



2020 Annual Report





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Message from the board

In 2020, Alubar overcame two major challenges. The first, which would increase our reach on the American continent, brought about a new internal conjuncture. The start of operations at Alubar Métaux, located in the province of Quebec, Canada, challenged us to transform an unprofitable operation into a profitable plant. In that scenario, we had a new reality, a new culture, a new market and a new way of working with North American customers.

The second major challenge was the pandemic of the new Coronavirus, COVID-19. The pandemic affected all of the World's markets and we needed to adapt and continue the operations of our units, which back then were three: Alubar Metais e Cabos, in Barcarena (Pará State), Alubar Montenegro, in Montenegro (Rio Grande do Sul State), and Alubar Métaux, in Quebec

(Canada). Our main concern has always been to maintain the health of about 1300 direct and indirect employees, in addition to keeping our operations going, complying with client contracts, and guaranteeing the forecasted result.

As an essential company, Alubar is part of the group of companies deemed strategic for the domestic economy given its enormous relevance to the electricity industry. Therefore, in this sense, we work to ensure, first of all, the health of our employees and the operations of the companies so that we do not have impacts on the supply of power to the Country. Our work is essential and saves lives because our products take power to households, hospitals, and other essential industries.

Throughout 2020, we worked to ensure and maintain the health of all employees in operating units and offices. To make our employees and the community aware of the importance of care to fight the new Coronavirus, we shared materials and guidelines from the COVID-19 prevention and fight campaign, reached out for the community and local authorities, meeting their needs and, with that, we managed to move forward in our business.

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Alubar is part of the group of companies deemed strategic for the domestic economy given its enormous relevance to the electricity industry.

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During the worst scenario of the pandemic, in addition to the thorough awareness campaign, several adjustments were made to Alubar's operations, aiming at fighting the new Coronavirus crisis. Following the health agencies' protocol in the locations where we operate, the Company adopted the practice of quarantine for employees who had made trips to places with confirmation of people infected with COVID-19, or who had contact with patients who tested positive for the virus.

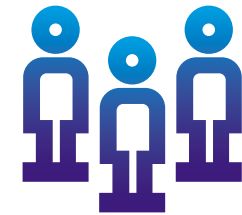
With the monitoring of Alubar's Occupational Medicine staff, employees who had symptoms or who were at risk were instructed to be quarantined in their homes. The administrative work staffs took part in

a work shift scheme to reduce the number of people circulating in the plant or overcrowding in transport.

The efforts to fight against COVID-19 were extended to all areas of the Company, such as transportation, dining hall, and rest area. Additionally, we adopted temperature measurement at the entrance of access to operating units and offices, distribution of masks and hand sanitizer, intensified the sanitization of work environments and equipment, suspended visits by suppliers and inspectors, and applied rapid tests to employees.

Meanwhile, Alubar restructured its organizational composition aiming at better serving customers and achieving results,

as well as at the Company's strategic management and planning with the objective of expanding its markets. The Company's Commercial Department was divided to better serve customers in Latin America and North America. Some departments were created, such as the Corporate Affairs Department, which develops governance and relationship actions with representatives of government agencies and the executive management of the Company's social projects; the Economic and Financial Planning Department, which is responsible for assessing new businesses and new market opportunities; and the Internal Audit and Compliance Department, responsible for risk management and for the Integrity Program of Grupo Alubar.



Throughout 2020, we worked to ensure and maintain the health of all employees in operating units and offices.

In August 2020, we established Alubar Global Management to manage, plan, and make strategic decisions for Grupo Alubar, in addition to strengthening the management of units and offices in Brazil, Canada, and the United States, coupled with the prospect of new market opportunities. As part of the restructuring, the Brazil Operations Department was created, which is responsible for the operational plants in Barcarena, in Pará State, and Montenegro, in Rio Grande do Sul State. This department reports directly to the Industrial Department, which is responsible for managing operational plants in Brazil and Canada.

With this new organizational structure, Alubar Global Management, strategically located in the largest financial center in Latin America, was able to implement the Company's strategic goals, and carry out decision-making in an agile and productive way, as we are physically closer to our customers and the market that is served by the Company.



We are a company
that has always
been committed to
sustainability, in the
broadest sense of
the word.

On the market, Alubar was able to comply with contractual clauses with customers and new contracts were signed throughout the year. With this, we were able to maintain the strategic planning and the production, sale and revenue forecasts in Brazil and Canada were achieved. Thus, throughout 2020, we continue to hire labor, install new equipment such as Rolling Mill 4 at Alubar Metais e Cabos, in the State of Pará; three machines to increase production at Alubar Montenegro, in the State of Rio Grande do Sul, and investments made at Alubar Métaux to streamline the industrial plant.

In the second half of 2020, we ranked 499th (general ranking) in the annual Valor 1000 - Largest Companies, increasing 177 places compared to the previous year. It is the seventh time that the Company appears in the list of Valor 1000, but the first in the national top 500. Considering the 50 largest companies in the Northern and Northeastern Regions, the Company ranked on the 35th spot. In the Brazilian electromechanical

industry, Alubar is in the 9th position. The numbers analyzed are those for 2019, but reflect our growth over the past few years.

We are a company that has always been committed to sustainability, in the broadest sense of the word. This means that our actions have always sought the growth of the business, the development of people, and respect for the environment. Everything in an integrated way, making it possible for everyone to evolve with us, whether they are employees or the society that is around us.

Maurício Gouvea dos Santos
Chief Executive Officer



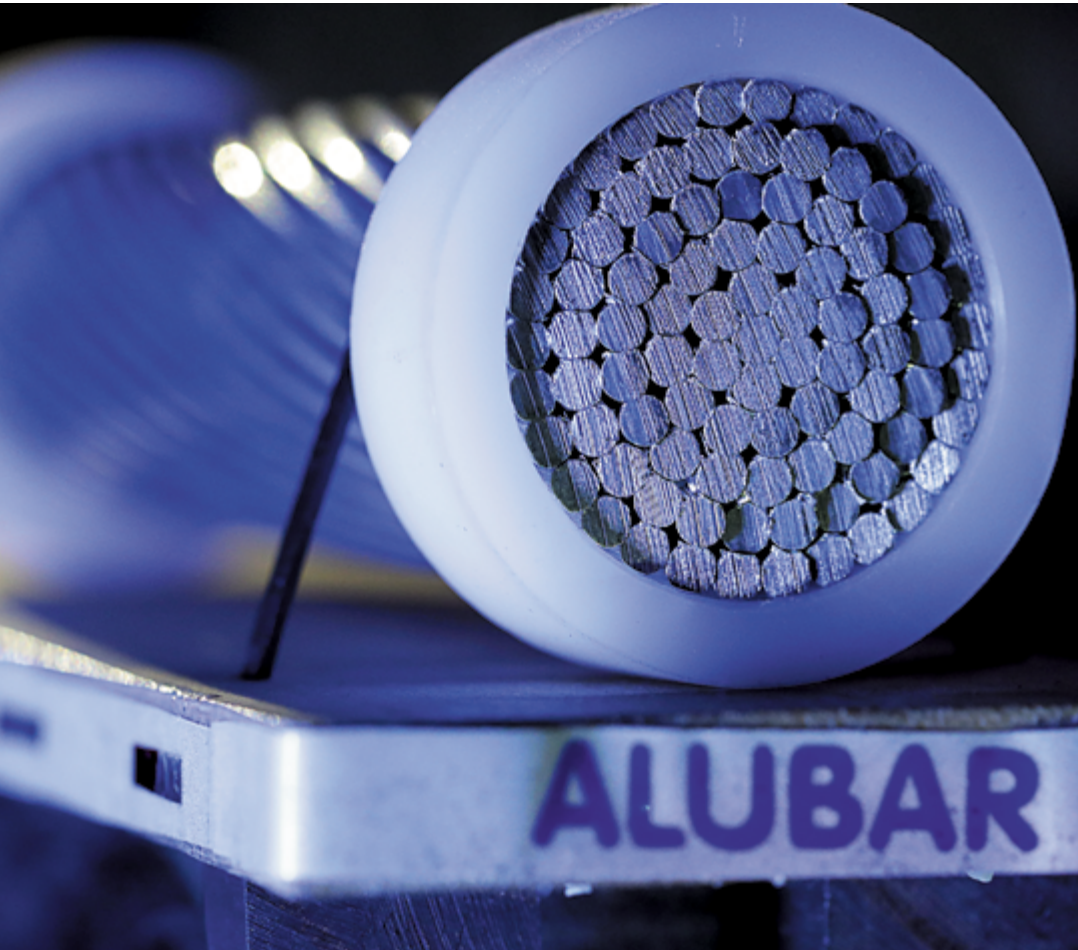
Global success and excellence

The year 2020 brought new challenges to Alubar, from expanding its global administrative and operational structure to strengthening the health and safety measures during the coronavirus pandemic. This edition of the Annual Report presents company highlights of its stakeholders, including financial results and actions to address people management, health, safety, environment, production, relations with clients, suppliers, risk management, compliance, communication, technology, social projects, and initiatives.

Established at the industrial hub of Barcarena, a municipality in the northeast of Pará, Alubar largest operational unit contributes significantly to the economic and socio-environmental development of the state of Pará. Spearheading aluminum processing into finished goods in the region, Alubar generates around 1500 direct and indirect jobs.

One of the highlights of the year 2020 was production start-up at the plants in Bécancour, Canada, and Montenegro, in Rio

Grande do Sul. In addition, the newest company of the Alubar Group was established: Alubar Global Management, in the city of São Paulo. This company encompasses the strategic executive boards and is focused on the global management Group operational units and offices, bringing Alubar closer to major clients in the largest economic center in Latin America.



This report is also available
in digital format (PDF) at
the Alubar website:
www.alubar.net.br

This report also describes how Alubar has adapted to proceed with company operations during the coronavirus pandemic. The Company is the main supplier of aluminum electrical cables in Brazil and, therefore, plays a key role on the delivery of power to homes, businesses, hospitals, markets, and other establishments across the country. Aiming to mitigate the risk for own employees, Alubar reduced the movement of people in its operational and administrative units, implemented social distancing, rein-

forced hygiene measures, and enforced the hygiene and health measures supported by the Occupational Health Area.

In 2020, Alubar net income was 21.4% above 2019 figures, reaching unprecedented levels. The 2020 figures reflect company commitment to excellence in operations, increasingly focused on clients and fully compliant with safety, health, quality, legal, ethical, and socio-environmental guidelines.

In the same year, Alubar produced almost 120 thousand tons of electrical cables and over 140 thousand tons of rods. The challenge now will be to keep growing, developing solutions for the energy sector in Brazil and consolidating trade success in North America. In addition, the Company kept up to date with NBR ISO 9001:2015 and NBR ISO 14001:2015 certifications, extending the standards of excellence to all new operating units.

Here you will find the outcome of the work performed in 2020 and learn a little more about our performance in the processed aluminum market.

Good reading!

02.

Profile



We are Alubar

The Alubar Group is a Brazilian corporation, with international presence, Latin American market leader among aluminum cable manufacturers, providing cable solutions for power transmission, generation, and distribution. Our portfolio includes bare and insulated aluminum and copper cables for medium and low voltage, to meet clients and market demand, combining technology with development to meet the highest technological standards.

In operation for more than 20 years, Alubar is one of the largest aluminum rod manufacturers in the Americas. The rods supplied by the Company in North America have different uses, ranging from electrical cables and steel alloys to mattress springs, straps, and other mechanical alloy applications. In Brazil, the company uses its own rods in the production of bare and insulated aluminum cables used by major players and concessionaires throughout Brazil in transmission lines and energy distribution networks.

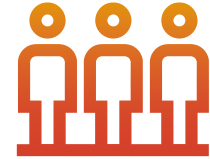
Our company values hiring and training local labor from the areas where our business and operational units are located. Therefore, we also prioritize local development by purchasing services and products from partners and by encouraging socio-cultural activities.

In Brazil, Alubar is one of the companies that contributes most to the economic and social development of the states where it is in operation, creating around 1,300 direct and indirect job openings. The Company is a signatory to the United Nations Global Compact and is committed to the Sustainable Development Goals (SDGs) – a set of goals aiming to global economic, social, and environmental development by 2030.

Twice awarded the Pro-Ethics seal by Brazilian Office of the Comptroller General (Controladoria Geral da União) - CGU and the Ethos Institute, Alubar is also compliance practice benchmark, with a sound integrity program that ensure stakeholders trust in the Company.

Alubar fosters the market through institutional partnerships, working as a sales force across the country. Known for its ability to innovate, the Company is a pioneer in the verticalization of the production of primary aluminum in Pará, and it is the only plant in the North region that transforms raw materials into finished products. With a complete aluminum supply chain, Pará gives the Company a great competitive advantage in the manufacture of its products.

To better serve the market, we invest in expanding our presence throughout the American continent. In 2020, Alubar started operations at the Alubar Montenegro unit, in Rio Grande do Sul (Brazil) and at Alubar Métaux, in Bécancour, in the province of Quebec (Canada), equipment and machines were upgraded to renovate the industrial facilities and meet the production and sales demands of company strategic plan. Currently, Alubar has offices in São Paulo and the United States.



Our company values hiring
and training local labor
from the areas where our
business and operational
units are located.

MISSION

To supply aluminum rods and aluminum cables, competitively meeting client needs, with due respect for safety, the environment, and the community.

VISION

To be recognized as one of the leading aluminum rod and aluminum cable manufacturer in the Americas, always focusing on the development of new products and businesses for the energy sector.



VALUES



INTEGRITY - Means impartial and honest practices. It is also related to conformity with the laws and regulations that govern the activities of our sector and of our organization.



CLIENTS - We build long-term relations with our clients by listening, understanding, and exceeding their needs, in a timely and non-controversial manner.



PEOPLE - People are a key factor in the performance of Alubar. We recruit, train, and promote best performances, and we are committed to quality, innovation, fair compensation, diversity, respect for others and merit.



CONTINUOUS IMPROVEMENT - We know that ongoing success depends on our ability to continually improve the quality, cost, and the timeliness of our products.



ENTREPRENEURSHIP - Entrepreneurship is the continuous search for new opportunities and innovative solutions to problems and needs.



PROUD TO BE ALUBAR - We are proud to be part of a company that makes a difference in its area of expertise and in its ability to face and overcome challenges. We always act true owners of the business, always seeking to achieve set objectives.



Integrated Quality, Environment and Occupational Health and Safety Policy

As a manufacturer of conductors and solutions for energy purposes the ALUBAR GROUP is committed to:

- Ensure client satisfaction by offering quality products and services associated to strategic, quality, environmental and occupational health, and safety objectives.
- Control the environmental aspects and impacts of the Company operations, products, and services, within its borders and scope of action, encouraging environmental protection and preservation rational use of natural resources.
- Ensure conformity with federal, state, and municipal laws and other requirements within the organizational context; and
- Seek continuous to achieve performance improvement in the areas of quality, environment and occupational health and safety, disseminating these values to employees, clients, suppliers, and other stakeholders.



PORTFOLIO

ALUMINUM ELECTRICAL CONDUCTORS - ALUBAR ALTEC®

For low, medium, and high voltage lines

- Aluminum Conductors (AC)
- Steel Core Aluminum Conductors (CAA)
- Aluminum Alloy Conductors (CAL)
- Aluminum Alloy 1120 Conductors (CAL 1120)
- Aluminum Alloy Reinforced Aluminum Conductors (ACAR)
- Aluminum Alloy Conductors with Steel Core (CALA)
- Thermoresistant Aluminum Conductors (T-CA)
- Thermoresistant Aluminum Conductors with Steel Core (T-CAA)
- Aluminum Alloy Conductors with Carbon Fiber Reinforced Core (ACFR)
- Aluminum Conductors with Trapezoidal Wire
- Covered Cables
- Multiplexed Cables

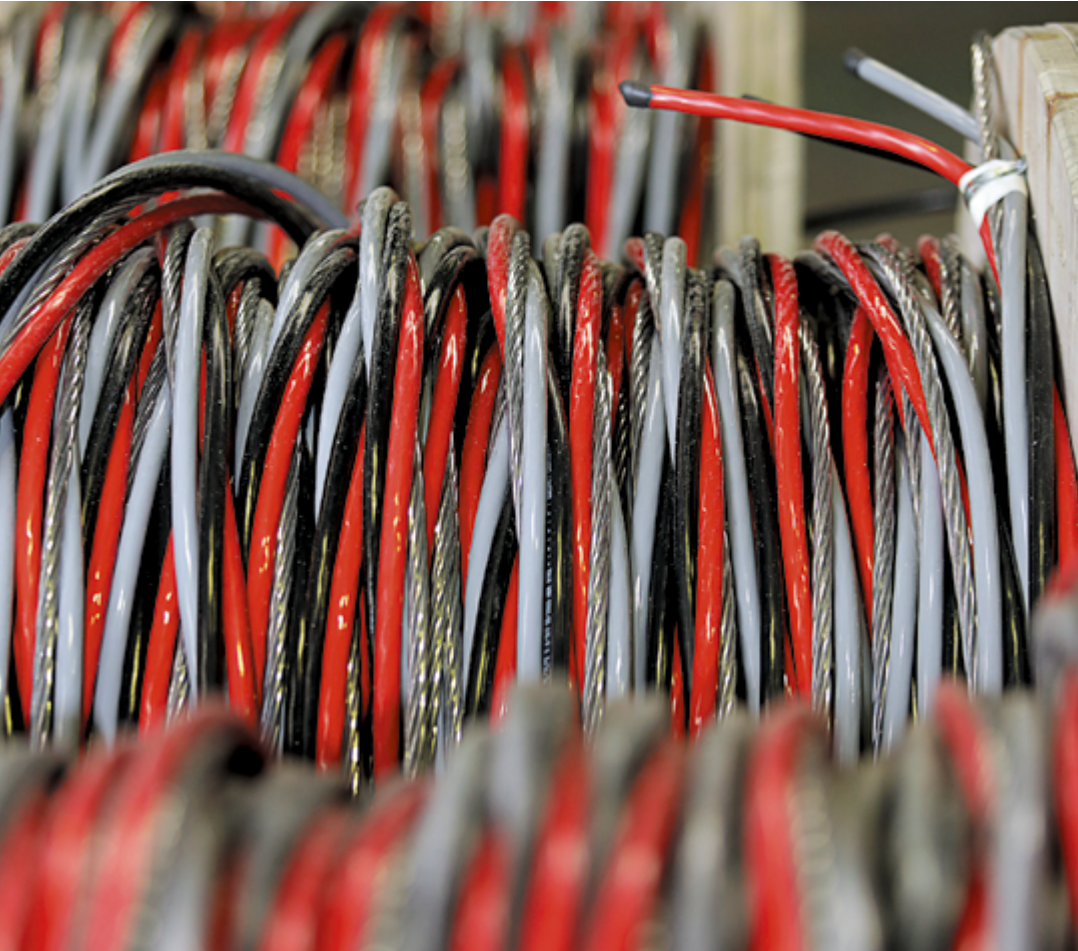
ALUBAR ALTEC® MEDIUM VOLTAGE CABLES

- 3.6/35k Medium Voltage AlTec® Cable – Class 2 Aluminum Conductor NBR 6251
Insulation in XLPE or TR XLPE

SOLARTEC® PHOTOVOLTAIC CABLE

- SolarTec® Aluminum 8176 Alloy Cable



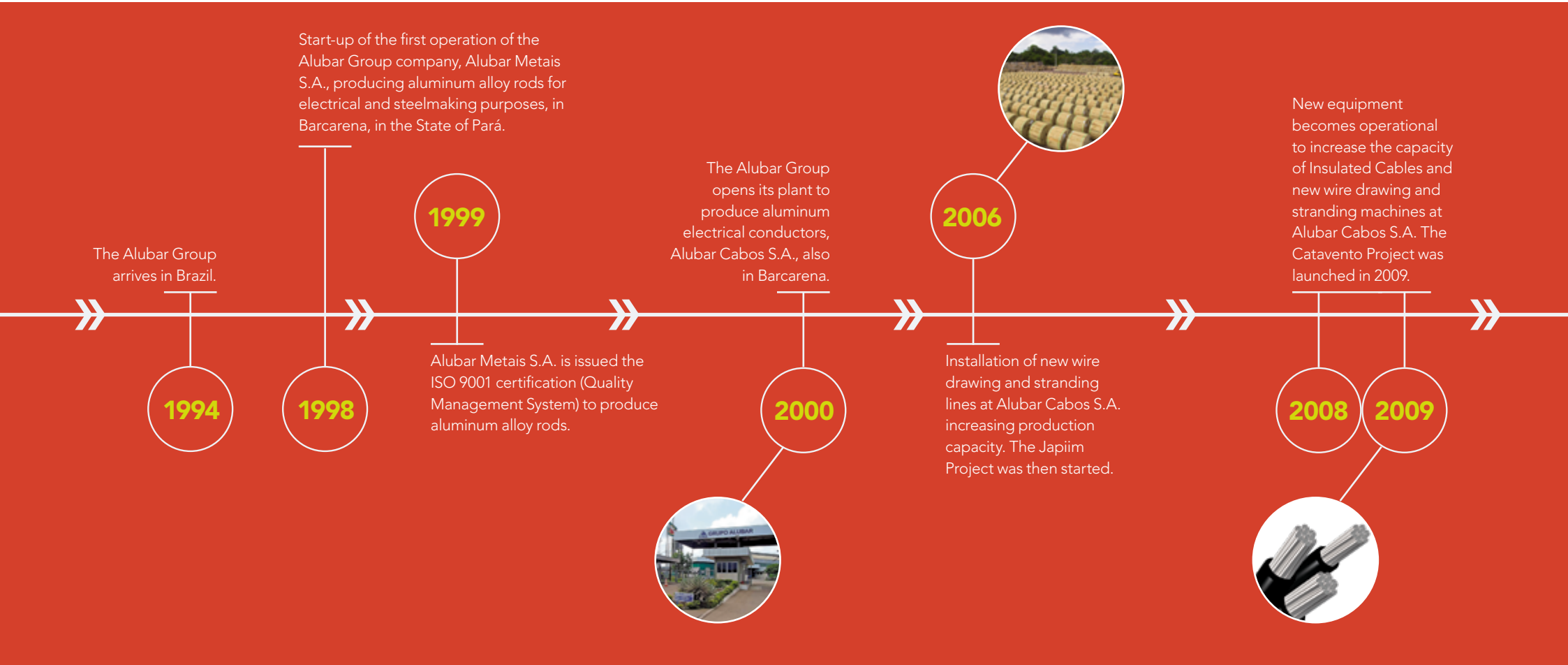


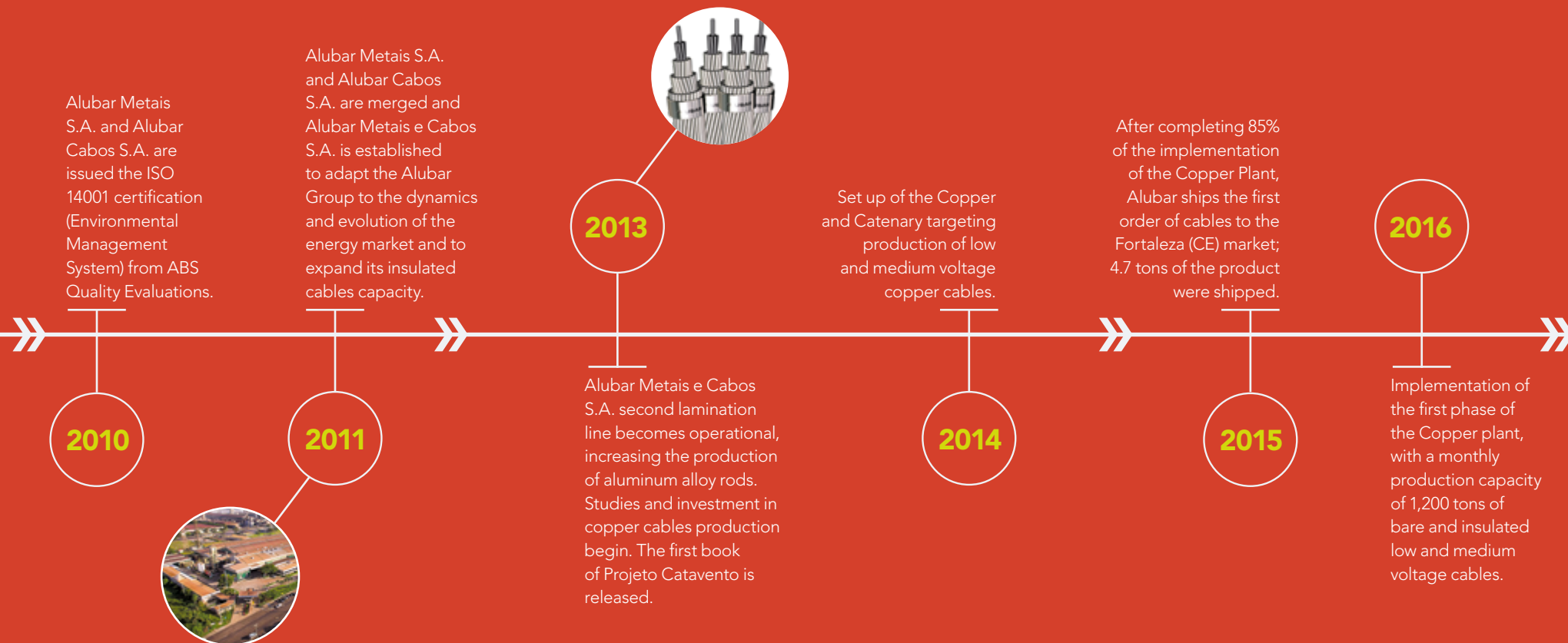
ALUBAR COPPERTEC® LOW VOLTAGE CABLES

- 450/750V Tecnofire® Flame Retardant Wire
- 450/750V Rigid Flame Retardant Tecnofire® Cable
- Flexible 450/750V Flame Retardant Tecnofire® Cable
- Flexible Tecnofire® Flame Retardant 450/750 V 105°C Cable
- Tecnax® Rigid Flame Retardant 0.6/1kV Cable Single and Multiple
- Flexible Tecnax® Flame Retardant Cable 0.6/1kV Single and Multiple
- Tecnax® Flexible HEPR 0.6/1kV Cable Single and Multiple
- Flexible Tecnotox® 450/750V Cable Non-Halogenated 70°C
- Flexible Tecnotox® 0.6/1kV Cable Non-Halogenated 90°C Single and Multiple
- Flexible Soldertec® 450/750V Cable
- CopperTec® WPP Cable
- Control Cable Without Metallic Shield
- Shielded Control Cable with Copper Tape
- Class 5 Flexible Twisted Cords
- Class 5 Flexible Parallel Cords
- Bare Copper Wire
- Bare Copper Cable

MARKET

- Transmission and Distribution
- Industrial
- Construction
- Renewable Energy





The Company exceeds total sales of three hundred tons of copper cables; establishes the Alubar CopperTec branch in São Paulo and approves plant expansion. In addition, it is elected one of the best companies to work with in the Amazon region, according to GPTW, and is granted was Pro-Ethics Seal. The upgrade of Laminator 1 is completed in December. The second book f Projeto Catavento is released.

2017

2018



Alubar celebrated its 20th anniversary by completing the largest expansion project in Company history. Production capacity was increased to one hundred thousand tons of cables per year - a 60% increase. The Company reported a record sale of sixty thousand tons of aluminum cables. A new lamination line and two furnaces were built. The Company also purchased fusion tower, broadening the range of raw material suppliers.

Initiating its internationalization, the Alubar Group acquired an aluminum rod plant in Canada. The group also acquired an electrical aluminum cables plant in the South of Brazil. For the second consecutive time, Alubar was granted the Pro-Ethics Seal. The Company set a new production record, producing more than one hundred thousand tons of aluminum and copper electrical cables in a single year.

2019

2020

Production begins at the plants in Montenegro and Canada. Essential to the energy sector, the Company continues to operate during the coronavirus pandemic, redoubling health and safety safeguards and reinforcing its social initiatives. Alubar Global Management, a Company dedicated to the global management of Alubar Group, is established in São Paulo.





Alubar Metals and Cables

About 30 km in a straight line from Belém, capital of the State of Pará. The plant manufactures aluminum rods and aluminum electrical cables for different energy projects.

Address: Rodovia PA-481, Km 2,3, s/n - Complexo Portuário de Vila do Conde, Barcarena - PA, Brazil.

Tel.: +55 (91) 3322-7100 / 3754-7100



Alubar Montenegro

Able to produce twelve thousand tons of aluminum electrical cables per year, the unit was acquired in 2019 and is located 60 km from Porto Alegre, capital of the state of Rio Grande do Sul.

Address: Via 2, Km 2, s/n - Bom Jardim do Caí, Montenegro - RS, Brazil.



Alubar Métaux

Also acquired in 2019, this plant can produce up to 100,000 tons of aluminum rods. It is Alubar first unit outside Brazil.

Address: Boulevard Raoul-Duchesne, 6900. Bécancour – Quebec, Canadá.



Alubar CopperTec

The aluminum cables distribution unit supports the logistics of Alubar products for the South and Southeast regions of Brazil.

Address: Rua Santa Mônica, 625. Parque Industrial San José, Cotia – SP – Brazil.



North America Commercial Office

Alubar US business branch in Miami, supports the relations between the Company and aluminum rod clients located in the country.

Address: Citigroup Center 201 S. Biscayne Blvd. Miami, FL 33131.



Alubar Global Management

Located in São Paulo, the Alubar Group newest unit centralizes global strategic management and brings Alubar closer to major players in the Brazilian energy sector.

Address: Av. Pres. Juscelino Kubitschek, 1327 - Sala 61 e 62 – Vila Nova Conceição - São Paulo – SP.

Tel.: +55 (11) 3284-7602



Casa Rosada

The building is part of the architectural history of Belém and has been preserved by Alubar for 13 years.

Designed by Antônio Landi, the architect responsible for famous buildings in Belém in the 18th century, Casa Rosada houses an Alubar support office.

Address: Rua Siqueira Mendes, 61. Cidade Velha, Belém – PA – Brazil.

Tel/Fax: +55 (91) 3225-5808



CERTIFICATIONS

Our company is ISO 9001:2015 certified, evidencing to the market the quality and excellence of our products and services, and is also recognized by ISO 14001:2015, for operating with environmental awareness and conformity with legal requirements.

In 2020, three Alubar's operating units underwent external audits performed by certified consultants. No non-compliances were found and, therefore, the three plants currently meet the 2015 version of both certifications.

The results evidence Alubar is aligned with the best quality, processes, and environment market practices – which are factors that add to client's trust.

MEMBERSHIPS

To create an increasingly close and respectful relationship with all its stakeholders, one of Alubar's strategies is to strengthen the relationship with suppliers and clients through class entities that bring together companies in the aluminum sector.

Alubar is a member of ABAL – Brazilian Aluminum Association. The association brings together companies producing primary aluminum and processing industries, with the purpose of strengthening sector representation at national level.

Alubar is a partner of the Brazilian Association of Human Resources (ABRH-PA) and the Brazilian Association of Business Communication (Aberje) to foster a culture of people management and communication aligned to the best market practices.

The Company is also one of the sponsors of REDES – Desenvolvimento e Sustentabilidade Econômica (Economic Development and Sustainability) initiative, from State of Pará Federation of Industries (FIEPA). As the sponsor of this initiative, Alubar can increase the volume of purchases in the State itself, thus fostering the economic development of Pará.

Alubar is also one of the signatories of the United Nations Global Compact and is engaged in the development of actions that contribute to the achievement of the 2030 Agenda. Thus, Alubar intends to contribute to local social, environmental, and economic development, by complying with the Sustainable Development Goals (SDGs).



Alubar has initiatives directly connected to several of the Sustainable Development Goals (SDGs). Please check out:



SDG 1 - No poverty: Alubar provides seamstress professional training for mothers in Barcarena through Projeto Japiim. Currently, thirty-two women produce clothing in project's ateliers.

SDG 3 – Good health and well-being: The Company has a permanent Quality of Life program called Viva Bem (Live Well). This program promotes campaigns on health and well-being for company's internal and external audiences. In addition, we have an occupational health team that has become even more important during the pandemic to care for our employees.

SDG 4 - Quality Education: The Catavento Project, developed by Alubar in partnership with the Municipal Department of Education of Barcarena (SEMED), encourages reading by distributing literary works and training of teachers from 30 riverine schools, with 1,500 students benefiting from it every year.

SDG 5 - Gender Equality: To this end the Company has increased female participation in all areas, including engineering, operational positions, and senior leadership. From January 2019 to January 2020, women participation grew 18% across Alubar. In addition, two women were promoted to director positions to lead their respective areas.

SDG 6 - Clean Water and Sanitation: Alubar has a robust industrial effluent treatment structure, besides to mechanisms for water reuse in the process. This system is subject to continuous improvement.

SDG 8 – Decent work and economic growth: Alubar is recognized as a good place to work (Prazer em Trabalhar 2016 and Great Place to Work 2017 awards) and has People as one of its key values. The Company chooses to prioritize suppliers and labor from the regions where the units are located, bringing economic development the areas close to company facilities and is a partner of the Citizen Sponsor (Padrinho Cidadão) project from TRT8, that offers youths in vulnerable situations an opportunity to join learning programs.

SDG 9 – Industry, innovation, and infrastructure: Every year Alubar strengthens its industrial structures in Latin America. It is innovative and always considers solutions for the energy sector, helping to upgrade and increase the efficiency of the transmission and distribution infrastructures in Brazil. A recent example is the establishment of ACFR Alubar cable, which has already been highlighted in past issues of Revista Alumínio.



SDG 10 - Reduced inequalities: The Company fulfills its role in the inclusion of people with disabilities by respecting their specific needs and offering an inclusive and welcoming environment.

SDG 12 - Responsible production and consumption: Alubar constantly seeks options for reusing its waste and seeks to produce as efficiently as possible to avoid waste and unnecessary consumption. A recent example was the reuse of the wooden packaging that protects the electrical cables. By the end of its service life, packaging is used to make wooden wedges. The initiative was awarded in the “Supplier Development Case” category of the 8th REDES Development Award, in 2020.

SDG 16 – Peace, Justice and Strong Institutions: Alubar has a strong Integrity Program, recognized twice in a row nationally by the Pro-Ethics Seal, granted by the Brazilian Office of the Comptroller General. The program coordinates Company’s best practices in ethics and compliance, establishing behavior guidelines for employees, clients, and partners.

SDG 17 - Partnerships for the goals: The Alubar Supply area implements strong actions in the development of local suppliers, creating a network of partners that drive the growth of the regions where the Company is in operation. An example is the partnership with the REDES initiative sponsored by from the State of Pará Federation of Industries (FIEPA). REDES assists Alubar by coordinating with several suppliers in the State of Pará.



AWARDS

Efforts and recognition

In more than 20 years, Alubar has collected several awards that attest market trust, and the quality of its procedures, programs, projects, and actions. To meet the expectations of its key stakeholders, the Plant is constantly looking for innovation and best market practices.

2007: the Company receives the first award in the Top Social of ADVB – Pará (Association of Sales and Marketing Managers in Brazil), with the Japiim social project that provides professional seamstress training and income for women.

2009: With Projeto Japiim, Alubar won first place in the “Oswaldo Checchia Human Being” Award, in the Social Responsibility category. The honor was awarded by the Brazilian Association of Human Resources (ABRH), in São Paulo.

2010: Alubar receives a Special Commendation in the CEMIG Suppliers Award.



With Projeto Japiim,
Alubar won first place in
the “Oswaldo Checchia
Human Being” Award, in
the Social Responsibility
category.

2011 and 2012: Alubar ranked 7th and 6th place, respectively, in the Prazer em Trabalhar Award - The 15 best companies to work for in Pará.

2011 and 2012: in 2011, Alubar ranked 1st in the “Benedito Nunes” Human Being Award, in the category Company, Social Responsibility Mode, with the Catavento project, offered to pupils of riverine schools in the municipality of Barcarena. The award was granted by the Brazilian Association of Human Resources Section in Pará (ABRH-PA). In 2012, Alubar was issued the Material Supply Certificate, in the CEMIG Suppliers Award.

2013: Alubar repeated the achievement in the CEMIG Suppliers Award and also received the ORM/ACP Award, in the Sociocultural Attitude category, as a result of the Catavento Project actions.

2014: Once again our company participated in the Prazer em Trabalhar Award - The 15 best companies to work for in Pará, ranking third. Alubar also received the Ânima Award, an additional award from Prazer em Trabalhar, granted to the Company that receives the highest score in the item “satisfaction” from its employees.





2014: for the third consecutive time, Alubar won the Materials Supply Certificate, in the CEMIG Suppliers Award. CEMIG recognized the Catavento Project for its Social Responsibility. In December of the same year, Catavento won first place in the COPEL Susie Pontarolli Trophy.

2015: Alubar won the CEMIG Suppliers Award for the fourth consecutive time, with the Material Supply Certificate. In the same year, Alubar won the Elektro Award in the Innovation category.

2016: Alubar won 1st place in the Prazer em Trabalhar Award 2016 – The Best Companies to Work For in Pará and the Ânima Award, for the second consecutive year. This year, Alubar won 2nd place in the CEMAR Supplier Management Excellence Program Award.

2017: Alubar ranked second in the Percentum category of the V REDES Development Award. The award recognizes the sponsors of the REDES/Fiepa program with most procurement in Pará.

2017: Alubar is elected one of the best companies to work for in the Amazon region, according to the Great Place to Work (GPTW) and was issued the Excellent Place to Work Seal. The certification is granted after an internal survey, in which the Company is evaluated by its own employees.

2017: Alubar enters the list of companies that have the Pro-Ethics Integrity Seal, an honor granted by the Ministry of Transparency and the Brazilian Office of the Comptroller General - CGU.

2018: Alubar ranks 1st place in the Percentum category of the VI REDES Development Award. With 80% of its 2017 total procurement in Pará, Alubar bought the most in the state in percentage terms, among the companies that maintain the REDES/Fiepa initiative.

2018: Alubar's Supply Chain Sustainability Program ranked 2nd in the "Environmental" and "Economic-Financial and Compliance" categories and 3rd in the "Sustainability" category. The award was granted by MRV Engenharia, the largest construction company in Latin America, with 39 years of market experience.

2019: Alubar receives the "Supplier of the Year" trophy, the main category of the Neoenergia Supplier Award, granted by a company of the Iberdrola Group. The honor recognizes Alubar as a key supplier to major players in the global energy sector.

2019: For the second consecutive year, Alubar was recognized with the Pro-Ethical Integrity Seal. The Company compliance program was also featured in Guia Exame de Compliance, in the "Steel and Metallurgy" category.

2020: Alubar was the highlight in the three categories of the 8th REDES Development Award: Ranking 1st in the Supplier Development Case category, with an improvement in the destination of wooden packaging; 3rd place in Absolutus, which recognizes the companies with most of their procurement in Pará in total figures; and 3rd place in the Percentum category.

02. Profile. Actions during the Pandemic



Response to COVID-19

While the world faces the COVID-19 pandemic, a disease caused by the new coronavirus, unity and solidarity have become even more important to save lives. For this reason, Alubar is also part of the group of companies working with society to reduce the social impacts of the pandemic through several donations. In 2020, our company supported governmental and non-governmental institutions in their health and social assistance actions.

Beneficiary E	Assisted Group	City State	What Was Donated?	Situation/Why Was It Donated?
Abrigo Pão de Santo Antônio	Seniors	Belém - Pará	Food and hygiene supplies	The organization collects donations by holding events at the senior's shelter. These events were cancelled due the pandemic.
Fundação Pestalozzi de Belém	Healthcare professionals and patients	Belém - Pará	Protection kits (masks and alcohol gel)	The organization joined efforts with the businesses to help fight the COVID 19 pandemic and directed its efforts to underprivileged communities and people, and healthcare professionals.
Government of the State of Pará	Homeless population	Belém - Pará	Monthly basic needs package	The Government of the State of Pará asked for support from companies to help shelter homeless people from the metropolitan area of Belém by providing them a safe space and proper conditions for protection against the COVID-19 pandemic.
Abaetetuba Municipality	Local community	Abaetetuba - Pará	Monthly basic needs package	By means of an official letter, the Municipality requested support from the Company to help the most vulnerable families in the city who were unable to work due to the restrictions imposed by the COVID-19 pandemic.
Barcarena Municipality	Local community	Barcarena - Pará	Equipment for the local field hospital and personal protective equipment for nursing and medical staff.	By means of an official letter, the Municipality requested Company support to equip a field hospital in the city and to provide individual safety equipment for health care teams.
Federal University of Pará - Polo Abaetetuba	Local community	Abaetetuba - Pará	Filament coils for 3D printing	By means of an official letter, the University requested Company's support to purchase materials for the manufacture of face shields for the local healthcare professionals using 3D technology.
SIMEB - Barcarena Metalworkers Union	Local community	Barcarena - Pará	Monthly basic needs package	The Union requested, via official letter, the Company's support for the acquisition of food baskets to help families in vulnerable situations due to the COVID-19 pandemic.

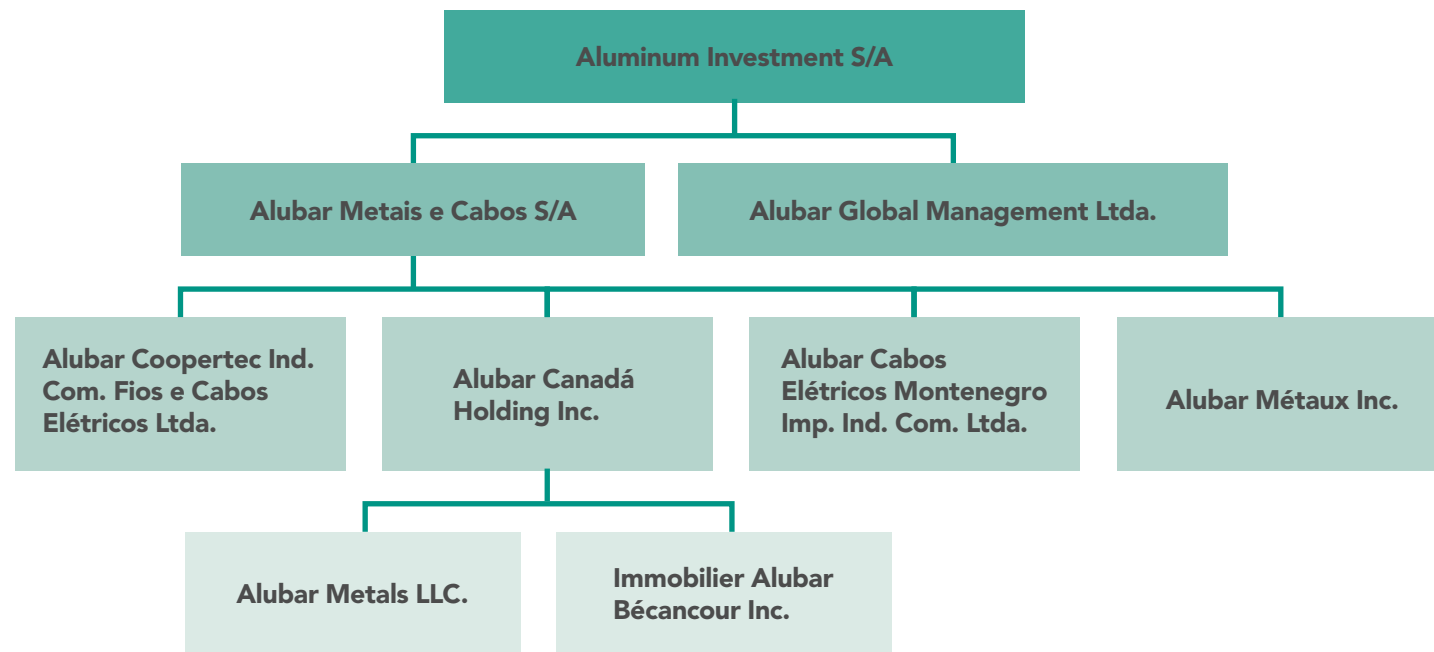
03. Our Dimensions

Corporate Governance



Corporate Governance Dimension

Company Organizational Chart



Internal Audits and Compliance

Risk management has met all goals despite the pandemic

The adequate identification and handling of business risks are inherent to the strategy of our Company to make sure that goals are met with the least impact possible. Internal Audit is the area responsible for mapping each operating process and design risk and control matrixes jointly with the other Company areas, based on the COSO framework. These are the main categories Audit uses to classify risks:

- **Financial risk:** Reflects the risk associated to Company capacity to settle its financial commitments.
- **Operational risk:** Is the possibility of a loss occurring resulting from failure, flaw, or inadequate internal processes.
- **Strategic risk:** Affects business strategy.
- **Cybersecurity risk:** Is the risk associated to technology.

- **Compliance risk:** The risk of failing to act in accordance with internal and external laws and regulations.

Through the audit committee, every year a work plan is approved by the board of directors, considering the most critical risks to corporate business, consistently with Company objective. Once the plan is set up internal audits refers to information in the matrixes to schedule and conduct the tests of adherence of controls to the processes, aiming to reduce the possibility of seeing the risks to which the controls are associated materializing.

In 2020, the auditing work included the assessment of 52 risks to the following issues: inappropriate access to information, availability of supplies, contract management, personnel, costs, commercial performance, adherence of processes, financial statements, taxes, financial resources management, certifications, inventory, production process, conformity with the law, compliance, and image.

At Alubar the internal auditing work was conducted in line with the plans set for 2020, despite Company growth and the adjustments needed due to the COVID-19

pandemic that reached Brazil in the first quarter of the year.

When social isolation and distancing were required, the investments in technology and training enabled data and audits to be analyzed without placing the lives of our personnel at risk or negative impact on the quality of our work.

In 2020, twelve audits were conducted in the administrative and operational areas. The following sectors were audited: Human Resources, Commercial, Procurement, Accounting, Imports, Process Engineering, Aluminum Production, Copper Production, Aluminum Shipment, Copper Shipment, and Infrastructure. Along the period, the inventory tests were carried out in person, following all the protocols and safety measures against COVID-19, issued by the health agencies.

Internal Audit	2019	2020
Audits (conducted)	15	12
Action plans (designed)	132	118
Action plans (implemented)	67	82
Assessed risks	62	52



In 2020, twelve audits were conducted in the administrative and operational areas.

The schedule of actions set up for the year was successfully completed and learning to work remotely became yet another possibility to be further explored in the next few years, even without a pandemic scenario. Another highlight of the Year 2020 was to move up the Internal Audit Management and Compliance Area to a status of Executive Board in Company organizational structure, strengthening the Corporate Governance system in all units of the Alubar Group in the Americas.

- 12 audits conducted
- 118 action plans designed
- 82 action plans designed
- 52 risks assessed

Alubar Risk Matrix

Types of Risk Assessed in 2020	Number
Personnel	10
Adherence to Processes	7
Commercial Performance	6
Contract management	5
Production process	5
Taxes	4
Inappropriate access to information	3
Costs	2
Financial resources management	2
Inventory	2
Availability of supplies	1
Financial statements	1
Certifications	1
Conformity with legal requirements	1
Compliance	1
Image	1
Total Risks Assessed	52

Time saved

In 2020, the Internal Audit Team also developed and learned how to use process robotization. The ACL Robotics tool that will be implemented in 2021, will help continuous monitoring of data and automatic audit implementation. Once programmed to read data, the Robotics will streamline issue of Alubar audit reports, leaving the team with free time to perform other tasks requiring analysis and attention.

66

Our internal audits suffered almost no impact from the pandemic and, most importantly, we were able to understand that tasks can be carried out remotely. This makes us optimistic about working with the new Alubar units, as it will enable us to effectively conduct their audits, without requiring long term visits and cut down travel costs. A big step forward was taken in this direction.

André Cruz,
Internal Audit and
Compliance Director.

22



Integrity for business growth

In the Compliance Area of Alubar, the pandemic gave rise to opportunities for improvement and adjustment of rules and controls, without interfering with corporate ethical values and essence. In the fifth year of the Compliance Program, The Code of Conduct and the set of related policies were updated aiming to disseminate and strengthen Alubar values and principles.

Along the year 2020, training for the Alubar employees on good compliance practices was restricted to the integration of new hires, as it was impossible to promote gatherings during the pandemic. On the other hand, the number of training courses directed to employees of contractors rendering services to Alubar was increased. In 2020, 632.5 hours of training were delivered to 713

employees of these companies. Part of these training sessions were conducted online and when in-class courses were an absolute must, training was conducted in strict conformity with the guidance provided by the health authorities.

Compliance	2019	2020
Training delivered	11	4
Employees	99%	30%
Contractors	376	713
Hours of Training	188	632,5h

Compliance Training 2020

- 4 training courses delivered
- 30% of own employees attended Compliance training
- 713 employees of contractors were provided Compliance training.
- 632.5 hours of training were ministered by the Compliance team

Due Diligence

With the purpose of monitoring possible risks in a transparent and healthy way, in 2020 Alubar conducted due diligence on 100% of company legal representatives and sales reps. This action consists, among other, of analysis of the historical records of the integrity of these individuals, including criteria like negative media, reputation, analysis of public data on databases in Brazil and abroad. The 2020 Due Diligence work also included suppliers deemed sensitive according to internal criteria, and a background check of 55 other. In addition to these actions, a reputation survey was conducted by the Compliance Area that involved the participation of 194 natural persons and corporate bodies.

Due Diligence	2019	2020
Legal representatives and sales reps	No basis*	124 (100%)
Suppliers	75	62
Reputation survey	No basis*	193
*Control started in 2020		

Due Diligence 2020

- 100% of Alubar Legal representatives and sales reps were analyzed
- 55 suppliers checked
- 194 companies involved in the reputation survey

Mentoring

In 2020, Alubar Compliance Area reserved some hours of work of company employees to offer free of cost mentoring to companies interested in enhancing their Compliance policies. As it is a benchmark in this area, recognized by two consecutive editions of the Pro-Ethics Seal of Office of the Comptroller General of the Union (Controladoria-Geral da União) - CGU, Alubar is always willing to help disseminate the culture of ethics among Brazilian organizations.

Mentoring	2019	2020
Companies mentored	0	3
Events	3	2

Technology

Improvements for safe work and minimize borders

At the IT Area last year was marked by the challenge of improving area infrastructure and services, adjusting them to Alubar's growth, both in the number of units and in productivity. One of the improvements that started in 2020, and will be consolidated in 2021, is the Service Center tool. It works like a center of the services shared by the different areas, organizing the demands and facilitating the internal services at Alubar.

The new tool came to replace the former Help Desk, which used to handle just the IT area demands. With the Service Desk, the Company now has a single base for all calls, setting up specific cues for each type of demand. This assignment is carried out through graphic indicators that generate and end the calls within an estimated timeframe. Another innovation of this tool is the possibility of seeing the progress of the demands directly on the platform. With the call reports opened and closed we will be more assertive about user's the level of satisfaction.

Security for remote work was also one of the targets of investment by Alubar in 2020. Even before the pandemic, the Company had already been improving its IT connection to facilitate the integration between the new geographically distant units. Alubar purchased a firewall system well known in the market and implemented it at the Barcarena unit to allow the establishment of a virtual private network (VPN) for safe access by employees to the data stored in company servers.

Additionally, Alubar renewed the set of Microsoft solutions, including the update of programs and Office 365, capable of handling and storing files in the cloud, facilitating access by authorized persons anywhere in the world, while at the same time reinforcing company internal environment protection and security. To streamline the communication between employees, Alubar also purchased the Microsoft Teams corporate chat that allows communication by text, audio and voice and conference calls. The Teams is currently the main on-line communication tool used by company personnel.

New computers and quality connection

The TI Area also provided all support required for the establishment of Alubar Global Management, in São Paulo. The office, a key part of company growth strategy relies on a state-of-the art and secure physical structure. In Pará, the Company improved the fiber optics connections, including a dark fiber cable, connecting the Barcarena plant to the storage yard and the establishment of internet redundancy for the plant –thus ensuring added speed, quality, and fast problem solution. All desktop equipment was replaced by high storage capacity notebooks and last generation processors.

66

When we take the digital path we can work anywhere in the world, because the e-mail is in the cloud, I will not be impacted and will not need a network to get to company server.

**Ailton Teixeira,
Alubar IT Manager.**

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IT and the new units

Due to the acquisition of the two new operational units and the outbreak of the pandemic, the IT team had to increase the frequency of remote work. The Montenegro (Brazil) and Bécancour (Canada) units were connected through the VPN to the Alubar plant in Barcarena, to which most of the IT staff is assigned. Through secure and private connections, the technology services are rendered remotely and, in most cases, with no need for the physical presence of the IT staff.

The VPN solution is also useful to connect the other company areas, as for example Production Planning and Control (PCP) that can access Canada plant production information through virtual “tunnels,” where data are encrypted and secure.

Alubar also started to use the Zabbix platform that helps to manage assets of the different plants. This enables us to remotely identify in real time if a given piece of equipment failed or was turned off. Thus, before further losses occur, you can call in technical support to solve the problem.

The General Data Protection Law -LGPD led us to minimize and further protect sensitive data

Upon the enactment of the General Data Protection Law (Lei Geral de Proteção de Dados) - LGPD in Brazil, Alubar also redoubled precautions about the use and storage of sensitive data. This is information that enables the identification the individual traits of an individual and data, contact, documents, religious beliefs, political opinions, sexuality, and marital status, and other.

As Alubar is not doing business in the retail segment or collects private data of clients who are natural persons, company main sensitive data are related to our own employees. For the sake of safeguarding their privacy Alubar limits data collection to information critical to the Company. Data that cannot be excluded are encrypted and protected against unauthorized access. Transparency in the use of such data is also respected, and Alubar keeps updated a consent form that clearly states the reasons why the Company stores any sensitive data of employees.

03. Our Dimensions

Economic- Financial



Record setting results evidence the effectiveness of company financial planning

Focused on increasingly robust planning process improvement and adjustment of a growing global business, the Economic-Financial Area recorded excellent results in 2020. The Company started to reap the fruits of investments made both in the Barcarena plant and in the new operational units in Montenegro and in Canada.

Alubar reached a record gross revenue of R\$ 2 billion – accounting for 50% increase against the previous year. Net profit added up to R\$ 170 million and the Ebitda (acronym in English meaning earnings before interest, taxes, depreciation, and amortization) R\$ 280 million. Most of this significant result is due to the expansions in Barcarena and the initial operation in Canada and Montenegro that enabled the Company to capture market demand and achieve significant growth compared to its competitors.

With this national and global focus, the economic-financial Area was subject to changes in company organizational structure and was restructured with key focus on two relevant aspects to the organization: 100% focus on the national and international markets (Finance Department) and 100% focused on business planning and new businesses (Strategic Planning Department). The first one is mainly engaged in planning the results, budgets and definition of the business model and accounting, while the latter is fully focused on the evaluation of the national and international financial environment and market, the search for better business opportunities (funding and derivatives), structuring more robust, diversified, and profitable operations at lower cost.

	2019 (Adjusted)	2020
Gross revenue	1.655.546	2.520.525
Net income	1.252.743	2.035.563
EBITDA	198.851	280.819
Net profit	-48.656	170.160

Challenges posed by the pandemic

Besides the challenges everybody had to face along this period, Alubar had to deal with the different impacts on its markets. The main one, the electrical cables for transmission lines was not much affected as investments in the sector are well designed with strict delivery dates. The distribution market suffered a momentary downturn due to market concern with the liquidity of the power distributors and the drop in domestic and industrial consumption, but it returned quickly to normal levels. On its turn, consumption in supply of copper cables demanded mainly by the construction segment fell after the month of March of 2020, due to the worsening of the Corona-virus crisis in Brazil and the shutdown of some mines in Chile.

In Canada, the start-up of Alubar operations happened at the time of the first large cycle of COVID-19 contagion in the country and starting unit operations in these circumstances was a real challenge. Despite the pandemic, by the end of the year, the scenario of the aluminum rod business was favorable, with expectations of future growth.



Alubar reached a
record gross revenue
of R\$ 2 billion.

In the Financial area, the impacts of the pandemic were overcome by investments in the redesign of its routines and internal communication tools (Team) to adapt it to a fully digital scenario to ensure the continuity of its processes without impacting the Company working in the home office mode adopted at that time.

In 2020 accounting started to enforce the hedge accounting practice to make sure that the variation in the still open derivatives positions would not distort company result.

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Alubar achieved a record net profit in 2020. This evidences that the Company planning was fully assertive. What we were thinking in 2017 and 2018 came to be and this is an important outcome, as is shows that we have made the correct and adequate investment to capture the demand and achieve significant growth when compared to our competitors.

Fábio Camargo,
Alubar Strategic Planning Director.



GROSS REVENUE

**R\$ 2
billion**

EBITDA

**R\$ 280
million**

NET PROFIT

**R\$ 170
million**



The financial Area and the new units

The entry of Alubar in Canada, United States and Rio Grande do Sul that had started in 2019, but with operations effectively starting in 2020, brought a new challenge to the finance area: to adapt processes, systems, and the dynamics of the work to absorb the management of the new units and offices. This brought the Company closer to the financial market through partnerships and businesses with new national and international banks.

One of the administrative changers adopted by the Finance Department in 2020 was the establishment of two new coordination sector to optimize company result in Funding & Derivatives and Cash Management, respectively. The segregation of the teams enabled a broad and qualitative study and analysis of the financial market that led to the addition of new financial products to the portfolio of investments of Alubar, as for example, structuring of transactions in foreign currency. These new products resulted in new gains such as cost cutting in contracting and portfolio diversification, which are important elements for an improved evaluation of the market.



Finance Department Improvements and tools

Having entered the global market, Alubar needed to improve corporate cash control and planning mechanisms to deal with the unpredictability of the exchange market and the oscillations of the stock exchanges worldwide, that could in some way affect company businesses. For protection against the effects of liabilities the Finance Department entered into a contract with an electronic trading platform that enables transactions with higher efficiency, speed, and safety for the Company.

The Finance Department also made improvements to Financial Flow control, by integrating it to current company system to generate automated and assertive information that will speed up decision making with the flexibility and speed required by the changes in the global economic scenarios and lower risks. Besides the automations, the authority for approval was revised in 2020 aiming to update, standardize and add formality to the processes of Accounts Receivable and Accounts Payable, ensuring the traceability of all financial transactions of the Alubar Group.



Tax Incentives

In Montenegro, in Rio Grande do Sul, Alubar was granted tax benefits on the IPTU paid to the municipality. In consideration the Company entered a municipal committee that restored and enlarged a leisure area in a public square.

In Pará, the Company was granted a new tax incentive by the state administration for aluminum rod imports. This incentive already existed but was limited to 5 years and 18 thousand tons per year. It has now been included in company general tax benefits, without limits to quantity and is valid until 2036.

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By the end of 2020, when a new corporate structure was implemented, the Finance \ Department also restructured its working model to adapt to the new business strategy, natural market movement in “transformational” situations. You always need to adapt once the world is in continuous movement at an ever growing and at intense speed, requiring flexibility and assertiveness in our movements for the necessary adjustments.

Thaís Porto,
Alubar Finance Director.

22



03. Our Dimensions

Operational & Environmental



Planning and forward learning ensured a record growth during the pandemic

With significant achievements, the Industrial area of Alubar overcame challenges and achieved productivity records in 2020, a total of 116,400 tons of electrical cables and 141 thousand aluminum rods output from all the Alubar Group units. The result driven by the start of our operations in Montenegro, in Rio Grande do Sul, and Bécancour, in Canada – was achievable thanks to the integration and joint work of skilled personnel, redoubled attention to health issues during the pandemic, and the implementation of sound plans set in place by company top management.

Besides the acquisition of new units, Alubar invested in a new laminator to increase production of aluminum rods in Barena. The be able to handle the strong demand from the Brazilian power sector, the unit needed to buy rods from external suppliers or import them from its own plant in Canada, thus adding costs and processes to cable manufacturing. The procurement of the new Laminator 4, Alubar became faster and self-sufficient once the rods manufactured by the Company itself are raw materials for electrical cable production both in Barcarena and in Montenegro.

In the new products, with special mention to effective large-scale supply of the Alubar ACFR conductor, that features trapezoidal profile aluminum wires, strung around a reinforced carbon fiber nucleus. In practice the cable can carry more power across the same diameter of the conventional CAA cables and is indicated for the repowering old transmission lines or for large river crossings. At the Industrial area, the key challenge was to improve the unique processes involved in manufacturing this cable, from personnel training to tool development.

“

We never made a decision without fully understanding that the market is promising and there is a repressed demand to be met, and so we were able to achieve significant growths in 2020 against 2019 figures. We count on an excellent technical team, highly experienced not just in the production of wires, cables aluminum rods, but also in aluminum and aluminum alloys. This is a major strength we have in our DNA.

André Kishi,
Alubar Industrial Director.

”



Comparison production capacity and production in 2019 and 2020

PLANT	PRODUCT	PRODUCTION CAPACITY		PRODUCTION OUTPUT	
		2019	2020	2019	2020
AMC	Al RODA	86.000 t	88.000 t ¹	86.202 t	88.100 t
	Al CABLES	96.000 t	112.000 t	96.038 t	111.255 t
	Cu CABLES	12.000 t	6.000 t	4.058 t	3.211 t
	TOTAL CABLES	108.000 t	116.000 t	100.096 t	114.466 t
AMN	Al CABLES		10.000 t		5.173 t
AMX	Al ROD		65.000 t ²		53.278 t

¹ Initial operation of the Laminator 4 in November/2020.

² Plant start-up in April/2020.

Caption

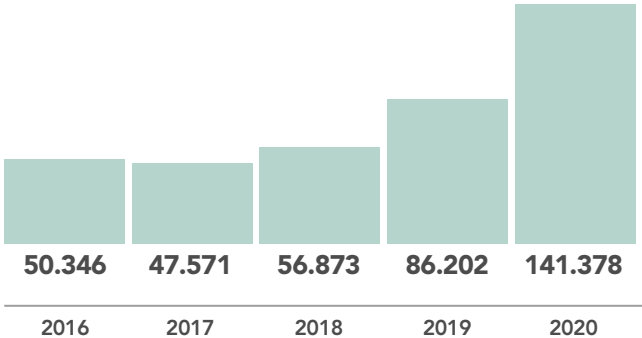
AMC – Alubar Metais e Cabos

AMN – Alubar Montenegro

AMX – Alubar Métaux

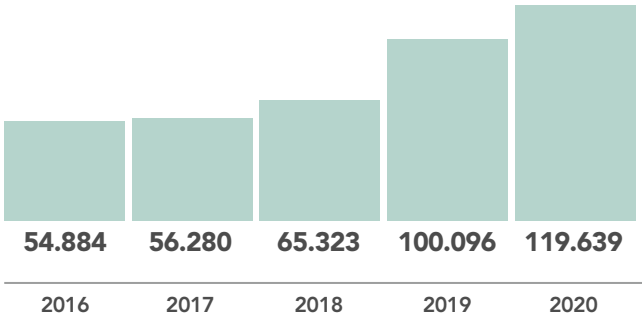


Production of Aluminum Rods (tons)*



*Accounting for the total production from the Barcarena and Bécancour units.

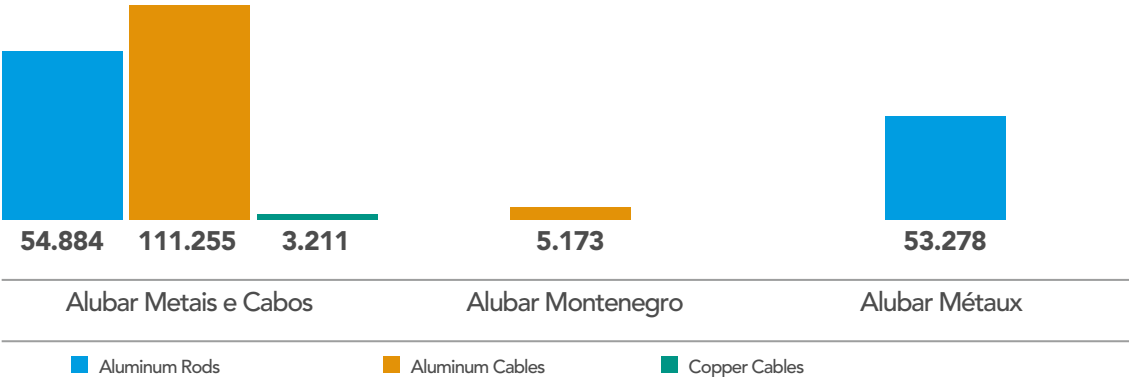
Production of Cables (tons)**



** Accounting for the total production from the Barcarena and Montenegro.



2020 production by unit



The new organizational structure

Because of the expansions and the new Alubar units, the Industrial Department was one of company areas subject to more changes to its organizational structure. A new Executive Board of Brazilian Operations was added to the Industrial Area responsible for the strategic management of the operating areas in the continent, whose key focus is production in Barcarena and Montenegro. Alubar appointed Ana Paula Bittencourt, former General Manager for Alubar Montenegro to head the new Executive Board. Thus, Ana Paula became the first woman to take an executive management position in the Company.

At the management level, besides the already existing General positions at Alubar Métaux and Alubar Montenegro, the General Production Management Areas were established in Barcarena – comprising the Metal Production, Cable and Copper Production areas – and Infrastructure, Process

Engineering and Maintenance areas of the Company. These changes led to streamlined processes, allowing faster decision making and improving the flow of information in the Industrial Areas as a whole.

To manage the operating areas aligned to the new international businesses of Alubar, the headquarters of the Industrial Executive Board was moved to the capital, São Paulo, at Alubar Global Management.

Challenges in Canada

The entry of Alubar was a planned investment, but, nevertheless, the work involved in entering a new country and resume the operations of a decommissioned requires dealing with multiple hindrances. The cultural adaptation between Brazilian and Canadian workers was the first challenge, that was overcome by building trust relationships between workers. The Alubar Group Management offered not just sound investments but a full commitment with the wellbeing of all people involved in the business.

Besides the cultural barriers, the significant increase in the number of Covid-19 cases worldwide, production started in March of 2020, increasing the challenges posed

by the initial plant operations. To prevent agglomerations, it was necessary to establish a rotation of teams, isolate people in the risk groups, hire personnel to replace the workers temporarily kept away from the worksite, besides strengthening safety and prevention of transmission. Thanks to the teamwork, we were able to fulfill the commitments undertaken with clients in the North American market.

One of the best outcomes of the start-up of operations in was the exchange of knowledge and technologies used to manufacture aluminum rods. The personnel at Bécancour, already highly experienced in manufacturing mechanical alloys were able to pass on this knowledge to the Brazilian employees, while they taught the Alubar technologies to make the best use possible of the equipment and produce excellent quality 1120 alloy, which is already consolidated among Brazilian electricity sector clients. Because of the restrictions to travel during the Covid-19 pandemic, part of this exchange was happened through on-line meetings.

66

A cultural change was needed for us to resume the operation of an enterprise that had faced serious problems, but we showed our Canadian colleagues that we were there to stay. We showed the investments made, improved the equipment, and underlined our commitment with the safety of all people. They saw that we are not just any company that went there just targeting profit, but that we were concerned with people and believed that human resources are a key element to a company.

**Marco Bernardotto,
General Manager, Alubar Métaux.**





Challenges faced in Montenegro

In Rio Grande do Sul, the new Alubar electrical cable plant Alubar was also the target of improvements to enable the best use possible of the equipment we had available. Among other improvements, the know-how of the Barcarena employees, contributed to upgrade the setup process, install new equipment, and increase safety. This is a strategic unit for the Alubar Group as it streamlines deliveries to clients in the South and Southeast regions of Brazil, both in the transmission and low voltage distribution markets.

Despite being in Brazil the cultural differences between the Barcarena and Montenegro employees was a challenge to be overcome along the process of starting the operations of the new plant under the management of Alubar. Just like in Canada, in Montenegro our company also invested in the change of the organizational culture and the Pride to be Alubar (Orgulho de Ser Alubar), bringing in the identity of success and the operational excellence built along over two decades of doing business in the Brazilian energy market.

We also invested in new hires and training to new employees who had no experience



Among other improvements, the know-how of the Barcarena employees contributed to upgrade the setup process, install new equipment, and increase safety.

in manufacturing electrical cables. Despite all problems faced during the pandemic the plant was able to adapt and meet the terms set for deliveries to clients to keep running the essential power ventures.

2020: Summary of Alubar Productivity Improvements

BARCARENA

CHANGE OF LOAD ON THE RIGID ONES.

With improvements in the standard procedure, the change of load the 2-body rigid stringing machine gained 25% speed. In the 3-body the time was shortened by 11%.

WIRE DRAWING PERIPHERALS.

The access to tools was made easier once auxiliary frames, spinners and dies, visible management boards and operational training. The outcome was that the wire drawing standstill time for lack of tools was down by 87%.

PRINTER OPERATION.

The routine of inspections of the machines that print relevant information on copper cable jacket was improved. As a result, downtime in this equipment was reduced by 55%.



SHORTER STANDBY TIME.

Control over the process of pulling and pulling 6000 series aluminum rod wires was improved shortening the required standby time to use the materials by 50%.

PRODUCTION CAPACITY GAINS.

Thanks to improved monitoring and speed of the Bow Twister machine, production capacity productivity gas reached 45% when compared to the connectors currently used to manufacture multiplexed aluminum cables.



MONTENEGRO

TOOL PANEL BOARD.

The setup of a tool panel board for Production shortened by 73% the standby time for the lack of tools, besides improving the arrangement of the industrial environment.



MONTENEGRO

NEW SPREADING DISK.

An improvement in this part in one of the Wire drawing machines at the plant improved wire coiling, minimizing the chances of ruptures and wire stringing tangle.

PRODUCTION CAPACITY GAINS.

Several improvements in the wire drawing and stringing equipment and processes enabled shortening ramp time, machine speed gains, and setup time. Wire drawing production capacity increased 38% and stringing of the most important material produced at the plant.

BÉCANCOUR

POINT BY POINT PROCEDURES.

Canadian processes were standardized, by levelling the level of operators' skills. This reduced the rate of operating faults by 67%, increasing safety and productivity.

ADJUSTMENT OF THE PULLING RANGE.

Improvements in Laminator IV upgraded the stretching of aluminum rods, reducing 54% of incidents of rupture of the wire drawing bars.

NEW CERAMIC FILTER BOXES

Procurement and installation of these filters improved the quality of the end product and reduced rod breaks during the wire drawing process.



NEW BAR COOLING TUNNEL.

The design, procurement and installation of this equipment increased the reliability of the process and ensured added quality to the rods in the long run. The equipment that was previously available at the plant was obsolete.



Environmental Management improved every year

Alubar is continuously concerned with the sustainability and the improvement of company environmental management. In 2020, for yet another year Alubar's certification ISO 14001:2015 was renewed for the Barcarena plant, with zero on-conformity. Besides, the new Alubar Group units were also certified after the internal and external assessments of their respective environmental management systems.

However, to conduct the certification audits with full safety in 2020, the Company had to adapt to the scenario of the pandemic. Environmental Managers and auditors held on-line meetings, organizing the documents and processes with minimum attendance by employees. During the audits, requirements such as compliance with legal requirements, control of resources, effluent treatment and waste disposal were assessed, and their implementation evidenced.

A positive outcome of the investments in improvements and good environmental practices was recorded in 2020, when compared to the previous period. Considering the rate waste volume/ton produced, in Barcarena, Alubar reduced waste generation, as for example effluent treatment station sludge, aluminum scrap sold, copper scrap sold and polyethylene (XLPE). As to energy efficiency, Alubar was also able to reduce energy consumption by ton of product manufactured in 202, against 2019 by around 2.4%. On its turn, carbon monoxide emissions from the stacks that already were well below the maximum limit set by Brazilian standards were considerably reduced in 2020, due to the investments made in specific and unique technology furnaces for aluminum alloy.

Environmental Licenses in 2019 and 2020

OPERATING UNIT: Alubar Metais e Cabos (AMC)

UNIT	2019			2020		
	Valid Licenses	Document	Expiry date	Valid Licenses	Document	Expiry date
AMC	Operating License	LO no. 10171/2016	Jul/23/2019	Operating License	LO no. 11915/2019	Oct 22/2021
	Authorization - machines (commissioning)	AU no. 4082/2019	Nov/19/2019	Installation License - LA 4	LI no. 3004/2020	May/11/2021
	Installation License	LO no. 11915/2019	Oct/22/2021	Authorization - LA 4	AU no. 4733/2020	May/11/2021
	Award - Well 03	Award no. 2399/2016	Oct/07/2019	Installation License - LA 4 & Albrás Accessway	LI no. 3055/2020	May/12/2021
	Award - Well 04	Award no. 2715/2017	Jan/15/2022	Installation License - Logistics Project	LI no. 3042/2020	Sep/04/2021
	Award - Well 05	Award no. 1925/2015	Jun/25/2019	Award - Wells 01/03/05 (unification)	Award no. 4057/2020	Jan/28/2030
	-	-	-	Award - Well 04	Award no. 2715/2017	Jan/15/2022
	-	-	-	Award - Well 06	Award no. 5110/2020	Nov/17/2025
AMC FILIAL	*Operation License	Protocol no. 2018/37426	following required procedures	Operating License	LO no. 12338/2020	Aug/18/2025
	Award - Well 01	Award no. 2546/2016	May/31/2020	Installation License - Expansion	LI no. 3035/2020	Aug/18/2024
	-	-	-	Award - Well 01	Award no. 4348/2020	May/17/2025

* License AMC Filial (transfer of responsibility from the municipal agency (SEMADE) to the state agency (SEMAS).

OPERATING UNIT:
Alubar Montenegro (AMN)

UNIT	2020		
	Valid Licenses	Document	Expiry Date
AMN	Operating License	LO no. 05175/2020	Jan/01/2025

OPERATING UNIT:
Alubar Métaux (AMX)

UNIT	2020		
	Valid Licenses	Document	Expiry Date
AMX	Operations License	No./Réf.: 7610-17-01-00927-19	Feb/28/2023

There is no requirement to renew this authorization, it suffices to update it or request new authorizations solely when new projects are added. Otherwise, the License continues valid without a limit date.

Gerenciamento de resíduos em 2019 e 2020

WASTE	2019		2020		2020		2020	
	VOLUME	VOLUME x TON PRODUCED	VOLUME	VOLUME x TON PRODUCED	VOLUME	VOLUME x TON PRODUCED	VOLUME	VOLUME x TON PRODUCED
Aluminum Sludge (kg)	948,750	11.0	985,850	11.2	-	-	670,000	12.6
Aluminum/Oil Sludge (kg)	231,930	2.3	304,640	2.7	-	-	-	-
ETS Sludge (kg)	45,750	0.2	13,730	0.1	-	-	-	-
Wood (kg)	1,290,281	5.8	1,880,360	6.5	23,081	4.5	13,070	0.2
Recyclables (Paper/ Cardboard/Plastic) (kg)	120,120	0.6	84,755	0.4	11,168	2.2	-	-
Emulsion Waste (Water + Oil) (kg)	336,290	3.9	400,340	4.5	-	-	-	-
Contaminated Industrial Waste (kg)	102,298	0.5	119,031	0.6	-	-	1,113,000	21.3
Non-recyclable waste (kg)	59,760	0.3	60,520	0.3	1,749	0.3	19,370	0.4
Aluminum scrap sold (kg)	384,308	2.1	266,734	1.3	187,748	36.7	-	-
Copper scrap sold (kg)	303,316	74.7	65,365	20.4	-	-	-	-
Steel scrap sold (kg)	117,900	0.6	173,302	0.9	4,400	0.9	53,419	1.0
XLPE (kg)	221,130	2.2	119,164	1.0	-	-	-	-

Air emissions in 2019 and 2020

RESULTS										
AIR ANALYSIS PARAMETERS									AMC	VMP
	2019			2020						AMN
	Stack 1	Stack 2	Stack 3	Stack 1	Stack 2	Stack 3	Stack 4	Stack 5		2020
Carbon Monoxide (CO) - [mg/Nm³]	14.33	2.84	0.00	1.22	1.02	0.00	0.00	0.00	80	-

AMC:

NOTES: * V.M.P – Maximum Values Allowed under CONAMA Resolution 436/2011.

- Stack 1 – Furnace 1 and Furnace 2
- Stack 2 – Furnace 3
- Stack 3 –Furnace 4
- Stack 4 –Furnace 5
- Stack 5 –Furnace 6;

The figures stated as “0,00” at stacks 3, 4 and 5 refer to amounts so low resulting from a specific and unique technology of the furnace system resulting in process improvements.

AMX:

Carbon Rate (CO2) < 25,000 (tm), maximum figure allowed by law.

*CO2 tm (metric ton).

Note: Both for AMC (CO) and AMX (CO2), the amount is consistent with local laws.



Energy efficiency in 2019 and 2020

PLANT	Total MWh consumption		Production performed		MWh/t	
	2019	2020	2019	2020	2019	2020
AMC	38,852 MWh	41,265 MWh	186,298 t	202,566 t	0.209 MWh/t	0.204 MWh/t
AMN		1,313 MWh		5,173 t		0.254 MWh/t
AMX		10,164 MWh		53,278 t		0.191 MWh/t

Awareness building actions

Part of the efforts to keep the Company compliant with good environmental practices include building the awareness of company employees. One of the tools Alubar used to achieve this goal was to carry out campaigns and internal events, such as the Environmental Week, generally scheduled for the month of June. In 2020, the event reached its 15th edition and was redesigned to a fully digital format, both for social distancing and to meet the needs of the different units of the organization in each business environment. For the event, the Environmental Management and the Com-



munications Areas and other leaders prepared a campaign with videos, e-mails, social media, posters and outdoors. Prepared in two languages the material conveyed information on biodiversity, selective garbage collection, conscious consumption and Alubar actions consistent with the Sustainable Development Goals (SDG) aiming to preserve the planet.



Besides the Environmental Week, Alubar started to implement awareness building initiatives in selected dates of the year. An example was the Global Earth Day, on April 22, the Earth Day in Canada, calling attention to the significance of preserving the planet. At the time Alubar issued posts on its own media and, in Bécancour, we entered into a partnership with Escola de Agricultura de Nicolet to distribute tomato seedlings and decorative plants to 60 employees of Alubar Métaux.



Water Management

The investment made in improvements to Alubar the Effluent Treatment Station in Barcarena continued in 2020. As the year went by, most of the ETS automated monitoring systems were completed. These system monitor in real time the parameters of the water used at the plant, generating pH, conductivity, biochemical oxygen demand (BOD) conductivity, biochemical oxygen demand (DBO) and tother graphs. The data collected will be displayed in real time on screens placed at strategic sites to be seen by environment sector personnel. Besides a new and more efficient filter press was installed at the ETS, cutting down the amount of plant generated sludge by 70% and resulting in R\$ 27.217,00 disposal savings.

Use of resources/consumption in 2019 and 2020

RECURSOS	AMC				AMN		AMX	
	2019		2020		2020		2020	
	CONSUMPTION	CONSUMPTION x TON PRODUCED	CONSUMPTION	CONSUMPTION x TON PRODUCED	CONSUMPTION	CONSUMPTION x TON PRODUCED	CONSUMPTION	CONSUMPTION x TON PRODUCED
WATER - AWARDED [m3/year]	288,715	-	289,506	-	-	-	-	-
WATER - CONSUMED [m3/year]	127,357	0.68	189,080	0.93	2,186	0.42	48,317	0.91
Coils - Aluminum Process - [set]	1,913	0.34	61,604	0.31	2315	0.45	-	-
Coils - Copper Process - [set]	1,480	4.06	10,489	3.27	-	-	-	-
Pallet - Aluminum Process - [unit]	944	0.01	1,913	0.01	-	-	-	-
Pallet - Copper Process - [unit]	1,427	0.35	1,480	0.46	-	-	-	-
GLP (furnace) - [kg]	2,989,194	34.68	3,047,173	34.59	-	-	-	-
GLP (stackers) - [kg]	283,682	1.52	250,736	1.24	8,080	1.56	-	-
NATURAL GAS - [m3]	-	-	-	-	-	-	4,456,828	83.65
Energy Consumed (KWh/year)	38,876,120	208.68	41,265,039	203.71	1,313,429	253.90	10,164,000	190.77

*Water Awarded - applicable just to the AMC unit.



2020: Summary of key environmental improvements

BARCARENA

INSTALLATION OF BALE PRESS MACHINE.

This equipment presses paper, cardboard, and plastic waste into compact bales. The improvement includes an agreement with supplier Construservice, that collects the waste at the collection area (ecoponto) inside Alubar. The smaller volume reduced the number of waste collection per week from 3 to 1, as having more space you can load more recyclables for the same truck ride.



DEVELOPMENT OF NEW PRODUCT RELATED TO REEL CLOSING WOOD.

Working jointly with supplier Madem, the wood used to close the reels can now be changed into berths to load the electrical cable coils, applied during product transportation. This upgrade led to 36.7% savings in berth purchases, besides cutting down by 43.3% the consumption of wood to manufacture this product.



LOWER OIL CONSUMPTION IN THE FRIGECO TRC 01 WIRE DRAWING MACHINE.

The lubrication oil used in wire manufacturing is reused, by draining and filtering the sprayer oil. On average, 18 liters of oil are reused every week, thus extending the service life of this input in the process.



BÉCANCOUR

FUSION FURNACES WITH REGENERATIVE BURNERS.

Two furnaces used to cast aluminum were improved. Between July and November of 2020, this resulted in savings of over 600,000 m³ of natural gas when compared to furnaces fitted with conventional burners.



MONTENEGRO

INSTALLATION OF BALE PRESS MACHINE.

Just like at the Barcarena plant, also purchased equipment to reduce the volume of waste. The scrap carrying capacity by truck load went up from 10 to 17 tons.



DEVELOPMENT OF BUYERS FOR THE WASTE THAT HAS BEEN GENERATED.

Alubar Montenegro developed clients that reuse the wood, paper, cardboard, plastic, iron, and oil waste used at the unit. In 2020, R\$ 10.295,60 return was generated from the sale of waste.

RECYCLING OF OIL DRUMS.

In partnership with a supplier, Alubar recycled empty oil drums that were used as bins for selective waste collection. The project enabled R\$ 5.280,00 savings, as there was no need to purchase disposal bins for production, and enabled reuse of 100% empty drums.



ADJUSTMENTS MADE TO THE OIL DRUM STORAGE.

The Company purchased Holding pallets for the oil drums kept at the Storeroom and maintenance. Pallets prevent oil leaks increasing safety and avoiding wastage and therefore mitigating potential environmental impacts.



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We know Alubar will not stop growing, hence, every single day we are challenged to improve management and to have our eyes continuously set on the environment. Today Alubar has a positive image as the leading manufacturer of electrical cables. We need to care for this image, always paying attention to the sustainability tripod: people, economy and the environment.

Hélio Sena, Quality Control and Environment Manager.

22

Alubar products are synonyms of quality

With a consolidated Quality Management System in place in Barcarena and an experienced team, in 2020 the main achievements of company Quality Control area were the adjustment of processes to the new operating units, keeping up the good performance in the certification audits, besides the investments in equipment improvements.

Thanks to a consistently aligned teamwork between the different company areas, the preparatory tasks to establish and implement the ISO 9001:2015 certifications were all completed, despite the adjustments required by the coronavirus pandemic.

Maintenance or initial certification audits were carried out at the three Alubar operating units. In Barcarena, where the Quality Management System has already matured

due to time in the market, the certification was kept without any problems. At the Montenegro plant it was necessary to set up an Electronic Document Management System (EDMS), that was already running in Barcarena, to keep the standardization of processes. The internal audit phase there took place in January, before the coronavirus pandemic. However, for the external audit the management work was carried out in person at the unit and corporate processes were dealt with remotely. Notwithstanding the result was not adversely impacted and the Company was able to complete the audits required for Montenegro ISO 9001:2015 certification with satisfactory results in June of 2020.

As to the Canadian unit, there we had to retrieve and revise documents and procedures kept at the plant database to for the adjustment to the new Alubar management. Despite the pandemic, the internal and external certification audits in Canada, in this specific case involving the integrated quality and environment system, were completed as early as in the first semester of 2020 also with satisfactory results.



Results of the internal and external audits and non-conformities in 2019 e 2020

Unit	QMS/EMS	Internal Audit	NC	Status	External Audit	NC	Status	Certificate	Expiry Date
AMC	ISO 9001	Aug/2019	1	Implemented	Oct/2019	0	Implemented	34695	Nov/13/2023
	ISO 9001	Jul/2020	3	Implemented	Aug/2020	1	Implemented		
	ISO 14001	Dec/2019	1	Implemented	*Feb/2020	0	Implemented	43259	Feb/17/2022
	ISO 14001	Nov/2020	2	Implemented	**Feb/2021	0	Implemented		
AMN	ISO 9001	Jan/2020	12	Implemented	Jun/2020	1	Implemented	BR033828	Jun/18/2023
	ISO 14001	June/2020	7	Implemented	***Feb/2021	7	Implemented	BR035354	Feb/23/2024
AMX	ISO 9001	May/2020	6	Implemented	Apr & Jun/2020	5	Implemented	FM723164	Aug/13/2023
	ISO 14001	May/2020	4	Implemented	Apr & Jun/2020	3	Implemented	EMS723165	Aug/13/2023

*Refers to the audit period of the year 2019.
** Refers to the audit period in the year 2020.
*** Refers to the audit period in the year 2020.

Homologations

As to the homologations of new products, the highlight was the Alubar ACFR cable with trapezoidal profile heat-resistant aluminum alloy wires and carbon fiber-reinforced core. As it is an innovative product in the Brazilian electricity sector, there is no specific applicable national standard in effect. Company Quality Control Area acted jointly with the Engineering areas to carry out the cable physical, electrical and mechanical parameters of the products; part of the tests were carried out at external and independent laboratories to ensure the process of homologation and acceptance by the clients targeted by these projects. ACFR conductor tests resulted in 100% approval, thus enabling production to meet the requirements set under contracts and sales of products in the market, with parametrization of equipment and training provided to all employees involved in handling this new challenge for Alubar.

Comparison table - number of cables homologated in 2019/2020 – AMC

YEAR	Homologated Products (UN)
2019	16
2020	21

Comparison table - number of inspections carried out in 2019/2020 – AMC

YEAR	Number of Inspections (UN)	Number of Inspections (T)
2019	131	84.647
2020	205	107.146



Structuring the Team

To be able to handle the challenges posed by managing at three plants, The Quality Control Area was restructured and, from then on, relied on a specific coordinator for company Quality Management System able to communicate in Portuguese, English, and French. In addition, the team now has members qualified in Canada and at Montenegro provide support to quality management and smooth running of the production processes and certification audits. For being more experienced in the rod and cable segment, the Barcarena team helped to contributed to the progress of the work at the other units along this first year of operations at the new units.

Specifically in Montenegro, early in the year and along the first semester of 2020, as hiring of new employees increased, it was necessary to provide training for plant start-up. Capacity-building was required to teach workers the needs and particular quality control features in the electrical cable segment.

Key improvements

In 2020, in Barcarena, Quality Control upgraded the use of the Power BI system for control of the test analyses of wires relatively to the mix of products. The system enhances the visibility of data, generating graphs that enable easier management and help monitoring this control for decision making purposes.

At Montenegro, a thermocouple was made available to be used together with the Kelvin bridge. This equipment is used to test the electrical resistance of the wires and cables manufactured at the plant. This instrument allows enables automatic measurement for the reference value at 20°C and the information is directly entered into the SIM system furthering the reliability of test control.

At Alubar Métaux, we have progress in the application of aluminum rod quality reading instruments. Spotlight on the automatic diameter gauge that makes reading of these data easier and increases the reliability of testing processes.



**Comparison table - test control
2019/2020 – AMC**

YEAR	Total Tests Conducted (UN)
2019	229,281
2020	239,452

**Comparison Table - cable quality
2019/2020 – AMC**

YEAR	General Index Aluminum Quality (%)	General Index Copper Quality (%)
2019	99.98	99.56
2020	100	99.84

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Quality management is not just about certification, but it also involves capacity building and fostering ideas. It can't be a mechanical process, people must be part of the improvements, being able to suggest and therefore, shorten time and boost process improvements.

Hélido Sena,
Quality Control and Environment
Manager.

22

03. Our dimensions

Clients



During the pandemic, Alubar recorded the highest revenue in company history

The year of 2020 was marked by the consolidation of commercial area expansions and new revenue records. To best meet the needs of its clients, Alubar scaled up corporate infrastructure and is now doing business in the national and international markets.

An important change made aimed to being able to deal with company growth in 2020 was to split company commercial segment of the Company between the Latin America and the North American Commercial Offices. Headquartered in São Paulo, the first one focuses on continuing to develop businesses in the Brazilian electricity sector, while the aluminum rods produced in Canada are taken to the market by the latter from its main place of business in Miami (USA).

In Latin America, Alubar continued to stand as the market leader in the segment of bare aluminum electrical cables for power transmission lines. In 2020, with 100% supply of cables directed to Brazil, Alubar closed the year with a turnover of more than 105 tons of power conductors for the transmission sector – the highest in company history, accounting for 22% growth against 2019. This outcome results from team ongoing

efforts to keep paying close attention to client needs, even when the pandemic does not allow in person attendance of meetings, fairs business events.

Transmission

Alubar continued to supply to large players in the power transmission market, like CTEEP, CEMIG, EDP, Taesa, Engie, Neoenergia and other. Despite the large number of orders to be delivered in 2020, Alubar managed to coordinate all demands and ensure delivery to an even larger number of clients, thanks to the large production capacity of company plants in Brazil and the full alignment between the Commercial and Industrial Areas. The availability to quickly meet large orders is one of Alubar's unique competitive advantages in the energy market. Among the best-selling products, once again the 1120 Alloy electrical conductor was the highlight.

Despite not being able to make in person visits to clients, essentially, the Latin America Commercial Office team resorted to remote communication tools to continue closing new deals. A relevant result was company performance at the only transmission auction sponsored by the Brazilian Electricity Regulatory Agency (Agência Na-

cional de Energia Elétrica) - Aneel in 2020. Alubar does not bid directly at the auctions but plays a leading role by supplying electrical cables to the companies that will build the 11 new lots of transmission lines in Brazil, between 2022 and 2024. Alubar entered into pre-agreements to supply to 95% of the auctioned ventures, with delivery of cables to set to start as of the second semester of 2022. Besides, the Commercial team already counts on support from an asset dedicated to the renewable energy area who prospects new medium range opportunities for the Company.



Technology

The ACFR conductor developed jointly with Tokyo Rope, was again one of the highlights of the year. In 2020, Alubar supplied the ACFR cable to company clients CEMIG and CTEEP, providing technical assistance, training, and following up the installation of the product to uprating projects in large urban centers.

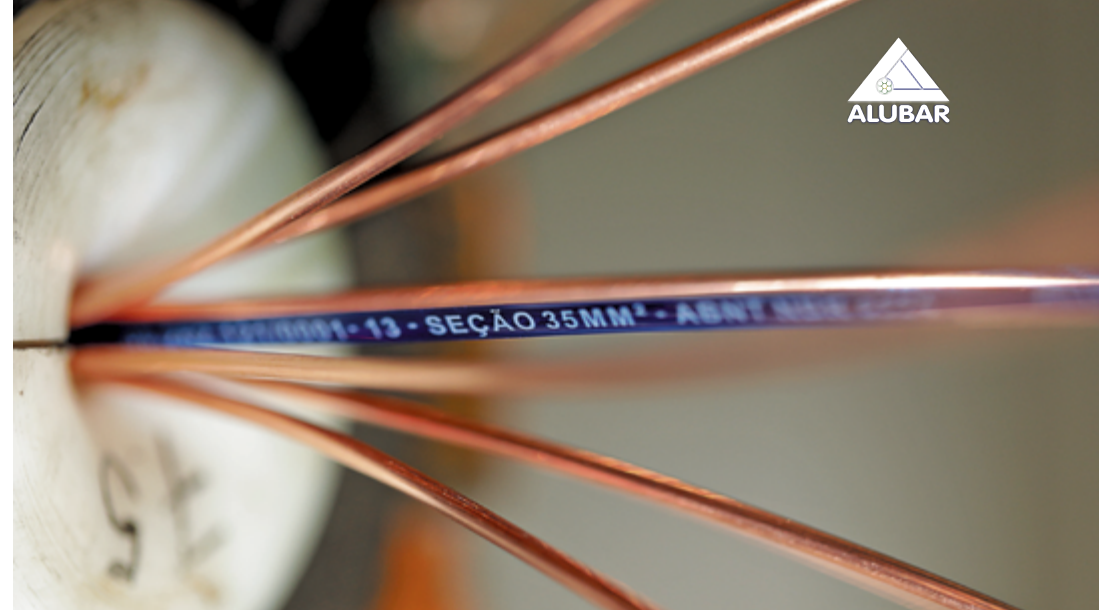
Due to its higher power carrying capacity across the same diameter of the CAA aluminum conductors, the ACFR Alubar is the product of choice to meet the growing power demand from the large Brazilian urban centers without requiring construction of new transmission lines: it suffices to replace the cables in the already existing towers. The new conductor is also suitable for large river crossings, for being lighter, and with lower sag when compared to the other aluminum cables used for the same purpose.

By successfully developing and supplying an ACFR conductor to the Brazilian market, gained recognition not just as a commodities processing company, but as a supplier of technology solutions to the power sector.

Distribution

In this market segment Alubar has been focusing on closing umbrella contracts, under which the client establishes some products to be ordered but confirms the orders according to the demand. Yet, the outbreak of the pandemic led to a drop in the number of orders in this type of contract. To circumvent this hindrance in 2020 Alubar increased focus on the private sector market that includes power supply to plots for housing projects, and private residential compounds. Through this strategy the Company invoiced over 10,600 tons of electrical distribution cables, well over 2019 result.

Also in 2020, the Commercial Area worked tirelessly to attract new clients and win new contracts in the tenders sponsored by large power concessionaires. To achieve this goal, a plan was designed by Company Top management aimed to increase production of electrical distribution cables for 2021. The project was presented to major clients throughout Brazil, as for example EDP, Light, CEMIG and COELCE, for prospection effort with successful outcomes.



Copper

With multiple challenges to be faced after the outbreak of the COVID-19 pandemic, the market of electrical copper cables was impacted by the shortage of raw materials and smaller demand after the month of March of 2020. Despite the challenges, Alubar accrued sales of more than 3,400 tons in the year.

The sponsorship contracts with soccer teams, like Ceará, Fortaleza and Paysandu, as well as the support to broadcast of championship Campeonato Paraense de Futebol (Parazão) continued with focus on the

Alubar Coppertec line of copper products mostly directed to the North and Northeast regions.

A key achievement of copper segment in 2020 was the breakneck speed production of electrical copper cables to take power to field hospitals built in Pará for Covid-19 care. This supply required added swiftness from several company areas and the targets were met and not just their commercial aspects but, above all, by the awareness that the product was critical to save lives during the public health crisis.

Tons of cables sold (total from the Barcarena and Montenegro Units)

- **Transmission: 105,558.774 (+ 22%)**
- **Distribution: 10,628.749 (+ 5%)**
- **Copper: 3,495.127**

ALUBAR METAIS E CABOS and ALUBAR MONTENEGRO

Tons/revenue

Cables	2019	2020
Transmission	86,357.638	105,558.774
Distribution	10,124.831	10,628.749
Copper	4,788.326	3,495.127

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Alubar continues to stand as the consolidated market leader. But we work day-by-day to make sure that clients won't have any problems with electrical cables. Our mindset is that we need to know our clients and always keep happy, as today we have a guaranteed high demand, but tomorrow we will continue to need a good relationship with them.

Maurício Corona,
Commercial Director South America.

22

Aluminum rods for North America

In 2020 Alubar Métaux effectively entered the North American market, specifically to supply to large and medium size clients in the United States, with aluminum rods delivered since the first month of operations.

In this region the highest demand is for the 1350, 8030, and 8176 alloys for electrical purposes, and alloys 5000 and 1100 for mechanical uses. Most of the production is demanded by energy sector clients, but there is also demand from the steel production segment and some mechanical alloy applications, such as coils for mattresses and straps. In 2020, the 1120 alloy was produced and exported for own company use in Brazil.

Overall, Alubar sold almost 38 thousand tons of rods in North America. Along the month of April 2020, despite the crisis scenario because of the coronavirus, plant sales were satisfactory, and eight clients had their orders met. Initial supply reached a diversified range of clients that led to the development of commercial relations based on trust and the quality of our products.

Virtual and physical presence

Just like in the other regions, the North America Commercial Office needed to adapt to remote contact with clients, by phone and conference calls. Facing the additional challenge of gaining North Americans trust on the brand and monitor market behavior during the coronavirus crisis the North America Commercial Team sought to enter into contracts that would ensure a good volume of sales consistent company production capacity in Bécancour, Canada. Despite the difficulties posed by the uncertain scenario of the pandemic, Alubar has met most of the goals set by company planning.

The Alubar North America Commercial Office, in Miami, is ready to be used and the Commercial Area split enabled management with added focus on the needs of the North American market, ensuring the return on the investments made in the expansion of company borders and filling a gap existing in the supply of aluminum rods in the region.

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We were able to earn respect from clients, establish partnerships and execute contracts that would let us feel at ease as of 2021. We had to reinvent ourselves to make the most of our presence and attract these new clients. Ultimately, I can say that the outcome was satisfactory, we have reached almost all the objectives we had set, and we are now feeling optimistic about the next few years.

**Giuseppe Bellezza,
Commercial Director
North America.**

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Tons of Rods sold in 2020

- North America: 37,918
- Brazil: 14,134
- Total: 52,052

ALUBAR MÉTAUX				
Tones/revenue				
		2019		
			2020	
Rod	Brazil	North America	Brazil	North America
	-	-	14,134	37,918
TOTAL			52,052	



03. Our Dimensions

Social



Increased productivity, with professional growth opportunities

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We always seek to prepare along time implementing leader and substitute training and potential talent identification programs. We intend to be able to jointly develop these goals, not just as a task that falls solely to People Management. It is a program fostered by the People Management area, but counts on significant involvement from our partners, that is from leaders and managers.

**Ana Carolina Santos,
Manager, Alubar People Management.**



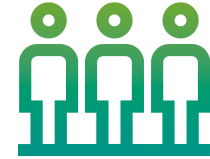
Alubar has been achieving continuous growth in the national and international markets. Hence, new professional talents have been hired by the organization, focusing on international market expansion. Besides the new hires, those who already were part of the team continued to be valued, most of all with promotions and creation of management roles. Alubar is convinced that by investing in personnel who are already part of the organization, satisfactory and long-lasting results will be achieved.

For a company to be able to promote its talents when opportunities arise, they must be prepared to take over the new position. Therefore, investing in leader and substitute development programs is an already consolidated strategy. The short period of time between an opening and filling in the vacancy is short, and this drives Alubar to prepare company personnel along the

years, when they are still in lower ranks. Our company always has its eyes set on people with special leadership potential. Notwithstanding, to ensure consolidated results all possible candidates are jointly tested by the managers and the People Management team.

People Management and the new units

With the start-up of operations at Alubar Métaux and Alubar Montenegro and with the arrival of Alubar Global Management, the People Management team had to implement internal changes to accompany the new moment of the Company. Employees had who had more contact with the English and French languages started to handle demands coming from Canada. One of the main challenges faced by the team was to get to know each other and adjust to the Bécancour region labor laws, mostly when the time came to attract and select professional.



Alubar is convinced that by investing in personnel who are already part of the organization, satisfactory and long-lasting results will be achieved.

The pandemic scenario was also challenging when we needed to hire for the new units. However, by adapting the recruitment and selection processes to the safety, sanitization, disinfection and social distancing protocols against the coronavirus, the units started operations within the planned schedule.

Health and Safety in the year of the pandemic

During the Covid-19 pandemic it was necessary to reorganize our employees for home office work that had become necessary but also a challenge. Until 2019, most of Alubar employees had never worked remotely and, when the pandemic came a new culture had to be developed. From the new experiences our company evidenced that physical presence necessarily does not mean productivity. Counting on support and guidance from People Management, the area managers and the teams got ready to working from home and, in many cases, we saw a significant productivity increase thanks to the full commitment of the online work team. Especially at the Barcarena plant, where most of company employees lives in Belém, working from home enables



saving four hours commuting every day, making their routine less burdensome. Another change made in 2020, linked to home office work, was the flexibility of working schedules – provided the limits of working hours set in the contracts and the labor laws were complied with.

Notwithstanding, as it is a company critical to the Brazilian electricity sector, in-person work at Alubar continued even during the pandemic. To make sure that the operations of company plants were as safe as possible, several measures were implemented by the Occupational Safety and Medicine both to avoid spreading the virus and raise the awareness of workers and their families outside their working schedule. Please check the following graph:

Alubar actions to face Covid-19

- Work shifts to rotate administrative teams at the plant
- Reduced number of people at common use areas
- Isolation of employees by risk groups
- Enhanced hygienization
- Installation of alcohol dispensers installed all along the plant
- Body temperature checks on arrival and transportation
- Increased the transport fleet to lower the number of employees per trip
- Acrylic partitions installed at the restaurant
- No more visits allowed
- Awareness raising campaign for employees and their families
- Follow-up of suspected and confirmed covid-19 cases
- Medical guidance at work
- Supply of medication, according to submitted doctor's prescription
- Joint sanitization and disinfection efforts
- Full attention to the recommendations from the health authorities at each site where Alubar as operations

As to operational work safety, the Company also invested in improvements, above all at the Brazilian plants in Barcarena and Montenegro. Small changes were made to facilities,

signage, painting, organization, or adjustment to equipment that, by the end of the year, led to an even safer industrial environment for our employees. See panel below:

Work Safety Improvements in 2020

BARCARENA

PEDESTRIAN ROUTE PAINTED AT THE ACCESS TO CABLE PRODUCTION.

The new signage adds safety to pedestrians along the access to the operational route.



CONTAINMENT VESSEL INSTALLED AT THE WIRE DRAWING TRC01.

The containment vessel eliminates oil spatter while spraying aluminum wire, preventing dirt build-up and slippery floors. A drain was also installed to collect oil run-off, enabling oil filtration and reuse in the process.



MESH DOOR CLEANING POINT INSTALLED IN THE COPPER AREA.

This reduced by 83% the operation displacement time for the mesh door, that previously existed only at the aluminum area. This time is equivalent to 30 days/year, resulting in time saving and lower displacement risk.



CLAW INSTALLED TO HOIST SPOOLS IN COPPER PRODUCTION.

Replacement of chain claws by increased rigidity device in 8% of plant pulleys. The improvement provides ergonomic workplace improvement, besides reducing risks of accidents, crushing and material damages.



GUARDRAIL MANUFACTURED AND INSTALLED PAY-OFF IN WIREDRAWING TRC01.

The guardrail works as a physical barrier to minimize the risk of a fall and other accidents when production of electrical wires is started.



MONTENEGRO

LIFELINE INSTALLED FOR THE ACCESS STAIRS TO PAY-OFF.

Enhances safety of work at height when installing cables and fall break on the stairs.



GUARDRAIL DEVELOPED FOR THE ROAD SCALE AND STAIRS.

It also prevents falls and adjusts the plant to the best Occupational Safety practices.



RAFFIA WINDING-OFF SUPPORT.

Production of a "U" shaped fixed stand to hold the raffia spools, resulting in ergonomic improvement to workers in the packaging process.



DEVELOPMENT OF SPOOL ORGANIZER WITH RAIL.

Improves the organization of empty spools and minimizes risks during displacement.



DESIGN OF RISK MAPS.

Safety diagnosis of process areas and associated risks in the Alubar Standard. This information prevents accidents and speeds-up response in case of an emergency.

PROTECTION SCREEN INSTALLED ON TUBULAR VISIT WINDOWS.

Thanks to the perforated type screens on equipment windows operator inspection is now safer.



COLLECTIVE PROTECTION EQUIPMENT INSTALLED (EPCS) ON MACHINES.

Adjustment to welding machines and cutters to NR-12.





Platform #SejaAlubar

In November of 2020, Alubar launched the #SejaAlubar, a new artificial intelligence-based recruitment and selection processes safer as faster. The new tool reduces the average time to fill vacancies from 32 to 15 days. The platform carries out a more assertive automatic triage of the CVs submitted by candidates for an opening, generating even a percentage of adherence of candidates' profiles to the profile sought by the Company – contributing to decision making in the selection processes. Additionally, transparency is added to the selection procedures both for the candidate and vacancy manager, as both will be able to follow the selection process from the system.

The artificial intelligence is added to the process of humanizing the Company, speeding-up the actions developed by the People Management area. Through this platform our company seeks further independence in the management of the information related to candidate's selection

procedures. The #SejaAlubar platform that runs on the Gupy platform, is already being used for all selections outside Alubar in Brazil and can be accessed at www.alubar.net.br/sejaalubar.

Learning

The pandemic did not interrupt the Alubar Young Apprentice Program in Barcarena. By the closing of year 2020, 16 new students were hired and, after on-line theoretical offered by the Serviço Nacional de Aprendizagem Industrial (SENAI), they started to alternate between the Administrative Assistant course with the practical training at several company areas. Besides the on-line classes and a process of selection with interviews and remote testing, another feature was added to the Learning Program: 100% of the slots were filled by youths coming from the Citizen Sponsor Project, offered by the Regional Labor Court of the 8th region (TRT 8) to keep away disenfranchised teenagers and youths from child labor.

03. Our Dimensions. Social



	2019			2020		
Employees	AMC	AMN	AMX	AMC	AMN	AMX
Direct	882	23	-	921	60	54
• Effective	866	23	-	855	60	0
• Apprentices	16	0	-	32	0	0
• PCDs	33	0	-	33	0	0
• Trainees	6	0	-	1	0	0
• Contractors	420	10	-	464	14	X
Gender	AMC	AMN	AMX	AMC	AMN	AMX
Men	84%	87%	-	83%	93%	91%
Women	16%	13%	-	17%	7%	9%
Time in the Company	AMC	AMN	AMX	AMC	AMN	AMX
Up to 5 years	71%	100%	-	67,64%	96,67%	100%
From 6 to 10 years	17%	0%	-	18,57%	1,67%	0%
Over 10 years	12%	0%	-	13,79%	1,67%	0%
Generations	AMC	AMN	AMX	AMC	AMN	AMX
Baby boomers	1%	0%	-	1%	0%	6%
X	13%	13%	-	17%	18%	65%
Millennials	66%	78%	-	64%	70%	22%
Z	20%	9%	-	18%	12%	7%

	2019			2020		
Education	AMC	AMN	AMX	AMC	AMN	AMX
Incomplete Elementary School	6	0	-	1	0	X
Elementary School Completed	1	0	-	3	0	X
Incomplete High School	12	0	-	13	0	X
High School Completed	669	17	-	696	48	X
Incomplete College Degree	6	0	-	1	0	X
College Degree Completed	144	5	-	136	10	X
Post-Grad	48	1	-	65	2	X
Master's degree	2	0	-	6	0	X
	AMC	AMN	AMX	AMC	AMN	AMX
Admissions	272	21	-	145	35	X
Promotions	343	0	-	124	14	X
Benefits paid	15.745.131,42	16.007,27	-	16.760.888,25	713.263,40	X
Turnover	AMC	AMN	AMX	AMC	AMN	AMX
Alubar	2%	0%	-	1,40%	4,5%	X
National Average	4%	4%	-	4%	4%	X

2019				2020		
Training	AMC	AMN	AMX	AMC	AMN	AMX
Delivered	1.850	32	-	2.233	277	X
Investments	1,556,977.00	10,135.00	-	752,744.52	5,628.00	X
Strategic Positions	AMC	AMN	AMX	AMC	AMN	AMX
Men	70%	83%	-	77%	100%	90%
Women	30%	17%	-	23%	0%	10%
Operational Jobs						
Men	95%	100%	-	94%	97%	100%
Women	5%	0%	-	6%	3%	0%
Administrative Jobs						
Men	62%	75%	-	61%	88%	63%
Women	38%	25%	-	39%	12%	37%
Technical Jobs						
Men	82%	67%	-	81%	88%	91%
Women	18%	33%	-	19%	12%	9%

Supplies were critical to keep production running

The Procurement area earned further recognition to Alubar, especially in the state of Pará. For the fourth year in a row, the company was among the organizations granted the Prêmio REDES de Desenvolvimento (REDES Development Award), but this was the first time Alubar stood out in the three categories of the award. Sponsored by REDES Inovação e Sustentabilidade (REDES/FIEPA), it is granted to the leading companies in the state of Pará with the largest amount of procurement in the state and evidence good practices in their relations with local suppliers.

In the Absolutus category that recognizes the companies with highest total amount of procurement, Alubar ranked 3rd. It was the first time Alubar went up the podium in this category reserved for the companies contribute most to drive the local economy. In the Percentum category, that recognizes the companies with highest total procurement in terms of percentage, Alubar was among the winners for the fourth consecutive year, ranked 3rd. Both categories considered the results achieved in 2019.

It was also for the first time that Alubar was the big winner in the Supplier Development Case category, side by side with supplier Construservice Construção & Serviços EIRELI, with an improvement in the destination of wood packaging that protect the aluminum electrical cables during storage and transportation. By the end of their service life the wood reels are donated to Construservice, a Barcarena company, for recycling and wedge production.

In 2020 the 53% of the Alubar Barcarena unit purchases were made in the state of Pará. The percentage of suppliers external to the plan was around 47%, mostly due to the need to import machinery and equipment to produce electrical cables, as for example the new laminator and two furnaces for aluminum rod production. At Alubar Montenegro, in Rio Grande do Sul, three new machines were purchased and installed by mid in 2020: a wiredrawing machine, a tubular stringing machine and a spool cleaning. These pieces of equipment are used to produce electrical aluminum wires and cables.

To add value to the local economy, whenever possible Alubar focuses procurement on local suppliers where the Company has operations. By moving Supply Management to Alubar Global Management, in São Paulo, the Company improved the management of this area at the international level but keeping local procurement at the industrial units to ensure increased swiftness and speed in meeting the needs of each plant.

Procurement during the pandemic

Alubar Procurement Area was strategic to company operations at the beginning of the COVID-19 outbreak. Once several ventures went out of operation worldwide the supply of certain products was down, generating product shortage in the market. For having sound supply agreements and good relations with partner companies, Alubar was able to procure all items necessary to enable it to meet company commitments –

thus ensuring the production of aluminum and copper electrical cables, products that are deemed critical during the pandemic.

The Procurement area also sought to obtain items such as alcohol gel, masks, fast coronavirus tests and latex gloves from local suppliers to help protect the personnel working in the operational and administrative areas.

Imports and Invoicing

As Alubar national and international expansion grew, in 2020 the volume of imports was also increased. Overall, over 5100 items for parts and the parts themselves and almost 18 thousand tons of inputs were imported, thus increasing the number of invoices issued by 121%. This volume is mostly due to the new machinery that incremented company production. In the specific case of the laminator for Barcarena, the Supply area used the Ex-Tarifário (Im-

port Tax Reduction concession) to reduce the import taxes once no similar machine is manufactured in Brazil. For cable production in Barcarena, Alubar imported aluminum rods from Alubar Métaux, another of Group plant, in Canada.

The number of invoices issued by Alubar increased by more than 29%, against 2019.

Technology and improvements

Jointly with the IT Management, Alubar's Supply area installed the new web-based Supply Portal. Along the year, the portal was subject to improvements and added new items to improve the control of monitoring buyers' performance control, enabling a more visual and assertive management. A dashboard was also developed by invoicing aiming to facilitate a faster way of managing and checking what each employee is working on.



In 2020

53% of total procurement for the Alubar plant in Barcarena came from Pará. In general terms, total procurement was up by 50% against 2019 figures.

In 2020, the area also expanded the internal client service SLA (Service Level Agreement). In Portuguese the SLA means “Acordo de Nível de Serviço” whereby how the services will be rendered is formally stated, establishing proposals and realistic terms according to each demand. Hence, management, control and the celerity of the areas that form the Supply Management department were improved, with key focus on the appropriate response needed for a satisfactory operation of the Company.

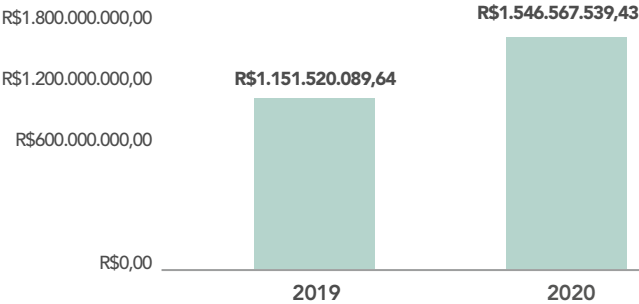
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As Alubar grew, the challenges as the workload increased, but thanks to the full commitment of the whole team we were able to keep the service level unchanged despite the pandemic.

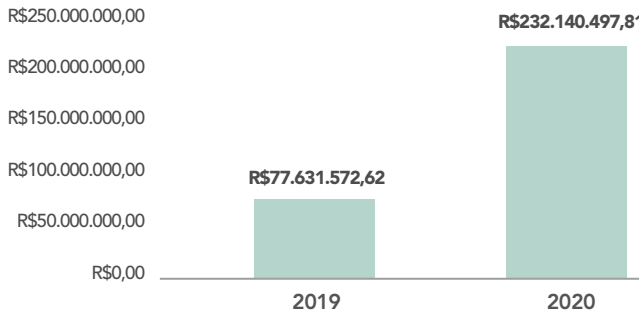
Fábio Rezende,
Alubar Supply Manager.

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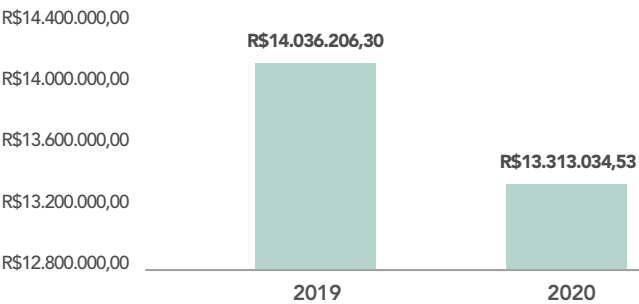
Procurement of Materials (Amounts in R\$)



Procurement of Service (Amounts in R\$)



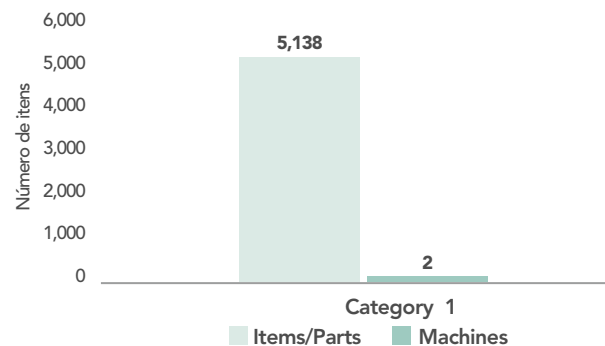
Procurement of Energy and Fuel (Amounts in R\$)



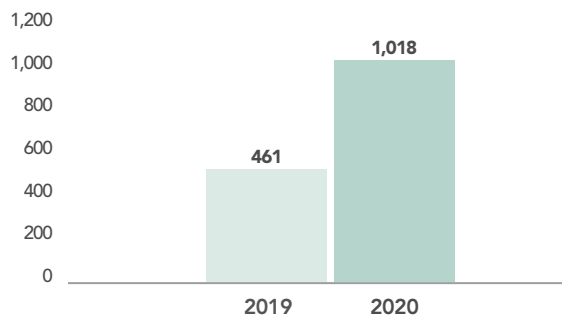
Procurement needed to face the Pandemic Products and Services - (Amounts in R\$)



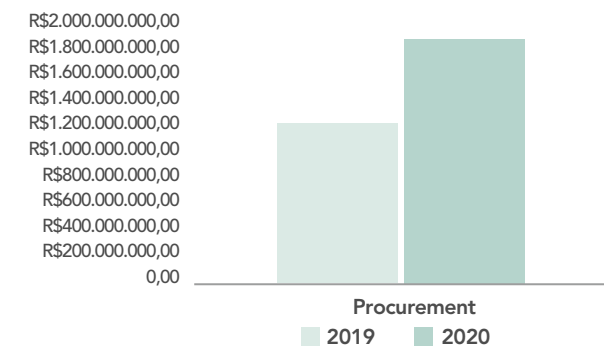
Number of items imported in 2020



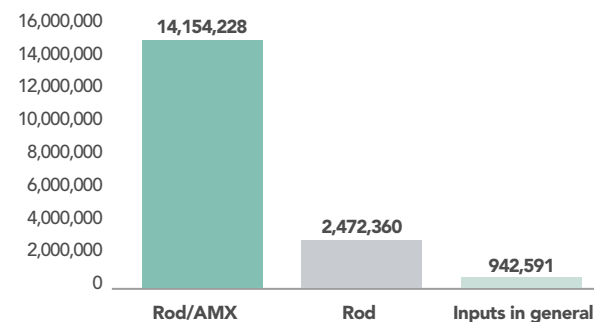
Importation invoices Issued in 2019/2020



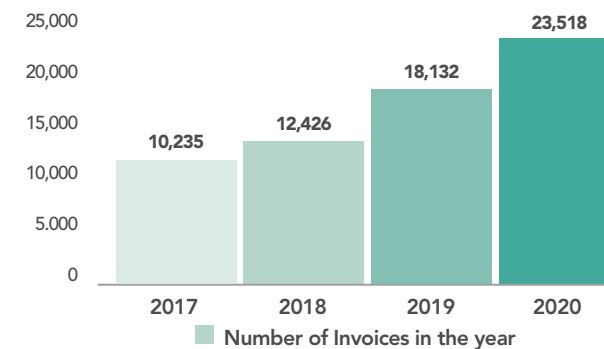
Evolution of the Volume of Procurement 2019/2020



Evolution of the Volume of Procurement 2019/2020



Invoicing – Annual volumes of processes



Logistics and Storeroom ensure deliveries to internal and external clients

Improvements were implemented at the Alubar storage in Barcarena, through a finished product management system designed to streamline shipments once products are cleared by the commercial sector. The cargo lashing safety was reinforced to prevent any problems while products are shipped to clients, pursuant to the National Transit Council (Conselho Nacional de Trânsito) – [CONTRAN] resolution. A standard was developed for the lashing belt and the way the cargo is lashed to provide safer transportation by carriers.

Another important improvement in 2020 was the on-line monitoring of the loading schedules. Information is now more frequently updated, using the technological tools already available at the Company.

Transporting, loading and the pandemic

In the year of the COVID-19 pandemic, Alubar handled 58 thousand cable coils in around 1,812 shipments, overcoming the logistics hindrances resulting from the pandemic. Despite the direct impact of the coronavirus on logistics, our company was able to implement individual preventive measures for the cargo loading teams that resulted on few sick leaves.

As each municipality and state had its own rules providing on the circulation of people, Alubar Logistics was required to broaden the dialogue with clients to agree on deliveries at the best possible moment, preventing delays due to lockdown or other restrictive measures.

Logistics and the new units

The new Alubar units in Canada and Rio Grande do Sul are also increasing the range of possible deliveries, which directly impacts company Logistics department, because the strategic locations of company units are in the north, center and south of the American continent, thus enabling the establishment of more convenient routes for our clients.

The logistics model already implemented in Barcarena is replicated at the new plants but adapted to the local conditions. At Alubar Métaux, for example, production is carried by train and not exclusively from roads and ports as in Brazil. Alubar Montenegro is close to several energy sector ventures in the South and Southeast of Brazil.

One of the examples of interaction between plants in Logistics was the importation of rod from Alubar Métaux, in Canada. In Barcarena, the materials were received by the Storeroom and, next, partially shipped to Montenegro, thus ensuring uninterrupted production of electrical cables for the Brazilian units.

Storeroom

Due to the pandemic, some of the workers at the Storeroom were temporarily away from site work as they were part of COVID_19 risk groups. Despite the challenges, and with the normal team reduced at certain moments all demands from the Barcarena plant continued to be met to keep the production level planned. In this regard there were no losses in the receipt of inputs and materials in 2020.

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Despite living a new normal, our personnel both at the Storeroom and Logistics were never gave up and continue to value the importance of plant needs. There are excellent professionals in the team, some with over ten years with the company and all are fully aware of the significance of their work.

**João Guilherme Araújo,
Alubar Administrative Manager.**

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Additionally, improvements were also made to the Storeroom to improve its flow of internal information, to receive the orders from the industrial areas and meet them within a reasonable period. The team also improved the way they handled the inventory monitoring method, to, whenever possible, foresee the needs of the internal clients, based on the frequency and time for the replacement of materials.

Social responsibility actions in Pará were not interrupted despite the suspended projects

With the coronavirus pandemic in a significant challenge was also faced by two of Alubar social projects in Barcarena. In January Alubar announced that the Japiim project was to be kept, but by assessing that in the context of the pandemic it would not be safe to proceed with the planned activities, and, to keep project participants safe and protected the Japiim project was suspended. This was the first interruption of the Japiim that since 2006 offers new life opportunities through seamstress to 31 women at two ateliers, one at Associação de Pais e Amigos dos Excepcionais (Association of Parents and Friends of the Disabled_ (Apae)) in Barcarena and another at Ilha Arapiranga.

On the other hand, Projeto Catavento, that was to proceed along its for its 12th year was also suspended. This was necessary because the project that encourages learning, reading and writing improvement in public schools in riverine areas in the municipality of Barcarena, in Pará. Because of the pandemic schools were closed and the Barcarena municipal teaching network delivered teaching materials to students' homes for evaluation. As a result, the

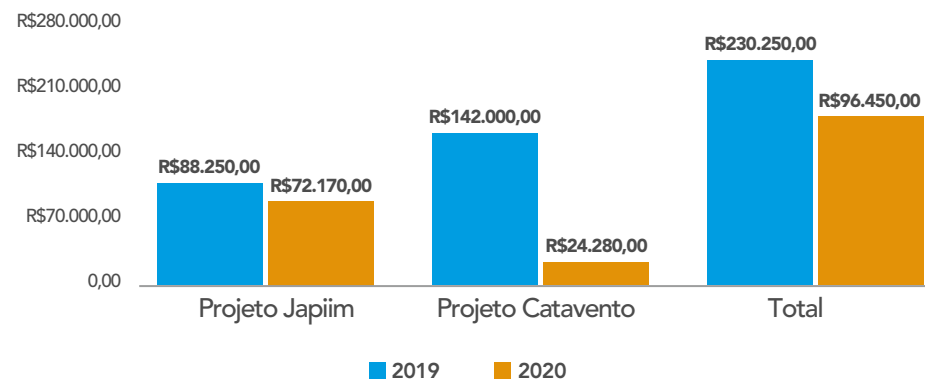
Catavento actions were also suspended in 2020. Alubar is waiting for the final of the pandemic to abate in the municipality to be able to resume the implementation of its social projects with full safety.

The pandemic, however, also required other types of actions to minimize the social impacts of the coronavirus crisis. Along the year Alubar donated staples, hygiene products, inputs for masks and medical and

hospital equipment to the municipalities of Abaetetuba, Barcarena and Belém, in the state of Pará.

All the donated items were purchased according to the protocols established by the Alubar Compliance Program. Thus, the Company was responsible for the procurement and the delivery of all materials, having thus ensured that the donations would reach those that needed them most.

Amount Invested in Social Projects (Amounts in BRL)



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We are concerned with our social projects and those enrolled. This 100% interruption of the Japii and Catavento projects was had the key objective of minimizing the impact of the pandemic, by avoiding contact as much as possible. We will only resume when the vaccine and the pandemic status are back to normal in the municipality.

Otávio Ribeiro,
Alubar Director of Corporate
Affairs.



2020: Check the donations made by Alubar in Pará during the pandemic

ABAETETUBA

ABAETETUBA CITY HALL.

Donation and delivery 5 tons of food/groceries to families needing food assistance in the neighboring municipality where several of Alubar employees also live.



UNIVERSIDADE FEDERAL DO PARÁ (FEDERAL UNIVERSITY OF PARÁ) -UFPA.

The Abaetetuba campus received 10 boxes of 175mm Premium ABS filaments, used to print end face shield-type masks for health and corrections system workers.



BARCARENA

BARCARENA CITY HALL.

To the municipality where its largest operating unit, Alubar donated 2,500 PFF2 protection masks.



FIELD HOSPITAL.

Alubar also delivered 20 hospital beds to assist in increasing health care assistance in the municipality in the municipality during the pandemic.



PARÓQUIA SÃO JOSÉ.

Alubar delivered 500 packages of food staples to the church the distributed them to the neediest families at Vila dos Cabanos and Vila do Conde. This action was part of the A the campaign Cirio 2020 launched by the Commission of the Fight Against Child Labor and Learning Encouragement, promoted by the Regional 8th Region of the Labor Court. (TRT 8).



BELÉM

ASSOCIAÇÃO DA PIA UNIÃO DO PÃO DE SANTO ANTÔNIO.

Alubar donated 3 thousand food and personal hygiene materials, such as food supplements and geriatric diapers. This charity cares for 76 elderly persons in Belém.



FUNDAÇÃO PESTALOZZI.

A total of 300 safety kits containing reusable masks and alcohol gel were delivered. The items were distributed to patients of the hospital Hospital Maternidade Santo Antônio and Casa Ronald McDonald. Pestalozzi is a non-profit organization that helps about 500 children with multiple disabilities in Belém (Pará).



GOVERNMENT OF THE STATE OF PARÁ

Alubar donated 5 tons of basic food items that were distributed to the homeless kept in social isolation in the stadium Estádio Olímpico do Mangueirão.



Communication: critical if positive results are to be achieved during the COVID-19 crisis

Always keeping an open dialogue with the other company areas, the Communications Department had a significant role to play in 2020: to assist in implementing the actions against a COVID-19 inside and outside the Company. To this end it was necessary to redesign event formats, create new campaigns and announcements capable of getting people to pay attention to prevention and precaution messages besides reporting on the adjustments made by Alubar focusing on the safety of company employees along the year and company operation along this atypical period.

Internal Communications handled subjects like fighting fake news, working from home, mental health, tips on protection against COVID-19 sent to essential workers, as well as the results from the work of each area. Just like in previous years, several internal communication tools were used, including the printed and the web version of the Via Alubar newspaper, work templates for the computer area, videos, intranet posts, mini outdoors at the plant, and even a board game was produced for the families, with tips on what to do to protect themselves against the coronavirus. Part of these actions were also shared with the public through the social networks, the institutional website and subjects drafted by the press department.

Communications was also key in explaining the reasons why Alubar is an indispensable company to the electricity sector, and therefore it was not able to stop operations during the pandemic. This reason was discussed both with our workers and the society. In parallel, working jointly with other departments, Communications acted in campaigns of appreciation of the efforts of our personnel, who continue to on their jobs with competence and, even, braking new records of productivity for the Company. A highlight was the campaign #SouRecordista, that showed some of the people standing behind the excellent results of Alubar in 2020. Eleven posts were replicated in the LinkedIn, Facebook, and Instagram social media, reaching thousands of people.



Average number of people reached by the campaign #SouRecordista in Alubar social media:

Facebook
3,601

LinkedIn:
3,153

Instagram:
2,628

The in-house newspaper Via Alubar, reached its 52nd issue in 2020, was an important tool for us to publish the results attained by the work teams, thus enhancing one of the most important of Alubar values: People. Along last year the newspaper was also delivered in printed format in Montenegro, the workers that are geographically distant from each other. Just like in 2019, the Via Alubar continued to be translated into French and sent on-line to company personnel in Canada. The newspaper always tries to include news from all company units.

Communications and global Alubar action

The growth experienced by Alubar also required adjustments to the communication actions to be able to reach the reach the strategic company stakeholders in the different regions in Brazil and abroad. In 2020, The Communications Department was also assigned a nucleus at Alubar Global Management, in São Paulo. Besides above mentioned broadening the reach of the Via Alubar, in its planning Communications also started to include the specific commemorative dates specific of each re-



gion where Alubar has operations, besides developing internal campaigns to share the organizational culture of Alubar with the new units and take an active part in the new projects and application of the brand on all the Alubar Group buildings.

Press Relations

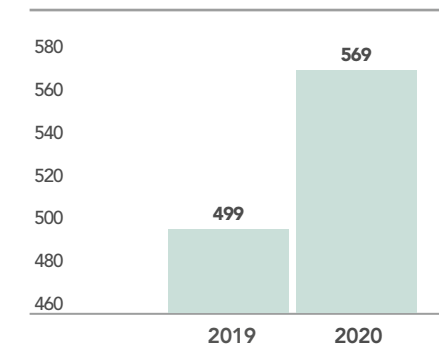
For the Communications department, the year of 2020 started with the Alubar Press Day event, held in January, at Casa Rosada, in Belém. On the occasion, the Company brought together Alubar's top management and journalists form the capital of the state of Pará to disclose 2019 results and the targets for 2020. The event was attended

by all leading newsrooms of printed media, websites, radios, and TV stations in Pará.

Along the year, the Alubar statements to the press led to a growth result against 2019. Alubar was referred to 569 in the regional, national, and international press – 14% above the previous year. From this total, 95% of the news were favorable to the image of Alubar and none was negative. The Company continued to be highlighted in the leading local press in Pará and Montenegro, besides reaching the pages of prime national news outlets, such as Valor Econômico, and specialized media like CanalEnergia.com.



Mentions to Alubar in the press



Sponsorships

In 2020, despite the pandemic, Alubar has kept its sponsorship contracts with and with the football clubs Ceará, Fortaleza and Paysandu. The support to Troféu Camisa 13 (Shirt 13) and the broadcast of the matches of the Pará Football Championship (Parazão) by Rede Cultura de Comunicação also proceeded, despite the unforeseen events related to the postponement and adjustment of events in general.

The Projeto Circular (Circular Project), whose goal is to further the appreciation for the Historical Center of Belém, was kept running on-line. On its turn the traditional procession of the Círio de Nossa Senhora de Nazaré (The Taper of Our Lady of Nazaré), that usually attracts thousands of people to Belém every second Sunday or the month of October, did not happen as in the previous years. Nonetheless the Alubar brand was present in on-line actions or small presence of people but related to the event and the sponsorship grant contributed to the social endeavors of the Church during the pandemic.

Events adapted to digital format

During the pandemic, when in-person events were cancelled because of the risk of contagium in large crowds, whenever possible, Alubar worked to adapt the formats. The Environment Week, held by the Quality Control and Environment Department jointly with Communication, was one of the success cases of the year. Becoming 100% digital the event consisted in the production of content in videos, posters, e-mail marketing and social media centered on the biodiversity theme. All materials were produced in Portuguese and French to include and reach our personnel at the different Alubar units. Part of the content was also published in external media outlets, taking the environmental awareness message beyond company walls.

The Internal Work Accident Prevention Week – (SIPAT) an indispensable event to the physical integrity and awareness of our own and outsourced employees, was also adapted to the digital format, with videos, talent contests and comic sketches about safety, including an on-line voting on the intranet to select and award the best performances.

Another highlight in the adaptation of the events during the pandemic was the traditional visit of the Peregrine Image of Our Lady of Nazaré to the Barcarena plant. As a rule, the image of Our Lady attracts believers along the route, but because of the restrictions to agglomerations and in-person events, the solution was to fly the image on a helicopter over the plant. The image of our Lady of Nazaré also flew over the communities of Vila dos Cabanos and Vila do Conde, allowing the Her presence close to the worshippers free from the risk of agglomerations.

Social dialogue

Due to the contact by the Communications Department with several institutions outside Alubar, the area was the entry door to receive requests for donations during the pandemic. In association with the Boards of Compliance and Corporate Affairs and the Supply Department, Communications played a leading role in handling these demands to dialogue e assist the community to minimize some of the social impacts of the health crisis caused by the coronavirus.

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We had to reinvent ourselves, innovate our way of thinking and of carrying on our routines. However, right amid this pandemic scenario, I can tell you that the relevance of the role played by Communications in the Company grew even further, thanks to their commitment to providing guidance, explain and raise the awareness of our personnel about the 2020 scenario, along the year.

**Alubar, Monica Alvarez,
Communications Manager.**

dd



Communication actions about COVID-19 in 2020

Type of Action	Quantity
Posts in social media	24
Email Mkt	32
Notices (Reinforcement of Good Practices)	10
Printed Materials (folders, posters)	26
Videos	08
Mini outdoor	07
Banners	02
Alubar Expresso	05
Template	02 models
Protection kit (figures of the folder, alcohol gel)	1500

#SouRecordista campaign in social media

		Posts											
		1	2	3	4	5	6	7	8	9	10	11	Total
Facebook	Interactions	249	1444	564	210	150	415	270	854	78	299	102	4680
	Reach	4142	10671	4227	2341	2164	2707	2514	4827	1406	2933	1686	39618
	Engagement Rate	7.10	13.53	13.34	8.97	6.93	15.33	10.74	17.69	5.55	10.19	6.05	11.81
LinkedIn	Interactions	177	246	195	169	76	108	62	54	76	107	117	1387
	Reach	3443	4917	4314	3550	2215	2827	2190	2307	2190	3322	3421	34689
	Engagement Rate	5.14	5.01	4.52	4.76	3.43	3.82	2.83	2.34	3.47	3.22	3.42	4.00
Instagram	Interactions	131	202	127	169	127	104	50	87	118	115	104	1334
	Reach	2577	3329	2627	3041	2535	2273	1688	2219	3182	2843	2594	28908
	Engagement Rate	5.08	6.07	4.83	5.56	5.01	4.58	2.96	3.92	3.71	4.05	4.01	4.61



Total Campaign Figures

Interactions

7,401

Reach

103,215

Engagement Rate

7,17

04.

Financial Statements





Independent Auditor's Report on the Individual and Consolidated Financial Statements

To

Managers and Shareholders of

Alubar Metais e Cabos S.A.

Barcarena - PA

Opinion

We have audited the individual and consolidated financial statements of Alubar Metais e Cabos S.A. (the "Company"), identified as individual and consolidated, respectively, which comprise the statement of financial position as at December 31, 2020, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2020, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) 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 individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTERS

Financial statements for the previous year examined by another independent auditor

The audit of the financial statements for the year ended December 31, 2019, originally prepared before the adjustments described in note 3, was performed under the responsibility

of another independent auditor who issued an audit report on May 29, 2020, with an adverse opinion resulting from the non-recognition in the profit or loss of that year of the effects of the measurement of derivatives at fair value through profit or loss, in compliance with NBC TG 48 - Instrumentos financeiros / IFRS 9 - Financial Instruments. As part of our audit of the 2020 financial statements, we also reviewed the adjustments described in note 3, which have been recorded to change the corresponding figures related to the 2019 financial statements. In our opinion, such adjustments are appropriate and have been appropriately recorded. We were not engaged to audit, review, or apply any other procedures on the Company's financial statements for the year ended 2019 and, therefore, we do not express an opinion or any form of assurance on the 2019 financial statements taken as a whole.

Statement of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2020, prepared under the responsibility of Company's management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to



To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09

the overall individual and consolidated financial statements.

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

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with the audit of the individual 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 of 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 individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) 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 of material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of 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 eco-

nommic 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:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used

and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

Recife, April 28, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Henrique Piereck de Sá
Accountant CRC PE023398/O-3



Alubar Metais e Cabos S.A.

Statement of financial position / December 31, 2020 / (In thousand reais)

	Notes	Consolidated			Individual		
		31/12/2020	31/12/2019	01/01/2019	31/12/2020	31/12/2019	01/01/2019
			(restated)			(restated)	
Assets Current							
Cash and cash equivalents	5	29,723	101,891	10,878	22,850	64,468	10,854
Financial investments	6	24,419	24,854	9,293	24,419	24,854	9,293
Accounts receivable	7	344,955	194,840	182,964	260,347	197,607	185,134
Inventories	8	148,185	108,163	101,042	111,118	105,510	97,840
Derivatives financial instruments	19	64,118	-	661	64,118	-	661
Advance to suppliers		59,269	19,184	19,030	55,347	19,181	13,432
Taxes recoverable	9	127,199	98,828	63,920	113,549	93,067	59,255
Other credits		15,309	11,274	4,762	10,960	9,209	4,714
Total current assets		813,177	559,034	392,550	662,708	513,896	381,183
Noncurrent assets							
Noncurrent receivables							
Financial investments	6	10,010	-	-	10,010	-	-
Judicial deposits		160	113	112	160	113	112
Benefit for reinvestment	10	5,751	5,603	5,302	5,751	5,603	5,302
Deferred income tax and social contribution	29	4,007	28,152	8,284	-	28,152	8,284
Derivatives	19	19,310	477	5,012	19,310	477	5,012
Related parties	20	2,145	3,638	15,961	21,522	12,078	22,381
Fair value of pension plan assets	32	42,110	-	-	-	-	-
Other credits		3,318	-	-	3,318	-	-
Investments		-	-	-	250,539	115,567	399
Fixed assets		705,113	593,530	448,174	559,196	509,033	446,900
Right of use		44,619	13,258	-	35,898	13,258	-
Intangible		4,620	4,333	788	4,579	4,333	788
Total noncurrent assets		841,163	649,104	483,633	910,283	688,614	489,178
Total assets		1,654,340	1,208,138	876,183	1,572,991	1,202,510	870,361

Alubar Metais e Cabos S.A.
Statement of financial position / December 31, 2020 / (In thousand reais)

		Consolidated			Individual		
		31/12/2020	31/12/2019	01/01/2019	31/12/2020	31/12/2019	01/01/2019
		(restated)			(restated)		
Liabilities Current							
Suppliers and other accounts payable	14	230,405	145,379	139,851	223,014	140,155	134,304
Derivatives financial instruments	19	17,889	154,747	58,719	17,889	154,747	58,719
Loans and financing	15	307,856	313,357	169,913	307,856	313,357	169,913
Lease obligations	13	8,154	2,603	-	7,070	2,603	-
Labor and social security obligations		22,793	16,735	10,240	20,089	16,445	10,100
Tax obligations	16	28,290	35,967	16,836	23,373	35,849	16,704
Income tax and social contribution	29	9,872	13,130	7,066	9,872	13,130	7,066
Dividends payable	18	31,901	12,177	16,883	31,901	12,177	16,883
Advance to customers	21	103,833	96,792	88,934	103,612	96,792	88,932
Total current liabilities		760,993	790,887	508,442	744,676	785,255	502,621
Noncurrent							
Loans and financing	15	362,943	201,859	146,707	362,652	201,859	146,707
Pension plan obligations	32	54,977	-	-	-	-	-
Lease obligations	13	38,570	10,655	-	28,814	10,655	-
Provision for contingencies	17	3,185	3,430	186	3,185	3,430	186
Deferred income tax and social contribution	29	38,262	-	-	38,262	-	-
Derivatives financial instruments	19	-	46,169	15,423	-	46,169	15,423
Tax obligations	16	41,095	36,200	29,866	41,095	36,200	29,866
Total noncurrent liabilities		539,032	298,313	192,182	474,008	298,313	192,182
Shareholders' equity							
Capital	22	87,114	87,114	87,114	87,114	87,114	87,114
Retained earnings		168,784	30,422	88,444	168,784	30,422	88,444
Other comprehensive income		98,409	1,406	-	98,409	1,406	-
Shareholders' equity attributable to controlling shareholders		354,307	118,942	175,558	354,307	118,942	175,558
Interest of non-controlling shareholders		8	(4)	1	-	-	-
Total liabilities and shareholders' equity		1,654,340	1,208,138	876,183	1,572,991	1,202,510	870,361
See accompanying notes							

Alubar Metais e Cabos S.A.**Statement of profit or loss / Year ended on December 31, 2020 / (In thousand reais)**

	Notas	Consolidated		Individual	
		2020	2019	2020	2019
			(restated)		(restated)
Net revenues	23	2,260,610	1,428,294	1,809,961	1,427,319
Cost of products sold	24	(1,872,423)	(1,113,342)	(1,459,830)	(1,112,080)
Gross profit		388,187	314,952	350,131	315,239
Operating expenses					
Sales expenses	25	(72,338)	(73,702)	(69,272)	(73,299)
General and administrative expenses	26	(97,759)	(62,565)	(64,848)	(61,608)
Equity pickup	11	-	-	3,914	(2,535)
Other operating income, net	27	36,567	3,166	28,893	3,032
Total operating expenses		(133,530)	(133,101)	(101,313)	(134,410)
Income before finance income (cost)		254,657	181,851	248,818	180,829
Finance income	28	103,250	10,478	96,398	10,182
Finance cost	28	(164,599)	(243,576)	(148,479)	(242,253)
Finance income (cost)		(61,349)	(233,098)	(52,081)	(232,071)
Income before income tax and social contribution		193,308	(51,247)	196,737	(51,242)
Income tax and social contribution	29	(23,198)	2,820	(26,626)	2,820
Net income (loss)		170,110	(48,427)	170,111	(48,422)
Attributable to:					
Controlling shareholders		170,111	(48,422)		
Non-controlling shareholders		(1)	(5)		
		170,110	(48,427)		
Basic and diluted earnings (losses) per share – in reais	30			1,95	(0,56)
See accompanying notes					

Alubar Metais e Cabos S.A.
Statement of comprehensive income / Year ended on December 31, 2020 / (In thousand reais)

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Net income (loss)	170,110	(48,427)	170,111	(48,422)
Items that will not be subsequently reclassified to income statement, net of taxes:				
Net cash flow hedge	159,184	-	159,184	-
Translation adjustments on foreign subsidiaries' financial statements	(36,575)	1,406	(36,575)	1,406
	122,609	1,406	122,609	1,406
Items that may be subsequently reclassified to income statement:				
Accumulated adjustments in Pension plan	(25,606)	-	(25,606)	-
	(25,606)	-	(25,606)	-
Total comprehensive income	267,113	(47,021)	267,114	(47,016)
Attributable to:				
Controlling shareholders	267,114	(47,016)	267,114	(47,016)
Non-controlling shareholders	(1)	(5)	-	-
	267,113	(47,021)	329,295	(47,016)
See accompanying notes				

Alubar Metais e Cabos S.A.

Statement of changes in equity / Year ended on December 31, 2020 / (In thousand reais)

	Consolidated									
	Individual									
	Retained earnings				Retained Earnings	Retained earnings (or losses)	Asset Valuation Adjustment		Interest of Non-controlling shareholders	Total
	Capital	Tax incentive reserve	Legal reserve	Retained dividends			Other Comprehensive Income	Subtotal		
Balances on January 1, 2019 (restated)	87,114	50,909	13,028	52,012	29,513	(57,018)	-	175,558	1	175,559
Loss for the year	-	-	-	-	-	(48,422)	-	(48,422)	(5)	(48,427)
Distribution of 2018 dividends (Note 18)	-	-	-	(9,600)	-	-	-	(9,600)	-	(9,600)
Partial offset of losses	-	-	-	(42,412)	(29,513)	71,925	-	-	-	-
Allocation of profits:										
Tax incentive reserve (Note 29)	-	29,505	-	-	-	(29,505)	-	-	-	-
Other comprehensive income										
Translation adjustments	-	-	-	-	-	-	1,406	1,406	-	1,406
Balances on December 31, 2019 (restated)	87,114	80,414	13,028	-	-	(63,020)	1,406	118,942	(4)	118,938
Net income for the year	-	-	-	-	-	170,111	-	170,111	(1)	170,110
Allocation of profits:										
Legal Reserve (Note 22.c)	-	-	8,506	-	-	(8,506)	-	-	-	-
Tax Incentive Reserve (Note 29)	-	34,611	-	-	-	(34,611)	-	-	-	-
Minimum mandatory dividends (Note 18)	-	-	-	-	-	(31,749)	-	(31,749)	-	(31,749)
Retained earnings (Note 22.d)	-	-	-	-	32,225	(32,225)	-	-	-	-
Other comprehensive income, net of taxes										
Net cash flow hedge	-	-	-	-	-	-	159,184	159,184	-	159,184
Accumulated adjustments in pension plan	-	-	-	-	-	-	(25,606)	(25,606)	-	(25,606)
Translation adjustments	-	-	-	-	-	-	(36,575)	(36,575)	-	(36,575)
Other	-	-	-	-	-	-	-	-	13	13
Balance on December 31, 2020	87,114	115,025	21,534	-	32,225	-	98,409	354,307	8	354,315
See accompanying notes.										

Alubar Metais e Cabos S.A.

Statement of cash flows

Year ended on December
31, 2020

(In thousand reais)

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Operating activities				
Net income (loss)	170,110	(48,227)	170,111	(48,422)
Adjustments to reconcile net income (loss) to cash:				
Depreciation	27,122	17,693	24,246	17,558
Amortization	1,038	427	1,033	427
Amortization of right of use	7,702	4,314	6,767	4,314
Income from the sale of fixed assets	779	1,365	779	1,364
Provision for impairment loss of accounts receivable	300	4,271	-	4,271
Provision for Inventory obsolescence	-	3,868	-	3,868
Provision for contingencies	74	3,274	74	3,274
Interest incurred on liabilities per lease	977	199	537	199
Tax credit from the exclusion of ICMS from the PIS/Cofins tax basis	(24,588)	(9,493)	(24,588)	(9,493)
Equity pickup	-	-	(3,914)	2,535
Interest and foreign variations, net	47,673	17,914	28,679	20,658
	231,187	(4,395)	203,724	553
(Increase) decrease in assets:				
Accounts receivable	(150,415)	(16,147)	(62,740)	(16,744)
Inventories	(40,022)	(10,989)	(5,607)	(11,539)
Advance to suppliers	(40,085)	(154)	(36,166)	(5,749)
Judicial deposits	(47)	(1)	(47)	(1)
Taxes recoverable	(4,362)	(25,415)	4,106	(24,319)
Other credits	(4,025)	(5,303)	(1,752)	(4,494)
Increase (or decrease) in liabilities:				
Suppliers and other accounts payable	85,026	5,528	82,859	5,851
Tax obligations	34,630	11,662	33,259	11,676
Labor and social security obligations	6,058	6,494	3,641	6,344
Advance to customers	7,041	7,858	6,820	7,860
Derivatives financial instruments	(78,149)	131,967	(78,149)	131,970
Payment of contingencies	(319)	(30)	(319)	(30)
Cash generated from operating activities	46,518	101,075	149,629	101,378
Interests paid	(29,956)	(30,864)	(29,957)	(30,864)
Net cash generated from operating activities	16,562	70,211	119,672	70,514
Investment activities				
Financial investments	(8,762)	(15,862)	(8,762)	(15,561)
Purchase of fixed assets	(139,394)	(151,972)	(68,971)	(71,658)
Purchase of intangible assets	(1,325)	(3,972)	(1,279)	(3,972)
Investment increase	-	-	(124,795)	(116,297)
Net cash used in investment activities	(149,481)	(171,806)	(203,807)	(207,488)

Alubar Metais e Cabos S.A.**Statement cash flows (Continued) / Year ended on December 31, 2020 / (In thousand reais)**

	Consolidated		Individual	
	2020	2019	2020	2019
Financing Activities		(restated)		(restated)
Funding of loans and financing	534,292	407,895	534,000	407,894
Payment of loans and financing - principal	(447,379)	(211,922)	(447,379)	(211,922)
Payment of lease	(6,574)	(4,513)	(7,318)	(4,513)
Loans from related parties	(7,563)	15,454	(24,761)	13,434
Dividends paid	(12,025)	(14,306)	(12,025)	(14,305)
Net cash generated from financing activities	60,751	192,608	42,517	190,588
Increase (or decrease) in cash and cash equivalents	(72,168)	91,013	(41,618)	53,614
Cash and cash equivalents				
At the beginning of the year	101,891	10,878	64,468	10,854
At the end of the year	29,723	101,891	22,850	64,468
Increase (or decrease) in cash and cash equivalents	(72,168)	91,013	(41,618)	53,614
Operations that did not involve cash				
Operating activities				
Change in fair value hedging financial instruments	271,272	40,372	271,272	40,372
Change in fair cash flow hedging financial instruments	1,384	-	1,384	-
Transfers among assets	-	4,494	-	4,410
Investment activities				
Capital increase through Alubar Coppertec loan	-	-	3,427	-
Capital increase through Alubar Montenegro loan	-	-	2,836	-
Offset of fixed asset advances	1,897	13,656	1,897	13,656
Financing activities				
Interest capitalization and financial expenses	6,292	15,659	6,292	15,659
Lease financing raising	29,800	17,572	29,800	17,572
Loan transfers to onerous loans	-	1,968	-	1,968
See accompanying notes.				

Alubar Metais e Cabos S.A.
Statement of value added / Year ended on December 31, 2020 / (In thousand reais)

	Consolidated		Individual	
	2020	2019	2020	2019
1- Gross revenues	2,304,515	1,439,735	1,848,839	1,436,035
Sale of Goods	2,260,636	1,427,937	1,809,961	1,426,962
Provision for impairment loss of accounts receivable	(300)	(4,271)	-	(4,271)
Other revenues	44,179	10,069	38,878	13,344
2- Inputs from third parties	(1,888,033)	(1,145,250)	(1,472,133)	(1,143,218)
Cost of products sold	(1,766,239)	(1,042,594)	(1,379,810)	(1,041,452)
Material, power, and services from third party	(121,794)	(98,788)	(92,323)	(97,898)
Loss / recovery of asset values	-	(3,868)	-	(3,868)
3 - Gross value added (1-2)	416,482	294,485	376,706	292,817
4 - Depreciation and amortization	(28,160)	(18,120)	(25,279)	(17,985)
5 - Net value added (3-4)	388,322	276,365	351,427	274,832
6 - Transferred value added	104,418	9,349	100,315	9,053
Equity pickup	3,916	(1,129)	3,916	(1,129)
Finance income	100,502	10,478	96,399	10,182
7 - Value added to distribute (5+6)	492,740	285,714	451,742	283,885
8 - Distribution of Value Added	(492,740)	(285,714)	(451,742)	(283,885)
8.1) Personnel (employees)	(109,682)	(75,203)	(82,313)	(74,824)
Direct compensation	(84,780)	(49,059)	(59,264)	(48,778)
Benefits	(19,796)	(21,908)	(18,140)	(21,832)
FGTS	(5,106)	(4,236)	(4,909)	(4,214)
8.2) Taxes, fees, and contributions	(42,213)	(13,479)	(43,753)	(13,348)
Federal	(40,296)	(12,719)	(42,819)	(12,621)
State	(1,231)	(144)	(338)	(142)
Municipal	(686)	(616)	(596)	(585)
8.3) Remuneration of third-party capital	(170,735)	(245,459)	(155,565)	(244,135)
Financial expenses	(161,852)	(243,575)	(148,479)	(242,252)
Rents	(8,883)	(1,884)	(7,086)	(1,883)
8.4) Owners' equity yield	(170,110)	48,427	(170,111)	48,422
Dividends	(31,749)	-	(31,749)	-
Retained earnings (losses) for the year	(138,361)	48,427	(138,362)	48,422

See accompanying notes.

Notes to the individual and consolidated financial statements

December 31, 2020

(in thousand of reais)

1. Operations

Alubar Metais e Cabos S.A. ("Company" or "Parent Company"), jointly with its subsidiaries referred to as "Grupo Alubar" or "Group," is a privately held corporation, of foreign control, incorporated on August 31, 2006, with principal place of business at Rodovia PA 481 s/n, Km 2,3 - Centro - Barcarena-PA. The Company's individual and consolidated financial statements cover the Company and its subsidiaries (jointly referred to as "Group"). Grupo Alubar is primarily involved in the manufacture of bare and insulated aluminum wires, cables and electrical conductors, as well as copper cables, in the production of aluminum and its alloys in primary forms, in the smelting of non-ferrous materials and their alloys, and in the production of aluminum and copper laminates.

1.1 Aluminum supply agreement

The Company has an agreement for the supply of aluminum, its main feedstock, with Albras Alumínio Brasileiro S.A., "Albras," which is a strategic supplier for the Company's activities. In 2020, 84,026 tons of aluminum were supplied (84,678 tons in 2019) and there was an increase in production volume compared to 2019, owing to the increase in sales volume. The Company has an aluminum purchase and sale agreement. The consenting party is Albras, Companhia Atlas Alumínio S.A. is the current holder of the rights that allow it to ensure the amounts of primary aluminum demanded by the Company.

1.2 Expansion of the aluminum production line

In 2020, the Company continued to expand its operations and purchased a rolling mill (Rolling Mill 4), with a maximum production capacity of 32 tons/year. Investments amounted to BRL 24,750.

In view of the increase in production capacity resulting from the volume of purchases by its main supplier, as highlighted in Note 1.1, in addition to the pursuit of alternatives to minimize the exposure of operational dependence on the supply of feedstock, the Company carried out new operations with suppliers to purchase aluminum rods and ingots.

The Company has a good relationship with Albras, but in cases of Force Majeure when discontinuing the supply of feedstock is necessary, the deal is that the Company is notified of the impossibility of continuing supply at least 6 months in advance.

1.3 COVID - 19 - Coronavirus - Impacts for the Company

In March 2020, the Covid-19 pandemic was declared by the WHO, and after recognition of the pandemic situation by the WHO/UN, the Brazilian government also recognized the situation - Legislative Decree No. 6, dated March 20, 2020, recognized, for the purposes of Article 65 of Complementary Law No. 101, dated May 4, 2000, the occurrence of a state of public calamity, pursuant to the request of the President of the Republic sent through Message No. 93, dated March 18, 2020.

Since then, the Company has followed up the spread of the virus in Brazil and around the world and its impacts on the economy.

The Company and its subsidiaries have taken several preventive measures for their employees, preventing them from being exposed to risk situations, such as: (i) cancellation of domestic and international trips; (ii) adoption of a home office and rotation of employees to avoid agglomerations; (iii) use of remote services, among others. The Company will continue to comply with the guidelines and stipulations of competent agencies, and may adopt new preventive measures, focusing on the safety of its employees.

Since then, the Company has been constantly reviewing the projection of revenues and operating cash flows, carrying out assessments and monitoring the exposure to exchange rate change owing to the raising of funds in foreign currency and commodity protection contracts, as well as respective

interest rates, which are partially covered by derivative operations, for which exposure scenarios are disclosed in the sensitivity analysis in Note 19.

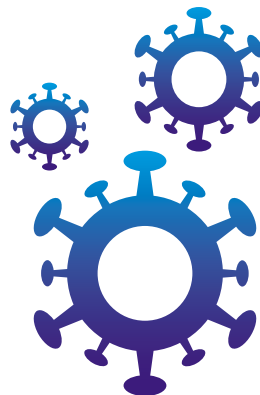
The Company and its subsidiaries adopt a conservative cash policy, which seeks to maintain robust liquidity, by investing in top-tier financial institutions and in operations with low credit risk.

During the entire year of 2020, as well as until the moment of the disclosure of these financial statements, no relevant and significant impact was found on the conditions that already existed in the pre-Covid period and at the end date of the accounting period to which the financial statements refer, under the terms of technical standard NBC TG 24 (R2)/IASB 10 – Subsequent Event, and which are no longer reflected in the accounting adjustments on the measurement of the assets and liabilities of the Company and its subsidiaries for the financial statements for the year ended December 31, 2020.

2. Basis of preparation

2.1 Compliance statement

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil (BR GAAP), including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and in accordance with the international accounting standards issued by IASB (IFRS). In addition, the Company and its subsidiaries considered the guidelines issued by Technical Guideline OCPC 07, issued by CPC in November 2014, in the



The Company and its subsidiaries have taken several preventive measures for their employees, preventing them from being exposed to risk situations

preparation of its financial statements. Thus, all relevant information specific to the financial statements, but only such information, is being evidenced, and correspond to that used by directors in their management.

The Company prepared its individual and consolidated financial statements in accordance with the International Financial Reporting Standards (“IFRS”) as of the current year, and has not found any changes concerning the equity and financial position already disclosed in its financial statements for previous years, prepared in keeping with the accounting practices adopted in Brazil.

The individual and consolidated financial statements were prepared based on historical cost, except for derivatives, which were measured at fair value. The book values of recognized assets and liabilities that represent hedged items at fair value that, alternatively, would be accounted for at amortized cost, are adjusted to show changes in fair values attributable to the risks being hedged.

The individual and consolidated financial statements present information compared to past year. In addition, the Company presents an additional balance sheet at the beginning of the oldest period disclosed, when a retrospective application of an accounting policy, retrospective restatement, or reclassification of items is made in the financial statements. The additional balance sheet on the base date of January 1, 2019 is presented in these individual and consolidated financial statements owing to the retrospective restatement to make accounting adjustments (Note 3).

The preparation of financial statements requires the use of certain critical accounting estimates and also the exercise of judgment by the management of the Company and its subsidiaries in the process of applying the accounting policies. Those areas that require a higher level of judgment and have greater complexity, as well as those areas in which assumptions and estimates are significant for the individual and consolidated financial statements, are disclosed in Note 2.3.

The presentation of the Statement of Value Added (SVA) is required under the Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The International Financial Reporting Standards (IFRS) do not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

The issuance of the individual and consolidated financial statements was authorized by Management on April 28, 2021.

2.2 Functional currency and presentation currency

a. Functional currency

A Company's functional currency is the currency of the main economic environment in which it is inserted and should be the currency that best reflects its business and operations. The functional currency of the Company and its subsidiaries is the Brazilian Reais, except for its subsidiaries: (i) Alubar

Canada Holding Inc., which adopts as functional currency the Canadian dollar ("CAD"), and (ii) Alubar Metals LLC., which adopts as functional currency the US dollar ("USD"), and therefore their financial statements have been converted into the Brazilian Reais, which is the currency of statement.

b. Currency of presentation of financial statements

These financial statements are presented in Brazilian Reais, which is the Company's presentation currency, with conversion of the financial statements prepared by its subsidiaries: Alubar Canada Holding Inc., Alubar Metals LLC., respectively in Canadian dollars and US dollars for Brazilian Reais, using the following criteria:

- Assets and liabilities at the exchange rate in effect on the balance sheet date;
- Income statement, comprehensive income statement and cash flow statement at the average monthly rate; and
- Owners' equity at the historical value of formation.

The adjustments resulting from the above conversion have their corresponding entry recognized in the specific item of owners' equity referred to as "Equity Valuation Adjustments."

All financial information is presented in Brazilian Reais and has been rounded to the nearest thousand, except when otherwise stated.



These financial
statements are
presented in Brazilian
Reais, which is the
Company's presentation
currency

2.3 Use of estimates and judgments

In preparing these individual and consolidated financial statements, management used judgments and estimates that affect the application of the accounting policies of the Company and its subsidiaries and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. The reviews to the estimates are recognized on a forward-looking basis.

In the process of applying the Group's accounting policies, Management made the following judgments that have the most significant effect on the amounts recognized in the individual and consolidated financial statements:

(a) Judgments and estimates

Information on judgments made in applying the accounting policies that have significant effects on the amounts recognized in the individual and consolidated financial statements are included in the following notes:

- **Note 7** – Provision for expected losses with credits: Management performs analyses to handle losses in the realization of trade accounts receivable, considering the risks involved, and records a provision when management finds objective evidence of loss, according to guidelines of NBC TG 48 / IFRS 9.
- **Note 11** - Equity in investees: ascertainment of whether the Company has significant influence over an investee, according to the guidelines of NBC TG 18 (R3) / IAS 28;

- **Note 11** – Consolidation: ascertainment whether the Company actually holds control in an investee, pursuant to guidelines of NBC TG 36 (R3) / IAS 27;
- **Note 12** - Fixed Assets: Residual value and the estimated useful life of fixed assets, pursuant to the guidelines of NBC TG 27 (R4) / IAS 16;
- **Note 13** - (i) Lease term: if the Company is reasonably sure of exercising extension options. (ii) Incremental Leasing Rate: Use rights and lease liabilities are measured at present value based on discounted cash flows through an incremental loan rate. This weighted average loan rate involves estimation, since it consists in the rate that the lessee would have to pay on a loan to raise the funds necessary to obtain an asset of similar value, in a similar economic environment, with equivalent terms and conditions, in view of the lessee's credit risk, the contract term, and the guarantees posted.
- **Note 17** - Provision for Contingencies: The recognition of provisions for fiscal, civil, and labor risks by means of the assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, the available caselaw, the most recent court awards, and their relevance in the legal system, as well as the assessment of outside counsels, and of internal counsels of the Company and its subsidiaries.

The management of the Company and its subsidiaries has not found information on critical judgments pertaining to the accounting policies adopted that have relevant effects on the amounts recognized in the financial statements.

(b) Uncertainties about assumptions and estimates

(i) Measurement at fair value

A series of accounting policies and disclosures of the Company and its subsidiaries require the measurement of fair value for financial and non-financial assets and liabilities.

The Company and its subsidiaries have established a control structure pertaining to the measurement of fair value. This includes an evaluation team that has overall responsibility for reviewing all significant measurements of fair value, including Level 3 fair values, reporting directly to the Department, if any.

The evaluation team regularly reviews significant unobservable data and valuation adjustments. If third party information, such as brokerage quotes or pricing services, is used to measure fair value, the valuation staff analyzes evidence obtained from third party to support the conclusion that such valuations meet the requirements of NBC TG / IFRS, including the level in the fair value hierarchy at which such valuations are to be classified.

When measuring the fair value of an asset or a liability, Management uses observable market data as much as possible. Fair values are classified at different levels in a hierarchy based on the information (inputs) used in the valuation techniques as follows:

- **Level 1:** prices quoted (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs, except for the quoted prices included in Level 1, which are observable for the asset or liability, directly (prices) or indirectly (derived from prices).
- **Level 3:** inputs, for assets or liabilities, which are not based on observable market data (unobservable inputs).

Additional information on the assumptions used in measuring fair values is included in Note 19.

2.4 New or revised pronouncements applied for the first time in 2020

The Company and its subsidiaries applied certain rules and amendments for the first time, which are valid for annual periods beginning on January 1, 2020 or after such date. Management decided not to adopt in advance any other standards, interpretations, or changes that have been issued, but are not yet in force.



The evaluation team
regularly reviews significant
unobservable data and
valuation adjustments. If
third party information, such
as brokerage quotes or
pricing services, is used to
measure fair value

Amendments to CPC 15 (R1): Definition of Business

The amendments to CPC 15 (R1) render it clear that, to be considered a business, an integrated set of activities and assets will include, at a minimum, an input - input of resources and a substantive process that together contribute significantly to the capacity to generate output - output of resources. In addition, it rendered clear that a business can exist without including all the inputs - inputs of resources and processes necessary to create outputs - outputs of resources. These changes had no impact on the individual and consolidated financial statements of the Company and its subsidiaries, but may impact future periods if the Company and its subsidiaries enter into any business deals.

Amendments to CPC 38, CPC 40 (R1), and CPC 48: Reference Interest Rate Reform

The amendments to Pronouncements CPC 38 and CPC 48 provide for exemptions that apply to all hedging relationships directly impacted by the reference interest rate reform. A hedging relationship is directly affected if the reform raises uncertainties about the period or the value of cash flows based on the reference interest rate of the hedged item or hedging instrument. These changes have no impact on the individual and consolidated financial statements of the Company and its subsidiaries, since they do not have interest rate hedging relationships.

Amendments to CPC 26 (R1) and CPC 23: Definition of Material

The amendments provide a new definition of material that states “the information is material if its omission, distortion, or obscurity can reasonably influence decisions that primary users of general purpose financial statements make based on those financial statements, which provide financial information on corporation-specific report.” The amendments clarify that materiality will depend on the nature or magnitude of information, individually or jointly with other information, in the context of the financial statements. Misinformation is material if it could reasonably be expected to influence decisions made by primary users. These changes had no impact on the individual and consolidated financial statements, nor are they expected to have any future impact on the Company and its subsidiaries.



Revision in CPC 00 (R2): Conceptual Framework for Financial Reporting

The revised pronouncement introduced some new concepts, provided updated definitions and recognition criteria for assets and liabilities, and rendered clear certain important concepts. These changes have no impact on the individual and consolidated financial statements of the Company and its subsidiaries.

Amendments to CPC 06 (R2): Benefits Related to Covid-19 Granted to Lessees under Lease Agreements.

The amendments provide for grant to lessees in the application of the guidelines of CPC 06 (R2) on the modification of the lease agreement, when accounting for the related benefits as a direct consequence of the Covid-19 pandemic.

As a practical strategy, a lessee may choose not to assess whether a benefit pertaining to Covid-19 granted by the lessor is a modification of the lease. The lessee that makes this option is expected to account for any change in the lease payment resulting from the benefit granted under the lease contract owing to Covid-19 in the same way that it would account for the change applying CPC 06 (R2) if the change was not a modification of the lease agreement.

This change has no impact on the individual and consolidated financial statements of the Company and its subsidiaries.

3. Restatement of corresponding figures for 2019

The Company's management is restating the financial statements of December 31, 2019 and January 1, 2019, to present the statements of value added; improve disclosures in accompanying notes, and restate accounting balances arising from the adoption of best accounting practices. The restatement is being carried out in accordance with NBC TG 23 (R2) - Políticas Contábeis, Mudança de Estimativa e Retificação de Erro (IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors) and NBC TG 26 (R5) – Apresentação das Demonstrações Contábeis (IAS 1- Presentation of Financial Statements).

Management decided to restate the corresponding figures for 2019 in order to adapt the financial statements to Brazilian and international accounting practices. As a result, in profit or loss for year 2019, there was necessity to recognize, among other adjustments described below, the fair value of all future positions of derivatives outstanding on December 31, 2019. This recognition impacted the net income for the year of 2019.

Management emphasizes that the effects of this recognition do not represent the final result of those operations with derivatives, and the impact on its cash when the contracts are settled.

04. Financial Statements.

In addition, in the current year, the Company adopted hedge accounting for its derivatives, as recommended by NBC TG 48 - Financial Instruments. In keeping with this accounting practice, any gains or losses resulting from changes in the fair value of derivatives over the year are recorded directly in the income statement, except for the effective portion of the cash flow hedges, which is recognized directly in the owners' equity, specifically in the account of other comprehensive income, and subsequently reclassified to profit or loss when the hedge item affects such profit or loss.



Below are the impacts on the income statement and owners' equity of 2019 restated in relation to the financial statements previously issued:

	Individual		
		31/12/2019	01/01/2019
	Result	Owners' Equity	Owners' Equity
Originally presented balances	142,342	331,512	232,576
I. Accounting for the effects of valuation of derivatives at fair value through profit or loss	(177,216)	(260,239)	(66,708)
II. Accounting for the tax credit resulting from a final and unappealable court decision - exclusion of ICMS in the PIS / Cofins tax base	9,494	9,494	-
III. Adjustment in Inventory Balances	(19,126)	-	-
IV. Provision for Freight Expenses	(12,549)	(12,549)	-
V. Provision for doubtful debtors and inventory losses	(7,460)	(7,460)	-
VI. Provision for contingency with legal procedures at civil level	(2,487)	(2,487)	-
VII. Income using the equity mode	(1,129)	(1,129)	-
VIII. Reversal of Dividends	-	33,806	-
IX. Other Adjustments	(3,517)	(3,517)	1,406
X. Tax Effects	23,226	31,511	8,284
Total Adjustments	(190,764)	(212,570)	(57,018)
Restated Balances	(48,422)	118,942	175,558

3. Restatement of corresponding figures for 2019 (Continued)

Balance sheets on December 31, 2019:

	Consolidated			Individual		
	Original		Adjusted	Original		Adjusted
	31/12/2019	Adjustments	31/12/2019	31/12/2019	Adjustments	31/12/2019
Assets						
Current						
Derivatives	33,918	(33,918)	-	33,918	(33,918)	-
Accounts Receivable	198,432	(3,592)	194,840	201,199	(3,592)	197,607
Inventories	131,158	(22,995)	108,163	128,505	(22,995)	105,510
Taxes Recoverable	85,923	12,905	98,828	80,212	12,855	93,067
Other Accounts Receivable	11,636	(362)	11,274	9,803	(594)	9,209
Other Current Assets	145,929	-	145,929	108,503	-	108,503
Total Current Assets	606,996	(47,962)	559,034	562,140	(48,244)	513,896
Noncurrent Assets						
Noncurrent Receivables						
Taxes Recoverable	50	(50)	-	-	-	-
Deferred Income Tax and Social Contribution	-	28,152	28,152	-	28,152	28,152
Derivatives	6,932	(6,455)	477	6,932	(6,455)	477
Investment in Subsidiaries	-	-	-	116,696	(1,129)	115,567
Other Noncurrent Assets	620,475	-	620,475	544,418	-	544,418
Total Noncurrent Assets	627,457	21,647	649,104	668,045	20,568	688,614
Total Assets	1,234,453	(26,315)	1,208,138	1,230,185	(27,676)	1,202,510

3. Restatement of corresponding figures for 2019 (Continued)

Balance sheets on December 31, 2019:

	Consolidated			Individual		
	Original		Adjusted	Original		Adjusted
	31/12/2019	Adjustments	31/12/2019	31/12/2019	Adjustments	31/12/2019
Current Liabilities						
Suppliers and Other Accounts Payable	129,906	15,473	145,379	124,682	15,473	140,155
Derivatives	176	154,571	154,747	176	154,571	154,747
Dividends Payable	45,983	(33,806)	12,177	45,983	(33,806)	12,177
Other Current Liabilities	478,584	-	478,584	478,176	-	478,176
Total Current Liabilities	654,649	136,238	790,887	649,017	136,238	785,255
Noncurrent Liabilities						
Derivatives	-	46,169	46,169	-	46,169	46,169
Provision for Contingencies	943	2,487	3,430	943	2,487	3,430
Other Noncurrent Liabilities	248,714	-	248,714	248,714	-	248,714
Total Noncurrent Liabilities	249,657	48,656	298,313	249,657	48,656	298,313
Owners' Equity						
Capital	87,114	-	87,114	87,114	-	87,114
Asset Valuation Adjustment	1,338	68	1,406	-	1,406	1,406
Appropriated Retained Earnings	244,399	(213,977)	30,422	244,398	(213,976)	30,422
	332,851	(213,909)	118,942	331,512	(212,570)	118,942
Interest of Non-controlling Shareholders	(2,704)	2,700	(4)	-	-	-
Total Owners' Equity	330,147	(211,209)	118,938	331,512	(212,570)	118,942
Total Liabilities and Owners' Equity	1,234,453	(26,315)	1,208,138	1,230,186	(27,676)	1,202,510

3. Restatement of corresponding figures for 2019 (Continued)

Statement of income for the year ended on December 31, 2019:

	Consolidated			Individual		
	Original		Adjusted	Original		Adjusted
	31/12/2019	Adjustments	31/12/2019	31/12/2019	Adjustments	31/12/2019
Net Sales	1,252,743	175,551	1,428,294	1,251,768	175,551	1,427,319
Cost of Products Sold	(1,094,215)	(19,127)	(1,113,342)	(1,092,954)	(19,126)	(1,112,080)
Gross Profit	158,528	156,424	314,952	158,814	156,425	315,239
Operating Expenses						
Sales Expenses	(56,288)	(17,414)	(73,702)	(55,885)	(17,414)	(73,299)
Administrative and Overhead Expenses	(60,078)	(2,487)	(62,565)	(59,121)	(2,487)	(61,608)
Provision for impairment loss from accounts receivable	(679)	679	-	(679)	679	-
Income using the equity mode	-	-	-	-	(2,535)	(2,535)
Other operating income (or expenses)	171,535	(168,369)	3,166	171,550	(168,518)	3,032
Total Operating Expenses	54,490	(187,591)	(133,101)	55,865	(190,275)	(134,410)
Operating result before financial income	213,018	(31,167)	181,851	214,679	(33,850)	180,829
Financial Revenues	10,478	-	10,478	10,182	-	10,182
Financial Expenses	(63,435)	(180,141)	(243,576)	(62,112)	(180,141)	(242,253)
Financial Income	(52,957)	(180,141)	(233,098)	(51,930)	(180,141)	(232,071)
Income before taxes	160,061	(211,308)	(51,247)	162,749	(213,991)	(51,242)
Income Tax and Social Contribution	(20,407)	23,227	2,820	(20,407)	23,227	2,820
Net Income	139,654	(188,081)	(48,427)	142,342	(190,764)	(48,422)

3. Restatement of corresponding figures for 2019 (Continued)

Balance sheets on January 1, 2019 (Continued):

	Consolidated			Individual		
	Original	Adjustments	Adjusted	Original	Adjustments	Adjusted
	01/01/2019		01/01/2019	01/01/2019		01/01/2019
Current Assets						
Other Accounts Receivable	6,149	(1,387)	4,762	6,119	(1,405)	4,714
Other Noncurrent Assets	387,788	-	387,788	376,469	-	376,469
Total Current Assets	393,937	(1,387)	392,550	382,588	(1,405)	381,183
Noncurrent Assets						
Deferred Income Tax and Social Contribution	-	8,284	8,284	-	8,284	8,284
Other Noncurrent Assets	475,349	-	475,349	480,894	-	480,894
Total Noncurrent Assets	475,349	8,284	483,633	480,894	8,284	489,178
Total Assets	869,286	6,897	876,183	863,482	6,879	870,361
Current Liabilities						
Derivatives	10,245	48,474	58,719	10,245	48,474	58,719
Other Current Liabilities	449,723	-	449,723	443,902	-	443,902
Total Current Liabilities	459,968	48,474	508,442	454,147	48,474	502,621
Noncurrent Liabilities						
Derivatives	-	15,423	15,423	-	15,423	15,423
Other Noncurrent Liabilities	176,759	-	176,759	176,759	-	176,759
Total Noncurrent Liabilities	176,759	15,423	192,182	176,759	15,423	192,182
Owners' Equity						
Capital	87,114	-	87,114	87,114	-	87,114
Appropriated Retained Earnings	145,461	(57,017)	88,444	145,462	(57,018)	88,444
	232,575	(57,017)	175,558	232,576	(57,018)	175,558
Interest of Non-controlling Shareholders	(16)	17	1	-	-	-
Total Owners' Equity	232,559	(57,001)	175,559	232,576	(57,018)	175,558
Total Liabilities and Owners' Equity	869,286	6,897	876,183	863,482	6,879	870,361

3. Restatement of corresponding figures for 2019 (Continued)

a.1) Accounting Adjustments:

(i) Accounting for the effects of valuation of derivatives at fair value through profit or loss

The Company's management recognized in income for the year ended December 31, 2019 and in the opening balance sheet on January 1, 2019, the effects of measuring derivatives, contracted to protect against the risk of purchase contracts provided for in foreign currency, at fair value through profit or loss, in compliance with NBC TG 48 / IFRS 9 - Financial Instruments.

(ii) Accounting for the tax credit resulting from a final and unappealable court decision - exclusion of ICMS in the PIS / Cofins tax base

On June 12, 2007, it filed for a "WRIT OF MANDAMUS," dated May 30, 2007, registered under number 2007.39.00.005037-9, against the Federal Revenue Office in Belém, Pará State, claiming, in short, the recognition of its right to exclude the Tax on Circulation of Goods and Services ("ICMS") from the tax base of contributions relating to the Social Integration Program ("PIS"), and the Contribution to the Financing of Social Security ("Cofins").

On April 25, 2019, the sentence was final and unappealable, granting the Company's claims to consider the inclusion of ICMS in the PIS and Cofins tax bases as unconstitutional, and

recognizing the right to compensation and/or refund of the amounts improperly paid, under the same title, in the last five years prior to the filing of the action, adjusted based on the SELIC rate. Considering that the present action was filed on June 12, 2007, and that the Rapporteur decided for the applicability of the five-year term, the Company raised the amounts overpaid as of June 12, 2002.

In this sense, the Company retroactively recognized the amount of BRL 9,494, adjusted by SELIC in the period between 2002 and 2019, to the 2019 financial year. These credits were withdrawn based on the value of the ICMS highlighted in the outgoing invoices.

(iii) Accounting for Miscellaneous Provisions

The Company's management recognized the following provisions for the correct accrual period: (i) expected losses on accounts receivable amounting to BRL 3,592; (ii) obsolescence of material inventories amounting to BRL 3,868; (iii) freight expenses amounting to BRL 12,549; and (iv) contingencies assessed with probable probability of loss amounting to BRL 2,487.

(iv) Accounting for income using the equity mode

The Company's management recognized the effects of equity accounting on certain adjustments recorded in its subsidiaries, amounting to BRL 1,129.



the Company retroactively recognized the amount of BRL 9,494, adjusted by SELIC in the period between 2002 and 2019, to the 2019

(v) Dividend Reversal

Owing to the adjustments recorded retroactively, management reversed the minimum mandatory dividends that had been allocated at the end of 2019 amounting to BRL 33,806.

(vi) Tax Effects

Because of the adjustments recorded retroactively, management also adjusted its income tax and social contribution calculations on net income.

(vii) Reclassification of Revenue with Government Subsidy

Management reclassified the government ICMS subsidy revenue received in 2019, amounting to BRL 175,551, previously classified as “other operating income” to “deductions from net sales revenue.”

a.2) Additional Information

- Statement of Value Added
- Basic and diluted earnings per share; and
- Disclosure per Segments.

4. Summary of significant accounting practices

4.1 Consolidation basis

Subsidiary

The Company controls a corporation when it is exposed to or holds right in the variable returns stemming from its involvement with the entity, and has the ability to affect those returns by exercising its power over the entity. The individual and consolidated financial statements of subsidiaries are included in the individual and consolidated financial statements from the date on which the Company obtains control until the date on which control ceases to exist.

The Company assesses whether or not it exercises control over an investee if facts and circumstances indicate that there are changes in one or more of the three control elements above. The consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when it ceases to exercise the said control. Assets, liabilities, and results of a subsidiary acquired or disposed of over the year are included in the consolidated financial statements from the date on which the Company obtains control until the date on which the Company ceases to exercise control over the subsidiary.

The income and each component of other comprehensive income are attributed to the Company's controlling and non-controlling shareholders, even if this results in a loss to

non-controlling shareholders. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Company's accounting policies. All assets and liabilities, results, income, expenses, and cash flows of the same group, pertaining to transactions between members of the Company, are totally eliminated in the consolidation.

The change in the equity interest in the subsidiary, without loss of control, is accounted for as an equity transaction.

If the Company loses the control exercised over a subsidiary, the relevant assets (including any premium) and the subsidiary's liabilities are written off at their book value on the date the control is lost, and the book value of any equity interests of non-controlling shareholders is written off on the date that control is lost (including any components of other comprehensive income attributed to them). Any resulting difference as a gain or loss is accounted for in profit or loss. Any retained investment is recognized at its fair value on the date when control is lost.

In the parent company's individual financial statements, the financial information of subsidiaries is recognized using the equity method.

List of controlled corporations

Listed below are the subsidiaries of the Alubar Group included in the consolidated financial statements:

	Country	Shareholding Interest %	
		2020	2019
Alubar Coppertec Comercial de Fios e Cabos Elétricos Ltda.	Brazil	99,5%	99,5%
Alubar Cabos Elétricos Montenegro Importação, Ind e Com Ltda.	Brazil	100,0%	100,0%
Alubar Canada Holding Inc.	Canada	100,0%	100,0%
Alubar Metals LLC.	UNITED STATES	100,0%	100,0%

Alubar Coppertec Comercial de Fios e Cabos Elétricos Ltda. ("Alubar Coppertec")

On May 19, 2017, the Company incorporated Alubar Coppertec Comercial de Fios e Cabos Elétricos Ltda., "Alubar Coppertec," in the city of Cotia, State of São Paulo, with the purpose of supplying bare and isolated rods, wires, and electrical conductor cables obtained from the processing of aluminum and copper. The Company is the main supplier of products for resale by Alubar Coppertec.

Alubar Cabos Elétricos Montenegro Importação, Ind e Com Ltda. ("Alubar Montenegro")

On November 8, 2019, the Company incorporated Alubar Cabos Elétricos Montenegro Importação, Industria e Comércio Ltda., in the city of Montenegro, Rio Grande do Sul State, with the main purpose of developing and leveraging the production and trading of products derived from aluminum and/or copper, which may also conduct business relating

to the import and export of goods, notably owing to the identified favorable conditions for manufacturing, logistics, and distribution of products to nearby countries, in addition to providing opportunities for serving potential customers currently not served by the plant in Barcarena, in Pará State. The plant went into operation in January 2020.

Alubar Canada Holding Inc. ("Alubar Canada")

On August 27, 2019, the Company incorporated Alubar Canada Holding Inc., in the Province of Québec, Canada, with the purpose of producing aluminum rods for supplying the Barcarena plant and the international market, especially the North American countries, considering the strategic geographical position of the plant. The plant went into operation in March 2020.

Alubar Metals LLC. ("Alubar Metals")

On October 30, 2019, the Company incorporated Alubar Metals, LLC, in the City of Miami, Florida, which is intended for managing sales of aluminum items in the international market. The office went into operation in March 2020.

Group's Parent

The Group's parent company in Brazil is Alubar Metais e Cabos S.A. itself, which in turn is controlled by Aluminum Investments S.A., headquartered in Uruguay.

Foreign currency operations

Foreign currency operations are converted into the respective functional currency of the Company at the exchange rates on the dates of the operations. Pecuniary assets and

liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted to the functional currency at the exchange rate on that date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are converted to the functional currency at the exchange rate on the date when the fair value was ascertained. Non-monetary items that are measured based on historical cost in foreign currency are converted at the exchange rate on the operation date. Foreign currency differences resulting from the conversion are generally recognized in profit or loss.

4.2 Revenue from contract with customers

Sale of electrical wires and cables

The Company and its subsidiaries recognize revenue from the sale of electrical wires and cables when they fulfill the performance obligation by transferring a good or service (that is, an asset) promised to the client. The asset is considered transferred when the client obtains control of that asset. As the sales of the Company and its subsidiaries are subject to different modalities, revenue can be recognized immediately upon invoicing in the future delivery modality, where the transfer of asset control occurs upon authorization by the customer. In addition, sales revenue can be recognized when the product is delivered to the client's warehouse, or when client picks up the product at the premises of the Company and its subsidiaries, and the revenue is recognized upon the availability of the product.

Generally, the terms of the payment contract assume that part of the payments will be made in advance or the use of letters of credit. In some cases, the sale price is provisionally set on the selling date, with subsequent adjustments based on movements in quoted market prices or contractual prices up to the date on which the final price is set.

Revenue is measured at the fair value of the consideration received or receivable, net of any variable consideration, such as discounts, rebates, refunds, credits, incentives, performance bonuses, or other similar items, with the provisional pricing mechanism embedded in these contracts characterized as a derivative. Accordingly, the fair value of the final sale price adjustment is continuously revalued and changes in fair value are recognized as sales revenue in the income statement. The normal credit term is 30 to 60 days upon delivery.

The Company and its subsidiaries have generally concluded that they are the principal in their revenue contracts because they usually control the goods or services before transferring them to client.

4.3 Employee benefits

Short-term benefit obligations to employees are recognized as personnel expenses as the corresponding service is provided. The liability is recognized at the estimated payment amount if the Company and its subsidiaries have a present legal or constructive obligation to pay this amount due to past service provided by the employee, and the obligation can be reliably estimated.

Medical and dental health insurance, educational assistance, and profit sharing are measured on an undiscounted basis and are incurred as expenses or costs as the related service is charged. The Company and its subsidiaries do not have share-based payment agreements or any other long-term employee benefits, other than that disclosed in Note 32.

4.4 Government grants

Government incentives are recognized when there is reasonable certainty that the benefit will be received and that all the corresponding conditions will be met. When the benefit refers to an expense item, it is recognized as revenue at fair value over the period of the benefit, in a systematic manner concerning the costs whose benefit is intended to offset.

The Company receives incentives from the Federal Government in the form of a 75% reduction in income tax, with prior authorization from the Amazon Development Superintendence (SUDAM). The calculation, in the exploration profit modality, follows rules defined by law. The Aluminum benefit is effective until the calendar year 2026 and the copper benefit is effective until the calendar year 2027.

The Company also enjoys benefits from the Government of the State of Pará relating to the payment of ICMS tax under its responsibility. The expected form is a fixed percentage of 95% calculated as a presumed negotiable instrument to deduct the balance due for the internal and interstate sales/shipments of products manufactured in the State of Pará by the Company, according to Resolution No. 20 dated September 15, 2010, Commission Office for the Policy of Incentives

for Socioeconomic Development of the State of Pará. The benefit is valid for 15 years, counting from September 2010. The amounts used in fiscal year 2020 were BRL 228,805 (BRL 175,551 in fiscal year 2019), according to Note 23.

4.5 Financial revenues and financial expenses

Financial income includes interest income on financial investments, inflation adjustment, and exchange rate change, net gains/losses on financial assets measured at fair value through profit or loss, and financing in foreign currency. Interest income is recognized in profit or loss, using the effective interest method.

Financial expenses include interest expenses and exchange rate changes on loans and taxes in installments. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method until the date of its completion.

4.6 Income tax and social contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus an additional 10% on taxable income in excess of BRL 240 for income tax, and 9% on taxable profit for social contribution on net income, and consider the offsetting of tax losses and negative basis of social contribution, limited to 30% of taxable income. Income tax and social contribution expenses comprise current balances and are recognized in income for the year.

Current income tax and social contribution

Current tax expense is the tax payable or receivable estimated on the taxable profit or loss for the year and any adjustment to taxes payable relating to previous years. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability based on the best estimate of the expected amount of taxes to be paid or received that reflects the uncertainties connected to their calculation, if any. It is measured based on the tax rates enacted at the balance sheet date.

The Company is expected offset current tax assets and current tax liabilities if the Company:

- Has the legally enforceable right to offset recognized amounts; and
- Intend to settle on a net basis, or realize the asset and settle the liability simultaneously.

The income tax of Alubar Canada Holding Inc. (a foreign subsidiary - Canada), and Alubar Metals LLC. (a foreign subsidiary – United States) is calculated based on local laws and the current tax rates for each country.

Deferred income tax and social contribution

Deferred income tax and social contribution taxes are generated by temporary differences at the balance sheet date between the tax bases of assets and liabilities and their book values. Deferred tax liabilities are recognized for all temporary tax differences.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and losses, only to the extent that it is probable that taxable income will be available so that deductible temporary differences can be realized, and unused tax credits and losses can be used.

The book value of deferred tax assets is reviewed at each balance sheet date and written off to the extent that it is no longer probable that taxable income will be available to allow all or part of the deferred tax asset to be used. Deferred tax assets written off are reviewed at each balance sheet date, and are recognized to the extent that it becomes probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the rate that are expected to be applicable in the year in which the asset will be realized or the liability will be settled, based on the rates (and tax laws) that were enacted on the balance sheet date.

Deferred tax assets and liabilities are shown net if there is a legal right to offset the tax asset against the tax liability, pertaining to the same taxed corporation and subject to the same tax authority.

4.7 Inventories

Inventories are valued at cost or net realizable value - whichever is smaller. The costs incurred to bring each product to its current location and condition are accounted for as follows:

- Raw materials - purchase cost according to average cost; and
- Finished and under construction products - cost of direct materials and labor, and a proportionate share of overheads based on normal operating capacity, but excluding borrowing costs.

Inventory cost includes the transfer of cash flow hedge gains and losses recorded in equity that qualify in relation to the purchase of feedstock.

The net realizable value corresponds to the sale price in the normal course of business less the estimated costs of completion and the estimated costs necessary to carry out the sale.

4.8 Fixed assets

Recognition and measurement

Fixed assets items are measured at historical acquisition or construction cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated losses owing to impairment, if any.

The cost includes expenses that are directly attributable to the purchase of an asset. The cost of assets built by the Company and its subsidiaries includes the cost of materials and direct labor, as well as any other costs to place the asset in the location and condition necessary for them to be able to operate in the manner intended by management.

When parts of an item of fixed assets have different useful lives, they are recorded as individual items (main components) of fixed assets.

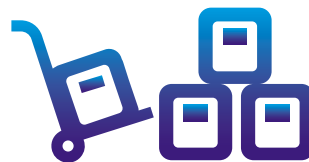
An item of the fixed assets is written off when sold (for instance, on the date that the recipient obtains control) or when no future economic benefits are expected from its use or sale. Any gain or loss resulting from the asset's write off (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement in the year in which the asset is written off.

Subsequent costs

Subsequent costs are capitalized to the extent that it is probable that future benefits associated with the expenses will be earned by the Company and its subsidiaries. All other repair and maintenance costs are recognized in profit or loss, when incurred.

Depreciation

Depreciation is calculated to amortize the cost of items of fixed assets, net of their estimated residual values, using the straight-line method based on the estimated useful lives of the items. Depreciation is recognized in profit or loss. Land is not depreciated.



Inventory cost includes the transfer of cash flow hedge gains and losses recorded in equity that qualify in relation to the purchase of feedstock.

4.8 Fixed assets

Depreciation (Continued)

The estimated useful lives of fixed assets are as follows:

	Average Annual Rates
Buildings	2% a 8%
Facilities	5% a 10%
Machinery and equipment	2% a 10%
Furniture and utensils	10%
Vehicles	7% a 20%
Computers and peripherals	20%
Improvements	2% a 8%
Improvements to third-party property	2% a 8%

Depreciation methods, useful lives, and residual values are reviewed at each balance sheet date and adjusted on a forward-looking, accordingly.

Works and investments in noncurrent assets in progress

Construction in progress represents the disbursements made for investments in the plants of the Company and its subsidiaries. The cost includes all expenses directly connected to specific projects that will positively influence its operating performance.

4.9 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company and its subsidiaries and that have defined useful lives are measured at cost, less accumulated amortization, and any accumulated losses due to impairment.

Subsequent expenditure

Subsequent expenses are capitalized only when they increase the future economic benefits incorporated into the specific asset to which they relate. All other expenses are recognized in profit or loss as incurred.

Amortization

Amortization is calculated using the straight-line method based on the estimated useful lives of the items, net of their estimated residual values. Amortization is typically recognized in profit or loss.

The estimated useful lives of the intangible asset are as follows:

	Average Annual Rates
Data Processing System	20%

4.10 Financial instruments

A financial instrument stands as a contract that entitles to a financial asset of one corporation and a financial liability or equity instrument of another corporation.

(i) Initial recognition and measurement

Trade accounts receivable and debt securities issued are initially recognized on the date on which they were originated. All other financial assets and liabilities are initially recognized when the Company and its subsidiaries become a party pursuant to the instrument's contractual provisions.

A financial asset (unless it is a trade accounts receivable without a significant financing component) or a financial liability is initially measured at fair value, added, for an item not measured at fair value through profit or loss (FVTPL), operation costs that are directly attributable to its acquisition or issue. Trade accounts receivable without a significant financing component are initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

Upon initial recognition, a financial asset is classified as measured: at amortized cost (debt instruments); at Fair Value through Other Comprehensive Income (FVOCI) with reclassification of accumulated gains and losses - debt instrument; at Fair Value through Other Comprehensive Income (FVOCI) without reclassification of accumulated gains and losses at the time of derecognition - equity instrument; or at Fair Value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequently to initial recognition, unless the Company and its subsidiaries change the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in the business model.

Financial assets at amortized cost (debt instruments)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is maintained within a business model targeted at maintaining financial assets in order to receive contractual cash flows; and
- their contractual terms generate, on specific dates, cash flows that only pertain to the payment of principal and interest on the outstanding principal amount.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is written off, modified, or impaired.

The financial assets of the Company and its subsidiaries at amortized cost include trade accounts receivable (Note 7), loans to affiliates and loans to officers, disclosed in Related Parties (Note 20).

Financial assets at fair value through other comprehensive income (debt instruments)

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is maintained within a business model that has its purpose achieved both by receiving contractual cash flows and by selling financial assets; and - its contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on the outstanding principal amount.
- Upon initial recognition of an investment in an equity instrument that is not held for trading, the Company and its subsidiaries may irrevocably choose to present subsequent changes in the investment's fair value under ORA. That choice is made investment per investment.

For debt instruments at fair value through other comprehensive income, interest income, exchange rate revaluation, and impairment losses or reversals are recognized the income statement and calculated in the same way as the financial assets measured at amortized cost. The remaining changes in fair value are recognized in other comprehensive income. At the time of derecognition, the accumulated change in fair value recognized in other comprehensive income is reclassified to income. The debt instruments of the Company and its subsidiaries at fair value through other comprehensive income include derivatives (hedge at fair value).

Financial assets designated at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company and its subsidiaries may irrevocably choose to classify their equity instruments at fair value through other comprehensive income when they meet the definition of owners' equity under NBC TG 39 (R5) / IAS 32 - Financial Instruments: Presentation and are not kept for negotiation. The classification is determined by considering each instrument specifically.

Gains and losses on these financial assets are never reclassified to income. Dividends are recognized as other revenues in the income statement when the right to payment is established, except when the Group benefits from these proceeds as a recovery of part of the financial asset cost, in which case these gains are recorded in other comprehensive income.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment testing.

The Company and its subsidiaries do not have financial assets classified in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with the net changes in fair value recognized in the income statement.

This class includes derivatives which the Company and its subsidiaries have not irrevocably classified at fair value through other comprehensive income.

An embedded derivative in a hybrid contract with a financial liability is separated from the liability and accounted for as a separate derivative if: (a) the economic characteristics and risks are not strictly connected to the economic characteristics and risks of the main contract; (b) the separate instrument, with the same terms as the embedded derivative, meets the definition of a derivative; and (c) the hybrid contract is not measured at fair value, with changes recognized in profit or loss. Embedded derivatives are measured at fair value, with changes in fair value recognized in profit or loss. A revaluation only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required, or a reclassification of a financial asset outside the fair value category through profit or loss.

Financial assets - Business model assessment

The Company and its subsidiaries carry out an assessment of the business model purpose, whereby a financial asset is held in the portfolio because this better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and objectives set for the portfolio and the practical functioning of these policies. They include the matter of whether management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets;
- How the portfolio's performance is assessed and reported to the Management of the Company and its subsidiaries;
- The risks that affect the performance of the business model (and the financial asset held in that business model) and the way in which those risks are managed;
- How business managers are compensated - for instance, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows obtained; and
- The frequency, volume and timing of sales of financial assets in previous years, the reasons for such sales and its expectations about future sales.

Transfers of financial assets to third party in operations that do not qualify for derecognition are not considered sales, in a manner consistent with the continuous recognition of the assets of the Company and its subsidiaries.

Financial assets held for trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

Financial assets - assessment of whether contractual cash flows are principal and interest payments only

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset upon initial recognition. "Interest" is defined as a consideration for the time value of money and for the credit risk associated with the principal outstanding amount over a given period of time and for the other basic risks and costs of borrowing (for instance, liquidity risk and administrative costs), as well as a profit margin.

The Company and its subsidiaries consider the contractual terms of the instrument to assess whether the contractual cash flows are only payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or the value of the contractual cash flows so that it would not meet this condition. In making this assessment, the Company and its subsidiaries consider:

- Contingent events that change the amount or timing of cash flows;
- Terms that can adjust the contractual rate, including variable rates;
- Prepayment and extension of the term; and
- The terms that limit the access of the Company and its subsidiaries to cash flows from specific assets (for instance, based on the performance of an asset).

Prepayment is consistent with the principal and interest payment criteria if the prepayment amount mostly represents unpaid principal and interest on the outstanding principal amount - which may include additional compensation reasonable for early termination of contract. In addition, with respect to a financial asset acquired for an amount lower than or greater than the contract par value, the permission or requirement for prepayment of an amount that equals the contract par value plus contractual interest (which also may include reasonable additional compensation for early contract termination), as accrued and overdue, are treated as consistent with this criterion if the fair value of the prepayment is insignificant upon initial recognition.

Financial assets - Subsequent measurement and profit and loss

Financial assets at FVTPL	These assets are subsequently measured at fair value. The net income, including interest or dividend income, is recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
FVOCI Debt Instruments	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net income is recognized in ORA. Upon derecognition, the accumulated result in ORA is reclassified to profit or loss.
Equity Instruments by FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as a gain in profit or loss, unless the dividend clearly represents a recovery of part of the investment cost. Other net income is recognized in ORA and is never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and profit and loss

Financial liabilities were classified as measured at amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities measured at FVTPL are measured at fair value and the net income, including interest, is recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company and its subsidiaries derecognize a financial asset when the contractual rights to the asset's cash flows expire, or when the Company and its subsidiaries transfer the contractual rights of receipt to the contractual cash flows on a financial asset in an operation in which substantially all the risks and benefits of ownership of the financial asset are transferred or in which the Company and its subsidiaries neither transfer nor substantially maintain all the risks and benefits of ownership of the financial asset, and also do not hold control over the financial asset.

Financial liabilities

The Company and its subsidiaries derecognize a financial liability when their contractual obligation is withdrawn, canceled or expires. The Company and its subsidiaries also derecognize a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinguished book value and the consideration paid (including transferred assets that do not pass through the cash or assumed liabilities) is recognized in profit or loss.

Offset

Financial assets or liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company and its subsidiaries currently have a legally enforceable right to offset the amounts and intend to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives and hedge accounting

The Company and its subsidiaries maintain derivatives to hedge their exposures to the risks of changes in foreign currency and interest rates. The Company and its subsidiaries do not have embedded derivatives, in addition to those referred to in Note 4.2.

The Company and its subsidiaries use hedging instruments (Hedge - SWAP) for foreign currency differences arising between the currency of the operation abroad and its functional currency (Brazilian Real) in the purchase of aluminum.

Any gains or losses resulting from changes in the fair value of derivatives over the year are recorded directly in the income statement, except for the effective portion of the cash flow hedges, which is recognized directly in the owners' equity, specifically in the account of other comprehensive income, and subsequently reclassified to profit or loss when the hedge item affects such profit or loss.

Initial Recognition and Subsequent Measurement

Derivatives are initially recognized at fair value on the date that a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are recorded as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, said hedging instruments are classified as:

- Fair value hedges, when earmarked for hedging against exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges, when intended to hedge exposure to variability in cash flows that is attributable to a specific risk associated with a recognized asset or liability or a highly

probable expected transaction, or to a foreign currency risk in an unrecognized firm commitment; or

- Hedges of a net investment in a foreign operation.

At the beginning of a hedge relationship, the Company and its subsidiaries formally establish and record the hedge relationship to which they intend to apply hedge accounting and the risk management's purpose and strategy to perform hedging.

The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Corporation assesses whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how to determine the hedge ratio). A hedge relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The credit risk effect does not influence the changes in value that result from this economic relationship; and
- The hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the corporation actually hedges and the amount of the hedging instrument that the Entity actually uses to hedge such amount of hedged item.

Hedges that meet all qualification criteria for hedge accounting are recorded as described below:

Hedges at Fair Value

The change in the fair value of a hedging instrument is recognized in profit or loss as other expenses. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the income statement as other expenses.

For fair value hedges relating to items measured at amortized cost, any adjustment to the book value is amortized through profit or loss over the remaining term of the hedge, using the effective interest rate method. The amortization of the effective interest rate can be started as soon as an adjustment exists and, at the latest, when the hedged item is no longer adjusted by changes in its fair value attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is immediately recognized in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent accumulated change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with recognition of the respective gain or loss in profit or loss.

Cash flow hedges

The effective portion of the hedging instrument's gain or loss is recognized in other comprehensive income, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the accumulated gain or loss on the hedging instrument and the accumulated change in the fair value of the hedged item.

The Company and its subsidiaries use currency futures contracts to hedge their exposure to foreign currency risk in forecasted operations and firm commitments, as well as commodity futures contracts for its exposure to commodity price volatility. The ineffective portion pertaining to foreign currency contracts is recognized as other expenses, and the ineffective portion pertaining to commodities contracts is recognized in other operating expenses.

The Company and its subsidiaries exclusively assess the spot component of forward contracts as a hedging instrument. The forward item is recognized in other comprehensive income.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying operation of the hedged object. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in owners' equity is taken from the separate component of owners' equity and included in the initial cost or in another book value of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for

the period. This also applies when the estimated operation hedged by a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to income as a reclassification adjustment in the same period or periods over which the hedged cash flows affect the income.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income should remain in accumulated other comprehensive income if there is still an expectation that future hedged cash flows will occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After accounting has been discontinued, once the hedged cash flow has occurred, any amount remaining in accumulated other comprehensive income should be accounted for, depending on the nature of the underlying operation, as described above.

4.11 Capital

Common shares

The share capital consists of common shares.

Dividend distribution

The Company recognizes a liability for payment of dividends when this distribution is authorized and is no longer an option of the Company or even when provided for by Law.

Pursuant to the applicable corporate laws, a distribution is authorized when approved by the shareholders and the corresponding amount is directly recognized in equity. The corporate laws also establish the requirement for payment of a minimum mandatory dividend after adjustments to income earned in the year and allocation of reserves, also provided for in Article 202 of the Brazilian Corporations Act.

4.12 Impairment

Non-derivative financial assets

The Company and its subsidiaries recognize provisions for expected credit losses on: financial assets measured at amortized cost.

The Company and its subsidiaries measure the provision for loss in an amount equal to the expected credit loss for the entire life of the asset, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk at the balance sheet date; and
- Other debt securities and bank balances for which the credit risk (i.e. the risk of default over the financial instrument's expected life) has not significantly increased since initial recognition.

Provisions for trade accounts receivable and contract assets are measured at an amount equal to the expected credit loss for the entire life of the instrument. In ascertaining whether the credit risk of a financial asset has significantly increased since initial recognition and in estimating expected credit losses, the Company and its subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, on credit assessment and considering forward-looking information.

The Company and its subsidiaries prepared an assessment that assumes the time when the credit risk of a financial asset increases significantly if it is overdue. See Note 7 for further details.

The Company and its subsidiaries consider a financial asset to be in default when:

- It is unlikely that the debtor will fully pay its credit obligations to the Company and its subsidiaries, without resorting to actions such as the realization of the guarantee (if any); or
- Lifetime expected credit losses are the expected credit losses that result from all possible events of default over the expected life of a financial instrument.
- Credit losses expected for 12 months are credit losses that result from possible default events within 12 months after the balance sheet date (or in a shorter period, if the expected life of the instrument is less than 12 months).

The maximum period considered in the expected credit loss estimate is the maximum contractual period during which the Company and its subsidiaries are exposed to credit risk.

Financial assets with recovery issues

At each balance sheet date, the Company and its subsidiaries assess whether the financial assets accounted for at amortized cost have recovery issues. A financial asset has “recovery issues” when one or more events occur that adversely impact the financial asset’s estimated future cash flows.

Objective evidence that financial assets have had recovery issues includes the following observable data:

- Significant financial difficulties of the issuer or the borrower;
- Breach of contractual clauses, such as default or delay of more than 90 days;
- Restructuring of an amount payable to the Company and its subsidiaries under conditions that would not be accepted under normal conditions;
- The likelihood that the debtor will go bankrupt or undergo another type of financial reorganization; or
- The disappearance of an active market for the security because of financial difficulties.

Presentation of the provision for expected credit losses in the balance sheet

The provision for losses on financial assets measured at amortized cost is deducted from the gross book value of the assets.

Write-off

The gross book value of a financial asset is written off when the Company and its subsidiaries do not have a reasonable expectation of recovering the financial asset in whole or in part. The Company and its subsidiaries do not expect any significant recovery of the amount written off. However, the financial assets written off may still be subject to credit execution for the fulfillment of the procedures of the Company and its subsidiaries for recovering the amounts due.

Non-financial assets

On each reporting date, the Company and its subsidiaries review the book values of their non-financial assets, and ascertain whether there is an indication of impairment. If any indication occurs, the recoverable amount of the asset is estimated. In the case of premium, the recoverable amount is tested annually.

For impairment tests, assets are grouped into Cash-Generating Units (CGU’s), that is, the smallest possible group of assets that generates cash inflows through their continued use, which are largely independent of the cash inflows from other assets or CGU’s. Premium from business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less selling costs. The value in use is based on estimated future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset or CGU.

An impairment loss is recognized if the book value of the asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. Recognized losses relating to CGUs are initially allocated to reduce any premium allocated to such CGU (or group of CGUs), and then to reduce the book value of the other assets of CGU (or group of CGUs) on a pro rata basis.

An impairment loss concerning premium is not reversed. As for other assets, impairment losses are reversed only to the extent that the new book value of the asset does not exceed the book value that would have been ascertained, net of depreciation or amortization, had the impairment not been recognized.

Management of the Company and its subsidiaries has not identified the need to create a provision for impairment of these groups of assets in the financial statements for the years ended December 31, 2020 and 2019.

4.13 Provisions

Provisions are recognized when the Company and its subsidiaries have a (legal or non-established) present obligation as a result of a past event, economic benefits are likely to be required to settle the obligation, and a reliable estimate of the obligation amount can be made. When the Company and its subsidiaries expect the amount of a provision to be reimbursed, in whole or in part, for instance, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense pertaining to any provision is shown in the income statement, net of any reimbursement.

Provisions for tax, civil and labor risks

Provisions for legal procedures are created for all legal procedures for which it is probable that an outflow of funds will be made to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of the available evidence, the hierarchy of laws, the available caselaw, the most recent court awards and their relevance in the legal system, as well as the assessment of outside counsels.

Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, conclusions of tax inspections, or additional exposures found based on new matters or court awards.

4.14 Loan cost

Borrowing costs directly connected to the acquisition, construction, or production of an asset that necessarily requires a substantial period of time to be completed for use or sale are capitalized as part of the cost of the corresponding asset. All other borrowing costs are recorded as an expense in the year in which they are incurred. Borrowing costs comprise interest and other costs incurred by a corporation in connection with the loan.

The Company and its subsidiaries present assets and liabilities in the balance sheet based on their classification as current or noncurrent. An asset is classified as current when:

- It is expected to be realized, or is intended to be sold or consumed in the normal course of the corporation's operating cycle;
- It is maintained essentially for the purpose of being negotiated;
- It is expected to be realized to 12 months after the balance sheet date; and
- It is a cash or cash equivalent (as defined in NBC TG 03 (R3) / IAS 7 - Statement of Cash Flows), unless its exchange or use for liability settlement is precluded for at least 12 months after the balance date.

All other assets are classified as noncurrent. A liability is classified as noncurrent when:

- It is expected to be settled during the corporation's normal operating cycle;
- It is maintained essentially for the purpose of being traded;
- It is expected to be settled within 12 months after the balance sheet date; and
- The corporation has no unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

The terms of a liability that may, at the discretion of the other contracting party, result in its settlement through the issuance of equity instruments, do not impact its classification. The Company and its subsidiaries classify all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified in noncurrent assets and liabilities

4.16 New standards and interpretations not yet effective

The new and changed standards and interpretations issued, but not yet in effect until the date of issuance of the financial statements of the Company and its subsidiaries, are described below. The Company and its subsidiaries intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 - Insurance Agreements

IFRS 17 is effective for periods beginning on or after January 1, 2023, requiring the presentation of comparative figures. Early adoption is allowed if the corporation also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17. This standard does not apply to the Company and its subsidiaries.

Amendments to IAS 1: Classification of Liabilities as Current or Noncurrent

In January 2020, IASB issued amendments to paragraphs 69 to 76 of IAS 1, relating to CPC 26, in order to specify the requirements for classifying the liability as current or non-current. The amendments render clear:

- Which means a right to postpone settlement;
- That the right to postpone should exist on the base date of the report;
- That this classification is not affected by the likelihood that a corporation will exercise its right to postpone
- That only if a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification

The changes are valid for periods beginning on or after January 1, 2023 and should be applied retrospectively. Currently, the Company and its subsidiaries assess the impact that the changes will have on current practice and whether existing loan agreements may require renegotiation.

5. Cash and Cash Equivalents

	Consolidated		Individual	
	2020	2019	2020	2019
Cash	9	3	9	3
Movement Account Banks	18,159	85,511	11,286	48,088
Financial Investment (a)	11,555	16,377	11,555	16,377
Total Cash and Cash Equivalent	29,723	101,891	22,850	64,468

(a) They refer to investments with immediate liquidity, are indexed to CDI, and aimed to meet short-term commitments. These amounts are automatic investments linked to the current account in top-tier financial institutions and their gross income in the year 2020 was 0.41% p.a. (1.38% p.a. in 2019).

The investments are available for use in the Company's operations and are readily convertible into a known amount of cash, as well as subject to an insignificant risk of change in value, that is, they are financial assets with immediate liquidity. These operations have maturities of less than three months from the contracting date and are committed to repurchase by the issuer, therefore they are classified as cash and cash equivalents, pursuant to NBC TG 03 (R3) / IAS 7 - Cash Flow Statements.

6. Financial investments (Individual and Consolidated)

	2020	2019
Caixa Econômica Federal	7,525	-
Banco do Brasil (a)	5,299	9,447
Banco Votorantim	4,568	-
Banco Santander (a)	3,209	3,000
Banco da Amazônia (c)	11,704	3,676
Banco Banpará (b)	1,070	1,052
Citybank	1,054	-
Banco BTG Pactual (a)	-	6,636
Banco Pine (a)	-	1,043
	34,429	24,854
Current	24,419	24,854
Noncurrent	10,010	-

(a) Financial investments are the corresponding entries of loan contracts and bank guarantees, which are being applied in current accounts owing to the expiration of guarantees, as well as noncompliance with contractual obligations of loans and financing. The income ascertained in 2020 was 0.41% p.a (1.38% p.a. in 2019).

(b) The application of the Banpará bank is a reciprocal consideration with the bank with a yield of 4.90% p.a. calculated in 2020 (5.20% p.a. in 2019).

(c) The financial investment of Banco da Amazônia refers to investments in capitalization bonds, valid for 40 months, which expired in October 2018, and can be redeemed at any time. They are financial assets with immediate liquidity. The securities are monthly adjusted at the set reference rate, which yielded around 1.76% p.a. (1.88% p.a. in 2019).

7. Accounts receivable

Composition of balances

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)		(restated)	
Accounts Receivable	351,532	200,763	212,430	192,651
Accounts receivable from related parties (Note 20)	-	-	54,194	10,879
Accounts receivable in foreign currency	-	354	-	354
	351,532	201,117	266,624	203,884
(-) Provision for doubtful accounts	(6,577)	(6,277)	(6,277)	(6,277)
Total trade accounts receivable	344,955	194,840	260,347	197,607

Accounts receivable balances per maturity range

	Consolidated		Individual	
	2020	2019	2020	2019
Still undue	305,790	169,149	224,129	170,392
Due from 1 to 30 days	10,119	19,325	8,804	20,149
Due from 31 to 90 days	21,854	1,148	21,286	1,834
Due from 91 to 180 days	4,281	861	3,969	963
Due over 181 days	9,488	10,634	8,436	10,546
	351,532	201,117	266,624	203,884

Portfolio concentration

	Consolidated		Individual	
	2020	2019	2020	2019
Largest Client	126,323	22,691	53,682	21,569
2nd to 11th largest client	150,106	88,286	140,044	90,061
12th to 50th largest client	64,013	76,215	61,818	78,329
Other	11,090	13,925	11,080	13,925
	351,532	201,117	266,624	203,884

Movement of provision for expected impairment loss

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)		(restated)	
Opening Balance for the Year	(6,277)	(2,006)	(6,277)	(2,006)
Creation of Provision	(300)	(4,271)	-	(4,271)
End Balance for the Year	(6,577)	(6,277)	(6,277)	(6,277)



Management performs an individual analysis of the expected loss of the securities to ascertain the provision for expected impairment loss, which is restricted in each year.

8. Inventories

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)		(restated)	
Finished Products	21,647	14,279	13,512	14,147
Products in Processes	24,022	16,437	22,265	16,437
Feedstock and Consumables	97,974	54,998	71,369	52,505
Packaging Materials and Supplies	8,410	26,317	7,840	26,290
	152,053	112,031	114,986	109,379
(-) Provision for loss at net realizable value	(3,868)	(3,868)	(3,868)	(3,868)
	148,185	108,163	111,118	105,511

Movement of the provision for expected losses to net realizable value

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)		(restated)	
Opening Balance for the Year	(3,868)	-	(3,868)	-
Creation of Provision	-	(3,868)	-	(3,868)
End Balance for the Year	(3,868)	(3,868)	(3,868)	(3,868)

9. Taxes recoverable

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)		(restated)	
COFINS Recoverable (a)	92,282	67,601	87,619	66,778
PIS Recoverable (a)	16,996	18,850	15,545	18,672
Withholding Recoverable	9,687	10,410	2,587	5,650
Income Tax - Corporate	6,948	1,117	6,948	1,117
IPI Recoverable	1,286	850	850	850
	127,199	98,828	113,549	93,067

(a) The Company calculates PIS and COFINS credits on acquisitions of inputs for the production of goods intended for sale. These credits are used from time to time to offset tax liabilities, through administrative processes duly filed before the Federal Revenue of Brazil.

In the fiscal year 2020, the Company posted an increase vis-à-vis the fiscal year of 2019 about 25% in the operations with Special Incentive Scheme for Infrastructure Development - REIDI (Suspension of the requirement of PIS / COFINS). Additionally, the Company recognized credits arising from a favorable final court award for the action claiming the exclusion of ICMS from PIS and COFINS tax base, amounting to BRL 24,588 in 2020 and BRL 9,493 in 2019 (Note 27).

10. Benefit for reinvestment (Individual and Consolidated)

	2020	2019
Legal Reinvestments - SUDAM	5,751	5,603
Total Benefit for Reinvestment	5,751	5,603

The balance of the reinvestment account refers to deposits from previous years accounting for 30% of the tax due (IRPJ), made by the Company in projects to streamline, expand, or complement equipment, with the movement of this account referring to the operation's capitalization.

The Company is required to make the deposit when the investment limit is positive, that is, when the tax due at 15% of the Taxable Income is greater than the deductions.

The Company adopts as a base the tax due to 15% of the Exploration Profit, and in the year 2020 and 2019, it did not post margin for deposits for reinvestment in its activities in the area of operation of SUDAM - Superintendency for the Development of the Amazon, which manages the granting of the benefit. - Decree No. 4212/2002.

The movement of the balances was as follows:

	2020	2019
Opening Balance for the Year	5,603	5,302
Offset/Capitalization	148	301
End Balance for the Year	5,751	5,603

11. Investments (Individual) Movement of investments

The movement of investments in subsidiaries, presented in the parent company's individual financial statements, is as follows:

Subsidiary	2019	Capital Contribution	Equity pickup	2020
	(restated)			
Alubar Coppertec	(1,130)	3,427	(206)	2,091
Alubar Montenegro	14,200	2,836	(4,589)	12,447
Alubar Canada	102,497	124,210	8,867	235,574
Alubar Metals	-	585	(158)	427
	115,567	131,058	3,914	250,539

Summarized financial information

	2020	%	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Owners' Equity	Result
Alubar Coppertec	98,5%		8,168	3,854	8,687	1,250	2,085	(209)
Alubar Montenegro	100,0%		36,282	24,080	47,866	49	12,447	(4,589)
Alubar Canada	100,0%		162,258	169,520	13,282	82,930	235,565	8,867
Alubar Metals	100,0%		711	262	18	520	436	(158)
			207,419	197,716	69,853	84,749	250,533	3,911

	2019	%	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Owners' Equity	Result
Alubar Coppertec	98,5%		8,475	2,158	8,302	3,464	(1,133)	(1,455)
Alubar Montenegro	100,0%		2,495	15,716	2,917	1,094	14,200	-
Alubar Canada	100,0%		39,762	66,623	6	3,882	102,497	(1,102)
Alubar Metals	100,0%		1	-	-	-	1	-
			50,733	84,497	11,225	8,440	115,565	(2,557)

12. Fixed assets

Individual

	Land	Buildings	Improvements	Improvements to Third-party Property	Facilities	Machinery and Equipment	Vehicles	Furniture and Utensils	Computers and Peripherals	Works in progress	Investments in noncurrent assets in progress	Advance for Fixed Assets	Total
Movement of Cost													
Balance on January 1, 2019	-	101,704	1,440	-	5,229	303,651	5,000	2,175	3,256	46,961	103,893	9,221	582,530
Addition (*)	-	-	-	-	5	1,770	170	351	278	54,073	36,087	6,388	99,121
Transfers	969	50,123	-	287	1,979	94,970	117	652	774	(57,667)	(92,205)	-	-
Transfers to Other Asset Groups	-	-	-	-	-	-	-	-	-	-	(4,410)	(13,655)	(18,065)
Write-offs	-	-	-	-	-	(724)	-	(2)	(9)	(592)	(367)	-	(1,694)
Balance on December 31, 2019	969	151,827	1,440	287	7,213	399,667	5,287	3,176	4,299	42,775	42,998	1,954	661,892
Addition (*)	-	43	-	-	4	1,178	251	288	381	5,124	64,661	5,230	77,160
Transfers	-	1,861	-	-	57	68,836	864	146	155	(39,667)	(32,252)	-	-
Transfers to Other Asset Groups	-	-	-	-	-	-	-	-	1	-	(72)	(1,899)	(1,970)
Write-offs	-	-	-	-	(10)	(961)	(96)	-	-	-	(141)	-	(1,208)
Balance on December 31, 2020	969	153,731	1,440	287	7,264	468,720	6,306	3,610	4,836	8,232	75,194	5,285	735,874
Movement of Depreciation													
Balance on January 1, 2019	-	(18,194)	-	-	(2,566)	(109,510)	(2,074)	(1,329)	(1,957)	-	-	-	(135,630)
Depreciation	-	(3,346)	-	-	(200)	(12,851)	(645)	(219)	(297)	-	-	-	(17,558)
Write-offs	-	-	-	-	-	319	-	1	9	-	-	-	329
Balance on December 31, 2019	-	(21,540)	-	-	(2,766)	(122,042)	(2,719)	(1,547)	(2,245)	-	-	-	(152,859)
Depreciation	-	(4,343)	-	-	(338)	(17,980)	(815)	(310)	(461)	-	-	-	(24,246)
Write-offs	-	-	-	-	1	390	38	-	-	-	-	-	429
Balance on December 31, 2020	-	(25,883)	-	-	(3,103)	(139,632)	(3,496)	(1,857)	(2,706)	-	-	-	(176,677)
Residual Book Value													
On December 31, 2019	969	130,287	1,440	287	4,446	277,625	2,568	1,630	2,055	42,775	42,999	1,952	509,033
On December 31, 2020	969	127,848	1,440	287	4,161	329,088	2,810	1,753	2,130	8,232	75,194	5,285	559,196

(*) There is an addition amount that refers to capitalized interest amounting to BRL 6,292 (BRL 15,659 on December 31, 2019) pursuant to the rules of NBC TG 20 (R2) / IAS 23 - Borrowing Costs, as explained in Note 15. Therefore, this amount is adjusted in the presentation of the statements of cash flows for the year.

12. Fixed assets

Consolidated

	Land	Buildings	Improvements	Improvements to Third-party Property	Facilities	Machinery and Equipment	Vehicles	Furniture and Utensils	Computers and Peripherals	Works in progress	Investments in noncurrent assets in progress	Advance for Fixed Assets	Total
Movement of Cost													
Balance on December 31, 2018	-	101,704	1,440	-	5,228	303,651	5,000	2,176	3,256	46,961	105,167	9,222	583,805
Addition (*)	1,532	14,123	-	-	5	39,362	429	350	299	54,073	66,002	6,388	182,563
Transfers	969	50,123	-	287	1,980	94,074	117	679	807	(57,667)	(93,369)	-	-
Transfers to Other Asset Groups	-	-	-	-	-	-	-	-	-	-	(4,495)	(13,656)	(18,151)
Write-offs	-	-	-	-	-	(724)	-	(2)	(9)	(592)	(367)	-	(1,694)
Balance on December 31, 2019	2,501	165,950	1,440	287	7,213	438,363	5,546	3,203	4,353	42,775	72,938	1,954	746,523
Addition (*)	211	2,038	3,572	24	4	33,537	2,947	757	538	5,190	93,535	5,230	147,583
Transfers	4,282	8,542	-	-	268	114,728	2,124	237	349	(39,667)	(90,863)	-	-
Transfers to Other Asset Groups	-	-	-	-	-	(5,559)	-	-	-	-	(642)	(1,897)	(8,098)
Write-offs	-	-	-	-	(10)	(961)	(96)	-	-	-	(141)	-	(1,208)
Balance on December 31, 2020	6,994	176,530	5,012	311	7,475	580,108	10,521	4,197	5,240	8,298	74,827	5,287	884,800
Movement of Depreciation													
Balance on December 31, 2018	-	(18,194)	-	-	(2,566)	(109,510)	(2,074)	(1,329)	(1,957)	-	-	-	(135,630)
Depreciation	-	(3,346)	-	-	(200)	(12,971)	(645)	(223)	(307)	-	-	-	(17,692)
Write-offs	-	-	-	-	-	319	-	1	9	-	-	-	329
Balance on December 31, 2019	-	(21,540)	-	-	(2,766)	(122,162)	(2,719)	(1,551)	(2,255)	-	-	-	(152,993)
Depreciation	-	(5,103)	(113)	-	(348)	(19,648)	(1,062)	(335)	(513)	-	-	-	(27,122)
Write-offs	-	-	-	-	-	390	38	-	-	-	-	-	428
Balance on December 31, 2020	-	(26,643)	(113)	-	(3,114)	(141,420)	(3,743)	(1,886)	(2,768)	-	-	-	(179,687)
Book Value													
On December 31, 2019	2,501	144,410	1,464	287	4,446	309,206	2,827	1,653	2,098	42,775	74,351	1,954	593,530
On December 31, 2020	6,994	149,887	4,899	311	4,361	438,688	6,778	2,311	2,472	8,298	74,827	5,285	705,113

Works in progress (Buildings)

As of December 31, 2020, the amount of BRL 8,232 (BRL 42,775 as of December 31, 2019) for construction in progress refers to the Company's expansion projects underway, in connection with civil buildings and electrical installations.

Investments in noncurrent assets in progress (machinery and equipment)

As of December 31, 2020, the Parent Company's balance of BRL 75,194 (BRL 42,999 on December 31, 2019) corresponding to fixed assets in progress is composed of BRL 8,544 corresponding to the Upcast rolling mill (BRL 8,544 on December 31, 2019), BRL 24,750 owing to the purchase of a new rolling mill (Rolling Mill 4), BRL 15,165 owing to the improvement in rolling mills 1, 2, and 3, BRL 5,423 owing to the purchase of a new two-wire drawing machine and BRL 21,312 (BRL 4,894 as of December 31, 2019) owing to the other equipment. The management's expectation is that the definitive implementation of each of these projects will occur from 2021 onwards.

Impairment analysis

In accordance with the requirements of NBC TG 01 (R4) / IAS 36, the Company performs impairment tests only in relation to non-financial assets with defined useful lives that had indications that they could be devalued. For the Company's impairment tests, the recoverable value of each

cash-generating unit ("CGU") is assessed using Fair Value Less Costs of Disposal ("FVLCD", applying discounted cash flow techniques, being classified at "level 3" in the fair value hierarchy. Cash flows are discounted using an after-tax discount rate, which accounts for an estimate of the rate a market participant would apply taking into account the time value of money and the asset's specific risks. The Company uses its weighted average cost of capital ("WACC") as a starting point to determine discount rates, with adjustments to suit the risk profile of the countries in which the individual CGU operates.

As of December 31, 2020 and 2019, the Company did not identify assets with indications of impairment and, therefore, did not perform impairment tests.

13. Right of use and lease obligations

Grupo Alubar leases land and vehicles to transport employees. Land leases typically last twenty years, and transport vehicles range from one to two years, with an option to renew the lease after this period. Lease payments are adjusted annually to reflect market values.

The land lease was signed in July 1995 and is currently in its third renewal. Vehicle leases are short-term contracts ranging between 1 and 2 years. These agreements are classified as leases in accordance with NBC TG 06 (R3) / IFRS 16.

Information on leases for which Grupo Alubar is the lessee is presented below.

(a) Leases as lessee - Right of use

Right-of-use assets relating to leased properties that do not meet the definition of investment property are presented as use rights in the balance sheet.

	Consolidated		Individual	
	2020	2019	2020	2019
On January 1	13,258	-	13,258	-
Initial adoption of NBC TG 06 (R3) / IFRS 16	-	17,572	-	17,572
Additions to right of use assets	39,063	-	29,407	-
New Agreements	21,539	-	11,883	-
Remeasurements	17,524	-	17,524	-
Amortization expense for the year	(7,702)	(4,314)	(6,767)	(4,314)
On December 31	44,619	13,258	35,898	13,258

(b) Lease obligations

	Consolidated		Individual	
	2020	2019	2020	2019
Liabilities per Lease - Current	8,154	2,603	7,070	2,603
Liabilities per Lease - Noncurrent	38,570	10,655	28,814	10,655
	46,724	13,258	35,884	13,258

Amounts recognized in the statement of cash flows

	Consolidated		Individual	
	2020	2019	2020	2019
Total cash outflows for leases	(6,574)	(4,513)	(7,318)	(4,513)
Interests on Lease	(977)	(199)	(537)	(199)
	(7,551)	(4,712)	(7,855)	(4,712)

14. Suppliers and other accounts payable

Composition of balances

	Consolidated		Individual	
	2020	2019	2020	2019
Suppliers	(restated)	(restated)	(restated)	(restated)
Aluminum Feedstock	117,628	70,942	112,153	65,893
Copper Feedstock	4,375	3,325	4,375	3,325
Freights	11,040	12,549	10,288	12,549
Inputs	7,076	10,946	7,077	10,946
Purchase of machinery and equipment	4,494	2,679	4,494	2,679
Miscellaneous	42,061	11,606	41,017	11,431
Total Suppliers	186,674	112,047	179,404	106,823
Other Accounts Payable				
Forfaiting Operations (a)	31,701	32,161	31,701	32,161
Miscellaneous Creditors	12,030	1,171	11,909	1,171
Total other accounts payable	43,731	33,332	43,610	33,332
Total suppliers and other accounts payable	230,405	145,379	223,014	140,155

(a) Forfaiting Operations:

The Company has agreements with partner banks that make it possible to structure, with its main suppliers, a credit assignment operation usually referred to as forfaiting. In this operation, suppliers transfer the right to receive the securities to the bank, which in turn, becomes the operation's creditor. There is no significant change in the terms originally established with suppliers, however, the Company bears the costs and fees for this transaction.

Concentration

	Consolidated		Individual	
	2020	2019	2020	2019
	(restated)	(restated)	(restated)	(restated)
Largest Supplier (Albras)	96,386	62,092	96,385	62,092
2nd to 11th supplier	90,830	42,764	90,611	32,128
Other	43,189	40,523	36,018	45,935
	230,405	145,379	223,014	140,155

15. Loans and financing

	Consolidated		Individual	
	2020	2019	2020	2019
Collateralized Operations	342,401	295,146	342,401	295,146
Uncollateralized Operations	332,687	222,092	332,396	222,092
Subtotal	675,088	517,238	674,797	517,238
(-) Raising Cost	(4,289)	(2,022)	(4,289)	(2,022)
Total Loans and Financing	670,799	515,216	670,508	515,216
Current	307,856	313,357	307,856	313,357
Noncurrent	362,943	201,859	362,652	201,859

Movement of loans and financing

	Consolidado		Controladora	
	2020	2019	2020	2019
Balance at Beginning of Year	515,216	316,620	515,216	316,620
Fundraising	534,291	407,895	534,000	407,895
Principal + Interest Payments	(483,072)	(242,786)	(483,072)	(242,786)
Charges and Interest Incurred (a)	34,374	36,608	34,374	36,608
Raising Cost	(1,797)	(1,862)	(1,797)	(1,862)
MTM Result Reclassification	3,530	-	3,530	-
Revenue (or expense) from swap	702	-	702	-
Net exchange rate changes	67,555	(1,259)	67,555	(1,259)
	670,799	515,216	670,508	515,216

(a) The amount of charges and interest includes the amount of BRL 6,292 (BRL 15,659 on December 31, 2019), which did not have a corresponding entry in the income for the year since it was capitalized in fixed assets in accordance with the rules of NBC TG 20 (R2) / IAS 23 - Borrowing Costs. Additionally, the amount of BRL 1,195 was transferred to the group of onerous loans (BRL 1,968 in 2019). Therefore, this amount is adjusted in the presentation of the statements of cash flows for the year.

Amortization schedule (with no effect of the breach of covenants in 2019)

	Consolidated		Individual	
	2020	2019	2020	2019
2021	-	124,668	-	124,668
2022	135,019	105,125	134,728	105,125
2023	179,120	14,924	179,120	14,924
2024	24,066	14,924	24,066	14,924
2025	14,843	14,924	14,843	14,924
2026 onwards	9,895	1,641	9,895	1,641
	362,943	276,206	362,652	276,206

Debentures

As of December 31, 2020, the amount of BRL 17,331 (BRL 23,035 as of December 31, 2019) refers to the issuance of convertible debentures, however only 15% of the liability may be convertible into shares. Such amounts are linked to SUDAM projects due on June 15, 2023. The debentures are classified as debt, as the debenture holder does not undertake risks connected to the business, and the conversion of amounts into subscribed shares is limited to up to 15% of the liability amount, provided that going public with the Brazilian Securities Commission - CVM is necessary to enable making such payment. The debentures incur fixed interest on the contracted amount and the payment period is set at 144 months, after the grace period ended on June 15, 2015.

These debenture operations are included in the table in collateralized operations.

Collaterals

In 2020, the Company raised BRL 358,615 with banks, namely: BRL 140,000 from Banco Bradesco, BRL 103,115 from Banco do Brasil, BRL 75,000 from Banco Caixa Econômica, BRL 25,000 from Banco Santander, BRL 10,500 from Citi-Bank, and BRL 5,000 from Banco da Amazônia. There are supply contracts with customers and financial investments to guarantee these loans.

Covenants

The Company has financial and non-financial covenants with banks: Banco do Brasil, Credit Suisse, Santander, BTG Pactual, PINE, Itaú and Caixa Econômica Federal.

On December 31, 2020, the Company fulfilled all financial and non-financial contractual obligations of said agreements.

On the base date pertaining to the financial statements of December 31, 2019, there was an unresolved noncompliance concerning part of non-pecuniary obligations provided for in the loan agreements with the banks: Credit Suisse, Santander and BTG Pactual. In this sense, the respective balances held in noncurrent liabilities pertaining to operations with the said banks, in the amount of BRL 74,347, were reclassified to current liabilities, in compliance with NBC TG 26 (R5) / IAS 1 - Presentation of the Financial Statements.

In accordance with the rules above, reclassification is expected to occur in situations where noncompliance with contractual obligations entitles the creditor to request the Company to make acceleration of payment in the short term. In this context, it should be noted that, throughout 2020, none of the creditors requested the said acceleration of payment and that the Company has been timely settling its debt service obligations, as per the original amortization schedule.

16. Tax obligations

	Consolidated		Individual	
	2020	2019	2020	2019
ICMS	1,272	3,019	1,271	3,005
IPI	9,404	23,085	9,163	23,085
IRRF	40	75	36	70
ISS	311	119	305	118
IOF	-	73	-	73
PIS Import	144	-	144	-
COFINS Import	661	-	661	-
CIDE Import	400	-	400	-
Taxes on Canada Sales	4,650	-	-	-
Subtotal Taxes Payable	16,882	26,371	11,980	26,351
IRPJ in Installments	7,183	4,636	7,183	4,636
REFIS in Installments	-	253	-	253
IPI in Installments	23,496	23,963	23,496	23,963
CSLL in Installments	14,105	10,286	14,105	10,286
ICMS in Installments	2,732	-	2,732	-
INSS in Installments	3,919	6,190	3,919	6,190
IOF in Installments	294	-	294	-
Fine Import in Installments	293	-	293	-
Subtotal Installments	52,022	45,328	52,022	45,328
INSS Third Party	393	362	383	265
PIS/COFINS/CSLL	88	98	83	97
Union Contribution	-	8	-	8
Subtotal Contributions Payable	481	468	466	370
Total Tax Obligations	69,385	72,167	64,468	72,049
Current	28,290	35,967	23,373	35,849
Noncurrent	41,095	36,200	41,095	36,200

17. Provision for contingencies
(Individual and Consolidated)

The Company is a party, whether as plaintiff or defendant, in legal and administrative procedures before government agencies. Provisions are created for all contingencies pertaining to legal procedures for which it is probable that an outflow of funds will be made to settle the contingency/obligation and a reasonable estimate can be made.

The assessment of the likelihood of loss includes the assessment of the available evidence, the hierarchy of laws, the available caselaw, the most recent court awards and their relevance in the legal system, as well as the assessment of outside counsels. Management, supported by the opinion of its legal counsels and, accordingly, based on specific opinions issued by specialists, assesses the expected outcome of procedures in progress, and determines the need or not to create a provision for contingencies in accordance with the assessment of probability of losing the respective procedures.

The Company has procedures in progress, involving causes with probable risk of loss, as presented below:

	2020	2019
		(restated)
Tax	290	290
Civil	2,487	2,487
Labor	408	653
	3,185	3,430

Movement of contingencies

	2020	2019
		(restated)
Balance at Beginning of Year	3,430	186
Complement of Provision	74	3,274
Payments	(319)	(30)
Balance at the end of the year	3,185	3,430

Below is the amount of tax and civil processes, assessed by the Company's legal counsel as a possible probable loss and the respective clarifications:

	2020	2019
Tax	6,528	6,934
Civil	131	10
Labor	-	57
	6,659	7,001

Tax

As of December 31, 2020, the procedures in the tax realm valuated as possible losses refer to the Notices of Assessments and Notices of Violation directly questioned by the Company. Currently, they are in progress, accompanied before the respective revenue offices, either at the federal or state level, as detailed below:

(i) IPI - RFB - DRF Recife - assessment of possible loss amounting to BRL 2,768, in a process in July 2015, the tax authorities notified the Company for understanding that the return invoices issued are allegedly in noncompliance with the laws. The process is currently at CARF, after being processed by DRF.

(ii) Single fine of PERDCOMPs - RFB - DRF São Paulo - assessment of possible loss amounting to BRL 3,761, process of November 2017, in which tax authorities notified the assessment of a single fine of 50% on DCOMPs. Currently a process under analysis at the DRJ (Trial Offices - Federal Revenue Service).

Environmental

There are long-standing environmental procedures involving several other companies, in which the Company is jointly and severally liable. The possible responsibilities have not been individualized. Consequently, at the current stage, it is not possible to accurately indicate the amount of the loss in isolation, which may or may not be imputed to the Company.

18. Dividends payable (Individual and Consolidated)

Following is the movement of dividends payable by the Company:

	2020	2019
		(restated)
Balance at Beginning of Year	12,177	16,883
Distribution of Additional Dividends	-	9,600
Dividends Paid	(12,025)	(14,306)
Minimum Mandatory Dividends (Note 22.d)	31,749	-
Total Dividends Payable	31,901	12,177

19. Financial instruments

(a) Management of financial risks

Overview

Financial and economic risks mainly reflect the behavior of macroeconomic variables, such as aluminum prices, exchange and interest rates, as well as the characteristics of the financial instruments used by the Company and its subsidiaries. These risks are managed by way of follow-up by senior management that actively acts in its operational management.

The Company and its subsidiaries have the practice of conservatively managing existing risks, which is mainly targeted at preserving the value and liquidity of financial assets and ensuring financial resources for smooth conduct of business. The main financial risks considered by senior management are:

- Market Risk; and
- Interest Rate Risk;
- Liquidity Risk; and
- Credit risk.

This note states information on the exposure to the above risk, its objectives, policies, and processes for measuring and managing risks and the capital of the Company and its subsidiaries.

Risk Management Framework

The Board of Directors has overall responsibility for establishing and supervising the risk management structure of the Company and its subsidiaries.

The risk management policies of the Company and its subsidiaries are established to spot and analyze the risks to which the Company and its subsidiaries are exposed, to define risk limits and appropriate controls, and to monitor risks and adherence to set limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the activities of the Company and its subsidiaries. The Company and its subsidiaries, through its training and management rules and procedures, seek to maintain an environment of discipline and control in which all employees are aware of their duties and obligations.

Market risk

It arises from the possibility of market prices to fluctuate, and in the specific case of the Company and its subsidiaries, the risk concerns aluminum, both for the domestic and foreign markets, plus the variation in exchange rates, interest rates and prices of feedstock used in the production process, as well as other inputs used.

Management follows up the market and its fluctuations, especially the external market for the price of aluminum on a permanent basis. In order to minimize this risk, the Company and its subsidiaries seek to anticipate market movements, using commodity price protections as the main mechanism. In this context, in order to protect its clients from any sudden changes in the prices of billed materials, the Company and its subsidiaries follow the assumption of using Hedge - SWAP, thus basing all protection management in exchanges regularly authorized for this purpose. The protection is used for the purchase of the metal that is used in the production of its products.

Exchange rate risk

It arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company and its subsidiaries, mainly stemming from the contracting of financial instruments.

The hedging instruments used to manage the exposures (Hedge - SWAP) are established by management, so that they are not speculative or able to impose any additional risk.

Foreign Currency Exposure

As of December 31, 2020 and 2019, the Company and its subsidiaries have operations related to suppliers, loans and derivatives with exposure to foreign currency risk.

Exposure to Exchange Rate Risk

A summary of the exposure to foreign exchange risk of the Company and its subsidiaries, as reported to management, is presented below:

	Individual			
	2020		2019	
	USD	BRL	USD	BRL
Assets				
Derivatives	16,056	83,428	119	477
Foreign Cash Currency	1	7	-	-
Accounts Receivable	-	-	88	354
Total	16,057	83,435	207	831
Liabilities				
Derivatives	(3,443)	(17,889)	(49,944)	(200,916)
Loans and Financing	(51,409)	(267,109)	(27,200)	(109,647)
Suppliers	(2,296)	(11,929)	(931)	(3,753)
Total	(57,148)	(296,927)	(77,144)	(314,316)
Net foreign exchange exposure	(41,091)	(213,492)	(76,937)	(313,485)

04. Financial Statements.



Consolidated				
	2020		2019	
Assets	USD	BRL	USD	BRL
Derivatives	16,056	83,428	119	477
Foreign Cash Currency	1	7	-	-
Accounts Receivable	29,930	122,107	88	354
Total	45,987	205,542	207	831
Liabilities				
Derivatives	(3,443)	(17,889)	(49,944)	(200,916)
Loans and Financing	(51,409)	(265,498)	(27,200)	(109,647)
Suppliers	(3,383)	(17,579)	(931)	(3,753)
Total	(58,235)	(300,966)	(77,144)	(314,316)
Net foreign exchange exposure	(12,248)	(95,424)	(76,937)	(313,485)

Individual					
	2020				
	Likely Scenario USD	Potential Scenario USD (+25%)	Unlikely Scenario USD (+50%)	Potential Scenario USD (-25%)	Unlikely Scenario USD (-50%)
Exchange Rate (BRL/USD)	5.20	5.20	5.20	5.20	5.20
Exchange Rates per Scenarios	5.20	6.50	7.79	3.90	2.60
Loans in USD	265,498	265,498	265,498	265,498	265,498
Effect on Result					
As per effective rate of 5.20%	1,627	1,627	1,627	(1,627)	(1,627)
- According to stress scenario	-	68,409	135,190	(65,154)	(131,935)
Net Effect on Result	-	66,782	133,563	(66,781)	(133,562)

Consolidated					
	2020				
	Likely Scenario USD	Potential Scenario USD (+25%)	Unlikely Scenario USD (+50%)	Potential Scenario USD (-25%)	Unlikely Scenario USD (-50%)
Exchange Rate (BRL/USD)	5.20	5.20	5.20	5.20	5.20
Exchange Rates per Scenarios	5.20	6.50	7.79	3.90	2.60
Loans in USD	265,498	265,498	265,498	265,498	265,498
Effect on Result					
As per effective rate of 5.20%	1,627	1,627	1,627	(1,627)	(1,627)
- According to stress scenario	-	68,409	135,190	(65,154)	(131,935)
Net Effect on Result	-	66,782	133,563	(66,781)	(133,562)

Individual					
	2019				
	Likely Scenario USD	Potential Scenario USD (+25%)	Unlikely Scenario USD (+50%)	Potential Scenario USD (-25%)	Unlikely Scenario USD (-50%)
Exchange Rate (BRL/USD)	4.09	4.09	4.09	4.09	4.09
Exchange Rates per Scenarios	4.09	5.11	6.14	3.07	2.05
Loans in USD	109,647	109,647	109,647	109,647	109,647
Effect on Result					
As per effective rate of 4.09%	1,621	1,621	1,621	(1,621)	(1,621)
- According to stress scenario	-	29,211	56,820	(26,008)	(53,618)
Net Effect on Result	-	27,590	55,199	(27,629)	(55,239)

Consolidated					
	2019				
	Likely Scenario USD	Potential Scenario USD (+25%)	Unlikely Scenario USD (+50%)	Potential Scenario USD (-25%)	Unlikely Scenario USD (-50%)
Exchange Rate (BRL/USD)	4.09	4.09	4.09	4.09	4.09
Exchange Rates per Scenarios	4.09	5.11	6.14	3.07	2.05
Loans in USD	109,647	109,647	109,647	109,647	109,647
Effect on Result					
As per effective rate of 4.09%	1,621	1,621	1,621	(1,621)	(1,621)
- According to stress scenario	-	29,211	56,820	(26,008)	(53,618)
Net Effect on Result	-	27,590	55,199	(27,629)	(55,239)

Interest rate risk

It arises from the possibility of the Company incurring gains or losses arising from fluctuations in interest rates on its financial assets and liabilities.

In order to mitigate this risk, the Company seeks to diversify long-term fundraising, with pre-fixed or post-fixed rates backed by CDI, so that any results arising from the volatility of these indexes have little or no significant impact.

The book value of financial assets and liabilities that account for the maximum exposure to interest rate risk on the date of the individual and consolidated financial statements was:

	Notes	Consolidated		Individual	
		2020	2019	2020	2019
Cash and Cash Equivalents	5	29,723	101,891	22,850	64,468
Financial Investments	6	34,429	24,854	34,429	24,854
Loans and Financing	15	(212,561)	(213,911)	(212,561)	(213,911)
Total		(148,409)	(87,166)	(155,282)	(124,589)

Cash flow sensitivity analysis for variable rate instruments

With regard to the most relevant interest rate risk, the Company, based on external research with financial institutions, established that CDI rate on December 31, 2021 will be 5.25 % p.a. in a Probable Scenario. (2020: 4.5% p.a.) and TJLP of 4.53% p.a (2020: 5.57% p.a.) The Company carried out a sensitivity analysis of the effects on its results arising from an increase in the CDI and TJLP rates at 25% in connection with the possible scenario, and 50% in connection with the remote scenario, as well as two more scenarios to demonstrate the reverse effects with a reduction of 25% and 50%, considered as Possible and Remote, respectively. The CDI rate generally follows the SELIC rate change.

The Company's operations are indexed to floating rates, with floating rates based on TJLP and CDI. Therefore, management typically understands that any fluctuation in interest rates would not have any significant impact on the Company's results, as shown below:

Consolidated and Individual					
	2020				
	Likely Scenario CDI	Potential Scenario CDI	Unlikely Scenario CDI	Potential Scenario CDI	Unlikely Scenario CDI
		(+25%)	(+50%)	(-25%)	(-50%)
Effective Rates of CDI	5.25%	5.25%	5.25%	5.25%	5.25%
CDI rates as per scenarios	6.80%	6.56%	7.88%	3.94%	2.63%
Loans with variable interest	212,561	212,561	212,561	212,561	212,561
Effect on Result					
- As per effective rate of 4.50% p.a.	11,159	11,159	11,159	11,159	11,159
- According to stress scenario	-	13,949	16,739	8,370	5,580
Net Effect on Result	-	2,790	5,580	2,790	5,580

Consolidated and Individual					
	2019				
	Likely Scenario CDI	Potential Scenario CDI	Unlikely Scenario CDI	Potential Scenario CDI	Unlikely Scenario CDI
		(+25%)	(+50%)	(-25%)	(-50%)
Effective Rates of CDI	4.50%	4.50%	4.50%	4.50%	4.50%
CDI rates as per scenarios	4.50%	5.63%	6.75%	3.38%	2.25%
Loans with variable interest	213,911	213,911	213,911	213,911	213,911
Effect on Result					
- As per effective rate of 4.50% p.a.	9,626	9,626	9,626	9,626	9,626
- According to stress scenario	-	12,043	14,439	7,230	4,813
Net Effect on Result	-	2,417	4,813	(2,396)	(4,813)

Consolidated and Individual					
	2020				
	Likely Scenario TJLP	Potential Scenario TJLP	Unlikely Scenario TJLP	Potential Scenario TJLP	Unlikely Scenario TJLP
		(+25%)	(+50%)	(-25%)	(-50%)
Effective Rates of TJLPI	4.53%	4.53%	4.53%	4.53%	4.53%
TJLP rates as per scenarios	4.53%	5.66%	6.80%	3.40%	2.27%
Loans with TJLP variable interest	16,152	16,152	16,152	16,152	16,152
Effect on Result					
- As per effective rate of 5.57% p.a.	732	732	732	732	732
- According to stress scenario	-	915	1,098	549	366
Net Effect on Result	-	183	366	(183)	(366)
CDI + TJLP Effect	-	2,973	5,946	(2,973)	(5,946)

Consolidated and Individual					
	2019				
	Likely Scenario TJLP	Potential Scenario TJLP	Unlikely Scenario TJLP	Potential Scenario TJLP	Unlikely Scenario TJLP
		(+25%)	(+50%)	(-25%)	(-50%)
Effective Rates of TJLPI	5.57%	5.57%	5.57%	5.57%	5.57%
TJLP rates as per scenarios	5.57%	6.96%	8.36%	4.18%	2.79%
Loans with TJLP variable interest	23,035	23,035	23,035	23,035	23,035
Effect on Result					
- As per effective rate of 5.57% p.a.	1,283	1,283	1,283	1,283	1,283
- According to stress scenario	-	1,603	1,926	963	640
Net Effect on Result	-	320	643	(320)	(640)
CDI + TJLP Effect	-	2,737	5,456	(2,716)	(5,453)

Credit risk

Credit risk is the risk that the Company and its subsidiaries will incur financial losses if a client or the other contracting party in a financial instrument fails to comply with its contractual obligations. This risk is mainly due to trade accounts receivable and financial instruments of the Company and its subsidiaries, with the book value accounting for the maximum credit exposure.

The exposure of the Company and its subsidiaries to credit risk is mainly influenced by the individual characteristics of each client. However, management also considers factors that may influence the credit risk of its client portfolio, including the industry's default risk. Details on the concentration of accounts receivable are in Note 7.

The credit risk management of the Company and its subsidiaries is carried out through the execution of a physical/financial schedule, in which the inflows of funds from clients are consistent with the production schedule, so that the cash flow pertaining to each period is in surplus, and with constant follow-up of receipts and the production process of the entire open client portfolio. Additionally, the Company and its subsidiaries seek to maintain a diversified client portfolio, as well as concentrate their sales to relevant customers.

In general, the direction of business is dealt with in committee meetings for decision making. The results and adaptations of the established strategies are followed up in order to maintain the expected results.

Assessment of expected credit loss for customers (accounts receivable)

The Company and its subsidiaries adopt NBC TG 48 / IFRS 9, with significant impacts regarding the use of all reasonable information pertaining to past events, current conditions, and business conditions, such as risk indicators and macroeconomic variations in the analyzes with the purpose of evaluating the expectation of future losses, relating to the base of accounts receivable.

The criteria established for measuring the provision for impairment of accounts receivable are as follows:

- **Stage 1:** When the credits are overdue, however they are being received or have a history of default, under negotiation/agreement with a good probability of recovery:
- **Group A:** Large contracts, for which there is a good record of compliance with contractual conditions and payment schedule, for which there are customers with an average default of up to 43 days. As concerns the customers classified in this class, and thus under this situation, the Company and its subsidiaries understand that there is no risk of loss, therefore, there is no provision for impairment.
- **Group B:** Customers with overdue securities over 180 days and installment agreements and/or debt confession. For customers in this situation, the provision for impairment ranges from 1% to 20%, according to the expected receipt, based on financial analysis, as well as the effectiveness of individual collection measures of each client.

- **Group C:** Customers with credits under judicial collection, as long as there is no success in the direct agreement with the client. For customers in this situation, the provision for impairment ranges from 21% to 50%, according to the expected receipt, based on financial analysis, as well as the effectiveness of individual collection measures of each client.
- **Stage 2:** When the credits are overdue over more than 180 days, they have already been renegotiated, however, they have remained in default, and no likelihood of recovery is considered. Additionally, customers that are undergoing court-supervised reorganization. In this situation, a provision of 100% of the existing balance in accounts receivable is recorded as a reduction to the recoverable amount.

Based on the criteria above, the Company and its subsidiaries concluded on the provision for impairment of accounts receivable on December 31, 2019 as shown in Note 7.

As of December 31, 2020 and 2019, the management, grounded on its credit risk assessment, understands that creating a provision for losses on the realization of accounts receivable still undue, since the risk is minimized because of the receipt of prepayments upon the signing of the supply contract and because historically there has been no significant default, according to low rates compared to the evolution of the Company's revenue.

To protect itself from the risk of default by customers, the company uses systems and processes to check the quality and ability to pay. These systems and processes include, without limitation, the following functions:

- Outsourced decision-making tools (Credit analysis software);
- Active management of the existing client portfolio;
- Active management of receipt processes; and
- Monitoring of credit risk.

We show below the book value of the financial assets that represent the maximum exposure to credit risk on the date of the financial statements:

	Notes	Consolidated		Individual	
		2020	2019	2020	2019
Cash and Cash Equivalents (a)	5	29,723	101,891	22,850	64,468
Financial Investments (a)	6	34,429	24,854	34,429	24,854
Derivatives (b)	19	83,428	477	83,428	477
Advance to Suppliers		59,269	19,184	55,347	19,181
Accounts Receivable	7	344,955	194,840	260,347	197,607
Related Parties	20	2,145	3,638	21,522	12,078
Total		553,949	344,884	477,923	318,665

(a) Cash and cash equivalents, as well as financial investments, are maintained in banks and financial institutions that are rated between AA- and AA+, based on the rating of Moody's agency.

(b) Derivatives are contracted with banks and financial institutions that are rated between AA- and AA+, based on the rating of Moody's agency. The Company makes bank deposits to cover risks with operations on the stock exchange (Hedge - SWAP).

The balances presented in cash and cash equivalents are concentrated in six financial institutions. The Company and its subsidiaries have loan and financing operations with these institutions whose outstanding balance on that date was significantly higher than the balances maintained.

In general, management understands that there is no significant credit risk to which the Company and its subsidiaries are exposed, considering the characteristics of the other parties, levels of concentration and the relevance of the amounts in relation to sales.

Securities

The policy of the Company and its subsidiaries is to provide financial guarantees for obligations to customers. As of December 31, 2020, the Company and its subsidiaries had issued BRL 24,823 of Surety Bond and BRL 356,529 of Performance Bond (BRL 174,488 on December 31, 2019).

Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries may undergo difficulties fulfilling the obligations connected to their financial liabilities that are settled with payments in cash or with another financial asset.

The approach of the Company and its subsidiaries in managing liquidity risk is to guarantee the payment of their obligations, which is why it aims to maintain cash availability to meet short-term obligations, making sure that there is always sufficient liquidity to fulfill their obligations still undue, both under normal and stress conditions, without causing unacceptable losses or implying the risk of damaging the reputation of the Company and its subsidiaries.

The Company and its subsidiaries work to align availability and generation of resources in order to fulfill their obligations within the agreed terms.

Following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of currency trading agreements by net position.

	Individual				
	2020				
	Book Value	Until 1 year	1 - 2 Year	2 - 5 Year	More than 5 years
Liabilities					
Loans and Financing	(670.508)	(307.856)	(134.728)	(218.029)	(9.895)
Suppliers and Other Accounts Payable	(223.014)	(223.014)	-	-	-
Total	(893.522)	(530.870)	(134.728)	(218.029)	(9.895)

Individual					
2019					
	Book Value	Until 1 year	1 - 2 Year	2 - 5 Year	More than 5 years
Liabilities					
Loans and Financing	(515,216)	(313,357)	(50,321)	(149,897)	(1,641)
Suppliers and Other Accounts Payable	(145,379)	(145,379)	-	-	-
Total	(660,595)	(458,736)	(50,321)	(149,897)	(1,641)

Consolidated					
2020					
	Book Value	Until 1 year	1 - 2 Year	2 - 5 Year	More than 5 years
Liabilities					
Loans and Financing	(670,799)	(307,856)	(135,019)	(218,029)	(9,895)
Suppliers and Other Accounts Payable	(230,405)	(230,405)	-	-	-
Total	(901,204)	(538,261)	(135,019)	(218,029)	(9,895)

2019					
	Book Value	Until 1 year	1 - 2 Year	2 - 5 Year	More than 5 years
Liabilities					
Loans and Financing	(515,216)	(222,814)	(50,321)	(149,897)	(1,641)
Suppliers and Other Accounts Payable	(129,906)	(129,906)	-	-	-
Total	(645,122)	(352,720)	(50,321)	(149,897)	(1,641)

It is not expected that cash flows included in the Company's maturity analysis may occur significantly earlier or in significantly different amounts.

Derivatives

The Company carries out operations on the stock exchange (Hedge - SWAP), aiming to guarantee any negative results. As of December 31, 2020, current and noncurrent assets are recorded at BRL 64,118 and BRL 19,310 respectively (in 2019, current and noncurrent assets are recorded at BRL 0 and BRL 477), respectively. Current and noncurrent liabilities are recorded at BRL 17,889 and BRL 0 (in 2019, current and noncurrent liabilities are recorded at BRL 154,747 and BRL 46,169), respectively. All derivative transactions are of operational origin, aiming to protect future aluminum purchase contracts, and that MTM was recorded at fair value (on an accrual basis).

Capital Structure Risk

It results from the choice between equity capital (capital contributions and retained earnings) and third party capital that the Company uses to finance its operations. In order to mitigate liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the levels of indebtedness in accordance with market standards and proportionally evaluate indebtedness against equity.



(b) Category of fair value of financial instruments

The estimated fair values of the financial assets and liabilities of the Company and its subsidiaries were ascertained using information available in the market and appropriate valuation methodologies. However, considerable judgment was required in interpreting market data to estimate the most appropriate realizable value. As a consequence, the following estimates do not necessarily indicate the amounts that may be realized in the current exchange market. The use of different market methodologies can have a material effect on the estimated realizable values.

04. Financial Statements.

The accounting balances and market values of the financial instruments included in the balance sheet as of December 31, 2020 and 2019 are identified as follows:

Assets	Category of Financial Instruments NBC TG 48 / IFRS 9	Individual			
		2020		2019	
		Book	Market	Book	Market
Cash and Cash Equivalents	FVTPL	22,850	22,850	64,468	64,468
Financial Investment	FVTPL	34,429	34,429	24,854	24,854
Accounts Receivable	Amortized Cost	260,347	260,347	197,607	197,607
Related Parties	Amortized Cost	21,522	21,522	12,078	12,078
Derivatives	FVTPL	80,000	80,000	477	477
Derivatives	FVOCI	3,428	3,428	-	-
Total Assets		422,576	422,576	299,484	299,484

Liabilities	Category of Financial Instruments NBC TG 48 / IFRS 9	Individual			
		2020		2019	
		Book	Market	Book	Market
Suppliers and Other Accounts Payable	Amortized Cost	223,014	223,014	140,155	140,155
Lease Liabilities	Amortized Cost	35,884	35,884	13,258	13,258
Derivatives	FVTPL	7,629	7,629	191,271	191,271
Derivatives	FVOCI	10,260	10,260	9,645	9,645
Loans and Financing	Amortized Cost	670,508	670,508	515,216	515,216
Total Liabilities		947,295	947,295	869,545	869,545

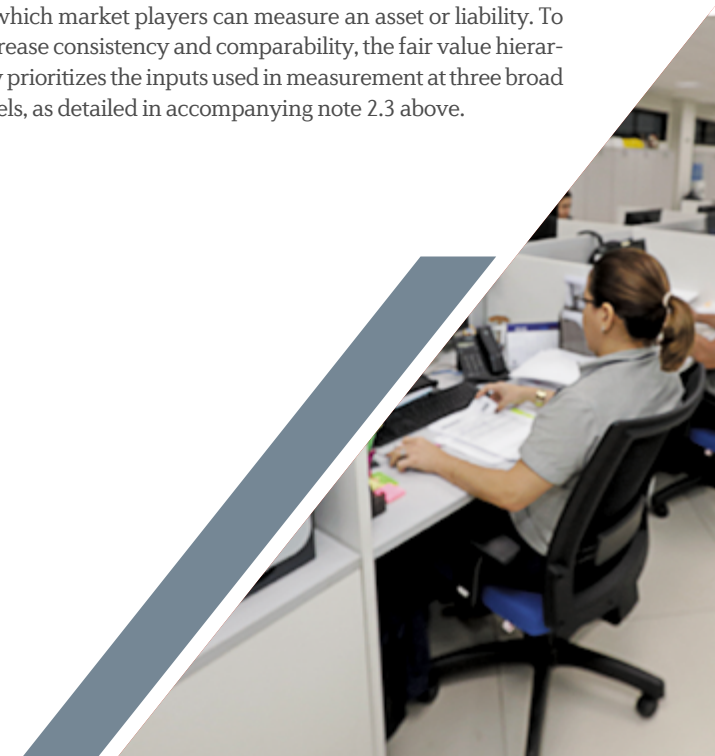
Assets	Category of Financial Instruments NBC TG 48 / IFRS 9	Consolidated			
		2020		2019	
		Book	Market	Book	Market
Cash and Cash Equivalents	FVTPL	29,723	29,723	101,891	101,891
Financial Investment	FVTPL	34,429	34,429	24,854	24,854
Accounts Receivable	Amortized Cost	344,955	344,955	194,840	194,840
Related Parties	Amortized Cost	2,145	2,145	3,638	3,638
Derivatives	FVOCI	80,000	80,000	477	477
Derivatives	FVTPL	3,428	3,428	40,850	40,850
Total Assets		494,680	494,680	366,550	366,550

Passivo	Category of Financial Instruments NBC TG 48 / IFRS 9	Consolidated			
		2020		2019	
		Book	Market	Book	Market
Suppliers and Other Accounts Payable	Amortized Cost	230.405	230.405	145.379	145.379
Lease Liabilities	Amortized Cost	46.724	46.724	13.258	13.258
Derivatives	FVTPL	7.629	7.629	191.271	191.271
Derivatives	FVOCI	10.261	10.261	9.645	9.645
Loans and Financing		670.799	670.799	515.216	515.216
Total Liabilities		965.818	965.818	874.769	874.769

The table above does not include differences on the fair value of financial assets and liabilities, since the book value is a reasonable approximation of the fair value.

(c) Fair value hierarchy

Fair value is measured at market value based on assumptions in which market players can measure an asset or liability. To increase consistency and comparability, the fair value hierarchy prioritizes the inputs used in measurement at three broad levels, as detailed in accompanying note 2.3 above.



	Individual			
	Fair Value on December 31, 2020			
	Balance in 2020	Active Market - Quoted Price (Level 1)	Without Market Assets - Evaluation Technique (Level 2)	Without Market Assets - Stock Exchange Membership (Level 3)
Assets				
Cash and Cash Equivalent	22,850	22,850	-	-
Financial Investments	34,429	34,429	-	-
Accounts Receivable	260,347	-	260,347	-
Related Parties	21,522	-	21,522	-
Derivatives	83,428	83,428	-	-
Liabilities				
Suppliers and Other Accounts Payable	223,014	-	223,014	-
Liabilities per Lease	35,884	-	35,884	-
Derivatives	17,889	17,889	-	-
Loans and Financing	670,509	-	670,509	-

	Individual			
	Fair Value on December 31, 2019			
	Balance in 2019	Active Market - Quoted Price (Level 1)	Without Market Assets - Evaluation Technique (Level 2)	Without Market Assets - Stock Exchange Membership (Level 3)
Assets				
Cash and Cash Equivalent	64,468	64,468	-	-
Financial Investments	24,854	24,854	-	-
Accounts Receivable	201,199	-	201,199	-
Related Parties	12,178	-	12,178	-
Derivatives	40,850	40,850	-	-
Liabilities				
Suppliers	124,682	-	124,682	-
Liabilities per Lease	13,258	-	13,258	-
Derivatives	176	176	-	-
Loans and Financing	515,216	-	515,216	-

	Consolidated			
	Fair Value on December 31, 2020			
	Balance in 2020	Active Market - Quoted Price (Level 1)	Without Market Assets - Evaluation Technique (Level 2)	Without Market Assets - Stock Exchange Membership (Level 3)
Assets				
Cash and Cash Equivalent	29.723	29.723	-	-
Financial Investments	34.429	34.429	-	-
Accounts Receivable	344.955	-	344.955	-
Related Parties	2.145	-	2.145	-
Derivatives	83.428	83.428	-	-
Liabilities				
Suppliers	230.405	-	230.405	-
Liabilities per Lease	46.724	-	46.724	-
Derivatives	17.889	17.889	-	-
Loans and Financing	670.799	-	670.799	-

04. Financial Statements.



	Consolidated		
	Fair Value on December 31, 2019		
	Balance in 2019	Active Market - Quoted Price (Level 1)	Without Market Assets - Stock Exchange Membership (Level 3)
Assets			
Cash and Cash Equivalent	101,891	101,891	-
Financial Investments	24,854	24,854	-
Accounts Receivable	198,432	-	198,432
Related Parties	3,638	-	3,638
Derivatives	40,850	40,850	-
Liabilities			
Suppliers	129,906	-	129,906
Liabilities per Lease	13,258	-	13,258
Derivatives	176	176	-
Loans and Financing	515,216	-	515,216

20. Related parties

All balances with related parties are valued based on their historical value costs and should be settled according to the specific definition. None of the balances are guaranteed or updated.

	Consolidated		Individual	
	2020	2019	2020	2019
Accounts Receivable – Assets (Note 7)				
Alubar Coppertec	-	-	8,562	8,152
Alubar Montenegro	-	-	45,485	2,727
Alubar Global Management	-	-	66	-
Alubar Metaux	-	-	81	-
	-	-	54,194	10,879
Loan - Assets				
Advance to Shareholders	-	2,260	-	2,010
Advance to Officers	760	1,378	400	1,377
Alubar Coppertec	-	-	1,250	3,464
Alubar Energia	200	-	200	251
Alubar Montenegro	-	-	47	1,094
Alubar Metaux	-	-	18,205	3,882
Alubar Miami	-	-	235	-
Alubar Global Management	1,185	-	1,185	-
	2,145	3,638	21,522	12,078
Total Assets				
	2,145	3,638	75,716	22,957
Loan - Liabilities - Classified as Loans				
Alubar Energia	-	5,743	-	5,743
Loans to Shareholders	6	-	6	-
	6	5,743	6	5,743
Total Liabilities				
	6	5,743	6	5,743
Result				
Sale of Parent's Goods to Alubar Coppertec	5,583	3,206	5,583	3,206
Sale of Parent's Goods to Alubar Montenegro	50,504	2,426	50,504	2,426
Sale of Parent's Goods to Alubar Energia	-	425	-	425
Sale of Fixed Assets	-	(99)	-	(99)
Total Result	56,087	5,958	56,087	5,958

Compensation of key management personnel

As for the amounts paid to the legal entity belonging to officers, there are no outstanding balances at the end of the year and the amount paid over year 2020 totals BRL 3,302 (BRL 1,895 in 2019) referring to the provision of advisory and business management services.

21. Advance to customers

	Consolidated		Individual	
	2020	2019	2020	2019
Largest customer	29,986	12,832	29,795	12,832
Other customers	73,847	83,960	73,817	83,960
	103,833	96,792	103,612	96,792

The Company adopts the policy of receiving advances from customers, on account of supply contracts already executed. In this case, such values contribute to avoid a major capital commitment for the supplies in question. Part of the balance presented to the largest client is earmarked for meeting credit limits in stock exchange operations. Contracts are individually valued, but in general advances are equivalent to 10%. The advance balance has no inflation adjustments.

The objective is to protect the values and quantities of aluminum formally allocated to the operation. Of the total amount of advances, 58% are concentrated in the EKT (50%) and Transmission EDP (8%) customers.

22. Shareholders' equity

a. Capital

Divided into common shares valued at BRL 1.00 (One Brazilian Real) each and is shown below:

	2020 and 2019		
	Shares	Value	
Shareholders			
Aluminum Investment S.A.	85,416,243	85,416	98,06%
Minority shareholders	1,697,950	1,698	1,94%
	87,114,193	87,114	100%

Common shareholders are entitled to receiving dividends as defined in the Company's Articles of Incorporation. Common shares are entitled to one vote per share in the Company's resolutions.

b. Appropriated retained earnings

The Company maintains profit reserves to cover capital increase, profit distribution, possible noncompliance with contractual clauses of loans in progress, loss absorption, among others.

c. Legal reserve

It is recorded at the rate of 5% of the net income ascertained in each year under the terms of Article 193 of Law 6404/76, up to the limit of 20% of the capital.

d. Dividends to distribute

The Company's Articles of Incorporation provide for the distribution of a mandatory minimum dividend of 25% of the income for the year, adjusted in accordance with the law.

Additionally, according to the Articles of Incorporation, the Board of Directors is in charge of resolving on the payment of interest on owners' equity and intermediate dividends. Dividends payable were separated from owners' equity at the end of the year, and recorded as an obligation under liabilities.

	Individual	
	2020	2019
		(restated)
Income for the year	170,111	(48,422)
(-) Legal Reserve	(8,506)	-
(-) Tax Incentives	(34,611)	-
Tax Base	126,994	(48,422)
Minimum Mandatory Dividend (25%)	31,749	-



04. Financial Statements.



23. Net revenue

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Gross revenue	2,543,196	1,656,239	2,068,627	1,654,885
(-) Deductions				
ICMS	(254,998)	(187,193)	(241,800)	(186,964)
ICMS Subsidy (Note 4.4)	228,805	175,551	228,805	175,551
IPI	(163,225)	(120,637)	(155,485)	(120,721)
PIS	(6,847)	(4,695)	(6,507)	(4,693)
COFINS	(31,536)	(21,622)	(29,973)	(21,615)
Returns/cancellations of sales	(54,785)	(69,349)	(53,706)	(69,124)
Total Deductions	(282,586)	(227,945)	(258,666)	(227,566)
Total Net Operating Revenue	2,260,610	1,428,294	1,809,961	1,427,319

24. Cost of products sold

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Raw materials	(1,602,435)	(920,529)	(1,239,993)	(919,773)
Fuel and Lubes	(37,568)	(32,853)	(33,970)	(32,853)
Packaging Material	(62,733)	(51,369)	(59,458)	(51,351)
Third-party Services	(24,625)	(17,478)	(19,533)	(17,321)
Storage	(5,803)	-	(5,803)	-
Personnel	(79,831)	(56,362)	(61,465)	(56,362)
Depreciation and Amortization	(19,272)	(12,776)	(17,391)	(12,656)
Other Costs	(40,156)	(21,975)	(22,217)	(21,764)
	(1,872,423)	(1,113,342)	(1,459,830)	(1,112,080)

25. Sales expenses

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Personnel	(6,271)	(4,830)	(5,371)	(4,828)
Materials	(44)	(49)	(44)	(47)
Third-party Services	(396)	(832)	(361)	(802)
Freight on Sales	(54,194)	(52,338)	(52,675)	(52,001)
Sales Fee	(6,396)	(7,004)	(6,122)	(7,004)
Insurances	(3,780)	(3,325)	(3,780)	(3,304)
Provision for doubtful debtors	(300)	(4,271)	-	(4,271)
Depreciation and Amortization	(236)	(52)	(222)	(53)
Other Sales Expenses	(721)	(1,001)	(697)	(989)
	(72,338)	(73,702)	(69,272)	(73,299)

26. General and administrative expenses

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Personnel	(64,782)	(26,160)	(33,256)	(25,705)
Materials	(1,869)	(1,631)	(1,738)	(1,627)
Third-party Services	(18,849)	(15,084)	(17,735)	(14,638)
Trips and Accommodation	(1,975)	(2,477)	(1,961)	(2,465)
Storage	-	(3,701)	-	(3,701)
Insurances	(617)	(666)	(615)	(666)
Sponsorships for culture and sports	(2,067)	(2,702)	(2,067)	(2,702)
Depreciation and Amortization	(3,623)	(2,302)	(3,562)	(2,287)
Civil Contingencies	-	(2,487)	-	(2,487)
Other Expenses	(3,976)	(5,355)	(3,914)	(5,330)
	(97,758)	(62,565)	(64,848)	(61,608)

27. Other operating income (expenses)

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Credit Red Base Lawsuit PIS / COFINS	24,588	9,494	24,588	9,494
Recovery of Expenses	3,338	407	3,338	503
Other net revenues (or expenses)	8,641	(6,735)	967	(6,965)
	36,567	3,166	28,893	3,032

28. Finance income (costs)

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Finance income				
Other Interests Receivable	13,130	1,111	6,280	815
Discounts Earned	160	356	160	356
Revenue from Financial Investments	961	1,045	961	1,045
Revenue from Swap	3,874	-	3,874	-
Monetary Gain / Foreign Exchange Revenue	85,123	7,966	85,123	7,966
Total Finance income	103,248	10,478	96,398	10,182
Finance costs				
Interest Expense on Financial Liabilities	(35,181)	(28,844)	(19,061)	(27,521)
Interest/lines on loans and financing	(33,513)	(18,298)	(33,513)	(18,298)
Monetary Loss / Foreign Exchange Loss	(77,806)	(8,673)	(77,806)	(8,673)
Discounts Given	(4,673)	(6,608)	(4,673)	(6,608)
Expenses with Swap	(7,164)	(177,216)	(7,164)	(177,216)
Banking Expenses	(6,262)	(3,937)	(6,262)	(3,937)
Total Finance costs	(164,599)	(243,576)	(148,479)	(242,253)
Financial income	(61,351)	(233,098)	(52,081)	(232,071)



29. Income tax and social contribution

The Company has provisioned, as taxes on the income for the year, the following amounts, including considering the result of the exploration profit:

	Consolidated		Individual	
	2020	2019	2020	2019
		(restated)		(restated)
Income Tax				
Profit before IRPJ and CSLL	193,308	(51,247)	196,737	(51,242)
Addition:				
Social Responsibility	523	673	523	673
Law 12973 Addition Depreciation	1,811	1,811	1,811	1,811
Other Additions	10,172	189,280	6,520	189,265
Total Addition	12,506	191,764	8,854	191,749
Exclusions:				
Difference in tax and accounting depreciation (useful life)	(23,904)	(16,708)	(23,681)	(16,698)
Other Exclusions	(9,420)	-	(9,420)	-
Total Exclusions	(33,324)	(16,708)	(33,101)	(16,698)
Base for IRPJ and CSLL	172,490	123,809	172,490	123,809
IRPJ 15%	25,873	18,571	25,873	18,571
Premium of 10%	17,225	12,357	17,225	12,357
(-) PAT	(997)	(743)	(997)	(743)
1 - Total IRPJ	42,101	30,185	42,101	30,185
2 - IRPJ Subsidized Reduction (75%)	(34,611)	(24,282)	(34,611)	(24,282)
3 - (-) Offsets	(288)	(97)	(288)	(97)
4 - IRPJ Payable (1-2-3)	7,202	5,806	7,202	5,806
5 - Reinvest. Calculation 30% (BASA Deposit)	-	-	-	-
6 - Value Payable - Internal Revenue Service (4-5)	7,202	5,806	7,202	5,806
Total Payable	7,202	5,806	7,202	5,806

Social Contribution				
1 - CSLL Provision – 9%	15,524	11,143	15,524	11,143
2 - Offsets	-	-	-	-
3 - Amount Payable (1-2)	15,524	11,143	15,524	11,143
Subtotal Provision for IRPJ and CSLL	57,625	41,328	57,625	41,328
Total 75% Subsidy Reduction	(34,611)	(24,282)	(34,611)	(24,282)
IRPJ and CSLL for the year	23,014	17,046	23,014	17,046
Total Offsets	184	(19,866)	3,612	(19,866)
Total IRPJ and CSLL	23,198	(2,820)	26,626	(2,820)

Federal tax incentive - Income tax rate reduction - Exploration profit

The Company operates under an annual taxable income scheme and has a tax incentive concerning the reduction of the Income Tax rate of 75% on the operating profits resulting from its main activities (exploration profit).

This tax incentive is recognized directly in the income statement, and the income tax amount is presented net, that is, the total amount less the incentive warranted. In 2020, the Company received BRL 34,611 (BRL 29,505 in 2019) from this type of tax incentive.

Deferred income tax and social contribution

The deferred income tax and social contribution balances are shown below:

	Individual			
	2020		2019	
	Income Tax	Social Contribution	Income Tax	Social Contribution
			(restated)	
Temporary Differences in Assets:				
Provision for impairment loss	-	-	224	323
Provision for Contingencies	-	-	155	224
Provision for Inventory Losses	-	-	242	348
Effect of the Adoption of NBC TG 48	2,594	3,734	12,557	18,082
Total Temporary Differences in Assets	2,594	3,734	13,178	18,977
Temporary Differences in Liabilities:				
Effect of the Adoption of NBC TG 06 (R3)	(1,480)	(2,131)	(1,642)	(2,361)
Effect of the Adoption of NBC TG 48	(16,795)	(24,184)	-	-
Total Temporary Differences in Liabilities	(18,275)	(26,315)	(1,642)	(2,361)
Net Amount	(15,681)	(22,581)	11,536	16,616

30. (Basic and Diluted) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the Company's shareholders by the weighted average number of common shares outstanding during the year.

The calculation of net income per share for years ending December 31, 2020 and 2019 is stated as follows:

	2020	2019
		(restated)
Net Income	170,111	(48,422)
Number of Shares (Note 22)	87,114,193	87,114,193
Earnings (or losses) per share - basic and diluted - BRL	1.95	(0.56)

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, to assume the conversion of all potential common shares with dilutive effects. As of December 31, 2020 and 2019, the Company has no stock options as a category of common shares with dilutive effects.

31. Information per industry

Assessment of information per segment

Due to the concentration of its activities, substantially, in the production of electric wires and cables, the Group is organized and managed in a single business unit. The diverse mix of products and solutions that include bare aluminum power conductors, multiplexed and covered cables, bare and copper-coated wires and cables, as well as aluminum and alloy rods to serve the market for electrical and steel purposes, is not controlled and managed by the management as independent segments, with the Group's results being followed up, monitored, and evaluated in an integrated manner, as a single segment.

32. Pension plan

Accounting policy

The Company, through its foreign subsidiary Alubar Canada, participates in pension plans, managed by a closed private pension corporation, which provide its unionized employees with post-employment benefits.

The liability with respect to defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows, using interest rates consistent with market yields, which are denominated in the currency in which the benefits will be paid and have maturity dates close to those of the respective pension plan obligation.

The discount rate as of December 31, 2020 was determined in accordance with the revised educational note entitled "Establishment of the assumption for the accounting discount rate for pension plans and post-employment benefits" issued by the Canadian Institute of Actuaries on December 15, 2020, and using the "Fiera ICA Capital Accounting Discount Rate Curve" on December 31, 2020.

Gains and losses arising from changes in the actuarial assumptions and pension plan are recognized in "Equity Valuation Adjustments," in the period in which they occur.

Contributions are recognized as an employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available.

As of December 31, 2020, the Company had BRL 42,110 referring to the fair value of the defined plan assets as the lowest between: (a) the surplus in the defined benefit plan; and (b) the asset ceiling, ascertained by applying the discount rate. Additionally, the Company also had BRL 54,977 relating to the present value of the actuarial obligations, recorded in noncurrent liabilities.



05. Credits



BOARD OF DIRECTORS

José Maria Barale
Fernando Nakazato
Ricardo Figueiredo

EXECUTIVE BOARD

Maurício Gouvea dos Santos

INDUSTRIAL DIRECTOR

André Kishi

ECONOMIC-FINANCE PLANNING DIRECTOR

Fábio Camargo

FINANCE DIRECTOR

Thais Porto

LATIN AMERICA COMMERCIAL DIRECTOR

Maurício Machado

NORTH AMERICA COMMERCIAL DIRECTOR

Giuseppe Bellezza

CORPORATE AFFAIRS DIRECTOR

Otávio Ribeiro

AUDIT AND COMPLIANCE DIRECTOR

André Cruz

ADMINISTRATIVE DIRECTOR

Paulo Resque

GENERAL COORDINATION AND DRAFT

Communications Management

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We would like to thank the support and cooperation of Alubar personnel and managers for providing the information required to prepare this report.

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Banco de Imágenes Alubar

TYPEFACE FAMILIES

Avenir LT Std
Diverda Serif Com
Microsoft YaHey
VAG Rounded Std

PUBLICATION

December 1, 2020

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