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Company Data / Capital Ownership

Number of Shares (Thousand)	Fiscal Year 12/31/2022
Paid-In Capital	
Common Shares	137,990
Preferred Shares	255,107
Total	393,097
Treasury Shares	
Common Shares	0
Preferred Shares	0
Total	0

Individual Financial Statements / Statement of Financial Position - Assets (R\$**thousand)**

Code of the Account	Account Description	Current Fiscal Year 12/31/2022	Previous Fiscal Year 12/31/2021	Previous Fiscal Year 12/31/2020
1	Total Assets	8,062,022	7,553,824	11,297,846
1.01	Current Assets	649,872	292,446	413,166
1.01.01	Cash and Cash Equivalents	408,700	292,446	60,442
1.01.03	Accounts Receivable	240,890	0	352,724
1.01.03.02	Other Accounts Receivable	240,890	0	352,724
1.01.03.02.01	Interest on Own Equity Receivable	40,521	0	0
1.01.03.02.02	Dividends Receivable	200,369	0	352,724
1.01.07	Prepaid Expenses	282	0	0
1.02	Non-current Assets	7,412,150	7,261,378	10,884,680
1.02.01	Long-Term Receivables	141,910	209,689	189,918
1.02.01.10	Other Non-current Assets	141,910	209,689	189,918
1.02.01.10.03	Judicial Deposits	0	0	7,717
1.02.01.10.04	Recoverable Taxes	141,910	209,689	182,201
1.02.02	Investments	7,269,133	7,050,664	10,693,863
1.02.03	Fixed assets	140	56	80
1.02.04	Intangible assets	967	969	819
1.02.04.01	Intangible Assets	967	969	819

Individual Financial Statements / Statement of Financial Position – Liabilities**(R\$ thousand)**

Code of the Account	Account Description	Current Fiscal Year 12/31/2022	Previous Fiscal Year 12/31/2021	Previous Fiscal Year 12/31/2020
2	Total Liabilities	8,062,022	7,553,824	11,297,846
2.01	Current Liabilities	584,044	50,042	35,192
2.01.03	Tax Obligations	4,743	973	279
2.01.05	Other Obligations	579,301	49,069	34,913
2.01.05.02	Other	579,301	49,069	34,913
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	546,354	17,326	5,852
2.01.05.02.04	Other Obligations	32,821	31,641	28,990
2.01.05.02.05	Provision Payable on Lease Agreements	126	102	71
2.02	Non-current Liabilities	977	972	7,843
2.02.02	Other Obligations	977	972	821
2.02.02.02	Other	977	972	821
2.02.02.02.03	Provision Payable on Lease Agreements	977	972	821
2.02.04	Provisions	0	0	7,022
2.03	Shareholders' Equity	7,477,001	7,502,810	11,254,811
2.03.01	Paid-in Share Capital	3,100,125	500,125	4,100,000
2.03.04	Profit Reserves	4,670,436	5,257,761	2,898,625
2.03.04.01	Legal Reserve	290,346	403,962	300,963
2.03.04.02	Statutory Reserve	4,380,090	4,853,799	2,597,662
2.03.06	Equity Valuation Adjustments	-293,560	1,744,924	4,256,186

Individual Financial Statements / Statement of Income

(R\$ thousand)

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
3.04	Operating Expenses/Revenues	3,646,318	8,017,432	1,461,081
3.04.02	General and Administrative Expenses	-20,445	-27,251	-18,019
3.04.04	Other Operating Income	33	0	0
3.04.04.03	Result from the Disposal of Fixed Assets	33	0	0
3.04.05	Other Operating Expenses	-31,535	-35,974	-27,749
3.04.05.01	Tax Expenses	-31,535	-25,943	-27,749
3.04.05.02	Other Operating Expenses	0	-10,031	0
3.04.06	Equity Earnings	3,698,265	8,080,657	1,506,849
3.05	Income Before Financial Result and Taxes	3,646,318	8,017,432	1,461,081
3.06	Financial Result	81,357	61,829	5,971
3.06.01	Financial revenues	81,498	62,744	12,340
3.06.02	Financial Expenses	-141	-915	-6,369
3.07	Earnings Before Taxes on Income	3,727,675	8,079,261	1,467,052
3.09	Net Income from Continuing Operations	3,727,675	8,079,261	1,467,052
3.11	Profit/Loss for the Period	3,727,675	8,079,261	1,467,052
3.99	Earnings per Share (BRL/Share)			
3.99.01	Basic Earnings per Share			
3.99.01.01	Common Shares	8.90495	19.30034	3.95837
3.99.01.02	Preferred Shares	9.79544	21.23037	4.35421
3.99.02	Diluted Earnings per Share			
3.99.02.01	Common Shares	8.90495	19.30034	3.95837
3.99.02.02	Preferred Shares	9.79544	21.23037	4.35421

Individual Financial Statements / Statement of Comprehensive Income**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
4.01	Net Income for the Period	3,727,675	8,079,261	1,467,052
4.02	Other Comprehensive Results	-2,038,484	-2,511,262	901,904
4.02.02	Impacts from Companies with Significant Influence	-2,038,484	-2,511,262	901,904
4.03	Comprehensive Income for the Period	1,689,191	5,567,999	2,368,956

Individual Financial Statements / Statement of Cash Flows - Indirect Method**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
6.01	Net Cash from Operating Activities	1,261,705	4,252,308	978,075
6.01.01	Cash Generated from Operations	8,817	-6,402	-38,363
6.01.01.01	Net Earnings before Income Tax and Social Contribution	3,727,675	8,079,261	1,467,052
6.01.01.03	Result from the Disposal of Fixed Assets	-33	0	0
6.01.01.04	Equity Earnings	-3,698,265	-8,080,657	-1,506,849
6.01.01.06	Monetary Variations and Interest, Net	-20,495	-4,989	1,468
6.01.01.08	Other	-65	-17	-34
6.01.02	Changes in Assets and Liabilities	1,252,888	4,258,710	1,016,438
6.01.02.01	(Increase)/Decrease in Other Assets	126,490	13,531	65,162
6.01.02.02	Increase/(Decrease) in Other Liabilities	3,719	1,071	-38,749
6.01.02.03	Interest on Shareholders' Equity and/or Dividends Received	1,153,350	4,268,473	1,016,954
6.01.02.04	Income Tax and Social Contribution Paid	-30,671	-24,365	-26,929
6.02	Net Cash from Investing Activities	-129	0	0
6.02.03	Disposal of Fixed Assets	73	0	0
6.02.04	Acquisition of Fixed Assets	-202	0	0
6.03	Net Cash from Financing Activities	-1,145,322	-4,020,304	-1,117,168
6.03.01	Interest on Shareholders' Equity and Dividends Paid	-1,145,322	-4,020,304	-887,855
6.03.03	Debenture Settlement	0	0	-229,313
6.05	Increase (Decrease) in Cash and Cash Equivalents	116,254	232,004	-139,093
6.05.01	Opening Balance of Cash and Cash Equivalents	292,446	60,442	199,535
6.05.02	Closing Balance of Cash and Cash Equivalents	408,700	292,446	60,442

Individual Financial Statements / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2022 to December 31, 2022**(R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Shares held in Treasury	Profit Reserve	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity
5.01	Opening Balances	500,125	0	5,257,761	0	1,744,924	7,502,810
5.03	Adjusted Opening Balances	500,125	0	5,257,761	0	1,744,924	7,502,810
5.04	Capital Transactions with Shareholders	2,600,000	0	-3,200,000	-1,115,000	0	-1,715,000
5.04.01	Capital Increase	2,600,000	0	-2,600,000	0	0	0
5.04.06	Dividends	0	0	-600,000	-780,000	0	-1,380,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-335,000	0	-335,000
5.05	Total Comprehensive Income	0	0	0	3,727,675	-2,038,484	1,689,191
5.05.01	Net Income for the Period	0	0	0	3,727,675	0	3,727,675
5.05.02	Other Comprehensive Results	0	0	0	0	-2,038,484	-2,038,484
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-2,038,484	-2,038,484
5.06	Internal Equity Changes	0	0	2,612,675	-2,612,675	0	0
5.06.01	Constitution of Reserves	0	0	2,612,675	-2,612,675	0	0
5.07	Closing Balances	3,100,125	0	4,670,436	0	-293,560	7,477,001

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2021 to December 31, 2021**(R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Shares held in Treasury	Profit Reserve	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity
5.01	Opening Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811
5.03	Adjusted Opening Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811
5.04	Capital Transactions with Shareholders	-3,599,875	0	-2,898,625	-2,821,500	0	-9,320,000
5.04.01	Capital Increase	1,660,125	0	-1,660,125	0	0	0
5.04.06	Dividends	0	0	-1,238,500	-2,576,500	0	-3,815,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-245,000	0	-245,000
5.04.08	Capital Decrease	-5,260,000	0	0	0	0	-5,260,000
5.05	Total Comprehensive Income	0	0	0	8,079,261	-2,511,262	5,567,999
5.05.01	Net Income for the Period	0	0	0	8,079,261	0	8,079,261
5.05.02	Other Comprehensive Results	0	0	0	0	-2,511,262	-2,511,262
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-2,511,262	-2,511,262
5.06	Internal Equity Changes	0	0	5,257,761	-5,257,761	0	0
5.06.01	Constitution of Reserves	0	0	5,257,761	-5,257,761	0	0
5.07	Closing Balances	500,125	0	5,257,761	0	1,744,924	7,502,810

Income Statement - Parent Company / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2020 to December 31, 2020**(R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted, and Shares held in Treasury	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity
5.01	Opening Balances	4,100,000	0	2,106,573	0	3,354,282	9,560,855
5.03	Adjusted Opening Balances	4,100,000	0	2,106,573	0	3,354,282	9,560,855
5.04	Capital Transactions with Shareholders	0	0	0	-675,000	0	-675,000
5.04.06	Dividends	0	0	0	-385,000	0	-385,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-290,000	0	-290,000
5.05	Total Comprehensive Income	0	0	0	1,467,052	901,904	2,368,956
5.05.01	Net Income for the Period	0	0	0	1,467,052	0	1,467,052
5.05.02	Other Comprehensive Results	0	0	0	0	901,904	901,904
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	901,904	901,904
5.06	Internal Equity Changes	0	0	792,052	-792,052	0	0
5.06.01	Constitution of Reserves	0	0	792,052	-792,052	0	0
5.07	Closing Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811

Individual Financial Statements / Statement of Value Added**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
7.02	Inputs Acquired from Third Parties	-5,890	-12,127	-6,282
7.02.02	Materials, Energy, Outsourced Services, and Others	-4,688	-10,740	-5,284
7.02.04	Other	-1,202	-1,387	-998
7.03	Gross Value Added	-5,890	-12,127	-6,282
7.05	Net Value Added Produced	-5,890	-12,127	-6,282
7.06	Value Added Received in Transfer	3,779,796	8,143,401	1,519,189
7.06.01	Equity Earnings	3,698,265	8,080,657	1,506,849
7.06.02	Financial Revenues	81,498	62,744	12,340
7.06.03	Other	33	0	0
7.06.03.03	Result from the Disposal of Fixed Assets	33	0	0
7.07	Total Value Added to be Distributed	3,773,906	8,131,274	1,512,907
7.08	Distribution of Value Added	3,773,906	8,131,274	1,512,907
7.08.01	Personnel	12,983	13,325	10,484
7.08.01.01	Direct Compensation	7,480	8,615	5,886
7.08.01.02	Benefits	5,503	4,710	4,598
7.08.02	Taxes, Fees, Contributions	33,107	27,742	29,002
7.08.02.01	Federal	33,103	27,739	29,001
7.08.02.02	State	4	3	1
7.08.03	Return on Third-Party Capital	141	10,946	6,369
7.08.03.01	Interest	141	915	6,369
7.08.03.03	Other	0	10,031	0
7.08.04	Shareholders' Equity Compensation	3,727,675	8,079,261	1,467,052
7.08.04.01	Interest on Shareholders' Equity	335,000	245,000	290,000
7.08.04.02	Dividends	780,000	2,576,500	385,000
7.08.04.03	Retained Profit/Loss for the Period	2,612,675	5,257,761	792,052

Consolidated Financial Statements / Statement of Financial Position - Assets**(R\$ thousand)**

Code of the Account	Account Description	Current Fiscal Year 12/31/2022	Previous Fiscal Year 12/31/2021	Previous Fiscal Year 12/31/2020
1	Total Assets	8,062,022	7,553,824	11,297,846
1.01	Current Assets	649,872	294,709	415,287
1.01.01	Cash and Cash Equivalents	408,700	294,709	62,563
1.01.03	Accounts Receivable	240,890	0	352,724
1.01.03.02	Other Accounts Receivable	240,890	0	352,724
1.01.03.02.01	Interest on Shareholders' Equity Receivable	40,521	0	0
1.01.03.02.02	Dividends Receivable	200,369	0	352,724
1.01.07	Prepaid Expenses	282	0	0
1.02	Non-current Assets	7,412,150	7,259,115	10,882,559
1.02.01	Long-Term Receivables	141,910	209,689	189,918
1.02.01.10	Other Non-current Assets	141,910	209,689	189,918
1.02.01.10.03	Judicial Deposits	0	0	7,717
1.02.01.10.04	Recoverable Taxes	141,910	209,689	182,201
1.02.02	Investments	7,269,133	7,048,401	10,691,742
1.02.03	Fixed Assets	140	56	80
1.02.04	Intangible Assets	967	969	819

Consolidated Financial Statements / Statement of Financial Position – Liabilities**(R\$ thousand)**

Code of the Account	Account Description	Current Fiscal Year 12/31/2022	Previous Fiscal Year 12/31/2021	Previous Fiscal Year 12/31/2020
2	Total Liabilities	8,062,022	7,553,824	11,297,846
2.01	Current Liabilities	584,044	50,042	35,192
2.01.03	Tax Obligations	4,743	973	279
2.01.05	Other Obligations	579,301	49,069	34,913
2.01.05.02	Other	579,301	49,069	34,913
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	546,354	17,326	5,852
2.01.05.02.04	Other Obligations	32,821	31,641	28,990
2.01.05.02.05	Provision Payable on Lease Agreements	126	102	71
2.02	Non-current Liabilities	977	972	7,843
2.02.02	Other Obligations	977	972	821
2.02.02.02	Other	977	972	821
2.02.02.02.03	Provision Payable on Lease Agreements	977	972	821
2.02.04	Provisions	0	0	7,022
2.03	Consolidated Equity	7,477,001	7,502,810	11,254,811
2.03.01	Paid-in Share Capital	3,100,125	500,125	4,100,000
2.03.04	Profit Reserves	4,670,436	5,257,761	2,898,625
2.03.04.01	Legal Reserve	290,346	403,962	300,963
2.03.04.02	Statutory Reserve	4,380,090	4,853,799	2,597,662
2.03.06	Equity Valuation Adjustments	-293,560	1,744,924	4,256,186

Consolidated Financial Statements / Statement of Income**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
3.04	Operating Expenses/Revenues	3,646,379	8,017,274	1,460,597
3.04.02	General and Administrative Expenses	-20,445	-27,267	-18,033
3.04.04	Other Operating Income	33	0	0
3.04.04.03	Result from the Disposal of Fixed Assets	33	0	0
3.04.05	Other Operating Expenses	-31,535	-35,974	-27,749
3.04.05.01	Tax Expenses	-31,535	-25,943	-27,749
3.04.05.02	Other Operating Expenses	0	-10,031	0
3.04.06	Equity Earnings	3,698,326	8,080,515	1,506,379
3.05	Income Before Financial Result and Taxes	3,646,379	8,017,274	1,460,597
3.06	Financial Result	81,296	61,987	6,455
3.06.01	Financial Revenues	81,879	62,902	12,824
3.06.02	Financial Expenses	-583	-915	-6,369
3.07	Earnings Before Income Taxes	3,727,675	8,079,261	1,467,052
3.09	Net Result from Continuing Operations	3,727,675	8,079,261	1,467,052
3.11	Consolidated Profit/Loss for the Period	3,727,675	8,079,261	1,467,052
3.11.01	Assigned to Shareholders of the Parent Company	3,727,675	8,079,261	1,467,052
3.99	Earnings per Share (Reais/Share)			
3.99.01	Basic Earnings per Share			
3.99.01.01	Common Shares	8.90495	19.30034	3.95837
3.99.01.02	Preferred Shares	9.79544	21.23037	4.35421
3.99.02	Diluted Earnings per Share			
3.99.02.01	Common Shares	8.90495	19.30034	3.95837
3.99.02.02	Preferred Shares	9.79544	21.23037	4.35421

Consolidated Financial Statements / Statement of Comprehensive Income**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
4.01	Consolidated Net Income for the Period	3,727,675	8,079,261	1,467,052
4.02	Other Comprehensive Results	-2,038,484	-2,511,262	901,904
4.02.02	Impacts from Companies with Significant Influence	-2,038,484	-2,511,262	901,904
4.03	Consolidated Comprehensive Result for the Period	1,689,191	5,567,999	2,368,956
4.03.01	Assigned to Shareholders of the Parent Company	1,689,191	5,567,999	2,368,956

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
6.01	Net Cash from Operating Activities	1,259,442	4,252,450	978,546
6.01.01	Cash Generated from Operations	8,727	-6,260	-37,892
6.01.01.01	Net Earnings before Income Tax and Social Contribution	3,727,675	8,079,261	1,467,052
6.01.01.03	Result from the Disposal of Fixed Assets	-33	0	0
6.01.01.04	Equity Earnings	-3,698,326	-8,080,515	-1,506,379
6.01.01.06	Interest and Cash Restatement, Net	-20,524	-4,989	1,469
6.01.01.08	Other	-65	-17	-34
6.01.02	Changes in Assets and Liabilities	1,250,715	4,258,710	1,016,438
6.01.02.01	(Increase)/Decrease in Other Assets	124,317	13,531	65,162
6.01.02.02	Increase/(Decrease) in Other Liabilities	3,719	1,071	-38,749
6.01.02.03	Interest on Shareholders' Equity and/or Dividends Received	1,153,350	4,268,473	1,016,954
6.01.02.04	Income Tax and Social Contribution Paid	-30,671	-24,365	-26,929
6.02	Net Cash from Investing Activities	-129	0	0
6.02.03	Disposal of Fixed Assets	73	0	0
6.02.04	Acquisition of Fixed Assets	-202	0	0
6.03	Net Cash from Financing Activities	-1,145,322	-4,020,304	-1,117,168
6.03.01	Interest on Shareholders' Equity and Dividends Paid	-1,145,322	-4,020,304	-887,855
6.03.03	Debenture Settlement	0	0	-229,313
6.05	Increase (Decrease) in Cash and Cash Equivalents	113,991	232,146	-138,622
6.05.01	Opening Balance of Cash and Cash Equivalents	294,709	62,563	201,185
6.05.02	Closing Balance of Cash and Cash Equivalents	408,700	294,709	62,563

Consolidated Financial Statements / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2022 to December 31,**2022 (R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Shares held in Treasury	Profit Reserve	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	500,125	0	5,257,761	0	1,744,924	7,502,810	0	7,502,810
5.03	Adjusted Opening Balances	500,125	0	5,257,761	0	1,744,924	7,502,810	0	7,502,810
5.04	Capital Transactions with Shareholders	2,600,000	0	-3,200,000	-1,115,000	0	-1,715,000	0	-1,715,000
5.04.01	Capital Increase	2,600,000	0	-2,600,000	0	0	0	0	0
5.04.06	Dividends	0	0	-600,000	-780,000	0	-1,380,000	0	-1,380,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-335,000	0	-335,000	0	-335,000
5.05	Total Comprehensive Result	0	0	0	3,727,675	-2,038,484	1,689,191	0	1,689,191
5.05.01	Net Income for the Period	0	0	0	3,727,675	0	3,727,675	0	3,727,675
5.05.02	Other Comprehensive Results	0	0	0	0	-2,038,484	-2,038,484	0	-2,038,484
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-2,038,484	-2,038,484	0	-2,038,484
5.06	Internal Equity Changes	0	0	2,612,675	-2,612,675	0	0	0	0
5.06.01	Constitution of Reserves	0	0	2,612,675	-2,612,675	0	0	0	0
5.07	Closing Balances	3,100,125	0	4,670,436	0	-293,560	7,477,001	0	7,477,001

Consolidated Financial Statements / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2021 to December 31, 2021**(R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Granted Options and Shares held in Treasury	Profit Reserve	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811	0	11,254,811
5.03	Adjusted Opening Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811	0	11,254,811
5.04	Capital Transactions with Shareholders	-3,599,875	0	-2,898,625	-2,821,500	0	-9,320,000	0	-9,320,000
5.04.01	Capital Increase	1,660,125	0	-1,660,125	0	0	0	0	0
5.04.06	Dividends	0	0	-1,238,500	-2,576,500	0	-3,815,000	0	-3,815,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-245,000	0	-245,000	0	-245,000
5.04.08	Capital Decrease	-5,260,000	0	0	0	0	-5,260,000	0	-5,260,000
5.05	Total Comprehensive Result	0	0	0	8,079,261	-2,511,262	5,567,999	0	5,567,999
5.05.01	Net Income for the Period	0	0	0	8,079,261	0	8,079,261	0	8,079,261
5.05.02	Other Comprehensive Results	0	0	0	0	-2,511,262	-2,511,262	0	-2,511,262
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	-2,511,262	-2,511,262	0	-2,511,262
5.06	Internal Equity Changes	0	0	5,257,761	-5,257,761	0	0	0	0
5.06.01	Constitution of Reserves	0	0	5,257,761	-5,257,761	0	0	0	0
5.07	Closing Balances	500,125	0	5,257,761	0	1,744,924	7,502,810	0	7,502,810

Consolidated Financial Statements / Statement of Changes in the Shareholders' Equity / SCE - January 1, 2020 to December 31, 2020**(R\$ thousand)**

Code of the Account	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted, and Shares held in Treasury	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Results	Shareholders' Equity	Non-Controlling Interest	Shareholders' Equity Consolidated
5.01	Opening Balances	4,100,000	0	2,106,573	0	3,354,282	9,560,855	0	9,560,855
5.03	Adjusted Opening Balances	4,100,000	0	2,106,573	0	3,354,282	9,560,855	0	9,560,855
5.04	Capital Transactions with Shareholders	0	0	0	-675,000	0	-675,000	0	-675,000
5.04.06	Dividends	0	0	0	-385,000	0	-385,000	0	-385,000
5.04.07	Interest on Shareholders' Equity	0	0	0	-290,000	0	-290,000	0	-290,000
5.05	Total Comprehensive Result	0	0	0	1,467,052	901,904	2,368,956	0	2,368,956
5.05.01	Net Income for the Period	0	0	0	1,467,052	0	1,467,052	0	1,467,052
5.05.02	Other Comprehensive Results	0	0	0	0	901,904	901,904	0	901,904
5.05.02.06	Impacts from Companies with Significant Influence	0	0	0	0	901,904	901,904	0	901,904
5.06	Internal Equity Changes	0	0	792,052	-792,052	0	0	0	0
5.06.01	Constitution of Reserves	0	0	792,052	-792,052	0	0	0	0
5.07	Closing Balances	4,100,000	0	2,898,625	0	4,256,186	11,254,811	0	11,254,811

Consolidated Financial Statements / Statement of Value Added**(R\$ thousand)**

Code of the Account	Account Description	Accumulated 01/01/2022 to 12/31/2022	Accumulated 01/01/2021 to 12/31/2021	Accumulated 01/01/2020 to 12/31/2020
7.02	Inputs Purchased from Third Parties	-5,890	-12,143	-6,296
7.02.02	Materials, Energy, Outsourced Services, and Others	-4,688	-10,756	-5,284
7.02.04	Other	-1,202	-1,387	-1,012
7.03	Gross Value Added	-5,890	-12,143	-6,296
7.05	Net Value Added Produced	-5,890	-12,143	-6,296
7.06	Value Added Received in Transfer	3,780,238	8,143,417	1,519,203
7.06.01	Equity Earnings	3,698,326	8,080,515	1,506,379
7.06.02	Financial Revenues	81,879	62,902	12,824
7.06.03	Other	33	0	0
7.06.03.03	Result from the Disposal of Fixed Assets	33	0	0
7.07	Total Value Added to be Distributed	3,774,348	8,131,274	1,512,907
7.08	Distribution of Value Added	3,774,348	8,131,274	1,512,907
7.08.01	Personnel	12,983	13,325	10,484
7.08.01.01	Direct Compensation	7,480	8,615	5,886
7.08.01.02	Benefits	5,503	4,710	4,598
7.08.02	Taxes, Fees and Contributions	33,107	27,742	29,002
7.08.02.01	Federal	33,103	27,739	29,001
7.08.02.02	State	4	3	1
7.08.03	Third-Party Capital Compensation	583	10,946	6,369
7.08.03.01	Interest	583	915	6,369
7.08.03.03	Other	0	10,031	0
7.08.04	Shareholders' Equity Compensation	3,727,675	8,079,261	1,467,052
7.08.04.01	Interest on Shareholders' Equity	335,000	245,000	290,000
7.08.04.02	Dividends	780,000	2,576,500	385,000
7.08.04.03	Retained Profit/Loss for the Period	2,612,675	5,257,761	792,052

Management's Comments on the Company's Performance

MANAGEMENT'S COMMENTS ON THE COMPANY'S PERFORMANCE

Dear Shareholders,

The BRADESPAR closed 2022 with one of the best results ever recorded since its inception, even considering that the figures have been adjusted to the Company's capital reduction transaction carried out in December 2021 and, as a consequence, to the new equity interest it holds in VALE's share capital. In the year, BRADESPAR recorded net income of R\$3.7 billion, allowing us to resolve on the R\$1.2 billion payout, confirming our commitment to maximizing return for our shareholders.

We also highlight that despite the year being marked by a volatile capital markets environment, the Company's shares appreciated by 34.0% in the period, reaching a level that is superior to VALE's, its investee. The discount between its net asset value and its market value was at 25.5%.

We thank everyone who trusted BRADESPAR in 2022.

São Paulo, March 27, 2023.

Luiz Carlos Trabuco Cappi
Chair of the Board of Directors

Management's Comments on the Company's Performance

INVESTMENT STRUCTURE

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 2022, the market value of BRADESPAR's assets totaled R\$14.5 billion.

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

BRADESPAR

3.64% V/T



Management's 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\$ thousand)					
	4Q22	4Q21	Chg. (%)	2022	2021	Chg. (%)
Equity Income	670,790	2,921,095	-77.0%	3,698,326	8,080,515	-54.2%
Result from the Disposal of Fixed Assets	-	-	-	33	-	-
Operational Result	670,790	2,921,095	-77.0%	3,698,359	8,080,515	-54.2%
General and Administrative Expenses	(1,457)	(1,980)	-26.4%	(5,965)	(12,219)	-51.2%
Payroll Expenses	(3,662)	(4,433)	-17.4%	(14,480)	(15,048)	-3.8%
Financial Revenues (Expenses)	24,193	48,459	-50.1%	81,296	61,987	31.2%
Tax Expenses	(5,539)	(2,252)	146.0%	(31,535)	(25,943)	21.6%
Other Operating Expenses	-	-	-	-	(10,031)	-
Operational Result before Income Tax/Social Contribution	684,325	2,960,889	-76.9%	3,727,675	8,079,261	-53.9%
Income Tax and Social Contribution	64,724	-	-	-	-	-
Results for the Period	749,049	2,960,889	-74.7%	3,727,675	8,079,261	-53.9%

OPERATING REVENUE

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

In 2022, it recorded operating revenue of R\$3.7 billion, one of the best results ever. We emphasize that this amount already reflects the capital reduction concluded on December 20, 2021, which reduced BRADESPAR's 5.73% equity interest in VALE, with the consequent delivery of VALE shares to BRADESPAR's shareholders. The equity interest is currently 3.64% of the voting capital.

We underscore VALE's robust performance in the ending year, especially higher iron ore sales volume and the higher realized prices in the nickel and copper segments.

FINANCIAL RESULTS

BRADESPAR's financial result for the year reached a positive R\$81.3 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.

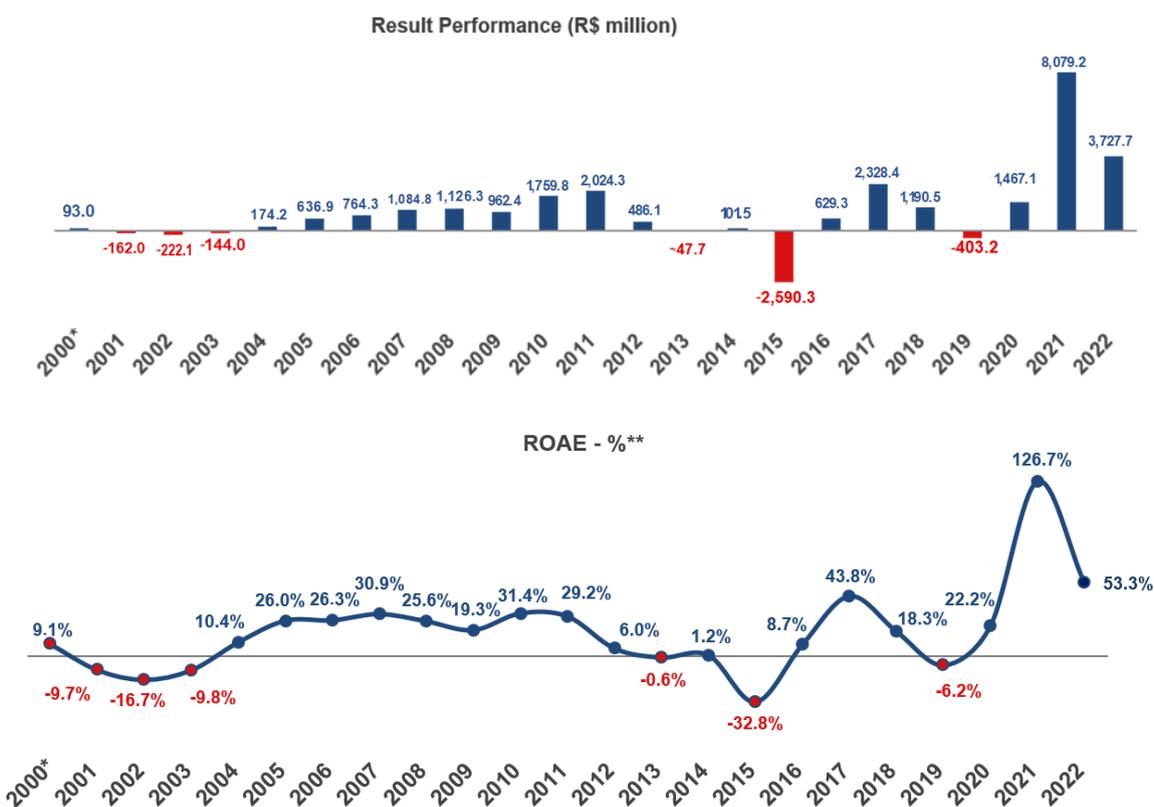
Management's Comments on the Company's Performance

PAYROLL, GENERAL AND ADMINISTRATIVE EXPENSES

BRADESPAR's personnel, general and administrative expenses totaled R\$20.4 million in 2022.

RESULTS PERFORMANCE

In 2022, BRADESPAR recorded a net income of R\$3.7 billion. This strong performance, as shown in the chart below, is one of the Company's best results ever, especially considering the reduced equity interest in VALE's share capital. Return on average equity (ROAE) reached 53.3%.



* Corresponds to 10 months of activities

** ROAE = Net Income / Average Shareholders' Equity - Does not consider effects from the equity valuation adjustment recorded in Shareholders' Equity.

Management's Comments on the Company's Performance

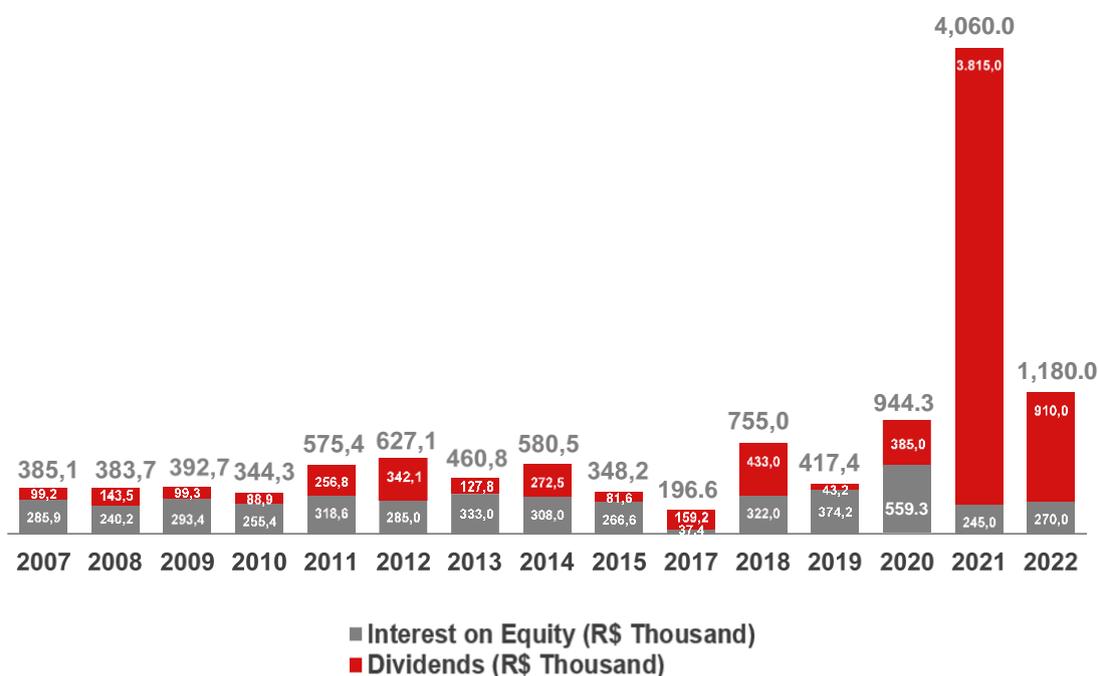
DIVIDENDS AND INTEREST ON EQUITY

Pursuant to its Indicative Annual Shareholder Compensation Policy, on December 21, 2022, BRADESPAR announced interest on equity of R\$65,000,000.00, to be 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.

Also, on March 27, 2023, the Company's Board of Directors, based on the allocation of net income for the fiscal year and its Bylaws, submitted an additional dividend proposal of R\$470,000,000.00 million, to be paid on May 15 of the current year, to resolution at the Annual Shareholders' Meeting.

Interest on Equity and Dividends paid in 2022 totaled R\$1.2 billion, one of the largest amounts ever paid by BRADESPAR.

Payment History of Interest on Equity and Dividends



Note: The graph does not include the amounts of R\$ 65 MM of Interest on Equity and R\$ 470 MM of Dividends to be paid on 05/15/2023.

Management’s Comments on the Company’s Performance

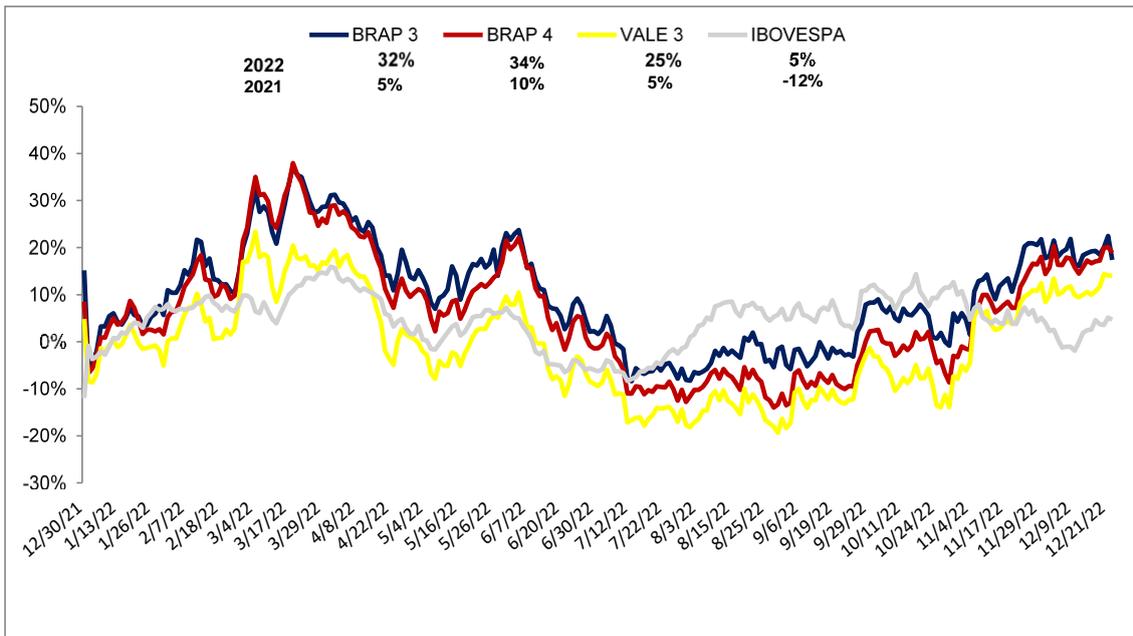
CAPITAL MARKET

Since its inception, BRADESPAR’s shares are listed on B3 – Brasil, Bolsa, Balcão, under tickers BRAP3 (ON) and BRAP4 (PN), and its securities are traded on *Latibex*, the Madrid Stock Exchange’s Latin American Companies Market, in Spain, in Euros, through the *Depositary Receipts* (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, when it adhered to B3’s Level I of Corporate Governance.

In 2022, the Company's shares appreciated by 34% (BRAP4) and by 32% (BRAP3), while the IBOVESPA appreciated by 5%, and the shares of its investee, VALE, appreciated by 25%.

Share Performance on B3 in 2022



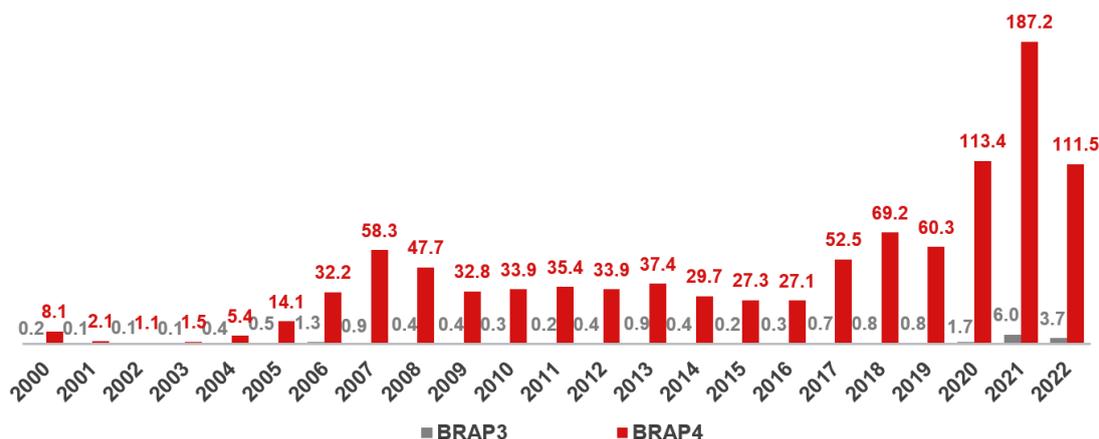
Prices adjusted for shareholder payments, including Dividends and/or Interest on Equity.
Source: Economática.

Management's Comments on the Company's Performance

LIQUITY

The average daily trading volume of BRADESPAR preferred shares (BRAP4) in 2022 was R\$111.5 million, while the daily average of trades with BRAP4 on B3 was 13,066.

Average Daily Trading Volume (R\$ million)



Source: Economática

PREMIUM / DISCOUNT

At the end of 2022, the market value of BRADESPAR's assets totaled R\$14.5 billion. The market value of BRADESPAR, in relation to VALE, was a discount of 25.5%, that is, BRADESPAR's market capitalization corresponds to 74.5% of the net value of its assets.

BRADESPAR's Net Asset Value vs. Market Cap (closing prices on December 29, 2022)

Companies	BRADESPAR's Share					
	Price (R\$/share)	Number of Shares	% Total Capital ⁽³⁾	Market Value (R\$ '000)	Market Value (US\$ '000)	Market Value (EURO '000)
VALE ON	88.88	163,252,389	3.60%	14,509,872	2,762,654	2,590,028
BRADESPAR's Total Asset Value (A)				14,509,872	2,762,654	2,590,028
BRADESPAR's Net Cash (B) ⁽¹⁾				406,500	77,397	72,561
BRADESPAR's Net Asset Value (C) = (A) + (B)				14,916,372	2,840,051	2,662,589
BRADESPAR's Market Value (D)				11,110,173	2,115,357	1,983,179
Common Shares (BRAP3)	25.57	137,989,898		3,528,402	671,801	629,824
Preferred Shares (BRAP4)	29.72	255,106,712		7,581,771	1,443,556	1,353,355
Difference between BRADESPAR's Net Asset Value and Market Value (C) - (D)				3,806,199	724,694	679,410
DISCOUNT ⁽²⁾				25.5%		

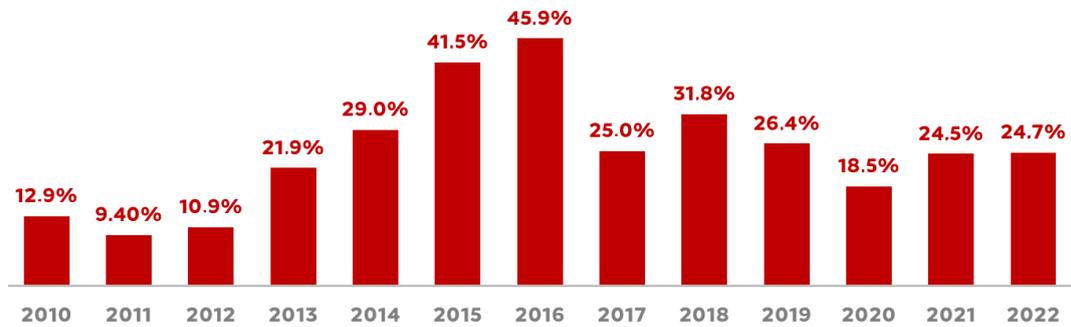
(1) Net Cash on 12/29/2022.

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

(3) Excluding treasury shares

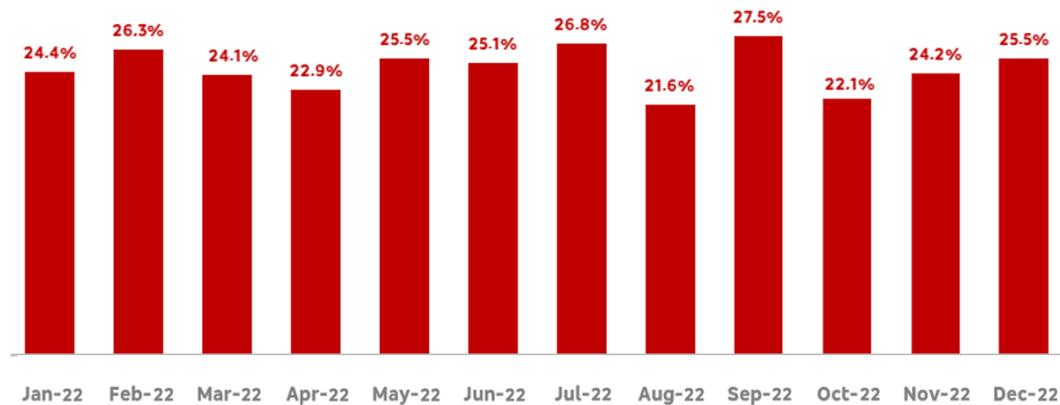
Management's Comments on the Company's Performance

Discount History between BRADESPAR's Net Asset Value and Market Value



Note: Average discount at the end of each month.

Discounts in 2022



Note: Discount on the last business day of each month.

Management's Comments on the Company's Performance

COMMENTS ON INVESTEE

VALE was founded in 1942 in the state of Minas Gerais, currently being one of the largest mining companies worldwide and one of the most valued companies in Latin America. It is present in over 20 countries, with the following operations: mining, logistics (railroads, ports and terminals), energy generation, and steel.

In late 2021, BRADESPAR reduced its equity interest in VALE and now holds 3.64% of the company's share capital. It is worth noting that the Company continues to strategically manage this mining company, with a representative on its Board of Directors and Advisory Committees.

In 2022, VALE recorded a net income of R\$16.7 billion and invested US\$5.4 billion in projects to grow and maintain its operations. Adjusted EBITDA from the company's continuing operations totaled US\$20.9 billion, 38.0% lower than in the same period of the previous year, mainly due to the realized price of iron ore fines.

We would also like to highlight the third program to repurchase up to 500 million VALE shares, with nearly 43.0% of the program concluded and disbursements of US\$3.4 billion to repurchase approximately 213 million shares issued by VALE. The Company's Senior Management believes that this share buyback program is one of the best investments available in the current scenario.

Lastly, in February of the current year, VALE announced the payment of R\$8.13 billion in dividends, which added to the R\$1.32 billion in interest on equity already resolved by the Board of Directors in December 2022, amounted to the R\$9.45 billion paid in March 2023.

Management's Comments on the Company's Performance

SERVICES PROVIDED BY INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, BRADESPAR announces that, in the period ended December 31, 2022, it did not engage the independent auditor – PricewaterhouseCoopers Auditores Independentes Ltda. – in activities not related to external audit.

BRADESPAR's policy for hiring services not related to external audit complies with regulations to preserve the external auditor's independence, maintaining consistency with international principles, in accordance with the procedures established by the Company, including, among others, that the external auditor: (a) should not audit its own work; (b) should not perform management functions at the client; and (c) should not promote the interests of its client. Additionally, in case of engaging other services, the scope and procedures of said services are discussed with the independent auditors, so that they do not affect the independence rules established.

Notes to the Financial Statements

(In thousands of reais, unless otherwise specified)

1. OPERATIONS

BRADESPAR S.A. (“BRADESPAR”, “Company” or “Parent Company”), a publicly-held corporation headquartered at Avenida Paulista, nº 1.450, 9º andar, São Paulo - SP, Brazil, has the purpose to acquire equity interests in other companies as a shareholder or partner.

The authorization to issue these financial statements was granted by the Board of Directors on March 27, 2023.

The direct equity interests are as follows:

a) Millennium Security Holdings Corp. (MILLENNIUM)

The corporate purpose of MILLENNIUM is to engage in any act or activity permitted by any law prevailing in the British Virgin Islands.

b) VALE S.A. (VALE)

VALE S.A. is a publicly-held corporation headquartered in the city of Rio de Janeiro, Brazil, with shares traded on the stock markets of São Paulo – B3 S.A. – Brasil, Bolsa, Balcão (VALE3), New York – NYSE (VALE) and Madri – LATIBEX (XVALO).

VALE S.A. and its subsidiaries are the world’s largest producer of iron ore and pellets, key raw materials for the steel industry and nickel producers, with applications in the stainless steel and metal alloys industry used to produce several products. The company also produces copper, thermal and metallurgical charcoal, manganese, metals of the group of platinum, gold, silver and cobalt (Note 18).

2. PRESENTATION OF THE FINANCIAL STATEMENTS

We hereby present the individual (Parent Company) and Consolidated financial statements of BRADESPAR, which includes the subsidiary MILLENNIUM, on December 31, 2022 and 2021.

The Company’s parent company and consolidated financial statements were drawn up in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board - (IASB), and are presented in accordance with CPC 36 (R3) – Consolidated Financial Statements, related to the international standard IFRS 10 – “Consolidated Financial Statements”, implemented in Brazil through the Brazilian Accounting Pronouncements Committee - (CPC) and its technical pronouncements (CPCs), interpretations - (ICPCs) and guidelines - (OCPCs), approved by the Brazilian Securities and Exchange Commission (CVM).

Management states that the disclosures in BRADESPAR’s individual and consolidated financial statements show all material information used in its management and the accounting practices described above have been consistently used between the periods presented.

Notes to the Financial Statements

The accounting estimates applied to draw up the financial statements, related to deferred tax assets and liabilities, liability provisions and contingencies, consider the best evidence available and are based on assumptions applicable at the end of the reporting fiscal years. The final results, when realized, may differ from the estimated values.

BRADESPAR evaluates the subsequent events until the date on which the Board of Directors approved the financial statements.

3. MAIN ACCOUNTING POLICIES

a) Principles of Consolidation

The consolidated financial statements reflect the balances and transactions of the parent company and its subsidiary. Investments with significant influence are accounted for using the equity method and presented in Note 8.

BRADESPAR's consolidated financial statements include the its direct subsidiary MILLENNIUM.

b) Segment Reporting

BRADESPAR is a holding company whose corporate purpose and sole business segment is to hold interest as partner or shareholder in other companies.

c) Functional and presentation currency

The financial statements are presented in Brazilian reais (R\$), which is BRADESPAR's functional currency.

d) Cash and cash equivalents

Cash and cash equivalents are resources used by the Company to manage its short-term obligations and are represented by cash available in local currency and investments in investment funds maturing in 90 days or less on the date the investment was effectively made, which have insignificant risk of change in fair value and are readily convertible to cash. The market value of investment funds is determined according to the share value of the investment on the last day of the period, as provided by the fund's administrator.

The breakdown of cash and investments recorded as cash and cash equivalents is provided in Note 7.

e) Financial instruments

(i) Classification of financial assets

As of 2018, the Company began to adopt CPC 48 – Financial Instruments (IFRS 9), which contains a new approach for classifying and measuring financial assets, based on the business model for the management of financial assets, as well as on the contractual cash flow characteristics of the financial asset.

CPC 48 classifies financial assets into three categories: (i) measured at amortized cost; (ii) measured at fair value through other comprehensive income (FVOCI – Shareholders' Equity); and (iii) measured at fair value through profit or loss (FVTPL).

Notes to the Financial Statements

- **Measured at amortized cost**

These financial assets meet the SPPI test criteria and are held with the objective of receiving the contractual cash flows.

Financial assets measured at amortized cost are assets initially recognized at fair value, including direct and incremental costs, and subsequently accounted for at amortized cost through the effective interest rate method.

- **Measured at fair value through profit or loss (FVPL)**

Financial assets measured at FVPL are recorded and initially measured at fair value, with subsequent changes in fair value recognized immediately in the income statement.

These assets are held by the Company for short-term trading purpose or to be held as part of a jointly managed portfolio for short-term profit or positions. They may eventually be assets that do not meet the SPPI test. Derivative financial instruments as also classified as FVPL.

- **Measured at fair value through profit or loss (FVTPL).**

Financial assets measured at FVTPL are initially recognized at fair value, including transaction costs that are directly related to their acquisition or issuance, and are subsequently measured at fair value with gains and losses recognized in other comprehensive income, except for amounts referring to impairment and gains/losses arising from foreign exchange conversions, until the financial asset is no longer recognized. Expected credit losses are recorded in the income statement under other comprehensive income, with no impact on the asset's gross carrying amount.

(ii) Market value calculation methodology and classified by hierarchical level

The market value of financial assets is calculated based on the price of similar assets and liabilities, prices in inactive markets or other data, which are observable in the market, including but not limited to yield curves, interest rates, volatility, prices of debt instruments and exchange rates for all the substantial terms of assets or liabilities.

f) Impairment of financial assets

At the end of each fiscal year, the Company assesses if objective evidence exists for the impairment of its assets. If impacts on cash flows exist due to the deterioration of its assets, and if they can be reliably estimated, the loss due to impairment, is recognized in income statement for the period. The Company did not record losses from impairment in the 2022 and 2021 fiscal years.

Notes to the Financial Statements

g) Financial liabilities

These liabilities are stated at known and estimated values, including charges and monetary variations (on a “pro rata” day basis), as applicable.

The Company classifies its financial liabilities in the following category:

- Amortized cost, which are financial liabilities not measured at fair value in the income statement. These liabilities are initially recorded at fair value and subsequently measured at amortized cost.

h) Investments

Equity interests in investments in subsidiaries and with significant influence are valued through the equity method and, when applicable, deducted from the provision for impairment.

The breakdown for investments is provided in Note 8.

i) Provisions, contingent assets and liabilities and legal obligations

The recognition, measurement and disclosure of provisions, contingent assets and liabilities, as well as legal obligations, are carried according to the criteria defined by CPC 25, approved by CVM Resolution 72/22, in which:

- Provisions are recognized when the Company has a present obligation arising from a past event, legal or constructive and which can be reliably estimated, and when there is a probability that resources will be needed to settle the obligation. Provisions are determined according to the expectation of future cash flows, discounted at a fixed rate, and reflect the current market assessment of the time value of money and the risks associated specifically to that liability.

When recording provisions, Management takes into consideration the legal counsel’s opinion, nature of lawsuits, similarity with previous proceedings, complexity, and court standpoint, whenever losses are classified as probable.

- Contingent assets do not receive accounting recognition, except when there are real guarantees or final favorable court rulings, with no further appeals possible, thus characterizing the gain as virtually certain and confirming the ability to recover the asset by receipt or offset against another liability. Contingent assets with expected probability of success are disclosed in the explanatory notes, when relevant;
- For contingent liabilities, according to CPC 25, the term “contingent” refers to liabilities that are not recognized because their existence can only be confirmed if one or more uncertain future events occur and that are beyond Management’s control. Contingent liabilities do not meet the recognition criteria since they are considered possible losses and should only be disclosed in explanatory notes, when relevant. Obligations classified as remote are neither provisioned nor disclosed; and

Notes to the Financial Statements

- Legal obligations regarding provisions for tax risks arise from lawsuits challenging the legality or constitutionality of a matter which, regardless of the assessment of its probability of success, have their values fully recognized in the financial statements.

The details of the lawsuits, as well as the changes in the values recorded, are provided in Note 9.

j) Income and social contribution taxes

Tax credits are recorded at their probable realizable value and refer to income tax and social contribution credits on tax losses, negative social contribution base, and temporary differences. When applicable, these credits are recognized under long-term current and non-current assets.

The provision for income tax is established at a rate of 15% over taxable income, plus an additional 10%, as applicable.

The provision for social contribution is established at a rate of 9% over taxable income, before income tax. Provisions were established for other taxes and social contributions according to the respective legislation in force.

The breakdown of income tax and social contribution amounts, their calculation statements, as well as information on non-activated tax credits, are provided in Note 12.

k) Profit or loss calculation

The Company's results are calculated in accordance with the accrual method, which establishes that income and expenses must be included in the profit or loss calculation during the periods in which they occur, always and simultaneously when they correlate, regardless of they have been received or paid. In fund raising operations, such as the issuance of bonds and securities, their related expenses are recorded as a reduction in liabilities and recognized in the income statement according to the term of the operation.

l) Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares in circulation (total number of shares minus treasury shares). There are no dilution factors for earnings.

m) Subsequent events

Refers to events that occurred between the base date of the financial statements and the date in which they were authorized to be disclosed. Subsequent events consist of:

- Events that originate adjustments: inform conditions that already existed on the base date of the financial statements; and
- Events that do not originate adjustments: inform conditions that did not exist on the base date of the financial statements.

Notes to the Financial Statements

4. KEY ACCOUNTING JUDGMENTS AND ESTIMATES

The disclosure of the financial statements, pursuant to the principles of recognition and measurement of the accounting standards issued by the CPC and IASB, requires the Company's Management to make judgments, estimates, and assumptions that may affect the value of the assets and liabilities presented.

These estimates are based on the best existing knowledge in each period and on the planned actions to be executed, all of which are permanently revised according to available information.

Changes in facts and circumstances may lead to revisions in estimates, and therefore actual future results may differ from estimates.

The significant estimates and assumptions used by the Company's Management are as follows:

Provisions and contingent liabilities

Accounting provisions take into consideration the opinion of legal advisors, nature of lawsuits, similarity with previous proceedings, complexity, and court standpoint, whenever losses are classified as probable, leading to a probable use of resources to settle obligations, and when the amounts involved can be measurable with reasonable security.

Contingent liabilities are classified as possible losses that do not receive accounting recognition, and should only be disclosed in the explanatory notes when individually relevant. Those classified as remotely possible do not require provision or disclosure.

The Company constantly monitor its lawsuits to assess, among others: (i) their nature and complexity; (ii) how legal proceedings are developing; (iii) the opinion of our legal advisors; and (iv) our experience with similar lawsuits. When determining if a loss is probable and to estimate its amount, the Company also considers:

- the probability of loss arising from lawsuits that occurred before or on the base date of the financial statements and which the Company identified after the date of these statements, but prior to their disclosure; and
- the need to inform lawsuits or events that occur after the base date of the financial statements, but prior to their disclosure.

5. ACCOUNTING PRONOUNCEMENTS

a) Standards, amendments or interpretations of applicable standards as of January 1, 2022:

- The Review of Technical Pronouncement 19, issued by the Accounting Pronouncements Committee (CPC), presents changes in Technical Pronouncements CPC 37 (R1), CPC 48, CPC 29, CPC 27, CPC 25 and CPC 15 (R1) due to changes approved by the IASB in the 2018-2020 improvement cycle document (Annual Improvements 2018-2020) and in IAS 16 (CPC 27), IFRS 3 (CPC 15 R1) and IAS 37 (CPC 25). No impacts on the Company were identified.

Notes to the Financial Statements

b) Standards, amendments and interpretations of applicable standards in future periods:

- CPC 50 – Insurance Agreements (corresponding to IFRS 17), approved by CVM Resolution 42/2021. Establishes principles to recognize, measure, present, and disclose insurance agreements within the scope of the Standard. The purpose of IFRS 50 is to ensure that an entity provides relevant information that faithfully represents the agreements. The amendments are effective for annual reporting periods beginning on or after January 01, 2023. No impacts on the Company were identified.
- Amendments to IAS 1 – Presentation of Financial Statements. The amendments aim to improve accounting policies disclosure, so that entities provide more useful information to users of the Financial Statements Entities must disclose their material accounting policies rather than their significant accounting policies It also includes guidance on how to adopt the concept of materiality to accounting policy disclosures. The changes are valid for annual periods beginning on or after January 1, 2023, with early adoption authorized. No impacts on the Company were identified.
- Amendments to IAS 8 – Accounting Policies, Changes in Estimates, Error Correction. Entities must set the differences between changes in accounting policies and changes in accounting estimates. The changes are valid for annual periods beginning on or after January 1, 2023, with early adoption authorized. No impacts on the Company were identified.
- Amendments to IAS 12 – Income Tax. In specific circumstances, entities are exempt from recognizing deferred taxes when they first recognize assets or liabilities. This exemption applies to lease operations and foreclosure obligations, for example. With the amendments, entities will no longer be entitled to exemption and will be required to recognize deferred tax on such transactions. No impacts on the Company were identified.
- Amendments to IFRS 16 - Leases. The amendments issued in September 2022 provide for the addition of requirements as to how an entity accounts for the sale of an asset and leases it back, after the transaction's initial date. In summary, the seller-lessee shall not recognize any gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 01, 2024. The Company is in the process of assessing the impacts.
- Amendments to IAS 1 – Presentation of Financial Statements. The amendments issued in October 2022 are intended to improve the information disclosed about non-current debts with covenants, so that users of the Financial Statements understand the risk of early settlement of such debts. They also contemplated changes aimed at addressing certain concerns raised by users of the Financial Statements due to the application changes on the Classification of Liabilities as Current and Non-Current, issued in 2020. Early adoption is allowed. These amendments will come into effect as of January 1, 2024. The Company is in the process of assessing the impacts.

Notes to the Financial Statements

6. RISK MANAGEMENT

The Company believes that risk management is essential for its strategic planning and financial flexibility. Therefore, it developed a risk management strategy with the objective of providing an integrated view of the risks to which it is exposed.

BRADESPAR is a holding company in which its results originate basically from the equity income of its subsidiary and on investments with significant influence. As a result, it is mainly subject to the impact of variables traded in the financial market over business results (market risk), risks arising from obligations assumed by third parties to the Company (credit risk), risks inherent to internal processes (operational risk) and risks arising from economic factors (liquidity risk).

Liquidity risk management

Liquidity risk refers to the possibility of the Company not meeting its contractual obligations on the scheduled dates, as well as the difficulty in meeting cash flow needs due to restrictions in market liquidity.

Credit risk management

Credit risk arises from potential negative impacts in cash flow due to uncertainty in counterparties' ability in fulfilling their contractual obligations. It basically derives from cash and cash equivalents and credit exposures to outstanding accounts receivable.

The Company considers that its credit risk from exposure to financial investments classified as "cash and cash equivalents" to be low, since the resources are held in an investment fund whose investments are basically invested in public securities and are used for the fulfillment of its operational obligations and remuneration to its shareholders and investors throughout the year.

Counterparty risk profile

The Company basically uses qualitative credit risk analysis, which considers a counterparty's payment history, length of the relationship and its strategic positioning in the sector in which it operates, with VALE being the main investment held by the Company and responsible for provides its main cash flow.

According to the credit risk of a specific counterparty, the Company uses the corporate guarantee strategy to mitigate credit risk. The Company controls receivables to ensure there are no principal amounts or interest not met by the counterparty.

Market risk

The Company assesses market-related risks to support its decision-making process, growth strategy, and to monitor the volatility of future cash flows. There is currently no market risk to report.

Operational Risk

The operational risk management used by BRADESPAR to manage uncertainty related to the eventual inadequacy or deficiency of internal processes, people, systems, and external events is done by mitigating this risk through the creation of new controls and ongoing improvement of existing ones.

Notes to the Financial Statements

7. CASH AND CASH EQUIVALENTS

	On December 31			
	Parent Company		Consolidated	
	2022	2021	2022	2021
Available Funds in Domestic Currency	-	8,114	-	10,377
Financial Investment Funds ⁽¹⁾	408,700	284,332	408,700	284,332
TOTAL	408,700	292,446	408,700	294,709

(1) Refer to fixed income investments in Financial Investment Funds, allocated to members of the Organization or Associates, considered as qualified investors, managed by Bradesco.

8. INVESTMENTS

a) The adjustments resulting from the parent company's equity method are shown below:

Companies	Share Capital	Adjusted Shareholders' Equity	Adjusted Income	Number of Shares Owned (in thousands)	Shareholder Interest %	December 31			
						Total Investments		Adjustment due to Valuation ⁽¹⁾	
						2022	2021	2022	2021
MILLENNIUM	9,717	-	(61)	-	100.00	-	2,263	(61)	142
VALE ^{(2) (3) (4) (5)}	77,300,000	212,789,416	95,924,398	163,252	3.42	7,269,133	7,048,401	3,698,326	8,080,515
Total						7,269,133	7,050,664	3,698,265	8,080,657

(1) Considers the results recorded by the companies, including investees' equity variations not deriving from income, as well as adjustments due to conformity of the accounting practices, when applicable;

(2) The company's information relating to December 31, 2022 was audited by the same independent auditors of BRADESPAR;

(3) Interest in the total Share Capital changed due to shares cancelled by our investee;

(4) Measured by the equity method of the investment in VALE S.A. After closing the shareholders' agreement of VALE S.A., the Management considered, given CPC 18 - Investment in an Affiliate, Subsidiary and Joint Venture, which defines Significant Influence as the power to participate in decisions on the financial and operating policies of an investee, without the individual or joint control with other shareholders. Therefore, BRADESPAR has a significant influence on the investee, given representatives and appointments in the Board of Directors and Advisory Committees to the Board of Directors; and

(5) For more information on the direct investment in VALE S.A., see Note 18.

b) Breakdown of the Consolidated investment evaluated by the equity method:

Company	Total Investments		December 31	
			Market Cap ⁽²⁾	
	2022	2021	2022	2021
VALE	7,562,693	5,303,477	14,509,872	12,727,126
VALE – adjustment effect ⁽¹⁾	(293,560)	1,744,924	-	-
Total	7,269,133	7,048,401	14,509,872	12,727,126

(1) Equity valuation adjustments, pursuant to Law 11638/07 and CPCs 2 and 8, which are recorded against equity, basically refer to forex differences when translating foreign currency into the functional currency of the operations performed by VALE S.A.; and

(2) Market cap of the equity interest in VALE S.A.

Notes to the Financial Statements

9. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS - TAX

a) Contingent Assets

No contingent assets were recognized; however, there are proceedings with probable chances of success, namely:

- COFINS – R\$12,823 (December 31, 2021 – R\$12,421): The Company asks for COFINS refund or offset, collected under Law 9718/98, between January and October 2001, regarding all surplus due on revenue; and
- Social Integration Program (PIS) – R\$2,778 (December 31, 2021 – R\$2,691): The Company asks for PIS refund or offset, collected under Law 9718/98, between January and October 2001, regarding all surplus due based on the requirements set out by Supplementary Law 7/70 (PIS Repique), or at least regarding all due surplus on revenue.

b) Provisions Classified as Probable Losses and Legal Obligations - Tax

The companies covered in the Consolidated are parties in tax lawsuits arising from the regular course of their activities.

When recording provisions, Management considers the legal counsel's opinion, nature of lawsuits, similarity with previous proceedings, complexity, and court standpoint, whenever losses are classified as probable.

BRADESPAR's Management understands that the provision recorded is sufficient to cover all losses arising from such proceedings.

Liabilities regarding legal obligations under legal dispute are maintained until the lawsuit is granted relief, represented by favorable court decisions over which no further appeals shall not apply or barred by law.

c) Contingent Liabilities Classified as Possible Losses

BRADESPAR has a system to monitor all administrative and legal lawsuits in which the Company is a plaintiff or defendant and, supported by its legal counsels' opinion, BRADESPAR classifies lawsuits according as remote, possible, or probable loss.

The lawsuit classified as possible is:

- I) BRADESPAR is a party to a lawsuit filed by Litel Participações S.A. ("Litel"), which was filed, in the first-level court, under number 0281248-69.2018.8.19.0001, at the 10th Civil Court of Rio de Janeiro. In this lawsuit, Litel seeks the conviction of BRADESPAR for the payment of R\$1.4 billion as reimbursement of the amount that Litel paid to Elétron S.A., at the end of the lawsuit filed against Litel and BRADESPAR. Litel alleges a breach by BRADESPAR of the Indemnity Agreement signed on January 5, 2001.

Notes to the Financial Statements

Besides contesting the lawsuit, BRADESPAR filed a counterclaim to convict Litel to reimburse the Company the amount of R\$705 million, based on the terms of the Indemnity Agreement. In a court decision issued on December 4, 2019, the first-degree judge dismissed the lawsuit filed by Litel and partially accepted the counterclaim totaling R\$470 million.

On January 27, 2021, the Seventeenth Civil Chamber of the Court of Appeals of the State of Rio de Janeiro - TJRJ - ruled on the Appeal filed by Litel. In this court decision, the Chamber unanimously granted the Appeal in such a way that the first-level court decision was reformed to grant Litel's claim, of which the balance will be restated by legal fees. The same court decision dismissed the counterclaim filed by BRADESPAR against Litel.

BRADESPAR filed an appeal for Motions for Clarification in the TJRJ, which were accepted only to reduce the conviction as attorney fees for which the opposing party has to pay, setting it at 2% of the conviction. Against the TJRJ decision, special appeals were filed by both parties with the Superior Court of Justice.

BRADESPAR's special appeal aims at the total reversal of the TJRJ's decision and Litel's special appeal challenges the reduction of the attorney fees for which the opposing party has to pay.

Both appeals were admitted by the 3rd Vice Presidency of the Court of Justice of Rio de Janeiro and sent to the Superior Court of Justice, where they were distributed to the 4th Panel, to the rapporteur Minister Antonio Carlos Ferreira. After Minister Antonio Carlos Ferreira expressed suspicion, the appeals were redistributed to Minister Marco Aurélio Gastaldi Buzzi.

Management and the lawyers sponsoring the lawsuit maintain the loss for BRADESPAR as possible.

- d) The Company does not have labor contingencies classified as probable and possible losses, which shall be provisioned or disclosed.

10. SHAREHOLDERS' EQUITY

a) Ownership Structure in Number of Shares

Share capital is divided into non-par, book-entry, registered shares.

	December 31	
	2022	2021
Common Shares	137,989,898	137,989,898
Preferred Shares	255,106,712	255,106,712
Total	393,096,610	393,096,610

On April 29, 2022, BRADESPAR announced to the market that the Extraordinary Shareholders' Meeting approved the Executive Board's proposal to increase the share capital by R\$2,600,000, from R\$500,125 to R\$3,100,125, by capitalizing part of the balance of the "Profit Reserves - Statutory Reserve", in the amount of R\$2,300,000, and part from the balance of the "Profit Reserves – Legal Reserve", in the amount of R\$300,000, without issuing shares, pursuant to article 169, paragraph 1, of Law 6404/76.

Notes to the Financial Statements

b) Profit Reserves

	December 31	
	2022	2021
Legal Reserve ⁽ⁱ⁾	290,346	403,962
Statutory Reserve ⁽ⁱⁱ⁾	4,380,090	4,853,799
Total	4,670,436	5,257,761

(i) The legal reserve is compulsorily established at 5% of net income for the year, until it reaches 20% of the paid-in capital. The purpose of the legal reserve is to ensure the integrity of the share capital and can only be used to offset losses or increase share capital; and

(ii) The statutory reserve aims at maintaining an operating margin compatible with the development of the Company's active operations and may be constituted for 100% of the remaining net income after statutory allocations, as proposed by the Executive Board, approved by the Board of Directors and resolved by the General Shareholders' Meeting, with its balance limited to 95% of the paid-in share capital.

Pursuant with the provisions of article 192 of Law 6404/76, accompanied with the financial statements, a proposal shall be presented on the allocation of the net income for the period. When the balance of profit reserves exceeds the required limit, the General Shareholders' Meeting shall resolve on the use of the excess amount for a capital increase or to be distributed as dividends (article 199).

c) Interest on Shareholders' Equity and/or Dividends

On April 29, 2022, BRADESPAR announced to the market that the Board of Directors approved the Executive Board's proposal to pay dividends, in the amount of R\$600,000, using part of the balance of the "Profit Reserves – Statutory" account, corresponding to R\$1.433324328 per common share and R\$1.576656761 per preferred share, not subject to withholding Income Tax, pursuant to article 10 of Law 9249/95, paid on May 10, 2022.

On November 9, 2022, the Board of Directors approved the Executive Board's proposal for the payment of dividends in the amount of R\$310,000, corresponding to R\$0.740550903 per common share and R\$0.814605993 per preferred share, not subject to withholding income tax, pursuant to article 10 of Law 9249/95, and interest on equity in the amount of R\$270,000, corresponding to R\$0.644995948 per common share and R\$0.709495543 per preferred share, with net amounts of R\$0.548246556 per common share and R\$0.603071211 per preferred share after withholding income tax of 15% (fifteen percent), except for corporate shareholders who are tax-exempt, to be included in the calculation of mandatory dividends for the 2022 fiscal year provided in the Bylaws, paid on November 21, 2022.

On December 21, 2022, BRADESPAR announced to the market that the Board of Directors approved the Executive Board's proposal to pay interest on equity in the amount of R\$65,000, corresponding to R\$0.155276803 per common share and R\$0.170804483 per preferred share, with net amounts of R\$0.131985283 per common share and R\$0.145183811 per preferred share after withholding income tax of 15% (fifteen percent), except for corporate shareholders who are tax-exempt, to be included in the calculation of mandatory dividends for the 2022 fiscal year provided in the Bylaws and which will be paid on May 15, 2023.

Notes to the Financial Statements

Interest on equity/dividends were paid and provisioned, as shown below:

Description	Amount per Share (Gross)		Gross amount	Withholding Income Tax (IRRF) (15%)	Net Amount
	Common Share	Preferred Share			
Interest on equity paid	0.661053	0.727159	245,000	36,750	208,250
Dividends paid	9.582151	10.540366	3,815,000	-	3,815,000
Total on December 31, 2021	10.243204	11.267525	4,060,000	36,750	4,023,250
Interest on equity paid	0.644995	0.709495	270,000	40,500	229,500
Interest on equity provisioned ⁽¹⁾	0.155276	0.170804	65,000	9,750	55,250
Dividends paid	2.173875	2.391263	910,000	-	910,000
Dividends provisioned ⁽²⁾	1.122770	1.235047	470,000	-	470,000
Total on December 31, 2022	4.096916	4.506609	1,715,000	50,250	1,664,750

(1) Will be paid on May 15, 2023.

(2) On March 27, 2023, Bradespar's Board of Directors announced to the market that it submitted a dividend payment proposal of R\$470,000 million, payable on May 15, 2023, for resolution at the Annual Shareholders' Meeting.

In accordance with provisions of the Bylaws, shareholders are assured interest on equity and/or dividends, which together amount to at least 30% of net income for the period, adjusted under the terms of Corporate Law.

The calculation of interest on equity and dividends corresponding to the fiscal year ended December 31, 2022, is shown below:

	R\$ thousand	% ⁽¹⁾
Net income for the period	3,727,675	
(-) Legal Reserve	(186,384)	
Adjusted tax base	3,541,291	
Interest on equity paid	270,000	
Interest on Equity provisioned ⁽³⁾	65,000	
(-) Withholding income tax related to interest on equity	(50,250)	
Interest on equity (net)	284,750	
Dividends paid ⁽²⁾	310,000	
Dividends provisioned ⁽³⁾	470,000	
Accumulated interest on equity (net) and dividends in 2022	1,064,750	30.1
Accumulated interest on equity (net) and dividends in 2021	2,784,750	36.3

(1) Percentage of interest on equity and dividends applied on the adjusted calculation base;

(2) Does not include dividends paid with profit reserves, in the amount of R\$600,000; and

(3) Will be paid on May 15, 2023.

11. FINANCIAL RESULT

	Fiscal years ended December 31			
	Parent Company		Consolidated	
	2022	2021	2022	2021
Financial revenues				
Total financial investments	59,434	54,560	59,434	54,561
Interest on recoverable taxes	20,857	5,938	20,857	5,938
Other	1,207	2,246	1,588	2,403
	81,498	62,744	81,879	62,902
Financial expenses				
Other	(141)	(915)	(583)	(915)
	(141)	(915)	(583)	(915)
Net financial result	81,357	61,829	81,296	61,987

Notes to the Financial Statements

12. INCOME TAX AND SOCIAL CONTRIBUTION

a) Taxes to offset and recover

Taxes to offset and recover, in the Parent Company and Consolidated, amounting to R\$141,910 (December 31, 2021 - R\$209,689), basically refer to income tax and social contribution from the current and previous fiscal years.

b) Statement of calculation of charges with income tax and social contribution:

	Fiscal years ended December 31			
	Parent Company		Consolidated	
	2022	2021	2022	2021
Earnings before taxes (income tax and social contribution)	3,727,675	8,079,261	3,727,675	8,079,261
Total income tax and social contribution at the rates of 25% and 9%, respectively.	(1,267,409)	(2,746,948)	(1,267,409)	(2,746,948)
Effect of additions and exclusions in tax calculations:				
Shareholding interest in subsidiary and investment with substantial influence	1,257,410	2,747,423	1,257,430	2,747,375
Non-deductible provisions and expenses, net of non-taxable revenues	4,931	9	4,911	57
Interest on equity (received and receivable)	(101,706)	(83,514)	(101,706)	(83,514)
Interest on equity (paid and payable)	113,900	83,300	113,900	83,300
Other ⁽¹⁾	(7,126)	(270)	(7,126)	(270)
Income tax and social contribution in the period	-	-	-	-

(1) Substantially includes the constitution of unused tax credit.

c) Unused tax credits

On December 31, 2022, in the Parent Company and in the Consolidated, unused income tax and social contribution tax credits, calculated on temporary additions and tax losses and negative base of social contribution and temporary additions, totaled R\$338,549 (December 31, 2021 - R\$331,037).

13. RELATED PARTIES

I) On December 31, 2022, in the Parent Company and the Consolidated, related-party transactions refer to dividends receivable, in the amount of R\$200,369, interest on equity receivable, in the amount of R\$40,521, interest on equity received, in the amount of R\$213,745 (December 31, 2021 - R\$208,785) and dividends received, in the amount of R\$939,605 (December 31, 2021 - R\$4,059,688), from our investment in VALE.

II) Compensation of key management personnel

Each year, the Annual Shareholders' Meeting establishes:

- Management's overall annual compensation, which is defined at the Board of Directors' meeting, to be paid to the members of the Board of Directors and Executive Board, as provided for by the Company's Bylaws; and
- The amount to fund the supplementary pension plans for Management, within the Pension Plan allocated for BRADESPAR's Management.

Notes to the Financial Statements

For 2022, the maximum of R\$7,900 was established for Management compensation and R\$5,500 to cover private pension plans.

Short- and medium-term Management compensation

	Fiscal years ended December 31	
	2022	2021
Compensation	6,610	7,765
Total	6,610	7,765

Post-employment benefits

	Fiscal years ended December 31	
	2022	2021
Additional pension plans with fixed contribution	5,500	4,705
Total	5,500	4,705

Other benefits

BRADESPAR does not have long-term benefits arising from the termination of employment contracts or share-based compensation, under the terms of CPC 10 – Share-Based Compensation, for its key Management personnel.

III) Equity interest

The members of the Board of Directors and Executive Board jointly hold the following equity interest in BRADESPAR:

	December 31	
	2022	2021
• Common shares	0.1655%	0.1139%
• Preferred shares	0.4833%	0.3240%
• Total shares	0.3717%	0.2502%

14. FINANCIAL INSTRUMENTS

a) The financial instruments are classified below:

- I) Financial Assets in the Parent Company and Consolidated refer to cash and cash equivalent, amounting to R\$408,700 (December 31, 2021 – R\$292,446 in the Parent Company and R\$294,709 in the Consolidated); and
- II) Financial Liabilities - Amortized Cost at the Parent Company and Consolidated refer to Other Liabilities, in the amount of R\$25,348 (December 31, 2021 - R\$25,358) Note 16c.

Notes to the Financial Statements

b) Sensitivity analysis

The following chart provides the sensitivity of positions subject to changes in market rates or prices:

Risk Factors	Definition	Scenarios					
		On December 31, 2022			On December 31, 2021		
		1	2	3	1	2	3
Interest rate in reais	Exposures subject to variations of fixed interest rates and interest rate coupon	(8)	(2,431)	(4,775)	(2)	(470)	(926)
Total without correlation		(8)	(2,431)	(4,775)	(2)	(470)	(926)

The sensitivity analysis was performed based on the scenarios developed for the respective dates, always considering the market information of the time and scenarios that would negatively affect our positions.

Scenario 1: Based on the market information (B3, Anbima, etc.), 1-basis point shocks were applied for the interest rate. Example: a 13.41% p.a. scenario was applied to a fixed 1-year interest rate of 13.42% p.a.

Scenario 2: Shocks of 25% were applied based on the market. Example: a 13.41% p.a. scenario was applied to a fixed 1-year interest rate of 16.76% p.a.

Scenario 3: Shocks of 50% were applied based on the market. Example: a 13.41% p.a. scenario was applied to a fixed 1-year interest rate of 20.12% p.a.

15. FAIR VALUE ESTIMATE

The fair value of cash and cash equivalents and other obligations is assumed to be in line with their book values considering they are significantly close to their curve values, without significant market, credit and liquidity risk. The Company uses CPC 40 (R1) for financial instruments measured at fair value in the balance sheet.

The Company does not have assets and liabilities measured at fair value based on levels 1, 2 and 3.

16. OTHER INFORMATION

- The Company did not operate with derivative financial instruments on December 31, 2022 and December 31, 2021;
- Intangible assets in the Parent Company and Consolidated, in the amount of R\$967 (December 31, 2021 - R\$969), refers to property lease agreements, expiring on June 30, 2029;
- Other liabilities, in the Parent Company and Consolidated, in the amount of R\$32,821 (December 31, 2021 – R\$31,641) basically refer to the fractions of shares arising from the reverse split, as resolved at the Extraordinary Shareholders' Meeting ("ESM") in April 2004, which were sold on the B3 auction in July 2004, of which the amounts were credited or made available to shareholders;

Notes to the Financial Statements

- d) General and administrative expenses, in the Parent Company and Consolidated, refer to Personnel Expenses, in the amount of R\$14,480 (December 31, 2021 – R\$15,048), and Other General and Administrative Expenses in the Parent Company and Consolidated, in the amount of R\$5,965 (December 31, 2021 – R\$12,203 in the Parent Company and R\$12,219 in the Consolidated); and
- e) BRADESPAR is a Holding and its operations are mainly affected by the impact on investments in which the Company has significant influence. So far, this investment had no significant impacts from the Russia-Ukraine conflict. However, this conflict can negatively affect the business of the investee due to interruptions of international trade flows and extreme market price volatility. The Company will continue to closely observe the future developments of this situation.

17. SUBSEQUENT EVENTS

- a) On February 8, 2023, the Supreme Court decided on “res judicata” in tax matters. BRADESPAR and its legal advisors assessed and concluded that the Company did not have any tax matters that could impact these financial statements;
- b) On February 16, 2023, VALE announced to the market that the Board of Directors approved the distribution of dividends to shareholders, in the amount of R\$1.827646129 per share, paid on March 22, 2023; and
- c) On March 2, 2023, VALE's Board of Directors approved the cancellation of 239,881,683 common shares issued by the company and held in treasury, without reduction in share capital.

18. ADDITIONAL INFORMATION ON INVESTMENTS WITH SIGNIFICANT INFLUENCE

- l) Below, the summary of the Consolidated Balance Sheet and the Consolidate Income published by VALE, not representing BRADESPAR's proportional interest:

BALANCE SHEET - R\$ Million	December 31	
	2022	2021
ASSETS		
Current	81,009	119,332
Non-current		
Long-term	75,104	85,743
Investments	9,381	9,771
Property, plant & equipment	234,472	233,995
Intangible assets	53,421	50,287
TOTAL	453,387	499,128
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current	72,478	82,836
Non-current	186,015	219,234
Shareholders' equity	194,894	197,058
TOTAL	453,387	499,128
Direct interest	3.42%	3.18%

Notes to the Financial Statements

INCOME STATEMENT - R\$ Million	Fiscal years ended December 31	
	2022	2021
Sales revenue, net	226,508	293,524
Cost of goods sold and services rendered	(124,195)	(117,267)
Gross profit	102,313	176,257
Operating expenses	(13,603)	(27,975)
Financial result	11,378	17,812
Equity income	1,616	(6,947)
Earnings before taxes on income	101,704	159,147
Income taxes	(15,185)	(25,320)
Net income (loss) from continuing operations	86,519	133,827
Discontinued operations	9,818	(12,484)
Net income	96,337	121,343
Attributed to non-controlling shareholders	413	115
Net income attributed to VALE's shareholders	95,924	121,228

II) Other information disclosed by VALE

a) Rupture of the Brumadinho Dam

In January 2019, a tailings dam ("Dam I") experienced a failure at the Córrego do Feijão mine, in the city of Brumadinho, state of Minas Gerais. The failure released a flow of tailings debris, destroying some of Vale's facilities, affecting local communities and disturbing the environment. The tailings released have caused an impact of around 315 km in extension, reaching the nearby Paraopeba River. The dam failure in Brumadinho ("event") resulted in 270 fatalities or presumed fatalities, including 3 victims still missing, and caused extensive property and environmental damage in the region.

On February 4, 2021, the Vale entered into a Judicial Settlement for Integral Reparation ("Global Settlement"), which was under negotiations since 2019, with the State of Minas Gerais, the Public Defender of the State of Minas Gerais and the Federal and the State of Minas Gerais Public Prosecutors Offices, to repair the environmental and social damage resulting from the Dam I rupture. The Global Settlement was ratified by the Minas Gerais State Court on February 4, 2021, and the res judicata was drawn up on April 7, 2021.

As a result of the dam failure, the Vale has been recognizing provisions to meet its assumed obligations, including indemnification to those affected by the event, remediation of the impacted areas and compensation to the society.

Global Settlement for Brumadinho

The Global settlement includes: (i) payment obligations, of which the funds will be used directly by the State of Minas Gerais and Institutions of Justice for socio-economic and socio-environmental compensation projects; (ii) socioeconomic projects in Brumadinho and other municipalities; and (iii) compensation of the environmental damage caused by the dam failure. These obligations are projected for an average period of 5 years.

Notes to the Financial Statements

For the measures (i) and (ii), the agreement specifies an amount for each project and changes in the original budget and deadlines may have an impact in the provision. In addition, the execution of the environmental recovery actions has no cap limit despite having been estimated in the Global Settlement due to the Vale's legal obligation to fully repair the environmental damage caused by the dam failure. The expenses related to these obligations are deducted from the income tax calculation, in accordance with the Brazilian tax regulation, which is subject to periodic inspection by the competent authorities. Therefore, although Vale is monitoring this provision, the amount recorded could materially change depending on several factors that are not under the Vale's control.

Provision for individual indemnification and other commitments

The Vale is also working to ensure geotechnical safety of the remaining structures at the Córrego do Feijão mine, in Brumadinho, and the removal and proper disposal of the tailings of Dam I, including dredging part of the released material and de-sanding from the channel of the river Paraopeba.

For the individual indemnification, Vale and the Public Defendants of the State of Minas Gerais formalized an agreement on April 5, 2019, under which those affected by the Brumadinho's dam failure may join an individual or family group out-of-court settlement agreements for the indemnification of material, economic and moral damages. This agreement establishes the basis for a wide range of indemnification payments, which were defined according to the best practices and case law of Brazilian Courts, following rules and principles of the United Nations.

Contingencies and other legal matters

Public civil actions brought by the State of Minas Gerais and state public prosecutors for damages resulting from the failure of Dam I

The Vale is party to public civil actions brought by the State of Minas Gerais and justice institutions, claiming compensation for socioeconomic and socio-environmental damages resulting from the dam failure and seeking a broad range of preliminary injunctions ordering Vale to execute specific remediation and reparation actions. As a result of the Global Settlement, settled in February 2021, the requests for the reparation of socio-environmental and socioeconomic damages caused by the dam failure were substantially resolved. Indemnifications for individual damages was excluded from the Global Settlement, and the Term of Commitment signed with the Public Defendants of the State of Minas Gerais was ratified, whose parameters are utilized as a basis for the settlement of individual agreements. In the same year of 2021, the fulfilment of the Global Settlement was initiated, by Vale and other parties.

Collective Labor Civil Action

In 2021, public civil actions were filed with Labor Court of Betim in the State of Minas Gerais, by a workers' unions claiming the compensation for death damages to own and outsourced employees, who died as a result of the failure of Dam I. Initial decisions sentenced Vale to pay R\$1 million (US\$192 thousand) per fatality. Vale is defending itself in the lawsuits and considers that the likelihood of loss is possible.

Notes to the Financial Statements

U.S. Securities class action suit

Vale is defending itself against a class action brought before a Federal Court in New York and filed by holders of securities - American Depositary Receipts ("ADRs") - issued by Vale. Following the decision of the Court, in May 2020, that denied the Motion to Dismiss presented by the Vale, the Discovery phase has started and is expected to be concluded in 2023.

On November 24, 2021, a new complaint was filed before the same Court by eight Plaintiffs, all investment funds, as an "opt-out" litigation from the class action already pending in the Eastern District of New York court, asserting virtually the same allegations in the main class action.

The likelihood of loss of these proceedings is considered possible. However, considering the initial phase of this class action, it is not yet possible to reliably estimate the amount of a potential loss. The amount of damages sought in these claims is unspecified.

Arbitration proceedings filed by minority shareholders and a class association

In Brazil, Vale is name as a defendant in (i) one arbitration filed by 385 minority shareholders, (ii) two arbitrations filed by a class association allegedly representing all Vale's non-controlling shareholders, and (iii) three arbitrations filed by foreign investment funds.

In the six proceedings, the claimants argue that Vale was aware of the risks associated with the dam and failed to disclose it to its shareholders. Based on such argument, they claim compensation for losses caused by the decrease in share price.

The expectation of loss is classified as possible for the six procedures and, considering the initial phase, it is not possible at this time to reliably estimate the amount of a possible loss.

In one of the proceedings filed by foreign funds, the Claimants initially estimated the amount of the alleged losses would be approximately R\$1,800 million (US\$345 million). In another proceeding filed by foreign funds, the Claimants initially estimated the amount of the alleged losses would be approximately R\$3,900 million (US\$747 million). The Vale disagrees with the ongoing proceedings and understands that, in this case and at the current stage of the proceedings, the probability of loss in the amount claimed by the foreign funds is remote.

Securities and Exchange Commission ("SEC") and investigations conducted by the CVM

On April 28, 2022, SEC filed a suit against Vale alleging violations of U.S. securities laws due to Vale's disclosures about its dam safety management, including the dam in Brumadinho. The SEC is seeking the imposition of civil monetary penalties, disgorgement and other relief within the SEC's authority in a lawsuit filed in a federal court. Vale believes that its disclosures did not violate U.S. law and is contesting such allegations. On September 29, 2022, Vale served the SEC with its motion to dismiss the claim. The SEC's deadline to serve Vale with its Opposition to the motion to dismiss is currently ongoing.

CVM is also conducting investigations relating to Vale's disclosure of relevant information to shareholders, investors and the market in general, especially regarding the conditions and management of Vale's dams. The likelihood of loss of this proceeding is classified as possible and it is not yet possible to reliably estimate the amount of a potential loss to the Vale.

Notes to the Financial Statements

Criminal proceedings and investigations

In January 2020, the State Prosecutors of Minas Gerais (“MPMG”) filed criminal charges against 16 individuals (including former executive officers of Vale and former employees) for a number of potential crimes, including homicide, and against Vale S.A. for alleged environmental crimes.

In November 2021, the Brazilian Federal Police concluded the investigation on potential criminal responsibility related with the Brumadinho dam failure and the final report sent to the Federal Public Prosecutors (“MPF”).

In January 2023 (subsequent event), after the Federal Supreme Court recognized the competence of the Federal Court, the MPF ratified the complaint presented by MPMG, which was received by the competent authority. The MPF and the Brazilian Federal Police conducted a separate investigation into the causes of the dam failure in Brumadinho, which may result in new criminal proceedings. Vale is defending itself against the criminal claims and is not possible to estimate when a decision will be issued. The likelihood of a financial loss to the Vale is classified as possible and it is not yet possible to reliably estimate the amount of a potential loss to Vale.

Decision of the Brazilian Office of the Comptroller General of the Union (“CGU”)

In October 2020, the CGU notified the Vale about an administrative proceeding prosecution based on the same allegations mentioned above under the Brazilian Law 12,846/2013 in connection with inspection and monitoring activities related to the Brumadinho dam. In August 2022, the CGU concluded that Vale has failed to present reliable information to the Brazilian National Mining Agency (“ANM”), as once a positive stability condition statement (“DCE”) was issued for the Dam I, where it should be negative in the view of the CGU. Thus, even recognizing the non-existence of corruption acts or practices, the CGU fined Vale R\$86 million (US\$16 million), which is the minimum amount established by law, i.e., the CGU recognizes the non-involvement or tolerance of the Vale’s top management. Vale has submitted a request for reconsideration and considers the likelihood of loss for this amount is possible.

Insurance

The Vale is negotiating with insurers the payment of indemnification under its civil liability and Directors and Officers Liability Insurance. However, these negotiations are still in progress, therefore any payment of insurance proceeds will depend on the coverage definitions under these policies and assessment of the amount of loss. Due to uncertainties, no indemnification related to these insurers was recognized in these financial statements.

b) Contingencies related to the Samarco accident

These proceedings include public civil actions brought by Brazilian authorities and multiple proceedings involving claims for significant amounts of damages and remediation measures. The Framework Agreements represents a model for the settlement of the public civil action brought by the MPF and other related proceedings. There are also putative securities class actions in the USA against Vale and some of its current and former officers and a criminal proceeding in Brazil. The main updates regarding the lawsuits in the year were as follows:

Notes to the Financial Statements

Public Civil Action filed by the Federal Government and others and public civil action filed by the Federal Public Ministry ("MPF")

Vale is a defendant in several legal proceedings brought by governmental authorities and civil associations claiming socioenvironmental and socioeconomic damages and a number of specific remediation measures as a result of the Samarco's Fundão dam failure, including a claim brought by the Federal Public Prosecution Office in 2016 seeking R\$155 billion (US\$29 billion) (the effect for Vale would be 50% of this amount), which has been suspended from the date of ratification of the TacGov Agreement.

However, as pre-requisites established in the TacGov Agreement, for renegotiation of the Framework Agreement were not implemented during the two-year period ended September 30, 2020, the Brazilian Federal and State prosecutors and public defenders filed a request for the immediate resumption of the R\$155 billion (US\$29 billion) claim. Therefore, Vale, Samarco, BHPB and Federal and State prosecutors have been engaging in negotiations to seek a definitive settlement of the obligations under the Framework Agreement and the R\$155 billion (US\$29 billion) Federal Public Prosecution Office claim. The goal in signing a potential agreement is to provide a stable framework for the execution of reparation and compensation programs. The potential agreement is still uncertain as it is subject to conclusion of the negotiations and approval by the Vale, relevant authorities and intervenient parties.

The estimate of the economic impact of a potential agreement will depend mainly on (i) a detailed assessment of the estimates of the amounts to be spent on the reparation and compensation projects being discussed, (ii) an analysis of the detailed scope of such projects to determine their overlap with the initiatives and amounts already provisioned; and (iii) the timing of the execution of projects and disbursements, which will impact the present value of the obligations.

The estimate of the economic impact from a possible agreement will depend on (i) a detailed assessment of amounts estimated to be spent on remedial and compensation measures under discussion, (ii) a detailed assessment of the scope of such of such measures to determine if they match the initiatives and amounts already provisioned; and (iv) the timing in which these measures will be executed and their respective disbursements, which will impact the present value of the liabilities.

Therefore, until any revisions to the Programs are agreed, Renova Foundation will continue to implement the Programs in accordance with the terms of the Framework Agreement and the TacGov Agreement, for which the expected costs are reflected in the Vale's provision.

Criminal proceedings

In September 2019, the federal court dismissed all criminal charges against Vale representatives relating to the first group of charges, which concerns the results of the Fundão dam failure, remaining only the legal entity in the passive pole. The second group of charges against Vale S.A. and one of the Vale's employees, which concerns the accusation of alleged crimes committed against the Environmental Public Administration, remained unchanged. The Vale cannot estimate when a final decision on the case will be issued. The likelihood of a financial loss to the Vale is classified as possible and it is not yet possible to reliably estimate the amount of a potential loss to Vale.

United Kingdom contribution claim

As a result of the rupture of Samarco's Fundão dam failure, BHP Group Ltd ("BHP") was named as defendant in group action claims for damages filed in the courts of England and Wales (The "UK Claim"). The UK Claim includes only BHP and was filed on behalf of certain individuals and municipalities in Brazil only against BHP, for the allegedly damages caused by the Fundão dam failure.

Notes to the Financial Statements

In December 2022, BHP filed a contribution claim against Vale, requesting the Vale to be responsible for the indemnification payments in the proportion to its interest held in Samarco. The Vale believes that it is not subject to the jurisdiction of the English Court and it does not have any contractual obligation in relation to this matter, therefore, the Vale has assessed the risk of loss as remote.

Insurance

Since the Fundão dam failure, the Vale has been negotiating with insurers the indemnification payments based on its general liability policies. In 2021, the Vale received payments in the amount of R\$181 million (US\$33 million), which was recorded as a gain in the income statement as “Equity results and other results in associates and joint ventures”. The Vale did not receive any further insurance in 2022 and does not expect to receive any material amounts in the future.

VALE is a publicly held company and, accordingly, it files its information with the CVM. Therefore, additional information, as of December 31, 2022 and December 31, 2021, is available on the website www.cvm.gov.br.

Notes to the Financial Statements

MANAGEMENT BODIES

Board of Directors

Chair

Luiz Carlos Trabuco Cappi

Vice-Chair

Alexandre da Silva Glüher

Members

Denise Aguiar Alvarez
 Carlos Alberto Rodrigues Guilherme
 Milton Matsumoto
 Maurício Machado de Minas
 Fernando Jorge Buso Gomes
 José Luiz Osório de Almeida Filho
 Rubens Aguiar Alvarez

Executive Board

Chief Executive Officer

Fernando Jorge Buso Gomes

Officer

Marcelo Santos Dall'Occo

Fiscal Council

Sitting Members

Ariovaldo Pereira
 João Carlos de Oliveira
 Joaquim Caxias Romão
 Raphael Manhães Martins
 Wilfredo João Vicente Gomes

Alternate Members

Artur Padula Omuro
 João Batista de Moraes
 Frederico William Wolf
 Fabio Guimarães Vianna
 Ricardo Reisen de Pinho

Cid de Oliveira Guimarães

Accountant – CRC 1SP218369/O-0

Other Information that the Company Deems Relevant

SHAREHOLDERS WITH MORE THAN 5% OF EACH TYPE AND CLASS OF SHARES - ITR

SHAREHOLDING POSITION OF HOLDERS OF OVER 5% OF EACH TYPE AND CLASS OF SHARES ISSUED BY THE COMPANY, TO THE LEVEL OF INDIVIDUALS						
Company: BRADESPAR S.A.					Position on December 29, 2022 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Cidade de Deus - Cia. Cial de Participações	50,694,589	36.7379	340,435	0.1334	51,035,024	12.9828
NCF Participações S.A.	34,322,985	24.8735	2,525,090	0.9898	36,848,075	9.3738
Fundação Bradesco	20,533,114	14.8802	-	-	20,533,114	5.2234
BlackRock, Inc. (Funds)	-	-	24,845,968	9.7394	24,845,968	6.3206
Fundo de Investimento Geração Futuro LPAR	-	-	13,069,600	5.1232	13,069,600	3.3248
BTG Pactual	77,000	0.0558	15,910,250	6.2367	15,987,250	4.0670
Grantham, Mayo, Van Otterloo & Co. LLC	-	-	25,772,618	10.1027	25,772,618	6.5563
Other Shareholders	32,362,210	23.4526	172,642,751	67.6747	205,004,961	52.1513
Total	137,989,898	100.00	255,106,712	100.00	393,096,610	100.00

SHARE CAPITAL DISTRIBUTION OF THE LEGAL ENTITY (COMPANY'S SHAREHOLDER), UNTIL THE INDIVIDUAL LEVEL						
Name: CIDADE DE DEUS CIA. COMERCIAL DE PARTICIPAÇÕES					Position on December 29, 2022 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Nova Cidade de Deus Particip. S.A	3,758,724,093	47.9309	-	-	3,758,724,093	47.9309
Fundação Bradesco	2,779,096,922	35.4388	-	-	2,779,096,922	35.4388
Maria Ângela Aguiar	411,197,692	5.2436	-	-	411,197,692	5.2436
Other	892,940,817	11.3867	-	-	892,940,817	11.3867
Total	7,841,959,524	100.00	-	-	7,841,959,524	100.00

SHARE CAPITAL DISTRIBUTION OF THE LEGAL ENTITY (COMPANY'S SHAREHOLDER), UNTIL THE INDIVIDUAL LEVEL						
Name: NOVA CIDADE DE DEUS PARTICIPAÇÕES S.A.					Position on December 29, 2022 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	163,332,621	46.3016	373,794,914	100.00	537,127,535	73.9282
BBD Participações S.A.	189,425,112	53.6984	-	-	189,425,112	26.0718
Total	352,757,733	100.00	373,794,914	100.00	726,552,647	100.00

SHARE CAPITAL DISTRIBUTION OF THE LEGAL ENTITY (COMPANY'S SHAREHOLDER), UNTIL THE INDIVIDUAL LEVEL						
Name: NCF PARTICIPAÇÕES S.A.					Position on December 29, 2022 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Fundação Bradesco	423,598,233	25.1288	1,502,370,308	100.00	1,925,968,541	60.4116
Cidade de Deus - Cia. Cial de Participações	1,259,587,222	74.7216	-	-	1,259,587,222	39.5093
Nova Cidade de Deus Particip. S.A.	2,521,897	0.1496	-	-	2,521,897	0.0791
Total	1,685,707,352	100.00	1,502,370,308	100.00	3,188,077,660	100.00

Other Information that the Company Deems Relevant

SHARE CAPITAL DISTRIBUTION OF THE LEGAL ENTITY (COMPANY'S SHAREHOLDER), UNTIL THE INDIVIDUAL LEVEL						
Name: BBD PARTICIPAÇÕES S.A.					Position on December 29, 2022 (In [Units] Shares)	
Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
NCD Participações Ltda	-	-	74,784,306	48.4210	74,784,306	24.1960
Treasury	47,346,860	30.6193	23,831,923	15.4306	71,178,783	23.0295
Luiz Carlos Trabuço Cappi	11,781,823	7.6193	446,272	0.2889	12,228,095	3.9563
Carlos Alberto Rodrigues Guilherme	10,982,320	7.1023	486,739	0.3152	11,469,059	3.7107
Milton Matsumoto	10,270,667	6.6421	486,691	0.3151	10,757,358	3.4805
Denise Aguiar Alvarez	8,178,346	5.2890	387,342	0.2508	8,565,688	2.7714
Other	66,070,761	42.7281	54,022,860	34.9784	120,093,621	38.8556
Total	154,630,777	100.00	154,446,133	100.00	309,076,910	100.00

POSITION OF CONTROLLING SHAREHOLDERS, MANAGEMENT AND OUTSTANDING SHARES

CONSOLIDATED POSITION OF CONTROLLING SHAREHOLDERS, MANAGEMENT AND OUTSTANDING SHARES Position on December 29, 2022						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (in Units)	%	Total Number of Shares (in Units)	%
Controlling Shareholder	107,442,571	77.8626	2,865,525	1.1233	110,308,096	28.0613
Management						
Board of Directors	228,423	0.1655	1,232,853	0.4833	1,461,276	0.3717
Executive Board	-	-	-	-	-	-
Fiscal Council	-	-	9	0.000004	9	0.000002
Treasury Shares	-	-	-	-	-	-
Other Shareholders	30,318,904	21.9718	251,008,325	98.3935	281,327,229	71.5669
Total	137,989,898	100.00	255,106,712	100.00	393,096,610	100.00
Outstanding Shares	137,989,898	100.00	255,106,712	100.00	393,096,610	100.00

CONSOLIDATED POSITION OF CONTROLLING SHAREHOLDERS, MANAGEMENT AND OUTSTANDING SHARES Position on December 30, 2021 (12 months ago)						
Shareholder	Number of Common Shares (In Units)	%	Number of Preferred Shares (in Units)	%	Total Number of Shares (in Units)	%
Controlling Shareholder	107,442,571	77.8626	2,865,525	1.1233	110,308,096	28.0613
Management						
Board of Directors	157,185	0.1139	826,434	0.3240	983,619	0.2502
Executive Board	-	-	-	-	-	-
Fiscal Council	-	-	-	-	-	-
Treasury Shares	-	-	-	-	-	-
Other Shareholders	30,390,142	22.0235	251,414,753	98.5528	281,804,895	71.6885
Total	137,989,898	100.00	255,106,712	100.00	393,096,610	100.00
Outstanding Shares	30,390,142	22.0235	251,414,753	98.5528	281,804,895	71.6885

Independent Auditor's Report – Unqualified Opinion

Independent auditor's report

To the Board of Directors and Stockholders
Bradespar S.A.

Opinion

We have audited the accompanying parent company financial statements of Bradespar S.A. (the "Company"), which comprise the statement of financial position as at December 31, 2022 and the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Bradespar S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bradespar S.A. and of Bradespar S.A. and its subsidiaries as at December 31, 2022, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, 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 audit opinion.

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 parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why it is a Key Audit Matter

Direct investment in Vale S.A. ("Vale")

As disclosed in notes 1 (b), 3 (h), 8 and 18, the Company holds equity investment in Vale, measured using the equity method, considering its significant influence.

The financial statements of Vale present critical accounting estimates related to operations that require a high level of judgment in order to measure and record events and determine accounting balances. These accounting estimates, which may significantly affect Vale's results and consequently the Company's results, involve the following main areas:

- Provisions for de-characterization of dams

The provision for the de-characterization of dams involves a high degree of critical judgment by Vale's management, as well as high degree of complexity in the determination of engineering solutions and assumptions, as the referred dams and structures present different characteristics and are under different stages of project engineering maturity, some of them on the conceptual engineering phase.

- Provision for tax contingencies

The definition of the provided amount, as well as the contingent liabilities disclosed depend on critical judgments by Vale's management regarding the settlement term, likelihood of loss and settlement amount provision.

Due to the uncertainties inherent to these estimates and the relevance they have in the calculation of Vale's results and the consequent calculation of the equity income and determination of the investment balance in the Company's individual and consolidated financial statements, the matters above were considered as areas focus on our audit.

How the matter was addressed in the audit

Our audit procedures included, among others, tests on the calculation of the equity of the investment in Vale.

In addition, the audit procedures in relation to critical accounting estimates included communication and instructions to the Vale's auditors in order to discuss the audit risks identified, the focus, scope and timing of the work. Thus, we analyzed the communications and reports received from Vale's auditors and discussed the procedures carried out and the results achieved.

Independent Auditor's Report – Unqualified Opinion

Specifically in relation to critical accounting estimates, we considered:

- The work performed and the conclusions of the auditors, including their experts when applicable, regarding the assessment of the assumptions and methodology used by Vale's management; and
- Disclosures in Vale's individual and consolidated financial statements and corresponding disclosures in the Company's individual and consolidated financial statements.

We believe that the disclosures in the explanatory notes are consistent with the audit evidence obtained.

Why it is a Key Audit Matter

Tax and civil contingencies

As disclosed in notes 3 (i) and 9, the Company is party of tax and civil lawsuits arising from the normal course of its activities, with accounting impacts recognized according to the probability of loss.

The determination of the probability of loss, the measurement and disclosure of contingencies involves judgment by Management, which has the support of its internal and external legal advisors.

We consider this an area of audit focus, due to the relevance and level of judgment involved in determining the probability of loss and the measurement of each process.

How the matter was addressed in the audit

Our procedures considered, among others, the support of our specialists in reading and the understanding the relevant lawsuits. In addition, we performed inspection of documents of the main developments of the processes.

We compared the accounting balances with the supporting analytical reports, as well as confirmed with the external legal advisors the data of the corresponding lawsuits, including their assessment of the probability of loss.

We believe that the criteria adopted by Management to determine the provision for tax and civil contingencies, as well as the disclosures made in the financial statements, are consistent and aligned with the information analyzed in our audit.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated 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 defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report 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 in the 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 parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company 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 or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report – Unqualified Opinion

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 parent company 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 internal control of the Company and its subsidiaries.
- 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these 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 parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 27, 2023

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

Luís Carlos Matias Ramos
Contador CRC 1SP171564/O-1

Report of the Fiscal Council or Similar body

FISCAL COUNCIL REPORT

In the exercise of their legal and statutory duties, the members of the Fiscal Council of Bradespar S.A. analyzed the Management Report on the Company's performance and the Parent Company and Consolidated Financial Statements for the fiscal year ended December 31, 2022, including the Board of Directors' proposal, presented on this date, for the payment of dividends in the amount of R\$470,000,000.00, which will be submitted for analysis to the Annual Shareholders' Meeting to be held on April 27, 2023, in addition to those already declared in the 2022 fiscal year.

Based on the unqualified Review Report prepared by PricewaterhouseCoopers Auditores Independentes on said Financial Statements, the auditors concluded that:

- 1) in light of the accounting practices adopted in Brazil and the current corporate law, said financial statements were prepared and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission and adequately reflect the Company's equity and financial situation; and
- 2) said documents are in condition to be submitted to the Annual Shareholders' Meeting for approval.

São Paulo, SP, March 27, 2023

Member of the Fiscal Council

- Ariovaldo Pereira
- João Carlos de Oliveira
- Joaquim Caxias Romão
- Raphael Manhães Martins
- Wilfredo João Vicente Gomes

Officers` Statement on the Financial Statementes

Declaration of the Chief Executive and Investor Relations Officer

I, Fernando Jorge Buso Gomes, hereby declare that:

1. based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the conclusions drawn in the Report prepared by PricewaterhouseCoopers Auditores Independentes Ltda., there being no disagreement; and

2. I have reviewed the report for BRADESPAR's Financial Statements for the fiscal year ended December 31, 2022 and, based on subsequent discussions, I agree that said Statements adequately reflect all relevant aspects and the equity and financial position corresponding to the reporting period.

São Paulo, SP, March 27, 2023.

Fernando Jorge Buso Gomes
Chief Executive and Investor Relations Officer

Declaration of the Executive Officer

I, Marcelo Santos Dall'Occo, declare that:

1. based on my knowledge, the planning presented by the auditors and subsequent discussions on the audit results, I agree with the conclusions drawn in the Report prepared by PricewaterhouseCoopers Auditores Independentes Ltda., there being no disagreement; and

2. I have reviewed the report for BRADESPAR's Financial Statements for the fiscal year ended December 31, 2022 and, based on subsequent discussions, I agree that said Statements adequately reflect all relevant aspects and the equity and financial position corresponding to the reporting period.

São Paulo, SP, March 27, 2023.

Marcelo Santos Dall'Occo
Executive Officer