

# 2Q22

## SUMMARY REPORT

**VOTORANTIM**

# A message from the CEO

We continued to deal with **multiple complex factors that affect our businesses** and that are likely to carry on in the coming quarters. Geopolitical tensions, high inflation and its impact on consumer confidence (particularly for us in Brazil and the US), the uncertainty about how high rates have to go and the quantitative tightening and their effects on liquidity, combined with the war in Ukraine and its harmful effect on global energy and food prices are having negative consequences on the global economy. **We are prepared for whatever happens and will continue to execute on our strategy** even in the toughest of times.

In this context, Votorantim performed well in the quarter, as we earned **R\$1.7 billion in net income, net revenues of R\$13.7 billion** and **EBITDA of R\$3.4 billion**, with solid results across our various companies, while maintaining **our investment discipline and a fortress consolidated balance sheet**.

We had our **long-term ratings reaffirmed by Moody's and Fitch**, maintaining our position as one of the few Brazilian companies (and the only non-listed company) with **investment grade rating** by the three main rating agencies.

In terms of our **portfolio evolution**, we continue to advance with **initiatives aligned with our long-term capital allocation strategy**. Some key examples:

- At **Nexa**, the company started the ramp-up phase of its flagship **Aripuanã project**, a large-scale polymetallic mine located in Brazil.
- At **CBA**, the company **successfully concluded a R\$904 million follow-on offering** of secondary shares held by Votorantim. The objective of the transaction was to increase the company's free float, comply with the Novo Mercado requirements set at the time of the IPO in 2021 and provide additional liquidity to the market. Following this transaction, Votorantim still holds a 67.9% controlling stake in the company.

- We announced the **acquisition of an additional stake in CCR** for R\$1.3 billion and expect to close this transaction during the third quarter. CCR is **Brazil's premier infrastructure platform**, with an extensive presence in toll roads, urban mobility and airports. Upon closing and adding to Votorantim's current stake, our total investment will amount to approx. R\$2.5 billion for 10.3% stake in CCR, and we will be part of a shareholder's agreement with other long-term investors in support of the company's strategy.

- We also announced a **strategic partnership with Temasek to explore new investment opportunities in growth capital** in various sectors of the Brazilian economy. By the terms of the agreement, Votorantim and Temasek will be partners in a new investment fund, in which both parties have committed to invest up to US\$700 million (approx. R\$3.6 billion). In the context of the new fund, Votorantim and the Temasek investment team in Brazil are also creating a **new investment platform called 23S Capital**, whose investment mandate will focus on themes associated with secular trends taking place in Brazil and globally, with an emphasis on new business models and technologies across various sectors. This strategy will position 23S Capital as a long-term partner to companies and entrepreneurs in Brazil and should provide additional investment opportunities for Votorantim.

Once again, we delivered **solid results** in the second quarter as our **businesses remain resilient** in these challenging markets, our **management teams are focused** on their long-term strategy, and we continue to **safely advance with our portfolio transformation** initiatives. Despite increased volatility and uncertainty, we remain confident in our ability to navigate the environment, dynamically manage our portfolio of companies and investments, and **drive long-term returns to our shareholders**.



**João H. Schmidt**  
CEO



# Profile

**Votorantim is a permanently capitalized investment holding company**, with a **long-term investment approach** that seeks to deliver **superior financial returns** allied with **positive social and environmental impacts**.








With **104 years**, its portfolio companies operate in various industries: building materials, finance, aluminum, clean and renewable energy, metals and mining, orange juice, long steel, real estate and infrastructure.

## Portfolio overview

### Core holdings

Companies	Ownership	Highlights	2Q22 Metrics
	100%	<ul style="list-style-type: none"> <li>One of the largest global cement companies, operating in 11 countries. It is the largest cement player in Brazil.</li> <li>Strong increase of 16% in net revenues due to favorable price dynamics and the additional volume resulting from acquisitions completed during 2021, which partially offsets the impact on margins from higher costs.</li> <li>Voto 41's Cash Tender Offer of USD 221.8 million, aligned with its liability management strategy.</li> <li>VC's Investment Grade rating reaffirmed by Moody's and Fitch with stable outlook.</li> </ul>	<p>Net revenues: R\$6.7 bn</p> <p>Adjusted EBITDA: R\$1.3 bn</p>
		<p><a href="http://ri.votorantimcimentos.com.br/en">ri.votorantimcimentos.com.br/en</a></p>	<p>Full consolidation</p>
	50%	<ul style="list-style-type: none"> <li>Banco BV is the 5th largest privately held bank in Brazil, with a leading position in auto finance and a fast-growing digital banking business.</li> <li>BV is advancing consistently in its diversification strategy, highlighting segments such as solar panel financing, credit cards, SMEs, car equity loan and banking as a service.</li> <li>Moreover, BV continues to advance quickly in the digital banking business, reaching 3.1 million clients by the end of the 2Q22, an increase of 15% vs. 1Q22.</li> </ul>	<p>Net income: R\$412 m</p> <p>ROE: 13.9%</p>
		<p><a href="http://ri.bv.com.br/en">ri.bv.com.br/en</a></p>	<p>Equity method</p>



# Portfolio overview

Companies	Ownership	Highlights	2Q22 Metrics
 	68%	<ul style="list-style-type: none"> <li>CBA is the only vertically integrated aluminum producer in Brazil, from mining to finished products.</li> <li>In April, CBA concluded a R\$904 million follow-on offering of secondary shares owned by Votorantim S.A., with the objective of improving liquidity and complying with Novo Mercado free float requirements.</li> <li>CBA's emissions reduction target approved by Science-Based targets initiative (SBTi). The company also joined the Climate Ambition Accelerator program by UN Global Compact.</li> </ul>	<p>Net revenues: R\$2.3 bn</p> <p>Adjusted EBITDA<sup>(1)</sup>: R\$664 m</p> <p><small>(1) Disregards MtM of energy contracts of the 1H22</small></p>
		<a href="http://ri.cba.com.br/en/">ri.cba.com.br/en/</a>	Full consolidation
 	38%	<ul style="list-style-type: none"> <li>One of the largest renewable energy platforms in Brazil. It operates with a clean matrix and one of the largest installed capacities in the country.</li> <li>Acquisition of a minority stake in Aquarela Advanced Analytics, a reference in data science, with expected synergies with Auren's energy trading business</li> <li>Auren continues to advance the implementation of Ventos do Piauí II/III 400 MW wind farm.</li> </ul>	<p>Net revenues: R\$1.3 bn</p> <p>Adjusted EBITDA: R\$424 m</p>
		<a href="http://ri.aurenenergia.com.br/en">ri.aurenenergia.com.br/en</a>	Equity method
 	65%	<ul style="list-style-type: none"> <li>Nexa is a top 5 zinc producer globally, with mines and smelters located in Peru and in Brazil.</li> <li>Nexa is currently ramping-up the Aripuanã Project, a world-class polymetallic mine in Mato Grosso, Brazil. Aripuanã is one of the largest zinc projects under execution globally.</li> </ul>	<p>Net revenues: US\$829 m</p> <p>Adjusted EBITDA: US\$286 m</p>
		<a href="http://ri.nexaresources.com">ri.nexaresources.com</a>	Full consolidation
	50%	<ul style="list-style-type: none"> <li>Citrosuco is the world's largest orange juice producer, operating from a highly competitive asset base in Brazil and with full logistics integration.</li> <li>Continuous liability management during the quarter, resulting in lower financial leverage.</li> </ul>	<p>Net revenues: US\$406 m</p> <p>EBITDA: US\$58 m</p>
		<a href="http://citrosuco.com">citrosuco.com</a>	Equity method

# Portfolio overview

Companies	Ownership	Highlights	2Q22 Metrics
	100%	<ul style="list-style-type: none"> <li>Acerbrag has more than 50 years of history manufacturing high-quality long steel products in Argentina.</li> <li>During 2Q22, Acerbrag reached record sales volume, with focus in operational stability and cost control approach.</li> </ul>	<p>Net revenues: R\$561 m</p> <p>Adjusted EBITDA: R\$193 m</p>
		<p><a href="http://acerbrag.com">acerbrag.com</a></p>	<p>Full consolidation</p>
	100%	<ul style="list-style-type: none"> <li>Altre was created to leverage Votorantim's real estate capabilities and unlock value through actively managed urban development projects and state-of-the-art commercial properties.</li> <li>During 2Q22, Altre continued to make progress in its strategy. As an example, one of its key urban development projects – Vivalegro – already sold 77% of its inventory.</li> <li>The company continues to prospect for real estate investment opportunities in Brazil and North America.</li> </ul>	
		<p><a href="http://altre.com.br/en/home-en">altre.com.br/en/home-en</a></p>	<p>Full consolidation</p>

## Investments

Company	Ownership	Company	Ownership
 <p>CCRO B3 LISTED NM</p> <p><a href="http://en.grupoccr.com.br">en.grupoccr.com.br</a></p>	5.8%	 <p>SUZ LISTED NYSE</p> <p>SUZB B3 LISTED NM</p> <p><a href="http://suzano.com.br/en">suzano.com.br/en</a></p>	1.9%

# 2Q22 Highlights

## Strategic

- **Acquisition of CCR shares:** Votorantim announced the acquisition of an additional stake in CCR S.A. for R\$1.3 billion. Closing of the transaction is subject to customary precedent conditions. Votorantim will hold approximately 10.3% of CCR's capital and will be part of a shareholders' agreement alongside Itaúsa and CCR's current controlling shareholders.
- **Partnership with Temasek and creation of 23S Capital:** Votorantim and Temasek announced a strategic partnership to explore investment opportunities in growth capital in various sectors of the Brazilian economy. By the terms of the agreement, Votorantim and Temasek will be partners in a new investment fund, in which both parties have committed to invest up to US\$700 million (approx. R\$3.6 billion). In the context of the new fund, Votorantim and the Temasek investment team in Brazil created a new investment platform called 23S Capital, which is founded upon an entrepreneurial DNA shared by both Votorantim and Temasek.
- **CBA follow-on offering:** CBA successfully concluded a R\$ 904 million follow on offering of secondary shares held by Votorantim S.A. The objective of the transaction was to increase the company's free float, comply with the Novo Mercado requirements set at the time of the IPO in 2021 and provide additional liquidity to the market. Following the transaction, Votorantim remains with a 67.9% stake in the company.
- **Votorantim Cimentos debt tender offer:** Votorantim Cimentos repurchased an aggregate principal amount, including premium, of US\$222 million of its 7.25% Senior Notes due in 2041. Following this transaction, the outstanding amount is US\$351 million. As Votorantim S.A. is a guarantor of this debt, the tender offer reduced its exposure to cross guarantees.
- **Aripuanã ramp-up:** Nexa started the ramp-up activities at the Aripuanã world-class polymetallic mine. Aripuanã will be a benchmark asset with nearly 100% of water recirculation and the use of dry stacking and cemented paste backfill for the waste material. As the world transitions to a low-carbon economy, Aripuanã will add to Nexa's continuing role in supporting clean energy technologies and infrastructure development.
- **Votorantim S.A. credit ratings:** During the quarter Fitch Ratings and Moody's reaffirmed Votorantim's investment grade ratings, with a stable outlook. Current long-term rating by Moody's is Baa3 and BBB- by Fitch and S&P.

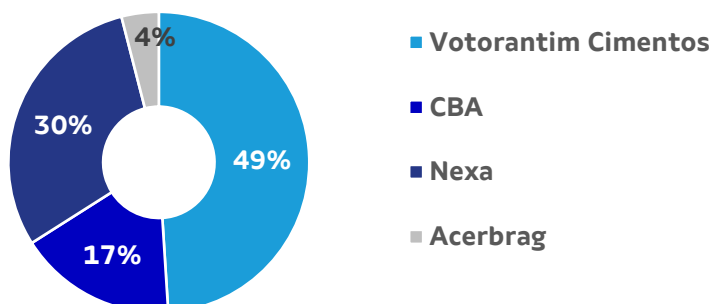
## ESG

- CBA was the first aluminum company in the world to have carbon emission reduction targets validated by the Science Based Targets Initiative (SBTi). The CBA's strategy goal is to reduce CO2e emissions by 40% (on average for cast products, cradle-to-gate), from a 2019 baseline.
- Reservas Votorantim and CBA advanced in the project that will allow the commercialization of 300,000 tons of carbon credits, with a new international methodology.
- Banco BV, Nexa and Citrosuco released their 2021 annual report, which includes the companies' ESG and decarbonization strategies. Access the annual reports below:
  - [ri.bv.com.br/en](https://ri.bv.com.br/en)
  - [ri.nexaresources.com](https://ri.nexaresources.com)
  - [citrosuco.com](https://citrosuco.com)
- Legado das Águas, the largest private reserve of Atlantic Forest in Brazil, managed by Reservas Votorantim, released its 2021 annual report:
  - [legadodasaguas.com.br/relatorios/](https://legadodasaguas.com.br/relatorios/)

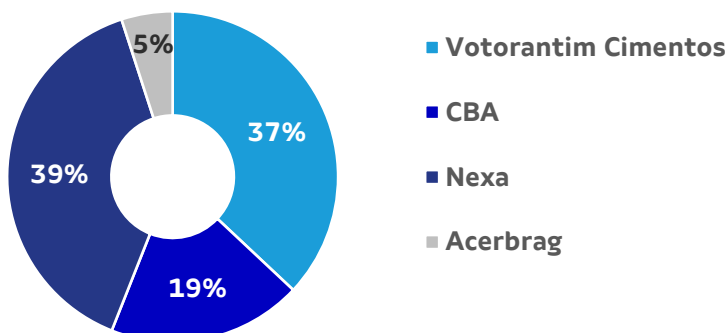
# Financial

- All portfolio companies reported higher net revenues due to positive price dynamics in cement, zinc, aluminum, and steel. Despite production costs pressure, Nexa, CBA, and Acerbrag delivered higher adjusted EBITDA compared with 2Q21.
- Consolidated net revenues reached R\$13.7 billion, 12% higher than in 2Q21.
- Consolidated adjusted EBITDA totaled R\$3.4 billion, flat when compared to 2Q21.
- Consolidated net income reached R\$1.7 billion, 26% lower than in 2Q21.
- Gross debt totaled R\$24 billion, 4% lower than in December 2021. Cash, cash equivalents and financial investments totaled R\$15.5 billion, of which 63% is denominated in USD.
- Net debt was R\$9.9 billion and financial leverage, measured by the net debt/adjusted EBITDA ratio, was 0.89x.

## Net revenues by company (2Q22)



## Adjusted EBITDA by company (2Q22)



# Exhibit I – Consolidated balance sheet

6/30/2022<sup>(1)</sup> 12/31/2021

R\$ Million

## Assets

### Current assets

Cash and cash equivalents	12,298	13,680
Financial investments	3,380	3,132
Derivative financial instruments	4,938	4,810
Trade receivables	3,772	3,679
Inventory	8,369	7,167
Taxes recoverable	2,034	2,709
Dividends receivable	111	305
Electric power futures contracts		845
Other assets	915	944
	35,817	37,271
Assets classified as held-for-sale	7	1,281
	<b>35,824</b>	<b>38,552</b>

### Non-current assets

Long-term receivables		
Financial instruments - shares	2,864	2,801
Derivative financial instruments	822	847
Taxes recoverable	2,037	2,033
Related parties	256	225
Deferred income tax and social contribution	2,989	2,696
Judicial deposits	258	214
Electric power futures contracts		2,962
Securitization of receivables	427	211
Other assets	759	705
	<b>10,412</b>	<b>12,694</b>
Investments	16,178	13,691
Advance for investment property	58	58
Property, plant and equipment	34,427	35,078
Intangible assets	15,009	16,703
Right to use assets arising from leases	1,316	1,492
Biological assets	88	90
	<b>77,488</b>	<b>79,806</b>
<b>Total assets</b>	<b>113,312</b>	<b>118,358</b>

## Liabilities and equity

### Current assets

Borrowing	588	603
Derivative financial instruments	407	556
Financial instruments – offtake agreement	13	
Lease liabilities	333	330
Confirming payables	3,159	3,405
Trade payables	6,762	6,914
Salaries and payroll charges	1,110	1,377
Taxes payable	1,134	1,627
Advances from clients	138	188
Dividends payable	225	1,624
Use of public assets - UBP	141	175
Financial instruments - firm commitment	79	800
Deferred revenue - silver streaming	172	185
Other liabilities	1,159	1,529
	<b>15,420</b>	<b>19,313</b>
Liabilities related to assets held-for-sale		1,163
	<b>15,420</b>	<b>20,476</b>

### Non-current assets

Borrowing	23,416	24,401
Derivative financial instruments	613	526
Financial instruments – offtake agreement	183	
Lease liabilities	1,090	1,221
Deferred income tax and social contribution	4,506	3,824
Related parties	126	75
Provision	3,607	3,751
Use of public assets - UBP	1,822	1,692
Pension plan and post-employment health care benefits	529	563
Financial instruments - firm commitment	77	3,063
Deferred revenue - silver streaming	530	637
Other liabilities	788	841
	<b>37,287</b>	<b>40,594</b>

### Total liabilities

**52,707** **61,070**

## Equity

Share capital	28,656	28,656
Revenues reserves	15,825	14,741
Retained earnings	2,614	
Carrying value adjustments	5,135	6,517
Total equity attributable to owners of the company	<b>52,230</b>	<b>49,914</b>
Non controlling interests	8,375	7,374
<b>Total equity</b>	<b>60,605</b>	<b>57,288</b>
<b>Total liabilities and equity</b>	<b>113,312</b>	<b>118,358</b>

(1) Considers Votorantim Cimentos, Nexa, CBA, Altre, Acerbrag and holding Auren, Citrusuco and banco BV are recognized under the equity method.



# Exhibit II – Consolidated income statement

R\$ Million	2Q22 <sup>1</sup>	2Q21
<b>Continuing operations</b>		
Net revenues from products sold and services rendered	13,695	12,243
Cost of products sold, and services rendered	(10,115)	(9,077)
<b>Gross profit</b>	<b>3,580</b>	<b>3,166</b>
<b>Operating expenses (income)</b>		
Selling	(281)	(226)
General and administrative	(648)	(635)
Other operating income (expenses), net	109	394
	<b>(817)</b>	<b>(467)</b>
<b>Operating profit (loss) before equity results and finance results</b>	<b>2,763</b>	<b>2,699</b>
<b>Result from equity investments</b>		
Equity in the results of investees	139	369
	<b>139</b>	<b>369</b>
<b>Finance results, net</b>		
Finance income	414	105
Finance costs	(930)	(703)
Result of derivative financial instruments	(22)	212
Foreign exchange losses, net	(295)	505
	<b>(833)</b>	<b>119</b>
<b>Profit (loss) before income tax and social contribution</b>	<b>2,069</b>	<b>3,187</b>
<b>Income tax and social contribution</b>		
Current	(511)	(483)
Deferred	122	(437)
<b>Profit (loss) for the period from continuing operations</b>	<b>1,680</b>	<b>2,267</b>
<b>Discontinued operations</b>		
Profit (loss) for the period from discontinued operations		7
<b>Profit (loss) for the period attributable to the owners</b>	<b>1,680</b>	<b>2,274</b>
Profit (loss) attributable to the owners of the Company	1,169	1,941
Profit (loss) attributable to non-controlling interests	511	333
<b>Profit (loss) for the period</b>	<b>1,680</b>	<b>2,274</b>

(1) Considers Votorantim Cimentos, Nexa, CBA, Altre, Acerbrag and holding. Auren, Citrosuco and banco BV are recognized under the equity method.

# Exhibit III – Consolidated cash flow

	2Q22 <sup>1</sup>	2Q21
R\$ Million		
<b>Cash flow from operating activities</b>		
Profit (loss) before income tax and social contribution	2,069	3,186
Profit (loss) on discontinued operations		7
<b>Adjustments of items that do not represent changes in cash and cash equivalents</b>		
Depreciation, amortization and depletion	926	877
Depreciation, amortization and depletion – discontinued operations		64
Equity in the results of investees	(139)	(369)
Interest, indexation and foreign exchange variations	668	(1,213)
Provisions (reversal) for the impairment of fixed and intangible assets	(155)	13
Gain (loss) on sale of fixed and intangible assets, net	(45)	(43)
Adjustment to fair value of loans and financing	(70)	18
Constitution (reversal) of provision, net	109	233
Derivative financial instruments	(32)	1,001
Derivative financial instruments – Offtake agreement	(145)	
Electric power future contracts	25	(225)
Gain (loss) on financial instrument – put option		(215)
Gain (loss) on purchase of investee		(236)
Loss on debt renegotiation		3
	<b>3,211</b>	<b>3,101</b>
<b>Decrease (increase) in assets</b>		
Financial investments	145	(249)
Derivative financial instruments	(6)	(211)
Trade accounts receivable	339	(1,004)
Inventory	(446)	(504)
Taxes to recover	(41)	171
Related parties	(6)	33
Judicial deposits	(41)	(5)
Other accounts receivable and other assets	(608)	3
<b>Increase (decrease) in liabilities</b>		
Trade payables	118	556
Salaries and social charges	162	179
Use of public assets	27	(20)
Taxes payable	(196)	(4)
Advances from customers	(6)	50
Confirming payables	(105)	
Other obligations and other liabilities	(261)	308
<b>Cash provided by (used in) operating activities</b>	<b>2,245</b>	<b>2,404</b>
Interest paid on borrowing and use of public assets	(437)	(391)
Income tax and social contribution paid	(191)	(146)
<b>Net cash provided by (used in) operating activities</b>	<b>1,617</b>	<b>1,867</b>
<b>Cash flow from investment activities</b>		
Proceeds from disposals of fixed and intangible assets	153	47
Sale of financial instruments – shares	(33)	
Dividends received	257	87
Acquisitions of property, plant and equipment	(1,070)	(1,111)
Advance for acquisition of investment properties	904	
Increase in biological assets	(4)	(4)
Acquisition of investments		191
Goodwill paid on the acquisition of investments		
Acquisition of intangible assets	(122)	(61)
<b>Net cash used in investment activities</b>	<b>85</b>	<b>(851)</b>
<b>Cash flow from financing activities</b>		
New borrowing	2,658	1,355
Repayment of borrowing	(2,182)	(2,239)
Repayment of leasing contracts	(65)	(135)
Derivative financial instruments	28	(2)
Dividends paid	(105)	(16)
<b>Net cash used in investment activities</b>	<b>334</b>	<b>(1,037)</b>
<b>Increase/Decrease in cash and cash equivalents</b>	<b>2,036</b>	<b>(21)</b>
Effect of companies excluded from consolidation		31
Effect of fluctuations in exchange rates	732	(984)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,530</b>	<b>11,686</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,298</b>	<b>10,712</b>

(1) Considers Votorantim Cimentos, Nexa, CBA, Altre, Acerbrag and holding Auren, Citrosuco and banco BV are recognized under the equity method.

# Exhibit IV – Consolidated income statement (by business unit)

2Q22	Votorantim Cimentos	Nexa Resources	CBA	Acerbrag	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
R\$ Million										
<b>Continuing operations</b>										
Net revenues from products sold and services rendered	6,700	4,078	2,331	561	28	(3)	13,695			13,695
Cost of products sold, and services rendered	(5,353)	(2,735)	(1,669)	(350)	(11)	3	(10,115)			(10,115)
<b>Gross profit</b>	<b>1,347</b>	<b>1,343</b>	<b>662</b>	<b>211</b>	<b>17</b>		<b>3,580</b>			<b>3,580</b>
<b>Operating income (expenses)</b>										
Selling	(213)	(50)	(12)	(6)			(281)			(281)
General and administrative	(282)	(145)	(113)	(15)	(91)		(643)	(2)		(645)
Other operating income (expenses), net	43	30	152	(3)	(113)		109			109
	(452)	(165)	27	(24)	(204)		(815)	(2)		(817)
<b>Operating profit (loss) before equity results and finance results</b>	<b>895</b>	<b>1,178</b>	<b>689</b>	<b>187</b>	<b>(187)</b>		<b>2,765</b>	<b>(2)</b>		<b>2,763</b>
<b>Result from equity investments</b>										
Equity in the results of investees	9		(15)		1,253	(1,138)	109	139	(109)	139
<b>Finance results, net</b>										
Finance income	172	60	90	6	81		409	5		414
Finance costs	(518)	(216)	(161)	(9)	(18)		(922)	(8)		(930)
Results of derivative financial instruments	5	2	(29)				(22)			(22)
Foreign exchange gains (losses), net	(95)	(209)	(29)	(3)	41		(295)			(295)
	(436)	(363)	(129)	(6)	104		(830)	(3)		(833)
<b>Profit (loss) before income tax and social contribution</b>	<b>468</b>	<b>815</b>	<b>545</b>	<b>181</b>	<b>1,170</b>	<b>(1,138)</b>	<b>2,044</b>	<b>134</b>	<b>(109)</b>	<b>2,069</b>
<b>Income tax and social contribution</b>										
Current	(11)	(308)	(113)	(52)	(2)		(486)	(25)		(511)
Deferred	(93)	133	78		2		120	2		122
<b>Profit (loss) for the period from continuing operations</b>	<b>364</b>	<b>640</b>	<b>510</b>	<b>129</b>	<b>1,170</b>	<b>(1,138)</b>	<b>1,678</b>	<b>111</b>	<b>(109)</b>	<b>1,680</b>
Profit (loss) attributable to the owners of the Company	303	595	489	81	1,170	(1,474)	1,167	110	(108)	1,169
Profit (loss) attributable to non-controlling interests	61	45	21	48		336	511	1	(1)	511
<b>Profit (loss) for the period</b>	<b>364</b>	<b>640</b>	<b>510</b>	<b>129</b>	<b>1,170</b>	<b>(1,138)</b>	<b>1,678</b>	<b>111</b>	<b>(109)</b>	<b>1,680</b>