



QUARTERLY

REPORT

4Q23

www.alubar.net.br

Highlights



200 thousand ton

Total production capacity of Brazilian and Canadian plants combined.



1.9%

EBITDA increase in 2023 (vs. 2022), reaching 12.9% Ebitda Margin (vs. 11.9% in 2022)



7.7%

Cable sales increase in 2023, reaching 81,149 tons (vs. 2022)

- **By keeping our focus on people's safety**, we recorded an Accident **Frequency Rate with time off work of 2.41** in 2023, the lowest level in the last 4 years;
- A pro-ethics Company - Alubar was recognized for the **fourth time in a row** as a Pro-Ethics company 2022-2023 by CGU.
- Sales reached **81,149 tons of cables** in the year (7.7%, increase vis-à-vis 2022);
- **EBITDA of R\$435.6 million** in 2023, with an EBITDA Margin of 12.9%;
- **Debt indicators in line with the Company's policy**: Net Debt/EBITDA at 3.2;
- **R\$43.4 million in CAPEX allocated in 2023**. For year 2024, the approved investment plan projects R\$61.2 million in CAPEX.

Main indicators

Consolidated	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Cable sales (Tons)	15,975	18,591	-14.1%	20,682	-22.8%	81,149	75,328	7.7%
Rebar sales (Tons)	22,124	23,595	-6.2%	22,495	-1.6%	90,176	101,040	-10.8%
Net revenue (R\$ thousand)	709,454	854,257	-17.0%	996,370	-28.8%	3,373,380	3,597,184	-6.2%
EBITDA (R\$ thousand)	117,658	128,300	-8.3%	253,203	-53.5%	435,613	427,652	1.9%
EBITDA margin (%)	16.6%	15.0%	-	25.4%	-34.7%	12.9%	11.9%	-
Net income (R\$ thousand)	50,125	38,169	31.3%	132,251	-62.1%	125,573	134,339	-6.5%
Net margin (%)	7.1%	4.5%	-	13.3%	-	3.7%	3.7%	-
Gross debt (R\$ thousand)	1,630,346	1,589,932	2.5%	1,320,037	23.5%	1,630,346	1,320,037	23.5%
Net debt/EBITDA	3.2	2.6	26.3%	2.9	13.7%	3.2	2.9	13.7%
Investments (CAPEX in R\$ thousand)	12,363	8,843	39.8%	14,106	-12.4%	43,408	106,482	-59.2%

Message from management

A year of opportunities and projects in the electricity sector

After a difficult time in the global economy in 2022, affected by inflation, losses from the war in Ukraine and late effects of the COVID-19 pandemic, we had a year of new opportunities in 2023. Despite the instability of global conflicts, investments in the aluminum sector, especially to meet electrical energy demands, were resumed in several parts of the world.

In Brazil, the electricity transmission market was booming, with auctions that negotiated concessions for works on new transmission lines valued at more than R\$37 billion. Another R\$20 billion in transmission contracts are already planned for 2024, which for Alubar - the largest supplier of electrical cables for transmission lines in Latin America - was undoubtedly a great opportunity to grow and contribute to the development of Brazil.

Thanks to our planning, production capacity and focus on customers, we obtained excellent results from these auctions, with growth in the production of aluminum electrical cables for transmission lines at the factories located in Barcarena (Pará State) and Montenegro (Rio Grande do Sul State).

We are following an important movement in the area of distribution and renewable energy in Brazil, especially in the Northeast region, which is receiving more and more wind farms and solar farms to produce clean and renewable energy - a global trend to reduce the use of fossil fuels in the generation of energy, which emit more greenhouse gases (GHG) and contribute to global warming. This attention ensured us an increase in participation in the distribution and renewable energy markets in 2023.

In North America, the scenario was also one of growth opportunities through expansions in the electricity sector. The United States is investing in new sources of renewable energy, especially in the middle of the country. This generation demands transmission infrastructure for the most populated regions, which are located on the coasts. The aluminum rebar we produce in Canada is mainly used to manufacture electrical cables needed for this infrastructure.

All of these results are possible thanks to the dedication of several professionals from all areas of our company. This commitment is reflected in the recognition from customers and society, such as the achievement of the Fornecer+ [Supply+] and Sinergisa awards, which we received from our customers Taesa and Energisa for being among their best suppliers. Furthermore, for the fourth consecutive year we obtained the Pro-Ethics Seal, granted by the General Comptroller of the Union to companies that feature the best Compliance practices and robust integrity programs.

We will continue to innovate, conquer new markets, value people and generate development in the regions where we are located. We plan a bright future and, together, we will work to achieve it with integrity and agility!

Maurício Gouvêa dos Santos
CEO, Alubar Group

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1. Legal Notice

This document may contain predictions about future events. Such forecasts are not to be construed as acts that occurred in the past and merely reflect expectations of the Group's management. The terms "may", "believes", "estimates", "expects", "predicts", "intends", "plans", "projects", "aims", as well as other similar terms are intended to identify such forecasts which evidently entail risks or uncertainties foreseen or not by the Company and its subsidiaries.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, therefore depending on circumstances that may or may not occur. Future results and shareholder value creation may differ materially from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and related amounts are beyond the Company's ability to control or predict.

Accounting criteria adopted:

The consolidated financial and operational information disclosed in this document, except where otherwise indicated, is presented in accordance with international financing reporting standards (IFRS) and expressed in Brazilian reais (R\$), in accordance with the Brazilian Corporation Law, i.e. Law No. 6404/76 and the pronouncements, interpretations and guidance issued by the Brazilian Financial Accounting Standards Board ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM"), based on revised financial information.

The consolidated financial information presented in this report represents 100% of the results of its direct and indirect subsidiaries and considers the results of assets from their acquisition, except when otherwise indicated for comparability purposes.

2. About us

The Alubar Group is a Brazilian company with an international presence, market leader in Latin America in the manufacture of aluminum electrical cables and the largest producer of aluminum rebar on the American continent. Having been in the market for 26 years, the company has been providing solutions in processed aluminum products, focusing mainly on the electrical sector. Its electrical cable portfolio includes complete lines of conductors for energy transmission and distribution, with bare and insulated medium and low voltage cables. Combining technology and development, Alubar's products are suited to the demands of competitive, demanding markets that are essential to modern life.



Alubar is considered a strategic and essential industry for the Brazilian electricity sector, since its production capacity allows investments allocated to the expansion of this sector to generate wealth within the country – reducing and sometimes eliminating the need to import cables for large transmission line projects.

In Brazil, in addition to the operational units (Barcarena-Pará and Montenegro-Rio Grande do Sul), Alubar has a global office in São Paulo, the largest financial center in Latin America, which manages all plants in Brazil and North America.

In North America, in addition to the units located in Becancourt and VictoriaVille (Canada), Alubar has a commercial team located in Miami (United States), to serve customers operating in North America.

3. Operating Performance

3.1. Production and Sales Performance

Notably, Alubar’s production and sales performance is very similar, as the Group practices an on-demand sales policy. As such, in 4Q23, cable and rebar production was 38 thousand tons, 9.7% lower than in 3Q23. In relation to the 12 months of year 2023, the production of cables and rebar was 171.6 thousand tons, 2.3% lower than in 2022, which already reflects the change in the behavior of the transmission and distribution market in Brazil, as well as an increase in the share of rebar in the North American market.

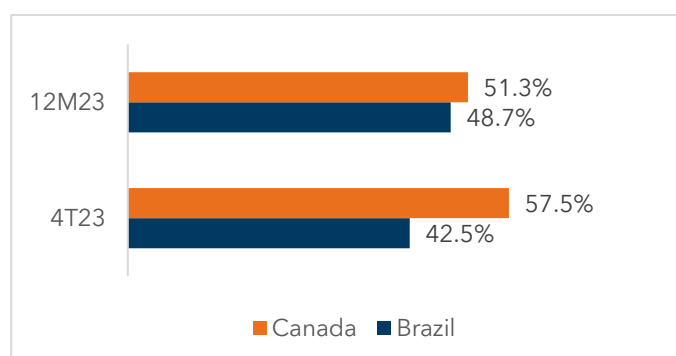
3.2. Sales

Sales in 4Q23 were 38 thousand tons and 9.7% and 11.8% lower compared to 3Q23 and 4Q22, respectively.

In 2023, 171.3 thousand tons of cables and rebar were sold, a reduction of 2.9% when compared to the previous year. However, we observed the resilience of sales in the sectors served by the Company, with a gradual recovery in the sector significantly affected during the Covid-19 pandemic.

CONSOLIDATED	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Cable production (Tons)	16,010	18,618	-14.0%	20,616	-22.3%	81,401	74,666	9.0%
Cable sales (Tons)	15,975	18,591	-14.1%	20,682	-22.8%	81,149	75,328	7.7%
Production of rebar intended for sale (Tons)	22,124	23,595	-6.2%	22,495	-1.6%	90,176	101,040	-10.8%
Rebar sales (Tons)	22,124	23,595	-6.2%	22,495	-1.6%	90,176	101,040	-10.8%

Share in sales – Cables and rebar



4. Economic and Financial Performance

The information contained in this section reflects the consolidated view of the Financial Statements of Alubar Metais e Cabos, that is, it includes the results of the Company and its subsidiaries. It is worthy of notice that we also demonstrate below the reconciliation of EBITDA and EBITDA Margin to the balances presented in the consolidated financial statements.

Statement of profit or loss (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Gross Operating Revenue (GOR)	751,903	1,003,060	-25.0%	1,083,518	-30.6%	3,814,340	4,001,166	-4.7%
Operating revenue, net (NOR)	709,454	854,257	-17.0%	996,370	-28.8%	3,373,380	3,597,184	-6.2%
Cost of sales	(551,799)	(647,404)	-14.8%	(833,873)	-33.8%	(2,646,571)	(3,109,773)	-14.9%
Selling expenses	(27,997)	(41,692)	-32.8%	(46,429)	-39.7%	(171,886)	(156,703)	9.7%
General and administrative expenses	(17,095)	(32,029)	-46.6%	(29,593)	-42.2%	(114,168)	(106,359)	7.3%
Other income (expenses)	5,095	(4,832)	-205.4%	166,728	-96.9%	(5,142)	203,303	-102.5%
EBITDA⁽¹⁾	117,658	128,300	-8.3%	253,203	-53.5%	435,613	427,652	1.9%
EBITDA margin (%NOR)	16.6%	15.0%	10.6%	25.4%	-34.7%	12.9%	11.9%	8.6%
Depreciation and amortization	(15,813)	(15,206)	4%	(19,067)	-17.1%	(63,653)	(54,536)	16.7%
Finance income (costs)	(61,025)	(71,904)	-15.1%	(74,698)	-18.3%	(248,923)	(203,031)	22.6%
Income taxes	9,305	(3,021)	-408.0%	(27,187)	-134.2%	2,536	(35,746)	-107.1%
Net income	50,125	38,169	31.3%	132,251	-62.1%	125,573	134,339	-6.5%

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-accounting ratio disclosed by the Company in accordance with the Resolution of the Brazilian Securities and Exchange Commission (CVM) No. 156, of June 23, 2022.

4.1. Operating revenue, net

(R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Gross Operating Revenue (GOR)	751,903	1,003,060	-25.0%	1,083,518	-30.6%	3,814,340	4,001,166	-4.7%
(-) Deductions								
Sales taxes	(30,877)	(43,073)	-28.3%	(49,154)	-37.2%	(153,809)	(206,704)	-25.6%
Returns, cancellations	(11,572)	(105,730)	-89.1%	(37,994)	-69.5%	(287,151)	(197,278)	45.6%
Total operating revenue, net	709,454	854,257	-17.0%	996,370	-28.8%	3,373,380	3,597,184	-6.2%

Net Revenue in 4Q23 totaled R\$709.5 million, down 17.0% compared to 3Q23 and 28.8% compared to 4Q22. In 2023, Net Revenue reached R\$3,373 billion, 6.2% lower than the previous year. The variations in the quarter and year reflect the lower volume sold as well as the drop in the price of aluminum on the international market.

4.2. Cost of sales

CONSOLIDATED (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Raw materials	470,483	560,455	-16.1%	726,261	-35.2%	2,294,336	2,764,584	-17.0%
Personnel	27,321	24,099	13.4%	29,684	-8.0%	108,587	100,202	8.4%
Packaging	18,367	20,681	-11.2%	24,829	-26.0%	89,805	86,993	3.2%
Fuel	13,039	14,777	-11.8%	16,459	-20.8%	60,218	65,421	-8.0%
Services	13,802	14,442	-4.4%	26,054	-47.0%	53,200	57,157	-6.9%
Other costs	8,787	12,950	-32.1%	10,586	-17.0%	40,425	35,416	14.1%
Total	551,799	647,404	-14.8%	833,873	-33.8%	2,646,571	3,109,773	-14.9%
% COGS/Net Revenue	77.8%	75.8%	2.6%	83.7%	-7.1%	78.45%	86.45%	-9.2%

COGS in 4Q23 totaled R\$551.8 million, down 14.8% compared to 3Q23 and 33.8% compared to 4Q22. Following the sales line, the variations in the quarter and year reflect the lower volume sold as well as the drop in the price of aluminum on the international market.

The Group has entered into aluminum supply agreements, its main raw material, with Albras Alumínio Brasileiro S.A. (Albras) in Brazil and with Alcoa USA Corp in Canada, which are strategic suppliers of the Group.

4.3. General, selling and administrative expenses

CONSOLIDATED (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Personnel	10,675	15,325	-30.3%	11,611	-8.1%	58,697	52,089	12.7%
Services	7,002	13,273	-47.2%	19,376	-63.9%	45,756	47,607	-3.9%
Freight	22,934	38,050	-39.7%	38,375	-40.2%	149,947	134,889	11.2%
Other expenses	4,481	7,073	-36.6%	6,660	-32.7%	31,654	28,477	11.2%
Total	45,092	73,721	-38.8%	76,022	-40.7%	286,054	263,062	8.7%
% Expenses/Net Revenue	6.4%	8.6%	-26.4%	7.6%	-16.7%	8.5%	7.3%	16.0%



Administrative, selling and general expenses totaled R\$45.1 million in 4Q23, 38.8% lower than 3Q23 and 40.7% lower when compared to 4Q22.

The main factor is due to freight costs with a reduction of R\$15.4 million (vs. 4Q22), directly related to the volume of deliveries of sales made under the bill-and-hold arrangement.

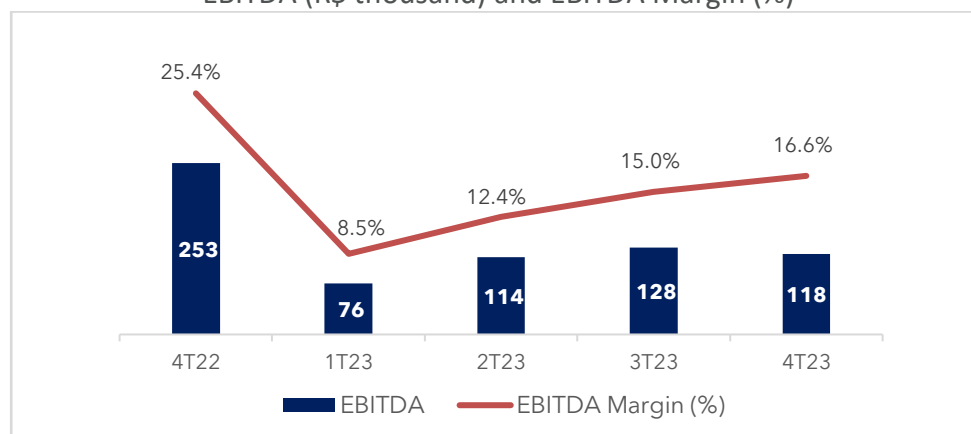
4.4. EBITDA and EBITDA Margin

EBITDA Breakdown (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Net income	50,125	38,169	31.3%	132.251	-62.1%	125,573	134,339	-6.5%
Finance income (costs)	61,025	71,904	-15.1%	74.698	-18.3%	248,923	203,031	22.6%
Income taxes	(9,305)	3,021	-408.0%	27.187	-134.2%	(2,536)	35,746	-107.1%
Depreciation and amortization	15,813	15,206	4.0%	19.067	-17.1%	63,653	54,536	16.7%
EBITDA – CVM Instruction	117,658	128,300	-8.3%	253.203	-53.5%	435,613	427,652	1.9%
EBITDA margin (%NOR)	16.6%	15.0%	10.4%	25.4%	-34.7%	12.9%	11.9%	8.6%

EBITDA reached R\$117.7 million in 4Q23 (-8.3% vs. 3T23 and -53.5% vs. 4Q22), with an EBITDA Margin of 16.6% in the period. The observed variations are mainly due to the following:

- ▲ Execution of contracts with adjusted prices post-pandemic and war in Ukraine;
- ▲ Change in mix (Increase in participation in transmission cables);
- ▼ Higher expenses in the period due to the Group's growth;
- ▼ In 2022, the Company sold fixed assets (machinery and equipment) to its parent company Aluminum Investment S.A., which resulted in a gain of R\$170 million, recorded under "Other operating income (expenses), net".

EBITDA (R\$ thousand) and EBITDA Margin (%)



4.5. Finance income (costs)

CONSOLIDATED (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Interest on loans	(65,303)	(61,870)	5.5%	(50,684)	28.8%	(210,496)	(148,904)	41.4%
Advance on receivables	(7,730)	(13,136)	-41.2%	(11,360)	-32.0%	(48,918)	(16,486)	196.7%
Transactions with related parties	18,403	23,068	-20.2%	152	12007.2%	82,370	(3,903)	-2210.4%
Other	(6,395)	(19,966)	-68.0%	(12,806)	-50.1%	(71,879)	(33,738)	113.1%
Total	(61,025)	(71,904)	-15.1%	(74,698)	-18.3%	(248,923)	(203,031)	22.6%

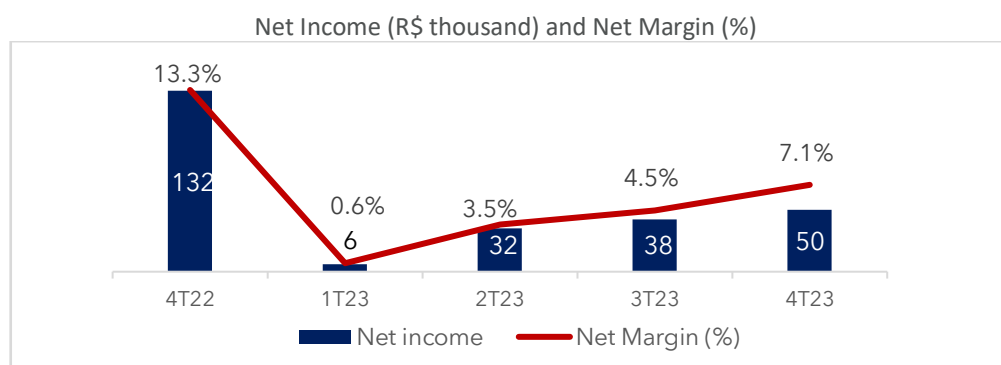
As can be assessed in detail in item 4.7 of this document, the Group's gross debt position in 2023 ended at R\$ 1,630 million, a net variation (new fundraising deducted from amortizations for the period) of R\$ 310 million when compared to 2022. In 4Q23, 67% of gross debt has Brazilian reais as its functional currency and of this volume, 91% is pegged to the CDI. As such, the current composition of the company's debt is directly impacted by changes in Brazil's monetary policy.

As respects finance costs related to advances on receivables, the increase is due to schedule adjustments made to guarantee new volumes in 2024 and 2025 and the Company's strategy of seeking short-term financing due to the credit market in Brazil.

4.6. Net income

CONSOLIDATED (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Operating income (loss) before finance income (costs) and taxes	101,845	113,094	-9.9%	234,136	-56.5%	371,960	373,116	-0.3%
Finance income (costs)	(61,025)	(71,904)	-15.1%	(74,698)	-18.3%	(248,923)	(203,031)	22.6%
EBIT	40,820	41,190	-0.9%	159,438	-74.4%	123,037	170,085	-27.7%
Taxes	9,305	(3,021)	-408.0%	(27,187)	-134.2%	2,536	(35,746)	-107.1%
Consolidated net income	50,125	38,169	31.3%	132,251	-62.1%	125,573	134,339	-6.5%

Due to the factors presented in the previous topics, net income in 4Q23 was R\$50.1 million, an increase of R\$12.0 million (31.3%) compared to 3Q23, but a reduction of R\$82.1 million (-62.1%) compared to the R\$132.3 million recorded in 4Q22.



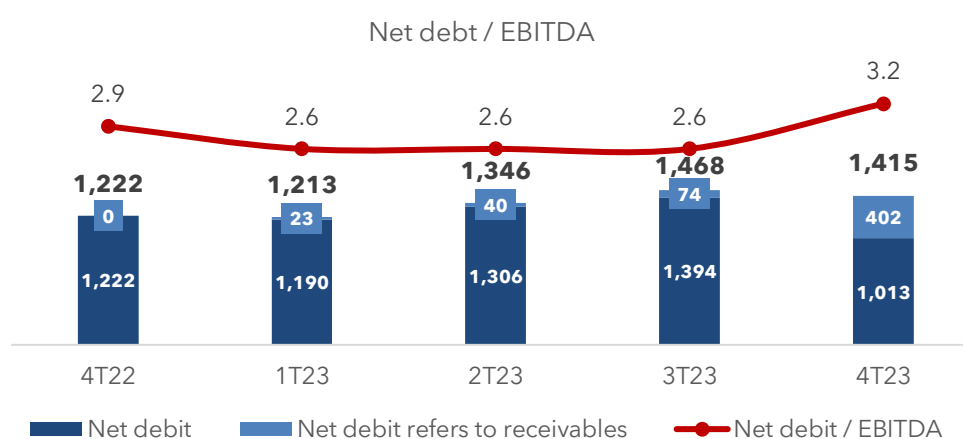
4.7. Debt-to-Equity Structure

The composition of the consolidated gross debt, considering charges and debentures and net debt is as follows:

Debt breakdown (R\$ thousand)	31.12.2023	30.09.2023	Var.	31.12.2022	Var.
Loans, financing and debentures	1,630,346	1,589,932	2.5%	1,320,037	23.5%
Gross debt	1,630,346	1,589,932	2.5%	1,320,037	23.5%
Cash, cash equivalents and short-term investments	215,190	121,558	77.0%	98,521	118.4%
Net debt	1,415,156	1,468,374	-3.6%	1,221,516	15.9%
EBITDA (LTM)	435,613	570,789	-23.7%	427,652	1.9%
Net debt/EBITDA	3.2 x	2.6 x	0.68x	2.9 x	0.39 x

In 2023, gross debt increased by R\$310 million, compared to the same prior-year period. This increase is related to the variation in the need for working capital (NWC), a specific fact and in line with strategies to rebalance productive demand due to auctions throughout the pandemic and the enhancement of Alubar's success over recent years, which had an average success rate of 90%. Throughout 2023, Brazil went through events that reduced the liquidity of the corporate credit market, especially the capital markets. In addition, interest rates remained quite high compared to previous years, so the company decided to carry out short-term transactions for its financing needs and carried out short-term transactions linked to the maturities of its receivables, which total R\$402 million in December 2023. Moreover, schedules were brought forward to guarantee space for new lines of transmission auctioned and scheduled for delivery in 2024 and 2025.

Thus, the Company's leverage was 3.2x but, when making adjustments related to short-term debts linked to 2023 receivables, we can conclude that the adjusted leverage would be 2.3x, lower than the ratio presented in 2022.



Worth noting that to date, the Group has adopted the policy of taking out hedging instruments to protect 100% of financing carried out in foreign currency.

5. Investments in CAPEX

CONSOLIDATED (R\$ thousand)	4Q23	3Q23	Var.	4Q22	Var.	12M23	12M22	Var.
Brazil	5,634	4,213	33.7%	7,629	-26.2%	23,192	89,425	-74.1%
Canada	6,729	4,630	45.3%	6,477	3.9%	20,216	17,057	18.5%
Total	12,363	8,843	39.8%	14,106	-12.4%	43,408	106,482	-59.2%

Regarding investments in CAPEX, we allocated R\$43.4 million in 2023, mainly R\$17.6 million in projects aimed at maintenance and technological updating of machinery and R\$13.7 million in improvements to physical facilities.

The strategic and necessary investments for the maturation and growth of the competitiveness of operations have already been made, and in year 2023 they only refer to investments in the maintenance of manufacturing parks, evidenced by the reduction in the number of investments in CAPEX.

6. Environmental, Social and Corporate Governance (ESG)

In order to improve ESG practices, Alubar is in the construction phase of the Materiality Matrix, which involves the collection of information, its processing and the company's relationship with stakeholders.

The Materiality Matrix is intended to adapt to recent local and international practices regarding the disclosure of ESG information and the maturity of practices already adopted by the Company.

The Group plans to begin actions resulting from the materiality matrix in the course of year 2024.

6.1. Environmental highlights

6.1.1 Renewable energy and recycling

Aligned with the sustainable objectives of the UN Global Compact, Alubar performs actions aimed at the environment inside and outside its facilities. In Belém (Pará State), to help reduce the use of fossil fuels, Alubar installed three free charging points for electric cars, with two chargers each. With this project, Alubar seeks to encourage good environmental practices related to energy and contribute to the community in one of the regions where it is located.





In Montenegro, in Rio Grande do Sul State, where Alubar also has an electrical cable factory, the company sponsors the Eco Pila environmental project. Created in 2018 by the Commercial, Industrial and Services Association of Montenegro/Pareci Novo (ACI), the initiative promotes the exchange of recyclable materials - such as aluminum cans, cardboard, newspapers and plastic packaging - for eco-piles, a social currency that can be used in registered companies in the municipalities of Montenegro and Pareci Novo. Subsequently, the companies that received the currency exchange it for cash at an associated bank. In addition to encouraging recycling, part of the amount obtained from the sale of waste is used in socio-environmental actions.

In Bécancour, a city located in the Canadian province of Québec, Alubar Métaux received several industrial improvements in order to practice conscious consumption and increase environmental benefits in 2023. Among the projects carried out is the reduction of approximately 50% in the use of oil in the emulsion process; the reduction of approximately 4.6 million liters of water per year in cooling machines and a reduction of approximately 50% in the consumption of chemical products to inhibit equipment corrosion. For these good practices, Alubar Métaux received the Environment Award 2023, offered by Veolia, a French multinational that is a reference in ecological transformation.

Alubar Métaux also started a project to obtain the Environmental Product Declaration (EPD) and certification for rebar with low carbon dioxide emissions – Green Aluminum. The project will determine the equivalent CO² rate per megaton of aluminum rebar produced, specifically for metallic alloys in the 1xxx, 5xxx, 6xxx and 8xxx series.

Furthermore, all Alubar Group manufacturing plants are ISO 9001 and ISO 14001 certified, which guarantees alignment with good international quality and environmental management practices.

6.2. Social Highlights

6.2.1 Commitment to sustainable development

Since 2017, the company has been a signatory to the United Nations Global Compact, joining the team of organizations that join forces with society to achieve the Sustainable Development Goals (SDGs). There are 17 practical goals related to human rights, labor, the environment and the fight against corruption, which contribute to achieving a more sustainable world by 2030. Discover the initiatives linked to the SDGs developed at Alubar:

SDG 3 – Health and well-being: The company has a permanent Quality of Life program called *Viva Bem* [Living Well]. Through it, it carries out campaigns on health and well-being for the company’s internal and external audiences. In addition, the company maintains a team of occupational medicine, and constant campaigns and investments in occupational health and safety for its employees in Brazil, Canada and the United States.



SDG 6 – Drinking Water and Sanitation: Alubar has a robust industrial effluent treatment structure, in addition to water reuse mechanisms in the process. This system is constantly improving.

SDG 7 – Clean and affordable energy: The Alubar Group developed the Alubar AlGreen cable line, which uses aluminum (from a renewable energy source), sugar cane-based polymer and environmentally friendly spools. In 2023, the company installed three free charging points for electric vehicles in Belém, capital of Pará, the Brazilian state that is home to its largest and oldest industrial unit.

SDG 8 – Decent work and economic growth: The company chooses to prioritize suppliers and labor from the regions in which the units are located, bringing economic development to the surrounding areas of its facilities, in addition to being a partner in the *Padrinho Cidadão* project, of the Regional Labor Court of the 8th Region, giving young people in vulnerable situations an opportunity to enter learning programs. The Alubar Group also has a structured engineering trainee program.



SDG 9 – Industry, innovation and infrastructure: Each year, Alubar strengthens its industrial structures on the American continent. An innovative company that always thinks of solutions for its customers, helping to ensure that energy transmission and distribution infrastructures in Brazil are increasingly modern and efficient, as well as to meet the needs of the aluminum production chain and the electrical sector.

SDG 10 – Reduced inequalities: The company fulfills its role in the inclusion of people with disabilities, respecting their particularities, offering an inclusive and welcoming environment. In its selection processes, the company welcomes all types of people who fit the technical and professional profile sought, without any type of discrimination.

SDG 12 – Responsible production and consumption: Alubar constantly pursues options for reusing its waste

and seeks to produce with maximum efficiency to avoid waste and unnecessary consumption. As recent examples, the company has reduced the consumption of paper, energy and wood in its operational and administrative processes.

SDG 16 – Peace, Justice and Effective Institutions: Alubar has a strong Integrity Program, recognized nationally for four consecutive times by the Pro-Ethics Seal, granted by the Comptroller General of the Union. The program coordinates the company's good practices in ethics and compliance, establishing behavioral guidelines among employees, customers and partners.

SDG 17 – Partnerships and means of implementation: Alubar's Supply area has strong efforts to develop local suppliers, creating a network of partners that drive growth in the regions where the company is located. An example in this regard is the partnership with the REDES initiative, of the Federation of Industries of the State of Pará (Fiepa). REDES assists Alubar in articulating with various suppliers within the State of Pará.

6.2.2 Customer recognition

For its important contribution to the national electricity sector and its excellence in the supply of aluminum electrical cables, Alubar was awarded at the end of 2023 with two important recognitions from large energy companies. In November 2023, Alubar received the Fornecer+ [Supply+] Award, in the Excellence in Performance category, at a ceremony held in Rio de Janeiro. That initiative is from TAESA, one of the largest private groups in the electricity transmission sector in Brazil, with the objective of recognizing the work of its suppliers for the successful construction, operation and maintenance of transmission assets.

In its first edition, the award includes good practices from TAESA suppliers in the areas of security, ESG and services provided. The award category in which Alubar was the winner is not open for registration directly by the contracted companies. Participants in Performance Excellence are identified by TAESA itself premised on an analysis of the contracts, based on performance in the areas of operation support, construction of transmission lines and substations, business support, equipment, materials and technology.

In December, the Alubar Group was highlighted in the Sinergisa 2023 Awards, being chosen as Materials Supplier of the Year. The company also won in the Delivery Time and Product Quality categories. The award recognizes the Energisa Group suppliers that stood out the most in their operational activities, deliveries and process management throughout the year.



Present in a large part of the Brazilian territory, Energisa is one of the largest private business groups in the electricity sector, with 100% national capital and more than 20 million customers. In the Materials and Equipment area, the company relies on 597 active suppliers, of which only 25 were finalists in 12 categories. The award is part of the Sinergisa Program, which has been promoting the development of Energisa Group suppliers for six years, enabling them to create new skills and thus improve the electricity sector's production chain.

6.2.3 Occupational Safety and Health (OSH)

In the fourth quarter of 2023, there were fourteen accidents involving employees, twelve of which were without leave (ten own employees and two third parties) and two with leave (one own employee and a third party). As a result, the Company ended 2023 with 33 recorded accidents (+10% vs 2022), all of which involved third-party workers, and none of the accidents was fatal.

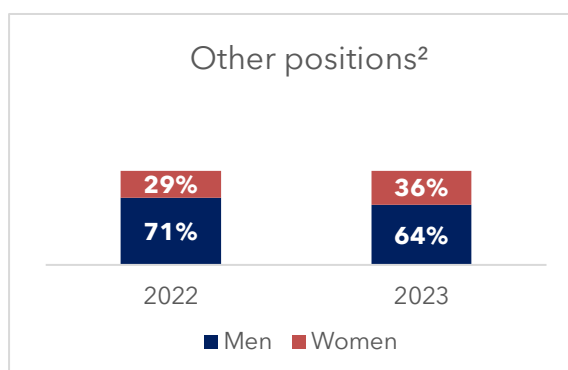
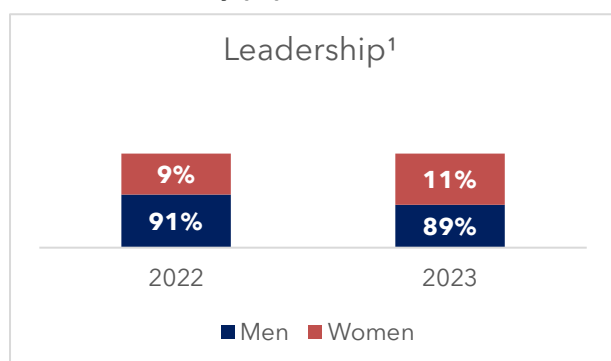
Additionally, training, safety campaigns, emergency drills and courses were carried out, reaffirming our non-negotiable commitment to safety.

Category / Employees	4Q23	4Q22	Var.	12M23	12M22	Var.
Accidents without lost time						
Own EEs	10	2	400%	22	14	57%
Third parties	2	2	0%	5	5	0%
Lost time accidents						
Own EEs	1	2	-50%	4	8	-50%
Third parties	1	1	0%	2	3	-33%
Total accidents	14	7	100%	33	30	10%
Accident frequency rate without lost time						
Own EEs	24.19	5.27	359%	13.26	8.77	51%
Third parties	14.49	14.49	0%	7.7	3.7	108%
Frequency rate of lost-time accidents						
Own EEs	2.41	5.27	-54%	2.41	5.01	-52%
Third parties	7.24	7.24	0%	3.1	2.2	41%

6.2.4 Diversity

In 2023, the Alubar Group had 791 employees in Brazil and 76 in North America, including direct employees, permanent employees, apprentices, people with disabilities (PWDs) and interns.

Gender Diversity (%)



¹CEO, Officers, Managers and Coordinators.

²Specialists, analysts, assistants and other positions.

6.3. Governance Highlights

6.3.1 Nationally recognized integrity

With Integrity as one of its values, the Alubar Group is recognized in the market for the robustness of its Compliance Program, which has solid pillars based on relationships of trust, ethics and good faith that the Group cultivates with its various stakeholders.

Attesting to the quality of integrity and robust governance practices, in year 2023, Alubar received the Pro-Ethics Company recognition for the 4th consecutive edition. Granted by the Comptroller General of the Union (CGU), in partnership with the Ethos Institute, the award is aimed at companies aligned with the best compliance practices and measures to combat corruption and fraud.



The process of recognition as a Pro-Ethics company evaluates criteria such as senior management support, communication and training, monitoring and audits, code of conduct and compliance policy. Alubar also achieved this recognition in the 2017, 2018/2019 and 2020/2021 editions. The result of this recognition testifies not only to the performance of the Alubar Group's Integrity Program, but also to its evolution over the years.

7. Services Provided by the Independent Auditor

The Company has entered into an agreement with Ernst Young Auditores Independentes S/S (EY) to provide audit services for its interim financial statements as at 12/31/2023.

EY and its associates did not provide services other than independent audit services in the year ended 12/31/2023 that exceeded 5% of the contractual amount of the audit services. The Company's policy, as well as the policies of other Alubar Group companies, for engaging non-audit services is based on principles that protect the independence of the independent auditors. These principles are: (i) auditors shall not audit their own work; (ii) auditors shall not perform management functions for the client; and (iii) auditors shall not advocate their client's interests, in accordance with globally accepted rules.



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