

# 2Q23 INVESTOR RELATIONS REPORT

**São Paulo, August 11, 2023** – BRADESPAR [B3: BRAP3 (ON), BRAP4 (PN); LATIBEX: XBRPO (ON), XBRPP (PN)] announces its results for 2Q23.

### Investment Structure – 06.30.2023

BRADESPAR's investments are currently concentrated in VALE, a company in which BRADESPAR has a representative on the Board of Directors, in addition to representative on other of its Advisory Committees.

At the end of second quarter of 2023, the market value of BRADESPAR's assets totaled R\$10.5 billions.

%V = % Voting Capital  
%T = % Total Capital

**BRADESPAR**

3.74% V/T



## BALANCE SHEET

ASSETS	(R\$ thousand)	
	06/30/2023	06/30/2022
<b>CURRENT</b>	<b>259,750</b>	<b>310,534</b>
Cash and Cash Equivalents	259,346	310,379
Prepaid expenses	404	155
<b>NON-CURRENT ASSETS</b>	<b>7,381,854</b>	<b>7,483,265</b>
<b>Long Term</b>	<b>121,423</b>	<b>219,680</b>
Recoverable Taxes	121,423	219,680
<b>Permanent</b>	<b>7,260,431</b>	<b>7,263,585</b>
Investments	7,259,870	7,262,306
Fixed Assets	85	237
Intangible	476	1,042
<b>TOTAL</b>	<b>7,641,604</b>	<b>7,793,799</b>

LIABILITIES	(R\$ thousand)	
	06/30/2023	06/30/2022
<b>CURRENT</b>	<b>55,306</b>	<b>51,709</b>
Interest on Equity and Dividends Payable	20,873	17,936
Taxes and Contributions Payable	353	422
Provision for IRPJ and CSLL	308	891
Provision Payable on Lease Agreements	77	120
Other Liabilities	33,695	32,340
<b>NON-CURRENT LIABILITIES</b>	<b>535</b>	<b>1,041</b>
Provision Payable on Lease Agreements	535	1,041
<b>SHAREHOLDERS' EQUITY</b>	<b>7,585,763</b>	<b>7,741,049</b>
Capital Stock	4,600,125	3,100,125
Profit Reserve	3,170,436	2,057,761
Adjustment to Equity Evaluation	(1,127,936)	666,797
Period Result	943,138	1,916,366
<b>TOTAL</b>	<b>7,641,604</b>	<b>7,793,799</b>

## COMMENTS ON THE COMPANY'S PERFORMANCE

The table below shows the Consolidated Income Statement, in accordance with accounting practices adopted in Brazil.

Income Statement	(R\$ mil)			(R\$ mil)		
	2Q23	2Q22	Chg %	1S23	1S22	Chg %
Equity Income	164,471	980,787	-83.2%	923,324	1,899,210	-51.4%
<b>Operating Revenue</b>	<b>164,471</b>	<b>980,787</b>	<b>-83.2%</b>	<b>923,324</b>	<b>1,899,210</b>	<b>-51.4%</b>
General and Administrative Expenses	(1,714)	(1,540)	11.3%	(3,456)	(3,148)	9.8%
Payroll Expenses	(3,435)	(3,650)	-5.9%	(6,805)	(7,265)	-6.3%
Financial Revenues (Expenses)	19,161	21,832	-12.2%	37,229	35,668	4.4%
Tax Expenses	(892)	(1,060)	-15.8%	(1,752)	(1,730)	1.3%
<b>Operational Result before Income Tax/Social Contribution</b>	<b>177,591</b>	<b>996,369</b>	<b>-82.2%</b>	<b>948,540</b>	<b>1,922,735</b>	<b>-50.7%</b>
Income Tax / Social Contribution	(2,729)	(4,143)	-34.1%	(5,402)	(6,369)	-15.2%
<b>Results for the Period</b>	<b>174,862</b>	<b>992,226</b>	<b>-82.4%</b>	<b>943,138</b>	<b>1,916,366</b>	<b>-50.8%</b>

### Operating Revenue

As an Investment Company, BRADESPAR's operating revenue originates from the equity income and interest on equity of VALE.

BRADESPAR recorded operating revenue of R\$164.5 million in 2Q23 and R\$923.3 million in 1H23.

We underscore that, in the same period, VALE reported an adjusted EBITDA of US\$4.1 billion, US\$1.4 billion lower than in 2Q22, mainly due to lower realized prices of iron ore fines and nickel.

### Financial Results

BRADESPAR's financial result for the quarter was positive by R\$19.2 million, mainly due to financial investments and remuneration on Recoverable Taxes. This result reflects the Company's continuous net cash position, as it settled all financial debt in previous years.

### Payroll, General and Administrative Expenses

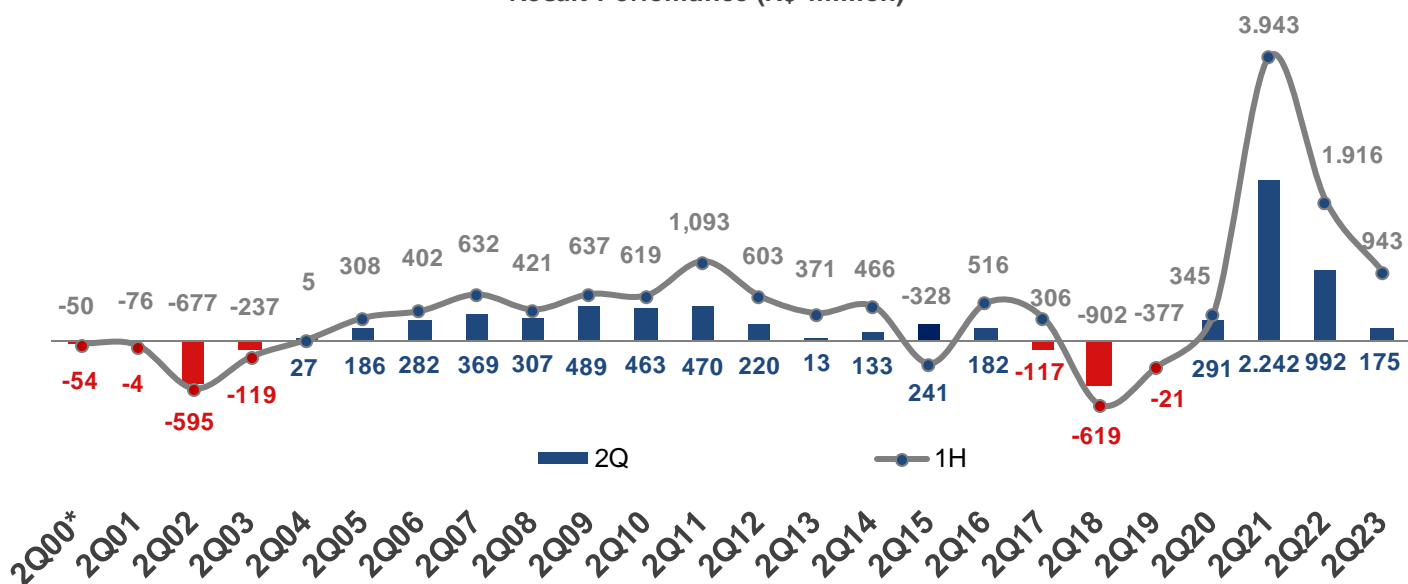
BRADESPAR's personnel, general and administrative expenses totaled R\$5.1 million in 2Q23 and R\$10.3 million in 1H23, in line with the same periods of the previous year.

## Results of the Quarter

In the second quarter of 2023, BRADESPAR reported net income of R\$174.9 millions. In the first half of 2023, net income amounted to R\$ 943.1 millions.

Compared to the immediately preceding similar quarterly periods, there is a sharp drop reflecting the results of our investee. Nevertheless, this is one of the best cumulative results for a first half in BRADESPAR's history, as can be seen in the table below.

Result Performance (R\$ million)



\*corresponds to 4 months of operation

## COMMENTS ON INVESTEE

### VALE

In the quarter ended, VALE recorded net income of US\$892 million, US\$3.2 billion lower than that of 2Q22, due to the lower realized prices of its products, in addition to investments of roughly US\$1.2 billion in projects to grow and maintain its operations, in line with the same period of the previous year.

We emphasize that, in July of the current year, VALE signed a binding agreement with Manara Minerals, a joint venture comprising Ma`aden, PIF, and Engine No. 1, which, together, will invest US\$3.4 billion in VALE Base Metals Limited (VBM), the parent company of the metal business running VALE's energy transition, corresponding to a 13% interest. The amount will be paid in cash to VBM, subject to common adjustments. Manara Minerals will hold a 10% interest in VBM, while Engine No. 1 will hold a 3% interest. The transaction is expected to close in 1Q24, subject to the applicable conditions precedent, including the approval from relevant regulators.

VALE implemented the Global Industry Standard on Tailings Management (GISTM) launched in 2020, based on an initiative of the United Nations Environment Programme, the principles of responsible investment and the International Council on Mining and Metals, becoming the first global industry standard of the mining sector, representing global milestone for dam safety. VALE implemented the standard in 48 of its 50 tailings storage structures, and the 2 remaining hold lower consequence classifications and are in compliance with the standard until August 2025.

It is also worth noting VALE's third share buyback program. In 2Q23, the company acquired approximately 320 million shares, with the disbursement of US\$4.9 billion, representing nearly 64.0% of the program of up to 500 million shares currently in force. The company's senior management believes that this share buyback program is one of the best investments available in the current scenario.

Lastly, in July of the current year, VALE announced the payment of R\$8.3 billion in interest on equity to its shareholders, corresponding to the total gross amount of R\$1.917008992 per share, to be paid on September 1st, 2023.

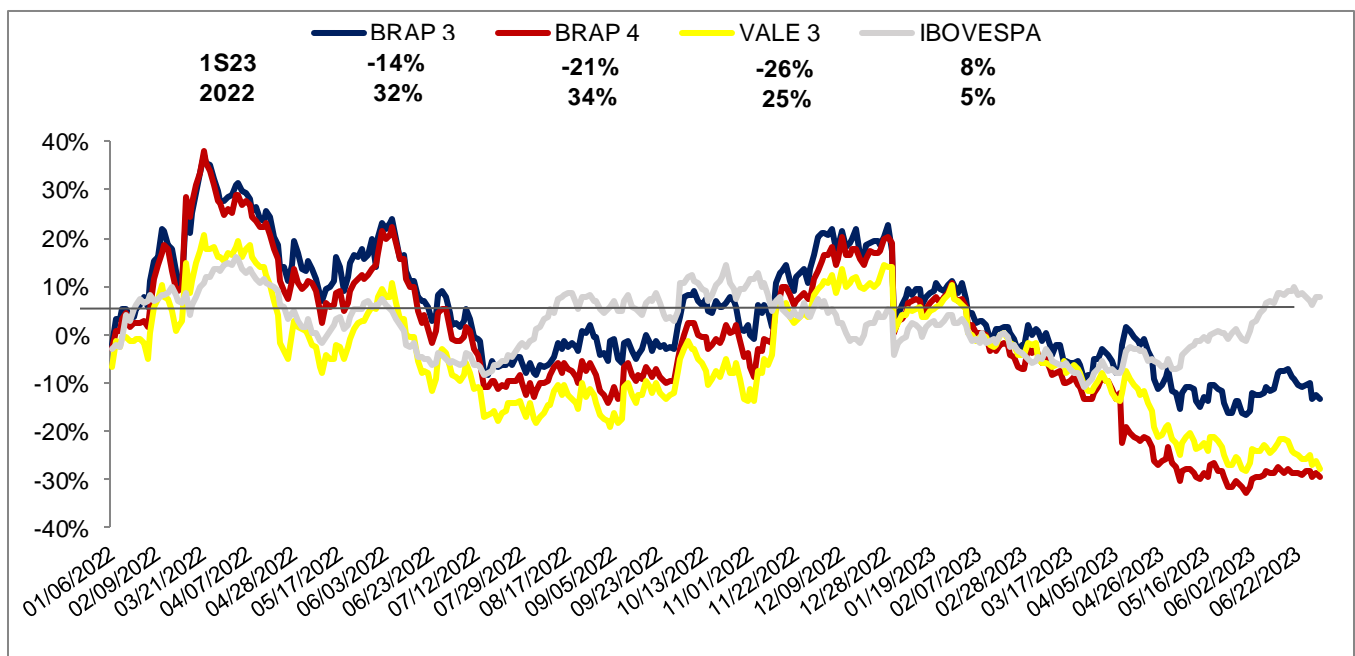
## Capital Market

Since its inception, BRADESPAR's shares are listed on B3 – Brasil, Bolsa, Balcão, under tickers BRAP3 (common shares) and BRAP4 (preferred shares), and its securities are traded on LATIBEX, the Madrid Stock Exchange's Latin American Companies Market, in Spain, in Euros, through the Depositary Receipt Program (GDRs).

Moreover, BRADESPAR's shares are listed in two leading indexes: IBOVESPA, which includes the most liquid companies in the Brazilian market, and the Corporate Governance Index (IGC), composed of the companies that have committed to high corporate governance standards, since 2001, when it adhered to B3's Level I of Corporate Governance.

In 1S23, the Company's shares depreciation by 21% (BRAP4) and by 14% (BRAP3), while the IBOVESPA increase by 8%, and the shares of its investee, VALE, depreciation by 26%.

### Shares Performance on B3 in 1S23

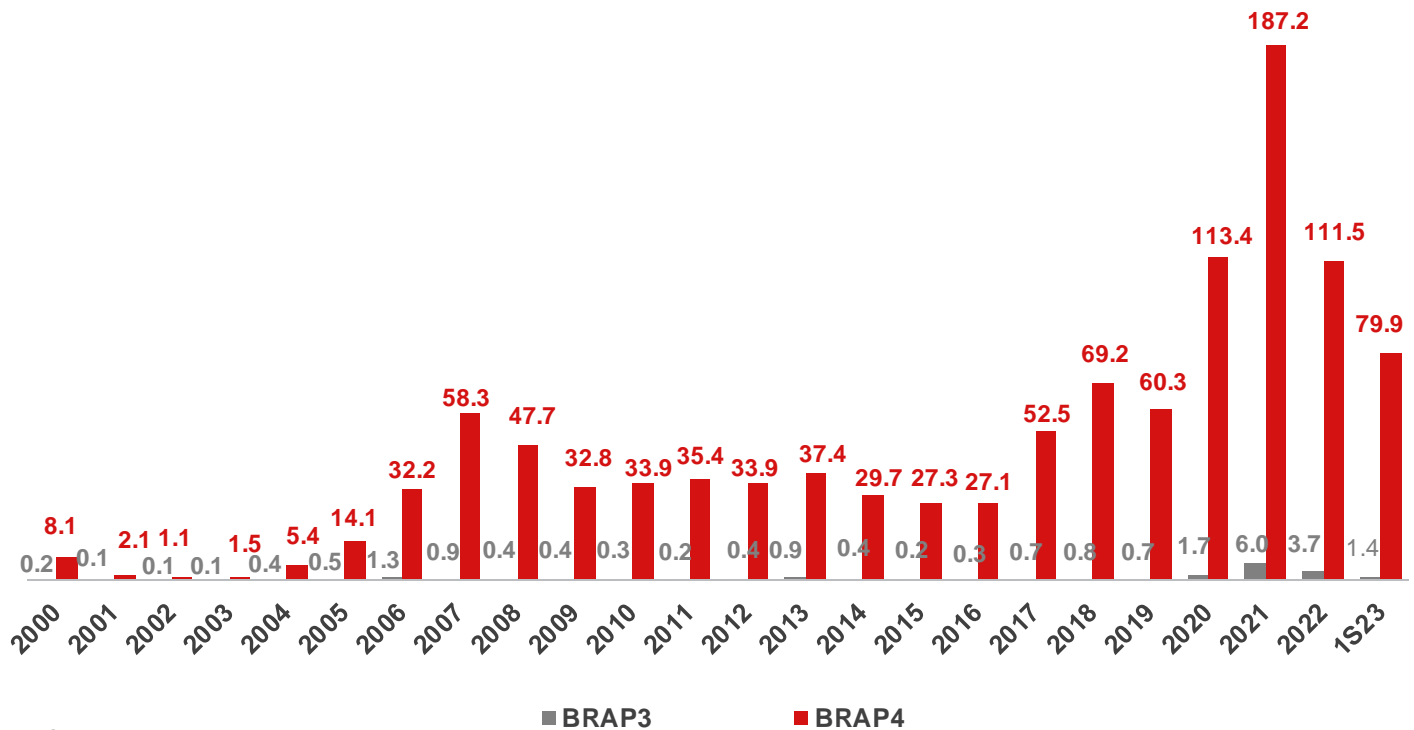


Prices adjusted for shareholder payments, including Dividends and/or Interest on Equity.  
Source: Economatica.

## Liquidity

The average daily trading volume of BRADESPAR preferred shares (BRAP4) in 1S23 was R\$79.9 million.

**Financial Volume Average Daily Traded Shares (R\$ million)**



Source: Economática.



## Premium / Discount

At the end of 2Q23, the market value of BRADESPAR's assets totaled R\$10.5 billion. The market value of BRADESPAR, in relation to VALE, was a discount of 20.4%, that is, BRADESPAR's market capitalization corresponds to 79.6% of the net value of its assets.

### BRADESPAR's Net Asset Value vs. Market Cap (closing prices on June 30, 2023)

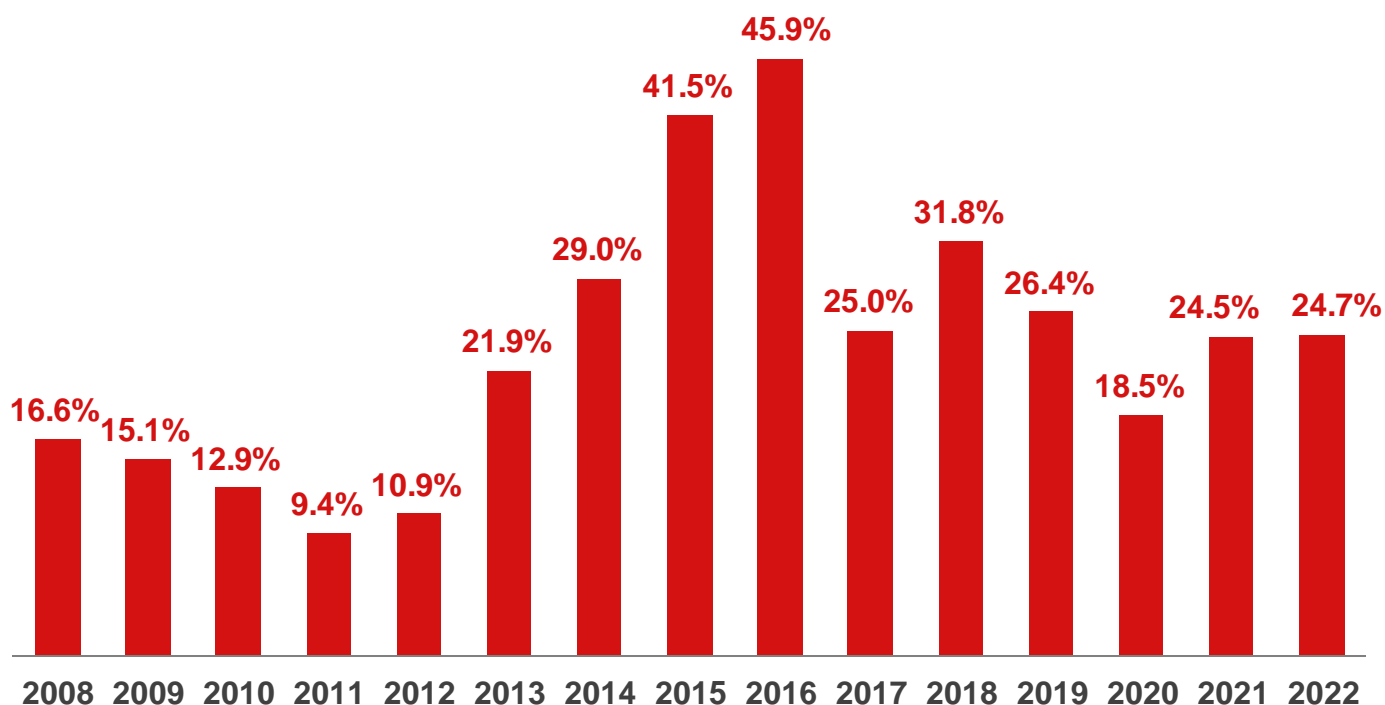
Companies	BRADESPAR's stake					
	Price (R\$/share)	Number of Shares	% of Total Capital	Market Value (R\$ thousand)	Market Value (US\$ thousand)	Market Value (EURO thousand)
VALEON	64.22	163,252.389	3.74%	10,484.068	2,173,314	1,992,039
<b>Bradespar's Total Assets Value ( A )</b>				<b>10,484,068</b>	<b>2,173,314</b>	<b>1,992,039</b>
<b>Bradespar's Net Cash ( B )<sup>(1)</sup></b>				<b>257,960</b>	<b>53,474</b>	<b>49,014</b>
<b>Bradespar's Net Asset Value ( C ) = ( A ) + ( B )</b>				<b>10,742,028</b>	<b>2,226,788</b>	<b>2,041,053</b>
<b>Bradespar's Market Capitalization ( D )</b>				<b>8,551,289</b>	<b>1,772,655</b>	<b>1,624,798</b>
Common Shares (BRAP3)	20.91	137,989,898		2,885,369	598,128	548,238
Preferred Shares (BRAP4)	22.21	255,106,712		5,665,920	1,174,527	1,076,560
<b>Difference between net asset value and market capitalization ( C ) - ( D )</b>				<b>2,190,739</b>	<b>454,133</b>	<b>416,255</b>
<b>DISCOUNT<sup>(2)</sup></b>				<b>20.4%</b>		

(1) Net Cash on 06/30/2023.

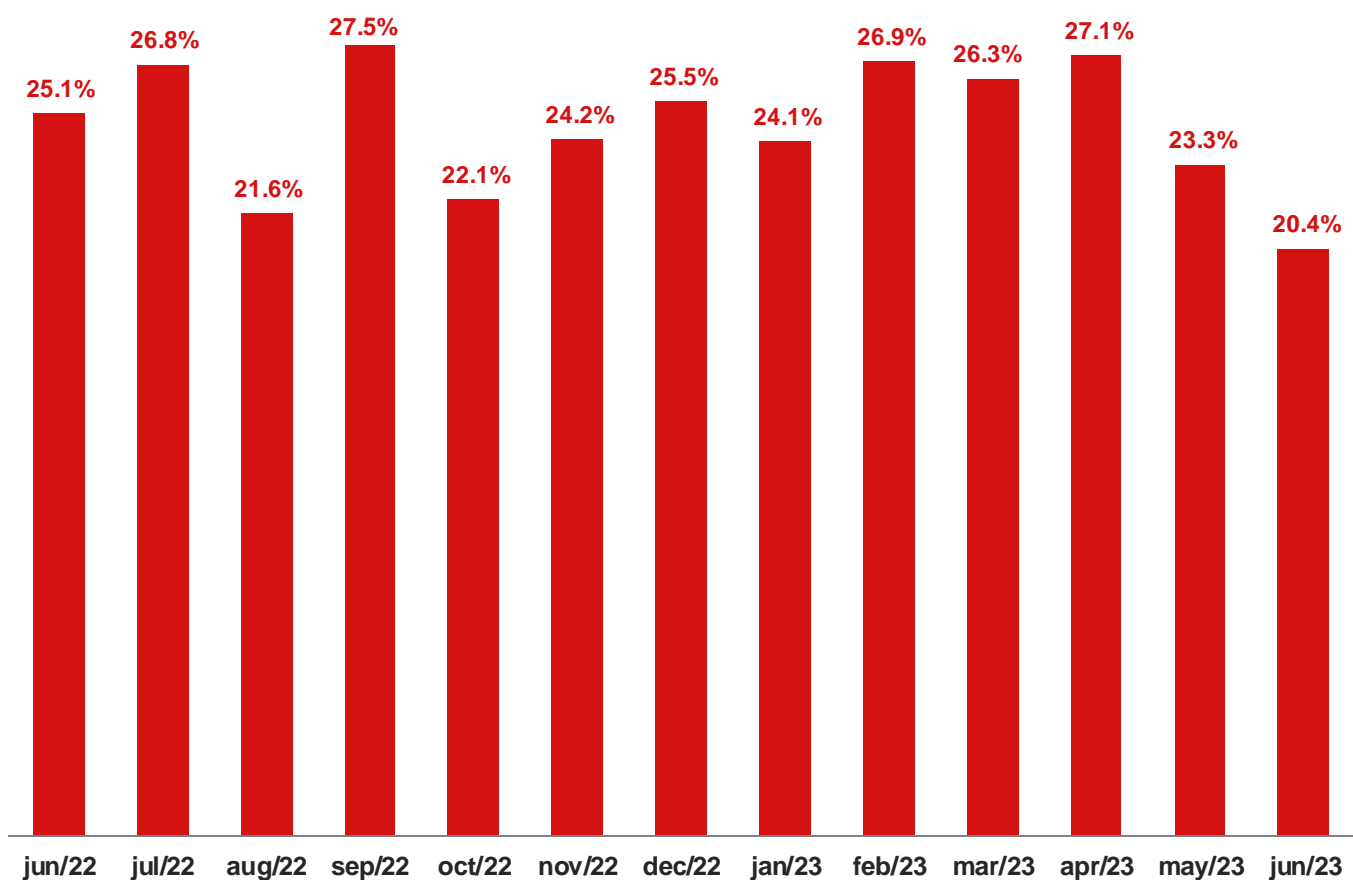
(2) ((BRADESPAR's Market Cap)/(Asset Value + Net Cash)) - 1

(3) Excluding treasury shares

## Historial Discount between BRADESPAR's Net Asset Value and Market Capitalization



Note: Average discount at the end of each month.



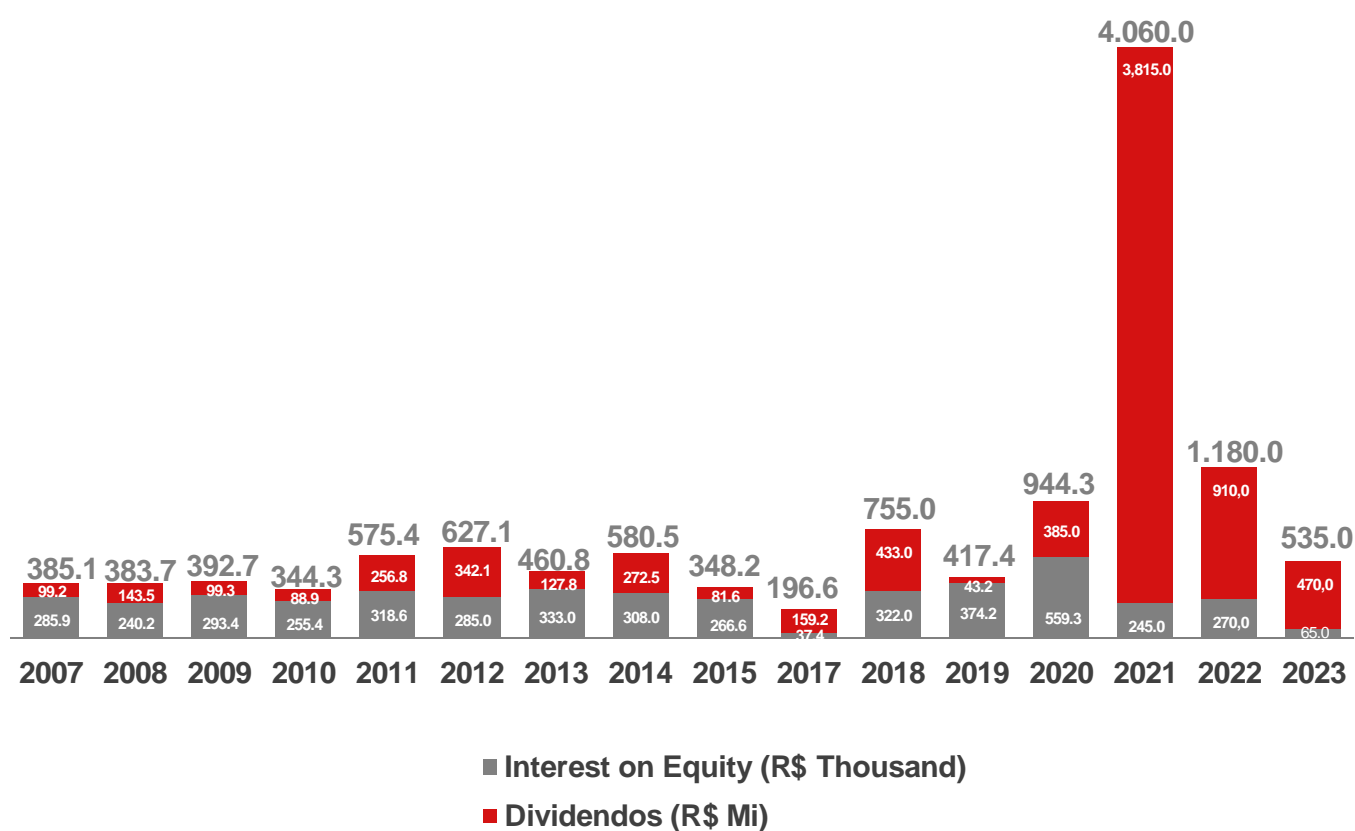
Note: Discount on last business day of the month

## DIVIDENDS AND INTEREST ON EQUITY

Pursuant to its Indicative Annual Shareholder Compensation Policy, on December 21, 2022, BRADESPAR announced interest on equity of R\$65,000,000.00, paid on May 15, 2023, with R\$0.155276803 per common share (R\$0.131985283 net of withholding income tax) and R\$0.170804483 per preferred share (R\$0.145183811 net of withholding income tax), to shareholders of record on December 26, 2022.

Additionally, on April 27, 2023, the Annual Shareholders' Meeting approved the payment of additional dividends in the amount of R\$470,000,000.00, based on the allocation of net income for the 2022 fiscal year and the Bylaws, which was also paid on May 15, 2023, with R\$1.122770724 per common share and R\$1.235047796 per preferred share, not subject to withholding Income Tax, pursuant to Article 10 of Law 9,249/95, benefiting shareholders of record on that date.

### Payment History of interest on Equity and Dividends



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