20,081)	500,880	(2,517)	545,795
Adjustments to non-cash items				
Interest, indexation accruals and exchange variations	(14,605)	90,164	(20,592)	75,521
Equity results	(33,200)	5,362	(25,815)	14,774
Depreciation, amortization and depletion	126,171	100,530	145,015	123,638
Energy futures contracts	52,185	22,529	52,185	22,529
Loss (gain) on sale of property, plant and equipment	723	(295)	931	(295)
Constitution (reversal) of provision for impairment of assets	43,640	(190,418)	43,483	(190,418)
Derivative financial instruments	(253,413)	41,144	(197,155)	45,516
Constitution of provisions, net	6,846	21,509	6,907	22,573
	(91,734)	591,405	2,442	659,633
Decrease (increase) in assets				
Financial investments	53,452	49,135	94,778	56,668
Derivative financial instruments		(49,034)		(49,034)
Trade receivables	13,513	81,530	27,212	108,728
Inventories	(195,689)	(176,235)	(242,729)	(151,924)
Taxes recoverable	33,309	(46,063)	21,664	(31,657)
Judicial deposits	(3,578)	(5,557)	(3,273)	(5,629)
Other receivables and other assets	24,688	(32,066)	25,851	(36,694)
Increase (decrease) in liabilities				
Trade payables	65,388	54,080	(21,748)	94,113
Confirming payables	(5,280)	(163,875)	(8,514)	(163,802)
Salaries and payroll charges	27,247	18,821	30,886	22,705
Taxes payable	(5,908)	(1,807)	(5,452)	(23,125)
Payments of tax, civil and labor proceedings	(6,152)	(10,669)	(6,152)	(11,080)
Other obligations and other liabilities	17,891	3,391	2,355	7,145
Cash provided by (used in) operating activities	(72,853)	313,056	(82,680)	476,047
Interest paid on borrowings, debentures and use of public assets (UBP)	(83,753)	(61,372)	(87,738)	(63,331)
Income tax and social contribution paid		(81,173)	(8,490)	(94,908)
Net cash provided by (used in) operating activities	(156,606)	170,511	(178,908)	317,808
Cash flow from investing activities				
Acquisition of property, plant and equipment and intangible assets	(260,568)	(167,591)	(280,624)	(177,454)
Proceeds from corporate transactions	49,981		49,981	
Proceeds from sale of PP&E and intangible assets		561		1,335
Dividends received	38,179	26,802	39,690	(26)
Net cash used in investing activities	(172,408)	(140,228)	(190,953)	(176,145)
Cash flow from financing activities				
Share issue costs		(210)		(210)
Proceeds from borrowings	500,000		500,000	
Repayments of borrowings and debentures	(4,810)	(61,133)	(4,810)	(61,133)
Derivative financial instruments	92,873	(174,145)	21,797	(219,386)
Settlement of leases	(3,307)	(6,484)	(5,007)	(7,568)
Net cash provided by (used in) financing activities	584,756	(241,972)	511,980	(288,297)
Net increase (decrease) in cash and cash equivalents	255,742	(198,357)	142,119	(140,849)
Cash effects of company acquired and included in consolidation				4,058
Cash and cash equivalents at the beginning of the quarter	594,528	1,084,599	886,063	1,263,009
Cash and cash equivalents at the end of the quarter	850,270	886,242	1,028,182	1,126,218
Non-cash transactions				
New lease agreements			1,012	5,939

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
Assets	Note	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Current assets					
Cash and cash equivalents	9	850,270	552,839	1,028,182	849,082
Financial investments	10	296,236	270,544	344,498	339,846
Derivative financial instruments	26.2	216,752	25,804	224,169	33,172
Trade receivables	11	494,226	467,734	518,193	496,305
Inventories	12	1,994,248	1,569,932	2,322,083	1,881,369
Taxes recoverable	13	412,753	377,672	478,244	419,791
Dividends receivable	14	38,580	22,804	93,222	12,536
Other assets		158,447	198,817	179,070	238,175
		4,461,512	3,486,146	5,187,661	4,270,276
Non-current assets held for sale					
	28	210,068	78,137	210,068	78,137
		4,671,580	3,564,283	5,397,729	4,348,413
Non-current assets					
Long-term receivables					
Derivative financial instruments	26.2	174,078	81,615	219,701	103,687
Taxes recoverable	13	637,312	659,417	666,204	690,852
Deferred income tax	21	148,829	260,854	45,552	155,623
Related parties	14	47,574	48,599	60,224	60,648
Judicial deposits	22	48,996	16,169	50,246	17,703
Other assets		42,509	44,296	83,082	49,918
		1,099,298	1,110,950	1,125,009	1,078,431
Investments					
Property, plant and equipment	16	1,563,804	1,553,205	301,769	360,592
Intangible assets	17	4,932,889	4,659,346	5,822,878	5,499,239
Right-of-use assets	18	727,068	744,091	931,384	956,784
		10,940	16,810	27,673	31,246
		8,333,999	8,084,402	8,208,713	7,926,292
Total assets		13,005,579	11,648,685	13,606,442	12,274,705

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
Liabilities and equity	Note	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Current liabilities					
Borrowing and debentures	19	115,080	107,593	115,598	107,593
Derivative financial instruments	26.2	2,434	4,148	2,434	4,148
Lease liabilities		3,897	12,835	8,750	16,274
Confirming payables	20	264,592	203,627	267,142	210,491
Trade payables		892,071	861,782	989,496	1,008,669
Salaries and payroll charges		137,492	151,342	155,717	170,926
Taxes payable		5,876	17,696	28,654	33,962
Advances from customers		42,315	25,713	46,366	31,183
Dividends payable	14	206,044	206,044	263,491	227,116
Use of public assets – UBP	23	71,082	47,800	78,864	55,582
Energy futures contracts	15	173,878	94,899	173,878	94,899
Provisions	22	81,924	93,008	81,924	93,008
Other liabilities		76,638	73,438	126,422	133,729
		2,073,323	1,899,925	2,338,736	2,187,580
Liabilities related to assets held for sale	1.1. (f)	113,031		113,031	
		2,186,354	1,899,925	2,451,767	2,187,580
Non-current liabilities					
Borrowing and debentures	19	3,836,646	2,861,135	3,848,737	2,861,135
Derivative financial instruments	26.2	120,286	28,552	120,286	28,552
Lease liabilities		3,984	4,205	16,422	15,545
Related parties	14	50,170	59,969	62,179	74,090
Provisions	22	704,861	708,039	707,652	710,731
Use of public assets – UBP	23	877,869	907,227	943,544	974,502
Energy futures contracts	15		26,899		26,899
Deferred income tax and social contribution	21			12,715	13,074
Other liabilities		49,298	57,182	51,123	59,120
		5,643,114	4,653,208	5,762,658	4,763,648
Total liabilities		7,829,468	6,553,133	8,214,425	6,951,228
Equity					
Share capital	24	4,705,047	4,705,047	4,705,047	4,705,047
Revenue reserve		673,531	673,531	673,531	673,531
Retained earnings		6,361		6,361	
Carrying value adjustments	-	208,828	283,026	208,828	283,026
Atributable to owners of the parent		5,176,111	5,095,552	5,176,111	5,095,552
Atributable to non-controlling interests				215,906	227,925
Total equity		5,176,111	5,095,552	5,392,017	5,323,477
Total liabilities and equity		13,005,579	11,648,685	13,606,442	12,274,705

The accompanying notes are an integral part of these condensed interim financial statements.

Companhia Brasileira de Alumínio



Condensed interim statement of changes in equity Six-month periods ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Attributable to controlling shareholders								
	Share capital		Revenue reserve						
	Share capital	Share issue expenses	Legal	Profit retention	Retained earnings	Carrying value adjustments	Total	Non-controlling interests	Equity
At January 1, 2022	4,749,459	(44,150)	12,025	171,359		(387,894)	4,500,799	215,182	4,715,981
Comprehensive income for the period									
Profit for the period					895,669		895,669	41,287	936,956
Other comprehensive income						167,764	167,764		167,764
					895,669	167,764	1,063,433	41,287	1,104,720
Transactions with shareholders									
Acquisition of Alux do Brasil Indústria e Comércio Ltda.								23,368	23,368
Dividends approved				(114,881)			(114,881)	(67,534)	(182,415)
Share issuance expenses		(262)					(262)		(262)
		(262)		(114,881)			(115,143)	(44,166)	(159,309)
At June 30, 2022	4,749,459	(44,412)	12,025	56,478	895,669	(220,130)	5,449,089	212,303	5,661,392
At January 1, 2023	4,749,459	(44,412)	55,402	618,129		(283,026)	5,095,552	227,925	5,323,477
Comprehensive income for the period									
Profit for the period					6,361		6,361	33,331	39,692
Other components of comprehensive income						74,198	74,198		74,198
					6,361	74,198	80,559	33,331	113,890
Transactions with shareholders									
Dividends approved - CBA Energia								(45,350)	(45,350)
								(45,350)	(45,350)
At June 30, 2023	4,749,459	(44,412)	55,402	618,129	6,361	(208,828)	5,176,111	215,906	5,392,017

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of value added
Six-month periods ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Revenue					
Sales of products and services (excluding sales returns and rebates)		3,666,167	4,620,839	4,280,099	5,511,130
Other operating income		18,485	18,753	30,322	21,606
Provision for impairment of trade receivables	11	(334)	(960)	(366)	
		3,684,318	4,638,632	4,310,055	5,532,736
Inputs purchased from third parties					
Raw materials and other production inputs		(2,113,939)	(1,979,867)	(2,390,041)	(2,359,420)
Materials, electricity, third-party services and others		(584,674)	(588,467)	(633,682)	(651,923)
		(2,698,613)	(2,568,334)	(3,023,723)	(3,011,343)
Gross value added					
		985,705	2,070,298	1,286,332	2,521,393
Depreciation, amortization and depletion	17 e 18	(241,470)	(208,345)	(279,707)	(252,366)
Reversal of provision for impairment of assets	7	113,192	191,657	113,349	191,657
Net value added produced					
		857,427	2,053,610	1,119,974	2,460,684
Value added received in transfer					
Equity in the results of investees	16	43,304	73,233	44,243	4,418
Finance income and foreign exchange gains		531,897	682,463	582,347	751,136
Deferred taxes	21	(66,933)	(9,684)	(64,957)	(5,829)
		508,268	746,012	561,633	749,725
Total value added to distribute					
		1,365,695	2,799,622	1,681,607	3,210,409
Distribution of value added					
Personnel and social charges	6				
Direct remuneration		244,212	220,839	274,860	249,130
Social charges		129,913	117,980	145,701	132,908
Benefits		68,830	57,203	78,704	65,661
		442,955	396,022	499,265	447,699
Taxes and contributions					
Federal		329,882	551,478	449,063	732,853
State		204,378	266,631	276,514	350,562
		534,260	818,109	725,577	1,083,415
Remuneration of third-party capital					
Finance costs and foreign exchange losses		364,079	660,670	398,356	712,827
Rentals and leases		18,040	29,152	18,717	29,512
		382,119	689,822	417,073	742,339
Remuneration of own capital					
Non-controlling interests				33,331	41,287
Profit for the period		6,361	895,669	6,361	895,669
		6,361	895,669	39,692	936,956
Total value added distributed					
		1,365,695	2,799,622	1,681,607	3,210,409

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed interim statement of value added
Quarters ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	4/1/2023 to 6/30/2023	4/1/2022 to 6/30/2022	4/1/2023 to 6/30/2023	4/1/2022 to 6/30/2022
Revenue				
Sales of products and services (excluding sales returns and rebates)	1,762,637	2,323,254	2,008,763	2,768,596
Other operating income	8,001	16,582	16,658	20,554
Reversal of Provision for impairment of trade receivables	803	142	570	182
	<u>1,771,441</u>	<u>2,339,978</u>	<u>2,025,991</u>	<u>2,789,332</u>
Inputs purchased from third parties				
Raw materials and other production inputs	(1,001,959)	(949,271)	(1,077,496)	(1,148,333)
Materials, electricity, third-party services and others	(338,633)	(303,212)	(369,814)	(331,900)
	<u>(1,340,592)</u>	<u>(1,252,483)</u>	<u>(1,447,310)</u>	<u>(1,480,233)</u>
Gross value added	<u>430,849</u>	<u>1,087,495</u>	<u>578,681</u>	<u>1,309,099</u>
Depreciation, amortization and depletion	(126,171)	(100,530)	(145,015)	(123,638)
Reversal (constitution) of provision for impairment of assets	(43,640)	190,418	(43,483)	190,418
Net value added produced	<u>261,038</u>	<u>1,177,383</u>	<u>390,183</u>	<u>1,375,879</u>
Value added received in transfer				
Equity in the results of investees	33,200	(5,362)	25,815	(14,774)
Finance income and foreign exchange gains	366,475	229,655	393,204	250,643
Deferred taxes	(40,598)	76,482	(39,630)	78,327
	<u>359,077</u>	<u>300,775</u>	<u>379,389</u>	<u>314,196</u>
Total value added to distribute	<u>620,115</u>	<u>1,478,158</u>	<u>769,572</u>	<u>1,690,075</u>
Distribution of value added				
Personnel and social charges				
Direct remuneration	122,573	113,709	137,861	128,539
Social charges	66,271	58,368	74,209	66,117
Benefits	34,939	29,875	39,968	34,071
	<u>223,783</u>	<u>201,952</u>	<u>252,038</u>	<u>228,727</u>
Taxes and contributions				
Federal	161,804	278,667	217,839	369,094
State	103,051	141,061	136,894	184,020
	<u>264,855</u>	<u>419,728</u>	<u>354,733</u>	<u>553,114</u>
Remuneration of third-party capital				
Finance costs and foreign exchange losses	186,363	348,677	208,719	378,876
Rentals and leases	5,793	18,307	3,691	18,483
	<u>192,156</u>	<u>366,984</u>	<u>212,410</u>	<u>397,359</u>
Remuneration of own capital				
Non-controlling interests			11,070	21,381
Profit (loss) for quarter	(60,679)	489,494	(60,679)	489,494
	<u>(60,679)</u>	<u>489,494</u>	<u>(49,609)</u>	<u>510,875</u>
Total value added distributed	<u>620,115</u>	<u>1,478,158</u>	<u>769,572</u>	<u>1,690,075</u>

The accompanying notes are an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

1 General information

Companhia Brasileira de Alumínio (the “Company” or “CBA”), a subsidiary of Votorantim S.A. (“VSA”), is headquartered in the city of São Paulo, and mainly engaged in the exploration of bauxite mining in the Brazilian territory, producing and/or trading in the domestic and foreign markets, bauxite, alumina, primary and processed aluminum, through a wide range of products, such as ingots, billets, plates, coils, sheets and extruded profiles. The Company also has production units, held through subsidiaries, as described below.

CBA Itapissuma Ltda. (“CBA Itapissuma”), located in Pernambuco, in the town of Itapissuma, with an installed capacity of 56,000 metric tons per year of aluminum sheets and plates, which, complementing CBA's line of rolled products, also contributes to improving the competitiveness of the national industry against imported products.

Alux do Brasil Indústria e Comércio Ltda. (“Alux”), located in the State of São Paulo and ranked among the largest suppliers of secondary aluminum alloy in Brazil, is specialized in producing aluminum from recycled scrap, with an installed capacity of 46,000 metric tons per year. The acquisition of this subsidiary also contributes to stimulate the circular economy and contributes to the production of aluminum with a lower carbon footprint. The Company's investee Metalex Ltda. (“Metalex”), located in Araçariçuama, State of São Paulo, is also engaged in recycling aluminum scrap for the production of billets, with a production capacity of 90,000 metric tons per year.

CBA owns, or manages through consortia, hydroelectric power plants, which enables it to reduce the cost of energy consumed during the primary aluminum production process. In all, there are 21 hydroelectric plants located in the South, Southeast and Central-West regions of Brazil, totaling 1.4 gigawatt of 100% renewable installed capacity (contributing to the production of low-carbon aluminum), already adjusted by the Company's interest in the assets, and by an average capacity factor of 53%. The Company has also a stake in a wind farm in the Northeast region, with a capacity of 171.6 MW. Since February 2022, energy trading has been carried out internally, and the surplus electric power generated is traded on the local market.

The bauxite processed by the Company is mainly extracted from its own three mining units, located in Goiás (Barro Alto) and Minas Gerais (Poços de Caldas and Mirai). A small portion is acquired from a supplier also located in the State of Goiás (Barro Alto), pursuant to a purchase and sale agreement effective until 2028.

The Company also used to run nickel operations that are currently dormant. On April 12, 2023, the Company signed a purchase and sale agreement to sell part of these operations to Wave Nickel Brasil for R\$18,900 (Note 28). The impairment of the assets related to these operations was reversed in March 2023 (Note 17 (a) (i)).

1.1. Main events during the six-month period ended June 30, 2023

(a) Borrowings and financing

In February 2023, the Company received the first release from loan agreements entered into in December 2022 with BNDES, amounting to R\$179.254.

Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

In March 2023, the Company entered into three loan agreements through export credit facilities (Export Prepayment and Export Credit Notes), in the aggregate amount of US\$107.897 (one hundred and seven million, eight hundred and ninety-seven thousand dollars) (equivalent to R\$519,976).

In June 2023, the Company entered into a new loan agreement through Export Credit Notes in the amount of R\$500.000.

(b) ESG (Environmental, Social and Governance) commitments

As the Company and its subsidiaries move forward on their ESG journey, sustainability is one of their strategic drivers, in line with the 2030 Sustainability commitments that are founded on seven pillars: Integrity and Transparency, Safety, Health and Well-Being, Innovation, Diversity and Inclusion, Reduction of Greenhouse Gas Emissions, a Circular Economy, and Shared Value. Climate change is at the core of the Company's strategy, governing current and future innovation initiatives and investments.

Furthermore, in order to contribute to the evolution of the voluntary carbon market, the Company has joined other companies from different sectors in the "Brazilian Initiative for the Voluntary Carbon Market". The objective of this group, coordinated by McKinsey & Company, is to structure key actions aimed at developing the voluntary carbon market in Brazil and contributing to the global market for high-integrity carbon credits. Among the group's main planned deliverables is the proposal of practical measures intended to mitigate major barriers to this market, which include mechanisms to stimulate the high-integrity supply and demand, and governance initiatives.

(c) Capital increase at Alunorte – Alumina do Norte S.A.

On March 28, 2023, the Company exercised its preemptive right for the acquisition of new shares subscribed by its associate Alunorte – Alumina do Norte S.A., proportionally to its interest. Capital was increased by R\$34,584, with the Company maintaining its total ownership interest of 3.03% in the associated company.

(d) Issue of carbon credits

On March 31, 2023, the Company, in partnership with Reservas Votorantim, received the approval for 316,000 metric tons of carbon credits,

which were recorded under "Inventories" (Note 12) and in the statement of operations under "other operating income (expenses), net" (Note 7).

Reservas Votorantim is a company within the VSA portfolio, specialized in land management and nature-based solutions for traditional and new economy businesses, and responsible for managing CBA's environmental areas.

The initiative was supported by Legado Verdes do Cerrado, a private reserve for sustainable development of 32,000 hectares, owned by the Company and located in Niquelândia (GO).

(e) Energy swap agreement

In the first quarter of 2023, the Company entered into energy swap contracts with a six-year term, ending in December 2028, which had no impact on the energy balance volume. These contracts had the purpose

**Notes to the condensed interim financial statements
at June 30, 2023****All amounts in thousands of reais unless otherwise stated**

of changing the Company's risk exposure to an existing energy contract ("original contract") for the remaining contracted period, by swapping the IPCA and IGP-M exposure (original contract indexes) for fixed amounts in U.S. dollars. Additionally, when assessed together with the original contract, these contracts changed the net cash flow impact.

In accordance with CPC 46/IFRS 13, at initial valuation, the swap indicated a negative fair value of R\$213.409 million (R\$15.029 already amortized), when calculated based on the risk-free rate, but without considering other unobservable factors provided for in the standard, which classified these contracts as "Level 3" financial instruments.

The value of the derivative is significantly affected both by the lack of liquidity of the IGP-M index in the long position, and the contract specific volume and term, in addition to other factors that represent unobservable inputs in the fair value measurement.

The main contract parameters, including the assumptions made for unobservable inputs and terms, are presented of: IPCA futures, IGPM futures, USD futures and discount rate.

These assumptions represent the best estimate for each case, in the Company's opinion. Management believes that the contracts were entered into under prevailing market conditions, using, for measurement purposes, the most appropriate assumptions for unobservable inputs.

The transaction price was initially recorded as zero, considering that the unobservable inputs have a significant influence on the measurement of derivatives and the recognition of a loss on day one. The Day-one loss was deferred on initial recognition, being amortized on a straight-line basis over the term of the swap contract under "Derivative financial instruments", in the statement of operations. All the amounts relating to the measurement of derivatives are presented on a net basis per contract in the balance sheet (Derivative financial assets and liabilities). In addition, changes in fair value measurement are also classified in the statement of operations as "Derivative financial instruments". Upon realization, the accounting effects are recorded under "Cost of goods sold", matching the nature of the transaction (Cost of energy).

(f) Sale of Niquelândia unit

On April 12, 2023, the Company signed a purchase and sale agreement to sell the Niquelândia unit, located in the State of Goiás, to Wave Nickel Brasil ("The Buyer"), a subsidiary of the global technology company New Wave, for R\$120,889, comprising R\$18,900 of funds to be received in cash, net of sales commission, and R\$101,989 corresponding to the assumption of net assets before the transaction (as shown in the table below). Accordingly, the impairment recorded for the assets involved in this transaction, in the amount of R\$120,889, was reversed (Note 17 (a)) and recorded under "Other operating income (expenses), net" (Note 7).

The amount due will be paid as follows: R\$4,000 in cash and R\$14,900 at the closing of the deal. Additionally, the Company will receive a 3% royalty on net revenues from mining and industrial production, limited to US\$10,000 (ten million dollars) per year, and a subscription option in the companies Wave Nickel and Wave Aluminum.

The underlying assets and liabilities, before and after the execution of the agreement, considering the base date of June 30, 2023, are shown below.

**Notes to the condensed interim financial statements
at June 30, 2023**

All amounts in thousands of reais unless otherwise stated

	Before the transaction	After the transaction
Property, plant and equipment (Note 17 (a))		121,432
Other assets	1,762	10,499
Total assets	1,762	131,931
Decommissioning liabilities (Note 22 (a))	98,520	108,656
Other liabilities	5,231	4,375
Total liabilities	103,751	113,031
Net balance	(101,989)	18,900

The amounts arising from the recognition of the transaction, referring to the royalties and call options in Wave Nickel and Wave Aluminum are currently under review, and may eventually be adjusted.

At June 30, 2023, the net assets were transferred to assets held for sale (Note 28).

(g) Acquisition of interest in CBA Machadinho Participações S.A. ("CBA Machadinho")

On August 8, 2022, following the public auction for the privatization of the shareholder of CBA Machadinho, CEEE-G ("Seller"), pursuant to the public notice that priced its interest in the enterprise at 5.5301%, and in accordance with the shareholders' agreement, CBA was obliged to sell its ownership interest, which was priced by the Seller at R\$114,763. On October 27, 2022, CBA informed the Seller about its intention of exercising its preemptive rights, including in respect of the remaining shares held by parties who did not express their interest.

On April 14, 2023, the contract for acquisition of ownership interest, which was increased by 1.7065%, was signed, for an amount of R\$35,413 that will be paid after ANEEL's approval. This increase in investment will result in a 1.7065% increase in the ownership interest.

(h) Distribution of minimum mandatory dividends

At an Extraordinary General Meeting held on April 27, 2023, the Company deliberated on the distribution of minimum mandatory dividends related to the profit for the year ended December 31, 2022, in the amount of R\$206,042.

(i) Furnace Rooms

During the first half of this year, the Company presented instability in the production process of liquid aluminum, due to changes in the physical-chemical properties of coke and pitch for the production of anodic paste. This operational instability in its Furnace Rooms had an impact on the efficiency of electrical current and specific consumption and, consequently, in reduction of the volume of aluminum produced. This instability is being adjusted with the composition of a new blend of coke and pitch, already in the process of operational stabilization. The accounting effects arising from the instability are not material and will continue to be monitored by the Company over the coming months.

Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

2 Financial statement presentation and significant accounting practices

2.1 Basis of presentation

(a) Parent company and consolidated condensed interim financial statements

The parent company and consolidated condensed interim financial statements at June 30, 2023 were prepared and are being presented in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Financial Statements, and the International Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as with the standards issued by the Brazilian Securities and Exchange Commission ("CVM"), and disclose all the information of significance to interim financial statements, which is consistent with that utilized by management in the performance of its duties. This quarterly information follows the provisions of CVM/SNC/SEP Circular Letter 003 of April 28, 2011, which allow entities to present selected explanatory notes to avoid redundancy of information already disclosed in the annual financial statements.

Therefore, these condensed interim financial statements do not include all the notes and disclosures required by the standards for annual financial statements; consequently, they should be read in conjunction with the annual financial statements at December 31, 2022, available on the Investor Relations page (ri.cba.com.br), and prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and accounting practices adopted in Brazil, which follow the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and CVM standards.

The Company voluntarily elected to present the condensed interim financial statements for the quarters ended June 30, 2023 and 2022 as supplementary information

The condensed interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in Note 2 to the financial statements at December 31, 2022.

(b) Approval of the financial statements

The Company's Executive Board approved the issue of these parent company and consolidated condensed interim financial statements on August 7, 2023.

2.2 Changes in accounting policies and disclosures

In the six-month period ended June 30, 2023, the Company and its subsidiaries reviewed the amendments to accounting standards and did not identify any changes in their operating and accounting policies that would require retrospective adoption or adoption at the beginning of 2023.

3 Critical accounting estimates and judgments

In the six-month period ended June 30, 2023, there was no change in estimates and assumptions that would represent significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the current six-month period in relation to those detailed in Note 4 to the latest annual financial statements.

Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

4 Segment information

The Company's activities are carried out through the following operating segments: Aluminum, Energy and Nickel.

Aluminum

Comprises the operations of the aluminum production chain, from bauxite mining to the production of primary and transformed products.

Energy

Comprises only the sale of surplus electric power to the market.

Nickel

This segment comprises the operations of Cerrado Nickel and Green Legacy Units.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing the performance of the operating segments, is the Executive Board, which is also responsible for making the Company's strategic decisions, using adjusted EBITDA as a performance measure.

The information presented to senior management with the respective performance of each segment is obtained from the records maintained in accordance with accounting policies, with certain reallocations between the segments.

	1/1/2023 to 6/30/2023				
	Aluminum	Nickel	Energy	Eliminations (i)	Consolidated
Net revenue from goods sold and services rendered	3,367,874	6,735	289,318	(82,861)	3,581,066
Cost of goods sold and services rendered	(3,108,224)	(19,362)	(448,984)	82,861	(3,493,709)
Gross profit (loss)	259,650	(12,627)	(159,666)		87,357
Selling expenses	(23,756)				(23,756)
General and administrative expenses	(192,222)	(8,385)	(3,640)		(204,247)
Other operating income (expenses), net	(27,868)	109,735	(50,007)		31,860
Operating profit (loss)	15,804	88,723	(213,313)		(108,786)
Depreciation, amortization and depletion	267,664	3,993	8,050		279,707
Exclusions and exceptional items	2,887	(104,088)	88,770		(12,431)
Energy futures contracts			52,080		52,080
Dividends received (cash effect) from unconsolidated companies			36,690		36,690
Reversal of impairment of other assets	(354)				(354)
Constitution (reversal) of provision for impairment of assets	3,241	(104,088)			(100,847)
Adjusted EBITDA	286,355	(11,372)	(116,493)		158,490
EBITDA margin	8.50%	-168.85%	-40.26%		4.43%

**Notes to the condensed interim financial statements
at June 30, 2023**

All amounts in thousands of reais unless otherwise stated

	1/1/2022 to 6/30/2022				
	Aluminum	Nickel	Energy	Eliminations (i)	Consolidated
Net revenue from goods sold and services rendered	4,471,264	15,738	308,450	(172,569)	4,622,883
Cost of goods sold and services rendered	(3,181,031)	(35,903)	(362,322)	172,569	(3,406,687)
Gross profit (loss)	1,290,233	(20,165)	(53,872)		1,216,196
Selling expenses	(23,174)	(2)			(23,176)
General and administrative expenses	(180,210)	(8,012)	(9,876)		(198,098)
Other operating income (expenses), net	(22,001)	163,707	(51,180)		90,526
Operating profit (loss)	1,064,848	135,528	(114,928)		1,085,448
Depreciation, amortization and depletion	234,752	2,135	15,479		252,366
Other additions (exclusions) and exceptional items	(3,669)	(187,988)	46,919		(144,738)
Adjusted EBITDA	1,295,931	(50,325)	(52,530)		1,193,076
EBITDA margin	28.98%	-319.77%	-17.03%		25.81%

- (i) The eliminations above correspond to the energy generated and consumed by the Company's reportable segments.

4.1 Net revenue from goods sold and services rendered

(a) Revenue reconciliation

	1/1/2023 to 6/30/2023			
	Aluminium	Nickel	Energy	Parent company
Sale of primary aluminum	1,476,918			1,476,918
Sale of processed aluminum	924,740			924,740
Other aluminum products and services	531,839			531,839
Energy			202,488	202,488
Others		6,736		6,736
Net revenue from goods sold and services rendered	2,933,497	6,736	202,488	3,142,721

	1/1/2022 to 6/30/2022			
	Aluminium	Nickel	Energy	Parent company
Sale of primary aluminum	2,024,874			2,024,874
Sale of processed aluminum	1,141,400			1,141,400
Recycling	11,850			11,850
Other aluminum products and services	761,940			761,940
Strategic hedge	(138,816)			(138,816)
Energy			132,022	132,022
Others		15,740		15,740
Net revenue from goods sold and services rendered	3,801,248	15,740	132,022	3,949,010

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	1/1/2023 to 6/30/2023				
	Aluminium	Nickel	Energy	Eliminations	Consolidated
Sale of primary aluminum	1,480,325				1,480,325
Sale of processed aluminum	1,334,492				1,334,492
Recycling	386,752				386,752
Other aluminum products and services	534,821				534,821
Eliminations between aluminum segments	(368,516)				(368,516)
Energy (i)			289,318	(82,861)	206,457
Others		6,735			6,735
Net revenue from goods sold and services rendered	3,367,874	6,735	289,318	(82,861)	3,581,066

	1/1/2022 to 6/30/2022				
	Aluminium	Nickel	Energy	Eliminations	Consolidated
Sale of primary aluminum	2,024,874				2,024,874
Sale of processed aluminum	1,656,547				1,656,547
Recycling	467,777				467,777
Other aluminum products and services	764,274				764,274
Eliminations between aluminum segments	(303,392)				(303,392)
Strategic hedging	(138,816)				(138,816)
Energy (i)			308,450	(172,569)	135,881
Others		15,738			15,738
Net revenue from goods sold and services rendered	4,471,264	15,738	308,450	(172,569)	4,622,883

- (i) The eliminations above correspond to the energy generated and consumed by the Company's reportable segments.

(b) Net revenue by country of destination

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Brazil	2,781,763	3,187,500	3,195,554	3,794,544
United States	210,074	330,683	215,831	335,962
Canada	70,250		70,250	1,328
Uruguay	35,499	27,281	35,499	29,549
Netherlands	17,230	1	17,230	1
Argentina	781	1,048	14,590	39,720
Colombia	6,547	5,579	7,047	6,444
Bolivia	6,331	6,544	6,331	6,544
Paraguay	4,641	15,787	5,078	18,049
Mexico	2,944	8,043	2,944	9,100
Spain	1,032	214,340	1,032	214,340
Other	5,629	152,204	9,680	167,302
	3,142,721	3,949,010	3,581,066	4,622,883

4.2 Capital management

The Company's objectives in managing its capital are to safeguard its ability to consistently offer returns to shareholders and benefits to other stakeholders, while maintaining an optimal capital structure.

Although this supplementary information is not defined by Brazilian and international accounting standards, the Company uses the adjusted EBITDA as an indicator of its operational performance.

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Adjusted EBITDA is calculated from net profit plus/minus finance result, plus income tax and social contribution, depreciation, amortization and depletion, minus equity results plus dividends received from investees, and plus/minus exceptional non-cash items (non-cash items considered by management as unusual are excluded from the adjusted EBITDA measurement), in accordance with CVM Instruction 156, dated June 23, 2022.

The Company constantly monitors significant indicators, such as the Financial Leverage Ratio, which is calculated as net debt divided by adjusted EBITDA for the last twelve months.

			Consolidated
	Note	6/30/2023	12/31/2022
Borrowing and debentures	19	3,964,335	2,968,728
Leases		25,172	31,819
Cash and cash equivalents	9	(1,028,182)	(849,082)
Financial investments	10	(344,498)	(339,846)
Derivative financial instruments	26.2	(321,150)	(104,159)
Net debt – (A)		2,295,677	1,707,460

				Consolidated
	Period ended 6/30/2023	Period ended 6/30/2022	Twelve-month period ended 3/31/ 2023	Twelve-month period ended 3/31/2022
Profit for the period	39,692	936,956	59,982	957,246
Income tax and social contribution	79,756	191,219	77,876	189,339
Profit before taxes	119,448	1,128,175	137,858	1,146,585
Depreciation, amortization and depletion	279,707	252,366	566,852	539,511
Net finance result	(183,991)	(38,309)	(143,621)	2,061
EBITDA	215,164	1,342,232	561,089	1,688,157
Exceptional items				
Equity	(44,243)	(4,418)	(26,960)	12,865
Equity in results - Discontinued operations			(16,259)	(16,259)
Energy future contracts	52,080	46,919	91,564	86,403
Dividends received (cash effect) from unconsolidated companies	36,690		36,690	
Loss on sale of investment			18,493	18,493
Recognition of assets held for sale at fair value			47,522	47,522
Provision (reversal) for impairment of tax credits	(354)		15,090	15,444
Reversal of provision for impairment of assets	(100,847)	(191,657)	(135,197)	(226,007)
Adjusted EBITDA (B)	158,490	1,193,076	592,032	1,626,618
Gearing ratio – (A/B)			3,88	1,05

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5 Breakdown of expenses by nature

	Parent company 1/1/2023 to 6/30/2023			
	Cost of products sold and services provided (i)	Selling expenses	General and administrative expenses	Total
Raw materials, inputs and consumables	2,113,939	698	1,343	2,115,980
Employee benefit expenses	327,695	12,978	102,282	442,955
Depreciation, amortization and depletion	235,441	62	5,967	241,470
Transportation expenses	184,950		54	185,004
Third party services	49,982	2,286	57,945	110,213
Maintenance and upkeep	107,198	92	361	107,651
Operating services	45,352			45,352
Rentals and leases	16,215	135	1,690	18,040
Provision for impairment of trade receivables		334		334
Other expenses	18,236	4,264	11,276	33,776
	3,099,008	20,849	180,918	3,300,775

	Parent company 1/1/2022 to 6/30/2022			
	Cost of products sold and services provided (i)	Selling expenses	General and administrative expenses	Total
Raw materials, inputs and consumables (ii)	1,931,787	474	958	1,933,219
Employee benefit expenses	298,312	10,040	87,670	396,022
Transportation expenses (ii)	209,047		20	209,067
Depreciation, amortization and depletion	195,582	25	12,738	208,345
Maintenance and upkeep	125,425	79	162	125,666
Third party services	39,436	2,053	58,927	100,416
Operating services	49,862			49,862
Rentals and leases	28,621	79	452	29,152
Provision for impairment of trade receivables		960		960
Other expenses (ii)	25,581	5,916	9,818	41,315
	2,903,653	19,626	170,745	3,094,024

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	Consolidated 1/1/2023 to 6/30/2023			
	Cost of products sold and services rendered (i)	Selling	General and administrative expenses	Total
Raw materials, inputs and consumables	2,390,041	711	1,680	2,392,432
Employee benefit expenses	374,705	13,445	111,115	499,265
Depreciation, amortization and depletion	271,553	73	8,081	279,707
Transportation expenses	185,009		54	185,063
Third party services	55,390	2,294	66,417	124,101
Maintenance and upkeep	122,901	92	440	123,433
Other expenses	45,352			45,352
Rentals and leases	16,215	135	2,367	18,717
Provision for impairment of trade receivables		366		366
Operating services	32,543	6,640	14,093	53,276
	3,493,709	23,756	204,247	3,721,712

	Consolidated 1/1/2022 to 6/30/2022			
	Cost of products sold and services rendered (i)	Selling	General and administrative expenses	Total
Raw materials, inputs and consumables (ii)	2,311,341	474	8,496	2,320,311
Employee benefit expenses	340,748	11,530	95,421	447,699
Depreciation, amortization and depletion	237,509	58	14,799	252,366
Transportation expenses (ii)	209,064		20	209,084
Third party services	143,403	81	719	144,203
Maintenance and upkeep	45,340	2,815	65,698	113,853
Operating services (ii)	40,799	8,148	12,124	61,071
Other expenses	49,862			49,862
Rentals and leases	28,621	70	821	29,512
	3,406,687	23,176	198,098	3,627,961

- (i) The amount of R\$10,581 (R\$16,108 at June 30, 2023) recorded in the parent company and consolidated at June 30, 2023 relates to idle production costs at the Nickel plant located in the municipality of Niquelândia (State of Goiás) in the maintenance and upkeep group.
- (ii) In the parent company and consolidated balances at June 30, 2022, the cost of road and rail freight for bauxite were reclassified from raw materials and others, to transportation expenses under “cost of goods sold and services rendered”.

6 Employee benefit expenses

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Direct compensation	244,212	220,839	274,860	249,130
Payroll charges	129,913	117,980	145,701	132,908
Benefits	68,830	57,203	78,704	65,661
	442,955	396,022	499,265	447,699

(a) Pension obligations

The Company participates in defined contribution pension plans, managed by a private pension entity, which provide post-employment benefits to employees. Under a defined contribution plan, the Company

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pays fixed contributions to an independent entity. The Company has no legal or constructive liability for the payment of additional contributions in the event the fund does not have sufficient assets to pay the employees.

(b) Defined contribution plan

The Company and its subsidiaries sponsor private pension plans that are administered by the Senator José Ermírio de Moraes Foundation (FUNSEJEM), a private, non-profit pension fund, which is available to all employees of the Votorantim Group. The fund's regulations establish that the employees' contributions to FUNSEJEM are based on their remuneration. Contributions from employees who earn less than the limits established by the regulations are defined as up to 1.5% of their monthly remuneration. For employees whose compensation exceeds the limits, the defined contribution is up to 6% of their monthly remuneration.

Voluntary contributions can also be made to FUNSEJEM. After the contributions have been made to the plan, no additional payment is required by the Company. The Company's contributions to FUNSEJEM during the six-month periods ended June 30, 2023, and June 30, 2022 totaled R\$2,312 and R\$2,071, respectively.

(c) Employee profit sharing

The Company set up provisions for the expenses related to employee profit sharing, which are calculated based on qualitative and quantitative targets established by management, and recorded as "employee benefits", within direct compensation.

(d) Management compensation

Expenses related to the compensation paid to key management personnel, which include the Board of Directors, the Statutory Audit Board and the Statutory Executive Board, and recognized in the statement of operations for the six-month period were as follows:

	Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Short-term compensation		
Salary or management fees	6,941	5,322
Direct or indirect benefits	478	368
Variable compensation	5,956	5,214
	<u>13,375</u>	<u>10,904</u>
Long-term compensation		
Long-term incentives	10,552	11,018
	<u>10,552</u>	<u>11,018</u>
	<u>23,927</u>	<u>21,922</u>

Short-term management compensation includes: fixed compensation (salaries and fees, vacation pay and 13th month salary), direct and indirect benefits (medical assistance, meal vouchers, food vouchers, life insurance, and private pension plans), and short-term variable compensation (profit sharing and bonuses).

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7 Other operating income (expenses), net

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Reversal of provision for impairment of assets (Note 17)	113,192	191,657	113,349	191,657
Energy futures contracts (i)	(52,080)	(46,919)	(52,080)	(46,919)
Expenditure on projects not eligible for capitalization	(32,191)	(24,682)	(32,496)	(24,682)
Constitution of provisions, net	(17,287)	(41,640)	(17,141)	(40,231)
Reversal of estimated loss on obsolete and low turnover inventory	9,482	1,293	9,524	704
Revenue from bauxite sales	4,508	6,392	4,508	6,392
Tax benefits			3,816	3,479
Other operating income (expenses), net	(5,398)	7,046	2,380	126
	20,226	93,147	31,860	90,526

- (i) Relates to the realization of the financial instrument in line with the recognition of future exposure based on the projected energy balance (Note 15).

8 Net finance results

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Finance income				
Gains on financial investments	37,549	50,323	56,660	61,105
Interest on financial assets	12,792	974	15,427	1,174
Reversal of inflation adjustments of provisions	9,738	6,750	9,738	6,750
Inflation adjustments of assets	8,262	54,599	8,303	56,833
Interest on transactions with related parties	7,929	3,649	3,235	4,597
Other finance income	174		1,039	1,198
	76,444	116,295	94,402	131,657
Finance costs				
Interest and inflation adjustments - UBP	(16,190)	(81,515)	(18,480)	(90,929)
Capitalization of interest on borrowings – CPC 20	10,704	3,017	10,704	3,017
Income tax on remittances of interest abroad	(1,455)	(3,130)	(1,614)	(3,273)
Funding costs	(1,888)	(2,019)	(2,777)	(3,016)
PIS and COFINS on finance result	(3,469)	(7,617)	(4,473)	(8,333)
Interest on transactions with related parties	(7,210)	(6,133)	(19,760)	(7,128)
Inflation adjustments of provisions	(25,735)	(43,123)	(25,735)	(43,984)
Assignment of receivables	(21,628)	(27,937)	(27,614)	(27,937)
Adjustment to present value – CPC 12	(34,103)	(32,564)	(34,103)	(32,309)
Interest on borrowings and debentures (Note 19 (c))	(106,027)	(87,539)	(106,207)	(89,301)
Other finance costs	(2,392)	(4,938)	(7,170)	(12,092)
	(209,393)	(293,498)	(237,229)	(315,285)
Gains (losses) on derivative financial instruments (Note 26.2)	212,140	141,664	240,406	169,546
Foreign exchange gains (losses), net	88,627	57,332	86,412	52,391
	167,818	21,793	183,991	38,309

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9 Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency				
Cash and banks	2,457	4,447	4,605	39,117
Bank Deposit Certificates - "CDBs"	596,840	77,562	695,116	294,441
Repurchase agreements - Public securities	47,028	5,944	93,433	38,726
Repurchase agreements - Private securities		24,107		24,105
Shares of Investment Funds			11	10
	<u>646,325</u>	<u>112,060</u>	<u>793,165</u>	<u>396,399</u>
Foreign currency				
Cash and banks	184,943	361,589	216,015	373,493
Time Deposits	19,002	79,190	19,002	79,190
	<u>203,945</u>	<u>440,779</u>	<u>235,017</u>	<u>452,683</u>
	<u>850,270</u>	<u>552,839</u>	<u>1,028,182</u>	<u>849,082</u>

10 Financial investments

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency				
Bank Deposit Certificates - "CDBs"	40	43	27,163	6,308
Financial Treasury Bills - "LFTs"	234,775	210,772	255,914	273,809
National Treasury Notes - "NTNs"	61,350	59,665	61,350	59,665
Repurchase transactions - Government securities	7		7	
Others	64	64	64	64
	<u>296,236</u>	<u>270,544</u>	<u>344,498</u>	<u>339,846</u>
Current	<u>296,236</u>	<u>270,544</u>	<u>344,498</u>	<u>339,846</u>

Investments comprise mainly government or financial institution securities, which earn interest between 100.78% and 101.61% (101.37% p.a. and 102.82% p.a. at December 31, 2022) of the Interbank Deposit Certificate (CDI) rate.

11 Trade receivables

(a) Breakdown

	Note	Parent company		Consolidated	
		6/30/2023	12/31/2022	6/30/2023	12/31/2022
Trade receivables - local customers		316,737	269,895	402,218	341,571
Trade receivables - foreign customers		122,645	131,829	127,136	149,853
Related parties	14	84,449	95,281	21,692	40,563
		<u>523,831</u>	<u>497,005</u>	<u>551,046</u>	<u>531,987</u>
Expected credit losses		<u>(29,605)</u>	<u>(29,271)</u>	<u>(32,853)</u>	<u>(35,682)</u>
		<u>494,226</u>	<u>467,734</u>	<u>518,193</u>	<u>496,305</u>

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(b) Changes in expected credit losses

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
At the beginning of the period	(29,271)	(23,657)	(35,682)	(28,951)
Provisions, net of reversals	(334)	(960)	(366)	
Trade receivables written off during the period		3	3,195	4
At the end of the period	(29,605)	(24,614)	(32,853)	(28,947)

(c) Aging of trade receivables

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Falling due	460,885	381,121	488,058	408,873
Up to 3 months past due	8,526	59,427	7,923	62,708
From 3 to 6 months past due	1,028	1,064	1,362	2,886
Over 6 months past due (i)	53,392	55,393	53,703	57,520
	523,831	497,005	551,046	531,987

- (i) At June 30, 2023 and December 31, 2022, the amount of R\$49,045 relates to trade receivables secured by real guarantees (chattel mortgage) regarding overdue balances.

12 Inventories

(a) Breakdown

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Finished products	460,454	256,026	565,713	348,749
Semi-finished products	990,233	851,990	1,077,653	937,963
Auxiliary and consumable materials	219,011	204,423	265,770	247,682
Raw materials	280,542	161,140	372,165	254,335
Imports in transit	67,329	129,471	67,683	130,584
Reclassification to assets held for sale	(9,977)		(9,977)	
Others	11,457		11,548	376
Estimate of loss (i)	(24,801)	(33,118)	(28,472)	(38,320)
	1,994,248	1,569,932	2,322,083	1,881,369

- (i) The estimated loss substantially relates to obsolete/low turnover materials.

The Company has no inventories pledged as collateral for liabilities.

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(b) Changes in the provision for inventory losses

	Parent company					1/1/2022 to 6/30/2022
	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	
	Finished products	Semi-finished products	Raw materials	Auxiliary materials	Total	Total
At the beginning of the period	(4,731)	(14,894)	(606)	(12,887)	(33,118)	(48,320)
Reversals (provisions), net	(557)	7,565	(209)	(623)	6,176	999
Reclassification to assets held for sale		2,141			2,141	
At the end of the period	(5,288)	(5,188)	(815)	(13,510)	(24,801)	(47,321)

	Consolidated					1/1/2022 to 6/30/2022
	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	
	Finished products	Semi-finished products	Raw materials	Auxiliary materials	Total	Total
At the beginning of the period	(7,890)	(16,333)	(606)	(13,491)	(38,320)	(50,958)
Reversals (provisions), net	(502)	9,000	(208)	(583)	7,707	1,059
Reclassification to assets held for sale		2,141			2,141	
At the end of the period	(8,392)	(5,192)	(814)	(14,074)	(28,472)	(49,899)

13 Taxes recoverable

(a) Breakdown

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
State Value-added Tax (ICMS)	621,721	502,091	664,836	539,658
Income Tax and Social Contribution (IRPJ and CSLL)	166,446	267,392	181,849	270,097
Social Contribution on Revenue (COFINS)	120,010	138,694	126,702	143,604
Social Integration Program (PIS)	25,731	29,667	27,176	30,729
Income Tax Withheld at Source (IRRF)	19,107		27,466	
Social security credit	17,053	22,364	25,599	30,427
ICMS on property, plant and equipment	72,161	69,189	75,208	71,208
Others	7,836	7,692	15,612	24,920
	1,050,065	1,037,089	1,144,448	1,110,643
Current	412,753	377,672	478,244	419,791
Non-current	637,312	659,417	666,204	690,852
	1,050,065	1,037,089	1,144,448	1,110,643

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14 Related parties

(a) Balance sheet

Parent company												
1/1/2023 to 6/30/2023												
	Parent company	Controlled companies					Related companies					
	VSA	Alux	CBA Energia	CBA Itapissuma	CBA Machadinho	Metalex	Enercan	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim	Outros
Trade receivables												
Intragroup sales		2,260		31,690		28,938			21,316			
Others	29											216
Dividends receivable		7,616	24,374									6,590
Current and non-current assets												
Shareholding in Ventos de Santo Anselmo (ii)									45,330			
Cash equivalents and derivative financial instruments (iii)											3,257	
Other assets												2,244
Trade payables												
Services shared by the Operational Center of Excellence - CoE (v)	3,987											
Energy sales			7,755		4,790		61,526		41,886			
Intragroup sales				3,143		1,692		54,957				19,037
Current and non-current liabilities												
Shareholding in Ventos de Santo Anselmo (ii)									45,367			
Energy futures contracts (i)									173,878			
Derivative financial instruments (iii)											13,425	
Other liabilities												4,803
Dividends payable	139,873											
Non-controlling shareholders												66,171
Total at June 30, 2023	143,889	9,876	32,129	34,833	4,790	30,630	61,526	54,957	237,080	90,697	16,682	99,061

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Parent company 1/1/2022 to 12/31/2022											
	Parent company	Controlled companies					Related companies				
	VSA	Alux	CBA Energia	CBA Itapissuma	CBA Machadinho	Metalex	Enercan	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim Outros
Trade receivables											
Intragroup sales		3,573		1,810		49,331		537	30,804		
Others	1,970									147	7,109
Dividends receivable		6,983	9,231								6,590
Current and non-current assets											
Shareholding in Ventos de Santo Anselmo (ii)										43,050	
Cash equivalents and derivative financial instruments (iii)											75
Other assets											5,549
Trade payables											
Services shared by the Operational Center of Excellence - CoE (iv)	3,609										
Energy sales			8,329		3,944		25,214		42,809		9,058
Intragroup sales				15		1,212		48,403			
Current and non-current liabilities											
Shareholding in Ventos de Santo Anselmo (ii)										53,380	
Advances from customers								538		447	
Energy futures contracts (i)									121,798		
Derivative financial instruments (iii)											32,700
Other liabilities											5,604
Dividends payable	139,873										
Non-controlling shareholders											66,171
Total at December 31, 2022	145,452	10,556	17,560	1,825	3,944	50,543	25,214	49,478	195,411	97,024	32,775 100,081

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All amounts in thousands of reais unless otherwise stated

Consolidated								
1/1/2023 to 6/30/2023								
	Parent company	Related companies						
	VSA	Enercan	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim	MRN	Outros
Trade receivables								
Intragroup sales				21,156				
Others	29				271			236
Dividends receivable		86,632					6,590	
Current and non-current assets								
Shareholding in Ventos de Santo Anselmo and Ventos de São Isidoro (ii)					57,982			
Cash equivalents and derivative financial instruments (iii)						56,298		
Other assets								2,242
Trade payables								
Services shared by the Operational Center of Excellence - CoE (iv)	4,312							
Energy billing		64,533		41,886	3,898			11,490
Intragroup sales			54,957					7,127
Current and non-current liabilities								
Shareholding in Ventos de Santo Anselmo and Ventos de São Isidoro (ii)					57,376			
Energy futures contracts (i)				173,878				
Derivative financial instruments (iii)						13,425		
Other liabilities								4,803
Dividends payable	139,873				53,623			
Non-controlling shareholders								69,995
Total at June 30, 2023	144,214	151,165	54,957	236,920	173,150	69,723	6,590	95,893

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Consolidated								
1/1/2022 to 12/31/2022								
	Parent company	Joint operation	Related companies					
	VSA	Enercan	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim	MRN	Outros
Trade receivables								
Intragroup sales			537	30,811				
Others	1,970				664		39	6,542
Dividends receivable		5,946					6,590	
Current and non-current assets								
Shareholding in Ventos de Santo Anselmo and Ventos de São Isidoro (ii)					55,101			
Cash equivalents and derivative financial instruments (iii)						29,515		
Other assets								5,547
Trade payables								
Services shared by the Operational Center of Excellence - CoE (iv)	3,796							
Energy billing		25,214		42,809				
Intragroup sales			48,403					8,739
Current and non-current liabilities								
Shareholding in Ventos de Santo Anselmo and Ventos de São Isidoro (ii)					67,501			
Advances from customers			537		447			
Energy futures contracts (i)				121,798				
Derivative financial instruments (iii)						32,700		
Other liabilities								5,605
Dividends payable	139,873				20,307			
Non-controlling shareholders								66,936
Other comprehensive income								
Total at December 31, 2022	145,639	31,160	49,477	195,418	144,020	62,215	6,629	93,369

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

(b) Statement of operations

Parent company												
1/1/2023 to 6/30/2023												
	Parent company	Controlled companies					Related companies					
	VSA	Alux	CBA Energia	CBA Itapissuma	CBA Machadinho	Metalex	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim	Nexa Resources	Outros
Purchases												
Services shared by the Operating Excellence Center - CoE (iv)	18,138											
Energy sales		53,999			28,862		295,996					
Intragroup sales					13,397	14,488	118,153				4,251	
Sales												
Balances of energy sales							139,053					
Balances of intragroup sales		40,636	131,844			168,152				85		
Finance income (costs)												
Rights from energy trading agreements in the free market (i)		5,296					(1,130)					
Cash equivalents and derivative financial instruments (iii)										25,375		
Others							(3,447)					
Total at June 30, 2023	18,138	40,636	59,295	145,241	28,862	182,640	118,153	435,049	(1,130)	25,375	85	804

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent company														
1/1/2022 to 6/30/2022														
	Parent company	Controlled companies					Joint operation	Related companies						
	VSA	Alux	CBA Energia	CBA Itapissuma	CBA Machadinho	Metalex	Enercan	Alunorte	Auren Comerc.	Auren Energia	Banco Votorantim	L.C.G.S.P.E.	Nexa Resources	Outros
Purchases														
Services shared by the Operating Excellence Center - CoE (iv)	15,244													
Energy sales			40,805						251,191					305
Intragroup sales				9,607	23,202	10,456	48,562	190,059				1,961	324	1,875
Sales														
Balances of energy sales														
Balances of intragroup sales		22,980				260,350			133,012				6,497	2,833
Finance income (costs)														
Rights from energy trading agreements in the free market (i)										(180)				
Cash equivalents and derivative financial instruments (iii)											36,152			
Others														(2,304)
Total at June 30, 2022	15,244	22,980	40,805	9,607	23,202	270,806	48,562	190,059	384,203	(180)	36,152	1,961	6,821	2,709

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at June 30, 2023**

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Consolidated 1/1/2023 to 6/30/2023						
	Parent company	Related companies				
	VSA	Auren Comerc.	Auren Energia	Banco Votorantim	Nexa Resources	Outros
Purchases						
Services shared by the Operating Excellence Center - CoE (iv)	19,754					
Energy sales		323,544				
Intragroup sales						4,251
Sales						
Balances of energy sales		140,473				
Balances of intragroup sales					85	
Finance income (costs)						
Rights from energy trading agreements in the free market (i)			(13,078)			
Cash equivalents and derivative financial instruments (iii)				53,642		
Others						(3,447)
Total at June 30, 2023	19,754	464,017	(13,078)	53,642	85	804

Consolidated 1/1/2022 to 6/30/2022								
	Parent company	Related companies						
	VSA	Auren Comerc.	Auren Energia	Banco Votorantim	L.C.G.S.P.E.	Nexa Resources	Nexa Cajamarquilla	Outros
Purchases								
Services shared by the Operating Excellence Center - CoE (iv)	16,766							
Energy sales		269,011						305
Intragroup sales					1,961	324		128
Sales								
Balances of energy sales		135,298						
Balances of intragroup sales						6,497	2,833	
Finance income (costs)								
Rights from energy trading agreements in the free market (i)			(227)					
Cash equivalents and derivative financial instruments (iii)				64,034				
Others								(2,304)
Total at June 30, 2022	16,766	404,309	(227)	64,034	1,961	6,821	2,833	(1,871)

- (i) The balance of current and non-current liabilities relates to the rights from energy trade agreements entered into in the free market (Note 15);
- (ii) Relates to call options for the acquisition, by Auren Energia, of the ownership interest held by CBA in Ventos de Santo Anselmo, and by CBA Itapissuma in Ventos de Santo Isidoro, accounted for as financial instruments at amortized cost and classified as non-current assets and liabilities;
- (iii) Relates to cash equivalents and derivative financial instruments contracted with Banco Votorantim S.A.;
- (iv) Relates to administrative, human resources, accounting, tax, technical assistance, and information technology activities that are shared by the Center of Excellence of the parent company VSA. Such activities, which are carried out for all the companies of the Votorantim Group, are reimbursement to VSA in proportion to the cost of services actually rendered to the Company.

**Notes to the condensed interim financial statements
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(c) Company debts, guaranteed by related parties

Type	Guarantor	6/30/2023	12/31/2022
BNDES	VSA	192,096	201,929

15 Energy futures contracts

In the six-month period ended June 30, 2023, the realization of fair value through the physical settlement of the Company's energy purchase and sale contracts, resulted in total revenue of R\$101,673. Additionally, the new position on the balance sheet date, resulting from the mark-to-market of purchase and sale contracts in effect, resulted in an expense of R\$153,753. These amounts, which are based on the market energy price, were recorded within "other operating income (expenses), net" (Note 7) and vary according to the market energy price.

	Parent company and Consolidated	
	6/30/2023	12/31/2022
Liabilities		
Current	173,878	94,899
Non-current		26,899
	173,878	121,798
	Parent company and Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Realization	101,673	23,920
Mark-to-market of energy contracts	(153,753)	(70,839)
	(52,080)	(46,919)

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

16 Investments

(a) Breakdown

Parent company							
	Information on investees at June 30, 2023				Equity results		Balance
	Equity	Profit (loss) for the period	Total ownership interest (%)	Percentage of voting interest (%)	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	6/30/2023 12/31/2022
Investments valued under the equity method							
Subsidiaries							
Alux do Brasil Indústria e Comércio Ltda.	96,167	14,137	100.00	100.00	14,137	17,476	96,167 105,047
CBA Energia Participações S.A.	316,029	49,006	33.33	100.00	15,662	17,193	100,123 105,083
CBA Itapissuma Ltda.	646,973	28,301	100.00	100.00	28,301	40,853	646,974 618,672
CBA Machadinho Geração de Energia Ltda.	142,710	3,861	100.00	100.00	3,861	579	142,710 138,850
L.C.G.S.P.E. Empreendimentos e Participações Ltda.	4,472	598	100.00	100.00	598		4,472 6,582
Metalex Ltda.	167,698	5,804	100.00	100.00	5,804	2,293	167,698 161,894
Santa Cruz Geração de Energia S.A.	2,467	(1,280)	100.00	100.00	(1,280)	(1,882)	2,468 3,748
Associated companies							
Alunorte - Alumina do Norte S.A.	3,102,916	(640,407)	3.03	3.52	(19,433)	3,192	94,155 99,290
Mineração Rio do Norte S.A. (i)	1,048,066	(14,825)	10.00	10.00		1,278	
Investments valued at cost							
Other							44 44
Revaluation surplus							
Alux do Brasil Indústria e Comércio Ltda.					(224)	(3,626)	28,023 28,902
CBA Itapissuma Ltda.					(3,787)	(3,788)	175,021 178,809
Metalex Ltda.					(335)	(335)	8,060 8,395
Goodwill							
Alux do Brasil Indústria e Comércio Ltda.							48,459 48,459
Metalex Ltda.							49,430 49,430
					43,304	73,233	1,563,804 1,553,205

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Consolidated							
	Information on investees at June 30, 2023				Equity results		Balance
	Equity	Profit (loss) for the period	Total ownership interest (%)	Percentage of voting interest (%)	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	6/30/2023 12/31/2022
Investments valued under the equity method							
Associated companies							
Alunorte - Alumina do Norte S.A.	3,102,916	(640,407)	3.03	3.52	(19,433)	3,192	94,155 99,290
Campos Novos Energia S.A.	652,024	250,450	25.44	25.44	63,711		165,865 219,531
Mineração Rio do Norte S.A. (i)	1,048,066	(14,825)	10.00	10.00		1,278	-
Other investments					(35)	(52)	143 165
Investments valued at cost							
Other investments							44 44
Goodwill							
Campos Novos Energia S.A.							41,562 41,562
					44,243	4,418	301,769 360,592

- (i) Investment reclassified to the assets held for sale account (Note 28) on December 27, 2022. The Company received, in the second quarter of 2023, the equivalent of US\$10,000 (ten million dollars), as a result of the negotiation of rights and obligations under MRN's Shareholders' Agreement.

**Notes to the condensed interim financial statements
at June 30, 2023**

All amounts in thousands of reais unless otherwise stated

(b) Change in investments

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
At the beginning of the period	1,553,205	1,383,455	360,592	204,972
Equity in the results of investees	43,304	73,233	44,243	4,418
Investment acquisition - Alux		133,246		
Capital increase in investees	34,584	60,000	34,584	
Dividends approved	(53,955)	(34,878)	(123,975)	
Hedge accounting of investee	2,793	6,118	2,793	6,118
Others	(16,127)	964	(16,468)	639
At the end of the period	<u>1,563,804</u>	<u>1,622,138</u>	<u>301,769</u>	<u>216,147</u>

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

17 Property, plant and equipment

(a) Breakdown and changes

									Parent company	
									1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fixtures	Construction in progress	Asset retirement obligation	Others	Total	Total
At the beginning of the period										
Cost	141,066	2,489,265	6,484,907	112,867	30,451	746,947	197,172	284,873	10,487,548	9,894,739
Accumulated depreciation	(5,056)	(1,053,024)	(4,255,911)	(97,111)	(24,456)		(115,941)	(276,703)	(5,828,202)	(5,739,162)
Net balance	136,010	1,436,241	2,228,996	15,756	5,995	746,947	81,231	8,170	4,659,346	4,155,577
Additions (i)		23,427	29,923	15	63	426,176		683	480,287	304,366
Write-offs		(831)	(12,585)	(51)					(13,467)	(2,427)
Reversal of provision for impairment of assets	(907)	(5,149)	14,386			12,150	(28,169)	(8)	(7,697)	191,657
Reversal of provision for impairment of assets (ii)		1,115	35,582				84,192		120,889	
Depreciation		(27,394)	(171,910)	(2,834)	(419)		(4,904)	(2,543)	(210,004)	(173,845)
Cash flow reassessment							31,990		31,990	(34,697)
Reclassification to assets held for sale (iii)		(22,013)	(35,731)		(26)		(63,429)	(233)	(121,432)	
Transfers (iv)	1,553	6,444	299,103	6,078	594	(320,795)			(7,023)	(4,836)
At the end of the period	136,656	1,411,840	2,387,764	18,964	6,207	864,478	100,911	6,069	4,932,889	4,435,795
Cost	142,529	2,489,117	6,802,438	115,243	31,073	864,478	221,756	283,630	10,950,264	10,231,286
Accumulated depreciation	(5,873)	(1,077,277)	(4,414,674)	(96,279)	(24,866)		(120,845)	(277,561)	(6,017,375)	(5,795,491)
Net balance at the end of the period	136,656	1,411,840	2,387,764	18,964	6,207	864,478	100,911	6,069	4,932,889	4,435,795
Average annual depreciation rates – %		3	5	19	4		2			

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All amounts in thousands of reais unless otherwise stated

										Consolidated	
										1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fixtures	Construction in progress	Asset retirement obligation	Other	Total	Total	
At the beginning of the period											
Cost	157,594	2,827,180	7,460,680	118,916	39,708	822,660	197,172	308,530	11,932,440	11,590,872	
Accumulated depreciation	(7,819)	(1,216,504)	(4,678,771)	(101,843)	(32,423)		(115,941)	(279,900)	(6,433,201)	(6,438,864)	
Net balance	149,775	1,610,676	2,781,909	17,073	7,285	822,660	81,231	28,630	5,499,239	5,152,008	
Additions (i)		23,427	29,708	15	63	503,359		685	557,257	325,893	
Write-offs		(942)	(12,689)	(51)					(13,682)	(2,819)	
Reversal (provision) for impairment of assets	(907)	(5,031)	14,425			12,150	(28,169)	(8)	(7,540)	191,657	
Reversal (provision) for impairment of assets (ii)		1,115	35,582				84,192		120,889		
Depreciation	(107)	(32,786)	(191,729)	(3,019)	(640)		(4,904)	(2,872)	(236,057)	(204,813)	
Cash flow reassessment							31,990		31,990	(34,697)	
Reclassification to assets held for sale (iii)		(22,013)	(35,731)		(26)		(63,429)	(233)	(121,432)		
Subsidiaries included in consolidation										33,012	
Transfers (iv)	20,165	10,376	308,778	6,024	593	(353,700)		(22)	(7,786)	(18,049)	
At the end of the period	168,926	1,584,822	2,930,253	20,042	7,275	984,469	100,911	26,180	5,822,878	5,442,192	
Cost	177,669	2,830,432	7,786,301	121,160	38,996	984,469	221,756	307,288	12,468,071	11,984,093	
Accumulated depreciation	(8,743)	(1,245,610)	(4,856,048)	(101,118)	(31,721)		(120,845)	(281,108)	(6,645,193)	(6,541,901)	
Net balance at the end of the period	168,926	1,584,822	2,930,253	20,042	7,275	984,469	100,911	26,180	5,822,878	5,442,192	
Average annual depreciation rates – %		3	5	19	4		2				

- (i) Relates to Furnace room projects, mainly subprojects for the restarting of Rooms 01 and 03, with an investment of R\$67,443 in the six-month period, and the project for the upgrading the Furnace rooms and the Paste room, with an investment of R\$52,367. In addition, investment was made in the Alumina Plant project, mainly related to the Filter Press subproject in the amount of R\$118,802, Plastic Transformation Project, mainly related to the Real subproject in the amount of R\$34,180, and Furnace Refurbishment Project 2023 in the amount of R\$101,057;
- (ii) Relates mainly to the reversal of impairment of the Niquelândia unit of R\$120,889 due to the sale of the unit on April 12, 2023 (Note 1.1 (f));
- (iii) Relates mainly to the reclassification of the Niquelândia unit to assets held for sale;
- (iv) Transfers include the reclassification of “works in progress” from property, plant and equipment to “software” in intangible assets.

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(b) Construction in progress

The balance relates mainly to projects for expansion and optimization of the industrial units, as follows:

	6/30/2023			Consolidated 12/31/2022		
	Gross balance	Provision for impairment	Net balance	Gross balance	Provision for impairment	Net balance
Alumina Plant project (ii)	291,332	(4,560)	286,772	204,012	(16,710)	187,302
Furnace room projects (i)	238,122		238,122	199,791		199,791
Plastic Transformation projects	86,995		86,995	37,294		37,294
Furnace reform	79,088		79,088	87,027		87,027
Expansion (Metalex)	73,859		73,859	40,756		40,756
Safety, health and environmental projects	39,040		39,040	25,051		25,051
Itapissuma Projects	30,402		30,402	22,439		22,439
Mining projects	22,763		22,763	19,262		19,262
Plant Revitalization and Adaptation (iii)	18,019		18,019	12,528		12,528
Rondon Bauxite project	17,022		17,022	13,940		13,940
Foundry projects	12,313		12,313	22,457		22,457
Sustaining (CBA + Metalex)	6,924		6,924	13,414		13,414
Modernization of plants	1,811		1,811	7,572		7,572
Iron Nickel Project	165,817	(165,817)		165,817	(165,817)	
Calcination furnaces	10,044	(10,044)		10,044	(10,044)	
Tijuco Alto Project	6,239	(6,239)		6,239	(6,239)	
Others	79,631	(8,292)	71,339	142,119	(8,292)	133,827
	<u>1,179,421</u>	<u>(194,952)</u>	<u>984,469</u>	<u>1,029,762</u>	<u>(207,102)</u>	<u>822,660</u>

- (i) Relate mainly to the subprojects for the restarting of Rooms 01 and 03, and the subproject for the technological upgrade of the Furnace rooms and the Paste room;
- (ii) Relates mainly to the Filter Press subproject. This investment was made to change the dry disposal technology, increasing the safety of the waste disposal system and extending the useful life of the Palmital dam;
- (iii) Relates mainly to the Physical Asset Management Projects (GAF) in the amount of R\$13,526, High Voltage Management (GATR) in the amount of R\$11,022, Information Technology in the amount of R\$6,229, and Railway Yard Expansion Projects in the amount of R\$8,923, totaling R\$39,700.

The balances above are stated net of the provision for impairment. The Company reviews the provisions whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Stalled projects are constantly assessed, and a provision is recorded if there is an indication of impairment. The remaining balances of the projects for which an impairment provision has been recorded relate to the Company's expectation of resuming the projects and/or using the assets in other production lines.

During the six-month period ended June 30, 2023, charges on borrowings capitalized under construction in progress amounted to R\$10,704 (R\$12,869 at December 31, 2022), based on the capitalization rate of 6.37% p.m. (6.38% p.m. at December 31, 2022).

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18 Intangible assets

(a) Breakdown and changes

							Parent company	
							1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
	Goodwill	Exploitation rights over natural resources	Software	Use of public assets - UBP	Hydrological risk renegotiation	Others	Total	Total
At the beginning of the period								
Cost	79,722	192,803	53,934	494,070	188,047	9,319	1,017,895	1,012,097
Accumulated amortization and depletion		(51,193)	(39,225)	(153,524)	(28,603)	(1,259)	(273,804)	(227,626)
Net balance	79,722	141,610	14,709	340,546	159,444	8,060	744,091	784,471
Additions								45
Amortization and depletion		(2,359)	(2,952)	(9,805)	(8,853)	(65)	(24,034)	(22,241)
Provision for impairment of assets								42
Reclassification to assets held for sale (i)			(12)				(12)	
Transfers (ii)			7,023				7,023	4,836
At the end of the period	79,722	139,251	18,768	330,741	150,591	7,995	727,068	767,153
Cost	79,722	192,803	60,945	494,070	188,047	9,318	1,024,905	1,017,020
Accumulated amortization and depletion		(53,552)	(42,177)	(163,329)	(37,456)	(1,323)	(297,837)	(249,867)
Net balance at the end of the period	79,722	139,251	18,768	330,741	150,591	7,995	727,068	767,153
Average annual amortization and depletion rates – %		3	20	3	3			

Companhia Brasileira de Alumínio



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All amounts in thousands of reais unless otherwise stated

								Consolidated	
								1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
	Goodwill	Exploitation rights over natural resources	Software	Use of public assets - UBP	Hydrological risk renegotiation	Others	Total	Total	
At the beginning of the period									
Cost	184,222	192,803	103,062	522,276	228,790	80,766	1,311,919	1,294,902	
Accumulated amortization and depletion		(51,193)	(76,202)	(162,712)	(30,893)	(34,135)	(355,135)	(296,979)	
Net balance	184,222	141,610	26,860	359,564	197,897	46,631	956,784	997,923	
Additions			44				44	39,897	
Amortization and depletion		(2,358)	(4,545)	(10,326)	(9,910)	(6,079)	(33,218)	(33,429)	
Subsidiaries excluded from consolidation								60,112	
Provision for impairment of assets								42	
Reclassification to assets held for sale (i)			(12)				(12)		
Transfers (ii)			8,626			(840)	7,786	18,049	
At the end of the period	184,222	139,252	30,973	349,238	187,987	39,712	931,384	1,082,594	
Cost	184,222	192,804	111,717	522,276	228,790	80,766	1,320,575	1,412,471	
Accumulated amortization and depletion		(53,552)	(80,744)	(173,038)	(40,803)	(41,054)	(389,191)	(329,877)	
Net balance at the end of the period	184,222	139,252	30,973	349,238	187,987	39,712	931,384	1,082,594	
Average annual amortization and depletion rates – %		3	20	3	3				

- (i) Relates mainly to the reclassification of the Niquelândia unit to assets held for sale;
- (ii) Transfers include the reclassification of “works in progress” from property, plant and equipment to “software” in intangible assets.

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Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

19 Borrowings and debentures

(a) Breakdown and fair value

								Parent company	
		Current		Non-current		Total		Fair value	
Type	Average interest rate percentages	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency									
BNDES (i)	IPCA + 4.68% and fixed BRL 2.11%	19,626	19,736	193,085	178,546	212,711	198,282	183,738	184,573
Export credit notes	CDI + 1.95%			500,000		500,000		487,482	
Debentures	CDI + 1.55%	1,287	1,287	229,219	229,141	230,506	230,428	221,182	239,692
FINEP	TJLP - 1.47%	26	3	36,014	35,813	36,040	35,816	24,450	24,698
Other	Fixed BRL 2.40%			598	598	598	598	585	595
		20,939	21,026	958,916	444,098	979,855	465,124	917,437	449,558
Foreign currency									
BNDES	Fixed USD 4.85%	2,587		125,921		128,508		68,707	
Export credit notes	SOFR + 2.55% and fixed USD 4.71%	76,785	79,037	2,057,264	2,070,548	2,134,049	2,149,585	1,903,519	1,794,905
Export prepayment	SOFR + 2.55%	14,769	7,530	694,545	346,489	709,314	354,019	682,658	392,209
		94,141	86,567	2,877,730	2,417,037	2,971,871	2,503,604	2,654,884	2,187,114
		115,080	107,593	3,836,646	2,861,135	3,951,726	2,968,728	3,572,321	2,636,672
Interest on borrowings		40,974	29,931						
Current portion of long-term borrowings (principal)		74,106	77,662						
		115,080	107,593						

Companhia Brasileira de Alumínio



Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

								Consolidated	
		Current		Non-current		Total		Fair value	
Type	Average interest rate percentages	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency									
BNDES (i)	IPCA + 4.68% and fixed BRL 2.11%	19,927	19,736	199,290	178,546	219,217	198,282	187,588	184,573
Export credit notes	CDI + 1.95%			500,000		500,000		487,482	
Debentures	CDI + 1.55%	1,287	1,287	229,219	229,141	230,506	230,428	221,182	239,692
FINEP	TJLP - 1.47%	26	3	36,014	35,813	36,040	35,816	24,450	24,698
Other	Fixed BRL 2.40%			599	598	599	598	585	595
		21,240	21,026	965,122	444,098	986,362	465,124	921,287	449,558
Foreign currency									
BNDES	Fixed USD 4.85%	2,804		131,806		134,610		72,154	
Export credit notes	SOFR + 2.55% and Fixed USD 4.71%	76,785	79,037	2,057,264	2,070,548	2,134,049	2,149,585	1,903,519	1,794,905
Export prepayment	SOFR + 2.55%	14,769	7,530	694,545	346,489	709,314	354,019	682,658	392,209
		94,358	86,567	2,883,615	2,417,037	2,977,973	2,503,604	2,658,331	2,187,114
		115,598	107,593	3,848,737	2,861,135	3,964,335	2,968,728	3,579,618	2,636,672
Interest on borrowings		41,042	29,931						
Current portion of long-term borrowings (principal)		74,556	77,662						
		115,598	107,593						

- (i) 34% of the balance of financing contracts with BNDES are linked to swaps that exchange the IPCA floating rate in reais for a fixed rate in US dollars.

BNDES	National Bank for Economic and Social Development
FINEP	Fund for Financing of Studies and Projects
BRL	Local currency (Brazilian Reais)
CDI	Interbank Deposit Certificate
IPCA	Amplified Consumer Prices Index
TJLP	Long-term Interest Rate
USD	US dollar
SOFR	Secured Overnight Financing Rate.

Companhia Brasileira de Alumínio

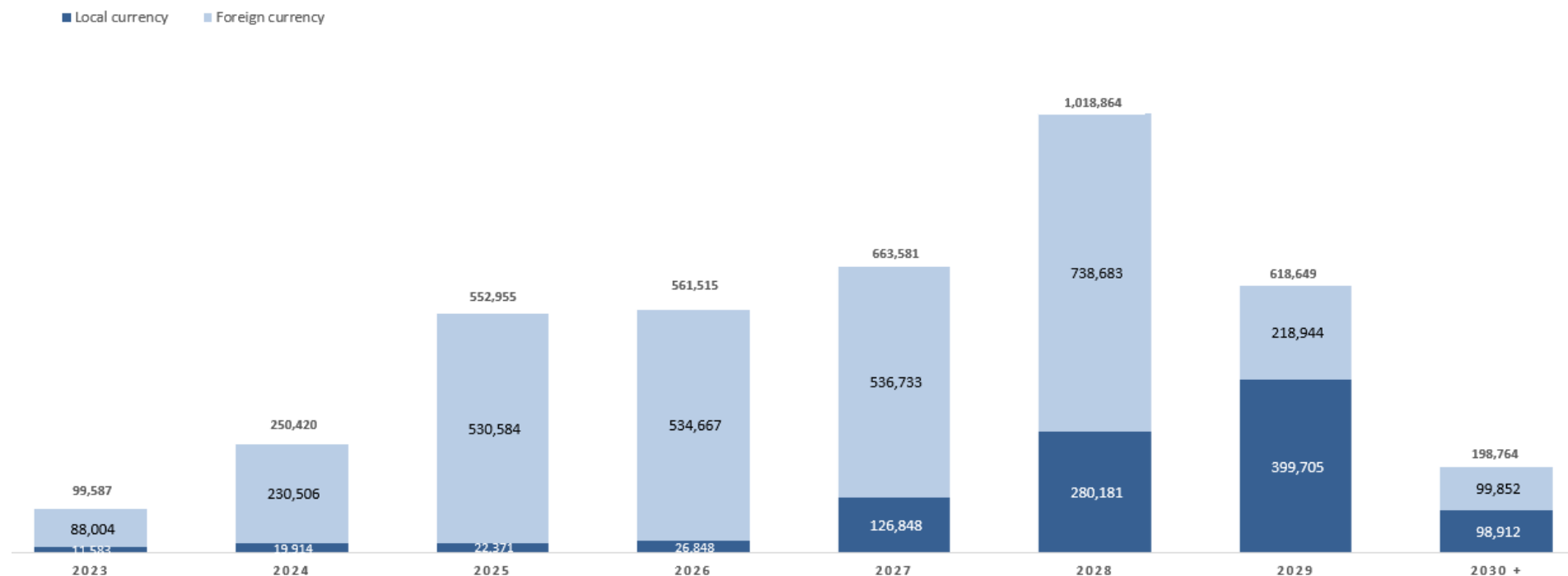


Notes to the condensed interim financial statements at June 30, 2023

All amounts in thousands of reais unless otherwise stated

(b) Maturity

Maturity of borrowings and debentures at June 30, 2023:



The total amount in foreign currency does not include BNDES borrowing swaps.

**Notes to the condensed interim financial statements
at June 30, 2023**

All amounts in thousands of reais unless otherwise stated

(c) Changes

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
At the beginning of the period	2,968,728	3,074,967	2,968,728	3,106,065
Proceeds from borrowings (Note 19 (g))	1,223,421		1,236,664	
Interest accrual	106,027	87,539	106,207	89,301
Funding costs, net of amortization	(5,196)	931	(5,433)	948
Settlements	(9,621)	(65,944)	(9,621)	(65,944)
Interest paid	(92,358)	(87,813)	(92,466)	(89,130)
Foreign exchange effects	(106,650)	(49,524)	(107,119)	(49,524)
Adjustment through other comprehensive income (i)	(132,625)	(113,987)	(132,625)	(113,987)
At the end of the period	3,951,726	2,846,169	3,964,335	2,877,729

- (i) This corresponds mainly to the exchange variation differences on the principal amount of Export Credit Notes (NCEs) designated as hedge accounting.

(d) Breakdown by currency and index

	Parent company					
	Current		Non-current		Total	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency						
Fixed rate	102		24,598	598	24,700	598
CDI	1,287	1,287	729,219	229,141	730,506	230,428
TR (i)		3		35,813		35,816
TJLP (i)	26		36,014		36,040	
IPCA (ii)	19,524	19,736	169,085	178,546	188,609	198,282
	20,939	21,026	958,916	444,098	979,855	465,124
Foreign currency						
SOFR	21,843	10,636	983,697	503,020	1,005,540	513,656
Fixed rate	72,298	75,931	1,894,033	1,914,017	1,966,331	1,989,948
	94,141	86,567	2,877,730	2,417,037	2,971,871	2,503,604
	115,080	107,593	3,836,646	2,861,135	3,951,726	2,968,728

	Consolidated					
	Current		Non-current		Total	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local currency						
Fixed rate	403		30,804	598	31,207	598
CDI	1,287	1,287	729,219	229,141	730,506	230,428
TR (i)		3		35,813		35,816
TJLP (i)	26		36,014		36,040	
IPCA (ii)	19,524	19,736	169,085	178,546	188,609	198,282
	21,240	21,026	965,122	444,098	986,362	465,124
Foreign currency						
SOFR	21,843	10,636	983,697	503,020	1,005,540	513,656
Fixed rate	72,515	75,931	1,899,918	1,914,017	1,972,433	1,989,948
	94,358	86,567	2,883,615	2,417,037	2,977,973	2,503,604
	115,598	107,593	3,848,737	2,861,135	3,964,335	2,968,728

Notes to the condensed interim financial statements at June 30, 2023

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- (i) Since December 2022, when the funds were released, the cost of FINEP borrowing was calculated at the rate of TR+3.30% p.a., pursuant to Provisional Measure 1,136/22. In February 2023, upon the revocation of the Provisional Measure, the cost was reset to TJLP - 1.474% p.a.
- (ii) 34% of the financing contracts with BNDES are linked to swaps that exchange the IPCA floating rate in reais for a fixed rate in US dollars.

(e) Collateral

At June 30, 2023, borrowings amounting to R\$192,096 (R\$201,928 at December 31, 2022) were collateralized by sureties (Note 14 **Error! Reference source not found.**) and R\$206,908 (December 31, 2022 – R\$36,226) were collateralized by a bank guarantee or guarantee insurance.

Additionally, the Company is the guarantor of two loans granted by BNDES to Rio Verde Energia S.A., which mature in September 2026, with an outstanding balance of R\$75,735 at June 30, 2023 (R\$86,861 at December 31, 2022). This guarantee is limited to the obligation to perform the energy purchase and sale agreement entered into between Auren Comercializadora and Rio Verde Energia S.A.

(f) Funding and repayment

In February 2023, the Company received the first release of funds from BNDES, totaling R\$179.254, intended to finance projects for the modernization of CBA's furnace rooms and the implementation of a scrap processing line at Metalex. The financing was carried out through the Climate and Environment Fund lines. Of the total amount received, R\$148.754 has a fixed cost in U.S. dollar (4.85% p.a.), with final maturity in 2043, and R\$30.500 has a fixed cost in reais (2.11% p.a.), maturing in 2035.

In March 2023, the Company entered into three borrowing agreements under export credit facilities (Export Prepayment and Export Credit Notes) in the aggregate amount of US\$107.897 (one hundred and seven million, eight hundred and ninety-seven thousand dollars) (equivalent to R\$519.976). The average funding cost is linked to SOFR + 2.12% p.a. Two contracts totaling US\$30.000 (thirty million dollars) are subject to GHG reduction targets in primary aluminum production, which may increase or decrease the cost depending on whether or not the established targets are met. The funding has an average term of five years, maturing in March 2028.

In June 2023, the Company entered into a new borrowing agreement under Export Credit Notes in the amount of R\$500.000, at the cost of CDI+1.95%, with an average term of 5.4 years and final maturity in 2029. The funding is also linked to the annual targets for reducing greenhouse gas emissions in the production of primary aluminum, with the benefit of a reduction in the early settlement fee, depending on the achievement of the established targets.

(g) Financial covenants

The borrowings contracted with BNDES contracted until 2022, which represent about 53% of the total outstanding balance with the bank, require that the intervening guarantor Votorantim S.A. comply with certain financial ratios, such as: (i) net debt to adjusted EBITDA ratio equal to or lower than 4.0; (ii) equity to total assets ratio equal to or greater than 0.3; and (iii) debt service coverage ratio, calculated as the cash position plus adjusted EBITDA added by total debt service equal to or greater than 1.0.

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At June 30, 2023 and December 31, 2022, all financial covenants had been complied with according to pre-established clauses in the contract.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset, when it is probable that future economic benefits associated with the item will flow to the entity and such costs can be measured reliably. Other borrowing costs are recognized as finance costs in the period in which they are incurred.

20 Confirming payables

The Company has agreements with financial institutions in the domestic and foreign markets that allow its suppliers to anticipate their receivables from CBA (confirming payables). Under this transaction, the supplier, at its exclusive discretion, transfers its rights to the receivables to the financial institutions, which pay the supplier in advance, discounting a fee charged upon the credit assignment. The financial institution becomes then the creditor of the transaction.

Regardless of these contracts between suppliers and banks, the commercial conditions are always agreed upon between the Company and the supplier. In accordance with the commercial agreement, the supplier negotiates with the Company its participation in the confirming programs, so the bank can anticipate its invoices at any time until they fall due. The Company currently has contracts with a number of suppliers participating in confirming programs and, at June 30, 2023, the average DSO was 31 days.

Applying the concepts of IFRS 9, this transaction maintains its essence as a trade payable and not as bank debt, as the Company maintained its liabilities as originally recognized, without any significant modification in the performance of the contracts.

CBA understands that the segregation of these accounts as Confirming payables is relevant for the understanding of its financial position, in addition to providing greater transparency to the stakeholders.

Payments are presented within operating activities in the Company's statement of cash flows, in accordance with IAS 7.

The accounts payable included in these contracts are shown below:

		Parent company		Consolidated	
Confirming payables	Deadline	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Local market	Up to 117 days	233,419	176,934	235,969	183,798
Foreign market	Up to 92 days	31,173	26,693	31,173	26,693
		<u>264,592</u>	<u>203,627</u>	<u>267,142</u>	<u>210,491</u>

21 Current and deferred income tax and social contribution

(a) Reconciliation of income tax and social contribution expense

The current amounts are calculated based on the rates in force on taxable income, plus or minus the respective additions and exclusions.

**Notes to the condensed interim financial statements
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The income tax and social contribution shown in the statement of operations for the six-month period ended June 30 are reconciled to the statutory rates as follows:

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Profit before income tax and social contribution	73,294	1,043,159	119,448	1,128,175
Standard rate	34%	34%	34%	34%
Tax calculated at the standard rate	(24,920)	(354,674)	(40,612)	(383,580)
Adjustments to the effective rates				
Equity in the results of investees	14,723	24,899	15,043	1,502
Use of income tax and social contribution losses		60,769		61,623
Constitution of income tax and social contribution losses without recognition of deferred taxes	(77,906)		(86,754)	
Constitution of income tax and social contribution losses from prior years		75,802		75,802
Temporary additions without recognition of deferred taxes			(5,403)	10,805
Reversal of provision for impairment of deferred taxes (i)	36,217	29,607	36,217	29,607
Effect of companies taxed on presumed profit			(27)	(1,737)
Non-taxable interest (ii)	4,198	14,190	5,051	14,190
Other permanent exclusions (additions), net	(19,245)	1,917	(3,271)	569
Income tax and social contribution computed	(66,933)	(147,490)	(79,756)	(191,219)
Current		(137,806)	(14,799)	(185,390)
Deferred	(66,933)	(9,684)	(64,957)	(5,829)
Effects recorded in P&L	(66,933)	(147,490)	(79,756)	(191,219)
Effective rate - %	91.32	14.14	66.77	16.95

- (i) Refers to the reversal of deferred taxes related to the impairment of the Niquelândia unit (Note 17 (a)).
- (ii) Relates to the Selic rate applied on refund of tax overpayments.

**Notes to the condensed interim financial statements
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(b) Breakdown of deferred tax balances

	Parent company		Consolidated	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Income tax and social contribution losses	308,753	308,753	308,753	308,753
Tax credits on temporary differences				
Provisions for tax, civil, labor and environmental contingencies	140,647	134,014	141,791	135,079
Provisions for impairment and sundry losses	138,442	137,820	138,442	137,820
Use of public assets (UBP)	65,203	64,541	65,203	64,541
Provision for impairment of trade receivables	6,188	5,936	6,479	6,227
Deferral of losses on derivative contracts	302	111,147	302	111,147
Provision for inventory losses	8,432	11,260	8,432	11,260
Provision for profit sharing	18,388	33,406	18,561	33,719
CPC 25 – Decommissioning of assets	56,847	49,456	56,847	49,456
Environmental liabilities	41,474	41,664	41,474	41,664
Energy futures contracts	59,118	41,411	59,118	41,411
Sale of investments adjusted to fair value	23,511	25,139	23,511	25,139
Others	19,439	21,509	19,864	22,022
Tax debts on temporary differences				
Adjustments to the useful lives of PP&E items (depreciation)	(453,274)	(476,071)	(453,274)	(476,071)
Gains on bargain purchase for acquisitions of investments	(130,252)	(130,252)	(130,252)	(130,252)
Capital gains from bargain purchases of investments			(104,599)	(107,003)
Renegotiation of hydrological risk	(63,936)	(63,936)	(76,651)	(77,010)
Exchange gains (losses) taxed on a cash basis	(36,185)	(4,705)	(36,185)	(4,705)
CPC 20 – Capitalized interest	(27,235)	(24,148)	(27,235)	(24,148)
Goodwill amortization	(7,392)	(7,392)	(7,392)	(7,392)
CPC 12 – Adjustment to present value	(3,018)	(3,619)	(3,018)	(3,619)
Others	(16,623)	(15,079)	(17,334)	(15,489)
	148,829	260,854	32,837	142,549
Deferred tax assets of the same legal entity	148,829	260,854	45,552	155,623
Deferred tax liabilities of the same legal entity			(12,715)	(13,074)

(c) Effect of deferred income tax and social contribution on the statement of operations and comprehensive income

	Parent company		Consolidated	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
At the beginning of the period	260,854	342,498	142,549	214,307
Effect on profit or loss	(66,933)	(9,684)	(64,957)	(5,829)
Effect on other components of comprehensive income – hedge accounting	(45,092)	(83,116)	(45,092)	(83,116)
Surplus value on business combination (i)			337	
Effect of excluded subsidiaries				(21,535)
At the end of the period	148,829	249,698	32,837	103,827

(i) Relates to balances from the acquiree Alux do Brasil Indústria e Com. Ltda.

Notes to the condensed interim financial statements
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22 Provisions

(a) Breakdown and changes

							Parent company
							1/1/2023 to 6/30/2023
							1/1/2022 to 6/30/2022
							Judicial proceedings
	Asset retirement obligation	Tax	Labor	Civil	Environmental	Total	Total
At the beginning of the period	454,073	219,961	88,839	33,911	4,263	801,047	813,797
Additions		2,681	18,512	2,822	337	24,352	54,225
Reversals		(284)	(10,634)	(486)	(6)	(11,410)	(19,024)
Judicial deposits, net of write-offs		(1,032)	28,609	(115)	(8)	27,454	(8,491)
Settlements	(5,149)	(615)	(3,939)	(461)		(10,164)	(23,933)
Indexation accruals, net of reversals		4,315	4,156	2,833	283	11,587	36,341
Adjustment to present value	20,233					20,233	20,269
Reclassification to assets held for sale (Note 1.1 (f))	(108,656)					(108,656)	
Cash flow reassessment	32,342					32,342	(35,232)
At the end of the period	392,843	225,026	125,543	38,504	4,869	786,785	837,952
Current	12,065	15,325	34,133	16,170	4,231	81,924	82,544
Non-current	380,778	209,701	91,410	22,334	638	704,861	755,408
	392,843	225,026	125,543	38,504	4,869	786,785	837,952

							Consolidated
							1/1/2023 to 6/30/2023
							1/1/2022 to 6/30/2022
							Judicial proceedings
	Asset retirement obligation	Tax	Labor	Civil	Environmental	Total	Total
At the beginning of the period	454,073	220,860	89,215	34,669	4,922	803,739	819,947
Additions		2,700	18,858	2,822	338	24,718	55,125
Reversals		(284)	(10,958)	(486)	(6)	(11,734)	(19,074)
Judicial deposits, net of write-offs		(1,032)	28,609	(115)	(8)	27,454	(8,486)
Settlements	(5,149)	(615)	(3,972)	(461)		(10,197)	(26,053)
Indexation accruals, net of reversals		4,346	4,168	2,839	324	11,677	36,575
Adjustment to present value	20,233					20,233	20,269
Reclassification to assets held for sale (Note 1.1 (f))	(108,656)					(108,656)	
Cash flow reassessment	32,342					32,342	(35,232)
At the end of the period	392,843	225,975	125,920	39,268	5,570	789,576	843,071
Current	12,065	15,325	34,133	16,170	4,231	81,924	82,544
Non-current	380,778	210,650	91,787	23,098	1,339	707,652	760,527
	392,843	225,975	125,920	39,268	5,570	789,576	843,071

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(b) Tax, civil, labor and environmental provisions and remaining judicial deposits

Parent company							
6/30/2023				12/31/2022			
	Judicial deposits	Provision	Carrying amount	Remaining judicial deposits	Judicial deposits	Provision	Carrying amount
Tax	(22,329)	247,355	225,026	16,537	(21,296)	241,257	219,961
Labor	(13,512)	139,055	125,543	30,903	(42,121)	130,960	88,839
Civil	(126)	38,630	38,504	1,556	(11)	33,922	33,911
Environmental	(8)	4,877	4,869			4,263	4,263
	<u>(35,975)</u>	<u>429,917</u>	<u>393,942</u>	<u>48,996</u>	<u>(63,428)</u>	<u>410,402</u>	<u>346,974</u>
							16,169

Consolidated							
6/30/2023				12/31/2022			
	Judicial deposits	Provision	Carrying amount	Remaining judicial deposits	Judicial deposits	Provision	Carrying amount
Tax	(22,329)	248,304	225,975	16,643	(21,296)	242,155	220,859
Labor	(13,512)	139,432	125,920	31,319	(42,121)	131,337	89,216
Civil	(126)	39,394	39,268	1,583	(11)	34,680	34,669
Environmental	(8)	5,578	5,570	701		4,922	4,922
	<u>(35,975)</u>	<u>432,708</u>	<u>396,733</u>	<u>50,246</u>	<u>(63,428)</u>	<u>413,094</u>	<u>349,666</u>
							17,703

(c) Lawsuits involving possible risk of loss

The Company is a party to lawsuits involving risk of loss classified by management as possible, based on the assessment of its legal advisors, for which no provision was recognized.

		Parent company		Consolidated	
		6/30/2023	12/31/2022	6/30/2023	12/31/2022
Tax		2,510,586	2,328,820	2,608,384	2,373,312
Labor		123,124	116,887	147,349	117,474
Civil		100,803	79,059	101,655	79,852
Environmental		4,696	4,504	4,696	4,504
		<u>2,739,209</u>	<u>2,529,270</u>	<u>2,862,084</u>	<u>2,575,142</u>

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23 Use of Public Assets (UBP)

						Parent company			
						6/30/2023	12/31/2022		
Hydropower plants/Companies	Concession start date	Concession end date	Payment start date	Rate	Intangible assets	Liabilities	Rate	Intangible assets	Liabilities
Salto Pilão	apr-02	jan-42	jan-10	60%	141,711	653,060	60%	146,803	681,205
Salto do Rio Verdinho	dec-02	dec-44	oct-10	100%	5,712	28,366	100%	5,890	30,823
Itupararanga	feb-04	feb-24	jan-04	100%	55	417	100%	96	709
Piraju	dec-98	nov-38	feb-03	100%	668	6,948	100%	700	7,601
Ourinhos	jul-00	nov-40	sep-05	100%	844	5,995	100%	879	6,545
Fumaça	jun-96	jun-46		100%	51,789	73,362	100%	53,050	65,567
França	jun-96	jun-46		100%	39,558	55,531	100%	40,521	49,578
Porto Raso	jun-96	jun-46		100%	24,958	34,969	100%	25,566	31,212
Serraria	jun-96	jun-46		100%	17,235	24,149	100%	17,655	21,554
Barra	jun-96	jun-46		100%	48,211	66,154	100%	49,386	60,233
					330,741	948,951		340,546	955,027
Current (i)						71,082			47,800
Non-current					330,741	877,869		340,546	907,227
					330,741	948,951		340,546	955,027

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						Consolidated			
						6/30/2023	12/31/2022		
Hydropower plants/Companies	Concession start date	Concession end date	Payment start date	Rate	Intangible assets	Liabilities	Rate	Intangible assets	Liabilities
Salto Pilão	apr-02	jan-42	jan-10	60%	141,711	653,060	60%	146,803	681,204
Salto do Rio Verdinho	dec-02	dec-44	oct-10	100%	5,712	28,366	100%	5,890	30,823
Itupararanga	feb-04	feb-24	jan-04	100%	55	417	100%	96	709
Piraju	dec-98	nov-38	feb-03	100%	668	6,948	100%	700	7,601
Ourinhos	jul-00	nov-40	sep-05	100%	844	5,995	100%	879	6,545
Fumaça	jun-96	jun-46		100%	51,789	73,362	100%	53,050	65,567
França	jun-96	jun-46		100%	39,558	55,531	100%	40,521	49,578
Porto Raso	jun-96	jun-46		100%	24,958	34,969	100%	25,566	31,212
Serraria	jun-96	jun-46		100%	17,235	24,149	100%	17,655	21,554
Barra	jun-96	jun-46		100%	48,211	66,154	100%	49,385	60,233
Baesa - Energética Barra Grande	may-01	may-36	jun-07	15%	18,497	73,457	15%	19,019	75,058
					349,238	1,022,408		359,564	1,030,084
Current (i)						78,864			55,582
Non-current					349,238	943,544		359,564	974,502
					349,238	1,022,408		359,564	1,030,084

- (i) The oscillation in the current line was generated by the correction of the UBP balances, after revision of the short-term installments.

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24 Equity

(a) Share capital

At June 30, 2023 and December 31, 2022, fully subscribed and paid-up capital amounting to R\$4,479,459, comprised 595,833,333 registered, book-entry common shares with no par value. Share capital is stated net of public offering expenses in the amount of R\$44,412, held as follows:

	6/30/2023		12/31/2022	
	Common shares		Common shares	
	Number of shares	(%)	Number of shares	(%)
Controlling shareholders				
Votorantim S.A.	404,483,333	67.89%	404,483,333	67.89%
Other shareholders	191,350,000	32.11%	191,350,000	32.11%
	<u>595,833,333</u>	<u>100.00%</u>	<u>595,833,333</u>	<u>100.00%</u>

(b) Carrying value adjustments

	Attributable to owners of the parent
At January 1, 2022	<u>(387,894)</u>
Operating hedge accounting	250,577
Deferred taxes	(83,116)
Share of other comprehensive income of investees	303
Other components of comprehensive income	167,764
At June 30, 2022	<u>(220,130)</u>
At January 1, 2023	<u>(283,026)</u>
Operating hedge accounting	135,418
Deferred taxes	(45,092)
Share of other comprehensive loss of investees	(16,128)
Other components of comprehensive income	74,198
At June 30, 2023	<u>(208,828)</u>

(c) Basic and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the profit attributable to the Company's shareholders by the average number of the Company's shares issued during the period.

	Parent company	
	1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
Profit attributable to the owners of the parent	6,361	895,669
Weighted average number of shares, in thousands	595,833	595,833
Basic and diluted earnings per thousand shares	<u>10.68</u>	<u>1,503.22</u>

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25 Social and environmental risk management

The Company and its subsidiaries are engaged in a number of activities and are subject to a wide range of national and international environmental laws, regulations, treaties and conventions, including those governing the disposal of materials into the environment, which require removal and cleaning, avoiding environmental contamination, or those related to environmental protection.

Violations of existing environmental regulations expose the violators to substantial fines and monetary penalties and may require technical measures or investments to ensure compliance with the requirements of emission standards.

The Company and its subsidiaries carry out periodic studies to identify potentially affected areas and record, based on the best cost estimate, the amounts expected to be disbursed for the investigation, treatment and cleaning of the potentially affected areas.

25.1 Risks linked to climate change and sustainability strategy

The nature of the Company's operations exposes it to climate change-related risks.

The Company's property, plant and equipment items (Note 17) and intangible assets (Note 18) may be affected by climate change, particularly in relation to their recoverability (impairment), which was assessed during the preparation of the financial statements. Management's assessment carried out in the six-month period ended June 30, 2022 was based on the main data and risk assumptions listed below.

i. Transition risks:

Regulatory and policy-related risks: carbon pricing and border taxes on aluminum;

Technological risk: lack of technologies available to reduce greenhouse gas emissions in the face of the increasing demand for low-carbon aluminum;

Market risk: fluctuations in aluminum prices due to climate change effects in the producing countries;

Reputational risk: stigmatization of the sector as a carbon intensive industry, despite the CBA's low carbon footprint.

ii. Physical risks:

Chronic risks: relate mainly to long-term shifts in climate patterns, such as rainfall reduction, longer periods of drought and higher temperatures, which could lead to a decrease in generation of hydroelectric energy, with impacts on production and conflicts over the use of water.

Acute risks: relate to extreme weather events, with potential to cause soil collapse in mining areas, loss of seedlings used in the planting of mined areas, overload of electrical systems, and damage to operational facilities.

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26 Financial risk management

26.1 Financial risk factors

The activities of the Company and its subsidiaries expose them to a number of financial risks, namely: (a) market risk (currency, commodity prices, interest rate and energy market); (b) credit risk; and (c) liquidity risk.

A significant portion of the products sold by the Company are commodities (aluminum), whose prices are linked to international quotations (LME index) and denominated in U.S. dollars.

Costs, however, are predominantly denominated in Brazilian reais, which results in a natural currency mismatch between revenues and costs. Furthermore, the Company and its subsidiaries have debts linked to and primarily denominated in U.S. dollars, which may affect their cash flow.

The Company and its subsidiaries comply with the Financial Policy approved by the Board of Directors, which sets out governance and macro-guidelines for the financial risk management process, as well as measurement and monitoring indicators. The Policy also establishes the monitoring of each market risk factor and the contracting of derivatives to mitigate the different effects from such risks.

In accordance with this Policy, the following financial instruments may be contracted for financial protection and risk mitigation: swaps, purchases of call or put options, collars, currency, interest or commodity futures contracts, and currency, interest or commodity forward contracts (Non-Deliverable Forward (NDF)). The Company and its subsidiaries do not enter into financial instruments for speculative purposes.

(a) Market risk

(i) Foreign exchange risk

Since the Brazilian real (R\$) is the Company's functional currency, the focus of the market risk management process is to hedge against the cash flow volatility in this currency, reduce the exchange rate exposure, and ensure the ability to settle financial obligations. Such protection is contracted based on the monitoring of net foreign exchange exposure.

In accordance with its Financial Policy, the Company may enter into derivative transactions for the purpose of mitigating cash flow volatility, reducing foreign exchange exposure, and avoiding currency mismatches. Accordingly, in order to reduce the currency exposure arising mostly from future revenues linked to US dollars, the Company uses derivative instruments as approved in its Financial Policy to match its operating contracts and debts in Reais to the same currency of its revenues (US dollars), thereby achieving a lower US dollar currency exposure (currency exposure equals revenue, cash, investments and other inflows in US dollars less costs, expenses and debts in the same currency).

The accounting balances of assets and liabilities indexed to foreign currency at the reporting date are presented below:

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		Parent company		Consolidated	
	Note	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Assets in foreign currency					
Cash and cash equivalents	9	203,945	440,779	235,017	452,683
Derivative financial instruments	26.2	390,830	107,419	443,870	136,859
Trade receivables		103,327	133,406	105,095	150,828
		698,102	681,604	783,982	740,370
Liabilities in foreign currency					
Borrowing (i)		2,978,162	2,510,094	2,984,264	2,510,094
Derivative financial instruments	26.2	122,720	32,700	122,720	32,700
Confirming payables	20	31,173	26,693	31,173	26,693
Trade payables		126,570	148,949	127,635	149,738
		3,258,625	2,718,436	3,265,792	2,719,225
Net exposure		(2,560,523)	(2,036,832)	(2,481,810)	(1,978,855)

(i) Borrowings do not include funding costs.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from operating contracts and borrowings. These contracts issued at floating rates expose the Company to cash flow interest rate risk and inflation indexes. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Financial Policy establishes guidelines and regulations for protection against interest rate fluctuations and inflation indexes that may affect the cash flow of the Company and its subsidiaries. Based on the exposure (arising from operating or debt contracts) projected for the main interest rate and inflation indexes (mainly CDI, IPCA and SOFR), the Treasury department prepares hedge contracting proposals, where applicable, which are submitted for approval by the Executive Board or the Board of Directors, pursuant to the Company's bylaws.

These hedge proposals may consider exchanging a long position in an interest rate index for other indexes or fixed rates with a short position in the currency itself or other currency.

(iii) Commodity price risk

The Financial Policy establishes guidelines to monitor and hedge against commodity price fluctuations, both in revenue and costs, which affect the cash flows of the Company and its operating subsidiaries.

Exposure relating to each commodity considers the monthly production and sale projections, as well as the volume of commodities purchased.

(b) Credit risk

Exposure to counterparty and issuer credit risk is generated by derivative financial instruments, time deposits, CDBs, and repurchase transactions backed by debentures and federal government securities.

The Company's Financial Policy defines those only issuers with ratings from at least two of the following rating agencies should be considered: Fitch Ratings, Moody's or Standard & Poor's. The minimum rating required for counterparties is "A" (on a local scale) for onshore operations or "BBB-" (on a global scale) for offshore operations, or equivalent. Additionally, the Financial Policy sets allocation limits per counterparty, which consider the rating, concentration and percentage of each entity's equity.

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Counterparties that do not meet the aforementioned minimum credit risk ratings shall be approved by the Board of Directors.

The pre-settlement risk methodology is used to assess counterparty risks in derivative transactions. This methodology consists of determining, through simulations using the Monte Carlo model, the value at risk associated with non-compliance with the financial commitments defined in each counterparty's agreement. The use of this methodology follows guidelines defined in the Financial Policy.

(c) Liquidity risk

Liquidity risk is managed in accordance with the Financial Policy, with a view to ensuring sufficient liquidity for the Company to meet its financial commitments on time and at no additional cost. Liquidity is measured and monitored primarily through the cash flow projection.

In the table below, the Company's main financial liabilities are grouped by maturity range (remaining period in the balance sheet until the contractual maturity date). As the amounts disclosed below are future cash flows that include interest to be incurred, they cannot be reconciled with the amounts disclosed in the balance sheet for borrowings, leases and use of public assets.

	Parent company					
	Up to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total
At June 30, 2023						
Borrowing and debentures	367,940	1,604,231	2,102,016	1,104,021	109,682	5,287,890
Derivative financial instruments	2,434	9,234	106,679	3,781	592	122,720
Lease liabilities	5,208	2,672				7,880
Confirming payables	264,592					264,592
Trade payables	892,071					892,071
Dividends payable	206,044					206,044
Use of public assets - UBP	71,766	156,157	176,014	544,280	489,564	1,437,781
Related parties		50,170				50,170
	<u>1,810,055</u>	<u>1,822,464</u>	<u>2,384,709</u>	<u>1,652,082</u>	<u>599,838</u>	<u>8,269,148</u>
	Parent company					
	Up to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total
At December 31, 2022						
Borrowing and debentures	265,409	1,198,937	1,421,116	897,562	25,951	3,808,975
Derivative financial instruments	4,148	7,643	7,292	11,046	2,571	32,700
Lease liabilities	24,514	4,037				28,551
Confirming payables	203,627					203,627
Trade payables	861,782					861,782
Dividends payable	206,044					206,044
Use of public assets - UBP	69,861	151,661	170,825	528,234	551,608	1,472,189
Related parties	984	58,985				59,969
	<u>1,636,369</u>	<u>1,421,263</u>	<u>1,599,233</u>	<u>1,436,842</u>	<u>580,130</u>	<u>6,673,837</u>

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	Consolidated					
	Up to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total
At June 30, 2023						
Borrowing and debentures	368,888	1,606,862	2,104,536	1,109,812	114,305	5,304,403
Derivative financial instruments	2,434	9,234	106,679	3,781	592	122,720
Lease liabilities	10,320	10,672	4,180			25,172
Confirming payables	267,142					267,142
Trade payables	989,496					989,496
Dividends payable	263,491					263,491
Use of public assets - UBP	63,983	125,028	141,469	544,280	489,564	1,364,324
Related parties		62,179				62,179
	<u>1,965,754</u>	<u>1,813,975</u>	<u>2,356,864</u>	<u>1,657,873</u>	<u>604,461</u>	<u>8,398,927</u>
	Consolidated					
	Up to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	Over 10 years	Total
At December 31, 2022						
Borrowing and debentures	265,409	1,198,937	1,421,116	897,562	25,951	3,808,975
Derivative financial instruments	4,148	7,643	7,292	11,046	2,571	32,700
Lease liabilities	26,299	8,070	4,562			38,931
Confirming payables	210,491					210,491
Trade payables	1,008,669					1,008,669
Dividends payable	227,116					227,116
Use of public assets - UBP	77,644	167,226	186,390	559,363	556,624	1,547,247
Related parties	984	73,106				74,090
	<u>1,820,760</u>	<u>1,454,982</u>	<u>1,619,360</u>	<u>1,467,971</u>	<u>585,146</u>	<u>6,948,219</u>

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26.2 Derivative financial instruments

(a) Effects of derivatives on the balance sheet, financial result, and cash flow

The table below summarizes the derivative financial instruments and the hedged items:

								Parent company
				1/1/2023 to 6/30/2023				
		Principal amount		12/31/2022	Fair value			6/30/2023
				Total (net between assets and liabilities)	Cost of sales	Finance result	Realized (gain) loss	Total (net between assets and liabilities)
Strategy	Unit	6/30/2023	12/31/2022					
Derivative instruments not designated for hedge accounting								
US dollar debt hedging instruments								
Floating rate Swaps in IPCA vs. fixed rate in USD	thousands of BRL	122,082	128,937	(32,625)		25,339	(2,884)	(10,170)
				(32,625)		25,339	(2,884)	(10,170)
Hedging of energy futures contracts								
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	638,884	651,235	107,344		107,232	(15,865)	198,711
Floating rate swaps in IPCA/IGPM vs. fixed rate in USD (i)	thousands of BRL	1,539,387			75,742	79,569	(75,742)	79,569
				107,344	75,742	186,801	(91,607)	278,280
				74,719	75,742	212,140	(94,491)	268,110
Current assets				25,804				216,752
Non-current assets				81,615				174,078
Current liabilities				(4,148)				(2,434)
Non-current liabilities				(28,552)				(120,286)
				74,719				268,110

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								Consolidated
		Principal amount		12/31/2022	1/1/2023 to 6/30/2023			6/30/2023
				Total (net between assets and liabilities)	Fair value			Total (net between assets and liabilities)
Strategy	Unit	6/30/2023	12/31/2022		Cost of sales	Finance result	Realized (gain) loss	
Derivative instruments not designated for hedge accounting								
US dollar debt hedging instruments								
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	122,082	128,937	(32,625)	-	25,339	(2,884)	(10,170)
				(32,625)		25,339	(2,884)	(10,170)
Hedging of energy futures contracts								
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	807,690	823,310	136,784		135,498	(20,531)	251,751
Floating rate swaps in IPCA/IGPM vs. fixed rate in USD (i)	thousands of BRL	1,539,387			75,742	79,569	(75,742)	79,569
				136,784	75,742	215,067	(96,273)	331,320
				104,159	75,742	240,406	(99,157)	321,150
Current assets				33,172				224,169
Non-current assets				103,687				219,701
Current liabilities				(4,148)				(2,434)
Non-current liabilities				(28,552)				(120,286)
				104,159				321,150

- (i) The principal value of the instrument was estimated based on the change in the fair value of the contract by the future market indices, brought to present value by the risk-free rate.

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Parent company										
Fair value by maturity										
Strategy	Unit	2023	2024	2025	2026	2027	2028	2029	2030	As of 2032
Derivative instruments not designated for hedge accounting										
US dollar debt hedging instruments										
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	(1,049)	(1,777)	(1,314)	(1,217)	(1,241)	(1,260)	(500)	(422)	(978)
		(1,049)	(1,777)	(1,314)	(1,217)	(1,241)	(1,260)	(500)	(422)	(978)
Hedging of energy futures contracts										
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	17,292	24,349	24,517	23,252	21,520	19,625	18,270	17,271	16,467
Floating rate swaps in IPCA/IGPM vs. fixed rate in USD	thousands of BRL	116,778	211,998	(56,035)	(60,330)	(61,891)	(70,951)			
		134,070	236,347	(31,518)	(37,078)	(40,371)	(51,326)	18,270	17,271	16,467
		133,021	234,570	(32,832)	(38,295)	(41,612)	(52,586)	17,770	16,849	16,055
										15,170
Consolidated										
Fair value by maturity										
Strategy	Unit	2023	2024	2025	2026	2027	2028	2029	2030	As of 2032
Derivative instruments not designated for hedge accounting										
US dollar debt hedging instruments										
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	(1,049)	(1,777)	(1,314)	(1,217)	(1,241)	(1,260)	(500)	(422)	(978)
		(1,049)	(1,777)	(1,314)	(1,217)	(1,241)	(1,260)	(500)	(422)	(978)
Hedging of energy futures contracts										
Floating rate swaps in IPCA vs. fixed rate in USD	thousands of BRL	21,915	30,913	31,100	29,482	27,272	24,860	23,131	21,851	20,822
Floating rate swaps in IPCA/IGPM vs. fixed rate in USD	thousands of BRL	116,778	211,998	(56,035)	(60,330)	(61,891)	(70,951)			
		138,693	242,911	(24,935)	(30,848)	(34,619)	(46,091)	23,131	21,851	20,822
		137,644	241,134	(26,249)	(32,065)	(35,860)	(47,351)	22,631	21,429	20,410
										19,427

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26.3 Fair value estimation

At June 30, 2023 and December 31, 2022, financial assets and liabilities measured at fair value were classified in levels 1, 2 and 3 of the fair value hierarchy, as shown below:

	Parent company		
	Fair value measured based on		
	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	234,428	615,842	
Financial investments	296,196	40	
Derivative financial instruments		311,261	79,569
	530,624	927,143	79,569
Liabilities			
Derivative financial instruments		122,720	
Energy futures contracts		173,878	
		296,598	

	Parent company		
	Fair value measured based on		
	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	371,980	180,859	
Financial investments	270,501	43	
Derivative financial instruments		107,419	
	642,481	288,321	
Liabilities			
Derivative financial instruments		32,700	
Energy futures contracts		121,798	
		154,498	

	Consolidated		
	Fair value measured based on		
	Level 1	Level 2	Level 3
Assets			
Cash and cash equivalents	314,053	714,129	
Financial investments	317,335	27,163	
Derivative financial instruments		364,301	79,569
	631,388	1,105,593	79,569
Liabilities			
Derivative financial instruments		122,720	
Energy futures contracts		173,878	
		296,598	

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	Fair value measured based on		Consolidated
	12/31/2022		
	Prices quoted in active market	Price-supported valuation technique	
	Level 1	Level 2	Fair value
Assets			
Cash and cash equivalents	451,336	397,746	849,082
Financial investments	333,538	6,308	339,846
Derivative financial instruments		136,859	136,859
	<u>784,874</u>	<u>540,913</u>	<u>1,325,787</u>
Liabilities			
Derivative financial instruments		32,700	32,700
Energy futures contracts		121,798	121,798
		<u>154,498</u>	<u>154,498</u>

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26.4 Sensitivity analysis

The following sensitivity analysis presents the main risk factors that impact the pricing of outstanding cash and cash equivalent instruments, financial investments, borrowings, debentures and derivative financial instruments. Key risk factors include exposure to fluctuation in the US dollar, CDI, IPCA, SOFR and electric power price. The scenarios for these factors are prepared using market data and specialized sources, according to the Company's governance framework.

The scenarios at June 30, 2023 are described below:

Scenario I: considers an increase/decrease of 25% on the market curves at June 30, 2023.

Scenario II: considers an increase/decrease of 50% on the market curves at June 30, 2023.

							Parent company			
							Impacts on P/L			
							Scenarios I & II			
Risk Factors	Cash and cash equivalents and financial investments	Borrowing and debentures (i)	Principal amount of derivative financial instruments	Unit	Energy futures contracts	Prices at 6/30/2023	-25%	-50%	+25%	+50%
Exchange										
USD	203,945	2,983,817	2,431,515	thousands of BRL		4.8192	1,251,027	2,502,053	(1,251,027)	(2,502,053)
Interest rates										
BRL - CDI	878,753	731,444		thousands of BRL		13.65%	(5,027)	(10,054)	5,027	10,054
BRL - IPCA	61,350	192,096	1,649,421	thousands of BRL		3.16%	(216,108)	(431,678)	216,593	433,623
BRL - IGPM			663,283	thousands of BRL		-4.46%	(406,932)	(568,711)	(83,373)	78,406
USD - SOFR		1,007,220		thousands of USD		5.2684	1,326,154	2,652,308	(1,326,154)	(2,652,308)
MtM of eletricity										
Fair value				thousands of BRL	173,878		(5,277)	(5,277)	3,966	12,421

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							Consolidated			
							Impacts on P/L			
							Scenarios I & II			
Risk Factors	Cash and cash equivalents and financial investments	Borrowing and debentures (i)	Principal amount of derivative financial instruments	Unit	Energy futures contracts	Prices at 6/30/2023	-25%	-50%	+25%	+50%
Exchange										
USD	235,017	2,990,157	2,603,590	thousands of BRL		4.8192	1,273,509	2,547,017	(1,273,509)	(2,547,017)
Interest rates										
BRL - CDI	1,071,707	731,444		thousands of BRL		13.65%	(11,611)	(23,223)	11,611	23,223
BRL - IPCA	61,350	192,096	1,821,496	thousands of BRL		3.16%	(216,108)	(431,678)	216,593	433,623
BRL - IGPM			663,283	thousands of BRL		-4.46%	(406,932)	(568,711)	(83,373)	78,406
USD - SOFR		1,007,220		thousands of USD		526.84%	1,326,154	2,652,308	(1,326,154)	(2,652,308)
MtM of eletricity										
Fair value				thousands of BRL	173,878		(5,277)	(5,277)	3,966	12,421

(i) As the analysis performed does not consider borrowings costs, the balances shown do not reconcile with the explanatory note.

BRL	Local currency (Brazilian Reais)
CDI	Interbank Deposit Certificate.
IPCA	Amplified Consumer Prices Index
USD	US dollar
SOFR	Secured Overnight Financing Rate
IGPM	General Market Price Index

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27 Financial instruments by category

				Parent company
				6/30/2023
	Note	Amortized cost	Fair value through profit or loss	Total
Assets				
Cash and cash equivalents (i)	9		850,270	850,270
Financial investments	10		296,236	296,236
Derivative financial instruments	26.2		390,830	390,830
Trade receivables	11	494,226		494,226
Dividends receivable	14	38,580		38,580
Related parties	14	47,574		47,574
		580,380	1,537,336	2,117,716
Liabilities				
Borrowing and debentures	19	3,951,726		3,951,726
Derivative financial instruments	26.2		122,720	122,720
Lease liabilities		7,881		7,881
Confirming payables	20	264,592		264,592
Trade payables		892,071		892,071
Energy futures contracts	15		173,878	173,878
Dividends payable	14	206,044		206,044
Related parties	14	50,170		50,170
		5,372,484	296,598	5,669,082
				Parent company
				12/31/2022
	Note	Amortized cost	Fair value through other comprehensive income	Total
Assets				
Cash and cash equivalents (i)	9		552,839	552,839
Financial investments	10		270,544	270,544
Derivative financial instruments	26.2		107,419	107,419
Trade receivables	11	467,734		467,734
Dividends receivable	14	22,804		22,804
Related parties	14	48,599		48,599
		539,137	930,802	1,469,939
Liabilities				
Borrowing and debentures	19	2,968,728		2,968,728
Derivative financial instruments	26.2		32,700	32,700
Lease liabilities		17,040		17,040
Confirming payables	20	203,627		203,627
Trade payables		861,782		861,782
Energy futures contracts	15		121,798	121,798
Dividends payable	14	206,044		206,044
Related parties	14	59,969		59,969
		4,317,190	154,498	4,471,688

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				Consolidated 6/30/2023
	Note	Amortized cost	Fair value through other comprehensive income	Total
Assets				
Cash and cash equivalents (i)	9		1,028,182	1,028,182
Financial investments	10		344,498	344,498
Derivative financial instruments	26.2		443,870	443,870
Trade receivables	11	518,193		518,193
Related parties	14	60,224		60,224
		<u>578,417</u>	<u>1,816,550</u>	<u>2,394,967</u>
Liabilities				
Borrowing and debentures	19	3,964,335		3,964,335
Derivative financial instruments	26.2		122,720	122,720
Lease liabilities		25,172		25,172
Confirming payables	20	267,142		267,142
Trade payables		989,496		989,496
Energy futures contracts	15		173,878	173,878
Dividends payable	14	263,491		263,491
Related parties	14	62,179		62,179
		<u>5,571,815</u>	<u>296,598</u>	<u>5,868,413</u>
				Consolidated 12/31/2022
	Note	Amortized cost	Fair value through other comprehensive income	Total
Assets				
Cash and cash equivalents (i)	9		849,082	849,082
Financial investments	10		339,846	339,846
Derivative financial instruments	26.2		136,859	136,859
Trade receivables	11	496,305		496,305
Dividends receivable	14	12,536		12,536
Related parties	14	60,648		60,648
		<u>569,489</u>	<u>1,325,787</u>	<u>1,895,276</u>
Liabilities				
Borrowing and debentures	19	2,968,728		2,968,728
Derivative financial instruments	26.2		32,700	32,700
Lease liabilities		31,819		31,819
Confirming payables	20	210,491		210,491
Trade payables		1,008,669		1,008,669
Energy futures contracts	15		121,798	121,798
Dividends payable	14	227,116		227,116
Related parties	14	74,090		74,090
		<u>4,520,913</u>	<u>154,498</u>	<u>4,675,411</u>

- (i) In practice, the fair value and the amortized cost are equivalent, considering, by definition, the characteristics of the cash equivalents.

27.1 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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28 Assets and liabilities held for sale

The Company classified the following net assets as held for sale:

	6/30/2023	12/31/2022
Assets		
Mineração Rio do Norte S.A.	52,177	52,177
Property	25,960	25,960
Niquelândia	131,931	
	210,068	78,137
Liabilities		
Niquelândia	113,031	
	113,031	
	97,037	78,137

29 Events after the reporting period

(a) Capital increase at Alunorte – Alumina do Norte S.A.

On July 17, 2023, the Company exercised its preemptive right for the acquisition of new shares subscribed by its associate Alunorte – Alumina do Norte S.A., proportionally to its interest. Capital was increased by R\$32,278, with the Company maintaining its total ownership interest of 3.03% in the associated company.

(b) Indebtedness management plan

On July 31, 2023, CBA entered into a borrowing agreement through the BNDES Exim line in the amount of R\$140,426, which is used as advances for its future exports and has maturity in 2027.

On August 3, 2023, the Company settled its NCE (Export Credit Note) in the amount of US\$46,468 (forty-six million, four hundred and sixty-eight thousand dollars), with maturity in 2024 and with the same Bank, and entered into a new transaction in the amount of US\$71,000 (seventy-one million dollars) through an instrument supported by Law 4,131 with maturity in 2028, extending the term of its debt.

In addition, the Company refinanced NCEs in the amount of US\$275.000 (two hundred and seventy-five million dollars), reducing the concentration of maturities from 2025 to 2027 and optimizing the debt profile with new maturities in 2027, 2028 and 2029. Such transaction generated an estimated negative non-cash effect of R\$82,122 on the Company's results on the refinancing date (August 1, 2023), related to the present value difference between the original cash flows and the refinanced cash flows. The amount classified within "Other comprehensive income" in the amount of R\$113,947 up to the refinancing date, as a result of the hedge accounting practice, will be recognized in the result upon the realization of the revenue ("hedged item) according to the original maturities of the debt (2025, 2026 and 2027).