SAMARCO MINERAÇÃO S.A. - JUDICIAL REORGANIZATION

MANAGEMENT REPORT,
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
as of December 31, 2023.

SAMARCO

SUMMARY

Cover photo: Luis Fernando Almeida Júnior, Port of Ubu – Anchieta (ES)

MANAGEMENT REPORT

MESSAGE FROM **MANAGEMENT**

The consolidation of our operation and the 2023 results demonstrate that Samarco is prepared to move forward with **the goal of reaching 100% of its production capacity in a more sustainable**, safe and innovative manner

– always giving priority to sustainable growth and relationships of trust with our people, shareholders, host communities, government and institutions. After all, our greatest commitment has always been to share value with society, but at the same time we are extremely proud to have met our production goal of 25.7 million tons of iron ore pellets and fines in the period between our restart and December 2023.

Last year, three events were particularly important and supported our move forward. First, from an operational point of view, we ensured our stability with the efficient use of assets and structures, resulting in the production of more than 9 million tons of iron ore pellets and fines and achieving safety rates that are in line with the highest world standards. We also completed the decharacterization of the Germano Pit and made considerable progress with similar works on the Germano dam. Secondly and equally important, 2023 was the year in which we obtained the green light for our Judicial Reorganization Plan, which was approved by the Court and restores the equilibrium of the Company´s capital structure, providing security and visibility to our creditors and enabling the Company to plan and invest in the future.

Photo: Gabriela Arpini and Gabriel Ferraz, Ubu Complex, Anchieta (ES)

The third highlight concerns the strategic journey of the gradual resumption of our installed production capacity. This is a necessary movement that will allow us to honor our commitments and assure business continuity, guaranteeing ability to fulfill our social function. Last year, the Board of Directors and our shareholders agreed on an investment plan that enables Samarco to reach 60% capacity 2025 – BRL 1.6 billion were allocated in 2023 to these projects and BRL 2 billion are expected for 2024.

With transparency and dialogue, we also continued the Long-Term Project Licensing process for operational continuity that will allow us to move on to the next phase of our planning, through the exploration of mining areas and disposal of waste and tailings, in addition to a new filtration plant, in the Germano Complex, enabling the minimization or elimination of the use of tailings dams. Reflecting these efforts, we finished out 2023 with a adjusted Ebitda of BRL 3.65 billion, demonstrating our ability to create value. These efforts, as outlined in our Strategy Map, involve an analysis of risks and opportunities, in line with our commitments in the environmental, social and governance (ESG) spheres. We believe that achieving our goals goes beyond delivering positive financial results and economic impacts for the neighboring territories. It is necessary for Samarco to be a financially solid and operationally stable company with concrete plans to increase production with innovation, safety and trust – always aware of the responsibilities and obligations assumed as a consequence of the collapse of the Fundão dam.

The year 2023 was a milestone in our ESG agenda. Throughout the year, we completed the construction of the Sustainability Roadmap, with 122 indicators on topics that include water, biodiversity, value chain, human rights, relations with stakeholders, diversity, equity and inclusion, health and safety, risk management and innovation which serve to monitor our progress until 2032, with short and long-term goals. Many of them concern the way we are structuring the Company's future, with an open environment to plurality and respect, geotechnical structures with reference levels of stability, maximum attention to climate emergencies and the use of natural resources. All coupled with a production model with lower socio-environmental impact.

In 2023 we ensured our stability with the efficient use of assets and structures, resulting in the production **of more than 9 million tons of iron ore pellets and fines**

The innovation agenda is essential to our business. During the year, we pioneered the use of marble mining waste in our production of pellets, as a complementary alternative to limestone. As part of our pipeline of projects, this solution was implemented during 2023 and as of now we can affirm that 30% of the pellets we produce have a marble co-product. From the approval of the co-product in October 2022 until December 2023, around 48.5 thousand tons of this material were used.

The successful initiative is part of sustainability practices, with gains that go way beyond the Company's gates. It favors the circular economy, as it contributes to reducing the socio-environmental impact of the production of ornamental rocks in nearby communities, especially in Espírito Santo, the largest producer of ornamental rocks in the country, accounting for approximately 80% of Brazilian production. Alternatives like this result in improvements for society, the environment and also for our customers. We are also looking for increasingly disruptive solutions for the disposal of waste and tailings. Our goal is to find alternatives for filtration, dry stacking and economic use of such disposals to minimize or eliminate the use of dams, in line with our plans to reach 100% of installed capacity by 2028.

Regarding remediation, we reaffirm our commitments to the affected communities and remain committed to fully make up for the impacts of the Fundão dam collapse. We are open to dialogue with state and federal authorities and regulatory bodies regarding the renegotiation of the more than 40 programs that are part of the Transaction and Conduct Adjustment Term (TTAC) and are managed by the Renova Foundation, with direct financing by Samarco and its shareholders, BHP and Vale. This process continued in 2023, under mediation by the Regional Court of the 6th Region (TRF6). In parallel, Samarco and its shareholders complied with the obligations of the current agreement and allocated, in the year, more than BRL 6.6 billion to programs managed by the Renova Foundation. Since 2016, more than BRL 33.6 billion have been allocated to remediation and compensation measures, in addition to programs carried out by Samarco directly.

We remain firm in our belief that Samarco grows hand in hand with the territories where we operate. To boost business and encourage the development of people, we had another year of progress, investing in the Local Force Program, with BRL 1 billion disbursed by Samarco and its contractors in purchases of materials and services with a base of 1,500 local business partners. The year 2024 holds many challenges for us, but we are confident about the delivery of value by Samarco's to the people we interact with.

We are aware that it is necessary to guarantee a safe and healthy environment, in addition to providing development opportunities, monitoring risks and encouraging respect, diversity and cooperation among people. On this journey of transformation, in 2023, we were recognized for the third year in a row in the Incredible Places to Work award, provided by the Administration Institute Foundation (FIA) and the UOL portal. Samarco was elected as the "Most Incredible in Leadership" and as the "Most Incredible in the Mining, Metallurgy and Steel Industry". We foresee the creation of 3,000 new jobs with the increase in production, 600 of which being direct employees hires and others outsourced. We have already started admissions and, guided by the Diversity, Equity and Inclusion Program, we are using this moment as an opportunity to expand the local workforce and the participation of minority groups in our team.

Since the beginning of our operations, 46 years ago, we have been welcomed by neighboring communities from Espírito Santo and Minas Gerais and have built a history of lessons learned. In 2020, with the trust of these people in us, we resumed our operations and reinforced our purpose of making mining safer and more sustainable – and this has been our beacon and guide. Our performance in 2023 is the result of this long-standing partnership and I invite you to learn details of our strategic thinking and our journey in this document. Our Annual Sustainability Report (ASR) will also become available, providing complementary information.
Enjoy the read!

Rodrigo Vilela
CEO

2023 HIGHLIGHTS

PRODUCTION & SALES

9.4 million
of tons produced (pellets + fines)

3.439 million
tons - sales in the country (pellets + marginal ore)

9.032 million
tons - sales abroad (pellets + fines)

99 shipments
carried out from the Ponta Ubu Maritime Terminal

FINANCE & INVESTMENTS

BRL **7,680.1** million
in gross revenue

- BRL **21,053.3** million
as a result of the year (loss)

BRL **3,652.1** million
of adjusted Ebitda

BRL **690.9** million
in investments (Capex)

DEBT AND FINANCIAL POSITION

BRL **1,265.9** million
in debt to shareholders (loans and financing)

BRL **16.5** million
in debted to shareholders (others)

BRL **19,248.9** million
in debt to shareholders (provision related to clause 11.1 (ii) of the PRJ)

BRL **18,494.8** million
in debt to third parties (loans and financing)

Photo: Storage yards for iron ore pellets and fines, Ubu Complex (ES)

2023 HIGHLIGHTS

FUND ALLOCATION RENOVA FOUNDATION

BRL **2,336.3** million
in amounts contributed to the Renova Foundation (Samarco)

BRL **4,263.8** million
in amounts contributed to the Renova Foundation (Shareholders)

DECHARACTERIZATION

BRL **850** million
intended for decharacterization of the Dam and Germano Pit

COMMUNITY

BRL **81** million
applied voluntarily, through institutional and social investments, in addition to Requirements

SAFETY

0.12
was the specific accident rate with Lost Time (LTA)

0.52
was our total recorded accident rate

Photo: Germano pit decharacterization - Germano Complex (MG)

ABOUT SAMARCO

Founded 46 years ago, Samarco Mineração S.A. is a privately held Brazilian mining company, **controlled in equal parts by two shareholders (BHP and Vale)**, active in the seaborne iron ore pellet market.

Our production model has valued innovation and efficiency since the Company's origins, in the 1970s, when we implemented the physical integration of the mine to the port - with operations linking the Germano complex (in Mariana and Ouro Preto-MG) and the Ubu unit (in Anchieta-ES), using pipelines to convey ore slurry in substitution of road-rail transportation. We produce pellets and fines with a high iron ore content, shipped to customers in dozens of countries, serving the global steel industry and operating as one of the most relevant players in this market in Brazil.

Photo: Cláudia Auxiliadora, Germano Complex (MG)

Today, Samarco operates at around 30% of its production capacity and is focused on carrying out mining in a different, **safer and more sustainable manner**

Our history is marked by the collapse of the Fundão dam, in November 2015, which led to the interruption of our operations and generated a series of commitments necessary to remediate the impacts caused. We resumed our activities, armed with all necessary licenses and permits, in December 2020, and since then we have evolved in the economic and financial restructuring of the Company, in the reestablishment of relations with neighboring territories and interested parties and in the planning for the gradual resumption of full production capacity.

Today, Samarco operates at around 30% of its production capacity and is focused on carrying out mining in a different, safer and more sustainable manner, maintaining a dialogue with Brazilian society, communities, business partners, employees and contractors. To this end, it adopts a production model involving several innovations – such as installing a filtration system for dry stacking of tailings and their disposal in a rock pit, with other studies underway to support increased capacity. At the same time, the Company remains committed to funding the more than 40 socio-environmental and socioeconomic programs managed by the Renova Foundation in the territories impacted by the Fundão dam collapse, in addition to a continued active participation in renegotiation discussions.

Photo: Samarco, Germano Complex, Mariana and Ouro Preto (MG)

100%

of production level is scheduled for 2028

In 2023, Samarco's Board of Directors, made up of shareholder representatives, approved the investment plan to continue the ramp-up from 30% to 60% of production capacity by 2025. To this end, in 2023, BRL 0.3 billion were invested, with a further BRL 1.3 billion funding planned for the years 2024 and 2025. The achievement of 100% of production level is scheduled for 2028, in total safety and compliance with the guidelines of the relevant authorities and our social license to operate. Another highlight of the year was the definitive renegotiation of the Company's debt with international creditors, an important step in regaining Samarco's financial balance, in line with its Judicial Reorganization proceeding.

In 2023, we reached a production of 9.4 million tons of iron ore pellets and fines. Since resuming operations, our production has been around 25.6 million tons of iron ore pellets and fines, with more than 259 ship shipments at the Ponta Ubu Maritime Terminal, in Anchieta (ES) for domestic and foreign markets. We continue to be an important employer at a local level, as well as an inducer of economic relations through the development of suppliers. In 2023 alone, taxes generated by Samarco and those resulting from the acquisition of goods, materials and services from suppliers reached BRL 1.65 billion.

Photo: Samarco, Ubu Complex (Anchieta-ES)

Purpose

To carry out a different and sustainable mining, capable of generating results and building value for society.

Vision

To be recognized for overcoming obstacles and rebuilding social, environmental and economic relationships.

Values

- Respect for people
- Integrity
- Mobilization for results
- Safety.

In **numbers**

~ 1,730
direct employees, including

962 in Germano
544 in Ubu
47 in Matipó
178 in Belo Horizonte

11.300
third-party/contractors

1,468
suppliers with active contracts

9.4 million tons
of pellets and fines produced in 2023 with current production capacity (30%)

Photo: Samarco employees, Germano Complex (MG)

Governance

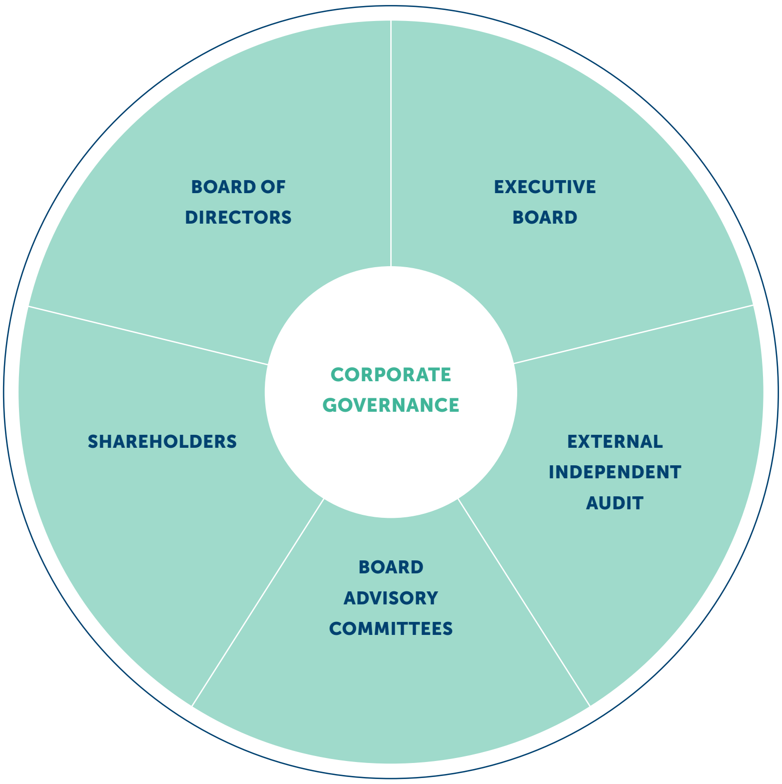
Samarco's governance system guarantees management and decision-making in alignment with the needs of business and society, based on best market practices and legal requirements. Ethics, transparency in relationships, professionalism and responsibility are the pillars that support its bodies: shareholders BHP Billiton Brasil and Vale S.A.; the Board of Directors; the Executive Board; the external independent audit; and the advisory committees to the Board.

Based on the Shareholders' Agreement, the Articles of Incorporation, the Committees' Terms of Reference and the Code of Conduct, the bodies have their own routines of activities that work as an official forum to ensure that public authorities, government and others stakeholders have their considerations included in the decision-making process, an aspect that is even more relevant in the context of the Company's restructuring and its production levels since its restart in December 2020.

In 2023, **several improvements** were implemented in governance processes

Diretoria da Samarco: Gustavo Selayzim, Sérgio Mileipe Reuber Koury Rodrigo Vilela e Najla Lamounier

In 2023, several improvements were implemented in governance processes, following recommendations from an audit process carried out by shareholders in the previous year. Among the changes, the highlight is the cycle of advisory committee meetings, now on a bimonthly basis. Check out details about the following organizations:



Find out more about our governance model at https://www.samarco.com/governanca/

OUR BOARD OF DIRECTORS

- Comprises eight members, with four effective members and four alternates representing each shareholder
- Holds monthly meetings
- Members serve three years terms (with possibility of re-election)
- Formulates Strategic Planning and supervises results
- Evaluates executive leadership performance

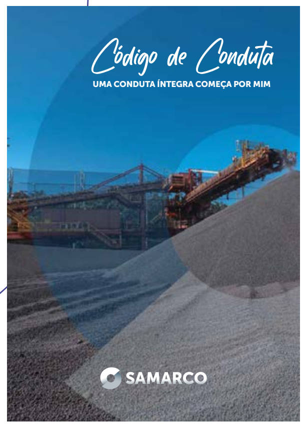
OUR EXECUTIVE BOARD

- Comprises six members: the CEO, four statutory boards and one non-statutory board
- Includes statutory officers in the Finance and Supply areas; Reestruturaction, Planning and Operations; and Projects and Sustainability, in addition to a non-statutory Legal, Risk and Compliance department
- Members serve three-year terms, with the possibility of re-election
- In charge of running the Company business and its Strategic Planning

OUR ADVISORY COMMITTEES

- Divided into seven committees and one subcommittee
- Their role is to support the Council on specialized topics and deliberate on them, proposing recommendations to the highest governance body
- Committee areas: Sustainability; Risk Management, Audit and Compliance; Geotechnical; Finance; Legal; Technical and Operations; People
- Subcommittee area: Tax

Compliance and **risk management**



At Samarco, we are committed to integrity, transparency and ethics in all business relationships and decisions. The Company's Legal, Risk and Compliance Department is the body responsible for taking issues to senior management, along with the advisory committees to the Board of Directors. The Compliance area maintains an institutional program dedicated to the topic, with actions that comprise the analysis, investigation and treatment of misconduct; the continuous dissemination, production and review of management policies; and training on compliance and risk topics for leaders, employees, contractors and partners.

The year 2023 was highlighted by the implementation of the Human Rights Policy, the regular review processes of other policies (see list below), and the restructuring of the process for managing reports of violations of the Code of Conduct.

The Company's main reference document is the Code of Conduct, most recently revised in 2023. This Code provides guidance on topics such as corruption, fraud, harassment, respect, non-discrimination and conflict of interest, and is disseminated among the entire workforce. In 2023, training was carried out on the Company's Code of Conduct and anti-corruption policies, covering 100% of our own employees and part of our permanent contractors. Furthermore, 100% of our operations were assessed for corruption risks.

To receive reports, grievances and record potential misconduct and violations of laws and policies, Samarco maintains the Ethics Channel, available toll-free (0800 377 8002), website, email or personal assistance with the Compliance team. In 2023, improvements were made in the management of this channel, which changed its name from Ombudsman to Ethics Channel, and training and dissemination actions were implemented on the Company's intranet and for external stakeholders. There was also an expansion of the Channel page where new reports can be posted with more information about the process of investigating and monitoring cases and new typologies.

During the year, the Ethics Channel received 525 reports, 90% compared to the average of the last five years, and concluded the investigation of 456 reports. There were 13 cases of discrimination, compared to six in 2022 and three in 2021. One case remains under investigation.

Another relevant channel, intended for general contact topics, is the Samarco Relationship Center, available by calling 0800 033 8485, by email relacionamento@samarco.com or via the website www.samarco.com/fale-conosco. In 2023, 3,633 thousand contacts were made, compared to 3 thousand in 2022, mostly addressing interest in job vacancies and commercial opportunities.

OUR POLICIES

- Corruption and Fraud Prevention Policy – latest review in 2023;
- Policy for Offering and Receiving Gifts and Hospitality – last revised in 2023;
- Antitrust Policy – last review in 2023;
- Corporate Approval Authority Manual – last revised in 2023;
- Institutional and Social Investment Policy – latest review in 2021;
- Travel and Corporate Card Procedure – last review in 2023;
- Code of Conduct for Suppliers – launched in 2022;
- Corporate Risk Management Manual – last revised in 2023;
- Risk Management Policy – last revised in 2022;
- Consequence Management Policy – last revised in 2023;
- Human Rights Policy – launched in 2023.

RISK MANAGEMENT

Appropriate management of risks and opportunities is essential for Samarco; to fulfill its business plan and meet the expectations of society, government and shareholders regarding the Company's legal, financial and operational safety. In 2023, emphasis was given to the internal diagnosis process and external audit on the Company's risk management, based on the requirements of the ISO 31000 Standard. The results were positive – compliance exceeding 98% – reflecting the maturity of our practices.

In 2023, **several improvements** were implemented in governance processes

The study of risks encompasses both those of a strategic nature – enablers of the fulfillment of the Company's planning – and operational nature, with emphasis on attention to the stability of geotechnical structures and the safety of assets and people, for example. At the corporate level, risks associated with the Company's financial and capital structure and business continuity are highly relevant, as are those associated with the environmental, social and governance (ESG) agenda.

Another important step forward in 2023 was the initiation, within the risk committees and Company departments, of the discussion associated with emerging risks, incorporating this category in the Company's monitoring planning. Updates of the Risk Management Policy and the Risk Management Manual are planned for 2024, to reflect the diagnosis carried out during the previous year.

In 2023

We organized **64 risk management workshops**, with a total of more than **300 participants**

76 risks assessed and **14 mapped** in our Risk Map

Photo: Daniela Cristina Almeida Monitoring and Inspection Center (CMI), Germano Complex

STRATEGY **OF THE YEAR**

The year 2023 represented a period of transformation and achievement of **important enablers** to implement Samarco's strategic planning

Aware of our obligations and responsibilities towards the government, society, shareholders and business partners, we worked on a cycle of investments, projects and achievements that reflect the maturity of the New Journey – a plan to rebuild the Company, launched within the scope of preparations for resuming operations in December 2020.

In recent years, the Company has worked on the operational stability process – ensuring the safe, efficient and responsible use of installed capacity pursuant to the guidelines defined in agreement with authorities and regulatory agencies. This process was preceded by an in-depth review of organizational processes, cultural aspects, assets and technologies undertaken at our units in Minas Gerais and Espírito Santo, in order to enable business continuity and provide different and sustainable mining.

Photo: Samarco employees, Germano Complex (MG)

From an operational point of view, the Company closed out 2023 with a production of 9.4 million tons of iron ore pellets and fines, leading to a sum of 25.7 million tons since the restart. In terms of sales, in 2023, 99 ships were loaded with products sailing from the Ponta Ubu Maritime Terminal, in Anchieta (ES), totaling 259 shipments since December 2020. During the year, we served customers in the Americas, Asia, Europe and the Middle East. Of the total produced in 2023, 3% was sold on the domestic market, serving customers in the states of Minas Gerais, Espírito Santo and Rio de Janeiro. The quality of the products delivered to customers reached an adherence rate of 98.2%.

It is the Company's commitment to attain these levels with a new operating model, based on sustainability and innovation criteria. Upon resumption of our operations, we deployed a disposal system for dry stacking 80% of the tailings generated, while the remaining 20%, which correspond to ultrafine waste, were disposed of in a confined pit. At the same time, we continue with studies to develop new tailings treatment solutions and long-term disposal structures. The expansion of production capacity, as foreseen in the business plan, is dependent on the results of these projects.

The year 2023 was relevant from a strategic point of view due to the approval, by the Board of Directors, of the investment plan to reach 60% of production capacity by 2025, with the goal of reaching 100% in 2028. During the year alone, BRL 1.6 billion was invested in projects that combine three fronts – the decharacterization of the Germano pit (completed in 2023) and the Germano dam; increased production; and preparation for resumption.

The 60% capacity horizon exclusively considers the dry stacking of tailings, without the use of dams.

The year 2023 was relevant from a strategic point of view due to the **approval of the investment plan to reach 60% of production capacity by 2025**

The business in context

The Strategy Map is defined by the Board of Directors and is led by the Executive Board, in compliance with aspects such as risk monitoring, integrity, financial sustainability, safety and respect for life. Revised in recent years and effective from 2023 to 2032, **the strategy is divided into the pillars of Business Sustainability, Growth and Future and Performance Improvement**, with six related Strategic Programs: Remediation, Sustainability, Culture and Organizational Development, Solution for Reserve, Overburden and Tailings, Resumption and Growth and Operating Model.

In addition to the business and operational guidelines, the map reflects our commitment to the continued ability of the Company to generate and share value, honoring all our commitments. The Company's Sustainability Roadmap, structured and finalized in 2023, is aligned with the Declaration of Commitment to accelerate initiatives in the environmental, social and governance (ESG) spheres connected to the strategy (read more on page 26).

Photo: Iron ore pellets, Ubu Complex – Anchieta (ES)

One of the relevant topics in the execution of the strategy in 2023 was the continuation of the Long-Term Licensing process for Continuity of Operations, which includes the new mining areas and disposal of overburden and tailings in the Germano Complex, in addition to a new filtration plant. The environmental impact study and its EIA/Rima environmental reports were filed in 2022. Thus, in 2024, obtaining licenses will be a goal to guarantee the expected increase in capacity. In March 2023, Samarco held public hearings in Ouro Preto and Mariana to present and discuss the study with the community.

Another relevant topic of the year for business continuity was the Judicial Reorganization process. In 2023, Samarco obtained approval and ratification of its plan from the Brazilian and US courts. This was possible after an agreement was reached with its international creditors and its shareholders, Vale and BHP Brasil, the main public impacted by the plan, equalizing a debt of BRL 50 billion, of which BRL 26 billion with export prepayment contracts and debt securities issued abroad and BRL24 billion in bonds with shareholders BHP Brasil and Vale.

The approval of the plan represents an advance in the Company's economic and financial restructuring, ensuring its capacity to generate employment, income and tax revenue, in addition to allowing access to future funding and financial operations. The cash flow projection indicates that Samarco will operate at 100% capacity by 2028, and that it will continue to honor its commitments related to actions to compensate damages resulting from the collapse of the Fundão dam and its social function.

Find out more about the JR:
https://www.samarco.com/recuperacao-judicial

The remediation commitments provided for in agreements signed with Brazilian public authorities will be fully preserved, pursuant to the approved Judicial Reorganization plan. From 2024 onwards, Samarco will continue having the support of its shareholders to honor its remediation obligations. As a way of ensuring the protection of our cash and with shareholders by Samarco, with remediation obligations until full payment of the senior debt securities. In this regard, Samarco will pay costs related to the Remediation Obligations, including payments to Renova, up to a limit of USD 1 billion and the shareholders will bear the costs that exceed certain limits, including the annual limits established in the ratified Judicial Reorganization Plan.

Operational **safety**

In line with Samarco's Strategy Map, the analysis of risks and opportunities and our obligations in the environmental, social and governance (ESG) sphere, the safety of our iron ore pellets and fines production operations is a commitment to our stakeholders and a priority in our planning.

The year 2023 was marked by Samarco's operational stability, with emphasis on the gradual production ramp-up and evolution of economic-financial restructuring. In this context, our operational stability is monitored and guaranteed by the efficient use of assets and structures and excellent safety rates (0.52 frequency rate per year), the result of an authentic commitment on the part of our leaders and employees and also contractors to ensure stability and operation controls. We are supported by our Integrated Operations Center (COI), which offers a systemic view from the mine to the Company's port, as well as our Monitoring and Inspection Center (CMI).

Photo: Emergency simulation in the community of Ponte do Gama, Mariana district

As part of our commitment to transparency, we are audited by third parties and maintain updated the Dam Integrity Assurance Statements (DCE), which demonstrated compliance throughout the year.

The company also has an Emergency System guided by the rules and procedures that make up the Emergency Action Plan for Mining Dams (PAEBM), with sirens installed and tested monthly, strengthening the culture of safety and prevention in the communities.

Our safety asset structure is made up of more than 2,000 state-of-the-art pieces of equipment, with the purpose of monitoring the conditions of Samarco's geotechnical structures 24/7. In 2023, we had around 30 external legal audits and participated in 9 emergency drills, involving more than 870 people.

In relation to the Global Industry Standard for Tailings Management (GISTM), structured through a panel of experts from the United Nations Environment Program (Unep), Principles for Responsible Investment (PRI) and International Council on Mining and Metals (ICMM), in 2023 we reached 100% compliance, according to the established target. The requirements encompass aspects related to tailings disposal management throughout the entire life cycle of the structure, including design, operation, closure and post-closure. We take into account all aspects of community development, human rights, safety, engineering, governance, technical reviews, emergency readiness and transparency.

Another ally in prevention is the PROX application, developed in partnership with the Brazilian Mining Institute (Ibram), Companhia Energética de Minas Gerais (Cemig) and other mining companies. This is a tool that informs the population of the risk status, and has the capability to answer questions and receive alerts about dams in Minas Gerais and other states. PROX is a means of communication between the population residing in areas close to geotechnical structures and entities such as the Civil Defense, Fire Department and Military Police.

Regarding the resumption of installed production capacity, the Board of Directors approved an investment of BRL 1.6 billion to increase its capacity in light of the plan to reach 60% of production in our next step. To achieve this, we will have to make existing assets ready to go into operation, in addition to investing in some new facilities, especially in the case of waste filtration. The entire company is mobilized so that Samarco can reach this second level of our strategy of resuming operations and production within the established deadline.

DECHARACTERIZATION

One of Samarco's priority projects - the decharacterization / decommissioning of the Germano pit - was successfully concluded in 2023. After intense work, technical audits by public bodies and proof of compliance with all requirements, in January 2024 we obtained a letter from the State Foundation for the Environment (Feam) formally acknowledging that the Germano Pit, now used as a Drained Stacking structure, no longer presented the characteristics of a dam according to current classification.

Furthermore, we have made significant progress regarding the decharacterization of the Germano Dam (75% of works carried out by December 2023), which is expected to be completed in 2029. In terms of investment, BRL 850 million was allocated in 2023 to the decharacterization of the Germano pit and dam, totaling a value of around BRL 2.3 billion since the beginning of the works. We still face the challenge of achieving long-term stability of the Germano dam by the end of 2024.

The decharacterization is in line with updates made to the Brazilian regulatory framework since 2015, particularly Federal Law No. 14066/2020 – which determines the decharacterization of all dams raised using the upstream method.

Innovation projects

Operating at around 30% of its production capacity and with the goal of doubling volume by 2025, Samarco has adopted a production model in which innovation plays an essential role in the evolution of the business. One example was the implementation of a filtration system for dry stacking of a large part of the tailings produced (80%) and the disposal of the additional 20% in a rock pit (ultrafines), as well as the expansion of studies to support the increase in capacity and reduction of the generation of tailings in the production process, with solutions aligned with our purpose of carrying out mining differently.

Our main projects and research in development follow an investment agenda organized into pillars aligned with the strategic objectives of the business. Namely: Efficiency & Competitiveness, Sustainability and Tailings. The focus is on generating the minimum amount of tailings, seeking their economic reuse and safer disposal – in addition to promoting the culture of innovation among our employees and throughout the value chain.

Around BRL 30 million in research, development and innovation were invested in 2023, of which:

- **13% invested** in projects aimed at Efficiency & Competitiveness;
- **16% invested** in projects focused on Sustainability themes, including reduction of atmospheric, combustion and greenhouse gas emissions, operational safety, treatment of domestic effluents and human rights.
- **71% invested** in projects aimed at Reducing, Reusing and Disposing of Waste.

Throughout 2023, we highlight important **initiatives for the business plan:**

- **Progress in the studies on Optimization of Desliming of Concentrator 3,** developing a solution to increase the recovery of that stage and consequently reduce the generation of ultrafine tailings, currently transported to the Alegria Sul Pit.
- **Consolidation, on a pilot scale, of a process route based on magnetic separation** to recover a significant portion of the ultrafine tailings generated and advances in the maturity of their use both in the current route (evaluations considering the mixture of this concentrate with the current product) and in a new stage of transformation of this new concentrate into agglomerated co-products for the steel market.
- **Start of a series of tests, on semi-industrial and industrial scales**, for dewatering and disposing in piles of different mixtures of coarse and ultrafine tailings, with positive results that already signal the partial use of these solutions to extend the useful life of our current disposal structures and, consequently, increase the mineral reserve and the Life of Mine (lifetime of the company).
- **Enhancement of the sale of the richest portion** of our overburden as raw material for other mining companies, bringing value to the business, in addition to increasing the useful life of disposal structures.

Photo: Samarco employees, Ubu Complex (ES)

As promoters of innovation in the industry, we have established partnerships with startups, universities, research and development centers, suppliers and other agents in the open innovation ecosystem.

One of the highlights in 2023 was our participation as leaders of the Mining Hub, the mining innovation hub, playing an important role in the launch of three new programs with significant results, namely:

M-Impact: program that brings innovation as a tool to generate positive social impact, acting across the mining chain; for example, we accelerated, with the startup Lia Marinha, located in Mariana, an innovative biological solution for treating domestic sewage in the district of Camargos, adjacent to our operations.

M-Future: program that works on future signs and trends on topics with the potential to transform business in the mining industry; the milestone in 2023 was the Mining Innovation Summit event.

M-Science: program that aims at developing solutions that require more investment in research and development, time and financial resources, and that can bring gains to the entire industry; for example, we are signatories, with ten other mining companies, of the Ibram Decarbonization project, in partnership with Energy Systems Catapult, from the United Kingdom, which will seek to develop a sectoral decarbonization strategy, exploring synergies and guiding the application and development of technologies with short and long-term impact.

In addition to the Mining Hub, we continued our work at Findeslab, the innovation hub for the Espírito Santo industry, multiplying the number of projects and proofs of concept carried out with startups in the region, achieving important results in efficiency and safety.

We also believe in cooperation between people, teams and external agents as a way to accelerate and intensify results. Thus, innovation is encouraged internally with the involvement of employees and partners. The Innovation Champions Network is an example, with actions aimed at strengthening the cultural traits of Innovation, Planning and Sustainability. Another highlight is the Continuous Improvement program, with 121 projects developed in 2023 focused on three pillars: Financial, ESG (environment, social and governance) and Risks/ Compliance. We also highlight Ideias de Valor (with 2,702 suggestions and 1,088 implemented ideas).

FILTER PRESS COMMISSIONING

The filter press is part of the Dry Stacking project, which intends to develop technologies for dewatering and disposing of tailings in piles. This is a multidisciplinary development in which the idea is to extend this solution to also include ultrafine tailings, currently disposed of in pits. The filter press is a more suitable technology for dewatering these ultrafine materials, whether they are filtered separately or mixed, in different proportions, with coarse tailings. Simulations of filtration and tailings disposal operations are carried out on a semi-industrial scale to enable a robust analysis of operational parameters, making it possible to determine the technical feasibility of the proposed concept on an industrial scale.

Innovation plays an essential role in the evolution of the business

Photo: Samarco employees, Germano Complex (MG)

SUSTAINABILITY **AGENDA**

The effort to rebuild society's trust in Samarco involves, in line with our purpose, the search for a **new, more sustainable and innovative way** of carrying out mining

To ensure a concrete plan in this direction, in recent years the Company has been structuring an environmental, social and governance (ESG) agenda consistent with its current moment and prospects, observing regulatory scenarios, business and industry challenges and key themes of the sustainable development.

Following up on the Statement of Commitment to Sustainability, released in 2021, and the creation of the Strategic Sustainability Program in 2022, the year 2023 was marked by the structuring and approval of the sustainability strategy, materialized in a Sustainability Roadmap. This is a long-term plan, covering a decade, containing relevant business themes and respective goals and indicators, fully connected with the company's Strategy Map by seeking to generate value with a positive socio-environmental and economic impact.

The Roadmap is based on the pillars Environment, Social Engagement and Governance, each covering topics relevant to the business and its stakeholders, in addition to four transversal enablers: Health and Safety, Human Rights, Integrated Risk Management and Innovation (see illustration). Remediation continues to be a company commitment and is represented in a specific pillar that will be detailed in due course, accompanying the evolution of the TTAC renegotiation process.

For each theme and enabler, an ambition, goals and key performance indicators for monitoring were defined, in a short and long term view. Each goal is broken down into projects or initiatives for execution. Topics include, among others, water, biodiversity, value chain, human rights, host communities, diversity, equity and inclusion, health and safety, risk management and innovation.

Sustainability is a guideline for our plans, decisions, projects and day-to-day activities. We have a governance structure and a Sustainability Committee that reports to the Company's Board of Directors aimed at creating and implementing strategies for an increasingly responsible, safe and sustainable operation. Furthermore, we are guided by the Statement of Commitment to Sustainability and the Company's Strategic Sustainability Program, launched in 2023.

Our sustainability actions are based on the pillars: Social relationships; Environment; and Safety and Innovation.

Our governance structure has a Sustainability Committee that reports to the Company's Board of Directors and an internal Sustainability Committee subordinate to the board, created in 2024. Furthermore, the performance of goals, indicators and projects is monitored by the Strategic PMO Coordination, linked to the company's Strategy and Management Department, with a dashboard presentation to the board.

The year 2024 will be dedicated to the implementation and deployment of the Roadmap's commitments among the Company's various areas, as well as the public disclosure of Samarco's ESG commitments.

Sustainability is a guideline for our plans, decisions, projects and day-to-day activities

SUSTAINABILITY ROADMAP
2023-2032

Carry out different and sustainable mining, capable of generating results and building value for society

Learn more details about the Company's ESG planning and agenda: https://www.samarco.com/sustainability/

SOCIAL ENGAGEMENT

- Hosting communities
- Territorial development
- Diversity, equity and inclusion
- People

GOVERNANCE

- Ethics and transparency
- Governance and sustainability
- Engagement of stakeholders
- Sustainable supply chain

ENVIRONMENT

- Water
- Biodiversity
- Waste, Tailings and Overburden
- Atmospheric and climatic management

REMEDIATION

- Dialogue
- People and communities
- Earth and water
- Reconstruction and infrastructure

HEALTH AND SAFETY

INNOVATION

HUMAN RIGHTS

INTEGRATEDRISK MANAGEMENT

Remediation

Since the collapse of the Fundão dam, in Mariana (MG), Samarco has focused on its commitment to remediate and compensate for the damage caused and, above all, on the lessons learned and experiences acquired, aiming at implementing a new operating model. The company reaffirms its commitment to the communities and to the ongoing remediation and compensation process and, together with its shareholders, continues to guarantee support for the Renova Foundation to carry out its actions. Renova Foundation is an autonomous and independent entity, dedicated on a full-time and exclusive basis to implementing and managing remediation and compensation programs and actions ensuing the collapse of the Fundão dam.

We have maintained dialogue with state and federal authorities and regulatory bodies regarding the renegotiation of the more than 40 programs that are part of the Transaction and Conduct Adjustment Term (TTAC) and are managed by the Renova Foundation, with direct financing by Samarco and its shareholders, BHP and Vale. This process continued in 2023, under mediation by the Regional Court of the 6th Region (TRF6).

Until December 2023, BRL 16.76 billion in compensation and financial assistance had been paid to 439.5 thousand people for the proven harm caused to their economic activities and the unavailability of drinking water supply. Samarco joined the governance forums of the Renova Foundation and began to participate in the organization's Committees and Board of Trustees in 2023.

REMEDIATION NUMBERS

BRL **34.76** billion

in value allocated up to December 2023 for remediation and compensation measures

BRL **16.57** billion

of this amount, paid in compensation and Emergency Financial Aid to 439,500 people for substantiated damage to their economic activities and the lack of drinking water supply

By December 31, 2023, **511 cases** of restitution of the right to housing had been resolved with the delivery of the property or the payment of compensation, involving a total of **727 houses,** businesses, farms, lots and collective assets.

By December 31, 2023, in Novo Bento Rodrigues, **104 properties** had been handed over to their new owners. Of the **250 units** planned, **183** have their construction completed, including a school, water and sewage treatment plants and public service stations.

In Paracatu, **45 properties** were handed over to their new owners. Of the **95 properties** planned, **75** had their construction completed, including elementary and nursery schools, health centers and public service stations.

To find out more about the results of the compensation achievements, see the Renova Foundation website: https://www.fundacaorenova.org/

Photo: Bento Rodrigues Resettlement, Mariana (MG)

People and **diversity**

With an emphasis on disciplines such as climate, culture, leadership and diversity, the people department dedicated 2023 to preparing the Company for a new leap in growth. With approximately 13 thousand employees, of which around 1.7 thousand are direct employees and 11.3 thousand contractors/third-party employees working in the field in operations, Samarco recognizes the importance of not only ensuring a safe and healthy environment, but also providing development opportunities, monitoring risks and encouraging respect, plurality of views and profiles and cooperation among people.

Our strategic planning carefully observes the challenge of attracting and retaining qualified, engaged professionals who are aligned with the Company's way of thinking. The expectation is that, within the scope of the plan to recover 60% of capacity by 2025, more than 3 thousand people will be recruited overall – of which 1,114 having already joined the Company during 2023. In order to understand internal needs, we periodically carry out the Climate Survey and, through it, capture employee perceptions about the work environment. Among the developments derived from this permanent listening in recent years are the focus on Human Rights issues – with a corporate policy on the topic launched in 2023 –, the development of leadership and affirmative diversity policies.

In attention to the training and development axis, the company's Corporate Education, Saber Samarco, leveraged programs and actions internally and externally. In 2023, more than 80,200 hours of development were dedicated to health, safety, environment, risks, compliance, innovation, Samarco's way of being, leadership and the mining business, among other topics. In the specific segment of leadership training, the highlight is the Leading People and Business Program, in partnership with Fundação Dom Cabral (FDC), which provided the audience of coordinators and managers with 16 hours of development activities.

Photo: Karen da Costa, Ubu Complex (ES)

Our strategic planning carefully observes the challenge of attracting and retaining qualified professionals

Samarco recognizes the challenge of working, in its segment, on aspects of inclusion, attraction and encouragement of professionals from minority groups: women, black people, people with disabilities and LGBTI+. Launched in 2021, the Diversity, Equity and Inclusion Program completed two years of existence with a series of affirmative actions that cover attraction, retention, development of internal and external audiences.

Indicators related to the topic are included in the Sustainability Roadmap and are part of the Company's short and long-term goals for the coming years. Furthermore, we take part of the Women in Mining Brasil Action Plan, a movement aimed at increasing the proportion of women in the segment. At Samarco, the female workforce accounts for 21% of total employment. In 2023, 57.9% of admissions were women.

During the year, the Women in Leadership Program was one of the focuses of action, expanding the repertoire of women who are employees and already work in leadership positions. The Apprentice Program exclusively for young black people was also continued and, during the year, the Equipment Operators Program was launched, exclusively for women, with 25 vacancies and the Operational Trainee Program, with 35 vacancies, exclusive for women and people with special needs.

Acknowledgements

In 2023, Samarco was recognized as the "Most Amazing in Leadership" company and was elected "Most Amazing" in the Mining, Metallurgy and Steel industry in the Amazing Places to Work awards, organized by the Fundação Instituto de Administração (FIA) and the UOL portal. In the general ranking, Samarco rose from 15th to 10th place and in the ranking of large companies, it rose from 4th to 3rd place.

Another achievement was in the Being Human award, from the Brazilian Association of Human Resources (ABRH), in which our general manager of Human and Organizational Development was elected Professional of the Year in Minas Gerais and recognized as the most admired HR person in the Southeast region.

Health and safety

Respect for people and life, a non-negotiable value at Samarco, guided investments and behavioral actions and process reviews during 2023 – a year that brought, as in 2022, positive results. The company's total accident frequency rate closed the year at 0.52, and the safety performance index closed at 98.15% and the occupational health indicator at 99%. During the year, the Company recorded zero cases of absence due to occupational illnesses, and there were no fatalities in its operations, either among its own employees or third-party employees.

With structured governance that includes monthly Safety committee meetings, involving the Board of Directors, as well as periodic reports to leadership, daily safety forums, and mandatory training, Samarco has invested in recent years in actions aimed at safe behavior and identification of risks, with an emphasis on controlling the OSH Risk Factor – which closed 2023 7.03% below the previous year and the Health Factor, which showed a reduction of 4%.

98.15%
safety performance index closed

99%
occupational health indicator

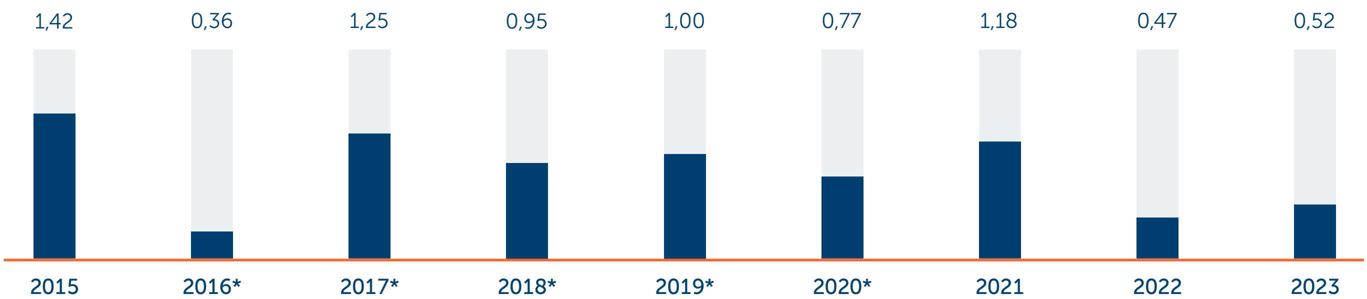
Among the highlights on the capacity building front, in the Behavior and Leadership pillars, are the Operational Risk Management Program (G-MRN), in partnership with USP and the training of Samarco leaders and first-level leaders of contractors with a specific module on occupational safety. During the year, real-time geolocation systems for employees were also implemented to provide support in case of emergencies. The GRPM Risk Management process for hand protection and the FCA / POTS Program called Falaad and Active Care, which has the goal of recognizing employees who comply with procedures correctly, were the preventive tools that most contributed to reducing accidents, thus obtaining a frequency rate of 0.52, an international reference, considering that the best result of the International Council on Mining and Metals (ICMM) is a rate of 0.78.

In Health, we carry out training in mental health for employees considered to be key people within the actions implemented in the Mental Health Program.

Photo: Samarco employees, Germano Complex (MG)

Another relevant topic for us is the health and well-being of employees. The year 2023 was marked by the assessment of the level of organizational maturity in healthcare and the implementation of PPE management through the control and distribution of PPE via a biometric reading system. Furthermore, the Company carried out an assessment of the mental health profile of employees and explored a relevant topic for employees in the Financial Health Program, with lectures and more than 80 employees supported during the year. The Alcohol and Drug Use Prevention Program was maintained, carrying out more than 14 thousand tests and intensifying blitzes in the field. For fatigue management, the readiness test was carried out with more than 9 thousand assessments. During the year, Samarco's Mental Health Program received recognition in the HSEC award, promoted by shareholder BHP in Australia.

EVOLUTION OF OUR ACCIDENT RATE



* Operations stopped up to December 2020.

Environmental **efficiency**

Concern for the sustainable use of natural resources guides plans, decisions, projects and activities on a daily basis. We have a governance structure and an Environmental Committee that reports to the company's senior management, aiming for increasingly efficient operations in the use of natural resources. Our approach seeks best practices to prevent and minimize negative impacts and enhance the positive impacts of mining.

Using natural resources responsibly, our business generates value beyond financial results, contributing to society and the development of the territories where we operate. We protect and monitor biodiversity in our area of operation, promoting the preservation of fauna and flora, with a commitment to recovering and preserving 274 springs in preserved areas.

Regarding the management of water resources, we monitor the flow at water collection points, always aiming at reducing withdrawal while monitoring the quality of water under the influence of our activities. We have water and effluent treatment plants in the Germano (MG) and Ubu (ES) complexes, which are monitored online and receive periodic evaluations and audits. Currently, our water reuse rate in the production process is 85.3%. We follow the premises of the Water Stewardship Framework of the International Council on Mining and Metals (ICMM) and IS0 14046 in Germano's water reuse projects.

In addition to complying with the National Solid Waste Policy, Samarco's waste management uses campaigns, initiatives and processes to rethink and reduce waste generation, as well as reuse and recycle. Among the initiatives is the encouragement of recycling through selective waste collection in our units.

In 2023, the Company continued to purchase 100% renewable energy, adding this indicator to its own generation through hydroelectric plants (also 100% renewable): one in the municipality of Muniz Freire, in Espírito Santo, and another in Minas Gerais, in Antônio Dias and Nova Era, in which the company has a stake.

All activities follow the guidelines of a robust Environmental Management System that aims at minimizing the impacts of our operations and optimizing processes related to water management, waste, dams, emissions and energy efficiency. It also includes raising awareness and training employees, contractors and communities on the importance of environmental preservation. This way of acting allowed our environmental results to meet the planned goals.

Photo: Ubu Complex, Anchieta (ES)

Complete details and indicators of Samarco's environmental performance in 2023 will be published in the Annual Sustainability Report, which will be available in June on the website www.samarco.com

85.3%
Water recirculation rate

97%
performance on the Environmental Performance Index (IPA)

83.6 kg
GHG emissions: 83.6 kg CO_2 eq/tproduction

100%
enewable energy (generated + purchased)

1.25 GJ/mts
Total energy consumption per pellet produced

Gold Seal by the GHG Protocol in the Greenhouse Gas Inventory for the second consecutive year

Communities

Samarco's history is linked to the communities that surround the places where we operate in Minas Gerais and Espírito Santo. Aware of our responsibility and the challenge of regaining the trust placed in the Company, we have worked, since the collapse of the Fundão dam, to reestablish the foundations of social dialogue and strengthen relationships with the public in our area of direct influence (ADI).

We have contributed to the local economies of the states of Espírito Santo and Minas Gerais and the country in general, through tax revenues, the acquisition of goods, services and material, the boosting of their value chain and the creation of jobs. However, we believe that our role must go beyond economic impact. We maintain contact with communities through social dialogue forums, we continue to monitor the Social Ambience Index and establish specific channels for communities to contact Samarco.

Photo: Seminar on Management of Fishing Communities in Espírito Santo

To boost business and encourage the development of people, we also have the Local Force program

In 2023, we invested approximately BRL 12 million on a voluntary basis in socio-institutional initiatives under the Private Institutional and Social Investment Policy (PIIS) and another BRL 69 million linked to socioeconomic conditions of the Company's operation.

To boost business and encourage the development of people, we also have the Local Force program, with the aim of promoting socioeconomic development in the company's nearby territories in Minas Gerais and Espírito Santo. In addition to implementing actions for the development and adaptation of local partners, such as workshops, lectures, business rounds and seminars with diverse themes, such as health and safety, ethical conduct and human rights, the program encourages integrated management processes, in tune with the reality of companies to meet their immediate needs, improve business efficiency and effectiveness and optimize results. There is also the production of a Local Suppliers Catalog, which in its third edition brought together 500 companies from different industries.

In 2023, BRL 1 billion was disbursed by Samarco and its contractors in purchases of material and services, with a base of 1,550 local business partners. In 2023, we certified approximately 200 companies in the program's promotion actions in Minas Gerais and Espírito Santo, with 750 people impacted by lectures and workshops, in addition to 350 vacancies in professional development courses.

From November 2020 to December 2023, the Força Local program certified 381 companies, impacting more than 15 thousand people in Mariana, Ouro Preto, Catas Altas and Santa Bárbara (MG), Anchieta, Piúma and Guarapari (ES), and offered 650 training vacancies, with around 3,600 participants in lectures and workshops. During the period, Samarco and its contractors disbursed around BRL 2.3 billion in purchases of materials and services from 2,438 local suppliers.

Photo: Força Local Program event, Minas Gerais

INDEPENDENT AUDITORS' REPORT

KPMG Auditores Independentes Ltda.
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Independent Auditors' Report on the Individual and Consolidated

To the shareholders of Samarco Mineração S.A.

Belo Horizonte - MG

Opinion

We have audited the individual and consolidated financial statements of Samarco Mineração S.A. ("the Company"), which comprise the individual and consolidated statement of financial position as at December 31, 2023, the individual and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements set out in the Code of Ethics of Professional Accountant and professional standards issued by the Federal Accounting Council that are relevant to our audit of the financial statements in Brazil, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the individual and consolidated financial statements.

KPMG

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the Individual and Consolidated financial Statements, which indicates that the Company and its subsidiaries incurred a net loss of R$ 21,053,277 thousand during the year ended December 31, 2023, as of that date, the Company's current liabilities exceeded its total current assets by R$ 13,428,037 thousand. As stated in Note 1, these events or conditions, along with other matters as ser forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Environmental and socioeconomic provision related to the repair of damage caused by the collapse of the Fundão Tailings Dam	
See note 20 to the individual and consolidated financial statements	
Key Audit Matter	**How the audit addressed this issue**
At November 5, 2015, after the breakage of the Fundão waste dam, located in Mariana Minas Gerais, the Company's and its subsidiaries' operations were interrupted and since the accident significant expenses were incurred by the Company to prevent the worsening of the impacts, repair and provide compensation for material, environmental and social and economic damages. The Company recognized a provision according to estimated future expenses. The provision for future expenses related to the breakage is based on information available about a potential renegotiating agreement, as well as the outcomes of legal disputes and other agreements already entered into with public entities. Considering that there is significant uncertainty about the amounts to be paid by the Company to fulfil the potential re-agreement arising from the termination of the dam, due to the lack of precedents and dependence on several factors that are not solely under the control of the Company, the provision accrued on December 31, 2023 required a significant level of judgment by the Company. The Company has also filed administrative and judicial proceedings (including civil lawsuits filed against it to date for the termination of the Fundão dam). Assessing the risks	Our audit procedures included, but were not limited to, the ones mentioned in the next paragraphs. We obtained and analysed the Company's documents with its shareholders, in which the parties recognize and state that the provision as of December 31, 2023 reflects the best estimate for the fulfilment of repair obligations according to the information available at the moment about the negotiations to enter into a renegotiation agreement and the outcome of legal disputes and other agreements already entered into with public entities. in order to check the social and environmental provision amounts recognized in the system. We also involved our corporate finance experts in our review of the methodology used to calculate the present value of liabilities, including interest and inflation rates applied to calculate the impairment loss. We obtained reports prepared by the Company about administrative and judicial proceedings and civil lawsuits and, with respect to significant amounts, we checked them against the confirmations obtained from the

associated with these proceedings involves significant judgment that can result in material impacts on the amount recognized in the individual company and consolidated financial statements. Due to the significance of the amounts involved and the complexity and judgment involved in the evaluation and measurement of social and environmental and economic provision, this matter required significant attention and was considered a key audit matter	Company's legal counsellors. We also involved our legal experts to review the significant civil actions taken to break the dam to obtain an understanding, based on the grounds provided by the Company, about whether certain claims included in the lawsuits filed against the Company were already covered by the terms entered into by the Company. We also assessed whether disclosures in the individual company and consolidated financial statements consider all significant information. According to the evidence obtained by applying the procedures summarized above, we considered that the environmental and social security provision related to the repair of the damages caused by the Fundão waste dam and the related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended December 31, 2023 taken as a whole.

Impacts of the approval of the plan for reorganization under bankruptcy proceedings	
See note 1.b to the individual and consolidated financial statements	
Key audit matter	**How the audit addressed this issue**
During 2023 the Company's Reorganization Judicial Plan was approved with Court Final Decision, therefore leading to the production of its legal effects and oblige the Company, as well as all its shareholders and creditors, to comply with applicable legal provisions. The Reorganization Judicial Plan substantially changes the terms of the Company's liabilities, particularly financial liabilities to financial institutions and its *bondholders*, and involves the Company's judgment to set the criteria for recognizing, derecognition, measuring and presenting these financial liabilities. These judgments also include the accounting outcomes generated by the change in the equity structure, as well as indirect effects on the Company's provisions with respect to the best estimate of the accrued amounts and the proper presentation of these amounts in the financial statements. Due to the accounting judgments applied by the Company, the amounts involved, and the accounting	Our audit procedures included, but was not limited to, those mentioned in the next paragraph. We evaluated the documentation about the reorganization under bankruptcy proceedings, including the inspection, reconciliation and recalculation of the accounting records directly associated with the Company. We inquired the Company and obtained formal representations about the accounting understanding of the main entries related to the approval of the Reorganization Judicial Plan. We assessed the classification and accounting records of the financial statements arising from the approval of the Special Legal Entity (PRJ) and assessed the accounting standards applicable to each type of transaction. With the help of our legal experts, we

outcomes associated with the approval and final judgment of the reorganization plan and the impact that plan generates on the liability structure recorded in the individual company and consolidated financial statements, we considered this to be a key audit matter.	evaluated the progress of the plan for reorganization under bankruptcy proceedings and the fulfilment of the obligations set forth herein by the Company, shareholders and creditors. Moreover, these experts helped us to check for possible subsequent events that could reverse the outcome of the approval and its final decision. We also evaluated whether disclosures in the individual company and consolidated financial statements consider all significant information. According to the evidence obtained by applying the procedures summarized above, we considered acceptable the book balances arising from the impacts of the approval of the reorganization plan, as well as the related disclosures, in the context of the individual company and consolidated financial statements for the year ended December 31, 2023 taken as a whole.

Other matters – Statement of Value Added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and are not required to be published by privately held companies, were submitted for the auditing procedures jointly with audit of the Company's financial statements. For the purposes of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria as defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, this statement of value added have been properly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and is consistent with the individual and consolidated financial statements taken as a whole.

Other information that accompanies the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information, which comprises the Management Report. Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon. In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of the financial statements are free from material misstatement, due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.
As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and therefore, responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation prohibits public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so may reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, April 22, 2024

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG

(Original in Portuguese signed by)
Poliana Silveira Rodrigues
Accountant CRC MG-089473/O-0

CONSOLIDATED FINANCIAL STATEMENT

IN THOUSANDS OF REAIS – BRL

Assets	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Current					
Cash and cash equivalents	4	713,693	538,354	719,370	542,750
Restricted cash	5	5,554	1,433	5,554	1,433
Accounts receivable	6	933,595	828,220	931,641	826,112
Inventory	7	765,067	774,577	765,067	774,577
Recoverable income tax	28	5,283	170,479	5,283	170,479
Other recoverable taxes	8	214,942	153,448	215,031	153,467
Prepaid expenses		7,111	5,639	8,156	6,716
Advances to supplier		22,597	32,758	22,597	32,758
Other accounts receivable	9	20,824	15,718	19,522	15,829
Total current assets		**2,688,666**	**2,520,626**	**2,692,221**	**2,524,121**
Non-current					
Court deposits	19	1,524,233	1,226,987	1,524,233	1,226,987
Restricted cash	5	29,458	25,408	29,458	25,408
Other recoverable taxes	8	94,410	82,430	94,410	82,430
Inventory	7	56,866	58,170	56,866	58,170
Advances to supplier	13	44,085	44,085	44,085	44,085
Other accounts receivable	9	21,578	19,413	21,578	19,413
Investments	10	29,830	29,193	-	-
Property, plant and equipment	11	25,150,034	27,068,947	25,150,037	27,068,954
Intangible assets	12	335,328	313,491	335,328	313,491
Total non-current assets		**27,285,822**	**28,868,124**	**27,255,995**	**28,838,938**
Total assets		**29,974,488**	**31,388,750**	**29,948,216**	**31,363,059**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS – BRL

		Parent company		Consolidated	
Liabilities	**Note**	**2023**	**2022**	**2023**	**2022**
Current					
Trade payables	14	575,916	706,110	575,954	705,759
Loans and financing	15	346	28,850,046	346	28,850,046
Financial charges payable	15	446	7,712,157	446	7,712,157
Payroll, provisions and social contributions	17	151,178	89,458	152,902	91,096
Taxes payable	18	207,235	860,847	207,332	860,922
Provision for income tax	28	-	-	1,057	752
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	20	968,140	-	968,140	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	20	13,555,569	-	13,555,569	-
Other provisions	20	383,527	17,922,738	383,527	17,922,738
Others Account payable	21	281,119	299,087	274,985	271,338
Total current liabilities		**16,123,476**	**56,440,443**	**16,120,258**	**56,414,808**
Non-current					
Loans and financing	15	19,752,780	-	19,752,780	-
Financial charges payable	15	7,084	-	7,084	-
Taxes payable	18	1,354,537	86,598	1,354,537	86,598
Dividend	22	-	2,805,548	-	2,805,548
Provisions for contingencies	19	85,864	4,366,707	85,864	4,366,707
Deferred income tax	28	-	5,356,072	-	5,356,016
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	20	3,872,560	-	3,872,560	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	20	40,085,688	-	40,085,688	-
Other provisions	20	21,026,941	16,108,713	21,026,941	16,108,713
Account payable in the country of stakeholders	13	1,506	18,021,872	1,506	18,021,872
Others Account payable	21	210,477	155,684	187,423	155,684
Total non-current liabilities		**86,397,437**	**46,901,194**	**86,374,383**	**46,901,138**
Equity	22				
Capital		15,826,684	297,025	15,826,684	297,025
Capital reserves		2,477	2,477	2,477	2,477
Carrying value adjustments		(2,345,299)	(7,275,379)	(2,345,299)	(7,275,379)
Accumulated losses		(86,030,287)	(64,977,010)	(86,030,287)	(64,977,010)
Total equity		**(72,546,425)**	**(71,952,887)**	**(72,546,425)**	**(71,952,887)**
Total liabilities and equity		**29,974,488**	**31,388,750**	**29,948,216**	**31,363,059**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS - BRL

	Note	Parent company		Consolidated	
		2023	2022	2023	2022
Revenue	23	7,580,803	8,136,357	7,580,803	8,136,357
Cost of goods sold and services rendered	24	(3,232,850)	(3,202,338)	(3,232,815)	(3,202,386)
Gross Profit		**4,347,953**	**4,934,019**	**4,347,988**	**4,933,971**
Operating expenses					
Selling	25	(146,911)	(95,831)	(141,991)	(107,808)
General and administrative	25	(184,942)	(164,511)	(184,942)	(164,511)
Other operating expenses, net	26	(30,880,714)	(4,684,197)	(30,882,333)	(4,686,961)
Equity method	10	2,893	(15,152)	-	-
Loss operating before finance result		**(26,861,721)**	**(25,672)**	**(26,861,278)**	**(25,309)**
Finance income, net					
Finance income	27	11,803,634	163,169	11,803,881	164,019
Finance expenses	27	(5,632,358)	(6,690,188)	(5,632,404)	(6,690,235)
Net foreign exchange gains/losses	27	(5,808,624)	(4,193,333)	(5,808,776)	(4,193,423)
Loss before income taxes		**(26,499,069)**	**(10,746,024)**	**(26,498,577)**	**(10,744,948)**
Current income tax	28	-	-	(492)	(1,076)
Deferred income tax	28	5,354,171	466,682	5,354,171	466,682
CSLL	28	91,621	(1,799,390)	91,621	(1,799,390)
Loss for the year		**(21,053,277)**	**(12,078,732)**	**(21,053,277)**	**(12,078,732)**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS – BRL

	Parent Company and Consolidated	
	2023	**2022**
Loss for the year	**(21,053,277)**	**(12,078,732)**
Translation adjustments for the year	4,929,590	4,611,051
Retirement benefit obligations	490	605
Other comprehensive income for the year	**4,930,080**	**4,611,656**
Total comprehensive income	**(16,123,197)**	**(7,467,076)**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS – BRL

		Capital reserves					
	Capital	Special monetary restatement of PPE	Premium on share subscription	Tax incentive reserves	Carrying value adjustments	Accumulated losses	Total
Balance as of December 31st, 2021	**297,025**	**786**	**1,681**	**10**	**(11,887,035)**	**(52,898,278)**	**(64,485,811)**
Loss for the year	-	-	-	-	-	(12,078,732)	(12,078,732)
Other comprehensive income							
Translation adjustments for the year	-	-	-	-	4,611,051	-	4,611,051
Retirement benefit obligation	-	-	-	-	605	-	605
Total comprehensive income	**-**	**-**	**-**	**-**	**4,611,656**	**-**	**4,611,656**
Balance as of December 31st, 2022	**297,025**	**786**	**1,681**	**10**	**(7,275,379)**	**(64,977,010)**	**(71,952,887)**
Loss for the year	-	-	-	-	-	(21,053,277)	(21,053,277)
Capital increase through payment of partners - Explanatory note 22	15,529,659	-	-	-	-	-	15,529,659
Other comprehensive income							
Translation adjustments for the year	-	-	-	-	4,929,590	-	4,929,590
Retirement benefit obligation	-	-	-	-	490	-	490
Total comprehensive income	**-**	**-**	**-**	**-**	**4,930,080**	**-**	**4,930,080**
Balance as of December 31st, 2023	**15,826,684**	**786**	**1,681**	**10**	**(2,345,299)**	**(86,030,287)**	**(72,546,425)**

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS – BRL

Cash flows from operating activities	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Loss for the year before taxation		(26,499,069)	(10,746,024)	(26,498,577)	(10,744,948)
Adjustments to reconcile loss before taxes to cash from operations:					
Depreciation and amortization	24 and 25	503,112	468,758	503,116	468,765
Provision (reversion) for expected credit loss	6	2,742	(694)	2,742	(694)
Reversion of provision for revision of prices	6	(871)	(47,442)	(871)	(47,442)
Provision for obsolescence of inventories	7	4,070	5,497	4,070	5,497
Provision for ICMS losses - ES	26	131,970	114,141	131,970	114,141
Provision (reversion) for socioenvironmental and socioeconomic recovery	26	24,210,018	(5,351,263)	24,210,018	(5,351,263)
Reversion of Germano dam decommissioning provision	20 and 26	(830,412)	(804,751)	(830,412)	(804,751)
Provision for shareholders contribution in Renova Foundation	26	1,114,750	3,554,100	1,114,750	3,554,100
Provision (reversion) for realization of other assets		(664)	1,642	(664)	1,642
Provision (reversion) for contingencies	26	(1,235,483)	1,243,397	(1,235,483)	1,243,397
Provision for others liabilities		47,269	10,676	47,269	10,676
Loss on property, plant and equipment		1,703	1,320	1,701	1,320
Equity method	10	(2,893)	15,152	-	-
Financial Charges		4,730,885	4,324,185	4,730,885	4,324,185
Reversal of loan charges (clause 3.6.2) JRP	15	(3,707,801)	-	(3,707,801)	-
Debt reduction - JRP	15	(4,956,527)	-	(4,956,527)	-
Shareholder contributions to the Renova Foundation JRP		3,149,000	-	3,149,000	-
Exchange variance gains and losses - assets and liabilities		6,037,764	4,589,339	6,037,753	4,586,453
		2,699,563	**(2,621,967)**	**2,702,939**	**(2,638,922)**
(Increase) decrease in operating assets:					
Trade accounts receivable		(107,246)	(331,885)	(107,399)	(332,033)
Inventory		(34,488)	(219,373)	(34,487)	(219,373)
Recoverable income tax		165,196	17,397	165,196	17,397
Other recoverable taxes		(155,096)	(151,319)	(155,166)	(151,331)
Court deposits		(297,246)	788,155	(297,246)	788,155
Prepaid expenses		(2,591)	(2,139)	(2,559)	(2,160)

The explanatory notes are an integral part of the parent company and consolidated financial statements.

>> continued on the next page

IN THOUSANDS OF REAIS – BRL

>> continuation	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
(Increase) decrease in operating assets:					
Other accounts receivable		291	13,012	1,703	12,964
Increase (decrease) in operating liabilities:					
Trade payables		(130,195)	230,426	(129,805)	230,058
Taxes payable		578,899	17,869	578,976	17,945
Payroll, provisions and social contributions		(18,010)	(762)	(17,924)	786
Income tax paid		-	-	(187)	(377)
Interest payment		(771)	(905)	(771)	(905)
Account payable in the country of stakeholders		1,506	-	1,506	-
Other accounts payable		(2,927,055)	1,366,355	(2,930,738)	1,380,425
Cash flow net invested in operational activities		**(227,243)**	**(895,136)**	**(225,962)**	**(897,371)**
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets		(757,692)	(539,975)	(757,692)	(539,973)
Loans received from third parties		60	(583)	60	(583)
Net cash used in investing activities		**(757,632)**	**(540,558)**	**(757,632)**	**(540,556)**
Cash flows from financing activities					
Restricted cash		(8,171)	(25,403)	(8,171)	(25,403)
Financing obtained from related parties	15	1,184,200	-	1,184,200	-
Amortized cost - Financing obtained from third parties		4,825	3,857	4,825	3,856
Payment of loans and financing - third parties	15	(759)	(706)	(759)	(706)
Net cash generated by (used in) financing activities		**1,180,095**	**(22,252)**	**1,180,095**	**(22,253)**
Effects of exchange rate changes on cash and cash equivalents		(19,881)	2,155	(19,881)	2,155
Net increase (decrease) in balance of cash and cash equivalents		**175,339**	**(1,455,791)**	**176,620**	**(1,458,025)**
Cash and cash equivalents at the beginning of year		538,354	1,994,145	542,750	2,000,775
Cash and cash equivalents at the end of the year		713,693	538,354	719,370	542,750

The explanatory notes are an integral part of the parent company and consolidated financial statements.

IN THOUSANDS OF REAIS – BRL

		Parent company		Consolidated	
Revenue	**Note**	**2023**	**2022**	**2023**	**2022**
Sales of goods, products and services		7,680,106	8,239,089	7,680,106	8,239,089
Other revenue		12,832	45,097	12,832	45,097
Revenue relating to construction of company assets		690,964	556,533	690,964	556,533
Provision (reversion) for expected credit loss		(2,742)	694	(2,742)	694
Total		**8,381,160**	**8,841,413**	**8,381,160**	**8,841,413**
Consumables acquired from third parties					
Cost of goods sold and services rendered		(3,450,150)	(3,344,457)	(3,445,243)	(3,340,084)
Material, electricity, outsourced services and other		(25,007,762)	(5,692,757)	(25,004,329)	(5,707,398)
Loss/recovery of asset values		(5,109)	(8,458)	(5,109)	(8,458)
Total		**(28,463,021)**	**(9,045,672)**	**(28,454,681)**	**(9,055,940)**
Gross amount		**(20,081,861)**	**(204,259)**	**(20,073,521)**	**(214,527)**
Depreciation and amortization	11 and 12	(503,573)	(469,159)	(503,577)	(469,166)
Net value added produced by the Company		**(20,585,434)**	**(673,418)**	**(20,577,098)**	**(683,693)**
Transferred value added					
Equity method	10	2,893	(15,152)	-	-
Finance income		11,954,407	346,473	11,954,519	347,236
Total		**11,957,300**	**331,321**	**11,954,519**	**347,236**
Total value added to be distributed		**(8,628,134)**	**(342,097)**	**(8,622,579)**	**(336,457)**
Distribution of value added		**(8,628,134)**	**(342,097)**	**(8,622,579)**	**(336,457)**
Personnel					
Direct compensation		233,477	210,061	237,612	213,532
Benefits		84,240	68,443	84,978	69,393
Government Severance Indemnity Fund for Employees (FGTS)		17,951	15,946	17,951	15,946
Taxes					
Federal		260,492	161,887	261,111	163,056
State		231,793	208,334	231,793	208,334
Municipal		5,435	5,138	5,435	5,138
Interest expenses					
Interest on loans, financing and other debt items		11,591,755	11,066,826	11,591,818	11,066,876
Interest on stockholders' equity					
Loss for the year		(21,053,277)	(12,078,732)	(21,053,277)	(12,078,732)

The explanatory notes are an integral part of the parent company and consolidated financial statements.

1. Operating **background**

Samarco Mineração S.A. - Under Judicial Reorganization ("Samarco", "Company" or "Parent Company"), privately held company, is a joint venture established by Vale S.A. ("Vale") and BHP Billiton Brasil Ltda. ("BHP Billiton Brasil"), each holding a 50% stake. Headquartered in Belo Horizonte - Minas Gerais (MG). Samarco operates an integrated enterprise, which comprises the mining and processing of low-grade iron ore as all the way to the transportation of this concentrated ore, in the form of slurry, by pipelines connecting the two operating units of the Company, i.e. Minas Gerais (MG) to Espírito Santo (ES). The Ponta Ubu unit, in the municipality of Anchieta/ES, is where the processes of Preparation and pelletizing take place, transforming the filtered concentrated ore into pellets, which are our main product, and from where these products are shipped out through our own maritime terminal, also located in Anchieta/ES. The production is sold mostly on the foreign market.

The iron ore deposits owned by Samarco are based on mineral resources located in the Germano/Alegria areas, in the municipalities of Mariana and Ouro Preto, MG, which correspond to a volume of around 5.2 billion tons (unaudited). According to the technical and economic context, considering the mineral resource and its peculiar characteristics, recoverable (or mineable) reserves were in the order of 0.87 billion tons (unaudited).

a) Going Concern

On November 5, 2015, the Fundão tailings dam collapsed. As a consequence, operations in Minas Gerais ("Germano complex") were temporarily suspended as determined by government bodies - State Secretariat for the Environment and Sustainable Development ("SEMAD") and National Department of Mineral Production ("DNPM"), current National Mining Agency ("ANM"). However, in view of the Company´s fully integrated operations, the suspension of activities at the Mariana complex meant that the entire iron ore operation downstream had to be suspended as well.

On March 2, 2016, Samarco and its shareholders, Vale and BHP Billiton Brasil, signed a Term of Transaction and Adjustment of Conduct ("TTAC"), which became the basis of all programs and actions related to remediation. As provided for in the TTAC, Samarco, together with its shareholders, Vale and BHP Billiton Brasil, established the Renova Foundation, the entity responsible for carrying out the compensation actions provided for in the TTAC (as per explanatory note 20(b)). In recent years, other agreements have been signed with public entities to make adjustments the remediation process as needed. Since 2021, Samarco has remained in contact and negotiation with public entities for a final and definitive compensation agreement.

For the year ended December 31, 2023, Vale and BHP Billiton Brasil contributed BRL 4,263,750 (BRL 3,554,100 as of December 31, 2022), while Samarco contributed BRL 2,336,250 (BRL 4,543,830 as of December 31st, 2022) to Renova Foundation, additionally, BRL 330,162 were spent directly by Samarco on compensation obligations. The contributions to the Renova Foundation aim at continuing the social and environmental remediation and compensation programs, to comply with the obligations set out in the TTAC.

In parallel to the remediation process, Samarco resumed its operations in December 2020. The resumption of activities related to the extraction of iron ore, the processing plants in Germano, Mariana, and the pelletizing plant in the Ubu Complex, involved the use of new technologies for dry stacking of tailings and disposal of slimes in pit, without the use of dams.

In February 2019, there was a change in legislation involving dam safety policies (law No. 23,291, of February 25, 2019, State Policy for Dam Safety). In line with the aforementioned law, the joint SEMAD/FEAM Resolution No. 2,784, of March 21, 2019, decrees, among other determinations, the decharacterization/ decommissioning of all tailings dams that use or used the upstream raising method, in the case of mining activities in the state of Minas Gerais.

At Samarco, the requirement was to de-characterize two structures, namely: the Germano Dam and the Germano Pit (dry-stacked structure, but raised upstream, therefore, characterized by the agency as a dam). Considering the size of the structures and the complexity of the actions required to declassify them, on February 25, 2022, Samarco signed a Term of Commitment with the State of Minas Gerais to extend the deadline for decharacterization of the Germano Dam and the Germano Pit, in Mariana, as per explanatory note 21. The decharacterization of the Germano Pit was completed in July 2023 and there has already been a positive response from FEAM regarding the deregistration of the structure. The deadline for completing the decharacterization of the Germano Dam is 2029.

In December 2023, the government of Minas Gerais published decree No. 48,747, which regulates environmental bond measurement and enforcement measures on an individual basis for each dam, based on the reservoir area, classification and purpose of the dam, and estimated costs of de-characterization. The deposit may be made by means of a cash deposit, bank deposit certificate, bank guarantee or guarantee insurance and must be maintained throughout the useful life of the dam, from installation to the completion of the decharacterization and socio-environmental recovery. The deposit submission schedule for existing structures must have a maximum period of 3 years, with half of this amount in 2024 and the remainder in 2025 and 2026. On March 28th, 2024, was published the decree No. 48.795, which postponed the deadline for submission of the proposal until June 2024. The total amount of Samarco's guarantee is BRL 151,114, the Company will submit a guarantee proposal within the deadline to meet the provisions of legislation. The cost of the guarantee will not significantly impact Samarco's projections.

It is important to point out that all Samarco structures, including those which are undergoing decharacterization, are stable and have their Dam Stability Assurance Statements up to date.

The suspension of ore extraction and processing operations for approximately 5 (five) years significantly affected the Company's ability to generate positive cash flows and meet its financial obligations to its creditors.

As of December 31st, 2023, the Company has negative net equity of BRL R$72,546,425 (R$ 71,952,887 negative as of December 31st, 2022) in the Parent Company and Consolidated and the current liabilities exceed the current assets by BRL 13,434,809 (BRL 53,919,817 as of December 31st,

2022) in the Parent Company and BRL 13,428,037 (BRL 53,890,687 as of December 31st, 2022) in the Consolidated. For the year 2023, the Company also recognized cash flows from operations of negative BRL 227,243 (negative BRL 895,136 in 2022) in the Parent Company and negative 225,962 (negative BRL 897,371 in 2022) in the Consolidated.

As outlined in explanatory note 15, in the year ended December 31st, 2022, the Company had not met some obligations present in its loan and financing contracts. As a result of these non-compliances, all loans and financing were reclassified to short term, which also reflect the accrued interest on overdue installments and the application of delinquent interest. As detailed in explanatory note 1(b), after the ratification of the Consensual Judicial Reorganization Plan ("Consensual JRP"), and issuance of new debt instruments, these releases were reclassified to reflect the new reality.

As of December 31st, 2023, the Company has loans and financing (including financial charges payable) in the total amount of BRL 19,760,656 (BRL 36,562,203 As of December 31st, 2022), in the Parent company and in Consolidated, of which BRL 792 is classified as current (BRL 36,562,203 As of December 31st of 2022) and BRL 19,759,864 are classified as non-current (zero As of December 31st of 2022).

Additionally, especially due to the collapse of the Fundão dam, Samarco is also a party to several legal and administrative proceedings involving civil, labor and environmental issues, as disclosed in explanatory note 19. Samarco negotiated with public entities the TTAC (according to explanatory note 20 (c)) and other agreements, in some relevant actions, which created obligations for the Company, in accordance with the terms of such instruments. Furthermore, in several of these proceedings, the Company is subject to precautionary measures, such as compulsory court deposits and account freezing, which may further affect its cash availability. As detailed in explanatory note 1(b), in the Consensual JRP a disbursement limit was negotiated by Samarco for any compensation obligation. This limit does not impact the compensation or limit the cost of the actions, but it guarantees that Samarco's contribution to reparation obligations will be limited until the debt is repaid.

Regardless of the limit negotiated in the Consensual JRP, the Company understands that the recorded provisions are adequate to comply with the obligations related to the collapse of the Fundão Dam and continues to monitor compliance with the agreements and defense in other discussions still ongoing before the judiciary.

On January 25, 2024, a judgement was made by the court of the 4th Federal Court of Belo Horizonte, within the scope of Public Civil Actions of the BRL 155,000,000, rectified on March 20, 2024, determining the payment of compensation for collective moral damages in the amount of BRL 46,700,000, subject to adjustment for inflation from the date of the decision and with interest from November 5th, 2015. The decision is subject to appeal and the Company will defend itself in the case record. According to Samarco's assessment, the probability of losing the merits of the decision remains classified as possible.

Given the scenario, the Company assessed the global situation and all available information about the potential renegotiation agreement, considering the developments in legal discussions and other agreements already signed with public entities. Based on the analysis, the Company recognized an increase in the provision in the amount of BRL 31,321,212, reflecting the change in the estimate of future disbursements related to the Fundão dam collapse.

As per explanatory note 1(b), in August 2023 the Consensual JRP was approved and, on December 31st, 2023, the main obligations had already been fulfilled, including the issuance of a substantial part the new debt.

Compliance with the conditions of the new debt is subject to future events that are linked to uncertainties that may raise doubts regarding the Company's ability to continue.

On the other hand, the approval of the Consensual JRP, with the restructuring of the financial debt and provisions of disbursements for compensation, reinforces the Company's and those subsidiaries' operational continuity capacity.

Therefore, the Company prepared its financial statements on a going concern basis.

b) Judicial Reorganization (RJ)

Considering the changes in the Company's business plan, the duration of suspension of activities and the need to restart gradually, it became necessary to renegotiate the Company's debts in order to readjust them to the new reality. Since 2016, Samarco has sought ways to renegotiate its debt extrajudicially, but has not been successful in negotiations with creditors.

Thus, considering that all debt had already had its early maturity declared, at the end of 2020 and beginning of 2021, part of Samarco's financial creditors filed enforcement actions in Brazil and the USA aiming to receive approximately USD 3,300,000 related to issues of Bonds and Export Prepayment Contracts ("PPE's") by Samarco.

Faced with the imminent constriction of assets and in view of the critical period for the resumption of operations after five years of suspension, as a way of allowing Samarco to maintain its production activities and preserve its social function, Samarco filed, on April 9 2021, a request for Judicial Reorganization, with the 2nd Business Court of the District of Belo Horizonte/MG.

In a decision handed down on April 12, 2021, the processing of Samarco's Judicial Reorganization request was granted (pages 5295/5302). On May 13, 2021, following a request filed by Samarco, the Court of the Southern District of New York issued a court order that recognized Samarco's Judicial Reorganization as a main foreign proceeding for the purposes of Chapter 15. Among other points, the decision suspends legal measures against the company in the United States and the deadlines and decisions taken in the ongoing process in Brazil were reflected in the auxiliary procedure.

The measure allowed the renegotiation of the debt, most of which was financial and held by foreign funds, in order to adapt it to Samarco's new reality.

After around 2 (two) years of negotiations, in May 2023 Samarco reached an agreement with the main financial creditors and its shareholders that provided for the presentation of a Consensual Judicial Reorganization Plan ("Consensual JRP").

Thus, on July 28, 2023, the Consensual JRP was presented accompanied by terms of adhesion from the majority of creditors of all classes (labor, unsecured and ME/EPP).

To fulfill the short-term obligations of the JRP Consensual, on July 27, 2023, Samarco obtained from its shareholders, Vale and BHP Brasil, a loan of USD 250,000 through the issuance of debentures that were later converted into Bonds of Senior Debt provided for in the Consensual JRP.

On August 31, 2023, a decision was issued that approved the Consensual JRP and granted the Judicial Reorganization of Samarco. With this approval, the Company began fulfilling all obligations set out therein, especially the payment of its creditors.

It is important to highlight that, in November 2023, there was adhesion to the JRP Consensual of funds that held an extra-bankruptcy debt, guaranteed by fiduciary alienation on Samarco's assets, which allowed all debt prior to the request for Judicial Reorganization to be restructured by the Consensual JRP. In replacement of the previous debt, debentures were issued on January 26, 2024, in the final amount of BRL 202,771 ("Funded Debentures").

On December 1, 2023, Samarco (i) issued the Restructuring Senior Debt Securities and New Funding Senior Debt Securities, as detailed in explanatory note 15 and (ii) carried out a capital increase, in the amount of BRL 13,935,659, through the conversion of part of the shareholders' debt, according to explanatory note 22.

On December 20, 2023, as provided for in the Consensual JRP, a new capital increase was carried out through the capitalization of BRL 1,594,000, referring to contributions made by shareholders at Renova Foundation between September/23 and December/23, as per explanatory note 22.

With the issuance of (i) Senior Debt Securities (Restructuring and New Funding) and (ii) Debenture Funds; the conversion of part of the shareholders' credits into capital; as well as paying the creditors' listed in the list of creditors, Samarco completed the restructuring of its financial debt, as well as fulfilling all short-term obligations set out in the Consensual JRP.

There were no appeals filed with the Court against the approval decision. Therefore, on December 17th, 2023, the deadline for submitting appeals expired and, in the absence of appeals, the judgement became final and unappealable.

The main changes promoted by the implementation of the Consensual JRP are detailed in the table below. The Consensual JRP is available on the Samarco website (www.samarco.com).

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Reference		Total	JRP Clause	Description
Senior Debt	NE 15 Loans and financing	18,163,429	Clause 6	Senior Debt Constitution - New debt with third parties
		1,265,853	Clause 6.1	Senior Debt Constitution - New debt with related parties
		105,543	Clause 5.4	General payment conditions
	NE 27 Financial Result	3,707,801	Clause 3.6.2	Method of Calculating Qualified Credits – reversion of charges on loans (interest not owed)
		4,935,312	Clause 6.1 (i)	How to Calculate Qualified Credits - Reduction of financial debt foreign
		21,215	Clause 5.8.3 (ii a)	How to Calculate Qualified Credits - Reduction of financial debt in the country
		1,172,939	Clause 3.6.2	Reversion of adjustment for inflation Debentures – Related Parties (Financing in the Country)
Subordinate Debt	NE 20 Several Provisions	19,125,484	Clause 11.1 (ii) (b)	Provision Contribution Renova shareholders BHP Billiton Brasil and Vale until 30-Apr-2023
		112,222	Clause 11.1 (ii) (a)	Provision Vale mining rights
		11,150	Clause 11.1 (ii) (c) (d)	Other shareholder obligations BHP Billiton Brasil
Shareholder Restructuring Option Capital payment	NE 22 Net Equity	9,575,111	Clauses 11.1 (i) (a.2) e 11.2	Debentures
		3,149,000	Clauses 11.1 (i) (b.1) e 11.2	Contributions made to the Renova Foundation from 01-May-2023
		2,805,548	Clauses 11.1 (i) (a.1) e 11.2	Dividends declared and not paid by Samarco to shareholders
Insolvency debts	NE 21 Other accounts payable	12,683	Clause 5.4	General payment conditions
	NE 27 Financial Result	897	Clause 5.2.1.	Interest on preferential labor credits: class I
		39,025	Clauses 5.7.1 e 5.9	Interest on competitive financial liabilities: class III (partner suppliers) and class IV
		440,492	Clause 5.7.1 e 5.9	Payment of competitive credits (suppliers)
		4,203	Clause 5.2.1. (i)	Payment of preferential non-judicialized labor claims
		12,291	Clause 5.2.1. (ii)	Payment of preferential judicialized labor claims
		73,555	Clauses 5.7.1 e 5.9	Competitive financial liabilities: class III and class IV (monetary correction)
		524	Clause 5.2.1.	Preferential Labor Credits: class I (monetary correction)

c) Company equity interests

Samarco participates in the following companies (jointly, the "Group").

- Samarco Iron Ore Europe B.V. ("Samarco Europe") - direct interest of 100% - headquartered in the Netherlands; this company was incorporated on October 13, 2000 to provide marketing and selling services for iron ore produced by Samarco. It also provides support to clients through technical seminars and market studies.
- Samarco Asia Ltd. ("Samarco Asia") - indirect interest of 100% - headquartered in Hong Kong; this company was acquired on July 10, 2001 by Samarco Europe to provide marketing and sales services through commercial representation in the Asia-Pacific region.
- Samarco Finance Ltd. ("Samarco Finance") - direct interest of 100% - headquartered in the Cayman Islands, this company was incorporated on February 21, 2000 to optimize Samarco's foreign-trade business, by supporting exports (resale) of iron ore acquired from the Company to designated clients and to raise funds on the international market and subsequently onlend them to the Company.

2. **Presentation** of the material financial statements and significant accounting policies

The main accounting policies applied in the preparation of these financial statements are outlined below. These policies were applied consistently over the presented years, unless otherwise stated.

The Group implemented the disclosure of Accounting Policies (changes to CPC 26/IAS1 and IFRS Practice Statement 2) as of January 1st, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they did affect the accounting policy information disclosed in the financial statements.

The changes require disclosure of "relevant"/material rather than "significant" accounting policies. The changes also provide guidance on applying materiality to the disclosure of accounting policies, helping entities provide useful information about entity-specific accounting policies that users need to understand other information in the financial statements.

2.1 Presentation of financial statements

(a) Statement of compliance

The parent company and consolidated financial statements have been prepared according to the accounting practices adopted in Brazil (BR GAAP) and considering all of the relevant information pertinent to the financial statements themselves, to the exclusion of all others, as consistent with the data used by management in its administration of the Company.

The statement of value added was additionally prepared according to accounting pronouncement CPC 09 - Statement of Value Added, presented as an integral part of the financial statements pursuant to BR GAAP.

The issuance of these financial statements was authorized by the Executive Board on April 22, 2024.

Details on the accounting policies of the Company and its subsidiaries are presented in explanatory notes No. 2.5 to No. 2.20.

When preparing these financial statements, Management used judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. The revisions to the estimates are recognized prospectively. Those areas that require a higher level of judgment and have greater complexity, as well as the areas in which the assumptions and estimates are significant for the financial statements, are disclosed in explanatory note 2.2.

The accounting practices adopted in Brazil comprise those included in the Brazilian company law and the statements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and by the Federal Accounting Council (CFC).

(b) Basis of Preparation

The financial statements were developed on the basis of historical cost, except for certain financial instruments measured by their fair value, as described in the accounting practices below. The historical cost is generally based on the fair value of the payments made in exchange for assets.

2.2 Critical accounting estimates and judgments

When preparing these financial statements, Management used judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Accounting estimates and judgments are continuously reviewed, based on previous experience and other factors, including expectations of future events deemed reasonable for the circumstances. The revisions to the estimates are recognized prospectively.

(a) Judgments

Information on judgments made when applying accounting policies that have a significant effect on the amounts recognized in the financial statements is included in the following explanatory notes:

Explanatory note 11: Lease term: if the Company is reasonably sure of exercising extension options.

Explanatory note 16: The amounts recorded relating to the retirement benefit are determined based on actuarial calculations, which use various assumptions to determine costs and liabilities. One of the assumptions used is the determination and use of the discount rate. Any changes to these assumptions affect the accounting records made. The Company annually reviews the assumptions that will be used for the following year, together with external actuaries, to determine the fair value of assets and liabilities, costs and expenses.

Explanatory note 19: The management is analyzed by the Company's Management together with its legal advisors. The Company's analyses include factors such as hierarchy of laws, case law available, recent decisions delivered by courts and their relevance in the legal framework.

Explanatory note 28: Uncertainty about income tax treatment: When it is not clear how tax law applies to a specific transaction or circumstance.

(b) Use of estimates

Based on assumptions, the Company makes estimates concerning the future. The resulting accountings estimates will, by definition, seldom be equal the related actual results. These estimates are based on the best knowledge existing in each financial year. Changes in facts and circumstances may lead to a revision of estimates; actual future results may differ from those estimated.

Information on uncertainties related to estimates and assumptions as of December 31st, 2023, which present a significant risk, likely to result in a material adjustment to the accounting balances of assets and liabilities for the next fiscal year, are included below.

(i) Provision for socioenvironmental and socioeconomic recovery

The provision for socioenvironmental and socioeconomic recovery is made for areas impacted or need to compensate damages, which generate a current obligation for the Company. This process involves complex estimates in determining the amount of future disbursement expected by Management and its external consultants, as disclosed in explanatory note 20 (b).

(ii) Income tax

Current and deferred income tax is calculated according to interpretations resulting from the legislation in force. This process normally involves complex estimates to determine the taxable income and deductible or taxable temporary differences. The measurement of the recoverability of deferred tax on temporary differences considers the estimated taxable income based on future cash flows, as informed in explanatory note 28.3.

(iii) Reduction to the impairment of assets

The Company evaluates its assets with a defined service life yearly for the existence of indicators of impairment. If such indicators are found, the recoverability of its tangible and intangible assets, grouped by cash generating unit, is tested. The discounted cash flow criterion is normally used, which depends on several estimates, subject to market conditions at the time the impairment test is conducted, as informed in explanatory note 11.1.

(iv) Mineral reserves and service life of mines

The estimated proven and probable reserves are periodically evaluated and updated. These reserves are determined by using generally accepted geological estimation techniques. The estimated volume of the mineral reserves is the basis for determining the depletion of the respective mines and the estimated life of mine is a prime factor for quantifying the provision for environmental recovery of the mines, as informed in explanatory note 12.1. Any change in the estimated volume of reserves of the mine and the service life of the underlying assets could have a significant impact on the depreciation, depletion and amortization charges recognized in the financial statements. Changes in the estimated life of the mine could affect the estimated provision for environmental expenses, the recovery thereof and impairment analyses.

(v) Asset retirement

The Company recognizes an obligation to demobilize assets and engage in environmental rehabilitation in the respective periods. This provision is determined based on the present value of the cash flows necessary to demobilize the assets and perform the environmental rehabilitation. The Company considers the accounting estimates related to the recovery of degraded areas and the cost of closing a mine as a critical accounting estimate as it involves large provisions and estimates involving a range of assumptions, such as interest rates, inflation, service life of the asset considering the current stage of depletion as well as the projected depletion dates of each mine. These estimates are reviewed annually, as disclosed in explanatory note 20 (f).

(vi) Provision for contingencies

A provision is acknowledged when the obligation is considered probable by Management, based on the information and assessments of its internal and external legal advisors, and that the funds that will be required to settle the obligation can be measured with reasonable certainty. The consideration of the obligation is an expense for the year. This obligation is updated according to the development of the lawsuit or financial burdens incurred, and can be reversed if the estimated loss is no longer considered probable due to changes in circumstances, or written off when the obligation is settled, as disclosed in explanatory note 19.

(vii) Recoverable taxes

Considering the history of non-realization of ICMS credits with the State of Espírito Santo. The Company set up a provision for losses of 100% on such credits and as it is not expected to be used, the Company recognizes a provision for losses of 100% of ICMS credits, as disclosed in explanatory note 8.

2.3 Consolidation

The Company's consolidated financial statements, which include the financial statements of its subsidiaries, have been prepared according to applicable consolidation practices and legal provisions. Balances, any unrealized revenues, expenses and profits and derivatives between companies are eliminated from the consolidated financial statements. Unrealized gains deriving from transactions with investees recorded by the equity method are eliminated against the investment *in proportion to the Group's interest in the investee*.

Unrealized losses are eliminated in the same way as unrealized gains are eliminated, but only to the extent that there is no evidence of impairment loss.

(a) Subsidiaries

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when it is exposed or entitled to variable returns deriving from its involvement in the entity and can influence its returns due to the power it exercises over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(b) Joint operations

A joint operation is a joint venture that involves the use of assets and other resources by the owners. Each owner uses their own resources in the joint operation. Joint operations are recorded in the financial statements to represent the Group's contractual rights and obligations. The assets, liabilities, revenue and expenses related to interests in joint operations are therefore recorded individually in the financial statements, as disclosed in explanatory notes 9 and 21. The Company has an interest of 49% in the Guilman-Amorim hydroelectric power plant; the remaining 51% of the joint operation belongs to partner Arcelor Mittal Brasil S.A.

(c) Investments

In the parent company financial statements, subsidiaries are accounted for using the equity method based on the financial statements of the investees. The financial statements of investments based foreign were prepared by adopting accounting practices consistent with those observed by the Company. The subsidiaries have the same functional currency as the parent company, the US dollar.

2.4 Foreign currency translation

(a) Functional currency

The items in the financial statements of each one of the companies of the Group were measured using the US dollar ("USD") which is the functional currency of the Company and its subsidiaries, as it is the currency of the main economic environment in which they operate, generate and consume cash.

(b) Presentation currency

In compliance with Brazilian legislation, these financial statements are being presented in reais, rounded off to the nearest thousand, converting the financial statements prepared in the Company's functional currency to reais, using the following criteria:

- Assets and liabilities are translated using the closing rate at the respective reporting date.
- Accounts in the statements of operations, comprehensive income (loss), cash flows and value added are translated at the rates in effect on the transaction dates.
- Stockholders' equity at historical rate.

The exchange gain/loss resulting from the translation referred to above is recognized in a specific account of stockholders' equity, under "Carrying value adjustments".

(c) Transactions and balances

Transactions in currencies other than the Company's functional currency are translated into its functional currency at the exchange rates prevailing on the transaction dates or on the valuation dates, when the items are remeasured. Exchange gains and losses resulting from the settlement of these transactions and from the translation at the exchange rates at the end of the year for monetary assets and liabilities in foreign currency are recognized in the income statement in the financial result.

The parent company and consolidated financial statements measured in the functional currency (US$) are as follows:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Financial Statements – USD	Parent company		Consolidated	
	2023	2022	2023	2022
Current assets				
Cash and cash equivalents	147,418	103,173	148,591	104,015
Restricted cash	1,147	275	1,147	275
Accounts receivable	192,856	158,743	192,460	158,347
Inventory	158,049	148,469	158,049	148,469
Recoverable income tax	1,091	32,677	1,091	32,677
Other recoverable taxes	44,403	29,413	44,421	29,416
Prepaid expenses	1,469	1,081	1,685	1,287
Advances to supplier	4,668	6,279	4,668	6,279
Other accounts receivable	4,296	3,006	4,016	3,016
Total current assets	**555,397**	**483,116**	**556,128**	**483,781**
Non-current				
Court deposits	314,879	235,186	314,879	235,186
Restricted cash	6,086	4,870	6,086	4,870
Other recoverable taxes	19,503	15,800	19,504	15,800
Inventory	11,747	11,150	11,747	11,150
Advances to supplier	9,107	8,450	9,107	8,450
Other accounts receivable	4,457	3,721	4,457	3,721
Investments	6,163	5,596	-	-
Property, plant and equipment	5,195,537	5,188,504	5,195,537	5,188,506
Intangible assets	69,273	60,089	69,273	60,089
Total non-current assets	**5,636,752**	**5,533,366**	**5,630,590**	**5,527,772**
Total assets	**6,192,149**	**6,016,482**	**6,186,718**	**6,011,553**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Financial Statements – USD	Parent company		Consolidated	
	2023	2022	2023	2022
Current liabilities				
Trade payables	118,986	135,380	119,002	135,321
Loans and financing	71	5,529,901	71	5,529,901
Financial charges payable	92	1,478,246	92	1,478,246
Payroll, provisions and social contributions	31,245	17,161	31,601	17,475
Taxes payable	42,812	165,005	42,831	165,020
Provision for income tax	-	-	218	144
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	200,000	-	200,000	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	2,800,332	-	2,800,332	-
Other provisions	79,221	3,435,376	79,221	3,435,376
Others Account payable	58,090	57,344	56,811	52,011
Total current liabilities	**3,330,849**	**10,818,413**	**3,330,181**	**10,813,494**
Non-current				
Loans and financing	4,080,563	-	4,080,563	-
Financial charges payable	1,463	-	1,463	-
Taxes payable	279,822	16,599	279,822	16,599
Dividend	-	537,760	-	537,760
Provisions for contingencies	17,768	837,020	17,768	837,020
Deferred Income Tax	-	1,026,637	-	1,026,627
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	800,000	-	800,000	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	8,280,969	-	8,280,969	-
Other provisions	4,343,781	3,087,676	4,343,781	3,087,676
Account payable in the country of stakeholders	311	3,454,385	311	3,454,385
Others Account payable	43,473	29,841	38,710	29,841
Total non-current liabilities	**17,848,150**	**8,989,918**	**17,843,387**	**8,989,908**
Equity				
Capital	3,569,996	409,774	3,569,996	409,774
Capital reserves	1,620	1,620	1,620	1,620
Carrying value adjustments	(825)	(927)	(825)	(927)
Accumulated losses	(18,557,641)	(14,202,316)	(18,557,641)	(14,202,316)
Total equity	**(14,986,850)**	**(13,791,849)**	**(14,986,850)**	**(13,791,849)**
Total liabilities and equity	**6,192,149**	**6,016,482**	**6,186,718**	**6,011,553**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Income Statements – USD	Parent company		Consolidated	
	2023	2022	2023	2022
Revenue	1,521,108	1,580,582	1,521,108	1,580,582
Cost of goods sold and services rendered	(648,674)	(621,677)	(648,674)	(621,677)
Gross Profit	**872,434**	**958,905**	**872,434**	**958,905**
Operating expenses				
Selling	(32,262)	(22,150)	(31,275)	(24,413)
General and administrative	(38,154)	(33,019)	(38,154)	(33,019)
Other operating expenses, net	(6,368,865)	(860,136)	(6,369,187)	(860,673)
Equity method	567	(2,869)	-	-
Operating profit (loss before financial result)	**(5,566,280)**	**40,731**	**(5,566,182)**	**40,800**
Finance income, net				
Finance income	2,394,627	31,606	2,394,677	31,771
Finance expenses	(1,133,289)	(1,298,830)	(1,133,299)	(1,298,839)
Foreign exchange gains/losses, net	(1,177,669)	(767,412)	(1,177,699)	(767,430)
Loss before taxation	**(5,482,611)**	**(1,993,905)**	**(5,482,503)**	**(1,993,698)**
Current income tax	-	-	(108)	(207)
Deferred income tax	1,108,272	103,761	1,108,272	103,761
CSLL	19,014	(344,903)	19,014	(344,903)
Loss for the year	**(4,355,325)**	**(2,235,047)**	**(4,355,325)**	**(2,235,047)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Statements of Comprehensive Income (loss) – USD	Parent Company and Consolidated	
	2023	2022
Loss for the year	**(4,355,325)**	**(2,235,047)**
Measurement of retirement benefit obligations	102	116
Other comprehensive income for the year	**102**	**116**
Total comprehensive income	**(4,355,223)**	**(2,234,931)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Statements of changes in equity - USD

		Capital reserves				
	Capital	Premium on share subscription	Tax incentive reserves	Carrying value adjustments	Accumulated losses	Total
Balance as of December 31st, 2021	**409,774**	**1,617**	**3**	**(1,043)**	**(11,967,269)**	**(11,556,918)**
Loss for the year	-	-	-	-	(2,235,047)	(2,235,047)
Other comprehensive income						
Retirement benefit obligation	-	-	-	116	-	116
Total comprehensive income	**-**	**-**	**-**	**116**	**-**	**116**
Balance as of December 31st, 2022	**409,774**	**1,617**	**3**	**(927)**	**(14,202,316)**	**(13,791,849)**
Loss for the year	-	-	-	-	(4,355,325)	(4,355,325)
Capital increase through payment of partners	3,160,222	-	-	-	-	3,160,222
Other comprehensive income						
Retirement benefit obligation	-	-	-	102	-	102
Total comprehensive income	**-**	**-**	**-**	**102**	**-**	**102**
Balance as of December 31st, 2023	**3,569,996**	**1,617**	**3**	**(825)**	**(18,557,641)**	**(14,986,850)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Statements of cash flows - USD

	Parent company		Consolidated	
Cash flows from operating activities	**2023**	**2022**	**2023**	**2022**
Loss before taxation	(5,482,612)	(1,993,905)	(5,482,503)	(1,993,698)
Adjustments to reconcile loss before taxes to cash from operations:				
Depreciation and amortization	173,552	169,023	173,554	169,024
Reversion of provision for expected credit loss	(433)	(124)	(433)	(124)
Reversion of provision for revision of prices	(474)	(8,925)	(474)	(8,925)
Provision for obsolescence of inventories	802	1,058	802	1,058
Provision for ICMS losses - ES	26,551	22,211	26,551	22,211
Provision (reversion) for socioenvironmental and socioeconomic recovery	5,033,366	(1,042,385)	5,033,366	(1,042,385)
Reversion of provision of Germano dam decommissioning	(168,060)	(157,205)	(168,060)	(157,205)
Provision for shareholders contribution in Renova Foundation	229,281	669,154	229,281	669,154
Provision (reversion) for realization of other assets	(126)	318	(126)	318
Provision (reversion) for contingencies	(250,304)	238,382	(250,304)	238,382
Provision (reversion) for others liabilities	(2,474)	1,535	(2,474)	1,535
Loss on property, plant and equipment	938	959	938	959
Equity method	(567)	2,868	-	-
Financial Charges	949,679	845,612	949,679	845,612
Reversal of loan charges (clause 3.6.2) JRP	643,061	-	643,061	-
Debt reduction - JRP	(753,813)	-	(753,813)	-
Shareholder contributions to the Renova Foundation JRP	(1,007,732)	-	(1,007,732)	-
Exchange variance gains and losses – assets and liabilities	1,193,950	789,016	1,193,958	789,014
	584,585	**(462,408)**	**585,271**	**(465,070)**
(Increase) decrease in operating assets:				
Trade accounts receivable	(33,407)	(69,104)	(33,407)	(69,103)
Inventory	(10,979)	(37,584)	(10,980)	(37,583)
Recoverable income tax	31,586	993	31,586	993
Other recoverable taxes	(28,546)	(28,140)	(28,562)	(28,142)
Court deposits	(44,959)	152,196	(44,959)	152,196
Prepaid expenses	(388)	(415)	(398)	(432)
Other accounts receivable	(14,329)	1,887	(14,038)	1,877

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MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

>> continuation	Parent company		Consolidated	
	2023	2022	2023	2022
Increase (decrease) in operating liabilities:				
Trade payables	(15,424)	46,996	(15,349)	46,925
Taxes payable	117,135	991	117,139	1,010
Payroll, provisions and social contributions	(6,061)	166	(6,020)	464
Income tax paid	-	-	(34)	(72)
Interest payment	(155)	(182)	(155)	(182)
Account payable in the country of stakeholders	311	-	311	-
Other accounts payable	(607,636)	261,712	(608,342)	263,881
Cash flow net invested in operational activities	**(28,267)**	**(132,892)**	**(27,937)**	**(133,238)**
Cash flows from investing activities				
Purchase of property, plant and equipment and intangible assets	(173,369)	(118,288)	(173,369)	(118,288)
Loans receivable from third parties	(20)	(132)	(20)	(132)
Net cash used in investing activities	**(173,389)**	**(118,420)**	**(173,389)**	**(118,420)**
Cash flows from financing activities				
Restricted cash	(2,088)	(4,887)	(2,088)	(4,887)
Financing obtained from related parties	250,000	-	250,000	-
Amortized cost - Financing obtained from third parties	2,154	1,693	2,154	1,693
Payment of loans and financing - third parties	(153)	(138)	(153)	(138)
Net cash generated by (used in) financing activities	**249,913**	**(3,332)**	**249,913**	**(3,332)**
Effects of exchange rate changes on cash and cash equivalents	(4,012)	455	(4,012)	455
Net increase (decrease) in the balance of cash and cash equivalents	**44,245**	**(254,189)**	**44,575**	**(254,535)**
Cash and cash equivalents at the beginning of year	103,173	357,362	104,016	358,551
Cash and cash equivalents at the end of the year	147,418	103,173	148,591	104,016

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Statements of value added - USD

	Parent company		Consolidated	
	2023	2022	2023	2022
Revenue				
Sales of goods, products and services	1,540,990	1,600,577	1,540,990	1,600,577
Other revenue	2,586	8,614	2,586	8,614
Revenue relating to construction of company assets	142,741	106,675	142,741	106,675
Provision for expected credit loss	433	124	433	124
Total	**1,686,750**	**1,715,990**	**1,686,750**	**1,715,990**
Consumables acquired from third parties				
Cost of goods sold and services rendered	(696,102)	(626,696)	(695,119)	(625,838)
Material, electricity, outsourced services and other	(5,086,862)	(985,238)	(5,086,170)	(988,019)
Loss/recovery of asset values	(1,614)	(2,336)	(1,614)	(2,336)
Total	**(5,784,578)**	**(1,614,270)**	**(5,782,903)**	**(1,616,193)**
Gross	**(4,097,828)**	**101,720**	**(4,096,153)**	**99,797**
Depreciation and amortization	(173,575)	(169,191)	(173,577)	(169,192)
Net value added produced by the Company	**(4,271,403)**	**(67,471)**	**(4,269,730)**	**(69,395)**
Transferred value added				
Equity method	567	(2,869)	-	-
Finance income	2,425,169	65,236	2,425,192	65,384
Total	**2,425,736**	**62,367**	**2,425,192**	**65,384**
Total value added to be distributed	**(1,845,667)**	**(5,104)**	**(1,844,538)**	**(4,011)**
Distribution of value added	**(1,845,667)**	**(5,104)**	**(1,844,538)**	**(4,011)**
Personnel				
Direct compensation	46,954	40,809	47,787	41,481
Benefits	16,947	13,220	17,096	13,406
Government Severance Indemnity Fund for Employees (FGTS)	3,613	3,095	3,613	3,095
Taxes				
Federal	52,840	31,299	52,974	31,524
State	46,684	40,639	46,684	40,639
Municipal	1,119	1,010	1,119	1,010
Interest expenses				
Interest on loans, financing and other debt items	2,341,502	2,099,871	2,341,515	2,099,881
Interest on stockholders' equity				
Loss for the year	(4,355,326)	(2,235,047)	(4,355,326)	(2,235,047)

2.5 Financial instruments

The assets and liabilities are recognized when the Company and its subsidiaries are a party to the contractual provisions of the instrument and are initially measured according to their fair value.

The transaction costs are directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities recognized at fair value in the income statement) and are added to or deducted from the fair value of financial assets or liabilities, if applicable, after initial recognition. The transaction costs directly attributable to the purchase of financial assets and liabilities at fair value by means of income are immediately recognized in the income statement.

Financial assets and liabilities are presented net in the balance sheet if, and only if, there is a current and enforceable legal right to offset the recognized amounts and if there is the intention to offset, or to realize the asset and settle the liability simultaneously.

Financial assets

The classification of financial assets is based on the business model in which the asset is managed and its characteristics of contractual cash flows (binomial contractual cash flow and business model), as summarized below:

Categories/measurement	Conditions for definitions of category
Amortized cost	Financial assets are held according to the Company's business model to hold financial assets to collect contractual cash flows on specific dates. business model (BM) of the company.
Fair value through other comprehensive income ("FVTOCI")	There is no specific definition as to holding the financial assets to collect the contractual cash flows on the specified dates or carry out the sale of the financial assets in the Company's business model.
Fair value through profit or loss ("FVTPL")	All other financial assets.

For cash, cash equivalents and short-term investments, the Company has a policy of investing its resources in prime banks, with a minimum rating of A- by Standard & Poor's or equivalent (A- Fitch, A3 Moody's).

Accounts receivable from customers and other receivables are classified at amortized cost. Their respective classifications between amortized cost, FVTOCI and FVTPL are presented in explanatory note 30.2.

All regular acquisitions or disposals of financial assets are recognized or written off based on the trade date. Regular acquisitions or divestitures correspond to acquisitions or disposals of financial assets that require the delivery of assets within the term established by means of a market standard or practice.

The Company and its subsidiaries write off a financial asset only when the contractual rights to the cash flows from this asset expire or transfer the asset and substantially all the risks and benefits of the asset to another company. When a financial asset is written off in its entirety, the difference between the book value of the assets and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

These liabilities are classified in the initial recognition as: (i) amortized cost; or (ii) measured at fair value through profit or loss.

The Company's financial liabilities are classified as measured at amortized cost using the effective interest method and include loans, financing and debentures, accounts payable to suppliers and obligations with related companies and other accounts payable, as informed in explanatory note 30.2.

The aforementioned financial liabilities are initially recognized in the receipt of funds, net of transaction costs, when applicable. At the balance sheet date, they are presented at their initial recognition, minus the amortization of the installments of principal, when applicable, plus corresponding charges incurred. Transaction costs are presented as a reduction of current liabilities and are appropriated to the income in the same payment term of the financing that originated it, based on the effective rate of each transaction.

Actuarial gains and losses related to the post-employment benefit plan, arising from adjustments for experience and changes in actuarial assumptions, are recorded at fair value in comprehensive income.

Impairment of financial instruments

Regarding the impairment of financial assets, CPC 48 - Financial instruments (IFRS 9) requires a model of expected credit losses. The expected credit loss model requires the Group to account for expected credit losses and changes in expected credit losses on each reporting date to reflect changes in credit risk since the initial recognition of financial assets. In other words, it is not necessary for a credit event to occur before credit losses are recognized.

Specifically, CPC 48 requires the Company to recognize a provision for expected credit losses on:

(1) Investments in debt instruments subsequently measured at amortized cost or at fair value through other comprehensive income,

(2) Amounts receivable from leases,

(3) Accounts receivable and contract assets, and

(4) Financial guarantee contracts to which the impairment requirements of CPC48 (IFRS 9) apply.

In particular, CPC 48 requires the Company to measure the provision for losses on a financial instrument in an amount equivalent to the expected credit loss (ECL) over the service life if the credit risk related to that financial instrument has increased from the initial recognition, or if the financial instrument corresponds to a financial asset subject to a reduction in the recoverable value acquired or originated. However, if the credit risk related to a financial instrument has not increased significantly since the initial recognition (except for a financial asset subject to impairment acquired or originated); the Group shall measure the provision for losses for that financial instrument corresponding to the ECL of the 12-month period.

The Company periodically reviews its assumptions for the constitution of the provision for credit risk. For the accounts receivable, the Company has adopted a simplified approach and calculated the foreseen credit loss, as informed in explanatory note 6, based on the expectation of default risk along the life of the financial instrument in view of the revision of the history of its current operations and improvement of its estimates.

2.6 Accounts receivable

Accounts receivable correspond to amounts receivable from customers for the sale of goods or provision of services, and are initially recognized at fair value, and subsequently measured at amortized cost using the interest rate method less the provision for impairment losses of expected credit.

The provision for credit losses reflects the volatility of the global iron ore sector. Based on the downward trend in the price of iron ore. Management conducts an individual evaluation of each customer's contracts and makes a provision in an amount sufficient to cover any losses, pursuant to criteria already informed in explanatory note 2.5.

2.7 Property, plant and equipment

Property, plant and equipment are recorded at the cost of acquisition, formation or construction including capitalized financial charges.

Elements that comprise the cost of an item of property, plant and equipment are: Acquisition price, plus import taxes and non-recoverable purchase taxes, after deducting any commercial discounts and rebates. Any direct costs attributable to bringing the asset to its location and condition necessary to allow it to be operated as intended by Management.

2.8 Intangible assets

Property, plant and equipment are recorded at acquisition, formation or construction cost and include capitalized financial charges.

The elements that make up the cost of a component of property, plant and equipment are:

- Purchase price, plus import taxes and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset into place and the condition necessary for it to be able to function in the manner intended by Management.
- The initial estimate of the costs for disassembly and removal of the item and restoring the location in which it is located. Such costs represent the obligation that the Company incurs when the item is acquired or as a consequence of using it during a certain period.

When significant parts of an item of property, plant and equipment have different useful lives, they are recorded as separate items (main components) of property, plant and equipment.

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenses will be earned by the Group.

Depreciation and amortization start from the date the assets are installed and available for use. For items directly related to the respective productive areas, depreciation is calculated based on the units of production method. For the others, depreciation is calculated based on the straight-line depreciation and amortization method considering the years disclosed in Note 11.

Depreciation methods, useful life spans and residual amounts are reviewed at each balance and adjusted as appropriate.

Gains and losses on the sale of property, plant and equipment are determined by comparing the proceeds from the sale with the book value of the property, plant and equipment, and are recorded net in "Other operating expenses, net" in the income statement.

2.9 Intangible assets

Intangible assets acquired separately consisting of easements, mining rights and software are measured upon initial recognition at their acquisition cost and, subsequently, less the accumulated amortization and impairment losses, when applicable.

Intangible assets with a defined service life are amortized according to their estimated economic lives, according to explanatory note 12, and when indications of impairment are identified, they are submitted to impairment testing.

Removal of overburden to access the ore deposits

The cost of overburden (costs associated with stripping overburden and other waste products) incurred during the development of the mine, before production, is capitalized as part of the depreciable cost of the asset under development. These costs are amortized over the mine's service life, based on the proven and probable reserves.

The cost of overburden removal incurred during production is added to the value of the inventory, except when a specific extraction campaign is conducted to access deposits located deeper in the reserve. In this case, the costs are capitalized and recorded in non-current assets as ore extraction takes place, and will be amortized over the reserve's service life.

Research and development

Development expenditure is capitalized only if development costs can be measured reliably, if the product or process is technically and commercially viable, if future economic benefits are likely, and if the Group has the intention and sufficient resources to complete development and use or sell the asset. Other development expenses are recognized in the income statement as incurred. After initial recognition, capitalized development expenses are stated at cost, less accumulated amortization and any impairment losses.

2.10 Impairment of nonfinancial assets

The book values of the Company's nonfinancial assets with a defined service life are reviewed at each reporting date for signs of impairment. If any such indication exists, then the asset's impairment is determined. Assets that have an indefinite useful life are not subject to amortization and are tested annually to identify any need for impairment. In the case of intangible assets in development not yet available for use, the impairment is estimated annually.

The impairment of an asset or cash generating unit (CGU) is the greater of its value in use and its fair value less costs of disposal. When appraising the value in-use, the estimated future cash flows are discounted from their present values at a pre-tax discount rate that reflects the current market terms regarding the capital recoverability period and the asset's specific risks.

For impairment testing purposes, assets that cannot be tested individually are grouped in the smallest group of assets that generate cash from continuous use and which are mainly independent from the cash flows from other assets or groups of assets ("cash generating unit" - "CGU)").

Impairment losses are recognized when the book value of an asset or its cash generating unit (CGU) exceeds its estimated recoverable value. Impairment losses are recognized in profit or loss. After November 2015, and considering the expected increase in socioenvironmental and socioeconomic remediation costs, management conducts an annual impairment test of non-financial assets, as informed in explanatory notes 12 and 13.

2.11 Loans and financing

Loans and financing are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the total settlement value is recognized in the income statement over the period of the outstanding loans using the effective interest method.

The loans and financing are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the balance sheet.

The costs of loans and financing attributed directly to the acquisition, construction or production of a qualifying asset that requires a substantial time to be ready for use or sale are capitalized as part of the corresponding asset's cost when it is likely that future economic benefits will be generated for the Company and the cost or value can be reliably measured. Other loans and financing costs are recorded as expense in the period they are incurred.

2.12 Provision for contingencies

A provision is recognized if, as a result of a past event, the Company has a legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the specific risks for the liability.

2.13 Provision for asset retirement and socioenvironmental and socioeconomic recovery

Provisions are determined by discounting estimated future cash flows to a pre-tax rate that reflects the current market assessments of the time value of money and the specific risks for the related liability. The effects of the derecognition of the discount over time are recognized in the income statement as a financial expense.

(a) Asset retirement obligations

An asset retirement obligation is recognized when there is a legal or constructive obligation to perform rehabilitation as a result of environmental disturbance, by means of an approved detailed asset retirement plan. The expenses for mine closure resulting from the termination of activities are recorded as asset retirement obligations. The obligations primarily consist of closure costs. The asset retirement cost related to the obligation is capitalized as part of the property, plant and equipment and is depreciated over the asset's service life.

(b) Socioenvironmental and socioeconomic recovery

The provision for socioenvironmental and socioeconomic recovery is made according to the determinations of the respective authorities and under the agreements signed on March 2, 2016 and June 25, 2018 (explanatory notes 1 and 20 (b)). The provision for environmental recovery is recorded when an impacted area is identified that generates an obligation for the Company. A liability for compensating social damages is recognized when the obligation for future payments has been identified arising from past events subject to civil damages and, when there is a reliable estimate of the obligations.

2.14 Present value adjustment of assets and liabilities

Monetary assets and liabilities are adjusted to their present value when the transaction is originally recorded, considering the contractual cash flows, the explicit and in certain cases implicit interest rate of the respective assets and liabilities and the prevailing rates in the market for similar transactions. This interest is subsequently reallocated to financial expenses and revenue in the income statement by the effective interest rate method for contractual cash flows.

2.15 Income tax

The Company calculates taxes based on existing legislation, considering legal tax benefits and deductions. Deferred tax balances are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements to the extent that it is probable that future taxable profits will be available and against which they can be utilized. This is measured at the rates expected to apply to the temporary differences when they are reversed, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset and presented net in the balance sheet if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

The Company has a final court decision in its favor, which ruled that the social contribution on net income ("CSLL") is unconstitutional. Therefore, it is not considering or paying this tax/contribution, as mentioned in explanatory note 19, pending confirmation of the position of the Federal Supreme Court (STF) on topics 881 and 885, according to explanatory note 19.

2.16 Employee benefits

(a) Retirement obligation

The Company's defined contribution plan is a retirement benefits plan under which it pays fixed contributions to a separate entity ("ValiaPrev") and incurs no legal or constructive obligations to pay additional amounts. Contributions are recognized as an employee benefit expense when due.

For the defined benefit portion of the plan ("ValiaPrev"), which is a constructive obligation, the Company obtains the actuarial calculation. When the benefits of a plan are increased, the portion of the increase in the benefit related to past service of employees is recognized immediately in profit or loss.

The defined benefit obligation is the present value of the defined benefit obligation, less the fair value of the plan assets at the balance sheet date and is calculated annually by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting future estimated cash disbursements using interest rates in line with market yields, which are denominated in the currency in which benefits are paid and have maturity terms close to those of the respective pension plan obligation. However, no asset is recognized, as there is no such provision in the bylaws for reimbursing the Company or reducing future contributions.

The actuarial gains or losses arising from the adjustment for experience and changes in actuarial assumptions are recorded directly in stockholders' equity as other comprehensive income, when incurred.

(b) Medical assistance

The Company provides life insurance and healthcare insurance benefits for its employees and their dependents, which are recorded on the accrual basis and are discontinued when the employee's leaves the Company.

2.17 Capital

Each common share entitles the holder thereof to one vote on General Meeting resolutions.

2.18 Results of operations

Income and expenses are recognized on an accrual basis, and include costs, expenses and revenues, in addition to earnings, charges and indexation or exchange variance at official indices or rates applied to current and non-current assets and liabilities. The attributable income tax amounts are charged/credited to the income statement.

According to CPC 47 - Customer contract revenue, the recognition of revenues from contracts with customers is based on the transfer of control of the good or service promised, which may be at a point in time or over time, depending on the satisfaction or not of the so-called "contractual performance obligations". Revenue is measured at the amount that reflects the consideration to which it is expected to be entitled and is based on a five-step model detailed below: 1) contract identification; 2) identification of performance obligations; 3) determination of the transaction price; 4) allocation of the transaction price to the performance obligations; 5) revenue recognition.

Performance obligations are considered promises to transfer to the customer a good or service (or group of goods or services) that is distinct, or a series of distinct goods or services that are substantially the same and that have the same standard of transfer to the customer, according to criteria already disclosed in note 2.5.

(a) Recognition of revenue from product sales

Revenue is recognized at the moment in which contractual performance obligations are met. In our case, as most of the sales are made on a FOB ("Free-on-Board") basis. The revenue is recognized when the product is delivered to the transporter.

When the realization of an amount already recorded under revenue is uncertain, a provision for the uncollectible amount or amount unlikely to be realized is recognized as a price adjustment or loss directly classified as an expense.

(b) Recognition of revenue from services

The Company provides logistics services at its own port terminal. Service revenue is recognized at the moment in which contractual performance obligations are met. When the realization of an amount already recorded under revenue is uncertain, the uncollectible amount or amount unlikely to be realized is recognized as an expense.

(c) Financial income and expenses

Financial income comprises interest income on funds invested and changes in the fair value of financial assets measured at fair value through profit and loss.

Financial expenses comprise interest expenses on loans and financing, and changes in the fair value of financial assets measured through profit and loss.

Income and interest expense are recognized as they accrue in profit or loss, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

The unwinding of discounting assets and liabilities previously adjusted to their present value is recognized in the income statement as a financial income or expense.

2.19 Lease

The Company recognizes the asset relating to the right of use and a liability corresponding to the lease on the inception date of a contract that is, or contains a lease. Right-of-use assets are measured at an amount equal to the lease liability, adjusted for the amount of any anticipated or accrued lease receipts. The asset is subsequently depreciated on a straight-line basis over the contractual period or until the end of the asset's useful life. The Company does not recognize right-of-use assets and liabilities for leases with a period of less than 12 months and/or for low-value leases. The lease liability is initially measured at the present value of the lease payments, deducted by lease's implicit interest rate or, if that rate cannot be immediately determined, based on the Company's incremental borrowing rate. The payments are recognized as an expense on a straight-line basis over the contractual term. The lease liability is measured at amortized cost using the effective interest method and remeasured when there is a change in future lease payments resulting from a change in an index or rate. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the lease contract asset or is recognized directly in profit or loss for the year if the carrying amount of the asset has already been reduced to zero.

2.20 Accounting standards recently issued or amended

The following standards and/or changes came into force in 2023 and did not significantly impact the Group's consolidated financial statements:

- Insurance Agreements (changes in CPC 50/ IFRS 17).
- Disclosure of Accounting Policies (changes to CPC 26/IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (amendments to CPC 23/IAS 8).
- Taxes on Profit (amendments to CPC 32/IAS 12).

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

New interpretation implementation of which is required for years beginning on or after January 1st, 2024:

- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

3. Transactions without **cash effect**

On December 31st, 2023, investment and financing transactions were carried out with no cash effect, as shown below:

	Parent Company and Consolidated	
	2023	**2022**
Remeasurement and addition to the right of use	8,144	5,055
Offsetting tax credits with taxes payable and payroll charges	50,348	50,877
Reduction of financial debt - JRP (note 15)	4,956,527	-
Capital increase – JRP shareholder debentures (note 22)	9,575,111	-
Capital increase – JRP Dividends (note 22)	2,805,548	-
Capital increase - Shareholders contributions to the Renova Foundation (note 22)	3,149,000	-
Total	**20,544,678**	**55,932**

4. **Cash** and cash equivalents

The composition of the cash balance and cash equivalents is detailed below:

		Parent company		Consolidated	
Cash and banks		**2023**	**2022**	**2023**	**2022**
In the country		89,647	30,299	89,647	30,299
Foreign	(a)	18	32	5,696	4,428
Financial investments					
Foreign	(b)	624,028	508,023	624,027	508,023
		713,693	**538,354**	**719,370**	**542,750**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

(a) Current accounts in USD at financial institutions foreign.

(b) Short-term financial investments, of the immediate liquidity (Overnight) and low-risk, denominated in USD at financial institutions foreign, whose average rate in 2023 was 2.88% (1.30% in 2022) . The Company's policy is to invest its funds in prime banks, as described in explanatory note 2.5.

5. Restricted **cash**

The composition of the restricted cash balance is detailed below:

		Parent Company and Consolidated	
	Compensation/Deadline	**2023**	**2022**
Restricted cash in the short term	AT	5,554	1,433
Restricted cash in the long term (i)	90% of the CDI - maximum term 721 days	11,188	10,158
Restricted cash in the long term (ii)	100% of the CDI - maximum term 719 days	18,270	15,250
		35,012	**26,841**

As of December 31st, 2023, the amount in restricted cash of BRL 35,012 (BRL 26,841 as of December 31st, 2022) refers to resources maintained and invested in specific bank accounts ("collection accounts") linked to some loans and financing, whose contracts underwent a renegotiation process within the scope of the Judicial Reorganization, as described in explanatory note 1(b); and also to resources maintained to guarantee contractual obligations related mainly to energy transmission contracts.

In addition, the Company has funds held in specific escrow accounts related to (i) receipts of insurance indemnities, and (ii) investments in projects for the safety of dams in the State of Minas Gerais, of in accordance with the Term of Commitment as described in note 20(d), with yields of 90% and 100% of the CDI respectively, if the funds are held until their maturity.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

6. **Accounts** receivable

The composition of the accounts receivable balance is detailed below:

		Parent company		Consolidated	
		2023	**2022**	**2023**	**2022**
Customers in the country		112,334	113,458	112,334	113,458
Customers in the country - related parties (note 13)		3,837	4,555	3,837	4,555
Customers foreign		836,198	734,494	838,201	736,650
Customers foreign - related parties (note 13)		1,986	2,140	-	-
		954,355	**854,647**	**954,372**	**854,663**
Expected credit loss	(a)	(17,795)	(20,955)	(19,766)	(23,079)
Price reduction provision	(b)	(2,965)	(5,472)	(2,965)	(5,472)
		933,595	**828,220**	**931,641**	**826,112**

(a) Expected credit losses amount to BRL 17,795 as of December 31st, 2023, in the parent company and BRL 19,766 in the consolidated (BRL 20,955 and BRL 23,079 as of December 31st, 2022, respectively). Provisions are set up for credit losses (risk of receivables from customers), in accordance with the policy disclosed in note 2.5. The provision in the Parent Company does not include receivables from sales made to the subsidiary Samarco Finance.

The movement of expected credit losses on accounts receivable is shown in the table below:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Balance as of January 1st	(20,955)	(22,625)	(23,079)	(24,897)
Additions	-	(385)	-	(385)
Reversions	2,742	1,079	2,742	1,079
Exchange variation	418	976	571	1,124
Balance as of December 31st	**(17,795)**	**(20,955)**	**(19,766)**	**(23,079)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

b) As described in explanatory note 2.18(a), revenue is recognized when contractual performance obligations are met. The provision was constituted based on estimates of the future price.

The movement in the price reduction provision is shown in the table below:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	**(5,472)**	**(55,654)**
Reduction (increase) of provision	871	47,443
Total transaction excluding exchange variation	**(4,601)**	**(8,211)**
Exchange variation	1,636	2,739
Balance as of December 31st	**(2,965)**	**(5,472)**

The composition of the accounts receivable balance, ranked by maturity, is detailed below:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Due	942,358	840,445	941,702	839,667
Up to 30 days past due	373	350	373	350
31 to 60 days past due	41	128	41	128
61 to 90 days past due	9	66	9	66
Past-due for more than 90 days	11,574	13,658	12,247	14,452
	954,355	**854,647**	**954,372**	**854,663**

MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

7. Inventories

The composition and transactions in the balance of inventories are detailed below:

		Parent Company and Consolidated	
		2023	**2023**
Finished products	(a)	163,762	188,378
Products in progress		63,658	36,818
Consumables		187,248	199,188
Consumption and maintenance materials	(b)	407,265	408,363
Total		**821,933**	**832,747**
Current assets		765,067	774,577
Non-current		56,866	58,170
Total		**821,933**	**832,747**

(a) Movement dos finished products	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	**188,378**	**148,112**
Additions	2,396,762	2,450,636
Sales write-offs	(2,405,436)	(2,381,364)
Reduction due to inventory adjustment	(15,285)	(9,838)
Conversion	343	(19,168)
Balance as of December 31st	**163,762**	**188,378**

b) The amount of material for use and consumption was reduced by the provision for stock obsolescence of said materials, the balance of which on December 31st, 2023 was BRL 48,678 (BRL 48,278 in 2022).

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

The movement in the provision for inventory obsolescence is shown below:

Transaction of the provision for inventory obsolescence	Parent Company and Consolidated	
	2023	2022
Balance as of January 1st	**(48,278)**	**(45,734)**
Additions	(5,032)	(6,620)
Reversion	962	1,123
Conversion	3,670	2,953
Balance as of December 31st	**(48,678)**	**(48,278)**

The Company evaluated its inventories as of December 31st, 2023, and concluded that they do not exceed their realizable values.

Additionally, the Company carried out an analysis for the use of its materials in the short and long term considering the partial continuity of operations for 2024.

8. **Other** recoverable taxes

The composition of the recoverable taxes balance is detailed below:

		Parent company		Consolidated	
		2023	2022	2023	2022
ICMS – Minas Gerais (MG)	(a)	94,323	82,376	94,323	82,376
ICMS – Espírito Santo (ES)	(b)	1,769,420	1,637,457	1,769,420	1,637,457
Provision for ICMS losses - ES	(b)	(1,769,420)	(1,637,457)	(1,769,420)	(1,637,457)
PIS and COFINS	(c)	211,887	153,320	211,887	153,320
IRRF on income from financial investments		2,919	89	2,919	89
Others		223	93	312	112
Total		**309,352**	**235,878**	**309,441**	**235,897**
Current assets		214,942	153,448	215,031	153,467
Non-current		94,410	82,430	94,410	82,430
Total		**309,352**	**235,878**	**309,441**	**235,897**

MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

(a) Refer mainly to credits on the acquisition of fixed assets.

(b) These refer to credits on the acquisition of fixed assets, inputs, materials and others. Considering the history of non-realization of ICMS credits with the State of Espírito Santo, the Company set up a 100% provision for losses on these credits as there is no expectation of use.

(c) The PIS and COFINS credits refer mainly to the acquisition of materials and services classified as inputs, electric power, and fixed assets.

9. Other accounts **receivable**

		Parent company		Consolidated	
		2023	**2022**	**2023**	**2022**
Recoverable insurance		6,260	4,198	6,260	4,198
UHE Guilman-Amorim consortium (note 2.3(b) and note 21)		4,714	4,590	4,714	4,590
Advances to employees		8,554	6,930	8,488	6,930
Reimbursement of office expenses – related parties (note 13)		1,296	-	60	111
Current		**20,824**	**15,718**	**19,522**	**15,829**
COHESA	(a)	17,275	17,275	17,275	17,275
(-) Present value adjustment COHESA	(a)	(5,568)	(6,254)	(5,568)	(6,254)
Advances to employees		6,391	4,853	6,391	4,853
Loans to third parties		2,111	2,171	2,111	2,171
Other accounts receivable Ponta Ubu Agropecuária - related parties (note 13)	(b)	1,327	1,327	1,327	1,327
Others		42	41	42	41
Non-current		**21,578**	**19,413**	**21,578**	**19,413**

(a) The Company transfers funds to the Samarco Employees' Housing Cooperative - COHESA, through an agreement for the implementation of a housing plan signed on March 1, 1994, for financing the acquisition of properties by employees, with terms that vary from 8 to 25 years. The amounts passed on will be received in their entirety when the Samarco Housing Plan - PHS is closed, i.e. when the financing is paid back by the employees. The balances receivable from COHESA are adjusted to present value. The interest charged by COHESA is updated by the collective wage adjustment indexes exercised by the Company.

SAMARCO MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED) 89

(b) The balances as of December 31st, 2023 and 2022 worth BRL 1,327, refer to expenses under the responsibility of Ponta Ubu Agropecuária, which were disbursed by the Company.

10. INVESTMENTS

The Company recorded positive equity accounting of its subsidiaries of BRL 2,893 as of December 31st, 2023 (BRL 15.152 negative as of December 31st, 2022). In 2023 and 2022, the Company did not receive dividends from investments in subsidiaries. None of the investees have their shares traded on a stock exchange.

	Shareholding	Number of shares or quotas	Current assets	Non-current assets	Total assets	Current liabilities	Equity	Total liabilities	Revenue	Costs and expenses	Results for the year
2023											
Samarco Finance Ltd.	100%	50,000	2,153	-	2,153	1,971	182	2,153	56	(16)	40
Samarco Iron Ore Europe B.V	100%	180	8,774	29,893	38,667	9,019	29,648	38,667	493	2,360	2,853
		Total	**10,927**	**29,893**	**40,820**	**10,990**	**29,830**	**40,820**	**549**	**2,344**	**2,893**

	Shareholding	Number of shares or quotas	Current assets	Non-current assets	Total assets	Current liabilities	Equity	Total liabilities	Revenue	Costs and expenses	Results for the year
2022											
Samarco Finance Ltd.	100%	50,000	2,278	-	2,278	2,125	154	2,279	15	(41)	(26)
Samarco Iron Ore Europe B.V	100%	180	29,759	7,040	36,799	7,759	29,039	36,798	1,207	(16,333)	(15,126)
		Total	**32,037**	**7,040**	**39,077**	**9,884**	**29,193**	**39,077**	**1,222**	**(16,374)**	**(15,152)**

The transactions of investments in subsidiaries, presented in the individual financial statements of the parent company, are as follows:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	**29,193**	**47,231**
Equity in earnings (equity accounting)	2,893	(15,152)
Translation adjustments	(2,256)	(2,886)
Balance as of December 31st	**29,830**	**29,193**

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11. Fixed **assets**

In 2023, as well as in 2022, the investments made corresponded to the Company's current needs.

The composition of the balance of the fixed asset accounts is detailed below:

		Consolidated										Parent company
Cost		**Land**	**Industrial facilities (buildings, machinery and equipment)**	**Pipeline and related systems**	**Plant decommissioning**	**Data processing equipment and Furniture and fixtures**	**Vessels and Vehicles**	**Tools and Mass Assets**	**Right of Use**	**Assets under construction**	**Total**	**Total**
Balance as of December 31st, 2021		**409,179**	**25,185,988**	**13,584,671**	**379,519**	**419,702**	**824,421**	**500,095**	**152,380**	**575,292**	**42,031,247**	**42,028,964**
Additions	(a)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,055**	**543,281**	**548,336**	**548,336**
Evaluation of Plant Decommissioning Study	(d)	-	-	-	-	-	-	-	-	(49,813)	(49,813)	(49,813)
Transfers - Incoming	(b)	3,290	138,849	55,080	(49,813)	20,499	79,782	39,954	-	-	287,641	287,641
Transfers - Withdrawal		-	-	-	-	-	-	-	-	(287,641)	(287,641)	(287,641)
Write-off of property, plant and equipment cost		-	(15,570)	(104)	-	(157)	(2,265)	(996)	-	(16,159)	(35,251)	(35,251)
Effect of exchange rate variations	(c)	(26,701)	(1,672,587)	(881,972)	50,498	(26,929)	(55,897)	(34,468)	(9,911)	(67,705)	(2,725,672)	(2,725,515)
Balance as of December 31st, 2022		**385,768**	**23,636,680**	**12,757,675**	**380,204**	**413,115**	**846,041**	**504,585**	**147,524**	**697,255**	**39,768,847**	**39,766,721**
Additions	(a)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	75,332	671,534	746,866	746,866
Evaluation of Plant Decommissioning Study	(d)	-	-	-	-	-	-	-	-	76,153	76,153	76,153
Transfers - Incoming	(b)	931	676,784	102,262	76,153	31,127	14,740	71,658	-	-	973,655	973,655
Transfers - Withdrawal		-	-	-	-	-	-	-	-	(973,655)	(973,655)	(973,655)
Write-off of property, plant and equipment cost			(2,573)	(17)		(2,718)	(21)	(221)	-	-	(5,550)	(5,550)
Effect of exchange rate variations	(c)	(27,913)	(1,739,377)	(923,997)	65,999	(35,895)	(61,523)	(40,351)	(11,701)	(58,093)	(2,832,851)	(2,832,687)
Balance as of December 31st, 2023		**358,786**	**22,571,514**	**11,935,923**	**522,356**	**405,629**	**799,237**	**535,671**	**211,155**	**413,194**	**37,753,465**	**37,751,503**

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Accumulated depreciation, impairment and exchange rate variation	Consolidated										Parent company
	Land	Industrial facilities (buildings, machinery and equipment)	Pipeline and related systems	Plant decommissioning	Data processing equipment and Furniture and fixtures	Vessels and Vehicles	Tools and Mass Assets	Right of Use	Assets under construction	Total	Total
Balance as of December 31st, 2021	**-**	**(8,581,562)**	**(2,809,185)**	**(127,030)**	**(359,688)**	**(598,787)**	**(209,835)**	**(29,850)**	**-**	**(12,715,937)**	**(12,713,668)**
Depreciation in the period	-	(304,701)	(72,853)	(16,315)	(15,553)	(10,903)	(8,494)	(34,601)	-	(463,420)	(463,413)
Accumulated depreciation write-off	-	14,373	61	-	156	2,265	916		-	17,771	17,771
Effect of exchange rate variations (c)	-	346,928	44,995	15,502	16,184	30,994	5,656	1,434	-	461,693	461,536
Balance as of December 31st, 2022	**-**	**(8,524,962)**	**(2,836,982)**	**(127,843)**	**(358,901)**	**(576,431)**	**(211,757)**	**(63,017)**	**-**	**(12,699,893)**	**(12,697,774)**
Depreciation in the period	-	(317,300)	(84,507)	(15,157)	(16,112)	(16,137)	(10,701)	(37,226)	-	(497,140)	(497,136)
Accumulated depreciation write-off	-	918	10		2,677	21	221		-	3,847	3,847
Effect of exchange rate variations (c)	-	402,637	96,584	15,415	27,208	33,895	8,461	5,557	-	589,757	589,594
Balance as of December 31st, 2023	**-**	**(8,438,707)**	**(2,824,895)**	**(127,585)**	**(345,128)**	**(558,652)**	**(213,776)**	**(94,686)**	**-**	**(12,603,429)**	**(12,601,469)**

Balance	Consolidated										Parent company
	Land	Industrial facilities (buildings, machinery and equipment)	Pipeline and related systems	Plant decommissioning	Data processing equipment and Furniture and fixtures	Vessels and Vehicles	Tools and Mass Assets	Right of Use	Assets under construction	Total	Total
Balance as of December 31st, 2022	**385,768**	**15,111,718**	**9,920,693**	**252,361**	**54,214**	**269,610**	**292,828**	**84,507**	**697,255**	**27,068,954**	**27,068,947**
Balance as of December 31st, 2023	**358,786**	**14,132,807**	**9,111,028**	**394,771**	**60,501**	**240,585**	**321,895**	**116,469**	**413,194**	**25,150,036**	**25,150,034**

(a) On December 31st, 2023, the additions related to assets under construction resulted in an amount of BRL 671,534 (BRL 543,281 in 2022) in the consolidated.

The composition of the additions by nature is detailed below:

Project Name	Start date	End date	2023	2022
Operational Readiness Moment 2	2023	2023	159,918	-
PDER AXIS 1	2023	2023	124,404	-
Refurbishment and Acquisition of Components - Mine fleet	2020	2023	64,621	52,175
Germano/Ubu Spare Parts	2014	2023	36,885	20,135
Long distance belt conveyor/yard- step 1	2022	2023	35,395	166,112
Suppression and revegetation drainages south PDER	2021	2023	16,930	25,545
Structural recovery of Germano	2020	2023	16,410	8,619
Resloping of reagent plant	2021	2023	13,560	23,365
Land acquisition	2018	2023	8,935	2,037
Structural recovery of Ubu	2018	2023	8,796	21,548
Structural recovery of plants – yard and management	2022	2023	7,902	2,382
Breakwater structural recovery	2023	2023	6,989	-

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Project Name	Start date	End date	2023	2022
North dam upgrade	2018	2023	4,790	8,893
Capitalizable equipment - Ubu	2021	2023	4,181	14,582
Customs System Improvement	2020	2023	3,459	734
Ore Pipeline Operational Readiness 3	2021	2023	3,392	30,592
Capitalizable equipment - GMG	2020	2023	3,002	1,635
Mooring and system fenders. pier protection	2022	2023	2,843	540
Monitoring tailings disposal instrumentation south pit	2021	2023	2,741	6,701
Recovery of pier piles	2022	2023	2,450	2,499
Unification of the Germano control rooms	2022	2023	1,826	5,961
Capital expenditures - UHE Guilman Amorim	2016	2023	637	1,102
Alegria Norte office and workshop	2020	2023	226	2,972
Recovery structure reclaimer 56RC00	2020	2023	0	22,764
Others	-	-	141,242	122,388
Total			**671,534**	**543,281**

- BRL 159,918: Operational Readiness Moment 2

As described in explanatory note 1(a), as a result of the new legislation and aiming for greater safety in resuming operations, Samarco readjusted its operational process for dealing with tailings, so that it implemented new technologies and procedures for the disposal of sandy flotation tailings and slimes, seeking safer solutions that optimize space.

The sandy tailings and slimes dewatering system is intended to make the Germano Plant operation feasible for concentrators II and III.

- BRL 124.404: PDER AXIS 1

The project aims to implement the entire infrastructure of the overburden handling system that will allow the disposal of overburden and sandy waste and/or total filtered waste from 2034 to 2041 with a capacity of 60 Mm^3.

- BRL 64.621: Refurbishment and Acquisition of Components - Mine fleet

The project aims at carrying out renovations/acquisitions of fleet components with the aim of returning their functionality for time of use and/or end of useful life, thus maintaining the performance of these fleets.

(b) The investments in fixed and intangible assets are recorded in "assets under construction". Once these investments are concluded and start operating, the assets are capitalized (transferred) to the respective accounts of fixed and intangible assets, according to the accounting nature of each asset.

(c) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(d) The decommissioning evaluation study of industrial plants was revised at the discount rate and resulted in an increase of approximately BRL 76,153 in 2023 (reduction of BRL 49,813 in 2022) according to explanatory note 20.

11.1 Impairment analysis

On December 31st, 2023, the amount in use of the Mining segment was updated to reflect Management's best estimates of the future profit/loss obtained from the sale of iron ore pellets, based on sales price projections, expenses and investments. This assessment remains sensitive to the volatility of commodity prices and any changes in long-term expectations may lead to future adjustments in the recognized amount.

The evaluation of the recoverable value of the assets was based on projected cash flows with the revised mine plan, considering the Company as a single cash generating unit (CGU). To make the cash flow projections, the following were considered: (i) estimated service life of Samarco's mines; (ii) assumptions and budgets approved by the Company's Management for the period corresponding to the estimated service life; (iii) discount rate derived from the weighted average cost of capital - "WACC" calculation method; (iv) market projections regarding exchange rates (Real/US Dollar) ;(v) market projections regarding the iron ore pellet price quotation (BF and DR). To calculate the impairment, the amounts recorded in fixed and intangible assets were considered.

The main assumptions used in the cash flow projections to determine the value in use of the CGU were: WACC of 11.13% (10.08% in 2022); average exchange rate for 2024 of BRL 5.18 (BRL 5.22 in 2023); average pellet price BF and DR, according to Platts index and pellet premium projected by market analysts and international sea freight references.

In view mainly of the revised projections for expenses and long-term investments, the Company, during the year 2023, assessed whether there were indicators that certain fixed assets could be recognized in the accounting at amounts above the recoverable amount. In this verification, no impairment of assets was identified.

11.2 Residual value

The company adopts the policy of extending the service life of its assets as much as possible, by carrying out preventive and corrective maintenance. These policies allow it to keep its assets in perfect operation and producing for long time until they effectively become obsolete or scrapped. Therefore there is no expectation of recovering values on the sale of fixed assets, or that their residual values will approach zero.

11.3 Assets in guarantee

As of December 31st, 2023 the Company had collateral for legal proceedings. These assets are recorded as property, plant and equipment and comprise machinery and equipment, land and related systems, whose net book value is BRL 2,221,712 (BRL 2,209,168 in 2022). The value is composed of the acquisition cost of the asset minus depreciation and does not include the result of impairment.

MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

11.4 Assets on loan

The assets loaned refer to a contract signed with Vale. These assets are recorded in property, plant and equipment whose net book value on December 31st, 2023, is BRL 20,891 (BRL 24,020 on December 31st, 2022) as per explanatory note 13.

11.5 Useful life

In compliance with technical pronouncement CPC 27 - Fixed Assets, the Company concluded during 2023 that the residual service lives of its industrial complex were normal, since there were no changes in the expected use of the asset, which is evaluated based on its capacity or expected physical production. Therefore, there were no changes in the use patterns of Samarco's property, plant and equipment in 2023, i.e., their service lives are compatible with the expected benefit of its industrial complex.

Please find below a summary of the description of the accounts that make up the fixed assets, as well as the service life by accounting nature of the assets, used to calculate depreciation, based on the produced units method for the items directly related to the respective productive areas and the straight-line depreciation method for the others:

		2023		2022	
Item	**Description of accounts**	**Weighted average service life in years**	**Years of depreciation**	**Weighted average service life in years**	**Years of depreciation**
Buildings	Buildings, sheds, gate houses, paving, and civil works improvements.	33	10 to 50	34	10 to 50
Machinery and equipment	Furnace, pelletizing disks, ship loader, loaders, precipitators, ball mills, grate cars, among others.	16	10 to 50	15	10 to 50
Pipeline and related systems	Piping for ore transportation and industrial facilities, such as belt conveyors, cabling among others.	17	1 to 31	17	1 to 31
Plant decommissioning	Environmental obligations for discontinuing the operation of pipeline and Germano and Ubu industrial facilities.	34	43	36	43
Data processing equipment	Microcomputers, printers, monitors, notebooks, servers, optical interfaces, collectors, switch, hub, patch panel, racks, etc.	5	5	5	5
Furniture and fixtures	Chairs, desks, cabinets, and other similar furniture.	6	10	5	10
Vessels	Boats, rafts, speedboats and dredges.	18	9 to 24	18	9 to 24
Vehicles	Cars, trucks, forklifts, cranes, tractors, loaders.	16	4 to 25	15	4 to 25

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		2023		2022	
Item	**Description of accounts**	**Weighted average service life in years**	**Years of depreciation**	**Weighted average service life in years**	**Years of depreciation**
Tools	Impact wrenches, multimeters, tachymeters, microscopes, and other small appliances.	8	10 to 25	7	10 to 25
Rotation assets	Parts and pieces of machinery and equipment and industrial plants.	19	10 to 27	19	10 to 27
Bulk assets	Circuit breakers, capacitors, hydraulic pumps, and other small assets.	11	5 to 24	12	5 to 24

11.6 Right-of-Use Assets

As described in the explanatory note 2.20, the various assets such as: real estate, vehicles, production equipment and IT equipment, were previously classified as either operating or financial, based on their assessment of whether the lease significantly transferred all the risks and benefits inherent in ownership of the underlying asset to the Group.

As of 2019, with the implementation of CPC 06(R2) - Leases, the Company started to recognize right-of-use assets, i.e. these leases started to constitute the property, plant and equipment group in the balance sheet. The discount rate used for leases in 2023 and 2022 was 8% p.a.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

12. **Intangible**

The composition of intangible assets is detailed below:

Cost		Consolidated								Parent company
		Rights of Way	Mining Rights	Other Rights	Overburden Removal C	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31st, 2021		**47,861**	**70,585**	**3,210**	**43,077**	**221,197**	**291,658**	**13,786**	**691,374**	**691,360**
Additions	(a)	-	-	-	-	-	-	13,252	13,252	13,252
Transfers - Incoming		-	-	-	-	-	6,183		6,183	6,183
Transfers - Withdrawal		-	-	-	-	-	-	(6,183)	(6,183)	(6,183)
Effect of exchange rate variations	(b)	(3,112)	(4,589)	(209)	(2,801)	(14,382)	(19,143)	22,458	(21,778)	(21,777)
Balance as of December 31st, 2022		**44,749**	**65,996**	**3,001**	**40,276**	**206,815**	**278,698**	**43,313**	**682,848**	**682,835**
Additions	(a)							19,430	19,430	19,430
Transfers - Incoming			512				8,739		9,251	9,251
Transfers - Withdrawal								(9,251)	(9,251)	(9,251)
Effect of exchange rate variations	(b)	(3,229)	(4,820)	(217)	(2,906)	(14,921)	(20,798)	32,112	(14,779)	(14,778)
Balance as of December 31st, 2023		**41,520**	**61,688**	**2,784**	**37,370**	**191,894**	**266,639**	**85,604**	**687,499**	**687,487**

Amortization		Consolidated								Parent company
		Rights of Way	Mining Rigshts	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31st, 2021		**(20,331)**	**(51,244)**	**(3,210)**	**(26,109)**	**(2,374)**	**(280,469)**	**-**	**(383,737)**	**(383,723)**
Amortization for the period	(c)	(296)	(163)	-	(627)	(919)	(3,741)	-	(5,746)	(5,746)
Effect of exchange rate variations	(b)	768	2,919	209	935	(1,185)	16,480	-	20,126	20,125
Balance as of December 31st, 2022		**(19,859)**	**(48,488)**	**(3,001)**	**(25,801)**	**(4,478)**	**(267,730)**	**-**	**(369,357)**	**(369,344)**

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Amortization		Consolidated								Parent company
		Rights of Way	Mining Rigshts	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Amortization for the period	(c)	(296)	(205)		(627)	(1,046)	(4,263)		(6,437)	(6,437)
Effect of exchange rate variations	(b)	940	3,132	217	1,199	(1,015)	19,150		23,623	23,622
Balance as of December 31st, 2023		**(19,215)**	**(45,561)**	**(2,784)**	**(25,229)**	**(6,539)**	**(252,843)**		**(352,171)**	**(352,159)**

Balance	Consolidated								Parent company
	Rights of Way	Mining Rights	Other Rights	Barren Removal	345KV LT Basic Network Connection-Use Rights	Software Application Systems	Assets under construction	Total	Total
Balance as of December 31st, 2022	**24,890**	**17,508**		**14,475**	**202,337**	**10,968**	**43,313**	**313,491**	**313,491**
Balance as of December 31st, 2023	**22,305**	**16,127**		**12,141**	**185,355**	**13,796**	**85,604**	**335,328**	**335,328**

(a) The investments and the expenses related to intangible assets are registered in the assets under construction item in the intangible assets. Once these investments are concluded and start operating, the assets are capitalized (transferred) to the respective accounts of intangible assets, according to the accounting nature of each asset.

The composition of the additions by nature is as follows:

Project Name	Start date	End date	2023	2022
IT demands	2021	2023	15,829	12,789
Simplified version of E-social	2021	2023	2,155	135
Software acquisition	2021	2023	1,446	250
Portal de trade payables - phase 1	2021	2022	-	28
Handling sensitive data - LGPD	2021	2022	-	24
Oracle 12 migration	2020	2022	-	18
Update synchro oracle 19	2021	2022	-	8
Total			**19,430**	**13,252**

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(b) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(c) For the rights of way and mining rights, the amortization of intangible assets is calculated according to the expected service life of the iron ore mines owned by the Company. For the others, the straight-line method is applied.

12.1 Service life

Please find below a summary description of the accounts that compose the intangible assets, as well as the service life by accounting kind:

		2023		2022	
Item	**Description of accounts**	**Weighted average service life in years**	**Years of depreciation**	**Weighted average service life in years**	**Years of depreciation**
Rights of way	Rights acquired for the use of the strip of land easement for the passage of pipelines.	30	43	31	43
Mining Rights	Mining rights for exploration of iron ore deposits.	33	43	32	43
Overburden Removal	Cost of barren removal, incurred in a strip mine during the production phase of the mine.	20	25	21	25
345KV LT basic network right	345KV LT basic network connection-use rights.	21	25	22	25
Software application systems	Software and licenses.	5	5	5	5

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

13. Related **parties**

The main balances of transactions with related parties are detailed below:

		Shareholders		Entity under same economic group	Subsidiaries		Parent company		Consolidated	
		BHP Billiton Brasil	Vale	Ponta Ubu Agropecuária	Samarco Finance	Samarco Europe	2023	2022	2023	2022
Current asset										
Accounts receivable (note 6)		-	3,837	-	1,986	-	5,823	6,695	3,837	4,555
Non-current asset										
Advances to supplier	(b)	-	44,085	-	-	-	44,085	44,085	44,085	44,085
Other assets (Other accounts receivable (note 9)		-	-	1,327	-	1,296	2,623	1,327	1,327	1,327
Property, plant and equipment	(c)	-	20,891	-	-	-	20,891	24,020	20,891	24,020
Current liabilities										
Trade payables (note 14)	(a)	-	14,964	-	-	-	14,964	17,983	14,964	17,591
Loans and Financing (note 1(b) and 15)		-	-	-	-	-	-	8,916,742	-	8,916,742
Financial Charges (note 15)		-	-	-	-	-	-	266,024	-	266,024
Other liabilities (commissions, services payable foreign) note 21		-	-	-	-	6,273	27,867	-	-	
Non-current liabilities										
Loans and Financing (note 1(b) and 15)		632,927	632,927	-	-	-	1,265,853	-	1,265,853	-
Dividends (note 22)		-	-	-	-	-	-	2,805,548	-	2,805,548
Mining Rights (note 20)	(d)	-	-	-	-	-	-	112,222	-	112,222
Liabilities in the country of related parties	(e)	-	-	-	-	-	-	18,021,872	-	18,021,872
Other related party credits - (clause 11.3 PRJ)	(f)	12	1,494	-	-	-	1,506	-	1,506	-
Provision clause 11.1 (ii) -JRP (note 20)	(g)	9,573,880	9,674,964				19,248,844	-	19,248,844	-
Other liabilities (commissions, services payable foreign) note 21		-	-	-	-	23,055	23,055	-	-	-
Income Stataments										
Revenue Cut-off Ore (note 23)	(h)	-	85,187	-	-	-	85,187	28,412	85,187	28,412
Cost of goods sold and services provided (Note 24)	(a)	-	(157,519)	-	-	-	(157,519)	(195,192)	(143,960)	(195,192)

>> **continued on the next page**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

>> continuation

		Shareholders		Entity under same economic group	Subsidiaries		Parent company		Consolidated	
		BHP Billiton Brasil	Vale	Ponta Ubu Agropecuária	Samarco Finance	Samarco Europe	2023	2022	2023	2022
Expenses with sales, general and administrative expenses (Selling expenses of subsidiaries) note 25		-	-	-	-	(15,443)	(15,443)	3,532	-	-
Other net operating expenses (Provision for shareholder contributions to Renova Foundation) note 26	(e)	(557,375)	(557,375)	-	-	-	(1,114,750)	(3,554,100)	(1,114,750)	(3,554,100)
Financial expenses (Charges on loans and financing) note 27		-	-	-	-		-	(132,297)	-	(131,468)

(a) Refers to the purchase of iron ore fines, directly from the shareholder Vale, for use in the production process. The value shown in the "Inventories" line refers to purchased ores not yet consumed in Samarco's production process.

(b) Prepayment of BRL 44,085 to Vale for the partial lease of the mining rights of "Conta História Norte" and "Alegria" (mining areas). Vale is responsible in full for holding the rights until the date of the lease registration, by the competent authority.

(c) Assets assigned on loan to Vale as per explanatory note 11.4.

(d) In November 1989, the Company entered into an agreement with Vale for the transfer of mining rights for the exploitation of iron ore deposits. The agreement determines that Vale ceded and transferred over to Samarco the mining rights to two mineral reserves.

The contract amount specified the payment of mining rights: (i) one single payment made in the amount of BRL 19,972, and (ii) Variable payments corresponding to 4% on the gross amount of dividends paid by Samarco to its shareholders until the depletion of capital reserves.

The price agreed in the agreement is not fixed, being established as a percentage of the gross dividends paid. For the years ended as of December 31st, 2023 and 2022, there were no payments.

In 2023, clause 11.1(ii) of the JRP subordinated this obligation to the payment of other creditors, according to explanatory note 13 (f).

(e) Provision arising from contributions from Shareholders Vale and BHP Billiton Brasil to Renova Foundation, reclassified to the item "Provision clause 11.1 (ii) -JRP (note 20)" pursuant to clause 11.1 (ii) of the JRP as per explanatory note 1 (b), 20 and 26.

(f) Other credits held by existing shareholders until May 1, 2023 not listed in clause 11.1 (i) and (ii) of the PRJ, as per clause 11.3 of the PRJ.

(g) Provision relating to Samarco's obligation to its shareholders, constituted in accordance with clauses 11.1 (ii) of the Consensual Judicial Reorganization Plan (explanatory note 1 (b) and 20). Please find below the breakdown:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Total	Descrição
19,125,484	Amounts contributed by shareholders to Renova Foundation until April 30, 2023.
112,222	Provision arising from mining rights payable to Vale as per note 13 (d).
11,138	Payment of two installments of the guarantee insurance premium provided under the TAC GOV, carried out by BHP Billiton Brasil for the benefit of Samarco
19,248,844	**Provision As of December 31st**
9,573,880	BHP Billiton Brasil
9,674,964	Vale

(h) Vale's revenue balance refers to the sale of the Marginal Ore product directly to the shareholder.

Compensation of key management personnel.

The amounts related to the compensation of key management personnel are shown below:

	2023	2022
Compensation (i)	29,326	27,012
Health care plan	83	41
Private pension	1,062	866
Life insurance	158	126
	30,629	**28,045**

(i) Includes wages, salaries and indemnity.

Board members and general managers are considered to be key Management personnel.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

14. **Suppliers**

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Domestic market	557,800	665,870	557,822	665,895
Foreign market	3,152	22,257	3,168	22,273
Related parties (note 13)	14,964	17,983	14,964	17,591
	575,916	**706,110**	**575,954**	**705,759**

Until December 31, 2023, Samarco did not carry out withdrawn risk operations.

15. Loans and **financing**

In 2023, the Company completed the restructuring of its financial debt within the scope of the Company's judicial reorganization process ("Judicial Reorganization"), as per explanatory note 1 (b), in progress before the 2nd Business Court of Belo Horizonte, Minas Gerais, through the issuance of new debt securities senior debt maturing in 2031 ("Restructuring Senior Debt Securities"), in accordance with: (i) the payment options provided for in clause 8 (Restructuring Option A), and other applicable terms and conditions of the Company's consensual judicial reorganization plan ("Consensual Plan"), approved by creditors, duly approved by the Judicial Reorganization Court, and recognized and confirmed under chapter 15 of the United States Bankruptcy Code in a proceeding before the Bankruptcy Court of that country for the Southern District of New York (ii) the support agreement ("Support Agreement") entered into with certain financial creditors ("Ad Hoc Group of Creditors") and the Shareholders (as defined below) on May 31, 2023.

The financial restructuring included the extension and reduction of Samarco's debt with international financial creditors from an approximate amount of USD 4.8 billion to USD 3.7 billion, through the cancellation and replacement of: (i) 5.375% bonds, due in 2022; (ii) 5.750% bonds, due in 2023, (iii) 4.125% bonds, due in 2024, and (iv) judicial reorganization claims arising from export prepayment contracts.

It also included the injection of new resources into Samarco by its shareholders, intended to support the Company in fulfilling its Consensual Plan obligations in the amount of USD 250 million. The shareholders made efforts and made important concessions, such as the conversion of part of their credits into capital stock in Samarco.

With the completion of these transactions, Samarco completes significant stages of restructuring its debts within the scope of the Judicial

SAMARCO MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Reorganization, strengthening its capital structure and making its business plan feasible.

Loans and Financing		Parent Company and Consolidated 2023	2022
Operations Foreign	Bonds (third-parties)	18,163,429	11,466,384
	Bonds (related parties - note 13)	1,265,853	-
	EPPs (export revenue)	-	8,326,492
	General Payment Terms – clause 5.4 JRP	105,543	-
Operations country	Debentures (third-parties)	217,955	139,323
	Mutual Loan (third-parties)	346	1,105
	Debentures (related parties - note 13)	-	8,916,742
Total		**19,753,126**	**28,850,046**
Current		**346**	**28,850,046**
Non-current		**19,752,780**	**-**

In 2023, with the completion of the restructuring of its debt and the cancellation of its pre-existing debt with international financial creditors, the Company issued a Restructuring Senior Debt in the amount of USD 3.7 billion (BRL 18.2 billion), maturing in 2031, and a new debt of USD 21.8 million (BRL 105.5 million), due in 2040, referring to financial creditors that chose to renegotiate their credits under the General Payment Condition. In relation to loans with related parties, the pre-existing amount on the date of the Judicial Reorganization request was paid through the issuance of new Company shares, and the balance relating to the Bridge Loan converted into a Senior Debt Security in the amount of USD 261 million (BRL 1.3 billion). In relation to national third-party financial creditors, in accordance with the agreement between the parties, the Company replaced its credits with two new Debenture issues in the approximate amount of BRL 45 million (BRL 218 million).

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

As of December 31st, 2023, the provision for interest on foreign currency loans and financing, which represented 98.9% of total loans and financing (68.6% as of December 31st, 2022), was as follows:

	Parent Company and Consolidated			
Finance charges payable - foreign currency USD	**2023**		**2022**	
Interest rate (per year)	**Principal amount**	**Accrued interest**	**Principal amount**	**Accrued interest**
2% to 3%	105,543	7,084	2,524,274	681,408
3% to 4%	-	-	5,790,981	1,807,554
Above 4%	19,429,284	-	11,477,620	4,733,222
Total	**19,534,826**	**7,084**	**19,792,875**	**7,222,184**
Current	-	**-**	**19,792,875**	**7,222,184**
Non-current	**19,534,826**	**7,084**	**-**	**-**

As of December 31st, 2023, interest on local currency loans and financing, which represented 1.1% (31.4% as of December 31st, 2022) of total loans and financing, was as follows:

	Parent Company and Consolidated			
Finance charges payable - local currency BRL	**2023**		**2022**	
Interest rate (per year)	**Principal amount**	**Accrued interest**	**Principal amount**	**Accrued interest**
2% to 3%	-	-	9,056,066	488,757
Above 4%	218,300	446	1,105	1,216
Total	**218,300**	**446**	**9,057,171**	**489,973**
Current	**346**	**446**	**9,057,171**	**489,973**
Non-current	**217,954**	**-**	**-**	**-**

Issuances of debentures in local currency have interest rates linked to the CDI.

The average cost of debt in 2023 in foreign currency was 9.0% p.a. and in local currency it was 14.3% p.a.

In 2023, the transactions in loans and financing and financial charges payable are shown in the table below:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

	Parent Company and Consolidated	
	2023	**2022**
Loans and financing, financial charges payable as of January 1	**36,562,203**	**37,380,505**
Addition of Financing Raising	1,184,200	-
Payment of loans and financing	(759)	(706)
Addition of financial charges (note 27)	1,444,169	1,565,034
Payment of financial charges	(771)	(905)
Debt cancellation	(19,698,456)	-
Debt replacement	19,698,456	-
Reversal of charges on loans - clause 3.6.2 (note 27)	(3,707,801)	-
Reducing financial debt (note 27)	(4,956,527)	-
Capital increase – JRP shareholder debentures (note 22)	(9,575,111)	-
Net exchange variation	(1,200,171)	(2,391,954)
Shareholders' restructuring option - Clause 11.1 (ii) (note 13)	(12)	-
Amortized cost	11,236	10,229
Loans and financing, financial charges payable as of December 31	**19,760,656**	**36,562,203**

Guarantees and obligations of loans and financing

The Company's long-term loans and financing are not guaranteed.

Loans have contractual clauses that comply with certain conditions (covenants).

On December 31st, 2023, the Company's Management confirms compliance with all contractual obligations.

16. **Employee** benefits

16.1 Retirement benefits

The company sponsors Fundação Vale do Rio Doce de Seguridade Social ("ValiaPrev"), a multi-sponsored, multi-plan entity that manages benefit plans with asset independence and provides participants and their dependents with benefits that are supplementary or similar to those of the Basic Official Pension Plan. The plan offered is a defined contribution one and encompasses the following benefits:

- Normal retirement income
- Anticipated retirement income
- Supplementation of invalid pension
- Supplementation of surviving spouse pension
- Income of surviving spouse pension
- Income of deferred benefit due to dismissal
- Supplementation of annual bonus
- Income of annual bonus
- Redemption

(a) Defined contribution retirement plan

To fund the plan, ordinary contributions are made in an amount equal to that of the participant, limited to 9% on the portion of the participation salary exceeding 10 reference units of the plan, and also contributions to guarantee the risk benefits (disability and death in activity and annual bonus) and for the administrative cost of the plan.

In 2023, the Company made contributions to the defined contribution plan in the amount of BRL 8,429 (BRL 7,235 in 2022).

(b) Defined benefit portion of the pension plan

The costs and obligations related to the retirement benefits offered to its employees upon retirement are recorded based on a specific actuarial appraisal report.

The actuarial appraisal report calculated the retirement benefits considering the definitions in the regulations, regarding eligibilities, benefit formulas and forms of readjustment.

The actuarial appraisal report evaluated the defined benefit portion, existing in the plan, which represents the constructive obligation referring to supplementary retirement due to permanent disability, surviving spouse pension and annual bonus, called Risk Plan, and the retirement income.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

1 - Change in current value of obligation

	2023	2022
Present value of the actuarial obligation at the start of the year	58,872	61,436
Cost of current service	490	605
Interest cost on present value of actuarial obligation	5,438	5,143
Actuarial losses - Experience	2,222	515
Actuarial gains - Demographic assumptions	-	-
Actuarial gains - Financial assumptions	1,281	(4,184)
Benefits paid by the plan	(5,388)	(4,643)
Present value of the actuarial obligation at the end of the year	**62,914**	**58,872**

2 - Change in fair value of assets

	2023	2022
Fair value of assets at the beginning of the year	111,345	94,381
Actual return on investments	18,544	21,607
Benefits paid by the plan	(5,388)	(4,643)
Fair value of assets at the end of the year	**124,501**	**111,345**

3 - Change in Unrecoverable Surplus

	2023	2022
Unrecoverable Surplus at the End of the Previous Year	52,473	32,944
Interest on unrecoverable surplus	5,043	2,860
Change in unrecoverable surplus during the period	4,071	16,669
Unrecoverable Surplus at the End of the Current Year	**61,587**	**52,473**

4 - Defined benefit costs

4.1 - Results for the year	2023	2022
Cost of the Company's current service	**490**	**605**
Net interest on net liability/(asset)	-	-
Cost of defined benefit in the result	**490**	**605**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

4.2 - Other Comprehensive Results (OCR)	**2023**	**2022**
Actuarial losses from evolution of liabilities	2,222	515
Actuarial gains from changes in assumptions	1,281	(4,184)
Actuarial gains that arose in the period	**3,503**	**(3,669)**
Income in plan assets (greater)/less than discount rate	(8,063)	(13,605)
Change in unrecoverable surplus	4,071	16,669
Remeasurement of effects on other comprehensive income	**(489)**	**(605)**

4.3 - Defined benefit cost	**2023**	**2022**
Cost of current service	490	605
Net interest on net value of liability/(asset)	-	-
Remuneration of the effects recognized in OCR	(490)	(605)
Defined benefit cost	**-**	**-**

5 - Transactions in net liabilities/assets

5.1 - Net (liabilities)/assets	**2023**	**2022**
Present value of the obligation (PVO)	(62,914)	(58,872)
Fair value of assets	124,500	111,345
Total (Liabilities)/net assets to be recognized	**61,586**	**52,473**

5.2 - Reconciliation of total net (liabilities)/assets	**2023**	**2022**
(Liabilities)/total net assets at the beginning of the year	-	-
Service Cost	(490)	(605)
Remuneration of the effects recognized in OCR	490	605
(Liabilities)/total net assets at the end of the year	**-**	**-**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

6 – Estimated cost of benefit defined

	2024	2023
Cost of current service	507	490
Cost to be touted in the result	**507**	**490**

7 - Expected cash flow

	Expected	Real
Benefits paid by the plan	4,821	5,388

8 - Actuarial assumptions

	2023	2022
Economic		
Discount rate	6.11% per year	5.43% per year
Wage growth rate	5.57% per year	5.57% per year
Inflation	3.50%	3.25%
Benefit growth	3.50% per year	3.25% per year
Return on long-term assets	9.40% per year	9.61% per year
Demographic		
Mortality table	AT-2000 Basic	AT-2000 Basic
Mortality table for disabilities	CSO-1980	CSO-1980
Entrance table for disabilities	RGPS 1992-2002 55%	RGPS 1992-2002 55%
Turnover table	Valiaprev Experience 2016-2020 from 25 to 55 years old	Valiaprev Experience 2016-2020 from 25 to 55 years old
% of active participants who were married at retirement date	85%	85%
Age difference between participant and spouse	Male spouses 4 years older than wives	Male spouses 4 years older than wives

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

8.1 Sensitivity analysis

	2023		2022	
	Sensitivity analysis	**VPO**	**Sensitivity analysis**	**VPO**
Discount rate	10.40%	57,448	10.61%	53,804
Discount rate	8.40%	69,384	8.61%	64,862

9 - Summary of the participants' data

	2023	2022
Active and self-sponsored employees		
Number	1,577	1,566
Average age	43.25	42.6
Average time of employement (years)	12.17	11.62
Average annual salary	113,429	102,598
Participants with assisted benefits		
Number	139	135
Average annual salary	31,593	33,486

10 – The main categories of plan assets, as a percentage of total plan assets, are as follows:

Assets per category	2023	2022
Fixed Income	71%	72%
Variable income	12%	12%
Structured Investments	11%	11%
Foreign Investments	2%	3%
Loans	3%	3%
	100%	100%

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

16.2 Other employee benefits

The Company also offers other benefits to employees, such as a self-managed and co-payment health care plan (referring to expenses incurred), which extends to dependents of employees, called Supplemental Health Care (Assistência Médica Supletiva - "AMS"). This plan provides the beneficiaries with health care services in outpatient, hospital, dental, and pharmacy procedures, and is assured by a Collective Bargaining Agreement and for which the Company assumes the entire administrative fee. The expenses with other benefits were recognized in the income as follows:

	Parent company		Consolidated	
	2023	2022	2023	2022
Remuneration and charges	(237,288)	(228,718)	(241,375)	(232,221)
Social security charges	(61,460)	(56,127)	(61,460)	(56,127)
Retirement plan benefits	(9,625)	(8,224)	(9,625)	(8,224)
Food voucher	(22,221)	(16,663)	(22,221)	(16,663)
Health care	(18,135)	(16,513)	(18,186)	(16,519)
Others	(47,961)	(23,763)	(48,823)	(24,768)
	(396,691)	**(350,008)**	**(401,691)**	**(354,522)**

17. Salaries, provisions and **social contributions**

The balance of salaries, provisions and contributions is detailed below:

	Parent company		Consolidated	
	2023	2022	2023	2022
Provision for profit sharing	63,610	39,000	64,919	40,489
Vacation provision	35,027	30,247	35,117	30,391
Employees' Social Security	8,861	11,476	8,861	11,476
FGTS payable	2,940	2,892	2,940	2,892
Provision for executive program remuneration - ILP	38,300	-	38,528	-
Others	2,440	5,843	2,537	5,848
Total	**151,178**	**89,458**	**152,902**	**91,096**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

18. **Tax** payable

The balance of tax payable is detailed below:

		Parent company		Consolidated	
		2023	**2022**	**2023**	**2022**
ICMS to be collected		3,449	4,604	3,449	4,604
DIFAL of ICMS to be collected		2,415	1,980	2,415	1,980
REFIS - Tax Recovery - taxes in installments	(a)	88,935	105,514	88,935	105,514
Withholding income tax on interest - remittance foreign	(b)	33,550	772,703	33,550	772,703
NJP tax transaction	(c)	-	13,381	-	13,381
Individual Transaction PGFN/ RFB – CSLL and Others	(d)	1,409,655	-	1,409,655	-
Withholding income tax to be collected		7,186	8,153	7,282	8,228
Withheld ISS		7,440	7,806	7,440	7,806
DIFAL of Social Security to be collected		6,401	6,253	6,401	6,253
PIS/COFINS on financial income		573	1,604	573	1,604
Others		2,167	25,447	2,167	25,447
Total		**1,561,772**	**947,445**	**1,561,868**	**947,520**
Current Liabilities		207,235	860,847	207,332	860,922
Non-Current Liabilities		1,354,537	86,598	1,354,537	86,598
Total		**1,561,772**	**947,445**	**1,561,868**	**947,520**

(a) As of December 20, 2013, Samarco joined the REFIS IV installment payment program, pursuant to Law 12,865/13. The first installment was paid upon adhesion. As of December 31st, 2023, the amount of BRL 68,700 (BRL 86,598 as of December 31st, 2022) refers to the long-term installments, updated by SELIC. The short-term installments totaled BRL 20,235 (BRL 18,916 as of December 31st, 2022). The consolidation of debts was carried out with the Brazilian Federal Revenue Service ("other debts" modality with 66 installments payable as of December 31st, 2022 and "social security" modality with 68 installments payable as of December 31st, 2022) and the Office of Attorney-General of the National Treasury ("other debts" modality with 64 installments as of December 31st, 2022), in September 2017 and February 2018, respectively, keeping the Company regularly active under this installment plan.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

The transaction is detailed below:

	2023	2022
Opening balance	105,514	116,705
Principal	-	-
Interest update	5,459	7,005
(-) Payments	(22,038)	(18,196)
Closing balance	**88,935**	**105,514**
Current Liabilities	**20,235**	**18,916**
Non-current liabilities	**68,700**	**86,598**

(b) Basically refers to the provision for taxes levied on:

(i) services rendered by the subsidiary Samarco Europe related to the intermediation of iron ore sales.

(ii) the provision for interest on loans and financing in the country.

(c) On July 12th, 2021, Samarco entered into a Procedural Agreement - ("NJP") with the Attorney General's Office of the National Treasury - ("PGFN"), whereby debts of a social security nature and penalty for non-compliance with accessory obligation were included in the tax transaction. The first installments were paid upon adhesion. In December 2022, the Company migrated said debts to the "QuitaPGFN" program, offsetting 70% of the remaining balance with a tax loss credit and the remainder with payment in 12 monthly installments. In November 2023, all Quita PGFN installments were paid in full, pending ratification by the Brazilian Internal Revenue Service (RFB) regarding the Tax Loss credit used.

(d) In November 2023, Samarco entered into an Individual Transaction with the Attorney General's Office of the National Treasury (PGFN) and the Brazilian Internal Revenue Service (RFB) for payment of debts of (i) Social Contribution on Net Profit (CSLL) for the period Oct./2007 to Dec./2012; (ii) Cofins for Aug/2007; (iii) IRPJ – Monthly Estimate for Oct/2011 and Oct/2013; and (iv) PIS/Cofins Import referring to Jan.2007 to Aug.2007 and Oct./2007 to Dec./2008. On December 31st, 2023, after payment of the 1st installment, the amount of BRL 1,285,837 refers to long-term installments, updated by SELIC. The short-term installments total BRL 123,818. Both installments amount to the remaining balance, and keep the Company regularly active in this installment.

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	2023
Opening balance	-
Principal	1,459,443
Interest update	13,957
(-) Payments	(63,745)
Closing balance	**1,409,655**
Current Liabilities	**123,819**
Non-current liabilities	**1,285,836**

19. Provisions for **contingencies**

The Company is a party to lawsuits and administrative proceedings before courts and government agencies, arising from the normal course of its operations, mainly involving tax, civil, labor and environmental issues. The Management, based on the information and assessments from its legal advisors, internal and external, set up provisions for contingencies in an amount assessed sufficient to cover the losses considered probable.

In 2023, the provisions for probable contingencies are presented net of the corresponding court deposits in the amount of BRL 85,864 (BRL 4,366,707 in 2022). The balance of court deposits without related provisions is recorded in the assets as the amount of BRL 1,524,233 (BRL 1,226,987 in 2022) and its composition is detailed below:

	Parent Company and Consolidated	
	2023	2022
Tax court deposits	1,166,994	903,871
Civil court deposits	1,171	1,139
Civil court deposits -Environmental and socio-environmental reparation	337,235	309,532
Labor court deposits	7,725	8,757
Labor court deposits - Environmental and socio-environmental reparation	3,787	-
Environmental court deposits	5,044	2,539
Environmental court deposits - Environmental and socio-environmental reparation	2,277	1,149
	1,524,233	**1,226,987**

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The transaction to the Company's provisions for probable contingencies is as follows.

	Parent Company and Consolidated				
	2021	**Additions**	**Reversions**	**Charges**	**2022**
Tax claims	85,646	5,251,943	(16,775)	1,450	5,322,264
(-) Tax court deposits	(80,727)	(564,236)	3,415	(363,700)	(1,005,248)
Civil claims	9,447	186	-	(204)	9,429
(-) Civil court deposits	(2,553)	-	-	(65)	(2,618)
Labor claims	55,225	7,415	(2,707)	(2,313)	57,620
(-) Labor court deposits	(16,623)	(480)	343	1,459	(15,301)
Environmental claims	45	510	-	6	561
	50,460	**4,695,338**	**(15,724)**	**(363,367)**	**4,366,707**

	Parent Company and Consolidated				
	2022	**Additions**	**Reversions**	**Charges**	**2023**
Tax claims	5,322,264	10,617	(4,376,925)	1,958	957,914
(-) Tax court deposits	(1,005,248)	-	63,567	(1,951)	(943,632)
Civil claims	9,429	13,545	(3,725)	1,127	20,376
(-) Civil court deposits	(2,618)	-	183	(199)	(2,634)
Labor claims	57,620	13,653	(10,764)	7,583	68,092
(-) Labor court deposits	(15,301)	(808)	2,803	(1,566)	(14,872)
Environmental claims	561	-	-	59	620
	4,366,707	**37,007**	**(4,324,861)**	**7,011**	**85,864**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

The provisions composition occurs according to the following table:

		Parent Company and Consolidated	
		2023	**2022**
ECE - ES	(a.1)	30,752	28,819
ECE - MG	(a.1)	30,632	35,831
CSLL (note 19 a (1))	(a.5)	881,758	5,251,905
Attorneys' fees	(a.2)	3,621	4,720
Others		11,151	989
Tax Claims		**957,914**	**5,322,264**
Civil claims	**(a.3)**	**20,376**	**9,429**
Labor claims		**68,092**	**57,620**
Environmental claims		**620**	**561**
		1,047,002	**5,389,874**

(a) Provisions recognized by the Company for litigation:

			Parent Company and Consolidated	
Note	**Description**	**Position**	**2023**	**2022**
(a.1)	Litigation proceedings seeking the declaration of unconstitutionality and illegality of the requirement for charges and the purchase of emergency electric power, due to technical flaws at the time of the institution of these taxes.	ES – Proceedings in the liquidation phase with partially favorable decision to Samarco, in relation to the self-produced electric energy by the company. MG – Process with an unfavorable decision on the Company, awaiting conversion of the deposit into income.	61,384	64,650
(a.2)	Provision related to attorneys' fees regarding proceedings that are classified as remote loss.	-	3,621	4,720
(a.3)	Provision set up to cover potential losses from civil proceedings.	Proceedings in the court scope, in several procedural stages.	20,376	9,429

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>> continuation

			Parent Company and Consolidated	
Note	**Description**	**Position**	**2023**	**2022**
(a.4)	Proceedings related to the former Guilman Amorim Hydroelectric Power Plant, dissolved by spin-off and subsequent merger, referring to the inclusion in the COFINS calculation base of lease revenue.	Proceedings awaiting analysis of the Writ of Mandamus at the second instance court. In 2023, the prognosis was changed to possible.	-	203
(a.5)	Writ of mandamus involving discussion about the legitimacy of the "CSLL" charge for the period from 2013 onwards.	Writ of mandamus with favorable decision in the lower court and appellate court, considering the unconstitutionality of the CSLL charge against the Company. The periods highlighted above are subject to the impact of the judgment made by the STF on Special Appeals 955,227 and 949,297. Reversal of the provision in the amount of R$ 4,390,734 as described in note 19 a (1).	881,758	5,251,905
Others	Provision set to cover potential losses from tax proceedings.	Proceedings in the administrative and court scope, in several procedural stages.	11,151	786
Labor	Labor proceedings related, above all, to the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the administrative and court scope, in several procedural stages.	68,092	57,620
Environmental	Provision set up to cover potential losses from environmental proceedings.	Proceedings in the administrative and court scope, in several procedural stages.	620	561
			1,047,002	**5,389,874**

(1) In 2023, there was a reversion in the amount of BRL 4,390,734 of the provision for CSLL (a.5), as a result of an Individual Transaction entered into by Samarco with Attorney General's Office of the National Treasury (PGFN) and Brazilian Federal Revenue Service (RFB) to pay the debts as described in explanatory note 18 (d). The movement of this provision is shown in the note 28.6.

(b) Possible contingencies:

The Company is a party to other proceedings for which the Management, based on the assessment of its legal advisors, internal and external, did not set up a provision for contingencies, since the loss expectations were considered possible, as per detailed below:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Description	Position	2023	2022
Infraction notices referring to the collection of isolated fines for alleged non-payment of "CSLL" estimates in the calendar years from Oct. to Dec. 2007, 2008, 2010 and 2011/2012.	The charges of isolated fines for the periods from Oct to Dec 2007, 2008 and 2010, are suspended due to a preliminary court decision. The requirement of the Isolated Fine of CSLL 2011/2012 is pending appreciation in the second administrative instance.	814,397	1,222,998
Tax Foreclosure for the years 2000 to 2003, 2007 to 2008 and Tax Assessment Notices for the periods from 2009 to 2014 for allegedly incorrect calculation of the IRPJ due to the application of the 18% rate on the profit from the export of minerals and discussion to respect of the deductibility of the acquisition cost of mining rights.	Proceedings related to the period from 2000 to 2003 and 2007 to 2008 subject to collection in the court sphere with full guarantee of the debt, pending analysis in Trial Court. 2009 and 2010 period with partially favorable decision at the first instance court pending analysis at the second instance. In relation to the period from 2011 to 2014, in February of 2021 a favorable decision for the Company was issued in the first instance, pending review of the appeal by the Federal Government.	5,308,664	4,968,210
Tax Assessment Notices drawn up by the National Mining Agency for alleged underpayment of the Financial Compensation for the Exploitation of Mineral Resources (CFEM).	Charges for the period from out/1998 to 2017. Regarding tax foreclosures that charge debts related to the period from 1998 to 2007, the Company's appeal against the judgment is pending. The charges for the period from 2008 to 2017 are pending analysis at the administrative level by the ANM.	1,912,076	1,785,442
Tax Foreclosures related to the PIS contribution calculation basis for the periods from September 1989 to December 1993.	1 case pending decision at the first instance court and 1 case pending review at the second instance court.	24,241	23,652
Infraction notices relating to the requirement for additional GILRAT in the event of exposure to noise in the period from 2017 to 2022.	Regarding the period 2017 to 2019, analysis of the discussion at the administrative level is awaited. As for the period 2020 to 2022, pending analysis in the 1st judicial instance.	18,547	6,164
Disallowance of offsetting PIS and COFINS credits for the period from 2006 to 2015.	Awaiting analysis at the administrative level, with a favorable decision in the second instance for the periods from 2006 to 2007, and ultimately partially favorable for the period 2008 to 2010.	364,258	364,244
Assessments related to the disallowance of expenses related to the colapse of the Fundão Dam from the CIT calculation basis in the periods 2016 and from 2017 to 2019.	With respect to the 2016 period, pending analysis of the appeal in the administrative second instance. Regarding the period 2017 to 2019, pending analysis at the first administrative level. Note: The assessments in reference correspond to disallowances of tax losses, not generating contingency value. Impact for the period 2016 corresponding to R$1,8 billion and from 2017 to 2019, corresponding to R$1,5 billion.	-	-

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(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

>> continuation

Description	Position	2023	2022
Civil Proceedings related mainly to indemnities to third parties. According to the opinion of the Company's legal advisors, the likelihood of loss in these disputes is possible.	Proceedings in the court sphere in several procedural stages.	7,753,127	6,424,107
Related labor proceedings, the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the court sphere in several procedural stages.	244,852	597,584
Proceedings involving environmental risks relating to the states of Minas Gerais and Espírito Santo, with regard to assessments by inspection bodies.	Proceedings in the court sphere in several procedural stages.	1,625,770	1,755,734
On September 2nd, 2020, the Bank of New York Mellon, Creditors Trustee, filed three lawsuits in the Supreme Court of the State of New York, Commercial Division demanding Samarco to pay the amounts due in three global invoices, totaling approximately USD 2,7 billion.	Proceedings in the court sphere in several procedural stages.	15,283,864	15,283,864
Others	-	113,752	126,939
		33,463,548	**32,558,938**

(c) Contingencies related to environmental and socio-environmental remediation.

Description	Position	2023	2022
Civil Proceedings related mainly to indemnities to third parties. According to the opinion of the Company's legal advisors, the likelihood of loss in these disputes is possible.	Proceedings in the court sphere in several procedural stages.	2,209,663	1,551,053
Related labor proceedings, the application of fines by the control bodies, besides labor claims filed by the company employees and third parties.	Proceedings in the court sphere in several procedural stages.	163,635	504,777
Proceedings involving environmental risks relating to the states of Minas Gerais and Espírito Santo, with regard to assessments by inspection bodies.	Proceedings in the court sphere in several procedural stages.	1,173,544	1,259,676
		3,546,842	**3,315,506**

Due to the collapse of the Fundão dam, on November 5, 2015, Samarco is a party to several civil, labor and environmental proceedings. In addition to individual actions, around 72 Public Civil Actions and Collective Actions were filed, with a view to remediation of the damage caused by the collapse.

The two largest lawsuits related to the dam collapse are the CPAs (Public Civil Actions) of BRL 20,000,000 and BRL 155,000,000. The first of these was initiated on November 30, 2015, by the Federal Government of Brazil, the states of Espírito Santo and Minas Gerais and other public authorities before the 12th Federal Court of Belo Horizonte against Samarco and its shareholders, Vale and BHP Billiton Brasil, seeking the creation of a fund of up to BRL 20,000,000 to environmental rehabilitation and compensation for the damage caused to the community. The CPA of BRL 155,000,000 was filed, on May 3rd, 2016, by the Federal Public Prosecution Office, aiming at full remediation, indemnity and moral damages due to the environmental damages caused by the collapse of the Fundão dam, requiring (i) measures to mitigate the social, economic and environmental impacts resulting from the collapse of the Fundão dam, and other emergency measures, (ii) payment of compensation to the community and (iii) payment of collective moral damage.

From these ACPs, the Transaction and Conduct Adjustment Term (TTAC) originated, which defined the 42 programs that would be carried out by the Renova Foundation, for purposes of remediation of the damage caused by the breach and the Conduct Adjustment Term - Governance (TAC GOV), which aims at reviewing the governance of the Renova Foundation and the programs in progress, which are still in force today.

On January 25, 2024, a judgement was made by the court of the 4th Federal Court of Belo Horizonte, within the scope of Public Civil Actions of the BRL 155,000,000, rectified on March 20, 2024, determining the payment of compensation for collective moral damages in the amount of BRL 46,700,00, subject to adjustment for inflation from the date of the decision and with interest from November 5th, 2015. The decision is subject to appeal and the Company will defend itself in the case record. According to Samarco's assessment, the probability of losing the merits of the decision remains classified as possible.

As a way of finalizing discussions regarding remediation, Samarco has, since 2021, been negotiating with several public entities, to execute a final and definitive agreement that would end all discussions ongoing since 2015.

No specific provisions are made for these actions, as all requests are included in the provisions made for socio-environmental and socioeconomic reorganization. Additionally, with the approval of the Consensual JRP, any adverse judgment related to remediation obligations, as defined in the Consensual JRP, will be borne by Samarco, according to cash availability, up to a limit of USD 1,000,000 (by June 2031), observing the annual limits. Any additional payment will be borne by the shareholders, and converted into an increase in Samarco's capital stock.

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20. **Provision** for socioenvironmental and socioeconomic recovery and other provisions

		Parent Company and Consolidated	
		2023	**2022**
Provision of electric power	(a)	20,944	22,331
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	(b)	968,140	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	(b)	13,555,569	-
Provision for socioenvironmental and socioeconomic recovery	(b)	-	17,243,615
Provision for environmental liabilities at the Germano dam	(c)	362,072	642,027
Provision insurance risk operational	(d)	-	14,765
Other provisions		511	-
Total current		**14,907,236**	**17,922,738**

		Parent Company and Consolidated	
		2023	**2022**
Provision for mining rights (note 13)	(e)	-	112,222
Provision with obligation to demobilize assets	(f)	1,453,933	1,243,779
Provision for socioenvironmental and socioeconomic recovery (cap JRP 5.10)	(b)	3,872,560	-
Provision for socioenvironmental and socioeconomic recovery (upper cap JRP 11.1 (i))	(b)	40,085,688	-
Provision for socioenvironmental and socioeconomic recovery	(b)	-	14,052,543
Provision for environmental liabilities at the Germano dam	(c)	324,164	700,169
Provision of clause 11.1 (ii) JRP – Related parties (note 13 and note 1(b))	(g)	19,248,844	-
Total non-current		**64,985,189**	**16,108,713**

(a) Acquisition of energy for use in the production process, not billed by the concessionary companies in the period.

(b) According to note 1 (a), on November 5, 2015, the Fundão tailings dam collapsed, triggering a series of events with a direct impact on Samarco's operations.

On March 2, 2016, Samarco and its shareholders, Vale and BHP Billiton Brasil, executed a Transaction and Conduct Adjustment Agreement ("TTAC") with several representative bodies[1] of society , which is made up of 42 programs of a remediation and compensation nature, with the possibility of extraordinary revisions of deadlines and obligations, as long as they are technically justified. TTAC also provided for the creation of the Renova Foundation, the entity responsible for carrying out the actions that make up these programs, with this entity being financially maintained by Samarco and its shareholders.

Given the scenario described above, Samarco set up a provision for socio-environmental and socioeconomic recovery, in order to demonstrate the expectation of future disbursement for remediation and compensation measures for material, environmental and social damage resulting from the dam collapse.

The provision on December 31, 2023 is in the order of BRL 58,481,957 (31,296,158 in 2022) in present value. The discount rate used in nominal terms to calculate the present value was 9.53% per year (10.75% in 2022) and is based on NTNB national treasury bonds, according to the projected disbursement flow.

As determined in clause 5.10 of the Judicial Reorganization Plan (PRJ), the limit to be disbursed by Samarco for 2024 is BRL 968,140 (USD 200,000). From 2025 to June 2031, Samarco's disbursement limit is BRL 3,872,560 (USD 800,000). In order to honor the commitment and obligations of the reparation, the amount above the Samarco's limit will be contributed by the Company's shareholders. The amount in reais considered the exchange rate of 4.8407 on December 31, 2023.

The JRP, in its clause 11.1, also determines that the amounts paid by shareholders as compensation obligations, from May 1, 2023 (inclusive) until the end of the restriction period (June 2031), will be paid in full and converted into Samarco's equity interest.

1 Parties to the TTAC: (i) at the federal level, the Federal Government, the Brazilian Institute of Environment and Renewable Natural Resources ("IBAMA"), Chico Mendes Institute for Biodiversity Conservation ("ICMBio"), the National Water Agency ("ANA"), the National Department of Mineral Production ("DNPM"), and the National Indian Foundation ("FUNAI"); (ii) in Minas Gerais, the State of Minas Gerais, the State Forestry Institute ("IEF"), the State Water Management Institute ("IGAM"), the State Foundation for the Environment ("FEAM"); and (iii) in Espírito Santo, the State of Espírito Santo, the State Institute of Environment and Water Resources ("IEMA"), the Institute of Agricultural and Forestry Defense of Espírito Santo ("IDAF") and the State Agency for Water Resources ("AGERH"), in addition to Samarco and its shareholders.

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The movement of this provision on December 31, 2023 is represented as follows:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	**31,296,158**	**34,152,278**
Realized provision - Samarco contribution to the Renova Foundation (1)	(2,336,250)	(4,543,830)
Realized provision - contribution of shareholders Vale / BHP Billiton Brasil in Renova Foundation (1)	(4,263,750)	(3,554,100)
Realized provision - disbursements made by Samarco (2)	(330,162)	(464,497)
Realized provision - Expense remaining German structures projects (idle capacity) (3)	(181,033)	(178,458)
Realized provision - Insurance guarantee TTAC BHP Billiton Brasil	-	(11,138)
Increase of provision - Financial update (4)	2,975,782	2,506,281
Increase of provision - Annual revaluation (5)	31,321,212	3,389,622
Balance as of December 31st	**58,481,957**	**31,296,158**
Current Liabilities	**14,523,709**	**17,243,615**
Non-current	**43,958,248**	**14,052,543**

(1) For the year ended December 31st, 2023, Samarco and its shareholders provided funds to Renova Foundation, in the amount of BRL 6,600,000 (BRL 8,097,930 in 2022), of which the amount of BRL 4,263,750 (BRL3,554,100 in 2022) were contributed by Vale and BHP Billiton Brasil, in the proportion of 50% each, and the amount of BRL_2,336,250 (BRL 4,543,830 in 2022) contributed directly by Samarco to the Renova Foundation.

(2) In addition to the amounts contributed to the Renova Foundation, Samarco spent in 2023 the amount of BRL 330,162 (BRL 464,497 in 2022), on the execution of the PG09 UHE Risoleta Neves program.

(3) The Company also incurred costs for maintenance and remediation facilities affected by the collapse of the Fundão tailings dam (outsourced services, construction materials, fuel, among others), in the amount of BRL 181,033 (BRL 178,458 in 2022).

(4) Furthermore, in the financial result, the financial update was recognized in the amount of BRL 2,975,782 (2,506,281 on December 31st, 2022), arising from the update of the provision for socio-environmental and socioeconomic reorganization, calculated at present value at the rate of 9.82% p.a.

(5) On January 25, 2024 (subsequent event), a judgement was made by the court of the 4th Federal Court of Belo Horizonte, within the scope of the BRL 155,000,000 PCA, rectified on March 20, 2024, determining the payment of compensation for collective moral damages in the amount

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of BRL 46,700,000, subject to adjustment for inflation from the date of the decision and with interest from November 5th, 2015. The decision is subject to appeal and the Company will defend itself in the case record. According to Samarco's assessment, the probability of losing the merits of the decision remains classified as possible. Given the scenario, the Company assessed the global situation and all available information about the potential renegotiation agreement, considering the developments in legal discussions and other agreements already signed with public entities. Based on the analysis, the Company recognized an increase in the provision in the amount of BRL R$ 31,321,212, reflecting the change in the estimate of future disbursements related to the Fundão dam collapse.

(c) According to explanatory note 1 (a), in February 2019, there was a change in legislation involving dam safety policies (Law No. 23,291, of February 25th, 2019, which instituted the State Dam Safety Policy). In line with the aforementioned law, the joint SEMAD/FEAM Resolution No. 2,784, of March 21, 2019, decrees, among other determinations, the decharacterization/decommissioning of all tailings dams that use or used the upstream raising method, related to mining activities in the state of Minas Gerais.

The movement in the provision for decommissioning the Germano Dam and Pit is shown in the table below:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	1,342,196	1,993,455
Reversal of provision	(747,801)	(602,537)
Financial Update	174,451	153,493
Increase (decrease) in the provision	(82,610)	(202,215)
Balance as of December 31st	**686,236**	**1,342,196**
Current Liabilities	**362,072**	**642,027**
Non-Current Liabilities	**324,164**	**700,169**

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(d) Estimated value of the supplement to the Company's operational risk insurance policy, which aims to cover material damage and loss of profit, effective in 2022 and settled in 2023. The movement of this provision is shown in the table below:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	14,765	-
Provision constitution	-	14,765
Realized provision	(14,765)	-
Balance as of December 31st	**-**	**14,765**
Non-current	**-**	**14,765**

(e) The Company pays the shareholder Vale for the assignment of mining rights over the geological resources of iron ore. These amounts are calculated at the rate of 4% on dividends paid. In 2023, clause 11.1(ii) of the JRP subordinated this obligation to the payment of other creditors, according to explanatory note 13 (f).

(f) Provision referring to the decommissioning of the industrial plants of Germano, Ubu and Ore Pipelines. The movement of this provision is shown in the table below:

	Parent Company and Consolidated	
	2023	**2022**
Balance as of January 1st	**1,243,779**	**1,171,838**
Increase in provision (financial update)	134,001	121,754
Estimated revisions to cash flows	76,153	(49,813)
Balance as of December 31st	**1,453,933**	**1,243,779**
Non-current	**1,453,933**	**1,243,779**

The conceptual closure plan for the units covers a diagnosis of the current situation of the sites, assesses potential impacts and risks of closure of the projects in various spheres such as economic, environmental, social, legal and engineering, establishes measures to be adopted before, during and after closure to achieve desired objectives and minimize risks, estimate a physical financial closure schedule based on the useful life of the project's assets, and estimate closure costs according to the phase of the plan.

This plan is periodically updated throughout the project's useful life, with information evolving until the level of detail for executive projects closer to the closing period is reached.

The Company's policy is to review this plan every 5 years or together with updates to the PAE (Economic Use Plan) before the ANM, whichever occurs first.

In December 2023, the decommissioning assessment study of the Germano, Ubu and Minerodutos industrial plants was updated to present value, and resulted in an increase of BRL 76,153 (reduction of BRL 49,813 on December 31st, 2022) of the liability related to the provision for demobilization of assets.

The provision for assets demobilization was based on current information including available technology and current prices. The constituted provision was discounted to present value using an NTNB discount rate of 9.9537% per year in 2023 (10.7737% per year in 2022), based on the parameters used by the Company for economic and financial evaluations.

(g) Provision relating to Samarco's obligation to its shareholders, in accordance with clause 11.1 (ii) of the JRP, as per explanatory notes 1(b), 13 and 26.

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21. Other accounts **payable**

The other liabilities are represented as follows:

		Parent company		Consolidated	
		2023	**2022**	**2023**	**2022**
Advance of customers foreign		128,965	-	128,965	-
Commissions/services payable foreign to related parties (note 30)	(a)	29,328	27,867	-	-
Demurrage payable	(b)	1,592	1,723	1,592	1,723
Amounts payable (materials/services)	(c)	26,314	22,322	26,314	22,322
HPP Guilman-Amorim Consortium (note 2.3(b) and note 10)		4,714	4,590	4,714	4,590
Lease liabilities		134,413	93,457	134,413	93,457
TEP - NG contract with Petrobrás Distribuidora – BR	(d)	-	178,039	-	178,039
TC decharacterization dam and pit ANM/FEAM	(e)	111,256	121,075	111,256	121,075
Provision for unbilled services	(f)	37,763	-	37,863	-
Third party creditors - general rule (clause 5.4 JRP)	(g)	12,683	-	12,683	-
Others		4,569	5,698	4,608	5,816
Total		**491,597**	**454,771**	**462,408**	**427,022**
Current liabilities		281,119	299,087	274,985	271,338
Non-current liabilities		210,478	155,684	187,423	155,684

(a) Refers to marketing services provided by the subsidiary Samarco Europe.

(b) Amount due by Samarco for the additional time used for loading or unloading the product at the port.

(c) Amounts referring to materials and goods acquired whose tax registration was not carried out, since the respective invoice had not been issued by the supplier. The goods and materials are already accounted for in inventory and cost.

(d) Refers to the judicial reorganization claims of Petrobrás Distribuidora – BR settled in Dec/23 in the amount of BRL 225,938 according to clause 5 of the JRP.

(e) Refers to the term of commitment signed between Samarco, the Public Prosecution Office of Minas Gerais, the Federal Public Prosecution Office, the State of Minas Gerais through SEMAD, the State Environmental Foundation – FEAM and the National Mining Agency – ANM, having as its purpose the setting of necessary safety measures and the definition of a procedure for the decharacterization of the Germano Dam and Germano Pit, as well as the stipulation of payment of amounts for investment purposes in projects for the safety of dams in the State of Minas General.

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(f) Amounts referring to services provided and not billed by the supplier in the period.

(g) The Samarco Judicial Reorganization Plan provides that creditors who do not opt for any of the payment methods defined in clause 5.3 of the JRP will be paid in accordance with clause 5.4 – General Payment Condition, as per explanatory note 1 (b).

22. **Net** equity

22.1 Capital

On December 31st, 2023, the fully subscribed and paid-in capital stock is BRL 15,826,684 (BRL 297,025 on December 31st, 2022), divided into shares as follows:

	Number of shares registered and without par value shares		% of total capital
	2023	**2022**	
BHP Billiton Brasil Ltda.	79,797,153,591	2,621,649	50
Vale S.A.	79,797,153,591	2,621,649	50
	159,594,307,182	**5,243,298**	**100**

In December 2023, the Company increased its capital stock by BRL 15,529,659, through the issuance of 159,589,063,884 shares, fully subscribed and paid in, by shareholders Vale and BHP Brasil, in the proportion of 50% each, with origin as per below under the terms of the clauses 11.1 (i) (a.1) (a.2) (b.1) and 11.2, of the Consensual Judicial Reorganization Plan (explanatory note 1 (b)):

(i) BRL 2,805,548: dividends declared and not paid by Samarco to shareholders;

(ii) BRL 9,575,111: debentures issued by Samarco and subscribed by both shareholders;

(iii) BRL 3,149,000: Contributions made to Renova Foundation, by both shareholders, in equal proportions and in a subsidiary manner to the Company, of Compensation Obligations as of May 1st, 2023 (including) by December 31st, 2023 (including).

For the years ended December 31st, 2022, there was no capital increase and issuance of new shares.

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22.2 Carrying value adjustments

The composition of carrying value adjustments is represented below:

		Parent Company and Consolidated	
		2023	**2022**
Inventory		135,582	176,814
Property, plant and equipment and intangible assets		13,156,796	15,391,046
Loans and Financing		-	6,411
Cost		2,638,787	2,312,333
Exchange variation		(15,836,895)	(22,725,056)
Others	(a)	(2,437,850)	(2,434,718)
Cumulative translation adjustments	(b)	**(2,343,580)**	**(7,273,170)**
Remeasurement of retirement obligations	(c)	**(1,719)**	**(2,209)**
		(2,345,299)	**(7,275,379)**

The movement of carrying value adjustments in 2023 was R$4,930,080 (R$4,611,656 in 2022) and is represented in the Comprehensive Results.

(a) The amount refers to cumulative translation adjustments for advances to suppliers, prepaid expenses and revenues, equity pick-up and other (income) net expenses.

(b) It refers to foreign exchange gains/losses resulting from the balance sheet translation and the income of the exercise of the functional currency US dollar to the presentation currency of the financial statements, Real.

(c) It refers to actuarial gains and losses on the evolution of liabilities, changes in scenarios, income on plan assets and changes in irrecoverable surplus (explanatory note 16).

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23. Revenue

The Company operates in the mining market, providing its revenue through the sale of iron ore pellets (*PDR - Pellet for direct reduction and PBF - Pellet for blast furnace*), Fines (*Pellet Feed e PSC – Pellet Screening*), and Cut-off Ore.

Samarco gradually resumed operations in December 2020, thus restarting activities related to iron ore extraction, beneficiation and pelletizing plants, and selling iron ore for foreign and domestic markets.

In 2023, the Company continued with its full production capacity reduced, selling iron ore (pellets, pellet screening, cut-off ore and pellet feed) to the foreign and domestic markets, selling to countries in the Americas, Europe, Africa, Middle East Middle and Asia and to Brazil.

In addition to revenues from iron ore sales, the Company continued to have revenues from logistical services at the port it owns, such as making areas available, port berth usage/occupancy rate. In addition to other revenues recorded under the heading "Other products and services", such as tugboat rental, boat rental and sale of electricity.

	Parent Company and Consolidated	
	2023	**2022**
Pelotas - Country	267,853	470,711
Pellets - Foreign	7,076,477	7,588,320
Fines - Country	116,429	13,280
Fines - Foreign	99,703	116,925
Cut-off Ore – Country (note 13)	85,187	28,412
Availability of areas	17,052	9,660
Availability of port berth and TUP	9,661	4,548
Other products and services	7,744	7,233
Total gross revenue	**7,680,106**	**8,239,089**
Sales taxes	(89,217)	(102,773)
Freight on sales	(10,086)	41
Sales returns	-	-
Net Revenue	**7,580,803**	**8,136,357**

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24. **Costs** of goods sold

The costs of goods sold are shown below:

		Parent company		Consolidated	
		2023	2022	2023	2022
Consumables		(778,357)	(817,342)	(778,357)	(817,342)
Depreciation and amortization		(271,595)	(245,095)	(271,595)	(245,095)
Contracted services		(505,154)	(436,453)	(505,154)	(436,453)
Material		(318,566)	(290,228)	(318,566)	(290,228)
Ore (note 13)		(157,519)	(209,748)	(157,519)	(209,748)
Electric power		(188,604)	(163,785)	(188,604)	(163,785)
Labor force		(219,181)	(197,524)	(219,181)	(197,524)
Currency translation	(a)	(326,454)	(403,177)	(326,454)	(403,177)
Electric power		(409)	(137)	(409)	(137)
Provision of port berth		(568)	(2,165)	(568)	(2,165)
CFEM		(62,502)	(55,415)	(62,502)	(55,415)
Idle capacity	(b)	(329,761)	(283,102)	(329,761)	(283,102)
TFRM		(21,624)	(15,261)	(21,624)	(15,261)
Right of use amortization		(37,226)	(34,601)	(37,226)	(34,601)
Others		(15,330)	(48,304)	(15,295)	(48,352)
Costs of goods sold		**(3,232,850)**	**(3,202,338)**	**(3,232,815)**	**(3,202,386)**

(a) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

(b) In December 2023, Samarco gradually maintained operations (as per explanatory note 1 (a)). Thus, Samarco's fixed costs at the units in Germano, MG and Ubu, ES until December 31st, 2023, were allocated directly to cost, under the heading "idle capacity" and the costs of plants in operation remained allocated according to the volume of production. The costs allocated directly to the "idle capacity" item are detailed as follows:

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	2023	2022
Consumables	-	-
Material	(9,954)	(19,151)
Services	(5,505)	(7,300)
Workforce	(2,673)	(1,515)
Electric power	(9,901)	(10,902)
Depreciation	(165,738)	(165,658)
Maintenance/Conservation –Remaining Structures	(36,196)	(33,836)
Operational readiness	(80,698)	(43,566)
TEP –White Martins Gases Industriais	-	(203)
Others	(19,096)	(971)
Total	**(329,761)**	**(283,102)**

25. Sales, general and **administrative expenses**

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Sales expenses				
Contracted services	(57,190)	(34,037)	(57,904)	(34,407)
Labor force	(23,519)	(22,227)	(28,520)	(26,741)
Depreciation and amortization	(17,396)	(15,276)	(17,400)	(15,283)
Auxiliary materials	(17,862)	(12,523)	(17,863)	(12,524)
Maintenance activities expenses	(5,956)	(5,064)	(5,956)	(5,064)
General expenses	(24,987)	(6,704)	(14,349)	(13,789)
Total	**(146,911)**	**(95,831)**	**(141,991)**	**(107,808)**
General and administrative expenses				
Contracted services	(55,929)	(51,886)	(55,929)	(51,886)
Labor force	(106,012)	(96,271)	(106,012)	(96,271)
Depreciation and amortization	(11,157)	(8,128)	(11,157)	(8,128)
Auxiliary materials	(1,863)	(1,721)	(1,863)	(1,721)
General expenses	(9,982)	(6,505)	(9,982)	(6,505)
Total	**(184,942)**	**(164,511)**	**(184,942)**	**(164,511)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

26. **Other** operating income (expenses), net

The balance of other net operating expenses is detailed below:

		Parent company		Consolidated	
		2023	**2022**	**2023**	**2022**
Reversion for ICMS losses - ES		(131,970)	(114,141)	(131,970)	(114,141)
Reversion (provision) for contingencies	(a)	1,235,483	(1,243,397)	1,235,483	(1,243,397)
Reversion (provision) for socioenvironmental and socioeconomic reorganization	(b)	(24,210,018)	5,351,263	(24,210,018)	5,351,263
Expenses with socioenvironmental and socioeconomic recovery	(c)	(330,162)	(464,497)	(330,162)	(464,497)
Provision for shareholders contribution in Renova Foundation (note 13)	(d)	(1,114,750)	(3,554,100)	(1,114,750)	(3,554,100)
Reversion of provision for the decommissioning of the Germano dam (note 20 (c))		830,412	804,751	830,412	804,751
Expenses with Germano dam environmental liabilities (note 20 (c))		(747,801)	(602,537)	(747,801)	(602,537)
Tax Expenses		(133,155)	(16,839)	(133,155)	(16,839)
Expenses with investments and social projects		(102,733)	(53,492)	(102,733)	(53,492)
Expenses with Renova Foundation - Samarco contributions	(e)	(2,336,250)	(4,543,830)	(2,336,250)	(4,543,830)
Expenses with Renova Foundation JRP	(f)	(3,149,000)	-	(3,149,000)	-
Expenses with judicial reorganization JRP		(399,616)	-	(399,616)	
Research expenses		(62,815)	(29,744)	(62,815)	(29,744)
Attorney and expert fees		(24,656)	(4,550)	(24,656)	(4,550)
Inventory adjustment (warehouse)		(9,514)	1,715	(9,514)	1,715
Other provisions		(3,406)	(7,138)	(3,406)	(7,138)
Employee participation		(85,082)	(53,306)	(86,457)	(56,028)
Provision for executive program remuneration - ILP (Note 17)		(38,300)	-	(38,527)	-
Other, net		(64,419)	(150,620)	(64,436)	(150,662)
Currency translation	(g)	(2,962)	(3,735)	(2,962)	(3,735)
Total		**(30,880,714)**	**(4,684,197)**	**(30,882,332)**	**(4,686,961)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

(a) It mainly refers to the reversion of the provision for fines and CSLL charges in the amount of BRL 1,094,557, from Oct/2007 to Dec/2012, due to the agreement signed with PGFN and RFB, as per explanatory note 18(d), 19 a (1) and 28.6.

(b) Provisions and reversions related to the collapse of the Fundão tailings dam, as disclosed in explanatory note 20 (b).

(c) Expense incurred in the execution of the PG09 UHE Risoleta Neves program, as disclosed in explanatory note 20 (b).

(d) Provision arising from amounts contributed by shareholders to Renova Foundation, pursuant to the determination of clause 11.1 (ii) of the JRP as per explanatory note 1 (b), 13 and 20.

(e) Expenses with the contribution of resources to the Renova Foundation, as detailed in explanatory note 20 (c1).

(f) Expense incurred in capitalizing the amounts contributed by shareholders to Renova Foundation after May/2023, according to determination of clause 11.1 (ii) of the JRP, as per explanatory note 1 (b).

(g) The effect of changes in the exchange rate refers to the translation of the financial statements from the functional currency (US dollar) to the presentation currency (Real).

27. Financial **result**

The financial result breakdown is represented as follows:

		Parent Company and Consolidated	
Finance income		**2023**	**2022**
Reduction of financial debt - clauses 5.8.3 (ii a) and 6.1 (v) JRP	(a)	4,956,527	-
Reversal of charges on loans - clause 3.6.2 JRP	(c)	3,707,801	-
Reversal of interest on contingencies	(b)	2,070,916	-
IRRF reversal on interest - remittance foreign	(d)	838,186	-
Income on judicial deposits	(b)	165,830	149,226
Income from financial investments		39,732	3,536
Deductions obtained		1,530	7,104
Other financial income		23,358	4,153
Financial income - consolidated		**11,803,881**	**164,019**
Subsidiaries' recorded income		(246)	(850)
Financial income - parent company		**11,803,634**	**163,169**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

		Parent Company and Consolidated	
Finance expenses		**2023**	**2022**
Charges on loans and financing (note 15)		(1,244,154)	(1,565,034)
Charges on loans and financing - JRP (note 15)		(200,015)	-
Interest on contingencies	(b)	(290,303)	(2,196,723)
Late payment and tax interest		(222,544)	(12,412)
Bank fees and commissions		(19,822)	(19,245)
Withholding income tax on interest - remittance foreign		(99,848)	(90,593)
IRRF on interests - loans and financing		(234,764)	-
PIS and COFINS on financial income		(9,329)	(9,317)
Financial expenses provision for socioenvironmental and socioeconomic recovery	(d)	(2,975,782)	(2,506,281)
Financial expenses with lease liabilities		(2,742)	(1,099)
Interest on tendered financial liabilities - clauses 5.7.1 and 5.9 JRP (note 1 (b))		(39,025)	-
Interest on preferential labor credits - Clause 5.2.1 JRP (note 1 (b))		(897)	-
Other financial expenses		(293,178)	(289,531)
Financial expenses - consolidated		**(5,632,404)**	**(6,690,235)**
Subsidiaries' recorded expenses		45	47
Parent Company's financial expenses		**(5,632,358)**	**(6,690,188)**

(a) Reduction of financial debt pursuant of clauses 5.8.3 (ii a) and 6.1(v) of the JRP, as per explanatory notes 1(b) and 15.

(b) It refers to the updating of judicial deposits and provisions for contingencies related to tax, civil, labor and environmental lawsuits. In 2023 there was a reversion of accrued CSLL interest in upstream of BRL 2,061,023 in compliance as per explanatory note 19 a (1) and 28.6.

(c) Reversion of undue interest pursuant clause 3.6.2 of the JRP, as per explanatory notes 1(b) and 15.

(d) In 2023 there was a reversion of IRRF provision about us financial charges foreign in upstream of BRL 838,186.

(e) Financial update of the provisions related to the failure of the Fundão tailings dam, as per explanatory note 20 (b).

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The foreign exchange gains/losses balance is represented as follows:

Foreign exchange gains/losses	**2023**	**2022**
Cash flow	(23,829)	22,805
Customers	2,973	3,113
Other recoverable taxes	31,142	16,763
Court deposits	170,630	143,917
Trade payables	(38,822)	(35,168)
Payroll, provisions and social contributions	(6,541)	(6,153)
Taxes payable	(97,660)	(68,036)
Dividend	(161,356)	(192,230)
Contingency	(319,251)	(10,440)
Deferred income tax	(405,057)	(469,118)
Other liabilities in the country of related parties	(1,317,487)	(1,054,532)
Other provisions	(2,401,196)	(2,512,396)
Loans and financing	(1,075,463)	(423,404)
Others	(166,859)	391,456
Foreign exchange gains/losses, net – consolidated	**(5,808,776)**	**(4,193,423)**
Foreign exchange gains/losses, net – recorded from subsidiaries	152	90
Foreign exchange gains/losses, net – parent company	**(5,808,624)**	**(4,193,333)**

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28. **Income** tax and social contribution - CSLL

The Company is subject to income tax and CSLL at a rate of 34%.

28.1 Income tax and social contribution payable

Below, we present the transaction of income tax payable:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Balance at the beginning of the year	-	-	752	46
Provisions for the period	-	-	492	1,076
Payments	-	-	(187)	(377)
Recoverable income tax	-	-	-	7
Balance at the end of the year	**-**	**-**	**1,057**	**752**

28.2 Deferred income tax and Social contribution

The Company has deferred income tax recorded in non-current assets constituted on temporarily non-deductible provisions at rates of 34%, according to the application of each provision as an adjustment to taxable income.

Due to the uncertainty of the Company's operational activities resumption (explanatory note 1 (a)), an analysis was carried out regarding the realization of the deferred income tax constituted up to December 31st, 2023.

And, because it understands that future taxable profits and income subject to taxation at a rate of 34% will not be sufficient to support the use of deferred income tax and tax loss, the Company opted to do the write-off of deferred income tax.

28.3 Deferred income tax and social contribution on non-monetary items

The financial statements have been translated from the functional currency of the US dollar (USD) to the Real (BRL), which is the presentation currency, while the calculation basis for income tax on assets and liabilities is determined in the Real currency (BRL). Accordingly, the rate fluctuation can have a significant effect on the amount of income tax expenses, especially on non-monetary assets.

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Breakdown of deferred income tax and social contribution on monetary and non-monetary items, net:

	2023	2022
Amounts constituted at the rate of:	**34%**	**25%**
Provision for ICMS losses - ES and MG	601,605	409,364
Provision for price reduction corrections	-	779
Provision for profit sharing	21,627	9,750
Provision for civil claims	6,928	2,357
Provision for tax claims	12,402	10,279
Provision for labor claims	23,151	14,405
Provision for environmental claims	211	140
Provision for mining rights	-	28,055
Provision for socioenvironmental and socioeconomic recovery	19,883,866	7,824,040
Provision for other accounts payable related parties	6,544,607	4,505,468
Germano dam environmental provision	233,320	335,549
CSLL contingency provision	139,109	863,129
Actuarial Liabilities	(1,169)	(1,105)
Provision with obligation to demobilize assets	254,741	153,810
Foreign exchange gains/losses not carried out	(103,167)	2,555,037
Tax loss	6,206,528	4,605,944
Provision for liability of tax loss	(6,206,528)	(4,605,944)
Others	(198,730)	50,615
Provision for assets loss	(20,711,710)	(16,761,577)
Total consolidated assets	**6.706.791**	**95**
Tax depreciation	(2,170,621)	(1,462,331)
Translation - functional currency difference	(4,536,170)	(3,893,780)
Total consolidated liabilities	**(6,706,791)**	**(5,356,111)**
Total consolidated net	**-**	**(5,356,016)**
Subsidiaries' recorded provisions	-	(56)
Total parent company net	**-**	**(5,356,072)**

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28.4 Income tax and social contribution on the financial result

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Loss before taxation	(26,499,069)	(10,746,024)	(26,499,069)	(10,746,024)
Difference in functional currency - art.62 of Law 12,973/2014	7,215,399	6,953,061	7,215,399	6,953,061
Taxable net loss	**(19,283,670)**	**(3,792,963)**	**(19,283,670)**	**(3,792,963)**
Permanent differences:				
Equity method	(715)	17,978	-	-
Profits earned foreign	372	-	(372)	-
Non-deductible tax fines	58,319	66	58,319	66
Non-deductible donations	17,137	8,910	17,137	8,910
Exchange variation	(9,555,101)	(53,274)	(9,555,101)	(53,274)
Other permanent additions (exclusions)	8,696	4,135	7,981	22,113
Temporary differences:				
Provision for Socioenvironmental and Socioeconomic Recovery	28,412,784	709,118	28,412,784	709,118
Provision for property, plant and equipment write-off	(3,043,372)	3,452,514	(3,043,372)	3,452,514
Tax Depreciation	(469,128)	(502,886)	(469,128)	(502,886)
Income w/o Dep. Judicial	(136,718)	(127,401)	(136,718)	(127,401)
Foreign exchange gains/ losses not carried out	(1,159,184)	(2,355,708)	(1,159,184)	(2,355,708)
Provision Decharacterization of Germano Dam	(655,961)	(651,258)	(655,961)	(651,258)
Other temporary additions (exclusions)	(457,358)	290,584	(457,358)	290,584
Tax Profit (Loss) Before Compensation	**(6,263,899)**	**(3,000,185)**	**(6,263,899)**	**(3,000,185)**
Tax loss offset	-	-	-	-
Tax Profit (Loss) after compensation	**(6.263.899)**	**(3,000,185)**	**(6.263.899)**	**(3,000,185)**
Nominal tax rate	**34%**	**25%**	**34%**	**25%**
Calculated income tax	**2,129,726**	**750,046**	**2,129,726**	**750,046**
Deferred income tax, tax depreciation	(159,504)	(125,722)	(159,504)	(125,722)

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>> continuation

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Deferred income tax on temporary additions (exclusions)	11,876,264	203,398	11,876,264	203,398
Income tax of foreign companies	-	-	(492)	(1,076)
Provision for deferred income tax loss Ad.Temporarias	(3,950,133)	(230,009)	(3,950,133)	(230,009)
Provision for liability of tax loss	(3,808,171)	(715,985)	(3,808,171)	(715,985)
Deferred income tax on translation	(642,390)	584,954	(642,390)	584,954
income tax on the financial result	**5,445,792**	**466,682**	**5,445,300**	**465,606**
Effective rate	**(28.37%)**	**(12.30%)**	**(28.37%)**	**(12.28%)**

The following is a breakdown of income tax and social Contribution (expense) segregated between current and deferred:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Current income tax	-	-	(492)	(1,076)
Deferred income tax and social contribution, tax loss	1,565,975	937,345	1,565,975	937,345
Provision for deferred income and social contribution loss, tax loss	(1,575,740)	(903,284)	(1,575,740)	(903,284)
Provision for deferred income tax and social contribution - temporary differences	3,289,630	(815,354)	3,289,630	(815,354)
Provision for deferred income tax and social contribution loss - temporary differences	1,515,946	689,626	1,515,946	689,626
Deferred income tax and social contribution on non-monetary items	558,360	558,349	558,360	558,349
Social Contribution	91,621	-	91,621	-
Deferred and current income tax and social contribution expenses	**5,445,792**	**466,682**	**5,445,300**	**465,606**

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28.5 Recoverable income tax

Please find below recoverable income tax referring to overpaid monthly estimates, on December 31st, 2023 and 2022.

	Parent Company and Consolidated	
	2023	2022
Recoverable income tax	5,283	170,479

28.6 Social Contribution

On December 31st, 2022, a provision for CSLL contingency was established in the amount of BRL 5,251,904, following the decision of the STF on res judicata in matters 881 and 885.

In November 2023, Samarco entered into an Individual Transaction with the Attorney General's Office of the National Treasury (PGFN) and the Brazilian Internal Revenue Service (RFB) for part of the CSLL contingencies and others, as mentioned in explanatory note 18 (d) e 19 a (1). It is worth noting that the part of CSLL contingency not entered into in the agreement corresponds to the contingency part, whose deposits are in court.

Please find below the breakdown of the provision for CSLL contingency, as per explanatory note 19.

	Parent Company and Consolidated	
	2023	2022
Principal	(472,615)	(1,799,390)
Fine + charges	-	(1,245,412)
Finance expenses (Selic interest)	(409,143)	(2,207,102)
Provision for CSLL contingency	**(881,758)**	**(5,251,904)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

The movement in the provision for CSLL contingency is shown in the table below:

	Parent Company and Consolidated
	2023
Balance as of January 1st	(5,251,904)
Decrease in the provision - main	91,621
Decrease in the provision - fines and charges	150,855
Interest	(263,064)
Reversal of provision – main	1,235,154
Reversal of provision - interest – note 27	2,061,023
Reversal of provision – fines and charges – note 26	1,094,557
Balance as of December 31st	**(881,758)**

29. Commitments

The Company has long-term agreements for the supply of raw materials, services and property, plant and equipment purchases, as shown in the following table:

	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 5 years	More than 5 years	Total 2023	Total 2022
Capital expenditures for expansion and renovation of fixed assets	819,826	91,856	55,787	-	-	967,469	66,655
Services and others	1,707,625	1,333,604	537,353	328,324	8,373	3,915,279	3,329,016
Acquisition of iron ore	147,937	154,995	159,445	496,837	1,460,535	2,419,749	2,478,093
Supply of energy and raw material	597,478	132,917	140,918	28,116	-	899,429	1,177,513
	3,272,866	**1,713,372**	**893,503**	**853,277**	**1,468,908**	**8,201,926**	**7,051,277**

The commitments demonstrate Samarco's long-term contractual obligations with suppliers for the renewal and expansion of fixed assets, as well as for the provision of various services aimed at the maintenance of manufacturing and administrative units, acquisition of iron ore from third parties, supply of energy and inputs, as well as freight costs with shipments.

MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

30. **Financial** instruments and risk management

30.1 Financial risk management

The Company has financial instruments inherent to its operations, represented by cash and cash equivalents, short-term, accounts receivable, other assets, suppliers, loans and financing, financial charges payable and other liabilities.

The management of these instruments aims to ensure the maximum possible liquidity, profitability and security. Financial management considers the risk exposure analysis that Management intends to cover (exchange rate, interest rate, etc.) and the policies and strategies defined by the Company's Management, always approved by its Finance Committee.

The Company and its subsidiaries do not make speculative investments in derivatives or in any other risky assets.

30.2 Financial instruments by category

The Company's financial instruments were classified as follows:

	Parent company		Consolidated	
	2023	2022	2023	2022
Current assets	**Amortized Cost**	**Amortized Cost**	**Amortized Cost**	**Amortized Cost**
Cash and cash equivalents (note 4)	713,693	538,354	719,370	542,750
Restricted cash (note 5)	5,554	1,433	5,554	1,433
Accounts receivable (note 6)	933,595	828,220	931,641	826,112
Other accounts receivable (note 9)	20,824	15,718	19,522	15,829
Total current assets	**1,673,666**	**1,383,725**	**1,676,087**	**1,386,124**
Non-current				
Restricted cash (note 5)	29,458	25,408	29,458	25,408
Other accounts receivable (note 9)	21,578	19,413	21,578	19,413
Total assets	**1,724,702**	**1,428,546**	**1,727,122**	**1,430,945**

>> continued on the next page

MANAGEMENT'S EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2023 AND 2022 (IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

>> continuation

	Parent company		Consolidated	
	2023	2022	2023	2022
Current liabilities	**Amortized Cost**	**Amortized Cost**	**Amortized Cost**	**Amortized Cost**
Trade payables (note 14)	575,916	706,110	575,954	705,759
Loans and financing (note 15)	346	28,850,046	346	28,850,046
Financial charges payable (note 15)	446	7,712,157	446	7,712,157
Other accounts payable (note 21)	281,118	299,087	274,985	271,338
Total current liabilities	**857,826**	**37,567,400**	**851,731**	**37,539,300**
Non-current				
Loans and financing (note 15)	19,752,780	-	19,752,780	-
Financial charges payable (note 15)	7,084	-	7,084	-
Other accounts payable (note 21)	210,478	155,684	187,423	155,684
Total liabilities	**20,828,167**	**37,723,084**	**20,799,017**	**37,694,984**

30.3 Financial risk factors

The Company's regular activities expose it to several financial risks: credit risk, market risk (including price risk, interest rate risk and exchange rate risk) and liquidity risk, as follows:

(a) Credit risk

The Company's sales policy is subject to the credit rules established by its Management, aiming to mitigate risks of non-receipt of outstanding sales and sales to be made. The Company uses a robust credit analysis methodology for its counterparties (customers), which combines external and internal tools for the risk classification. The tools use quantitative information (such as the counterparty financial information), as well as qualitative information (counterparty strategic position and the commercial relationship history). Based on the credit risk attributed to the counterparty, the Company uses different risk mitigation strategies, such as prepayment, letters of credit, corporate guarantees, among others.

Gross sales revenue was BRL 7,680,106 in 2023 (BRL 8,239,089 in 2022), while the expected credit loss in 2023 was BRL 19,766 (BRL 23,079 in 2022), in Consolidated.

The credit risk exposure of the receivables is distributed according to the table below:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

	Parent Company and Consolidated	
	2023	**2022**
Middle East / Africa	26.54%	16.65%
Asia	15.42%	31.92%
Europe	34.57%	26.46%
Americas	23.47%	24.97%

(b) Market risk

(i) Price risk

The price of iron ore pellets, the Company's main product, is established through daily iron ore indices, published by independent agencies, to which a premium for pellet production is added, negotiated quarterly directly with its customers. The negotiated price level is directly impacted by global supply and demand of iron ore.

(ii) Interest rate risk

This risk arises from the possibility of the Company and its Subsidiaries suffering unexpected impacts due to fluctuations in interest rates on financial assets and liabilities, as well as inflation. Most of the Company's loans and financing as of December 31st, 2023, are denominated in US Dollars. Of the total loans and financing, BRL 19,429 are related to fixed rates and BRL 0.218 to floating rates, the latter corresponding mainly to CDI variation plus contractual spread.

(iii) Exchange rate risk

It arises from the possibility of fluctuations in the exchange rates of foreign currencies (currencies other than the functional currency) used by the Company for the acquisition of national inputs and/or services, payment of taxes, dividends and others. The Company has the following assets and liabilities, in Reais, which can influence the Company's income, with changes in the exchange rate:

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Asset exposure		**Consolidated**
Current assets	**2023**	**2022**
Cash and cash equivalents	90,289	30,854
Restricted cash	19,624	1,355
Accounts receivable in the country	106,701	108,809
Recoverable income tax	5,283	170,479
Other recoverable taxes	215,031	153,467
Other accounts receivable	19,522	15,829
Non-current		
Court deposits	1,524,233	1,226,987
Restricted cash	-	25,408
Other recoverable taxes	94,410	82,430
Other accounts receivable	21,578	19,413
	2,096,672	**1,835,031**

Liability exposure		**Consolidated**
Current liabilities	**2023**	**2022**
Trade payables	(574,280)	(683,853)
Loans, financing and charges	(792)	(9,547,143)
Payroll, provisions and social contributions	(152,902)	(91,096)
Taxes payable	(207,332)	(860,922)
Provision for income tax	(1,057)	(752)
Other liabilities provisions	(14,907,236)	(17,922,738)
Other accounts payable	(272,632)	(268,717)
Non-current		
Loans, financing and charges	(323,497)	-
Taxes payable	(1,354,537)	(86,598)
Provisions for contingencies	(85,864)	(4,366,707)
Deferred income tax	-	(5,356,016)
Dividend	-	(2,805,548)
Other liabilities provisions	(64,985,189)	(16,108,713)
Other liabilities in the country of related parties	(1,506)	(18,021,872)
Other accounts payable	(186,254)	(153,546)
	(83,053,078)	**(76,274,221)**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Exchange rate exposure summary	2023	2022
Asset exposure	2,096,672	1,835,031
Liability exposure	(83,053,078)	(76,274,221)
Total net exposure	**(80,956,407)**	**(74,439,190)**

The Company currently does not have financial operations to protect its assets and liabilities in Reais. Foreign currency assets and liabilities were translated into the functional currency at the exchange rate on the date of the financial statements Preparation, USD 1,00 equivalent to BRL 4.8407 as of December 31st, 2023 and USD 1,00 equivalent to BRL 5.2171 as of December 31st, 2022.

(iv) Credit quality of financial assets

Cash and cash equivalents

	Parent company		Consolidated	
	2023	2022	2023	2022
Current account and short-term bank deposits				
Investment Grade	713,693	538,354	719,370	542,750
	713,693	**538,354**	**719,370**	**542,750**

Current accounts and financial investments in banks were included in this category.

Trade accounts receivable

	Parent company		Consolidated	
	2023	2022	2023	2022
Counterparties with External Credit Rating (S&P)				
Investment Grade	801,213	706,400	801,213	706,416
Counterparties without External Credit Rating (S&P)				
Group 1 - customers with up to 5 years of relationship	-	47	-	47
Group 2 - customers over 5 years of relationship with low default history	144,598	134,645	144,615	134,645
Group 3 - customers in the country who are not in iron ore area	8,544	13,555	8,544	13,555
	954,355	**854,647**	**954,372**	**854,663**

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

(c) Liquidity risk

Liquidity risk is the likelihood that the Company will not have sufficient resources to meet its obligations within the due periods.

The Company's Management has faced challenges in its liquidity risk management since the suspension of its production operations after the failure of the Fundão tailings dam. However, after the return to operations at the end of 2020, there has been a natural change in the Company's cash position. In 2023, the Company's liquidity was ensured by its ability to generate cash during the year.

The carrying amounts of cash flows from financial liabilities (excluding loans and payables to shareholders) are:

	Consolidated			
	2023			
	Amount	**Up to 12 months**	**1 - 10 years**	**Above 10 years**
Trade payables	575,954	575,954	-	-
Loans and financing	19,753,126	-	19,497,583	105,543
Financial charges payable	7,530	446	7,084	-

The value of undiscounted cash flows contracted is shown as follows:

	Consolidated			
	Book Amount	**Contractual cash flow**	2024	
			0 - 6 months	**Over 6 months**
Trade payables	575,954	575,954	561,685	14,269
Loans and financing	19,753,126	19,753,126	-	19,753,126
Financial Charges	7,530	7,530	-	7,530
Total	**20,336,610**	**20,336,610**	**561,685**	**19,774,925**

As explained in explanatory note 20(c), besides these financial obligations in the table, there are obligations established under the terms of the TTAC, which affect the Company's liquidity. It should be noted that, to the extent that Samarco does not have the resources to comply with such financial obligations, each of its shareholders, Vale and BHP Billiton Brasil will do so, according to their 50% interest each in Samarco's share capital.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

(d) Sensitivity analysis

The Company is exposed to financial risks linked to liabilities that are mainly indexed to CDI for domestic operations.

In order to identify the sensitivity of the index, in the debts to which the Company was exposed on December 31st, 2023, three different scenarios were defined, in order to cover the period of the following 12 months. Based on the index in force on December 31st, 2023 plus the contractual spread, the Company defined a probable scenario and two additional scenarios, starting from the first - scenarios II and III, with an increase in the rate of 25% and 50%, respectively.

	Risk	Likely scenario I	Scenario II	Scenario III
Loans and financing in the country	CDI	14.337% a.a.	17.92% a.a.	21.50% a.a.
Interest as of December 31st, 2023		31,248	39,061	46,873

To identify the sensitivity of variations arising from foreign currency to which the Company was exposed as of December 31st, 2022, three different scenarios were defined for the asset and liability accounts, with scenarios II and III contemplating a reduction in the exchange rate of 25% and 50%, respectively, from the first, called probable scenario I.

Financial liabilities	**Exposure (BRL)**	**Likely scenario I (USD)**	**Scenario II (USD)**	**Scenario III (USD)**
Exchange rate - (Risk - BRL /USD)	-	4.8407	3.6305	2.4204
Total assets	2,096,672	433,134	577,512	866,268
Total liabilities	(83,053,078)	(17,157,246)	(22,876,327)	(34,314,491)
Net exposure in reais recorded in the balance sheet	**(80,956,407)**	**(16,724,112)**	**(22,298,815)**	**(33,448,223)**

30.4 Bank guarantees

As shown in the table below, the Company has bank guarantees from financial institutions issued for an indefinite period, mostly to guarantee the suspension of enforceability of tax enforcement proceedings in the total amount of BRL 1,355,478 (December 31st, 2022, BRL 1,189,976), as of December 31st, 2023. The total amount originally contracted is BRL 1,012,806.

The balances of the guarantees were updated according to the balances of the CDAs (Active Debt Certificates) during the year 2023.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

Bank	Contracted amount	Updated amount	Index	Deadline
Bradesco	607,850	674,598	Selic	Indefinite
Bradesco	27,956	29,578	VRTE	Indefinite
Votorantim	100,948	220,417	Selic	Indefinite
Itaú	276,052	430,885	Selic	Indefinite
Total	**1,012,806**	**1,355,478**		

30.5 Capital management

The Company's purposes when managing its capital are to safeguard liquidity, managing the cost of capital to minimize it, and, at the same time, to offer a sustainable and adequate return to shareholders and benefits to other stakeholders.

Under normal operating conditions, the Company monitors and manages the levels of financial leverage according to the market standards, its strategy and compliance with financial ratios provided for in loan and financing contracts in the form of financial covenants (Net Debt/EBITDA). Net Debt/EBITDA is an index that corresponds to net debt compared to the Company's cash generation, as measured by EBITDA. Net debt, in turn, corresponds to total loans and financing (including short and long-term loans, as shown in the consolidated balance sheet), less the amount of cash and cash equivalents.

Additionally, we show the calculation of the financial leverage ratio considering net debt as a percentage of total capital. The total capital is calculated by adding the shareholders' equity to the net debt as follows:

	2023	2022
Total loans and financing	19,760,656	36,562,203
(-) Cash and cash equivalents and restricted cash flow	(754,382)	(569,591)
Net debt	**19,006,274**	**35,992,612**
Total equity	(72,546,425)	(71,952,887)
Total capital	**(53,540,152)**	**(35,960,275)**
Financial leverage ratio	**(35%)**	**(100%)**

Under normal conditions, the analysis of these indicators supports the working capital management process, to maintain the Company's leverage at levels equal to or lower than the leverage ratio that Management considers appropriate.

30.6 Fair value hierarchy

The Company considers "fair value" to be the price that would be obtained on the sale of an asset or paid to transfer a liability in a transaction between market participants on the measurement date (exit price). The Company uses market data or assumptions that market participants would use to price the asset or liability, including assumptions about risks and the risks inherent in the inputs used in the valuation technique. The Company mainly applies the market approach to use the measurement of fair value and it strives to use the best information available. Consequently, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company is able to classify fair value balances based on observable inputs. The fair value hierarchy is used to prioritize the inputs used to measure fair value. The three levels of the fair value hierarchy are as follows:

• Level 1. Active market: quoted price - A financial instrument is considered to be quoted in an active market if quoted prices are readily and regularly available for exchange or organized by over-the-counter operators, brokers, or market associations by entities that aim to have prices disclosed by regulatory agencies, and if those prices represent market transactions that occur regularly between independent parties, without favoring.

• Level 2. No active market: Valuation Technique - For an instrument without an active market, fair value is valued using a valuation/pricing methodology. Other criteria can be used, such as the fair value data of another current instrument that is substantially the same, a deducted cash flow analysis and option pricing models. The valuation technique aims to determine what the transaction price would be on the measurement date in an exchange free from other interests and motivated by commercial considerations.

• Level 3. No active market: equity instruments - Fair value of investments in shares/shareholding interest or equity that do not have market prices quoted in an active market and derivatives that are linked to them and that must be settled through the delivery of shares/shareholding interest not negotiated.

(IN THOUSANDS OF REAIS - BRL , UNLESS OTHERWISE STATED)

	Balance as of 2023			Fair value hierarchy
		Level 1	Level 2	Level 3
Loans and financing	19,760,656	19,429,284*	331,372	-

(*) Amount referring only to Bonds, other loans and financing were classified as level 2.

The fair value of financial liabilities related to loans, financing and charges, whose book balances are measured at amortized cost, is calculated as follows:

		2023		2022
	Book amount	Estimated fair value	Book amount	Estimated fair value
Bonds (i)	19,429,284	16,234,526	16,199,606	7,331,884
EPPs (export pre payments) (ii)	-	-	10,815,454	4,920,058
Others	331,372	270,966	9,547,143	4,343,091
	19,760,656	**16,505,492**	**36,562,203**	**16,595,033**

(i) The fair value of bond operations is obtained by quoting the security on the secondary market (using the closing value, as reported by Bloomberg);

(ii) For operations of debentures and other operations of little representative value, which do not have disclosure in a secondary debt market, or for which the said market does not have sufficient liquidity, the calculation of fair value was also made based on the quotation of bonds in the secondary market.

Management understands that other financial instruments, such as accounts receivable, cash and cash equivalents, short-term investments and suppliers, which are recognized in the financial statements at their book values, do not present significant variations regarding the respective fair values.

31. Insurance **coverage**

To mitigate unexpected financial losses, is a culture of the Company maintains several types of insurance includes, operating assets insurance, life and personal accident insurance, civil liability insurances, and others.

The Company's civil liability and operational risks policy was duly renewed with their respective due dates on May 9, 2024 and December 29, 2024, with the coverage for dams, dikes, tailings disposals and similar structures are excluded to date.

TTAC financial guarantee insurance

The pecuniary guarantee insurance, among other types of guarantees, has been in force since 2017, whose purpose is to comply with the terms of the TTAC - Term of Adjustment and Conduct Transaction with the Public Prosecution Office in its 12th Federal Court of Belo Horizonte/MG. The guarantees were constituted with the objective of guaranteeing the payment of an amount corresponding to the deposits in court that the Borrower needs to make due to the default of the costing and financing obligations of the Socioenvironmental and Socioeconomic Compensation Programs for damages resulting from the failure of the Fundão dam, in the records of Public Civil Action No. 0069758-61.2015.4.01.3400 ("Action"). The lawsuit is pending before the Insured and is filed by the Federal Government, the AGERH, ANA, DNPM, FEAM, IBAMA, IEF, IEMA, IGAM and Chico Mendes Institute for Biodiversity Conservation against the borrower and others. Indemnity payments by the insurer will be made on equal conditions with other insurance policies and other guarantees, submitted in the case records.

The pecuniary guarantee insurance has been in force since 2017, whose purpose is to comply with the terms of the TTAC - Term of Adjustment and Conduct Transaction with the Public Prosecution Office in its 12th Federal Court of Belo Horizonte/MG, as described in explanatory note 19.

Samarco Mineração S.A.
Under Judicial Reorganization

BOARD OF DIRECTORS

Effective members
Eduardo Ajuz Coelho
Guilherme Almeida Tângari
Marcello Magistrini Spinelli
Nelly Angelica Pazó León

Alternates
Carla Maree Wilson
Paulo Rodrigo Chung
Vagner Silva de Loyola Reis
Vitor Ribeiro Vieira

EXECUTIVE BOARD

Rodrigo Alvarenga Vilela
CEO

Gustavo de Abreu Souza Selayzim
Chief Financial Officer

Reuber Luiz Neves Koury
Chief Project and Sustainability Officer

Sergio Gonçalves Mileipe
Chief Operations and Planning

TECHNICAL MANAGER

Lucas Brandão Filho
Accountant - CRC-MG 046442/O

Additional information

To clear up any doubts related to the information provided in this report, such as matter related to our financial statements. Strategy and operations, please contact us via e-mail **samarco.ri@samarco.com**

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