HIGHEST ESG SCORE FOR THE THIRD CONSECUTIVE YEAR#

ADITYA BIRLA

HINDALCO

HINDALCO INDUSTRIES LIMITED

SUBSIDIARY ANNUAL REPORT **2022-23**

PART II - OVERSEAS SUBSIDIARIES

Notes:

**	AV Metals Inc. merged on September 1, 2022*

***	Novelis (India) Infotech Limited dissolved on September 23, 2022*

****	Aleris Aluminum UK Limited is under Liquidation and hence no report.*

*****	Novelis Ventures LLC was formed on May 20, 2022*

Novelis Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2021	Fiscal year ended March 31, 2021
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ending March 31, 2024
GAAP	Generally Accepted Accounting Principles
kt	kilotonne (One kt is 1,000 metric tonnes.)
LME	The London Metals Exchange
LMP	Local market premium
PUs	Performance units
RSUs	Restricted stock units
SARs	Stock appreciation rights
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Inc. and certify that the information included therein accurately reflects the financial position of Novelis Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Inc.	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
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Novelis Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
Net sales		
– third parties	148	130
– related parties	570	552
Total net sales	718	682
Cost of goods sold (exclusive of depreciation and amortization)	710	643
Selling, general and administrative expenses	41	47
Depreciation and amortization	23	20
Interest expense and amortization of debt issuance costs	43	31
Interest income - related parties	(44)	(52)
Research and development expenses	1	2
(Gain) loss on change in fair value of derivative instruments, net	(29)	34
Loss on extinguishment of debt, net	—	2
Restructuring and impairment, net	5	—
Dividend income - related parties	(183)	(501)
Other income, net	(118)	(162)
	449	64
Income from continuing operations before income tax provision (benefit)	269	618
Income tax provision (benefit)	12	(51)
Net income from continuing operations	257	669
Loss from discontinued operations, net of tax	(2)	(5)
Net income	255	664
Net income attributable to noncontrolling interests	—	—
Net income attributable to our common shareholder	$ 255	$ 664

See accompanying notes to the financial statements.

Novelis Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
Net income	$ 255	$ 664
Other comprehensive income (loss):		
Currency translation adjustment	(3)	—
Net change in pension and other benefits	1	(3)
Other comprehensive loss, net of tax	(2)	(3)
Comprehensive income	$ 253	$ 661

See accompanying notes to the financial statements.

Novelis Inc.
BALANCE SHEETS (UNAUDITED)

in millions, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13	$ 3
Accounts receivable, net		
— third parties	$ 30	$ 28
— related parties	$ 206	$ 167
Notes receivable - related parties	$ 372	$ 561
Inventories	$ 32	$ 55
Prepaid expenses and other current assets	$ 20	$ 15
Fair value of derivative instruments	$ 3	$ 9
Total current assets	$ 676	$ 838
Property, plant and equipment, net	$ 82	$ 70
Intangible assets, net	$ 48	$ 27
Investment in subsidiaries	$ 1,364	$ 1,364
Deferred income tax assets	$ 45	$ 54
Other long–term assets		
— third parties	$ 65	$ 41
— related parties	$ 688	$ 685
Total assets	$ 2,968	$ 3,079
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 5	$ 5
Short–term borrowings		
— third parties	$ —	$ 313
— related parties	$ 357	$ 289
Accounts payable		
— third parties	$ 45	$ 38
— related parties	$ 125	$ 139
Fair value of derivative instruments	$ 5	$ 25
Accrued expenses and other current liabilities		
— third parties	$ 62	$ 63
Total current liabilities	$ 599	$ 872
Long–term debt, net of current portion		
— third parties	$ 479	$ 482
Accrued postretirement benefits	$ 22	$ 26
Other long–term liabilities	$ 66	$ 50
Total liabilities	$ 1,166	$ 1,430
Shareholder's equity:		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	$ —	$ —
Additional paid–in capital	$ 1,384	$ 1,484
Retained earnings	$ 437	$ 182
Accumulated other comprehensive loss	$ (19)	$ (17)
Total equity	$ 1,802	$ 1,649
Total liabilities and equity	$ 2,968	$ 3,079

See accompanying notes to the financial statements.

Novelis Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ 255	$ 664
Net loss from discontinued operations	(2)	(5)
Net income from continuing operations	$ 257	$ 669
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 23	$ 20
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(29)	34
Gain on sale of business	—	(13)
Impairment charges	5	—
Loss on extinguishment of debt	—	2
Deferred income taxes	9	(54)
Amortization of debt issuance costs and carrying value adjustments	2	4
Other, net	(2)	(1)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts and notes receivable	151	(376)
Inventories	23	(16)
Accounts payable	(10)	66
Other assets	(35)	44
Other liabilities	14	(8)
Net cash provided by operating activities - continuing operations	408	371
Net cash used in operating activities - discontinued operations	(2)	(6)
Net cash provided by operating activities	$ 406	$ 365
INVESTING ACTIVITIES		
Capital expenditures	$ (57)	$ (29)
Proceeds from the sale of a business	—	9
Proceeds (outflows) from settlement of derivative instruments, net	11	(18)
Net cash used in investing activities	$ (46)	$ (38)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ —	$ 20
Principal payments of long-term borrowings	(5)	(653)
Short-term borrowings, net - third parties	(313)	313
Short-term borrowings, net - related parties	68	93
Return of capital to our common shareholder	(100)	(100)
Net cash used in financing activities - continuing operations	(350)	(327)
Net cash used in financing activities	$ (350)	$ (327)
Net increase in cash and cash equivalents and restricted cash	$ 10	$ —
Cash, cash equivalents and restricted cash — beginning of period	3	3
Cash, cash equivalents and restricted cash — end of period	$ 13	$ 3
Supplemental Disclosures:		
Interest paid	$ 32	$ 23
Income taxes paid	—	3
Accrued capital expenditures as of March 31	3	3

See accompanying notes to the financial statements.

Novelis Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock					
in millions, except number of shares	**Shares**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Total Equity**
Balance as of March 31, 2021	1,000	—	1,584	(482)	(14)	1,088
Net income attributable to our common shareholder	—	—	—	664	—	664
Return of capital to our shareholder	—	—	(100)	—	—	(100)
Change in pension and other benefits, net of tax provision	—	—	—	—	(3)	(3)
Balance as of March 31, 2022	1,000	—	1,484	182	(17)	1,649
Net income attributable to our common shareholder	—	—	—	255	—	255
Return of capital to our shareholder	—	—	(100)	—	—	(100)
Currency translation adjustment, included in other comprehensive loss	—	—	—	—	(3)	(3)
Change in pension and other benefits, net of tax provision	—	—	—	—	1	1
Balance as of March 31, 2023	1,000	—	1,384	437	(19)	1,802

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Inc. unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. Reference to "fiscal 2022" or period ended March 31, 2022 refers to the year ended March 31, 2022 and the reference to “fiscal 2023” or period ended March 31, 2023 refers to the year ended March 31, 2023. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

Novelis Inc. was formed in Canada on September 21, 2004. Novelis Inc. directly holds all common shares of Novelis Holdings Inc. Novelis Holdings Inc. directly holds all common shares of Novelis ALR Aluminum Holdings Corporation. The Company also includes operations of a cold rolling mill in Ontario, Canada. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Research and Development Expenses

We incur costs in connection with R&D programs that are expected to contribute to future earnings and charge such costs against income as incurred. Research and development expenses consist primarily of salaries and administrative costs.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*)*. Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with subsidiaries of Novelis Inc., which we classify as related party transactions and balances. See Note 8 — Investment in Subsidiaries and Related Party Transactions for further discussion.

Carbon Emission Allowances

Emission allowances are recognized when there is reasonable assurance that we will comply with the respective conditions required and that the allowances or grants will be received. The allowances are recognized as income over the respective periods in which the intended expenses are offset. We recognize emission allowances as non-amortizing intangible assets since the allowance benefit is an offset against a future expense demonstrating compliance with the respective regulation and never received in the form of cash. Although the intangible is not amortized, it is subject to impairment testing under the indefinite lived intangible asset impairment model. The intangible asset is recognized at nominal value once we have satisfied all requirements, are granted the allowance, and are able to exercise control. Any excess credits are accrued.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Restricted Cash

Restricted cash primarily relates to cash deposits for employee benefits and is disclosed on the statement of cash flows. Restricted cash is included in prepaid expenses and other current assets and other long–term assets on the balance sheets.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses. See Note 4 – Accounts Receivable for further information.

Inventories

We carry our inventories at the lower of their cost or net realizable value, reduced by obsolete and excess inventory. We use the average cost method to determine cost. Included in inventories are stores inventories, which are carried at average cost. See Note 5 – Inventories for further discussion.

Derivative Instruments

We hold derivatives for risk management purposes rather than for trading. We use derivatives to mitigate uncertainty and volatility caused by underlying exposures to metal prices, foreign exchange rates, interest rates, and energy prices. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

We may be exposed to losses in the future if counterparties to our derivative contracts fail to perform. We are satisfied that the risk of such non-performance is remote due to our monitoring of credit exposures. Additionally, we enter into master netting agreements with contractual provisions that allow for netting of counterparty positions in case of default, and we do not face credit contingent provisions that would result in the posting of collateral.

In accordance with ASC 815, Derivatives and Hedging, for cash flow hedges we recognize and defer the entire periodic change in the fair value of the hedging instrument in other comprehensive loss. The amounts recorded in other comprehensive loss are subsequently reclassified to earnings in the same line item impacted by the hedged item when the hedged item affects earnings.

If no hedging relationship is designated, gains or losses are recognized in other income, net in our statements of operations.

Consistent with the cash flows from the underlying risk exposure, we classify cash settlement amounts associated with designated derivatives as part of either operating or investing activities in the statements of cash flows. If no hedging relationship is designated, we classify cash settlement amounts as part of investing activities in the statement of cash flows.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current ("spot") and forward market prices for commodity and foreign exchange rates. See Note 15 – Financial Instruments and Commodity Contracts and Note 17 – Fair Value Measurements for additional discussion related to derivative instruments.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 6 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other income, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases*.* This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Goodwill

We test for impairment at least annually as of the last day of each fiscal year, unless a triggering event occurs that would require an interim impairment assessment. We do not aggregate components of operating segments to arrive at our reporting units and, as such, our reporting units are the same as our operating segments.

In performing our goodwill impairment test, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If we perform a qualitative assessment and determine that an impairment is more likely than not, then we perform the one-step quantitative impairment test, otherwise no further analysis is required. We also may elect not to perform the qualitative assessment and, instead, proceed directly to the one-step quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether we choose to perform the qualitative assessment or proceed directly to the one-step quantitative impairment test.

No goodwill impairment was identified for fiscal 2023 or fiscal 2022.

We use the present value of estimated future cash flows to establish the estimated fair value of our reporting units as of the testing date. This approach includes many assumptions related to future growth rates, discount factors, and tax rates, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. Additionally, we use the market approach to corroborate the estimated fair value. Both approaches are weighted equally when calculating our estimated fair value. If the carrying amount of a reporting unit's goodwill exceeds its estimated fair value, we would recognize an impairment charge in an amount equal to that excess in our statements of operations. During our analysis for fiscal 2023 and fiscal 2022, the estimated fair value of each of our reporting units exceeded the carrying amount of the reporting unit's goodwill, and thus, no reporting unit failed step one of testing.

When a business within a reporting unit is disposed of, goodwill is allocated to the gain or loss on disposition using the relative fair value methodology.

Long-Lived Assets and Other Intangible Assets

We amortize the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See Note 7 – Intangible Assets for further discussion.

We assess the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset (groups) to the expected, undiscounted future net cash flows to be generated by that asset (groups), or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. We measure the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Impairments of long-lived assets and intangible assets are included in restructuring and impairment, net in the statement of operations.

Assets and Liabilities Held for Sale

We classify long-lived assets (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the asset (disposal group); the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (disposal groups); an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond our control extend the period of time required to sell the asset (disposal group) beyond one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

We initially measure a long-lived asset (disposal group) that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset (disposal group) until the date of sale. We assess the fair value of a long-lived asset (disposal group) less any costs to sell each reporting period it remains classified as held for sale and report any reduction in fair value as an adjustment to the carrying value of the asset (disposal group). Upon being classified as held for sale we cease depreciation. We continue to depreciate long-lived assets to be disposed of other than by sale.

Upon determining that a long-lived asset (disposal group) meets the criteria to be classified as held for sale, we report the assets and liabilities of the disposal group in our balance sheets as assets held for sale and liabilities held for sale, respectively.

Investment in and Advances to Non-Consolidated Affiliates

We assess the potential for other-than-temporary impairment of our equity method investments when impairment indicators are identified. We consider all available information, including the recoverability of the investment, the earnings and near-term prospects of the affiliate, factors related to the industry, conditions of the affiliate, and our ability, if any, to influence the management of the affiliate. We assess fair value based on valuation methodologies, as appropriate, including the present value of estimated future cash flows, estimates of sales proceeds, and external appraisals. If an investment is considered to be impaired and the decline in value is other than temporary, we record an appropriate write-down. See Note 8 – Investment in Subsidiaries and Related Party Transactions for further discussion.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 also applies to measurements under other accounting pronouncements, such as ASC 825, Financial Instruments ("ASC 825") that require or permit fair value measurements. ASC 825 requires disclosures of the fair value of financial instruments. Our financial instruments include: cash and cash equivalents; certificates of deposit; accounts receivable; accounts payable; foreign currency, energy and interest rate derivative instruments; cross-currency swaps; metal option and forward contracts; share-based compensation; related party notes receivables and payables; letters of credit; short-term borrowings; and long-term debt.

The carrying amounts of cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and current related party notes receivable and payable approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our letters of credit is deemed to be the amount of payment guaranteed on our behalf by third-party financial institutions. We determine the fair value of our short-term borrowings and long-term debt based on various factors including maturity schedules, call features and current market rates. We also use quoted market prices, when available, or the present value of estimated future cash flows to determine fair value of our share-based compensation liabilities, short-term borrowings and long-term debt. When quoted market prices are not available for various types of financial instruments (such as currency, energy and interest rate derivative instruments, swaps, options, and forward contracts), we use standard pricing models with market-based inputs, which take into account the present value of estimated future cash flows. See Note 17 – Fair Value Measurements for further discussion.

Pensions and Postretirement Benefits

Our pension obligations relate to funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; unfunded pension plans in the U.S., Canada, and Germany; unfunded lump sum indemnities in France and Italy; and partially funded lump sum indemnities in South Korea. Our other postretirement obligations include unfunded health care and life insurance benefits provided to retired employees in Canada, the U.S., and Brazil.

We account for our pensions and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits ("ASC 715"). We recognize the funded status of our benefit plans as a net asset or liability, with an offsetting adjustment to accumulated other comprehensive loss in shareholder's equity. The funded status is calculated as the difference between the fair value of plan assets and the benefit obligation. For fiscal 2023 and fiscal 2022, we used March 31 as the measurement date.

We use standard actuarial methods and assumptions to account for our pension and other postretirement benefit plans. Pension and postretirement benefit obligations are actuarially calculated using management's best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). Pension and postretirement benefit expense includes the actuarially computed cost of benefits earned during the current service period, the interest cost on accrued obligations, the expected return on plan assets based on fair market value and the straight-line amortization of net actuarial gains and losses and adjustments due to plan amendments, curtailments, and settlements. Net actuarial gains and losses are amortized over periods of 15 years or less, which represent the group's average future service life of the employees or the group's average life expectancy. See Note 13 – Postretirement Benefit Plans for further discussion.

Noncontrolling Interests in Consolidated Affiliates

These financial statements reflect the application of ASC 810, Consolidations, which establishes accounting and reporting standards that require: (i) the ownership interest in subsidiaries held by parties other than the parent to be clearly identified and presented in the consolidated balance sheet within shareholder's (deficit) equity, but separate from the parent's (deficit) equity; (ii) the amount of consolidated net income attributable to the parent and the noncontrolling interest to be clearly identified and presented on the face of the consolidated statement of operations and (iii) changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary to be accounted for consistently.

Our consolidated financial statements include all assets, liabilities, revenues, and expenses of less-than-100%-owned affiliates that we control or for which we are the primary beneficiary. We record a noncontrolling interest for the allocable portion of income or loss and comprehensive income or loss to which the noncontrolling interest holders are entitled based upon their ownership share of the affiliate. Distributions made to the holders of noncontrolling interests are charged to the respective noncontrolling interest balance.

Losses attributable to the noncontrolling interest in an affiliate may exceed our interest in the affiliate's equity. The excess and any further losses attributable to the noncontrolling interest shall be attributed to those interests. The noncontrolling interest shall continue to be attributed its share of losses even if that attribution results in a deficit noncontrolling interest balance.

Environmental Liabilities

We record accruals for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. We adjust these accruals periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are stated at undiscounted amounts. Environmental liabilities are included in our balance sheets in accrued expenses and other current liabilities and other long–term liabilities, depending on their short- or long-term nature. Any receivables for related insurance or other third-party recoveries for environmental liabilities are recorded when it is probable that a recovery will be realized and are included in prepaid expenses and other current assets on our balance sheets.

Costs related to environmental matters are charged to expense. Estimated future incremental operations, maintenance, and management costs directly related to remediation are accrued in the period in which such costs are determined to be probable and estimable.

Litigation Contingencies

We accrue for loss contingencies associated with outstanding litigation, claims, and assessments for which management has determined it is probable that a loss contingency exists and the amount of loss can be reasonably estimated. We expense professional fees associated with litigation claims and assessments as incurred.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 19 – Income Taxes for further discussion.

Share-Based Compensation

In accordance with ASC 718, Compensation — Stock Compensation ("ASC 718"), we recognize compensation expense for a share-based award over an employee's requisite service period based on the award's grant date fair value, subject to adjustment. Our share-based awards are settled in cash and are accounted for as liability based awards. As such, liabilities for awards under these plans are required to be measured at fair value at each reporting date until the date of settlement. See Note 12 – Share-Based Compensation for further discussion.

Foreign Currency Translation

The assets and liabilities of foreign operations, whose functional currency is other than the U.S. dollar (located in Europe and Asia), are translated to U.S. dollars at the period end exchange rates, and revenues and expenses are translated at average exchange rates for the period. Differences arising from this translation are included in the currency translation adjustment component of accumulated other comprehensive loss and noncontrolling interests, both of which are on our balance sheets. If there is a planned or completed sale or liquidation of our ownership in a foreign operation, the relevant currency translation adjustment is recognized in our statement of operations.

For all operations, the monetary items denominated in currencies other than the functional currency are remeasured at period-end exchange rates, and transaction gains and losses are included in other income, net in our statements of operations. Non-monetary items are remeasured at historical rates.

Recently Adopted Accounting Standards and Recently Issued Accounting Standards (Not Yet Adopted)

There are no recently adopted accounting standards that have had a material impact on our financial statements. We have reviewed the recent accounting pronouncements and concluded they are either not applicable to the business or no material effect is expected on the financial statements as a result of future adoption.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Inc.'s subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. DISCONTINUED OPERATIONS

On April 14, 2020, Novelis closed the acquisition of Aleris Corporation for $2.8 billion. Aleris Corporation merged with Novelis Acquisitions LLC to become Aleris Corporation, under the parent entity Novelis Holdings Inc, which is a wholly owned subsidiary of Novelis Inc. During fiscal 2022, Aleris Corporation was renamed to Novelis ALR Aluminum Holdings Corporation. As a result of the antitrust review processes in the EU, the U.S., and China required for approval of the acquisition, we were obligated to divest Aleris' European and North American automotive assets, including plants in Duffel, Belgium and Lewisport, Kentucky. Certain costs associated with the discontinued operations were incurred by Novelis Inc.

In June 2022, Duffel was acquired by American Industrial Partners Capital Fund VII, L.P. (together with its affiliates, "AIP"). In December 2022, the Company reached a settlement with AIP in order to reach a resolution to the dispute being arbitrated, among other matters. The settlement did not have a material impact on the Company's consolidated statement of operations.

The resolution reached with AIP also included the settlement of certain assets and liabilities that were previously classified as current assets and current liabilities of discontinued operations on our consolidated balance sheets. The settlement of such assets and liabilities did not have a material impact on the Company's consolidated statement of operations.

Amounts recorded on the financial statements resulting from the activities of discontinued operations have been appropriately classified as such within. The net loss from discontinued operations as well as cash flows from discontinued operations represent arbitration costs and other costs to sell incurred by Novelis Inc.

3. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment, net includes restructuring costs, impairments, and other related expenses. As of March 31, 2023 and March 31, 2022, $5 million and $0 million, respectively were included in accrued expenses and other current liabilities in our accompanying balance sheet.

in thousands		Total
Restructuring liability balance as of March 31, 2021	$	3
Restructuring and impairment expenses		—
Cash payments		(3)
Foreign currency and other		—
Restructuring liability balance as of March 31, 2022		—
Restructuring and impairment expenses, net[(1)]		5
Cash payments		—
Foreign currency and other		(5)
Restructuring liability balance as of March 31, 2023		—

(1) Restructuring and impairment expenses, net for fiscal 2023 primarily relates to the impairment from abandoning the Two Alliance office for the move to the new One Phipps Plaza office.

4. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in millions	2023	2022
Trade accounts receivable	$ 26	$ 21
Other accounts receivable	4	7
Accounts receivable, net — third parties	$ 30	$ 28
Trade accounts receivable — related parties	$ 188	$ 167
Dividends receivable — related parties	18	—
Accounts receivable, net — related parties	$ 206	$ 167

5. INVENTORIES

Inventories consists of the following.

	March 31,	
in millions	2023	2022
Finished goods	$ 12	$ 15
Work in process[1]	15	33
Raw materials	1	4
Supplies	4	3
Inventories	$ 32	$ 55

(1) Includes semi-finished goods purchased for our subsidiaries.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in millions	2023	2022
Land and property rights	$ 2	$ 2
Buildings	68	52
Machinery and equipment	211	200
Gross property, plant and equipment (excluding construction in progress)	281	254
Accumulated depreciation and amortization	(210)	(197)
Property, plant and equipment, net (excluding construction in progress)	71	57
Construction in progress	11	13
Property, plant and equipment, net	$ 82	$ 70

For the years ended March 31, 2023 and 2022, we did not capitalize any interest.

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 16	$ 14

7. INTANGIBLE ASSETS

The components of intangible assets, net are as follows.

	March 31, 2023			March 31, 2022		
in millions	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	$ 119	$ (71)	$ 48	$ 91	$ (64)	$ 27

During fiscal 2023 and fiscal 2022, we did not record impairment charges on any intangible assets. All intangible assets are amortized using the straight-line method.

Amortization expense related to intangible assets, net is as follows.

in millions	Fiscal 2023	Fiscal 2022
Amortization expense related to intangible assets included in depreciation and amortization	$ 7	$ 6

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in thousands). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, or other events.

Fiscal Year Ending March 31,	Amount
2024	$ 3
2025	3
2026	3
2027	3
2028	3

8. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in millions, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Novelis European Holdings Limited	$ 530	$ 530	100%
4260848 Canada Inc.	124	124	100%
4260856 Canada Inc.	185	185	100%
Novelis do Brasil Ltda.	378	378	99.99%
Novelis PAE S.A.S.	12	12	100%
Novelis Vietnam Company Limited	1	1	100%
Novelis (Shanghai) Aluminum Trading Co., Ltd.	4	4	100%
Novelis (China) Aluminum Products Co., Ltd.	129	129	100%
Novelis MEA Ltd.	1	1	100%
Investments in and advances to non-consolidated affiliates	$ 1,364	$ 1,364	

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in millions	2023	2022
Accounts receivable, net — related parties	$ 206	$ 167
Other long–term assets — related parties(1)	688	685
Short–term borrowings — related parties(2)	357	289
Accounts payable — related parties	125	139

(1) The Other long-term assets — related parties consists of loans due from other Novelis subsidiaries. These loans primarily consist of the following:
   i. A loan to Novelis Europe Holdings Ltd. with a maturity date of March 20, 2026 bearing interest at a fixed rate of 6.8% per annum.
   ii. A loan to 8018227 Canada Inc. maturing on February 20, 2027 with a fixed interest rate of 3.25% per annum.
   iii. A loan to Novelis Corporation maturing April 7, 2030 with a fixed interest rate of 4.75% per annum.
   iv. Loans to Novelis do Brasil Ltda. maturing October 2026 bearing interest at a fixed rate of 8.0% per annum.

(2) Short term borrowings - related parties consist of a Demand Note balance due to Novelis Corporation.

	March 31,	
in millions	2023	2022
Short term loan - related parties	$ 337	$ 536
Interest receivable - related parties	35	25
Notes receivable - related parties	$ 372	$ 561

Below is the dividend income related to the investment we have in our subsidiaries.

	March 31,	
in millions	2023	2022
Dividend income - related parties	$ 183	$ 501

Below is the interest income related to the short-term and long-term notes and loans we have with our subsidiaries. Note 11 – Debt for additional information on notes and loans due to related parties.

	March 31,	
in millions	2023	2022
Interest income - related parties	$ 43	$ 52
Interest expense - related parties	5	—

We have related party transactions with other Novelis Inc. subsidiaries. During the years ended March 31, 2023 and 2022, "Net sales - related parties" were $570 million and $552 million.

Transactions with Hindalco

We occasionally have related party transactions with our indirect parent company, Hindalco. During the years ended March 31, 2023 and 2022, “Net sales” were less than $1 million between Novelis and Hindalco. As of March 31, 2023 and 2022 there were $2 million and $1 million of accounts receivable, net — related parties net of accounts payable — related parties related to transactions with Hindalco, respectively. During fiscal 2023 and fiscal 2022, Novelis purchased less than $1 million and $2 million in raw materials from Hindalco, respectively.

9. LEASES

We lease certain land, buildings, and equipment under non-cancelable operating lease arrangements and certain equipment and office space under finance lease arrangements.

We used the following policies and/or assumptions in evaluating our lease population.

- Lease determination: Novelis considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.
- Discount rate: When our lease contracts do not provide a readily determinable implicit rate, we use the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by region and asset class.
- Variable payments: Novelis includes payments that are based on an index or rate within the calculation of right-of-use leased assets and lease liabilities, which is initially measured at the lease commencement date. Other variable lease payments include, but are not limited to, maintenance, service, and supply costs. These costs are disclosed as a component of total lease costs.
- Purchase options: Certain leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.
- Renewal options: Most leases include one or more options to renew with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at our sole discretion.
- Residual value guarantees, restrictions, or covenants: Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.
- Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to selling, general and administrative expenses on the statements of operations.
- Non-lease components: Leases that contain non-lease components (primarily equipment maintenance) are accounted for as a single component and recorded on the balance sheets for certain asset classes including real estate and certain equipment. Non-lease components include, but are not limited to, common area maintenance, service arrangements, and supply agreements.

The table below presents the classification of leasing assets and liabilities within our balance sheets.

		March 31,	
in millions	**Balance Sheet Classification**	**2023**	**2022**
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 38	$ 19
Total lease assets		$ 38	$ 19
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 8	$ 6
Long-term:			
Operating lease liabilities	Other long–term liabilities	45	14
Total lease liabilities		$ 53	$ 20

The table below presents the classification of lease related expenses or income as reported within the statements of operations. Amortization of and interest on liabilities related to finance leases were less than $1 million during fiscal years ended March 31, 2023, and 2022. Sublease income was $1 million during the fiscal years ended March 31, 2023 and 2022.

in millions	**Income Statement Classification**	**Fiscal 2023**	**Fiscal 2022**
Operating lease costs(1)	Selling, general and administrative expenses	$ 12	$ 7

(1) Operating lease costs include short-term leases and variable lease costs.

Future minimum lease payments as of March 31, 2023, for our operating and finance leases having an initial or remaining non-cancelable lease term in excess of one year are as follows (in thousands).

Fiscal Year Ending March 31,	Operating leases[(1)]
2024	$ 8
2025	5
2026	4
2027	3
2028	4
Thereafter	50
Total minimum lease payments	74
Less: interest	21
Present value of lease liabilities	$ 53

(1) Operating lease payments related to options to extend lease terms that are reasonably certain of being exercised are immaterial and we do not have leases signed but not yet exercised as of as of March 31, 2023.

The following table presents the weighted-average remaining lease term and discount rates.

	March 31,	
	2023	2022
Weighted-average remaining lease term		
Operating leases	12.7 years	2.9 years
Weighted-average discount rate		
Operating leases	5.15 %	5.11 %

The following table presents supplemental information on our leases for fiscal 2023 and fiscal 2022. Operating and financing cash flows from finance leases were immaterial for the fiscal years ended March 31, 2023 and March 31, 2022. There were no leased assets obtained in exchange for new finance lease liabilities for the fiscal years ended March 31, 2023 and March 31, 2022.

in millions	Fiscal 2023	Fiscal 2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 6	$ 6
Leased assets obtained in exchange for new operating lease liabilities	50	—

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in millions	2023	2022
Accrued compensation and benefits	$ 45	$ 47
Accrued interest payable - related parties	2	1
Accrued income taxes	1	1
Other current liabilities	14	14
Accrued expenses and other current liabilities	$ 62	$ 63

11. DEBT

Debt consists of the following.

		March 31, 2023			March 31, 2022		
in millions	Interest Rates[1]	Principal	Unamortized Carrying Value Adjustments[2]	Carrying Value	Principal	Unamortized Carrying Value Adjustments[2]	Carrying Value
Short-term borrowings	— %	$ —	$ —	$ —	$ 313	$ —	$ 313
Floating rate Term Loans, due March 2028	7.16 %	490	(6)	484	495	(8)	487
Total debt - third parties		490	(6)	484	808	(8)	800
Less: Short-term borrowings		—	—	—	(313)	—	(313)
Current portion of long-term debt		(5)	—	(5)	(5)	—	(5)
Long-term debt, net of current portion - third parties		$ 485	$ (6)	$ 479	$ 490	$ (8)	$ 482
Related party debt[3] :							
Short term borrowings - related parties	7.34 %	$ 357	$ —	$ 357	$ 289	$ —	$ 289

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023, and therefore exclude the effects of accretion/amortization of fair value adjustments as a result of purchase accounting in connection with Hindalco's purchase of Novelis and accretion/amortization of debt issuance costs related to refinancing transactions and additional borrowings. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.
(2) Amounts include unamortized debt issuance costs, fair value adjustments, and debt discounts.
(3) Related party debt consists of a short-term demand note due to Novelis Corp.

Principal repayment requirements for our total debt over the next five years and thereafter (excluding unamortized carrying value adjustments) are as follows (in millions).

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 362
2 years	5
3 years	5
4 years	5
5 years	470
Thereafter	—
Total debt	$ 847

Short-Term Borrowings

In January 2022, we entered into a $315 million short-term loan with Axis Bank Limited, IFSC Banking Unit, Gift City, as administrative agent and lender. The short-term loan was subject to 0.25% quarterly amortization payments, and accrued interest at SOFR plus 0.90%. The short-term loan matured in November 2022 and we repaid the remaining principal balance of this loan in full at the maturity date.

Senior Secured Credit Facilities

As of March 31, 2023, the senior secured credit facilities consisted of (i) a secured term loan credit facility ("Term Loan Facility") and (ii) a $2.0 billion asset based loan facility ("ABL Revolver"). The senior secured credit facilities contain various affirmative covenants, including covenants with respect to our financial statements, litigation and other reporting requirements, insurance, payment of taxes, employee benefits, and (subject to certain limitations) causing new subsidiaries to pledge collateral and guaranty our obligations. The senior secured credit facilities also include various customary negative covenants and events of default, including limitations on our ability to incur additional indebtedness; sell certain assets; enter into sale and leaseback transactions; make investments, loans, and advances; pay dividends or returns of capital and distributions beyond certain amounts; engage in mergers, amalgamations, or consolidations; engage in certain transactions with affiliates; and prepay certain indebtedness. The Term Loan Facility also contains a financial maintenance covenant that prohibits Novelis' senior secured net leverage ratio as of the last day of each fiscal quarter period as measured on a rolling four quarter basis from exceeding 3.50 to 1.00, subject to customary equity cure rights. The senior secured credit facilities include a cross-default provision under which lenders could accelerate repayment of the loans if a payment or non-payment default arises under any other indebtedness with an aggregate principal amount of more than $100 million (or, in the case of the Term Loan Facility, under the ABL Revolver regardless of the amount outstanding). The senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries and are secured by a pledge of substantially all of the assets of the Company and the guarantors.

Term Loan Facility

The Term Loan Facility requires customary mandatory prepayments with excess cash flow, other asset sale proceeds, casualty event proceeds, and proceeds of prohibited indebtedness, all subject to customary reinvestment rights and exceptions. The loans under the Term Loan Facility may be prepaid, in full or in part, at any time at Novelis' election without penalty or premium. The Term Loan Facility allows for additional term loans to be issued in an amount not to exceed $300 million (or its equivalent in other currencies) plus an unlimited amount if, after giving effect to such incurrences on a pro forma basis, the secured net leverage ratio does not exceed 3.00 to 1.00. The Term Loan Facility also allows for additional term loans to be issued in an amount to refinance loans outstanding under the Term Loan Facility. The lenders under the Term Loan Facility have not committed to provide any such additional term loans.

On March 31, 2023, Novelis amended the Term Loan Facility, primarily to modify the reference rate used to determine interest from LIBOR to SOFR. Term loans under the Term Loan Facility will, beginning with the interest period commencing June 30, 2023, accrue interest at SOFR plus a 0.15% credit spread adjustment ("Adjusted SOFR") plus a spread of 1.75% in the case of the 2020 Term Loans, as defined below, or a spread of 2.00% in the case of the 2021 Term Loans, as defined below. During fiscal 2021, the Company adopted the practical expedient for Reference Rate Reform related to its debt arrangements and as such, this amendment is treated as a continuation of the existing debt agreement and no gain or loss on the modification was recorded. The Company did not record any gains or losses on the conversion of the reference rate for the borrowings under the Term Loan Facility from LIBOR to SOFR.

As of March 31, 2023, we were in compliance with the covenants for our Term Loan Facility.

2021 Term Loans

In March 2021, we borrowed $480 million of term loans due March 2028 (the "2021 Term Loans") under our Term Loan Facility, with an additional $20 million being borrowed under the 2021 Term Loans in April 2021. We incurred debt issuance costs of $9 million for the 2021 Term Loans, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2021 Term Loans mature on March 31, 2028 and are subject to 0.25% quarterly amortization payments. From April 2020 to immediately prior to the interest period commencing June 30, 2023, the 2021 Term Loans accrue interest at LIBOR plus 2.00%. Beginning with the interest period commencing June 30, 2023, the 2021 Term Loans will accrue interest at Adjusted SOFR plus 2.00%. The proceeds of the 2021 Term Loans were applied to repay a portion of the 2017 Term Loans.

ABL Revolver

As of March 31, 2023, the commitments under our senior secured ABL Revolver are $2.0 billion.

In October 2021, Novelis amended the ABL Revolver facility. Prior to the USD LIBOR transition date, loans denominated in USD under the ABL Revolver accrued interest at a rate of LIBOR plus a spread of 1.25% to 1.75% based on excess availability. The amendment provides for replacement reference rates, as applicable, based on the currency of the loan, as well as applicable spreads on and after the USD LIBOR transition date. The USD LIBOR transition date is defined as the earlier of (a) when the ICE Benchmark Administration ceases to provide the USD LIBOR and there is no available tenor of USD LIBOR or the Financial Conduct Authority announces all available tenors of USD LIBOR are no longer representative or (b) an early opt-in effective date.

In April 2022, Novelis amended the ABL Revolver facility to increase the limit on committed letters of credit under the facility to $275 million. There were no material costs incurred or accounting impacts as a result of this amendment.

In August 2022, Novelis amended the ABL Revolver facility to, among other things, increase the commitment under the ABL Revolver by $500 million to $2.0 billion and extend the maturity of the ABL Revolver until August 18, 2027. The amendment provides that new borrowings under the ABL Revolver facility made subsequent to the date of the amendment will incur interest at Term SOFR, EURIBOR, SONIA or SARON, as applicable based on the currency of the loan, plus a spread of 1.10% to 1.60% based on excess availability. The ABL Revolver facility also permits us to elect to borrow USD loans that accrue interest at a base rate (determined based on the greatest of one month Term SOFR plus 1.00%, a prime rate or an adjusted federal funds rate) plus a prime spread of 0.10% to 0.60% based on excess availability.

The ABL Revolver has a provision that allows the existing commitments under the ABL Revolver to be increased by an additional $750 million. The lenders under the ABL Revolver have not committed to provide any such additional commitments. The ABL Revolver has various customary covenants including maintaining a specified minimum fixed charge coverage ratio of 1.25 to 1.0 if an event of default has occurred and is continuing and/or excess availability is less than the greater of (1) $150 million and (2) 10% of the lesser of the total ABL Revolver commitment and the borrowing base. The ABL Revolver matures on August 18, 2027, provided that in the event that the Term Loan Facility or certain other indebtedness is outstanding 60 days prior to its maturity (and not refinanced with a maturity date later than February 15, 2028), then the ABL Revolver will mature 60 days prior to the maturity date for such other indebtedness, as applicable; unless excess availability under the ABL Revolver is at least (1) 17.5% of the lesser of the total ABL Revolver commitment and the borrowing base or (2) 12.5% of the lesser of the total ABL Revolver commitment and the borrowing base, while also maintaining the minimum fixed charge ratio test of at least 1.25 to 1.

As of March 31, 2023, there was no outstanding balance on Novelis Inc.'s ABL borrowings, and we were in compliance with the covenants for our ABL Revolver.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, and are secured by a pledge of substantially all of the assets of the Company and the guarantors.

12. SHARE-BASED COMPENSATION

The Company's board of directors has authorized long-term incentive plans ("LTIPs"), under which Hindalco stock appreciation rights ("SARs"), Novelis SARs, phantom restricted stock units ("RSUs"), and Novelis performance units ("PUs") are granted to certain executive officers and key employees.

The Hindalco SARs vest at the rate of 33% per year, subject to the achievement of an annual performance target. Fiscal years ended March 31, 2016 SARs expire in May of the seventh year from the original grant date, while the fiscal year ended March 31, 2017 and onwards SARs expire seven years from their original grant date. The performance criterion for vesting of the Hindalco SARs is based on the actual overall Novelis operating EBITDA compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Given that the performance criterion is based on an earnings target in a future period for each fiscal year, the grant date of the awards for accounting purposes is generally not established until the performance criterion has been defined.

Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of the exercise. The amount of cash paid to settle Hindalco SARs and Novelis SARs is limited to three times the target payout, depending on the plan year. The Hindalco SARs and Novelis SARs do not transfer any shareholder rights in Hindalco or Novelis to a participant. The Hindalco SARs and Novelis SARs are classified as liability awards and are remeasured at fair value each reporting period until the SARs are settled.

The RSUs are based on Hindalco's stock price. The RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with the Company, but are not subject to performance criteria. Each RSU is to be settled in cash equal to the market value of one Hindalco share. The payout on the RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The RSUs are classified as liability awards and expensed over the requisite service period (three years) based on the Hindalco stock price as of each balance sheet date.

Total compensation expense related to Hindalco SARs, Novelis SARs, and RSUs under the plans for the respective periods is presented in the table below. These amounts are included in selling, general and administrative expenses in our statements of operations. As the performance criteria for the fiscal years ending March 31, 2024, 2025, and 2026 have not yet been established, measurement periods for Hindalco SARs relating to those periods have not yet commenced. As a result, only compensation expense for vested and current year Hindalco SARs and Novelis SARs has been recorded.

in millions	Fiscal 2023	Fiscal 2022
Total compensation expense	$ 9	$ 26

The table below shows the RSUs activity for the year ended March 31, 2023.

	Number of RSUs	Grant Date Fair Value *(in INR)*	Aggregate Intrinsic Value *(USD in millions)*
RSUs outstanding as of March 31, 2022	3,136,780	216.15	$ 19
Granted	1,763,528	411.07	9
Exercised	(1,592,383)	195.51	8
Forfeited/Cancelled	(57,701)	299.85	—
RSUs outstanding as of March 31, 2023	3,250,224	330.53	16

During fiscal 2022, we granted 1,047,454 RSUs with a grant date fair value of INR 388.30, and the aggregate intrinsic value of RSUs exercised was $10 million.

Total cash payments made to settle RSUs were $8 million and $10 million, in fiscal 2023 and fiscal 2022, respectively.

As of March 31, 2023, unrecognized compensation expense related to the RSUs was $6 million, which will be recognized over the remaining weighted average vesting period of 1.7 years.

The table below shows Hindalco SARs activity for fiscal 2023.

	Number of Hindalco SARs	Weighted Average Exercise Price *(in INR)*	Weighted Average Remaining Contractual Term *(in years)*	Aggregate Intrinsic Value *(USD in millions)*
Hindalco SARs outstanding as of March 31, 2022	5,800,477	209.34	5.3	$ 28
Granted	1,770,289	411.10	6.3	—
Exercised	(2,487,059)	150.92	—	6
Forfeited/Cancelled	(9,364)	307.10	—	—
Hindalco SARs outstanding as of March 31, 2023	5,074,343	308.18	5.2	6
Hindalco SARs exercisable as of March 31, 2023	561,904	364.43	5.1	$ —

During fiscal 2022, we granted 1,710,928 Hindalco SARs with a grant date fair value of INR 388.3, and the aggregate intrinsic value of Hindalco SARs exercised was $18 million.

The cash payments made to settle Hindalco SAR liabilities were $6 million and $18 million in fiscal 2023 and fiscal 2022, respectively.

As of March 31, 2023, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) was $3 million that are expected to be recognized over a weighted average period of 1.3 years.

The table below shows the Novelis SARs activity for fiscal year ended March 31, 2023.

	Number of Novelis SARs	Weighted Average Exercise Price *(in USD)*	Weighted Average Remaining Contractual Term *(in years)*	Aggregate Intrinsic Value *(USD in millions)*
Novelis SARs outstanding as of March 31, 2022	2,551	$ 65.35	0.2	$ —
Exercised	(1,276)	65.35	—	—
Forfeited/Cancelled	(1,275)	65.35	—	—
Novelis SARs outstanding as of March 31, 2023	—	—	0	
Novelis SARs exercisable as of March 31, 2023	—	—	0	$ —

During fiscal 2022, there were no Novelis SARs exercised.

The cash payments made to settle Novelis SAR liabilities was less than $1 million in the fiscal year ended March 31, 2023, and March 31, 2022.

The fair value of each unvested Hindalco SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022
Risk-free interest rate	3.11%-7.24%	3.59%-6.58%
Dividend yield	1.03 %	0.48 %
Volatility	32%-47%	39%-50%

The fair value of each unvested Novelis SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022
Risk-free interest rate	—%	0.23 %
Dividend yield	— %	— %
Volatility	—%	29 %

The fair value of each unvested Hindalco SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used historical stock price volatility data of Hindalco on the National Stock Exchange of India to determine expected volatility assumptions. The risk-free interest rate is based on Indian treasury yields interpolated for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures. The dividend yield is estimated to be the annual dividend of the Hindalco stock over the remaining contractual lives of the Hindalco SARs. The value of each vested Hindalco SAR is remeasured at fair value each reporting period based on the excess of the current stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Hindalco SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

The fair value of each unvested Novelis SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used the historical volatility of comparable companies to determine expected volatility assumptions. The risk-free interest rate is based on U.S. treasury yields for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures of Hindalco SARs. The value of each vested Novelis SAR is remeasured at fair value each reporting period based on the percentage increase in the current Novelis phantom stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Novelis SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

13. POSTRETIREMENT BENEFIT PLANS

Our pension obligations relate to funded defined benefit pension plan in Canada and unfunded defined benefit pension plans in Canada and the U.S. Our other postretirement obligations (Other Benefits, as shown in certain tables below) include unfunded health care and life insurance benefits provided to retired employees in Canada and the U.S.

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to-date and amortize unfunded actuarial liabilities typically over periods of 15 years or less. We also participate in savings and defined contribution plans in Canada and the U.S.

We contributed the following amounts to all plans.

in millions	Fiscal 2023	Fiscal 2022
Unfunded pension plans	$ 2	$ 2
Savings and defined contribution pension plans	1	1
Total contributions	$ 3	$ 3

During fiscal 2024, we do no expect to contribute to our funded pension plans; however,we do expect to contribute $1 million to our unfunded pension plans and $1 million to our savings and defined contribution pension plans.

Benefit Obligations, Fair Value of Plan Assets, Funded Status, and Amounts Recognized in Financial Statements

The following tables present the change in benefit obligation, change in fair value of plan assets, and the funded status for pension and other benefits.

	Pension Benefit Plans		Other Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Benefit obligation at beginning of period	$ 71	$ 126	$ 9	$ 10
Service cost	—	1	—	—
Interest cost	3	3	—	—
Benefits paid	(4)	(5)	—	—
Curtailments, settlements and special termination benefits	—	(51)	—	—
Actuarial gains	(8)	(4)	(1)	(1)
Currency (gains) losses	(4)	1	—	—
Benefit obligation at end of period	$ 58	$ 71	$ 8	$ 9
Benefit obligation of funded plans	$ 43	$ 53	$ —	$ —
Benefit obligation of unfunded plans	15	18	8	9
Benefit obligation at end of period	$ 58	$ 71	$ 8	$ 9

	Pension Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 64	$ 115
Actual return on plan assets	(5)	—
Benefits paid	(4)	(5)
Company contributions	1	1
Settlements	—	(48)
Other	—	—
Currency (loss) gain	(5)	1
Fair value of plan assets at end of period	$ 51	$ 64

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ 9	$ —	$ 11	$ (9)
Benefit obligation of unfunded plans	(16)	(8)	(18)	—
Total net plan liabilities	$ (7)	$ (8)	$ (7)	$ (9)
As included in our balance sheets within Total assets / (Total liabilities)				
Other long–term assets	$ 9	$ —	$ 11	$ —
Accrued expenses and other current liabilities	(1)	—	(1)	—
Accrued postretirement benefits	(15)	(8)	(17)	(9)
Total net plan liabilities	$ (7)	$ (8)	$ (7)	$ (9)

The postretirement amounts recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments. Amounts are amortized to net periodic benefit cost over the group's average future service life of the employees or the group's average life expectancy.

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Total postretirement amounts recognized in accumulated other comprehensive loss	$ 4	$ 4	$ 3	$ 3

The postretirement changes recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments.

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ 3	$ 3	$ 7	$ 2
Curtailments, settlements, and special termination benefits	—	—	(7)	—
Net actuarial losses	1	1	4	1
Amortization of:				
Actuarial losses	—	—	(1)	—
Total postretirement amounts recognized in accumulated other comprehensive loss	$ 4	$ 4	$ 3	$ 3

Pension Plan Obligations

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets are presented in the table below.

	March 31,	
in millions	2023	2022
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 58	$ 71
Accumulated benefit obligation	58	71
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 16	$ 18
Fair value of plan assets	—	—
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 16	$ 18
Fair value of plan assets	—	—
Pension plans with projected benefit obligations less than plan assets:		
Projected benefit obligation	$ 43	$ 53
Fair value of plan assets	52	64

Future Benefit Payments

Expected benefit payments to be made during the next 10 fiscal years are listed in the table below (in millions).

Fiscal Year Ending March 31,	Pension Benefit Plans	Other Benefit Plans
2024	$ 3	$ —
2025	3	—
2026	3	—
2027	4	—
2028	4	—
2029 through 2033	19	2,000
Total	$ 36	$ 2,000

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Service cost	$ —	$ 1	$ —	$ —
Interest cost	3	3	—	—
Expected return on assets	(2)	(3)	—	—
Amortization — losses, net	(1)	(1)	—	—
Settlement/curtailment (gain) loss	—	(7)	—	—
Net periodic benefit cost[(1)]	$ —	$ (7)	$ —	$ —

(1) Service cost is included within cost of goods sold (exclusive of depreciation and amortization) and selling, general and administrative expenses while all other cost components are recorded within other income, net.

Actuarial Assumptions and Sensitivity Analysis

The weighted average assumptions used to determine benefit obligations and net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.0 %	3.5 %	4.9 %	3.9 %
Average compensation growth	2.3	2.4	3.0	3.0
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	4.0 %	3.3 %	3.9 %	3.3 %
Average compensation growth	1.4	3.0	3.0	3.0
Expected return on plan assets	2.4	3.3	—	—

In selecting the appropriate discount rate for each plan, for pension and other postretirement plans in Canada, the U.S., the U.K., and other eurozone countries, we used spot rate yield curves and individual bond matching models. For other countries, we used published long-term high quality corporate bond indices with adjustments made to the index rates based on the duration of the plans' obligation.

In estimating the expected return on assets of a pension plan, consideration is given primarily to its target allocation, the current yield on long-term bonds in the country where the plan is established, and the historical risk premium of equity or real estate over long-term bond yields in each relevant country. The approach is consistent with the principle that assets with higher risk provide a greater return over the long term. The expected long-term rate of return on plan assets is 4.3% in fiscal 2024.

We provide unfunded health care and life insurance benefits to our retired employees in Canada and the U.S. for which we paid less than $1 million in fiscal 2023. The assumed health care cost trend used for measurement purposes is 5.0% for fiscal 2024 and remaining at that level for all years thereafter.

In addition, we provide post-employment benefits, including disability, early retirement, and continuation of benefits (medical, dental, and life insurance) to our former or inactive employees, which are accounted for on the accrual basis in accordance with ASC 712, *Compensation - Retirement Benefits*. As of March 31, 2023, other long–term liabilities and accrued expenses and other current liabilities on our balance sheets include $1 million and $1 million, respectively, for these benefits. Comparatively, as of March 31, 2022, "other long–term liabilities" and "accrued expenses and other current liabilities" on our balance sheets include less than $1 million for these benefits.

Investment Policy and Asset Allocation

The Company's overall investment strategy is to achieve a mix of approximately 50% of investments for long-term growth (equities, real estate) and 50% for near-term benefit payments (debt securities, other) with a wide diversification of asset categories, investment styles, fund strategies, and fund managers. Since most of the defined benefit plans are closed to new entrants, we expect this strategy to gradually shift more investments toward near-term benefit payments.

Each of our funded pension plans is governed by an Investment Fiduciary, who establishes an investment policy appropriate for the pension plan. The Investment Fiduciary is responsible for selecting the asset allocation for each plan, monitoring investment managers, monitoring returns versus benchmarks, and monitoring compliance with the investment policy. The targeted allocation ranges by asset class and the actual allocation percentages for each class are listed in the table below.

		Allocation in Aggregate as of March 31,	
Asset Category	Target Allocation Ranges	2023	2022
Equity	0%-10%	10 %	10 %
Fixed income	0%-89%	89 %	90 %

Fair Value of Plan Assets

All pension plans as of March 31, 2023 are reported at net asset value.

14. CURRENCY LOSSES (GAINS)

The following currency losses are included in other income, net in the accompanying statements of operations.

in millions	Fiscal 2023	Fiscal 2022
Losses (gains) on remeasurement of monetary assets and liabilities, net	$ 9	$ (35)
Currency losses (gains), net	9	(35)

The following currency losses are included in accumulated other comprehensive loss in the accompanying balance sheets.

in millions	Fiscal 2023	Fiscal 2022
Cumulative currency translation adjustment — beginning of period	$ (24)	$ (24)
Effect of changes in exchange rates	(3)	—
Cumulative currency translation adjustment — end of period	$ (27)	$ (24)

15. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2023 and 2022.

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
in millions	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 2	$ —	$ (3)	$ —	$ (1)
Currency exchange contracts	1	—	(2)	—	(1)
Total derivative fair value	$ 3	$ —	$ (5)	$ —	$ (2)

	March 31, 2022				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 8	$ —	$ (25)	$ —	$ (17)
Currency exchange contracts	1	—	—	—	1
Total derivative fair value	$ 9	$ —	$ (25)	$ —	$ (16)

Metal

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative forward contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers, which is known as "metal price lag." We also purchase forward LME aluminum contracts simultaneously with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the selling price of the metal with the purchase price of the metal. The volatility in local market premiums also results in metal price lag.

As of March 31, 2023 we had 26 kt of outstanding aluminum sales/purchase forward contracts. As of March 31, 2022, we had 26 kt of outstanding aluminum sales/purchase forward contracts. As of March 31, 2023 the maximum and average duration of metal forward contracts is 12 months and 8 months, respectively.

In addition to aluminum, we enter into LME copper and zinc forward contracts, as well as local market premiums forward contracts. As of March 31, 2023 and March 31, 2022, we did not have outstanding copper and LMP forward contracts.

Foreign Currency

We use foreign exchange forward contracts and cross-currency swaps and options to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

As of March 31, 2023 and 2022, we had outstanding currency exchange contracts with a total notional amount of $15 million and $21 million, respectively.

Currency contracts have a maximum duration of less than two years. The average duration of those contracts is 10 months.

Gain (Loss) Recognition

The following table summarizes the gains (losses) associated with the change in fair value of derivative instruments recognized in other income, net.

in millions	Fiscal 2023	Fiscal 2022
Derivative instruments		
Metal contracts	$ 33	$ (34)
Currency exchange contracts	(4)	—
Gain (loss) on change in fair value of derivative instruments, net	$ 29	$ (34)

16. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the change in the components of accumulated other comprehensive loss, excluding noncontrolling interests, for the periods presented.

in millions	Currency Translation	Postretirement Benefit Plans[2]	Total
Balance as of March 31, 2021	$ (24)	$ 10	$ (14)
Other comprehensive loss before reclassifications	—	(3)	(3)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive loss	$ —	$ (3)	$ (3)
Balance as of March 31, 2022	$ (24)	$ 7	$ (17)
Other comprehensive (loss) income before reclassifications	(3)	1	(2)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive (loss) income	$ (3)	$ 1	$ (2)
Balance as of March 31, 2023	$ (27)	$ 8	$ (19)

(1) For additional information on our postretirement benefit plans, see Note 13 – Postretirement Benefit Plans.

17. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

The following describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2023 and March 31, 2022, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements. The fair values of all derivatives instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2023 and March 31, 2022. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2023		2022	
in millions	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 2	$ (3)	$ 8	$ (25)
Currency exchange contracts	1	(2)	1	—
Total level 2 instruments	$ 3	$ (5)	$ 9	$ (25)
Netting adjustment[(1)]	(2)	2	(8)	8
Total net	$ 1	$ (3)	$ 1	$ (17)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes finance leases and short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	March 31,			
	2023		2022	
in millions	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding short-term borrowings)	$ 484	$ 484	$ 487	$ 494

18. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in millions	Fiscal 2023	Fiscal 2022
Currency losses (gains), net	$ 9	$ (35)
Royalty income[1]	(88)	(92)
Other, net	(39)	(35)
Other income, net	$ (118)	$ (162)

(1) The Company has branding license and patent agreements with related parties duly approved by the National Institute of Industrial Property ("INPI").

19. INCOME TAXES

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable).

We are subject to Canadian and local income taxes. The domestic (Canada) and foreign components of our income from continuing operations before income tax provision (benefit) are as follows.

in millions	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ 269	$ 618
Pre-tax income	269	618

The components of our income tax provision (benefit) are as follows.

in millions	Fiscal 2023	Fiscal 2022
Current provision:		
Domestic (Canada)	$ 3	$ 3
Total current	$ 3	$ 3
Deferred provision:		
Domestic (Canada)	$ 9	$ (54)
Total deferred	$ 9	$ (54)
Income tax provision (benefit)	$ 12	$ (51)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in millions	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 562	$ 583
Total deferred income tax assets	562	583
Less: valuation allowance	(517)	(529)
Net deferred income tax assets	$ 45	$ 54

At March 31, 2023 the Company had total deferred tax assets, net of deferred tax liabilities and net operating losses, of approximately $562 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards. At March 31, 2022 the Company had net deferred tax assets, net of deferred tax liabilities and net operating losses, of approximately $583 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards.

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $517 million and $529 million were necessary as of March 31, 2023 and 2022, respectively.

As of March 31, 2023, we had net operating loss carryforwards of approximately $434 million (tax effected) and tax credit carryforwards of $34 million, which will be available to offset future taxable income and tax liabilities. The carryforwards will begin expiring in fiscal 2023. As of March 31, 2023, valuation allowances of $390 million, $34 million and $93 million had been recorded against net operating loss carryforwards, tax credit carryforwards, and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

As of March 31, 2022, we had net operating loss carryforwards of approximately $440 million (tax effected) and tax credit carryforwards of $47 million, which will be available to offset future taxable income and tax liabilities. The carryforwards began expiring in fiscal 2022, with some amounts being carried forward indefinitely. As of March 31, 2022, valuation allowances of $385 million, $47 million, and $97 million had been recorded against net operating loss carryforwards, tax credit carryforwards, and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

The Company has not provided deferred taxes on undistributed earnings of its non-domestic subsidiaries, as the Company does note currently plan to initiate any action that would result in these earnings being repatriated. It is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely.

Income Taxes Payable

Our accompanying balance sheets include income taxes payable of $1 million and less than $1 million as of March 31, 2023 and 2022, respectively, which are included in "Prepaid expenses and other current assets."

A V MINERALS (NETHERLANDS) N.V.
Fit-for-Consolidation Balance Sheet as at March 31, 2023

(Rs. in Crore)

	Note No.	As at 31/03/2023	As at 31/03/2022
ASSETS			
Non-Current Assets			
Financial Assets:			
Investments in Subsidiary	3	11,235.38	11,139.05
Total Non-Current Assets		**11,235.38**	**11,139.05**
Current Assets			
Financial Assets:			
Cash and Cash Equivalents	4	17.57	18.11
Loans	5	-	0.01
Total Current Assets		**17.57**	**18.12**
TOTAL ASSETS		**11,252.95**	**11,157.17**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	6	12,570.12	12,590.63
Other Equity	7	(1,319.80)	(1,433.80)
TOTAL EQUITY		**11,250.32**	**11,156.83**
LIABILITIES			
Current Liabilities			
Financial Liabilities:			
Trade Payables	8	2.63	0.34
Total Current Liabilities		**2.63**	**0.34**
TOTAL LIABILITIES		**2.63**	**0.34**
TOTAL EQUITY AND LIABILITIES		**11,252.95**	**11,157.17**
		-	-
Basis of Preparation and Significant Accounting Policies	2		

The accompanying notes are an integral part of the Fit-for-Consolidation Balance Sheet.

For and on behalf of A V Minerals (Netherlands) N.V.

Geetika Anand

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2023

A V MINERALS (NETHERLANDS) N.V.

Fit-for-Consolidation Statement of Profit and Loss for the Year ended March 31,2023

	Note No.	Year ended 31/03/2023	Year ended 31/03/2022
			(Rs. in Crore)
INCOME		-	-
EXPENSES			
Impairment Loss/(Reversal) of Investment in Subsidiary (Net)	9	-	184.77
Other Expenses	10	(226.93)	65.27
Total Expenses		**(226.93)**	**250.04**
Profit/ (Loss) for the year		**226.93**	**(250.04)**
Other Comprehensive Income/(Loss):	11		
Foreign Currency Translation Reserve		900.85	370.90
Other Comprehensive Income/ (Loss) (Net of Tax)		**900.85**	**370.90**
Total Comprehensive Income/ (Loss) for the year		**1,127.78**	**120.86**
Profit/ (Loss) for the year attributable to:			
Owners of the Company		226.93	(250.04)
Other Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		900.85	370.90
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		1,127.78	120.86
Basis of Preparation and Significant Accounting Policies	2		

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Profit and Loss.

For and on behalf of A V Minerals (Netherlands) N.V.

Geetika Anand

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2023

A V MINERALS (NETHERLANDS) N.V.

Fit-for-Consolidation Statement of Changes in Equity for the Year ended March 31, 2023

(Rs. in Crore)

	Note No.	Equity Share Capital	Other Equity	Foreign Currency Translation Reserve	Retained Earnings	Total
Balance as at April 01, 2021	6 and 7	**12,733.97**	**0.01**	**(98.67)**	**(987.73)**	**11,647.58**
Profit/ (Loss) for the year	6 and 7	-	-	-	(250.04)	(250.04)
Other Comprehensive Income/ (Loss) for the year	6 and 7	-	-	370.90	-	370.90
Total Comprehensive Income/ (Loss) for the year	6 and 7	-	-	370.90	(250.04)	120.86
Foreign currency translation of other Equity	6 and 7	468.27	*	(468.27)	-	-
Reduction due to change in par value of equity shares	6 and 7	(611.61)	-	-	-	(611.61)
Balance as at March 31, 2022	6 and 7	**12,590.63**	**0.01**	**(196.04)**	**(1,237.77)**	**11,156.83**
Profit/ (Loss) for the year	6 and 7	-			226.93	226.93
Other Comprehensive Income/ (Loss) for the year	6 and 7	-	-	900.85	-	900.85
Total Comprehensive Income/ (Loss) for the year	6 and 7	-	-	900.85	226.93	1,127.78
Foreign currency translation of other Equity	6 and 7	1,013.79	0.01	(1,013.79)	-	0.01
Reduction due to change in par value of equity shares	6 and 7	(1,034.30)	-	-	-	(1,034.30)
Balance as at March 31, 2023	6 and 7	**12,570.12**	**0.02**	**(308.98)**	**(1,010.84)**	**11,250.32**

* Amounts below rounding off norms adopted by the Company

Basis of Preparation and Significant Accounting Policies 2

The accompanying notes are an integral part of the Fit-for-Consolidation Statement of Changes in Equity.

For and on behalf of A V Minerals (Netherlands) N.V.

Geetika Anand

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2023

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A V MINERALS (NETHERLANDS) N.V.

Fit-for-Consolidation Cash Flow Statement for the year ended March 31,2023

(Rs. in Crore)

	Note No.	Year Ended 31/03/2023	Year Ended 31/03/2022
A. Cash flow from/ (used in) operating activities			
Profit/ (Loss) Before Tax:		226.93	(250.04)
Adjustment for :			
Impairment Loss/(Reversal) of Investment in Subsidiary (Net)	9	-	184.77
(Gain)/Loss on Assets held for sale		-	117.15
Effect of exchange rate changes		0.02	0.01
Exchange (Gain) / Loss on Return of Capital	10	(231.14)	(52.91)
Other Non-operating Income/ Expenses (Net)		(0.01)	(50.73)
Operating profit before working capital changes		(4.20)	(51.75)
Changes in Working Capital:			
Increase/ (Decrease) in Trade and Other Payables (Net)	8	2.23	0.18
Cash used in operation before tax		(1.97)	(51.57)
(Payment)/ Refund of Income Tax (Net)		-	-
Net Cash Generated/ (Used in) - Operating Activities		(1.97)	(51.57)
B. Cash flow from investment activities			
Investment in Subsidiary (Hindalco do Brasil industria E Comercio De Alumina Ltda)		-	(117.15)
Proceeds from sale of shares in subsidiary (Hindalco do Brasil industria E Comercio De Alumina Ltda)	14	0.00	0.00
Return of Capital from Subsidiary (AV Metals Inc.)	3	803.16	739.00
Net Cash Generated/ (Used in) - Investing Activities		803.16	621.85
C. Cash flow from financing activities			
Proceeds from Equity Share Capital		-	-
Return of Capital to Parent (Hindalco Industries Ltd.)	6	(803.16)	(556.65)
Finance Cost Paid		-	-
Net Cash Generated/ (Used in) - Financing Activities		(803.16)	(556.65)
Net Increase/ (Decrease) in Cash and Cash Equivalents		(1.97)	13.64
Opening Cash and Cash Equivalents		18.11	0.27
Effect of exchange rate changes on cash held in foreign currency		1.43	4.21
Closing Cash and Cash Equivalents	4	**17.57**	**18.11**
Reconciliation with balance sheet			
Cash and cash equivalents at the end	4	17.57	18.11
Cash and cash equivalents as presented in balance sheet		**17.57**	**18.11**
Basis of Preparation and Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Fit-for-Consolidation Statement of Cash Flows

For and on behalf of A V Minerals (Netherlands) N.V.

Geetika Anand

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2023

A V MINERALS (NETHERLANDS) N.V.

Notes to the Fit-for-Consolidation Financial Statements

1. Company Overview

A V Minerals (Netherlands) N.V. (A V Minerals or the Company) was incorporated in Amsterdam, the Netherlands on April 18, 2007 as a private company with limited liability under the provisions of the Dutch Civil Code; and was converted into a public company on March 28, 2014. The Company is a wholly-owned subsidiary of Hindalco Industries Ltd. (Hindalco). A V Minerals was formed as a holding company for the direct investment in its wholly-owned subsidiary, A V Metals Inc. (A V Metals). A V Metals was incorporated in Ontario, Canada under the Canada Business Corporations Act (CBCA) on February 1, 2007 as a holding company for the direct investment in its wholly-owned subsidiary, A V Aluminum Inc. (A V Aluminum) Novelis Inc.

A V Aluminum was incorporated in Ontario, Canada under the CBCA. A V Aluminum was initially formed and incorporated as "6703534 Canada Limited" on January 16, 2007, and its name was changed to A V Aluminum Inc. on February 6, 2007. A V Aluminum was formed as a holding company for the direct investment in its wholly-owned operating subsidiary, Novelis Inc. and its subsidiaries (Novelis).

Novelis produces aluminum sheet and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, aerospace, electronics, architectural, and industrial product markets.

Effective September 29, 2010, in connection with an internal restructuring transaction, pursuant to articles of amalgamation under the CBCA, Novelis was amalgamated with A V Aluminum, to form an amalgamated corporation named Novelis Inc., also a Canadian corporation. Further, effective September 1, 2022, as per internal restructuring transaction, pursuant to articles of amalgamation under the CBCA, A V Metal was merged with and into Novelis Inc., also a Canadian corporation.

As a result of the above Amalgamations, Novelis, A V Aluminum and AV Metals continue Novelis' corporate existence, the amalgamated Novelis Inc. remains liable for all of Novelis, A V Aluminum and AV Metals's obligations and continues to own all of Novelis, A V Aluminum and AV Metals respective property. Since A V Metals was a holding company whose sole asset was the shares of the pre amalgamated Novelis, the business, management, board of directors and corporate governance procedures of Novelis Inc. following the Amalgamation are identical to those of Novelis immediately prior to the Amalgamation. Novelis Inc.,will remains an indirect wholly-owned subsidiary of Hindalco.

2. Basis of Preparation and Significant Accounting Policies:

2A. Basis of Preparation

These Fit-for-Consolidation Financial Statements ('the FFC FS') relate to AV Minerals which is presented on a non-consolidated, standalone basis as a separate financial statements.

The FFC FS have been prepared in conformity with the Group Accounting Policies of Hindalco Industries Limited ('Hindalco'), which are in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] ('Ind AS') and other accounting principles generally accepted in India. The FFC FS have been prepared to facilitate Hindalco in preparation of its consolidated financial statements. The FFC FS does not include the disclosures as required under Ind AS in its entirety. The financial statements has been prepared on the historical cost basis.

The above accounting standards and interpretations are collectively referred to as Ind AS in the FFC FS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These FFC FS have been prepared in U.S. Dollars (USD), which is the functional currency of the Company. The same has been translated into Indian Rupees (Rs) to facilitate Hindalco in preparation of its consolidated financial statements (Refer Policy 2B (I). There are no Fixed Assets, Inventories or Employees in the Company.

2B. Significant Accounting Policies

A. Foreign Currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost. Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise.

B. Investments in subsidiary

A subsidiary is an investee controlled by the Company. Control exists when it has power over the entity, is exposed, or has right to variable returns from its involvement with the entity and has ability to affect those returns by using its power over entity.

Investments in subsidiaries is accounted for at cost less impairment losses, if any.

The company has availed exemption from preparing the consolidated financial statements in accordance with paragraph 4(a) of Ind AS 110. It meets the conditions as specified by companies (Accounts) amendment Rules,2016 for availing exemption from preparing consolidated financial statements

C. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of investments in subsidiaries to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

D. Financial Instruments

Financial assets are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis.

Financial liabilities, such as borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial guarantee contracts

Financial guarantee contracts are initially measured by the issuer at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined by using expected credit loss model; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

E. **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

F. **Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

G. **Provision**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

H **Trade payables**

These amounts represents liabilities for goods and services provided to the Company and are unpaid at the end of the financial year. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

I **Fit-for Consolidation Adjustments**

For the purpose of the FFC FS, the Company's income and expense items are translated into Indian Rupees at average rates prevailing during the period. All assets, liabilities, equity and other reserves (except retained earnings) are translated into Indian Rupees at rates prevailing at the end of the period. All resulting exchange differences are accumulated in "Foreign Currency Translation Reserve", however, exchange differences arising on translating assets and liabilities are recognised through "Other Comprehensive Income" and exchange differences arising on translating 'Equity share capital' item is recognised directly in Equity.

2C. Critical accounting judgment and key sources of estimation uncertainty

In preparing the financial statements in conformity with the group accounting policies of Hindalco, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

A. **Impairment of Investments**

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to be impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors such as significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost.

In accordance with Ind AS 36, if a loss in value is indicated, the recoverable amount is estimated as the higher of the assets fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the investment in investee companies, however, fair value may be estimated based on recent transactions on comparable companies, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets of the investee company in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, currency rate movements, input cost prices, operating expenses and tax and legal environment. The Company uses internal business plans, expected market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter.

2D. Amendments to Standards issued but not yet effective

(i) New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Amended applicable from next Financial year

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

3. Investments in Subsidiary:

(Rs. in Crore)

	Number of shares		Value - As at	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Unquoted Investments, valued at cost				
Investment in Equity Instruments (Fully paid-up)				
AV Metals Inc. of Nil par value (Refer note (c) & (d) below)	-	1,100	-	11,139.05
Novelis Inc. of Nil par value ((Refer note (d) below)	1,000	-	11,235.38	-
			11,235.38	11,139.05
(a). Aggregate amount of unquoted investments are given below:				
Aggregate cost of unquoted investments			11,235.38	11,139.05

(b). Details of composition of the Company's wholly-owned Subsidiaries given below:

Name of the subsidiary	Principal activity	Place of in incorporation/ Operation
AV Metals Inc. - (d)	Investments	Canada
Novelis Inc. - (d)	Manufacturing	Canada

(c). During the current year, basis authorization and direction of AV Metals and AV Minerals, Novelis Inc. has paid USD 100 million (equivalent to Rs. 803.16 crore) directly to AV Minerals by wire transfer on August 31, 2022. (31/03/2022: USD 100 million, equivalent to Rs. 739.00 crore)

(d). Effective September 1, 2022, Novelis Inc. (wholly owned subsisiary of AV Metals) and AV Metals (which, prior to such date, was a wholly-owned subsidiary of AV Minerals) completed a plan of arrangement, pursuant to which AV Metals amalgamated with and into Novelis Inc. As a result of this amalgamation, Novelis Inc, which prior to the effectiveness of the plan of arrangement was indirect wholly owned sudsidiary of AV Minerals has now become direct wholly owned subsidiary of AV Minerals.

4. Cash and Cash Equivalents:

(Rs. in Crore)

	As at	
	31/03/2023	31/03/2022
Balance with Banks - Current Accounts - (refer note (a) below)	17.57	18.11
	17.57	18.11

(a). There are no repatriation restrictions with regard to cash and cash equivalents.

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5. **Loans (Current):**

(Unsecured, considered good unless otherwise stated)

(Rs. in Crore)

	As at 31/03/2023	As at 31/03/2022
Loans to related parties (at amortised cost) (refer Note 13)	-	0.01
	-	0.01

The carrying amounts of loans considered to be the same as their fair values.

a) Disclosue on Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are repayable on demand are as follows:

Types of Borrower #	Amount of loan or advance in the nature of loan outstanding as at 31/03/2023	Amount of loan or advance in the nature of loan outstanding as at 31/03/2022	% to the total Loans and Advances in the nature of loans as at 31/03/2023	% to the total Loans and Advances in the nature of loans as at 31/03/2022
Promoters	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Parties				
AV Metals Inc.	-	0.01	-	100%

During the current and previous year there are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are without specifying any terms or period of repayment.

6. **Equity Share Capital:**

	Number of shares as at 31/03/2023	Number of shares as at 31/03/2022
Authorized:		
Ordinary shares of Euro 499.0442 par value (31/03/2022: Euro 541.0496 par value)	5,000,000	5,000,000
	5,000,000	5,000,000
Issued:		
Ordinary shares of Euro 499.0442 par value (31/03/2022: Euro 541.0496 par value)	2,376,838	2,376,838
	2,376,838	2,376,838
Subscribed and Paid-up:		
Ordinary shares of Euro 499.0442 par value fully paid-up shares issued and outstanding (31/03/2022: Euro 541.0496 par value)	2,376,838	2,376,838
	2,376,838	2,376,838

(Rs. in Crore)

	As at 31/03/2023	As at 31/03/2022
Issued, Subscribed and Paid-up:		
2,376,838 Ordinary shares of Euro 499.0442 par value fully paid-up issued and outstanding (31/03/2022: Euro 541.0496 par value)	12,570.12	12,590.63
	12,570.12	12,590.63

(a). The Company has one class of equity shares having a par value of Euro 499.0442 per share (31/03/2022: Euro 541.0496 per share). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b). Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2023 Numbers of Shares held	As at 31/03/2023 Percentage of Holding	As at 31/03/2022 Numbers of Shares held	As at 31/03/2022 Percentage of Holding
Hindalco Industries Limited #	2,376,838	100%	2,376,838	100%

The Company is the subsidiary of the Hindalco Industries Limited which holds its 100% shareholdings.

(c). **Movement in subscribed and paid-up equity share capital**

(Rs. in Crore)

	Number of shares - As at 31/03/2023	Number of shares - As at 31/03/2022	Value - As at 31/03/2023	Value - As at 31/03/2022
Ordinary shares outstanding at the beginning of the year	2,376,838	2,376,838	12,590.63	12,733.97
Adjustment due to currency translation	-	-	1,013.79	468.27
Reduction in par value due to return of share capital - (d)	-	-	(1,034.30)	(611.61)
Ordinary shares outstanding at the end of the year	2,376,838	2,376,838	12,570.12	12,590.63

(d). During the current year, the Company returned capital to its shareholder amounting to USD 100 million (equivalent to Rs. 803.16 crore) by way of reducing paid-up per par value of per share from EUR 541.0496 to EUR 499.0442. As a result of this transaction, the Company has recognised exchange gain of USD 28.78 million (equivalent to Rs. 231.14 crore).

7. Other Equity:

(Rs. in Crore)

	As at 31/03/2023	As at 31/03/2022
Other Equity	0.02	0.01
Foreign Currency Translation Reserve	(308.98)	(196.04)
Retained Earnings/ (Deficit):		
Opening Balance	(1,237.77)	(987.73)
Profit/(Loss) for the year	226.93	(250.04)
	(1,010.84)	**(1,237.77)**
	(1,319.80)	**(1,433.80)**

(a). Brief description of items of other equity are given below:

(i). **Retained Earnings**

Amount of retained earnings represents accumulated profits or losses of the Company as on reporting date. Such profits or losses are after adjustment of payment of dividend and transfer to any reserves as statutorily required.

(ii). **Foreign Currency Translation Reserve**

Foreign Currency Translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Company's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

(iii). **Other Equity**

Represents the Security Premium reserve recorded the premium on issue of shares.

(b). Movement of each item of other equity is presented in Statement of Changes in Equity (SOCE).

8. Trade Payables:

(Rs. in Crore)

	As at 31/03/2023	As at 31/03/2022
Trade Payables	2.63	0.34
	2.63	0.34

Ageing schedule of Trade Payable as at 31/03/2023:

Description	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	2.34	-	0.29	-	-	-	**2.63**
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
Total	**2.34**	**-**	**0.29**	**-**	**-**	**-**	**2.63**

Ageing schedule of Trade Payable as at 31/03/2022:

Description	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	0.34	-	-	-	0.34
Disputed - MSME	-	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**0.34**	**-**	**-**	**-**	**0.34**

9. Impairment Loss/(Reversal) of Investment in Subsidiary (Net):

(Rs. in Crore)

	Year ended 31/03/2023	Year ended 31/03/2022
Impairment in value of Investments (refer Note 14)	-	184.77
	-	184.77

10. Other Expenses:

(Rs. in Crore)

	Year ended 31/03/2023	Year ended 31/03/2022
Exchange (Gain)/ Loss on Return of Capital to Parent (refer Note 6(d))	(231.14)	(52.91)
(Gain)/ Loss on Other Foreign Currency Transactions	0.02	0.01
(Gain)/ Loss on Assets held for sale (refer Note 14)	-	117.15
Litigation Expenses of Subsidiary*	2.29	-
Miscellaneous Expenses	1.90	1.02
	(226.93)	65.27

* During the current year, in a arbitration matter related to demurrage charges of erst while subsidiary (Hindalco do Brasil industria E Comercio De Alumina Ltda) amounting to Rs. 1.97 crore (including interest of Rs. 0.32 crore). Same remains outstanding as at year end amounting to Rs. 2.34 crore.

A V MINERALS (NETHERLANDS) N.V.

Notes to the Fit-for-Consolidation Financial Statements

11. Other Comprehensive Income:

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(Rs. in Crore)

	Year ended 31/03/2023	Year ended 31/03/2022
Items that will be reclassified to Profit and Loss		
Foreign Currency Translation Reserve	900.85	370.90
Total Other Comprehensive Income	900.85	370.90

12. Deferred Tax:

As at March 31, 2023, the Company has not recognized any deferred tax asset against net operating loss carry forwards, as it is not probable that taxable profits will be available against which these operating loses can be utilized.

13. Related Party Transactions:

(A). Related parties with whom transactions have taken place during the year:

(a). **Parent:**

Hindalco Industries Limited

(b). **Subsidiary:**

AV Metals Inc. (upto August 31, 2022, refer Note 3(d))

Novelis Inc. (refer Note 3(d))

Hindalco do Brasil industria E Comercio De Alumina Ltda (upto March 7, 2022, refer Note 14)

(B). Disclosure of transactions in the ordinary course of business between the Company and its related parties during the period and outstanding balances at the end of the period:

(Rs. in Crore)

	Year ended 31-03-2023		Year ended 31-03-2022	
(a) **Transaction during the year:**	Subsidiary	Parent	Subsidiary	Parent
Return of Capital to Hindalco Industries Limited (refer Note 6(d))	-	803.16	-	556.65
Return of Capital from AV Metals Inc. (refer Note 3(c))	803.16	-	739.00	-
Investments in Hindalco do Brasil industria E Comercio De Alumina Ltda	-	-	117.15	-

(Rs. in Crore)

	As at 31-03-2023		As at 31-03-2022	
(b). **Balances outstanding as at the end of the year:**	Subsidiary	Parent	Subsidiary	Parent
Receivables from AV Metals Inc.	-	-	0.01	-
Investments in AV Metals Inc. (refer Note 3(d))	-	-	11,139.05	-
Investments in Novelis Inc. (refer Note 3(d))	11,235.38	-	-	-

The Company has guaranteed the secured term loan credit facility and revolving ABL credit facility of wholly owned subsidiary Novelis Inc.

14. During the previous year the Company had sold its entire equity interest in its wholly owned Brazilian subsidiary, Hindalco Do Brasil Industria E Comercio de Alumina Ltda ('Hindalco Do Brazil') to Terrabel Emptreendimentos Ltda at R$ 1 Accordingly, investment in Hindalco Do Brazil was classified as `Assets Held for Sale' on December 31, 2021 and an impairment loss of Rs. 184.78 crore (USD 24.80 million) was recognized in the Statement of Profit and Loss.

The sale has been completed on March 7, 2022, with an additional equity contribution in Hindalco Do Brasil of Rs. 117.15 crore (USD 22.54 million) as part of the share transfer agreement. Accordingly, the Company has recognised Loss on Assets Held for Sale amounting to Rs. 117.15 crore (USD 22.54 million) net of FCTR Rs. 50.73 crore released on disposal of Subsidary in the Statement of Profit and Loss.

Signature to notes 1-14

For and on behalf of A V Minerals (Netherlands) N.V.

Geetika Anand

Geetika Anand
Director

Place:- Mumbai
Date:- May 23, 2023

Hindalco K.K.

Balance Sheet

(Excluding VAT in Japan)

(Unit : JPY)

A/C#	Account	31st Mar 2023
	Assets	
	< Current Assets >	
100	Petty cash	
115	Current account- Bank	34,67,744
142	Account receivable	
172	Account receivable - from Parent Company	
175	Prepaid expenses	6,52,673
176	Suspense payment	
181	Consumption tax refundable	
180	Consumption tax - Tentatively paid	0
182	Temporary tax payments	
	Total	41,20,417
	< Fixed Assets >	
201	Office equipment	
205	Furniture/equipment	
208	Small assets	93,637
209	Accumulated depreciation	-13,005
242	Deposit - Office,etc	11,48,000
243	Deposit	
	Total	12,28,632
	(Total Assets)	53,49,049
	Liabilities	
	< Current Liabilities >	
405	Accounts payable - Parent Company	
410	Short-term Loan	
420	Accounts payable Other	21,84,543
423	Income taxes payable	1,65,000
427	Deposit received - W/H Income Tax, etc.	5,49,994
440	Consumption tax payable	
	Total	28,99,537
	Shareholders' Equity	
550	Common stock	3,00,00,000
510	Deposit for subscriptions to shares	
598	Profit (loss), brought from previous year	
599	Profit (loss), this year	-2,75,50,488
	Total	24,49,512
	(Total Liabilities & Shareholders' Equity)	53,49,049

Statement of Cash Flows for the Quarter ended Mar 31, 2023

	Year ended 31/03/2023
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit/ (Loss) before tax	(2,73,85,488)
Adjustment for :	
Finance Costs	
Depreciation and Amortization Expense	13,005
(Gain)/ Loss on Investments measured at FVTPL (Net)	
Operating profit before Working Capital Changes	**(2,73,72,483)**
Changes in Working Capital:	
(Increase)/ Decrease in Inventories (Net)	
(Increase)/ Decrease in Trade Receivables	
(Increase)/ Decrease in Financial Assets	(18,00,673)
(Increase)/ Decrease in Non-Financial Assets	
Increase/ (Decrease) in Trade Payables	21,84,543
Increase/ (Decrease) in Financial Liabilities	5,49,994
Increase/ (Decrease) in Non-Financial Liabilities (including Contract Liabilities)	
Cash Generated from Operation before Tax	**(2,64,38,619)**
Refund/ (Payment) of Income Tax (Net)	
Net Cash Generated/ (Used) - Operating Activities	**(2,64,38,619)**
B. CASH FLOW FROM INVESTING ACTIVITIES	
Payments to acquire Property Plant and Equipment, Intangible Assets and Investment Property	(93,637)
Proceeds from disposal of Property Plant and Equipment, Intangible Assets and Investment Property	
Dividend Received	
Net Cash Generated/ (Used) - Investing Activities	**(93,637)**
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Equity Shares (Including Share Application Money)	3,00,00,000
Treasury Shares acquired by ESOP Trust	
Net Cash Generated/ (Used) - Financing Activities	**3,00,00,000**
Net Increase/(Decrease) in Cash and Cash Equivalents	**34,67,744**
Add: Opening Cash and Cash Equivalents	
Closing Cash and Cash Equivalents	**34,67,744**
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:	
Cash and Cash Equivalents as per Balance Sheet	**34,67,744**
Less: Temporary Overdraft Balance in Current Accounts	
Cash and Cash Equivalents as per Cash Flow Statement	**34,67,744**

Supplemental Information

Non Cash Transactions from Investing and Financing Activities:	
Acquisition of Right of Use Assets	

Hindalco K.K.

Monthly Income Statement

(Excluding VAT in Japan)

(Unit : JPY)

A/C#	Account	Jan '23	Feb '23	Mar '23	Q4 FY 23
Net sales					
700	Sales				0
	Total	0	0	0	0
Cost of sales					
725	Purchase				
732	Import charges				0
	Total	0	0	0	0
Gross margin		**0**	**0**	**0**	**0**
Operating Expenses					
741	Staff salary	12,08,334	12,08,334	12,08,334	36,25,002
742	Staff bouns				0
743	Retirement allowance				0
745	Social insurance	1,44,984	1,44,984	1,44,984	4,34,952
746	Employee welfare				0
750	Outside services				0
751	Freight	1,264	9,752	3,001	14,017
752	Advertisement				0
753	Entertainment	28,603	21,970	68,878	1,19,451
754	Meeting expenses	1,16,694	81,330	46,846	2,44,870
755	General travel expenses	5,25,182	3,38,323	6,12,366	14,75,871
756	Communications expenses	6,937	337	15,971	23,245
758	Seminar				0
760	Office supplies	16,185	11,030	18,143	45,358
762	Repairing expenses				0
763	Utilities				0
764	Newspaper & Library			3,950	3,950
765	Membership fee				0
766	Bank charges	3,800	3,200	4,000	11,000
768	Leasing charges				0
770	Insurances				0
771	Professional services	1,50,000	1,50,000	1,99,801	4,99,801
775	Business consignment expenses			9,00,000	9,00,000
780	Depreciation	2,601	2,601	2,601	7,803
781	Office rent	5,74,000	5,74,000	5,74,000	17,22,000
783	Dues, stamp duties, other taxes	400	11,150	4,000	15,550
789	Sundries				0
	Total	27,78,984	25,57,011	38,06,875	91,42,870
Financial & Other items					
800	Interest income				0
816	Miscellaneous income				0
846	Consumption tax - Tentat			-11,90,891	-11,90,891
	Total	0	0	-11,90,891	-11,90,891
Profit before income taxes		-27,78,984	-25,57,011	-49,97,766	-1,03,33,761
980	Income taxes			1,65,000	1,65,000
Profit after income taxes		-27,78,984	-25,57,011	-51,62,766	-1,04,98,761

Novelis do Brasil Ltda.

Demonstrações financeiras em 31 de março de 2023 e relatório do auditor independente

Relatório do auditor independente sobre as demonstrações financeiras

Aos Administradores e Quotistas
Novelis do Brasil Ltda.

Opinião

Examinamos as demonstrações financeiras da Novelis do Brasil Ltda. ("Empresa"), que compreendem o balanço patrimonial em 31 de março de 2023 e as respectivas demonstrações do resultado, do resultado abrangente, das mutações do patrimônio líquido e dos fluxos de caixa para o exercício findo nessa data, bem como as correspondentes notas explicativas, incluindo as políticas contábeis significativas e outras informações elucidativas.

Em nossa opinião, as demonstrações financeiras acima referidas apresentam adequadamente, em todos os aspectos relevantes, a posição patrimonial e financeira da Novelis do Brasil Ltda. em 31 de março de 2023, o desempenho de suas operações e os seus fluxos de caixa para o exercício findo nessa data, de acordo com as práticas contábeis adotadas no Brasil e as normas internacionais de relatório financeiro (IFRS) emitidas pelo *International Accounting Standards Board* (IASB).

Base para opinião

Nossa auditoria foi conduzida de acordo com as normas brasileiras e internacionais de auditoria. Nossas responsabilidades, em conformidade com tais normas, estão descritas na seção a seguir intitulada "Responsabilidades do auditor pela auditoria das demonstrações financeiras". Somos independentes em relação à Empresa, de acordo com os princípios éticos relevantes previstos no Código de Ética Profissional do Contador e nas normas profissionais emitidas pelo Conselho Federal de Contabilidade, e cumprimos com as demais responsabilidades éticas conforme essas normas. Acreditamos que a evidência de auditoria obtida é suficiente e apropriada para fundamentar nossa opinião.

Responsabilidades da administração e da governança pelas demonstrações financeiras

A administração da Empresa é responsável pela elaboração e adequada apresentação das demonstrações financeiras de acordo com as práticas contábeis adotadas no Brasil e as normas internacionais de relatório financeiro (IFRS) emitidas pelo *International Accounting Standards Board* (IASB), e pelos controles internos que ela determinou como necessários para permitir a elaboração de demonstrações financeiras livres de distorção relevante, independentemente se causada por fraude ou erro.

Na elaboração das demonstrações financeiras, a administração é responsável pela avaliação da capacidade de a Empresa continuar operando, divulgando, quando aplicável, os assuntos relacionados com a sua continuidade operacional e o uso dessa base contábil na elaboração das demonstrações financeiras, a não ser que a administração pretenda liquidar a Empresa ou cessar suas operações, ou não tenha nenhuma alternativa realista para evitar o encerramento das operações.

Novelis do Brasil Ltda.

Os responsáveis pela governança da Empresa são aqueles com responsabilidade pela supervisão do processo de elaboração das demonstrações financeiras.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

Nossos objetivos são obter segurança razoável de que as demonstrações financeiras, tomadas em conjunto, estão livres de distorção relevante, independentemente se causada por fraude ou erro, e emitir relatório de auditoria contendo nossa opinião. Segurança razoável é um alto nível de segurança, mas não uma garantia de que a auditoria realizada de acordo com as normas brasileiras e internacionais de auditoria sempre detectam as eventuais distorções relevantes existentes. As distorções podem ser decorrentes de fraude ou erro e são consideradas relevantes quando, individualmente ou em conjunto, possam influenciar, dentro de uma perspectiva razoável, as decisões econômicas dos usuários tomadas com base nas referidas demonstrações financeiras.

Como parte de uma auditoria realizada de acordo com as normas brasileiras e internacionais de auditoria, exercemos julgamento profissional e mantemos ceticismo profissional ao longo da auditoria. Além disso:

- Identificamos e avaliamos os riscos de distorção relevante nas demonstrações financeiras, independentemente se causada por fraude ou erro, planejamos e executamos procedimentos de auditoria em resposta a tais riscos, bem como obtemos evidência de auditoria apropriada e suficiente para fundamentar nossa opinião. O risco de não detecção de distorção relevante resultante de fraude é maior do que o proveniente de erro, já que a fraude pode envolver o ato de burlar os controles internos, conluio, falsificação, omissão ou representações falsas intencionais.

- Obtemos entendimento dos controles internos relevantes para a auditoria para planejarmos procedimentos de auditoria apropriados às circunstâncias, mas não com o objetivo de expressarmos opinião sobre a eficácia dos controles internos da Empresa.

- Avaliamos a adequação das políticas contábeis utilizadas e a razoabilidade das estimativas contábeis e respectivas divulgações feitas pela administração.

- Concluímos sobre a adequação do uso, pela administração, da base contábil de continuidade operacional e, com base nas evidências de auditoria obtidas, se existe incerteza relevante em relação a eventos ou condições que possam levantar dúvida significativa em relação à capacidade de continuidade operacional da Empresa. Se concluirmos que existe incerteza relevante, devemos chamar atenção em nosso relatório de auditoria para as respectivas divulgações nas demonstrações financeiras ou incluir modificação em nossa opinião, se as divulgações forem inadequadas. Nossas conclusões estão fundamentadas nas evidências de auditoria obtidas até a data de nosso relatório. Todavia, eventos ou condições futuras podem levar a Empresa a não mais se manter em continuidade operacional.

- Avaliamos a apresentação geral, a estrutura e o conteúdo das demonstrações financeiras, inclusive as divulgações e se essas demonstrações financeiras representam as correspondentes transações e os eventos de maneira compatível com o objetivo de apresentação adequada.

Novelis do Brasil Ltda.

Comunicamo-nos com os responsáveis pela governança a respeito, entre outros aspectos, do alcance e da época dos trabalhos de auditoria planejados e das constatações significativas de auditoria, inclusive as deficiências significativas nos controles internos que, eventualmente, tenham sido identificadas durante nossos trabalhos.

São Paulo, 5 de maio de 2023

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

Marcelo Orlando
Contador CRC 1SP217518/O-7

"Este documento será assinado eletronicamente por meio da ferramenta DocuSign (www.docusign.com.br), nos termos do art. 10, §2º, da Medida Provisória nº 2.200-2/2001 e foi preparado na data indicada ao seu final, data esta que será considerada válida para todos os efeitos e fins de direito."

Novelis do Brasil Ltda.

Balanço patrimonial em 31 de março
Em milhares de reais

Ativo	**2023**	**2022**
Circulante		
Caixa e equivalentes de caixa (Nota 6)	2.303.423	1.358.550
Contas a receber de clientes (Nota 8)	1.804.283	2.262.930
Contas a receber com partes relacionadas (Nota 23)	11.712	126.015
Estoques (Nota 9)	1.337.448	1.032.951
Impostos a recuperar (Nota 11)	28.937	149.747
Operações com instrumentos financeiros (Nota 7)	304.591	464.839
Demais contas a receber	177.680	156.929
	5.968.074	5.551.961
Ativos não circulantes mantidos para venda (Nota 10 (b))	16.243	15.147
Total do ativo circulante	5.984.317	5.567.108
Não circulante		
Impostos a recuperar (Nota 11)	76.939	61.936
Depósitos judiciais (Nota 14)	34.871	36.046
Operações com instrumentos financeiros (Nota 7)	16.394	69.130
Demais contas a receber	9.948	25.557
Investimentos	2	2
Intangível	18.786	9.907
Imobilizado (Nota 10)	4.262.401	3.962.438
Ativos de Direito de Uso (Nota 10.1)	36.928	19.838
Total do ativo não circulante	4.456.269	4.184.854
Total do ativo	10.440.586	9.751.962

Passivo e patrimônio líquido	**2023**	**2022**
Circulante		
Fornecedores (Nota 12)	934.427	644.818
Fornecedores operação risco sacado (Nota 12 (a))	1.135.370	1.326.414
Outras contas a pagar (Nota 12 (b))	102.568	504.848
Empréstimos e financiamentos (Nota 13)	773.201	476.077
Empréstimos com partes relacionadas (Nota 13)	459.484	20.588
Salários, provisões e encargos	56.158	58.737
Imposto de renda e contribuição social corrente a pagar	112.501	182.701
Demais impostos e contribuições a pagar	9.521	89.239
Parcelamentos de impostos (Nota 15)	34.227	32.286
Operações com instrumentos financeiros (Nota 7)	205.803	437.190
Provisão para contingências (Nota 14)	8.024	7.585
Contas a pagar com partes relacionadas (Nota 23)	162.809	91.757
Passivo de Arrendamento (Nota 10.1)	20.733	7.955
Outras obrigações (Nota 24)	192.863	257.259
Total do passivo circulante	4.207.689	4.137.454
Não circulante		
Empréstimos com partes relacionadas (Nota 13)	548.120	548.119
Empréstimos e financiamentos (Nota 13)	0	238.138
Imposto de renda e contribuição social diferidos (Nota 16)	772.902	699.556
Parcelamentos de impostos (Nota 15)	19.965	51.120
Operações com instrumentos financeiros (Nota 7)	8.375	34.794
Provisão para contingências (Nota 14)	180.124	171.876
Passivo de Arrendamento (Nota 10.1)	17.248	12.887
Outras obrigações (Nota 24)	125.137	106.644
Total do passivo não circulante	1.671.871	1.863.134
Total do passivo	5.879.560	6.000.588
Patrimônio líquido		
Capital social (Nota 17)	958.528	958.528
Ajustes de avaliação patrimonial	2.078.629	1.792.596
Lucros acumulados	561.367	666.968
Reserva de lucros	962.502	333.282
Total do patrimônio líquido	4.561.026	3.751.374
Total do passivo e patrimônio líquido	10.440.586	9.751.962

As notas explicativas da administração são parte integrante das demonstrações financeiras.

Novelis do Brasil Ltda.

Demonstração do resultado
Exercícios findos em 31 de março
Em milhares de reais

	2023	2022
Receita líquida (Nota 18)	**14.589.026**	**13.967.201**
Custo das vendas (Nota 20)	(11.839.011)	(10.636.472)
Lucro bruto	**2.750.015**	**3.330.729**
Despesas com vendas (Nota 20)	(28.269)	(32.541)
Despesas administrativas (Nota 20)	(92.045)	(94.570)
Outras despesas líquidas (Nota 19)	(605.221)	(278.136)
Lucro operacional antes do resultado financeiro	**2.024.480**	**2.925.482**
Resultado financeiro, líquido (Nota 21)	(339.630)	(138.737)
Variação cambial, líquida (Nota 22)	105.131	(252.592)
Despesas financeiras, líquidas	**(234.499)**	**(391.329)**
Lucro antes do imposto de renda e da contribuição social	**1.789.981**	**2.534.153**
Imposto de renda e contribuição social		
Corrente (Nota 16)	(666.420)	(905.025)
Diferido (Nota 16)	(7.772)	257.647
Lucro líquido do exercício	**1.115.789**	**1.886.775**

As notas explicativas da administração são parte integrante das demonstrações financeiras.

Novelis do Brasil Ltda.

Demonstração do resultado abrangente
Exercícios findos em 31 de março
Em milhares de reais

	2023	2022
Lucro líquido do exercício	1.115.789	1.886.775
Outros componentes do resultado abrangente		
Itens a serem posteriormente reclassificados para o resultado		
Derivativos	32.506	151.875
Plano de saúde exclusivo	(16.501)	723
Itens que não serão reclassificados para o resultado		
Ajuste de conversão de moedas (Nota 17 (c))	297.238	(761.316)
Total de outros resultados abrangentes	313.243	(608.718)
Total do resultado abrangente do exercício	1.429.032	1.278.057

As notas explicativas da administração são parte integrante das demonstrações financeiras.

Novelis do Brasil Ltda.

Demonstração das Mutações do Patrimônio Líquido
Exercícios findos em 31 de março
Em milhares de reais

	Capital social	Ajustes de avaliação patrimonial	Lucros acumulados	Reserva de lucros	Total
Em 31 de março de 2021	958.528	2.481.336	953.331	221.612	**4.614.807**
Lucro líquido do exercício			1.886.775		1.886.775
Outros resultados abrangentes (Nota 17(c))		(608.718)			(608.718)
Total do resultado abrangente do exercício		(608.718)	1.886.775		**1.278.057**
Reclassificações					
Realização custo atribuído		(80.022)	80.022		
Reserva de incentivos fiscais			(111.670)	111.670	
Destinação do lucro líquido do exercício					
Distribuição de dividendos (Nota 17 (b))			(2.041.976)		(2.041.976)
Juros sobre capital próprio (Nota 17(b))			(99.514)		(99.514)
Total de distribuição aos quotistas			(2.141.490)		(2.141.490)
Em 31 de março de 2022	958.528	1.792.596	666.968	333.282	**3.751.374**
Lucro líquido do exercício			1.115.789		1.115.789
Outros resultados abrangentes		313.242			313.242
Total do resultado abrangente do exercício		313.242	1.115.789		**1.429.032**
Reclassificações					
Realização custo atribuído		(27.209)	27.209		
Reserva de incentivos fiscais			(228.085)	228.085	
Destinação do lucro líquido do exercício					
Distribuição de dividendos (Nota 17 (b))			(554.422)		(554.422)
Juros sobre capital próprio (Nota 17(b))			(64.957)		(64.957)
Total de distribuição aos quotistas			(619.379)		(619.379)
Em 31 de março de 2023	958.528	2.078.629	962.502	561.367	**4.561.026**

As notas explicativas da administração são parte integrante das demonstrações financeiras.

Novelis do Brasil Ltda.

Demonstração dos fluxos de caixa
Exercícios findos em 31 de março
Em milhares de reais

	2023	2022
Fluxo de caixa das atividades operacionais		
Lucro líquido do exercício	1.115.789	1.886.775
Ajustes para reconciliar o lucro líquido do exercício com o caixa gerado pelas atividades operacionais		
Depreciação e amortização (Nota 10)	385.444	401.859
Depreciação arrendamento (Nota 10.1)	20.672	12.354
Resultado na baixa de ativo imobilizado (Nota 10)	7.414	31.336
Imposto de renda e contribuição social diferidos (Nota 16 (a))	7.772	(257.647)
Imposto de renda e contribuição social corrente não pago	87.433	129.637
Operações com instrumentos financeiros não liquidados	(112.784)	123.113
Provisão para contingências (Nota 14)	10.563	38.076
Atualização valor justo empréstimos	(898)	(932)
Juros sobre empréstimos (Nota 13)	96.002	14.575
Reconhecimento crédito tributário (exclusão ICMS na base de cálculo do PIS/COFINS) (Nota 19)	29	422.891
	1.617.436	2.802.037
Variação nos saldos de ativos e passivos		
Contas a receber de clientes	749.206	(1.189.649)
Estoques	(233.037)	(330.042)
Impostos a recuperar	122.994	(102.357)
Demais contas a receber	8.168	(121.550)
Depósitos judiciais	3.834	(16.254)
Fornecedores	(489.560)	1.203.894
Salários, provisões e encargos	(6.922)	13.167
Impostos e contribuições a pagar	(259.580)	(131.116)
Parcelamentos de impostos	(35.742)	(11.475)
Operações com instrumentos financeiros	71.875	(344.370)
Arrendamento Mercantil	(20.712)	(11.221)
Contas a pagar com partes relacionadas	65.324	(21.305)
Antecipações de clientes	959	(8.044)
Contingências	(14.912)	32.130
Outras obrigações	(74.194)	133.599
Caixa gerado pelas atividades operacionais	1.505.137	1.897.444
Juros pagos sobre empréstimos e financiamentos (Nota 13)	(51.751)	(74.105)
Imposto de renda e contribuição social pagos	(578.987)	(775.388)
Caixa líquido gerado pelas atividades operacionais	**874.399**	**1.047.951**
Fluxo de caixa das atividades de investimento		
Valor recebido pela venda de imobilizado	6.989	15.359
Adições ao ativo imobilizado e intangível	(423.368)	(403.428)
Caixa aplicado nas atividades de investimento	**(416.379)**	**(388.069)**

As notas explicativas da administração são parte integrante das demonstrações financeiras.

Novelis do Brasil Ltda.

Demonstração dos fluxos de caixa
Exercícios findos em 31 de março
Em milhares de reais **(continuação)**

	2023	2022
Fluxo de caixa das atividades de financiamento		
Captação de novos empréstimos (Nota 13)	655.180	1.258.790
Pagamento de dividendos (Nota 17 (b))	(464.786)	(2.041.976)
Pagamento de empréstimos com terceiros (Nota 13)	(256.745)	(744.366)
Juros sobre capital próprio pagos (Nota 17 (b))	(64.957)	(99.514)
Caixa aplicado nas atividades de financiamento	**(131.308)**	**(1.627.066)**
Efeitos das variações cambiais sobre o caixa e equivalentes de caixa	618.161	514.724
Aumento (diminuição) do saldo de caixa e equivalente de caixa	944.873	(452.460)
Caixa e equivalentes de caixa no início do exercício	1.358.550	1.811.010
Caixa e equivalentes de caixa no final do exercício	2.303.423	1.358.550

As notas explicativas da administração são parte integrante das demonstrações financeiras.

1 Informações gerais

A Novelis do Brasil Ltda. (a "Empresa" ou "Novelis") é uma subsidiária integral da Novelis Inc., sediada em Atlanta, Georgia, EUA. As ações ordinárias da Novelis Inc. pertencem diretamente à AV Metals Inc. e indiretamente à Hindalco Industries Limited, líder no setor de alumínio, cobre e metais do Aditya Birla Group, uma empresa de referência com sede em Mumbai, na Índia.

A Novelis tem sede na cidade de São Paulo e opera duas unidades fabris localizadas em Pindamonhangaba e Santo André, ambas no estado de São Paulo, que juntas realizam operações de laminação de chapas e folhas de alumínio e reciclagem do metal. Possui também 14 centros de coleta ativos distribuídos nos estados de São Paulo (São Paulo, Campinas, Pindamonhangaba, Bauru e Sertãozinho), Minas Gerais (Juiz de Fora), Bahia (Salvador), Pernambuco (Recife), Pará (Ananindeua), Rio Grande do Norte (Parnamirim), Paraíba (João Pessoa), Brasília (Brasília) e Paraná (Curitiba), São Gonçalo (Rio de Janeiro), além de 1 centro de distribuição em Cariacica(Espírito Santo).

No ano fiscal 2022, completamos um investimento de $150 milhões de dólares para expandir nossa capacidade de laminação e reciclagem em 100 mil toneladas em nossa unidade de Pindamonhangaba. Em março de 2022, devido à forte demanda dos consumidores por embalagens sustentáveis de bebidas, anunciamos um investimento de $50 milhões de dólares também em nossa planta de Pindamonhangaba para aumentar a capacidade produtiva em aproximadamente 70 mil toneladas.
Devido ao aumento da preferência dos consumidores por produtos sustentáveis de alumínio, seguimos avaliando expansões adicionais de capacidade de laminação e reciclagem no Brasil.

A emissão dessas demonstrações financeiras da Empresa foi autorizada em forma definitiva pela Diretoria em 05 de maio de 2023.

1.1 Principais eventos ocorridos durante o exercício findo em 31 de março de 2023

(a) Efeitos da pandemia provocada pela COVID-19

Em março de 2020, a Organização Mundial da Saúde (OMS) declarou a COVID-19 como uma pandemia. As autoridades governamentais de diversos países, incluindo o Brasil, impuseram restrições de contenção do vírus. A Novelis instituiu Comitê e definiu plano de gestão da pandemia, com medidas preventivas e de mitigação dos seus efeitos, em linha com as diretrizes estabelecidas pelas autoridades de saúde nacionais e internacionais.

Neste cenário, a Empresa segue monitorando os efeitos nos seus negócios e na avaliação das principais estimativas e julgamentos contábeis críticos, bem como em outros saldos com potencial de gerar incertezas e impactos nas demonstrações financeiras.

Com a gradual redução dos casos de COVID-19 e diminuição nas restrições relacionadas a pandemia, no início do terceiro trimestre do ano fiscal 2023, a cadeia de fornecimento de bebidas, incluindo fornecedores de chapas para bebidas, empresas de latas para bebidas, envasadores e pontos de venda, iniciaram a normalização em seus níveis de estoque de acordo com a demanda dos consumidores por bebidas em latas de alumínio, os quais retornaram a níveis similares ao cenário pré-pandemia. A desestocagem da cadeia de suprimentos teve um impacto adverso na demanda de curto prazo para chapas de lata de bebidas.

Tal efeito pode ser majoritariamente explicado pelo gradual aumento da circulação de pessoas em comércios tais como bares, restaurantes e similares, onde o consumo se dá em outras embalagens que não latas de alumínio.

(b) Conflito entre Russia e Ucrania

O atual conflito entre Rússia e Ucrânia, assim como as relacionadas repostas internacionais a este conflito, acarretaram no aumento das pressões inflacionárias globalmente, em especial, o custo de certas matérias primas, assim como combustíveis e custos de energia. A Novelis do Brasil não sofreu nenhum impacto significativo diretamente relacionado ao conflito, exceto pela inflação de certos custos.

1.2 Mudanças nas políticas contábeis e divulgações

Não houve mudanças significativas nas normas internacionais de contabilidade em 2022. Embora o IASB tenha feito algumas alterações nas normas que se aplicam a partir de 1º de janeiro de 2022, elas são em grande parte esclarecimentos. Dessa forma, assumimos, nesta publicação, que nenhuma das referidas alterações exigiu alteração nas políticas contábeis da Novelis do Brasil, tampouco gerou impactos materiais em mensurações, reconhecimentos ou divulgações.

2 Resumo das principais políticas contábeis

As principais políticas contábeis aplicadas na preparação destas demonstrações financeiras estão definidas abaixo. Essas políticas foram aplicadas de modo consistente em todos os exercícios apresentados, exceto pelas mudanças exigidas pelos novos pronunciamentos, interpretações e alterações, aprovados pelo *International Accounting Standards Board* (IASB).

2.1 Base de preparação

As demonstrações financeiras foram preparadas e estão sendo apresentadas conforme as práticas contábeis adotadas no Brasil, incluindo os pronunciamentos emitidos pelo Comitê de Pronunciamentos Contábeis (“CPC”) e conforme as normas internacionais de relatório financeiro (*International Financial Reporting Standards* (“IFRS”) e as respectivas interpretações (“IFRIC”) emitidas pelo International Accounting Standards Board (“IASB”).

A preparação de demonstrações financeiras requer o uso de certas estimativas contábeis críticas e também o exercício de julgamento por parte da administração no processo de aplicação das políticas contábeis da Empresa. Aquelas áreas que requerem maior nível de julgamento e possuem maior complexidade, bem como as áreas nas quais premissas e estimativas são significativas para as demonstrações financeiras estão descritas na Nota 3.

2.2 Conversão de moeda estrangeira

(a) Moeda funcional

A moeda funcional de uma Empresa é a moeda do principal ambiente econômico em que ela está inserida e deve ser a moeda que melhor reflete os negócios e operações da Empresa. Com base nessa análise, a Administração concluiu que o Dólar (“US$” ou “Dólar”) é a sua moeda funcional.

(b) Moeda de apresentação das demonstrações financeiras

Em atendimento à legislação brasileira, estas demonstrações financeiras estão sendo apresentadas em reais (“R$”), convertendo-se as demonstrações financeiras preparadas na moeda funcional da Empresa para reais (“R$”), utilizando os seguintes critérios:

. Ativos e passivos pela taxa de câmbio de fechamento do exercício
. Contas do resultado e demonstração dos fluxos de caixa pela taxa média mensal

. Patrimônio líquido ao valor histórico de formação

As variações cambiais resultantes da conversão acima referidas são reconhecidas em conta específica do patrimônio líquido denominada "Ajuste de conversão de moedas".

(c) Transações e saldos

As operações com outras moedas estrangeiras são convertidas para a moeda funcional, utilizando as taxas de câmbio vigentes nas datas das transações ou da avaliação, na qual os itens são remensurados. Os ganhos e as perdas cambiais resultantes da liquidação dessas transações e da conversão pelas taxas de câmbio do final do exercício, referentes a ativos e passivos monetários em outras moedas, são reconhecidos na demonstração do resultado como variações monetárias e cambiais.

2.3 Caixa e equivalentes de caixa

Caixa e equivalentes de caixa inclui recursos em conta corrente, depósitos bancários e investimentos de curto prazo com liquidez diária e com risco insignificante de mudança de valor com o objetivo de atender compromissos da companhia tanto de curto quanto longo prazo.

2.4 Ativos financeiros

2.4.1 Classificação

A Empresa classifica seus ativos financeiros sob as seguintes categorias de mensuração:

. Mensurados ao valor justo (seja por meio de outros resultados abrangentes ou por meio do resultado).

. Mensurados ao custo amortizado

Os instrumentos de dívida são subsequentemente mensurados ao valor justo por meio do resultado (“VJL - Valor Justo registrado no Lucro Líquido”), pelo custo amortizado, ou ao valor justo por meio de outros resultados abrangentes (“VJORA - Valor Justo registrado em Outros Resultados Abrangentes”). A classificação é baseada no modelo de negócios da Empresa para gerenciamento dos ativos e se os fluxos de caixa contratuais do instrumento representam, exclusivamente, pagamentos de principal e juros (“SPPI - Solely Payments of Principal and Interest”) sobre o valor do principal em aberto.

Os instrumentos financeiros classificados sob a categoria custo amortizado atenderam aos critérios do IFRS 9 para classificação uma vez que são mantidos para coletar seus fluxos de caixa e representam apenas pagamentos de principal e juros.

Todos os programas de hedge da Novelis são hedge de fluxo de caixa.A Empresa designa hedge accounting para programas de Hedge de fluxo de caixa (exposição cambial), e Offset hedge de metal cujo ganhos e perdas são mantidos no patrimônio líquido e Hedge de aquisição de imobilizado (exposição cambial) cujo ganhos e perdas são mantidos sob a rubrica de imobilizado conforme a natureza do item de acordo com o IFRS 9.

Os derivativos mantidos para negociação são classificados como FVPL de acordo com os requerimentos do IFRS 9 para os demais programas.

2.4.2 Reconhecimento e mensuração

Compras e vendas regulares de ativos financeiros são reconhecidas na data de negociação, data na qual a Empresa se compromete a comprar ou vender o ativo. Os ativos financeiros são desreconhecidos quando os direitos de receber fluxos de caixa tenham vencido a empresa tenha transferido substancialmente todos os riscos e benefícios da propriedade.
No reconhecimento inicial, a Empresa mensura um ativo financeiro ao valor justo acrescido, no caso de um ativo financeiro não mensurado ao valor justo por meio do resultado, dos custos da transação diretamente atribuíveis à aquisição do ativo financeiro. Os custos de transação de ativos financeiros ao valor justo por meio do resultado são registrados como despesas no resultado.

2.4.3 *Impairment* (perda) de ativos financeiros

Ativos mensurados ao custo amortizado

A Empresa avalia, ao final de cada exercício, se há evidência objetiva de que o ativo financeiro ou grupo de ativos financeiros está deteriorado. Um ativo ou grupo de ativos financeiros está deteriorado e os prejuízos por *impairment* são reconhecidos somente se há evidência objetiva de *impairment* como resultado de um ou mais eventos ocorridos após o reconhecimento inicial dos ativos (um "evento de perda") e aquele evento (ou eventos) de perda tem um impacto nos fluxos de caixa futuros estimados do ativo financeiro ou grupo de ativos financeiros que pode ser estimado de maneira confiável.

O montante da perda por *impairment* é mensurado como a diferença entre o valor contábil dos ativos e o valor presente dos fluxos de caixa futuros estimados descontados à taxa de juros em vigor original dos ativos financeiros. O valor contábil do ativo é reduzido e o valor do prejuízo é reconhecido na demonstração do resultado. A Empresa mensura o *impairment* com base no valor justo de um instrumento utilizando um preço de mercado observável.

Se, num período subsequente, o valor da perda por *impairment* diminuir e a diminuição puder ser relacionada objetivamente com um evento que ocorreu após o *impairment* ser reconhecido a reversão dessa perda reconhecida anteriormente será reconhecida na demonstração do resultado.

2.5 Instrumentos financeiros, derivativos e atividades de *hedge*

Inicialmente, os derivativos são reconhecidos pelo valor justo na data em que um contrato de derivativos é celebrado e, subsequentemente, são remensurados mensalmente ao seu valor justo. Os contratos de derivativos são utilizados como instrumento de hedge e o método para reconhecer o ganho ou a perda resultante dos contratos de derivativos depende da decisão de adotar ou não o método de contabilização de *hedge accounting*. A Empresa adota a contabilidade de *hedge* (*hedge accounting*) e designa certos derivativos como:

. Hedge Accounting: *hedge* de um risco específico associado a um ativo ou passivo reconhecido ou uma operação prevista altamente provável (*hedge* de fluxo de caixa e metal).

. Demais programas: *hedge* do valor justo de ativos ou passivos reconhecidos ou de um compromisso firme (*hedge* de valor justo);

A Empresa documenta, no início da operação, a relação entre os instrumentos de *hedge* e os itens protegidos por *hedge*, assim como os objetivos da gestão de risco e a estratégia para a realização de várias operações de *hedge*. Além de documentar sua avaliação, tanto no início do *hedge* como de forma contínua, de que os derivativos usados nas operações de *hedge* são altamente eficazes na compensação de variações no valor justo ou nos fluxos de caixa dos itens protegidos por *hedge*, pelo exposto acima, conclui-se que as operações de *hedge* realizadas pela Empresa não são de natureza especulativa.

Os valores justos dos instrumentos derivativos usados para fins de *hedge* estão divulgados na Nota 7. A variação no valor de *hedge* classificada na conta "Ajustes de avaliação patrimonial" no patrimônio líquido está demonstrada no quadro das mutações do patrimônio líquido. O valor justo total de um derivativo de *hedge* é classificado como ativo ou passivo não circulante, quando o vencimento remanescente do item protegido por *hedge* for superior a 12 meses, e como ativo ou passivo circulante, quando o vencimento remanescente do item protegido por *hedge* for inferior a 12 meses. Os derivativos são classificados como ativo ou passivo circulante.

(a) *Hedge* de valor justo

As variações no valor justo de derivativos designados e qualificados como *hedge* de valor justo são registradas na demonstração do resultado, contemplando o valor justo do ativo ou passivo protegido por *hedge* que são atribuíveis ao risco protegido. A Empresa só aplica a contabilidade de *hedge* de valor justo para se proteger contra o risco da variação do preço do metal (*commodity*) e exposição cambial.

(b) *Hedge* de fluxo de caixa e *Hedge* de metal (*commodity*)

A parcela efetiva das variações no valor justo de derivativos designados e qualificados como *hedge* de fluxo de caixa é reconhecida no patrimônio líquido, na conta "Ajustes de avaliação patrimonial". O ganho ou perda relacionado com a parcela não efetiva é imediatamente reconhecido na demonstração do resultado como "Resultado financeiro, líquido".

Os valores acumulados no patrimônio são realizados na demonstração do resultado nos períodos em que o item protegido por *hedge* afetar o resultado. O ganho ou perda relacionado com a parcela efetiva dos derivativos que protegem a Empresa são reconhecidas conforme abaixo:

(i) Hedge de fluxo de caixa

O ganho ou perda relacionado com a parcela efetiva dos derivativos que protegem a Empresa da exposição cambial é reconhecidos inicialmente em "OCI" e posteriormente na demonstração do resultado em "Resultado financeiro, líquido". O ganho ou perda com a parcela efetiva dos derivativos que protegem aquisição de ativo imobilizadoé reconhecido iniciamente na rubrica "imobilizado" e posteriormente na demonstração do resultado em "Depreciação" .

(ii) Hedge de metal (commodity)

O ganho ou perda relacionado com a parcela efetiva dos derivativos que protegem a Empresa da exposição da variação do preço do metal (*commodity*) é reconhecido no patrimônio líquido. O ganho ou perda relacionado com a parcela não efetiva é reconhecido na demonstração do resultado em "Resultados financeiro, líquido". Neste momento, os valores diferidos no patrimônio líquido são transferidos para o resultado.

Quando um instrumento de *hedge* vence ou é desfeito, ou quando um *hedge* não atende mais aos critérios da contabilidade de *hedge*, todo ganho ou perda acumulado existente no patrimônio naquele momento permanece no patrimônio e é reconhecido no resultado quando a operação protegida for reconhecida na demonstração do resultado. Quando não se espera mais que uma operação ocorra, o ganho ou a perda acumulada que havia sido apresentado no patrimônio é imediatamente transferido para a demonstração do resultado em "Resultado financeiro, líquido".

(c) *Derivativos mensurados ao valor justo por meio do resultado*

Certos instrumentos derivativos não se qualificam para a contabilização de *hedge accounting*. As variações no valor justo de qualquer um desses instrumentos derivativos são reconhecidas imediatamente na demonstração do resultado em "Resultado financeiro, líquido".

2.6 Contas a receber de clientes

As contas a receber de clientes correspondem aos valores a receber pela venda de mercadorias ou prestação de serviços no decurso normal das atividades da Empresa. Caso o prazo de recebimento seja equivalente a um ano ou menos, as contas a receber são classificadas no ativo circulante. Caso contrário, estão apresentadas no ativo não circulante.

As contas a receber de clientes são, inicialmente, reconhecidas pelo valor justo e, subsequentemente, mensuradas pelo custo amortizado com o uso do método da taxa efetiva de juros menos a "Provisão para créditos de liquidação duvidosa" ("PCLD" ou *impairment*), que é constituída sempre que algum risco de inadimplência é identificado pelas áreas de crédito e jurídica da Empresa. Na prática, são normalmente reconhecidas ao valor faturado, ajustado pela provisão para *impairment*, se necessária.

A Empresa não possui histórico de perdas de contas a receber de clientes, não há indícios da necessidade de constituição de provisão para perdas estimadas de crédito para seu contas a receber conforme estabelecido pelo IFRS 9/ CPC 48.

A Novelis usualmente pratica desconto de recebíveis sem direito de regresso, desde que não existam restrições contratuais.

2.7 Estoques

Os estoques são apresentados pelo menor valor entre o custo e o valor líquido realizável. O custo é determinado pelo método do custo médio ponderado. O custo dos produtos acabados e dos produtos em elaboração compreende as matérias-primas, mão de obra direta, outros custos diretos e despesas gerais de fabricação (com base na capacidade operacional normal). O valor realizável líquido é o preço de venda estimado para o curso normal dos negócios.

2.8 Ativos não circulantes mantidos para venda

Os ativos não circulantes são classificados como ativos mantidos para venda baseado nos seguintes critérios: (a) a administração, com autoridade para aprovar a ação, compromete-se com um plano para vender; (b) o ativo está disponível para venda em sua condição atual sujeito apenas a termos que são usuais e costumeiros para venda de tais ativos; (c) um programa ativo para localizar o comprador e outras ações necessárias para concluir o plano de venda do ativo foi iniciado; (d) a venda do ativo é provável, e espera-se que sua transferência ocorra no prazo de um ano, exceto se eventos ou circunstâncias além do controle da Empresa excedam tal período; (e) o ativo está sendo ativamente comercializado para venda a um preço que é razoável em relação ao seu valor justo corrente; (f) as ações necessárias para concluir o plano de venda indicam que é improvável que ocorram mudanças significativas.

Estes ativos são avaliados pelo menor valor entre o valor contábil e o valor justo menos os custos de venda.

2.9 Imobilizado

O imobilizado é registrado pelo custo de aquisição, formação ou construção, deduzido da depreciação e, quando aplicável, reduzido ao valor de recuperação. Os componentes principais de alguns bens do imobilizado, quando de sua reposição, são contabilizados como ativos individuais e separados utilizando-se a vida útil específica desse componente. O componente substituído é baixado. Os gastos com as manutenções efetuadas para restaurar ou manter os padrões originais de desempenho são reconhecidos no resultado das vendas durante o período em que são incorridos.
A depreciação do ativo imobilizado é calculada usando o método linear para alocar seus custos aos seus valores residuais durante a vida útil estimada.

O valor contábil de um ativo é imediatamente ajustado caso ele seja maior do que seu valor recuperável estimado.

Em milhares de reais, exceto quando indicado de outra forma

A Empresa possui peças e sobressalentes de reposição destinadas à manutenção de itens do ativo imobilizado, que possuem vida útil estimada superior a 12 meses. Desta forma, o saldo dos estoques dessas peças e sobressalentes está classificado no grupo do ativo imobilizado.

A depreciação de outros ativos é calculada para alocar seus custos aos seus valores residuais durante a vida útil estimada, como segue:

	Anos	Anos (média ponderada)
Edificações e benfeitorias	10 a 40	31,6
Máquinas e equipamentos	2 a 40	17,6
Veículos	3 a 10	4,3
Móveis e utensílios	5 a 10	9,4
Automação	10	9,9
Equipamento de processamento de dados	3	3,0

Os valores residuais e a vida útil dos ativos são revisados e ajustados, se apropriado, ao final de cada exercício.

Os ganhos e as perdas de alienações são determinados pela comparação dos resultados com o valor contábil e são reconhecidos em "Outras despesas líquidas" na data do balanço.

2.10 *Impairment* de ativos não financeiros

Os ativos que estão sujeitos à amortização são revisados para a verificação de *impairment* sempre que eventos ou mudanças nas circunstâncias indicarem que o valor contábil pode não ser recuperável. Uma perda por *impairment* é reconhecida pelo valor ao qual o valor contábil do ativo excede seu valor recuperável. Este último é o valor mais alto entre o valor justo de um ativo menos os custos de venda e o seu valor em uso. Para fins de avaliação do *impairment*, os ativos são agrupados nos níveis mais baixos para os quais existem fluxos de caixa identificáveis separadamente (Unidades Geradoras de Caixa (“UGC”)). Os ativos não financeiros, que tenham sofrido *impairment*, são revisados subsequentemente para a análise de uma possível reversão do *impairment*.

2.11 Fornecedores, risco sacado e outras contas a pagar

Esses passivos são obrigações a pagar por bens ou serviços que foram adquiridos no curso normal dos negócios, segregados unicamente pela natureza da transação e classificadas como passivos circulantes se o pagamento for devido no período de até 12 meses a data do balanço. Caso contrário, esses passivos são apresentados como passivo não circulante.

Eles são, inicialmente, reconhecidos pelo valor justo e, subsequentemente, mensurados pelo custo amortizado com o uso do método de taxa efetiva de juros. Na prática, são normalmente reconhecidos ao valor da fatura correspondente.

2.12 Empréstimos e financiamentos

Os empréstimos e financiamentos são reconhecidos, inicialmente, pelo valor justo, líquido dos custos incorridos na transação e são, subsequentemente, demonstrados pelo custo amortizado. Qualquer diferença entre os valores captados (líquidos dos custos da transação) e o valor de liquidação é reconhecida na demonstração do resultado durante o período em que os empréstimos estejam em aberto, utilizando o método da taxa efetiva de juros.

Os empréstimos e financiamentos são classificados como passivo circulante, a menos que a Empresa tenha um direito incondicional de diferir a liquidação do passivo por, pelo menos, 12 meses após a data do balanço.

2.13 Provisão para contingências e outras obrigações

As provisões para restauração ambiental, custos de reestruturação e ações judiciais (trabalhista, civil e tributárias) são reconhecidas quando: a Empresa tem uma obrigação presente ou não formalizada (*constructive obligation*) como resultado de eventos passados; é provável que uma saída de recursos seja necessária para liquidar a obrigação; e o valor tiver sido estimado com segurança. As provisões para reestruturação compreendem multas por rescisão de contratos e pagamentos por rescisão de vínculo empregatício. As provisões não são reconhecidas com relação às perdas operacionais futuras.

Quando houver uma série de obrigações similares, a probabilidade de liquidá-las é determinada levando-se em consideração a classe de obrigações como um todo. Uma provisão é reconhecida mesmo que a probabilidade de liquidação relacionada com qualquer item individual incluído na mesma classe de obrigações seja pequena.

As provisões são mensuradas pelo valor presente dos gastos que devem ser necessários para liquidar a obrigação, usando uma taxa antes de impostos, a qual reflita as avaliações atuais de mercado do valor temporal do dinheiro e de desconto dos riscos específicos da obrigação. O aumento da obrigação em decorrência da passagem do tempo é reconhecido como despesa financeira.

2.14 Imposto de renda e contribuição social corrente e diferido

As despesas de imposto de renda e contribuição social compreendem os impostos corrente e diferido. Os impostos sobre a renda são reconhecidos na demonstração do resultado, exceto na proporção em que estiverem relacionados com itens reconhecidos diretamente no patrimônio líquido ou no resultado abrangente. Nesse caso, o imposto também é reconhecido no patrimônio líquido ou no resultado abrangente.

O encargo de imposto de renda e contribuição social corrente é calculado com base nas leis tributárias promulgadas, ou substancialmente promulgadas, na data do balanço. A administração avalia, periodicamente, as posições assumidas pela Empresa nas declarações de imposto de renda com relação às situações em que a regulamentação fiscal aplicável dá margem a interpretações. Estabelece provisões, quando apropriado, com base nos valores estimados de pagamento às autoridades fiscais.

O imposto de renda e contribuição social diferidos são reconhecidos usando-se o método do passivo sobre as diferenças temporárias decorrentes de diferenças entre as bases fiscais dos ativos e passivos e seus valores contábeis nas demonstrações financeiras. O imposto de renda e contribuição social diferidos são determinados usando alíquotas de imposto (e leis fiscais) promulgadas, ou substancialmente promulgadas, na data do balanço, e que devem ser aplicadas quando o respectivo imposto diferido ativo for realizado ou quando o imposto diferido passivo for liquidado.

O imposto de renda e contribuição social diferidos ativos são reconhecidos somente na proporção da probabilidade de que lucro tributável futuro esteja disponível e contra o qual as diferenças temporárias possam ser usadas.

Os impostos de renda diferidos ativos e passivos são compensados quando há um direito exequível legalmente de compensar os ativos fiscais correntes contra os passivos fiscais correntes e quando os impostos de renda diferidos ativos e passivos se relacionam com os impostos de renda incidentes pela mesma autoridade tributável sobre a entidade tributária ou diferentes entidades tributáveis onde há intenção de liquidar os saldos numa base líquida.

2.15 Reconhecimento da receita

As receitas de contratos com clientes são reconhecidas pela Empresa à medida em que ocorre a transferência de controle dos produtos aos clientes, representada pela capacidade de determinar o uso dos produtos e de obter substancialmente a totalidade dos benefícios restantes provenientes dos produtos.

Para isso, a Empresa segue a estrutura conceitual da norma, baseada no modelo de cinco passos:
(1) identificação dos contratos com os clientes;
(2) identificação das obrigações de desempenho previstas nos contratos;
(3) determinação do preço da transação;
(4) alocação do preço da transação à obrigação de desempenho previstas nos contratos e
(5) reconhecimento da receita quando a obrigação de desempenho é atendida.

A comprovação da transação é baseada nos parâmetros previstos pelo *Incoterms* (Termos Internacionais de Comércio) correspondente e confirmação do crédito para a realização da transação. A receita é o rendimento líquido das vendas, após dedução de impostos, descontos e devoluções.

2.16 Distribuição de dividendos e juros sobre capital próprio

A distribuição de dividendos, mesmo na forma de juros sobre capital próprio para os quotistas da Empresa, é reconhecida como um passivo nas demonstrações financeiras da Empresa quando aprovadas e declaradas pela administração, com base no contrato social da Empresa.

2.17 Operações de arrendamento mercantil

A Empresa aluga diversas modalidades de máquinas e equipamentos para operação fabril, andares do prédio comercial para sua área administrativa, armazém, galpões para operações de centro de coletas e veículos. Em geral, os contratos de aluguel são realizados por períodos fixos de doze meses a trinta e seis meses, porém eles podem incluir opções de prorrogação.

Os contratos podem conter componentes de arrendamento e outros não relacionados a arrendamentos. A empresa aloca a contraprestação no contrato aos componentes de arrendamentos e de outros não relacionados a arrendamentos com base nos preços isolados relativos.

Os prazos dos arrendamentos são negociados individualmente e contêm uma ampla gama de termos e condições diferenciadas. Os contratos de arrendamento não contêm cláusulas restritivas, porém os ativos arrendados não podem ser utilizados como garantia de empréstimos.

Os ativos e passivos provenientes de um arrendamento são inicialmente mensurados ao valor presente.

Os passivos de arrendamento incluem o valor presente líquido dos pagamentos de arrendamentos a seguir:

Pagamentos fixos (incluindo pagamentos fixos na essência, menos quaisquer incentivos de arrendamentos a receber;

Pagamentos variáveis de arrendamentos variáveis que dependem de índice ou de taxa;

Valores que se espera que sejam pagos pelo arrendatário, de acordo com as garantias de valor residual;

O preço de exercício de uma opção de compra se o arrendatário estiver razoavelmente certo de que irá exercer essa opção, porém a Empresa não possui contrato vigente com cláusula de opção de compra; e

Pagamentos de multas por rescisão do arrendamento se o prazo do arrendamento refletir o arrendatário exercendo a opção de rescindir o arrendamento.

Os pagamentos de arrendamentos são descontados utilizando a taxa de juros implícita no arrendamento. Caso essa taxa não possa ser prontamente determinada, a taxa incremental de empréstimo do arrendatário é utilizada, sendo esta a taxa que o arrendatário teria que pagar em um empréstimo para obter os fundos necessários para adquirir um ativo de valor semelhante, em um ambiente econômico similar, com termos e condições equivalentes.

Para determinar a taxa incremental de empréstimo, a Empresa usa taxas de desconto utilizadas obtidas de acordo com as condições de mercado.

A Empresa está exposta a potenciais aumentos futuros nos pagamentos de arrendamentos variáveis com base em um índice ou taxa, os quais não são incluídos no passivo de arrendamento até serem concretizados. Quando os ajustes em pagamentos de arrendamentos baseados em um índice ou taxa são concretizados, o passivo de arrendamento é reavaliado e ajustado em contrapartida ao ativo de direito de uso.

Os pagamentos de arrendamentos são alocados entre o principal e as despesas financeiras. As despesas financeiras são reconhecidas no resultado durante o período do arrendamento para produzir uma taxa periódica constante de juros sobre o saldo remanescente do passivo para cada período.

Os ativos de direito de uso são mensurados ao custo, de acordo com os itens a seguir:

O valor da mensuração inicial do passivo de arrendamento;
Quaisquer pagamentos de arrendamentos feitos na data inicial, ou antes dela, menos quaisquer incentivos de arrendamento recebidos;

Quaisquer custos diretos iniciais; e

Os ativos de direito de uso geralmente são depreciados ao longo da vida útil do ativo ou do prazo do arrendamento pelo método linear, dos dois o menor.

Os pagamentos associados a arrendamentos de curto prazo de equipamentos e veículos e todos e arrendamentos de ativos de baixo valor são reconhecidos pelo método linear como uma despesa no resultado. Arrendamentos de curto prazo são aqueles com um prazo de 12 meses ou menos.

(i) Pagamentos de arrendamentos variáveis

Certos arrendamentos de máquinas e equipamentos contêm cláusulas de pagamentos variáveis ligados volume de material movimentado.

(ii) Opções de prorrogação e extinção

As opções de prorrogação e extinção estão incluídas em diversos dos arrendamentos de ativos imobilizados da empresa. Esses termos são usados para maximizar a flexibilidade operacional em termos de gestão de contratos. A maioria das opções de prorrogação e extinção mantidas podem ser exercidas apenas pela empresa, de acordo com prévia negociação entre as partes.

3 Estimativas e julgamentos contábeis críticos

As estimativas e os julgamentos contábeis são continuamente avaliados e baseiam-se na experiência histórica e em outros fatores, incluindo expectativas de eventos futuros, consideradas razoáveis para as circunstâncias.

A Empresa faz estimativas e estabelece premissas com relação ao futuro. Por definição, as estimativas contábeis resultantes raramente serão iguais aos respectivos resultados reais. As estimativas e premissas que apresentam um risco significativo, com probabilidade de causar um ajuste relevante nos valores contábeis de ativos e passivos para o próximo exercício estão relacionadas as notas 2.10 *Impairment* de ativos não financeiros, 2.13 Provisão para contingências e Outras obrigações e 2.14 Imposto de renda e contribuição social corrente e diferido.

4 Gestão de risco financeiro

4.1 Risco financeiro ou de mercado

Risco financeiro, também conhecido como risco de mercado, decorre da possibilidade de perdas que podem ser ocasionadas por mudanças no comportamento das taxas de juros, do câmbio, dos preços das ações e dos preços das *commodities*.
A gestão de risco realizada pela Empresa segue as políticas aprovadas pela sua matriz, cujo objetivo é identificar, avaliar e proteger os ativos e passivos expostos da Empresa contra eventuais riscos financeiros mediante utilização de instrumentos financeiros (derivativos).

(a) Risco de mercado

(i) Risco cambial

Risco cambial decorre da exposição da Empresa em relação aos seus ativos e passivos denominados em moeda diferente da sua moeda funcional.

Como as taxas de câmbio flutuam, o mesmo acontece com o valor desses itens, o que resulta em um impacto no valor global da Empresa.

Tendo em vista que a moeda funcional da Empresa é o US$, e parte de nossas operações e dos valores contidos em nossos balanços tem como base moeda local (R$), a estratégia da Empresa é de proteger seus ativos e passivos da variação da taxa do real frente ao dólar. Sendo assim, a cobertura do risco cambial da Empresa abrange contratos futuros para proteção do balanço, de certos custos e receitas projetadas e investimentos em imobilizado. A seguir, os totais de ativos e passivos sujeitos à exposição cambial:

Em milhares de reais, exceto quando indicado de outra forma

	2023	2022
Ativo		
Caixa e equivalentes de caixa	1.947.798	1.005.510
Contas a receber de clientes	434.313	517.461
Depósitos Judiciais	34.871	36.046
Impostos a recuperar	105.892	63.896
Outros	51.344	81
	2.574.218	1.622.994
Passivos		
Fornecedores	(1.469.388)	(1.754.991)
Salários, provisões e encargos	(56.157)	(55.228)
Demais impostos e contribuições a pagar	(122.040)	(233.999)
Parcelamentos impostos	(54.192)	(83.395)
Provisão para contingências	(179.510)	(161.076)
Outras obrigações	(100.237)	(49.632)
Transferência de tecnologia	(39.103)	(49.163)
Empréstimo partes relacionadas - principal	(1.007.605)	(568.707)
Dividendos a pagar	(89.636)	
	(3.117.868)	(2.956.191)
Exposição Líquida	(543.650)	(1.333.197)

Como mencionado na Nota 2.2(a) a moeda funcional da Empresa é o dólar (US$). No entanto, as demonstrações financeiras apresentam ativos e passivos originados e controlados em reais, que afetam os resultados operacionais quando de flutuações na variação do dólar (US$) frente ao real (R$). A política da Empresa visa minimizar exposições cambiais em relação à moeda funcional, a qual tem por objetivo proteger 100% da exposição de curto e longo prazo, sendo a contratação dos derivativos efetuadas pela tesouraria em sua sede. A atual exposição líquida é passiva, oriunda de um maior volume dos passivos de curto e longo prazo expostos em reais.

(ii) Risco de preço de *commodities*

Risco de preço das *commodities* é o risco de mudança no preço da matéria-prima utilizada pela Empresa, o qual impacta diretamente o resultado pois a todo momento o preço do ativo muda, fazendo com que não só o preço das compras varie, mas também o das vendas. Os fatores que podem afetar os preços das *commodities* incluem política, mudanças regulatórias, oferta e demanda e outras condições gerais do mercado.

A estratégia de gestão deste risco para a Empresa está fundamentada na proteção do preço do alumínio em nosso estoque no decorrer do ciclo produtivo da *commodity* até o momento da venda do produto final. Com o estoque devidamente protegido das oscilações de preço da *commodity*, a Empresa conta com equipe especializada em sua administração central, que consolida as projeções de compras e vendas das áreas operacionais da Empresa, identifica a exposição e protege a Empresa por meio de produtos financeiros (derivativos) disponíveis no mercado financeiro, tais como contratos de NDF, *swaps* e futuros.

O negócio da Empresa é conduzido por meio de modelo onde tanto as compras quanto as vendas têm em sua estrutura de preço componentes comuns, sendo o preço do alumínio baseado na cotação do Base Metal Cost (“BMC”) composto por London Metal Exchange (“LME”) e prêmio local de mercado.

Um componente-chave desse modelo é o uso de instrumentos financeiros para preservar a margem de conversão, onde são protegidos os volumes de compras de metal bem como os volumes de metal relativos aos contratos de venda. Existe uma diferença temporal entre o reconhecimento dos ganhos e perdas e as operações de compra e venda de alumínio, o que chamamos de defasagem do preço de metal (*metal price lag*). Essas compras futuras, via instrumentos financeiros (derivativos), cobrem diretamente os riscos futuros da flutuação do preço de alumínio associadas aos contratos de compra e venda. O reconhecimento de eventuais ganhos ou perdas nas posições dos instrumentos financeiros é realizado com base no regime de competência.

A Empresa espera que os ganhos ou perdas na liquidação dos instrumentos financeiros sejam compensados pelos efeitos das variações nos preços de venda realizados com os clientes, assim como o impacto causado pelas diferentes cotações do LME no custo da mercadoria vendida. No entanto, existem alguns fatores como prêmios de mercado, curva futura e impostos, que fazem com que ocorram diferenças nesta compensação.

(iii) Risco com taxa de juros

Risco com a taxa de juros é o risco relacionado com as alterações nos valores de investimento ou os custos de empréstimos devido às mudanças nas taxas de juros, e a Empresa monitora continuamente as taxas de juros de mercado face à sua exposição.

(b) Risco de crédito

O risco de crédito refere-se à possibilidade de não receber o valor principal negociado devido à inadimplência, que não pode ser evitada, mas prevenida ou controlada pela análise de crédito. Porém, pela impossibilidade de prever se clientes terão condições de honrar seus compromissos financeiros, a Empresa se cerca de cuidados e garantias antes de conceder crédito aos seus clientes.

A política de vendas está diretamente associada ao nível de risco de crédito a que a Empresa está disposta a se sujeitar no curso de seus negócios. A diversificação da carteira de recebíveis de seus clientes, assim como o acompanhamento dos prazos de financiamento de vendas e limites individuais de posição, são procedimentos adotados a fim de minimizar inadimplências ou perdas na realização em suas contas a receber. Este risco está analisado com mais detalhes na nota 5 (b).

(c) Risco de liquidez

O risco de liquidez assume duas formas: risco de liquidez de mercado e risco de liquidez de fluxo de caixa. O primeiro é a possibilidade de perda decorrente da incapacidade de realizar uma transação em tempo razoável e com perda significativa de valor. O segundo está associado à possibilidade de falta de recursos para honrar os compromissos assumidos em virtude do descasamento entre os ativos e passivos.
O caixa da Empresa é centralizado e gerenciado pela tesouraria, com supervisão e monitoramento da matriz, que realiza gestão ativa do caixa a fim de assegurar a liquidez necessária para atender às necessidades da operação. Esta gestão está fundamentada em projeções periódicas das áreas operacionais da Empresa.

A Empresa investe o excesso de caixa em aplicações com liquidez diária, em depósitos em instituições financeiras de primeira linha, escolhendo instrumentos com vencimentos apropriados ou liquidez suficiente que apresentem margens satisfatórias.

O quadro abaixo representa os saldos contábeis para os principais passivos financeiros não derivativos da Empresa:

Em milhares de reais, exceto quando indicado de outra forma

	Menos de um ano	Entre um e dois anos	Entre dois e cinco anos	Acima de cinco anos	Total
Em 31 de março de 2023					
Fornecedores e outras contas a pagar	1.036.994				1.036.994
Fornecedores operação risco sacado	1.135.370				1.135.370
Empréstimos e financiamentos*	1.232.685		548.120		1.780.805
Em 31 de março de 2022					
Fornecedores e outras contas a pagar	1.149.666				1.149.666
Fornecedores operação risco sacado	1.326.414				1.326.414
Empréstimos e financiamentos*	496.665	238.138	548.120		1.282.923

(*) A tabela acima representa os saldos de balanço correspondentes à 31 de março de 2023. No entanto, a Empresa efetua amortização de juros semestralmente para seu principal empréstimo. A atualização dos empréstimos e financiamentos levados às respectivas datas contratuais de vencimentos totaliza R$ 1.910.194 (2022 - R$ 1.495.195).

4.2 Gestão de capital

Os objetivos da Empresa ao administrar seu capital são os de salvaguardar a capacidade de continuidade da Empresa para oferecer retorno aos quotistas e benefícios às outras partes interessadas, além de manter uma estrutura de capital ideal para reduzir seu custo.

A administração do capital está baseada nas diretrizes determinadas por sua matriz, levando em consideração as informações da Empresa. Para manter ou ajustar a estrutura do capital, a Empresa pode rever a diretriz de pagamento de dividendos, devolver capital aos quotistas ou, ainda, emitir novas quotas ou vender ativos para reduzir, por exemplo, o nível de endividamento.

4.3 Estimativa do valor justo

(a) Valor justo de instrumentos financeiros

Os valores justos dos ativos e passivos financeiros da Empresa são determinados mediante informações disponíveis no mercado e com a aplicação de metodologias que a Empresa julga apropriada para melhor avaliar cada tipo de instrumento.

O valor justo das dívidas de longo prazo é baseado no valor descontado de seus fluxos de caixa contratuais. A taxa de desconto utilizada é baseada na curva futura de mercado para o fluxo de cada obrigação.

(b) Custo Amortizado

O valor contábil do caixa e equivalentes de caixa, contas receber e fornecedores, contas a pagar com terceiros e contas a pagar com associadas são classificados como custo amortizado.

(c) Classificação

Os instrumentos financeiros mensurados ao valor justo devem ser classificados entre as categorias abaixo:

(i) Nível 1 - Preços cotados (não ajustados) em mercados ativos para ativos ou passivos idênticos a que a Empresa possa ter acesso na data de mensuração.

Em milhares de reais, exceto quando indicado de outra forma

(ii) Nível 2 - Informações observáveis para o ativo ou passivo, direta ou indiretamente, exceto preços cotados incluídos no Nível 1.

(iii) Nível 3 - Dados não observáveis para o ativo ou passivo.

A tabela a seguir classifica por nível utilizando a hierarquia de valor justo dos ativos e passivos financeiros da Empresa a qual não possui instrumentos financeiros classificados nos Níveis 1 e 3 em 31 de março de 2022 e de 2022:

Derivativos usados para proteção (Nível 2)	**2023**	**2022**
Ativos	320.986	533.970
Passivos	214.177	471.983

5 Instrumentos financeiros

(a) Classificação por categoria

Na data da aplicação inicial do IFRS 9, a Empresa avaliou quais modelos de negócios se aplicam aos seus ativos financeiros e os classificou de acordo com as categorias do IFRS 9. A categorização dos instrumentos financeiros da Empresa em 31 de março de 2023 está representada no quadro abaixo:

	31 de março de 2023			
	VJL*	**VJORA****	**Custo amortizado**	**Total**
Aplicações financeiras			2.204.338	2.204.338
Contas a receber e demais contas a receber			1.991.912	1.991.912
Contas a receber com partes relacionadas			11.712	11.712
Operações com instrumentos derivativos	320.986			320.986
Ativos financeiros	320.986		4.207.962	4.528.948
Fornecedores e outras contas a pagar			2.172.365	2.172.365
Empréstimos e financiamentos	773.201			773.201
Empréstimos com partes relacionadas			1.007.605	1.007.605
Contas a pagar com partes relacionadas			162.809	162.809
Passivo de arrendamento			37.981	37.981
Operações com instrumentos derivativos	214.177	87.916		302.093

Em milhares de reais, exceto quando indicado de outra forma

	31 de março de 2023			
	VJL*	VJORA**	Custo amortizado	Total
Passivos financeiros	987.378	87.916	3.380.760	4.456.055

	31 de março de 2022			
	VJL*	VJORA**	Custo amortizado	Total
Aplicações financeiras			1.134.231	1.134.231
Contas a receber e demais contas a receber			2.445.416	2.445.416
Contas a receber com partes relacionadas			126.015	126.015
Operações com instrumentos derivativos	533.969			533.969
Ativos financeiros	533.969		3.705.662	4.239.631
Fornecedores e outras contas a pagar			2.476.080	2.476.080
Empréstimos e financiamentos	714.215			714.215
Empréstimos com partes relacionadas			568.707	568.707
Contas a pagar com partes relacionadas			91.757	91.757
Passivo de arrendamento			20.842	20.842
Operações com instrumentos derivativos	471.984	(36.691)		435.293
Passivos financeiros	1.186.199	(36.691)	3.157.386	4.306.894

(*) Valor Justo por meio do resultado
(**) Valor Justo registrado em Outros Resultados Abrangentes

(b) Risco de crédito dos instrumentos financeiros

A Empresa opera com instituições financeiras classificadas 50% como “A” e 50% como “B”, conforme classificação de riscos da Standard & Poor’s Rating Services (“S&P”).

Em milhares de reais, exceto quando indicado de outra forma

6 Caixa e equivalentes de caixa

	2023	2022
Caixa e bancos	99.085	224.318
Aplicações financeiras	2.204.338	1.134.232
	2.303.423	1.358.550

As aplicações financeiras referem-se principalmente a operações de renda fixa indexadas à variação dos Certificados de Depósito Interbancário ("CDI"), com liquidez imediata. O rendimento de aplicação financeira reconhecido durante o exercício no montante de R$ 79.699 (31 de março de 2022 - R$ 26.508) foi registrado como receita de aplicações financeiras no resultado do exercício.

7 Instrumentos financeiros (derivativos)

A tabela a seguir sumariza o valor justo dos derivativos em 31 de março de 2023 e 2022:

	31 de março de 2023				
Tipo	**Ativo**		**Passivo**		**Total Ativo (-) Passivo**
	Corrente	**Não Corrente**	**Corrente**	**Não Corrente**	
Contratos de alumínio	65.052		56.288	49	121.389
Contratos de Moeda	239.539	16.394	149.515	8.326	413.774
Total	**304.591**	**16.394**	**205.803**	**8.375**	**535.163**

	31 de março de 2022				
Tipo	**Ativo**		**Passivo**		**Total Ativo (-) Passivo**
	Corrente	**Não Corrente**	**Corrente**	**Não Corrente**	
Contratos de Swap Cambial					
Contratos de alumínio	62.263		(223.608)		(161.345)
Contratos de Moeda	402.576	69.130	(213.581)	(34.794)	223.331
Total	**464.839**	**69.130**	**(437.189)**	**(34.794)**	**61.986**

Os instrumentos financeiros (derivativos) são executados com bancos ou *brokers* e registrados, se aplicável, com a B3 ("BM&F/BOVESPA") e CETIP. Os contratos de derivativos têm como único propósito o gerenciamento de riscos, os quais são utilizamos para mitigar incertezas e volatilidades causadas por determinadas exposições. Pelo exposto acima, conclui-se que as operações de *hedge* realizadas pela Empresa não são de natureza especulativa.

Em milhares de reais, exceto quando indicado de outra forma

Contratos de alumínio

A Empresa utiliza instrumentos financeiros (derivativos) para proteger a margem de conversão e gerenciar a diferença temporal relacionada com a flutuação do preço do metal. Derivativos de balcão (*over the counter*) indexados ao LME (*London Metal Exchange*) são utilizados para reduzir a exposição à flutuação do preço do metal associada ao período entre a precificação das compras de estoque e a precificação de venda deste inventário para os clientes.

A Empresa também adquire contratos de *forward* de LME que protegem diretamente o risco econômico de precificações futuras para que o preço de venda esteja alinhado com os preços de compra do metal. A tabela a seguir sumaria nosso nocional de derivativos descritos em quilo toneladas (kt):

Compra / (Venda)	**2023**	**2022**
Exposição	87	46

Contratos cambiais

Os contratos de câmbio de moeda estrangeira são utilizados para gerenciar a exposição às flutuações nas taxas de câmbio. Estas exposições surgem através das entradas de ativos e passivos, compromissos firmados e previsão de fluxo de caixa denominados em moedas diferentes da moeda funcional para certas operações.

8 Contas a receber de clientes

	2023	**2022**
Contas a receber de clientes mercado interno	1.458.541	1.957.186
Contas a receber de clientes mercado externo	355.380	315.382
	1.813.921	2.272.568
Menos - provisão para *impairment* de contas a receber de clientes	(9.638)	(9.638)
	1.804.283	2.262.930

As contas a receber de clientes possuem os seguintes vencimentos:

	2023			**2022**		
	Vencidas	**A vencer**	**Total**	**Vencidas**	**A vencer**	**Total**
Até 30 dias	1.782	264.368	266.150	21.409	247.082	268.491
De 31 a 60 dias	80	925.267	925.347	19	366.913	366.932
De 61 a 90 dias	0	407.066	407.066	14	392.525	392.539
Mais de 90 dias	22	205.698	205.720	55	1.234.912	1.234.968
	1.884	1.802.399	1.804.283	21.497	2.241.432	2.262.930

Em milhares de reais, exceto quando indicado de outra forma

A exposição máxima ao risco de crédito na data de apresentação do relatório é o valor contábil de cada classe de contas a receber mencionada acima. A Empresa não mantém qualquer título como garantia.

Não houve movimentações na provisão para impairment de contas a receber de clientes da Empresa sendo mantidos os saldos de R$ 9.638 (2022 – R$ 9.638).

Qualidade do crédito dos ativos financeiros

A qualidade do crédito dos ativos financeiros que não estão vencidos ou *impaired* pode ser avaliada mediante referências históricas, classificadas em dois grandes grupos de acordo com o risco associado:

- Grupo 1 - Clientes globais
- Grupo 2 - Demais clientes (especialidades e folhas)

A composição das contas a receber por classificação dos clientes está demonstrada a seguir:

	2023	**2022**
Grupo 1	1.669.744	2.131.658
Grupo 2	134.539	131.272
	1.804.283	2.262.930

9 Estoques

	2023	**2022**
Produtos acabados	244.611	125.032
Produtos em processo	454.909	535.222
Matérias-primas	426.521	211.529
Almoxarifados	264.334	204.563
	1.390.375	1.076.346
Provisão para perdas nos estoques	(52.927)	(43.395)
	1.337.448	1.032.951

As movimentações na provisão para perdas nos estoques da Empresa são as seguintes:

	2023	**2022**
Saldo inicial	(43.395)	(49.379)
Adição de provisão	(6.485)	27.649
Ajuste de conversão de moeda	(3.047)	(21.665)
Saldo final	(52.927)	(43.395)

Em milhares de reais, exceto quando indicado de outra forma

10 Imobilizado

	Terrenos, edificações e benfeitorias	Máquinas equipamentos e veículos (i)	Imobilizado em andamento	Total
Saldo final em 31 de março de 2021	1.008.997	3.040.907	744.197	4.794.101
Aquisições		49.636	353.792	403.428
Juros capitalizados	7.917	29.505	(27.864)	9.558
Baixas	(18.503)	(12.833)		(31.336)
Transferências	137.410	658.591	(803.141)	(7.140)
Depreciação	(41.348)	(360.511)		(401.859)
Ajuste de conversão	(179.537)	(553.087)	(71.690)	(804.314)
Saldo contábil líquido, em 31 de março de 2022	914.936	2.852.208	195.294	3.962.438
Custo	1.347.453	6.016.242	195.294	7.558.989
Depreciação acumulada	(432.517)	(3.164.034)		(3.596.551)
Saldo contábil líquido, em 31 de março de 2022	914.936	2.852.208	195.294	3.962.438
Saldo final em 31 de março de 2022	914.936	2.852.208	195.294	3.962.438
Aquisições(ii)		15.954	407.414	423.368
Juros Capitalizados	295	2.250	(2.545)	0
Baixas	(199)	(7.215)		(7.414)
Transferências	53.851	292.874	(363.616)	(16.891)
Depreciação	(42.931)	(342.513)		(385.444)
Ajuste de Conversão	66.009	206.786	13.550	286.345
Saldo contábil líquido, em 31 de março de 2023	991.961	3.020.344	250.097	4.262.402
Custo	1.498.089	6.750.934	250.097	8.499.119
Depreciação acumulada	(506.128)	(3.730.590)		(4.236.718)
Saldo contábil líquido, em 31 de março de 2023	991.961	3.020.344	250.097	4.262.401

(i) Os respectivos itens de máquinas e equipamentos foram dados em garantia aos empréstimos com terceiros (“BNDES”), corresponde a R$5, em março de 2023 (2022 - R$ 3.035).

(ii) O valor referente a aquisições de máquinas e equipamentos está composto por saldo de hedge accounting no valor de R$ 15.954 e aquisições de imobilizado em andamento no valor de R$407.414.

(a) Custo atribuído

Em 1º de janeiro de 2008, a Empresa aplicou o custo atribuído conforme facultado pelo CPC 37 - "Adoção inicial" e o IFRS 1 – *First time adoption*. A Empresa efetuou o registro do custo atribuído (*deemed cost*) e revisou a vida útil remanescente dos grupos de terrenos, edificações e máquinas e equipamentos, com base em laudo técnico emitido por avaliadores internos na data de transição. Em consequência, foi registrada mais-valia dos ativos no montante de R$ 781.076 e foram modificadas as taxas de depreciação dos bens do imobilizado face à revisão da estimativa de vida útil-econômica ‘’destes bens. O valor remanescente em março de 2023 é de R$58.664.

Em milhares de reais, exceto quando indicado de outra forma

Anualmente, ou quando são identificados indícios, a vida útil remanescente dos bens do imobilizado é revisada.

(b) Ativos não circulantes mantidos para venda

Dando continuidade à estratégia global de focar seus negócios na área de laminação e reciclagem, a Empresa manteve a decisão de vender as suas operações de geração de energia hidrelétrica, cujo valor líquido em 31 de março de 2023 é de R$ 16.243 (2022 - R$ 15.147).

(c) Outras informações

A depreciação do imobilizado do exercício findo em 31 de março de 2023, no valor de R$ 385.444 (2022 - R$ 401.859), é alocada ao custo dos produtos vendidos e às despesas administrativas.

10.1 Arrendamento Mercantil

Saldos reconhecidos no balanço patrimonial

	2023	**2022**
Ativos de direito de uso		
Edificações	13.207	7.554
Máquinas e equipamentos	23.610	11.789
Veículos	111	495
Saldo Final	36.928	19.838
Passivo de arrendamento		
Circulante	(20.733)	(7.955)
Não circulante	(17.248)	(12.887)
	(37.981)	(20.842)

A seguir estão apresentadas as movimentações no ativo de direito de uso:

	Ativo
Saldo em 2022	**19.838**
Novos contratos	36.517
Remensurações	1.244
Depreciação	(20.672)
Saldo em 2023	**36.927**

Em milhares de reais, exceto quando indicado de outra forma

A seguir estão apresentadas as movimentações no passivo de arrendamento:

	Passivo
Saldo em 2022	**(20.842)**
Novos contratos	(36.529)
Remensurações	(1.322)
Pagamentos	20.712
Saldo em 2023	**(37.981)**

Saldos reconhecidos na demonstração do resultado

A demonstração do resultado inclui os seguintes montantes relacionados a arrendamentos

	2023	2022
Depreciação:		
Edificações	5.555	5.304
Máquinas e equipamentos	13.680	10.571
Veículos	867	480
	20.102	16.355
Despesas com juros (incluídas nas despesas financeiras - Nota 20)	439	448
Despesas relacionadas a pagamentos de arrendamentos variáveis não incluídos em não incluídos em passivos de arrendamentos.	20.541	19.923

11 - Impostos a recuperar

	2023	2022
Crédito PIS e COFINS na base do ICMS	-	47.550
ICMS a recuperar	6.776	8.189
IPI a recuperar	527	45
IRRF sobre aplicação financeira e hedge a recuperar	17.745	24.023
Crédito exportação – reintegra	3.299	67.538
Outros	590	2.402
Circulante	**28.937**	**149.747**
ICMS a recuperar	76.938	61.936
Não circulante	**76.938**	**61.936**

12 Fornecedores

O saldo em 31 de março de 2023 de R$ 934.427 (2022 –R$ 644.818) reflete reclassificações entre os saldos contábeis de fornecedores risco sacado e outras contas a pagar descritas abaixo.

(a) Fornecedores operação risco sacado

A Empresa tem convênios firmados com determinadas instituições financeiras para estruturar com seus principais fornecedores a operação denominada "risco sacado". Nessa operação, os fornecedores transferem o direito de recebimento dos títulos das vendas de metal (matéria prima) da Empresa para as instituições financeiras, que por sua vez, passarão a ser credoras da operação. Essa operação não altera os prazos, preços e condições anteriormente estabelecidos com o fornecedor. Por não ter objetivo de financiar aquisições de mercadorias, através de instituições financeiras, esta operação está apresentada, no passivo circulante, com a nomenclatura "operação risco sacado" logo abaixo da rubrica "Fornecedores" O saldo em 31 de março de 2023 é de R$ 1.135.370 (2022 –R$ 1.326.414).

(b) Outras contas a pagar

A Empresa firmou contrato com fornecedores intermediários de metal, para operações de importação sob encomenda. O saldo em 31 de março de 2023 é de R$ 102.568 (2022 –R$ 504.848).

Em milhares de reais, exceto quando indicado de outra forma

13 Empréstimos e financiamentos

3	Moeda	Modalidade/Indexador e taxa anual média ponderada de juros e comissões	Vencimento final	2023	2022
Com partes relacionadas					
Principal	R$	Juros de 10,2%	Maio de 2023	401.160	
Juros				37.736	
Principal	R$	Juros de 8%	Outubro de 2026	548.119	548.119
Juros				20.588	20.588
Com Terceiros					
Principal	US$	Juros de 3,65%	Abril de 2021		
Juros					
Principal	US$	Juros de 2,04%	Dezembro de 2021		
Juros					
Principal	US$	Juros de 1,42%	Novembro de 2022	0	236.890
Juros				0	1.364
Principal	US$	Juros de 1.35%	Dezembro de 2022	0	236.890
Juros				0	933
Principal	US$	Juros de 1,80%	Junho de 2023	152.412	142.134
Juros				3.582	746
Principal	US$	Juros de 1,80%	Dezembro de 2023	101.608	94.756
Juros				2.393	502
Principal	US$	Juros de 5,80%	Março de 2024	254.020	
Juros				573	
Principal	US$	Juros de 6,20%	Dezembro de 2023	254.020	
Juros				4.594	
Total				**1.780.805**	**1.282.922**
Circulante				1.232.685	496.665
Não Circulante				548.120	786.257
Total				**1.780.805**	**1.282.922**

Em milhares de reais, exceto quando indicado de outra forma

Em 31 de março de 2023, a Empresa tinha limite de crédito junto a 13 instituições financeiras no montante de aproximadamente R$ 5.906.632 (2022 - R$ 4.778.422). Tais linhas estão disponíveis para suportar as operações da empresa, seja em Derivativos, Capital de Giro ou Garantias.

(i) A movimentação dos empréstimos para o exercício findo em 31 de março de 2023 será apresentada na tabela abaixo:

Em 31 de março de 2021	**811.008**
Novos empréstimos	1.258.790
Juros provisionados	24.133
Pagamento de juros	(74.105)
Pagamento de empréstimos	(744.366)
Ajuste de Conversão	7.462
Em 31 de março de 2022	**1.282.922**
Novos empréstimos	655.180
Juros provisionados (i)	96.658
Pagamento de juros	(51.751)
Pagamento de empréstimos	(256.745)
Ajuste de conversão	54.541
Em 31 de março de 2023	**1.780.805**

(i) Os valores de juros sobre empréstimos apresentados na demonstração de fluxo de caixa são valores líquidos do impacto de juros capitalizados no valor de R$655.

Em milhares de reais, exceto quando indicado de outra forma

14 Provisão para contingências e depósitos judiciais

A Empresa é parte envolvida em processos trabalhistas, cíveis e tributários em andamento, e está discutindo essas questões tanto na esfera administrativa como na judicial.

As provisões para as eventuais perdas consideradas prováveis decorrentes de contingências passivas são estimadas e atualizadas pela administração, amparadas na opinião dos advogados externos ou internos responsáveis. Os passivos contingentes classificados como de perdas possíveis não são reconhecidos contabilmente, sendo divulgados nas notas explicativas, já os classificados como remotos não são provisionados nem divulgados.

Os saldos das obrigações tributárias e provisões para passivos contingentes registradas contabilmente são apresentados a seguir:

	Depósitos judiciais		Provisão para contingências	
	2023	**2022**	**2023**	**2022**
Contingências tributárias	29.823	29.224	80.219	69.728
Contingências trabalhistas e cíveis	5.048	6.822	107.929	109.732
	34.871	36.046	188.148	179.460

A movimentação da provisão está demonstrada a seguir:

Provisão para contingências

	Trabalhistas	Cíveis	Tributárias	Total
Em 31 de março de 2021	32.051	57.970	50.849	140.870
Adições/(reversões)	23.505	2.900	11.671	38.076
Juros/atualizações monetárias			9.360	9.360
Baixas	(5.751)	(64)	(2.165)	(7.980)
Ajuste de conversão	(496)	(383)	13	(866)
Em 31 de março de 2022	49.309	60.423	69.728	179.460
Adições/(reversões)	4.536	714	5.312	10.563
Juros/atualizações monetárias			5.019	5.019
Baixas	(6.973)	(407)	0	(7.381)
Ajuste de conversão	332	(5)	160	487
Em 31 de março de 2023	47.204	60.725	80.219	188.148
Circulante			8.024	8.024
Não Circulante	47.204	60.725	72.195	180.124
Total	47.204	60.725	80.219	188.148

(a) Processos trabalhistas

As contingências trabalhistas são compostas, em sua maioria, por ações movidas por ex-empregados e pelos sindicatos. Do total de reclamações trabalhistas ajuizadas pelos referidos ex-empregados, a maior parte, por sua vez, é representada por aqueles que trabalharam nas plantas de Aratu/BA e Ouro Preto/MG, cujas atividades foram encerradas, respectivamente, nos anos de 2010 e 2014.

Ressalta-se, ainda, a existência de ação trabalhista ajuizada pelo Sindicato dos Metalúrgicos de Candeias - BA, requerendo o reconhecimento judicial da ocorrência de demissão em massa e o pagamento de indenização aos funcionários desligados em virtude do fechamento da planta localizada em Aratu/BA no ano de 2010, acima referido. A Empresa apresenta provisão no montante de R$ 17.895 em 31 de março de 2023 (R$ 16.811 em 31 de março de 2022), além de ação ajuizada pelo Sindicato dos Metalúrgicos de Pindamonhangaba/SP pleiteando adicional de periculosidade e insalubridade para certas posições dentro da planta cuja provisão está em R$ 23.283 em 31 de março de 2023.

Em milhares de reais, exceto quando indicado de outra forma

(b) Processos cíveis

As contingências cíveis são decorrentes, em sua maioria, de liminares em andamento obtidas durante os exercícios de 2016 e 2017 relativas a encargos e contribuições sobre consumo e venda de energia elétrica.

(c) Processos tributários

As contingências tributárias são, em sua maioria, decorrentes de ações judiciais e processos administrativos relacionados à cobrança de eventuais tributos e multas que são considerados pela Empresa como indevidos.

(d) Perdas possíveis

Em 31 de março de 2023, a Empresa tinha processos avaliados por seus assessores jurídicos externos e internos como de perda possível no montante de R$ 345.213 (2022 – R$ 308.782). Esses processos não estão provisionados e estão relacionados a questões tributárias, trabalhistas, cíveis e ambientais.

Perdas possíveis por natureza

	2023	**2022**
Cível	29.629	27.752
Ambiental	9.976	463
Trabalhista	1648	14.559
Tributário	304.212	266.008
	345.465	308.782

15 Parcelamentos de impostos

	IPI	**Outros**	**Totais**
Em 31 de março de 2021	110.649	1.897	112.546
Adições	-	-	-
Juros/atualizações monetárias	2.630	45	2.675
Amortização	(31.637)	(541)	(32.178)
Ajustes de conversão	357	6	363
Em 31 de março de 2022	81.999	1.407	83.406
Adições	-	-	-
Juros / atualizações monetárias	2.787	63	2.850
Amortização	(32.639)	(558)	(33.197)
Transferências	1.244	6	1250
Ajustes de conversão	(115)	(2)	(117)
Em 31 de março de 2023	53.276	917	54.192
Circulante	33.648	579	34.227
Não Circulante	19.628	338	19.965
Total	53.276	917	54.192

A Empresa ingressou com processo judicial questionando o direito de receber os créditos de IPI decorrentes das compras de produtos com alíquota zero e efetuou a compensação no respectivo exercício através do programa de parcelamento de seu passivo, em 180 parcelas fixas. A movimentação dos referidos passivos entre março de 2021 e março de 2023 está demonstrada acima.

Em milhares de reais, exceto quando indicado de outra forma

16 Imposto de renda e contribuição social diferidos

O imposto de renda e a contribuição social diferidos são calculados sobre os prejuízos fiscais do imposto de renda, a base negativa de contribuição social e as correspondentes diferenças temporárias entre as bases de cálculo do imposto sobre ativos e passivos e os valores contábeis das demonstrações financeiras. As alíquotas desses impostos, definidas atualmente para determinação dos tributos diferidos, são de 25% para o imposto de renda e de 9% para a contribuição social.

A movimentação dos ativos e passivos de imposto de renda diferido durante o exercício, sem levar em consideração a compensação dos saldos é a seguinte:

	2021	Adições/ exclusões	Efeito da moeda funcional	Ajuste de conversão	2022	Adições/ exclusões	Efeito da moeda funcional	Ajuste de conversão	2023
Ativo									
Provisões temporariamente não dedutíveis	47.165	45.751	8.901	(14.086)	87.730	(314)	380	62.665	150.461
	47.165	45.751	8.901	(14.086)	87.730	(314)	380	62.665	150.461
Passivo									
Variação cambial tributada por regime de caixa	(138.527)	(1.442)	(26.234)	26.440	(139.762)	19.148	10.233	(66.566)	(176.947)
Hedge accounting e Imobilizado	(959.130)	365.821	(196.739)	142.525	(647.524)	(100.661)	47.861	(46.092)	(746.416)
	(1.097.657)	364.379	(222.973)	168.965	(787.286)	(81.513)	58.094	(112.658)	(923.363)
	(1.050.492)	410.130	(214.072)	154.879	(699.555)	(81.827)	58.474	(49.993)	(772.902)

Em milhares de reais, exceto quando indicado de outra forma

(a) Reconciliação do imposto de renda e contribuição social

A Empresa também reconhece provisões por conta de situações em que é provável que valores adicionais de impostos sejam devidos. Quando o resultado final dessas questões é diferente dos valores inicialmente estimados e registrados, essas diferenças afetam os ativos e passivos fiscais atuais e diferidos no período em que o valor definitivo é determinado.

Os valores contábeis das demonstrações financeiras são apurados na moeda funcional da Empresa (dólar) enquanto a base de cálculo do imposto de renda sobre ativos e passivos é determinada na moeda brasileira (real). Portanto, flutuações na taxa de câmbio podem afetar significativamente o valor da despesa de imposto de renda reconhecida em cada período, principalmente decorrente do impacto sobre os ativos não monetários. A reconciliação entre a despesa de imposto de renda e de contribuição social pela alíquota nominal e pela efetiva está demonstrada a seguir:

	2023	**2022**
Lucro antes do imposto de renda e contribuição social	1.789.981	2.534.153
Imposto calculado com base em alíquotas de imposto local, aplicáveis aos lucros (34%)	608.594	861.612
Selic	(3.239)	(195.901)
Juros sobre capital próprio	(64.957)	(99.514)
Lucros/despesas não sujeitos à tributação	(23.211)	146.820
Incentivos fiscais	(12.043)	(13.542)
Remensuração de imposto diferido	42.975	80.563
Provisão de imposto relativo a discussões judiciais e administrativas	104.066	92.115
Efeito da moeda funcional sobre o imposto diferido	22.007	(224.775)
Imposto de renda e contribuição social do exercício	674.192	647.378
Correntes	666.420	905.025
Diferidos	7.772	(257.647)
	674.192	647.378
Alíquota efetiva	38%	26%

Em julgamento do Leading Case RE 1063187, finalizado em 24 de Setembro de 2021, o STF afastou a incidência de IRPJ e CSLL sobre os valores de juros de mora (SELIC), recebidos pelos contribuintes em decorrência da repetição de indébito tributário. Diante disso, a Empresa passou a aplicar contabilmente, o entendimento de tal ação do STF, registrando no resultado, na linha de Imposto de Renda e Contribuição Social, o valor do benefício correspondente.

17 Patrimônio líquido

(a) Capital social

O capital social subscrito e integralizado em 31 de março de 2023, no valor de R$ 958.527.827, está representado por quotas de R$ 1,00 cada uma conforme tabela demonstrada abaixo:

	Quotas	**Valor**
Novelis Inc.	958.527.827	958.527.827
Novelis South America Holdings LLC.	1	1
Total	958.527.828	958.527.828

Em milhares de reais, exceto quando indicado de outra forma

(b) Juros sobre o capital próprio e dividendos

Nos termos do Contrato Social da Empresa e, em conformidade com a Lei nº 9.249/95, a administração da Empresa aprovou em 21/12/2022, a distribuição a seus quotistas de dividendos na forma de juros sobre o capital próprio, calculados com base na variação da Taxa de Juros a Longo Prazo ("TJLP") nos montantes de R$ 64.957 mil (líquido de impostos - R$ 55.214 mil). Os benefícios fiscais gerados pelo reconhecimento de dividendos na forma de juros sobre o capital próprio são mantidos no resultado do exercício.

Adicionalmente, em 14/03/2023 ocorreu aprovação da distribuição de dividendos no montante de R$ 554.422 mil, sendo que na oportunidade somente R$ 464.786 mil foram remetidos, restando R$ 89.636 mil registrado em Contas a pagar com partes relacionadas , a ser remetido em momento futuro.

(c) Ajuste de avaliação patrimonial

Composição do ajuste de avaliação patrimonial

	Custo atribuído (*deemed cost)*	Derivativos	Ajustes acumulados de conversão	Reservas	Totais
Em 31 de março de 2022	(56.828)	39.890	1.807.098	2.436	1.792.596
Realização do custo atribuído (*deemed cost*)	(27.209)				(27.209)
Derivativos (OCI)		32.506			32.506
Reserva Plano de saúde – aposentados				(16.501)	(16.501)
Reserva de incentivos fiscais					
Ajuste acumulado de conversão			297.238		297.238
Em 31 de março de 2023	(84.037)	72.396	2.104.336	(14.065)	2.078.630

18 Receita líquida

A reconciliação das vendas brutas para a receita líquida é como segue:

	2023	2022
Receita bruta		
Vendas de produtos		
Mercado interno	14.156.758	14.789.627
Mercado externo	2.253.258	1.513.391
Serviço de transformação	534.699	501.233
	16.944.715	16.804.251
Deduções		
Impostos sobre o faturamento	(2.296.634)	(2.375.290)
Cancelamentos e abatimentos	(59.055)	(461.760)
	(2.355.689)	(2.837.050)
Receita líquida	14.589.026	13.967.201

Em milhares de reais, exceto quando indicado de outra forma

19 Outras despesas líquidas

	2023	2022
Desenvolvimento de negócios e projetos	(390)	(214)
Despesas de reestruturação	(4.966)	(8.815)
Despesas com royalties	(534.937)	(557.792)
Doações	(10.834)	(13.406)
Impostos e taxas diversas	(19.814)	(25.451)
Impostos sobre remessas ao exterior	(72.869)	(75.296)
Crédito tributário (ICMS base de cálculo do Pis Cofins) (i)	29	422.891
Crédito exportação – Reintegra	4.974	45.027
Outras receitas e despesas líquidas	33.586	(65.080)
	(605.221)	(278.136)

(i) Em 2015, a Novelis ingressou com uma ação judicial para que fossem reconhecidos os incentivos fiscais do programa de incentivo à exportação "Reintegra" para as vendas efetuadas a Zona Franca de Manaus. A tese desta ação decorre do fato que vendas para a ZFM devem ser equiparadas as exportações com base no artigo 40 do Ato das Disposições Constitucionais Transitórias: "Art. 40. É mantida a Zona Franca de Manaus, com suas características de área livre de comércio, de exportação e importação, e de incentivos fiscais, pelo prazo de vinte e cinco anos, a partir da promulgação da Constituição. O mesmo teor é explicitado no artigo 4 do decreto-lei 288 de 1967 referente a criação da Zona Franca de Manaus. Em 2021, foi publicado o acordão em favor da Novelis e, em 2022, foram reconhecidos os ganhos de R$45.027 referente ao valor principal, e a respectiva atualização monetária de R$ 19.125. Em 2023, foram contabilizados valores da competência do próprio ano.

20 Custos e despesas por natureza

	2023	2022
Despesas com pessoal	(299.537)	(263.028)
Despesas com depreciação e amortização	(385.443)	(401.859)
Materiais, energia e serviços de terceiros	(832.940)	(668.328)
Despesas com manutenção e ocupação	(217.583)	(191.897)
Fretes	(291.541)	(239.769)
Matérias-primas e outros	(9.932.281)	(8.998.703)
Custo total das vendas, despesas comerciais e administrativas	(11.959.325)	(10.763.584)
Classificados da seguinte forma		
Custo dos produtos vendidos	(11.839.011)	(10.636.472)
Despesas com vendas	(28.269)	(32.542)
Despesas administrativas	(92.045)	(94.570)
	(11.959.325)	(10.763.584)

Em milhares de reais, exceto quando indicado de outra forma

21 Resultado financeiro, líquido

	2023	2022
Descontos financeiros recebidos	542	235
Encargos financeiros sobre desconto de duplicatas	(245.860)	(228.033)
Encargos financeiros sobre empréstimos	(96.498)	(71.020)
Juros recebidos de terceiros	452	414
Operações com instrumentos financeiros - não liquidados	112.784	(123.113)
Operações com instrumentos financeiros - liquidados	(180.979)	250.776
Receita de aplicações financeiras	79.700	26.508
Atualização monetária de impostos e contingências	(11.208)	8.423
Despesas com direito de uso – Juros	(439)	(430)
Outros	1.876	(2.497)
	(339.630)	(138.737)

22 Resultado cambial, líquido

As diferenças cambiais e monetárias (debitadas) creditadas à demonstração do resultado são as seguintes:

	2023	2022
Variação cambial	87.755	(213.912)
Atualização monetária de impostos e contingências	17.376	(38.680)
	105.131	(252.592)

23 Transações com partes relacionadas

(a) Transações e saldos entre partes relacionadas

(i) Transações

	2023	2022
Compras de produtos		
Novelis – França	348	381
Novelis – Solatens		32
Novelis – Estados Unidos	6.202	6.071
Novelis – Novelis UK		28.077
Novelis – MEA		4
	6.550	34.565
Venda de produtos		
Novelis – Korea	1.765	
Novelis – MEA	4.947	7.864
Novelis – Alemanha	4.164	
Novelis – Estados Unidos	760.018	319.103
	770.894	326.967
Despesas com royalties*		
Novelis – Estados Unidos	544.234	565.931
	544.234	565.931
Encargos financeiros sobre empréstimos	82.442	71.506
Alocações de Gerenciamento	183.927	148.636

Em milhares de reais, exceto quando indicado de outra forma

(*) A Empresa possui contratos de licença de uso da marca e patentes com partes relacionadas devidamente aprovadas pelo Instituto Nacional da Propriedade Industrial ("INPI").

(ii) Saldos

	2023	2022
Ativo circulante		
Contas a receber		
Novelis - Estados Unidos	9.977	126.005
Novelis – Korea	1.735	10
	11.712	126.015
Passivo circulante		
Outras contas a pagar		
Novelis - França	2	33
Novelis - Estados Unidos	162.807	91.724
	162.809	91.757
Empréstimos		
Passivo Circulante		
Novelis Inc. - Estados Unidos	459.484	20.588
	459.484	20.588
Passivo Não Circulante		
Novelis Inc. - Estados Unidos	548.120	548.119
	548.120	548.119

(b) Remuneração do pessoal-chave da administração

O pessoal-chave da administração inclui os diretores e gerentes da Empresa. A remuneração paga ou a pagar por serviços prestados, referente a salários e encargos, participação nos lucros e reembolso de despesas no exercício findo em 31 de março de 2023 representa o montante de R$ 19.491 (2022- R$ 19.317).

24 Outras obrigações

O quadro a seguir apresenta os saldos de outras obrigações para os períodos findos em 31 de março de 2023 e 2022:

	2023	2022
Passivo circulante		
Provisão de reestruturação (i)	4.317	3.613
Provisão de contratos com clientes	83.180	78.965
Provisão de fretes	25.507	55.871
Compromissos a pagar	61.463	64.255
Incentivos de Longo Prazo	8.436	18.320
Antecipação de clientes	3.147	2.053
Plano de saúde exclusivo	434	433
Seguros	-	566
Outras provisões	6.379	33.183
	192.863	257.259

Em milhares de reais, exceto quando indicado de outra forma

Passivo não circulante		
Provisão de reestruturação (i)	27.288	31.145
Compromissos a pagar	12.949	12.706
Incentivos de longo prazo	5.716	4.669
Plano de saúde exclusivo	28.131	3.807
Provisão para baixa de ativos	1.673	1.493
Provisão seguro de vida em grupo	6.381	6.542
Outras provisões	42.999	46.282
	125.137	106.644

(i) Em dezembro de 2011 a Empresa encerrou suas operações em Aratu (BA) e em dezembro de 2014 a Empresa encerrou suas operações na planta de Ouro Preto (MG), os montantes acima demonstrados representam as obrigações com reestruturações ambiental e trabalhista registradas até 31 de março de 2023, as quais são revisadas e atualizadas em bases trimestrais de acordo com avaliação técnica.

25 Seguros (não auditado)

A Empresa tem um programa de gerenciamento de riscos com o objetivo de delimitar os riscos, buscando no mercado coberturas compatíveis com seu porte e suas operações. As coberturas foram contratadas pelos montantes a seguir indicados, considerados suficientes pela administração para cobrir eventuais sinistros, considerando a natureza de sua atividade, os riscos envolvidos em suas operações e a orientação de seus consultores de seguros.

Em 31 de março de 2023, a Empresa possuía as seguintes principais apólices de seguro contratadas com terceiros:

Ramos	**Importâncias seguradas (não auditado)**
Incêndios de bens do imobilizado	
Propriedades	13.668.175
PCH’s	73.662
Multirriscos	196.295
Responsabilidade civil	4.000
	13.942.132

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Brecha Energética Ltda.

Financial statements at
March 31, 2023

Brecha Energética Ltda.

Balance sheet at March 31,
All amounts in Reais

Assets	2023	2022	Equity	2023	2022
Current assets			Equity		
Cash and cash equivalents	1,297.05	1,297.05	Share capital	1,000	1,000
			Retained earnings	297.05	297.05
Total assets	1,297.05	1,297.05	Total equity	1,297.05	1,297.05

The accompanying notes are an integral part of these financial statements.

Brecha Energética Ltda.

Balance sheet at March 31,
All amounts in Reais

	2023	2022
Net revenue		
Cost of sales		
Gross profit		
Selling expenses		
Administrative expenses		
Other expenses, net		
Operating profit before finance results		
Finance results, net	0.00	297.05
Foreign exchange gain/losses and indexation credits/charges, net		
Net finance income	**0.00**	**297.05**
Profit before taxation	**0.00**	**297.05**
Income tax and social contribution		
Current		
Deferred		
Profit for the year	**0.00**	**297.05**

The accompanying notes are an integral part of these financial statements.

Brecha Energética Ltda.

Statement of changes in equity
All amounts in Reais

	Share capital	Retained earnings	Total
Capital subscription (articles of organization of 4/25/14)	1,000	-	1,000
At March 31, 2021	1,000	-	1,000
Retained earnings		297.05	
At March 31, 2022	1,000	297.05	1,297.05
Retained earnings			
At March 31, 2023	1,000	297.05	1,297.05

The accompanying notes are an integral part of these financial statements.

1. General information

Brecha Energética Ltda.

Brecha Energética Ltda. is a limited liability company controlled by Novelis do Brasil Ltda., headquartered in the city of Ponte Nova, in the state of Minas Gerais, primarily engaged in the generation, transmission, distribution and wholesale trade of electric energy upon appropriate authorization from the National Electric Energy Agency (Aneel).

The Company is dormant since its incorporation on April 25, 2014, without any activity carried out until the end of its fiscal year on March 31, 2023.

The issue of these financial statements was authorized by the Company's Board of Directors on May 05, 2023.

2.1 Basis of preparation

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 Cash and cash equivalents

Cash and cash equivalents include deposits with banks.

3. Equity

(a) Share capital

The share capital, subscribed and paid up on April 24, 2014, in the amount of R$ 1,000, is represented by 1,000 quotas with par value of R$ 1.00 each.

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4260848 Canada Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

ADITYA BIRLA
NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for 4260848 Canada Inc. and certify that the information included therein accurately reflects the financial position of 4260848 Canada Inc. as of March 31, 2023 and the results of its operations for the year then ended.

4260848 Canada Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
T: +1 404-760-4000 | W: www.novelis.com

4260848 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Dividend income - related parties	$ (4,726)	$ (28,715)
Other expenses (income), net	—	574
	(4,726)	(28,141)
Income before income tax provision	4,726	28,141
Income tax provision	194	1,546
Net income	$ 4,532	$ 26,595

See accompanying notes to the financial statements.

4260848 Canada Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ 4,532	$ 26,595
Comprehensive income	$ 4,532	$ 26,595

See accompanying notes to the financial statements.

4260848 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023		March 31, 2022	
ASSETS				
Investment in subsidiary		40,244		40,244
Total assets	$	40,244	$	40,244
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities:				
Accrued expenses and other current liabilities	$	655	$	697
Total current liabilities		655		697
Total liabilities		655		697
Shareholder's equity:				
Common stock, no par value; unlimited number of shares authorized; 100 shares issued and outstanding as of March 31, 2023 and March 31, 2022		—		—
Additional paid–in capital		122,643		122,643
Accumulated deficit		(83,054)		(83,096)
Total equity		39,589		39,547
Total liabilities and equity	$	40,244	$	40,244

See accompanying notes to the financial statements.

4260848 Canada Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ 4,532	$ 26,595
Other liabilities	(42)	110
Net cash provided by operating activities	$ 4,490	$ 26,705
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Dividends paid	(4,490)	(26,706)
Net cash used in financing activities	$ (4,490)	$ (26,706)
Net decrease in cash and cash equivalents and restricted cash	$ —	$ (1)
Cash, cash equivalents and restricted cash — beginning of period	—	1
Cash, cash equivalents and restricted cash — end of period	$ —	$ —
Supplemental Disclosures:		
Income taxes paid	236	1,436

See accompanying notes to the financial statements.

4260848 Canada Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	100	$ —	$ 122,643	$ (82,985)	$ 39,658
Net income attributable to our common shareholder	—	—	—	26,595	26,595
Dividends declared and paid	—	—	—	(26,706)	(26,706)
Balance as of March 31, 2022	100	—	122,643	(83,096)	39,547
Net income attributable to our common shareholder	—	—	—	4,532	4,532
Dividends declared and paid	—	—	—	(4,490)	(4,490)
Balance as of March 31, 2023	100	$ —	$ 122,643	$ (83,054)	$ 39,589

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to 4260848 Canada Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

4260848 Canada Inc. was formed in Canada on November 10, 2004. All 4260848 Canada Inc. common shares are directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Investment in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Inc.'s subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

in thousands, except for percentage	March 31, 2023	March 31, 2022	Ownership % Participation
Shareholdings - Common Shares			
Novelis Korea Limited	$ 40,244	$ 40,244	27.31%

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes dividend income related to the investment we have in our subsidiary, which is shown as related party balances in the accompanying Statements of Operations.

in thousands	March 31, 2023	March 31, 2022
Dividend income - related parties	$ 4,726	$ 28,715

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2023**	**2022**
Accrued withholding tax	$ 655	$ 697
Accrued expenses and other current liabilities	$ 655	$ 697

4. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our income before income tax provision (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (Canada)	$ 4,726	$ 28,141
Pre-tax income before equity in net loss of non-consolidated affiliates	4,726	28,141

The components of our income tax provision are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Domestic (Canada)	$ 194	$ 1,546
Total current	194	1,546
Income tax provision	$ 194	$ 1,546

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 109	$ 109
Total deferred income tax assets	109	109
Less: valuation allowance	(109)	(109)
Net deferred income tax assets	$ —	$ —

At March 31, 2023 and March 31, 2022 the Company had total deferred tax assets of approximately $109 thousand arising from net operating losses.

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $109 thousand were necessary as of March 31, 2023 and 2022.

It is reasonably possible that our estimates of future taxable income may change within the next 12 months, resulting in a change to the valuation allowance.

As of March 31, 2023, we had net operating loss carryforwards of approximately $109 thousand (tax effected), which will be available to offset future taxable income. The carryforwards begin expiring in fiscal 2032. As of March 31, 2023, a valuation allowance of $109 thousand had been recorded against the net operating loss carryforwards, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are located in Canada. As of March 31, 2022, we had net operating loss carryforwards of approximately $109 thousand (tax effected), which will be available to offset future taxable income. The carryforwards begin expiring in fiscal 2032. As of March 31, 2022, a valuation allowance of $109 thousand had been recorded against the net operating loss carryforwards, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are located in Canada.

The Company has not provided deferred taxes on undistributed earnings of its non domestic subsidiaries, as the Company does not currently plan to initiate any action that would result in these earnings being repatriated. It is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely.

4260856 Canada Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for 4260856 Canada Inc. and certify that the information included therein accurately reflects the financial position of 4260856 Canada Inc. as of March 31, 2023 and the results of its operations for the year then ended.

4260856 Canada Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

4260856 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Dividend income - related parties	$ (7,051)	$ (42,841)
Other expenses, net	—	856
	(7,051)	(41,985)
Income before income tax provision	7,051	41,985
Income tax provision	290	2,307
Net income	$ 6,761	$ 39,678

See accompanying notes to the financial statements.

4260856 Canada Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ 6,761	$ 39,678
Comprehensive income	$ 6,761	$ 39,678

See accompanying notes to the financial statements.

4260856 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Investment in subsidiary	58,879	58,879
Total assets	$ 58,879	$ 58,879
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	978	1,040
Total current liabilities	978	1,040
Total liabilities	978	1,040
Shareholder's equity:		
Common stock, no par value; unlimited number of shares authorized; 100 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	183,970	183,970
Accumulated deficit	(126,069)	(126,131)
Total equity	57,901	57,839
Total liabilities and equity	$ 58,879	$ 58,879

See accompanying notes to the financial statements.

4260856 Canada Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023		Fiscal 2022	
OPERATING ACTIVITIES				
Net income	$	6,761	$	39,678
Other liabilities		(62)		164
Net cash provided by operating activities	$	6,699	$	39,842
INVESTING ACTIVITIES				
Net cash provided by investing activities	$	—	$	—
FINANCING ACTIVITIES				
Dividends paid		(6,699)		(39,843)
Net cash used in financing activities	$	(6,699)	$	(39,843)
Net decrease in cash and cash equivalents and restricted cash	$	—	$	(1)
Cash, cash equivalents and restricted cash — beginning of period		—		1
Cash, cash equivalents and restricted cash — end of period	$	—	$	—
Supplemental Disclosures:				
Income taxes paid	$	353	$	2,142

See accompanying notes to the financial statements.

4260856 Canada Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	100	$ —	$ 183,970	$ (125,965)	$ 58,005
Net income attributable to our common shareholder	—	—	—	39,678	39,678
Dividends paid	—	—	—	(39,844)	(39,844)
Balance as of March 31, 2022	100	$ —	$ 183,970	$ (126,131)	$ 57,839
Net income attributable to our common shareholder	—	—	—	6,761	6,761
Dividends paid	—	—	—	(6,699)	(6,699)
Balance as of March 31, 2023	100	$ —	$ 183,970	$ (126,069)	$ 57,901

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to 4260856 Canada Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

4260856 Canada Inc. was formed in Canada on November 10, 2004. All 4260856 Canada Inc. common shares are directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Investment in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Inc.'s subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in thousands, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Novelis Korea Limited	$ 58,879	$ 58,879	40.74%

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes dividend income related to the investment we have in our subsidiary, which is shown as related party balances in the accompanying Statements of Operations.

	March 31,	
in thousands	2023	2022
Dividend income - related parties	$ 7,051	$ 42,841

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued withholding tax	978	1,040
Accrued expenses and other current liabilities	$ 978	$ 1,040

4. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our income before income tax provision (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (Canada)	$ 7,051	$ 41,985
Pre-tax income	$ 7,051	$ 41,985

The components of our income tax provision are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Domestic (Canada)	$ 290	$ 2,307
Total current	$ 290	$ 2,307
Income tax provision	$ 290	$ 2,307

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

At March 31, 2023 and 2022, the Company had no deferred tax assets, including those arising from net operating loss carryforwards.

The Company has not provided deferred taxes on undistributed earnings of its non-domestic subsidiaries,as the Company does not currently plan to initiate any action that would result in these earnings being repatriated. It is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely.

8018227 Canada Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for 8018227 Canada Inc. and certify that the information included therein accurately reflects the financial position of 8018227 Canada Inc. as of March 31, 2023 and the results of its operations for the year then ended.

8018227 Canada Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
T: +1 404-760-4000 | W: www.novelis.com

8018227 Canada Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Interest expense - related parties	$ 10,365	$ 18,336
Dividend income - related parties	(5,529)	(33,592)
Other expenses, net	—	672
	4,836	(14,584)
(Loss) income before income tax provision	(4,836)	14,584
Income tax provision	227	1,809
Net (loss) income	$ (5,063)	$ 12,775

See accompanying notes to the financial statements.

8018227 Canada Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	$ (5,063)	$ 12,775
Comprehensive (loss) income	$ (5,063)	$ 12,775

See accompanying notes to the financial statements.

8018227 Canada Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023		March 31, 2022	
ASSETS				
Investment in subsidiary		253,663		253,663
Total assets	$	253,663	$	253,663
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities:				
Accrued expenses and other current liabilities				
— third parties	$	766	$	815
— related parties		22,815		17,703
Total current liabilities		23,581		18,518
Long–term debt, net of current portion - related party		318,923		318,923
Total liabilities		342,504		337,441
Shareholder's equity:				
Common stock, C$1 par value; unlimited number of shares authorized; 1 shares issued and outstanding as of March 31, 2023 and March 31, 2022		—		—
Accumulated deficit		(88,841)		(83,778)
Total equity		(88,841)		(83,778)
Total liabilities and equity	$	253,663	$	253,663

See accompanying notes to the financial statements.

8018227 Canada Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (5,063)	$ 12,775
Other liabilities	5,063	(24,599)
Net cash used in operating activities	$ —	$ (11,824)
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ —	$ 11,820
Net cash provided by financing activities	$ —	$ 11,820
Net decrease in cash and cash equivalents and restricted cash	$ —	$ (4)
Cash, cash equivalents and restricted cash — beginning of period	—	4
Cash, cash equivalents and restricted cash — end of period	$ —	$ —
Supplemental Disclosures:		
Income taxes paid	$ 276	$ 1,680

See accompanying notes to the financial statements.

8018227 Canada Inc.
STATEMENTS OF SHAREHOLDER’S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock			
in thousands, except number of shares	Shares	Amount	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	1	$ —	$ (96,553)	$ (96,553)
Net income attributable to our common shareholder	—	—	12,775	12,775
Balance as of March 31, 2022	1	—	(83,778)	(83,778)
Net loss attributable to our common shareholder	—	—	(5,063)	(5,063)
Balance as of March 31, 2023	1	$ —	$ (88,841)	$ (88,841)

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to 8018227 Canada Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

8018227 Canada Inc. was formed in Canada on November 30, 2011. All 8018227 Canada Inc. common shares are directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Investment in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Inc.'s subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in thousands, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Novelis Korea Limited	$ 253,663	$ 253,663	31.95%

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet. In addition, it describes interest expense related to the long-term loans we have with Novelis Inc., which is shown as related party in the accompanying statements of operations. See Note 4 — Debt for additional discussion. Also, below is the dividend income related to the investment we have in our subsidiary, Novelis Korea Limited, which is shown as related party in the accompanying statements of operations.

	March 31,	
in thousands	2023	2022
Accrued expenses and other current liabilities — related parties	$ 22,815	$ 17,703
Interest expense - related parties	10,365	18,336
Dividend income - related parties	$ 5,529	$ 33,592

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued withholding tax	$ 766	$ 815
Accrued expenses and other current liabilities - third parties	$ 766	$ 815

	March 31,	
in thousands	2023	2022
Accrued interest payable - related parties(1)	$ 22,815	$ 17,703
Accrued expenses and other current liabilities - related parties	$ 22,815	$ 17,703

(1) This represents interest on related party debt with Novelis Inc. See Note 4 — Debt for additional information on related party debt with Novelis Inc.

4. DEBT

Debt consists of the following.

in thousands	Interest Rates[1]	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments	March 31, 2023 Carrying Value	March 31, 2022 Principal	March 31, 2022 Unamortized Carrying Value Adjustments	March 31, 2022 Carrying Value
Related party debt							
Fixed rate debt due February 20, 2027[2]	3.25 %	$ 318,923	$ —	$ 318,923	$318,923	$ —	$318,923
Total debt		318,923	—	318,923	318,923	—	318,923
Long-term debt, net of current portion		$ 318,923	$ —	$ 318,923	$318,923	$ —	$318,923

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.

(2) This represents related party debt with our direct parent, Novelis Inc. The existing debt as of March 31, 2021 was refinanced during the fiscal year ended March 31, 2022 in the amount of $318,923 thousand.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2023 for our debt denominated in foreign currencies are as follows (in thousands).

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ —
2 years	—
3 years	—
4 years	318,923
5 years	—
Thereafter	—
Total debt	$ 318,923

5. INCOME TAXES

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable).

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our (loss) income before income tax provision (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (Canada)	$ (4,836)	$ 14,584
Pre-tax income (loss)	$ (4,836)	$ 14,584

The components of our income tax provision are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Domestic (Canada)	$ 227	$ 1,809
Total current	227	1,809
Income tax provision	$ 227	$ 1,809

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 50,290	$ 47,544
Total deferred income tax assets	50,290	47,544
Less: valuation allowance	(50,290)	(47,544)
Net deferred income tax assets	$ —	$ —

At March 31, 2023 and March 31, 2022, the Company had total deferred tax assets of approximately $50,290 thousand and $47,544 thousand arising from net operating losses.

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $50,290 thousand and $47,544 thousand were necessary as of March 31, 2023 and 2022, respectively.

It is reasonably possible that our estimates of future taxable income may change within the next 12 months, resulting in a change to the valuation allowance.

As of March 31, 2023, we had net operating loss carryforwards of approximately $50,290 thousand (tax effected), which will be available to offset future taxable income. The carryforwards begin expiring in fiscal 2032. As of March 31, 2023, a valuation allowance of $50,290 thousand had been recorded against the net operating loss carryforwards, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are located in Canada. As of March 31, 2022, we had net operating loss carryforwards of approximately $47,544 thousand (tax effected), which will be available to offset future taxable income. The carryforwards begin expiring in fiscal 2032. As of March 31, 2022, a valuation allowance of $47,544 thousand had been recorded against the net operating loss carryforwards, where it appeared more likely than not that such benefits will not be realized. The net operating loss carryforwards are located in Canada.

The Company has not provided deferred taxes on undistributed earnings of its non-domestic subsidiaries, as the Company does not currently plan to initiate any action that would result in these earnings being repatriated. It is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely.

诺贝丽斯(中国)铝制品有限公司

2022 年度财务报表及审计报告

诺贝丽斯(中国)铝制品有限公司

2022 年度财务报表及审计报告

内容 **页码**

审计报告

普华永道中天审字(2023)第 30985 号
(第一页，共三页)

诺贝丽斯(中国)铝制品有限公司董事会：

一、 审计意见

(一) 我们审计的内容

我们审计了诺贝丽斯(中国)铝制品有限公司(以下简称“诺贝丽斯中国”)的财务报表，包括 2022 年 12 月 31 日的资产负债表，2022 年度的利润表、现金流量表、所有者权益变动表以及财务报表附注。

(二) 我们的意见

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了诺贝丽斯中国 2022 年 12 月 31 日的财务状况以及 2022 年度的经营成果和现金流量。

二、 形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

按照中国注册会计师职业道德守则，我们独立于诺贝丽斯中国，并履行了职业道德方面的其他责任。

三、 管理层和治理层对财务报表的责任

诺贝丽斯中国管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

普华永道中天会计师事务所(特殊普通合伙)
中国上海市黄浦区湖滨路202号领展企业广场2座普华永道中心11楼 邮编200021
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审计报告(续)

普华永道中天审字(2023)第 30985 号
(第二页，共三页)

三、 管理层和治理层对财务报表的责任(续)

在编制财务报表时，管理层负责评估诺贝丽斯中国的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算诺贝丽斯中国、终止运营或别无其他现实的选择。

治理层负责监督诺贝丽斯中国的财务报告过程。

四、 注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

(一) 识别和评估由于舞弊或错误导致的财务报表重大错报风险；设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(二) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(三) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

审计报告(续)

普华永道中天审字(2023)第 30985 号
(第三页，共三页)

四、 注册会计师对财务报表审计的责任(续)

(四) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对诺贝丽斯中国持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致诺贝丽斯中国不能持续经营。

(五) 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

普华永道中天
会计师事务所(特殊普通合伙)

注册会计师 邓锡麟

中国上海市
2023 年 5 月 6 日

注册会计师 董宜人

诺贝丽斯(中国)铝制品有限公司

2022 年度资产负债表
(除特别注明外，金额单位为人民币元)

资　　产	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动资产			
货币资金	六(1)	275,509,737.98	234,842,583.65
交易性金融资产	六(2)	-	10,435.68
应收账款	六(3)，七(4)(a)	466,563,915.11	528,255,822.78
预付款项	六(5)，七(4)(c)	5,161,929.86	6,930,671.83
其他应收款	六(4)，七(4)(b)	795,926,057.15	836,245,182.31
存货	六(6)	1,029,835,729.19	860,256,451.29
其他流动资产	六(7)	16,331,923.78	-
流动资产合计		2,589,329,293.07	2,466,541,147.54
非流动资产			
固定资产	六(8)	1,700,738,832.48	1,779,959,339.18
在建工程	六(9)	6,249,615.92	1,726,294.37
使用权资产	六(11)	18,963,487.08	26,234,782.33
无形资产	六(10)	70,373,537.82	73,074,190.25
长期待摊费用	六(12)	17,290,323.56	23,983,352.00
递延所得税资产	六(20)	6,488,936.71	7,786,494.01
其他非流动资产		7,548,703.81	8,991,562.00
非流动资产合计		1,827,653,437.38	1,921,756,014.14
资产总计		4,416,982,730.45	4,388,297,161.68

诺贝丽斯(中国)铝制品有限公司

2022 年度资产负债表(续)
(除特别注明外，金额单位为人民币元)

负债及所有者权益	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动负债			
短期借款	六(14)	589,500,000.00	489,500,000.00
应付账款	七(4)(d)	573,583,306.43	743,093,453.87
合同负债	六(15)	6,317,540.70	36,931,033.75
应付职工薪酬	六(16)	6,763,193.73	5,214,548.68
应交税费	六(17)	5,655,944.05	43,650,913.60
其他应付款	六(18)，七(4)(e)	237,321,156.82	231,556,581.68
一年内到期的非流动负债	六(21)，七(4)(f)	408,262,551.28	47,916,009.59
其他流动负债		821,280.29	-
流动负债合计		1,828,224,973.30	1,597,862,541.17
非流动负债			
长期借款	六(19), 七(4)(g)	570,000,000.00	962,399,859.20
租赁负债	六(22)	12,097,441.13	19,221,596.52
非流动负债合计		582,097,441.13	981,621,455.72
负债合计		2,410,322,414.43	2,579,483,996.89
所有者权益			
实收资本		847,309,012.82	847,309,012.82
其他综合收益		1,606,936.92	1,861,519.00
盈余公积	六(23)	115,774,436.63	95,964,263.30
未分配利润		1,041,969,929.65	863,678,369.67
所有者权益合计		2,006,660,316.02	1,808,813,164.79
负债及所有者权益总计		4,416,982,730.45	4,388,297,161.68

后附财务报表附注为财务报表的组成部分。

企业负责人：Liu, Qing　　主管会计工作的负责人：高隽　　会计机构负责人：高隽

诺贝丽斯(中国)铝制品有限公司

2022 年度利润表
(除特别注明外，金额单位为人民币元)

项　　目	附注	2022 年度	2021 年度
一、营业收入	六(24)	3,709,246,760.60	3,438,008,869.91
减：营业成本	六(24), 六(26)	(3,147,513,055.69)	(2,645,984,863.98)
税金及附加		(12,752,769.90)	(7,636,608.83)
销售费用	六(26)	(22,848,166.00)	(27,216,109.76)
管理费用	六(26)	(157,268,622.62)	(146,306,737.14)
财务费用－净额	六(25)	(123,327,159.67)	(6,683,705.03)
其中：利息费用		(74,487,927.42)	(49,769,333.68)
利息收入		32,377,838.05	26,039,939.09
公允价值变动(损失)/收益	六(27)	(10,435.68)	105,844.11
资产减值转回/(损失)		201,360.03	(2,519,949.73)
投资收益/(损失)	六(29)	254,582.08	(2,927,375.95)
加：资产处置收益		38,043.00	-
其他收益	六(28)	18,956,777.75	1,979,006.29
二、营业利润		264,977,313.90	600,818,369.89
加：营业外收入		27,483.80	33,249.40
减：营业外支出		(3,807.49)	(126,703.98)
三、利润总额		265,000,990.21	600,724,915.31
减：所得税费用	六(30)	(66,899,256.90)	(127,070,456.50)
四、净利润		198,101,733.31	473,654,458.81
五、其他综合收益的税后净额		(254,582.08)	182,907.00
六、综合收益总额		197,847,151.23	473,837,365.81

后附财务报表附注为财务报表的组成部分。

企业负责人：Liu, Qing　　主管会计工作的负责人：高 隽　　会计机构负责人：高 隽

诺贝丽斯(中国)铝制品有限公司

2022 年度现金流量表
(除特别注明外，金额单位为人民币元)

项 目	附注	2022 年度	2021 年度
一、经营活动产生的现金流量			
销售商品、提供劳务收到的现金		4,240,963,258.91	3,578,599,980.10
收到的税收返还		16,129,030.41	26,012.29
收到其他与经营活动有关的现金		4,842,142.76	10,049,727.35
经营活动现金流入小计		4,261,934,432.08	3,588,675,719.74
购买商品、接受劳务支付的现金		(3,186,351,828.48)	(2,860,634,275.95)
支付给职工以及为职工支付的现金		(106,315,302.72)	(79,433,523.84)
支付的各项税费		(586,376,199.66)	(132,525,861.87)
支付其他与经营活动有关的现金		(368,978,249.81)	(313,495,510.52)
经营活动现金流出小计		(4,248,021,580.67)	(3,386,089,172.18)
经营活动产生的现金流量净额	六(31)(a)	13,912,851.41	202,586,547.56
二、投资活动产生/(使用)的现金流量			
收回投资收到的现金		46,221,493.04	-
处置固定资产所收回的现金净额		46,855.20	-
收到其他与投资活动有关的现金		51,417,365.06	-
投资活动现金流入小计		97,685,713.30	-
购建固定资产支付的现金		(72,103,477.28)	(171,155,153.74)
支付其他与投资活动有关的现金		-	(831,393,930.63)
投资活动现金流出小计		(72,103,477.28)	(1,002,549,084.37)
投资活动产生/(使用)的现金流量净额		25,836,818.10	(1,002,549,084.37)
三、筹资活动(使用)/产生的现金流量			
取得借款收到的现金		611,978,275.60	799,006,919.56
筹资活动现金流入小计		611,978,275.60	799,006,919.56
偿还债务所支付的现金		(533,760,601.75)	(302,988,528.44)
偿付利息所支付的现金		(70,548,526.48)	(229,631,823.57)
支付其他与筹资活动有关的现金	六(31)(c)	(8,000,775.49)	(7,700,358.65)
筹资活动现金流出小计		(612,309,903.72)	(540,320,710.66)
筹资活动(使用)/产生的现金流量净额		(331,628.12)	258,686,208.90
四、汇率变动对现金的影响		1,503,695.02	(528,632.47)
五、现金净增加/(减少)额	六(31)(b)	40,667,154.33	(541,804,960.38)
加：年初现金余额	六(31)(b)	234,842,583.65	776,647,544.03
六、年末现金余额	六(31)(b)	275,509,737.98	234,842,583.65

后附财务报表附注为财务报表的组成部分。

企业负责人：Liu, Qing　　主管会计工作的负责人：高隽　　会计机构负责人：高隽

诺贝丽斯(中国)铝制品有限公司

2022 年度所有者权益变动表
(除特别注明外，金额单位为人民币元)

项　　目	实收资本	其他综合收益	盈余公积	未分配利润	所有者权益合计
2021 年 1 月 1 日年初余额	847,309,012.82	1,678,612.00	48,598,817.42	437,389,356.74	1,334,975,798.98
2021 年度增减变动额					
净利润	-	-	-	473,654,458.81	473,654,458.81
现金流量套期损益的有效部分	-	182,907.00	-	-	182,907.00
利润分配-提取盈余公积	-	-	47,365,445.88	(47,365,445.88)	-
2021 年 12 月 31 日年末余额	847,309,012.82	1,861,519.00	95,964,263.30	863,678,369.67	1,808,813,164.79
2022 年 1 月 1 日年初余额	847,309,012.82	1,861,519.00	95,964,263.30	863,678,369.67	1,808,813,164.79
2022 年度增减变动额					
净利润	-	-	-	198,101,733.31	198,101,733.31
现金流量套期损益的有效部分	-	(254,582.08)	-	-	(254,582.08)
利润分配-提取盈余公积	-	-	19,810,173.33	(19,810,173.33)	-
2022 年 12 月 31 日年末余额	847,309,012.82	1,606,936.92	115,774,436.63	1,041,969,929.65	2,006,660,316.02

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　　　主管会计工作的负责人：高 隽　　　　会计机构负责人：高 隽

一 公司基本情况

诺贝丽斯(中国)铝制品有限公司(以下简称“本公司”)是由 Novelis Inc.于 2012 年 6 月 18 日在中华人民共和国江苏省常州市成立的外商独资经营企业。本公司经批准的经营期限为 50 年，注册资本为 40,000,000.00 美元。根据 2013 年 6 月 15 日股东决议及修改后的章程规定，经江苏省商务厅批准，本公司申请增加注册资本 16,700,000.00 美元。变更后的累计注册资本实收金额为 56,700,000.00 美元。根据 2018 年 6 月 28 日股东决议及修改后的章程规定，经江苏省商务厅批准，本公司申请增加注册资本 72,000,000.00 美元。变更后的注册资本金额为 128,700,000.00 美元，累计注册资本实收金额为 128,700,000.00 美元。

本公司经批准的经营范围为汽车专用铝板的研发和生产及加工，销售自产产品；从事金属材料及其制品的进出口业务、国内批发业务、佣金代理(拍卖除外)及提供相关配套服务(生产项目仅限分支机构经营)。于 2022 年度，本公司的实际主营业务与经批准的经营范围一致。

本财务报表由本公司企业负责人于 2023 年 5 月 6 日批准报出。

二 财务报表的编制基础

本财务报表按照财政部于 2006 年 2 月 15 日及以后期间颁布的《企业会计准则－基本准则》、各项具体会计准则及相关规定 (以下简称“企业会计准则”)编制。

本财务报表以持续经营为基础编制。

三 遵循企业会计准则的声明

本公司 2022 年度财务报表符合企业会计准则的要求，真实、完整地反映了本公司 2022 年 12 月 31 日的财务状况以及 2022 年度的公司经营成果和现金流量等有关信息。

四 重要会计政策和会计估计

(1) 会计年度

会计年度为公历 1 月 1 日起至 12 月 31 日止。

(2) 记账本位币

本公司记账本位币为人民币。本财务报表以人民币列示。

四 重要会计政策和会计估计(续)

(3) 外币折算

外币交易按交易发生日的即期汇率将外币金额折算为人民币入账。

于资产负债表日，外币货币性项目采用资产负债表日的即期汇率折算为人民币。为购建符合借款费用资本化条件的资产而借入的外币专门借款产生的汇兑差额在资本化期间内予以资本化；其他汇兑差额直接计入当期损益。以历史成本计量的外币非货币性项目，于资产负债表日采用交易发生日的即期汇率折算。汇率变动对现金的影响额，在现金流量表中单独列示。

(4) 现金

现金是指库存现金及可随时用于支付的银行存款。

(5) 金融工具

金融工具，是指形成一方的金融资产并形成其他方的金融负债或权益工具的合同。当本公司成为金融工具合同的一方时，确认相关的金融资产或金融负债。

(a) 金融资产

(i) 分类和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为：(1) 以摊余成本计量的金融资产；(2) 以公允价值计量且其变动计入当期损益的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款或应收票据，本公司按照预期有权收取的对价金额作为初始确认金额。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(i) 分类和计量(续)

债务工具

本公司持有的债务工具是指从发行方角度分析符合金融负债定义的工具，分别采用以下二种方式进行计量：

以摊余成本计量：

本公司管理此类金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产按照实际利率法确认利息收入。此类金融资产主要包括货币资金、应收票据、应收账款、其他应收款、债权投资和长期应收款等。本公司将自资产负债表日起一年内(含一年)到期的债权投资和长期应收款，列示为一年内到期的非流动资产；取得时期限在一年内(含一年)的债权投资列示为其他流动资产。

以公允价值计量且其变动计入当期损益：

本公司将持有的未划分为以摊余成本计量和以公允价值计量且其变动计入其他综合收益的债务工具，以公允价值计量且其变动计入当期损益。在初始确认时，本公司为了消除或显著减少会计错配，将部分金融资产指定为以公允价值计量且其变动计入当期损益的金融资产。自资产负债表日起超过一年到期且预期持有超过一年的，列示为其他非流动金融资产，其余列示为交易性金融资产。

(ii) 减值

本公司对于以摊余成本计量的金融资产，以预期信用损失为基础确认损失准备。

本公司考虑在资产负债表日无须付出不必要的额外成本和努力即可获得的有关过去事项、当前状况以及对未来经济状况的预测等合理且有依据的信息，以发生违约的风险为权重，计算合同应收的现金流量与预期能收到的现金流量之间差额的现值的概率加权金额，确认预期信用损失。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(ii) 减值(续)

对于因销售商品、提供劳务等日常经营活动形成的应收账款，无论是否存在重大融资成分，本公司均按照整个存续期的预期信用损失计量损失准备。

除上述应收账款外，于每个资产负债表日，本公司对处于不同阶段的金融工具的预期信用损失分别进行计量。金融工具自初始确认后信用风险未显著增加的，处于第一阶段，本公司按照未来 12 个月内的预期信用损失计量损失准备；金融工具自初始确认后信用风险已显著增加但尚未发生信用减值的，处于第二阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备；金融工具自初始确认后已经发生信用减值的，处于第三阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备。

对于在资产负债表日具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后并未显著增加，认定为处于第一阶段的金融工具，按照未来 12 个月内的预期信用损失计量损失准备。

本公司对于处于第一阶段和第二阶段的金融工具，按照其未扣除减值准备的账面余额和实际利率计算利息收入。对于处于第三阶段的金融工具，按照其账面余额减已计提减值准备后的摊余成本和实际利率计算利息收入。

当单项金融资产无法以合理成本评估预期信用损失的信息时，本公司依据信用风险特征将应收款项划分为若干组合，在组合基础上计算预期信用损失，确定组合的依据和计提方法如下：

组合一	现金池资金
组合二	应收账款组合
组合三	其他应收款组合

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(a)　金融资产(续)

(ii)　减值(续)

对于划分为组合的应收账款、应收租赁款和因销售商品、提供劳务等日常经营活动形成的应收票据和应收款项融资，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和整个存续期预期信用损失率，计算预期信用损失。除此以外的应收票据、应收款项融资和划分为组合的其他应收款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和未来 12 个月内或整个存续期预期信用损失率，计算预期信用损失。

本公司将计提或转回的损失准备计入当期损益。

(iii)　终止确认

金融资产满足下列条件之一的，予以终止确认：(1) 收取该金融资产现金流量的合同权利终止；(2) 该金融资产已转移，且本公司将金融资产所有权上几乎所有的风险和报酬转移给转入方； (3) 该金融资产已转移，虽然本公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产控制。

(b)　金融负债

金融负债于初始确认时分类为以摊余成本计量的金融负债和以公允价值计量且其变动计入当期损益的金融负债。

本公司的金融负债主要为以摊余成本计量的金融负债，包括应付票据及应付账款、其他应付款及借款等。该类金融负债按其公允价值扣除交易费用后的金额进行初始计量，并采用实际利率法进行后续计量。期限在一年以下(含一年)的，列示为流动负债；期限在一年以上但自资产负债表日起一年内(含一年)到期的，列示为一年内到期的非流动负债；其余列示为非流动负债。

当金融负债的现时义务全部或部分已经解除时，本公司终止确认该金融负债或义务已解除的部分。终止确认部分的账面价值与支付的对价之间的差额，计入当期损益。

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(c)　金融工具的公允价值确定

存在活跃市场的金融工具，以活跃市场中的报价确定其公允价值。不存在活跃市场的金融工具，采用估值技术确定其公允价值。在估值时，本公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可观察输入值。

(6)　存货

存货包括原材料、在产品、产成品和周转材料等，按成本与可变现净值孰低列示。

存货发出时的成本按加权平均法核算，产成品和在产品成本包括原材料、直接人工以及在正常生产能力下按系统的方法分配的制造费用。周转材料包括低值易耗品和包装物等，低值易耗品采用分次摊销法、包装物采用一次转销法进行摊销。

存货跌价准备按存货成本高于其可变现净值的差额计提。可变现净值按日常活动中，以存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额确定。

本公司的存货盘存制度采用永续盘存制。

(7)　固定资产

固定资产包括房屋及建筑物、机器设备、工具、运输工具及计算机及电子设备等。固定资产在与其有关的经济利益很可能流入本公司、且其成本能够可靠计量时予以确认。购置或新建的固定资产按取得时的成本进行初始计量。

与固定资产有关的后续支出，在相关的经济利益很可能流入本公司且其成本能够可靠的计量时，计入固定资产成本；对于被替换的部分，终止确认其账面价值；所有其他后续支出于发生时计入当期损益。

固定资产折旧采用年限平均法并按其入账价值减去预计净残值后在预计使用寿命内计提。对计提了减值准备的固定资产，则在未来期间按扣除减值准备后的账面价值及依据尚可使用年限确定折旧额。

四 重要会计政策和会计估计(续)

(7) 固定资产(续)

固定资产的预计使用寿命、净残值率及年折旧率列示如下：

	预计使用寿命	预计净残值率	年折旧率
房屋及建筑物	20-40 年	5%	2%至 5%
机器设备	10-25 年	5%	4%至 10%
工具	5 年	5%	19%
运输工具	4-5 年	5%	19%至 24%
计算机及电子设备	3-5 年	5%至 10%	18%至 32%

对固定资产的预计使用寿命、预计净残值和折旧方法于每年年度终了进行复核并作适当调整。

当固定资产被处置、或者预期通过使用或处置不能产生经济利益时，终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的金额计入当期损益。

(8) 在建工程

在建工程按实际发生的成本计量。实际成本包括建筑成本、安装成本、符合资本化条件的借款费用以及其他为使在建工程达到预定可使用状态所发生的必要支出。在建工程在达到预定可使用状态时，转入固定资产并自次月起开始计提折旧。

(9) 无形资产

无形资产系土地使用权及软件，以成本计量。

(a) 土地使用权

土地使用权按使用年限 50 年平均摊销。外购土地及建筑物的价款难以在土地使用权与建筑物之间合理分配的，全部作为固定资产。

(b) 软件

软件按预计使用年限，一般 5 至 10 年平均摊销。

(c) 定期复核使用寿命和摊销方法

对使用寿命有限的无形资产的预计使用寿命及摊销方法于每年年度终了进行复核并作适当调整。

四　重要会计政策和会计估计(续)

(10) 长期待摊费用

长期待摊费用包括使用权资产改良及其他已经发生但应由本期和以后各期负担的、分摊期限在一年以上的各项费用，按预计受益期间分期平均摊销，并以实际支出减去累计摊销后的净额列示。

(11) 长期资产减值

固定资产、在建工程、使用权资产及使用寿命有限的无形资产等，于资产负债表日存在减值迹象的，进行减值测试；尚未达到可使用状态的无形资产，无论是否存在减值迹象，至少每年进行减值测试。减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入资产减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

(12) 借款费用

本公司发生的可直接归属于需要经过相当长时间的购建活动才能达到预定可使用状态之资产的购建的借款费用，在资产支出及借款费用已经发生、为使资产达到预定可使用状态所必要的购建活动已经开始时，开始资本化并计入该资产的成本。当购建的资产达到预定可使用状态时停止资本化，其后发生的借款费用计入当期损益。如果资产的购建活动发生非正常中断，并且中断时间连续超过 3 个月，暂停借款费用的资本化，直至资产的购建活动重新开始。

(13) 职工薪酬

职工薪酬是本公司为获得职工提供的服务或解除劳动关系而给予的各种形式的报酬或补偿，包括短期薪酬和离职后福利。

(a) 短期薪酬

短期薪酬包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、工伤保险费、生育保险费、住房公积金、工会和教育经费、短期带薪缺勤等。本公司在职工提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。其中，非货币性福利按照公允价值计量。

四　重要会计政策和会计估计(续)

(13) 职工薪酬(续)

(b) 离职后福利

本公司将离职后福利计划分类为设定提存计划和设定受益计划。设定提存计划是本公司向独立的基金缴存固定费用后，不再承担进一步支付义务的离职后福利计划；设定受益计划是除设定提存计划以外的离职后福利计划。于报告期内，本公司的离职后福利主要是为员工缴纳的基本养老保险和失业保险，均属于设定提存计划。

基本养老保险

本公司职工参加了由当地劳动和社会保障部门组织实施的社会基本养老保险。本公司以当地规定的社会基本养老保险缴纳基数和比例，按月向当地社会基本养老保险经办机构缴纳养老保险费。职工退休后，当地劳动及社会保障部门有责任向已退休员工支付社会基本养老金。本公司在职工提供服务的会计期间，将根据上述社保规定计算应缴纳的金额确认为负债，并计入当期损益或相关资产成本。

(14) 递延所得税资产和递延所得税负债

递延所得税资产和递延所得税负债根据资产和负债的计税基础与其账面价值的差额(暂时性差异)计算确认。对于按照税法规定能够于以后年度抵减应纳税所得额的可抵扣亏损，确认相应的递延所得税资产。对于既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)的非企业合并的交易中产生的资产或负债的初始确认形成的暂时性差异，不确认相应的递延所得税资产和递延所得税负债。于资产负债表日，递延所得税资产和递延所得税负债，按照预期收回该资产或清偿该负债期间的适用税率计量。

递延所得税资产的确认以本公司很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的应纳税所得额为限。

同时满足下列条件的递延所得税资产和递延所得税负债以抵销后的净额列示：

- 递延所得税资产和递延所得税负债与同一税收征管部门对本公司征收的所得税相关；
- 本公司拥有以净额结算当期所得税资产及当期所得税负债的法定权利。

四 重要会计政策和会计估计(续)

(15) 收入确认

本公司在客户取得相关商品或服务的控制权时，按预期有权收取的对价金额确认收入。

(a) 销售铝卷产品

本公司生产及销售铝板产品。本公司将铝板产品按照合同规定运至约定交货地点，在购买方验收且双方签署货物交接单后确认收入。

本公司向购买方提供销售折扣，本公司根据历史经验确定折扣金额，按照合同对价扣除预计折扣金额后的净额确认收入。

(b) 提供铝卷加工劳务

本公司对关联方提供来料加工服务，本公司在完成服务后，将服务成果按照合同约定交付给购买方，在购买方验收后确认收入。

本公司在产品或劳务交付之前或之后通过银行向购买方收取现金或银行承兑汇票，在产品或劳务交付前自购买方收取的现金或银行承兑汇票确认为合同负债。

(16) 政府补助

政府补助为本公司从政府无偿取得的货币性资产或非货币性资产，包括税费返还、财政补贴等。

政府补助在本公司能够满足其所附的条件并且能够收到时，予以确认。政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能可靠取得的，按照名义金额计量。

与资产相关的政府补助，是指本公司取得的、用于购建或以其他方式形成长期资产的政府补助。与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。

与资产相关的政府补助，冲减相关资产的账面价值，或确认为递延收益并在相关资产使用寿命内按照合理、系统的方法分摊计入损益；与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间，计入当期损益或冲减相关成本，用于补偿已发生的相关费用或损失的，直接计入当期损益或冲减相关成本。本公司对同类政府补助采用相同的列报方式。

与日常活动相关的政府补助纳入营业利润，与日常活动无关的政府补助计入营业外收支。

四　重要会计政策和会计估计(续)

(17)　租赁

租赁，是指在一定期间内，出租人将资产的使用权让与承租人以获取对价的合同。

本公司作为承租人

本公司于租赁期开始日确认使用权资产，并按尚未支付的租赁付款额的现值确认租赁负债。租赁付款额包括固定付款额，以及在合理确定将行使购买选择权或终止租赁选择权的情况下需支付的款项等。按销售额的一定比例确定的可变租金不纳入租赁付款额，在实际发生时计入当期损益。本公司将自资产负债表日起一年内(含一年)支付的租赁负债，列示为一年内到期的非流动负债。

本公司的使用权资产包括租入的房屋及建筑物。使用权资产按照成本进行初始计量，该成本包括租赁负债的初始计量金额、租赁期开始日或之前已支付的租赁付款额、初始直接费用等，并扣除已收到的租赁激励。本公司能够合理确定租赁期届满时取得租赁资产所有权的，在租赁资产剩余使用寿命内计提折旧；若无法合理确定租赁期届满时是否能够取得租赁资产所有权，则在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。当可收回金额低于使用权资产的账面价值时，本公司将其账面价值减记至可收回金额。

对于租赁期不超过 12 个月的短期租赁和单项资产全新时价值较低的低价值资产租赁，本公司选择不确认使用权资产和租赁负债，将相关租金支出在租赁期内各个期间按照直线法计入当期损益或相关资产成本。

租赁发生变更且同时符合下列条件时，本公司将其作为一项单独租赁进行会计处理：(1)该租赁变更通过增加一项或多项租赁资产的使用权而扩大了租赁范围；(2)增加的对价与租赁范围扩大部分的单独价格按该合同情况调整后的金额相当。

当租赁变更未作为一项单独租赁进行会计处理时，除新冠肺炎疫情直接引发的合同变更采用简化方法外，本公司在租赁变更生效日重新确定租赁期，并采用修订后的折现率对变更后的租赁付款额进行折现，重新计量租赁负债。租赁变更导致租赁范围缩小或租赁期缩短的，本公司相应调减使用权资产的账面价值，并将部分终止或完全终止租赁的相关利得或损失计入当期损益。其他租赁变更导致租赁负债重新计量的，本公司相应调整使用权资产的账面价值。

四 重要会计政策和会计估计(续)

(18) 重要会计估计和判断

本公司根据历史经验和其他因素，包括对未来事项的合理预期，对所采用的重要会计估计和关键判断进行持续的评价。

(a) 采用会计政策的关键判断

(i) 信用风险显著增加和已发生信用减值的判断

本公司判断信用风险显著增加的主要标准为开始逾期，或者以下一个或多个指标发生显著变化：债务人所处的经营环境、内外部信用评级、实际或预期经营成果的显著变化、担保物价值或担保方信用评级的显著下降等。

本公司判断已发生信用减值的主要标准为符合以下一个或多个条件：债务人发生重大财务困难，进行其他债务重组或很可能破产等。

(ii) 收入确认的时点

本公司向客户销售铝卷产品时，按照合同规定将铝卷产品运至约定交货地点，由客户对铝卷产品进行验收后，签署验收单据。本公司认为，客户在验收并接受货物后取得了铝卷产品的控制权。因此，本公司在客户签署验收单据的时点确认铝卷产品的销售收入。

(b) 重要会计估计及其关键假设

下列重要会计估计及关键假设存在会导致下一会计年度资产和负债的账面价值出现重大调整的重要风险：

(i) 预期信用损失的计量

本公司通过违约风险敞口和预期信用损失率计算预期信用损失，并基于违约概率和违约损失率确定预期信用损失率。在确定预期信用损失率时，本公司使用内部历史信用损失经验等数据，并结合当前状况和前瞻性信息对历史数据进行调整。

在考虑前瞻性信息时，本公司使用的指标包括经济下滑的风险、外部市场环境、技术环境、客户情况的变化、国内生产总值和消费者物价指数等。本公司定期监控并复核与预期信用损失计算相关的假设。上述估计基数和关键假设于 2022 年度未发生重大变化。

四　重要会计政策和会计估计(续)

(18)　重要会计估计和判断(续)

(b)　重要会计估计及其关键假设(续)

(ii)　存货可变现净值

存货的可变现净值是在日常业务过程中以存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额确定。这些估计的基础是当前市场状况和销售同类产品的历史经验，可能由于顾客需求的变化和行业周期的变化而变化。管理层在每个资产负债表日重新评价该估计的合理性。

(iii)　固定资产的残值及使用寿命

本公司管理层负责评估确认固定资产的预计使用寿命与预计净残值。这项估计是将性质和功能类似的固定资产过往的实际使用寿命与实际净残值作为基础。在固定资产使用过程中，其所处的经济环境，技术环境以及其他环境有可能对固定资产使用寿命与预计净残值产生较大影响。如果固定资产使用寿命与净残值的预计数与原先估计数有差异，本公司管理层将对其进行调整。

(iv)　所得税和递延所得税

在正常的经营活动中，部分交易和事项的最终的税务处理存在不确定性。在计提所得税费用时，本公司需要作出重大判断。如果这些税务事项的最终认定结果与最初入账的金额存在差异，该差异将对作出上述最终认定期间的所得税费用和递延所得税的金额产生影响。

(19)　重要会计政策变更

财政部于 2021 年颁布了《关于印发<企业会计准则解释第 15 号>的通知》(以下简称“解释 15 号”)，并于 2022 年及 2023 年颁布了《关于印发<企业会计准则解释第 16 号>的通知》(以下简称“解释 16 号”)、《关于适用<新冠肺炎疫情相关租金减让会计处理规定>相关问题的通知》(财会[2022]13 号)及《企业会计准则实施问答》，本公司已采用上述通知和实施问答编制 2022 年度财务报表，上述修订对本公司财务报表无重大影响。

五 税项

本公司本年度适用的主要税种及其税率列示如下：

税种	税率	税基
企业所得税	25%	应纳税所得额
增值税(a)	13%及 6%	应纳税增值额(应纳税额按应纳税销售额乘以适用税率计算)
城市维护建设税	7%	缴纳的增值税税额

(a) 本公司的产品销售业务适用增值税，其中内销产品销项税率 13%，外销产品采用“免、抵、退”办法，退税率为 13%。

六 财务报表项目附注

(1) 货币资金

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行存款	275,509,737.98	234,842,583.65

(2) 交易性金融资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
指定为以公允价值计量且其变动计入当期损益的金融资产—未交割的远期外汇	-	10,435.68

(3) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收账款	466,563,915.11	528,255,822.78
减：坏账准备	-	-
	466,563,915.11	528,255,822.78

(a) 应收账款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	466,563,915.11	526,709,402.37
一到二年	-	1,546,420.41
	466,563,915.11	528,255,822.78

六　财务报表项目附注(续)

(3)　应收账款(续)

于 2022 年 12 月 31 日，应收账款 28,361,203.94 元(2021 年 12 月 31 日：1,713,933.77 元)已逾期，但基于对客户的财务状况及过往信用记录的分析，未单独计提减值准备。这部分应收账款的逾期账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	28,361,203.94	1,713,933.77

应收账款按客户类别分析如下：

	2022 年 12 月 31 日			2021 年 12 月 31 日		
	金额	占总额比例	坏账准备	金额	占总额比例	坏账准备
应收关联方(附注七(4))	45,748,904.49	9.81%	-	87,714,644.14	16.60%	-
应收第三方	420,815,010.62	90.19%	-	440,541,178.64	83.40%	-
	466,563,915.11	100.00%	-	528,255,822.78	100.00%	-

(b)　坏账准备

本公司对于应收账款，无论是否存在重大融资成分，均按照整个存续期的预期信用损失计量损失准备。

(i)　2022 年组合计提坏账准备的应收账款分析如下：

	2022 年 12 月 31 日		
	账面余额	坏账准备	
	金额	整个存续期预期信用损失率	金额
未逾期	438,202,711.17	0.00%	-
逾期 1-30 日	22,160,604.75	0.00%	-
逾期 31-60 日	-	0.00%	-
逾期 61-90 日	59,765.54	0.00%	-
逾期超过 90 日	6,140,833.65	0.00%	-
	466,563,915.11		-

(ii)　2022 年度无计提或转回的坏账准备，本年无核销的坏账准备。

六　财务报表项目附注(续)

(4)　其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收关联方-现金池贷款及利息(a), (附注七(4)(b))	784,795,710.68	831,215,289.12
应收关联方-租金(附注七(4)(b))	219,309.24	194,024.47
应收违约赔偿金	6,761,239.80	-
应收押金	2,698,269.42	2,903,671.42
应收代垫款项	933,605.83	933,605.83
其他	517,922.18	998,591.47
减：坏账准备	-	-
	795,926,057.15	836,245,182.31

(a)　本公司及其关联方与法国巴黎银行共同签订了流动资金管理协议(即“资金池”协议)。根据该协议，法国巴黎银行作为受托代理人被授予于相关转账日在本公司指定的人民币账户(“主账户”)和其他关联方指定的人民币账户(“子账户”)之间划转资金。

于 2022 年 12 月 31 日，本公司因参与上述计划而向关联方借出款项的余额及应收利息，本公司财务报表上作为“其他应收款”核算。

于 2022 年度，资金池的年利率为 LPR 3.65%(2021 年度：LPR 3.85%)。

(b)　其他应收款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	793,390,949.07	834,938,584.70
一到二年	1,584,502.25	631,074.54
二到三年	631,074.54	675,523.07
三年以上	319,531.29	-
	795,926,057.15	836,245,182.31

六 财务报表项目附注(续)

(4) 其他应收款(续)

(c) 损失准备及其账面余额变动表

	第一阶段	
	未来 12 个月内预期信用损失(组合)	
	账面余额	坏账准备
2021 年 12 月 31 日	836,245,182.31	-
本年减少的款项	(40,319,125.16)	-
2022 年 12 月 31 日	795,926,057.15	-

于 2022 年 12 月 31 日，本公司组合计提坏账准备的其他应收款均处于第一阶段，不存在处于第二阶段及第三阶段的其他应收款。

(5) 预付账款

预付账款按账龄分析如下：

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	金额	占总额比例	金额	占总额比例
一年以内	5,161,929.86	100.00%	6,930,671.83	100.00%

六　财务报表项目附注(续)

(6)　存货

	2021 年 12 月 31 日	本年增加	本年转回	2022 年 12 月 31 日
成本 —				
原材料	545,728,041.40			668,726,321.29
在产品	13,018,018.08			35,388,747.33
产成品	252,980,238.97			265,299,834.94
周转材料	51,050,102.57			62,739,415.33
	862,776,401.02			1,032,154,318.89
减：存货跌价准备				
在产品	266,500.70	-	(266,500.70)	-
产成品	2,253,449.03	65,140.67	-	2,318,589.70
	2,519,949.73	65,140.67	(266,500.70)	2,318,589.70
	860,256,451.29			1,029,835,729.19

(7)　其他流动资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
预缴企业所得税	16,331,923.78	-

六 财务报表项目附注(续)

(8) 固定资产

	房屋及建筑物	机器设备	工具	运输工具	计算机及电子设备	合计
原价						
2021 年 12 月 31 日	489,617,838.90	1,389,947,791.67	67,385,380.16	12,320,613.91	43,493,242.81	2,002,764,867.45
在建工程转入(附注六(9))	-	6,493,713.32	22,738,549.81	-	3,689,908.14	32,922,171.27
政府补助	-	(19,700,204.75)	-	-	-	(19,700,204.75)
本年处置	-	-	-	-	(176,245.00)	(176,245.00)
2022 年 12 月 31 日	489,617,838.90	1,376,741,300.24	90,123,929.97	12,320,613.91	47,006,905.95	2,015,810,588.97
累计折旧						
2021 年 12 月 31 日	(14,853,093.06)	(166,093,574.87)	(21,131,220.88)	(6,489,087.04)	(14,238,552.42)	(222,805,528.27)
本年计提	(11,639,427.53)	(54,524,391.45)	(13,154,906.62)	(1,119,047.83)	(11,995,887.59)	(92,433,661.02)
本年处置	-	-	-	-	167,432.80	167,432.80
2022 年 12 月 31 日	(26,492,520.59)	(220,617,966.32)	(34,286,127.50)	(7,608,134.87)	(26,067,007.21)	(315,071,756.49)
净值						
2022 年 12 月 31 日	463,125,318.31	1,156,123,333.92	55,837,802.47	4,712,479.04	20,939,898.74	1,700,738,832.48
2021 年 12 月 31 日	474,764,745.84	1,223,854,216.80	46,254,159.28	5,831,526.87	29,254,690.39	1,779,959,339.18

2022 年度计入营业成本、销售费用及管理费用的折旧分别为：67,435,562.18 元，27,517.25 元及 24,970,581.59 元(2021 年度：44,974,712.15 元，27,517.24 元及 6,756,800.29 元)。

六 财务报表项目附注(续)

(9) 在建工程

工程名称	2021 年 12 月 31 日	本年增加	本年转入固定资产(附注六(8))	本年转入无形资产(附注六(10))	2022 年 12 月 31 日
软件	-	2,708,693.70	-	(2,708,693.70)	-
机器设备	452,015.72	32,330,260.83	(26,654,232.09)	-	6,128,044.46
上海研发中心工程	1,274,278.65	5,115,231.99	(6,267,939.18)	-	121,571.46
	1,726,294.37	40,154,186.52	(32,922,171.27)	(2,708,693.70)	6,249,615.92
减：在建工程减值准备	-	-	-	-	-
	1,726,294.37	40,154,186.52	(32,922,171.27)	(2,708,693.70)	6,249,615.92

(10) 无形资产

	原值	2021 年 12 月 31 日	在建工程转入(附注六(9))	本年摊销	2022 年 12 月 31 日	累计摊销
土地使用权	59,788,575.97	54,941,740.51	-	(1,195,770.93)	53,745,969.58	(6,042,606.39)
软件	41,343,340.84	18,132,449.74	2,708,693.70	(4,213,575.20)	16,627,568.24	(27,424,466.30)
	101,131,916.81	73,074,190.25	2,708,693.70	(5,409,346.13)	70,373,537.82	(33,467,072.69)

六　财务报表项目附注(续)

(11)　使用权资产

	房屋及建筑物
原价	
2021 年 12 月 31 日	33,506,077.58
本年增加	
新增租赁合同	-
2022 年 12 月 31 日	32,720,828.58
累计折旧	
2021 年 12 月 31 日	(7,271,295.25)
本年增加	
计提	(7,271,295.25)
2022 年 12 月 31 日	(14,542,590.50)
账面价值	
2022 年 12 月 31 日	18,963,487.08
2021 年 12 月 31 日	26,234,782.33

(12)　长期待摊费用

	2022 年 12 月 31 日	2021 年 12 月 31 日
装修费	17,290,323.56	23,983,352.00

(13)　资产减值及损失准备

	2021 年 12 月 31 日	本年计提	本年转回	2022 年 12 月 31 日
存货跌价准备	2,519,949.73	65,140.67	(266,500.70)	2,318,589.70

(14)　短期借款

	2022 年 12 月 31 日	2021 年 12 月 31 日
信用借款	589,500,000.00	489,500,000.00

2022 年 12 月 31 日，短期借款的加权平均年利率为 4.36% (2021 年 12 月 31 日：5.61%) 。

六 财务报表项目附注(续)

(15) 合同负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
预收货款	6,317,540.70	36,931,033.75

于 2022 年 1 月 1 日，本公司合同负债的余额为人民币 36,931,033.75 元，其中人民币 36,701,978.60 元已于 2022 年度转入营业收入。

(16) 应付职工薪酬

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付短期薪酬(a)	6,763,193.73	5,214,548.68
应付设定提存计划(b)	-	-
	6,763,193.73	5,214,548.68

(a) 短期薪酬

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
工资、奖金、津贴和补贴	5,214,548.68	74,006,838.61	(72,458,193.56)	6,763,193.73
社会保险费	-	7,723,308.19	(7,723,308.19)	-
其中：医疗保险费	-	6,472,413.97	(6,472,413.97)	-
工伤保险费	-	599,470.15	(599,470.15)	-
生育保险费	-	651,424.07	(651,424.07)	-
住房公积金	-	10,099,015.76	(10,099,015.76)	-
职工福利费	-	2,937,033.13	(2,937,033.13)	-
工会经费和职工教育经费	-	384,425.50	(384,425.50)	-
	5,214,548.68	95,150,621.19	(93,601,976.14)	6,763,193.73

(b) 设定提存计划

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
基本养老保险	-	12,328,886.41	(12,328,886.41)	-
失业保险费	-	384,440.17	(384,440.17)	-
	-	12,713,326.58	(12,713,326.58)	-

六　财务报表项目附注(续)

(17) 应交税费

	2022 年 12 月 31 日	2021 年 12 月 31 日
未交增值税	3,189,630.07	24,481,662.44
应交代扣代缴预提所得税	2,466,313.98	2,420,320.80
应交企业所得税	-	16,748,930.36
	5,655,944.05	43,650,913.60

(18) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付关联方款项(附注七(4)(e))	87,287,598.19	95,350,128.40
应付设备款	39,530,341.98	72,922,490.93
预提返利	47,551,227.15	21,909,059.28
预提售价补差款	42,036,266.35	15,250,612.37
预提运费	6,289,908.37	3,495,020.23
预提水电费	2,426,028.01	3,004,370.58
应付借款利息	4,319,236.11	1,997,333.35
预提审计费	712,964.86	1,005,572.85
预提包装费	1,349,565.05	1,051,535.94
预提安全费	1,416,325.97	1,045,498.39
其他	4,401,694.78	14,524,959.36
	237,321,156.82	231,556,581.68

六 财务报表项目附注(续)

(19) 长期借款

	2022 年 12 月 31 日	2021 年 12 月 31 日
信用借款	970,117,951.68	1,002,399,859.20
减：一年内到期的长期借款	(400,117,951.68)	(40,000,000.00)
	570,000,000.00	962,399,859.20

于 2022 年 12 月 31 日，长期信用借款包括：

长期信用借款 360,117,951.68 元系由本公司母公司 Novelis Inc.向本公司提供的关联方借款，其中，人民币借款本金为 249,376,000.00 元，美元借款本金为 6,800,000.00 美元，折合人民币 47,172,978.48 元，欧元借款本金为 8,600,000.00 欧元，折合人民币 63,568,973.20 元。(于 2021 年 12 月 31 日，长期信用借款人民币 352,399,859.20 元系由本公司母公司 Novelis Inc.向本公司提供的关联方借款，其中，人民币借款本金及利息为 246,955,679.20 元，美元借款本金及利息为 6,800,000.00 美元，折合人民币 43,354,760.00 元，欧元借款本金为 8,600,000.00 欧元，折合人民币 62,089,420.00 元)。长期借款的期限为 10 年，本金及剩余利息于 2023 年 3 月 31 日归还。

长期信用借款 460,000,000.00 元系由中国银行向本公司提供的专项固定资产借款，利息每 3 月支付一次，本金应于 2022 年至 2027 年间分批按照还款计划还款(2021 年 12 月 31 日：500,000,000.00 元)。其中，40,000,000.00 元将于一年内到期。

长期信用借款 150,000,000.00 元系由中国建设银行向本公司提供的流动资金借款，长期借款的期限为 3 年，利息每 3 月支付一次，本金应于 2024 年到期一次性还本(2021 年 12 月 31 日：150,000,000.00 元)。

2022 年 12 月 31 日，长期借款的加权平均年利率为 5.21% (2021 年 12 月 31 日：5.32%)。

六　财务报表项目附注(续)

(20) 递延所得税资产和负债

未经抵消的递延所得税资产和递延所得税负债列式如下：

(a) 递延所得税资产

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
租赁负债	5,060,510.18	20,242,040.73	6,784,401.53	27,137,606.11
预提费用	3,526,588.20	14,106,352.80	4,895,434.15	19,581,736.60
应付职工薪酬	1,661,328.45	6,645,313.77	1,572,595.65	6,290,382.60
存货跌价准备	579,647.43	2,318,589.70	629,987.43	2,519,949.73
以公允价值计量且其变动计入当期损益的金融负债	401,734.23	1,606,936.92	462,770.83	1,851,083.32
	11,229,808.49	44,919,233.92	14,345,189.59	57,380,758.36
其中：				
预计于 1 年内(含 1 年)转回的金额	8,205,448.20		9,539,790.46	
预计于 1 年后转回的金额	3,024,360.29		4,805,399.13	
	11,229,808.49		14,345,189.59	

(b) 递延所得税负债

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税负债	应纳税暂时性差异	递延所得税负债	应纳税暂时性差异
使用权资产	(4,740,871.78)	(18,963,487.10)	(6,558,695.58)	(26,234,782.33)
其中：				
预计于 1 年内(含 1 年)转回的金额	(1,817,823.81)		(1,817,823.81)	
预计于 1 年后转回的金额	(2,923,047.97)		(4,740,871.77)	
	(4,740,871.78)		(6,558,695.58)	

六　财务报表项目附注(续)

(20) 递延所得税资产和负债(续)

(c) 抵销后的递延所得税资产和递延所得税负债净额列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
递延所得税资产净额	6,488,936.71	7,786,494.01

(21) 一年内到期的非流动负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年内到期的长期借款 (附注六(19)、七(4)(f))	400,117,951.68	40,000,000.00
一年内到期的租赁负债 (附注六(22))	8,144,599.60	7,916,009.59
	408,262,551.28	47,916,009.59

(22) 租赁负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
租赁负债	20,242,040.73	27,137,606.11
减：一年内到期的非流动负债(附注六(21))	(8,144,599.60)	(7,916,009.59)
	12,097,441.13	19,221,596.52

(a) 于 2022 年 12 月 31 日，本公司未纳入租赁负债，但将导致未来潜在现金流出的事项包括：

(i) 于 2022 年 12 月 31 日，本公司按新租赁准则进行简化处理的低价值资产租赁合同的未来最低应支付租金为 21,830.00 元。

六 财务报表项目附注(续)

(23) 盈余公积

	2021 年 12 月 31 日	本年提取	本年减少	2022 年 12 月 31 日
储备基金	95,964,263.30	19,810,173.33	-	115,774,436.63

根据《中华人民共和国外商投资法》及本公司章程的规定，本公司的年度净利润于弥补以前年度亏损后，先提取储备基金，再向投资方进行分配。储备基金提取比例不低于净利润的 10%，累计提取金额达到注册资本的 50%以上时，可以不再提取。

本公司从 2022 年度的净利润按 10%的比例提取储备基金 19,810,173.33 元(2021 年度：47,365,445.88 元)。

(24) 营业收入和营业成本

	2022 年度		2021 年度	
	收入	成本	收入	成本
销售铝制卷材产品	3,661,934,539.21	(3,103,562,357.09)	3,394,967,071.67	(2,605,278,374.38)
服务收入	47,312,221.39	(43,950,698.60)	43,041,798.24	(40,706,489.60)
	3,709,246,760.60	(3,147,513,055.69)	3,438,008,869.91	(2,645,984,863.98)

(a) 本公司 2022 年度营业收入分解如下：

	2022 年度			
	铝卷销售	加工服务	租赁收入	合计
主营业务收入	3,661,934,539.21	-	-	3,661,934,539.21
其中：在某一时点确认	3,661,934,539.21	-	-	3,661,934,539.21
其他业务收入(i)	-	46,356,486.97	955,734.42	47,312,221.39
	3,661,934,539.21	46,356,486.97	955,734.42	3,709,246,760.60

(i) 本公司加工服务收入于某一时点确认，租金收入于出租时段内确认。

六 财务报表项目附注(续)

(25) 财务费用 – 净额

	2022 年度	2021 年度
利息支出	73,382,717.31	69,078,223.62
加：租赁负债利息支出	1,105,210.11	1,331,887.18
减：资本化利息	-	(20,640,777.12)
利息费用	74,487,927.42	49,769,333.68
减：利息收入	(32,377,838.05)	(26,039,939.09)
汇兑损失/(收益)	80,807,814.54	(17,243,733.25)
银行手续费	409,255.76	198,043.69
	123,327,159.67	6,683,705.03

(26) 费用按性质分类

利润表中的营业成本、销售费用及管理费用按照性质分类，列示如下：

	2022 年度	2021 年度
产成品及在产品存货变动	(34,690,325.22)	(148,429,783.51)
耗用的原材料和低值易耗品等	2,777,373,847.69	2,452,268,356.54
职工薪酬费用	107,863,947.77	81,970,950.03
折旧费和摊销费用	104,536,035.59	62,719,164.79
运费	88,206,982.85	76,466,877.65
加工费	81,663,933.59	89,546,013.51
佣金	79,528,247.43	59,585,663.15
水电气费	50,215,952.41	42,242,302.22
维修费	23,651,861.57	19,293,349.72
服务费	13,892,425.48	14,424,599.20
替关联方承担的代扣代缴税费	7,340,505.91	33,366,177.62
使用权资产折旧费	7,271,295.25	7,271,295.25
保险费	5,791,125.57	6,684,406.88
差旅费	3,657,797.06	4,590,561.44
租赁费	820,984.44	3,270,741.82
其他	10,505,226.92	14,237,034.57
	3,327,629,844.31	2,819,507,710.88

六 财务报表项目附注(续)

(27) 公允价值变动(损失)/收益

	2022 年度	2021 年度
以公允价值计量且其变动计入当期损益的金融资产 — 未交割远期外汇合同	(10,435.68)	105,844.11

(28) 其他收益

	2022 年度	2021 年度	与资产相关/与收益相关
企业所得税返还	16,000,000.00	-	与收益相关
补贴收入	2,837,701.28	1,952,994.00	与收益相关
个税手续费返还	119,076.47	26,012.29	与收益相关
	18,956,777.75	1,979,006.29	

(29) 投资收益/(损失)

	2022 年度	2021 年度
衍生金融资产(负债)产生的投资收益/(损失)	254,582.08	(2,927,375.95)

(30) 所得税费用

	2022 年度	2021 年度
当期所得税	65,601,699.60	107,864,525.18
递延所得税	1,297,557.30	19,205,931.32
	66,899,256.90	127,070,456.50

将基于利润表的利润总额采用适用税率计算的所得税调节为所得税：

	2022 年度	2021 年度
利润总额	265,000,990.21	600,724,915.31
所得税税率	25%	25%
按适用税率计算的所得税	66,250,247.55	150,181,228.83
不得扣除的成本、费用和损失	1,636,063.08	5,849,356.63
以前年度汇算清缴差异	(987,053.73)	(28,960,128.96)
	66,899,256.90	127,070,456.50

六　财务报表项目附注(续)

(31) 现金流量表附注

(a) 将净利润调节为经营活动现金流量

	2022 年度	2021 年度
净利润	198,101,733.31	473,654,458.81
加：资产减值损失(冲回)/计提	(201,360.03)	2,519,949.73
固定资产折旧	92,433,661.02	51,759,029.68
使用权资产折旧	7,271,295.25	7,271,295.25
长期待摊费用摊销	6,693,028.44	6,692,363.06
无形资产摊销	5,409,346.13	4,267,772.05
处置固定资产(收益)/损失	(38,043.00)	124,973.04
公允价值变动收益	10,435.68	(105,844.11)
财务费用	49,183,249.97	37,782,337.51
投资(收益)/损失	(254,582.08)	2,927,375.95
递延所得税资产的减少	1,297,557.30	19,205,931.32
存货的增加	(169,377,917.87)	(391,884,912.42)
经营性应收项目的(减少)/增加	57,360,196.36	(266,065,485.67)
经营性应付项目的(减少)/增加	(234,230,331.15)	254,437,303.36
经营活动产生的现金流量净额	13,658,269.33	202,586,547.56

(b) 现金净变动情况

	2022 年度	2021 年度
现金的年末余额(附注六(1))	275,509,737.98	234,842,583.65
减：现金的年初余额(附注六(1))	(234,842,583.65)	(776,647,544.03)
现金净增加/(减少)额	40,667,154.33	(541,804,960.38)

(c) 支付的其他与筹资活动有关的现金

	2022 年度	2021 年度
偿还租赁负债支付的金额	8,000,775.49	7,700,358.65

2022 年度，本公司支付的与租赁相关的总现金流出为 8,821,759.93 元，除计入筹资活动的偿付租赁负债支付的金额以外，其余现金流出均计入经营活动。

七 关联方关系及其交易

(1) 母公司

(a) 母公司基本情况

	注册地	业务性质
Novelis Inc.	加拿大	制造业

Hindalco Industries Ltd. 为本公司的最终控股公司。

(b) 母公司注册资本及其变化

企业名称	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
Novelis Inc.	1,000 美元	-	-	1,000 美元

(c) 母公司对本公司的持股比例和表决权比例

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	持股比例	表决权比例	持股比例	表决权比例
Novelis Inc.	100%	100%	100%	100%

(2) 不存在控制关系的关联方的性质

	与本公司的关系
Novelis Korea Limited	与本公司同受最终控股公司控制
Novelis Corporation	与本公司同受最终控股公司控制
Novelis Deutschland GmbH	与本公司同受最终控股公司控制
Novelis Inc. US Branch	与本公司同受最终控股公司控制
Novelis Service Limited (UK)	与本公司同受最终控股公司控制
Novelis Switzerland SA	与本公司同受最终控股公司控制
诺贝丽斯(上海)铝贸易有限公司	与本公司同受最终控股公司控制
爱励(上海) 贸易有限公司	与本公司同受最终控股公司控制
诺贝丽斯铝业(镇江)有限公司	与本公司同受最终控股公司控制

(3) 关联交易

(a) 定价政策

本公司自关联方采购的原材料、销售给关联方的产品以及其他关联交易的价格由交易各方根据具体情况协商确定。

七 关联方关系及其交易(续)

(3) 关联交易(续)

(b) 销售货物

	2022 年度	2021 年度
Novelis Korea Limited	105,729,219.51	171,329,334.45
Novelis Deutschland GmbH	1,123,525.63	1,041,848.21
	106,852,745.14	172,371,182.66

(c) 接受服务

	2022 年度	2021 年度
Novelis Inc. US Branch	59,672,676.09	48,079,962.57
诺贝丽斯(上海)铝贸易有限公司	5,736,347.74	10,126,879.24
Novelis Korea Limited	485,948.84	-
诺贝丽斯铝业(镇江)有限公司	405,860.39	-
Novelis Corporation	-	8,045,785.96
	66,300,833.06	66,252,627.77

(d) 采购货物

	2022 年度	2021 年度
Novelis Korea Limited	2,704,182,078.41	2,172,442,449.85
Novelis Deutschland GmbH	33,449,062.57	227,962,892.48
Novelis Switzerland SA	26,283,539.19	85,659,873.87
	2,763,914,680.17	2,486,065,216.20

(e) 提供服务

	2022 年度	2021 年度
Novelis Inc.	40,590,406.82	37,889,555.43
诺贝丽斯铝业(镇江)有限公司	4,974,145.87	280,833.12
爱励(上海) 贸易有限公司	955,734.42	1,118,483.71
Novelis Korea Limited	770,250.07	1,487,195.79
	47,290,537.18	40,776,068.05

(f) 品牌费

	2022 年度	2021 年度
Novelis Service Limited (UK)	11,531,298.42	10,703,309.38

七 关联方关系及其交易(续)

(3) 关联交易(续)

(g) 利息费用

	2022 年度	2021 年度
Novelis Inc.	24,489,012.87	24,807,291.55
诺贝丽斯(上海)铝贸易有限公司	690,107.82	1,084,911.07
	25,179,120.69	25,892,202.62

(h) 利息收入

	2022 年度	2021 年度
诺贝丽斯铝业(镇江)有限公司	31,717,160.31	18,977,954.59

(i) 借入/(归还)现金池委托贷款 – 净额

	2022 年度	2021 年度
诺贝丽斯(上海)铝贸易有限公司	18,258,716.61	(81,096,921.28)

(j) (收回)/提供现金池委托贷款 – 净额

	2022 年度	2021 年度
诺贝丽斯铝业(镇江)有限公司	(46,221,493.04)	828,466,554.68

(4) 关联方余额

(a) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Inc.	24,831,614.96	25,101,252.14
Novelis Korea Limited	19,023,387.70	61,290,710.67
诺贝丽斯铝业(镇江)有限公司	1,893,901.83	280,833.12
Novelis Deutschland GmbH	-	1,041,848.21
	45,748,904.49	87,714,644.14

七　关联方关系及其交易(续)

(4)　关联方余额(续)

(b)　其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯铝业(镇江)有限公司	784,795,710.68	831,215,289.12
爱励(上海) 贸易有限公司	219,309.24	194,024.47
	785,015,019.92	831,409,313.59

(c)　预付款项

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(上海)铝贸易有限公司	1,387,254.60	-

(d)　应付账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Korea Limited	535,626,908.94	671,877,590.66
Novelis Corporation	9,391,339.24	8,338,388.09
Novelis Switzerland SA	3,538,622.19	13,821,555.41
Novelis Deutschland GmbH	2,528,383.49	21,117,295.10
	551,085,253.86	715,154,829.26

(e)　其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(上海)铝贸易有限公司	43,129,482.00	40,330,311.41
Novelis Inc.	24,668,003.08	24,203,207.98
Novelis Inc. US Branch	16,481,679.72	27,868,845.10
Novelis Service Limited (UK)	2,459,712.57	2,947,763.91
Novelis Korea Limited	507,606.53	-
诺贝丽斯铝业(镇江)有限公司	41,114.29	-
	87,287,598.19	95,350,128.40

(f)　一年内到期的非流动负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Inc.	360,117,951.68	-

七 关联方关系及其交易(续)

(4) 关联方余额(续)

(g) 长期借款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Inc.	-	352,399,859.20

八 承诺事项

(1) 资本性支出承诺事项

以下为本公司于资产负债表日，已签约而尚不必在资产负债表上列示的资本性支出承诺：

	2022 年 12 月 31 日	2021 年 12 月 31 日
房屋、建筑物及机器设备	3,199,519.15	15,976,402.16

九 金融风险

本公司的经营活动会面临各种金融风险:市场风险(主要为外汇风险和利率风险)、信用风险和流动风险。本公司整体的风险管理计划针对金融市场的不可预见性, 力求减少对本公司财务业绩的潜在不利影响。

(1) 市场风险

(a) 外汇风险

本公司的主要经营位于中国境内，部分销售和采购业务以美元和欧元结算，厂房建造与设备安装等购建支出部分以美元及欧元结算。同时本公司已确认的外币资产和负债及未来的外币交易(主要为美元和欧元)也存在外汇风险。本公司财务部门负责监控外币交易和外币资产及负债的规模，以最大程度降低面临的外汇风险；为此，本公司可能会以签署远期外汇合约或货币互换合约的方式来达到规避外汇风险的目的。于2022年12月31日，本公司无已签署未交割远期外汇合约(2021年12月31日：1,247,650.00欧元)。

九 金融风险(续)

(1) 市场风险(续)

(a) 外汇风险(续)

于2022年12月31日，本公司持有的外币金融资产、外币金融负债以及远期外汇合约本金折算成人民币的金额列示如下：

	2022 年 12 月 31 日		
	美元项目	欧元项目	合计
外币金融资产 -			
货币资金	13,933,189.74	848,456.04	14,781,645.78
应收账款	44,222,531.86	30,286.86	44,252,818.72
	58,155,721.60	878,742.90	59,034,464.50
外币金融负债 -			
应付账款	486,211,583.82	2,185,852.91	488,397,436.73
其他应付款	28,099,262.47	1,336.12	28,100,598.59
长期借款	43,181,045.42	62,109,456.67	105,290,502.09
	557,491,891.71	64,296,645.70	621,788,537.41

于 2021 年 12 月 31 日，本公司持有的外币金融资产、外币金融负债以及远期外汇合约本金折算成人民币的金额列示如下：

	2021 年 12 月 31 日		
	美元项目	欧元项目	合计
外币金融资产 -			
货币资金	19,269,274.29	935,345.19	20,204,619.48
应收账款	82,917,234.00	1,041,848.21	83,959,082.21
	102,186,508.29	1,977,193.40	104,163,701.69
外币金融负债 -			
应付账款	708,848,912.81	26,955,576.47	735,804,489.28
其他应付款	39,067,150.25	188,904.09	39,256,054.34
长期借款	43,354,760.00	62,089,420.00	105,444,180.00
	791,270,823.06	89,233,900.56	880,504,723.62
远期外汇合约 -			
未交割远期外汇合约(合约金额)	-	9,016,267.49	9,016,267.49

九 金融风险(续)

(1) 市场风险(续)

(a) 外汇风险(续)

于 2022 年 12 月 31 日，对于本公司美元和欧元金融资产、外币金融负债以及远期外汇合约本金，如果人民币对美元升值或贬值 4%，其它因素保持不变，则本公司将增加或减少净利润约 14,980,085.10 元(2021 年 12 月 31 日：增加或减少净利润约 20,672,529.44 元)。如果人民币对欧元升值或贬值 4%，其它因素保持不变，则本公司将增加或减少净利润约 1,902,537.08 元(2021 年 12 月 31 日：增加或减少净利润约 2,347,213.19 元)。

(b) 利率风险

本公司的利率风险主要产生于长期银行借款等长期带息债务。浮动利率的金融负债使本公司面临现金流量利率风险，固定利率的金融负债使本公司面临公允价值利率风险。本公司根据当时的市场环境来决定固定利率及浮动利率合同的相对比例。于 2022 年 12 月 31 日，本公司长期带息债务主要为人民币、美元以及欧元计价的固定利率合同，金额合计为 570,000,000.00 元(2021 年 12 月 31 日：962,399,859.20 元)(附注六(19))。

本公司财务部门持续监控利率水平。利率上升会增加新增带息债务的成本，并对本公司的财务业绩产生重大的不利影响，管理层会依据最新的市场状况及时做出调整，这些调整可能是进行利率互换的安排来降低利率风险。于 2022 年度及 2021 年度本公司并无利率互换安排。

(2) 信用风险

本公司对信用风险按组合分类进行管理。信用风险主要产生于银行存款、应收账款其他应收款等。

本公司货币资金主要存放于声誉良好并拥有较高信用评级的国有控股银行和其他大中型上市银行，本公司认为其不存在重大的信用风险，不会产生因对方单位违约而导致的任何重大损失。

此外，对于应收账款和其他应收款，本公司设定相关政策以控制信用风险敞口。本公司基于对客户的财务状况、从第三方获取担保的可能性、信用记录及其他因素诸如目前市场状况等评估客户的信用资质并设置相应信用期。本公司会定期对客户信用记录进行监控，对于信用记录不良的客户，本公司会采用书面催款、缩短信用期或取消信用期等方式，以确保本公司的整体信用风险在可控的范围内。

于 2022 年 12 月 31 日，本公司无重大的因债务人抵押而持有的担保物或其他信用增级(2021 年 12 月 31 日：无)。

九　金融风险(续)

(3)　流动风险

本公司财务部门负责现金流量预测，并持续监控短期和长期的资金需求，以确保维持充裕的现金储备和可供随时变现的有价证券；同时持续监控是否符合借款协议的规定，从主要金融机构获得提供足够备用资金的承诺，以满足短期和长期的资金需求。

于资产负债表日，本公司各项金融负债以未折现的合同现金流量按到期日列示如下：

	2022 年 12 月 31 日				
	一年以内	一到二年	二到五年	五年以上	合计
短期借款	595,788,333.33	-	-	-	595,788,333.33
应付账款	573,583,306.43	-	-	-	573,583,306.43
其他应付款	237,729,366.87	-		-	237,729,366.87
长期借款	433,990,968.65	175,323,750.00	474,880,000.00	-	1,084,194,718.65
租赁负债	8,144,599.59	8,299,103.88	4,823,672.36	-	21,267,375.83
	1,849,236,574.87	183,622,853.88	479,703,672.36	-	2,512,563,101.11

	2021 年 12 月 31 日				
	一年以内	一到二年	二到五年	五年以上	合计
短期借款	495,681,753.42	-	-	-	495,681,753.42
应付账款	743,093,453.87	-	-	-	743,093,453.87
其他应付款	231,556,581.68	-	-	-	231,556,581.68
长期借款	71,217,973.88	352,399,859.21	150,000,000.00	460,000,000.00	1,033,617,833.09
租赁负债	7,916,009.59	8,144,599.59	13,135,123.86	-	29,195,733.04
	1,549,465,772.44	360,544,458.80	163,135,123.86	460,000,000.00	2,533,145,355.10

十　公允价值估计

公允价值计量结果所属的层级，由对公允价值计量整体而言具有重要意义的输入值所属的最低层次决定：

第一层次：相同资产或负债在活跃市场上未经调整的报价。

第二层次：除第一层次输入值外相关资产或负债直接或间接可观察的输入值。

第三层次：相关资产或负债的不可观察输入值。

(1)　持续的以公允价值计量的资产和负债

于 2022 年 12 月 31 日，本公司无以公允价值计量的资产和负债。

十 公允价值估计(续)

(1) 持续的以公允价值计量的资产和负债(续)

于 2021 年 12 月 31 日，本公司无以公允价值计量的资产，以公允价值计量的负债按上述三个层次列示如下：

	第一层次	第二层次	第三层次	合计
金融负债				
以公允价值计量且其变动计入当期损益的金融负债——未交割的远期外汇	-	10,435.68	-	10,435.68
	-	10,435.68	-	10,435.68

(2) 非持续的以公允价值计量的资产

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无非持续的以公允价值计量的资产。

(3) 不以公允价值计量但披露其公允价值的资产和负债

本公司以摊余成本计量的金融资产和金融负债主要包括：应收款项、短期借款、应付款项、租赁负债和长期借款等。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司不以公允价值计量的金融资产和金融负债的账面价值与公允价值差异很小。

十一 资本管理

本公司资本管理政策的目标是为了保障本公司能够持续经营，从而为股东提供回报，并使其他利益相关者获益，同时维持最佳的资本结构以降低资本成本。

为了维持或调整资本结构，本公司可能会增加资本或出售资产以减低债务。

本公司的总资本为资产负债表中所列示的股东权益。本公司不受制于外部强制性资本要求，利用资产负债率监控资本。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司的资产负债率列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
资产负债率	54.58%	58.78%

诺贝丽斯(上海)铝贸易有限公司

2022 年度财务报表及审计报告

诺贝丽斯(上海)铝贸易有限公司

2022 年度财务报表及审计报告

内容 **页码**

审计报告

普华永道中天审字(2023)第 30984 号
(第一页，共三页)

诺贝丽斯(上海)铝贸易有限公司董事会：

一、 审计意见

(一) 我们审计的内容

我们审计了诺贝丽斯(上海)铝贸易有限公司(以下简称“诺贝丽斯上海”)的财务报表，包括 2022 年 12 月 31 日的资产负债表，2022 年度的利润表、现金流量表、所有者权益变动表以及财务报表附注。

(二) 我们的意见

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了诺贝丽斯上海 2022 年 12 月 31 日的财务状况以及 2022 年度的经营成果和现金流量。

二、 形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

按照中国注册会计师职业道德守则，我们独立于诺贝丽斯上海，并履行了职业道德方面的其他责任。

三、 管理层和治理层对财务报表的责任

诺贝丽斯上海管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

普华永道中天会计师事务所(特殊普通合伙)
中国上海市黄浦区湖滨路202号领展企业广场2座普华永道中心11楼 邮编200021
总机：+86 (21) 2323 8888, 传真：+86 (21) 2323 8800, www.pwccn.com

审计报告(续)

普华永道中天审字(2023)第 30984 号
(第二页，共三页)

三、 管理层和治理层对财务报表的责任(续)

在编制财务报表时，管理层负责评估诺贝丽斯上海的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算诺贝丽斯上海、终止运营或别无其他现实的选择。

治理层负责监督诺贝丽斯上海的财务报告过程。

四、 注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

(一) 识别和评估由于舞弊或错误导致的财务报表重大错报风险；设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(二) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(三) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

审计报告(续)

普华永道中天审字(2023)第 30984 号
(第三页，共三页)

四、 注册会计师对财务报表审计的责任(续)

(四) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对诺贝丽斯上海持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致诺贝丽斯上海不能持续经营。

(五) 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

普华永道中天
会计师事务所(特殊普通合伙)

注册会计师 邓锡麟

中国上海市
2023 年 4 月 17 日

注册会计师 董宜人

诺贝丽斯(上海)铝贸易有限公司

2022 年 12 月 31 日资产负债表
(除特别注明外，金额单位为人民币元)

资产	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动资产			
货币资金	六(1)	3,959,559.45	4,443,585.33
应收账款	六(2), 七(4)(a)	475,491.24	6,889,036.95
预付款项	六(4), 七(4)(c)	693,541.83	634,898.58
其他应收款	六(3), 七(4)(b)	43,334,997.14	34,851,837.14
其他流动资产	六(5)	1,900,350.72	1,955,560.84
流动资产合计		50,363,940.38	48,774,918.84
非流动资产			
递延所得税资产	六(9)	297,380.54	280,869.08
其他非流动资产		1,198,296.34	-
非流动资产合计		1,495,676.88	280,869.08
资产总计		51,859,617.26	49,055,787.92
负债及所有者权益			
流动负债			
应付账款	七(4)(d)	14,980,296.52	13,713,619.81
预收款项	七(4)(f)	1,387,254.60	-
应付职工薪酬	六(6)	526,770.95	1,123,476.32
应交税费	六(7)	-	424,451.95
其他应付款	六(8), 七(4)(e)	662,751.21	585,241.59
流动负债合计		17,557,073.28	15,846,789.67
负债总计		17,557,073.28	15,846,789.67
所有者权益			
实收资本(3,500,000 美元)	一	22,143,725.48	22,143,725.48
盈余公积	六(10)	9,521,777.44	9,457,209.22
未分配利润	七(3)(g)	2,637,041.06	1,608,063.55
所有者权益合计		34,302,543.98	33,208,998.25
负债及所有者权益总计		51,859,617.26	49,055,787.92

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯(上海)铝贸易有限公司

2022 年度利润表
(除特别注明外，金额单位为人民币元)

	附注	2022 年度	2021 年度
一、营业收入	六(11)	6,479,618.45	8,379,502.70
减：营业成本	六(11),六(14)	(6,055,718.17)	(7,674,621.62)
税金及附加	六(12)	(120,485.51)	(198,387.61)
销售费用	六(14)	(75,117.12)	(36.47)
管理费用	六(14)	(323,235.92)	(2,028,378.43)
加：财务(费用)/收入－净额	六(13)	(615,685.73)	1,407,308.49
其中：利息收入		707,101.87	1,097,687.95
其他收益	六(15)	1,764,519.09	4,122.90
二、营业利润/(亏损)		1,053,895.09	(110,490.04)
减：营业外支出		-	(205,139.44)
三、利润/(亏损)总额		1,053,895.09	(315,629.48)
减：所得税	六(16)	39,650.64	(132,234.05)
四、净利润/(亏损)		1,093,545.73	(447,863.53)
五、其他综合收益的税后净额		-	-
六、综合收益总额		1,093,545.73	(447,863.53)

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯(上海)铝贸易有限公司

2022 年度现金流量表
(除特别注明外，金额单位为人民币元)

	附注	2022 年度	2021 年度
一、经营活动产生/(使用)的现金流量			
销售商品、提供劳务收到的现金		24,087,956.06	1,910,409.27
收到其他与经营活动有关的现金		1,781,513.14	3,371,751.52
经营活动现金流入小计		25,869,469.20	5,282,160.79
购买商品、接受劳务支付的现金		(92,972.20)	(76,745.60)
支付给职工以及为职工支付的现金		(6,303,860.40)	(7,075,486.89)
支付的各项税费		(1,455,513.66)	(2,713,791.85)
支付的其他与经营活动有关的现金		(933,071.47)	(44,791.31)
经营活动现金流出小计		(8,785,417.73)	(9,910,815.65)
经营活动产生/(使用)的现金流量净额	六(17)(a)	17,084,051.47	(4,628,654.86)
二、投资活动(使用)/产生的现金流量			
收到的其他与投资活动有关的现金		690,107.82	82,181,832.35
投资活动现金流入小计		690,107.82	82,181,832.35
支付的其他与投资活动有关的现金		(18,258,716.61)	-
投资活动现金流出小计		(18,258,716.61)	-
投资活动(使用)/产生的现金流量净额		(17,568,608.79)	82,181,832.35
三、筹资活动使用的现金流量净额			
分配股利支付的现金	七(3)(g)	-	(83,058,955.88)
筹资活动现金流出小计		-	(83,058,955.88)
筹资活动使用的现金流量净额		-	(83,058,955.88)
四、汇率变动对现金的影响额		531.44	(134.59)
五、现金净减少额	六(17)(b)	(484,025.88)	(5,505,912.98)
加：年初现金余额		4,443,585.33	9,949,498.31
六、年末现金余额		3,959,559.45	4,443,585.33

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯(上海)铝贸易有限公司

2022年度所有者权益变动表

(除特别注明外，金额单位为人民币元)

项目	附注	实收资本	盈余公积	未分配利润	所有者权益合计
2021年1月1日年初余额		22,143,725.48	9,457,209.22	85,114,882.96	116,715,817.66
2021年度增减变动额					
净亏损		-	-	(447,863.53)	(447,863.53)
利润分配-对所有者的分配	七(3)(g)	-	-	(83,058,955.88)	(83,058,955.88)
2021年12月31日年末余额		22,143,725.48	9,457,209.22	1,608,063.55	33,208,998.25
2022年1月1日年初余额		22,143,725.48	9,457,209.22	1,608,063.55	33,208,998.25
2022年度增减变动额					
净利润		-	-	1,093,545.73	1,093,545.73
利润分配-提取盈余公积		-	64,568.22	(64,568.22)	-
2022年12月31日年末余额		22,143,725.48	9,521,777.44	2,637,041.06	34,302,543.98

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

一　公司基本情况

诺贝丽斯(上海)铝贸易有限公司(以下简称“本公司”)是由Novelis Inc.于2012年5月31日在中华人民共和国上海市成立的外商独资经营企业。本公司经批准的经营期限为30年，注册资本为3,500,000美元。

本公司经批准的经营范围为铝压延产品、金属材料(稀有金属、贵金属、钢铁除外)、金属制品、机械设备的批发、佣金代理(拍卖除外)、进出口及相关配套服务，并提供相关技术服务和技术咨询(不涉及国营贸易管理，涉及配额、许可证管理商品的，按国家有关规定办理申请)；贸易信息咨询(金融信息除外)，企业管理咨询(涉及行政许可的，凭许可证经营)。2022年度，本公司的实际主营业务与上述相同。

本财务报表由本公司企业负责人于2023年4月17日批准报出。

二　财务报表的编制基础

本财务报表按照财政部于 2006 年 2 月 15 日及以后期间颁布的《企业会计准则——基本准则》、各项具体会计准则及相关规定(以下合称“企业会计准则”)编制。

本财务报表以持续经营为基础编制。

三　遵循企业会计准则的声明

本公司2022年度财务报表符合企业会计准则的要求，真实、完整地反映了本公司2022年12月31日的财务状况以及2022年度的经营成果和现金流量等有关信息。

四　重要会计政策和会计估计

(1)　会计年度

会计年度为公历1月1日起至12月31日止。

(2)　记账本位币

本公司记账本位币为人民币。本财务报表以人民币列示。

四 重要会计政策和会计估计(续)

(3) 外币折算

外币交易按交易发生日的即期汇率将外币金额折算为人民币入账。

于资产负债表日，外币货币性项目采用资产负债表日的即期汇率折算为人民币。为购建符合借款费用资本化条件的资产而借入的外币专门借款产生的汇兑差额在资本化期间内予以资本化；其他汇兑差额直接计入当期损益。以历史成本计量的外币非货币性项目，于资产负债表日采用交易发生日的即期汇率折算。汇率变动对现金的影响额在现金流量表中单独列示。

(4) 现金及现金等价物

现金及现金等价物是指库存现金、可随时用于支付的存款。

(5) 金融工具

金融工具，是指形成一方的金融资产并形成其他方的金融负债或权益工具的合同。当本公司成为金融工具合同的一方时，确认相关的金融资产或金融负债。

(a) 金融资产

(i) 分类和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为以摊余成本计量的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款，本公司按照预期有权收取的对价金额作为初始确认金额。

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(a)　金融资产(续)

(i)　分类和计量(续)

债务工具

本公司持有的债务工具是指从发行方角度分析符合金融负债定义的工具，采用以下方式进行计量：

以摊余成本计量：

本公司管理此类金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产按照实际利率法确认利息收入。此类金融资产主要包括货币资金、应收账款和其他应收款。

(ii)　减值

本公司对于以摊余成本计量的金融资产，以预期信用损失为基础确认损失准备。

本公司考虑在资产负债表日无须付出不必要的额外成本和努力即可获得的有关过去事项、当前状况以及对未来经济状况的预测等合理且有依据的信息，以发生违约的风险为权重，计算合同应收的现金流量与预期能收到的现金流量之间差额的现值的概率加权金额，确认预期信用损失。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(ii) 减值(续)

对于因提供劳务等日常经营活动形成的应收账款，无论是否存在重大融资成分，本公司均按照整个存续期的预期信用损失计量损失准备。

除上述应收账款外，于每个资产负债表日，本公司对处于不同阶段的金融工具的预期信用损失分别进行计量。金融工具自初始确认后信用风险未显著增加的，处于第一阶段，本公司按照未来 12 个月内的预期信用损失计量损失准备；金融工具自初始确认后信用风险已显著增加但尚未发生信用减值的，处于第二阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备；金融工具自初始确认后已经发生信用减值的，处于第三阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备。

对于在资产负债表日具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后并未显著增加，认定为处于第一阶段的金融工具，按照未来 12 个月内的预期信用损失计量损失准备。

本公司对于处于第一阶段和第二阶段的金融工具，按照其未扣除减值准备的账面余额和实际利率计算利息收入。对于处于第三阶段的金融工具，按照其账面余额减已计提减值准备后的摊余成本和实际利率计算利息收入。

当单项金融资产无法以合理成本评估预期信用损失的信息时，本公司依据信用风险特征将应收款项划分为若干组合，在组合基础上计算预期信用损失，确定组合的依据和计提方法如下：

组合一	应收账款组合
组合二	其他应收款组合

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(a)　金融资产(续)

(ii)　减值(续)

对于划分为组合的应收账款、应收租赁款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和整个存续期预期信用损失率，计算预期信用损失。除此以外的其他应收款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和未来 12 个月内或整个存续期预期信用损失率，计算预期信用损失。

本公司将计提或转回的损失准备计入当期损益。

(iii)　终止确认

金融资产满足下列条件之一的，予以终止确认：(1) 收取该金融资产现金流量的合同权利终止；(2) 该金融资产已转移，且本公司将金融资产所有权上几乎所有的风险和报酬转移给转入方； (3) 该金融资产已转移，虽然本公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产控制。

(b)　金融负债

金融负债于初始确认时分类为以摊余成本计量的金融负债和以公允价值计量且其变动计入当期损益的金融负债。

本公司的金融负债主要为以摊余成本计量的金融负债，包括应付账款及其他应付款等。该类金融负债按其公允价值扣除交易费用后的金额进行初始计量，并采用实际利率法进行后续计量。期限在一年以下(含一年)的，列示为流动负债；期限在一年以上但自资产负债表日起一年内(含一年)到期的，列示为一年内到期的非流动负债；其余列示为非流动负债。

当金融负债的现时义务全部或部分已经解除时，本公司终止确认该金融负债或义务已解除的部分。终止确认部分的账面价值与支付的对价之间的差额，计入当期损益。

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(c)　金融工具的公允价值确定

存在活跃市场的金融工具，以活跃市场中的报价确定其公允价值。不存在活跃市场的金融工具，采用估值技术确定其公允价值。在估值时，本公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可观察输入值。

(6)　职工薪酬

职工薪酬是本公司为获得职工提供的服务或解除劳动关系而给予的各种形式的报酬或补偿，包括短期薪酬和离职后福利。

(a)　短期薪酬

短期薪酬包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、工伤保险费、生育保险费、住房公积金、工会和教育经费等。本公司在职工提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。其中，非货币性福利按照公允价值计量。

(b)　离职后福利

本公司将离职后福利计划分类为设定提存计划和设定受益计划。设定提存计划是本公司向独立的基金缴存固定费用后，不再承担进一步支付义务的离职后福利计划；设定受益计划是除设定提存计划以外的离职后福利计划。于报告期内，本公司的离职后福利主要是为员工缴纳的基本养老保险和失业保险，均属于设定提存计划。

基本养老保险

本公司职工参加了由当地劳动和社会保障部门组织实施的社会基本养老保险。本公司以当地规定的社会基本养老保险缴纳基数和比例，按月向当地社会基本养老保险经办机构缴纳养老保险费。职工退休后，当地劳动及社会保障部门有责任向已退休员工支付社会基本养老金。本公司在职工提供服务的会计期间，将根据上述社保规定计算应缴纳的金额确认为负债，并计入当期损益或相关资产成本。

四 重要会计政策和会计估计(续)

(7) 递延所得税资产和递延所得税负债

递延所得税资产和递延所得税负债根据资产和负债的计税基础与其账面价值的差额(暂时性差异)计算确认。对于按照税法规定能够于以后年度抵减应纳税所得额的可抵扣亏损，确认相应的递延所得税资产。对于既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)的非企业合并的交易中产生的资产或负债的初始确认形成的暂时性差异，不确认相应的递延所得税资产和递延所得税负债。于资产负债表日，递延所得税资产和递延所得税负债，按照预期收回该资产或清偿该负债期间的适用税率计量。

递延所得税资产的确认以本公司很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的应纳税所得额为限。

同时满足下列条件的递延所得税资产和递延所得税负债以抵销后的净额列示：

- 递延所得税资产和递延所得税负债与同一税收征管部门对本公司征收的所得税相关；
- 本公司拥有以净额结算当期所得税资产及当期所得税负债的法定权利。

(8) 收入确认

本公司在客户取得相关商品或服务的控制权时，按预期有权收取的对价金额确认收入。

(a) 提供服务

本公司关联方提供劳务服务，本公司在完成服务后，将服务成果按照合同约定交付给购买方，在购买方验收后确认收入。

四 重要会计政策和会计估计(续)

(9) 政府补助

政府补助为本公司从政府无偿取得的货币性资产或非货币性资产，包括税费返还、财政补贴等。

政府补助在本公司能够满足其所附的条件并且能够收到时，予以确认。政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能可靠取得的，按照名义金额计量。

与资产相关的政府补助，是指本公司取得的、用于购建或以其他方式形成长期资产的政府补助。与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。

与资产相关的政府补助，确认为递延收益并在相关资产使用寿命内按照合理、系统的方法分摊计入损益；与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间，计入当期损益，用于补偿已发生的相关费用或损失的，直接计入当期损益。本公司对同类政府补助采用相同的列报方式。

与日常活动相关的政府补助纳入营业利润，与日常活动无关的政府补助计入营业外收支。

(10) 重要会计估计和判断

本公司根据历史经验和其他因素，包括对未来事项的合理预期，对所采用的重要会计估计和关键判断进行持续的评价。

(a) 采用会计政策的关键判断

收入确认的时点

本公司向关联方提供劳务服务时，按照合同规定提供劳务服务且取得收取款项的权利。因此，本公司在服务已经提供且取得收取款项的权利时确认销售收入。

四　重要会计政策和会计估计(续)

(10)　重要会计估计和判断(续)

(b)　重要会计估计及其关键假设

下列重要会计估计及关键假设存在会导致下一会计年度资产和负债的账面价值出现重大调整的重要风险：

所得税及递延所得税资产和递延所得税负债

在正常的经营活动中，部分交易和事项与最终的税务处理都存在不确定性。在计提所得税费用时，本公司需要作出重大判断。如果这些税务事项的最终认定结果与最初入账的金额存在差异，该差异将对作出上述最终认定期间的所得税费用和递延所得税的金额产生影响。

(11)　重要会计政策变更

财政部于 2021 年颁布了《关于印发<企业会计准则解释第 15 号>的通知》(以下简称“解释 15 号”)，并于 2022 年及 2023 年颁布了《关于印发<企业会计准则解释第 16 号>的通知》(以下简称“解释 16 号”)、《关于适用<新冠肺炎疫情相关租金减让会计处理规定>相关问题的通知》(财会[2022]13 号)及《企业会计准则实施问答》，本公司已采用上述通知和实施问答编制 2022 年度财务报表，上述修订对本公司财务报表无重大影响。

五 税项

本公司本年度适用的主要税种及其税率列示如下：

税种	税率	税基
企业所得税(a)	25%	应纳税所得额
增值税(b)	6%及 13%	应纳税增值额(应纳税额按应纳税销售额乘以适用税率扣除当期允许抵扣的进项税后的余额计算)
城建税	7%	实际缴纳的增值税
教育费附加	5%	实际缴纳的增值税

(a) 根据《国家税务总局关于落实支持小型微利企业和个体工商户发展所得税优惠政策有关事项的公告》(财税[2022]8 号)，自 2022 年 1 月 1 日至 2022 年 12 月 31 日，对小型微利企业年应纳税所得额不超过 100 万元的部分，减按 12.5%计入应纳税所得额，按 20%的税率缴纳企业所得税；对年应纳税所得额超过 100 万元但不超过 300 万元的部分，减按 25%计入应纳税所得额，按 20%的税率缴纳企业所得税。

根据《财政部税务总局关于进一步实施小微企业所得税优惠政策的公告》(财税[2022]13 号)，自 2021 年 1 月 1 日至 2024 年 12 月 31 日，对小型微利企业年应纳税所得额超过 100 万元但不超过 300 万元的部分，减按 25%计入应纳税所得额，按 20%的税率缴纳企业所得税。

(b) 根据财政部、税务总局及海关总署颁布的《关于深化增值税改革有关政策的公告》(财政部 税务总局 海关总署公告[2019]39 号)及相关规定，自 2019 年 4 月 1 日起，本公司的产品销售业务收入适用的增值税税率为 13%，2019 年 4 月 1 日前该企业适用的增值税税率为 16%。

六　财务报表项目附注

(1)　货币资金

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行存款	3,959,559.45	4,443,585.33

(2)　应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收账款(附注七(4)(a))	475,491.24	6,889,036.95
减：坏账准备	-	-
	475,491.24	6,889,036.95

(a)　应收账款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	475,491.24	6,889,036.95

(b)　坏账准备

本公司对于应收账款，无论是否存在重大融资成分，均按照整个存续期的预期信用损失计量损失准备。

(i)　2022年组合计提坏账准备的应收账款分析如下：

	2022 年 12 月 31 日		
	账面余额	坏账准备	
	金额	整个存续期预期信用损失率	金额
未逾期	475,491.24	0.00%	-

六　财务报表项目附注(续)

(3)　其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收关联方款项(附注七(4)(b))	43,129,482.00	33,441,274.46
应收押金和保证金	-	1,198,296.34
其他	205,515.14	212,266.34
	43,334,997.14	34,851,837.14
减：坏账准备	-	-
	43,334,997.14	34,851,837.14

(a)　其他应收款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	43,129,731.00	26,802,109.26
一到二年	195,370.46	6,606,276.40
二到三年	9,895.68	1,443,451.48
	43,334,997.14	34,851,837.14

(b)　损失准备及其账面余额变动表

	第一阶段 未来 12 个月内预期信用损失(组合)	
	账面余额	坏账准备
2021 年 12 月 31 日及 2022 年 1 月 1 日	34,851,837.14	-
本年新增的款项	8,483,160.00	-
2022 年 12 月 31 日	43,334,997.14	-

于 2022 年 12 月 31 日，本公司组合计提坏账准备的其他应收款均处于第一阶段，不存在处于第二阶段及第三阶段的其他应收款。

六　财务报表项目附注(续)

(4)　预付款项

预付款项按账龄分析如下：

账龄	2022 年 12 月 31 日 金额	2022 年 12 月 31 日 占总额比例	2021 年 12 月 31 日 金额	2021 年 12 月 31 日 占总额比例
一年以内(附注七(4)(c))	693,541.83	100%	634,898.58	100%

(5)　其他流动资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
待抵扣增值税	1,631,237.18	1,568,683.48
预缴企业所得税	269,113.54	386,877.36
	1,900,350.72	1,955,560.84

(6)　应付职工薪酬

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付短期薪酬(a)	526,770.95	1,123,476.32
应付设定提存计划(b)	-	-
	526,770.95	1,123,476.32

(a)　短期薪酬

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
工资、奖金、津贴和补贴	1,123,476.32	4,552,480.08	(5,149,185.45)	526,770.95
社会保险费	-	317,807.11	(317,807.11)	-
其中：医疗保险费	-	266,333.95	(266,333.95)	-
工伤保险费	-	24,667.65	(24,667.65)	-
生育保险费	-	26,805.51	(26,805.51)	-
住房公积金	-	313,726.00	(313,726.00)	-
	1,123,476.32	5,184,013.19	(5,780,718.56)	526,770.95

六　财务报表项目附注(续)

(6)　应付职工薪酬

(b)　设定提存计划

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
基本养老保险	-	507,322.48	(507,322.48)	-
失业保险费	-	15,819.36	(15,819.36)	-
	-	523,141.84	(523,141.84)	-

(7)　应交税费

	2022 年 12 月 31 日	2021 年 12 月 31 日
应交代扣代缴预提所得税	-	424,451.95

(8)　其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
预提专业服务费	376,235.82	212,616.00
预提人员费用(附注七(4)(e))	286,515.39	372,625.59
	662,751.21	585,241.59

(9)　递延所得税资产

(a)　递延所得税资产

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
预提费用	165,687.80	662,751.21	-	-
应付职工薪酬	131,692.74	526,770.95	280,869.08	1,123,476.32
	297,380.54	1,189,522.16	280,869.08	1,123,476.32
其中：				
预计于 1 年内(含 1 年)转回的金额	297,380.54		280,869.08	

六 财务报表项目附注(续)

(10) 盈余公积

	2021 年 12 月 31 日	本年提取	本年减少	2022 年 12 月 31 日
储备基金	9,457,209.22	64,568.22	-	9,521,777.44

	2020 年 12 月 31 日	本年提取	本年减少	2021 年 12 月 31 日
储备基金	9,457,209.22	-	-	9,457,209.22

根据《中华人民共和国外商投资法》及本公司章程的规定，本公司的年度净利润于弥补以前年度亏损后，先提取储备基金，再向投资方进行分配。储备基金提取比例不低于净利润的 10%，累计提取金额达到注册资本的 50%以上时，可以不再提取。

本公司 2022 年按净利润的 10%提取储备基金 64,568.22 元(2021 年度：不计提储备基金)。

(11) 营业收入和营业成本

	2022 年度		2021 年度	
	收入	成本	收入	成本
其他业务				
一关联方劳务服务 (附注七(3)(b))	6,479,618.45	(6,055,718.17)	8,379,502.70	(7,674,621.62)

(a) 本公司 2022 年度营业收入分解如下：

	2022 年度
	劳务服务
于某一时段内确认	6,479,618.45

于 2022 年 12 月 31 日，本公司无已签订合同但尚未履行或尚未履行完毕的履约义务。

六 财务报表项目附注(续)

(12) 税金及附加

	2022 年度	2021 年度
城市维护建设税	67,459.66	111,389.65
教育费附加	48,193.30	83,291.06
印花税	4,832.55	3,706.90
	120,485.51	198,387.61

(13) 财务(费用)/收入 – 净额

	2022 年度	2021 年度
利息收入	707,101.87	1,097,687.95
汇兑(损失)/收益	(1,320,361.05)	313,068.32
银行手续费	(2,426.55)	(3,447.78)
	(615,685.73)	1,407,308.49

(14) 费用按性质分类

利润表中的营业成本、销售费用和管理费用按照性质分类，列示如下：

	2022 年度	2021 年度
职工薪酬费用	5,707,155.03	7,470,617.13
专业服务费	310,008.92	1,528,985.43
差旅费	146,527.19	106.75
其他	290,380.07	703,327.21
	6,454,071.21	9,703,036.52

(15) 其他收益

	2022 年度	2021 年度	与资产相关/与收益相关
政府补助	1,760,000.00	-	与收益相关
税收返还	4,519.09	4,122.90	与收益相关
	1,764,519.09	4,122.90	

六　财务报表项目附注(续)

(16) 所得税

	2022 年度	2021 年度
当期所得税	(23,139.18)	359,208.57
递延所得税	(16,511.46)	(226,974.52)
	(39,650.64)	132,234.05

将基于利润表的利润/(亏损)总额采用适用税率计算的所得税调节为所得税：

	2022 年度	2021 年度
利润/(亏损)总额	1,053,895.09	(315,629.48)
所得税税率	25%	25%
按适用税率计算的所得税	263,473.77	(78,907.37)
优惠税率的影响	(260,942.76)	-
不得扣除的成本、费用和损失	14,943.22	211,141.42
上期汇算清缴差异	(57,124.86)	-
所得税费用	(39,650.64)	132,234.05

(17) 现金流量表附注

(a) 将净利润/(亏损)调节为经营活动现金流量

	2022 年度	2021 年度
净利润/(亏损)	1,093,545.73	(447,863.53)
加：财务收入	(690,639.26)	(1,084,776.48)
递延所得税资产的增加	(16,511.46)	(226,974.52)
经营性应收项目的减少/(增加)	14,793,140.12	(4,309,189.92)
经营性应付项目的增加	1,904,516.34	1,440,149.59
经营活动产生/(使用)的现金流量净额	17,084,051.47	(4,628,654.86)

(b) 现金净变动情况

	2022 年度	2021 年度
现金的年末余额	3,959,559.45	4,443,585.33
减：现金的年初余额	(4,443,585.33)	(9,949,498.31)
现金净减少额	(484,025.88)	(5,505,912.98)

七 关联方关系及其交易

(1) 母公司

(a) 母公司基本情况

	注册地	业务性质
Novelis Inc.	加拿大	制造业

Hindalco Industries Ltd. 为本公司的最终控股公司。

(b) 母公司注册资本及其变化

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
Novelis Inc.	1,000 美元	-	-	1,000 美元

(c) 母公司对本公司的持股比例和表决权比例

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	持股比例	表决权比例	持股比例	表决权比例
Novelis Inc.	100%	100%	100%	100%

(2) 不存在控制关系的关联方的性质

	与本公司的关系
Novelis Aluminum Koblenz GmbH Japan Branch	受同一最终控股公司控制
Novelis Global Employment Organization Inc.	受同一最终控股公司控制
Novelis Korea Limited	受同一最终控股公司控制
Novelis Kingston Works	受同一最终控股公司控制
Novelis Inc. US Branch	受同一最终控股公司控制
Novelis Services Limited (UK)	受同一最终控股公司控制
诺贝丽斯铝业(镇江)有限公司	受同一最终控股公司控制
诺贝丽斯(中国)铝制品有限公司	受同一最终控股公司控制

七 关联方关系及其交易(续)

(3) 关联交易

(a) 定价政策

本公司向关联方提供劳务的价格按照双方协商，以成本加成的方式订立合同确定。本公司自关联方采购的产品、向关联方销售的产品以及其他关联交易的价格由交易各方根据具体情况协商确定。

(b) 提供劳务

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	5,736,347.74	8,379,502.70
诺贝丽斯铝业(镇江)有限公司	743,270.71	-
	6,479,618.45	8,379,502.70

(c) 现金池利息收入

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	690,107.82	1,084,911.07

(d) 由关联方垫付费用

	2022 年度	2021 年度
Novelis Global Employment Organization Inc.	-	1,947,227.54
Novelis Korea Limited	-	192,751.63
	-	2,139,979.17

(e) 接受关联方服务

	2022 年度	2021 年度
Novelis Aluminum Koblenz GmbH Japan Branch	75,960.00	-

七 关联方关系及其交易(续)

(3) 关联交易(续)

(f) 借出/(收回)现金池委托贷款 – 净额

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(中国)铝制品有限公司	18,258,716.61	(81,096,921.28)

(g) 分配现金股利

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Inc.	-	83,058,955.88

于2021年度：本公司向全体股东支付2012年度至2019年度的现金股利83,058,955.88元。

(4) 关联方余额

(a) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯铝业(镇江)有限公司	475,491.24	-
诺贝丽斯(中国)铝制品有限公司	-	6,889,036.95
	475,491.24	6,889,036.95

(b) 其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(中国)铝制品有限公司	43,129,482.00	33,441,274.46
Novelis Kingston Works	-	195,370.45
	43,129,482.00	33,636,644.91

七 关联方关系及其交易(续)

(4) 关联方余额(续)

(c) 预付款项

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Services Limited (UK)	693,541.83	634,898.58

(d) 应付款项

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Global Employment Organization Inc.	13,672,361.29	12,516,278.59
Novelis Inc. US Branch	1,307,935.23	1,307,935.23
	14,980,296.52	13,713,619.81

(e) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Korea Limited	210,555.39	192,751.63
Novelis Aluminum Koblenz GmbH Japan Branch	75,960.00	-
	286,515.39	192,751.63

(f) 预收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(中国)铝制品有限公司	1,387,254.60	-

八 金融风险

本公司的经营活动会面临各种金融风险：市场风险(主要为外汇风险、利率风险和价格风险)、信用风险和流动风险。本公司整体的风险管理计划针对金融市场的不可预见性，力求减少对本公司财务业绩的潜在不利影响。

八　金融风险(续)

(1)　市场风险

(a)　外汇风险

本公司的主要经营位于中国境内，销售货物及提供劳务主要以人民币结算，部分采购货物以美元结算，已确认的外币资产和负债及未来的外币交易(主要为美元)存在外汇风险。本公司财务部门负责监控外币交易和外币资产及负债的规模，以最大程度降低面临的外汇风险。为此，本公司可能会以签署远期外汇合约或货币互换合约的方式来达到规避外汇风险的目的。2022 年度及 2021 年度，本公司未签署任何远期外汇合约或货币互换合约。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司持有的外币金融资产和外币金融负债折算成人民币的金额列示如下:

	2022 年 12 月 31 日
	美元项目
外币金融资产 -	
货币资金	6,285.90
外币金融负债 -	
应付账款	14,980,296.52
其他应付款	466,389.35
	15,446,685.87

	2021 年 12 月 31 日
	美元项目
外币金融资产 -	
货币资金	5,749.80
外币金融负债 -	
应付账款	13,713,619.81
其他应付款	192,751.63
	13,906,371.44

于 2022 年 12 月 31 日，对于本公司各类外币金融资产和外币金融负债，如果人民币对外币升值或贬值 4%，其它因素保持不变，则本公司将增加或减少净利润约 463,212.00 元(2021 年 12 月 31 日：减少或增加净亏损约 417,018.65 元)。

八　金融风险(续)

(1)　市场风险(续)

(b)　利率风险

本公司的利率风险主要产生于长期银行借款等长期带息债务。浮动利率的金融负债使本公司面临现金流量利率风险，固定利率的金融负债使本公司面临公允价值利率风险。本公司根据当时的市场环境来决定固定利率及浮动利率合同的相对比例。于2022年12月31日，本公司无长期带息债务 (2021年12月31日：无)。

本公司财务部门持续监控公司利率水平。利率上升会增加新增带息债务的成本以及本公司尚未付清的以浮动利率计息的带息债务的利息支出，并对本公司的财务业绩产生重大的不利影响，管理层会依据最新的市场状况及时做出调整，这些调整可能是进行利率互换的安排来降低利率风险。于2022年度及2021年度本公司并无利率互换安排。

(c)　其他价格风险

本公司无其他价格风险。

(2)　信用风险

本公司对信用风险按组合分类进行管理。信用风险主要产生于银行存款、应收账款和其他应收款等。

本公司货币资金主要存放于声誉良好并拥有较高信用评级的大型上市银行，本公司认为其不存在重大的信用风险，不会产生因对方单位违约而导致的任何重大损失。

此外，对于应收账款和其他应收款，本公司设定相关政策以控制信用风险敞口。本公司基于对客户的财务状况、从第三方获取担保的可能性、信用记录及其它因素诸如目前市场状况等评估客户的信用资质并设置相应信用期。本公司会定期对客户信用记录进行监控，对于信用记录不良的客户，本公司会采用书面催款、缩短信用期或取消信用期等方式，以确保本公司的整体信用风险在可控的范围内。

于 2022 年 12 月 31 日，本公司无重大的因债务人抵押而持有的担保物或其他信用增级(2021 年 12 月 31 日：无)。

八 金融风险(续)

(3) 流动风险

本公司财务部门负责现金流量预测，并持续监控短期和长期的资金需求，以确保维持充裕的现金储备和可供随时变现的有价证券；同时持续监控是否符合借款协议的规定，从主要金融机构获得提供足够备用资金的承诺，以满足短期和长期的资金需求。

于资产负债表日，本公司各项金融负债以未折现的合同现金流量按到期日列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
	一年以内	一年以内
应付账款	14,980,296.52	13,713,619.81
其他应付款	662,751.21	585,241.59
	15,643,047.73	14,298,861.40

九 公允价值估计

公允价值计量结果所属的层级，由对公允价值计量整体而言具有重要意义的输入值所属的最低层次决定：

第一层级：相同资产或负债在活跃市场上未经调整的报价。

第二层级：除第一层次输入值外相关资产或负债直接或间接可观察的输入值。

第三层级：相关资产或负债的不可观察输入值。

(a) 持续的以公允价值计量的资产和负债

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无持续的以公允价值计量的资产和负债。

(b) 非持续的以公允价值计量的资产

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无非持续的以公允价值计量的资产。

(c) 不以公允价值计量但披露其公允价值的资产和负债

本公司以摊余成本计量的金融资产和金融负债主要包括：应收款项和应付款项等。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司不以公允价值计量的金融资产和金融负债的账面价值与公允价值差异很小。

十 资本管理

本公司资本管理政策的目标是为了保障本公司能够持续经营，从而为股东提供回报，并使其他利益相关者获益，同时维持最佳的资本结构以降低资本成本。

为了维持或调整资本结构，本公司可能会调整支付给股东的股利金额、向股东返还资本、发行新股或出售资产以减低债务。

本公司的总资本为资产负债表中所列示的股东权益。本公司不受制于外部强制性资本要求，利用资产负债率监控资本。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司的资产负债率列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
资产负债率	33.85%	32.30%

NOVELIS PAE

Statutory auditor's report on the financial statements

(For the year ended March 31, 2023)

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditor's report on the financial statements

(For the year ended March 31, 2023)

NOVELIS PAE
725, rue Aristide Berges
Parc Economique Centr'Alp
38340 Voreppe

To the sole shareholder,

Opinion

In compliance with the engagement entrusted to us by the sole shareholder's decision, we have audited the accompanying financial statements of Novelis PAE ("the Company") for the year ended March 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from April 1st, 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These assessments were addressed in the context of our audit of the financial statements as a whole, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

As mentioned in the notes 2.3 and 3.1 to the financial statements, your Company performs an impairment test on the goodwill. Our audit works consist in assessing the appropriateness of the accounting method, reviewing, on a test basis, the data and assumptions on which the value in use was based and the calculations made by your company and assessing the appropriateness of the information disclosed in the notes.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of President and in the other documents with respect to the financial position and the financial statements provided to the sole shareholder.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment terms required by Article D.441-4 of the French Commercial Code (code de commerce).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 it is expected to liquidate the Company or to cease operations.

The financial statements were approved by President.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lyon, April 27, 2023

The Statutory Auditor
PricewaterhouseCoopers Audit

Nicolas BRUNETAUD

Balance sheet - Assets

NOVELIS PAE SASU

Summary statement at 31/03/2023

BALANCE SHEET	Gross	Amortization Provisions	**Net book value at 31/03/2023**	**Net at 31/03/2022**
ASSETS				
Intangible assets				
Franchises, patents and other similar rights	13 373	13 373	0	0
Softwares	615 059	537 203	77 856	80 860
Goodwill	13 000 000	4 000 000	9 000 000	9 000 000
Fixed assets in progress/payments on accounts	14 048		14 048	4 299
Tangible assets				
Plant, machinery and equipments	554 022	403 816	150 206	71 707
Other fixed assets	247 423	170 271	77 152	64 694
Fixed assets in progress/payments in advance	11 927		11 927	36 792
Financial assets				
Loans				
Other financial assets	25 248		25 248	25 241
CAPITAL ASSETS	**14 481 100**	**5 124 664**	**9 356 436**	**9 283 593**
Inventories				
Raw materials and supplies	1 410 948	82 949	1 327 998	1 212 942
Work in progress - goods	13 157 468	0	13 157 468	4 551 831
Work in progress - services	4 591 197	0	4 591 197	2 148 765
Receivables				
Accounts receivables and related accounts	3 645 252	646 592	2 998 659	3 398 774
Suppliers debit balances				
Income tax - receivables	104 545		104 545	237 700
VAT - receivables	915 098		915 098	527 040
Other receivables	23 312 778		23 312 778	16 497 818
Sundry				
Advance payments paid on orders	2 376 007		2 376 007	779 295
Investment securities				
Cash	386		386	398
Prepaid expenses	13 641		13 641	20 461
CURRENT ASSETS	**49 527 320**	**729 542**	**48 797 778**	**29 375 024**
Conversion rate adjustments - assets	9 402		9 402	29
ADJUSTMENT ACCOUNTS	**9 402**		**9 402**	**29**
TOTAL ASSETS	**64 017 821**	**5 854 205**	**58 163 616**	**38 658 645**

Balance sheet - Liabilities

NOVELIS PAE SASU
EUR

Summary statement at 31/03/2023

BALANCE SHEET	Net book value at 31/03/2023	Net at 31/03/2022
LIABILITIES		
Individual share capital	4 040 000	4 040 000
Legal reserve	404 000	404 000
Other reserve	6 502 824	
Retained earnings	11 128 915	17 383 108
Net income or loss of the period	563 422	248 631
Regulated provisions	0	0
SHAREHOLDER EQUITY	**22 639 161**	**22 075 739**
OTHER SHAREHOLDER EQUITY		
Provisions for contingencies	1 326 114	1 244 127
Provisions for losses	2 196 802	2 254 271
PROVISIONS FOR CONTINGENCIES AND LOSSES	**3 522 917**	**3 498 398**
Financial debts and borrowings from credit institutions	0	0
Other financial debts and borrowings		
Other financial debts and borrowings - shareholder		
Advance payments received on orders	25 864 162	7 214 024
Accounts payables and related accounts	3 609 347	2 532 170
Tax and social liabilities	1 220 221	1 141 415
Accounts payables related to fixed assets suppliers		
Other liabilities	561 620	364 259
Prepaid income	746 190	1 820 904
CURRENT LIABILITIES	**32 001 539**	**13 072 772**
Conversion rate adjustments - liabilities	0	11 736
ACCRUED EXPENSES	**0**	**11 736**
TOTAL LIABILITIES	**58 163 616**	**38 658 645**

PROFIT AND LOSS ACCOUNT

NOVELIS PAE SASU

EUR

Summary statement at 31/03/2023

	31/03/23 France	31/03/23 Exportations	31/03/23 Total	31/03/22
Sales of goods				
Production sold goods				
Production sold services	512 122	13 312 489	13 824 611	11 697 503
NET TURNOVER	**512 122**	**13 312 489**	**13 824 611**	**11 697 503**
Production taken into inventory			10 372 264	4 180 822
Capitalised production				
Operating subsidies			15 250	6 667
Provision and depreciation reversals and expenses transferred			201 755	223 033
Other income			130 423	97 736
Total operating income			**24 544 302**	**16 205 761**
Purchases of goods held for resale				
Inventory change - goods held for resale				
Purchases of raw materials and supplies			16 011 481	8 753 063
Inventory change - raw materials and supplies			-604 130	-189 466
Other purchases and external expenses			3 957 836	2 898 090
Taxes and other levies			99 663	100 780
Wages and salaries			2 824 204	2 775 243
Payroll benefits			1 414 144	1 218 442
Allocation to depreciation of fixed assets			96 747	105 016
Allocation to provisions for fixed assets				
Allocation to provisions for current assets			62 913	150 416
Allocation to provisions for contingency and expenses			216 900	267 719
Other expenses			23 118	14 054
Total operating expenses			**24 102 875**	**16 093 357**
OPERATING INCOME OR LOSS			**441 427**	**112 404**
Profit appropriated or loss transferred				
Loss appropriated and profit transferred				
Financial income from participating interests				
Other investment income and amount owed			0	0
Other interests and similar income			212 024	0
Provisions reversals and expenses transferred			0	0
Foreign exchange gains			8	118 966
Net gains on realisation of investments held as current assets			0	0
Total financial income			**212 032**	**118 966**
Allocation to financial assets and provisions			9 374	29
Interests and similar charges			0	0
Foreign exchange losses			15 715	0
Net losses on realisation of investments held as current assets			0	0
Total financial expenses			**25 089**	**29**
FINANCIAL PROFIT OR LOSS			**186 944**	**118 937**
CURRENT INCOME OR LOSS BEFORE TAX			**628 370**	**231 340**
Extraordinary income from operating transactions			0	0
Extraordinary income from capital transactions			0	0
Provisions reversals and expenses transferred			0	0
Total extraordinary income			**0**	**0**
Extraordinary expenses from operating transactions			0	0
Extraordinary expenses on capital transactions			0	0
Extraordinary allocation to depreciation and provisions			0	0
Total extraordinary expenses			**0**	**0**
EXTRAORDINARY INCOME OR LOSS			**0**	**0**
Employee profit share			0	0
Income tax			64 948	-17 291
TOTAL INCOME			**24 756 335**	**16 324 726**
TOTAL CHARGES			**24 192 912**	**16 076 095**
PROFIT OR LOSS (Total income - Total charges)			**563 422**	**248 631**

NOVELIS PAE SAS

NOTES TO THE FINANCIAL STATEMENTS
Fiscal year ended March 31, 2023

I - PRESENTATION OF THE COMPANY AND OVERVIEW OF THE YEAR

1.1 Presentation of the company

Novelis PAE SAS is a company specialized in engineering, conception and selling of equipment for aluminium funderies.

1.2 Change of accounting rules and methods

No change of method has implemented during the fiscal year.

1.3 Conflict Russia - Ukraine

Before the conflict between Russia and Ukraine, Novelis PAE SAS had signed two equipment contracts for a total amount of 1182 Keuros and had received two spare parts orders for a total of 275 Keuros.

For equipment contracts, down payments of 362 Keuros were paid to the company before February 2022 : a negotiation is in progress to terminate these two contracts, with restitution of the corresponding down payments.

For spare parts orders, the company is waiting for 100% payment to deliver the spares. The costs incurred were provisioned in the previous fiscal year and this one, for a total of 150 Keuros.

No new contract has been signed since the conflict began. Since the risk is covered by the provision and the down payments received, no risk of business continuity or significant financial impact linked with the Russian contracts has been identified.

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II - ACCOUNTING PRINCIPLES AND VALUATION METHODS

2.1 Accounting principles

The account for the year ended March 31, 2023 have been prepared in accordance with accounting principles generally accepted in France and with French regulations :
- Principle of prudence
- Going concern assumption
- Consistent accounting methods
- Cut-off principle

Assets and liabilities are stated at historical cost.

2.2 Intangible assets

Intangibles assets are valued at cost.

Softwares are depreciated using the straight line method over 60 months.

Purchased goodwill is not amortized. An impairment is booked if necessary to the lowest value between the fair value estimated and the net accounting value of business. The impairment test is based on a comparison between capital employed of activity and the value of business estimated on future operating cash flow.

Research and development costs are expensed when incurred.

2.3 Tangible assets

Tangibles assets are stated at cost (purchase price plus implementation costs).

Tangible assets are amortized over the estimated useful lives of the assets, using the straight line method. Useful lives are as follows:

2.4 Financial assets

Financial assets are valued at their acquisition cost. A depreciation is recorded when the fair value is lower than the carrying value.

2.5 Inventories

Raw materials and supplies are stated at the weighted average price including incidental expenses.
Work-in-progress are valued on purchasing price and associated costs and such as sub-contracting costs, if any.
The value of equipment contracts work in progress also includes any direct or indirect, internal or external, costs associated with the contract, as well as a portion of general and administrative expenses.

Depreciation of inventories is calculated on a case by case basis. When the gross book value calculated as described above is higher than net realizable value, a depreciation is recorded for the difference.

2.6 Receivables

Receivables are stated at the face value.

Provision for doubtful debts is recorded when the recoverable value estimated on a case by case basis is lower than the face value.

2.7 Regulated reserves

Regulated reserves could be funded or reversed in compliance with applicable tax rules (provision for price increases, derogatory depreciation…).

No accrual or reversal has been booked this fiscal year.

2.8 Provisions

The status of any pending litigation or open dispute is reviewed by management at year end, in liaison with external lawyers and advisors. Provisions for contingency are set up, when deemed necessary, for the amount of the estimated liability.

Major provisions are estimated as follows :

2.8.1 Warranty provision

Warranty claims, which could result from contracts completed during the year but have not been raised by the clients, are estimated on the basis of historical statistical data. The corresponding provision is calculated according to contractual rules and usual business practices.

2.8.2 Pension commitments

The liability recognized in the balance sheet in respect of pension commitments is the present value of the defined obligation.

The company has chosen to book from fiscal year ended on March 31, 2017 the pension benefit reserve according to the recommendation 2013-02.

The defined obligation is calculated by an independent actuarial expert using the projected unit credit method. Actuarial gains or losses arising from changes in actuarial assumptions, which are greater than 10% of the present value of the obligation, are amortized over the average remaining years of service of employees.

Pension expenses are recorded in operating results.

2.8.3 Jubilees awards

The liability recognized in the balance sheet in respect of jubilee awards is the present value of the obligation.

The obligation is calculated by an independent actuarial expert using the projected unit credit method.

Actuarial gains or losses arising from changes in linked with plan experience and/or with change of hypothesis or modification of agreement are integrally booked in the P&L.

2.9 Revenue recognition

Sales of spares parts and consumables are booked in revenue at delivery, according to the specific conditions of each contract/order.

Services are booked in revenue as soon as the services are performed or at percentage of completion for long-term contracts. In this last case, the revenue and the corresponding margin

are recognized by application of the percentage of completion on revenue and forecast margin at completion. This percentage of completion is based on the ratio between direct labor costs at the closing and the forecast direct labor costs at achievement (percentage at the value added). Neither revenue nor margin is recognized before delivery of equipment to the customer depending on the Incoterm. For delivery, must be understood main delivery. The main can be defined as follows :
- the shipment (according to the corresponding incoterm) of 100% of the equipment without considering any spare parts and consumables.
- or the delivery of the equivalent of at least 90% of the material cost estimated for the contract, excluding spare parts and consumables. if at least 75% of the payment was received at the end of month (75% of the contract total turnover).
For contracts with high level of technical risks, the method at achievement is applied.

The variance between the invoicing revenue at the closing and the revenue at percentage of completion is booked either in revenue to be invoiced or in deferred revenue.

A long term contract loss at completion is booked if necessary, when the forecast costs of a contract are higher than the forecast revenue. If a work-in-progress is booked on the contract at year-end, depreciation is booked on the work-in-progress. Where applicable, the additional amount of estimated loss is recognized as a provision for liabilities and charges.

2.10 Operations in foreign currencies

Transactions in foreign currencies are translated based on the exchange rate prevailing at the date of the operation. Receivables and payables in foreign currencies are translated at the year-end exchange rate or at the hedging rate, if any. The difference arising from the translation at year-end of receivables and payables denominated in foreign currencies are included in the 'Translation differences' heading (assets or liabilities) of the balance sheet. Unrealized foreign-exchange losses are provided for.

According to the ANC 2015-05 instruction concerning the financial instruments and hedging, the conversion rate variations on trading receivables or payables, realized or accrued, are booked in the operating profit or loss.

III - NOTES CONCERNING CERTAIN BALANCE SHEET ITEMS

3.1 Intangible assets

Intangible assets mainly consist of the value of the purchased goodwill of K€ 13 000. This business was acquired from Pechiney Rhenalu in 2004 and was booked in accordance with the sale agreement.

In fiscal year ended on March, 31 2018, following an impairment test as described in the note 2.2 and due to a business outlook impacted by a difficult economic context and a cyclic activity, the purchased goodwill was depreciated for 4 million euros.

The net book value of other intangible assets amounts to K€ 92 as at March 31, 2023, compared to K€ 85 at March 31, 2022.

3.2 Tangible assets

Tangible assets stand at K€ 239 in net accounting value at March 31 2023 compared to K€ 173 at March 31 2022. These are mainly industrial equipment for K€ 150 and arrangements for K€ 79

3.3 Financial assets

Financial assets are made up of a deposit for K€ 25.

3.4 Inventories

At March, 31 2023, inventories stand at K€ 19 077 compared to K€ 7 914 at March, 31 2022.

As of March, 31 2023, np new inventory depreciation has been booked in raw materials and supplies.

3.5 Maturity of account receivables

All receivables are due within twelve months.

3.6 Shareholders' equity

The share capital amounts to € 4 040 000 and is made up of 8 000 shares with a face value of € 505 each, hold at 100 % by the company Novelis Inc.

3.7 Net equity reconciliation

	K€
Shareholders' equity at March, 31 2022	**22 076**
Profit for the year	563
Shareholders' equity at March, 31 2023	**22 639**

3.8 Provisions

(en K€)	March, 31 2022	Increase	Decrease used	Decrease not used	March, 31 2023
Warranty provision	339	81	6	40	374
Provision for foreign exchange losses	0	9	0	0	9
Provision loss at completion	108	14	8	0	114
Provision risk Aleris	117	0		32	85
Provision risks contracts Russia	679		0	0	679
Jubilees awards reserve	118	32	0	0	150
Pension reserve	2 137	85	110	0	2 112
Total	**3 497**	**221**	**124**	**72**	**3 523**

of which pension provision and commitment :

	K€
Pension reserve at 3/31/2022	**2 137**
Service cost	88
Interest cost	28
Amortization	(31)
Other	
Benefits paid by employer	(1110)
Pension reserve at 3/31/2023	**2 112**

		K€
PBO at 3/31/2022		**1 587**
Service cost		88
Interest cost		28
Net Actuarial Loss or Gain		(244)
due to Plan Experience	*(7)*	
due to Hypothesis change	*(237)*	
Benefits paid by employer		(110)
PBO at 3/31/2023		**1 349**

The key assumptions to calculate the Pension liabilitiy as of March, 31 2023 are the following :

- Annual inflation rate : 2 %
- Actualization rate : 3,70 %
- Annual salary increase (above inflation) : +0,75 % before 55 ; +0,25 % after 55.
- Benefits rate : 47,00 %
- Age of retirement with total pension benefits from French Social Security (minimum at 62, maximum at 67; progressive evolution from 40 to 43 years of contributions)

Turn-over assumptions are the following :

Before 34	10,4%	45	3,7%
34 and 35	9,6%	46	3,3%
36	8,9%	47	2,9%
37	8,2%	48	2,4%
38	7,5%	49	2,1%
39	6,9%	50	1,7%
40	6,3%	51	1,3%
41	5,7%	52	1,0%
42	5,2%	53	0,6%
43	4,7%	54	0,3%
44	4,2%	After 55	0,0%

3.9 Maturity of accounts payable

All payables are due within one year.

At March, 31 2023, other payables are mainly made up of accruals for K€ 562.

3.10 Deferred revenues

Deferred revenues are mainly linked with long term contracts. At March, 31 2023, they stand at K€ 746.

3.11 Tax and social liabilities

(in K€)	**March, 31 2023**	**March, 31 2022**
Payroll	731	692
Employees' benefits	462	426
Income tax - payables	0	0
Other tax and social liabilities	27	23
Tax and social liabilities	**1 220**	**1 141**

3.12 Related companies

Balances resulting from transactions with related companies are the following:

(in K€)	March, 31 2023	March, 31 2022
Trade accounts receivable	579	67
Other receivable	23 306	16 491
Trade accounts payable	(73)	(6)
Paid down payment	(243)	0
Net balance	**23 569**	**16 552**

Other receivables are mainly related to intercompany short-term loan under a cash-pooling agreement.

IV - NOTES RELATING TO CERTAIN PROFIT AND LOSS ITEMS

4.1 Net revenue by destination

(in K€)	March, 31 2023	March, 31 2022	Variance
France	512	606	(94)
Other countries	13 313	11 092	2 221
Total	**13 825**	**11 698**	**2 127**

4.2 Gains and charges with related companies

(in K€)	March, 31 2023	March, 31 2022
Sales	1 674	1 699
Financial gains	212	0
Financial charges	(0)	(0)

4.3 Financial gains and losses

(in K€)	March, 31 2023	March, 31 2022
Gain on sales of securities	0	0
Net interests on intercompany financing	212	0
Exchange gain/(loss)	(16)	119
Other financial gain/(loss)	(9)	0
Net gain / (loss)	**187**	**119**

4.4 Extraordinary profit and losses

(in K€)	March, 31 2023	March, 31 2022
Depreciation of purchased goodwill	0	0
Other	(0)	(0)
Net gain (charge)	**0**	**0**

4.5 Deferred tax position

The impact of tax timing differences at March 31, 2023 is to decrease future income tax charge by K€ 93 calculated with a tax rate of 25%.

4.6 Income tax

The income tax has been booked at 25% of the pre-tax profit.

4.7 Post-closing events

No post-closing events would modify the financial statement of the fiscal year at the date of writing of this appendix.

V – OTHER INFORMATION

5.1 Identity of consolidating company

The individual accounts of the company are included, according to the global integration method, in the consolidated accounts of the company Novelis Inc, based 231 Church Street, Mississauga, Ontario L5M 1N1 Canada.

5.2 Financial commitments

The company is committed for issued bank guarantees in favor of customers for an amount of K€ 3 474.

Moreover, the company has been a guarantor for the loan contracts signed by the Novelis Groupe, actually with Bank of America and Wells Fargo banks, the company has been a guarantor for the loan contract since 2008. The guarantee has started in September 2008 and the following guarantees have been granted :

- Pledge of the business
- Pledge of trade receivables
- Pledge of bank accounts
- Pledge of inventories.

However, the commitment is limited to the amounts of financing received from the Group. As the loan from Novelis Inc to Novelis PAE SAS was reimbursed in July 2009, the balance of Group loan is nil at March 31, 2023.

5.3 Breakdown of average workforce

		2022-2023	2020-2022
-	Managers	19	16
-	Employees	22	22
	Total	**41**	**38**

5.4 External audit fees

As Novelis PAE is within the scope of consolidation of Novelis Group, this information is not required for the company.

FINANCIAL STATEMENTS

Novelis Aluminium Beteiligungsgesellschaft mbH

Goettingen

Annual Financial Statements as of December 31, 2022

(Translation - the German text is authoritative)

Novelis Aluminium Beteiligungsgesellschaft mbH, Goettingen

Notes to the Financial Statements for Financial Year 2022

(1) GENERAL AND BASIS OF PRESENTATION

In accordance with § 267 German Commercial Code (HGB) the company is a small corporation. Balance sheet, income statement and notes to the financial statements are prepared in compliance with the provisions of HGB for corporations and the Limited Liability Company Law (GmbHG). The income statement is prepared according to the cost of sales method (§ 275 Section 3 HGB).

(2) ACCOUNTING POLICIES

Receivables and other assets are measured at nominal values less specific and general allowances for identifiable risks.

Equity is stated at nominal value.

Other provisions and accruals are measured taking into account all identifiable risks. They are recognized in the amount reasonably necessary to settle the obligation.

Liabilities are stated at their repayment amount (settlement amount).

(3) NOTES TO THE BALANCE SHEET

(3.1) Receivables and other assets

	Dec. 31, 2022 €	Dec. 31, 2021 €
Receivables from affiliated companies	46,837	46,977
Other assets	0	0
	46,837	**46,977**

Receivables from affiliated companies include receivables from Novelis Deutschland GmbH in the amount of € 43,097 and receivables from Aluminium Holding Co. in the amount of € 3,740.

(3.2) Shareholder

The sole shareholder of Novelis Aluminium Beteiligungsgesellschaft GmbH is Novelis Inc., Toronto, Canada.

(3.3) Provisions and accruals

No provisions or accruals had to be recognised as of the balance sheet date.

(3.4) Liabilities

	Dec. 31, 2022 €	Due within a year €	Dec. 31, 2021 €	Due within a year €
Liabilities to affiliated companies [1)]	0	0	0	0
	0	0	0	0
[1)]Thereof from purchase of goods and services	0		0	

There are no liabilities to affiliated companies at the balance sheet date.

(4) OTHER INFORMATION

(4.1) Managing directors

In the financial year 2022 the following person was managing director:

- Sabine Trautwein

The managing director did not receive any remuneration from the company.

(4.2) EMPLOYEES (average number of employees)

In the financial year 2022 the company did not have any employees.

Goettingen, March 28, 2023

Novelis Aluminium Beteiligungsgesellschaft mbH

Sabine Trautwein

Novelis Aluminium Beteiligungsgesellschaft mbH, Goettingen

Balance Sheet as of December 31, 2022

Assets	12/31/22	12/31/21	Equity and Liabilities	12/31/22	12/31/21
	EUR	EUR		EUR	EUR
A. Non-current assets			**A. Equity**		
I. Intangible assets	0,00	0,00	I. Share capital	25.000,00	25.000,00
II. Property, plant and equipment	0,00	0,00	II. Additional paid-in capital	0,00	0,00
III. Financial assets	0,00	0,00	III. Retained earnings	21.837,31	21.977,31
	0,00	**0,00**		**46.837,31**	**46.977,31**
B. Current assets					
I. Inventories	0,00	0,00	**B. Provisions and accruals**	**0,00**	**0,00**
II. Receivables and other assets	46.837,31	46.977,31	**C. Liabilities**	**0,00**	**0,00**
	46.837,31	46.977,31			
III. Cash and cash equivalents	0,00	0,00			
	46.837,31	**46.977,31**			
C. Prepaid expenses	**0,00**	**0,00**			
	46.837,31	**46.977,31**		**46.837,31**	**46.977,31**

Novelis Aluminium Beteiligungsgesellschaft mbH, Goettingen

Income Statement for the year ended 31 December 2022

	2022	2021
	EUR	**EUR**
1. Sales	0,00	0,00
2. Cost of sales	0,00	0,00
3. Gross profit	**0,00**	**0,00**
4. Selling expenses	0,00	0,00
5. General and administrative expenses	-140,00	0,00
6. Other operating income	0,00	0,00
7. Other operating expenses	0,00	0,00
8. Income from investments in associated companies	0,00	0,00
9. Income from long-term loans	0,00	0,00
10. Other interest and similar income	0,00	0,00
11. Interest and similar expenses	0,00	0,00
12. Profit from ordinary activities	**-140,00**	**0,00**
13. Income taxes	0,00	0,00
14. Other taxes	0,00	0,00
15. Profit for the year	**-140,00**	**0,00**
16. Retained earnings	21.977,31	21.977,31
17. Distribution	0,00	0,00
18. Retained earnings	**21.837,31**	**21.977,31**

Novelis Deutschland GmbH

Goettingen

Annual Financial Statements as of March 31, 2023
and Management Report for Financial Year 2022/2023

Auditor's Report

(Translation - the German text is authoritative)

Novelis Deutschland GmbH, Goettingen

Management Report for Financial Year 2022/2023

1. Markets, objects and performance indicators of the company

With more than 12,690 employees on four continents and sales of US$ 17.1 billion in FY 2022, the Novelis Group is, as far as we know, the world leader in the production of aluminum rolled products and in aluminum recycling. As part of this group, Novelis Deutschland GmbH operates 4 production sites in Germany.

We offer market-leading solutions in aluminum production. We continually design, innovate and improve our products according to the wishes and requirements of our customers. Novelis also helps to utilize the typical properties of aluminum to improve the sustainability profiles of their products.

The plant in Goettingen is a supplier specialized in flat-rolled aluminum sheets. The core products manufactured in Goettingen include high-quality sheet for the lithography and packaging market as well as coated tape for numerous applications. Furthermore, bottles, cartridges, cans and casings made of aluminum are produced by extrusion molding at the Goettingen plant.

The Nachterstedt plant has state-of-the-art production facilities and supplies globally customers in the industrial goods, packaging, building technology and automotive industries. In addition, the plant is equipped with the latest cold rolling technology and has a state-of-the-art robotic factory workshop for laser cutting of car body parts for the automotive industry. With the continuous annealing and finishing line as well as further machinery for finishing Nachterstedt supplies annealed, degreased, stained, (anodically or chemically) pre-treated, coated or post-lubricated material.

The plant in Plettenberg-Ohle specializes in the rolling of high-performance alloys for various applications such as containers, ACF and industrial products. The site also produces aluminum shells for the food industry (OHLER® Packaging Systems) as well as flexible tubes for the automotive and caravan industries and coil cores (OHLER® Flexible Tubes). Following the closure of the plant in Luedenscheid (2020), the product range in Ohle was expanded by the takeover of the extruded cable and tube strip production.

The Aluminium Norf GmbH (plant Alu Norf) in Neuss is a joint venture with a 50% interest. It is the center for the rolling production of the Novelis plants in Europe and supplies hot and cold rolled aluminum strips to external customers and to the finishing lines. Alu Norf is a contract manufacturer for Novelis Deutschland GmbH, which distributes the products to third-party customers and to subsidiaries via the Norf Novelis accounting code.

From 2013 to 2017 Novelis Europe invested about € 250 million in the expansion of the recycling capacities of its plant in Nachterstedt. In our view, the world's largest recycling plant was constructed with an annual capacity of ready-to-ship aluminum ingots of about 400 kt.

The facility is within a separate legal entity, Novelis Sheet Ingot GmbH (SIG GmbH), which is a 100% subsidiary of Novelis Deutschland GmbH and integrated by a fiscal unity.

In December 2020, Novelis Deutschland GmbH acquired Novelis Deutschland Holding GmbH (formerly Aleris Deutschland GmbH) for a purchase price of € 320.2 million. This acquisition was financed by a capital contribution of € 220 million from Novelis Aluminium Holding Unlimited Company and € 100.2 million from own funds.

The company owns Novelis Koblenz GmbH (Koblenz) and Novelis Casthouse Germany GmbH (NCG).

Koblenz is a supplier of aluminum products for the aerospace industry and a supplier of semi-finished aluminum products. The annual sales volume is up to 170 kt. The sheet, plate and strip produced are not mass-products, but highly specialized products made of more than 100 different alloys for applications in all industrial sectors. The main markets are the aerospace industry, the heat exchanger market, and other industrial applications.

The object of NCG is the operation of several foundries, trading in raw materials and casting products as well as holding and managing the assets required for this purpose.

The global economy has changed in 2022 and we must live with new realities. Caused by Russia's invasion of Ukraine on February 24, 2022, we must cope with significant uncertainties, which is mainly reflected in a high increase in energy prices. The resulting inflation weakened the improved global economic output for 2022 by 3.3%, lagging the previous year's increase. However, the development differed in the individual regions. In the euro area, the economy grew by 3.5%, with Germany growing less strongly at 1.8%. In the USA, the improvement was 2.1% and China, as a major economy, recorded growth of 3.0% (source: Deutsche Bank Research).

Daily prices for aluminum on the London Metal Exchange (LME) were very volatile in the financial year. On a monthly basis the price range was from US$ 2,230 per tonne in September 2022 to US$ 3,257 per tonne in April 2022. The average price for the financial year was US$ 2,490 per tonne. Aluminum price as of March 31, 2023, was US$ 2,417 per tonne which represents a price decrease of 26% compared to March 31, 2022 (US$ 3,261 per tonne). In Euro, the price decreased to a lower extent by approximately 22% due to the change in the currency relation.

For our globally operating company, we apply the operating EBITDA (earnings according to US GAAP rules before depreciation, amortization, interest, taxes, expenses and income from derivatives and group allocations) as the financial performance indicator for Novelis Deutschland GmbH.

The main non-financial performance indicators represent the sales tonnage of rolled products as well as the rolled product tonnage and to measure the quality of safety in our plants, we regularly report mainly the key figures "Total Recordable Incident Rate" (TRI-Rate)" - reportable incidents and "Days Away From Work Rate" (DAFW-Rate)" - absences due to a work-related accident.

2. Business Development

This financial year was negatively impacted by the Ukraine war and the resulting increase in inflation. Above all, in our Nachterstedt plant, where we were unable to utilize the lines for the automotive industry as we had forecast. But also, our joint venture Alunorf did not show the utilization as expected, mainly due to lower Can Body production than expected.

The other Novelis Deutschland GmbH plants were in good to very good shape.

In segment Can, we were below the expected volume, which was due to lower demand and inventory reduction from our can customers.

In segment Automotive we were behind the expected volumes for the financial year, mainly due to the indirect influence of the war in Ukraine. Due to the decline in the construction sector, we were also unable to achieve our sales targets in the segment specialties.

Overall, the sales volume of 961.9 kt was 33.1 kt lower than the previous year (995.0 kt). Compared to the planned sales volume (1.014 kt), we lost 52.1 kt. The lower sales volumes compared to the previous year were mainly due to Specialties and Can. The lower tonnages vs. forecast were mainly driven by lower volumes in all three value streams.

At 832.9 kt, rolled product tonnage was 42.6 kt below the previous year (875.5 kt). For FY 23 we expected a sales volume of 923.1 kt for rolled products and this was missed by 90.2 kt. All three value streams were lower than forecasted.

In the financial year 2023 sales volume of Novelis Deutschland GmbH in segment aluminum beverage can (**Can**) was 25.5 kt below the previous year. The main reasons for the lower sales volumes are the reduction in inventories at our customers and increased imports from China.

The automotive business (**Automotive**) suffered from the uncertainty caused by the Ukraine war. At the end of the financial year (Q4), sales volumes increased again and were above the average of the previous quarters.

Demand in the **Specialties** segment flattened out due to higher interest rates, which was particularly evident in the construction sector.

3. Earning position

The **plant Goettingen including the production and sale ex Norf** has a share of 63.9% of Novelis Deutschland GmbH's total sales volume.

Sales volumes for rolled products in Norf decreased by 7.8% vs. previous year, with shipments to subsidiaries and third-party customers affected in the case of cans. The 4% absolute increase in conversion sales (CP) was more than offset by sharp cost increases for energy and alloys from our joint venture, with a negative effect on our Operating EBITDA

The total sales volume of **Goettingen Rolled Products** is 8.5% lower than last financial year. In this context, Painted Products recorded divided performance in FY23 with sales volumes down 15.1% to 45.3 kt, although the conversion premium (CP) increased by 3.8% compared to FY22 as the CP €/t rate was 22.3% higher. Pre-Anodized and Anodized products also saw their volumes decline significantly (-52.2%) year-on-year to 3.2 kt, but CP €/t rate increased significantly by 29.1%, partially offsetting the loss in overall CP. Both Specialties product groups were strongly affected by the energy crisis and the decline in demand due to the economic impact of inflation in Europe. The Can product area remained strong in a highly competitive market with total shipments up 1.2% to 67.2kt, while the CP €/t rate increased by 8.0% year-on-year. Shipments of Can End and Can Tab products (47.8kt) remained at the level of last financial year, while €/t prices increased by 9.3%. Food product shipments grew by 4.4% with an average CP-increase of +9.2%. The growth (both overall and in €/t) in FY23 strongly contributed to the 49.5% increase in the Goettingen plant's Operating EBITDA compared to the previous year.

In the independent segment **Industrial Products** of the Goettingen plant, volumes decreased by 9.7% to 2.6kt, while CP in total grew by 8.3% year-on-year. Due to ongoing portfolio optimization measures (focus on higher margin products) and good cost control throughout FY23, Operating EBITDA grew by 28.8%.

The **Nachterstedt plant** has a share of approximately 30.4% of the GmbH sales volume. In FY22 we had greater reductions in our customer demand due to the deterioration of semiconductor shipments. We also did not record any significant improvements in the first three quarters of FY 23. However, we did see a slight increase in demand in the final quarter. This is due to an easing of the semiconductor supply situation.

Sales volume in the automotive segment increased by 9.2% to 189.5 kt, but sales volume with our main customer Jaguar-Landrover (JLR) decreased by 3.2%. The reason was that JLR was particularly impacted by the semiconductor issue. Other automotive customers were not as impacted as JLR and therefore overall sales are slightly higher than last year.

Sales volume in the can segment (53.6kt) increased by 9.6%, mainly due third-party sales.

In the Specialties a significant decrease of 28.9% to 44.6kt was recorded. The negative development in specialties is mainly due to lower intercompany sales.

Despite the slightly increased sales volumes, the operating result deteriorated by 25% compared to the previous year. This is mainly due to higher purchasing costs, inflation in packaging, paint, energy and freight costs and a lower average sales price per tonne (primarily in the automotive segment)).

The sales tonnage of the **Plettenberg-Ohle plant** accounts for approximately 5.6% of the GmbH sales volume. The sales volume in the third-party business is approximately 1% above the previous year's volume. The coffee capsules area remains at a stable high level. In the Ohler Flex area, sales volumes were down by approximately 11% due to volume reductions in the Automotive & Caravan area, and sales volumes in the Ohler Packaging area were also down by approximately 9% compared to the previous year. In the cable and tube band production area, sales volumes increased by approximately 15%. Internal pre-production in the can area was 8% higher than in the previous year due to high demand. Overall, the production volume achieved a consistently high level of capacity utilization at the Plettenberg Ohle plant. In total, operating profit increased by around 32%.

All plants together generated **sales** of € 3,826.2 million (prior year € 3,446.0 million) in the reporting period. This is an increase of 11.0% compared to the prior year and primarily attributable to a higher average metal price (BMC +13%), whereby sales volume decreased slightly by 3%. The higher metal price is passed through via our sales and has hardly any influence on our operating result.

The **result after taxes** was a profit of € 130.1 million in 2022/2023 (prior year net loss € 113.2 million) and is based on an operating profit of € 117.2 million (prior year operating loss of € 54.4 million).

Gross margin for the financial year 2022/2023 was € 113.0 million (previous year € 405.7 million). The higher margin in the previous year was mainly attributable to a change in measurement methods of aluminum inventory from the LIFO to the weighted average-method.

The higher operating result is mainly due to lower other operating expenses, higher other operating income. By contrast, higher selling and administrative expenses were recorded.

Other operating income includes mainly income from the release of provisions and currency gains. The income from provisions is driven by the reversal of provisions for anticipated losses from metal and currency risks of € 172.3 million (previous year € 1.5 million) and income from metal derivatives of € 58.8 million. Significant items in other operating expenses are expenses for services, research and development as well as expenses for anticipated losses. Expenses for onerous contracts provisions from metal and currency derivatives were € 24.1 million (previous year: € 231.3 million). The increase in selling expenses is attributable to higher freight costs of € 7.2 million and warehousing costs of € 1.5 million. Administrative expenses rose sharply due to adjustments for pension obligations and higher forfaiting costs.

The financial result improved by € 71.7 million to € 12.9 million (prior year € -58.8 million). In prior year a loss of Novelis Deutschland Holding GmbH in the amount of € 50.9 million was absorbed. As the existing loss carryforwards at Novelis Deutschland Holding GmbH exceed the profit for the financial year 2023, there will be no profit distribution to Novelis Deutschland GmbH in the current financial year. A profit distribution from Novelis Deutschland Holding GmbH can only be made once it has fully offset its loss carryforwards. Positive was the higher profit transfer from Novelis SIG GmbH of € 22.0 million (prior year profit € 9.3 million).

Subsidiary Novelis SIG GmbH achieved a significantly improved net result compared to the prior year. However, the production targets for ingot production were not achieved in FY23 and declined by 13.1 kt compared to the previous year. Declining demand from the can and packaging market could not be fully compensated even by higher automotive demand. The year-on-year increase in conversions prices for aluminum ingots had a positive impact on earnings. The increase in conversion prices was mainly due to higher energy costs. Manufacturing costs were above budget and higher than a year earlier. As a result of the increase in conversion prices and the sale of CO_2 certificates, earnings improved to € 21.9 million (previous year € 9.3 million).

At our subsidiary Novelis Deutschland Holding GmbH, increased demand for aviation products led to a sharp increase in sales and earnings. Sales of aviation products increased by +56%. This was due to a 27% increase in volumes to 48 kt and an accompanying 23% increase in prices. Despite an increase, however, sales tonnage remained below pre-covid volumes.

For the full year, the Heat Exchangers segment fell short of the previous year by -11%. Earnings were impacted in particular by lower demand from the automotive sector. To reduce this dependency, new specialty products are being developed. These include raw materials for window construction.

Manufacturing costs were, driven by inflation and capacity, above the previous year.

The valuation results also developed positively. In the previous year, negative effects from increased provisions for anticipated losses for hedging of metals and currencies had a very negative impact. In the current fiscal year, this was reduced by € 78 million to only € -11.1 million.

The result before tax of Novelis Deutschland Holding GmbH improved from € -50.7 million to € 79.9 million.

In the financial year, we achieved an Operating EBITDA of € 57.9 million (prior year € 108.7 million). We did not achieve our plan of € 99.1 million for the financial year. The main reasons were higher cost charges for energy from our joint venture Norf as well as lower conversion premiums in our segments Can and Automotive, which were driven by lower sales volumes. This could be partially offset by increased prices for customers.

Operating EBITDA in accordance with German GAAP is € 22.4 million. Significant deviations versus US GAAP result from different measurement of pension provisions in the amount of € 25.2 million and different measurement of inventories of € 10.5 million.

4. Net assets and financial position

Total assets decreased by € 239.9 million to € 1.364.8 million. Current assets decreased by € 244.7 million to € 778.5 million. Of these, inventories decreased by € 91.0 million due to lower volumes and metal prices. In addition, an impairment loss of € 11.6 million was recognized on metal inventories in accordance with the strict lower-of-cost-or-market principle. Furthermore, receivables and other assets decreased by € 153.7 million due to a lower receivable from profit and loss transfer agreement as wells decreased metal prices, which were passed on in the revenues, and lower sales volumes.

Equity remained unchanged due to the profit and loss transfer agreement. The ratio of equity to total assets is 25 % as of balance sheet date. Provisions for pensions and similar obligations increased primarily due to inflation adjustments by € 29.1 million. Prior year tax provision in the amount of € 1.6 million in relation to the acquisition of Aleris was settled. Provisions for anticipated losses in respect of metal and currency risks decreased by € 207.8 million. Trade payables to third as well as payables to affiliated parties decreased by € 53.0 million primarily due to lower trade payables from metal purchases and lower cash pooling liabilities.

The credit facility of Alu Norf GmbH is € 81.8 million. Currently, € 20.0 million are drawn to finance strategic expansion projects as well as higher production and purchasing volumes and are necessary to meet higher demand for aluminum products.

Novelis Deutschland GmbH arranged a cash pooling agreement with Novelis AG, Zurich, Switzerland, in 2007. Bank balances are transferred to bank accounts of the Novelis AG daily and are interest-bearing at market rates.

In financial year 2022/2023, cash outflows from operating activities in the amount of € 205.8 million, cash inflows from investing activities in the amount of € 4.6 million and cash inflows from financing activities in the amount of € 71.6 million decreased cash and cash equivalents by € 129.6 million to € - 41 million. Cash and cash equivalents comprise cash on hand, bank balances on demand and cash pooling balance with Novelis AG.

If needed, Interest-bearing funding can be obtained. In addition, as in the prior year, trade receivables were sold to a Novelis company and a foreign bank to finance sales on a short-term basis. The sold trade receivables are not any longer recognized in the financial statements.

Furthermore, we still have access to the cash pool of Novelis AG.

5 Environment, Health and Safety

At Novelis, we focus on the success of our stakeholders, in particular customers, employees, shareholders and surrounding communities, by aligning to environment and sustainability targets, safety, health and quality (EHS&Q). At our plants, we have systems to avoid accidents and to constantly improve our environment and safety performance and dedicate financial and personnel resources to

- reduce accidents and health incidents by prevention and risk awareness to zero,
- reduce impact on our environment to a minimum through advanced and resource-saving production processes, and
- improve quality and advantages of our products and services throughout the entire life cycle, especially via increased recycling.

A key part of the integrated Business Management System of Novelis is the EHS-Management System (Environment, Health & Safety). In particular, it addresses those areas where legal requirements such as human rights and co-determination rights are not precise. It is of particular concern to us, not only because of our legal obligations but also because of our corporate philosophy to comply with those requirements. It provides fixed standards for all business divisions aimed on constantly improving the high quality of environment protection, health and work safety on all sites. The objective for all sites regarding work safety is **avoidance of accidents**. Also in this reporting period, our risk assessments were updated, potential hazards identified and dealt with in a structured manner. Together with the programs for behavior-oriented work safety, we are thus able to further improve the safety level in accordance with our goal of a zero-accident policy. Furthermore, a set of projects to increase **health care** were implemented.

Protection of **resources** and environment are natural to us. Corporate environment protection is an integral part of our business and is monitored constantly. Novelis applies its expertise and experience in developing innovative products for the protection of environment, nature and climate as well as in the continued optimization of technologies and processes.

Accidents and environmental incidents are key indicators in measuring the performance of safety and environmental work. Safety and environmental work are integrated in daily processes. Each person in authority is responsible for involving all employees in those activities.

Our achieved TRI rate of 0.30 for financial year 2022/2023 is a slight improvement compared to the previous year (0.41). At 0.15, the DAFW rate in financial year 2022/2023 is slightly higher than in the previous year (0.10).

6. Risk Management

Novelis Inc. further optimized its activities in central coordination of risk management.

Corporate risk management is a structured process that helps the company proactively identify potential risks, events or trends and then develop action plans to enable the company to achieve its business objectives. The focus of risk identification is on manufacturing, trade and customs regulations, metal supply, supply chain, cybersecurity and human resources, as well as external and internal drivers. The foundation is risk identification, with annual reporting of material risks to management and the audit committee through interviews. This is communicated to local management and should also lead to an improved risk culture. Furthermore, actions to minimize or avoid risks are shared throughout the Novelis Group.

The identified risks and opportunities are included in the strategic and annual plan of the local reporting units and are regularly reviewed during the year and communicated to local, European and global management.

The Novelis group must comply with the **provisions of SOX 404** (Sarbanes Oxley Act). SOX 404 require establishing a functioning internal control system and a review of this system by the auditors.

The main risks in order of priority are:

Risks of Novelis Deutschland GmbH primarily result from the procurement markets' trends, foreign currency fluctuations and specific customer risks. The invasion of Ukraine is burdening companies with rising energy costs. The uncertain situation is still causing delays and problems in the supply chains.

Last year, we demonstrated that we were able to compensate to some extent negative impacts of the Ukraine conflict via our broad product portfolio and sales price increases. We are in close contact with customers and suppliers to identify potential impacts on delivery, sales volume, and production to take appropriate countermeasures.

Increase in raw material price must be passed on promptly via sales prices of our products. Price risks are eliminated either by provision of aluminum by the customers or in case of own raw material purchases reduced to an acceptable risk via extensive coordination of the London Metal Exchange (LME)-price basis of purchase and sale prices. This is realized by commodity forward contracts (LME futures). We are working continually on reviewing and improving the effectiveness of our offset-hedging processes. Through early and systematic control of credit risk bad debt losses remain on a very low level. Furthermore, credit risks are mitigated significantly due to the factoring agreement with Novelis AG.

In the automotive sector, we expect the situation to remain uncertain. The war in Ukraine could lead to bottlenecks in cable harnesses for the automotive industry. Here however, a broader diversification of our customer portfolio will help to mitigate negative effects from individual customers.

For the aerospace sector, we expect a further recovery with good sales for next year and further increases.

The purchasing source for recycled ingots, Novelis SIG GmbH, will provide, also for the upcoming financial year, a slightly higher portion of the ingot supply of Novelis Deutschland GmbH. Besides the Used Beverage Can (UBC) -line, a further production line (“Flex line”) operates with high outputs. The portion of scrap as an input material, the yield and the manufacturing process up to the delivered ingot must be improved. To achieve this, experts have been hired in plant Nachterstedt. Novelis absorbs profit and loss of Novelis SIG GmbH based on the profit and loss transfer agreement. Besides securing the supply with high quality aluminum, bottlenecks in quantity or quality of metal supply could directly affect the result of Novelis Deutschland GmbH.

Aluminum price is denominated in US$, which results in a currency risk. Further currency risks exist on the purchasing and selling side. To hedge these risks, hedging contracts are closed, whereby input errors could lead to risks.

Furthermore, we have expanded our product portfolio through the acquisition of Novelis Deutschland Holding GmbH (formerly Aleris Deutschland Holding GmbH). Earnings improved strongly in the last financial year. The effects from the COVID-19 pandemic, which caused significant sales declines in the international aviation industry, airlines, airports and other market participants, are hardly felt anymore.

Our value streams Can and Automotive concentrate on few significant customers with mostly long-term supply contracts. We currently see a low risk here, as we expect the can market in particular to be very stable with healthy growth, despite the current weakness in orders caused mainly by destocking. However, the medium- and long-term trend remains intact. In the automotive sector, we are continuing to work on a broader customer portfolio to mitigate the risk of failures caused by supplier parts shortages such as cable harnesses and semiconductors as well as a weakness at a major customer.

We expect for the year 2023 inflation risks. In our view, the inflation rate will be further on be at a higher level. In the energy sector, in particular, we expect prices to remain higher than before the war in Ukraine, which we are trying to compensate for by raising prices to customers and cutting costs.

In connection with securities given, as described under “Contingencies” in the notes to the financial statements, Novelis Deutschland GmbH is exposed to potential claims. However, no collateral was utilized until the preparation of the financial statements and management does not expect any claims in the FY 2023/2024. It is assumed that the original obligor will be able to fulfill its contractual obligations.

7. Research and Development

The research and development functions of the region Novelis Europe are primarily concentrated in three facilities. The objective is to stand out from competition by focusing on customer service, innovation and faster implementation. The **research and development center** in Goettingen focuses on the market segments Can, Specialty and Recycling while the plant Sierre, Switzerland, serves the market segment Automotive and the plants Koblenz and Aachen, Germany, serve the market segments Aerospace and Specialty.

On the Goettingen site, **development activities** in Recycling, Architecture, Packaging, Anodizing quality and Painted semi-finished goods are conducted. With this facility, the leading position in sophisticated products on the global market shall be secured. Moreover, the other Novelis-sites partake of the results.

Research and development expenses were € 20.0 million (prior year € 12.3 million), thereof € 3.9 million (prior year € 3.1 million) are recognized in cost of sales and € 16.1 million (prior year € 9.2 million) in other operating expenses. In research and development 20 persons are employed.

8. Employees

Novelis has high interest in investing in its employees and enhancing their skills. We offer internal and external training programs for employees and university graduates. Training programs are provided on regional, European and global level. Examples include the global Engineering Development Program (EDP) for bachelor and master graduates, the global Technical Talent Review (GTTR) and the multi-site and modular Leadership Curriculum. Further training is offered in inclusive leadership and communication. To set up individual development plans (IDP), corresponding online trainings are offered for employees and managers. The implemented soft skills guide allows employees to select development exercises in the soft skills area according to their needs. In addition, instruments such as 360º Feedback, Competency assessment/development and New Leader Assimilation Workshops are conducted. Another tool is the monthly Open Job Mail. Here, employees with email-account are informed about all open positions in Europe. There is also a special women promotion program like “Women at Novelis (WiN)” with various focal points in example “Mentorship Program” and “Taking the Stage Training”. The employees are subject to the regional collective agreements. In addition, employees in management positions are not subject to collective agreements. Due to increased portion of staff who worked or are working in home offices, there have been special training opportunities as online-offers. Examples include Working efficiency with IT tools and virtual facilitators.

The employees are subject to the regional collective wage agreements. In addition, employees in management positions are employed on a non-tariff basis.

The company had 1,851 employees at financial year-end. Headcount is subdivided in 1,572 employees in production, 221employees in selling and administration and 58 non-active employment contracts. At year-end, 65 young apprentices were employed. The apprentice ratio is 3.4 %.

9. Branches

Novelis Deutschland GmbH has branches in Goettingen, Nachterstedt and Plettenberg-Ohle. In addition, distribution offices are also located in Dordrecht (Netherland), Espoo (Finland), Belgium (Vilvoorde) and in Stuttgart.

10. Cooperate governance statement (Information on women's quota)

Based on the law for equal participation of men and women in executive positions in the private and public sector, the supervisory board aims to achieve that out of 12 members of the supervisory board one women shall have a seat up to June 30, 2025. This target was achieved as of March 31, 2023, with two women in the supervisory board.

Furthermore, the supervisory board aims to achieve up to June 30, 2025, that, in case the number of managing directors of Novels Deutschland GmbH is 3, one woman shall be managing director. We have deliberately set a target ratio greater than zero only after the number of managing directors has increased to 3 or more managing directors. The employment of women, in management positions as well as in general, is not only taken for granted, but also valued as an important element in terms of diversity and an opportunity for further development. Vacant positions are filled irrespective of the most suitable candidate, both professionally and personally, irrespective of gender. At Novelis Deutschland GmbH, what counts in particular is the principle of performance and equal opportunities and not gender. Qualifications and achievements are key. Gender alone is not a qualification. As everywhere, the discrepancy between the necessary acceptance of corporate regulations and the threat of rejection in operational business must be maintained. A two-member management board is a small body for which setting a rigid quota would restrict us too much. This target was not achieved up to March 31, 2023.

The managing directors, with approval of the supervisory board, aim to achieve that up to June 30, 2025, the quota of women within the two next lower executive levels shall increase. By June 30, 2025, a quota of 18% is to be achieved at the level directly below the managing directors and a quota of 20% at the level below. These two targets were achieved as of March 31, 2023. In 2023, the quota at the level below management increased to 21% as of March 31, 2023 (2022: 20%). One level below, the quota increased to 25% (2022: 22%).

11. Forecast

For the year 2023 global economic growth is expected to be at 2.8%, with even a slight increase of 0.5% for the euro area (Germany 0.0%), 1.7% for the USA and 6.0% for China (source: Deutsche Bank Research).

The **Beverage Can** segment recorded two very different halves of the year in the past financial year 2023. The first half of the year was characterized by high demand for our products and persistent supply bottlenecks. In the second half of the year, we experienced increasing headwinds. An easing in supply chains and an accompanying cooling in demand for beverage cans led to a decline in volumes and sales. As a result, in fiscal 2023 we were unable to match the good prior-year level (502 kt) with sales volumes of 476 kt[1].

For financial year 2024, we are cautiously optimistic and expect sales volumes of 494 kt[2] - slightly above the level of financial year 2023. We continue to see a positive market environment for the beverage can. Our customers, the can makers, are investing in new production facilities[3] and are interested in a close, long-term cooperation with Novelis to continue to meet the growing demand for beverage cans[4] in the future.

Aluminum remains one of the most sustainable packaging materials because it is fully and infinitely recyclable. It has the highest recycling rate, the highest recycled content and is easy to collect and sort. As the largest producer of aluminum sheet for the beverage packaging market and the largest recycler of used beverage cans, Novelis leads the market through innovation and collaboration with customers.

In financial year 2023, the supply situation with semiconductors to produce vehicles stabilized[5]. In contrast, there are challenges indirectly resulting from the Ukraine-Russia conflict. Massive increases in electricity and gas prices made price adjustments unavoidable[6]. Existing contracts were renegotiated broadly, price escalator clauses introduced and/or price increases implemented

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[1] Novelis reporting, February 06. 2023: 3 - Actual CP and Shipments February FY23.xlsx

[2] Novelis EXCom presentation, January Capex_NE Can input_20230120_v03.pptx

[3] Ball Reports 2022 Results, February 02, 2023 'The recently constructed Kettering, U.K., and Pilsen, Czech Republic, facilities will enable further growth for sustainable aluminum packaging across the region. In advance of Kettering and Pilsen ramping up production in late first quarter and early second quarter 2023, respectively, imports from the company's joint venture beverage can manufacturing facility in Saudi Arabia will continue to support customer demand across Europe.' https://investors.ball.com/news-and-presentations/news-releases/news-releases-details/2023/Ball-Reports-2022-Results/default.aspx

[4] Ardagh Metal Packaging S.A.; Fourth Quarter 2022 Update, Page 7; February 23, 2023: Drivers of secular growth remain intact, https://www.ardaghmetalpackaging.com/bond-report/download/10/earnings2/ardagh-metal-packaging-s-a-q4-2022-earnings-presentation-pdf.pdf

[5] https://www.kmu.admin.ch/kmu/de/home/aktuell/news/2022/wiederaufschwung-im-automobilsektor-fuer-2023-erwartet.html und https://www.netzwoche.ch/news/2023-01-05/us-elektronikverband-prophezeit-das-ende-der-chip-krise

[6] https://www.handelsblatt.com/unternehmen/industrie/chemie-maschinen-bau-lebensmittel-hohe-energiekosten-diese-branchen-wollen-ihre-preise-weiter-erhoehen/28639662.html

immediately. As a result of the measures initiated, we expect to have neutralized most of our energy price-related risks for financial year 2024.

Despite all the challenges, our automotive business developed more positively again at the end of FY23. For the full financial year, our sales volumes failed to meet the forecast and were around 15% below plan, but around 9% above the prior-year result.

For the coming FY24, we are confident of being able to continue the positive development. Stabilization in the core segment and additional delivery volumes received from Jaguar Land Rover, as well as increasing purchase volumes from German OEMs, will lead to growth potential that is expected to result in an improvement of approximately 8% over FY23.

In parallel, we are continuously working on measures to increase profitability. The focus on products with a low carbon footprint helps strengthen our competitive position and establish higher prices in the market. Securing recycled scrap at the end of the vehicle life cycle is of strategic importance. Therefore, we are working with several major and significant industry partners to create an ecosystem for recovering the highest possible volumes of automotive scrap. Our goal is to help shape the development of a 100% circular economy and to play a pioneering role. This is the only way to ensure sustainable access to the valuable materials.

The good volume trend for **Anodized Products** continued in the first half of the year. In the second half of the year volumes decreased significantly. The main driver for this reduction in customer demand was the current decline in construction business and high inventory levels at stockholding distributors. At the same time, increased costs were offset by higher conversion prices.

The **Painted Products** business sold 45.3 kt. This is around 6 kt below the annual plan. Demand remains subdued. Customers report that they too cannot yet predict how demand will develop. Compared to FY22, the FinSpread in FY23 was increased by approximately 21% from € 1,651 per tonne to € 2,005 per tonne to absorb expected cost increases. In FY24, conversion prices will only be agreed on a quarterly basis to be able to react promptly to further cost increases.

The **Industrial Products** business closed financially year 2023 with an operating result above plan & FC. Price increases and positive product mix effects counteracted a challenging market situation here, particularly in the second half of the year. Our outlook for the coming months for the segment remains positive.

Sales and demand for products from the **Continental Foil** rolling mill were at a high level in financial year 2023 and almost met expectations.

In 2022, 80 million coffee capsules were filled, 27 million of which were in aluminum. In this context, growth was 6.3%. The trend toward substituting plastic capsules with aluminum capsules continues. Demand for alloys with a high recycled content continues. There are also attempts at alternative coffee products, which will continue to play a minor role. Compostable coffee capsule is the new topic here, with Nespresso presenting a home-compostable coffee capsule based on paper. In Germany, organic waste remains the biggest hurdle.[4]

A new product field has further clarified within the year. The end application is flexible solar cells to develop unused surfaces.[5]

The demand dynamics for OHLER® **Packaging**, which were noticeable in the second half of the year, have declined in recent months. The price level currently achieved because of our price adjustments is again prompting customers to make more precise comparisons with offers from our market competitors. The airline business has stabilized satisfactorily, and the availability of coated primary material has now largely returned to normal. The share of products made from HRC alloys is at a good level for us, with a further upward trend.

In the OHLER® **Flexible Tubes** business, prices had to be raised significantly in all segments due to high cost-inflation. Despite lower sales volumes, the higher price level meant that sales targets were exceeded compared to the forecast and only slightly below the annual plan.

The **Cable Strip** sector continues to benefit from the current requirements for a stable energy supply from renewable sources and the large number of onshore and offshore wind turbines that need to be connected to the power grids. In addition, there is a need to expand the existing networks, some of which are over 70 years old and are not designed to cope with current demands.

Novelis counters competitors' low prices with short delivery times, high service, reliability and innovation as added value.

For the financial year 2023/2024, we currently expect a slight increase in rolled product tonnage and sales tonnage compared to financial year 2022/2023. We expect an improvement of operating EBITDA of approximately € 25 to € 35 million compared to financial year 2022/2023. This improvement is based on higher conversion sales, driven by higher sales tonnages (and better fixed cost degression associated with higher production tonnages) and price increases, which are partially offset by expected cost increases.

To remain successful, we continue to work with our Focused 5 guidelines, which we have adapted to support our global strategy. The 5 topics - safety, customer focus, environmental footprint, manufacturing excellence and people - are the key levers to improve and develop our results and business purpose.

“Zero accidents” is still the ultimate objective in work safety in all Novelis plants worldwide. Regarding financial year 2023/2024 we focus on the avoidance of severe accidents (SIF = Severe Injuries & Fatalities) and of accidents with lost time injuries (DAFW = Day Away From Work) to achieve the planned zero.

Goettingen, May 2, 2023

Novelis Deutschland GmbH

Dirk Noerthemann   Nils Leonhardt   Siegfried Adloff

Annual Financial Statements
from April 1, 2022 to March 31, 2023

Novelis Deutschland GmbH, Goettingen

Balance Sheet as of March 31, 2023

Assets

	Notes	2023	2022
		€	€
A. Non-current assets	(3.1)		
I. Intangible assets	(3.2)	2,176,557	4,643,704
II. Property, plant and equipment		171,974,206	159,140,493
III. Financial assets	(3.3)	397,884,333	407,914,333
		572,035,096	**571,698,530**
B. Current assets			
I. Inventories	(3.4)	430,486,723	521,458,527
II. Receivables and other assets	(3.5)	346,078,598	499,771,170
		776,565,321	1,021,229,697
III. Cash and cash equivalents		1,892,512	1,947,789
		778,457,833	**1,023,177,486**
C. Prepaid expenses		**14,356,193**	**9,816,643**
		1,364,849,122	**1,604,692,659**

Equity and Liabilities

	Notes	2023	2022
		€	**€**
A. Equity	(3.6)		
I. Share capital		111,500,000	111,500,000
II. Additional paid-in capital		229,296,347	229,296,347
III. Retained earnings		4,470,889	4,470,889
		345,267,236	**345,267,236**
B. Provisions and accruals	(3.7)	**347,399,349**	**521,722,382**
C. Liabilities	(3.8)	**672,055,633**	**737,703,041**
D. Deferred income		**126,904**	**0**
		1,364,849,122	**1,604,692,659**

Novelis Deutschland GmbH, Goettingen

Income Statement for Financial Year April 1, 2022 to March 31, 2023

		Notes	2022/23	2021/22
			€	€
1.	Sales	(4.1)	3,826,206,168	3,446,028,205
2.	Cost of sales		-3,713,164,557	-3,040,350,488
3.	**Gross profit / (loss)**		**113,041,611**	**405,677,717**
4.	Selling expenses		-100,229,313	-89,379,295
5.	General and administrative expenses	(4.2)	-59,888,803	-40,945,991
6.	Other operating income	(4.3)	237,249,167	11,577,899
7.	Other operating expenses	(4.4)	-73,010,205	-341,316,474
	Operating profit / (loss)		**117,162,457**	**-54,386,144**
8.	Income from profit and loss transfer agreements		21,981,906	9,286,791
9.	Expenses from profit and loss transfer agreements		0	-50,851,286
10.	Income from long-term loans	(4.5)	1,987,714	2,189,951
11.	Other interest and similar income	(4.5)	5,320,828	1,825,000
12.	Write-down financial assets	(4.5)	-30,000	0
13.	Interest and similar expenses	(4.5)	-16,365,954	-21,243,642
	Financial result		**12,894,494**	**-58,793,186**
	Profit / (Loss) from ordinary activities		**130,056,951**	**-113,179,330**
14.	Income taxes	(4.6)	-3,126	-1,973
15.	**Profit / (Loss) after tax**		**130,053,825**	**-113,181,303**
16.	Profit transferred due to profit and loss transfer agreement		-130,053,825	0
17.	Income from loss transferred due to profit and loss transfer agreement		0	113,181,303
18.	**Profit / (Loss) for the year**		**0**	**0**

Novelis Deutschland GmbH, Goettingen

Notes to the Financial Statements for Financial Year 2022/2023

(1) GENERAL BASIS OF PRESENTATION

The company is subject to the German Commercial Code. The company is registered in the commercial register as follows:

Company name	Novelis Deutschland GmbH
Seat	Goettingen
Registration court	Amtsgericht Goettingen
Commercial register number	HRB 7722

In accordance with § 267 German Commercial Code (HGB) Novelis Deutschland GmbH is a large corporation with balance sheet date as of March 31, 2023. The annual financial statements are prepared in compliance with the provisions of the Commercial Law (HGB) for large corporations and the Limited Liability Company Law (GmbHG). Financial year is the 12-month period ending March 31.

Novelis Deutschland GmbH is included in the consolidated financial statements of Hindalco Industries Ltd., Mumbai, India (largest group of consolidated companies), as well as Novelis Inc., Mississauga, Canada (smallest group of consolidated companies). The consolidated financial statements are available at the registered seat of the companies or at www.hindalco.com respectively www.novelis.com.

In accordance with § 271 Section 2 HGB, affiliated companies of Novelis Deutschland GmbH are the ultimate parent company Hindalco Industries Ltd., Mumbai, India, and all subsidiaries of this parent company.

Pursuant to § 292 (2) HGB, our company did not prepare consolidated financial statements for the subgroup. The exempting consolidated financial statements of Novelis Inc. are prepared in accordance with the United States General Accepted Accounting Principles (US-GAAP). The exempting consolidated financial statements and the exempting group management report of Novelis Inc. are equivalent to consolidated financial statements and a group management report prepared in accordance with § 291 (2) No. 1 HGB and the exempting consolidated financial statements are audited. The differences between US GAAP and the German accounting standards primarily result from differences in recognition and measurement of non-current assets, different criteria for the allocation of economic ownership of leases, differences in recognition and measurement of provisions and differences in the date of profit realization. The consolidated financial statements and the management report of Novelis Inc. are published in German in the German Electronic Federal Gazette.

(2) ACCOUNTING POLICIES

Assets

Acquired intangible and fixed assets are valued at acquisition cost less ordinary accumulated amortization or depreciation. Grants received are recognized as a reduction of acquisition cost.

Buildings are depreciated straight-line over 25 to 50 years. Additions to property, plant and equipment before December 31, 2007, and within the period January 1, 2009, to March 31, 2010, are initially depreciated with declining balances and subsequently straight-line over 3 to 25 years. Additions within the period January 1, 2008, to December 31, 2008, as well as additions from April 1, 2010, onwards are depreciated straight-line. Impairment charges are recognized in case of an expected permanent impairment. Extensive wear and tear due to multi-shift working are considered. In general, intangible assets are amortized over 3 years. A capitalized supply right is amortized over a useful life of 10 years.

Low-value items up to € 250 excluding VAT are fully expensed in the year of addition. Moveable assets with acquisition cost over € 250 and up to € 1,000 (excluding VAT) are grouped according to § 6 section 2a Income Tax Law (EStG) and expensed in equal portions over 5 years.

Investments in affiliates and in associated companies are stated at acquisition cost or lower recoverable amounts as of balance sheet date. The option of section 253 (3) sentence 6 HGB is not exercised.

Loans to affiliated and to associated companies are stated at acquisition cost less redemptions.

Inventory, except for aluminum included, is measured at average acquisition respectively production cost. Production cost comprises all direct cost as well appropriate portions of indirect cost and general administrative cost. Selling costs are not capitalized. Aluminum is measured at acquisition cost using the weighted average-Method or at lower cost of replacement. Risks due to slow- moving items or limited usability are considered by appropriate allowances.

Receivables and other assets are measured at nominal values less allowances for specific and general foreseeable risks. Receivables from and payables to affiliated companies are netted to the extent the requirements of § 387 German Civil Law (BGB) are met.

Cash, cash equivalents and restricted cash as well as cash-in-transit are stated at nominal value.

Prepaid expenses are expenditures before the balance sheet date to the extent that they represent expenses for a certain period after the balance sheet date.

Equity and Liabilities

Equity is stated at nominal value.

Pension obligations are measured using the projected unit credit method. The discount rate, as provided by the German Federal Reserve Bank, is the average market interest rate of the last 10 years assuming a remaining term of 15 years for the pension obligations. The annual compensation increase was set at 2.75 % starting in 2025, and the applicable collective bargaining agreement was used for 2023 (5.2 %) and 2024 (3.3 %). Annual pension increase was 2.0 % (prior year 1.75 %). Life expectancy statistics 2018G of Prof. Dr. K. Heubeck are applied.

Up to March 31, 2010, pension obligations were measured applying the going-concern value method pursuant to § 6a EStG and a discount rate of 6 %. The conversion to the accounting rules of the accounting modernization law as of April 1, 2010, resulted in K€ 25,116 higher pension obligations. The amount will be recognized as of March 31, 2024, at latest, with annual minimum charges to extra ordinary expenses of K€ 1,757. As of March 31, 2023, the unrecognized amount was K€ 1,757.

In course of the law to implement the residential real estate loan directive also the rules of the German Commercial Code regarding discounting of pension obligations were modified. The amendment extents the period over which the German Federal Reserve Bank determines the average market interest rate. For financial years ending after December 31, 2015, the period is 10 years (previously: 7 years). An interest rate of 1.79 % was applied to calculate the pension provision as of March 31, 2023.

The average market interest rate published by the German Federal Reserve Bank for the last seven years assuming a remaining term of 15 years for the obligation as of March 31, 2023, is 1.50 % (prior years: 1.35 %).

The difference in accordance with § 253 (6) Sentence 1 HGB amounts to K€ 11,908 as of March 31, 2023.

Pension and similar obligations are netted with assets, which are solely available to fund pension and similar obligations and are not subject to potential third-party claims (plan assets). Plan assets are measured at fair value. Fair value is equivalent to amortized cost.

Other provisions and accruals are measured considering all identifiable risks. They are recognized at the amount reasonably necessary to settle the obligation. Other provisions and accruals with a remaining term of more than a year are discounted with the average market interest rate of the last 7 years equivalent to the remaining term of the obligation.

Long-term provisions exist for early retirement benefits and jubilee benefits and are measured applying actuarial principles. The annual compensation increase was set at 2.75 % starting in 2025, and the applicable collective bargaining agreement was used for 2023 (5.2 %) and 2024 (3.3 %).

Actuarial assumptions to measure early retirement and jubilee benefit obligations use the average market interest rate of the last 7 years. The provision for jubilee benefit was discounted at an interest rate of 1.50% p.a. (previous year: 1.35% p.a.) for a remaining term of 15 years and the provision for early retirement was discounted at an interest rate of 0.64% p.a. (previous year: 0.33% p.a.) for a remaining term of 2 years.

Early retirement obligations are based on the so called "Block-Modell". The likelihood of exercising the early retirement plan was assumed to be 5 %. This assumption is based on the actual usage in prior years. Early retirement obligations are netted with plan assets. Plan assets are measured at fair value. Fair value is equivalent to acquisition cost.

Liabilities are stated at their settlement amount.

Foreign currency

Receivables and payables denominated in a foreign currency are usually hedged by a currency forward contract. If a hedging transaction exists, the price of the hedging transaction is used. If no hedging transaction exists, receivables and liabilities are converted with the historical exchange rate of the transaction date.

Long-term foreign currency receivables are converted with the spot exchange rate at the transaction date or the lower spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency receivables (due within a year) as well as cash, cash equivalents and other short-term assets denominated in foreign currencies are converted with the spot exchange rate as of balance sheet date.

Long term foreign currency liabilities are measured with the spot exchange rate of the transaction date or the higher spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency liabilities (due within a year) are converted with the spot exchange rate as of balance sheet date.

Aluminum forward contracts

The production costs of finished goods result materially from costs of aluminum. Aluminum is purchased by Novelis at the average industry price LME cash of the delivery month. Consequently, Novelis is exposed to aluminum price risk due to fixed selling price and variable purchasing price. To avoid this, Novelis closes commodity forward purchasing contracts (LME Future) at a fixed forward price. The fixed forward price is passed on to the customer. Later the forward purchasing contract is settled in cash (Cash Settlement). Approximately 2 months prior to the sale of the finished goods, Novelis closes a physical purchasing contract over the required amount of aluminum at the average price (LME cash) of the delivery month. The fixed selling price results in an aluminum price risk. The exposure is compensated by the commodity forward contract. The commodity futures are mainly macro hedges at Novelis Europe level and are divided between the Novelis companies in proportion to the long-term inventories at the plants of the respective legal entity. Single hedges are only concluded to a small extent. The prove of effectiveness of the hedges is assessed prospectively and retrospectively.

Deferred taxes

A fiscal unity in respect of corporate tax, trade tax and value added tax exists with Novelis Aluminium Holding Unlimited Company, Dublin, Ireland, Novelis Sheet Ingot GmbH, Goettingen, Novelis Deutschland Holding GmbH, Koblenz, Novelis Koblenz GmbH, Koblenz, and Novelis Casthouse Germany GmbH, Koblenz. Novelis Deutschland GmbH, Novelis Sheet Ingot GmbH, Novelis Deutschland Holding GmbH, Novelis Koblenz GmbH and Novelis Casthouse Germany GmbH are the subsidiary companies. Novelis Aluminium Holding Unlimited Company branch Goettingen is the fiscal unity parent. Deferred taxes relating to the subsidiary company are accounted for in the financial statements of the parent company as the parent company is solely subject to income taxes.

(3) BALANCE SHEET

(3.1) Non-current assets movement schedule

The non-current assets movement schedule is attached as an appendix to the notes.

(3.2) Intangible Assets

Intangible assets comprise primarily supply contracts with initial values of € 15.3 million. Furthermore, software licenses are included.

(3.3) Shareholdings

	Equity K€	Participation	Result K€
Novelis Deutschland Holding GmbH, Koblenz	408,040	100.0 %	12,084 [1)]
Novelis Casthouse Germany GmbH, Koblenz	44,113	100.0 %	- 3,075 [2,7)]
Novelis Koblenz GmbH, Koblenz	141,319	100.0 %	77,984 [2,7)]
Novelis Sheet Ingot GmbH, Göttingen	20,000	100.0 %	21,982 [1)]
ALUMINIUM NORF GmbH, Neuss	116,411	50.0 %	10,388 [3)]
Novelis Italia S.p.A., Bresso, Italy	77,723	37.5 %	10,283 [4)]
France Aluminium Recyclage S.A., Paris, France	257	20.0 %	61 [6)]

1) Result for the period April 1, 2022 to March 31, 2023

2) Before profit and loss transfer for the period April 1, 2022 to March 31, 2023

3) For the period January 1, 2022 to December 31, 2022

4) For the period April 1, 2021 to March 31, 2022

5) For the period January 1, 2022 to December 31, 2022

6) For the period January 1, 2021 to December 31, 2021

7) 100% subsidiary of Novelis Deutschland Holding Koblenz GmbH

Deutsche Aluminum Verpackung Recycling GmbH with an investment value of K€ 30 was liquidated in July 2022.

In the financial year 2012/2013 Novelis Sheet Ingot GmbH was established. A profit and loss transfer agreement with Novelis Deutschland GmbH exists.

As of October 25, 2013, the company granted a loan in the amount € 40 million to Novelis Sheet Ingot GmbH. The loan expires on October 1, 2023. After partial repayment the remaining loan is € 19 million as at the balance sheet date.

In December 2020, Novelis Deutschland GmbH acquired Novelis Deutschland Holding GmbH, Koblenz (formerly Aleris Deutschland Holding GmbH), for € 320.2 million. A profit and loss transfer agreement with Novelis Deutschland GmbH exists.

(3.4) Inventories

	2023 K€	2022 K€
Raw material	216,340	281,518
Work in progress / Unfinished goods	63,068	92,347
Finished goods and merchandise	151,079	147,594
	430,487	**521.459**

Aluminum inventories are valued at acquisition cost using the weighted average method. A write-down at the strict lower of cost or market of K€11,575 was made to the stock market price as of March 31, 2023.

(3.5) Receivables and other assets

	2023 K€	2022 K€
Trade receivables	53,254	70,922
Receivables from affiliated companies	248,476	367,570
Receivables from associated companies	23,675	25,167
Other assets	20,674	36,112
	346,079	**499,771**

Certain trade receivables are sold monthly to Novelis AG, Zurich, Switzerland, based on a factoring contract closed in 2007 (please refer also to note 10 and 11 “Contingencies”).

Furthermore, trade receivables are sold to a foreign bank to finance sales on a short-term basis. Legally sold receivables are not anymore recognized in the financial statements of the company.

All receivables and other assets are due within a year. To account for general credit risks relating to trade receivables, a bad debt provision has been set up. The percentage of provision ranges from 0.5 % to 1.32 %.

Receivables from affiliated companies include receivables from financing activities in the amount of K€ 176,908 (prior year K€ 146,641). Thereof result K€ 60,000 from a loan to the sole shareholder Novelis Aluminium Holding Unlimited Company. In prior year a cash-pooling receivable from Novelis AG, Zuerich, Switzerland, in the amount of K€ 86,641 existed.

The remaining receivables result from sale of goods and services in the amount of K€

49,586 (prior year K€ 98,422). Trade receivables from affiliated companies are due within a year.

Furthermore, a receivable from Novelis SIG GmbH in the amount of K€ 21,982 due to the profit transfer 2022/2023 exists at the balance sheet date.

Receivables from associated companies in the amount of K€ 23,674 (prior year K€ 25,167) result from short-term loans.

(3.6) Equity

The sole shareholder of Novelis Deutschland GmbH is Novelis Aluminium Holding Unlimited Company, Dublin, Ireland.

(3.7) Provisions and accruals

	2023 K€	2022 K€
Pensions and similar obligations	247,816	218,757
Taxes	0	1,600
Other provisions and accruals	99,583	301,365
	347,399	**521,722**

Provisions for pension obligations are K€ 247,816 as of March 31, 2023 (prior year K€ 218,757). The underlying interest rate is 1.79%. Annual salary increases for 2023 respectively 2024 is set at 5.2% respectively 3.3% and starting with 2025 annual salary increase is set at 2.75%. Pension increase is set at 2.0 % Prior year 1.75 %).

As of March 31, 2023, Pension obligations are net off plan assets in the amount of K€ 722. The settlement amount is, including the remaining funding gap of € 1,757 (prior year € 3,513), K€ 250,295. Expenses from plan assets (K€ 15) were added to interest expense on the provision (K€ 4,763). The net expense of K€ 4,778 is included in “Other interest and similar expenses”.

Pension provisions for former managing directors of the company and of former subsidiaries are K€ 6,265 as of March 31, 2023 (prior year K€ 5,878).

The difference in the pension provision in accordance with § 253 section 6 sentence 1 HGB due to the application of the average market interest rate of the last 10 years instead of the last 7 years amounts to K€ 11,908.

Actuarial assumptions in measuring early retirement and jubilee benefit obligations are the average market interest of the last 7 years. The provision for jubilee benefit was discounted at an interest rate of 1.50% p.a. (previous year: 1.35% p.a.) for a remaining term of 15 years and the provision for early retirement was discounted at an interest rate of 0.64% p.a. (previous year: 0.33% p.a.) for a remaining term of 2 years. The assumed remaining term of the jubilee obligations is 15 years and of the early retirement obligations is 2 years. For both obligations salary increases of 2.75% starting with 2025 are assumed and the applicable collective bargaining agreement is used for 2023 and 2024.

Provisions for early retirement obligations as of March 31, 2023, are net off plan assets in the amount of K€ 5,069. The settlement amount is K€ 9,224. No income from plan assets was realized. Therefore, no income was netted with interest expense on the provision in accordance with § 246 Section 2 Sentence 2 HGB. The interest expense of K€ 4 is included in “Other interest and similar expenses”.

Other provisions and accruals comprise primarily accruals for goods and services received but not invoiced (K€ 28,478; prior year K€ 31,719), restructuring (K€ 1,1964; prior year K€ 2,396), overtime and vacation (K€ 8,131; prior year K€ 9,037), performance bonuses (K€ 3,566; prior year € 2,974), early retirement provisions net of plan assets (K€ 4,155 prior year K€ 5,010) as well as complaint provisions (K€ 5,862; prior year K€ 5,932). Furthermore, a provision for metal price reimbursements to customer (K€ 15,011) is recognized.

Provisions for onerous contracts (K€ 183; prior year K€ 819) were calculated based on the selling price of the contracts and the full production cost. Furthermore, provisions were set up for anticipated losses from foreign currency and aluminum forward contracts (K€ 24,116; prior year K€ 231,266).

A tax provision of K€ 1,600 in the prior year for real estate transfer tax in connection with the acquisition of Novelis Deutschland Holding GmbH (formerly Aleris Deutschland Holding GmbH) was released.

(3.8) Liabilities

	2023 K€	Due within a year K€	Due after more than a year K€	2022 K€	Due within a year K€	Due after more than a year K€
Trade payables	244,058	244,058	0	363,393	363,393	0
Liabilities to affiliated companies 1), 2), 3), 4), 5)	335,755	335,755	0	269,421	269,421	0
Liabilities to associated companies 6)	57,815	57,815	0	61.248	61,248	0
Other liabilities 7)	34,428	30,393	4,035	43,641	31,403	12,238
	672,056	**668,021**	**4,035**	**737,703**	**725,465**	**12,238**

	2023	2022
1) Thereof from purchase of goods and services	162,835	218,530
2) Thereof from cash-pooling	42,866	0
3) Thereof liability from loss absorption Novelis Deutschland Holding GmbH, Koblenz	39	50,891
4) Thereof liability from profit transfer	130,015	0
5) Thereof from purchase of goods and services	57,815	61,248
6) Thereof from taxes	18,726	28,0777

As of the balance sheet date, no liabilities are due in more than five years.

There is a liability of K€ 39 to Novelis Deutschland Holding GmbH, Koblenz, due to the profit transfer 2020/2021 and a liability of K€ 130,015 to the shareholder due to the profit transfer 2020/2021 and 2022/2023.

INCOME STATEMENT

(4.1) Sales

Sales by region	2022/23	2021/22
	K€	K€
Germany	799,576	661,469
European Union - excluding Germany	1,715,511	1,453,297
Remaining Europe	1,168,035	1,232,981
Far East	30,090	62,059
North America	90,115	34,400
Other foreign countries	22,878	1,822
	3,826,206	**3,446,028**

Sales by product line	2022/23	2021/22
	K€	K€
Rolled products	3,702,037	3,339,886
Foil and foil products	71,225	62,611
Industrial products	29,526	26,330
Other	23,418	17,201
	3,826,206	**3,446,028**

(4.2) General and administrative expenses

General and administrative expenses comprise, among other expenses, allocation charges from Novelis Inc. Material prior period expenses have not been incurred during the reporting period.

(4.3) Other operating income

Other operating income comprises prior period income from the reversal of provisions in the amount of K€ 174,859 (prior year K€ 2,780), which is exceptionally high. Thereof K€ 172,255 (prior year K€ 1,486) is income from the reversal of provisions for anticipated losses from derivative contracts, as well as income from realized derivatives in the amount of K€ 58,773. Furthermore, the item includes income from foreign currency translation in the amount of K€ 2,030 (prior year € 7,760), income from damages of K€ 388 (prior year K€ 511) and income from sale of property, plant and equipment of € 1,110 (prior year K€ 404).

(4.4) Other operating expenses

Other operating expenses include primarily service expenses, research and development expenses charged by affiliated companies as well as expenses regarding provisions for hedging transactions. Significant expenses relating to other periods have not been incurred in the reporting period. Other taxes included in other operating expenses are K€ 717 (prior year K€ 452).

Expenses result from metal derivative contracts in the amount of K€ 21,178 (prior year K€ 281,128) and expenses from foreign currency derivatives in the amount of K€ 2,936 (prior year K€ 7,655).

Expenses for service fees from affiliated companies amount to K€ 30,760 (prior year K€ 36,131) and for research and development to K€ 16,080 (prior year K€ 9,225).

Furthermore, expenses due to recognition of settlement amounts for pension obligations in accordance with new accounting rules (BilMoG) in the amount K€ 1,757 (prior year 1,757) have been recorded (expenses in accordance with Article 67 section 1 and 2 EGHGB).

(4.5) Expenses from loss absorption, income from long-term loans, other interest, and similar income as well as interest and similar expenses

Income from long-term loans include interest income from associated companies in the amount of K€ 215 (prior year K€ 122) and from affiliated companies in the amount of K€ 1,773 (prior year K€ 2,068).

Other interest and similar income include interest income from loans to affiliated companies in the amount of K€ 5,126 (prior year K€ 1,825).

Interest and similar expenses include interest payable to affiliated companies in the amount of K€ 11,108 (prior year K€ 3,166).

The accumulation of interest expense on long-term provisions net of interest income from the respective plan assets resulted in K€ 4,783 (prior year K€ 17,649) expenses.

Exceptionally high income results from the profit transfer of Novelis Sheet Ingot GmbH in the amount of K€ 21,982 (prior year K€ 9,286).

(4.6) Income taxes

Due to the fiscal unity with Novelis Aluminium Holding Unlimited Company a tax profit of the reporting year is not subject to income taxes. A tax expenses in relation to Novelis Deutschland GmbH’s foreign distribution office in Finland was recognized in the amount of K€ 3.1.

(5) MATERIAL EXPENSES

	2022/23 K€	2021/22 K€
Raw materials	3,213,384	2,594,489
Merchandise	5,926	5,170
	3,219,309	**2,599,659**
Services received	314,154	286,802
	3,533,463	**2,886,461**

(6) PERSONNEL EXPENSES

	2022/23 K€	2021/22 K€
Salaries and wages	126,036	115,026
Social security	56,531	28,411
Thereof pension costs	32,547	6,170
	182,567	**143,437**

(7) EXPENSES FOR INSTITUTIONS OF THE COMPANY

	2022/23 K€
Supervisory board	64
Insurance premiums for former managing directors and surviving family members	8
	72

With reference to Section 286 (4) of the German Commercial Code (HGB), the remuneration of the managing directors is not disclosed. The remuneration of former managing directors and their surviving family members amounted to K€ 977.

(8) INSTITUTIONS OF THE COMPANY

Members of the supervisory board

Emilio Braghi	Senior Vice President of Novelis Inc. and President of Novelis Europe, Chairman supervisory board
Heiko Henne*	Chairman Workers' Council GBV
Axel Weber *	1. Authorized representative and managing director IG Metall Magdeburg-Schoenebeck
Dieter Salewski*	Chairman Workers' Council, Vice Chairman
Fortunato Llamido Lucido	Regional Counsel of Novelis Europe
André Sander*	Trade union secretary, IG Metall Süd-Niedersachsen-Harz
Mélanie Lambelet Martin	Director Communications & Government Affairs, Novelis Europe

Wolfram Joos	Vice President Human Resources, Novelis Europe
Michael Hahne	Vice President & Value Stream General Manager Automotive, Novelis Europe
Peter Haycock*	Controller Nachterstedt
Dennis Hammer*	Member Workers' Council Novelis Koblenz GmbH
Gabriella Honti	Director Regional Procurement (since October 1, 2022, successor of Marco Truss)
Marco Truss	Vice President Supply Chain, Novelis Europe (until September 30, 2022)

* Representative of employees

Managing Directors

Dirk Noerthemann	Managing director Production, Supply Chain, Environment, Work Safety and Health Security
Sigfried Adloff	Managing director Finance and Controlling, Taxes and Duties, Customs, Commercial contracts
Nils Leonhardt	Managing director Human Resources, Data Security, Legal, IT

(9) EMPLOYEES (average number of employees)

	2022/23	2021/22
Production	1,568	1,508
Administration and sales	217	187
Other	56	48
	1,841	1,743
Apprentices / Trainees	73	77
	1,914	**1,820**

(10) CONTINGENCIES

The term loan facility of US$ 1.8 billion was fully repaid in January 2022.

First, new term loans of US$ 500 million were issued in March 2021 to repay part of the US$ 1.8 billion term loan facility. Another part of this was repaid through the issuance of a green bond of € 500 million (equivalent to US$ 588 million) in March 2021.

Novelis made several voluntary repayments on the US$ 1.8 billion term loans in January 2021 and refinanced the remaining balance of US$ 314.5 million in January 2022 through an unsecured loan. Novelis repaid the entire outstanding amount within financial year 2023 and prior to the November 2022 expiration.

US$ 775 million of term loans were drawn in April 2020 to finance partially the consideration for the acquisition of Aleris. After partial redemption, US$ 752 million remain drawn at the end of the financial year 2023.

Of all term loans, a total of US$ 1.2 billion remains drawn at the end of the financial year 2023.

With the US$ 1,500 million (issued in August 2021) and the US$ 1,600 million (issued in January 2020) and the €500 million Green Bonds (equivalent to US$543 million as of March 2023), a total of US$ 3.6 billion in corporate bonds had been issued by the end of the 2022 financial year.

In August 2022, Novelis amended the ABL Revolver Facility to, among other things, increase the commitment under the ABL Revolver by $ 500 million to $ 2.0 billion and extend the term of the ABL Revolver to August 18, 2027.

The refinancing did not change the contingencies. The company continues to sell a major portion of its existing and future trade receivables to Novelis AG, Switzerland. Novelis AG assigns the acquired receivables to the secured party by way of security. The company still administrates the receivables and payments are made to an account of Novelis AG.

The company assigned all receivables not sold to Novelis AG by way of security to the secured party (global assignment). The profit and loss transfer agreement between Novelis Deutschland GmbH and Novelis Aluminium Holding Unlimited Company must stay in place. Receivables must be free of claims of third parties. Any claims must be reported immediately to the secured party.

The company pledged all bank accounts in favor of the secured party.

The company is obliged not to create mortgages on land and similar property rights. Mortgages in favor of the secured party have not been created.

The company assigned all intellectual property rights by way of security to the secured party.

In the ordinary course of business, the security provider has extensive disposition rights.

Due to the guarantees and securities given, Novelis Deutschland GmbH is exposed to potential claims. However, at the date of the preparation of the financial statements, no claims have been made and management does not expect claims in subsequent years, as the expected liquidity of the company, which obtained the financing, has a high likelihood to provide sufficient funds to fulfill the agreement on time.

(11) OTHER FINANCIAL COMMITMENTS AND OFF-BALANCE-SHEET TRANSACTIONS

Financial commitments consist of rent and operating lease contracts in the amount of € 22.3 million as well as purchasing contracts in respect of capital expenditures in the amount of € 35.1 million. Thereof € 39.3 million will result in cash payments in the financial year 2023/24. € 18.1 million will result in cash payments until March 31, 2029.

Novelis Deutschland GmbH concluded in 2003 a Joint Venture Agreement with ALUMINIUM NORF GmbH, Neuss. As a subcontractor, ALUMINIUM NORF GmbH will provide production services. Benefits from the agreement due to the construction of the world's largest aluminum rolling and melting plant are lower average cost, efficient processes and extensive production know-how. Risks and opportunities resulting from the market and product development as well as aluminum supply remain directly with Novelis Deutschland GmbH.

According to an agreement with the co-shareholder Speira GmbH (formerly Hydro Rolled Products GmbH) the shareholders are obliged to pay a commitment fee to ALUMINIUM NORF GmbH, Neuss, corresponding to their shareholdings. The commitment fee will be € 88.5 million in the financial year 2023/2024.

In 2007 the company concluded a factoring agreement with the affiliated company Novelis AG, Zurich/ Switzerland and in 2015 an additional factoring agreement with a foreign bank. Liquidity and financing are strengthened due to the factoring. The credit risk is fully transferred to Novelis AG, Zurich, Switzerland, or the foreign bank.

(12) DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to hedge raw material prices and foreign currency risks.

As of balance sheet date aluminum forward contracts hedge aluminum price risks from contracted underlying transactions. Up to March 31, 2012, the underlying transaction and the hedging instrument represented a valuation unit. In 2013 it was opted not to designate a hedging relationship.

Market values of raw material price hedging instruments comprise negative fair values in the amount of € 22.1 million for which onerous contract provisions are recognized.

At the balance sheet date currency forward contracts hedge foreign currency risks from contracted underlying transactions. Currency forward contracts mainly provide for the purchase of US$ (€ 102.0 million), GBP (€ 90.7 million) and CHF (€ 1.7 million) as well as the sale of US$ (€ 71.1 million), GBP (€ 53.7 million) and CHF (€ 0.3 million). Market values of the currency forward contracts comprise negative fair values of € 2.0 million for which onerous contract provisions are recognized. As of balance sheet date no hedge relationship was designated.

As of balance sheet date, the nominal and fair values of existing derivatives are as follows:

Mio €	**Nominal volume**			**Market Value**	
	Purchase	**Sale**	**Total**	**Total**	**Total Prior Year**
Currency exchange forwards	194.3	125.0	319.3	0.16	0.00
Currency swaps	0.0	0.0	0.0	0.00	0.00
Currency hedge contracts	**194.3**	**125.0**	**319.3**	**0.16**	**0.00**
Aluminum forward contracts	58.5	880.1	938.6	3.88	-77.51
Raw material hedge contracts	**58.5**	**880.1**	**938.6**	**3.88**	**-77.51**

Nominal values are the total of all purchasing or sale contracts. Market value is the net amount of positive and negative market values. Market values match fair values which have been derived from Bloomberg-rates.

Currency exchange gains and losses from derivatives and underlying transactions are netted in the income statement to present the total effect. As at balance sheet date currency exchange gains disclosed under other operating income are as follows:

Mio €	Expense	Income	Total	Total Prior year
Underlying transactions	-204.4	206.4	2.0	-2.8
Currency derivatives	-62.2	68.1	5.9	6.7
			7.9	**3.9**

Currency losses include unrealized gains from the conversion with the spot exchange rate in the amount of € 1.6 million (prior year loss € 1.0 million).

(13) OTHER INFORMATION

The financial statements of Novelis Deutschland GmbH for financial years 2020/21 and 2021/22 had to be corrected with effects on the financial year 2022/23. The investment Novelis Deutschland Holding GmbH, Koblenz, has retrospectively changed net income after tax for the financial year ending March 31, 2021, from € -15,036,522 to € -15,075,779. Profit and loss transfer agreements exist between Novelis Deutschland, Holding, Koblenz, and Novelis Deutschland GmbH as well as between Novelis Deutschland GmbH and Novelis Aluminium Holding Unlimited Company, Dublin, Ireland.

Consequently, the loss of financial year 2020/2021 to be transferred by Novelis Deutschland Holding, Koblenz, to Novelis Deutschland GmbH increased by €39,257 and the profit to be transferred by Novelis Deutschland GmbH to Novelis Aluminium Holding Unlimited Company decreased by €39,257. The adjustments to the profit transfers for financial year 2020/2021 have not yet been settled and therefore have an impact on the receivables and liabilities carried forward to financial year 2021/2022 and 2022/2023.

As the existing loss carryforwards in Novelis Deutschland Holding GmbH, Koblenz, exceed the profit for financial year 2022/2023, there will be no profit distribution to Novelis Deutschland GmbH. A profit distribution from Novelis Deutschland Holding GmbH can only be made once it has fully offset its loss carryforwards.

(14) TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of the business Novelis Sheet Ingot GmbH has business relationships with numerous companies including affiliated companies.

As these are indirectly or directly wholly owned companies included in the consolidated financial statements of Novelis Inc., Mississauga, Canada, no further disclosure is required pursuant to § 285 No. 21 HGB.

Purchases from the associated company ALUMINIUM NORF GmbH are invoiced applying the cost-plus-method. The risk mark-up is 0.7 %. The production costs are € 302.5 million in 2022/2023 (prior year € 247.5 million). Furthermore, ALUMINIUM NORF GmbH received a loan with a fixed interest rate of 1.1%. Interest income was € 0.2 million.

(15) AUDITOR RENUMERATION

Total auditor fees for audit services in the financial year were K€ 441 (prior year K€ 469). No other assurance services, tax consulting services or other services have been rendered to Novelis Deutschland GmbH.

(16) APPROBRIATION OF THE EARNINGS

The positive result for the financial year April 1, 2022 to March 31, 2023, will be transferred to Novelis Aluminium Holding Unlimited Company due to the existing profit and loss transfer agreement. A respective liability is recorded.

(15) SUBSEQUENT EVENTS

No significant events with a financial impact on the profit and loss statement or the balance sheet occurred after the end of the financial year.

Goettingen, May 2, 2023

Novelis Deutschland GmbH

Siegfried Adloff Dirk Nörthemann Nils Leonhardt

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Deutschland GmbH, Goettingen

Movement in Fixed Assets
Financial year 2022/23

		Historical cost				
		April 1, 2022	Additions	Reclassi-fications	Disposals	March 31, 2023
		€	€	€	€	€
I.	Intangible assets					
1.	Concessions, intellectual property rights, licences and similar rights	**30,011,734**	0	76,952	22,373	**30,066,313**
		30,011,734	0	76,952	22,373	**30,066,313**
II.	Property, plant and equipment					
1.	Property, buildings and similar property rights	**130,300,741**	0	3,238,447	1,352,572	**132,186,616**
2.	Technical equipment and machinery	**442,170,878**	0	7,120,420	22,121,117	**427,170,181**
3.	Other plant, furniture and office equipment	**117,630,095**	62.500	7,459,763	4,450,833	**120,701,525**
4.	Advance payments and construction in progress	**20,858,436**	34,789,117	-17,895,582	0	**37,751,971**
		710,960,949	34,851,617	-76,952	27,924,521	**717,810,293**
III.	Financial assets					
1.	Investments in affiliated companies	**379,934,333**	0	0	0	**379,934,333**
2.	Loans to affiliated companies	**29,000,000**	0	0	10,000,000	**19,000,000**
3.	Investments in associated companies	**30,836,000**	0	0	0	**30,836,000**
		439,770,333	0	0	10,000,000	**429,770,333**
		1,180,743,016	**34,851,617**	**0**	**37,946,895**	**1,177,646,939**

Amortization and depreciation				Book value	
April 1, 2022	Additions	Disposals	March 31, 2023	March 31, 2023	March 31, 2022
€	€	€	€	€	€
25,368,030	2,544,099	22,373	**27,889,756**	**2,176,557**	**4,643,704**
25,368,030	2,544,099	22,373	**27,889,756**	**2,176,557**	**4,643,704**
80,992,708	2,744,051	1,320,920	**82,415,839**	**49,770,777**	**49,308,033**
386,277,723	12,672,568	22,098,469	**376,851,822**	**50,318,359**	**55,893,155**
84,549,226	6,459,085	4,439,885	**86,568,426**	**34,133,099**	**33,080,869**
0	0	0	**0**	**37,751,971**	**20,858,436**
551,820,457	21,875,704	27,859,274	**545,836,087**	**171,974,206**	**159,140,493**
31,750,000	0	0	**31,750,000**	**348,184,333**	**348,184,333**
0	0	0	**0**	**19,000,000**	**29,000,000**
106,000	30,000	0	**136,000**	**30,700,000**	**30,730,000**
31,856,000	30,000	0	**31,886,000**	**397,884,333**	**407,914,333**
609,044,487	**24,449,803**	**27,881,647**	**605,611,843**	**572,035,096**	**571,698,530**

INDEPENDENT AUDITOR'S REPORT

To Novelis Deutschland GmbH, Göttingen

Audit Opinions

We have audited the annual financial statements of Novelis Deutschland GmbH, Göttingen, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Novelis Deutschland GmbH for the financial year from 1 April 2022 to 31 March 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) as an unaudited part of the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 2 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Jürgen Körbel Wirtschaftsprüfer (German Public Auditor)

Novelis Sheet Ingot GmbH

Goettingen

Annual Financial Statements as of March 31, 2023
and Management Report for Financial Year 2022/2023

Auditor's Report

(Translation - the German text is authoritative)

NOVELIS SHEET INGOT GMBH, GOETTINGEN

MANAGEMENT REPORT for the financial year April 1, 2022 to March 31, 2023

BASIS of the COMPANY

Novelis Sheet Ingot GmbH (‚SIG‘), Goettingen, has a production site in Nachterstedt.

The company provides casting services exclusively to Novelis AG, Kuesnacht, Switzerland. Therefore, the **result of the company** is primarily determined by the output quantity and by risk-markups on the processing costs.

SIG is via the employer association "Verband der Metall- und Elektroindustrie Sachsen-Anhalt" bound to the **collective wage agreement** "Metall Sachsen-Anhalt" (ERA Wage and Wage Framework Agreement). A management by objective system is set up for managing directors, executive employees and employees who are not subject to a collective wage agreement. The variable remuneration components are based on business objectives as well as personnel objectives.

SIG complies with the certification requirements of the **Energy Management System** according to ISO 50001:2011, the **Quality Management System** according to ISO 9001:2015, the **Environmental Management System** according to ISO 14001:2015 and the occupational **Health and Safety System** according to ISO 45001:2018

Research and development are pursued only in close cooperation with the Novelis research facilities. Own activities serve the further optimization of the process remelting as well as the systems engineering and to sustainably reduce the CO_2 footprint.

BUSINESS REPORT

Economic and industry specific conditions

The global economy has changed in 2022 and we must live with new realities. Caused by Russia's invasion of Ukraine on February 24, 2022, we have to cope with significant uncertainties, which is mainly reflected in a high increase in energy prices. The resulting inflation weakened the improved global economic output for 2022 by 3.3%, lagging the previous year's increase. However, the development differed in the individual regions. In the euro area, the economy grew by 3.5%, with Germany growing less strongly at 1.8%. In the USA, the improvement was 2.1% and China, as a major economy, recorded growth of 3.0% (Deutsche Bank Research).

Financial and non-financial key performance indicators

Conversion unit costs and investment volume are the company's significant financial performance indicators; the non-financial ones are conversion volume and the quality indicators TRI-rate and DAFW-rate.

362.3 kt aluminum was converted to aluminum ingots in the financial year 2022/2023. The goal of 405.8 kt volume was missed. The decline in demand from the can and packaging market could not be fully offset by higher demand from the automotive sector. The monthly order situation was stable over the financial year, although not at the planned level.

The optimization projects launched in the previous financial year were continued in the casting area to reduce ingot casting lengths. Through our continuous improvement system "WCM - World Class Manufacturing" we achieved improvements in the stream in the furnace chambers of the melting furnaces. The effects of the projects have a positive impact on yield and also on specific energy consumption. Compared with the previous financial year, the rising costs of energy, consumables and supplies are placing a particular burden on our cost structure and represent a special challenge.

The average conversion cost per piece in the financial year 2022/2023 was € 4,003 and increased compared to the prior year by € 666 per ingot. Therefore, the increase of conversion cost per piece was higher than the budgeted 5% increase of conversion cost per piece for the year.
The Novelis internal Focused 5 targets in terms of work safety, customer focus, environmental footprint and return on capital-ratio were achieved and partially exceeded.

In the field of occupational safety, further progress has been made in minimizing risks by separating pedestrian and forklift traffic. The equipment with mobile safety devices (Safeguard Equipment) to avoid collisions was finished. We were also able to implement safety-related improvements in the casting process. The chlorine separations and the dismantling of the pipes are a milestone and a contribution to minimizing risks and improving work and safety standards.

To gauge the safety standards at our plants, we regularly give an account of key figures pertaining to “Total Recordable Incidents (TRI Rate)” - accidents to be reported - and also “Days Away From Work (DAFW Rate)” - absence time due to injury and illness. In the financial year 2022/2023 we achieved a TRI Rate of zero and thus remained at a very good level. DAFW Rate remained at zero as projected. These very positive trends in work safety continue as in the previous year. Measures for preventive accident avoidance are critically scrutinized and further developed to achieve our goal of "zero accidents".

Business development

In financial year 2022/2023 Novelis Sheet Ingot GmbH completed the commissioning of the new filter house and the qualification of the optimized casting and sawing lengths. The expansion of the product portfolio to include new sustainable alloys with a high recycling content is an important building block for CO_2 reduction. In addition, further positive results were achieved, especially in the sustainability of the 5xxx alloys, as well as through the expansion of the casting plant to 6 continuous casters, which started operation in January.

The complaint rate remained at an extremely low level as in the previous year (0 parts per million), which was achieved through the increased focus on variable parameters, standardized process flows and operational discipline, especially in the casting area.

The first half of the financial year was characterized by declining demand for cans and packaging materials. Compared to the previous year, market demand from the automotive industry increased.

Despite all operational challenges and market developments during the financial year, production decreased from 375.4 kt to 362.3 kt compared to the previous year. The increase in conversion prices for aluminum ingots compared with the previous year had a positive impact on earnings. The increase in conversion prices was mainly due to higher energy costs.

Earnings, net assets and financial position

Sales increased by € 20.1 million to € 119.2 million in the reporting period. This is due to the higher conversion revenues per tonne compared to the prior. The sales are offset by expenses from reworking of plant components and keeping operational readiness. Compared to the previous year, cost of sales increased primarily due to energy, maintenance, and personnel costs. The change in the order mix had a positive effect on waste costs. The company is financed on a long-term basis through bonds issued in the financial year 2021. Part of the financing was passed on as loans to Group companies. In addition to long-term financing through bonds, the company takes part in the Group's cash pooling. The negative interest result of € 5.0 million (prior year € 5.3 million) is lower than in the previous year due to repayment of debts. Due to the profit and loss transfer agreement the profit of € 22.0 million (prior year € 9.3 million) is transferred to the shareholder Novelis Deutschland GmbH.

During the financial year, Novelis Sheet Ingot GmbH bought and sold CO_2 certificates. The positive effect of € 5.9 million is not included in sales but recorded under other operating income and other operating expenses.

Total assets increased from € 590.6 million to € 597.6 million. In total receivables from affiliated companies increased by € 7.8 million.

Non-current assets increased from € 523.8 million to € 524.4 million. The forecasted investment of € 20 million in measures to eliminate technical weaknesses and capacity expansion was not realized in full because of project time adjustments. Capital expenditures were €16.9 million. Major investments included refractory modifications to the melting furnaces, construction of the new filter house, the first construction phase of a milling machine for sawn ingots, and commissioning of the multiple casting plant.

Current assets increased by € 6.7 million primarily due to increased receivables from affiliated companies. The cash pooling receivable decreased from € 41.9 million to € 37.5 million as of March 31, 2023.

Equity remained at € 20 million. The equity ratio decreased from 3.4 % in the prior year to 3.3 %.

Liabilities to affiliated companies from long-term financing decreased due to repayments of € 10 million from € 29 million to € 19 million. The further increase in liabilities to affiliated companies relates to outstanding payments for goods and services.

FORECAST, OPPORTUNITIES AND RISK REPORT

“Zero accidents” is still the ultimate objective in work safety in all Novelis plants worldwide. Thus, huge efforts regarding work safety and prevention of accidents will be deployed. A TRI rate and DAFW rate of zero are aimed for.

Sustainability is the strategic direction for the coming years. By increasing the share of recycling, we want to reduce the use of primary aluminum, close material cycles to intensify sustainable procurement processes and significantly reduce our CO2 footprint. Our CO2 emissions are to be at net zero by 2050 to become a climate-neutral company.

For the financial year 2023/2024 capital expenditures of € 17.0 million are planned. The focus here is on the new grading of the Flexline, the filter replacement for energy improvement in the filter house, and the commissioning of the milling equipment to reduce the casting length.

In coordination with Novelis AG an increased output volume of 404.3 kt is planned for the financial year 2023/2024.

The aforementioned investments as well as other measures of continuous improvement, in particular, the by WCM-World Class Manufacturing, shall contribute to this. The focus is on reducing the specific energy efficiency. In addition, the positive effects of the higher output of aluminum ingots should have a positive impact of 9% on the conversion costs per unit.

Opportunities and risks lie in the efficiency of the production processes, in particular in, input of resources and optimization of processing time. The unrestricted supply of material imposes a particular challenge. The massive increase in gas and electricity costs in financial year 2022/2023 led to price increases. We do not expect this to repeat in the upcoming financial year 2023/2024. After the stabilization of the semiconductor crisis, we expect the ongoing Ukraine-Russia conflict to have a further impact on the automotive industry. German car manufacturers, in particular, are sourcing components such as cable harnesses from suppliers with production in Ukraine. The trend of reduced demand from the automotive industry has been not confirmed as an assumption from the previous year. In the new financial year, we expect the automotive sector to stabilize and the sustainable development in the can and packaging market to continue. The product mix and further regional production route adjustments should lead to further improvements.

As SIG is exclusively a processor and invoices are in Euro, no risks from market price developments of aluminum and exchange rates exist.

Opportunities and risks from the development and selling of products as well as the aluminum supply are at the level of Novelis AG. It was agreed on a contractual basis that SIG will exclusively work for Novelis AG. Therefore, risks of SIG could be insufficient non-cost-covering recycling volumes and lack of recycling orders. Due to the Novelis strategy and long-term supply contracts, this risk should be rather low. The results of SIG are transferred to Novelis Deutschland GmbH due to a profit and loss transfer agreement.

The own **risk detection and prevention** focuses on the improvement of the management systems about quality assurance, environmental and work safety, security, reliability of production capacities and optimization of all processes at the plant as well as continuous training and qualification of employees. Further key aspects of opportunity and risk management are production planning including early discussions of developments in energy and environmental politics with the political decision-makers. Comprehensive all-risk insurance provides coverage regarding significant property and breakdown losses. Beside this, we currently expect no material risks.

Goettingen, May 2, 2023

Novelis Sheet Ingot GmbH
Managing directors

Peter Haycock

Marc Mathiot

Annual Financial Statements
from April 1, 2022 to March 31, 2023

Novelis Sheet Ingot GmbH, Goettingen

Balance Sheet as of March 31, 2023

Assets

	2023	2022
	€	**€**
A. Non-current assets		
I. Intangible assets		
1. Concessions, intellectual property rights, licences and similar rights	100,527	134,011
2. Advance payments	2,556	2,556
	103,083	136,567
II. Property, plant and equipment		
1. Property, buildings and similar property rights	62,763,288	65,806,571
2. Technical equipment and machinery	43,007,303	45,242,328
3. Other plant, furniture and office equipment	713,210	707,776
4. Advance payments and construction in progress	18,910,830	13,009,832
	125,394,631	124,766,507
III. Financial assets		
1. Loans to affiliated companies	398,855,833	398,855,833
	398,855,833	398.855.833
	524,353,547	**523,758,907**
B. Current assets		
I. Inventories		
Raw material	8,966,242	8,702,439
II. Receivables and other assets		
1. Receivables from affiliated companies	57,860,644	50,110,528
2. Other assets	3,673,000	5,029,508
	70,499,886	63,842,475
III. Cash and cash equivalents	190	312
	70,500,076	**63,842,787**
C. Prepaid expenses	**2,702,266**	**3,034,759**
	597,555,889	**590,636,453**

Equity and Liabilities

	2023	2022
	€	**€**
A. Equity		
I. Share capital	20,000,000	20,000,000
	20,000,000	**20,000,000**
B. Provisions and accruals		
1. Pensions and similar obligations	0	948,064
2. Other provisions and accruals	11,958,319	9,514,403
	11,958,319	**10,462,467**
C. Liabilities		
1. Bonds	500,000,000	500,000,000
2. Trade payables	15,147,210	12,759,173
3. Liabilities to affiliated companies	42,715,515	39,680,082
4. Other liabilities	7,734,845	7,734,731
	565,597,570	**560,173,986**
	597,555,889	**590,636,453**

Novelis Sheet Ingot GmbH, Goettingen

Income Statement for Financial Year April 1, 2022 to March 31, 2023

		2022/23	2021/22
		€	€
1.	Sales	119,198,813	99,092,882
2.	Cost of sales	-101,466,860	-88,415,496
3.	**Gross profit (loss)**	**17,731,953**	**10,677,386**
4.	General and administrative expenses	-255,801	-28.302
5.	Other operating income	10,510,845	4,274,725
6.	Other operating expenses	-1,028,999	-351,300
7.	Interest and similar income	13,672,847	13.658.302
8.	Interest and similar expenses	-18,648,939	-18,944,020
9.	**Result after taxes**	**21,981,906**	**9,286,791**
10.	Expense from profit transfer due to profit and loss transfer agreement	-21,981,906	-9.286.791
11.	**Profit for the year**	**0**	**0**

Novelis Sheet Ingot GmbH, Goettingen

Notes to the Financial Statements for Financial Year 2022/2023

(1) GENERAL BASIS OF PRESENTATION

The company is subject to the German Commercial Code. The company is registered in the commercial register as follows:

Company name	Novelis Sheet Ingot GmbH
Seat	Goettingen
Registration court	Amtsgericht Goettingen
Commercial register number	HRB 201875

In accordance with § 267 German Commercial Code (HGB) Novelis Sheet Ingot GmbH is a large-size corporation as of the balance sheet date March 31, 2023. The annual financial statements for the period April 1, 2022 to March 31, 2023, are prepared in compliance with the provisions of the Commercial Law (HGB) for corporations and the Limited Liability Company Law (GmbHG).

The sole shareholder of Novelis Sheet Ingot GmbH is Novelis Deutschland GmbH, Goettingen.

In accordance with § 271 Section 2 HGB, affiliated companies of Novelis Sheet Ingot GmbH are the ultimate parent company Hindalco Industries Ltd., Mumbai, India, and all subsidiaries of this parent company.

Novelis Sheet Ingot GmbH is included in the consolidated financial statements of Hindalco Industries Ltd., Mumbai, India (largest group of consolidated companies), as well as Novelis Inc., Toronto, Canada (smallest group of consolidated companies). The consolidated financial statements are available at the registered seat of the companies.

(2) ACCOUNTINIG POLICIES

Assets

Acquired intangible and fixed assets are valued at acquisition cost less ordinary accumulated amortization or depreciation. Grants received are recognized as a reduction of acquisition cost.

Buildings are depreciated straight-line over 10 to 33 years. Technical equipment and machinery as well as other plant, furniture and office equipment are depreciated straight-line over 3 to 33 years. Unplanned depreciation is recognized if necessary. Intangible assets are amortized straight line over 3 years. Advance payments are stated at nominal value.

Low-value items up to € 250 excluding VAT are fully expensed in the year of addition.

Financial assets (representing exclusively loans to affiliated companies) are valued at acquisition cost or, in the case of expected permanent impairment, at the lower fair value. If the reasons for the write-downs no longer apply, the write-downs are reversed.

Inventory is measured at average acquisition cost. Risks due to slow-moving items or limited usability are considered by appropriate allowances.

Receivables and other assets are measured at nominal values less allowances for specific and general foreseeable risks. Receivables from and payables to affiliated companies are netted to the extent the requirements of § 387 German Civil Law (BGB) are met.

Cash is stated at nominal value.

Prepaid expenses are expenditures before the balance sheet date to the extent that they represent expenses for a certain period after the balance sheet date.

Equity and Liabilities

Equity (representing exclusively share capital) is stated at nominal value.

As of March 31, 2023, pension obligations amount to K€ 0 (prior year K€ 441). The provision was transferred in full to Novelis Deutschland GmbH. Pension obligations were measured using the projected unit credit method at their discounted settlement amount. An interest rate of 1.81 % was applied to calculate the pension provision as of March 31, 2022. The interest rate is a projected interest rate as of the balance sheet date (average interest rate for the last 10 years). The average market interest rate published by the German Federal Reserve Bank for the last 10 years assuming a remaining term of 15 years for the obligation as of March 31, 2022, was 1.81 %.

Other provisions and accruals are measured considering all identifiable risks. They are recognized at the amount reasonably necessary to settle the obligation. Other provisions and accruals with a remaining term of more than a year are discounted with the average market interest rate of the last seven years equivalent to the remaining term of the obligation.

Actuarial assumptions to measure early retirement and jubilee benefit obligations are the average market interest rate of the last seven years and assuming a remaining term of 15 years for the jubilee benefit obligations and of 2 years for the early retirement obligations. The underlying interest rate at the end of the year for the jubilee benefit obligations is 1.5 % (previous year 1.35 %) and for the early retirement obligations 0.64 % (previous year 0.33 %).

Liabilities are stated at their settlement amount.

Foreign currency

Long-term foreign currency receivables are converted with the spot exchange rate at the transaction date or the lower spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency receivables (due within a year) as well as cash, cash equivalents and other short-term assets denominated in foreign currencies are converted with the spot exchange rate as of balance sheet date.

Long term foreign currency liabilities are measured with the spot exchange rate of the transaction date or the higher spot exchange rate as of balance sheet date (principle of prudence). Short-term foreign currency liabilities (due within a year) are converted with the spot exchange rate as of balance sheet date.

Deferred taxes

A fiscal unity exists with Novelis Aluminium Holding Unlimited Company, Dublin, Ireland, Novelis Deutschland GmbH, Goettingen, Novelis Holding GmbH, Koblenz, as well as Novelis Koblenz GmbH, Koblenz, and Novelis Casthouse Germany GmbH, Koblenz. Novelis Deutschland GmbH, Novelis Sheet Ingot GmbH, Novelis Holding GmbH, Novelis Koblenz GmbH, and Novelis Casthouse Germany GmbH are subsidiaries and Novelis Aluminium Holding Unlimited Company is the fiscal unity parent. Deferred taxes relating to the subsidiary companies are accounted for in the financial statements of the parent company as the parent company is solely subject to income taxes.

(3) BALANCE SHEET

(3.1) Non-current assets movement schedule

The development of non-current assets is attached as an appendix to the notes.

In the financial assets, the loan to Novelis Aluminium Holding Unlimited Company was capitalized at acquisition cost of K€ 398,856 as of 31 March 2023. The loan has a remaining term of 5 years and an interest rate of 3.375 %.

(3.2) Receivables and other assets

Receivables from affiliated companies and other assets are due within a year. Furthermore, a receivable in the amount of K€ 5,997 (prior year K€ 6,944) from Novelis Aluminium Holding Company, Dublin, thereof K€ 5,744 (prior year K€ 6,677) due to the payment of placement fees for bonds on the capital market in financial year 2021. The remaining receivables from affiliated companies are Cash pooling receivables from Novelis AG, Zurich, Switzerland, in the amount of K€ 37,471 (prior year K€ 41,878). In addition, there are interest receivables from Novelis Aluminium Holding Company, Dublin in the amount of K€ 13,461 due to the loan.

(3.3) Prepaid expenses

Prepaid expenses include bond issuance fees incurred in the financial year 2021 in the amount of K€ 2,323 (prior year K€ 2,707) and will be amortized over the term of the bonds of 8 years.

(3.4) Provisions for pensions and similar obligations

Provisions for pension obligations are K€ 0 as of March 31, 2023 (prior year K€ 441). The pension obligations were transferred entirely to Novelis Deutschland GmbH

(3.5) Other provisions and accruals

Other provisions and accruals comprise primarily accruals for goods and services received but not invoiced (K€ 9,604; prior year K€ 7,653) and personnel related provisions and accruals (K€ 2,355; prior year K€ 2,369).

The early retirement obligations amount to K€ 452. Plan assets generated no income and a netting in accordance with § 246 Section 2, Sentence 2 HGB could not be applied.

(3.6) Liabilities

	March 31, 2023	Due within a year	Due after more than 1 year	Thereof due after more than 5 years	March 31, 2022
	€	€	€	€	€
Bonds [3]	500,000,000	0	500,000,000	500,000,000	500,000,000
Trade payables[1] [3]	15,147,210	15,147,209	0	0	12,759,529
Liabilities to affiliated companies [2), 3), 4)]	42,715,515	23,715,515	19,000,000	19,000,000	39,680,082
Other liabilities	7,734,845	7,734,845	0	0	7,734,375
	565,597,570	**46,597,569**	**519,000,000**	**519,000,000**	**560,173,986**
[1] Thereof taxes	138,336				148,900
[2] Thereof from purchase of goods and services	1,733,609				1,393,291
[3] Thereof from financing	19,000,000				29,000,000
[4] Thereof to shareholder	41,802,784				38,405,446

As at the balance sheet date liabilities to the sole shareholder Novelis Deutschland GmbH exists in the amount of K€ 41,803 (prior year K€ 38,405). These results from financing in the amount of K€ 19,000 (prior year K€ 29,000), the profit transfer due to the profit and loss transfer agreement in the amount of K€ 21,892 (previous year K€ 9,287) and trade payables in the amount of K€ 821 (previous year K€ 118).

In financial year 2021, fixed-interest bonds (green bonds) with a total volume of K€ 500,000 and an interest rate of 3.375% were placed on the capital market, which were acquired by various institutional investors. The bonds have a remaining term of 6 years and are due on April 15, 2029. Interest is paid semi-annually on April 15 and October 15.

The Bonds are listed on TISE (The International Stock Exchange, WKN XS2326533614 - Rule 144A and XS2326493728 - Regulation S). The bonds are tradable, the closing price of the bonds on March 31, 2023, on the German Stock Exchange in Frankfurt was 86.67. Based on this price, the fair value on March 31, 2023, was K€ 433,350.

(4) INCOME STATEMENT

(4.1) Sales

Sales by product line	2022/23	2021/22
	€	€
Casting	118,475,398	98,355,171
Other	723,415	737,711
	119,198,813	**99,092,882**

Sales by region	2022/23	2021/22
	€	€
Germany	723,415	737,711
Remaining Europe (Non-EU)	118,475,398	98.355.171
	119,198,813	**99,092,882**

(4.2) Prior period income/expenses

In the reporting period no material prior period income /expenses have been recorded.

(4.3) Other operating income

Other operating income includes income from exchange rate differences in the amount of K€ 125 (prior year K€ 96) as well as income from energy tax relief (EEG) for electricity K€ 979 (prior year K€ 1,161) and gas K€ 2,690 (prior year K€ 2,903).
Exceptionally high income results from the sale of EU-emission certificates in the amount of K€ 6,705.

(4.4) Other operating expenses

Other operating expenses include expenses from exchange rate differences in the amount of K€ 127 (prior year K€ 88) as well as expenses in the amount of K€ 680 (prior year K€ 0) to purchase EU-emission certificates.

(4.5) Interest and similar income

Interest and similar income include interest receivable from affiliated companies in the amount of K€ 13,673 (prior year K€ 13,658).

(4.6) Interest and similar expenses

Interest and similar expenses include interest payable to affiliated companies in the amount of K€ 1,773 (prior year K€ 2,069) and interest expense on the fix rate bonds (Green bonds) in the amount of K€ 16,875 (prior year K€ 16,875).

The accumulation of interest expense on long-term provisions resulted in K€ 0 (prior year K€ 60) expenses. In this year, a discounting of K€ 2 was incurred.

(4.7) Income taxes

Due to the fiscal unity with Novelis Aluminium Holding Unlimited Company, a tax profit of the reporting year is not subject to income taxes.

(5) Material expenses

	2022/23	2021/22
	€	€
Raw material	15,789,869	14,268,932
Services received	33,186,643	25,560,321
	48,976,512	**39,829,253**

(6) Personnel expenses

	2022/23	2021/22
	€	€
Salaries and wages	14,582,168	14,009,568
Social security	3,031,434	2,965,008
Thereof pension costs	1,207,358	1,212,617
	17,613,602	**16,974,576**

(7) Managing directors

Marc Mathiot, Plant Manager Novelis Scheet Ingot GmbH

Peter James Haycock, Controller Novelis Deutschland GmbH, Plant Nachterstedt Rolling, appointed by shareholders' resolution dated November 24, 2022, with immediate effect

Folker Ohle, Vice President Operations Europe, dismissal with shareholder resolution of November 24, 2022, with immediate effect

The managing directors did not receive any additional remuneration from the company.

(8) EMPLOYEES (average number of employees)

	2022/23	2021/22
Production	201	197
Administration and sales	37	31
	238	**228**

(9) CONTINGENCIES

The Novelis Group undertook partial refinancing in the fiscal year. The financing was issued in exchange for transferring security.

First, new term loans of US$ 500 million were issued in March 2021 to repay part of the US$ 1.8 billion term loan facility. Another part of this was repaid through the issuance of a green bond of € 500 million (equivalent to US$ 588 million) in March 2021.

Novelis made several voluntary repayments on the US$ 1.8 billion term loans in January 2021 and refinanced the remaining balance of US$ 314.5 million in January 2022 through an unsecured loan. Novelis repaid the entire outstanding amount within financial year 2023 and prior to the November 2022 expiration.

US$ 775 million of term loans were drawn in April 2020 to finance partially the consideration for the acquisition of Aleris. After partial redemption, US$ 752 million remain drawn at the end of the financial year 2023.

Of all term loans, a total of US$ 1.2 billion remains drawn at the end of the financial year 2023.

With the US$ 1,500 million (issued in August 2021) and the US$ 1,600 million (issued in January 2020) and the € 500 million Green Bonds (equivalent to US$ 543 million as at March 2022), a total of US$ 3.6 billion in corporate bonds had been issued by the end of the 2023 financial year.

In August 2022, Novelis amended the ABL Revolver Facility to, among other things, increase the commitment under the ABL Revolver by $ 500 million to $ 2.0 billion and extend the term of the ABL Revolver to August 18, 2027.

The refinancing did not change the contingencies.

In this context, the company still sells a large portion of its existing and future trade receivables to Novelis AG, Switzerland. Novelis AG assigns the receivables thus acquired to the secured parties as collateral. The receivables continue to be managed by the Company and deposited into an account of Novelis AG.

The Company has assigned all receivables to the secured parties as collateral (blanket assignment). The profit and loss transfer agreement between Novelis Deutschland GmbH and Novelis Aluminium Holding Unlimited Company must stay in place. Receivables must be free of claims of third parties. Any claims must be reported immediately to the secured party.

The company pledged all German bank accounts in favor of the secured party.

The company is obliged not to create mortgages on land and similar property rights. Mortgages in favor of the secured party have not been created.

As guarantor, the Company has assigned to the secured parties all industrial property rights owned by Novelis Deutschland GmbH.

In the ordinary course of business, the security provider has extensive disposition rights.

Due to the guarantees and securities given, Novelis Sheet Ingot GmbH is exposed to potential claims. However, at the date of the preparation of the financial statements, no claims have been made and management does not expect claims in subsequent years, as the expected liquidity of the company, which obtained the financing, has a high likelihood to provide sufficient funds to fulfill the agreement on time.

(10) OTHER FINANCIAL COMMITMENTS AND OFF-BALANCE-SHEET TRANSACTIONS

As of March 31, 2023, purchasing commitments for investing activities in the amount of K€ 3,491 (prior year K€ 5,175) exist.

Lease commitments for the fiscal year 2023/2024 exist in the amount of K€ 1,825 (prior year K€ 1,274).

The risk of a longer-term contract term is offset by greater planning security and liquidity advantages.

As of March 31, 2023, we have 343,682 emission rights for the allocation period 2013-2020 and 2021-2030 according to the Greenhouse Gas Emissions Trading Act (Treibhausgas-Emissionshandelsgesetz) as well as the Allocation Regulation 2020 (Zuteilungsverordnung 2020). Purchases and sales of emission rights are already included.

The emission rights will be used proportionately to offset EU ETS verified emissions as of April 30, 2023, for the calendar year 2022.

(11) TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of the business Novelis Sheet Ingot GmbH has business relationships with numerous companies including affiliated companies, associated companies, which are considered related parties, and the sole shareholder Novelis Deutschland GmbH.

As these transactions were concluded at arm's length, no further disclosure is required in accordance with § 285 No. 21 HGB.

(12) AUDITOR RENUMERATION

Total auditor fees for audit services in the financial year were K€ 47 (prior year K€ 49).

(13) APPROBRIATION OF THE EARNINGS

The result for the financial year April 1, 2022 to March 31, 2023 will be transferred to Novelis Deutschland GmbH due to the existing profit and loss transfer agreement. A respective liability is recognized.

Goettingen, May 2, 2023

Novelis Sheet Ingot GmbH

Peter Haycock | Marc Mathiot

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Sheet Ingot GmbH, Göttingen

Movement in Fixed Assets FY2023

			Historical cost				
			April 1, 2022	**Additions**	**Reclassi- fications**	**Disposal s**	**March 31, 2023**
			€	**€**	**€**	**€**	**€**
I.	Intangible assets						
	1.	Software and licences	**863,054**	0	0	0	**863,054**
	2.	Advance payments	**2,556**	0	0	0	**2,556**
			865,610	**0**	**0**	**0**	**865,610**
II.	Property, plant and equipment						
	1.	Property and buildings	**91,999,077**	0	373,593	0	**92,372,670**
	2.	Technical equipment and machinery	**168,384,109**	0	10,071,183	36,194	**178,419,098**
	3.	Other plant, furniture and office equipment	**2,691,361**	72,276	283,851	31,787	**3,015,701**
	4.	Advance payments and construction in progress	**13,009,832**	16,629,625	-10,728,627	0	**18,910,830**
			276,084,379	**16,701,901**	**0**	**67,981**	**292,718,299**
III.	Financial assets						
		Loans to affiliated companies	**398,855,833**	0	0	0	**398,855,833**
			398,855,833	0	0	0	**398,855,833**
			675,805,822	**16,701,901**	**0**	**67,981**	**692,439,742**

Amortization and depreciation					Book value	
April 1, 2022	Additions	Umbu-chungen	Disposals	March 31, 2023	March 31, 2023	March 31, 2022
€	€	€	€	€	€	€
729,043	33,484	0	0	**762,527**	**100,527**	**134,012**
0	0		0	**0**	**2,556**	**2,556**
729,043	**33,484**	**0**	**0**	**762,527**	**103,083**	**136,568**
26,192,506	3,416,876	0	0	**29,609,382**	**62,763,288**	**65,806,571**
123,141,780	12,291,840	0	21,825	**135,411,795**	**43,007,303**	**45,242,328**
1,983,585	349,502	0	30,596	**2,302,491**	**713,210**	**707,776**
0	0	0	0	**0**	**18,910,830**	**13,009,832**
151,317,871	**16,058,218**	**0**	**52,421**	**167,323,668**	**125,394,631**	**124,766,507**
0	0	0	0	**0**	**398,855,833**	**398.855.833**
0	0	0	0	**0**	**398,855,833**	**398.855.833**
152,046,914	**16,091,702**	**0**	**52,421**	**168,086,195**	**524,353,547**	**523,758,908**

INDEPENDENT AUDITOR'S REPORT

To Novelis Sheet Ingot GmbH, Göttingen

Audit Opinions

We have audited the annual financial statements of Novelis Sheet Ingot GmbH, Göttingen, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Novelis Sheet Ingot GmbH for the financial year from 1 April 2022 to 31 March 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 2 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni
Wirtschaftsprüfer
(German Public Auditor)

(sgd.) ppa. Jürgen Körbel
Wirtschaftsprüfer
(German Public Auditor)

Novelis Aluminium Holding Unlimited Company

Directors' Report and Financial Statements

For the financial year ended 31 March 2023

Registered Number: 316911

DIRECTORS AND OTHER INFORMATION

Board of Directors

Sabine Trautwein	(German)
Roland Eckhart Leder	(German)
Siegfried Adloff	(German)

Secretary

Goodbody Secretarial Limited
3 Dublin Landings
North Wall Quay
Dublin 1
D01 C4E0

Registered Office

Novelis Aluminium Holding Unlimited Company
3 Dublin Landings
North Wall Quay
Dublin 1
D01 C4E0

Registered Number: 316911

Solicitor

A & L Goodbody Solicitors
3 Dublin Landings
North Wall Quay
Dublin 1
D01 C4E0

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Bank Place
Charlotte's Quay
Limerick
V94 HT2Y
Ireland

DIRECTORS' REPORT

The directors present their report and audited financial statements of Novelis Aluminium Holding Unlimited Company (the "Company") for the year ended 31 March 2023.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law*)*.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accounting records
In order to secure compliance with the company's obligation to keep adequate accounting records the directors have ensured that the Company uses appropriate systems and procedures and employs competent persons. The accounting records are kept at Hannoversche Str. 1, 37075 Göttingen, Germany.

Principal activities
The principal activity of the company is that of an investment company. The company owns 100% of the issued share capital of Novelis Deutschland GmbH, a significant German industrial company. The company is expected to continue its current activities going forward.

Details of its subsidiary undertakings are disclosed in Note 11.

Events since the end of the financial year
No events of note have taken place since the end of the financial year which affect the company's operations.

Research and Development
The company did not engage in any research and development activities during the financial year.

DIRECTORS' REPORT - continued

Business review	€
The profit for the financial year amounted to	74,241,582

The results for the current financial year are driven by the financial results of the company's 100% owned direct subsidiary Novelis Deutschland GmbH and its other indirectly owned 100% owned subsidiaries, Novelis Sheet Ingot GmbH and Novelis Deutschland Holding GmbH. Under current arrangements, Novelis Deutschland Holding GmbH and Novelis Sheet Ingot GmbH have similar profit share arrangements with their parent Novelis Deutschland GmbH. However, as the existing loss carryforwards in Novelis Deutschland Holding GmbH, to which the companies Novelis Koblenz GmbH (NKG) and Novelis Casthouse Germany GmbH (NCG) belong, exceed the profit for the 2023 financial year, there will be no profit distribution from Novelis Deutschland Holding GmbH to Novelis Deutschland GmbH. A profit distribution from Novelis Deutschland Holding GmbH can only be made once it has fully offset its loss carryforwards.

The performance of the company's has been impacted significantly by the company's profit and loss transfer agreement with Novelis Deutschland GmbH, under which all profits or losses of Novelis Deutschland GmbH are transferred to the Company at the end of each fiscal year. The company has recognised 100% of the profit of €74.2 million that arose in Novelis Deutschland GmbH in the financial year ended 31 March 2023 compared to a loss in the financial year ended 31 March 2022 of €113.2 million. This gain in the year ended 31 March 2023 was mainly due to income from the reversal of provisions and the improved financial result. The income from provisions was driven by the release of provisions for anticipated losses on onerous metal derivatives in the amount of €170 million.

The directors do not propose the payment of a dividend for 2023 (2022: nil).

Future plans and developments

The directors have no plans at present to significantly change the activities of the company.

Novelis Deutschland GmbH expects higher volumes in FY24 with returning shipments in Auto and in Can and in Specialties the volume remaining on lower levels but with higher premiums.

For the Aerospace business, Novelis Koblenz GmbH expects a recovery with improved sales volumes compared with previous years and returning back to almost pre-Covid levels.

Principal risks and uncertainties

As the company participates in a profit share arrangement with its 100% owned subsidiary, Novelis Deutschland GmbH, the risks and uncertainties outlined below of Novelis Deutschland GmbH and its 100% owned subsidiaries, Novelis Sheet Ingot GmbH, Novelis Deutschland Holding GmbH are also indirect risks and uncertainties of the company.

Ukraine war

The invasion of Ukraine by Russia and resulting sanctions and embargos have not directly affected the business of any of our direct or indirect subsidiaries. We have insignificant supplies coming from the region (in the order of 0,05 % of revenue) and Novelis has taken the position that it will honour existing agreements but not enter into new supply arrangements.

The ability of our subsidiaries to source primary aluminium on the markets has also not been impacted by the Ukraine war. While some of our subsidiaries procure metal from Traders who in turn may or may not source physical supplies in Russia, we have not suffered any adverse effects to date and do not expect to suffer them in future. Our overall procurement share in Russia is less than 10 % and will go down further to zero in the next months. The new sanctions by the US for importing Russian metal will do not have any impact on our subsidiaries.

The invasion of Ukraine is continuing to burden the operating entities with rising energy costs which, to a certain extent, we have been able to pass through to customers. We apply an energy risk policy by which a significant part of the groups energy requirements is subject to hedging procedures, such as Over the Counter future purchases and we will be able to moderately benefit from energy cost relief programs offered by the government in Germany.

DIRECTORS' REPORT - continued

While a curtailment of gas would certainly have adverse effects, as it would especially hinder the German operating system to generate the required supply of cast ingots for further manufacturing, currently the availability of gas is not an issue. To be prepared in the event of natural gas rationing, the above mentioned cross-functional task force is monitoring the situation and working on emergency and business continuity planning. The task force team is in close contact with the Gas grid operators as well as Novelis plant managers and EMRA teams – in all operating subsidiaries - to gather the necessary information and prepare for various scenarios that will allow us to respond quickly in the event of constraints.

Supply risks

Novelis Sheet Ingot GmbH, Novelis Deutschland GmbHs primary source of recycled aluminium ingots, will continue to expand its share of the ingot supply for Novelis Deutschland GmbH during the next fiscal year. In addition to the Used Beverage Can (UBC) line, another production line ("Flex line") is also running at high production. The increase of the scrap content of the feedstock, the yield and the processing up to the delivered ingot will be further improved.

Lingering pandemic effects

While pandemic effects have essentially ceased in Europe, we see lingering delays in China continuing to affect certain supply markets. However, our subsidiaries have shown over the past years that they have been able to compensate well for the negative pandemic impact due to a broad product portfolio, cost adjustments and the broadening of our supplier bases. We are in close contact with customers and suppliers to identify potential ongoing impacts on deliveries, sales and production in order to initiate appropriate countermeasures, should they become necessary. Hence, we expect the Covid-19 pandemic will have limited to no impact on the business of the subsidiaries.

Financial risk management

Further, a significant part of the groups risk mitigation of price fluctuation is by hedging aluminum supplies to customers or, in the case of our own material procurement, reduced to an acceptable risk by largely coordinating the London Metal Exchange (LME) price basis for metal purchase and selling prices. This is achieved by entering into commodity futures contracts (LME futures). The group are continuously working to review and improve the effectiveness of its offset hedging process.

Currency exchange rates

Prices for aluminum are quoted in US$, which gives rise to an exchange rate risk. In addition, there are further currency risks on the purchasing and selling sides. To hedge these risks, hedging transactions are concluded for the required currencies.

Specific customer risk

In the Can and Automotive value streams, business is concentrated on a small number of major customers with whom long-term supply contracts largely exist.
The current development of Can is characterized by destocking of our customers which will end during FY 2024 and the fundamental positive outlook stays in place.

The situation in the Auto segment improved as the availability of semiconductors improved significantly over the last couple of months.

For the Aerospace business, Novelis Koblenz GmbH expects an ongoing recovery with improved sales volumes compared with previous years. We are working almost at pre-Covid levels again.

Credit risk

Thanks to the early and systematic control of credit risks during order processing, bad debt losses remain at a low level. In addition, the bad debt risk for Novelis Deutschland GmbH is significantly reduced due to the factoring of receivables with Novelis AG.

Liquidity risk

The group actively maintains short-term debt finance that is designed to ensure that the group has sufficient available funds for operations.

DIRECTORS' REPORT - continued

Interest rate risk
The group has bank borrowings which are subject to interest base rate fluctuations. The group does not have a policy on mitigating the effect of this interest rate exposure by hedging some of their exposures, but the interest rates are closely monitored to consider the potential risks.

Impairment of Financial Assets
The above considerations have led us to conclude that the carrying value of the company's in Novelis Deutschland GmbH investment currently recorded at €931,540,449 is justifiable.

Directors
The names of the persons who were directors at any time during the year ended 31 March 2023 are set out below. Except where indicated, they served for the entire year.

Andrea Lissoni	(Italian)	(resigned 31 October 2022)
Sabine Trautwein	(German)	
Roland Leder	(German)	
Siegfried Adloff	(German)	(appointed 1 November 2022)

Directors' and secretary's interests
The directors and secretary in office at 31 March 2023 had no beneficial interests, including family interests, in the share capital of the Company or any group undertaking at 31 March 2022 and at 31 March 2023.

No director or secretary had at any time during the year a material interest in any contract of significance in relation to the company business.

Statement of disclosure of information to the Company's Statutory Auditors
Each of the directors in office at the date of the approval of the directors' report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The directors have taken all the steps that he or she ought to have as a director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Political contributions
There were no political contributions which require disclosure under the Electoral Act, 1997.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Statutory auditors
The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Siegfried Adloff
Director

Sabine Trautwein
Director

3 May 2023
Date of board meeting

Independent auditors' report to the members of Novelis Aluminium Holding Unlimited Company

Report on the audit of the financial statements

Opinion

In our opinion, Novelis Aluminium Holding Unlimited Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements, which comprise:

- the balance sheet as at 31 March 2023;
- the profit and loss account and statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Maria O'Connell

Maria O'Connell
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Limerick
4 May 2023

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 March 2023

	Notes	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Administrative expenses	4	(3,664,644)	(3,366,921)
Other operating expenses		(1,489,960)	(1,485,477)
Other operating income/(loss)	5	134,099,444	(109,499,417)
Operating profit/(loss)	6	128,944,840	(114,351,815)
Interest income	7	98,870	548,352
Interest expense	8	(26,316,780)	(21,783,056)
Profit/(loss) before taxation		102,726,930	(135,586,519)
Taxation	9	(28,485,348)	51,045,306
Profit/(loss) for the financial year		74,241,582	(84,541,213)

The notes on pages 14 to 33 form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

	Notes	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Profit/(loss) for the financial year		74,241,582	(84,541,213)
Actuarial gain in respect of pension scheme	16	431,843	429,740
Deferred tax on actuarial gain	13,16	(150,185)	(126,138)
Total other comprehensive income/(expense) for the year		74,523,240	(84,237,611)

BALANCE SHEET
As at 31 March 2023

	Notes	31 March 2023 €	31 March 2022 €
Fixed assets			
Tangible assets	10	-	-
Financial assets	11	931,540,449	931,540,449
		931,540,449	931,540,449
Current assets			
Debtors and prepayments	12	17,118,747	26,121,414
Deferred tax asset	13	83,524,419	90,171,774
		100,643,166	116,293,188
Creditors - amounts falling due within one year	14	(54,941,071)	(225,057,330)
Net current assets/(liabilities)		45,702,095	(108,764,142)
Total assets less current liabilities		977,242,544	822,776,307
Creditors - amounts falling due after more than one year	15	(683,814,156)	(603,127,159)
Pension liability	16	(5,800,000)	(6,544,000)
Net assets		287,628,388	213,105,148
Shareholders' funds			
Called up share capital – presented as equity	17	3,000,000	3,000,000
Capital contribution	18	214,096,576	214,096,576
Profit and loss account	17	70,531,812	(3,991,428)
Total equity		287,628,388	213,105,148

The notes on pages 14 to 33 form part of these financial statements.

On behalf of the Board

Siegfried Adloff
Director

Sabine Trautwein
Director

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2023

	Note	Called up share capital €	Capital contribution €	Profit and loss account €	Total €
Balance at 1 April 2021	**17,18**	**3,000,000**	**214,096,576**	**80,246,183**	**297,342,759**
Loss for the year		-	-	(84,541,213)	(84,541,213)
Other comprehensive income		-	-	303,602	303,602
Total comprehensive expense for the year		-	-	*(84,237,611)*	*(84,237,611)*
Balance as at 31 March 2022		**3,000,000**	**214,096,576**	**(3,991,428)**	**213,105,148**
Balance at 1 April 2022		**3,000,000**	**214,096,576**	**(3,991,428)**	**213,105,148**
Profit for the year		-	-	74,241,582	74,241,582
Other comprehensive income		-	-	281,658	281,658
Total comprehensive income for the year		-	-	*74,523,240*	*74,523,240*
Balance as at 31 March 2023		**3,000,000**	**214,096,576**	**70,531,812**	**287,628,388**

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The principal activity of Novelis Aluminium Holding Unlimited Company ('the company') is that of an investment company. The company owns 100% of the issued share capital of Novelis Deutschland GmbH, a company registered in Germany.

Novelis Aluminium Holding Unlimited Company is incorporated as an unlimited company in the Republic of Ireland under the registered number 316911. The address of its registered office is Goodbody Secretarial Limited, 3 Dublin Landings, North Wall Quay, Dublin 1, D01 C4E0.

The immediate parent companies are the Novelis Europe Holdings Limited, Latchford Locks Works, Thelwell Lane, Warrington, Cheshire, United Kingdom, WA4 1NN with 647,590,006 shares and the Novelis UK ltd., Latchford Locks Works with 1 share. The ultimate parent company and controlling party of the Company at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the largest group in which Novelis Aluminium Holding Unlimited Company is included. Novelis Inc., Toronto, Canada is the smallest group in which the company is included. Copies of the financial statements of Hindalco Industries Ltd can be obtained from its registered office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India.

As Novelis Aluminium Holding Unlimited Company is included in consolidated accounts of Hindalco Industries Ltd it is exempt, by virtue of Section 300 of the Companies Act 2014, from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements for the financial year beginning 1 April 2022 and ending 31 March 2023.

2 Significant accounting policies

The significant accounting policies adopted by the company are as follows:

Basis of preparation

These financial statements have been prepared on the going concern basis and in accordance with the Companies Act, 2014, and Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Going concern

The company meets its day-to-day working capital requirements through its own cash resources and through cash lending facilities obtained from group companies. The current economic conditions continue to create uncertainty over the level of demand for the products of the company's subsidiaries for the foreseeable future. The directors have considered the appropriateness of preparing the financial statements on a going concern basis given the net current asset position of €45,702,095 and net assets of €287,628,388 at the balance sheet date and the profit for the year of €74,241,582 The future result forecasts of the company's direct subsidiary, Novelis Deutschland GmbH, and its other indirect subsidiaries show profits that are expected to transfer to the company. The settlement of these profits takes place in cash which will enable the company to pay back its liabilities.

The company has received a letter of support from its ultimate parent company Novelis Inc. indicating that it will continue to provide such financial support to the company as is necessary to enable the company to meet its liabilities as they fall due for a period no less than 12 months from the date of signing of the Company's financial statements for the year ended 31 March 2023. Accordingly, the directors have a reasonable expectation that the company will have adequate support and resources to continue in operational existence for the foreseeable future. Having considered all these matters the directors of the company consider it appropriate to be prepared the financial statements on a going concern basis.

Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company is a qualifying entity and has taken advantage of the following available exemptions:

- Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows.
- Exemption from the financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102.
- Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.
- Exemption in Section 33 of FRS 102 from the requirement to disclose related party transactions with its parent and wholly owned subsidiaries of the parent group.

Tangible assets

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Office Equipment and software

Office equipment and software is carried at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Tangible assets - continued

(ii) Depreciation and residual values
Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Office equipment	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(iii) Subsequent additions and major components
Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

(iii) Subsequent additions and major components - continued

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iv) Derecognition
Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Financial assets
Financial assets are recorded at cost less provision for impairment in value, if any. Income/loss from financial assets relate to results of the German subsidiary, which are recognised on transfer to the Company under the profit and loss transfer agreement.

Impairment of financial assets
The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value in use estimated cash flow before interest and are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Impairment of financial assets - continued

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including amounts owed by group companies and cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Amounts owed by group companies and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired, an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies – continued

Financial instruments - continued

(ii) Financial liabilities

Basic financial liabilities, including amounts owed to group companies and trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Amounts owed to group companies and trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other debtors

Other debtors are measured at amortised cost and assessed for objective evidence of impairment. If there is objective evidence that a debtor measured at amortised cost is impaired, an impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Creditors

Creditors include trade creditors, accruals and amounts owed to group companies. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Interest Income

Interest income is recognised using the effective interest rate method.

Interest Expense

Interest expense is recognised using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Foreign currency

(i) Functional and presentation currency
The company's functional and presentation currency is the euro, denominated by the symbol "€".

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable' or 'interest payable' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating expenses'.

Provisions and contingencies

(i) Provisions
Provisions are liabilities of uncertain timing or amount.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar expenses' in the financial year in which it arises

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies
Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Trade and corporation tax

Trade and corporation tax expense for the financial year comprises current and deferred tax recognised in the financial year. German trade tax is set by local authorities and can vary from one municipality to the next. Trade and corporation tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the trade and corporation tax expense.

Current or deferred taxation assets and liabilities are not discounted.

Novelis Aluminium Holding Unlimited Company, Novelis Deutschland GmbH, Novelis Sheet Ingot GmbH, and in addition since 1 January 2022 Novelis Deutschland Holding GmbH, Novelis Koblenz GmbH and Novelis Casthouse Germany GmbH established a German fiscal unity. The stated German trade and corporation tax is the tax of the fiscal unity. The deferred tax rate is 30.25% (previous year: 30.25%).

(i) Current tax

Current tax is the amount of trade and corporation tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year. German corporate tax, trade tax and surcharge tax are provided based on the results for the year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined benefit pension plan).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined benefit plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of each financial year less the fair value of the plan assets at the same date.

The defined benefit obligation is calculated annually by an external actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euro and that have terms approximating the estimated period of the future payments (‘discount rate’).

The fair value of plan assets out of which the obligations are to be settled is measured in accordance with the company’s accounting policy for financial assets. For most plan assets this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

The cost of the defined benefit plan, recognised in profit or loss, except where included in the cost of an asset, comprises:

(a) the increase in net defined benefit liability arising from employee service during the financial year; and

(b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This net interest cost is recognised in profit or loss as ‘finance expense’ and presented within ‘interest payable’.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented as ‘actuarial loss in respect of pension scheme’ in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 Significant accounting policies - continued

Share capital presented as equity

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity shareholders

Dividends on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the company. Interim dividends declared by the directors are recognised when paid.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

There are no judgements, apart from those involving estimates, that have been made by the directors which have had significant effect on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of Financial Assets

The directors have used their judgment to enable them to conclude no triggering event has occurred which would impair the carrying value of the financial asset currently recorded at €931,540,449.

(ii) Defined benefit pension scheme

Certain employees participate in a defined benefit pension plan. The calculation of the cost of these pension benefits and the present value of the defined benefit obligation incorporate a number of estimates and assumptions, including; life expectancy, salary increases, inflation and the discount rate on corporate bonds. The pension plan assets are measured at fair value at the end of each financial year. The assumptions and estimates used in calculating the cost for the financial year, the defined benefit obligation and the fair value of the plan assets at the end of each financial year reflect historical experience and current trends. See note 16 for the disclosures relating to the defined benefit pension plan.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Administrative expenses

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Wages and salaries	2,338,134	2,216,852
Social insurance costs	342,681	446,748
Current service cost	63,215	60,118
Staff costs	2,744,030	2,723,718
Other administrative expenses	920,614	643,203
	3,664,644	3,366,921

Average number of persons employed by the company during the year was 19 (31 March 2022: 20).

5 Other operating income/(loss)

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Profit/(loss) from financial assets	130,014,570	(113,181,303)
Service fee income	1,858,377	2,304,645
Other income	2,226,497	1,377,241
	134,099,444	(109,499,417)

In 2002, the company entered into a profit and loss transfer agreement with Novelis Deutschland GmbH, under which all profits or losses of Novelis Deutschland GmbH are transferred to the Company at the end of the fiscal year. Due to the integration of Aleris, the profit and loss transfer agreement was renewed as of 1 April 2022. The main renewal is the minimum term of 5 years. The agreement can only be terminated at the end of the fiscal year, subject to a notice period of six months, at the earliest however at the end of the minimum term of the agreement. The profit received under this agreement for the year ended 31 March 2023 was €130,014,570, (31 March 2022: loss of €113,181,303). Under current arrangements, Novelis Deutschland Holding GmbH and Novelis Sheet Ingot GmbH have similar profit share arrangements with their parent Novelis Deutschland GmbH. However, as the existing loss carryforwards in Novelis Deutschland Holding GmbH, to which the companies Novelis Koblenz GmbH (NKG) and Novelis Casthouse Germany GmbH (NCG) belong, exceed the profit for the 2023 financial year, there will be no profit distribution from Novelis Deutschland Holding GmbH to Novelis Deutschland GmbH. A profit distribution from Novelis Deutschland Holding GmbH can only be made once it has fully offset its loss carryforwards.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Operating profit/(loss)

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Operating profit/(loss) is stated after charging:		
Auditor's remuneration	37,200	37,200
Foreign exchange loss	461	86

7 Interest income

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Interest income on loans to group undertakings	-	66,391
Interest received on taxation	98,870	481,961
Total interest income	98,870	548,352

8 Interest expense

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Interest expense on loans from group undertakings	25,355,918	21,685,316
Net interest expense on defined benefit pension plan	4,843	97,740
Interest accrued on taxation	956,019	-
Total interest expense	26,316,780	21,783,056

The interest on loans received from group undertakings, mainly consists of interest on the long-term loan of €60,000,000 (2022: short term loan €60,000,000) which falls due on 31 March 2025 (2022: 31 March 2023) and on the long-term loans of €180,172,603 (2022: €180,172,603) and €398,855,833 (2022: €398,855,833) which falls due on 31 March 2028.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation

	Year ended 31 March 2023	Year ended 31 March 2022
(a) Analysis of tax charge in year	€	€
Current tax:		
Irish corporation tax	-	-
German Trade and Corporation Tax on profit/(loss) for the year	(21,145,829)	(2,105,628)
Adjustment in respect of prior year	(842,349)	(211,988)
Current tax charge for the financial year	(21,988,178)	(2,317,616)
Deferred tax:		
Origination and reversal of timing differences (Note 13)	(6,497,170)	53,362,922
Deferred tax credit for the financial year	(6,497,170)	53,362,922
Total tax credit for the financial year	(28,485,348)	51,045,306
The deferred tax credit arises from:		
Movement in pension balances	97,546	56,017
Interest expense carried forward	(1,716,914)	6,673,501
Tax losses (used)/carried forward	(4,947,893)	46,382,262
Other	70,091	251,142
	(6,497,170)	53,362,922

(b) Tax charge relating to items recognised in other comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
	€	€
Current tax	-	-
Deferred tax		
- Deferred tax charge on re-measurement of net defined benefit liability	(150,185)	(126,138)
	(150,185)	(126,138)

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation - continued

(c) Reconciliation of tax credit

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Profit/(loss) on ordinary activities before taxation	**102,726,930**	**(135,586,519)**
Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 March 2023 of 12.5% (2022: 12.5%)	12,840,866	(16,948,315)
Different statutory tax rate (30.25%)	18,234,030	(24,066,607)
Uncertain tax positions	19,733,599	2,219,450
Utilisation of tax losses carried forward	(4,947,893)	-
Income not taxable/expenses not deductible for tax purposes	(16,532,905)	(5,364,345)
Effect on consideration of DTA on interest carried forward and valuation allowance	-	(6,673,501)
Adjustment in respect of prior year	(842,349)	(211,988)
Taxation charge/(credit) for the financial year	**28,485,348**	**(51,045,306)**

10 Tangible assets

	Office Equipment €
Cost	
At 1 April 2022	16,521
At 31 March 2023	16,521
Accumulated depreciation	
At 1 April 2022	16,521
Charge for the year	-
At 31 March 2023	16,521
Net book amount	
At 31 March 2022	-
At 31 March 2023	-

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Financial assets

	€
At 1 April 2022	931,540,449
Additions	-
At 31 March 2023	931,540,449
Novelis Deutschland GmbH	931,540,449

Name	Principal activity	% ownership	Registered office
Novelis Deutschland GmbH	Aluminium and packaging trading company	100%	Hannoversche Str 1 37075 Göttingen, Germany

12 Debtors and prepayments

	31 March 2023 €	31 March 2022 €
Amounts owed by group companies	618,477	1,089,273
Corporation tax receivable	343,140	460,706
Trade tax receivable	46,843	156,862
Other debtors	16,110,287	24,414,573
	17,118,747	26,121,414

Included in other debtors are amounts receivable in respect of VAT of €16,107,085 (31 March 2022: €24,411,997).

Amounts owed by group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand

13 Deferred tax asset

	31 March 2023 €	31 March 2022 €
Property and equipment	1,091	1,091
Retirement benefits	644,904	697,544
Tax losses carried forward available for offset against future profits	51,191,698	56,139,592
Interest expense carried forward available for offset against future profits	33,491,397	35,208,311
Other	(1,804,671)	(1,874,764)
	83,524,419	90,171,774

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Deferred tax asset - continued

Movement in deferred taxes	31 March 2023 €	31 March 2022 €
Deferred tax asset at 1 April	90,171,774	36,934,990
Charge to profit and loss account	(6,497,170)	53,362,922
Charge to other comprehensive income (Note 16)	(150,185)	(126,138)
Deferred tax asset at 31 March	83,524,419	90,171,774

14 Creditors – amounts falling due within one year

	31 March 2023 €	31 March 2022 €
Amounts owed to group companies - finance	35,338,047	86,121,474
Amounts owed to group companies - trade	16,403,913	138,005,520
Accruals	748,840	821,584
Trade creditors	69,383	3,139
Trade tax on income	1,857,204	-
Corporation tax	393,164	-
Other creditors	130,520	105,613
	54,941,071	225,057,330

Included in amounts owed to group companies – finance are facilities drawn down of €32,191,699 (2022: €23,330,318) with Group Treasury under a cash pooling structure. These amounts have variable interest rates payable of between 0% and 0.5%. Included in amounts owed to group companies – trade is €NIL (2022: €113,181,303) which bears an interest rate of 5%. All other amounts are interest free. All balances owed to group companies within one year are unsecured, have no fixed repayment date and are repayable on demand.

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

15 Creditors – amounts falling due after more than one year

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Amounts owed to group companies	639,028,436	579,028,436
Other creditors	44,785,720	24,098,723
	683,814,156	603,127,159

Amounts owed to group companies at 31 March 2023 include €579,028,436, which has an interest rate of 3.375%, is unsecured and is repayable on March 31, 2028 and €60 million which has an interest rate of 5.5%, is unsecured and is repayable on March 31, 2025.

Included in other creditors are amounts payable in respect of tax of €44,760,157 (31 March 2022: €24,071,779).

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Pension liability

The company operates a defined benefit pension scheme with assets held in a separately administered fund. Pension liabilities are met out of the company's total resources. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit credit method. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 31 March 2023 and is available for inspection by the scheme members but not for public inspection. The company has entered into reinsurance contracts to fund part of their pension liabilities. The value of the scheme assets at 31 March 2023 was €862,373 (31 March 2022: €998,604).

The amounts recognised in the balance sheet are as follows:	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Present value of scheme liabilities	(6,662,373)	(7,542,604)
Fair value of scheme assets	862,373	998,604
Pension liability	(5,800,000)	(6,544,000)

The amounts recognised in the profit and loss account are as follows:	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Interest cost	41,791	116,125
Interest on scheme assets	(36,948)	(18,385)
Current service cost	22,000	21,000
	26,843	118,740

The amounts recognised in other comprehensive income are as follows:	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Experience gains on liabilities	542,000	408,000
Actual loss on assets less interest income	(110,157)	21,740
Change in assumptions underlying the present value of scheme liabilities	-	-
Actuarial gains recognised in other comprehensive income	431,843	429,740
Related deferred tax charge	(150,185)	(126,138)
	281,658	303,602

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2023 is €2,416,543 (31 March 2022: loss of €2,848,386). The related deferred tax credit is €729,113 (31 March 2022: credit of €879,299).

The actual return on plan assets was:

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Actual return on plan assets	(73,209)	40,125

Expected contributions for the financial year ending 31 March 2024 are € 380,000.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Pension liability

Movement in scheme assets and liabilities:

	Scheme assets	Scheme liabilities	Pension liability
	€	€	€
At 1 April 2021	**1,021,409**	**(7,525,409)**	**(6,504,000)**
Transfer (in)	-	(659,000)	(659,000)
Current Service Cost	-	(21,000)	(21,000)
Interest on scheme liability	-	(116,125)	(116,125)
Interest on scheme assets	18,385	-	18,385
Return on plan assets	21,740	-	21,740
Experience gains on liabilities	-	408,000	408,000
Benefits paid	(62,930)	370,930	308,000
At 31 March 2022	**998,604**	**(7,542,604)**	**(6,544,000)**
At 1 April 2022	**998,604**	**(7,542,604)**	**(6,544,000)**
Current Service Cost	-	(22,000)	(22,000)
Interest on scheme liability	-	(41,791)	(41,791)
Interest on scheme assets	36,948	-	36,948
Loss on plan assets	(110,157)	-	(110,157)
Experience gains on liabilities	-	542,000	542,000
Benefits paid	(63,022)	402,022	339,000
At 31 March 2023	**862,373**	**(6,662,373)**	**(5,800,000)**

All of the scheme liabilities above arise from schemes that are wholly or partly funded.

Amounts for the current and previous two years:

	31 March 2023	31 March 2022	31 March 2021
	€	€	€
Scheme\`s liabilities	(6,662,373)	(7,542,604)	(7,525,409)
Scheme\`s assets	862,373	998,604	1,021,409
Deficit	(5,800,000)	(6,544,000)	(6,504,000)
Experience adjustment on liabilities	542,000	408,000	129,000
% of liabilities	-8.14%	-5.41%	-1.71%
Experience adjustment on assets	-	-	-
% of assets	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Pension liability - continued

The principal actuarial assumptions at the balance sheet date:	31 March 2023 %	31 March 2022 %
Discount rate	3.70	1.80
Future salary increases	2.75	2.75
Future pension increases	2.00	1.75
Future inflation rate	2.00	1.75

Assumptions regarding future mortality are set based on advice from published statistics and experience.

The mortality assumptions are based on standard mortality tables which allow for improvements in future mortality assumptions.

Longevity at 65 for current pensioners:	31 March 2023 Years	31 March 2022 Years
Male	20.6	20.5
Female	24.0	23.9
Longevity at 65 for members retiring in 2042:		
Male	23.4	23.9
Female	26.3	26.2

17 Called up share capital – presented as equity

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Authorised:		
45,387,318,508 ordinary shares of € 0.0046325607 each	210,259,508	210,259,508
Issued and fully paid:		
647,590,007 ordinary shares of € 0.0046325607 each	3,000,000	3,000,000

There is a single class of equity share. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

<u>Profit and loss account</u>
Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years less dividends paid (if any).

Profit and loss account	Year ended 31 March 2023 €	Year ended 31 March 2022 €
(Loss)/profit brought forward	(3,991,428)	80,246,183
Profit/(loss) for the financial year	74,241,582	(84,541,214)
Other comprehensive income for the financial year	281,658	303,603
Profit and loss account at 31 March	70,531,812	(3,991,428)

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Capital contribution

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
Capital contribution from parent	214,096,576	214,096,576

19 Guarantees and contingent liabilities

As part of wider Novelis group lending facilities and in connection with the following two arrangements:

(i) the Amended and Restated Credit Agreement dated as of May 13, among, *inter alios*, Novelis Aluminium Holding Unlimited Company and Wells Fargo Bank, National Association, as administrative agent and collateral agent (in such capacities, the "ABL Agent") and

(ii) the Credit Agreement dated as of January 10, 2017 among, *inter alios*, Novelis Aluminium Holding Unlimited Company and Standard Chartered Bank, as administrative agent and collateral agent (the "Term Agent"),

Novelis Aluminium Holding Unlimited Company has pledged as security to the ABL Agent and the Term Agent;

- any present and future bank balances and all other present and future rights to receive payments in connection with its bank accounts,
- the shares in Novelis Deutschland GmbH and Novelis Sheet Ingot GmbH together with all ancillary rights and claims associated with the shares, and all of its present and future property, undertakings, assets, and rights.

20 Directors remuneration

The following table details the aggregate remuneration for the Directors of this company:

	Year ended 31 March 2023 €	Year ended 31 March 2022 €
For services as directors	16,500	17,000
For other services	-	-
	16,500	17,000

21 Related party transactions

The company is exempt from disclosing related party transactions as they are with other group companies that are wholly owned within the group.

22 Events after the balance sheet date

No events of note have taken place since the end of the financial year which affected the company's operations.

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 3 May 2023 and were signed on its behalf on that date.

Novelis Italia SpA

Financial Statements as at 31 March 2023

Company's data	
Registered office	Bresso
Tax code no.	04598460964
Rea (Administrative Economic Register) no.	MILANO - MONZA - BRIANZA - LODI 1760001
VAT no.	04598460964
Share capital (in € units)	53,856,000.00 fully paid-up
Legal status	Company limited by shares
ATECO (Economic Activities' Classification) code	244200
Company in liquidation	no
Company with sole shareholder	no
Company subject to the management and co-ordination activities	yes
Name of the company or body, which carries out the management and co-ordination activities	Hindalco Industries Ltd
Member of a corporate group	yes
Group company's name	Hindalco Industries Ltd
Group company's country	India
Enrolled in the Register of Cooperatives under no.	

All amounts are expressed in euros

BALANCE SHEET

ASSETS	31 March 2023	31 March 2022
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL OWED		
Total receivables from shareholders for payments still owed (A)	0	0
B) NON-CURRENT ASSETS		
I - Intangible assets		
4) Concessions, licences, trademarks and similar rights	95,804	43,609
7) Other	40,464	36,190
Total intangible assets	136,268	79,799
II - Property, plant and equipment		
1) Land and buildings	20,136,458	21,005,374
2) Plant and machinery	31,212,209	31,460,141
3) Industrial and commercial equipment	560,300	616,112
4) Other assets	1,424,677	1,761,134
5) Assets under construction and advances paid	6,901,363	5,004,206
Total property, plant and equipment	60,235,007	59,846,967
III - Financial assets		
1) Equity investments		
d-bis) other companies	2,522	2,522
Total equity investments	2,522	2,522
2) Trade and Other Receivables		
d-bis) due from others		
after 12 months	403,908	403,908
Total due from others	403,908	403,908
Total trade and other receivables	403,908	403,908
Total financial assets	406,430	406,430
Total non-current assets (B)	60,777,705	60,333,196
C) CURRENT ASSETS		
I) Inventories		
1) Raw materials, supplies & consumables	14,060,009	10,316,165
2) Work in progress and semi-finished products	21,683,507	26,691,125
4) Finished products and goods for resale	21,768,324	19,616,193
Total inventories	57,511,840	56,623,483
II) Receivables		
1) Trade receivables		
within 12 months	20,695,481	26,534,609
Total trade receivables	20,695,481	26,534,609
4) Due from parent companies		
Within 12 months	18,927	335,260
Total due from parent companies	18,927	335,260
5) Due from companies under the control of parent companies		
within 12 months	6,345,640	4,628,489
Total due from companies under the control of parent companies	6,345,640	4,628,489
5-bis) Tax receivables		
within 12 months	1,169,234	138,538
after 12 months	1,771,668	3,351,024
Total tax receivables	2,940,902	3,489,562
5-quater) Due from others		
within 12 months	2,467,394	5,451,277
Total due from others	2,467,394	5,451,277
Total receivables	32,468,344	40,439,197

III – Current financial assets		
5) Derivative assets	326,226	6,152,154
7) Financial assets for centralised treasury management	0	16,208,431
Total current financial assets	326,226	22,360,585
IV - Cash and cash equivalents		
1) Banks and post office accounts	4,715,353	7,301,528
3) Cash on hand	834	798
Total cash and cash equivalents	4,716,187	7,302,326
Total current assets (C)	95,022,597	126,725,591
D) ACCRUED INCOME AND PREPAID EXPENSES	621,380	262,236
TOTAL ASSETS	156,421,682	187,321,023

LIABILITIES	**31 March 2023**	**31 March 2022**
A) SHAREHOLDERS' EQUITY		
I – Share capital	53,856,000	53,856,000
II – Share premium reserve	0	0
III – Revaluation reserve	0	0
IV – Legal reserve	869,157	355,027
V – Statutory reserves	0	0
VI - Other reserves, shown separately		
Amounts paid-in for future capital increase	10,000,000	10,000,000
Total other reserves	10,000,000	10,000,000
VII – Reserve for expected cash flow hedging	0	0
VIII - Retained earnings (accum. losses) carried forward	12,998,154	3,229,601
IX - Net income (loss) for the year	(9,288,082)	10,282,683
X – Negative reserve for own shares in portfolio	0	0
Total Shareholders' equity (A)	68,435,229	77,723,311
B) PROVISIONS FOR RISKS AND CHARGES		
1) Retirement benefit obligations	427,972	417,540
3) Derivative liabilities	2,520,393	2,216,339
4) Others	1,219,703	298,015
Total provisions for risks and charges (B)	4,168,068	2,931,894
C) STAFF LEAVING INDEMNITY (TFR)	2,179,936	2,179,926
D) PAYABLES		
5) Other financial debt		
within 12 months	4,636,216	7,223,978
Total other financial debt	4,636,216	7,223,978
7) Trade payables		
within 12 months	27,495,728	38,309,476
Total trade payables	27,495,728	38,309,476
11) Due to parent companies		
within 12 months	56,296	0
Total due to parent companies	56,296	0
11-bis) Due to companies under the control of parent companies		
within 12 months	42,781,997	52,083,132
Total due to companies under the control of parent companies	42,781,997	52,083,132
12) Tax payable		
within 12 months	1,208,439	1,730,812
Total tax payable	1,208,439	1,730,812
13) Due to insurance and pension institutes		
within 12 months	1,192,985	1,255,820
Total due to insurance and pension institutes	1,192,985	1,255,820

14) Other payables		
within 12 months	3,819,502	3,259,659
Total other payables	3,819,502	3,259,659
Total payables (D)	81,191,163	103,862,877
E) ACCRUED LIABILITY AND DEFERRED INCOME	447,286	623,015
TOTAL LIABILITIES	156,421,682	187,321,023

INCOME STATEMENT

INCOME STATEMENT	FY 2023	FY 2022
A) VALUE OF PRODUCTION (REVENUE):		
1) Revenues from sales and rendering of services	315,762,021	301,373,293
2) Change in inventories of work in progress, semi-finished and finished products	(2,855,487)	12,662,009
5) Other revenues and income		
Grants related to income	10,706	10,285
Miscellaneous	1,541,459	1,177,121
Total other revenues and income	1,552,165	1,187,406
Total value of production (revenue)	314,458,699	315,222,708
B) PRODUCTION COSTS:		
6) Raw, ancillary and consumable materials	242,742,165	237,672,334
7) Costs of services	40,481,033	35,345,787
8) Leases and rentals	1,039,485	1,002,048
9) Personnel costs:		
a) Wages and salaries	18,767,342	18,116,817
b) Social security contributions	6,872,836	6,645,474
c) Staff leaving indemnity	1,411,337	1,314,862
e) Other costs	920,216	883,924
Total personnel costs	27,971,731	26,961,077
10) Amortisation, depreciation and write-downs:		
a) Amortisation of intangible assets	32,463	24,106
b) Depreciation of property, plant and equipment	6,381,188	7,032,353
d) Write-downs of receivables included under current assets and cash and cash equivalents	12,220	28,034
Total amortisation, depreciation and write-downs	6,425,871	7,084,493
11) Change in inventories of raw, ancillary, and consumable materials	(3,743,845)	(2,724,963)
12) Provisions for risks	933,206	0
14) Other operating expenses	2,195,388	678,139
Total production costs	318,045,034	306,018,915
Difference between production value and cost (A-B)	(3,586,335)	9,203,793
C) FINANCIAL INCOME AND CHARGES:		
16) Other financial income:		
d) Income other than the foregoing		
Others	241	155
Total income other than the foregoing	241	155
Total other financial income	241	155
17) Interest and other financial charges		
- companies under the control of parent companies	629,623	3,345
Others	560,473	204,277
Total interest and other financial charges	1,190,096	207,622
17-bis) Exchange gains and losses	(77,070)	5,218
Total financial income and charges (C) (15+16-17+-17-bis)	(1,266,925)	(202,249)

D) VALUATION ADJUSTMENTS TO FINANCIAL ASSETS:		
18) Revaluations:		
d) of derivative financial instruments	0	2,136,410
Total revaluations	0	2,136,410
19) Write-downs:		
d) of financial derivative instruments	4,116,142	0
Total write-downs	4,116,142	0
Total valuation adjustments to financial assets (18-19)	(4,116,142)	2,136,410
PRE-TAX RESULT (A-B+-C+-D)	(8,969,402)	11,137,954
20) Current and deferred income taxes for the year		
Current taxes	(8,367)	864,245
Prior years' taxes	327,047	(8,974)
Total current and deferred income taxes for the year	318,680	855,271
21) INCOME (LOSS) FOR THE YEAR	(9,288,082)	10,282,683

CASH FLOW STATEMENT – INDIRECT METHOD

Cash Flow Statement, indirect method	Current period	Prior period
A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (INDIRECT METHOD)		
Income (loss) for the year	(9,288,082)	10,282,683
Income taxes	318,680	855,271
Interest expense/(interest income)	1,189,855	207,467
(Capital gains)/capital losses from disposals of assets	83,219	8,040
1. Income / (loss) for the year before income taxes, interest, dividends and capital gains and losses from disposals	(7,696,328)	11,353,461
Adjustments for non-monetary items, which do not have counterpart in net working capital		
Charge to the provisions	1,514,096	1,930,144
Amortisation/depreciation	6,413,651	7,056,459
Increase/(Decrease) in other adjustments for non-monetary items	0	0
Total adjustments for non-monetary items, which do not have counterpart in net working capital	7,927,747	8,986,603
2. Cash flows before changes in net working capital	231,419	20,340,064
Changes in net working capital		
Decrease/(Increase) in inventories	(888,357)	(15,386,972)
Decrease/(Increase) in trade receivables	5,839,128	(10,881,874)
Increase/(Decrease) in trade payables	(10,905,513)	9,145,088
Decrease/(Increase) in accrued income and prepaid expenses	(359,144)	204,987
Increase/(Decrease) in accrued liability and deferred income	(175,729)	404,582
Other decreases / (Other increases) in net working capital	(40,585,671)	26,041,101
Total changes in net working capital	(47,075,286)	9,526,912
3. Cash flows after changes in net working capital	(46,843,867)	29,866,976
Other adjustments		
Interest received/(paid)	(1,189,855)	(207,467)
(Utilisation of provisions)	(277,911)	(806,550)
Total other adjustments	(1,467,766)	(1,014,017)
Cash flows from (used in) operating activities (A)	**(48,311,633)**	**28,852,959**
B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Property, plant and equipment		
(Investments)	(6,760,682)	(7,259,028)
Disinvestments	0	4,147
Intangible assets		
(Investments)	(88,932)	(29,686)
Financial assets		
Disinvestments	0	600
Current financial assets		
(Investments)	0	(21,597,061)
Disinvestments	5,825,928	0
Cash flows from (used in) investing activities (B)	**(1,023,686)**	**(28,881,028)**
C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Borrowed funds		
New loans	49,336,942	2,598,052
(Loan repayment)	(2,587,762)	0
Own funds		
Cash flows from (used in) financing activities (C)	**46,749,180**	**2,598,052**
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(2,586,139)	2,569,983

Cash and cash equivalents at the beginning of the year		
Banks and post office accounts	7,301,528	4,731,521
Cash on hand	798	822
Total cash and cash equivalents at the beginning of the year	7,302,326	4,732,343
Cash and cash equivalents at the end of the year		
Banks and post office accounts	4,715,353	7,301,528
Cash on hand	834	798
Total cash and cash equivalents at the end of the year	4,716,187	7,302,326

Information at the foot of the Cash Flow Statement

With regard to the Cash Flow Statement, it should be noted that the item “Borrowed funds” - “New Loans”, recorded under “Cash flows from (used in) financing activities” reflected the change relating to the cash pooling position, i.e. the centralised treasury management committed to Novelis AG, for € 49.336.942.
The change in payable to factoring companies, equal to € 2,587,762, is instead reflected in the item “Loan repayment”.

Notes to the Financial Statements as at 31 March 2023

PREAMBLE

The financial year ending 31 March 2023 closed with a net loss of € 9,288,082 after depreciation/amortisation of € 6,413,651 and the charge for income taxes of € 318,680.

Business carried out

Pursuant to Art. 2428 of the Italian Civil Code, it should be noted that the Company has carried out aluminium rolling and recycling activities not only in its registered office (based at Bresso), but also at the Pieve Emanuele plant, as well as in the San Martino Buon Albergo (VR) and Campi Bisenzio (FI) Distribution Centres.

Group structure

The Company is controlled by the Novelis Inc. Group, based in the USA, through the English subsidiary Novelis Europe Holdings Limited. In May 2007, the Aditya Birla group, which is one of the main industrial groups in India, acquired the majority of the share capital of the Group parent Novelis Inc.. Therefore the Company is subject to the management and co-ordination of Hindalco Industries Ltd, company belonging to the Aditya Birla Group, which deals with the production and marketing of metals.

Below is presented the latest available data relating to the consolidated financial statements of Hindalco Industries Ltd (in $ millions):

	Financial year as at 31 March 2022
Fixed assets	14,731
Other assets	3,902
Total assets	18,633
Current liabilities	8,331
Deferred taxes	0
Minority interests	1
Shareholders' equity	10,301
Total liabilities and shareholders' equity	18,633
	Financial year as at 31 March 2022
Net revenues	26,185
Costs	(22,359)
Operating result before taxes and other items	3,826
Other revenues	152
Other costs	(924)
Interest	(506)
Other items	16
	2,564
less: Income taxes	721
Net result	1,843

For an adequate and complete understanding of the financial position and results of operations of the Hindalco Industries Ltd Group at 31 March 2022, reference should be made to the financial statements of the above mentioned (available on the website: www.hindalco.com).

BASIS OF PREPARATION

These Financial Statements as at 31 March 2023 were prepared in accordance with the regulations laid down in the Italian Civil Code, as amended by Legislative Decree no. 139/2015, interpreted and supplemented by the accounting principles promulgated by the Organismo Italiano di Contabilità (the Italian Accounting Standards Committee).

These Financial Statements comprise the Balance Sheet (as prepared in compliance with the outline of presentation required by Articles 2424 and 2424 bis of the Italian Civil Code), the Income Statement (as prepared in compliance with the outline of presentation required by Articles 2425 and 2425 bis of the Italian Civil Code) and the Cash Flow Statement (whose content, pursuant to Art. 2425-ter of the Italian Civil Code, is presented in accordance with OIC accounting principle no. 10, and these Notes to the Financial Statements, drawn up in compliance with Art. 2427 of the Italian Civil Code.

These Notes to the Financial Statements analyse and supplement the financial statements data with the additional information required to give a true and fair view of the data provided, taking into consideration that no departures have been made pursuant to Arts. 2423 and 2423-bis of the Italian Civil Code.

The items not expressly reported in the Balance Sheet and in the Income Statement, as contemplated by Arts. 2424 and 2425 of the Italian Civil Code, have a zero balance.

For information relating to the nature of the business activities and to all the relationships with associated companies, parent companies and other companies under the control of the latter, please refer to the Directors' Report.

It is also declared that the financial statements are correct from a formal and substantial point of view and give a true and fair view of the financial position and results of operations of the Company.
Please refer to the Directors' Report for information on Art. 2428 of the Italian Civil Code.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

These Financial Statements, comprising the Balance Sheet, the Income Statement, the Cash Flow Statement and these Notes to the Financial Statements, give a true and fair view of the financial position and results of operations for the year ended 31 March 2023, and are in agreement with the accounting records.
The Balance Sheet and the Income Statement do not present any groupings of the items preceded by Arabic numerals, as instead optionally provided for by Art. 2423 ter of the Italian Civil Code.

GOING CONCERN

The Directors have reviewed the Company's five-year plan for the period 2024-2028 and concluded that, on the basis of the measures that have been taken and implemented, the Financial Statements can be prepared according to the principle of going-concern and there are no significant uncertainties in this regard.

ACCOUNTING PRINCIPLES

The items in the Financial Statements have been valued in accordance with the general criteria of prudence, accrual and on a going concern basis as well as by taking account of the substance of the transaction or of the contract.
The valuations have been undertaken in accordance with the provisions set forth in Art. 2426 of the Italian Civil Code and the accounting standards as contemplated by the Organismo Italiano di Contabilità (the

Italian Accounting Standards Committee).
The application of the principle of prudence requires each asset and liability item to be valued on an individual basis so as not to offset losses that should be recognised against profits that should not be recognised, as they have not been realised.
In accordance with the accrual basis, the effect of the operations and other events was accounted for and attributed to the year such operations and events refer to, and not to the year in which the relative movements took place (receipts and payments).
Taking into account the substance of the transaction or of the contract, the valuation expressing the principle of prevalence of substance over form - compulsory where not expressly in contrast with other specific regulations on the Financial Statements – allows the representation of the transactions according to the financial reality behind the formal aspects.

Below are the main accounting principles adopted:

Non-current assets

Intangible assets

Intangible assets are stated at their historical purchase cost, with the consent of the Board of Statutory Auditors where contemplated by the regulations in force, and shown net of the amortisation made.
Amortisation is calculated over the expected useful life of 10 years.

Property, plant and equipment

These are stated at purchase cost and adjusted by the corresponding accumulated depreciation.
Any accessory charges and costs incurred for bringing the asset in the present location were capitalized when recording this item to the Balance Sheet and any non-negligible commercial and cash discounts were deducted from said costs and charges.
Depreciation charged to the Income Statement has been calculated taking into account the use, utility and economic-technical life of the assets, over their estimated useful life.
The depreciation rates of the assets received upon transfer with effect 1 January 2005 differ from the rates of the new assets acquired after the transfer in virtue of their different residual possibility of use by adjusting the same to the useful life of the newly-acquired assets.
The assets acquired after the transfer by Alcan Alluminio SpA on 1 January 2005 are depreciated systematically using the economic-technical rates reflecting the remaining possibilities for the use of the assets, as shown in the following table:

	Useful life
Land and buildings	from 10 to 50 years
Plant and machinery	from 2 to 35 years
Industrial and commercial equipment	from 3 to 10 years
Motor vehicles	from 3 to 8 years
Office furniture and machines	from 5 to 10 years

In case of fixed assets acquired during the year, depreciation is reduced by 50%.
Land is not depreciated since not subject to a limited use in the time.
Ordinary maintenance and repair cost are expensed when incurred. Improvement and expansion costs, where they represent an increase of the asset value or useful life, are shown as an increase in the value of the assets, and depreciated over their residual possibility of use.

Impairment of assets

Impairment of property, plant and equipment and intangible assets is recorded as prescribed by OIC no. 9.

In particular, if the recoverable amount of an asset (e.g. intended as the higher of its value in use and its fair value) has declined below its carrying value, the asset is measured at the lower value. The difference is recorded in the Income Statement as impairment loss and is recognised in the Income Statement under item B10c). If requirements for write-down no longer apply in subsequent periods, the original value is restored as adjusted by depreciation/amortisation only.
If it is not possible to estimate the recoverable value of an individual asset, the Company determines the recoverable amount of the Cash Generating Unit to which the asset belongs. This occurs when individual assets do not generate cash flows in an autonomous way with respect to other assets.
The Company verifies, at least annually, whether there is any indication that assumes a permanent impairment of assets; in the presence of this indication, the Company estimates the recoverable amount of the related assets.

Revaluations

The book value of property, plant and equipment can include revaluations of cost, if these are made under specific laws.
Revaluations do not represent an Income Statement component but are carried to a shareholders' equity reserve.

Finance lease transactions

The assets under finance lease are accounted for, in accordance with OIC 17, using the assets method, with the recognition of the lease payments among operating costs.

Receivables (including those recorded under financial assets)

Receivables arising from revenues from sales of goods or rendering of services are recognised as current assets on an accrual basis when there are conditions for revenue recognition.
The value of receivables is subsequently reduced in respect of the amounts received - both principal and interest – of any write-downs for readjusting the receivables to their estimated realisable value or of any losses. Receivables are valued as a general rule at amortized cost taking into account the time factor, but for receivables due within 12 months, it is assumed that the effects deriving from the application of the amortized cost and of discounting are not relevant, given the reduced time frame between the onset of the credit position and the related collection. In this case the book value coincides with the nominal value.
A specific allowance has been set aside to tackle any possible insolvency risks, the adequacy of which in respect of doubtful positions is verified periodically and anyway at the end of each financial year, taking into account both cases of uncollectibility already emerged or deemed to be probable and the general economic conditions and the risks potentially under way.

Factoring without recourse

The Novelis Group entered into an agreement with a German bank in December 2013 relating to the assignment of trade receivables without recourse. As provided for by OIC no. 15, the assigned receivables have been removed from the Balance Sheet up to a quota of 90% equal to the advance received. The difference of 10% is recorded in the Balance Sheet as receivable from factoring companies.
Interest and fees due to the factoring company have been fully charged to the Income Statement.

Inventories

Raw materials, supplies & consumables and finished products are valued at the lower of purchase or production cost and their net realisable value presumed from market trends (replacement cost for raw materials), applying the weighted average cost method.
Work-in-progress is measured on the basis of the costs incurred in the financial year.
A stock depreciation provision has been recorded in order to adjust the value of obsolete and slow-moving items to their market value, and recorded as a direct reduction of the closing inventories value.

Cash and cash equivalents

Bank deposits and cheques (current account cheques, banker's drafts and similar ones) are stated according to the general principle of their estimated realisable value that coincides with the nominal value in the absence of collectibility risk.
Cash and revenue stamps are stated at nominal value.

Prepayments/deferred income/accrued income and liabilities

Prepayments and deferred revenue are recorded on the basis of the matching principle, in compliance with the costs and revenues correlation.

Provisions for risks and charges

Provisions for risks and charges are accrued to cover known or probable losses or liabilities, whose amounts or settlement dates are uncertain at year-end.
In measuring the value of these provisions, the general principles of prudence and accruals basis have been complied with and no provisions for general risks without any economic justification have been set aside.
Potential liabilities have been recognised in the accounts and recorded as provisions since they are considered probable and being their amount reasonably determinable.
In compliance with OIC no. 31 para. 16, given that the classification of expenses by nature should prevail, provisions for risks and charges are recorded under the items of operational activity (classes B and C of the Income Statement) to which the operation refers (ordinary, accessory or financial).

Staff indemnity leaving (TFR)

This represents the liability accrued in favour of employees in accordance with current legislation and employment contracts, taking into consideration any type of remuneration having a permanent nature.
The indemnities set aside fully cover the employee retirement and seniority accrued up to the date of their transfer to funds outside the company in compliance with Law no. 296 of 27 December 2006.

Payables

Payables arising from purchases of goods are stated in the Balance Sheet when significant risks, charges and benefits related to the property title have been substantially transferred. Payables refer to services already rendered, i.e. the rendering has been completed. The item "advances" instead includes the advances received from costumers for supplies of goods or services not made yet.
Payables are valued as a general rule at amortized cost taking into account the time factor, but for payables due within 12 months, it is assumed that the effects deriving from the application of the amortized cost and of discounting are not relevant, given the reduced time frame between the onset of the debit position and the related payment. In this case the book value coincides with the nominal value.

Current and deferred taxes

Current taxes are determined on the basis of a realistic estimate of the amounts payable in accordance with the current fiscal regulations. Current income taxes are reflected in the Balance Sheet under item “Tax receivables” in case the advances paid are higher than the actual tax payable for the year, or otherwise under “Tax payable”. Deferred tax assets and liabilities result from the temporary differences between the carrying amounts of assets and liabilities reported in the Balance Sheet and their carrying amounts for tax purposes.
Deferred tax assets are booked to the extent their future recoverability is deemed probable on the basis of the future taxable income.
Deferred tax assets and liabilities are calculated on the basis of the rates in force in the financial year in which the temporary differences arise.
Deferred tax assets and liabilities are not discounted back.

Revenues recognition

Revenues from the sale of products and costs for the related purchase are recognised upon the transfer of all the risks and benefits connected with the property title; such transfer normally coincides with the delivery or shipment of the goods.
Financial revenues and revenues from services are recognised on an accrual basis.

Translation of foreign currencies

Receivables and payables originally expressed in foreign currency, entered on the basis of the exchange rates prevailing at the date of transactions, are translated at the rates in force at the closing of the financial statements for the currencies of non-EMU countries. The gains and losses resulting from the translation of receivables and payables are respectively reflected in the Income Statement under item C)17 bis Exchange gains and losses. The exchange gain resulting from the translation is set aside, for the part not absorbed by the loss for the year, as a specific reserve not distributable until realisation.

Financial derivative instruments and hedging transactions

Financial derivative instruments are stated at fair value. Changes in the fair value are recognised in the Income Statement, or, if the instrument covers the risk of expected cash flows changes in another financial instrument or in a planned transaction, are booked directly to a positive or negative shareholders’ equity reserve; this reserve is recorded in the Income Statement to the extent and at the time the cash flows of the hedged instrument occur or modify or to the extent and at the time the hedging transaction occurs. The fair value, which is positive at the reporting date, is recorded in the item “derivative assets” under financial fixed assets or under current financial assets. The fair value, which is negative at the reporting date, is recorded in the item “derivative liabilities” under provisions for risks and charges.

Forward metal purchase/sale transactions (offset hedge)

The Company has been facing the management of the metal price risk at global level by entering contracts directly with the suppliers of raw materials or with financial counterparts. The portion of gain or loss realised on the offset hedge is distributed among the Group companies included in the hedging process. The Company has taken part in the global hedging strategy and has recorded the pertaining portion of the result in the Income Statement as operating income or expense.

BALANCE SHEET
ASSETS

NON-CURRENT ASSETS

Intangible assets

Intangible assets amounted to € 136,268 (€ 79,799 in the previous financial year).

The break-down and changes in individual items are shown below:

	Concessions, licences, trademarks and similar rights	Other	Total intangible assets
Opening balance			
Historical cost	111,359	118,404	229,763
Accumulated amortisation	67,750	82,214	149,964
Net book value at 31 March 2022	**43,609**	**36,190**	**79,799**
Changes in the period			
Acquisitions/ Capitalisation	58,283	3,936	62,219
Transfers from assets under construction	10,739	15,973	26,712
Amortisation for the period	16,828	15,635	32,463
Total changes	**52,194**	**4,274**	**56,468**
Closing balance			
Historical cost	180,381	138,313	318,694
Accumulated amortisation	84,577	97,849	182,426
Net book value at 31 March 2023	**95,804**	**40,464**	**136,268**

The item “Concessions, licenses, trademarks and similar rights” regarded licenses for the use of software.
The item “Other” referred to software packages.

Property, plant and equipment

Property, plant and equipment amounted to € 60,235,007 (€ 59,846,967 in the previous financial year).

The break-down and changes in individual items are shown below:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and advances paid	Total property, plant and equipment
Opening balance						
Historical cost	42,893,804	84,921,481	2,079,725	3,830,747	5,004,206	138,729,963
Accumulated depreciation	21,888,430	53,461,340	1,463,613	2,069,613		78,882,996
Net book value at 31 March 2022	**21,005,374**	**31,460,141**	**616,112**	**1,761,134**	**5,004,206**	**59,846,967**
Changes in the period						
Increases for acquisitions/ capitalisation	167,513	2,435,168	60,410	158,229	4,057,839	6,879,159
Transfers from assets under construction	61,943	2,044,868	1,620	25,539	(2,133,970)	0
Transfers to assets under construction					(26,712)	(26,712)
Decreases for disposals (historical cost)	149,197	862,975	20,897	124,018		1,157,087
Depreciation for the year	1,093,036	4,658,825	117,842	511,485		6,381,188
Decreases for disposals (accumulated depreciation)	143,861	793,832	20,897	115,278		1,073,868
Total changes	**(868,916)**	**(247,932)**	**(55,812)**	**(336,457)**	**1,897,157**	**388,040**
Closing balance						
Historical cost	42,974,063	88,538,542	2,120,858	3,890,497	6,901,363	144,425,323
Accumulated depreciation	22,837,605	57,326,333	1,560,558	2,465,820	0	84,190,316
Net book value at 31 March 2023	**20,136,458**	**31,212,209**	**560,300**	**1,424,677**	**6,901,363**	**60,235,007**

Land was not depreciated in accordance with the accounting principles.
The investments in assets under construction made during the financial year were directed to the maintenance of productive efficiency, the reduction in energy consumption, and the increase of the safety level and environmental protection. It should also be noted that the financial year under review saw the completion of the following works: the modernisation of the continuous casting furnaces at Pieve Emanuele with an investment of € some 1.3 million, and the revamping of the rolling mill for further € 0.5 million.

The transfer from assets under construction mainly referred to the above-mentioned investments.

Impairment of assets

As required by the accounting principles, the Directors assessed, at the reference date of the financial statements, whether there was any indication that an asset or a cash generating unit may be impaired.
After considering the economic trend, the Directors have-drawn up a five-year financial plan for the period 2024-2028 to assess the recoverability of the value of the assets recorded in the financial statements.
On the basis of the estimated future cash flows on a timescale of five years, it has been deemed that the recorded values can be recovered and therefore no impairment will be made.

Revaluation/write-down of property, plant and equipment

It should be noted that in the 2009 financial year, pursuant to Legislative Decree 185/2008, land was revalued by € 12,060,895 and buildings were written-down by € 2,046,662.

Finance lease transactions

The Company, in the financial year, purchased desktops and laptops through finance lease contracts.
The following table shows the information required by the Legislator in order to represent, though on a non-accounting basis, the implications deriving from a different accounting method versus the financial one, where, the lessee would recognise the leased asset as non-current assets and would calculate on this asset the related depreciation charge, while at the same time it would recognise the payable for the capital quota of the lease payments. In this case, the interest expense and the depreciation charge for the year would be recorded in the Income Statement.

	Amount
Total amount of the assets under finance lease at the end of the year	120,033
Depreciation that would have been incurred in the year	27,666
Current value of the instalments not past due at the end of the year	85,606
Current value of the final redemption price at the end of the year	
Financial charges for the year on the basis of the real rate of interest	1,627

Effect on shareholders' equity	
a) Outstanding contracts	
Assets under finance lease at the end of prior year	50,330
- depreciation	(7,578)
Total assets under finance lease at the end of prior year, net of depreciation	**42,752**
+ Assets under finance lease during the year	69,703
- Depreciation charges for the year	(27,666)
Assets under finance lease at the end of the year, net of depreciation equal to €	**84,789**
b) Redeemed assets	0
c) Prepaid expenses	0
Total assets	**84,789**
c) Liabilities	
Prior-year effect on equity	
Implicit payables for finance lease transactions at the end of prior year	42,983
+ Implicit payables arisen during the year	69,703
- Decreases for repayment of principal during the year	(27,080)
d) Implicit payables for finance leases at the end of the year	**85,606**
e) Total pre-tax effect at the end of the year	(817)
f) Net tax effect (24%+3.90% on depreciation)	7,719
g) Effect on shareholders' equity at the end of the year (d-e)	**86,423**

Effect on Income Statement	
Reversal of instalments on finance lease transactions	0
Recognition of financial charges on finance leases	1,627
Recognition of depreciation charges for the year on outstanding contracts	27,666
Effect on pre-tax profit	**29,293**
Reporting of the tax effect (24%+3.9%)	7,719
Effect on the result for the year of the recognition of finance leases using the finance method	**37,012**

Financial assets

Equity investments

The equity investments recorded under financial assets amounted to € 2,522 and were unchanged from the prior year.
In compliance with Art. 2427 bis of the Italian Civil Code, the fair value of equity investments in other companies could not be determined reliably on the basis of the information at disposal. However, it should be specified that these equity investments were not material and could not generate significant impacts on the Company's earnings, capital and financial position.
The outstanding equity investments referred to Consorzio Conai, Consorzio Imballaggi Alluminio.

Trade and other receivables

The amounts due from others included under financial assets were equal to € 403,908, unchanged from the previous financial year.

CURRENT ASSETS

Inventories

The inventories included under current assets amounted to € 57,511,840 (€ 56,623,483 in the previous financial year).

The break-down and changes in individual items are shown below:

	Opening balance	Closing balance	Change
Raw materials, supplies & consumables	10,316,165	14,060,009	3,743,845
Work in progress and semi-finished products	26,691,125	21,683,507	(5,007,618)
Finished products and goods for resale	19,616,193	21,768,324	2,152,131
Total	**56,623,483**	**57,511,840**	**888,357**

The change in inventories was due to the reduction in the material of semi-finished products, partially offset by the increase in raw materials and finished products. The added value in all the inventory categories was linked to the increases in the price of raw materials and to production costs, where the price increases of both natural gas and electric power had a greater impact.

Receivables

The receivables included under current assets amounted to € 32,468,344 (€ 40,439,197 in the previous financial year).

The break-down is shown below:

	Nominal value	Provision for doubtful accounts	Net closing balance	Net opening balance	Change
Trade receivables within 12 months	20,890,275	194,794	20,695,481	26,534,609	(5,839,128)
Due from parent companies – within 12 months	18,927	0	18,927	335,260	(316,333)
Due from companies under the control of parent companies within 12 months	6,345,640	0	6,345,640	4,628,489	1,717,151
Tax receivables within 12 months	1,169,234	0	1,169,234	138,538	1,030,696
Tax receivables after 12 months	1,771,668	0	1,771,668	3,351,024	(1,579,356)
Due from others within 12 months	2,467,394		2,467,394	5,451,277	(2,983,883)
Total	**32,663,138**	**194,794**	**32,468,344**	**40,439,197**	**(7,970,853)**

The item “Trade receivables” consists of the following:

	Opening balance	Closing balance	Change
Receivables from customers / Unaccepted orders to pay	26,740,558	20,695,481	(6,045,077)
Doubtful receivables	4,293	194,794	190,501
Provision for doubtful accounts – trade	(210,242)	(194,794)	15,448
Total	**26,534,609**	**20,695,481**	**(5,839,128)**

It should be noted that trade receivables have been shown net of the assignment of receivables without recourse; the assigned receivables amounted to € 21,432 thousand at 31 March 2023 (€ 30,314 thousand in the previous financial year).

The decrease in the item “Trade receivables from customers/unaccepted orders to pay” has been due to lower volumes compared to the previous year that also affected the decrease in receivables assigned to factoring companies.

The provision for doubtful accounts showed the following movement in the course of the financial year:

Opening balance	**210.242**
Utilisation	(27,668)
Charge	12,220
Closing balance	**194,794**

The item “Due from parent companies” referred to R&D services and is detailed in the Directors’ Report.
The item “Due from companies under the control of parent companies” referred to recharges of costs related to administrative and management services and to sales of semi-finished products to the companies under the control of parent companies, and are detailed in the Directors’ Report.
“Tax receivables after 12 months” reflected: the taxes paid in the previous financial years resulting from the disputes with the Revenue Authorities pertaining to FY 2005 and FY 2007 for a total of € 1,052,178, from the disputes pertaining to the FY 2014 for € 177,317, to the FY 2016 for € 44,961, to the FY 2017 for € 43,982, to the FY 2018 for € 39,838 (paid in the year), to the FY 2019 for € 54,136 (paid in the year); the ACE receivable to be used (Aiuto alla Crescita Economica i.e. allowance for corporate equity), equal to € 96,960; and the tax credit for investments in capital equipment, pursuant to Law 160/2019 and Law 178/2020, equal to € 262,296.

The item “Due from others” consists of the following:

	Opening balance	Closing balance	Change
Receivables from factoring companies	5,427,244	2,406,194	(3,021,050)
Receivables from employees	21,323	13,574	(7,749)
Receivables from social-security institutions	2,710	47,626	44,916
Total	**5,451,277**	**2,467,394**	**(2,983,883)**

Receivables – break-down by maturity dates

Below is the break-down of the receivables by maturity dates, pursuant to Art. 2427, para. 1 point 6 of the Italian Civil Code:

	Within 12 months	After 12 months	Total
Trade receivables	20,695,481		20,695,481
Due from parent companies	18,927		18,927
Due from companies under the control of parent companies	6,345,640		6,345,640
Tax receivables	1,169,234	1,771,668	2,940,902
Due from others	2,467,394		2,467,394
Total	**30,696,676**	**1,771,668**	**32,468,344**

At 31 March 2023, there were no receivables with maturity after 5 years.

Receivables – break-down by geographical area

Below is the break-down of the receivables included under current assets by geographical area, pursuant to Art. 2427, para. 1 point 6 of the Italian Civil Code:

	Italy	Other EU countries	Rest of Europe	Other	Total
Trade receivables	13,540,591	7,028,741	126,149		20,695,481
Due from parent companies				18,927	18,927
Due from companies under the control of parent companies		1,320,396	5,013,135	12,109	6,345,640
Tax receivables	2,940,902				2,940,902
Due from others	61,200	2,406,194			2,467,394
Total	**16,542,693**	**10,755,331**	**5,139,284**	**31,036**	**32,468,344**

Current financial assets

The item, equal to € 326,226 (€ 22,360,585 in the previous financial year) is broken-down as follows:

	Opening balance	Closing balance	Change
Financial derivative instruments	6,152,154	326,226	(5,825,928)
Financial assets for centralised treasury management from companies under the control of the parent companies	16,208,431	-	(16,208,431)
Total	**22,360,585**	**326,226**	**(22,034,359)**

The item "Financial derivative instruments" reflected the valuation of financial derivative instruments with a positive *fair value*, entered into with Novelis AG for € 326,226. For further information, please refer to the section "Financial instruments" in Other information.

It should be pointed out that, compared to the previous financial year, the cash pooling balance was negative at 31 March 2023 and was then reclassified among the item D) 11) bis) "Due to companies under the control of parent companies".

Cash and cash equivalents

The cash and cash equivalents included in current assets totalled € 4,716,187 (€ 7,302,326 in the previous financial year). The balance included € 4,636,216, not available as a consequence of the factoring contract.

ACCRUED INCOME AND PREPAID EXPENSES

Accrued income and prepaid expenses amounted to € 621,380 (€ 262,236 in the previous financial year). This item includes portions of income and expenses relative to periods prior or subsequent to their numerical manifestation; leaving aside the date of payment or collection of the related income and charges, common to two or more years and distributable on the basis of time.

At 31 March 2023, there were no accruals and deferrals with a duration of more than five years.

The break-down and changes in individual items are shown below:

	Opening balance	Closing balance	Change
Prepaid expenses – insurance	86,045	422,278	336,233
Prepaid expenses - EDP costs	41,735	53,889	12,154
Prepaid expenses – commercial information	14,326	14,326	0
Sundry	120,130	130,887	10,757
Total	**262,236**	**621,380**	**359,144**

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

The Shareholders' equity at the end of the financial year was equal to € 68,435,229 (€ 77,723,311 in the previous financial year).

The changes in Shareholders' equity are provided in the following table:

	Share capital	Legal reserve	Other reserves	Retained earnings (accum. losses) carried forward	Net income (loss) for the year	Total
31 March 2020	**53,856,000**	**0**	**10,000,000**	**(54,788)**	**(3,461,116)**	**60,340,096**
Allocation of the result				(3,461,116)	3,461,116	0
Result for the year 2020/21					7,100,532	7,100,532
31 March 2021	**53,856,000**	**0**	**10,000,000**	**(3,515,904)**	**7,100,532**	**67,440,628**
Allocation of the result		355,027		6,745,505	(7,100,532)	0
Result for the year 2021/22					10,282,683	10,282,683
31 March 2022	**53,856,000**	**355,027**	**10,000,000**	**3,229,601**	**10,282,683**	**77,723,311**
Allocation of the result		514,130		9,768,553	(10,282,683)	0
Result for the year 2022/23					(9,288,082)	(9,288,082)
31 March 2023	**53,856,000**	**869,157**	**10,000,000**	**12,998,154**	**(9,288,082)**	**68,435,229**

The Shareholders' meeting of 29 April 2022 resolved that the net income for the year of € 10,282,683 be allocated for € 514,130 to legal reserve replenishment and the remaining part was carried forward.

Availability and utilisation of the Shareholders' equity items

Below is given the information required by Art. 2427 point 7-bis of the Italian Civil Code regarding the Shareholders' equity items, broken-down by origin, possibility of utilisation, possibility of distribution and the uses made in the previous financial years:

Description	Amount	Possible utilisation (*)	Available portion	Distributions made in the 3 previous periods for loss coverage	Distributions made in the 3 previous periods for other reasons
Share capital	53,856,000			(42,144,000)	0
Legal reserve	869,157	B	869,157		0
Other reserves	10,000,000	A,B	10,000,000	(656,109)	0
Retained earnings (accum, losses) carried forward	12,998,154	A,B,C	12,998,154	42,800,109	0
Total	**77,723,311**		**23,867,311**	**0**	
Non-distributable portion			**10,000,000**		
Remaining non-distributable portion			**13,867,311**		

(*) A = for capital increase; B = for loss coverage; C = for distribution to shareholders

Below is provided the information required by Art. 2427, point 17 of the Italian Civil Code relating to the data on the shares making up the Company's share capital, the number and the nominal value of the shares subscribed in the year:

:

Description	Nominal value	Number of shares at the beginning of financial year	Value of shares at the end of financial year
Ordinary shares	1,000	60,000	561
Preferred shares	1,000	36,000	561
Total	**1,000**	**96,000**	**561**

With deed of 31 March 2021, the Shareholders Novelis Deutschland GmbH and Novelis Europe Holdings Limited gave as pledge the Company's shares in favour of third parties lenders, for a value of € 53,856,000.

PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges were recorded under liabilities for € 4,168,068 (€ 2,931,894 in the previous financial year).

The break-down and changes in individual items are shown below:

Description	Opening balance	Charge for the year	Utilisation	Closing balance
Retirement benefit obligations	417,540	10,432	-	427,972
Derivative liabilities	2,216,339	304,054	-	2,520,393
Others:				
Provision for sales returns	81,080	69,562	81,080	69,562
Provision for restructuring	-	40,664	40,664	-
Provision for sundry risks	216,935	933,206	-	1,150,141
Total	**2,931,894**	**1,357,918**	**121,744**	**4,168,068**

The item "Retirement benefit obligations" was made up by the provisions to cover indemnities in case of termination of agency relationship.

The item "Derivative liabilities", equal to € 2,520,393, reflected the valuation of derivative contracts with a negative *fair value*, entered into with Novelis AG. For further information, please refer to the section "Financial instruments" in Other information.

The "Provision for sales returns" reflected the estimate of the liabilities deriving from the credit notes that the Company shall issue against the return goods for sundry complaints.

The charge, relating to the "Provision for restructuring" for costs of unemployment benefits deriving from the agreements made, was set aside and utilised in the course of the financial year.

The "Provision for sundry risks" reflected the amounts set aside to cover the disputes under way at the closing date of the financial statements.

STAFF LEAVING INDEMNITY (TFR)

The staff leaving indemnity was recognised under liabilities for a total amount of € 2,179,936 (€ 2,179,926 in the previous financial year).

The changes of the item are shown below:

Description	Opening balance	Charge for the year	Utilisation	Transfers to pension funds	Closing balance
Staff leaving indemnity	2,179,926	1,411,337	156,167	1,255,160	2,179,936

The transfer to the pension funds took place in compliance with the regulations in force (Law no. 296 of 27 December 2007).

PAYABLES

Payables were recorded under liabilities for a total of € 81,191,163 (€ 103,862,877 in the previous financial year).

The break-down of the individual items is shown as follows:

	Opening balance	Closing balance	Change
Other financial debt – factoring	7,223,978	4,636,216	(2,587,762)
Trade payables	38,309,476	27,495,728	(10,813,748)
Due to parent companies	-	56,296	56,296
Due to companies under the control of parent companies	52,083,132	42,781,997	(9,301,135)
Tax payable	1,730,812	1,208,439	(522,373)
Due to insurance and pension institutes	1,255,820	1,192,985	(62,835)
Other payables	3,259,659	3,819,502	559,843
Total	**103,862,877**	**81,191,163**	**(22,671,714)**

The item “Other financial debt” reflected the payable for collections to be transferred to the factoring company.

“Trade payables” were stated net of trade discounts; cash discounts were instead recorded upon payment. The nominal value of these payables has been adjusted, on the occasion of returns or rebates (invoicing adjustments), to the amount set with the counterpart.

The item “Due to companies under the control of parent companies”, equal to € 42,781,997, is composed by:

	Opening balance	Closing balance	Change
Cash pooling payables to companies under the control of parent companies	-	33,128,511	33,128,511
Due to companies under the control of parent companies	52,083,132	9,653,486	(42,429,646)
Total	**52,083,132**	**42,781,997**	**(9,301,135)**

Since October 2011 the Company has been adhering to the group cash-pooling managed by the related concern Novelis AG. It should be noted that at 31 March 2022 the related balance was positive (€16,208,431) and therefore was reclassified among "Financial assets for centralised treasury management from companies under the control of the parent companies”. The cash-pooling balance at 31 March 2023 was negative for € 33,128,511.
The related credits and debits have been remunerated at market rates and governed by a specific contract.
Due to parent companies and due to companies under the control of the latter are detailed in the Directors’ Report.

In the item “Tax payable within 12 months” were recorded payables to Tax authorities for source withheld taxes, the VAT payable and IRAP *(Regional tax on productive activities)* payable.

The item “Other payables” consists of:

	Opening balance	Closing balance	Change
Payables to employees for vacations accrued, year-end bonus, fourteenth-month pay, bonuses	2,518,080	2,999,537	481,457
Others	627,914	725,845	97,931
Payables towards Statutory Auditors for emoluments	113,665	94,120	(19,545)
Total	**3,259,659**	**3,819,502**	**559,843**

Payables – break-down by maturity dates

Below is the break-down of payables by maturity dates, pursuant to Art. 2427, para. 1 point 6 of the Italian Civil Code:

	Within 12 months	Total
Other financial debt	4,636,216	4,636,216
Trade payables	27,495,728	27,495,728
Due to parent companies	56,296	56,296
Due to companies under the control of parent companies	42,781,997	42,781,997
Tax payable	1,208,439	1,208,439
Due to insurance and pension institutes	1,192,985	1,192,985
Other payables	3,819,502	3,819,502
Total	**81,191,163**	**81,191,163**

Payables – break-down by geographical area

Below is the break-down of payables by geographical area, pursuant to Art. 2427, para. 1 point 6 of the Italian Civil Code:

Description	Italy	Other EU countries	Rest of Europe	Africa and Middle East	Others	Total
Other financial debt		4,636,216				4,636,216
Trade payables	20,236,353	4,747,796	68,843	2,442,736		27,495,728
Due to parent companies					56,296	56,296
Due to companies under the control of parent companies		5,525,004	37,529,993			42,781,997
Tax payable	1,208,439					1,208,439
Due to insurance and pension institutes	1,192,985					1,192,985
Other payables	3,819,502					3,819,502
Total	**26,457,279**	**14,636,016**	**37,598,836**	**2,442,736**	**56,296**	**81,191,163**

ACCRUED LIABILITY AND DEFERRED INCOME

Accrued liability and deferred income amounted to € 447,286 (€ 623,015 in the previous financial year) and included the part of the tax credit that can be used in subsequent years, as regards investments in capital equipment.
All accruals and deferrals have a duration of more than 5 years.

INCOME STATEMENT

For the comments on the trend of operating income and expenses, please refer to the Directors' Report.

VALUE OF PRODUCTION

	Prior period	Current period	Change
1) Revenues from sales and rendering of services	301,373,293	315,762,021	14,388,728
2) Change in inventories of work in progress, semi-finished and finished products	12,662,009	(2,855,487)	(15,517,496)
Total other revenues and income	1,187,406	1,552,165	364,759
Total	**315,222,708**	**314,458,699**	**(764,009)**

Revenues from sales and rendering of services – Break-down by type of activities

The following table contains the break-down of revenues by type of activities in accordance with Art. 2427, para. 1, point 10 of the Italian Civil Code:

	Prior Period	Current period	Change
Sale of products	294,397,202	308,929,250	14,532,048
Sale of goods	6,975,811	6,832,711	(143,100)
Sale of ancillary materials	280	60	(220)
Total	**301,373,293**	**315,762,021**	**14,388,728**

The positive change in revenues, even if with lower sales volumes, was due to the increase in the sales prices, which have been adjusted with the objective to offset the increase in the purchase prices of raw materials and energy.

Revenues from sales and rendering of services - Break-down by geographical area

The following table contains the break-down of revenues by geographical area in accordance with Art. 2427, para. 1, point 10 of the Italian Civil Code:

	Prior Period	Current period	Change
Italy	112,347,363	133,582,600	21,235,237
Other EU countries	180,736,297	174,585,528	(6,150,769)
Rest of Europe	6,720,023	5,983,460	(736,564)
Africa and Middle East	1,012,369	852,230	(160,139)
Asia	69,629	104,792	35,163
North America and Canada	487,611	653,411	165,800
Total	**301,373,293**	**315,762,021**	**14,388,728**

Intra-group sales are outlined in the Directors' Report.

Other revenues and income

Other revenues and income were recorded under Value of production in the Income Statement for a total of € 1,552,165 (€ 1,187,406 in the previous financial year).

The break-down of the individual items is shown below:

	Prior Period	Current period	Change
Services to Group companies	793,589	1,031,718	238,129
Reimbursement of expenses	60,400	58,627	(1,773)
Grants related to income	10,285	10,706	421
Prior-year over-accruals	166,693	216,007	49,314
Sundry revenues and income	156,439	235,107	78,668
Total	**1,187,406**	**1,552,165**	**364,759**

PRODUCTION COSTS

	Prior Period	Current period	Change
Raw, ancillary and consumable materials	237,672,334	242,742,165	5,069,831
Costs of services	35,345,787	40,481,033	5,135,246
Leases and rentals	1,002,048	1,039,485	37,437
Wages and salaries	18,116,817	18,767,342	650,525
Social security contributions	6,645,474	6,872,836	227,362
Staff leaving indemnity	1,314,862	1,411,337	96,475
Other personnel costs	883,924	920,216	36,292
Amortisation of intangible assets	24,106	32,463	8,357
Depreciation of property, plant and equipment	7,032,353	6,381,188	(651,165)
Write-downs of receivables included under current assets	28,034	12,220	(15,814)
Change in inventories of raw materials	(2,724,963)	(3,743,845)	(1,018,882)
Provisions for risks	0	933,206	933,206
Other operating expenses	678,139	2,195,388	1,517,249
Total	**306,018,915**	**318,045,034**	**12,026,119**

Raw, ancillary and consumable materials

The item “Raw, ancillary and consumable materials” included the purchases with the Group companies (Novelis Deutschland GMBH, Novelis Switzerland SA, Novelis Koblenz GmbH and Novelis PAE), as reported in the Directors’ Report.

Costs of services

Costs of services were recognised under Production costs in the Income Statement for a total of € 40,481,033 (€ 35,345,787 in the previous financial year).

The break-down of the item is as follows:

	Prior period	Current period	Change
Purchases of services	3,586,412	3,522,255	(64,157)
Transport	5,392,706	5,352,103	(40,603)
External processes	2,121,249	2,251,357	130,108
Electric power	5,554,617	5,943,831	389,214
Gas	4,456,161	5,571,581	1,115,420
Water	206,373	183,744	(22,629)
Maintenance and repair costs	3,805,793	4,078,625	272,832
Technical counselling and services	101,458	67,779	(33,679)
Emoluments to Statutory Auditors and Independent Auditors	121,040	122,540	1,500
Commission expense	428,092	475,588	47,496
Advertising	18,717	11,257	(7,460)
Legal expenses and advice	57,823	65,000	7,177
Tax, administrative and commercial advice	153,393	185,242	31,849
Telephone expenses	31,718	11,882	(19,836)
Insurance	775,089	739,509	(35,580)
Travelling expenses	73,567	268,199	194,632
Refresher and training expenses	42,130	81,121	38,991
Charge for termination of agency relationships	7,745	10,432	2,687
Other	8,411,704	11,538,988	3,127,284
Total	**35,345,787**	**40,481,033**	**5,135,246**

The item “Other” included the services supplied by the Group companies, as outlined in the Directors’ Report.

Leases and rentals

Leases and rentals were recognised under Production costs in the Income Statement for a total of € 1,039,485 (€ 1,002,048 in the previous financial year).

The break-down of the items is shown below:

	Prior period	Current period	Change
Rents and leases	259,938	281,306	21,368
Leasing	742,110	758,179	16,069
Total	**1,002,048**	**1,039,485**	**37,437**

Personnel costs

Personnel costs were recognised under Production costs in the Income Statement for a total of € 27,971,731 (€ 26,961,077 in the previous financial year).

This item comprised all subordinate employee costs, including merit payments, promotions, cost-of-living increases, cost of untaken holidays and provisions allocated as required by law, as well as collective agreements.

Amortisation and depreciation

Amortisation of intangible assets and depreciation of property, plant and equipment were recorded under Production costs in the Income Statement for a total of € 6,413,651 (€ 7,056,459 in the previous financial year).
As to depreciation, take note that it has been calculated based on the asset's useful life and its use in the production phase.

Other operating income

Other operating expenses were recognised under Production costs in the Income Statement for € 2,195,388 (€ 678,139 in the previous financial year).

The break-down of the item is shown below:

	Prior period	Current period	Change
Stamp duties	947	172	(775)
ICI/IMU (Local property tax)	400,508	408,497	7,989
Registration tax	1,032	1,983	951
Non-deductible VAT	0	509,722	509,722
Chamber of Commerce dues	3,674	4,313	639
Losses on receivables	(4,234)	0	4,234
Prior-year charges and losses	201,801	506,527	304,726
Non-financial capital losses	8,040	83,219	75,179
Miscellaneous	66,371	680,955	614,584
Total	**678,139**	**2,195,388**	**1,517,249**

FINANCIAL INCOME AD CHARGES

Interest and other financial charges

The following table contains the analysis of "Interest and other financial charges" in accordance with Art. 2427, para. 1, point 12 of the Italian Civil Code:

	Prior Period	Current period	Change
Related to companies under the control of parent companies	3,345	629,623	626,278
Others:			
Related to bank borrowings	156	239	83
Other charges	204,121	560,234	356,113
Total	**207,622**	**1,190,096**	**982,474**

Interest related to the companies under the control of parent companies reflected the cash-pooling debit position, while other financial charges referred to interest and fees related to factoring.

Exchange gains and losses

Below is given the information regarding the break-down of exchange gains and losses deriving from valuation at year-end and those actually realised:

	Prior period	Current period	Change
Exchange gains	64,221	191,259	127,038
Exchange losses	59,003	268,329	209,326
Total	**5,218**	**(77,070)**	**(82,288)**

CURRENT AND DEFERRED INCOME TAXES FOR THE YEAR

The composition of the individual items is tabled below:

	Prior period	Current period	Change
Current taxes:			
IRES *(Corporate Income Tax)*			0
IRAP *(Regional tax on productive activities)*	864,245	(8,367)	(872,612)
Prior years' taxes	(8,974)	327,047	336,021
Total	**855,271**	**318,680**	**(536,591)**

It should be pointed out that prior years' taxes, equal to € 327,047, referred to a tax assessment on the 2007 fiscal year. For more information, please see the paragraph “Contingent liabilities” in Other information.

Deferred taxation

It should be mentioned that no deferred tax assets or liabilities were recognised in these Financial Statements.

However, for the sake of providing complete information, below are tabled theoretical deferred tax assets and liabilities (i.e. not recognised in the financial statements) according to the schedule proposed by OIC.

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Theoretical deferred tax assets and liabilities and related effects

Description	Temporary differences at the beginning of the year	Tax decreases	Tax increases	Temporary differences at the end of the year	Theoretical fiscal effect on final temporary differences	
					IRES 24%	IRAP 3.90%
Deferred tax assets:						
Provisions for risks and charges and other temporary changes	165,197	(231,427)	289,736	223,506	53,641	2,415
Costs fiscally deductible in future financial years	41,676	(11,383)	32,791	63,084	15,140	2,460
Provision for doubtful accounts	182,208	-	-	182,208	43,730	-
TOTAL DEFERRED TAX ASSETS	**389,081**	**(242,810)**	**322,527**	**468,798**	**112,511**	**4,875**
Deferred tax liabilities:						
Revaluation	12,060,894	-	-	12,060,894	(2,894,615)	(470,375)
TOTAL DEFERRED TAX LIABILITIES	**12,060,894**	**-**	**-**	**12,060,894**	**(2,894,615)**	**(470,375)**
TOTAL NET	**(11,671,813)**	**(242,810)**	**322,527**	**(11,592,096)**	**(2,782,104)**	**(465,500)**
Tax losses that can be carried forward:						
Tax losses available to a limited extent	16,552,170	(102,371)	6,845,315	23,295,114	5,590,827	-
Tax losses available to a full extent	3,899,741	(25,593)	-	3,874,148	929,796	-
Total tax losses that can be carried forward	**20,451,911**	**(127,964)**	**6,845,315**	**27,169,262**	**6,520,623**	**-**

With regard to the movement of the tax losses, that can be carried forward, it should be noted the following.

The increase in "tax losses available to a limited extent", equal to € 6,742,944 is composed by:
- € 6,845,315, equal to the tax losses emerged in the current tax period;
- € -102,371 as adjustment made in the tax-return (Unico 2022) on the prior fiscal year's tax losses.

The decrease in "tax losses available to a full extent", equal to € 25,593, reflected the adjustment made in the tax-return (Unico 2022) on the prior fiscal year's tax losses.

Deferred tax assets

Deferred tax assets were not recognised for prudential reasons in the amount of € 117,386 (made up of € 112,511 and € 4,875).

With regard to "total tax losses that can be carried forward" shown in the schedule, it should be noted that no deferred tax assets (equal to € 6,520,623) were recognised for prudential reasons, though they can be carried forward without timing limitation.

Deferred tax liabilities

The Company did not recognise deferred tax liabilities for € 3,364,990 (sum made up of € 2,894,615 and € 470,375), in relation to the revaluation made, pursuant to Legislative Decree 185/2008, on the revalued land, since there are no the conditions relative to the taxation of the same.

Tax charge reconciliation

In order to allow a reconciliation between the tax charge from the accounts and the theoretical tax charge, in accordance with the appropriate accounting principles (OIC document no. 25) below are reported the differences relevant for IRES and IRAP purposes.

RECONCILIATION BETWEEN TAX CHARGE FROM THE ACCOUNTS AND THEORETICAL TAX CHARGE (IRAP)			
Difference between production value and cost		**(3,586,335)**	
Costs not relevant for Irap purposes	28,917,157		
Total		**25,330,822**	
Theoretical tax charge (3.9% tax rate)			987,902
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	72,911		
Other costs	32,791		
Tot.		105,702	
- Taxable in subsequent years:			
Tot.		-	
Reversal from previous years:			
Release from provision for risks and charges	(116,136)		
Release from other provisions	(14,732)		
Tot.		(130,868)	
Permanent differences:			
- For the year:			
Losses on receivables	27,669		
IMU (Municipal property tax)	370,712		
Other non-deductible items	237,813		
Other non-deductible costs	632,865		
Other decreases	(450,314)		
Tot.		818,745	
Gross taxable income (tax loss)		**26,124,401**	
Tax wedge	(25,538,938)		
Net taxable income		**585,463**	
Current IRAP tax for the period			**22,833**
		Tax rate 1.3% to 24%	
ACE receivables (amounts paid-in for future capital increase)	10,000,000	(31,200)	
ACE receivable that can be used			**(22,833)**
Total IRAP tax for the period			**-**

RECONCILIATION BETWEEN TAX CHARGE FROM THE ACCOUNTS AND THEORETICAL TAX CHARGE (IRES)			
Pre-tax result (loss)		**(9,288,082)**	
Theoretical tax charge (27.5% tax rate)			**-**
Temporary differences:			
- Deductible in subsequent years:			
Charge to the provision for risks and charges	289,736		
Charge to the provision for doubtful accounts	-		
Other costs	32,791		
		322,527	
- Taxable in subsequent years:			
Tot.		-	
Reversal from previous years:			
Release from provision for risks and charges	(242,810)		
Release from provision for doubtful accounts	0		
Tot.	-	(242,810)	
Permanent differences:			
- For the year :			
Non-deductible amortisation/depreciation	838,593		
Telephone expenses	16,638		
Travelling expenses	40,230		
Non-deductible tax and duties	218,421		
Prior-year operating costs	1,654,052		
Other non-deductible costs			
Staff indemnity leaving (TFR)	(50,264)		
Prior years' taxes	108,626		
10% Irap deduction	(83,151)		
Deductible Irap related to personnel costs	(101,525)		
Income taxes for the year	22,833		
Other decreases	(301,403)		
Tot.		2,363,050	
Gross taxable income (tax loss)		**(6,845,315)**	
Tax losses that can be carried forward from prior years	20,323,947		
Net taxable income (tax losses that can be carried forward)		**(27,169,262)**	
Current IRES income tax for the year			**-**

OTHER INFORMATION

Employment data

The average size of the Company's workforce, broken-down by category, recorded the following changes compared to the previous financial year:

Staff	FY 2023	FY 2022
Executives	7	6
Office workers	133	132
Manual workers	240	234
Fixed-term contracts (manual workers)	29	24
Fixed-term contracts (employees)	3	1
Total	**412**	**397**

The relevant national labour contract in force is the contract applicable to the metal and mechanical industry.

Remuneration to the Corporate bodies

The compensation given to the Board of Statutory Auditors was equal to € 66,040.
Directors were not entitled to any compensation being all employed by the Novelis Group.

Fees to the auditing firm

In compliance with Art. 2427 para. 1, point 16 bis of the Italian Civil Code, the fees due to the auditing firm, concerning the legal audit of the annual accounts, amounted to € 53,000.

Information on exceptional costs and revenues

The Company, in the course of the financial year, did not record any exceptional costs and revenues as contemplated by Art. 2427, para. 1, point 13 of the Italian Civil Code.

Financial instruments

Pursuant to Art. 2427-bis, para. 1, point 1) of the Italian Civil Code, below are provided the fair value and the information on the entity and nature of the outstanding transactions related to the exchange rate risk management and to the metal price risk management (Fixed Forward Price):

Type of contract	Currency	Amount in currency	Amount in Euro	Positive FV in Euro	Negative FV in Euro	Total FV in Euro
Purchase	USD	46,829,161	43,061,297	15,879	(849,786)	(833,906)
Sale	USD	6,363,020	7,237,284	156,352	(45,932)	110,421
Sale	GBP	155,757	177,158	-	(1,471)	(1,471)
				172,232	**(897,189)**	**(724,957)**
Type of contract	**Tons**	**Amount in currency (USD)**	**Amount in Euro**	**Positive FV in Euro**	**Negative FV in Euro**	**Total FV in Euro**
Purchase of metal	17,193	43,544,356	40,040,787	**153,994**	**(1,623,204)**	**(1,469,210)**

The counterpart of the above-mentioned transactions is the company Novelis AG, which is subject to the control of the parent companies.

Positive and negative balances related to the forward contracts outstanding at 31 March 2023 and valued as hedging instruments were recorded respectively in the Balance Sheet items “Derivative assets” under Current financial assets and “Derivative liabilities” under Provisions for risks and charges.

Commitments and guarantees not resulting from the Balance Sheet

No commitments and guarantees not resulting from the Balance Sheet were recorded, except for the lease payments relating to the contracts entered into with CSI Lifecycle, as outlined below:

Contract number	Contract date	Expiration	Total payable	Payable within 12 months	Payable after 12 months
IT001	30/06/2021	01/06/2024	2,952	738	3,690
IT002	30/06/2021	01/06/2024	3,744	4,681	8,425
IT003	28/09/2021	01/09/2024	294	147	441
IT004	28/09/2021	01/09/2025	2,426	3,640	6,066
IT005	17/01/2022	01/12/2024	5,949	4,462	10,411
IT006	17/01/2022	01/06/2025	1,364	2,727	4,091
IT005JL	05/04/2022	01/08/2025	6,922	8,652	15,574
IT005-AP	21/09/2022	01/09/2025	4,728	6,698	11,426
IT005-OC	21/09/2022	01/09/2025	6,156	11,278	17,434
IT007-JA	30/09/2022	01/12/2025	3,798	6,647	10,445
		Total	**38,333**	**49,670**	**88,003**

Contingent liabilities

With regard to the main tax assessments received and to the pending litigation concerning direct and indirect taxes, it should be noted the following.

2005 taxable period (financial year closed as at 31 December 2005)

As already outlined in the Notes to the Financial Statements of the previous financial year, in the course of 2013, the Company was unsuccessful in the appeal – filed by the Revenue Authorities before the Milan Provincial Tax Commission – in relation to the notice of assessment for VAT pertaining to the 2005 taxable period (€ 263,853 plus interest and penalties); the requested amount was paid and recorded under item “Tax receivables”).

Against this judgment of second instance, the Company filed:

- an appeal to the Court of Cassation;
- an appeal for partial revocation to the Milan Provincial Tax Commission.

The Milan Provincial Tax Commission upheld the appeal for revocation of the judgment of second instance filed by the Company, thereby cancelling the notice of assessment in the amount of € 167,804 for taxes (plus any related interest and penalties). It should be noted that the revocation judgment in favour of the Company became final, given that the Revenue Authorities had not filed any appeal to the Court of Cassation within the deadline provided for by the law.

The judgment of the Commission was declared, on the basis of the opinion expressed by an expert, voidable for vices, which may be brought before the Court of Cassation.

Consequently, the Company – which in any case has been waiting for a hearing before the Court of Cassation – has not set aside any provisions for risks.

The Company completed the instalment payment plan for the amount not covered by the revocation and for which an appeal was made to the Court of Cassation.

The hearing before the Court of Cassation was held on 24 November 2021. The judgement, filed on 31 March 2022, has:

- confirmed the lower penalty of € 8,873;
- cancelled and postponed the decision over the higher penalty, equal to € 87,176, (related to the absence of the Single Administrative Document). The Company filed the required documentation to resume the suit before the Provincial Tax Commission for the Lombardy region on 13 July 2022. The hearing for the dispute was set for 19 December 2022. On 19 January 2023, the Court of Tax Justice of Second Degree filed judgement no. 212/2023, which upheld the appeal presented by the Company. The Revenue Authorities can challenge this judgement within 19 July 2023.

2007 taxable period (financial year closed as at 31 December 2007)

A notice of assessment for the 2007 taxable year was served in relation to the IRES tax (€ 841,043), IRAP tax (€ 108,626), VAT (€ 509,722), withholdings on interest (€ 17,825), as well as penalties and interest for €2,440,370.

With regard to this assessment, the Company filed an appeal to the Milan Provincial Tax Commission, which was upheld in full.

Against this favourable judgement, the Revenue Authorities appealed to the Milan Provincial Tax Commission. The Company thus appeared before the judge by presenting its counter-deductions to the Milan Provincial Tax Commission on 11 April 2014.

The judgement of second instance, unfavourable to the Company, was challenged before the Court of Cassation.

On 22 April 2015, the Company received a notice from Equitalia (*Italian State owned* tax *collection* agency) requiring a payment of € 2,227,601.

The Company filed an appeal to suspend the collection, which was instead rejected by the Milan Provincial Tax Commission.

Consequently, the Company paid by instalments the requested amounts, which have been recorded in the item “Tax receivables”, pending the judgment of the Court of Cassation, since the Company is deemed to have valid defensive arguments.
The hearing before the Tax Supreme Court was held on 24 November 2021 and the judgement was filed on 29 April 2022.

The judgement of the Court of Cassation was partially favourable. Specifically, the Court:

a) in relation to IRES and IRAP taxes, confirmed the assessment with reference to the higher taxable bases/taxes and penalties;

b) in relation to VAT, confirmed the higher tax, but postponed the matter relating to the re-determination of the penalties in compliance with the new VAT sanctioning rules (introduced by Art. 15 of Legislative Decree no. 158/2015).

With regard to point b), on 13 July 2022, the Company filed the required documentation to resume the judgement before the Provincial Tax Commission for the Lombardy region in order to re-examine the penalties applied in the notice of assessment.

On 19 January 2023, the Court of Tax Justice of Second Degree filed judgement no. 213/2023, which partially upheld the appeal presented by the Company (in relation to the request to enforce the penalty equal to 90% instead of the 100% applied during the assessment). On 27 March 2023, the Company challenged this judgement before the Court of Cassation, by requesting the Judges to apply the most favourable sanction (as provided for by the 2023 Budget Law), equal to 5% of the higher taxable income assessed.

<u>2013 calendar year (WITHHOLDINGS)</u>

On 3 August 2018, the Revenue Authorities served a notice of assessment concerning the non-application of withholdings on royalties for the 2013 calendar year for an amount of € 99,304, in addition to penalties (€120,158) and interest (€ 17,054). The Company appealed against the said notice of assessment. Pending the appeal, the Company, as provided for by the regulations in force, on 16 September 2019, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about € 42 thousand (recorded in the item "Tax receivables"). The hearing was held on 14 November 2019. The judgment no. 621, unfavourable to the Company, was filed on 21 February 2020. The Company filed an appeal against this judgement on 20 November 2020. The hearing for the dispute was set for 24 January 2022. The Provincial Tax Commission for the Lombardy region, on 18 February 2022, issued the judgement no. 576/2022, which partially upheld the appeal filed by the Company, stating that:

- for the period starting from 1 January 2013 to 30 September 2013, Novelis Services is not the actual beneficial owner of the royalties;
- for the period starting from 1 October 2013 to 31 December 2013 Novelis Services is the actual beneficial owner of the royalties.

The Company, in order to comply with the short lapse of time available for filing an appeal, notified the judgement on 17 March 2022. The Revenue Authorities filed an appeal to the Court of Cassation on 16 May 2022. The Company, on 27 May 2022, presented a counter-appeal with incidental appeal. The hearing for the dispute has not been set yet.

<u>2014 calendar year (WITHHOLDINGS)</u>

The Revenue Authorities served, on 18 July 2019, a notice of assessment concerning the non-application of withholdings on royalties for the 2014 calendar year for an amount of € 114,633, in addition to penalties (€ 138,706) and interest (€ 22,901). The Company appealed against the said notice of assessment. Pending the appeal, the Company, as provided for by the regulations in force, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about € 49 thousand (recorded in the item "Tax receivables"). The hearing for the dispute was held on 6 February 2020. On 4 August 2020, the Milan Provincial Tax Commission published the judgement no. 1534, in favour of the Company. Following the reimbursement obtained by the Company in June, the receivable was closed. The Revenue Authorities filed an appeal against this judgement on 18 February 2021. The Company presented its counter-deductions on 12 April 2021. The hearing for the dispute was set for 19 December 2022. On 19 January 2023, the Court of Tax Justice of Second Degree filed judgement no. 214/2023, in favour of the Company. The Revenue Authorities can challenge this judgement within 19 July 2023.

<u>2015 calendar year (WITHHOLDINGS)</u>

On 8 June 2020, the Revenue Authorities notified a questionnaire concerning the 2015 taxable year to the Company. Specifically, the Revenue Authorities asked for:

- documents relating to the withholdings on royalties paid during the 2015 calendar year to the related concern Novelis Services Ltd (based in the UK).

The Company produced all the documents requested by the Revenue Authorities on 8 July 2020.

Subsequently, on 23 April 2021, the Revenue Authorities served a notice of assessment concerning the non-application of withholdings on royalties for an amount of € 109,233, in addition to penalties (€ 132,172) and interest (€ 23,367), by questioning the status of beneficial owner held by Novelis Services UK (recipient of the royalties), as well as the validity of the documents produced, which certify the possession of the requirements for the enforcement of the Italy-UK agreement. The Company, as provided for by the regulations in force, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about €45 thousand (recorded in the item "Tax receivables").

The Company promptly filed an appeal on 18 June 2021. The hearing for the dispute was set for 18 March 2022. The Commission postponed the hearing to 6 May 2022. On 6 December 2022, the Court of Tax Justice of First Degree of Milan published judgement no. 3389/2022, in favour of the Company (which combines years 2015 and 2016). The Revenue Authorities filed an appeal on 18 January 2023. The Company appeared before the judge by presenting its counter-deductions. The hearing for the dispute has not been set yet.

2016 calendar year (WITHHOLDINGS)

On 8 March 2021, the Revenue Authorities notified a questionnaire concerning the 2016 taxable year to the Company. Specifically, the Revenue Authorities asked for:

- documents relating to the withholdings on royalties paid during the 2016 calendar year to the related concern Novelis Services Ltd (based in the UK).

The Company produced all the documents requested by the Revenue Authorities on 2 April 2021.
Subsequently, on 9 September 2021, the Revenue Authorities served a notice of assessment concerning the non-application of withholdings on royalties for an amount of € 112,085, in addition to penalties (€ 135,623) and interest (€ 18,830), by questioning the status of beneficial owner held by Novelis Services UK (recipient of the royalties), as well as the validity of the documents produced, which certify the possession of the requirements for the enforcement of the Italy-UK agreement. The Company, as provided for by the regulations in force, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about €44 thousand (recorded in the item "Tax receivables").
The Company filed an appeal. The hearing for the dispute was set for 18 March 2022. The Commission postponed the hearing to 6 May 2022. On 6 December 2022, the Court of Tax Justice of First Degree of Milan published judgement no. 3389/2022, in favour of the Company (which combines years 2015 and 2016). The Revenue Authorities filed an appeal on 18 January 2023. The Company appeared before the judge by presenting its counter-deductions. The hearing for the dispute has not been set yet.

2017 calendar year (WITHHOLDINGS)

On 8 February 2022, the Revenue Authorities notified a questionnaire concerning the 2017 taxable year. Specifically, the Revenue Authorities asked for:

- documents relating to the withholdings on royalties paid during the 2017 calendar year to the related concern Novelis Services Ltd (based in the UK).

The Company produced all the documents requested by the Revenue Authorities on 28 February 2022.
Subsequently, on 22 March 2022, the Revenue Authorities served a notice of assessment concerning the non-application of withholdings on royalties for an amount of € 103,263, in addition to penalties (€ 124,948) and interest (€ 15,481), by questioning the status of beneficial owner held by Novelis Services UK (recipient of the royalties), as well as the validity of the documents produced, which certify the possession of the requirements for the enforcement of the Italy-UK agreement. The Company, as provided for by the regulations in force, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about €40 thousand (recorded in the item "Tax receivables").

The Company filed an appeal on 19 May 2022. The debate took place on 18 October 2022. The Court of Tax Justice of First Degree issued the judgment (no. 3185/2022), in favour of the Company, on 21 November 2022. The Revenue Authorities filed an appeal on 19 January 2023. The Company filed an entry of appearance. The hearing for the dispute has not been scheduled yet.

2018 calendar year (WITHHOLDINGS)

On 8 February 2022, the Revenue Authorities notified a questionnaire concerning the 2018 taxable year. Specifically, the Revenue Authorities asked for:

- documents relating to the withholdings on royalties paid during the 2018 calendar year to the related concern Novelis Services Ltd (based in the UK).

The Company produced all the documents requested by the Revenue Authorities on 10 March 2022. Subsequently, on 11 July 2022, the Revenue Authorities served a notice of assessment concerning the non-application of withholdings on royalties for an amount of € 143,434, in addition to penalties (€ 173,555) and interest (€ 15,500), by questioning the status of beneficial owner held by Novelis Services UK (recipient of the royalties), as well as the validity of the documents produced, which certify the possession of the requirements for the enforcement of the Italy-UK agreement. The Company, as provided for by the regulations in force, paid 1/3 of the assessed tax plus interest and collecting fees for an amount of about €54 thousand (recorded in the item "Tax receivables").

The Company filed an appeal on 5 October 2022. The Court of Tax Justice of First Degree issued the judgment (no. 1285/2023), in favour of the Company, on 11 April 2023. The Revenue Authorities can file an appeal within 11 October 2023.

2019 calendar year (WITHHOLDINGS)

On 3 February 2023, the Revenue Authorities notified a questionnaire concerning the 2019 taxable year to the Company. Specifically, the Revenue Authorities asked for:

- documents relating to the withholdings on royalties paid during the 2019 calendar year to the related concern Novelis Services Ltd (based in the UK).

The Company produced all the documents requested by the Revenue Authorities according to the law.

Taxable period 01 April 2014 – 31 March 2015 (LOSSES)

Assessment 1

On 20 June 2018, the Company received a notice of assessment relating to the recalculation of the losses available to a full extent, reducing them from € 10,827,009 to € 4,226,768.
The Company filed an appeal, deeming this notice to be unfounded as it does not take into account the effects of the favourable judgment on the 2006 taxable year. The hearing for the dispute was held on 20 June 2019. During the hearing, the Revenue Authorities accepted a partial tax relief in respect of the assessment notice by acknowledging the losses relating to the 2006 dispute, which had ended in favour of the Company (with the judgment becoming final). The non-cancelled part of the notice (corresponding to €2,548,614 of losses) was discussed before the Judges. The Milan CTP (Expert appointed by the Party) issued the judgment on 21 October 2019, which stated:

- to terminate the dispute for the part already cancelled by the Revenue Authorities;
- to postpone the judgment on the remaining part (losses of € 2,548,614), pending the judgment of the Court of Cassation on the year 2007.

Assessment 2

On 25 July 2019, the Company received a new notice of assessment from the Revenue Authorities regarding the undue deduction of the depreciation charge for a negligible amount of some € 140. In the scope of this notice of assessment, the Office, while recalculating the accumulated losses, did not recognise € 2,548,614 of losses linked to the assessment referred to in the previous point.

The Company filed an appeal. The hearing for the dispute was held on 6 February 2020.

On 4 August 2020, the Milan Provincial Tax Commission published judgement no. 1534, in favour of the Company, whereby:

– it upheld the appeal relating to the depreciation charge of € 140;
– it postponed the judgement on the remaining part (losses of € 2,548,614) pending the judgment of the Court of Cassation on the year 2007.

The Revenue Authorities filed an appeal against this judgement on 18 February 2021. The Company presented its counter-deductions on 12 April 2021. The hearing for the dispute was set for 19 December 2022. On 19 January 2023, the Court of Tax Justice of Second Degree filed judgement no. 214/2023, favourable to the Company. The Revenue Authorities can challenge this judgement in the Court of Cassation within 19 July 2023.

Taxable period 01 April 2015 – 31 March 2016 (LOSSES)

On 8 October 2020, the Company received a new notice of assessment from the Revenue Authorities regarding the undue deduction of the depreciation charge for a negligible amount of some € 140. In the scope of this notice of assessment, the Office, while recalculating the accumulated losses, did not recognise € 2,548,614 of losses linked to Assessment 1 at point "Taxable period 01 April 2014 – 31 March 2015".

The Company presented an application for assessment with acceptance on 03 December 2020. Failing this attempt, the Company filed an appeal on 2 March 2021. On 4 June 2021, the Milan Provincial Tax Commission published the collegiate order no. 1564/2021, whereby it has suspended the judgement, while awaiting the judgement of the Court of Cassation in relation to the year 2007.

Taxable period 01 April 2016 – 31 March 2017 *(LOSSES)*

On 12 October 2020, the Company received a new notice of assessment from the Revenue Authorities regarding the undue deduction of the depreciation charge for a negligible amount of some € 140. In the scope of this notice of assessment, the Office, while recalculating the accumulated losses, did not recognise € 2,548,614 of losses linked to Assessment 1 at point "Taxable period 01 April 2014 – 31 March 2015".

The Company presented an application for assessment with acceptance on 03 December 2020. Failing this attempt, the Company filed an appeal on 5 March 2021. On 4 June 2021, the Milan Provincial Tax Commission published the collegiate order no. 1564/2021, whereby it has suspended the judgement, while awaiting the judgement of the Court of Cassation in relation to the year 2007.

Taxable period 01 April 2017 – 31 March 2018 *(LOSSES)*

On 14 June 2021, the Company received a new notice of assessment from the Revenue Authorities regarding the undue deduction of the depreciation charge for a negligible amount of some € 140. In the scope of this notice of assessment, the Office, while recalculating the accumulated losses, did not recognise € 2,548,614 of losses linked to Assessment 1 at point "Taxable period 01 April 2014 – 31 March 2015". The Company filed an appeal on 10 September 2021. Following the judgement issued by the Court of Cassation on 2007, the Milan Provincial Tax Commission, on 10 June 2022, postponed the judgement to 23 September 2022 awaiting a possible agreement between the parties. The Company filed some explanatory briefs in support of its position. On 28 December 2022, the Court of Tax Justice of First Degree of Milan published judgement no. 3715/2022 (partially) in favour of the Company. In particular the Commission, by partially upholding the appeal, declared to:

- accept the finding regarding the non-deductibility, for both IRES and IRAP tax purposes, of the cost deriving from the cancellation of € 140,00 (cost that had been capitalised by the Company in the tax period ended 31 March 2014);
- reject the finding regarding the reduction of the losses that can be used to a limited extent from € 39,614,042 to € 39,613,831;
- reject the finding regarding the reduction of the losses that can be used to a full extent from €10,381,350 to € 7,832,736 (adjustment of € 2,548,614). Specifically, the Judges agreed upon the Company's approach, according to which the adjustment of the losses that can be used to a full extent is limited to the amount of € 255,634, made up by the difference between €2,548,614.00 and € 2,292,980.00.

The Revenue Authorities can file an appeal within 28 June 2023.

Taxable period 01 April 2018 – 31 March 2019 (LOSSES)

On 14 June 2021, the Company received a new notice of assessment from the Revenue Authorities regarding the undue deduction of the depreciation charge for a negligible amount of some € 2,870. In the scope of this notice of assessment, the Office, while recalculating the accumulated losses, did not recognise € 2,548,614 of losses linked to Assessment 1 at point "Taxable period 01 April 2014 – 31 March 2015". The Company filed an appeal on 10 September 2021. The hearing for the dispute was set for 18 March 2022. The Commission postponed the hearing to 6 May 2022. On 5 December 2022, the Court of Tax Justice of First Degree of Milan published judgement no. 3379/2022 (partially) unfavourable to the Company. Specifically, the Commission, by partially upholding the appeal, declared to:

- reject the findings regarding the non-deductibility, for both IRES and IRAP tax purposes, of the cost deriving from the cancellation of € 2,870,00 (cost that had been capitalised by the Company in the tax period ended 31 March 2014), as well as the finding regarding the reduction of the losses that can be used to a limited extent from € 39,255,200 to € 39,255,060;
- accept the finding regarding the reduction of the losses that can be used to a full extent from €10,291,657 to € 7,743,043.

The Company is going to file an appeal within 5 June 2023.

Taxable period 01 April 2016 – 31 March 2017 (TP)

On 1 September 2021, the Revenue Authorities notified a questionnaire concerning the above-mentioned taxable periods. Specifically, the Revenue Authorities asked for:

- documents relating to Transfer Pricing;
- documents supporting the preparation of the tax return and IRAP tax forms.

The Company has produced through certified e-mail all the documents required by the Revenue Authorities in accordance with the law.
The debate took place on 9 December 2021. From the written record of the proceedings, it emerged that the Office, in relation to the TP, intends to tax the disallowed amounts for a total of € 11,640,382.
The Company promptly filed defence briefs in support of its position.
The Company received two notices of assessment on 7 December 2022.

- IRES tax (notice no. TMB031D00236/2022)
- IRAP tax (notice no. TMB0C1D00237/2022)

As already mentioned in the previous paragraph, both notices of assessment provide for the taxation of the disallowed amounts for a total of € 7,300,522, for IRES and IRAP tax purposes respectively.
The Company presented an application for assessment with acceptance. The last meeting with the Revenue Authorities took place on 18 April 2023. The Company has been considering whether to accept the assessment.

Taxable period 01 April 2017 – 31 March 2018 (TP)

On 1 September 2021, the Revenue Authorities notified a questionnaire concerning the above-mentioned taxable periods. Specifically, the Revenue Authorities asked for:

- documents relating to Transfer Pricing;
- documents supporting the preparation of the tax return and IRAP tax forms.

The Company has produced through certified e-mail all the documents required by the Revenue Authorities in accordance with the law.
The debate took place on 9 December 2021. From the written record of the proceedings, it emerged that the Office, in relation to the TP, intends to tax the disallowed amounts for a total of € 6,545,826.
The Company promptly filed defence briefs in support of its position.
The Company, on 28 December 2021, received two notices of assessment:

- IRES tax (notice no. TMB031D00577/2021)
- IRAP tax (notice no.. TMB0C1D00578/2021)

As already mentioned in the previous paragraph, both notices of assessment provide for the taxation of the disallowed amounts for a total of € 6,545,826, for IRES and IRAP tax purposes respectively.
On 24 January 2022, the Company presented an application for assessment with acceptance. Since no agreement was reached, the Company filed an appeal (for both IRES and IRAP taxes) on 27 May 2022. The

Company obtained the suspension of the collection. The two appeals were combined and the hearing for the dispute was set for 21 February 2023. On 2 March 2023, the Court of Tax Justice of First Degree of Milan published judgement no. 734/2023 in favour of the Company. The Revenue Authorities can file an appeal within 2 September 2023.

Taxable period 01 April 2018 – 31 March 2019 (TP)

On 15 June 2022, the Revenue Authorities notified a questionnaire to the Company concerning the above-mentioned taxable periods. Specifically, the Revenue Authorities asked for:

- documents relating to Transfer Pricing;
- documents supporting the preparation of the tax return and IRAP tax forms.

The Company has produced through certified e-mail all the documents required by the Revenue Authorities in accordance with the law.

The Revenue Authorities set the hearing with the Company for 14 September 2022.

The Company, on 7 December 2022, received two notices of assessment:

- IRES tax (notice no. TMB031D00392/2022)
- IRAP tax (notice no. TMB0C1D00393/2022)

As already mentioned in the previous paragraph, both notices of assessment provide for the taxation of the disallowed amounts for a total of € 5,954,032, for IRES and IRAP tax purposes respectively.

The Company presented an application for assessment with acceptance. The meeting with the Revenue Authorities took place on 8 March 2023. The Company has been considering the option to make a proposal to settle the matter.

Taxable period 01 April 2019 – 31 March 2020 (TP)

On 3 February 2023, the Revenue Authorities notified a questionnaire to the Company concerning the above-mentioned taxable periods. Specifically, the Revenue Authorities asked for:

- documents relating to Transfer Pricing;
- documents supporting the preparation of the tax return and IRAP tax forms.

The Company has produced through certified e-mail all the documents required by the Revenue Authorities in accordance with the law.

Related party transactions

In order to ensure a correct transparency in the accounts, it should be noted that, in the financial year under review, related party transactions were carried out at arm's length. For further information on the related parties, please refer to the Directors' Report.

Information on government grants

The Company did not receive, during the financial year, any government grants from the national public administration for services that have not been performed within the business ordinary activities, nor has it signed assignments against payment with the same counterpart that are not related to the aforementioned activity.

With reference to subsidies, grants and economic benefits of any kind provided by the public administration, there were no collections for the current year.

This section has been prepared to also fulfil the disclosure obligations contemplated by Law no. 124, Art. 1, para. 125 -129 of 4 August 2017.

Tax credit for investments in capital equipment, pursuant to Law 160/2019 (2020 Budget Law) and Law 178/2020 (2021 Budget Law)

The Company recorded a tax credit of € 262,296 for investments in capital equipment. The income linked to this credit, for the part pertaining to the current tax period, equal to € 80,795, has been recorded in the Income Statement among capital grants and is not relevant for tax purposes.

Agreements not resulting from the Balance Sheet

The Company had no agreements in place not resulting from the Balance Sheet, which may have a significant impact on the financial position and results of operations of the Company pursuant to Art. 2427, para. 1, point 22-Ter of the Italian Civil Code.

Significant events subsequent to year-end

No significant events occurred after the year end.

Allocation of the result for the year and loss coverage

The following resolution has been proposed:

the Shareholders' Meeting, having heard the Board of Directors' remarks and taken due note of the Independent Auditor's Report and the Report of the Board of Auditors, unanimously resolved to approve the Financial Statements as at 31 March 2023 and the Directors' Report, by proposing to allocate the net loss of € 9,288,082 as a reduction of the retained earnings carried forward.

Cesare Gale'
Member of the Board of Directors
Bresso, 27 April 2023

Novelis de Mexico, S.A. de C.V.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

ADITYA BIRLA
NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis de Mexico, S.A. de C.V. and certify that the information included therein accurately reflects the financial position of Novelis de Mexico, S.A. de C.V. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis de Mexico, S.A. de C.V.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
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Novelis de Mexico, S.A. de C.V.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Income before income tax provision	$ —	$ —
Income tax provision	—	—
Net income	$ —	$ —

See accompanying notes to the financial statements.

Novelis de Mexico, S.A. de C.V.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ —	$ —
Comprehensive income	—	—

See accompanying notes to the financial statements.

Novelis de Mexico, S.A. de C.V.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Total assets	$ —	$ —
LIABILITIES AND SHAREHOLDER'S EQUITY		
Total liabilities	—	—
Shareholder's equity:		
Common stock, 1.00 Moneda Nacional par value; unlimited number of shares authorized; 50,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	7	7
Accumulated deficit	(7)	(7)
Total equity	—	—
Total liabilities and equity	$ —	$ —

See accompanying notes to the financial statements.

Novelis de Mexico, S.A. de C.V.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ —	$ —
Net cash provided by operating activities	—	—
INVESTING ACTIVITIES		
Net cash provided by investing activities	—	—
FINANCING ACTIVITIES		
Net cash provided by financing activities	—	—
Net increase in cash and cash equivalents and restricted cash	—	—
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis de Mexico, S.A. de C.V.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	50,000	$ 7	$ —	$ (7)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2022	50,000	$ 7	$ —	$ (7)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	50,000	$ 7	$ —	$ (7)	$ —

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis de Mexico, S.A. de C.V. unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis de Mexico, S.A. de C.V. was formed in the United States of America on October 21, 1996 and is currently dormant. Novelis Corporation directly holds 49,999 of the 50,000 authorized common shares. All of Novelis Corporation's common shares are directly held by Novelis Holdings Inc. All of Novelis Holdings Inc.'s common shares are directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Novelis Korea Limited

Financial Statements
March 31, 2023 and 2022

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RESPECTED TRUSTED PROFESSIONAL SAMIL

Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
Novelis Korea Limited

Opinion

We have audited the accompanying financial statements of Novelis Korea Limited (the "Company"), which comprise the statements of financial position as at March 31, 2023 and 2022, and the statements of profit or loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Novelis Korea Limited as at March 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea.

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, financial performance and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Samil PricewaterhouseCoopers

May 3, 2023

Seoul, Korea

This report is effective as of May 3, 2023, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Novelis Korea Limited
Statements of Financial Position
March 31, 2023 and 2022

(in millions of Korean won)		2023		2022
Assets				
Current assets				
Cash and cash equivalents (Notes 12 and 14)	₩	257,657	₩	230,215
Trade accounts and notes receivable, net (Notes 5, 14 and 30)		609,912		873,034
Other accounts receivable (Notes 14 and 30)		23,875		43,636
Prepaid expenses		3,852		2,375
Prepaid value added taxes		27,450		34,901
Short-term loans to employees		197		144
Derivative instrument assets (Note 27)		31,770		20,239
Current deferred income tax assets (Note 17)		12,416		31,650
Advance payments		8		64
Accrued income		2,153		2,906
Other current assets		-		12
Inventories, net (Notes 6 and 9)		205,542		273,543
		1,174,832		1,512,719
Non-current assets				
Long-term investment assets (Notes 3 and 4)		4		4
Investment accounted for using the equity method (Note 7)		277,378		230,886
Derivative instrument assets (Note 27)		102		575
Long-term loans to employees		1,320		1,152
Severance benefit assets (Note 13)		10,212		8,817
Property, plant and equipment, net (Notes 8 and 9)		328,792		311,290
Intangible assets, net (Note 10)		2,671		2,658
Non-current deferred income tax assets (Note 17)		2,557		-
Deposits provided		-		2,353
		623,036		557,735
Total assets	₩	1,797,868	₩	2,070,454

Novelis Korea Limited
Statements of Financial Position
March 31, 2023 and 2022

(in millions of Korean won)		2023		2022
Liabilities and Equity				
Current liabilities				
Trade accounts and notes payable (Notes 12, 14 and 30)	₩	955,540	₩	1,244,997
Other accounts payable (Notes 12, 14 and 30)		28,091		87,926
Advance receipts		6,730		262
Withholdings		817		933
Accrued expenses (Note 16)		25,024		28,678
Current portion of long-term liabilities (Note 12)		1,236		1,236
Derivative instrument liabilities (Notes 12 and 27)		44,053		111,906
Income taxes payable		19,475		18,704
Dividends payable		34		35
Carbon emission liabilities (Note 28)		15		59
Provisions (Notes 8 and 15)		18,781		12,108
Unearned revenues		211		221
		1,100,007		1,507,065
Non-current liabilities				
Long-term borrowings (Note 12)		7,363		8,598
Asset retirement obligation liabilities (Note 8)		48		47
Derivative instrument liabilities (Notes 12 and 27)		190		742
Long-term accrued expenses (Note 16)		2,972		3,027
Long-term unearned revenues		2,138		2,339
Deferred tax liabilities(Note 17)		5,111		8,740
		17,822		23,493
Total liabilities		1,117,829		1,530,558
Equity				
Share capital (Notes 1 and 18)				
Common stock		17,536		17,536
Capital surplus				
Share premium		399,241		399,241
Accumulated other comprehensive income				
Loss on valuation of cash flow hedge (Notes 24 and 27)		(8,845)		(15,981)
Retained earnings				
Legal reserve		29,834		29,834
Unappropriated retained earnings (Note 19)		242,273		109,266
Total equity		680,039		539,896
Total liabilities and equity	₩	1,797,868	₩	2,070,454

The above statements of financial position should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Profit or Loss
Year Ended March 31, 2023 and 2022

(in millions of Korean won, except per share amounts)		2023		2022
Sales (Notes 20 and 30)	₩	3,316,848	₩	3,173,731
Cost of sales (Notes 21 and 23)		2,993,776		2,708,293
Gross profit		323,072		465,438
Selling and administrative expenses (Notes 22 and 23)		223,145		245,598
Operating profit		99,927		219,840
Non-operating income				
Interest income		4,192		2,730
Gain on foreign currency transactions		122,391		40,566
Gain on foreign currency translation		11,463		4,887
Gain on disposal of property, plant and equipment		206		59
Share of profit of investments accounted for using the equity method		16,246		19,387
Gain on derivative transactions		448,450		201,339
Gain on valuation of derivatives (Note 27)		25,668		19,133
Others		3,490		4,818
		632,106		292,919
Non-operating expenses				
Interest expense		4,496		3,253
Loss on foreign currency transactions		84,404		18,818
Loss on foreign currency translation		3,856		4,552
Loss on disposal of trade accounts and notes receivable		5,440		2,318
Loss on disposal of property, plant and equipment		490		1,469
Provision for asset retirement obligation liabilities		1		77
Loss on derivative transactions		356,543		300,001
Loss on valuation of derivatives (Note 27)		26,229		90,259
Others		51,746		27,298
		533,205		448,045
Profit before income tax expense		198,828		64,714
Income tax expense (Note 17)		43,612		18,818
Profit for the period (Note 24)	₩	155,216	₩	45,896
Basic and diluted earnings per share (Note 25)	₩	3,319	₩	981

The above statements of profit or loss should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Changes in Equity
Year Ended March 31, 2023 and 2022

(in millions of Korean won)	Share capital		Capital surplus		Accumulated other comprehensive income		Retained earnings		Total	
Balances at April 1, 2021	₩	17,536	₩	399,241	₩	(1,373)	₩	210,109	₩	625,513
Annual dividends (Notes 26)		-		-		-		(116,905)		(116,905)
Gain on valuation of cash flow hedge		-		-		(14,608)		-		(14,608)
Profit for the year		-		-		-		45,896		45,896
Balances at March 31, 2022	₩	17,536	₩	399,241	₩	(15,981)	₩	139,100	₩	539,896
Balances at April 1, 2022	₩	17,536	₩	399,241	₩	(15,981)	₩	139,100	₩	539,896
Annual dividends (Notes 19 and 26)		-		-		-		(22,212)		(22,212)
Gain on valuation of cash flow hedge		-		-		7,136		-		7,136
Profit for the year		-		-		-		155,220		155,220
Balances at March 31, 2023	₩	17,536	₩	399,241	₩	(8,845)	₩	272,108	₩	680,040

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Cash Flows
Year Ended March 31, 2023 and 2022

(in millions of Korean won)		2023		2022
Cash flows from operating activities				
Profit for the period	₩	155,220	₩	45,896
Adjustments to reconcile profit for the period to net cash provided by operating activities				
Severance benefits expenses		7,065		9,011
Depreciation and amortization		49,279		46,207
Loss on foreign currency translation		3,856		4,552
Loss on disposal of property, plant and equipment		490		1,469
Loss on disposal of trade and notes receivable		5,440		2,318
Loss on valuation of derivatives		26,229		90,259
Provision for asset retirement obligation liabilities		1		77
Stock-based compensation expense		1,531		3,693
Other non-operating expenses		246		-
Gain on foreign currency translation		(11,463)		(4,888)
Gain on disposal of property, plant and equipment		(206)		(59)
Gain on valuation of derivatives		(25,668)		(19,133)
Share of profit of investments accounted for using the equity method		(16,246)		(19,387)
Changes in operating assets and liabilities		40,554		110,426
Trade receivables		264,879		(332,624)
Other accounts receivable		19,801		13,066
Prepaid expenses		(1,476)		77
Prepaid value added taxes		7,451		(10,421)
Derivative instrument assets		19,854		14,197
Current deferred tax assets		13,160		(15,026)
Other current assets		822		(262)
Inventories		68,001		(127,336)
Trade payables		(288,909)		452,039
Other accounts payable		(61,265)		45,745
Advance receipts		6,469		182
Withholdings		(115)		52
Accrued expenses		(5,272)		4,508
Derivative instrument liabilities		(90,297)		(28,260)
Income taxes payable		771		(427)
Long-term accrued expenses		(55)		4
Payments of severance benefits		(3,573)		(3,571)
Pension plan assets		(4,900)		(10,029)
Contributions to the National Pension Fund		13		3
Carbon emission liabilities		18		(347)
Carbon emission rights		148		(364)
Long-term unearned revenues		(211)		(329)
Provision for restoration liabilities		(338)		(5,228)
Other provisions		6,519		12,108
Net		(48,505)		7,757
		147,269		164,079

The above statements of cash flows should be read in conjunction with the accompanying notes.

Novelis Korea Limited
Statements of Cash Flows
Year Ended March 31, 2023 and 2022

(in millions of Korean won)

		2023		2022
Cash flows from investing activities				
Proceeds from short-term loans to employees	₩	196	₩	159
Proceeds from guarantee deposits		-		1,511
Proceeds from disposal of property, plant and equipment		192		107
Long-term loans provided to employees		(420)		(768)
Acquisition of property, plant and equipment		(66,448)		(38,969)
Acquisition of intangible assets		(930)		(1,403)
Payment of guarantee deposits		(203)		-
Acquisition of Investments accounted for using the equity method		(30,000)		-
Net		(97,613)		(39,363)
Cash flows from financing activities				
Payment of short-term borrowings		-		(20,000)
Dividends paid		(22,212)		(116,905)
Net		(22,212)		(136,905)
Net increase (decrease) in cash and cash equivalents		27,444		(12,189)
Cash and cash equivalents				
Beginning of the period		230,215		242,404
End of the period	₩	257,659	₩	230,215

1. General Information

Novelis Korea Limited (the "Company"), a spin-off from Taihan Electric Wire Co., Ltd., was incorporated in 1999 under the Commercial Code of the Republic of Korea to manufacture and market aluminum and related products. The Company's headquarter is located in Yeongju City, North Gyeongsang Province.

The share capital of the Company upon its establishment was ₩ 16,500 million, and after several capital increases and reduction, the share capital as at March 31, 2023, is ₩ 17,536 million.

The Company's shareholders and their respective ownership as at March 31, 2023, are as follows:

	Number of shares owned	Percentage of ownership (%)
4260848 Canada Inc.[1]	12,770,000	27.309
4260856 Canada Inc.[1]	19,052,400	40.743
8018227 Canada Inc.[1]	14,939,200	31.947
Other shareholders	400	0.001
	46,762,000	100.000

[1] Owned by Novelis Inc. which was acquired by Hindalco Industries Limited on May 15, 2007.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul). The financial statements of the Company for the annual period beginning on January 1, 2011, have been prepared in accordance with Korean Accounting Standards for Non-Public Entities (KAS-NPEs), which apply to those companies which are subject to the Act on External Audit of Stock Companies, etc. but do not prepare their financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. The accompanying financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, financial performance or cash flows, is not presented in the accompanying financial statements.

2.2 Changes in Accounting Policies and Disclosures

(a) Amended standards adopted by the Company

The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2022. The amendments do not have an impact on the financial statements of the Company.

- Amendments to the effective date and transitional provisions for KAS-NPEs (2022.12.21)

According to the annual improvements of KAS-NPEs (2018), an entity is required to account for all investees it has control over as subsidiaries. However, according to the amendment to the effective date and transitional provisions, the parent company other than large unlisted companies, listed entities, financial institutions and the parent company of which those entities are not included in the consolidated entity may choose to exclude entities that are not subject to external audit in accordance with Article 4 of the Act on External Audit of Stock Companies and the enforcement decree of the Act (hereinafter referred to as “entities not subject to external audit”) from subsidiaries. The amendment should be enforced on December 31, 2022 and applied from the fiscal year ending on the effective date. The amendment does not have a significant impact on the financial statements.

(b) New and amended standards not yet adopted by the Company

There is no new and amended standards not yet adopted by the Company.

- KAS-NPEs No. 17 Accounting Treatment for Government Grants – Presentation of Government Grants Related to Income

In accordance with the amendment to KAS-NPEs No. 17 Accounting Treatment for Government Grants, it is amended that government grants related to income shall be presented as revenue or presented by offsetting the grant from related expenses. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Korean won, which is the Company's functional and presentation currency.

(b) Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognized in profit or loss. They are recognized as other comprehensive income equity if they relate to qualifying cash flow hedges.

2.4 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash without significant transaction costs which are subject to an insignificant risk of changes in value.

2.5 Entity under Joint Control

In case the Company holds interests in a joint venture that involves the establishment of a corporation, partnership or other entity in which each participant has interest and joint control over the economic activity of the entity by a contractual arrangement between the participants, such interests are accounted for under the equity method as investments in jointly controlled entities.

The Company has a 50.0% interest in a joint venture, Ulsan Aluminum Limited, which supplies aluminum products. The Company applies the equity method of accounting that reflects substance of the joint venture contract for this investment.

2.6 Derivatives

All derivative instruments are accounted for at their fair value according to the rights and obligations associated with the related derivative contracts. Changes in fair value of derivative instruments are recognized either under the statement of profit or loss or equity, depending on whether the derivative instruments qualify as a cash flow hedge. For hedging purpose, changes in the fair value of derivatives that hedge a particular risk associated with the fair value of recognized assets or liabilities or a firm commitment are recognized in profit or loss, and changes in the fair value of derivatives that hedge cash flow risk on forecast transaction are recognized in other comprehensive income. In addition, related transaction gains and losses are reconciled from related assets and liabilities.

2.7 Allowance for Doubtful Accounts

The Company recognizes allowance for doubtful accounts for uncollectible trade receivables based on a reasonable and objective standard. When an allowance for uncollectible trade receivables is established or increased based on revised estimates, bad debt expense is charged (debited). Bad debts expense for trade receivables from commercial transactions is accounted for as selling and administrative expenses, while bad debts expense from other receivables is accounted for as non-operating expense. Uncollectible receivables are offset against allowance for doubtful accounts and in case of insufficient amount of allowance, bad debts expense is recognized.

2.8 Inventories

The quantities of inventories are determined using the perpetual method and periodic inventory count, while the costs of inventories are determined using the monthly-average method, except for inventories in-transit which is determined using the specific identification method. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense. Replacement cost is used for the estimate of net realizable value of raw materials. If, however, the circumstances which caused the valuation loss cease to exist, the valuation loss is reversed, but not exceeding the original carrying amount before valuation. The said reversal is deducted from cost of sales.

2.9 Property, Plant and Equipment

Property, plant and equipment are stated at cost, which includes acquisition cost, production cost and other costs required to prepare the asset for its intended use. The cost of an item of property, plant and equipment should include the present value of estimated cost of dismantling and removing the asset and restoring the site, to the extent that it is recognized as a provision.

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation. Depreciation is calculated over estimated useful lives and depreciation method as follows:

Description	Estimated useful lives	Depreciation Method
Buildings	10 - 40 years	Straight-line method
Structures	20 - 40 years	Straight-line method
Machinery and equipment	4 - 12 years	Straight-line method
Vehicles	5 years	Straight-line method
Tools and furniture	5 years	Straight-line method

Expenditures incurred after the acquisition or completion of assets are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company, which includes any increase in productivity, extension of the useful life of the related assets, significant reduction of cost or enhancement of the value of the related assets over their recently appraised value and the fair value for the related cost can be reliably measured. All other routine maintenance and repairs are charged to expense as incurred.

2.10 Borrowing Costs

The Company capitalizes the interest it incurs on borrowings used to finance the cost of manufacturing, acquisition, and construction of property, plant and equipment, intangible assets, investment property and inventories that require more than one year to complete from the initial date of manufacture, acquisition, and construction (qualifying assets).

2.11 Intangible Assets

Intangible assets are stated at cost, which includes acquisition cost, production cost and other costs required to prepare the asset for its intended use. Intangible assets are stated at cost less accumulated amortization. Amortization is calculated over estimated useful lives and depreciation method as follows:

Description	Estimated useful lives	Depreciation Method
Software	4 - 8 years	Straight-line method

2.12 Finance Leases

Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalized at the commencement of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments and recognized as finance lease assets and finance lease liabilities. The annual minimum lease payments, minus the guaranteed residual value, are charged to interest expense and repayments for lease liabilities, while interest expense is calculated using the effective interest rate.

2.13 Impairment of Non-financial Assets

Intangible assets not yet available for use are tested annually for impairment. Goodwill acquired in a business combination is tested for impairment at the end of each reporting period by assessing its recoverable amount. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Property, plant and equipment are reviewed for impairment under the above circumstances and when gross estimated future cash flows expected from the use and disposal of property, plant and equipment (individual assets or cash-generating units) are less than the carrying amount. Impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels (cash-generating units) for which there are separate and identifiable cash flows.

Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Reversal of impairment of goodwill is not allowed.

2.14 Provisions and Contingent Liabilities

Provisions are recognized when it is probable that an outflow of resources will occur due to a present obligation resulting from a past event or transaction, and the amount can be reliably estimated. However, when such outflow is dependent upon a future event, is not certain to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the financial statements.

Provisions are measured at the present value of the expenditures expected to be settled using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. The discount rate used in the present value measurement is the discount rate adjusted to reflect the current best estimate at the end of each reporting period.

2.15 Income Tax and Deferred Income Tax

Income tax expense includes the current income tax under the relevant income tax law and the changes in deferred tax assets or liabilities. Deferred tax assets and liabilities represent temporary differences between financial reporting and the tax bases of assets and liabilities. Deferred tax assets are recognized for temporary differences which will decrease future taxable income or operating loss to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax effects applicable to items in the equity are directly reflected in the equity.

2.16 Employee Benefits

(a) Provision for severance benefits

Employees and directors are entitled to receive a lump-sum payment upon termination of their employment with the Company based on their length of service and rate of pay at the time of termination. Provision for severance benefits represent the amount which would be payable assuming all eligible employees and directors were to terminate their employment as at the date of the statement of financial position.

The Company contributes a certain portion of the severance benefits to the National Pension Service according to the National Pension Law. The contribution amount is recorded as a deduction from the provision for severance benefits.

The Company has both a defined benefit pension plan and a defined contribution pension plan. In the case of defined benefit pension plans, the company recognizes accrued pension benefits for current employees as provision for severance benefits and liabilities arising from retired employees who elected to receive pensions as pension payables. Insurance premiums are presented as a deducted form of provision for severance benefits as the account of severance benefit assets. If the severance benefit assets exceed total amount of provision for severance benefits and severance benefits liabilities, the excess portion is recorded as investment assets. In the case of defined contribution pension plans, the company recognizes contributions to be paid during the current accounting period as severance benefits expenses.

(b) Annual paid leave obligations

The Company recognizes expenses and liabilities related to annual paid leave during an accounting period when an employee has rendered service that gives rise to employee’s entitlement to future annual paid leave.

The Company recognizes expenses and liabilities for the entire annual paid leave resulting from the rendered service as the Company compensates for unused annual leave.

2.17 Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and rendering of services, stated net of value-added tax, sales discounts and sales returns. The Company recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow into the Company.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the customer. Interest income is recognized using the effective interest method.

2.18 Share-based Payments

The Company's parent company, Novelis Inc., has granted cash-settled share-based payments based on the share of the ultimate parent company, Hindalco Industries Limited and the parent company, Novelis Inc., and restricted stock units ("RSU") based on the share of the ultimate parent company, Hindalco Industries Limited, to the employees and directors of the Company.

The Company is responsible for the compensation cost of said grants. pays the compensation cost for Stock Appreciation Rights or RSUs granted to the entitled executives. Share-based payments are recognized as a liability through the vesting period since it is probable that the payment will be required according to the program and the payment amount can be reasonably estimated.

2.19 Carbon Emission Rights (Allowances) and Liabilities

With Enforcement of Allocation and Trading of Carbon Emissions Allowances, allowances that are received free of charge from the government are measured at zero while allowances purchased are measured at acquisition cost and stated net of accumulated impairment loss. Emissions liabilities are measured as the sum of the carrying amount of the allocated allowances that will be submitted to the government and the best estimate of expenditure required to settle the obligation at the end of reporting period for any excess emission. The allowances and emission liabilities are classified as intangible assets and provisions, respectively, in the statement of financial position.

2.20 Measurement of Financial Assets and Financial Liabilities

(a) Initial measurement

Financial assets and financial liabilities are measured at the fair value at the initial recognition. Generally, the transaction price (that is, the fair value of the consideration paid for financial assets and received for financial liabilities) is treated as fair value. In addition, if there is any significant difference between the fair value and the nominal amount of receivable and payable from long-term lending and borrowing transactions or sales transactions with long-term deferred payment conditions, total amount of receivable and payable is carried at fair value.

If the consideration paid (or received) includes any amount other than the fair value, the fair value of the financial instrument is carried at the market price. When market price is not available, the fair value is estimated using valuation techniques (including present value based techniques). However, although the consideration consists of the amount other than the fair value, the whole amount is initially recognized if a benefit in return from using the funds is imposed or there is a certain relationship between raising and using the funds. Also, for lease deposits, the whole transaction price is recognized at the initial recognition. Trading securities and derivatives (except for derivatives designated as hedging instruments in cash flow hedges) are subsequently measured at fair value after initial recognition, and changes in fair value are recognized in profit and loss. In case of other financial assets and liabilities, any transaction costs related to acquisition of financial assets or issuance of financial liabilities are added to or deducted from initially recognized fair value.

When measuring the present value of financial instruments, the Company uses the internal interest rate of transactions that occurred in the current period. If the internal interest rate is not available or the difference from the market interest rate is significant, the market interest rate is applied. If the market interest rate cannot be calculated, then the weighted average interest rate which is calculated by reasonable and objective standards is used. If reasonable and objective standards are unavailable, the Company applies the financing costs which are reasonably estimated using the distribution rate of corporate bonds, reflecting the Company's credit rating.

(b) Subsequent measurement

Financial assets and financial liabilities other than derivatives (Note 2.6) and fair value through profit or loss (Note 2.4) are measured at amortized cost using the effective interest method.

2.21 Reclassification of Prior Period Financial Statement

In order to enhance the comparability of financial statements, the Company has reclassified some of the accounts in the previous financial statements according to the current financial statements. This reclassification does not affect net income or net assets which were previously reported.

3. Restricted Financial Instruments

As at March 31, 2023 and 2022, restricted financial instruments related to bank overdraft agreements each amounts to ₩ 4 million.

4. Short-term and Long-term Investment Assets

Long-term investment assets as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		**2023**		**2022**
Long-term investment assets				
Bank deposits	₩	4	₩	4

5. Trade Receivables

Trade receivables as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Trade receivables	₩	610,503	₩	873,625
Less: Allowance for doubtful accounts		(591)		(591)
	₩	609,912	₩	873,034

As at March 31, 2023 and 2022, trade receivables transferred through financial institutions that have not yet matured are as follows:

(in millions of Korean won and in thousands of US dollar)		2023		2022	Condition
Forfaiting of export receivables of USD 30,462 (2022: USD 26,866)	₩	39,716	₩	32,529	Without recourse
Financing of domestic receivables		120,488		67,100	Without recourse
	₩	160,204	₩	99,629	

6. Inventories

Details of inventories as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		**2023**		**2022**
Finished goods	₩	56,467	₩	60,070
Merchandise		54,863		57,785
Work-in-process		47,896		75,078
Raw materials		33,883		56,229
Supplies		15,893		14,866
Materials in transit		3,092		13,546
Merchandise in transit		301		226
		212,395		277,800
Less: Valuation allowance[1]		(6,853)		(4,258)
	₩	205,542	₩	273,542

(2) At the end of the reporting period, the Company recognized a ₩ 1,060 million loss on valuation of finished goods and a ₩ 640 million loss on merchandise for the decrease in sale value due to technology and market conditions and a ₩ 895 million loss on valuation of supplies that were not sold within the normal operating cycle.

7. Entity under Joint Control

Details of an entity under joint control as at March 31, 2023, are as follows:

				Ordinary share			**Preferred shares**
	Location	**Main business**	**Closing month**	**Number of Ordinary shares held by the Company**	**Number of shares outstanding**	**Percentage of ownership**	**Number of Preferred shares held by the Company**
Ulsan Aluminum Limited (UAL)	Korea	Rolling of Aluminum	March 31	5,000 shares	10,000 shares	50.00%	600 sahres

Movements in investments accounted for using the equity method for the year ended March 31, 2023, are as follows:

(in millions of Korean won)		**Beginning balance**		**Acquisition**		**Share of income of investment accounted for using the equity method**		**others**		**Ending balance**
Investments accounted for using the equity method										
Ulsan Aluminum Limited	₩	230,886	₩	30,000	₩	16,246	₩	246	₩	277,378

Summary of financial information of investments accounted for using the equity method as at and for the year ended March 31, 2022, is as follows:

(in millions of Korean won)		**Ulsan Aluminum Limited**
Current assets	₩	425,981
Non-current assets		547,573
Total assets	₩	973,554
Current liabilities	₩	302,395
Non-current liabilities		945
Total liabilities	₩	303,340
Sales	₩	1,415,497
Profit for the year[1]		7,275

The Company entered into an agreement with Kobe Steel Ltd. to establish a joint venture.

Under the joint venture agreement, the Company established Ulsan Aluminum Limited, wholly owned subsidiary of the Company, in April 2017. In September 2017, the Company completed in-kind contribution of the assets of the manufacturing plant in Ulsan, which was owned by the Company, into Ulsan Aluminum Limited.

In September 2017, the Company sold its 49.9% of interests in Ulsan Aluminum Limited. to Kobe Steel Ltd for ₩ 360,488 million. The sales resulted in gain on sale of equity method investment of ₩ 162,217 million. Furthermore, in September 2018, the Company sold additional 0.1% of interests in Ulsan Aluminum Limited to Kobe Steel Ltd.

Upon the completion of the transaction, the Company and Kobe Steel Ltd. supply aluminum metal to Ulsan Aluminum Limited under the joint venture agreement, and Ulsan Aluminum Limited manufactures and supplies products for the Company and Kobe Steel Ltd. The Company and Kobe Steel Ltd. provide technology such as intellectual property rights necessary for the production of each exclusive product.

Furthermore, the production capacity of each machine center in Ulsan Aluminum Limited is allocated between the Company and Kobe Steel Ltd. in accordance with the joint venture agreement, and such ratio would be mutually negotiated in the future.

In accordance with the joint venture agreement, the Company may make new investments in Ulsan Aluminum Limited, if needed, by the way such as increasing preferred stock with mutual agreement in the future. Investors participating in the capital increase may preferentially participate in the increased capacity due to the new investment.

As at March 31, 2023, the Company solely participated in the capital increase of ₩ 30,000 million(600 preferred shares) for financing the expansion of casting equipment of Ulsan Aluminum Limited, a joint venture.

Under the non-compete covenant in the agreement, the Company and Kobe Steel Ltd. cannot sell the products produced from Ulsan Aluminum Limited to certain regions for mutual business protection.

8. Property, Plant and Equipment

Changes in property, plant and equipment for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023							
	Land	Buildings	Structures	Machinery & Equipment	Vehicles	Tools	Construction-in-progress	Total
Balance as at April 1, 2022	₩ 13,995	₩ 52,805	₩ 8,596	₩ 212,616	₩ 889	₩ 4,346	₩ 18,043	₩ 311,290
Acquisition	-	425	594	10,963	698	1,746	52,124	66,549
Disposal	-	(38)	-	(437)	-	-	-	(475)
Transfer	-	2,837	1,401	32,627	35	682	(37,581)	-`
Depreciation	-	(2,249)	(682)	(43,476)	(324)	(1,842)	-	(48,573)
Balance as at March 31, 2023	₩ 13,995	₩ 53,780	₩ 9,908	₩ 212,293	₩ 1,298	₩ 4,932	₩ 32,585	₩ 328,792
Acquisition cost	₩ 13,995	₩ 90,063	₩ 20,924	₩ 754,014	₩ 6,139	₩ 35,281	₩ 32,585	₩ 953,001
Accumulated depreciation	-	(36,283)	(11,016)	(541,721)	(4,841)	(30,348)	-	(624,209)

(in millions of Korean won)	2022							
	Land	Buildings	Structures	Machinery & Equipment	Vehicles	Tools	Construction-in-progress	Total
Balance as at April 1, 2021	₩ 13,995	₩ 53,420	₩ 9,065	₩ 218,580	₩ 483	₩ 4,201	₩ 11,753	₩ 311,497
Acquisition	-	585	41	15,463	200	1,315	29,357	46,961
Disposal	-	-	-	(1,509)	-	(7)	-	(1,516)
Transfer	-	970	128	20,935	439	595	(23,067)	-`
Depreciation	-	(2,170)	(638)	(40,853)	(233)	(1,757)	-	(45,650)
Balance as at March 31, 2022	₩ 13,995	₩ 52,805	₩ 8,596	₩ 212,616	₩ 889	₩ 4,346	₩ 18,043	₩ 311,290
Acquisition cost	₩ 13,995	₩ 86,842	₩ 18,979	₩ 717,361	₩ 5,655	₩ 33,566	₩ 18,043	₩ 894,441
Accumulated depreciation	-	(34,037)	(10,383)	(504,745)	(4,766)	(29,219)	-	(583,150)

As at March 31, 2023, the book amount of the Company's land is recorded at ₩ 13,995 million (2022: ₩ 13,995 million). In addition, the value of the Company's land, as determined by the local government for property tax assessment purposes, amounts to approximately ₩ 42,373 million (2022: ₩ 39,461 million).

Meanwhile, in accordance with the applicable law, the Company has to dismantle and remove the assets and restore the site relating to the wastewater facilities after the end of the assets' useful lives. The present value of estimated expenses for restoration, ₩ 48 million (2022: ₩ 47 million), was therefore recognized applied in the carrying amount of property, plant and equipment.

Finance lease

Details of machinery classified as finance lease assets as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Beginning balance	₩	9,834	₩	11,076
Increase		-		34
Depreciation		(1,236)		(1,275)
Ending balance	₩	8,598	₩	9,834
Acquisition cost	₩	17,696	₩	17,696
Less: Accumulated depreciation		(9,099)		(7,862)

Details of future minimum lease payments as at March 31, 2023 and 2022, are as follows:`

(in millions of Korean won)	Minimum lease payment			
		2023		2022
No later than 1 year	₩	1,218	₩	1,237
Later than 1 year and no later than 5 years		4,270		4,699
Later than 5 years		3,110		3,901
	₩	8,598	₩	9,837

Details of the lease liabilities as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Finance lease	₩	8,599	₩	9,834
Less : Current lease liabilities		(1,236)		(1,236)
Total	₩	7,363	₩	8,598

9. Insured Assets

The details of the insurance policies held by the Company as at March 31, 2023 are as follows:

(in thousands of Korean won and in thousands of US dollar)

Type of Insurance	Asset Insured	Amount Insured	Insurance Company	Beneficiary
General property insurance and business interruption insurance	Inventories and property, plant and equipment, excluding land and certain construction-in-progress	USD 1,063,082	Hyundai Marine & Fire Insurance Co., Ltd.	The Company
General insurance for losses from product liability	-	USD 10,000	Hyundai Marine & Fire Insurance Co., Ltd.	The Company
General insurance for losses from gas accidents	-	₩5,400,000	Hyundai Marine & Fire Insurance Co., Ltd.	The Company
Short-term Export Insurance	Trade receivables	USD 64,589,153	Seoul Guarantee Insurance	The Company
Environmental contamination liability insurance	-	₩ 30,000,000	DB Insurance Co., Ltd.	The Company
Trade receivable credit guarantee insurance	Trade receivables	USD 301,125	Korea Trade Insurance Corporation	The Company and others
General accident insurance for the benefits of its employees and directors	-	₩ 62,960,500	Samsung Fire & Marine Insurance and others	The Company

Besides the above insurance policies, the Company has marine insurance policies for the export transactions. In addition, the Company has car liability insurance and comprehensive insurance for its vehicles and directors and officers' liability insurance.

10. Intanbibele Assets

Changes in intangible assets for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023							
		Software		Carbon emission rights		Construction-in-progress intangible assets		Total
Beginning balance	₩	2,269	₩	309	₩	80	₩	2,658
Acquisition		289		-		641		930
Transfer		721		(63)		(721)		(63)
Disposal		-		(148)		-		(148)
Amortization		(706)		-		-		(706)
Ending balance	₩	2,573	₩	98	₩	-	₩	2,671
Acquisition cost	₩	15,067	₩	98	₩	-	₩	15,165
Accumulated amortization		(12,494)		-		-		(12,494)

(in millions of Korean won)	2022							
		Software		Carbon emission rights		Construction-in-progress intangible assets		Total
Beginning balance	₩	1,341	₩	281	₩	162	₩	1,784
Acquisition		267		364		1,136		1,767
Transfer		1,218		(336)		(1,218)		(336)
Amortization		(557)		-		-		(557)
Ending balance	₩	2,269	₩	309	₩	80	₩	2,658
Acquisition cost	₩	14,057	₩	309	₩	80	₩	14,446
Accumulated amortization		(11,788)		-		-		(11,788)

For the year ended March 31, 2023, the Company classified the amortization amounting to ₩ 706 million (2022: ₩ 557 million) as cost of sales, and ₩ 613 million (2022: ₩ 467 million) as selling and administrative expenses.

11. Capitalization of Borrowing Costs

The Company capitalizes the interest it incurs on borrowings used to finance the cost of manufacturing, acquisition, and construction of property, plant and equipment, intangible assets, investment property and inventories that require more than one year to complete from the initial date of manufacture, acquisition, and construction (qualifying assets).

For the year ended March 31, 2023, the Company capitalized interest expense of ₩171 million (2022: - million) incurred on the borrowings used to finance the cost of acquiring the Company's property, plant and equipment.

Effects on the statements of financial position and the statements of profit or loss as at and for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023		2022	
	Capitalized	**Expensed**	**Capitalized**	**Expensed**
Acquisition cost	₩ 953,001	₩ 948,840	₩ 894,440	₩ 890,451
Accumulated depreciation	(624,209)	(621,292)	(583,150)	(580,547)
Net book amounts	₩ 328,792	₩ 327,548	₩ 311,290	₩ 309,904
Equity	₩ 680,040	₩ 678,796	₩ 539,896	₩ 538,510

(in millions of Korean won)	2023		2022	
	Capitalized	**Expensed**	**Capitalized**	**Expensed**
Depreciation	₩ 48,573	₩ 48,259	₩ 45,650	₩ 45,336
Interest expense	4,496	4,667	3,253	3,253
Profit for the period	155,220	155,363	45,896	46,210

12. Liquidity risk

Liquidity risk is defined as the risk that the Company is unable to meet its short-term payment obligations on time due to deterioration of its business performance or inability to access financing. The Company forecasts its cash flow and liquidity status such as sufficient cash level to meet operational needs and sets action plans on a monthly basis to manage liquidity risk proactively.

In addition, the Company copes with potential financial distress by maintaining adequate amount of cash and committed credit facilities. The balance of cash and cash equivalents, and current-financial deposits at March 31, 2023, is ₩ 257,657 million (2022: ₩ 230,215 million). The Company maintains total committed credit lines of ₩ 976,000 million and US$ 155,728 thousand in Citibank in Korea, Shinhan Bank and other financial institutions at March 31, 2023 (2022: ₩ 976,500 million and US$ 157,200 thousand) (Note 15).The Company forfaits its trade receivables to financial institutions to meet short-term liquidity needs. Thus, it secures financing and manages credit risk of the receivables.

Details of the Company's maturity analysis as at March 31, 2023 and March 31,2022 , are as follows:

(in millions of Korean won)	March 31, 2023					
	Less than 6 months	**Between 6 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	₩ 955,540	₩ -	₩ -	₩ -	₩ -	₩ 955,540
Other payables	28,091	-	-	-	-	28,091
Derivative liabilities	33,878	10,175	190	-	-	44,243
	₩ 1,017,509	₩ 10,175	₩ 190	₩ -	₩ -	₩ 1,027,874

(in millions of Korean won)	March 31, 2022					
	Less than 6 months	**Between 6 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	₩ 1,244,997	₩ -	₩ -	₩ -	₩ -	₩ 1,244,997
Other payables	87,926	-	-	-	-	87,926
Derivative liabilities	89,138	22,767	742	-	-	112,647
	₩ 1,422,061	₩ 22,767	₩ 742	₩ -	₩ -	₩ 1,445,470

The table above analyses the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the date of the statement of financial position to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

13. Provision for Severance Benefits (Severance Benefit Assets)

Changes in provision for severance benefits (severance benefit assets) for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	**2023**	**2022**
Beginning balance	₩ 60,777	₩ 55,337
Increase	7,065	9,011
Payment	(3,573)	(3,571)
Ending balance	₩ 64,269	₩ 60,777
Less: Cumulative contribution to the National Pension Fund	(32)	(45))
Less: Pension Plan assets	(74,449)	(69,549)
Severance benefit assets	₩ (10,212)	₩ (8,817)

As at March 31, 2023, the Company estimates severance payable to all employees to be ₩ 64,269 million (2022: ₩ 60,777 million) and records the corresponding amount as provision for severance benefits. Also, the Company funded 115% of severance payable through severance insurance deposits with Korea Investment & Securities and other financial institutions. For the year ended March 31, 2023, the Company recognized the amount of ₩ 809 million (2022: ₩ 655 million) as severance benefits expenses under the defined contribution plan.

Changes in the fair value of plan assets for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Beginning balance	₩	69,549	₩	59,520
Employer contributions		7,000		12,357
Interest		1,450		1,137
Benefits paid		(3,550)		(3,465)
Ending balance		74,449		69,549

Plan assets as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Cash and others	₩	35,123	₩	8,230
Securities combined with derivatives		39,326		61,319
	₩	74,449	₩	69,549

14. Foreign Currency Denominated Assets and Liabilities

Significant monetary assets and liabilities denominated in foreign currencies as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won and in thousands of foreign currencies)

	2023				2022			
	Foreign currencies		Won equivalents		Foreign currencies		Won equivalents	
Foreign currency deposits	USD	73	₩	95	USD	77	₩	94
	AUD	6		6	AUD	17		16
Trade receivables	USD	299,157	₩	390,040	USD	470,678	₩	569,897
	JPY	-		-	JPY	45,163		448
Other receivables	USD	927	₩	1,209	USD	572	₩	693
Trade payables	USD	134,120	₩	174,865	USD	184,442	₩	223,322
	EUR	1,312		1,864	EUR	2,129		2,876
	JPY	12,086		119	JPY	-		-
Other payables	USD	8,336	₩	10.868	USD	62,676	₩	75,888
	EUR	134		191	EUR	41		56
	AUD	37		32	AUD	5		5

15. Contingencies and Commitments

The Company has bank overdraft agreements with Citibank Korea amounting to ₩ 25.5 billion as at March 31, 2023. The Company also has entered into agreements with Shinhan Bank in relation to the opening of letters of credit of up to US$ 20,000 thousand as at March 31, 2023.

The Company has bank loan agreements with Shinhan Bank, Korea Development Bank, Woori Bank, Export-Import Bank of Korea, NongHyup Bank and others amounting to ₩ 220,000 million (2022: ₩ 220,000 million) as at March 31, 2023. The exercised amount is nil as of March 31, 2023.

The Company has agreements with Shinhan Bank and other financial institutions regarding a purchase card program of up to ₩ 730.5 billion and US$ 135,728 thousand (2022: ₩ 726 billion and US$ 137,200 thousand) as at March 31, 2023. The discounted amounts are ₩ 289 billion and US$ 91,923 thousand (2022: ₩ 466.1 billion and US$ 98,342 thousand), and the amounts are presented as trade payables and and other payables as the nature of the purchases occurred during the normal course of business.

As at March 31, 2023, the Company has accounts receivable factoring and foreign receivable forfaiting agreements with MUFG Bank and seven other financial institutions amounting to ₩ 223.3 billion (2022: ₩ 198.8 billion). The details of the discounted amounts of unmatured accounts receivable are described in Note 5.

The Company has entered into a technical assistance agreement with Novelis Inc. for the manufacture of aluminum products. In consideration of this agreement, the company shall pay royalty to Novelis Inc. The relevant royalty fees for the year ended March 31, 2023 amounted to ₩ 21,199 million (2022: ₩ 14,528 million) (Notes 22 and 30).

The Company has entered into a “Novelis” brand license agreement with Novelis Limited UK. In consideration of this agreement. Royalty expenses amounting to ₩ 5,170 million (2022: ₩ 5,481 million) for the year ended March 31, 2023 were recognized (Notes 22 and 30).

A management fee refers to a type of commission received in return for the services Novelis Inc. provides to its subsidiaries, which include managerial and strategic consulting services, sales and marketing support, IT and public relations services, and others. Novelis Inc. annually imposes such management fee to its subsidiaries pursuant to the Strategic Management Services Agreement that specifically stipulates the above-mentioned services (Notes 22 and 30). For the year ended March 31, 2023, the company paid the management fees of ₩ 24,210 million (2022: ₩ 20,566 million) to Novelis Inc.

The Company has entered into the Shared Service Agreement with Ulsan Aluminum Limited and provides HR, logistics, communication, non-metal purchasing, internal audit, customs and trade, solution center and IT related services to Ulsan Aluminum Limited. The commission income recognized for the year ended March 31, 2023 is ₩ 3,863 million (2022: ₩ 3,560 million).

The Company has signed long-term sales contract with several customers and supplies aluminum coil products. In response, the Company also entered into long-term contracts for the purchase of aluminum raw materials with several suppliers in order to supply stable raw materials for aluminum.

As at March 31, 2022, the Company recognized a provision for an environmental reserve amounting to ₩ 18,627 million.

16. Share-Based Payments

As at March 31, 2023, the Company's parent company, Novelis Inc., has granted cash-settled share-based payments based on the share of the ultimate parent company, Hindalco Industries Limited and the parent company, Novelis Inc., and restricted stock units ("RSU") based on the share of the ultimate parent company, Hindalco Industries Limited, to the employees and directors of the Company. The Company introduced a new performance-based compensation unit ("Performance Unit") to give an option for employees to choose between Performance Unit and RSU. The Company is responsible for the compensation cost of said grants.

As at March 31, 2023, details of cash-settled share-based payments and restricted stock unit for employees and directors are as follows:

- Hindalco Industries Limited

		Cash-settled share-based payment					
Grant years		**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Remaining number of grants		9,180	3,828	20,033	219,415	160,834	110,603
Maturity years		2024	2025	2026	2027	2028	2029
Exercise price		INR 187.70	INR 230.98	INR 198.88	INR 118.10	INR 388.30	INR 411.10
Vesting conditions	Service period	1 ~ 3 yrs	1 ~ 3 yrs	1 ~ 3 yrs	1 ~ 3 yrs	1 ~ 3 yrs	1 ~ 3 yrs
	Non-market conditions	Accomplishment of Annual target EBITDA					
Cap (maximum share price at the exercise gain calculation)		INR 453.92	INR 524.08	INR 440.82	INR 255.56	INR 870.55	INR 935.38

		Restricted Stock Unit		
Grant years		**2020**	**2021**	**2022**
Remaining number of grants		132,168	93,188	392,413
Maturity years		2023	2024	2025
Exercise price		-	-	-
Vesting conditions	Service period	1 ~ 3 yrs	1 ~ 3 yrs	1 ~ 3 yrs
	Non-market conditions	-		
Cap (maximum share price at the exercise gain calculation)		INR 354.30	INR 1,164.90	INR 1,233.30

[1] The number of grant is subject to change as transfer of executives and employees to and from affiliated companies.

In May 2013, upon approval of the Company's executives and employees, Novelis Inc. decided to cancel and pay certain cash-settled share-based payments that were based on shares of Hindalco Industries Limited and then exchange the remaining share-based payments to the share-based payment based on shares of Novelis Inc. In May 2016, upon approval of Novelis Inc., the Company provided an option for the executives and employees of the Company to cancel Novelis Inc.'s share-based payments for selecting the new Performance Units. These changes are reflected in the information described above.

Changes in the number of grants and weighted average exercised price of grants for the year ended March 31, 2023, are as follows:

(in Indian rupee and US dollar)	**Hindalco Industries Limited**			**Novelis Inc.**		
	Number of grants	**Weighted average exercised price of grants**		**Number of grants**	**Weighted average exercised price of grants**	
Beginning balance	721,333	INR	192.23	1,021	$	65.35
Vested	110,603	INR	411.10	-		-
Cancelled	-		-	-		-
Transferred	-		-	-		-
Exercised	(308,043)	INR	141.88	(1,021)	$	65.35
Ending balance	523,893	INR	268.04	-	$	-
Exercisable balance as at March 31, 2023	131,811	INR	248.41	-		-

The Company calculated the fair value of the grant, whose service period requirement has not been met using the Monte Carlo method, as follows:

(in Indian rupee)	**2020**	**2021**		**2022**		
	Tranche3	**Tranche2**	**Tranche3**	**Tranche1**	**Tranche2**	**Tranche3**
Hindalco	INR 136.30	INR 114.51	INR 123.56	INR 113.71	INR 122.06	INR 122.95

The assumptions used for determination of fair value are as follows:

- Hindalco Industries Limited

(in Indian rupee)	**2020 Grant**	**2021 Grant**	**2022 Grant**
Stock price [1]	INR 388.40	INR 388.40	INR 388.40
Expected share price volatility [2]	43.28%	42.01%	40.41%
Risk-free interest rate	7.16%	7.18%	7.24%
Expected dividend rate	1.03%	1.03%	1.03%

[1] The stock price of Hindalco Industries Limited as at March 31, 2023.

[2] The expected exercise period and historical share price as at March 31, 2023, were considered in the calculation of volatility.

The difference between the stock price of underlying shares at the reporting period end date and the exercise price is used for the fair value for the 2017 Tranche 1 and Tranche 2; 2018 Tranche 3; 2019 Tranche 1, Tranche 2 and Tranche 3; 2020 Tranche 1 and Tranche 2; 2021 Tranche 1.

The restricted stock unit vested to the employees and directors is calculated based on the fair value of the underlying shares as at March 31, 2023.

For the year ended March 31, 2023, the Company recognized the reimbursement of compensation cost on cash-settled share-based payments and restricted stock unit amounting to ₩ 1,531 million (2022: ₩ 3,693 million) as selling and administrative expense, and related liabilities amounting to ₩ 2,806 million (2022: ₩ 3,505million) as short-term and long-term accrued expense.

17. Deferred Income Taxes

Income tax expense for the years ended March 31, 2023 and 2022, consists of:

(in millions of Korean won)		**2023**		**2022**
Current income taxes	₩	30,451	₩	33,844
Deferred income tax due to temporary differences		15,606		(19,690)
Total tax effect		46,057		14,154
Deferred income tax charged to equity		(2,445)		4,664
Income tax expense	₩	43,612	₩	18,818

Deferred income taxes charged directly to the equity as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		**2023**		**2022**
Gain (loss) on valuation of derivative instruments	₩	(2,445)	₩	4,664

Reconciliation between profit before tax and income tax expense for the years ended March 31, 2023 and 2022, is as follows:

(in millions of Korean won)	2023	2022
Profit before tax	₩ 198,831	₩ 64,714
Income tax based on statutory rate	₩ 48,117	₩ 15,661
Add (deduct):		
Non-deductible expense	1,094	535
Income tax on unappropriated earnings	2,188	5,493
Dividend received deduction	(6,837)	-
Tax rate amendment	(838)	(2,338)
Others	(112)	(533)
Income tax expense	₩ 43,612	₩ 18,818
Effective tax rate [1]	21.93%	29.08%

[1] Income tax expense/profit before tax.

Changes in the temporary differences and related deferred tax assets and liabilities for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023					
	Temporary differences			Deferred tax assets (liabilities)		
	Beginning balance	Increase (Decrease)	Ending balance	Beginning balance	Increase (Decrease)	Ending balance
Derivatives	₩ (88,952)	₩ 83,972	₩ (4,980)	₩ 21,526	₩ (20,376)	₩ 1,150
Allowance for carbon emission rights	(59)	44	(15)	14	(11)	3
Accrued expenses	(28,658)	2,933	(25,725)	6,935	(992)	5,943
Provisions	(12,108)	(6,519)	(18,627)	2,930	1,373	4,303
Property, plant and equipment	(13,226)	(1,212)	(14,438)	3,201	134	3,335
Loss on valuation of inventories	(4,258)	(2,595)	(6,853)	1,030	553	1,583
Accrued revenue	2,897	(958)	1,939	(701)	253	(448)
Interest receivables	401	113	514	(97)	(22)	(119)
Accrued contribution	(48)	48	-	12	(12)	-
Asset retirement obligation liabilities	(700)	(2)	(702)	169	(7)	162
Provision for severance benefits	7,752	2,079	9,831	(1,876)	(395)	(2,271)
Investment in kind	10,894	(623)	10,271	(2,636)	263	(2,373)
Gain or loss on equity method	49,863	16,246	66,109	(7,598)	3,633	(3,965)
	₩ (76,202)	₩ 93,526	₩ 17,324	₩ 22,909	₩ (15,606)	₩ 7,303

(in millions of Korean won)	2022					
	Temporary differences			**Deferred tax assets (liabilities)**		
	Beginning balance	**Increase (Decrease)**	**Ending balance**	**Beginning balance**	**Increase (Decrease)**	**Ending balance**
Derivatives	₩ (10,899)	₩ (78,053)	₩ (88,952)	₩ 2,638	₩ 18,888	₩ 21,526
Allowance for carbon emission rights	(743)	684	(59)	180	(166)	14
Accrued expenses	(24,949)	(15,817)	(40,766)	6,038	3,827	9,865
Property, plant and equipment	(11,770)	(1,456)	(13,226)	2,848	353	3,201
Loss on valuation of inventories	(3,337)	(921)	(4,258)	807	223	1,030
Accrued revenue	2,708	189	2,897	(655)	(46)	(701)
Interest receivables	10	391	401	(2)	(95)	(97)
Accrued contribution	(5)	(43)	(48)	1	11	12
Asset retirement obligation liabilities	(699)	(1)	(700)	169	-	169
Provision for severance benefits	7,194	558	7,752	(1,741)	(135)	(1,876)
Investment in kind	7,482	3,412	10,894	(1,811)	(825)	(2,636)
Gain or loss on equity method	30,476	19,387	49,863	(5,252)	(2,346)	(7,598)
	₩ (4,532)	₩ (71,670)	₩ (76,202)	₩ 3,220	₩ 19,689	₩ 22,909

Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company's ability to generate taxable income within the period during which the temporary differences reverse, the outlook of the Korean economic environment, and the overall future industry outlook. Management periodically considers these factors in reaching its conclusion and recognized the deferred income tax asset since all the future deductible tax benefits are determined to be realizable as at March 31, 2023.

The gross balances of deferred tax assets and liabilities as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023		2022	
	Deferred tax Assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Current	₩ 12,981	₩ (566)	₩ 32,447	₩ (798)
Non-current	3,497	(8,609)	3,370	(12,110)
	₩ 16,478	₩ (9,175)	₩ 35,817	₩ (12,908)

18. Share Capital

The Company is authorized to issue 80,000,000 shares with the par value per share of ₩ 375. The Company has issued and outstanding 46,762,000 shares of common stock.

Changes in share capital, share premium and capital adjustments for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	**Number of shares**	**Share capital**	**Capital surplus**
			Share premium
March 31, 2023	46,762,000	₩ 17,536	₩ 399,241
March 31, 2022	46,762,000	17,536	399,241

19. Retained Earnings

Appropriation of Retained Earnings

The appropriation of retained earnings for the year ended March 31, 2023, is expected to be appropriated at the shareholders' meeting on June 29, 2023. The appropriation date for the year ended March 31, 2022, was June 29, 2022.

(in millions of Korean won)	**2023**	**2022**
Retained earnings before appropriation	₩ 242,273	₩ 109,266
Unappropriated retained earnings carried over from prior year	87,054	63,370
Profit for the period	155,220	45,896
Appropriation of retained earnings		
Final dividends (Note 26)	(116,505)	(22,212)
Dividends (ratio) per share common stock:		
46,762,000 shares, ₩ 2,500 (667%) in 2023		
46,762,000 shares, ₩ 477 (127%) in 2022		
	(116,505)	(22,212)
Unappropriated retained earnings carried forward to subsequent year	₩ 125,368	₩ 87,054

20. Sales

Sales for the years ended March 31, 2023 and 2022, consist of:

(in millions of Korean won)		2023		2022
Domestic sales of finished goods	₩	404,877	₩	387,524
Export sales of finished goods		1,677,895		1,563,801
Domestic sales of merchandise		520,584		476,626
Export sales of merchandise		709,028		741,104
Other sales		4,464		4,676
	₩	3,316,848	₩	3,173,731

21. Cost of Sales

Cost of sales for the years ended March 31, 2023 and 2022, consist of:

(in millions of Korean won)		2023		2022
Cost of finished goods sold				
Finished goods, beginning	₩	60,070	₩	50,771
Manufacturing cost		1,829,399		1,605,416
Finished goods, ending		(56,467)		(60,070)
Transfer to other accounts		(38,231)		(18,439)
Refunded customs duties		(5,142)		(5,747)
	₩	1,789,629	₩	1,571,931
Cost of merchandise sold				
Merchandise, beginning		57,785		16,946
Purchases		1,198,487		1,174,301
Merchandise, ending		(54,863)		(57,785)
	₩	1,201,409	₩	1,133,462
Other cost of sales	₩	2,738	₩	2,900
Total	₩	2,993,776	₩	2,708,293

22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023	2022
Personnel expenses	₩ 18,964	₩ 20,197
Severance benefits	1,341	1,271
Welfare expenses	5,114	6,437
Travel expenses	1,234	136
Communication expenses	233	247
Fees	5,014	3,932
Rental charges	1,093	1,339
Freight costs	4,582	4,396
Depreciation and amortization	909	733
Export expenses	117,608	152,234
Research expenses and royalties	25,776	16,142
Claim expenses	3,634	5,289
Brand fees	5,170	5,481
Management service fees	24,210	20,566
Computer expenses	5,060	4,730
Others	3,203	2,468
Total	₩ 223,145	₩ 245,598

23. Value Added Information

Value added information for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023			2022		
	Manufacturing costs	Selling and administrative expenses	Total	Manufacturing costs	Selling and administrative expenses	Total
Personnel expenses	₩ 64,799	₩ 18,964	₩ 83,763	₩ 62,793	₩ 20,197	₩ 82,990
Severance benefits	6,533	1,341	7,874	8,280	1,271	9,551
Welfare expenses	10,156	5,114	15,270	9,277	6,437	15,714
Depreciation and amortization[1]	48,370	909	49,279	45,474	733	46,207
Tax and dues	1,132	2377	1,369	793	226	1,019
Rental charges	228	1,093	1,321	350	1,339	1,689
	₩ 131,218	₩ 27,658	₩ 158,876	₩ 126,967	₩ 30,203	₩ 157,170

[1] Including amortization expense.

24. Comprehensive Income

Comprehensive income for the years ended March 31, 2023 and 2022, consists of:

(in millions of Korean won)		**2023**		**2022**
Profit for the period	₩	155,220	₩	45,896
Other comprehensive income				
Cash flow hedge, net of tax of ₩ (2,445) million (2022: ₩ 4,664 million)		7,136		(14,608)
Comprehensive income	₩	162,355	₩	31,288

25. Earnings per Share

Basic ordinary income per share and earnings per share for the years ended March 31, 2023 and 2022, are calculated as follows:

(in Korean won)		**2023**		**2022**
Profit for the period	₩	155,219,619,949	₩	45,895,893,009
Profit for the period allocated to common stock (A)		155,219,619,949		45,895,893,009
Weighted-average number of common shares outstanding during the year[1] (B)		46,762,000		46,762,000
Basic earnings per share ((A)/(B))	₩	3,319	₩	981

[1] Since the Company has not issued any convertible securities such as convertible bonds, diluted ordinary income per share and diluted earnings per share are identical to basic ordinary income per share and basic earnings per share, respectively.

26. Dividends

(a) Final dividend

(in Korean won)		**2023**		**2022**
Shares to be paid (par value ₩ 375) (A)		46,762,000 shares		46,762,000 shares
Dividend per share (rate) (B)	₩	2,500 (667%)	₩	475 (127%)
Amount of dividend ((A)x(B))	₩	116,905,000,000	₩	22,211,950,000

(b) Dividend payout ratio

The dividend payout ratio of the Company is as follows:

(in Korean won)	2023	2022
Amount of dividend (A)	₩ 116,905,000,000	₩ 22,211,950,000
Profit for the period (B)	₩ 155,219,619,949	₩ 45,895,893,009
Dividend payout ratio ((A)÷(B))	75%	48%

27. Derivatives

In order to hedge against price fluctuation in sales contracts with fixed-prices, the Company enters into futures contracts. Also, to hedge against price fluctuation in inventories, the Company has futures contracts. The Company entered into derivative instrument contracts including currency forward to hedge the exposure to changes in foreign exchange rates for assets and liabilities and future cash flows denominated in foreign currencies.

Derivative instrument assets and liabilities for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023		2022	
	Derivative Instrument Assets	Derivative Instrument Liabilities	Derivative Instrument Assets	Derivative Instrument Liabilities
Commodity futures	₩ 19,657	₩ 13,187	₩ 14,480	₩ 82,234
Currency forward	₩ 12,215	₩ 31,056	₩ 6,334	₩ 30,413
	₩ 31,872	₩ 44,243	₩ 20,814	₩ 112,647

The Company accounts for derivative instruments at their fair value. For commodity futures, fair value is determined by calculating the difference between futures price of each contract's aluminum price from the London Metal Exchange at the date of valuation and the contract price. For currency forward, fair value is determined by calculating the difference between future exchange rate at the date of the valuation and the contracted exchange rate.

The gains and losses on valuation of derivatives mentioned above for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	2023					
	Statement of profit or loss				Other comprehensive income[1]	
	Valuation Gain		Valuation Loss			
Commodity futures	₩	19,987	₩	13,187	₩	-
Currency forward		5,681		13,042		9,581
	₩	25,668	₩	26,229	₩	9,581

[1] ₩ 7,136 million, net of tax, was recorded in other comprehensive income.

(in millions of Korean won)	2022					
	Statement of profit or loss				Other comprehensive income[1]	
	Valuation Gain		Valuation Loss			
Commodity futures	₩	14,102	₩	82,239	₩	-
Currency forward		5,031		8,020		(19,271)
	₩	19,133	₩	90,259	₩	(19,271)

[1] ₩ (14,608) million, net of tax, was recorded in other comprehensive income.

The Company recognized gain on valuation of derivatives amounting ₩ 481 million, which is the ineffective portion of derivatives as hedging instrument but meet the hedge effectiveness criteria for the application of cash-flow hedge accounting as at March 31, 2023. The Company applies cash flow hedge accounting and is exposed to fluctuations in cash flows up to March 28, 2024. Total accumulated other comprehensive gain and loss before tax recognized amount to ₩ 6,512 million and ₩ 18,013 million, respectively, of which ₩ 6,512 million and ₩ 18,013 million are expected to be recognized as gain and loss, respectively, within 12 months from March 31, 2023. Also, the realized gain and loss on derivative transactions recognized upon the expiration of contracts for the year ended March 31, 2023, which were reflected in sales, amounted to ₩ 20,229 million and ₩ 101,790 million, respectively.

28. Greenhouse Gas Emission Permits and Obligations

The quantities of emission permits which are allocated free of charge for the 3rd planning period (2021~2025) are as follows. (tCOEeq)

Type	2021	2022	2023	2024	2025	Total
Allocation with nil consideration	283,114	283,114	283,114	280,462	280,462	1,410,266

Changes in greenhouse gas emissions obligations for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Beginning balance	₩	59	₩	743
Addition (excess of emissions permits held)		19		(348)
Used (submitted to the government)		(63)		(336)
Ending balance	₩	15	₩	59

There are no emission permits pledged as collateral.

The estimated quantity of greenhouse gas emissions expected to be notified in June 2023 is 282,515 ton (Period from January 1, 2022 to December 31, 2022).

29. Significant Transactions Not Affecting Cash Flows

Significant transactions not affecting cash flows for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		2023		2022
Reclassification of construction-in-progress to property, plant and equipment	₩	37,581	₩	23,067
Increase/(decrease) in other accounts payable related to acquisition of property, plant and equipment and intangible assets		(102)		7,992

30. Related Party Transactions

The Company's parent company, Novelis Inc., is a foreign registrant and there is no intermediate domestic company which prepares financial statements for external users.

Details of related parties that have sales and other transactions with the Company or have receivables and payables balances as at March 31, 2023 and 2022, are as follows:

	2023	**2022**
Ultimate parent company	Hindalco Industries Limited	Hindalco Industries Limited
Parent company	Novelis Inc.	Novelis Inc.
Other related parties	Novelis (China) Aluminum Products Co Ltd, Novelis AG, Novelis Aluminum (Zhenjiang) Co., Ltd., Novelis Corporation(Texas), Novelis do Brazil Ltda., Novelis Global Employment Organization, Inc. (Delaware) (US), Novelis Inc., Novelis MEA Ltd, Novelis PAE SAS, Novelis Shanghai Aluminum Trading Company, Novelis Switzerland SA, Novelis Koblenz GmbH, Novelis Vietnam Company Limited	Novelis (China) Aluminum Products Co Ltd, Novelis AG, Novelis Aluminum (Zhenjiang) Co., Ltd., Novelis Corporation(Texas), Novelis do Brazil Ltda., Novelis Global Employment Organization, Inc. (Delaware) (US), Novelis Inc., Novelis MEA Ltd, Novelis PAE SAS, Novelis Shanghai Aluminum Trading Company, Novelis Switzerland SA, Novelis Services Limited, Novelis Vietnam Company Limited
Entity under joint control	Ulsan Aluminum Limited	Ulsan Aluminum Limited

Sales and purchases with related parties for the years ended March 31, 2023 and 2022, are as follows:

(in millions of Korean won)	**Counter party**	**2023**		
		Sales[1]	**Purchase**[2]	**Other income (expense)**
Ultimate parent company	Hindalco Industries Limited	₩ -	₩ -	₩ 2
Parent company	Novelis Inc.	-	-	(55,148)
Other related parties	Novelis MEA Ltd.	978,581	22,681	(3,447)
	Novelis (China) Aluminum Products Co., Ltd.	497,684	19,716	(3,133)
	Novelis Corporation (Texas)	245,653	15	138
	Novelis Aluminum (Zhenjiang) Co, Ltd	4,755	532	541
	Novelis do Brazil Ltda.	1,672	420	(32)
	Novelis Switzerland SA	-	25,906	-
	Novelis Services Limited	-	-	(5,170)
	Novelis Global Employment Organization, Inc.	-	-	(3,240)
	Novelis AG	-	-	(768)
	Novelis Shanghai Aluminum Trading Company	-	-	(83)
	Novelis PAE SAS	-	22	-
	Novelis Koblenz GmbH	-	-	67
Entity under joint control	Ulsan Aluminum Limited	922,298	1,061,117	1,384
		₩ 2,650,643	₩ 1,130,408	₩ (68,889)

[1] Sales of goods and rendering of services are included in sales.

[2] Purchases of goods and services (royalty for technical assistance) are included in purchases (Note 15).

[3] Sales of raw materials to Ulsan Aluminum Limited due to the Company's purchasing as an agent are reported on a gross basis.

(in millions of Korean won)	Counter party	2022 Sales[1]	2022 Purchase[2]	2022 Other income (expense)
Ultimate parent company	Hindalco Industries Limited	₩ -	₩ 2,943	₩ -
Parent company	Novelis Inc.	-	-	(41,772)
Other related parties	Novelis MEA Ltd.	762,234	24,147	(740)
	Novelis (China) Aluminum Products Co., Ltd.	432,822	29,383	(3,992)
	Novelis Corporation (Texas)	142,705	-	412
	Novelis Aluminum (Zhenjiang) Co, Ltd	5,749	-	133
	Novelis do Brazil Ltda.	-	-	(27)
	Novelis Switzerland SA	-	24,549	-
	Novelis Services Limited	-	-	(5,481)
	Novelis Global Employment Organization, Inc.	-	-	(2,187)
	Novelis AG	-	53,713	(744)
	Novelis Shanghai Aluminum Trading Company	-	-	(212)
	Novelis PAE SAS	-	61	-
	Novelis Koblenz GmbH	-	-	-
Entity under joint control	Ulsan Aluminum Limited	951,800	1,089,575	2,716
		₩ 2,295,320	₩ 1,224,371	₩ (51,894)

[1] Sales of goods and rendering of services are included in sales.

[2] Purchases of goods and services (royalty for technical assistance) are included in purchases (Note 15).

[3] Sales of raw materials to Ulsan Aluminum Limited due to the Company's purchasing as an agent are reported on a gross basis.

Outstanding balances arising from sales and purchases of goods and services as at March 31, 2023 and 2022, are as follows:

(in millions of Korean won)		As of 2023			
		Receivables		Payables	
	Counter party	Trade receivables	Other receivables	Trade payables	Other payables
Ultimate parent company	Hindalco Industries Limited	₩ -	₩ -	₩ -	₩ -
Parent company	Novelis Inc.	-	55	-	1,050
Other related parties	Novelis MEA Ltd.	260,605	-	3,929	-
	Novelis (China) Aluminum Products Co., Ltd.	83,317	184	4,107	-
	Novelis Corporation (Texas)	8,177	60	3	140
	Novelis Aluminum (Zhenjiang) Co., Ltd.	422	123	-	-
	Novelis do Brazil Ltda.	-	1	443	3
	Novelis Switzerland SA	-	-	1,830	-
	Novelis Global Employment Organization, Inc. (Delaware) (US)	-	-	-	199
	Novelis AG	-	-	-	62
	Novelis Shanghai Aluminum Trading Company	-	75	-	25
	Novelis Koblenz GmbH	-	6	-	-
	Novelis Vietnam Company Limited	1,387	127	1,127	-
Entity under joint control	Ulsan Aluminum Limited	147,387	14,583	277,478	1,791
		₩ 501,295	₩ 15,214	₩ 288,917	₩ 3,269

(in millions of Korean won)		As of 2022			
		Receivables		Payables	
	Counter party	Trade receivables	Other receivables	Trade payables	Other payables
Ultimate parent company	Hindalco Industries Limited	₩ -	₩ -	₩ -	₩ -
Parent company	Novelis Inc.	-	72	-	1,167
Other related parties	Novelis MEA Ltd.	241,232	-	1,585	28
	Novelis (China) Aluminum Products Co., Ltd.	108,338	188	6,071	2,122
	Novelis Corporation (Texas)	94,639	20	-	129
	Novelis Aluminum (Zhenjiang) Co., Ltd.	831	91	-	-
	Novelis do Brazil Ltda.	-	1	-	2
	Novelis Switzerland SA	-	-	2,876	-
	Novelis Global Employment Organization, Inc. (Delaware) (US)	-	-	-	86
	Novelis AG	-	-	31,123	56
	Novelis Shanghai Aluminum Trading Company	-	41	-	65
	Novelis Koblenz GmbH	-	-	-	-
	Novelis Vietnam Company Limited	1,288	118	1,285	-
Entity under joint control	Ulsan Aluminum Limited	194,191	36,829	303,539	1808
		₩ 640,519	₩ 37,359	₩ 346,479	₩ 5,463

As at March 31, 2023, the Company solely participated in the capital increase of ₩ 30,000 million(600 preferred shares) for financing the expansion of casting equipment of Ulsan Aluminum Limited, a joint venture.

31. Events after the Reporting Year

(a) Approval of financial statements

The financial statements for the 2023 reporting period of the Company were approved by a board of directors meeting on April 26, 2023 and may be modified and approved by a general shareholders’ meeting.

Report on Independent Auditor's
Review of Internal Control over Financial Reporting

(English Translation of a Report Originally Issued in Korean)

To the President of
Novelis Korea Limited

We have reviewed the accompanying management's report on the effectiveness of the Internal Control over Financial Reporting ("ICFR") of Novelis Korea Limited (the "Company") as at March 31, 2023. The Company's management is responsible for designing and operating ICFR and for its assessment of the effectiveness of ICFR. Our responsibility is to review the management's report on the effectiveness of the ICFR and issue a report based on our review. The management's report on the effectiveness of the ICFR of the Company states that "Based on the assessment results, Chief Executive Officer and ICFR Officer believe that no material weakness has been identified as at March 31, 2023, in all material respects, in conformity with the Best Practice Guideline."

Our review was conducted in accordance with the ICFR review standards established by the Korean Institute of Certified Public Accountants. Those standards require that we plan and perform, in all material respects, the review of management's report on the effectiveness of the ICFR to obtain a lower level of assurance than an audit. A review is to obtain an understanding of a company's ICFR and consists principally of inquiries of management and, when deemed necessary, a limited inspection of underlying documents, which is substantially less in scope than an audit. However, in accordance with Chapter 5, 'Application to small & medium sized companies' of the Best Practice Guideline, the design, operation and assessment of its ICFR are limited compared with those of public large sized companies as the Company is a non-public large sized company. As such, we performed our review in accordance with Chapter 14, 'Review standards for small & medium sized companies'.

A company's ICFR is a system to monitor and operate those policies and procedures designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Accounting Standards for Non-Public Entities in the Republic of Korea. Because of its inherent limitations, ICFR may not prevent or detect a material misstatement of the financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review, nothing has come to our attention that causes us to believe that management's report on the effectiveness of the ICFR, referred to above, is not presented fairly, in all material respects, in accordance with Chapter 5, 'Application to small & medium sized companies', of the Best Practice Guideline.

Our review is based on the Company's ICFR as at March 31, 2023, and we did not review management's assessment of its ICFR subsequent to March 31, 2023. This report has been prepared pursuant to the Acts on External Audit for Stock Companies, etc. in Korea and may not be appropriate for other purposes or for other users.

Samil PricewaterhouseCoopers

May 3, 2023

ADITYA BIRLA

NOVELIS

Operational Status Evaluation Report on the Internal Accounting Control System

To the board of directors and auditor of Novelis Korea Limited

As of March 31, 2023, the internal accounting manager evaluated the design and operational status of the Company's internal accounting control system for the fiscal year ended on the date above.

The management of the Company including the internal accounting controller is responsible for the design and operation of the internal accounting control system. The President & CEO and the internal accounting manager performed an assessment as to whether the Company's internal accounting control system has been effectively designed and operated in order to prevent and detect any errors and irregularities, which might result in distortion of financial statements, for the purpose of preparing and disclosing reliable financial statements. In evaluating the design and operational status of the internal accounting control system, the internal accounting manager used the exemplary standards for an internal accounting control system as evaluation standards.

Based on the evaluation result of the President & CEO and the internal accounting manager regarding the operational status of the Company's internal accounting control system, it is believed that internal accounting control system has not discovered weak points in all material respects as of March 31, 2023, considering the exemplary standards for an internal accounting control system.

To the best of our knowledge and belief as the President & CEO and the internal accounting manager, there were no evaluation results that have been described and reported falsely, nor those that have been missed out. In addition, the President & CEO and the internal accounting manager confirmed that the contents and results of the report have not been described and reported as causing significant misunderstanding, and have taken the necessary precautions and reviewed the contents and results of the report.

Aril 21, 2023

CFO (Internal Accounting Manager) : Andrea Lissoni (signature)

CEO and President : Sachin Satpute (signature)

Novelis Korea Limited
23rd Floor, Yonsei Jaedan Severance Bldg., 84-11, Namdaemun-ro, Jung-gu, Seoul, Korea 100-753
Tel +822 2259 1600 Fax +822 2259 1414

Novelis AG

Küsnacht (ZH)

Report of the statutory auditor
to the General Meeting

on the financial statements 2023

Report of the statutory auditor

to the General Meeting of Novelis AG

Küsnacht (ZH)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Novelis AG (the Company), which comprise the balance sheet as at 31 March 2023, and the statement of income for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' 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 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.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Daniel Anliker

Licensed audit expert
Auditor in charge

Bradley Allen

Zürich, 3 May 2023

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposal of the Board of Directors for appropriation of available earnings

Novelis AG, Kuesnacht

Balance sheet

	Note	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Assets					
Current assets					
Cash and cash equivalents		424 591 191	278 270 452	421 430 463	284 792 193
Trade receivables -					
Third parties		290 983 317	371 862 187	288 817 188	380 577 410
Group company		14 195 947	36 909 820	14 090 270	37 774 864
Associated companies		82 312 541	148 675 030	81 699 792	152 159 482
Other receivables -					
Third parties	2.4	22 318 858	52 176 557	22 152 713	53 399 404
Group company	2.4	2 149 168	527 299	2 133 169	539 657
Associated companies	2.4	18 070 314	40 031 601	17 935 795	40 969 810
Shareholder	2.4	265 034	0	263 061	0
Cash pooling with associated companies	2.1	130 411 116	67 241 820	129 440 313	68 817 747
Cash pooling with shareholder	2.1	0	1 302 111	0	1 332 628
Inventories		11 312 855	21 688 701	11 228 640	22 197 012
Prepayments and accrued income -					
Third parties		758 332	849 998	752 686	869 919
		997 368 673	**1 019 535 576**	**989 944 090**	**1 043 430 126**
Fixed assets					
Financial assets -					
Other financial assets, third parties	2.4	1 688 655	1 348 693	1 676 085	1 380 302
Other financial assets, group company	2.4	0	311	0	319
Other financial assets, associated companies	2.4	541 503	316 506	537 472	323 924
Investment in subsidiary		159 078 968	159 078 968	240 161 520	240 161 520
Tangible assets		267 264	128 324	265 274	131 331
Intangible assets		3 579 009	4 419 676	3 552 366	4 523 258
		165 155 399	**165 292 478**	**246 192 717**	**246 520 654**
Total assets		**1 162 524 072**	**1 184 828 054**	**1 236 136 807**	**1 289 950 780**

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EUR is the functional and presentation currency. CHF is included for informational purposes only in accordance with Art. 958d para. 3 SCO

Balance sheet

	Note	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Liabilities and shareholders' equity					
Current liabilities					
Trade payables -					
Third parties		136 694 737	187 908 281	135 677 161	192 312 230
Group company		168 289	280 450	167 036	287 023
Associated companies		25 705 845	41 855 958	25 514 486	42 836 923
Other current liabilities -					
Third parties	2.4	31 441 067	123 541 012	31 207 014	126 436 406
Group company	2.4	2 170 019	5 310 448	2 153 865	5 434 907
Associated companies	2.4	8 987 363	32 578 981	8 920 460	33 342 525
Shareholder	2.4	17 740	0	17 608	0
Cash pooling with group company	2.1	269 801 229	182 605 401	267 792 783	186 885 069
Cash pooling with associated companies	2.1	408 557 014	403 615 121	405 515 646	413 074 528
Cash pooling with shareholder	2.1	7 471 627	0	7 416 007	0
Accrued liabilities -					
Third parties		91 807 097	48 115 215	96 764 413	54 228 928
Associated companies		850 233	1 031 934	843 904	1 056 119
Shareholder		0	115 150	0	117 849
Short-term provisions -					
Third parties		6 450 406	6 370 873	6 402 388	6 520 186
		990 122 666	**1 033 328 824**	**988 392 771**	**1 062 532 693**
Non-current liabilities					
Long-term loans (interest-bearing) -					
Shareholder		0	9 368 075	0	9 587 632
Other non-current liabilities -					
Third parties	2.4	1 300 101	2 165 978	1 290 423	2 216 742
Group Company	2.4	0	231 145	0	236 562
Associated companies	2.4	1 556 664	975 533	1 545 076	998 396
Long-term provisions		1 120 491	1 076 406	1 112 150	1 101 634
		3 977 256	**13 817 137**	**3 947 649**	**14 140 966**
Shareholders' equity					
Share capital		662 383	662 383	1 000 000	1 000 000
Legal reserve		249 387	249 387	376 500	376 500
Retained earnings		136 770 323	127 070 260	211 900 621	201 582 503
Net income/(loss) for the year		30 742 057	9 700 063	30 519 266	10 318 118
		168 424 150	**137 682 093**	**243 796 387**	**213 277 121**
Total liabilities and shareholders' equity		**1 162 524 072**	**1 184 828 054**	**1 236 136 807**	**1 289 950 780**

EUR is the functional and presentation currency. CHF is included for informational purposes only in accordance with Art. 958d para. 3 SCO

Statement of Income for the financial year

	Note	April 1, 2022 to March 31, 2023 EUR	April 1, 2021 to March 31, 2022 EUR	April 1, 2022 to March 31, 2023 CHF	April 1, 2021 to March 31, 2022 CHF
Net revenue from sales of goods		1 208 350 993	1080 162 100	1 199 593 957	1148 986 385
Income from services		58 244 345	54 071 868	57 822 243	57 517 145
Changes in inventories (finished goods & work-in-progress)		(762 418)	(682 295)	(756 893)	(725 769)
Costs of material		(1014 946 597)	(869 212 235)	(1007 591 181)	(924 595 506)
Operating expense		(137 428 078)	(116 281 331)	(136 432 123)	(123 690 385)
Administrative expense		(32 822 377)	(26 257 823)	(32 584 510)	(27 930 882)
Personnel costs		(36 900 001)	(36 045 610)	(36 632 584)	(38 342 315)
Depreciation and amortisation		(3 242 751)	(3 697 194)	(3 219 251)	(3 932 767)
Operating profit/(loss) before financial items		**40 493 116**	**82 057 480**	**40 199 658**	**87 285 906**
Financial income	2.8	517 127 188	257 378 741	513 379 518	273 778 046
Financial expense	2.8	(529 402 467)	(332 225 400)	(525 565 837)	(353 393 682)
Interest income		6 729 405	3 629 841	6 680 636	3 861 122
Interest expense		(657 881)	(1 069 490)	(653 114)	(1 137 634)
Income/(loss) before tax		**34 289 360**	**9 771 172**	**34 040 861**	**10 393 758**
Tax		(3 547 303)	(71 109)	(3 521 595)	(75 640)
Net income/(loss) for the period		**30 742 057**	**9 700 063**	**30 519 266**	**10 318 118**

EUR is the functional and presentation currency. CHF is included for informational purposes only in accordance with Art. 958d para. 3 SCO

Notes to the financial statements for the year ended March 31, 2023

Principal activities

The principle activities of Novelis AG (the "Company"), as a headquarter entity, are to provide management services and undertake forex and metal trading/hedging activities for and on behalf of the Novelis European entities. The Company also operates as cash pool leader in the European cash pool system.

The Company has a tolling arrangement with Novelis Sheet Ingot GmbH ("Novelis SIG") as the principal that owns the metal tolled by Novelis SIG and recognises the revenues from the related product sales to other Novelis entities.

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO effective January 1, 2013).

Novelis AG, as a subsidiary of Novelis Inc., Canada is included in the consolidated financial statement of the parent company. Novelis Inc. prepares and publishes consolidated financial statements in accordance with generally accepted accounting procedures in the United States of America, which is a recognised financial reporting standard per Art. 962a CO. As a result, per Art. 961d CO, the Company is exempt from disclosing additional information in the notes to the annual accounts, and from preparing the cash flow statement and the management report.

Significant financial statement items are accounted as follows:

1.1 Trade receivables and other short-term receivables

Trade receivables and other short-term receivables are carried at their nominal value less allowance on an individual basis for specific foreseeable risks.

1.2 Inventories

Inventories are valued at the lower of cost (acquisition and production cost) and net realisable value. Production cost comprises all direct cost as well as appropriate portions of indirect cost and general administrative cost. The cost is determined using the weighted average method. Net realisable value is defined as the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

1.3 Recognition of revenue

Net revenue from sales of goods represents product sales to other Novelis entities in relation with the Novelis SIG tolling arrangement. Income from services comprises charges for service provided to Novelis entities. These revenues are recognized if delivery has occurred or service has been provided and collectability of the fixed or determinable sales price/service charge is reasonably assured.

1.4 Non-current assets

Acquired intangible asset and property plant and equipment are valued at acquisition or development cost less ordinary accumulated amortization or depreciation.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

Property, plant and equipment	Useful life	Method
Fixtures and fittings	10 years	10% linear
Enterprise resource planning system	10 years	10% linear
Software License	5 years	20% linear

Investments in affiliates and in associated companies are stated at acquisition cost or lower recoverable amounts as of balance sheet date. Loans to associated companies are stated at acquisition cost less redemptions.

1.5. Assets with observable market price

Derivative financial instruments are measured at their observable market price as of the balance sheet date. The Company applies the prudence principle and records a provision for net unrealized gains.

1.6. Leases

Operating lease expenses are recognized in the statement of income on a straight-line basis over the term of the relevant lease agreements.

DS DS

Notes to the financial statements for the year ended March 31, 2023

1.7 Foreign currencies

The Company's functional and presentation currency is Euro (EUR) due to the primary economic environment in which the Company carries out business operations. Balance sheet items in foreign currency are translated into EUR at rates prevailing on period ending date. The exchange rates used for transactions conducted during the course of the year and for items in the statement of income are the rates prevailing at the dates of the transactions.

Swiss Franc (CHF) is included for informational purposes only in accordance with Art. 958d para. 3 SCO.

Rate		Income Statement	Balance Sheet	Balance Sheet (historical rate) [1]
CHF/EUR	31.03.23	0.9928	0.9926	1.5097
CHF/EUR	31.03.22	1.0637	1.0234	1.5097

1) The historical CHF/EUR rate is applied for share capital and general reserve

The Company has chosen the option to translate the investment in a subsidiary at the historical rate (CHF/EUR rate 1.510) into CHF to reflect the accurate nominal value.

2. Details, analyses and explanations to the financial statements

2.1 Cash Pooling

In 2007, Novelis AG set up a Cash Pooling System for the shareholder, group company and associated companies. The Cash Pooling System was expanded to European Aleris/Novelis associated companies during FY21.

Resulting balances are shown as follows:

	March 31, 2023 EUR	**March 31, 2022** EUR	**March 31, 2023** CHF	**March 31, 2022** CHF
Other receivables				
From cash pooling with associated companies	130 411 116	67 241 820	129 440 313	68 817 747
From cash pooling with shareholder	0	1 302 111	0	1 332 628
Other current liabilities				
From cash pooling with group company	269 801 229	182 605 401	267 792 783	186 885 069
From cash pooling with associated companies	408 557 014	403 615 121	405 515 646	413 074 528
From cash pooling with shareholder	7 471 627	0	7 416 007	0

For the purposes of the balance sheet presentation, the cash pooling balances are presented net by counterparty in line with the right of offset that exists in the cash pooling agreement.

2.2 Guarantees and assets pledged in favour of third parties

Pledged assets

	March 31, 2023 EUR	**March 31, 2022** EUR	**March 31, 2023** CHF	**March 31, 2022** CHF
All assets pledged	1 162 524 072	1 184 828 054	1 236 136 807	1 289 950 780
	1 162 524 072	1 184 828 054	1 236 136 807	1 289 950 780

At the balance sheet date Novelis Inc.'s senior secured facilities consisted of:
(1) a $1.2 billion outstanding across two secured term loans; one expiring in 2025 and other expiring in 2028 ("Term Loan Agreement"), and
(2) a $ 2 billion five-year asset based loan facility ("ABL Agreement")

All the assets of the Company, along with those of certain other companies in the Novelis Inc. Group, have been pledged as security for these facilities.

As of March 31, 2023, there are $463 Mio outstanding borrowing under the ABL facility (2022: $65 Mio) for the Novelis Inc. Group.

The ABL Agreement and the Term Loan Agreement require Novelis AG and Novelis Switzerland SA, to enter into:
(i) a First Ranking Account Pledge Agreement related to the ABL Agreement, and
(ii) a Second Ranking Account Pledge Agreement related to the Term Loan Agreement (together, the "Pledge Agreements"). The Pledge Agreements provide collateral rights over certain assets of Novelis AG and Novelis Switzerland SA to the lending syndicates of the ABL Agreement and the Term Loan Agreement.

DS DS

Notes to the financial statements for the year ended March 31, 2023

In addition to the Pledge Agreements, there is also non-recourse receivables purchase agreement in place between Novelis Deutschland GmbH and Novelis AG. Pursuant to this agreement, Novelis Deutschland GmbH agreed to sell their receivables in arm's length transactions to Novelis AG.
As at 31 March 2022, the balance outstanding under the non-recourse receivables purchase agreement is approximately EUR 285.0 Mio/CHF 282.9 Mio (31.03.2022: EUR 355.7 Mio/CHF 364.0 Mio).

Total amount given in guarantee

	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Guarantees given	15 088 050	13 860 400	14 975 732	14 184 733
	15 088 050	13 860 400	14 975 732	14 184 733

2.3 Inventories

	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Raw materials, consumables and supplies	9 388 770	19 076 776	9 318 879	19 523 872
Work in progress	498 325	502 443	494 615	514 219
Finished goods	1 425 760	2 109 482	1 415 146	2 158 921
Total inventory	11 312 855	21,688,701	11,228,640	22,197,012

2.4 Assets and Liabilities with observable market price

Other receivables and other current liabilities contain short term unrealized forex and metal derivatives which are measured at their observable market price.

Short Term Derivatives	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Metal/forex derivatives receivables - third parties	22 105 883	52 299 898	21 941 323	53 525 635
Metal/forex derivatives receivables - group company	2 149 168	527 299	2 133 169	539 657
Metal/forex derivatives receivables - associated companies	15 766 259	36 828 118	15 648 893	37 691 247
Metal/forex derivatives receivables - shareholder	265 034	0	263 061	0
Metal/forex derivatives payables - third parties	(25 819 709)	(120 457 897)	(25 627 503)	(123 281 032)
Metal/forex derivatives payables - group company	(2 170 019)	(5 310 448)	(2 153 865)	(5 434 907)
Metal/forex derivatives payables - associated companies	(7 887 712)	(26 427 901)	(7 828 995)	(27 047 284)
Metal/forex derivatives payables - shareholder	(17 740)	0	(17 608)	0

Other financial assets and other non-current liabilities contain long term unrealized forex and metal derivatives which are measured at their observable market price.

Long term Derivatives	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Metal/forex derivatives receivables - third parties	1 688 655	1 348 693	1 676 085	1 380 302
Metal/forex derivatives receivables - group company	0	311	0	319
Metal/forex derivatives receivables - associated companies	541 503	316 506	537 472	323 924
Metal/forex derivatives payables - third parties	(1 076 621)	(1 994 671)	(1 068 606)	(2 041 419)
Metal/forex derivatives payables - group company	0	(231 145)	0	(236 562)
Metal/forex derivatives payables - associated companies	(1 556 664)	(975 533)	(1 545 076)	(998 396)

2.5 Amounts payable to pension funds

	March 31, 2023 EUR	March 31, 2022 EUR	March 31, 2023 CHF	March 31, 2022 CHF
Amounts payable to pension funds	1 085	267 833	1 077	274 111
	1 085	267 833	1 077	274 111

Notes to the financial statements for the year ended March 31, 2023

2.6 Significant investments

Company	Business	Share capital	Quote
Novelis Switzerland SA, Sierre	B, C, D, E	CHF 5'000'000	100%

Business

A	Dormant
B	Production
C	Sales
D	IT Applications
E	Research R&D

2.7 Lease obligations

Total amount of operating lease obligations not recorded in the balance sheet are as follows:

	March 31, 2023 EUR	**March 31, 2022** EUR	**March 31, 2023** CHF	**March 31, 2022** CHF
Future lease obligations				
Within one to five years	2 377 087	3 220 586	2 359 391	3 296 066
Over five years	0	0	0	0
Total	2 377 087	3 220 586	2 359 391	3 296 066

2.8 Financial Income and Expense

The financial income and expense is classified by the below categories

	March 31, 2023 EUR	**March 31, 2022** EUR	**March 31, 2023** CHF	**March 31, 2022** CHF
Operating incl. ABL				
Financial income	9 867 406	2 340 126	9 795 896	2 489 231
Financial expense	(76 814 443)	(16 295 550)	(76 257 761)	(17 333 848)
Total	(66 947 037)	(13 955 424)	(66 461 865)	(14 844 617)
FX				
Financial income	216 879 276	101 672 033	215 307 531	108 150 232
Financial expense	(233 562 762)	(93 657 271)	(231 870 110)	(99 624 797)
Total	(16 683 486)	8 014 762	(16 562 579)	8 525 435
Metal				
Financial income	288 522 545	149 138 074	286 431 595	158 640 649
Financial expense	(217 108 350)	(219 652 088)	(215 534 945)	(233 647 578)
Total	71 414 196	(70 514 014)	70 896 650	(75 006 929)
Utilities				
Financial income	1 857 961	4 228 508	1 844 496	4 497 934
Financial expense	(1 916 913)	(2 620 490)	(1 903 021)	(2 787 459)
Total	(58 952)	1 608 017	(58 525)	1 710 475

2.9 Full-time equivalents

The number of full-time equivalents did not exceed 250 on an annual average basis.

3. Subsequent events

No events of note have taken place since the end of the financial year.

DS DS

Retained earnings carried forward and proposal of the Board of Directors for appropriation of retained earnings

	March 31, 2023 Proposal of the board of directors EUR	March 31, 2022 Proposal of the board of directors EUR	March 31, 2023 Proposal of the board of directors CHF	March 31, 2022 Proposal of the board of directors CHF
Retained earnings at the beginning of the year	136 770 323	127 070 260	211 900 622	201 582 504
Net income/(loss) for the year	30 742 057	9 700 063	30 519 266	10 318 118
Retained earnings at the disposal of the annual general meeting	167 512 380	136 770 323	242 419 888	211 900 622
Retained earnings to be carried forward	167 512 380	136 770 323	242 419 888	211 900 622
	167 512 380	136 770 323	242 419 888	211 900 622

EUR is the functional and presentation currency. CHF is included for informational purposes only in accordance with Art. 958d para. 3 SCO

Novelis Switzerland SA

Sierre

Report of the statutory auditor
to the General Meeting

on the financial statements 2022/2023

Report of the statutory auditor

to the General Meeting of Novelis Switzerland SA

Sierre

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Novelis Switzerland SA (the Company), which comprise the balance sheet as at 31 March 2023, and the income statement 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 comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

PricewaterhouseCoopers SA, avenue C.-F. Ramuz 45, case postale, 1001 Lausanne, Switzerland
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' 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 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.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Pierre-Alain Dévaud | Basile Ançay

Licensed audit expert
Auditor in charge

Lausanne, 28 April 2023

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

Balance sheet at
(in Swiss Francs)

	March 31, 2023	March 31, 2022
Assets		
Current assets		
Liquid funds	23 022	22 303
Trade accounts receivable -		
Third parties, net	24 073 243	23 367 856
Group companies	69 545 614	88 166 247
Prepaid expenses and accrued income -		
Third parties	5 794 188	8 450 360
Other receivables -		
Third parties	13 666 718	14 008 928
Shareholders	267 777 786	186 869 468
Loans short term Group companies	0	41 442 648
Inventories, net	78 435 242	110 435 465
	459 315 812	472 763 275
Non-current assets		
Prepaid expenses and accrued income -		
Third parties	2 125 756	1 007 347
Financial fixed assets -		
Investments	2 954 775	2 954 775
Loans long term	2 621 905	1 231 492
Tangible fixed assets -		
Land and buildings	66 647 989	68 275 385
Machinery and other equipments	99 337 348	105 983 128
Construction in progress	8 301 038	8 074 284
Intangible fixed assets -		
Goodwill	7 369 320	29 478 356
Softwares	269 436	393 011
	189 627 567	217 397 778
Total assets	648 943 379	690 161 053
Liabilities and shareholders' equity		
Current liabilities		
Bank overdrafts		
Trade accounts payable -		
Third parties	113 119 797	153 631 412
Group companies	33 607 328	64 265 474
Accrued liabilities	30 904 806	20 862 896
Short-term debts	1 241 975	2 149 350
	178 873 906	240 909 132
Non-current liabilities		
Long term debts	0	838 830
	0	838 830
Shareholders' equity		
Share capital	5 000 000	5 000 000
Legal reserve	2 500 000	2 500 000
Statutory retained earnings	440 913 091	438 143 761
Profit/loss for the year/period	21 656 382	2 769 330
	470 069 473	448 413 091
Total liabilities and shareholders' equity	648 943 379	690 161 053

Statement of income for the period
(in Swiss Francs)

	April 1, 2022 - March 31, 2023	April 1, 2021 - March 31, 2022
Turnover		
Income from sales	969 613 298	828 511 483
Income from service fees	12 833 926	11 657 968
Sales deductions	(13 578 263)	(10 402 689)
	968 868 960	829 766 762
Materials used	(746 664 514)	(704 124 838)
Energy consumption costs	(18 823 456)	(13 013 155)
Variation in inventories	(29 271 487)	34 784 591
Gross profit	174 109 503	147 413 360
Personnel costs	(64 943 891)	(62 074 622)
Leasing	(2 004 299)	(2 232 579)
Maintenance	(9 247 690)	(8 472 468)
Other operating costs	(35 040 318)	(32 219 468)
Other income/expenses, net	2 778 841	1 645 019
Depreciation & Amorization	(40 430 350)	(40 587 832)
Operating profit before financial items	25 221 795	3 471 410
Financial income	1 161 320	246 510
Financial expenses	(584 692)	(575 733)
Exchange rate differences	356 845	(34 537)
Operating profit	26 155 269	3 107 650
Non-operating expense	(509 750)	(312 644)
Income before tax	25 645 518	2 795 006
Taxes	(3 989 136)	(25 676)
Net income for the period	21 656 382	2 769 330

Notes to the financial statements 2023

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).
Significant balance sheet items are accounted for as follows:

2. Trade receivable

Our accounts receivable are geographically dispersed. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for doubtful accounts are made by means of the provision for doubtful accounts. We write-off uncollectible accounts receivable against the allowance for doubtful accounts after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for doubtful accounts.

3. Revenue recognition

We recognize sales when the revenue is realized or realizable, and has been earned. We record sales when a firm sales agreement is in place, delivery has occurred and collectability of the fixed or determinable sales price is reasonably assured.

We recognize product revenue, net of trade discounts, allowances, and estimated billing adjustments, in the reporting period in which the products are shipped and the title and risk of ownership pass to the customer. We sell most of our products under contracts based on a “conversion premium,” which is subject to periodic adjustments based on market factors. As a result, the aluminum price risk is largely absorbed by the customer. In situations where we offer customers fixed prices for future delivery of our products, we enter into derivative instruments for all or a portion of the cost of metal inputs to protect our profit on the conversion of the product.

Shipping and handling amounts we bill to our customers are included in “Net sales” and the related shipping and handling costs we incur are included in “Cost of goods sold (exclusive of depreciation and amortization).”

Our customers can receive or earn certain incentives including, but not limited to, contract signing bonuses, cash discounts, volume based incentive programs, and support for infrastructure programs. The incentives are recorded as reductions to "Net sales" and are recognized over the minimum contractual period in which the customer is obligated to make purchases from Novelis.
For incentives that must be earned, management must make estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as reductions to "Net sales". In making these estimates, management considers historical results. The actual amounts may differ from these estimates.

Notes to the financial statements 2023

4. Inventories

Inventories are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value. Cost comprises all directly attributable costs of materials and production, and overheads necessary to bring the inventories to their present location and condition.
Cost is determined using the weighted average method. Net realisable value is the estimated selling price less the estimated cost to completion and the estimated selling cost.
Impairment charges are made for unsellable inventory or inventory with a low turnover.
In addition, a general reserve has been recorded.

	March 31, 2023 CHF	March 31, 2022 CHF
Raw materials	48 279 480	62 894 372
Work in progress	33 355 009	41 150 814
Finished goods	10 658 231	21 100 987
Consumables and supplies	11 414 624	10 228 239
Valuation adjustments	(25 272 103)	(24 938 947)
	78 435 242	110 435 465

5. Investment in unconsolidated subsidiaries

AluInfra Services SA, joint-venture, Sierre	March 31, 2023 CHF	March 31, 2022 CHF
Share capital	1 000 000	1 000 000
Capital	50%	50%
Right to vote	50%	50%

6. Fixed assets

Fixed assets are carried at cost or manufacturing cost less depreciation.
Assets held under finance leases are carried at the lower of the fair value of the asset and the present value of the minimum lease payments.
The related outstanding finance lease obligations are presented under liabilities.
The leased asset is initially capitalised at the lower of the present value of the lease payments and fair value. Lease instalments are broken down into interest and repayment amounts.
The leased asset is depreciated over the shorter of the lease term and the estimated life of the asset.

Notes to the financial statements 2023

Depreciation and amortization are calculated on the basis of the following useful lives and in accordance with the following methods:

Fixed assets	Useful life	Method
Buildings	15 to 40 years	linear
Buildings, wear parts	2 to 33 years	linear
Machinery	5 to 25 years	linear
Machinery, wear parts	2 to 15 years	linear
Vehicules	3 to 10 years	linear
Softwares	3 to 5 years	linear
Goodwill	5 years fixed	linear

7. **Lease commitments, excluding VAT** not recorded in the balance sheet	**March 31, 2023 CHF**	**March 31, 2022 CHF**
Future lease payments	10 724 224	11 995 792
	10 724 224	11 995 792

8. **Assets pledged in favour of third parties**	**March 31, 2023 CHF**	**March 31, 2022 CHF**
Fixed Assets (net book value)	173 269 368	181 140 727
Receivables	361 396 643	298 403 571
Cash	23 024	22 303
	534 689 034	479 566 601

At the balance sheet date Novelis Inc’s senior secured facilities consisted of:
(1) a $1.2 billion outstanding across two secured term loans; one expiring in 2025 and other expiring in 2028 ("Term Loan Agreement"), and
(2) a $2 billion five-year asset based loan facility ("ABL Revolver")
All assets of Novelis Inc., along with those of certain other companies in the Novelis Inc. Group have been pledged as security for these facilities.
The ABL Agreement and the Term Loan Agreement require Novelis AG and Novelis Switzerland SA, to enter into:
(i) a First Ranking Account Pledge Agreement related to the ABL Agreement, and
(ii) a Second Ranking Account Pledge Agreement related to the Term Loan Agreement (together, the “Pledge Agreements”). The Pledge Agreements provide collateral rights over certain assets of Novelis AG and Novelis Switzerland SA to the lending syndicates of the ABL Agreement and the Term Loan Agreement.

Notes to the financial statements 2023

9. Guarantees	March 31, 2023 CHF	March 31, 2022 CHF
Guarantee in favour of Listex Sàrl, Sierre	3 000 000	3 000 000
Guarantee in favour of Swiss Customs (import)	4 450 000	4 450 000
Guarantee in favour of Ernst&Co, Inh. Geiger	400 000	400 000

10. Amounts due to pension funds

Amounts due to pension funds	742 106	706 376
	742 106	706 376

11. Other contingent liabilities

The Company is jointly liable for Swiss VAT with respect to the Novelis AG VAT Group.

12. Commitments

As of March 31, 2023, the company has 318 (FY22: 229) open forward contracts for an estimated net fair value of +20'697.10 CHF (FY22: +5'131'311.73 CHF).

312 (FY22: 229) contracts hedging the FX rates risk for an estimated fair value of +71'040.92 CHF (FY22: +5'131'311.73 CHF) and 6 (FY22: 0 for an estimated fair value of 0 CHF) contracts for an estimated fair value of -50'343.81 CHF hedging the metal price

The fair value related to these contracts have not been considered in the net profit as they are dedicated to hedge future trade commitments. Therefore, any unrealized losses on the contracts are offset by corresponding gains on future trade commitments.

13. Full-time equivalents

The number of full-time equivalents exceeds 250 on an annual average basis.

14. Departure from the principle of continuity in the presentation

Presentation of accounts for the past year has been changed for purpose of comparison.

15. Impact of Ukraine war

The war on Ukraine has had a very limited impact on the Company and on Novelis Group:

- Even if aluminium transactions with Russia, Ukraine and Belarus are not prohibited, Novelis has taken the decision not to sell any rolled products to the above mentioned countries;
- Novelis Group buys some raw aluminium from Russia. During the fiscal year, we gradually reduced purchases of aluminium from Russia. If needed, Novelis would be able to find alternative suppliers in other countries.
- Novelis Switzerland SA did not purchase any materials from Russia in FY23.

During FY23, the war has had very limited impact on the demand of can and automotive products on the end markets. The war has caused an increase of the raw materials prices such as aluminium, gas, electricity and consumables.
However, thanks to the pricing mechanism based on LME quotation plus manufacturing cost, the additional raw material cost is reflected in a revised selling price to customers.
The demand of aluminium rolled products in Europe has been increasing in the second half of FY23, and the trend is expected to continue in FY24.

Movements on retained earnings

(in Swiss Francs)	March 31, 2023 CHF	March 31, 2022 CHF
Retained earnings at the beginning of the period	440 913 091	438 143 761
Net income for the period	21 656 382	2 769 330
Retained earnings at the disposal of the annual general meeting	462 569 473	440 913 091

Proposal of the board of directors for appropriation of retained earnings

	2023 Proposal of the board of directors
To be carried forward	462 569 473
	462 569 473

Novelis MEA Ltd.

Directors' report and financial statements for the year ended 31 March 2023

Novelis MEA Ltd.

Directors' report

The directors submit their report together with the audited financial statements of Novelis MEA Ltd. (the "Company") for the year ended 31 March 2023.

Incorporation and registered office

The Company was incorporated on 16 October 2012 as a limited liability company under the Companies Law - DIFC Law No. 2 of 2009, as amended, of the Dubai International Financial Centre ("DIFC"), bearing registration number 1278. The registered address of the Company is Unit OT 18-44, Level 18, Central Park Towers, Dubai International Financial Centre, P.O. Box 506780, Dubai, United Arab Emirates.

The Company is a wholly owned subsidiary of Novelis Inc. (the "immediate parent company"), a company registered under tax number 980 393 167 with head office at 191 Evans Avenue, Toronto, Ontario M8Z 1J5, Canada. The ultimate parent company is Hindalco Industries Limited.

Principal activities

The principal activity of the Company is Investment in commercial enterprise and management including the import and export of aluminium flat rolled products.

Results

The results of the Company for the year ended 31 March 2023 are set out on page 5 of the financial statements.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and being eligible, offer themselves for reappointment.

On behalf of the Board of Directors

Director

27 April 2023

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Independent auditor's report to the shareholder of Novelis MEA Ltd.

Report on the audit of the financial statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Novelis MEA Ltd. (the "Company") as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Director's report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Independent auditor's report to the shareholder of Novelis MEA Ltd. (continued)

Other information (continued)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, 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 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the Companies Law - DIFC Law No.5 of 2018, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

pwc

Independent auditor's report to the shareholder of Novelis MEA Ltd. (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on other legal and regulatory requirements

Further, we report that the Company's financial statements have been properly prepared in accordance with the applicable provisions of the Companies Law - DIFC Law No. 5 of 2018.

PricewaterhouseCoopers

27 April 2023

PricewaterhouseCoopers
Dubai, United Arab Emirates

Novelis MEA Ltd.

Statement of financial position

	Note	As at 31 March 2023 USD	2022 USD
Assets			
Non-current assets			
Property and equipment		33,347	28,537
Intangible assets		41,885	83,770
Derivative financial instruments	9	445,884	724,135
		521,116	836,442
Current assets			
Trade receivables	5	121,619,735	177,422,657
Other financial assets at amortised cost		72,690	87,334
Other current assets		276,235	318,881
Derivative financial instruments	9	128,562	3,224,369
Cash and cash equivalents	4	134,138,314	87,475,207
		256,235,536	268,528,448
Total assets		256,756,652	269,364,890
Equity and liabilities			
Equity			
Share capital	6	50,000	50,000
Contributed capital	6	862,286	862,286
Retained earnings		47,187,130	60,704,797
Total equity		48,099,416	61,617,083
Liabilities			
Non-current liability			
Provision for employees' end of service benefits	10	80,302	114,947
Derivative financial instruments	9	487,818	12,826
		568,120	127,773
Current liabilities			
Trade and other payables	7	8,746,402	6,349,234
Contract liabilities	8	21,570	2,340,784
Derivative financial instruments	9	2,199,689	33,106
Due to related parties	9	197,121,455	198,896,910
		208,089,116	207,620,034
Total liabilities		208,657,236	207,747,807
Total equity and liabilities		256,756,652	269,364,890

These financial statements were approved by the Board of Directors on 27 April 2023 and signed on its behalf by.

YJ LHG

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Director

Novelis MEA Ltd.

Statement of comprehensive income

	Note	Year ended 31 March 2023 USD	2022 USD
Revenue	11	829,552,207	743,576,395
Cost of sales	12	(775,283,072)	(684,490,599)
Gross profit		54,269,135	59,085,796
Other income		1,982,382	-
Administrative expenses	13	(7,378,255)	(6,782,485)
Derivatives financial instruments: gains/(loss) - net		(7,380,481)	4,585,748
Finance income		1,421	353
Finance costs		(11,869)	(11,413)
Profit for the year		41,482,333	56,877,999
Other comprehensive income		-	-
Total comprehensive income for the year		41,482,333	56,877,999

The notes on pages 9 to 25 form an integral part of these financial statements

Novelis MEA Ltd.

Statement of changes in equity

	Share capital USD	Contributed capital USD	Retained earnings USD	Total USD
As at 1 April 2022	50,000	862,286	35,826,799	36,739,085
Comprehensive income				
Profit and total comprehensive income for the year	-	-	56,877,999	56,877,999
Dividends distributed	-	-	(32,000,001)	(32,000,001)
As at 31 March 2022	50,000	862,286	60,704,797	61,617,083
Comprehensive income				
Profit/Total comprehensive income for the year	-	-	41,482,333	41,482,333
Dividends distributed	-	-	(55,000,000)	(55,000,000)
As at 31 March 2023	50,000	862,286	47,187,130	48,099,416

Novelis MEA Ltd.

Statement of cash flows

	Note	Year ended 31 December 2023 USD	2022 USD
Cash flows from operating activities			
Profit for the year		41,482,333	56,877,999
Adjustment for:			
Depreciation		12,018	11,290
Amortization		41,884	41,886
Fair value gain/loss on derivative financial instruments		7,380,481	(4,585,748)
Finance costs - Net		10,448	11,060
Operating cash flows before payment of employees' end of service benefits and changes in working capital		48,927,164	52,356,487
Payment of employees' end of service benefits	10	(34,645)	-
Operating cash flows before changes in working capital		48,892,519	52,356,487
Changes in working capital:			
Other financial assets at amortised cost		14,645	314,860
Other current assets		42,646	(301,567)
Trade and other payables		2,397,168	(870,149)
Contract liabilities		(2,319,214)	(4,123,112)
Trade receivables		55,802,922	(26,117,684)
Derivative financial instruments		(1,364,848)	897,672
Due to related parties		(1,775,455)	29,323,717
Net cash generated from operating activities		101,690,383	51,480,224
Cash flows from investing activities			
Purchases of property, plant and equipment		(16,828)	(4,536)
Net cash used in investing activities		(16,828)	(4,536)
Cash flows from financing activities			
Dividends paid	6	(55,000,000)	(32,000,001)
Finance costs		(10,448)	(11,060)
Net cash used in financing activities		(55,010,448)	(32,011,061)
Net increase in cash and cash equivalents		46,663,107	19,464,627
Cash and cash equivalents at beginning of the year		87,475,207	68,010,580
Cash and cash equivalents at end of the year		134,138,314	87,475,207

1 Legal status and activities

Novelis MEA Ltd. (the "Company") was incorporated on 16 October 2012 as a limited liability company under the Companies Law - DIFC Law No. 2 of 2009, as amended, of the Dubai International Financial Centre ("DIFC"), bearing registration number 1278. The registered address of the Company is Unit OT 18-44, Level 18, Central Park Towers, Dubai International Financial Centre, P.O. Box 506780, Dubai, United Arab Emirates.

The principal activity of the Company is investment in commercial enterprise and management including the import and export of aluminum flat rolled products. The Company commenced its trading operations from 1 April 2013.

The Company is a wholly owned subsidiary of Novelis Inc. (the "immediate parent company"), a company registered under tax number 980 393 167 with head office at 191 Evans Avenue, Toronto, Ontario M8Z 1J5, Canada. The ultimate parent company is Hindalco Industries Limited, a company incorporated in Worli, Mumbai 400 030, India.

2 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS interpretation committee ("IFRS IC") interpretations as applicable to entity reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 16 January 2023 the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current taxes will only be payable for financial years beginning on or after 1 June 2023 so the company will be subject to current tax for the first time during the year ending 31 March 2025.
However, enactment of the legislation requires the Company to record deferred taxes using the enacted rate of 9%.

The Company operates in the DIFC Free zone. The current status of Free Zone entities under the Law as it currently stands is uncertain. The Corporate Tax Law provides for a 0% tax rate to apply to the Qualifying Income of Qualifying Free Zone Persons but there is no currently enacted definition of “Free Zone” or “Qualifying Income”.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The Company is currently in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective.

(a) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2022 :

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

Annual Improvements to IFRS Standards 2018–2020
The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- IFRS 17 Insurance Contracts (effective date: 1 January 2023)
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective date: 1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective date: 1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (effective date: 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective date: 1 January 2023)

There are no other standards or IFRS IC interpretations that are not yet effective and that would be expected to have material impact on the Company.

2.2 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). Since the majority of the transactions are denominated in US Dollars ("USD"), the financial statements are presented in USD, which is the Company's functional and presentation currency.

2 Summary of significant accounting policies (continued)

2.2 Foreign currency (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided at rates calculated to reduce the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

	Years
Office equipment	3

The residual values and useful lives of items of property and equipment are reviewed at the reporting date and adjusted if appropriate, at the end of the reporting period.

2.4 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design, testing and implementation of identifiable and unique software products, controlled by the Company, are recognised as intangible assets. Directly attributable costs, that are capitalised as part of the software products include the manpower cost incurred in the development of the software and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

2 Summary of significant accounting policies (continued)

2.5 Impairment of non-financial assets (continued)

Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(i) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2.7 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 Summary of significant accounting policies (continued)

2.8 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the corresponding historical credit losses experienced within the receivable lifetime. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Cash and cash equivalents and short term deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.9 Trade and other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. The provision for doubtful debts represents the Company's estimate of individually impaired trade receivables as well as expected credit losses on trade receivables that are not individually impaired. The expected credit losses are calculated using a provision matrix based on historical credit loss experience and assessments of current and future conditions. Management believes that the provision for doubtful debts to cover the risk of default based on historical payment behavior and assessments of future expectations of credit losses, including regular analysis of customer credit risk, is immaterial to the financial statements.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The impact of the expected credit loss assessment on cash and cash equivalents is immaterial.

2.11 Share capital

Ordinary shares are classified as equity.

2.12 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies (continued)

2.13 Financial Liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and due to related parties.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated income statement.

2.14 Employees' end of service benefits

(a) Leave entitlement

A provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the statement of financial position date. This provision is included in accruals.

(b) End of service benefits

The Company provides end of service benefit provision for all employees who have completed one year of service under DIFC employment law. The provision for defined benefit obligation for the end of service benefits in accordance with the DIFC employment law is calculated annually using the projected unit credit method in accordance with IAS 19. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates on high-quality corporate bonds that are denominated in the currency in which the benefit will be paid and have terms to maturity approximating to the terms of the related pension obligation.

On 28 August 2019, the DIFC issued the DIFC Employment Law No. 2 of 2019. In terms of the new requirements which were effective from 1 February 2020, the Company is required to make mandatory monthly contributions to the DIFC's default Qualifying Scheme or an alternative regulated scheme, as opposed to paying a lumpsum 'gratuity payment' to an employee at the end of their employment.

In line with the DIFC employment Qualifying Scheme effective 1 February 2020, the Company accrues/pays into the fund 5.38% of an employee monthly basic wage for the first five years of an employee's service, inclusive of any period of employment or secondment served prior to the Qualifying Scheme Commencement date; and 8.33% of an employee's monthly basic wage for each additional year of service.

2 Summary of significant accounting policies (continued)

2.14 Employees' end of service benefits (continued)

It is understood that under the new requirements the Company will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. This requirement is only for benefits earned after 1 February 2020.

(b) End of service benefits (continued)

In terms of previous benefits accrued prior to 1 February 2020, the DIFC law provided the Company with numerous options, which include settlement of the balance, transferring the balance or retaining the status quo. The Company has decided to retain the status quo and settle. the accrued benefit prior to 1 February 2020 at the end of the employee's working relationship with the Company.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that the Company will be required to settle the obligation and the amount can be reliably estimated. Provisions are recorded at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are not recognised for future operating losses.

2.16 Revenue recognition

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer
- Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

2 Summary of significant accounting policies (continued)

2.16 Revenue recognition (continued)

(a) Sale of goods

Revenue from the sale of goods is recognised at a point in time when the customer obtains control of the product following delivering to their premises. Invoices are generated and recognised as revenue net of applicable sales tax, discounts and rebates which relate to the items sold.

2.17 Leases

The Company acting as lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value or lease term of less than 12 months. Payments made under short-term leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

2.18 Interest income

Interest income is recognised using the effective interest method.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company under policies approved by management.

(a) Market risk

The Board of Directors has overall responsibility for the Company and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) *Market risk* (continued)

(i) Foreign exchange risk

The Company is not significantly exposed to currency risk as a majority of its transactions are primarily denominated in USD.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The Company has no material exposure to price risk as it has immaterial sensitive financial instruments.

(b) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to the financial instrument fails to discharge its contractual obligation. Credit risk is mainly attributable to trade and other receivables, derivative financial assets and cash at bank. The Company has no significant concentration of credit risk. The Company assesses the credit quality of customers by considering their financial position, past experience and other factors. The Company has established credit limits for customers and monitors their balances. In addition, the Company has no significant risk arising on balances with financial institutions since cash is place with reputable financial institutions. The Company considers the risk associated with related party balances to be low (Note 9).

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulties in meeting its obligations due to shortage of funds. The Company maintains a sufficient level of cash and cash equivalents to meet the Company's working capital requirements by closely monitoring its cash flows. Due to the nature of its business, the Company has adopted prudent liquidity risk management in maintaining and obtaining sufficient credit facilities.

Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. At the reporting date, the Company held cash and bank balances of USD 134,138,314 (2022: USD 87,475,207).

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from related parties. This includes capital contributions from the shareholder or extended payment terms on amounts due to related parties.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following are the contractual maturities of financial liabilities (including future interest payable, if any):

	Carrying amount USD	Contractual cash flows USD	Less than 1 year USD	More than 1 year USD
31 March 2023				
Non-derivatives				
Trade and other payables (Note 7)	8,746,402	8,746,402	8,746,402	-
Due to related parties (Note 9)	197,121,455	197,121,455	197,121,455	-
	205,867,857	205,867,857	205,867,857	-
Derivatives				
Derivative financial instruments (Note 9)	2,199,689	2,199,689	2,199,689	-
31 March 2022				
Non-derivatives				
Trade and other payables (Note 7)	6,349,234	6,349,234	6,349,234	-
Due to related parties (Note 9)	198,896,910	198,896,910	198,896,910	-
	205,246,144	205,246,144	205,246,144	-
Derivatives				
Derivative financial instruments (Note 9)	45,932	45,932	33,106	12,826

3.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid or sell assets to reduce debt.

The Company had no borrowings as at 31 March 2023 and 2022 and was, therefore, ungeared.

3 Financial risk management (continued)

3.3 Fair value estimation

Fair value is determined by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)(Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial assets and financial liabilities approximates their carrying value.

3.4 Changes in presentation

During the year, the Company has changed the presentation of Statement of Comprehensive Income, by removing the Operating Profit line. The Company believes that the change provides more relevant analysis and grouping of income and expenses. In accordance with IAS 8, the change has been made retrospectively. This change of the presentation did not have an effect on the Statement of financial position, Statement of changes in equity, Statement of cash flows and disclosures to the financial statements.

4 Financial instruments by category

	2023 USD	2022 USD
Assets as per statement of financial position		
Trade receivables (Note 5)	121,619,735	177,422,657
Other financial assets at amortised cost	72,690	87,334
Cash and cash equivalents	134,138,314	87,475,207
	255,830,739	264,985,198
Financial asset measured at fair value through profit or loss		
Derivative financial asset (Note 9)	128,562	3,948,504
Liabilities as per statement of financial position		
Trade and other payables (Note 7)	8,746,402	6,349,234
Due to related parties (Note 9)	197,121,455	198,896,910
	205,867,857	205,246,144
Financial liability measured at fair value through profit or loss		
Derivative financial liability (Note 9)	2,199,689	45,932

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings as follows:

	2023 USD	2022 USD
Cash at bank		
Externally rated.financial assets (Moody's)		
A1	133,828,880	6,397
A2	-	87,160,625
A3	-	-
Aa3	309,434	308,185
	134,138,314	87,475,207
Without external rating		
Trade and other receivables (Note 5)	121,619,735	177,422,657
	121,619,735	177,422,657

5 Trade receivables

	2023 USD	2022 USD
Trade receivable	121,619,735	177,422,657

As at 31 March 2023, trade receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above which approximates their fair value at the reporting date. The Company does not hold any collateral as security. Trade and other receivables are all denominated in USD.

As at 31 March 2023 and 2022, the ageing analysis of unimpaired trade receivables is as follows:

	2023 USD	2022 USD
Neither past due nor impaired	120,986,433	177,344,216
Within 1 to 6 months	633,302	78,441
	121,619,735	177,422,657

As at 31 March 2023, trade receivables of USD 633,302 (2022: USD 78,441) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

As at 31 March 2023, the Company had a concentration of credit risk with ten of the largest customers accounting for 64% (2022: 70%) of the gross trade receivables. Management is confident that this concentration of credit risk will not result in a loss to the Company as the customers have an established track record of meeting their financial obligations to the Company.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews considering the customer's financial position, past experience and other factors. Management assessment of the expected credit loss for trade receivables is immaterial for the year ended 31 March 2023 and 2022.

6 Share capital

	2023 USD	2022 USD
Authorised, issued and fully paid-up capital		
2023:50 shares (2022: 50 shares) of USD 1,000 each	50,000	50,000
Contributed capital	862,286	862,286
	912,286	912,286

In addition to the subscription of the ordinary share capital, the immediate parent company contributed additional capital of USD 862,286 to the operation of the Company during the period ended 31 March 2013. The amounts have been accounted for as contributed capital.

During the year the board of Directors approved dividends amount to USD 55,000,000 (2022: USD 32,000,001). The dividends were paid to the shareholder during the year.

7 Trade and other payables

	2023 USD	2022 USD
Trade payables	1,497,489	2,071,492
Accruals	5,701,311	3,787,891
Other payables	1,547,602	489,851
	8,746,402	6,349,234

The carrying value of trade and other payables approximates their fair value.

8 Contract liabilities

	2023 USD	2022 USD
Contract liabilities	21,570	2,340,784

9 Related party transactions and balances

Related parties include the immediate parent company, ultimate parent companies, companies under common control and key management personnel. During the year, the Company entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

(a) Transactions with related parties

	2023 USD	2022 USD
Product sales to affiliates	18,086,192	21,555,191
Novelis Korea	*18,052,372*	*21,555,191*
Other affiliates	*33,820*	-
Product purchases from affiliates	758,140,663	664,011,586
Novelis Korea	*750,251,921*	*652,294,821*
Novelis Deutschland GmbH	*6,934,896*	*8,187,387*
Other affiliates	*953,846*	*3,529,378*
Professional charges	5,032,783	4,720,368
Others	3,578,703	1,291,079

(b) Related party balances

	2023 USD	2022 USD
Due to related parties		
Immediate parent company	233,424	217,526
Affiliates		
Novelis Korea	196,869,430	197,903,322
Novelis Deutschland GmbH	780	757,649
Novelis AG	3,727	3,727
Novelis Corporation	11,948	12,540
Novelis Brasil Ltda (Pindamonhangaba)	2,146	2,146
	197,121,455	198,896,910

Amounts due to related parties are non-interest bearing, unsecured and repayable on demand.

9 Related party transactions and balances (continued)

(c) Derivative financial instruments

The Company enters into financial instruments (swaps) with Novelis AG affiliate) to fix the purchase price of aluminum, in order to reduce the risk of adverse price movements. As the instruments do not meet the requirements set out in IFRS to be hedge accounted, they are recorded at fair value through profit or loss. Swaps falls under level 2 of the fair value hierarchy. The notional amount of the derivatives at 31 March 2023 was USD 9,007,883 (2022: USD 26,111,536). The Company's derivatives as at 31 March 2023 and 2022 were:

	2023	
	Assets USD	**Liabilities** USD
Swaps	574,446	2,687,507

	2022	
	Assets USD	**Liabilities** USD
Swaps	3,948,504	45,932

(d) Compensation of key management personnel:

	2023 USD	2022 USD
Salaries	122,237	118,154
Allowances and other benefits	51,054	79,013
	173,291	197,167

10 Provision for employees' end of service benefits

	2023 USD	2022 USD
At 1 April	114,947	114,947
Payments during the year	(34,645)	-
At 31 March	80,302	114,947

11 Revenue

(a) Revenue from contracts with customers

	2023 USD	2022 USD
Point in time	829,552,207	743,576,395

(b) Liabilities relating to contracts with customers

The Company has advances from customers related to contracts with customers as at 31 March 2023 and 31 March 2022 (Note 8).

12 Cost of sales

	2023 USD	2022 USD
Product purchases	775,283,072	684,490,599

13 Administrative expenses

	2023 USD	2022 USD
Professional charges	4,486,580	4,513,271
Staff costs (Note 14)	981,737	1,286,314
Travel and accommodation	129,152	27,962
Rent	122,402	104,695
Amortisation	41,884	41,886
Depreciation	12,018	11,290
Others	1,604,482	797,067
	7,378,255	6,782,485

14 Staff costs

	2023 USD	2022 USD
Salaries	597,230	557,207
Employees' end of service benefits - Charge for the year	24,683	29,094
Allowances and other benefits	359,824	700,013
	981,737	1,286,314

15 Contingencies and commitments

Operating lease commitments

The approximate minimum annual rental commitments of the Company under the existing lease agreements are as follows:

	2023 USD	2022 USD
Within one year	125,671	109,355
Between two and three years	21,036	112,636
	146,707	221,991

Legal proceedings

From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these financial statements.

ADITYA BIRLA
NOVELIS

NOVELIS EUROPE HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Strategic report

Principal activities, review of the business and future development

The Company is an investment holding company. It does not trade and its principal objective is to facilitate the efficient management and funding of Novelis' operations in Germany, the United Kingdom, Italy and Switzerland.

The statement of financial position can be seen on page 10 of these financial statements.

Section 172(1) Statement

The Board's approach to section 172(1) and decision-making

The primary purpose of the Company as outlined above is that of an intermediate holding company. The overall objective of the Company and the wider Group is to maximise shareholder and stakeholder value whilst working to a sustainable long term business model. Collectively, the Board is responsible for the effective oversight and day-to-day management of the Company. The Board works to ensure the business strategy and objectives of the Company are aligned with the Group strategy and objectives.

The Company has policies in place to support its' values and aims in achieving its' business objectives. The Board acknowledges that the long-term success of the business is critically dependent on its' key stakeholders and these are considered in their decision-making. As a holding company there are limited stakeholders, as set out below.

Government Organisations and Legislators

The Company and Group interact with government and legislative bodies including HMRC and maintaining an open and transparent relationship with all legislative bodies is critical to the ongoing success of the Company and the Group. The Company has a low tolerance for tax risk. The Company minimizes risk in relation to UK taxation by utilizing the services of skilled professional advisors, both internally through the global tax organization, as well as externally through the services of professional service firms.

Principal decisions taken in the year

As a holding company there are limited decisions that have to be taken in the course of the financial year. Aside from the approval of the annual report, there were no principal decisions taken in the year

Key Performance Indicators

The directors consider the Company's key performance indicators to be financial, specifically net assets. These are disclosed in the financial statements.

The Company is a holding Company only, therefore, in the view of the directors, there are no non-financial KPIs which are relevant to this Company.

Financial risk management / principal risks and uncertainties

The Company is an intermediate holding company. The key financial risks therefore relate to the value of its subsidiary companies.

The Company's operations expose it periodically to financial risks associated with the effects of changes in foreign currency exchange rates.

Risk Management Policies are set by the Novelis Group, and are adopted in full by the Company. Specifically Novelis has policies and procedures manuals that set out specific guidelines to manage foreign currency risk and circumstances where it would be appropriate to use financial instruments to manage this.

The Company is occasionally exposed to currency risk on foreign currency capital receipts and payments and dividends. In-line with Novelis Group policy all foreign currency commitments are covered by forward currency contracts, at the time they arise, so as to fix the functional currency value of the Company's future cash flows.

Given the company's funding arrangements consisting of fixed rate and long maturity intercompany loans, interest rate and liquidity risk are limited.

The war in Ukraine has had a very limited impact on the Company and on the wider Novelis Group:

- Even though aluminium transactions with Russia, Ukraine and Belarus are not prohibited, Novelis has taken the decision not to sell any rolled products to the above mentioned countries;
- Novelis Group buys some raw aluminium from Russia. During the fiscal year, the Group gradually reduced purchases of aluminium from Russia. If needed, the Group would be able to find alternative suppliers in other countries.
- The only UK trading company, Novelis UK does not purchase any materials from Russia.

During FY23, the war has had very limited any impact on the demand of can and automotive products on the end markets.

The war has caused an increase in the prices of raw materials such as aluminium, gas, electricity and consumables. However, thanks to the pricing mechanism based on LME quotation plus manufacturing cost, the additional raw material cost is reflected in a revised selling price to customers.

The demand of aluminium rolled products in Europe has been increasing in the second half of FY23, and the trend is expected to continue in FY24. The Company does not anticipate any material negative impact, however, in case of a drop of demand, the Company is in a position to absorb lower volumes by operating at lower costs level, while being ready to resume to full capacity almost immediately.

Gas supply - Aluminium production requires the utilization of natural gas in the melting, casting and hot rolling process. As European countries are working to be independent from Russian gas, any restrictions in supply may disrupt industrial activities in Europe.

On behalf of the Board

A Sweeney
Director
9 May 2023
Registered office:
Latchford Locks Works
Thelwall Lane, Warrington, Cheshire WA4 1NN

Directors' Report

The directors present their report together with the audited financial statements of the Company for the year ended 31 March 2023.

1. Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

F. Lucido
A. Sweeney

There are no disclosable directors' interests in the Company's shares. No director during or at the end of the year had any material interest in any significant contract with the Group or Company.

2. Future development of the Company

The directors expect the Company to continue to operate in its current role in the future.

3. Results and dividends

The result for the year is set out on page 11. No dividends were paid during the year (2022: nil).

The Directors do not propose the payment of a final dividend (2022: nil).

4. Going Concern

The Company meets its day-to-day working capital requirement through its intercompany cashpool and loan agreements.

The demand of aluminium rolled products, especially for Aerospace and Automotive products have been increasing in the second half of FY23 and it is expected to be strong also in FY24.

The demand for material used in the food and beverage industry remains strong thanks to the high percentage of recycled aluminium showing a continuous growth towards other materials (like plastic and steel) with lower environmental sustainability.

The Novelis Europe framework with 4 plants with recycling capabilities (in UK, Germany, Italy and Switzerland) ensures a cheap and regular scrap supply coming from customers, from the Novelis rolling and finishing plants and from post-consumers recycling e.g. Used Beverage Cans.

In addition, the European Novelis group had positive results in FY23 thanks to the good performance of the recycling plants, to the diversified portfolio, to the capability to adapt the production capacity to the market demand and to the capability to increase the selling price in case of increase of raw material cost.

There are no liquidity constraints and the Novelis group has recently announcement additional investment to strengthen the global position in the recycling and rolling business.

The company currently has net current liabilities of $88,098,000 (2022 : $497,042,000). However, the Company is able to control the timing of payments of the amounts disclosed as current liabilities by virtue of its controlling shareholding with the counterparty.

The Company was due to repay a loan to the value of $363,944,000 on 2 June 2022, held with another Novelis group company that are under the controlling shareholding of the Company. The loan has been extended to 2 June 2027.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

5. Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the group's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and
dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

6. Third party indemnity provision

A qualifying third party indemnity insurance has been purchased for those persons acting as Directors'. The cover was in force during the year and also at the date of approval of the financial statements.

7. Provision of information to auditors

In the case of each director in office at the date the Directors' Report is approved:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

8. SECR

The following disclosures are also included within the financial statements of Novelis UK Ltd, the UK subsidiary which is required to make SECR disclosures.

Parameter	Units	2023	2022
Energy consumption	kWh	255,480,660	270,728,298
Emissions from combustion of gas	tCO2e	41,104	44,086
Emissions from combustion of fuel for transport purposes	tCO2e	784	785
Emissions from business travel	tCO2e	4	4
Emissions from purchased electricity	tCO2e	5,257	5,715
Total emissions from above	tCO2e	47,149	50,590
Intensity ratio: Total emissions / total cast production	tCO2e/ tonne	0.258	0.258

Methodology
Energy consumption is taken from utility supplier invoices, or where this is not available calculated from site based records.

Energy Efficiency Action
Action is underway to meet the Group objective of 6% energy reduction annually. Part of the plan is to better monitor the energy consumption of each asset and being able to identify the deviations and losses.

Energy projects are carried out by assessing the losses and implementing processes and solutions in order to make these savings.

The objective of 6% is measured as the energy consumption per normalised tonne of material produced (MWh/tonne).

9. Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office. Resolutions concerning their re-appointment and the authorisation of the directors to determine their remuneration will be submitted to the forthcoming Annual General Meeting of the Company.

On behalf of the Board

A. Sweeney

A Sweeney
Director

9 May 2023

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
Cheshire
WA4 1NN

Independent auditors' report to the members of Novelis Europe Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Novelis Europe Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 31 March 2023; the Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We performed a full scope audit of the single entity and all material transactions and balances were in scope for our audit.

Key audit matters

- Carrying value of investments in subsidiaries

Materiality

- Overall materiality: $7,527,000 (2022: $7,500,000) based on 1% of total assets.
- Performance materiality: $5,645,000 (2022: $5,600,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries The carrying value of the investment in subsidiaries within the Statement of Financial Position is $744,490k (2022 : $744,490k). This consists of investments in the subsidiaries listed in note 8 of the Financial Statements. Management has updated its assessment to determine whether there are any indicators of impairment that may require additional impairment charges to be recorded. They concluded that there were no such indicators.	We have held discussions with management to assess whether there are any events or other factors that are potential indicators for impairment. We have also undertaken our own assessment to consider whether any impairment indicators exist by comparing the carrying value of the investments to the current level of net assets of the subsidiaries. This also included considering whether there are any new or ongoing impacts arising from external events such as the ongoing war in Ukraine. We concluded that no indicators of impairment were present and the carrying value of the investments remains supportable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company is a single entity and therefore all transactions and balances were in scope for our audit if material.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	$7,527,000 (2022: $7,500,000).
How we determined it	1% of total assets
Rationale for benchmark applied	The company is an intermediate holding company within the Novelis Inc group and has no other trading activity. We therefore believe that total assets is the primary measures used by shareholders in assessing the performance of the company, and it is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to $5,645,000 (2022: $5,600,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $376,500 (2022: $375,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Discussions with management and review of management's assessment of going concern;
- Reviewing and understanding the loan agreements with other group companies, including when amounts fall due for repayment and how these have been factored into the going concern assessment;
- Considering management's ability to control intercompany loan repayments through the company's ownership of the counterparties and consideration of the liquidity of those other group companies.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing Rules of the International Stock Exchange, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the inclusion of the company's investments at an inappropriate value. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Testing management's assessment of the appropriateness of the carrying value of the investment in subsidiaries;
- Identifying and testing journal entries, in particular those considered to have unusual or unexpected account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on the size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Bound (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cardiff

9 May 2023

Statement of comprehensive income for the year ended 31 March 2023

Registered in England
Number 5308334

	Note	2023 $'000	2022 $'000
Other operating expenses	6	**(1,182)**	(714)
Operating loss		**(1,182)**	(714)
Interest receivable and similar income	5	**87**	551
Interest payable and similar expenses	5	**(19,843)**	(20,388)
Loss before taxation	6	**(20,938)**	(20,551)
Tax on loss	7	-	-
Loss for the financial year		**(20,938)**	(20,551)

The notes on pages 14 to 20 form part of these financial statements.

Statement of financial position as at 31 March 2023

	Note	2023 $'000	2022 $'000
Fixed Assets:			
Investments	8	744,490	744,490
Current assets:			
Debtors (including $8,123,000 (2022: $10,419,000) amounts falling due after more than one year)	9	8,219	10,627
		8,219	10,627
Creditors: amounts falling due within one year	10	(96,307)	(444,447)
Net current liabilities		(88,088)	(433,820)
Total assets less current liabilities		656,402	310,670
Creditors: amounts falling due after more than one year	11	(417,547)	(50,877)
Net assets		238,855	259,793
Equity			
Called up share capital	12	49,097	49,097
Retained earnings		189,758	210,696
Total equity		238,855	259,793

The financial statements on pages 9 to 18 were authorised by issue of the board of directors on 9 May 2023 and were signed on its behalf by:

A. Sweeney

A Sweeney
Director

The notes on pages 12 to 18 form part of these financial statements.

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital	Retained earnings	Total equity
	$000	$000	$000
Balance as at 1 April 2021	49,097	231,247	280,344
Loss for the financial year and total comprehensive expense	-	(20,551)	(20,551)
Balance as at 31 March 2022	**49,097**	**210,696**	**259,793**
Balance as at 1 April 2022	49,097	210,696	259,793
Loss for the financial year and total comprehensive expense	-	(20,938)	(20,938)
Balance as at 31 March 2023	**49,097**	**189,758**	**238,855**

Notes to the financial statements

1. General information and summary of significant accounting policies

Novelis Europe Holdings Limited ('the company') is an investment holding company.

The company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, United Kingdom, WA4 1NN.

A. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

B. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

Going concern - The Company meets its day-to-day working capital requirement through its intercompany cashpool and loan agreements. The demand of aluminium rolled products, especially for Aerospace and Automotive products have been increasing in the second half of FY23 and it is expected to be strong also in FY24.

The demand for material used in the food and beverage industry remains strong thanks to the high percentage of recycled aluminium showing a continuous growth towards other materials (like plastic and steel) with lower environmental sustainability.

The Novelis Europe framework with 4 plants with recycling capabilities (in UK, Germany, Italy and Switzerland) ensures a cheap and regular scrap supply coming from customers, from the Novelis rolling and finishing plants and from post-consumers recycling e.g. Used Beverage Cans.

The company currently has net current liabilities of $88,098,000 (2022 : $497,042,000). However, the company is able to control the timing of payments of the amounts disclosed as current liabilities by virtue of its controlling shareholding with the counterparty.

The Company received repayment of a loan to the value of $10,419,000 on 2 June 2022. The Company was also due to repay a loan to the value of $363,944,000 on 2 June 2022. The terms of the loan were renegotiated with repayment now due on 2 June 2027.

There are no liquidity constraints and Novelis has recently announcement additional investment to strengthen the global position in the recycling and rolling business.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

C. Exemptions

The Company's results are consolidated in the consolidated financial statements of Novelis Inc. that are publicly available. Consequently, the Company has taken advantage of the following disclosure exemptions allowed by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

1. General information and summary of significant accounting policies (continued)

D. Consolidation

The results of the Company and its subsidiaries are consolidated in the consolidated financial statements of its immediate parent, Novelis Inc. These financial statements have been prepared in a manner consistent with consolidated financial statements prepared under the European Commission's 7th Company Law Directive and so the Company has taken advantage of the exemption allowed under section 401(2) (d) of the Companies Act 2006 and has not prepared group financial statements.

E. Foreign currency

(i) Functional and presentation currency
The company's functional and presentation currency is US $.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within "interest (payable)/ receivable". All other foreign exchange gains and losses are presented in the profit and loss account within "Other operating expenses".

F. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

G. Investments

Investments are recorded at cost. If business conditions or changes in circumstances indicate that asset values may be impaired, an impairment review is undertaken and impairment charges are recorded if the carrying value of the investment exceeds the higher of its realisable value and its value in use.

Notes to the financial statements (continued)

H. Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as other debtors and creditors, loans to and from related parties and investments in subsidiaries.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Statement of compliance

The individual financial statements of Novelis Europe Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the identification of any impairment triggers in the company's investments in subsidiaries. Further information is provided in note 8.

4. Staff costs and directors' emoluments

The Company does not employ any staff (2022: none). During the year no director (2022: none) received any emoluments for qualifying services to the Company. No pension contributions were made on behalf of any director nor at the year end was any director accruing retirement benefits in relation the qualifying services (2022: nil).

5. Interest

Interest: interest receivable and similar income

	2023 $'000	2022 $'000
Interest receivable on intercompany loans	87	551

Interest: interest payable and similar expenses

	2023 $'000	2022 $'000
Interest payable on intercompany loans	19,842	20,388

6. Loss before taxation

	2023 $'000	2022 $'000
Loss before taxation is stated after charging:		
Other operating expense	1,182	714
Auditors' remuneration: - for audit services	25	25

The other operating expense is related to a foreign exchange gain or loss that is due to a loan denominated in a foreign currency.

The Company's audit fee has been paid by its subsidiary Novelis UK Ltd.

7. Tax on loss

	2023 $'000	2022 $'000
Tax credit on loss	-	-

UK corporation tax has been provided where applicable at a rate of 19% (2022: 19%).

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 $'000	2022 $'000
Loss before taxation	(20,938)	(20,551)
Loss before taxation multiplied by standard rate in the UK of 19% (2022: 19%)	(3,978)	(3,905)
Effects of:		
Group relief surrendered without charge	3,978	3,905
Total tax credit	-	-

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements.

Deferred taxation assets of $1,609,000 (2022: $1,223,000) have not been recognised on the grounds that their recovery is uncertain.

Notes to the financial statements (continued)

8. Investments

	$'000
Cost	
At 1 April 2022	831,726
At 31 March 2023	831,726
Provision for impairment	
At 1 April 2022	87,236
At 31 March 2023	87,236
Net book value	
At 31 March 2023	**744,490**
At 31 March 2022	744,490

The Company's fixed asset investment value represents the purchase cost of its wholly owned subsidiaries less any subsequent impairment. The Company is exempt from preparing group financial statements because the results of both it and its subsidiaries are included in the consolidated financial statements of its immediate parent Novelis Inc. A full list of the company's subsidiaries is included in note 15.

The directors believe that the carrying value of the investments is supported by their underlying net assets and their future expected performance.

9. Debtors

	2023 $'000	2022 $'000
Amount owed by group undertakings	**8,123**	10,419
Other debtors	**96**	208
	8,219	10,627

The loan of $10,419k at 31 March 2022 was repaid on 2 June 2022. The amount owed by group undertakings in the current year is the cashpool balance held with Novelis AG.

10. Creditors: amounts falling due within one year

	2023 $'000	2022 $'000
Amounts owed to group undertakings	**96,307**	444,447
	96,307	444,447

At the balance sheet date, the amounts owed to group undertakings relate to the accrued interest on a loan balance of $408,944k that is due on demand. At 31 March 2022, the loan was due for repayment within one year. During the year, the repayment date was amended to 2 June 2027 and is now included within the balance shown in note 11.

Notes to the financial statements (continued)

11. Creditors: amounts falling due after more than one year

	2023 $'000	2022 $'000
Amounts owed to group undertakings	**417,537**	50,877

A loan of $8,593k (2022 : $50,877k), bearing interest at a rate of 6.8%, is repayable on 20 March 2026. This debt is listed on The International Stock Exchange (formerly the Channel Islands Stock Exchange). The loan is not available to be purchased.

The remainder relates to a loan of $408,944k that was refinanced during the year with the repayment date now being 2 June 2027 and bearing interest at 4.5%. The amounts owed to group undertakings are unsecured.

12. Called up share capital

	2023 $'000	2022 $'000
Allotted, called up and fully paid: 341,138,496 (2022: 341,138,496) ordinary shares of $0.14392	**49,097**	49,097

13. Contingent liabilities

As of 31 March 2023, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2022: $0.8 billion), five-year secured term loan credit facility (Term Loan Facilities), maturing in January 2025, (ii) a $0.5 billion (2022: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2022: $1.5 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2023, $13 million (2022: $13 million), of the Term Loan Facility is due within one year. All the assets of the Company, along with those of certain other companies in the Novelis Inc. group, have been pledged as security for these facilities. As of 31 March 2023, there were borrowings outstanding of $463m (2022: $15m) on the ABL facility.

14. Ultimate parent company

In the opinion of the directors, the ultimate parent company and controlling party at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the largest group in which Novelis Europe Holdings Limited is included. Novelis Inc. is the parent company of the smallest group within which the Company's results are consolidated. Copies of Hindalco Industries Ltd financial statements can be obtained from its head office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

The address of Novelis Inc. is 3560 Lenox Rd NE, Atlanta, GA 30326.

15. Subsidiary listing

A list of the Company's subsidiaries is given below together with their country of incorporation (in brackets) if outside the UK and principal activities. All companies are 100% owned unless otherwise stated and operate in the aluminium industry.

Owned directly by the Company (all ordinary shares):
Novelis Aluminium Holding Company (Ireland) – Investment holding company (99.99%).
25/28 North Wall Quay, 1 Dublin, Ireland

Novelis UK Ltd (U.K.) – Operates a recycling plant (100%).
Latchford Lock Works, Warrington WA4 1NN

Novelis AG (Switzerland) – Investment holding company and provider of management services (100%).
Sternenfeldstrasse 19, CH-8700 Küsnacht (ZH), Switzerland

Majority shareholding owned by the Company (ordinary share capital):
Novelis Italia Srl (Italy) – Operates a sheet rolling mill (62.5%).
Via Vittorio Veneto No. 106, Bresso, Milan, Italy

Owned by Novelis Aluminium Holding Company (ordinary share capital):
Novelis Deutschland GmbH (Germany) – Operates sheet and foil rolling mills (100%).
Hannoverschestr 1, 37075 Göttingen, Germany

Owned by Novelis Deutschland GmbH (ordinary share capital):
Novelis Deutschland Holding GmbH (Germany) – (100%).
Hannoverschestr 1, 37075 Göttingen, Germany

Aluminium Norf GmbH (Germany) – 50% joint venture – Operates a sheet rolling mill.
Koblenzerstr. 120, 41468 Neuss-Stüttgen, Germany

Novelis Sheet Ingot GmbH (Germany) – Operates a recycling plant (100%).
Hannoverschestr 1, 37075 Göttingen, Germany

Deutsche Aluminium Verpackung Recycling GmbH (DAVR) – Operates a recycling plant (30%).
Postfach 10 06 64, 41490 Grevenbroich

Owned by Novelis Deutschland Holding GmbH (ordinary share capital):
Novelis Koblenz GmbH (Germany) – (100%).
Hannoverschestr 1, 37075 Göttingen, Germany

Owned by Koblenz GmbH (ordinary share capital):
Novelis Casthouse Germany GmbH (Germany) – (100%).
Hannoverschestr 1, 37075 Göttingen, Germany

France Aluminum Recyclage SA– Operates a recycling plant (20%).
ZIP Rhenane Nord, RD52, 68600 BIESHEIM

Novelis Italia Srl (Italy) – Operates a sheet rolling mill (37.5%).
Via Vittorio Veneto No. 106, Bresso, Milan, Italy

Owned by Novelis AG (ordinary share capital):
Novelis Switzerland SA (Switzerland) – Operates a sheet rolling mill (100%).
Route des Laminoirs 15, 3960 Sierre, Switzerland

Owned by Novelis Switzerland SA (ordinary share capital):
AluInfra Srevices SA (Switzerland) – (50%).
Route des Laminoirs 15, 3960 Sierre, Switzerland

Owned by Novelis UK Ltd (ordinary share capital):
Novelis Services Limited (U.K.) – Holds license to the Novelis Brand and charges associated branding, technology and service fees (100%)
Latchford Lock Works, Warrington WA4 1NN

NOVELIS UK LTD

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Strategic report

The directors present their Strategic report on the Company for the year ended 31 March 2023.

Principal activities, review of the business and future development

The principal activity of the Company is the processing and sale of aluminium products. It operates an aluminium recycling plant.

The recycling operation continued to perform at full capacity for the year. Despite a strong start the underlying London Metal Exchange (LME), and European Premiums (ECDP), decreased in their quoted US Dollar values during the year. The pound also weakened, further contributing to a fall in LME and ECDP in local currency.

The Company continued to trade profitably during the year. This can be seen on the income statement presented on page 9 of these financial statements.

Section 172(1) Statement

The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company.

Employees

The Company understands the need to promote culture as the way to drive best practice in all areas. To assist with this journey, the Company is promoting the Focused 5 of key areas for the business to improve. At the centre of this is culture.

Surrounding Culture are the Focused 5 of Safety, Customer Centricity, Quality, Operational Excellence and Return on Capital Employed.

By improving the culture, the success of the business will follow. Every meeting now starts with a Focused 5 story which presents all employees the opportunity to highlight positive practice that they have witnessed.

Of this Focused 5, the health and safety of our employees is the most important factor. After the Focused story, all meetings begin with a health and safety update. This can be as simple as letting new people know where the nearest fire escape is, or providing an update on the key performance indicators surrounding EHS.

Environment

At Novelis, we are also very aware of the commitment we make to the environment.

As an aluminium recycling plant, we provide a benefit to the environment because recycling aluminium requires 95% less energy and produces 95% fewer greenhouse gas emissions than manufacturing primary aluminium.

Aluminium is also infinitely recyclable and 75% of all the aluminium ever produced is still in use today.

With the recycling rate of aluminium beverage cans across Europe currently at 70%, and with plans to increase this, the Company are well placed to continue operating successfully into the future.

Community

Novelis UK Ltd also makes a contribution to those surrounding the UK operations. Through the Novelis Neighbour initiative, all UK employees are encouraged to support local charities with their activities.

Reputation

The Company is keenly aware that it is important to maintain its reputation of having a positive impact on the environment.

It can succeed in this area by continuing to maintain good relations with suppliers to ensure the flow of material is available for the recycling operation.

Through our Customer Centricity and Quality targets we also seek to maintain the supply of a high calibre product to our customers.

Statement on engagement with suppliers, customers and others in a business relationship with the company

The Company understands the need to maintain good relationships with both suppliers and customers. These are a mixture of both third party and intercompany partners.

External relations are maintained through regular meetings of both a formal and informal nature.

The internal relations are maintained and enhanced through both larger group meetings (Leadership Summits and Conferences), and smaller plant specific meetings, for example, operating agenda updates.

Where necessary, the Directors have travelled overseas as they understand the need to engage with all stakeholders of the business on a regular basis.

Principal Business Risks, Financial Risks and Uncertainties

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, metal prices, liquidity risk and interest rate risk.

Whilst Can demand remains steady in the year, Automotive recovered from a difficult first half of the year, increasing sales volume following the gradual reduction of microchip shortages. This is returning back to normal levels and we expect a growth in aluminium demand from Automotive due to focus on weight and CO_2 emissions reduction.

Risk Management Policies are set within the Novelis Group at a Global level and are adopted in full by the Company. Specifically Novelis has policies and procedures manuals that set out specific guidelines to manage foreign currency, metal price and credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Strategic report (continued)

Foreign currency risk - The Company is exposed to currency risk on foreign purchases and sales. In-line with Novelis Group policy the Company's net foreign currency exposure is covered by forward currency contracts, so as to fix the sterling value of the Company's forecast cash flows.

Metal price risk - The Company is exposed to metal price risk from changes in the traded London Metal Exchange (LME) price for Aluminium. In-line with Novelis Group policy this exposure is minimised by hedging sales commitments due for delivery in greater than three months, by the use of conversion only sales contracts and by the use of floating price sales contracts where metal prices for purchase and sale are synchronised.

Liquidity risk - The Company has access to short term funding through the Novelis Group Revolving Credit Facility as well as Inter-Company lending through the Novelis Europe Cash Pool.

The war in Ukraine has had a very limited impact on the Company and on Novelis Group:

- Even if aluminium transactions with Russia, Ukraine and Belarus are not prohibited, Novelis has taken the decision not to sell rolled products to the above mentioned countries.
- Novelis Group buys some raw aluminium from Russia however, during the fiscal year, the Group gradually reduced purchases of such items. If needed, Novelis would be able to find alternative suppliers in other countries.
- Novelis UK does not purchase any materials from Russia.

From a wider market perspective the war has had very limited impact on the demand of can and automotive products.

The war has caused an increase in raw materials prices such as aluminium, gas, electricity and consumables. However, thanks to the pricing mechanism based on LME quotation plus manufacturing cost, the additional raw material cost is reflected in a revised selling price to customers.

Interest rate risk - The Company's debt is in the form of short-term inter-company debt using a rate similar to SONIA. Management of interest rate risk is performed at a Novelis Inc. Group level.

Gas supply - Aluminium production requires the utilization of natural gas in the melting, casting and hot rolling process. As European countries are working to be independent from Russian gas, any restrictions in supply may disrupt industrial activities in Europe.

Key Performance Indicators

The Directors consider the Company's key performance indicators to be financial measures included in these financial statements and its environmental, health and safety (EHS) performance. Novelis Inc. mandates very high EHS standards at its operations throughout the world including year on year improvements in safety at work performance. During the financial year there have been no EHS incidents reportable under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) (2022: 1).

The profit for the financial year was £23,644,000 (2022: £25,094,000).

The recycling operation delivered 195,127 tonnes (2022: 212,296 tonnes) to other plants within the Novelis network during the year.

Total capital and reserves has increased to £294,128,000 (2022: £274,358,000) as a result of the total comprehensive income achieved in the financial year.

On behalf of the Board

A. Sweeney

A Sweeney
Director

9 May 2023

Directors' report

The directors present their report together with the audited financial statements of Novelis UK Ltd (the Company) for the year ended 31 March 2023.

1. Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

F. Lucido
A. Sweeney

There are no disclosable directors' interests in the Company's shares. No director during or at the end of the year had any material interest in any significant contract with the Company.

2. Future development of the Company

The plant continues to generate a profit and the directors expect to continue to operate in its current role in the future.

3. Principal activities, review of the business and future developments

These details are now contained within the Strategic report.

4. Results and dividends

The profit for the financial year is set out on page 9. The directors do not propose the payment of a dividend (2022: £nil).

5. Subsequent events

There are no subsequent events.

6. Research and development

The Company's research and development is directed towards aluminium products.

7. Financial risk management / principal risks and uncertainties

These details are now contained within the Strategic report.

8. Employee involvement

During the year the Company has continued its policy of providing employees systematically with information on matters of concern to them.

Employees or their representatives are consulted on a regular basis, so that their views can be taken into account in making decisions that are likely to affect their interests. It is also Company policy to make employees aware of the financial and economic factors affecting its performance.

The Company continues its policy to give full and fair consideration to applications for employment made by disabled persons, together with the policy of fulfilling its obligations towards employees who are disabled during the year of their employment by the Company.

9. Statement of Directors' Responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the group's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

they have taken all the steps that they ought to have taken as a director in order to make themselves aware

Directors' report (continued)

of any relevant audit information and to establish that the Company's auditors are aware of that information.

10. Going Concern

In preparing these financial statements, the Directors have considered the appropriateness of the going concern basis, particularly in light of the war in Ukraine and inflation. Considering the limited sales to Russia, Ukraine and Belarus and the alternatives available on the aluminium supply from Russia, management believes that there is a very limited impact on the financial results of the Company and of the Novelis Group.

Accordingly, these assessments give the Directors reasonable confidence that the business can continue to trade for at least the next 12 months. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of preparation for its financial statements.

11. Statement on engagement with suppliers, customers and others in a business relationship with the Company

The Company understands the need to maintain good relationships with both suppliers and customers. These are a mixture of both third party and intercompany partners for the business.

External relations are maintained through regular meetings of both a formal and informal nature. For example, one team within the Company moved offices to be geographically closer to a key customer. This facilitated the opportunity to ensure that face to face contact could be organised at short notice if required.

The internal relations are maintained and enhanced through both larger group meetings (Leadership Summits and Conferences), and smaller plant specific meetings, for example, operating agenda updates.

Where necessary, the Directors' have travelled overseas as they understand the need to engage with all stakeholders of the business on a regular basis.

12. Third party indemnity provision

Third party indemnity insurance has been purchased for those persons acting as Directors. The cover was in force during the year and also at the date of approval of the financial statements.

13. SECR

Methodology
Energy consumption is taken from utility supplier invoices, or where this is not available calculated from site based records.

Parameter	Units	2023	2022
Energy consumption	kWh	255,480,660	270,728,298
Emissions from combustion of gas	tCO2e	41,104	44,086
Emissions from combustion of fuel for transport purposes	tCO2e	784	785
Emissions from business travel	tCO2e	4	4
Emissions from purchased electricity	tCO2e	5,257	5,715
Total emissions from above	tCO2 e	47,149	50,590
Intensity ratio: Total emissions / total cast production	tCO2/ tonne	0.260	0.258

Energy Efficiency Action
Action is underway to meet the Group objective of 6% energy reduction annually. Part of the plan is to better monitor the energy consumption of each asset and being able to identify the deviations and losses.

Energy projects are carried out by assessing the losses and implementing processes and solutions in order to make these savings.

The objective of 6% is measured as the energy consumption per normalised tonne of material produced (MWh/tonne).

14. Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office. Resolutions concerning their re-appointment and the authorisation of the directors to determine their remuneration will be submitted to the forthcoming Annual General Meeting of the Company.

On behalf of the Board

A. Sweeney

A Sweeney
Director

9 May 2023

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
WA4 1NN

Independent auditors' report to the members of Novelis UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Novelis UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 31 March 2023; the Income statement, Statement of comprehensive income, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates relating to the valuation of the defined benefit pension scheme. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud
- Inspection of third party certification such as the ISO 45001 certificate

- Identifying and testing journal entries, in particular those having unusual account combinations
- Challenging assumptions and judgements made by management relating to the valuation of the defined benefit pension scheme
- Obtaining third party confirmations of the company's banking arrangements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

J Bound

Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
9 May 2023

Income statement for the year ended 31 March 2023

Registered in England
Number 279596

	Note	2023 £'000	2022 £'000
Revenue	4	**500,296**	466,042
Cost of sales		**(465,380)**	(424,606)
Gross profit		**34,916**	41,436
Distribution costs		**(4,557)**	(5,107)
Administrative expenses		**(9,128)**	(7,799)
Other operating income		**5,655**	1,734
Interest receivable and similar income	8	**2,774**	-
Interest payable and similar expenses	8, 21	**(60)**	(494)
Profit before taxation	5	**29,600**	29,770
Tax on profit	9	**(5,956)**	(4,675)
Profit for the financial year	18	**23,644**	25,095

Statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Profit for the financial year	18	**23,644**	25,095
Other comprehensive (expense) / income			
Actuarial (loss) / gain recognised in the pension scheme	21	**(5,180)**	11,294
Movement on deferred tax relating to pension surplus	18	**1,306**	(2,541)
Other comprehensive (expense) / income for the year		**(3,874)**	8,753
Total comprehensive income for the year		**19,770**	33,848

A statement of movements on the profit and loss account is given in note 18.

Profit for the financial year is derived from continuing operations.

The notes on pages 12 to 27 form part of these financial statements.

Novelis UK Ltd

Statement of financial position as at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	10	-	-
Property, plant and equipment	11	**34,802**	31,804
Investments	12	**124,188**	124,188
		158,990	155,992
Current assets			
Inventories	13	**15,102**	23,347
Trade and other receivables: amounts falling due within one year	14	**212,162**	229,787
Trade and other receivables: amounts falling due after more than one year	14	**4**	4
Cash at bank and in hand		-	1,000
Pensions surplus	21	**1,226**	6,591
		228,494	260,729
Creditors: amounts falling due within one year	15	**(91,915)**	(139,381)
Net current assets		**136,579**	121,348
Total assets less current liabilities		**295,569**	277,340
Creditors: amounts falling due after more than one year	15	**(1,408)**	(2,895)
Provisions for liabilities	16	**(33)**	(87)
Net assets		**294,128**	274,358
Capital and reserves			
Called up share capital	17	**146,089**	146,089
Capital Contribution reserve		**7**	7
Profit and loss account	18	**148,032**	128,262
Total equity		**294,128**	274,358

The financial statements on pages 9 to 28 were authorised by issue of the board of directors on 9 May 2023 and were signed on its behalf by:

A. Sweeney

A Sweeney
Director

The notes on pages 12 to 27 form part of these financial statements.

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital	Capital contribution reserve	Profit and loss account	Total
	£000	£000	£000	£000
Balance as at 1 April 2021	146,089	7	94,414	240,510
Profit for the financial year	-	-	25,095	25,095
Other comprehensive income for the year	-	-	8,753	8,753
Total comprehensive income for the year	-	-	33,848	33,848
Balance as at 31 March 2022	**146,089**	**7**	**128,262**	**274,358**
Balance as at 1 April 2022	146,089	7	128,262	274,358
Profit for the financial year	-	-	23,644	23,644
Other comprehensive expense for the year	-	-	(3,874)	(3,874)
Total comprehensive income for the year	-	-	19,770	19,770
Balance as at 31 March 2023	**146,089**	**7**	**148,032**	**294,128**

Notes to the financial statements

1. General information and Summary of Significant Accounting Policies

Novelis UK Ltd ('the Company') processes and sells aluminium products. It operates an aluminium recycling plant. The company has a processing plant in the UK and sells primarily to group companies within the rest of Europe.

The Company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, United Kingdom, WA4 1 NN.

A. Accounting convention

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

B. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, with certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

C. Going Concern

The Directors have considered the appropriateness of preparing these financial statements on the going concern basis, particularly in light of the war in Ukraine and inflation. Considering the limited sales to Russia, Ukraine and Belarus and the alternatives available for the Company's aluminium supply, management believes there is a very limited impact on the future financial results of the Company and of the Novelis Group.

Accordingly, these assessments give the Directors reasonable confidence that the business can continue to trade for at least the next 12 months. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of preparation for its financial statements.

D. Exemptions

The Company's results are consolidated in the consolidated financial statements of Novelis Inc. that are publicly available. Consequently, the Company has taken advantage of the following disclosure exemptions allowed by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

E. Acquisitions and goodwill

The results of any undertakings acquired are dealt with from the effective date of acquisition using acquisition accounting. The assets and liabilities acquired are incorporated into the financial statements at their fair values. Any difference between the acquisition cost and the fair values of the net assets acquired is carried on the balance sheet as goodwill or negative goodwill and amortised over its expected useful economic life (subject to a maximum of 10 years).

F. Consolidation

The results of the Company are consolidated in the consolidated financial statements of Novelis Inc.. These financial statements have been prepared in a manner consistent with consolidated financial statements prepared under the European Commission's 7th Company Law Directive and so the Company has taken advantage of the exemption allowed under section 401(2)(d) of the Companies Act 2006 and has not prepared group financial statements.

1. General information and Summary of Significant Accounting Policies (continued)

G. Revenue
Revenue represents the amount invoiced in the ordinary course of business for goods sold and services provided after deducting returns and value added tax.

H. Depreciation
Depreciation of tangible assets is calculated on original cost at rates estimated to write off the assets over their useful lives by equal instalments. The annual rates in use are:

Freehold land and buildings	3.33%
Plant equipment and machinery	4% to 20%

Assets are not depreciated until they are brought into operational use. If business conditions or changes in circumstances indicate asset values may be impaired an estimate is made of the discounted future cash flow arising from an asset or group of assets and impairment charges made when this estimated cash flow is less than the recorded value of the asset. Land is not depreciated and held at purchase value.

I. Leases
Payments under operating lease agreements are charged to the profit and loss account on a straight-line basis over the life of the lease.

Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

J. Inventory
Inventory of raw materials, work in progress and finished goods are stated at the lower of cost and estimated selling price less cost to complete and sell. The cost of manufactured goods and work in progress is taken as production cost which includes an appropriate proportion of production overheads.

K. Research and development costs
Expenditure on research is written off in the year/period in which it is incurred.

L. Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements (continued)

1. General information and Summary of Significant Accounting Policies (continued)

M. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet. Gains or losses on translation are included in the profit and loss account.

N. Pensions

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset or liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of plan assets at the reporting date, out of which the obligations are to be settled. The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit asset or liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit asset or liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income or expense is calculated by applying the prior year discount rate to the gross fair value of plan assets and plan obligation and then offsetting these figures to arrive at the net interest figure. The cost is recognised in profit or loss as a 'finance expense'.

A plan surplus is recognised only where the entity is able to recover the surplus through reduced contributions in the future or through refunds from the plan.

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

O. Provisions

Where a present obligation is deemed to exist, as a result of a past event, and a reliable estimate of the liability can be made a provision is made to reflect the probable cost in the profit and loss account immediately.

P. Investments

Investments are recorded at cost. If business conditions or changes in circumstances indicate that asset values may be impaired, an impairment review is undertaken and impairment charges are recorded if the carrying value of the investment exceeds the higher of its realisable value and its value in use.

Q. Financial Instruments

As a qualifying entity under FRS102, Novelis UK Ltd has taken advantage of the exemption from presenting financial instrument disclosure as these disclosures are contained within the consolidated financial statements of Novelis Inc..

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the statement of comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

1. General information and Summary of Significant Accounting Policies (continued)

Q. Financial Instruments (continued)

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

R. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at transaction price and subsequently measured at amortised costs using the effective interest method.

2. Statement of compliance

The individual financial statements of Novelis UK Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Pensions

The Company's most significant accounting estimates arise in calculating the defined benefit obligation. The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. A 0.5% increase in the discount rate would lead to:

(i) a reduction of around 6% to the defined benefit obligation; and
(ii) a reduction of around 8% to the service cost (excluding expenses) in the next financial year.

The Company uses a specialist third party to advise on the appropriate assumptions to use. The main assumptions are outlined in more detail in note 21.

4. Revenue

An analysis of revenue by geographical market is as follows:

	2023 £'000	2022 £'000
United Kingdom	3,608	1,473
Rest of Europe	496,688	456,341
Americas	-	8,228
	500,296	466,042

The revenue of the business is from the sale of goods.

5. Profit before taxation

	2023 £'000	2022 £'000
Profit before taxation is stated after charging / (crediting):		
Auditors' remuneration:		
- for audit services	86	73
Operating lease charges	304	361
Depreciation of tangible fixed assets (note 11)	4,337	3,671
Depreciation of assets held under finance lease	800	800
Foreign exchange gains / (losses)	2,153	(4,015)
Research and development expenditure	377	324

During the year ended 31 March 2023 the audit fees payable by the Novelis UK Pension Plan to PricewaterhouseCoopers LLP totalled £18,000 (2022: £17,000).

6. Staff costs and numbers

The aggregate remuneration and associated costs of persons employed was:

	2023 £'000	2022 £'000
Wages and salaries	9,333	8,848
Social security costs	1,438	1,216
Other pension costs – defined benefit scheme (note 21)	1,209	1,139
– defined contribution scheme (note 21)	351	345
Total staff costs	12,331	11,548

	2023 Number	2022 Number
Average monthly number employed:		
Manufacturing	161	160
Administration	44	42
	205	202

7. Directors' emoluments

	2023 £'000	2022 £'000
Wages and salaries	183	302
Other pension costs – defined contribution scheme	8	12
	191	314

At the year end no director was accruing retirement benefits through the Company's defined benefit pension scheme in relation to qualifying services (2022: none).

The Company considers all key management personnel to be directors of the Company.

Highest paid director

	2023 £'000	2022 £'000
Wages and salaries	183	163
Other pension costs – defined contribution scheme	8	8

8. Net interest receivable / (payable) and similar income / (expenses)

	2023 £'000	2022 £'000
On loans from group undertakings	2,615	(230)
On leased assets	(60)	(85)
On pension asset	159	(179)
Net interest receivable / (payable) and similar income / (expenses)	2,714	(494)

9. Tax on profit

	2023 £'000	2022 £'000
Current tax:		
Current tax charge	1,905	1,348
Adjustments in respect of prior years	184	-
Total current tax charge	2,089	1,348
Deferred tax (note 16)		
Origination and reversal of timing differences	3,902	2,652
Movement on deferred taxation relating to the Pension Scheme	(35)	675
Tax charge	5,956	4,675

Notes to the financial statements (continued)

9. Tax on profit (continued)

The tax charge for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £'000	2022 £'000
Profit before taxation	**29,600**	29,770
Profit before taxation multiplied by standard rate in the UK of 19% (2022: 19%)	**5,624**	5,656
Effects of:		
Permanent differences	**92**	74
Super deduction capital allowances	**(259)**	(165)
Timing differences	**315**	(890)
Adjustments in respect of prior years	**184**	-
Total tax expense	**5,956**	4,675

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements.

10. Intangible assets

	Negative goodwill £'000	Total £'000
Cost:		
At beginning and end of the year	(7,148)	(7,148)
Accumulated Amortisation:		
At beginning and end of the year	7,148	7,148
Net book amount at 31 March 2023	-	-
Net book amount at 31 March 2022	-	-

Notes to the financial statements (continued)

11. Property, plant and equipment

	Freehold land and buildings £'000	Plant equipment & machinery £'000	Total £'000
Cost:			
At beginning of the year	5,627	62,786	68,413
Additions	-	8,135	8,135
At end of the year	5,627	70,921	76,548
Accumulated Depreciation:			
At beginning of the year	5,075	31,534	36,609
Charge for the year	392	4,745	5,137
At end of the year	5,467	36,279	41,746
Net book value at 31 March 2023	**160**	**34,642**	**34,802**
Net book value at 31 March 2022	552	31,252	31,804

At 31 March 2023 the cost of assets in the course of construction included above amounted to £6,319,000 (2022: £2,248,000).

The net book value of assets held under finance leases is £2,066,000 (2022: £2,866,000).

Future capital expenditure not provided in the financial statements is as follows:

	2023 £'000	2022 £'000
Authorised by the directors and contracts placed	3,137	654
	3,137	654

12. Investments

	£'000
Cost	
At 1 April 2022	124,188
At 31 March 2023	124,188
Net book value	
At 31 March 2023	**124,188**
At 31 March 2022	124,188

The Company's fixed asset investment value represents the purchase cost of its wholly owned subsidiary, Novelis Services Limited. The Company is exempt from preparing group financial statements because the results of both it and its subsidiary are included in the consolidated financial statements of its intermediate parent, Novelis Inc.. Novelis Services Limited is a 100% wholly owned subsidiary incorporated in the United Kingdom. The registered address of the Company is Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, England, WA4 1NN.

Notes to the financial statements (continued)

13. Inventories

	2023	2022
	£'000	£'000
Raw materials and consumables	14,015	20,522
Work in progress	222	977
Finished goods and goods for resale	865	1,848
	15,102	23,347

There is no material difference between the balance sheet value and the replacement cost of inventories.

14. Trade and other receivables

Trade and other receivables: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade debtors	434	-
Amounts owed by group undertakings	201,868	216,783
VAT and other tax receivables	5,728	7,577
Other debtors	1,587	746
Corporation tax	425	-
Deferred tax asset	2,120	4,681
	212,162	229,787

The amounts owed by group undertakings are unsecured, bear interest at a rate of 0%, and are repayable on demand.

Trade and other receivables: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Long term deposits	4	4
	4	4

Deferred taxation in the financial statements is as follows:-

	2023 £'000	2022 £'000
Accelerated capital allowances	1,234	(44)
Deferred tax liability in respect of the pension scheme	306	1,648
Other timing differences	(37)	(37)
Corporation tax losses carried forward	(3,623)	(6,248)
Deferred tax asset	(2,120)	(4,681)

The deferred tax assets have been fully recognised as management believes that suitable taxable profits will be available against which they can be realised. The deferred tax assets have been calculated at a rate of 25% (2022: 19% or 25% depending on when the underlying timing differences were expected to reverse).

14. Trade and other receivables (continued)

Factors affecting current and future tax charges:-

The movement in the deferred tax asset is as follows:

	£'000
At 1 April 2022	(4,681)
Charged to income statement	3,867
Credited to statement of comprehensive income	(1,306)
At 31 March 2023	**(2,120)**

15. Creditors

Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Trade creditors	**53,007**	72,871
Amounts owed to group undertakings	**5,967**	21,807
Derivative financial instruments	**1,053**	272
Finance lease obligations (note 20)	**857**	857
Corporation tax	**-**	434
Accruals and deferred income	**31,031**	43,140
	91,915	139,381

The amounts owed to group undertakings are unsecured, bear interest at a rate of 0%, and are repayable on demand.

The finance lease obligations are secured against the purchase of a fork lift truck fleet for the Latchford recycling operation.

Creditors: amounts falling due after more than one year

	2023	2022
	£'000	£'000
Finance lease obligations (note 20)	**1,408**	2,848
Other creditors	**33**	47
	1,441	2,895

16. Provisions for liabilities

	Employee sickness & retirement £'000	Total £'000
At 1 April 2022	87	87
Profit and loss credit	(54)	(54)
At 31 March 2023	**33**	33

16. Provisions for liabilities (continued)

Maturity profile of provisions:

	2023 £'000	2022 £'000
Within one year	7	61
Between one and two years	26	4
Between two and five years	-	14
Over five years	-	8
	33	87

17. Called up share capital

	2023 £'000	2022 £'000
Issued and fully paid: 292,178,000 (2022: 292,178,000) ordinary shares of £0.50 each (2022: £0.50 each)	**146,089**	146,089

18. Profit and loss account

	2023 £'000	2022 £'000
At beginning of the year	**128,262**	94,414
Profit for the financial year	**23,644**	25,095
Actuarial (loss) / gain recognised in the pension scheme	**(5,180)**	11,294
Movement on deferred tax relating to pension surplus	**1,306**	(2,541)
At end of the year	**148,032**	128,262

No dividends have been approved or proposed in respect of the year ended 31 March 2023.

19. Operating leases

The Company has future minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Not later than one year	471	853
Later than one year and not later than five years	150	255
Later than five years	-	-
	621	1,108

20. Finance leases

The Company has future minimum lease payments under finance leases as follows:

	2023 £'000	2022 £'000
Not later than one year	857	857
Later than one year and not later than five years	1,408	2,848
	2,265	3,705

The finance lease obligations are secured against the purchase of a fork lift truck fleet for the Latchford recycling operation.

21. Pension commitments

The Novelis UK Pension Plan is a funded defined benefit scheme that includes employees of theCompany together with a small number of expatriate employees working overseas.

The full scheme funding valuation is performed triennially with the most recent being as at 31 March 2021. The market value of assets at the scheme triennial date of 31 March 2021 was £236.9 million and the valuation disclosed a funding level of 97.4% and a Technical Provisions deficit (i.e. shortfall in assets relative tothe funding liabilities) of £6.4 million. This valuation establishes the funding basis for the scheme. This is performed by a qualified independent actuary. For the purposes of FRS102 reporting, the Company engage a separate independent actuary to perform the calculations. The Company actuary performs a separate full valuation which is one year out of sync with the scheme triennial valuations with the most recent being as at 31 March 2022. This separate valuation forms the basis for FRS102 calculations and reporting. The discount rate and inflation assumptions were set with reference to UK government bond yield curves with prudent margins applied where appropriate.

Contributions for funding purposes are agreed with the Trustees of the Plan. Following the valuationas at 31 March 2021, the following employer contributions were agreed:

- To meet the cost of benefits being accrued by current employees: 18.0% of Pensionable Earnings for the period to 31 May 2022 and 19.0% of Pensionable Earnings thereafter.

The Company continues to make an annual contribution towards the expense of running the Plan.

For the purposes of the Company's financial statements, an actuarial valuation was carried out at 31 March 2023. The Company has employed an independent actuary to approximately update that actuarial valuation to 31 March 2023 allowing for changes in actuarial assumptions, as well as adjusting for benefit accrual and benefits paid from the Plan. The main assumptions made by the actuary were:

	At 31 March 2023	At 31 March 2022
Rate of increase in pensions	CPI:2.50% to 6.00%	CPI:2.50% to 6.00%
Discount rate	4.80%	2.70%
Rate of inflation:		
▪ CPI	2.80%	3.30%
▪ RPI	3.40%	3.80%
Salary increase rate:		
▪ For service pre 1 April 2010	3.50%	4.00%
▪ For service post 1 April 2010	2.50%	2.50%

21. Pension commitments (continued)

The mortality base table is assumed to be in line with the standard SAPS S3 'heavy' table with best estimate multipliers as set out in the following table.

Category	Sex	Scaling Factor	
		Members	**Contingent Lives**
Actives and deferreds	Males	90%	104%
	Females	98%	90%
Pensioners	Males	88%	97%
	Females	99%	93%

Future mortality improvements are based on CMI 2020 1%, A=0.25%

The assets in the Plan were:

	Value at 31 March 2023 £'000	Value at 31 March 2022 £'000
Equities	24,414	41,021
Government bonds & LDI	114,253	145,578
Cash/other	24,158	42,571
Combined		
Total market value of assets	162,825	229,170
Present value of scheme liabilities	(161,599)	(222,579)
Total pension asset	1,226	6,591

The value of members' additional voluntary contribution funds has been excluded from both the value of the assets and the value of the liabilities.

21. Pension commitments (continued)

Year Ending	2023 £'000	2022 £'000
Profit & Loss (P&L)		
Effect of employee service in the current year	534	629
Net finance (income) / cost on net defined benefit asset or liability	(159)	179
Plan introductions, changes, curtailments and settlements	-	(400)
Administration costs	675	910
Defined benefit cost recognised in P&L	1,050	1,318
Other Comprehensive Income (OCI)		
Actuarial (gain) on liability	(56,033)	(15,825)
Return on plan assets excluding interest income	61,213	4,531
Remeasurement effects recognised in OCI	5,180	(11,294)

21. Pension commitments (continued)

Year Ending	2023	2022
Change in Defined Benefit Obligation (DBO)	**£'000**	**£'000**
DBO as at 1 April 2022	222,579	245,992
Effect of employee service in the current year	534	629
Interest cost on the DBO	5,848	4,834
Administration costs	675	910
Remeasurement of the DBO	(56,033)	(15,825)
Plan introductions, changes, curtailments and settlements	-	(400)
Benefits paid from plan assets	(12,004)	(13,561)
DBO as at 31 March 2023	161,599	222,579

Year ending	2023	2022
Change in Plan Assets	**£'000**	**£'000**
Fair value of assets as at 1 April 2022	229,170	237,737
Interest income on plan assets	6,007	4,655
Return on plan assets excluding interest income	(61,213)	(4,531)
Employer contributions	865	4,870
Benefits paid	(12,004)	(13,561)
Fair value of assets as at 31 March 2023	162,825	229,170

Year ending	2023	2022
Return on Plan Assets	**£'000**	**£'000**
Interest income on plan assets	6,007	4,655
Return on plan assets excluding interest income	(61,213)	(4,531)
Total return on Plan Assets	(55,206)	124

The Company also operates a defined contribution pension scheme, the Company's contributions to this scheme totalled £351,000 (2022: £345,000). The amount owed at the year end was £nil (2022: £nil)

Notes to the financial statements (continued)

22. Financial instruments

The Company enters into hedging transactions where derivative financial instruments are used. The fair value of derivatives held at the year end was:

	2023 £'000	2022 £'000
Foreign currency rate derivatives – forward contracts	(891)	794

22. Contingent liabilities

As of 31 March, 2023, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2022: $0.8 billion), five-year secured term loan credit facility (Term Loan Facilities), maturing in January 2025, (ii) a $0.5 billion (2022: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2022: $1.5 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2023, $13 million (2022: $13 million), of the Term Loan Facility is due within one year. All the assets of the Company, along with those of certain other companies in the Novelis Inc. group, have been pledged as security for these facilities. As of March 31, 2023, there were borrowings outstanding of $463m (2022: $15m) on the ABL facility.

24. Ultimate parent company

In the opinion of the directors, the ultimate parent company and controlling party at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the largest group in which Novelis UK Ltd is included. Novelis Inc. is the parent company of the smallest group in which the consolidated results of Novelis UK Ltd is included. Copies of this company's financial statements can be obtained from its head office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

The address of Novelis Inc. is 3560 Lenox Rd NE, Atlanta, GA 30326

The Company's immediate parent company is Novelis Europe Holdings Limited, a company incorporated in England and Wales.

NOVELIS SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Strategic report

The directors present their Strategic report on the Company for the year ended 31 March 2023.

Activity, review of the business and future development

The principal activities are to hold the license to the Novelis Brand and to charge associated branding, technology and service fees to group companies.

The Company continued to trade profitably during the year and as a result of this the Shareholders' Funds increased by the year end. This can be seen on the statement of financial position on page 9 of these financial statements.

Section 172(1) Statement

The directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company.

The Company is aware of the importance of its reputation with customers and suppliers. To do this, the Company develops and maintains strong relationships with both the key suppliers and customers.

The customers and suppliers of the Company are almost exclusively intercompany.

Financial risk management / principal risks and uncertainties

The Company's operations expose it periodically to financial risks associated with the effects of changes in foreign currency exchange rates.

Risk Management Policies are set by the Novelis Group, and are adopted in full by the Company. Specifically, Novelis Group has policies and procedures manuals that set out specific guidelines to manage foreign currency risk and circumstances where it would be appropriate to use financial instruments to manage this.

The Company is occasionally exposed to currency risk on foreign currency receipts and payments. In-line with Novelis Group policy all foreign currency commitments are covered by forward currency contracts, at the time they arise, so as to fix the functional currency value of the Company's future cash flows.

Key Performance Indicators

The directors consider the Company's key performance indicators to be financial, specifically turnover and operating profit. These are disclosed in the financial statements.

The profit after tax for the financial year was $44,977,000 (2022: $45,882,000). Total capital and reserves has increased to $617,551,000 (2022: $572,212,000) as a result of the total comprehensive income achieved in the financial year.

On behalf of the Board

A. Sweeney

A Sweeney
Director

9 May 2023

Directors' Report

The directors present their report together with the audited financial statements of the Company for the year ended 31 March 2023.

1. Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

F. Lucido
C. Courts
A. Sweeney

There are no disclosable directors' interests in the Company's shares. No director during or at the end of the year had any material interest in any significant contract with the Company.

2. Future development of the Company

The directors expect the Company to continue in its current role in the future.

3. Results and dividends

The result for the year is set out on page 8. No ordinary dividends were paid during the year (2022: NIL).

The directors do not propose the payment of a final dividend.

4. Subsequent events

There have been no subsequent events.

5. Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the of the group's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware

6. Financial Risk Management

Details of the financial risk management considerations of the Company can be found in the Strategic report (page 2).

7. Statement on engagement with suppliers, customers and others in a business relationship with the company

The Company understands the need to maintain good relationships with both suppliers and customers.

Where necessary, the directors' have travelled overseas as they understand the need to engage with all stakeholders of the business on a regular basis.

8. Third party indemnity provision

Third party indemnity insurance has been purchased for those persons acting as directors. The cover was in force during the year and also at the date of approval of the financial statements.

9. Provision of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

10. Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office. Resolutions concerning their re-appointment and the authorisation of the directors to determine their remuneration will be submitted to the forthcoming Annual General Meeting of the Company.

On behalf of the Board

A. Sweeney

A Sweeney
Director

9 May 2023

Registered office:
Latchford Locks Works
Thelwall Lane
Warrington
Cheshire
WA4 1NN

Independent auditors' report to the members of Novelis Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Novelis Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 31 March 2023; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud
- Identifying and testing journal entries, in particular those having unusual account combinations
- Obtaining third party confirmations of the company's banking arrangements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
9 May 2023

Novelis Services Limited

Statement of comprehensive income for the year ended 31 March 2023

Registered in England
Number 6628654

	Note	**2023 US$'000**	2022 US$'000
Revenue	4	**44,294**	44,588
Cost of sales		**(10,695)**	(10,063)
Gross profit		**33,599**	34,525
Administrative expenses		**(43)**	-
Interest receivable and similar income	7	**17,606**	15,563
Profit before taxation	5	**51,162**	50,088
Tax on profit	8	**(5,823)**	(4,206)
Profit for the financial year	13	**45,339**	45,882

The notes on pages 11 to 16 form part of these financial statements. All activities relate to continuing operations.

Novelis Services Limited

Statement of financial position as at 31 March 2023

	Note	2023 US$'000	2022 US$'000
Fixed assets			
Intangible assets	9	**105,525**	115,575
		105,525	115,575
Current assets:			
Debtors (including $408,944,000 (2022: $nil) due after one year)	10	**506,694**	444,310
Cash at bank and in hand		**6,092**	12,469
		512,786	456,779
Creditors: amounts falling due within one year	11	**(760)**	(142)
Net current assets		**512,026**	456,637
Total assets less current liabilities		**617,551**	572,212
Net assets		**617,551**	572,212
Equity			
Called up share capital	12	**201,010**	201,010
Profit and loss account	13	**416,541**	371,202
Total shareholders' funds	14	**617,551**	572,212

The financial statements on pages 8 to 16 were authorised by issue of the board of directors on 9 May 2023 and were signed on its behalf by:

A. Sweeney

A Sweeney
Director

The notes on pages 11 to 16 form part of these financial statements.

Novelis Services Limited

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital US$000	Profit and loss account US$000	Total shareholders' funds US$000
Balance as at 1 April 2021	201,010	325,320	526,330
Profit for the financial year and total comprehensive income	-	45,882	45,882
Balance as at 31 March 2022	**201,010**	**371,202**	**572,212**
Balance as at 1 April 2022	201,010	371,202	572,212
Profit for the financial year and total comprehensive income	-	45,339	45,339
Balance as at 31 March 2023	**201,010**	**416,541**	**617,551**

Notes to the financial statements

1. General information and statement of accounting policies

Novelis Services Limited ('the company') holds the license to the Novelis Brand and charges associated branding, technology and service fees to group companies.

The company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, United Kingdom, WA4 1NN.

A. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

B. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

C. Exemptions

The Company's results are consolidated in the consolidated financial statements of Novelis Inc. that are publicly available. Consequently, the Company has taken advantage of the following disclosure exemptions allowed by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

D. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

E. Revenue

Revenue represents the amount invoiced in the ordinary course of business for services provided.

1. General information and statement of accounting policies (continued)

F. Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

G. Intangible assets

Intangible assets are recorded at cost.

Amortisation of intangible assets is calculated on original cost at rates estimated to write off the assets over their useful lives by equal instalments. The annual rates in use are:

Trademark Brand	5%

If business conditions or changes in circumstances indicate asset values may be impaired an estimate is made of the discounted future cashflow arising from an asset or group of assets and impairment charges made when this estimated cashflow is less than the recorded value of the asset.

H. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date or the forward rate where forward exchange contracts have been entered into. Gains or losses on translation are included in the profit and loss account.

2. Statement of compliance

The individual financial statements of Novelis Services Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Intangibles valuations

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives of the assets and also the impact of any change in contractual agreements with customers. The useful economic life and carrying values are re-assessed and amended when necessary to reflect current estimates.

4. Revenue

An analysis of revenue by geographical market is as follows:

	2023 US$'000	2022 US$'000
Rest of Europe	18,605	14,147
Americas	17,194	21,924
Asia	6,055	6,382
Middle East	2,440	2,135
	44,294	44,588

An analysis of revenue by category is as follows:

	2023 US$'000	2022 US$'000
Branding fees	44,294	44,588
	44,294	44,588

5. Profit before taxation

	2023 US$'000	2022 US$'000
Profit before taxation is stated after charging		
Auditors' remuneration:		
- for audit services	25	25
Amortisation of tradename license (note 9)	10,050	10,050

6. Staff costs and directors' emoluments

The Company does not employ any staff. During the year no director received any emoluments for qualifying services to the Company (2022: nil). No pension contributions were made on behalf of any director nor at the year end was any director accruing retirement benefits in relation to qualifying services (2022: nil).

7. Interest receivable and similar income

	2023 US$'000	2022 US$'000
Interest receivable on intercompany loans	**17,606**	15,563

8. Tax on profit

	2023 US$'000	2022 US$'000
Current tax:		
UK corporation tax on profits for the year	**5,819**	5,612
Double tax relief	**(708)**	(776)
Overseas tax incurred	**712**	781
Total current tax	**5,823**	5,617
Adjustment in respect to prior years	**-**	(1,411)
Total tax charge on profit	**5,823**	4,206

UK corporation tax has been provided where applicable at a rate of 19% (2022: 19%).

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 US$'000	2022 US$'000
Profit before taxation	**51,162**	50,088
Profit before taxation multiplied by standard rate in the UK of 19% (2022: 19%)	**9,721**	9,517
Effect of:		
Overseas tax suffered	**712**	781
UK deduction for overseas tax suffered	**(708)**	(776)
Permanent differences	**8**	-
Group relief received for no charge	**(3,978)**	(3,905)
Adjustment in respect to prior years	**-**	(1,411)
Expenses not deductible for tax purposes	**68**	-
Total tax charge	**5,823**	4,206

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements.

9. Intangible assets

	Trademark US$'000	Total US$'000
Cost:		
At beginning and end of the year	201,000	201,000
Accumulated amortisation:		
At beginning of the year	85,425	85,425
Charge for the year	10,050	10,050
At end of the year	95,475	95,475
Net book amount at 31 March 2023	**105,525**	**105,525**
Net book amount at 31 March 2022	115,575	115,575

Notes to the financial statements (continued)

10. Debtors

	2023 US$'000	2022 US$'000
Amounts owed by group undertakings	**506,168**	443,870
Corporation tax	**526**	440
	506,694	444,310

Included within Amounts owed by group undertakings is a loan of $408,944,000 (2022: $363,944,000). The loan bears interest at a rate of 4.5% (2022: 4.5%) and is due to be repaid to the Company by 2 June 2027.

Amounts owed by group undertakings also includes $95,849,000 (2022: $78,242,000) interest on the loan which is repayable on demand. Amounts owed by group undertakings are unsecured.

11. Creditors: amounts falling due within one year

	2023 US$'000	2022 US$'000
Amounts owed to group undertakings	**672**	125
Accruals and deferred income	**88**	17
	760	142

The amounts owed to group undertakings are unsecured, bear interest at a rate of 0% (2022: 0%), and are repayable on demand.

12. Called up share capital

	2023 US$'000	2022 US$'000
Allotted, called up and fully paid: 201,010,000 ordinary shares of $1 each (2022: 201,010,000)	**201,010**	201,010

13. Profit and loss account

	2023 US$'000	2022 US$'000
At 1 April	**371,202**	325,320
Profit for the financial year	**45,339**	45,882
At 31 March	**416,541**	371,202

14. Total shareholders' funds

	2023 US$'000	2022 US$'000
Profit for the financial year and net increase of shareholders' funds	**45,339**	45,882
Opening shareholders' funds	**572,212**	526,330
Closing shareholders' funds	**617,551**	572,212

Notes to the financial statements (continued)

15. Contingent liabilities

As of 31 March, 2023, the senior secured credit facilities of Novelis Inc. consisted of (i) a $0.8 billion (2022: $0.8 billion), five-year secured term loan credit facility (Term Loan Facilities), maturing in January 2025, (ii) a $0.5 billion (2022: $0.5 billion), seven year secured term loan credit facility (Term Loan Facilities), maturing in March 2028 and, (iii) a $2.0 billion (2022: $1.5 billion), five-year asset based loan facility (ABL Revolver), maturing in August 2027. As of March 31, 2023, $13 million (2022: $13 million), of the Term Loan Facility is due within one year. All the assets of the Company, along with those of certain other companies in the Novelis Inc. group, have been pledged as security for these facilities. As of March 31, 2023, there were borrowings outstanding of $463m (2022: $15m) on the ABL facility.

16. Ultimate parent company

In the opinion of the directors, the ultimate parent company and controlling party at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the largest group in which Novelis Services Limited is included. Novelis Inc. is the parent company of the smallest group in which the consolidated results of Novelis Services Limited are included. Copies of this company's financial statements can be obtained from its head office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

The address of Novelis Inc. is 3560 Lenox Rd NE, Atlanta, GA 30326

The Company's immediate parent company is Novelis UK Ltd, a company incorporated in England and Wales.

Novelis Corporation

Financial Statements and Related Notes

As of March 31, 2023

(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
fiscal 2024	Fiscal year ending March 31, 2024
GAAP	Generally Accepted Accounting Principles
kt	kilotonne (One kt is 1,000 metric tonnes.)
LME	The London Metals Exchange
PUs	Performance units
RSUs	Restricted stock units
SARs	Stock appreciation rights
U.S.	United States

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NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Corporation and certify that the information included therein accurately reflects the financial position of Novelis Corporation as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Corporation

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
T: +1 404-760-4000 | W: www.novelis.com

Novelis Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
Net sales		
– third parties	5,691	5,497
– related parties	710	670
Total net sales	6,401	6,167
Cost of goods sold (exclusive of depreciation and amortization)	5,967	5,076
Selling, general and administrative expenses	281	246
Depreciation and amortization	150	153
Interest expense - third parties	163	149
Interest expense - related parties	29	21
Research and development expenses	69	67
(Gain) loss on change in fair value of derivative instruments, net	(416)	442
Loss on extinguishment of debt, net	—	63
Restructuring and impairment, net	1	—
Other income, net	(80)	(82)
	6,164	6,135
Income from continuing operations before income tax provision (benefit)	237	32
Income tax provision (benefit)	52	(2)
Net income	185	34

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
Net income	$ 185	$ 34
Other comprehensive income (loss):		
Currency translation adjustment	$ (6)	$ (11)
Net change in pension and other benefits	$ (17)	$ 12
Other comprehensive (loss) income before income tax effect	$ (23)	$ 1
Income tax (benefit) provision related to items of other comprehensive income	$ (5)	$ 3
Other comprehensive loss, net of tax	$ (18)	$ (2)
Comprehensive income	$ 167	$ 32

See accompanying notes to the financial statements.

Novelis Corporation
BALANCE SHEETS (UNAUDITED)

in millions, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	42	20
Accounts receivable, net		
— third parties	366	650
— related parties	702	464
Inventories	967	1,102
Prepaid expenses and other current assets	36	21
Fair value of derivative instruments	84	356
Total current assets	2,197	2,613
Property, plant and equipment, net	1,691	1,349
Goodwill	275	275
Intangible assets, net	79	95
Other long–term assets		
— third parties	20	27
— related parties	1,447	1,376
Total assets	5,709	5,735
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	—	344
Short–term borrowings		
— third parties	463	15
— related parties	258	480
Accounts payable		
— third parties	953	1,121
— related parties	266	210
Fair value of derivative instruments	57	546
Accrued expenses and other current liabilities		
— third parties	190	169
— related parties	28	11
Total current liabilities	2,215	2,896
Long–term debt, net of current portion		
— third parties	3,062	3,055
— related parties	639	200
Deferred income tax liabilities	172	139
Accrued postretirement benefits	71	60
Other long–term liabilities	44	46
Total liabilities	6,203	6,396
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 4,945 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	—	—
Accumulated deficit	(519)	(704)
Accumulated other comprehensive income	25	43
Total equity	(494)	(661)
Total liabilities and equity	5,709	5,735

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in millions	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ 185	$ 34
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 150	$ 153
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	$ (416)	$ 442
Loss on sale of assets	$ 1	$ 3
Loss on extinguishment of debt	$ —	$ 63
Deferred income taxes	$ 38	$ (6)
Amortization of fair value adjustments, net	$ —	$ 6
Amortization of debt issuance costs and carrying value adjustments	$ 6	$ —
Other, net	$ —	$ 2
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	$ 46	$ (516)
Inventories	$ 135	$ (492)
Accounts payable	$ (182)	$ 480
Other assets	$ (87)	$ 9
Other liabilities	$ 29	$ (26)
Net cash (used in) provided by operating activities	$ (95)	$ 152
INVESTING ACTIVITIES		
Capital expenditures	$ (407)	$ (138)
Proceeds (outflows) from settlement of derivative instruments, net	$ 203	$ (304)
Net cash used in investing activities - continuing operations	$ (204)	$ (442)
Net cash provided by investing activities - discontinued operations	$ —	$ —
Net cash used in investing activities	$ (204)	$ (442)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ 439	$ 1,500
Inflows from issuance of debt, related parties	$ —	$ 345
Principal payments of long-term borrowings	$ —	$ (1,551)
Principal payments of long-term borrowings, related parties	$ (344)	$ (197)
Short-term borrowings, net - third parties	$ 448	$ —
Short-term borrowings, net - related parties	$ (222)	$ 296
Revolving credit facilities and other, net	$ —	$ (74)
Debt issuance costs	$ —	$ (22)
Net cash provided by financing activities	$ 321	$ 297
Net increase in cash and cash equivalents and restricted cash	$ 22	$ 7
Cash, cash equivalents and restricted cash — beginning of period	$ 20	$ 13
Cash, cash equivalents and restricted cash — end of period	$ 42	$ 20
Supplemental Disclosures:		
Interest paid	$ 145	$ 170
Income taxes paid	$ 12	$ 7
Accrued capital expenditures as of March 31	$ 99	$ 29

See accompanying notes to the financial statements.

Novelis Corporation
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Preferred Shares		Common Stock					
in millions, except number of shares	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance as of March 31, 2021	10,000	—	4,945	—	—	(738)	45	(693)
Net income attributable to our common shareholder	—	—	—	—	—	34	—	34
Currency translation adjustment, included in other comprehensive loss	—	—	—	—	—	—	(11)	(11)
Change in pension and other benefits, net of tax provision of $3 million, included in other comprehensive loss	—	—	—	—	—	—	9	9
Balance as of March 31, 2022	10,000	—	4,945	—	—	(704)	43	(661)
Net income attributable to our common shareholder	—	—	—	—	—	185	—	185
Currency translation adjustment, included in other comprehensive loss	—	—	—	—	—	—	(6)	(6)
Change in pension and other benefits, net of tax benefit of $5 million included in, other comprehensive loss	—	—	—	—	—	—	(12)	(12)
Balance as of March 31, 2023	10,000	—	4,945	—	—	(519)	25	(494)

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References herein to the "Company," "we," "our," or "us" refer to Novelis Corporation unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis Corporation was formed in the United States of America on January 1, 2005. All of Novelis Corporation's common shares are directly held by Novelis Holdings, Inc. All of Novelis Corporation's preferred shares were directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Included within Novelis Corporation are manufacturing facilities that produce aluminum sheet and light gauge products for use in the packaging market, which includes beverage, food can and foil products, as well as for use in the automotive, transportation, electronics, architectural and industrial product markets. We also have recycling operations in many of our plants to recycle post-consumer aluminum, such as used beverage cans (UBCs), and post-industrial aluminum, such as class scrap, mostly for other Novelis Inc. owned entities.

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Research and Development Expenses

We incur costs in connection with R&D programs that are expected to contribute to future earnings and charge such costs against income as incurred. Research and development expenses consist primarily of salaries and administrative costs.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*)*. Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 7 — Investment in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses. See Note 3 – Accounts Receivable for further information.

Inventories

We carry our inventories at the lower of their cost or net realizable value, reduced by obsolete and excess inventory. We use the average cost method to determine cost. Included in inventories are stores inventories, which are carried at average cost. See Note 4 – Inventories for further discussion.

Derivative Instruments

We hold derivatives for risk management purposes rather than for trading. We use derivatives to mitigate uncertainty and volatility caused by underlying exposures to metal prices, foreign exchange rates, interest rates, and energy prices. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross. We may be exposed to losses in the future if counterparties to our derivative contracts fail to perform. We are satisfied that the risk of such non-performance is remote due to our monitoring of credit exposures. Additionally, we enter into master netting agreements with contractual provisions that allow for netting of counterparty positions in case of default, and we do not face credit contingent provisions that would result in the posting of collateral.

In accordance with ASC 815, Derivatives and Hedging, for cash flow hedges we recognize and defer the entire periodic change in the fair value of the hedging instrument in other comprehensive loss. The amounts recorded in other comprehensive loss are subsequently reclassified to earnings in the same line item impacted by the hedged item when the hedged item affects earnings.

For derivatives designated as cash flow hedges or net investment hedges, we assess hedge effectiveness by formally evaluating the high correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is included in other comprehensive loss and reclassified to earnings in the period in which earnings are impacted by the hedged items or in the period that the transaction becomes probable of not occurring. Gains or losses representing reclassifications of other comprehensive loss to earnings are recognized in the same line item that is impacted by the underlying exposure. We exclude the time value component of foreign currency and aluminum price risk hedges when measuring and assessing effectiveness to align our accounting policy with risk management objectives when it is necessary. If at any time during the life of a cash flow hedge relationship we determine that the relationship is no longer effective, the derivative will no longer be designated as a cash flow hedge and future gains or losses on the derivative will be recognized in other income, net.

For derivatives designated as fair value hedges, we assess hedge effectiveness by formally evaluating the high correlation of changes in the fair value of the hedged item and the derivative hedging instrument. The changes in the fair values of the underlying hedged items are reported in prepaid expenses and other current assets, other long–term assets, accrued expenses and other current liabilities, and other long–term liabilities in the balance sheets. Changes in the fair values of these derivatives and underlying hedged items generally offset, and the entire change in the fair value of derivatives is recorded in the statement of operations line item consistent with the underlying hedged item.

If no hedging relationship is designated, gains or losses are recognized in other income, net in our statements of operations.

Consistent with the cash flows from the underlying risk exposure, we classify cash settlement amounts associated with designated derivatives as part of either operating or investing activities in the statements of cash flows. If no hedging relationship is designated, we classify cash settlement amounts as part of investing activities in the statement of cash flows.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current ("spot") and forward market prices for commodity and foreign exchange rates. See Note 14 – Financial Instruments and Commodity Contracts and Note 16 – Fair Value Measurements for additional discussion related to derivative instruments.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 5 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other income, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases*.* This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Goodwill

We test for impairment at least annually as of the last day of each fiscal year, unless a triggering event occurs that would require an interim impairment assessment. We do not aggregate components of operating segments to arrive at our reporting units and, as such, our reporting units are the same as our operating segments.

In performing our goodwill impairment test, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If we perform a qualitative assessment and determine that an impairment is more likely than not, then we perform the one-step quantitative impairment test, otherwise no further analysis is required. We also may elect not to perform the qualitative assessment and, instead, proceed directly to the one-step quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether we choose to perform the qualitative assessment or proceed directly to the one-step quantitative impairment test.

No goodwill impairment was identified for fiscal 2023 or fiscal 2022. See Note 6 – Goodwill and Intangible Assets for further discussion.

We use the present value of estimated future cash flows to establish the estimated fair value of our reporting units as of the testing date. This approach includes many assumptions related to future growth rates, discount factors, and tax rates, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. Additionally, we use the market approach to corroborate the estimated fair value. Both approaches are weighted equally when calculating our estimated fair value. If the carrying amount of a reporting unit's goodwill exceeds its estimated fair value, we would recognize an impairment charge in an amount equal to that excess in our statements of operations. During our analysis for fiscal 2023 and fiscal 2022, the estimated fair value of each of our reporting units exceeded the carrying amount of the reporting unit's goodwill, and thus, no reporting unit failed step one of testing.

When a business within a reporting unit is disposed of, goodwill is allocated to the gain or loss on disposition using the relative fair value methodology.

Long-Lived Assets and Other Intangible Assets

We amortize the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See Note 6 – Goodwill and Intangible Assets for further discussion.

We assess the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset (groups) to the expected, undiscounted future net cash flows to be generated by that asset (groups), or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. We measure the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Impairments of long-lived assets and intangible assets are included in restructuring and impairment, net in the statement of operations.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 also applies to measurements under other accounting pronouncements, such as ASC 825, Financial Instruments ("ASC 825") that require or permit fair value measurements. ASC 825 requires disclosures of the fair value of financial instruments. Our financial instruments include: cash and cash equivalents; certificates of deposit; accounts receivable; accounts payable; foreign currency, energy and interest rate derivative instruments; cross-currency swaps; metal option and forward contracts; share-based compensation; related party notes receivables and payables; letters of credit; short-term borrowings; and long-term debt.

The carrying amounts of cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and current related party notes receivable and payable approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our letters of credit is deemed to be the amount of payment guaranteed on our behalf by third-party financial institutions. We determine the fair value of our short-term borrowings and long-term debt based on various factors including maturity schedules, call features and current market rates. We also use quoted market prices, when available, or the present value of estimated future cash flows to determine fair value of our share-based compensation liabilities, short-term borrowings and long-term debt. When quoted market prices are not available for various types of financial instruments (such as currency, energy and interest rate derivative instruments, swaps, options, and forward contracts), we use standard pricing models with market-based inputs, which take into account the present value of estimated future cash flows. See Note 16 – Fair Value Measurements for further discussion.

Pensions and Postretirement Benefits

Our pension obligations relate to funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; unfunded pension plans in the U.S., Canada, and Germany; unfunded lump sum indemnities in France and Italy; and partially funded lump sum indemnities in South Korea. Our other postretirement obligations include unfunded health care and life insurance benefits provided to retired employees in Canada, the U.S., and Brazil.

We account for our pensions and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits ("ASC 715"). We recognize the funded status of our benefit plans as a net asset or liability, with an offsetting adjustment to accumulated other comprehensive loss in shareholder's equity. The funded status is calculated as the difference between the fair value of plan assets and the benefit obligation. For fiscal 2023 and fiscal 2022, we used March 31 as the measurement date.

We use standard actuarial methods and assumptions to account for our pension and other postretirement benefit plans. Pension and postretirement benefit obligations are actuarially calculated using management's best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). Pension and postretirement benefit expense includes the actuarially computed cost of benefits earned during the current service period, the interest cost on accrued obligations, the expected return on plan assets based on fair market value and the straight-line amortization of net actuarial gains and losses and adjustments due to plan amendments, curtailments, and settlements. Net actuarial gains and losses are amortized over periods of 15 years or less, which represent the group's average future service life of the employees or the group's average life expectancy. See Note 12 – Postretirement Benefit Plans for further discussion.

Environmental Liabilities

We record accruals for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. We adjust these accruals periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. Accruals for environmental liabilities are stated at undiscounted amounts. Environmental liabilities are included in our balance sheets in accrued expenses and other current liabilities and other long–term liabilities, depending on their short- or long-term nature. Any receivables for related insurance or other third-party recoveries for environmental liabilities are recorded when it is probable that a recovery will be realized and are included in prepaid expenses and other current assets on our balance sheets.

Costs related to environmental matters are charged to expense. Estimated future incremental operations, maintenance, and management costs directly related to remediation are accrued in the period in which such costs are determined to be probable and estimable. See Note 19 – Commitments and Contingencies for further discussion.

Litigation Contingencies

We accrue for loss contingencies associated with outstanding litigation, claims, and assessments for which management has determined it is probable that a loss contingency exists and the amount of loss can be reasonably estimated. We expense professional fees associated with litigation claims and assessments as incurred. See Note 19 – Commitments and Contingencies for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). Net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) when those tax attributes are realized (or realizable) by the group of Novelis Holdings Inc. even if Novelis Corporation would not otherwise have realized the attributes on a stand-alone basis.

Share-Based Compensation

In accordance with ASC 718, Compensation — Stock Compensation ("ASC 718"), we recognize compensation expense for a share-based award over an employee's requisite service period based on the award's grant date fair value, subject to adjustment. Our share-based awards are settled in cash and are accounted for as liability based awards. As such, liabilities for awards under these plans are required to be measured at fair value at each reporting date until the date of settlement. See Note 11 – Share-Based Compensation for further discussion.

Foreign Currency Translation

The assets and liabilities of foreign operations, whose functional currency is other than the U.S. dollar (located in Europe and Asia), are translated to U.S. dollars at the period end exchange rates, and revenues and expenses are translated at average exchange rates for the period. Differences arising from this translation are included in the currency translation adjustment component of accumulated other comprehensive loss and noncontrolling interests, both of which are on our balance sheets. If there is a planned or completed sale or liquidation of our ownership in a foreign operation, the relevant currency translation adjustment is recognized in our statement of operations.

For all operations, the monetary items denominated in currencies other than the functional currency are remeasured at period-end exchange rates, and transaction gains and losses are included in other income, netin our statements of operations. Non-monetary items are remeasured at historical rates.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Corporation's subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are comprised of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

3. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

in millions	March 31, 2023	March 31, 2022
Trade accounts receivable	$ 306	$ 545
Other accounts receivable	61	106
Accounts receivable — third parties	367	651
Allowance for credit losses — third parties	(1)	(1)
Accounts receivable, net — third parties	$ 366	$ 650
Trade accounts receivable — related parties	$ 702	$ 464

Factoring of Trade Receivables

We factor trade receivables based on local cash needs and in an attempt to balance the timing of cash flows of trade payables and receivables. Factored invoices are not included in our balance sheets when we do not retain a financial or legal interest. If a financial or legal interest is retained, we classify these factorings as secured borrowings.

The following tables summarize amounts relating to our factoring activities (in millions).

	Year Ended March 31, 2023	Year Ended March 31, 2022
Factoring expense	$ 34	$ 9

4. INVENTORIES

Inventories consists of the following.

	March 31,	
in millions	2023	2022
Finished goods	$ 204	$ 257
Work in process	529	578
Raw materials	193	232
Supplies	41	35
Inventories	$ 967	$ 1,102

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

in millions	March 31, 2023	March 31, 2022
Land and property rights	$ 69	$ 59
Buildings	843	775
Machinery and equipment	1,824	1,694
Gross property, plant and equipment (excluding construction in progress)	2,736	2,528
Accumulated depreciation and amortization	(1,501)	(1,391)
Property, plant and equipment, net (excluding construction in progress)	1,235	1,137
Construction in progress	456	212
Property, plant and equipment, net	$ 1,691	$ 1,349

For the years ended March 31, 2023 and 2022, we capitalized $6 million and $10 million of interest related to construction of property, plant and equipment and intangibles under development, respectively. Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 125	$ 116

Asset impairments

Impairment charges are recorded in "Restructuring and impairment, net," line in the Statement of Operations.

6. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the gross carrying amount or accumulated impairment of goodwill during fiscal 2023.The following table summarizes "Goodwill" for the years ended March 31, 2023 and 2022.

in millions	March 31, 2023			March 31, 2022		
	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value
Goodwill	$ 1,135	$ (860)	$ 275	$ 1,135	$ (860)	$ 275

The components of intangible assets, net are as follows.

in millions	March 31, 2023			March 31, 2022		
in millions	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	$ 267	$ (252)	$ 15	$ 258	$ (242)	$ 16
Customer-related intangible assets	305	(241)	64	305	(226)	79
	$ 572	$ (493)	$ 79	$ 563	$ (468)	$ 95

During fiscal 2023 and fiscal 2022, we did not record impairment charges on any intangible assets. All intangible assets are amortized using the straight-line method. .

Amortization expense related to intangible assets, net is as follows.

in millions	Fiscal 2023	Fiscal 2022
Amortization expense related to intangible assets included in depreciation and amortization	$ 24	$ 37

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in thousands). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, or other events.

Fiscal Year Ending March 31,	Amount
2024	$ 18
2025	16
2026	15
2027	15
2028	3

7. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in millions, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Novelis Services (North America) Inc.	$ —	$ —	100%
Logan Aluminum Inc.	—	—	40%
Novelis de Mexico, SA de CV	—	—	99.99%
Investments in and advances to non-consolidated affiliates	$ —	$ —	

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent, Novelis Inc., and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet. See Note 10 - Debt for further information on our long-term debt-related parties and short-term borrowings-related parties.

	March 31,	
in millions	2023	2022
Accounts receivable, net — related parties	$ 702	$ 464
Loan receivable - related parties(1)	358	293
Interest receivable - related parties(2)	109	54
Other long–term assets — related parties(3)	1,447	1,376
Short–term borrowings — related parties	258	—
Accounts payable — related parties	266	210
Interest payable - related parties(4)	28	11

(1) Loan receivable primarily represents the Demand Note due from Novelis Inc. as of March 31, 2023, included in "Accounts Receivable - related parties."
(2) Included within "Accounts receivable - related parties."
(3) Included in “Other long-term assets."
(4) Included in “Accrued expenses and other current liabilities — related parties."

Below is the interest income and interest expense related to the short term and long term notes and loans we have with our subsidiaries (in millions). See Note 10 - Debt for additional information on notes and loans due to related parties.

	March 31,	
in millions	2023	2022
Interest expense - related parties	$ 29	$ 21

During the years ended March 31, 2023 and 2022, “Net product sales — related parties” were $710 million and $670 million, respectively.

8. LEASES

We lease certain land, buildings, and equipment under non-cancelable operating lease arrangements and certain equipment and office space under finance lease arrangements.

We used the following policies and/or assumptions in evaluating our lease population.

- Lease determination: Novelis considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.
- Discount rate: When our lease contracts do not provide a readily determinable implicit rate, we use the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by region and asset class.
- Variable payments: Novelis includes payments that are based on an index or rate within the calculation of right-of-use leased assets and lease liabilities, which is initially measured at the lease commencement date. Other variable lease payments include, but are not limited to, maintenance, service, and supply costs. These costs are disclosed as a component of total lease costs.
- Purchase options: Certain leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.
- Renewal options: Most leases include one or more options to renew with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at our sole discretion.
- Residual value guarantees, restrictions, or covenants: Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.
- Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to selling, general and administrative expenses on the statements of operations.
- Non-lease components: Leases that contain non-lease components (primarily equipment maintenance) are accounted for as a single component and recorded on the balance sheets for certain asset classes including real estate and certain equipment. Non-lease components include, but are not limited to, common area maintenance, service arrangements, and supply agreements.

The table below presents the classification of leasing assets and liabilities within our balance sheets.

Leases (*in millions*)	Balance Sheet Classification	March 31, 2023	March 31, 2022
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 15	$ 18
Finance lease assets(1)	Property, plant and equipment, net	—	1
Total lease assets		$ 15	$ 19
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 3	$ 3
Long-term:			
Operating lease liabilities	Other long–term liabilities	11	12
Total lease liabilities		$ 14	$ 15

(1) Finance lease assets are recorded net of accumulated depreciation of less than $1 million as of March 31,2023 and 2022.

The table below presents the classification of lease related expenses or income as reported within the statements of operations. Amortization of and interest on liabilities related to finance leases were less than $1 million during fiscal years ended March 31, 2023, and 2022.

Expense Type ***(in millions)***	**Income Statement Classification**	**Fiscal 2023**	**Fiscal 2022**
Operating lease costs(1)	Selling, general and administrative expenses	$ 9	$ 6

(1) Operating lease costs include short-term leases and variable lease costs.

Future minimum lease payments as of March 31, 2023, for our operating and finance leases having an initial or remaining non-cancelable lease term in excess of one year are as follows (in thousands).

Fiscal Year Ending March 31,	**Operating leases(1)**
2024	$ 5
2025	4
2026	3
2027	2
2028	1
Thereafter	1
Total minimum lease payments	16
Less: interest	2
Present value of lease liabilities	$ 14

(1) Operating lease payments related to options to extend lease terms that are reasonably certain of being exercised are immaterial and we do not have leases signed but not yet commenced as of March 31, 2023.

The following table presents the weighted-average remaining lease term and discount rates.

	March 31,	
	2023	**2022**
Weighted-average remaining lease term		
Operating leases	4.9 years	5.7 years
Finance leases	2.7 years	3.1 years
Weighted-average discount rate		
Operating leases	4.41 %	4.12 %
Finance leases	4.14 %	3.62 %

The following table presents supplemental information on our operating leases for the fiscal years ended March 31, 2023 and 2022. Operating and financing cash flows from finance leases were immaterial for the fiscal year ended March 31, 2023. Leased assets obtained in exchange for new operating and financing lease liabilities were $2 million for the fiscal year ended March 31, 2023, individually and in the aggregate.

in millions	**Fiscal 2023**	**Fiscal 2022**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 11	$ 10

Financing cash flows from finance leases were not material in the fiscal years ended March 31, 2023 and 2022.

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

in millions	March 31, 2023	March 31, 2022
Accrued compensation and benefits	$ 41	$ 47
Accrued interest payable - third parties	28	33
Accrued income taxes	72	55
Other current liabilities	49	34
Accrued expenses and other current liabilities - third parties	$ 190	$ 169
Accrued interest payable - related parties	28	11
Accrued expenses and other current liabilities - related parties	$ 28	$ 11

(1) This represents interest on related party debt with Novelis Inc. and Novelis ALR International, Inc. See Note 10 - Debt for additional information on related party debt with Novelis Inc. and Novelis Holdings.

10. DEBT

Debt consists of the following.

in millions	Interest Rates[(1)]	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments[(2)]	March 31, 2023 Carrying Value	March 31, 2022 Principal	March 31, 2022 Unamortized Carrying Value Adjustments[(2)]	March 31, 2022 Carrying Value
Short-term borrowings - third parties	7.59 %	$ 463	$ —	$ 463	$ 15	$ —	$ 15
3.25% Senior Notes, due November 2026	3.25 %	750	(8)	742	750	(10)	740
4.75% Senior Notes, due January 2030	4.75 %	1,600	(22)	1,578	1,600	(25)	1,575
3.875% Senior Notes, due August 2031	3.875 %	750	(9)	741	750	(10)	740
Total debt - third parties		3,563	(39)	3,524	3,115	(45)	3,070
Less: Short-term borrowings - third parties		(463)	—	(463)	(15)	—	(15)
Current portion of long-term debt		—	—	—	—	—	—
Long-term debt, net of current portion - third parties		$ 3,100	$ (39)	$ 3,061	$ 3,100	$ (45)	$ 3,055
Related party debt[(3)] :							
Short term borrowings - related parties	7.34 %	$ 258	$ —	$ 258	$ 480	$ —	$ 480
4.75% Fixed, due April 2030 (Novelis Inc.)	4.75 %	197	—	197	197	—	197
3.50% Fixed, due December 2022 (Novelis ALR International, Inc.	3.50 %	—	—	—	344	—	344
3.50% Fixed, due December 2024 (Novelis ALR International, Inc.	3.50 %	439	—	439	—	—	—
Debt Refinancing Fees paid on behalf of Novelis Corporation		3	—	3	3	—	3
Total debt - related parties		897	—	897	1,024	—	1,024
Less: Short term borrowings - related parties		(258)	—	(258)	(480)	—	(480)
Less: Current portion of long-term debt		—	—	—	(344)	—	(344)
Long-term debt, net of current portion - related parties		$ 639	$ —	$ 639	$ 200	$ —	$ 200

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023 We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.
(2) Amounts include unamortized debt issuance costs, fair value adjustments, and debt discounts.

(3) Related party long-term debt represents:

1. A promissory note due to Novelis Inc. (indirect parent), with a maturity date of April 2030, bearing interest at a fixed rate of 4.75% per annum.
2. A promissory note due to Novelis ALR International, Inc. with a maturity date of December 2024, bearing interest at a fixed rate of 3.5% per annum.
3. An interest free loan due to Novelis Inc. for fees related to the January 2020 debt issuance paid on behalf of Novelis Corporation by Novelis Inc.

Principal repayment requirements for our total debt over the next five years and thereafter (excluding unamortized carrying value adjustments and using exchange rates as of March 31, 2023 for our debt denominated in foreign currencies) are as follows.

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 721
2 years	439
3 years	—
4 years	750
5 years	—
Thereafter	2,550
Total debt	$ 4,460

Short-Term Borrowings

In January 2022, we entered into a $315 million short-term loan with Axis Bank Limited, IFSC Banking Unit, Gift City, as administrative agent and lender. The short-term loan was subject to 0.25% quarterly amortization payments, and accrued interest at SOFR plus 0.90%. The short-term loan matured in November 2022 and we repaid the remaining principal balance of this loan in full at the maturity date.

Senior Notes

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended. The Senior Notes include customary events of default, including a cross-acceleration event of default. The Senior Notes also contain customary call protection provisions for our bondholders that extend through November 2023 for the 3.250% Senior Notes due November 2026, through April 2024 for the 3.375% Senior Notes due April 2029, through January 2025 for the 4.750% Senior Notes due January 2030, and through August 2026 for the 3.875% Senior Notes due August 2031.

As of March 31, 2023, we were in compliance with the covenants for our Senior Notes.

5.875% Senior Notes due September 2026

In September 2016, Novelis Corporation issued $1.5 billion in aggregate principal amount of 5.875% Senior Notes due September 2026.

The proceeds from the August 2021 issuance of the 2026 Senior Notes and the 2031 Senior Notes, as defined below, were used to fully fund the redemption of the 5.875% Senior Notes due September 2026. As a result, the 5.875% Senior Notes due September 2026 were no longer outstanding as of March 31, 2023.

2026 Senior Notes

In August 2021, Novelis Corporation issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes"). The 2026 Senior Notes mature on November 15, 2026 and are subject to semi-annual interest payments that will accrue at a rate of 3.250% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption of a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes. We incurred debt issuance costs of $11 million for the 2026 Senior Notes, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

2030 Senior Notes

In January 2020, Novelis Corporation issued $1.6 billion in aggregate principal amount of 4.750% Senior Notes due January 2030 (the "2030 Senior Notes"). The 2030 Senior Notes are subject to semi-annual interest payments and mature on January 30, 2030.

2031 Senior Notes

In August 2021, Novelis Corporation issued $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes"). The 2031 Senior Notes mature on August 15, 2031 and are subject to semi-annual interest payments that will accrue at a rate of 3.875% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes. We incurred debt issuance costs of $11 million for the 2031 Senior Notes, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

Senior Secured Credit Facilities

As of March 31, 2023, the senior secured credit facilities consisted of (i) a secured term loan credit facility ("Term Loan Facility") and (ii) a $1.5 billion asset based loan facility ("ABL Revolver"). The senior secured credit facilities contain various affirmative covenants, including covenants with respect to our financial statements, litigation and other reporting requirements, insurance, payment of taxes, employee benefits, and (subject to certain limitations) causing new subsidiaries to pledge collateral and guaranty our obligations. The senior secured credit facilities also include various customary negative covenants and events of default, including limitations on our ability to incur additional indebtedness; sell certain assets; enter into sale and leaseback transactions; make investments, loans, and advances; pay dividends or returns of capital and distributions beyond certain amounts; engage in mergers, amalgamations, or consolidations; engage in certain transactions with affiliates; and prepay certain indebtedness. The Term Loan Facility also contains a financial maintenance covenant that prohibits Novelis' senior secured net leverage ratio as of the last day of each fiscal quarter period as measured on a rolling four quarter basis from exceeding 3.50 to 1.00, subject to customary equity cure rights. The senior secured credit facilities include a cross-default provision under which lenders could accelerate repayment of the loans if a payment or non-payment default arises under any other indebtedness with an aggregate principal amount of more than $100 million (or, in the case of the Term Loan Facility, under the ABL Revolver regardless of the amount outstanding). The senior secured credit facilities are guaranteed by the Company's direct parent, AV Metals Inc., and certain of the Company's direct and indirect subsidiaries and are secured by a pledge of substantially all of the assets of the Company and the guarantors.

ABL Revolver

As of March 31, 2023, the commitments under our senior secured ABL Revolver are $2.0 billion.

In October 2021, Novelis amended the ABL Revolver facility. Prior to the USD LIBOR transition date, loans denominated in USD under the ABL Revolver accrued interest at a rate of LIBOR plus a spread of 1.25% to 1.75% based on excess availability. The amendment provides for replacement reference rates, as applicable, based on the currency of the loan, as well as applicable spreads on and after the USD LIBOR transition date. The USD LIBOR transition date is defined as the earlier of (a) when the ICE Benchmark Administration ceases to provide the USD LIBOR and there is no available tenor of USD LIBOR or the Financial Conduct Authority announces all available tenors of USD LIBOR are no longer representative or (b) an early opt-in effective date.

In April 2022, Novelis amended the ABL Revolver facility to increase the limit on committed letters of credit under the facility to $275 million. There were no material costs incurred or accounting impacts as a result of this amendment.

In August 2022, Novelis amended the ABL Revolver facility to, among other things, increase the commitment under the ABL Revolver by $500 million to $2.0 billion and extend the maturity of the ABL Revolver until August 18, 2027. The amendment provides that new borrowings under the ABL Revolver facility made subsequent to the date of the amendment will incur interest at Term SOFR, EURIBOR, SONIA or SARON, as applicable based on the currency of the loan, plus a spread of 1.10% to 1.60% based on excess availability. The ABL Revolver facility also permits us to elect to borrow USD loans that accrue interest at a base rate (determined based on the greatest of one month Term SOFR plus 1.00%, a prime rate or an adjusted federal funds rate) plus a prime spread of 0.10% to 0.60% based on excess availability. As a result of this debt modification, the Company incurred $7 million of financing fees, which will be amortized over the term of the loan.

The ABL Revolver has a provision that allows the existing commitments under the ABL Revolver to be increased by an additional $750 million. The lenders under the ABL Revolver have not committed to provide any such additional commitments. The ABL Revolver has various customary covenants including maintaining a specified minimum fixed charge coverage ratio of 1.25 to 1.0 if an event of default has occurred and is continuing and/or excess availability is less than the greater of (1) $150 million and (2) 10% of the lesser of the total ABL Revolver commitment and the borrowing base. The ABL Revolver matures on August 18, 2027, provided that in the event that the Term Loan Facility or certain other indebtedness is outstanding 60 days prior to its maturity (and not refinanced with a maturity date later than February 15, 2028), then the ABL Revolver will mature 60 days prior to the maturity date for such other indebtedness, as applicable; unless excess availability under the ABL Revolver is at least (1) 17.5% of the lesser of the total ABL Revolver commitment and the borrowing base or (2) 12.5% of the lesser of the total ABL Revolver commitment and the borrowing base, while also maintaining the minimum fixed charge ratio test of at least 1.25 to 1.

As of March 31, 2023, we were in compliance with the covenants for our ABL Revolver.

As of March 31, 2023, we had $463 million in borrowings under our ABL Revolver.

11. SHARE-BASED COMPENSATION

The Company's board of directors has authorized long-term incentive plans ("LTIPs"), under which Hindalco stock appreciation rights ("SARs"), Novelis SARs, phantom restricted stock units ("RSUs"), and Novelis performance units ("PUs") are granted to certain executive officers and key employees.

The Hindalco SARs vest at the rate of 33% per year, subject to the achievement of an annual performance target. Fiscal years ended March 31, 2016 SARs expire in May of the seventh year from the original grant date, while the fiscal year ended March 31, 2017 and onwards SARs expire seven years from their original grant date. The performance criterion for vesting of the Hindalco SARs is based on the actual overall Novelis operating EBITDA compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Given that the performance criterion is based on an earnings target in a future period for each fiscal year, the grant date of the awards for accounting purposes is generally not established until the performance criterion has been defined.

Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of the exercise. The amount of cash paid to settle Hindalco SARs and Novelis SARs is limited to three times the target payout, depending on the plan year. The Hindalco SARs and Novelis SARs do not transfer any shareholder rights in Hindalco or Novelis to a participant. The Hindalco SARs and Novelis SARs are classified as liability awards and are remeasured at fair value each reporting period until the SARs are settled.

The RSUs are based on Hindalco's stock price. The RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with the Company, but are not subject to performance criteria. Each RSU is to be settled in cash equal to the market value of one Hindalco share. The payout on the RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The RSUs are classified as liability awards and expensed over the requisite service period (three years) based on the Hindalco stock price as of each balance sheet date.

Total compensation expense related to Hindalco SARs, Novelis SARs, and RSUs under the plans for the respective periods is presented in the table below. These amounts are included in selling, general and administrative expenses in our statements of operations. As the performance criteria for the fiscal years ending March 31, 2024, 2025, and 2026 have not yet been established, measurement periods for Hindalco SARs relating to those periods have not yet commenced. As a result, only compensation expense for vested and current year Hindalco SARs and Novelis SARs has been recorded.

in millions	Fiscal 2023	Fiscal 2022
Total compensation expense	$ 3	$ 5

The table below shows the RSUs activity for the year ended March 31, 2023.

	Number of RSUs	Grant Date Fair Value *(in INR)*	Aggregate Intrinsic Value *(USD in millions)*
RSUs outstanding as of March 31, 2022	916,784	224.06	$ 6
Granted	1,516,109	411.06	7
Exercised	(477,789)	201.86	3
Forfeited/Cancelled	(81,299)	378.70	—
RSUs outstanding as of March 31, 2023	1,873,805	374.32	10

During fiscal 2022, we granted 336,332 RSUs with a grant date fair value of INR 388.30, and the aggregate intrinsic value of RSUs exercised was $3 million.

Total cash payments made to settle RSUs were $3 million, in both fiscal 2023 and fiscal 2022.

As of March 31, 2023, unrecognized compensation expense related to the RSUs was $5 million, which will be recognized over the remaining weighted average vesting period of 2 years.

The table below shows Hindalco SARs activity for fiscal 2023.

	Number of Hindalco SARs	Weighted Average Exercise Price *(in INR)*	Weighted Average Remaining Contractual Term *(in years)*	Aggregate Intrinsic Value *(USD in millions)*
Hindalco SARs outstanding as of March 31, 2022	771,056	222.97	5.2	$ 4
Granted	282,908	411.10	6.3	—
Exercised	(449,654)	186.22	—	1
Forfeited/Cancelled	(63,312)	377.97	—	—
Hindalco SARs outstanding as of March 31, 2023	540,998	333.75	5.4	—
Hindalco SARs exercisable as of March 31, 2023	60,690	388.30	5.3	$ —

During fiscal 2022, we granted 268,019 Hindalco SARs with a grant date fair value of INR 388.30, and the aggregate intrinsic value of Hindalco SARs exercised was $2 million.

The cash payments made to settle Hindalco SAR liabilities were $1 million and $2 million in fiscal 2023 and fiscal 2022, respectively.

As of March 31, 2023, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) was less than $1 million that are expected to be recognized over a weighted average period of 1.3 years.

There was no Novelis SARs activity for the fiscal year.

During fiscal 2022, the aggregate intrinsic value of Novelis SARs exercised was less than $1 million.

The cash payments made to settle Novelis SAR liabilities for fiscal 2022 was less than $1 million in the fiscal years ended March 31, 2022. There were no Novelis SAR liabilities to settle for fiscal 2023.

The fair value of each unvested Hindalco SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022
Risk-free interest rate	3.11%-7.24%	3.59%-6.58%
Dividend yield	1.03 %	0.48 %
Volatility	32%-47%	39%-50%

The fair value of each unvested Novelis SAR was estimated using the following assumptions.

	Fiscal 2023	Fiscal 2022
Risk-free interest rate	—%	0.23 %
Dividend yield	— %	— %
Volatility	—%	29 %

The fair value of each unvested Hindalco SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used historical stock price volatility data of Hindalco on the National Stock Exchange of India to determine expected volatility assumptions. The risk-free interest rate is based on Indian treasury yields interpolated for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures. The dividend yield is estimated to be the annual dividend of the Hindalco stock over the remaining contractual lives of the Hindalco SARs. The value of each vested Hindalco SAR is remeasured at fair value each reporting period based on the excess of the current stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Hindalco SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

The fair value of each unvested Novelis SAR was based on the difference between the fair value of a long call and a short call option. The fair value of each of these call options was determined using the Monte Carlo Simulation model. We used the historical volatility of comparable companies to determine expected volatility assumptions. The risk-free interest rate is based on U.S. treasury yields for a time period corresponding to the remaining contractual life. The forfeiture rate is estimated based on actual historical forfeitures of Hindalco SARs. The value of each vested Novelis SAR is remeasured at fair value each reporting period based on the percentage increase in the current Novelis phantom stock price over the exercise price, not to exceed the maximum payout as defined by the plans. The fair value of the Novelis SARs is being recognized over the requisite performance and service period of each tranche, subject to the achievement of any performance criteria.

12. POSTRETIREMENT BENEFIT PLANS

Our pension obligations relate to funded defined benefit pension plan in Canada and unfunded defined benefit pension plans in Canada and the U.S. Our other postretirement obligations (Other Benefits, as shown in certain tables below) include unfunded health care and life insurance benefits provided to retired employees in Canada and the U.S.

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to-date and amortize unfunded actuarial liabilities typically over periods of 15 years or less. We also participate in savings plans and defined contribution plans in the U.S. We contributed the following amounts to all plans.

in millions	Fiscal 2023	Fiscal 2022
Funded pension plans	$ —	$ 13
Unfunded pension plans	1	1
Savings and defined contribution pension plans	50	46
Total contributions	$ 51	$ 60

During fiscal 2024, we expect to contribute $52 million to our savings and defined contribution pension plans. We do not expect to contribute to our unfunded pension plans during fiscal 2024.

Benefit Obligations, Fair Value of Plan Assets, Funded Status, and Amounts Recognized in Financial Statements

The following tables present the change in benefit obligation, change in fair value of plan assets, and the funded status for pension and other benefits. The increase in discount rates in fiscal 2023, as compared to fiscal 2022, was the primary driver of actuarial gains in fiscal 2023.

	Pension Benefit Plans		Other Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Benefit obligation at beginning of period	$ 594	$ 644	$ 31	$ 35
Service cost	1	1	1	1
Interest cost	23	22	—	2
Benefits paid	(30)	(29)	(1)	(1)
Curtailments, settlements and special termination benefits	—	—	—	—
Actuarial gains	(79)	(43)	(4)	(6)
Other	—	(1)	—	—
Benefit obligation at end of period	$ 509	$ 594	$ 27	$ 31
Benefit obligation of funded plans	$ 509	$ 594	$ —	$ —
Benefit obligation of unfunded plans	—	—	27	31
Benefit obligation at end of period	$ 509	$ 594	$ 27	$ 31

	Pension Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 563	$ 578
Actual return on plan assets	(67)	1
Benefits paid	(30)	(29)
Company contributions	—	13
Other	(1)	—
Fair value of plan assets at end of period	$ 465	$ 563

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ (44)	$ —	$ (31)	$ —
Benefit obligation of unfunded plans	—	(27)	—	(31)
Total net plan liabilities	$ (44)	$ (27)	$ (31)	$ (31)
As included in our balance sheets within Total assets / (Total liabilities)				
Accrued expenses and other current liabilities	—	(2)	—	(2)
Accrued postretirement benefits	(44)	(25)	(31)	(29)
Total net plan liabilities	$ (44)	$ (27)	$ (31)	$ (31)

The postretirement amounts recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments. Amounts are amortized to net periodic benefit cost over the group's average future service life of the employees or the group's average life expectancy.

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Net actuarial (gains) losses	$ (3)	$ 15	$ (24)	$ 11
Prior service credit	—	2	—	3
Total postretirement amounts recognized in accumulated other comprehensive loss	$ (3)	$ 17	$ (24)	$ 14

The postretirement changes recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments.

	March 31,			
	2023		2022	
in millions	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ (24)	$ 14	$ (15)	$ 9
Net actuarial losses (gains)	20	3	(10)	5
Amortization of:				
Prior service credit	—	(1)	—	(1)
Actuarial losses	1	1	1	1
Total postretirement amounts recognized in accumulated other comprehensive loss	$ (3)	$ 17	$ (24)	$ 14

Pension Plan Obligations

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets are presented in the table below.

in millions	March 31, 2023	March 31, 2022
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 509	$ 594
Accumulated benefit obligation	509	594
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 509	$ 546
Fair value of plan assets	465	515
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 509	$ 546
Fair value of plan assets	465	515

Future Benefit Payments

Expected benefit payments to be made during the next 10 fiscal years are listed in the table below (in millions).

Fiscal Year Ending March 31,	Pension Benefit Plans	Other Benefit Plans
2024	$ 32	$ 2
2025	34	2
2026	35	2
2027	35	2
2028	36	2
2029 through 2033	181	13
Total	$ 353	$ 23

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
in millions	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Service cost	$ 1	$ 1	$ 1	$ 1
Interest cost	23	22	2	2
Expected return on assets	(31)	(35)	—	—
Amortization — losses, net	(1)	(1)	(1)	(1)
Amortization — prior service credit	—	—	(1)	(1)
Settlement/curtailment (gain) loss	—	—	—	—
Net periodic benefit cost[(1)]	$ (8)	$ (13)	$ 1	$ 1

(1) Service cost is included within cost of goods sold (exclusive of depreciation and amortization) and selling, general and administrative expenses while all other cost components are recorded within other income, net.

Actuarial Assumptions and Sensitivity Analysis

The weighted average assumptions used to determine benefit obligations and net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.3 %	4.0 %	5.3 %	4.0 %
Average compensation growth	—	—	—	—
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	4.0 %	3.4 %	4.0 %	3.4 %
Average compensation growth	—	—	—	—
Expected return on plan assets	5.8	6.2	—	—

In selecting the appropriate discount rate for each plan, for pension and other postretirement plans in the U.S. we used spot rate yield curves and individual bond matching models.

In estimating the expected return on assets of a pension plan, consideration is given primarily to its target allocation, the current yield on long-term bonds in the country where the plan is established, and the historical risk premium of equity or real estate over long-term bond yields in each relevant country. The approach is consistent with the principle that assets with higher risk provide a greater return over the long term. The expected long-term rate of return on plan assets is 7.0% in fiscal 2024.

We provide unfunded health care and life insurance benefits to our retired employees in the U.S. for which we paid $1 million in fiscal 2023 and $1 million in fiscal 2022. The assumed health care cost trend used for measurement purposes is 7.5% for fiscal 2024, decreasing gradually to 5.0% in 2028 and remaining at that level thereafter.

Investment Policy and Asset Allocation

The Company's overall investment strategy is to achieve a mix of investments for long-term growth (equities, real estate) and for near-term benefit payments (debt securities, other) with a wide diversification of asset categories, investment styles, fund strategies, and fund managers. Since most of the defined benefit plans are closed to new entrants, we expect this strategy to gradually shift more investments toward near-term benefit payments.

Each of our funded pension plans is governed by an Investment Fiduciary, who establishes an investment policy appropriate for the pension plan. The Investment Fiduciary is responsible for selecting the asset allocation for each plan, monitoring investment managers, monitoring returns versus benchmarks, and monitoring compliance with the investment policy. The targeted allocation ranges by asset class and the actual allocation percentages for each class are listed in the table below.

		Allocation in Aggregate as of March 31,	
Asset Category	Target Allocation Ranges	2023	2022
Equity	24%-31%	28 %	33 %
Debt Securities	58%-65%	61 %	58 %
Other	6%-8%	7 %	9 %

Fair Value of Plan Assets

As of March 31, 2023, $465 million of the pension plan assets are reported at net asset value.

13. CURRENCY LOSSES (GAINS)

The following currency gains are included in other income, net in the accompanying statements of operations.

in millions	Fiscal 2023	Fiscal 2022
(Gains) losses on remeasurement of monetary assets and liabilities, net	$ (1)	$ —
Currency (gains) losses, net	(1)	—

The following currency gains are included in accumulated other comprehensive loss in the accompanying balance sheets.

in millions	Fiscal 2023	Fiscal 2022
Cumulative currency translation adjustment — beginning of period	$ 16	$ 27
Effect of changes in exchange rates	(6)	(11)
Cumulative currency translation adjustment — end of period	$ 10	$ 16

14. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2023 and 2022.

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
in millions	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 47	$ —	$ (52)	$ (2)	$ (7)
Currency exchange contracts	32	6	—	(4)	34
Energy contracts	5	—	(5)	—	—
Total derivative fair value	$ 84	$ 6	$ (57)	$ (6)	$ 27

	March 31, 2022				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 314	$ 3	$ (537)	$ (6)	$ (226)
Currency exchange contracts	18	—	(3)	—	15
Energy contracts	24	6	(6)	—	24
Total derivative fair value	$ 356	$ 9	$ (546)	$ (6)	$ (187)

Metal

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative forward contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers, which is known as "metal price lag." We also purchase forward LME aluminum contracts simultaneously with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the selling price of the metal with the purchase price of the metal. The volatility in local market premiums also results in metal price lag.

As of March 31, 2023 and March 31, 2022, we had 342kt and 405kt, respectively, of outstanding aluminum sales/purchase forward contracts. The maximum and average duration of metal forward contracts is 52 months and 8 months, respectively.

In addition to aluminum, we enter into LME copper and zinc forward contracts, as well as local market premiums forward contracts. As of March 31, 2023 we had less than 1 kt outstanding copper and LMP forward contracts. The maximum and average duration of those contracts is 12 months and 7 months, respectively.

Foreign Currency

We use foreign exchange forward contracts and cross-currency swaps and options to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

As of March 31, 2023, we had $136 million in outstanding foreign currency exchange contracts. As of March 31, 2022, we did not have any outstanding foreign currency exchange contracts. Contracts that represent the majority of notional amounts hedge expected future foreign currency transactions, which include forecasted cash flows. These contracts covered the same periods as known or expected exposures and had a maximum and average duration of 29 months and 19 months, respectively.

Energy

We use natural gas forward purchase contracts to manage our exposure to fluctuating energy prices in North America. We had a notional of 5 million MMBtu as of March 31, 2023, and the fair value was a liability of less than $1 million. As of March 31, 2022 there was a notional of 11 million MMBtu of natural gas forward purchase contracts and the fair value was a liability of $27 million. The average duration of these forward contracts is two years in length.

We use diesel fuel forward purchase contracts to manage our exposure to fluctuating fuel prices in North America. As of March 31, 2023 and 2022, we had an outstanding notional of 1 million gallons, and 4 million gallons, respectively. The fair value as of March 31, 2023 was an asset of less than $1 million, and as of March 31, 2022 was an asset of $4 million. The average duration of these forward contracts is less than one year.

Gain (Loss) Recognition

The following table summarizes the gains (losses) associated with the change in fair value of derivative instruments recognized in other expense (income), net on the statement of operations.

in millions	Fiscal 2023	Fiscal 2022
Derivative instruments		
Metal contracts	$ 412	$ (486)
Currency exchange contracts	2	—
Energy contracts	2	44
Gain (loss) on change in fair value of derivative instruments, net	$ 416	$ (442)

15. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table summarizes the change in the components of accumulated other comprehensive loss, excluding noncontrolling interests, for the periods presented.

in millions	Currency Translation	Postretirement Benefit Plans[2]	Total
Balance as of March 31, 2021	$ 28	$ 17	$ 45
Other comprehensive (loss) income before reclassifications	(11)	9	(2)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive (loss) income	$ (11)	$ 9	$ (2)
Balance as of March 31, 2022	$ 17	$ 26	$ 43
Other comprehensive loss before reclassifications	(6)	(12)	(18)
Amounts reclassified from accumulated other comprehensive loss, net	—	—	—
Net current-period other comprehensive loss	$ (6)	$ (12)	$ (18)
Balance as of March 31, 2023	$ 11	$ 14	$ 25

(1) For additional information on our postretirement benefit plans, see Note 12 – Postretirement Benefit Plans.

16. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

The following describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2023 and March 31, 2022, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2023 and March 31, 2022. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2023		2022	
in millions	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 47	$ (54)	$ 317	$ (543)
Currency exchange contracts	38	(4)	18	(3)
Energy contracts	5	(5)	30	(6)
Total level 2 instruments	90	(63)	365	(552)
Netting adjustment[(1)]	(33)	33	(151)	151
Total net	$ 57	$ (30)	$ 214	$ (401)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes finance leases and short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	March 31,			
	2023		2022	
in millions	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding short-term borrowings)	$ 3,062	$ 2,816	$ 3,055	$ 2,992
Total debt — related parties (excluding short-term borrowings)	624	624	528	528

17. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in millions	Fiscal 2023	Fiscal 2022
Non-operating net periodic benefit cost	$ (8)	$ (14)
Other, net - third parties	$ 8	$ 3
Other, net - related parties	$ (80)	$ (71)
Other income, net	$ (80)	$ (82)

(1) Represents charge-outs to our participating subsidiaries through the Joint Technology Agreement for Global Research & Development expenses based on the type of work performed.

(2) Represents net periodic benefit cost, exclusive of service cost for the Company's pension and other post-retirement plans. For further details, refer to Note 1 - Business and Summary of Significant Accounting Policies.

18. INCOME TAXES

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable).

We are subject to United States federal and state income taxes. The domestic components of our income from continuing operations before income tax provision (benefit) are as follows.

in millions	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ 237	$ 32
Pre-tax income	237	32

The components of our income tax provision (benefit) are as follows.

in millions	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ 2	$ 5
State	12	(1)
Total current	14	4
Deferred provision:		
Federal	48	(5)
State	(10)	(1)
Total deferred	38	(6)
Income tax provision (benefit)	$ 52	$ (2)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in millions	2023	2022
Deferred income tax liabilities:		
Provisions not currently deductible for tax purposes	$ 270	$ 302
Deferred tax liabilities	(363)	(364)
Total deferred income tax liabilities	(93)	(62)
Less: valuation allowance	(79)	(77)
Net deferred income tax liabilities	$ (172)	$ (139)

At March 31, 2023 the Company had total deferred tax liabilities, net of deferred tax assets and net operating losses, of approximately $93 million primarily arising from book reserves not deductible for tax and tax credit carryforwards. At March 31, 2022 the Company had total deferred tax liabilities, net of deferred tax assets and net operating losses, of approximately $62 million primarily arising from book reserves not deductible for tax and tax credit carryforwards. .

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $79 million and $77 million were necessary as of March 31, 2023 and 2022, respectively.

As of March 31, 2023, we had net operating loss carryforwards of approximately $1 million and tax credit carryforwards of $123 million, which will be available to offset future taxable income and tax liabilities. The carryforwards will begin expiring in fiscal 2029 with some amounts being carried forward indefinitely. As of March 31, 2023, valuation allowances of $79 million have been recorded against tax credit carryforwards, where it appeared more likely than not that such benefits will not be realized.

As of March 31, 2022, we had no net operating loss carryforwards and tax credit carryforwards of $109 million, which will be available to offset future taxable income and tax liabilities. The carryforwards begin expiring in fiscal year 2029 with some amounts being carried forward indefinitely. As of March 31, 2022, valuation allowances of $77 million had been recorded against tax credit carryforwards, where it appeared more likely than not that such benefits will not be realized.

Although realization is not assured, management believes it is more likely than not that all the remaining net deferred tax assets will be realized. In the near term, the amount of deferred tax assets considered realizable could be reduced if we do not generate sufficient taxable income in certain jurisdictions.

Tax Uncertainties

As of March 31, 2023 and March 31, 2022, the total amount of unrecognized benefits that, if recognized, would affect the effective income tax rate in future periods based on anticipated settlement dates is $5 million and $4 million, respectively.

Tax authorities continue to examine certain other of our tax filings for the fiscal year ended March 31, 2005, and the fiscal years ended March 31, 2013, through March 31, 2019. Our reserves for unrecognized tax benefits, as well as reserves for interest and penalties, are expected to decrease in the next 12 months as a result of further settlement of audits, judicial decisions, the filing of amended tax returns, or the expiration of statutes of limitations. With few exceptions, tax returns for all jurisdictions for all tax years before 2005 are no longer subject to examination by taxing authorities.

Our policy is to record interest and penalties related to unrecognized tax benefits in the income tax provision (benefit). As of March 31, 2023 and March 31, 2022, we had $1 million and less than one million accrued, respectively, for interest and penalties.

Income Taxes Payable

Novelis Corporation income taxes payable of $72 million as of March 31, 2023. However, Novelis Corporation is part of a U.S. consolidated group for tax filing purposes. As such, the income taxes payable recognized in the Company’s standalone financial statements may be absorbed by net operating losses from other entities in the Company’s consolidated tax return group.

19. COMMITMENTS AND CONTINGENCIES

We are party to, and may in the future be involved in, or subject to, disputes, claims, and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury, and other matters. For certain matters in which the Company is involved for which a loss is reasonably possible, we are unable to estimate a loss. For certain other matters for which a loss is reasonably possible and the loss is estimable, we have estimated the aggregated range of loss as $0 to $69 million. This estimated aggregate range of reasonably possible losses is based upon currently available information. The Company's estimates involve significant judgment, and therefore, the estimate will change from time to time and actual losses may differ from the current estimate. We review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified, including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which we operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

Environmental Matters

We own and operate numerous manufacturing and other facilities in various countries around the world. Our operations are subject to environmental laws and regulations from various jurisdictions, which govern, among other things, air emissions; wastewater discharges; the handling, storage and disposal of hazardous substances and wastes; the remediation of contaminated sites and restoration of natural resources; carbon and other greenhouse gas emissions; and employee health and safety. Future environmental, health and safety regulations may impose stricter compliance requirements on the industries in which we operate. Additional equipment or process changes at some of our facilities, and related capital expenditures, which may be material, may be needed to meet existing or future requirements. The cost of meeting these requirements may be significant. Failure to comply with such laws and regulations could subject us to administrative, civil, or criminal penalties; obligations to pay damages or other costs; and injunctions and other orders, including orders to cease operations.

We are involved in proceedings under the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, also known as CERCLA or Superfund, or analogous state provisions regarding our liability arising from the usage, storage, treatment, or disposal of hazardous substances and wastes at a number of sites in the U.S., as well as similar proceedings under the laws and regulations of the other jurisdictions in which we have operations, including Brazil, certain countries in the European Union, and South Korea. Many of these jurisdictions have laws that impose joint and several liability, without regard to fault or the legality of the original conduct, for the costs of environmental, health and safety remediation, natural resource damages, third-party claims, and other expenses. In addition, we are, from time to time, subject to environmental, health and safety reviews and investigations by relevant governmental authorities.

We have established liabilities based on our estimates for currently anticipated costs associated with environmental matters. We estimated that the remaining undiscounted clean-up costs related to our environmental liabilities as of March 31, 2023 were approximately $2 million, of which less than $1 million was related to restructuring actions and the remaining undiscounted clean-up costs were approximately $1 million. Additionally, approximately $1 million of the environmentally liability was included in other long–term liabilities with the remaining less than $1 million included in accrued expenses and other current liabilities in our balance sheet as of March 31, 2023. As of March 31, 2022, less than $1 million of the environmental liability was included in other long–term liabilities with the remaining less than $1 million included in accrued expenses and other current liabilities in our balance sheet. Management has reviewed the environmental matters, including those for which we assumed liability as a result of our spin-off from Alcan Inc. As a result of management's review of these items, management has determined the currently anticipated costs associated with these environmental matters will not, indivdually or in the aggregate, materially impact our operations or materially adversely affect our financial condition, results of operations or liquidity.

Novelis South America Holdings LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis South America Holdings LLC and certify that the information included therein accurately reflects the financial position of Novelis South America Holdings LLC as of March 31, 2023 and the results of its operations for the year then ended.

Novelis South America Holdings LLC

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
T: +1 404-760-4000 | W: www.novelis.com

Novelis South America Holdings LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Income before income tax provision	$ —	$ —
Income tax provision	—	—
Net income	$ —	$ —

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ —	$ —
Comprehensive income	—	—

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Total assets	$ —	$ —
LIABILITIES AND SHAREHOLDER'S EQUITY		
Total liabilities	—	—
Member's equity:		
Common stock, no par value; 1 share authorized; 1 share issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	1	1
Accumulated deficit	(1)	(1)
Accumulated other comprehensive loss	—	—
Total equity	—	—
Total liabilities and equity	$ —	$ —

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ —	$ —
Net cash provided by operating activities	$ —	$ —
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Net cash provided by financing activities	$ —	$ —
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis South America Holdings LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	1	$ —	$ 1	$ (1)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2022	1	$ —	$ 1	$ (1)	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	1	$ —	$ 1	$ (1)	$ —

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis South America Holdings LLC unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis South America Holdings LLC was formed in the United States of America on June 12, 2006. All of Novelis South America Holdings LLC's common shares are directly held by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the "2030 Senior Notes").

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Novelis Holdings Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Holdings Inc. and certify that the information included therein accurately reflects the financial position of Novelis Holdings Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Holdings Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Holdings Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Interest expense and amortization of debt issuance costs	57,401	42,370
Unrealized losses on change in fair value of derivative instruments	23,436	11,967
Loss on extinguishment of debt, net	—	2
Other income, net	(15,804)	(10,580)
	65,033	43,759
Loss before income tax benefit	(65,033)	(43,759)
Income tax benefit	(17,168)	(8,426)
Net loss from continuing operations	(47,865)	(35,333)
Net loss	$ (47,865)	$ (35,333)

See accompanying notes to the financial statements.

Novelis Holdings Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net loss	$ (47,865)	$ (35,333)
Comprehensive loss	(47,865)	(35,333)

See accompanying notes to the financial statements.

Novelis Holdings Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 226	$ 44
Prepaid expenses and other current assets	4,579	12,230
Total current assets	4,805	12,274
Investment in subsidiaries	1,511,522	1,511,522
Deferred income tax assets	35,774	26,721
Other long–term assets		
— third parties	1,890	—
Total assets	$ 1,553,991	$ 1,550,517
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt - related parties	$ —	$ 1,159,395
Short–term borrowings - related parties	114,072	183,505
Accounts payable		
— related parties	1,798	555
Fair value of derivative instruments	30,988	18,189
Accrued expenses and other current liabilities	89,547	53,021
Total current liabilities	236,405	1,414,665
Long–term debt, net of current portion - related parties	1,228,789	—
Other long–term liabilities - related parties	29,900	29,090
Total liabilities	1,495,094	1,443,755
Commitments and contingencies		
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 2,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Retained earnings	58,897	106,762
Total equity of our common shareholder	58,897	106,762
Noncontrolling interests	—	—
Total equity	58,897	106,762
Total liabilities and equity	$ 1,553,991	$ 1,550,517

See accompanying notes to the financial statements.

Novelis Holdings Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net loss	$ (47,865)	$ (35,333)
Adjustments to determine net cash provided by operating activities:		
Loss on unrealized derivatives and other realized derivatives in investing activities, net	$ 11,718	$ 11,967
Loss on extinguishment of debt	—	2
Deferred income taxes	(9,053)	(9,335)
Changes in assets and liabilities:		
Due To/From Related Parties	1,243	(10,973)
Other assets	7,651	7,022
Other liabilities	36,526	53,476
Net cash provided by operating activities	$ 220	$ 16,826
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ 1,228,789	$ —
Principal payments of long-term and short-term borrowings	(1,228,827)	(1,084)
Return of capital to our common shareholder	—	(16,747)
Net cash used in financing activities	$ (38)	$ (17,831)
Net increase (decrease) in cash and cash equivalents and restricted cash	$ 182	$ (1,005)
Cash, cash equivalents and restricted cash — beginning of period	44	1,049
Cash, cash equivalents and restricted cash — end of period	$ 226	$ 44

See accompanying notes to the financial statements.

Novelis Holdings Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Common Stock Shares	Retained Earnings	Total Equity
Balance as of March 31, 2021	2,000	$ 142,095	$ 142,095
Net loss attributable to our common shareholder	—	(35,333)	(35,333)
Balance as of March 31, 2022	2,000	$ 106,762	$ 106,762
Net loss attributable to our common shareholder	—	(47,865)	(47,865)
Balance as of March 31, 2023	2,000	$ 58,897	$ 58,897

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Holdings Inc. unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc.

Organization and Description of Business

Novelis Holdings Inc. was formed in Delaware on November 29, 2010 as a holding company. The company is a wholly owned subsidiary of Novelis Inc. and is a holding company for Novelis companies domiciled in the U.S. and Mexico. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Investments in Subsidiaries

For purposes of these standalone financial statements, we account for our investments in subsidiaries using the cost method. See Note 2 - Investments in Subsidiaries and Related Party Transactions for further discussion.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Investments in Subsidiaries and Related Party Transactions for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 7 – Income Taxes for further discussion.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Corporation's subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.The Senior Notes include customary events of default, including a cross-acceleration event of default. The Senior Notes also contain customary call protection provisions for our bondholders that extend through November 2023 for the 3.250% Senior Notes due November 2026, through April 2024 for the 3.375% Senior Notes due April 2029, through January 2025 for the 4.750% Senior Notes due January 2030, and through August 2026 for the 3.875% Senior Notes due August 2031.

2. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

in thousands, except for percentage	March 31, 2023	March 31, 2022	Ownership % Participation
Shareholdings - Common Shares			
Novelis Corporation	$ 325	$ 325	100%
Novelis ALR Aluminum Holdings Corporation	1,511,197	1,511,197	100%
Novelis Global Employment Organization (GEO)	—	—	100%
Novelis Services (Europe) Inc.	—	—	100%
Novelis Ventures LLC	—	—	100%
Investments in subsidiaries	$ 1,511,522	$ 1,511,522	

On April 14, 2020, the Company completed its acquisition of 100% of the issued and outstanding shares of Novelis ALR Aluminum Holdings Corporation (formerly Aleris Corporation), a global supplier of rolled aluminum products, pursuant to an Agreement and Plan of Merger, dated as of July 26, 2018. As a result, the acquisition increases the company's footprint as an aluminum rolled products manufacturer by expanding the portfolio of services provided to its customers.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

in thousands	March 31, 2023	March 31, 2022
Accounts payable — related parties	1,798	555
Other long–term liabilities - related parties	29,900	29,090
Short–term borrowings - related parties	114,072	183,505
Current portion of long–term debt - related parties	—	1,159,395
Long–term debt, net of current portion - related parties	1,228,789	—

3. DEBT

Debt consists of the following.

in thousands	Interest Rates[1]	March 31, 2023 Principal[2]	March 31, 2022 Principal[2]
Related Party Debt [3]			
Short-term borrowings	4.75 %	$ 114,072	$ 183,505
Floating rate debt, due December 2024	8.10 %	1,228,789	—
Fixed rate debt, due December 2022	3.25 %	—	1,159,395
Total debt - related party		1,342,861	1,342,900
Less: Short-term borrowings		(114,072)	(183,505)
Current portion of long-term debt		—	(1,159,395)
Long-term debt, net of current portion		$ 1,228,789	$ —

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023.

(2) There are no differences between the principal and carrying value balances of debt as of March 31, 2023 and March 31, 2022.

(3) The fixed rate debt due December 2022 and the floating rate debt due December 2024 represent related party debt with Novelis Corp. Short-term borrowings as of March 31, 2023 are related to EUR 105 million in principal loans from Novelis Netherlands B.V. due March 2024.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2023 for our debt denominated in foreign currencies are as follows (in thousands).

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 114,072
2 years	1,228,789
3 years	—
4 years	—
5 years	—
Thereafter	—
Total debt	$ 1,342,861

4. CURRENCY LOSSES (GAINS)

The following currency gains are included in other income, net in the accompanying statements of operations.

in thousands	Fiscal 2023	Fiscal 2022
Gains on remeasurement of monetary assets and liabilities, net[1]	$ (4,086)	$ (10,580)
Currency gains, net	(4,086)	(10,580)

(1) The Other income, net shown on the income statement includes the currency gain shown above, as well as the foreign currency impact of the derivative instruments.

5. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2023 and 2022.

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
in thousands	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Currency exchange contracts	—	1,890	(30,988)	(810)	(29,908)
Total derivative fair value	$ —	$ 1,890	$ (30,988)	$ (810)	$ (29,908)

	March 31, 2022				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent	Current	Noncurrent	Assets/ (Liabilities)
Derivative instruments					
Currency exchange contracts	—	—	(18,189)	—	(18,189)
Total derivative fair value	$ —	$ —	$ (18,189)	$ —	$ (18,189)

Foreign Currency

We use foreign exchange forward contracts and cross-currency swaps to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

We had total notional amounts of $115 million and $191 million in outstanding foreign currency forwards hedges as of March 31, 2023 and 2022, respectively. These contracts cover the same periods as known or expected exposures. These contracts have a maximum duration of 22 and 13 months and an average duration of 21 and 13 months, in 2023 and 2022 respectively.

Gain (Loss) Recognition

The following table summarizes the (gains) losses associated with the change in fair value of derivative instruments recognized in other income, net.

in thousands	Fiscal 2023	Fiscal 2022
Derivative instruments		
Currency exchange contracts	(11,718)	11,967
Gain (loss) recognized in other income, net	$ (11,718)	$ 11,967

6. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

The following describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2023 and March 31, 2022, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements. The fair values of all derivatives instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2023 and March 31, 2022. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2023		2022	
in thousands	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Currency exchange contracts	1,890	(31,798)	—	(18,189)
Total level 2 instruments	1,890	(31,798)	—	(18,189)
Total net	$ 1,890	$ (31,798)	$ —	$ (18,189)

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	March 31,			
	2023		2022	
Liabilities ***(in thousands)***	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — related parties (excluding short-term borrowings)	1,228,789	1,228,789	1,159,395	1,159,395

7. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (US) and foreign components of our loss before income tax benefit (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ (65,033)	$ (43,759)
Pre-tax income before equity in net loss of non-consolidated affiliates	(65,033)	(43,759)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ —	$ —
State	(8,115)	909
Total current	$ (8,115)	$ 909
Deferred provision:		
Federal	$ (7,776)	$ (10,254)
State	(1,277)	919
Total deferred	$ (9,053)	$ (9,335)
Income tax benefit	$ (17,168)	$ (8,426)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 92,403	$ 81,974
Deferred tax liabilities	(16,475)	(10,860)
Total deferred income tax assets	75,928	71,114
Less: valuation allowance	(40,154)	(44,393)
Net deferred income tax assets	$ 35,774	$ 26,721

At March 31, 2023, the Company had total deferred tax assets, net of deferred tax liabilities and net operating losses, of approximately $76 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards. At March 31, 2022, the Company had total deferred tax assets of approximately $71 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards.

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $40 million and $44 million were necessary as of March 31, 2023 and 2022, respectively.

As of March 31, 2023, we had net operating loss carryforwards of approximately $68 million (tax effected). As of March 31, 2023, valuation allowances of $39 million and $1 million had been recorded against net operating loss carryforwards and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

As of March 31, 2022, we had net operating loss carryforwards of approximately $50 million (tax effected). As of March 31, 2022, valuation allowances of $41 million and $3 million had been recorded against net operating loss carryforwards and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

Although realization is not assured, management believes it is more likely than not that all the remaining net deferred tax assets will be realized. In the near term, the amount of deferred tax assets considered realizable could be reduced if we do not generate sufficient taxable income in certain jurisdictions.

Novelis Services (North America) Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Services (North America) Inc. and certify that the information included therein accurately reflects the financial position of Novelis Services (North America) Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Services (North America) Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Services (North America) Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Income before income tax provision	$ —	$ —
Income tax provision	—	—
Net income	$ —	$ —

See accompanying notes to the financial statements.

Novelis Services (North America) Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ —	$ —
Comprehensive income	—	—

See accompanying notes to the financial statements.

Novelis Services (North America) Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Restricted cash	13	13
Total current assets	13	13
Total assets	$ 13	$ 13
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— related parties	$ 13	$ 13
Total liabilities	13	13
Commitments and contingencies		
Shareholder's equity:		
Common stock, 0.01 par value; 1,000 number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Accumulated deficit	—	—
Total equity	—	—
Total liabilities and equity	$ 13	$ 13

See accompanying notes to the financial statements.

Novelis Services (North America) Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ —	$ —
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts payable	—	8
Net cash provided by operating activities	$ —	$ 8
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Net cash provided by financing activities	$ —	$ —
Net increase in cash and cash equivalents and restricted cash	$ —	$ 8
Cash, cash equivalents and restricted cash — beginning of period	13	5
Cash, cash equivalents and restricted cash — end of period	$ 13	$ 13

See accompanying notes to the financial statements.

Novelis Services (North America) Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	1,000	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2022	1,000	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	1,000	$ —	$ —	$ —	$ —

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Services (North America) Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis Services (North America) Inc. was formed in the United States of America on December 3, 2014. All of Novelis Services (North America) Inc.'s common shares are directly held by Novelis Corporation and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Related Party Transactions for further discussion.

2. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Accounts payable — related parties	$ 13	$ 13

Novelis Global Employment Organization Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Global Employment Organization Inc. and certify that the information included therein accurately reflects the financial position of Novelis Global Employment Organization Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Global Employment Organization Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Global Employment Organization Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Loss before income tax benefit	(227)	(405)
Income tax benefit	(62)	(48)
Net loss	$ (165)	$ (357)

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net loss	$ (165)	$ (357)
Comprehensive loss	$ (165)	$ (357)

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 7,525	$ 5,416
Total current assets	7,525	5,416
Deferred income tax assets	175	104
Total assets	$ 7,700	$ 5,520
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short–term borrowings - related parties	$ 372	$ 3,570
Accounts payable		
— third parties	—	5
— related parties	371	404
Accrued expenses and other current liabilities	1,492	1,660
Total current liabilities	2,235	5,639
Total liabilities	2,235	5,639
Shareholder's equity:		
Common stock, 0.01 par value; 100 number of shares authorized; 10 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	6,074	325
Accumulated deficit	(609)	(444)
Total equity	5,465	(119)
Total liabilities and equity	$ 7,700	$ 5,520

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net loss	$ (165)	$ (357)
Adjustments to determine net cash provided by operating activities:		
Deferred income taxes	(71)	(85)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	—	(569)
Due To/From Related Parties	(2,143)	—
Accounts payable	(5)	302
Other liabilities	(168)	254
Net cash used in operating activities - continuing operations	(2,552)	(455)
Net cash provided by operating activities - discontinued operations	—	—
Net cash used in operating activities	$ (2,552)	$ (455)
FINANCING ACTIVITIES		
Net proceeds from issuance (repayments) of short-term borrowings - related party	$ (3,198)	$ 455
Contributed capital	5,750	$ —
Net cash (used in) provided by financing activities	$ 2,552	$ 455
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —
Supplemental Disclosures:		
Income taxes paid	$ 9	$ 37

See accompanying notes to the financial statements.

Novelis Global Employment Organization Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	10	$ —	$ 325	$ (87)	$ 238
Net loss attributable to our common shareholder	—	—	—	(357)	(357)
Balance as of March 31, 2022	10	$ —	$ 325	$ (444)	$ (119)
Net loss attributable to our common shareholder	—	—	—	(165)	(165)
Contributed capital	—	$ —	$ 5,749	$ —	$ 5,749
Balance as of March 31, 2023	$ —	$ —	$ 6,074	$ (609)	$ 5,465

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Global Employment Organization Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis Global Employment Organization Inc. was formed in the United States of America on December 15, 2015. All of Novelis GEO's common shares are directly held by Novelis Holdings Inc and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Related Party Transactions for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 4 – Income Taxes for further discussion.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Inc.'s subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes”).

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Accounts receivable, net — related parties	$ 7,525	$ 5,416
Accounts payable — related parties	$ 371	$ 404

During 2023, Novelis Corporation terminated the promissory note issued to Novelis Global Employment Organization, Inc. in April 2019. This termination included the principal amount outstanding, accrued interest, and any other amounts outstanding under the promissory note. As a result of this termination, Novelis Global Employment Organization, Inc. derecognized the related debt and recognized $5.7 million in capital contributions.

3. DEBT

Debt consists of the following.

in thousands	Interest Rates[1]	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments	March 31, 2023 Carrying Value	March 31, 2022 Principal	March 31, 2022 Unamortized Carrying Value Adjustments	March 31, 2022 Carrying Value
Short-term borrowings - related party demand note[2]	8.10 %	$ 372	$ —	$ 372	$ —	$ —	$ —
Short-term borrowings - related parties[3]		$ —	$ —	$ —	$ 3,570	$ —	$ 3,570

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023, and therefore exclude the effects of accretion and amortization of debt issuance costs related to refinancing transactions and additional borrowings. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.

(2) This represents related party demand note with Novelis Corporation originated in fiscal 2023.

(3) This represents related party debt settled in fiscal 2023. See Note 2 — Related Party Transactions for further discussion.

4. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our loss before income tax benefit (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ (227)	$ (405)
Pre-tax income before equity in net loss of non-consolidated affiliates	(227)	(405)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ 9	$ 37
Total current	$ 9	$ 37
Deferred provision:		
Federal	$ (54)	$ (85)
State	(17)	—
Total deferred	$ (71)	$ (85)
Income tax benefit	$ (62)	$ (48)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered. All deferred income tax assets are expected to be recoverable and no valuation allowance has been recorded in either of the periods presented.

Our deferred income tax assets are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 175	$ 104
Total deferred income tax assets	175	104

Novelis Services (Europe) Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

ADITYA BIRLA
NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Services (Europe) Inc. and certify that the information included therein accurately reflects the financial position of Novelis Services (Europe) Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis Services (Europe) Inc.

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
T: +1 404-760-4000 | W: www.novelis.com

Novelis Services (Europe) Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Income before income tax provision	$ —	$ —
Income tax provision	—	—
Net income	$ —	$ —

See accompanying notes to the financial statements.

Novelis Services (Europe) Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ —	$ —
Comprehensive income	—	—

See accompanying notes to the financial statements.

Novelis Services (Europe) Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ —	—
Restricted Cash	—	293
Total current assets	—	293
Total assets	$ —	$ 293
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	$ —	$ 293
Total liabilities	—	293
Shareholder's equity:		
Common stock, 0.01 par value; 1,000 number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Total equity	—	—
Total liabilities and equity	$ —	$ 293

See accompanying notes to the financial statements.

Novelis Services (Europe) Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ —	$ —
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Other liabilities	(293)	(26)
Net cash used in operating activities	$ (293)	$ (26)
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Net cash provided by financing activities	$ —	$ —
Net decrease in cash and cash equivalents and restricted cash	$ (293)	$ (26)
Cash, cash equivalents and restricted cash — beginning of period	293	319
Cash, cash equivalents and restricted cash — end of period	$ —	$ 293

See accompanying notes to the financial statements.

Novelis Services (Europe) Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock					
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of March 31, 2021	1,000	$ —	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2022	1,000	$ —	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2023	1,000	$ —	$ —	$ —	$ —	$ —

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Services (Europe) Inc. unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis Services (Europe) Inc. was formed in the United States of America on July 29, 2016. All Novelis Services (Europe) Inc.'s common shares are directly held by Novelis Holdings Inc and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

NOVELIS VIETNAM COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

NOVELIS VIETNAM COMPANY LIMITED

CORPORATE INFORMATION

Investment registration certificate	No. 8703080842 dated 23 April 2018. The investment registration certificate and its subsequent amendments were issued by the Board of Management of Vietnam - Singapore Industrial Park for a period of 46 years from the date of the initial Investment registration certificate dated 6 August 2012.
Enterprise registration certificate	No. 3702086500 dated 6 August 2012 which was initially issued by the Department of Planning and Investment of Binh Duong Province with the latest 8th amendment dated 10 February 2020.
Legal representative	Mr. Sang Youn So General Manager
Registered office	No. 3 VSIP II-A, Street 19, Vietnam - Singapore Industrial Park II-A, Tan Uyen Town, Binh Duong Province, Vietnam.
Auditor	PwC (Vietnam) Limited

NOVELIS VIETNAM COMPANY LIMITED

STATEMENT OF THE GENERAL MANAGER

Statement of Responsibility of the General Manager of the Company in respect of the Financial Statements

The General Manager of Novelis Vietnam Company Limited ("the Company") is responsible for preparing financial statements which give a true and fair view of the financial position of the Company as at 31 March 2023, and the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the General Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a liquidation basis as set out in Note 2.1 to the financial statements.

The General Manager is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Manager is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the Financial Statements

I hereby, approve the accompanying financial statements as set out on pages 5 to 20 which give a true and fair view of the financial position of the Company as at 31 March 2023 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

M.S.D.N: 3702086500 - C.T.T.N.H.H
CÔNG TY
TNHH
NOVELIS
VIỆT NAM
T.X TÂN UYÊN - T.BÌNH DƯƠNG

Sang Youn So
General Manager

Binh Duong province, SR Vietnam
5 May 2023

pwc

INDEPENDENT AUDITOR'S REPORT
TO THE OWNER OF NOVELIS VIETNAM COMPANY LIMITED

We have audited the accompanying financial statements of Novelis Vietnam Company Limited ("the Company") which were prepared on 31 March 2023 and approved by the General Manager of the Company on 5 May 2023. The financial statements comprise the balance sheet as at 31 March 2023, the income statement and the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 20.

Responsibility of the General Manager

The General Manager of the Company is responsible for the preparation and the true and fair presentation of these financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements; and for such internal control which the General Manager determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PwC (Vietnam) Limited
8th Floor, Saigon Tower, 29 Le Duan Street, District 1, Ho Chi Minh City, Vietnam

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

Emphasis of Matters

Without qualifying our opinion, we draw attention to:

- Note 2.1 to the financial statements which describes that on 4 November 2022, the Company's owner submitted the Decision to Terminate the operation of investment project No. 8703080842 of the Company to Binh Duong Industrial Zones Authority. Accordingly, these financial statements are prepared on a liquidation basis of accounting; and

- Note 16 to the financial statements which describes the Company's contingent taxation liabilities relating to the Inspection Conclusion No. 235/KL-TCHQ dated 11 January 2017 issued by the General Department of Vietnam Customs.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited

M.S.D.N: 0100157406 - C.T.T.N.H.H
CÔNG TY
TNHH
PWC (VIỆT NAM)
QUẬN 1 - T.P HỒ CHÍ MINH

Tram Tu Mai Anh Audit Practising Licence No. 3546-2021-006-1 Authorised signatory	Vo Xuan Thoi Audit Practising Licence No. 5948-2023-006-1

Report reference number: HCM13933
Ho Chi Minh City, 5 May 2023

NOVELIS VIETNAM COMPANY LIMITED

Form B 01/CDHĐ – DNKLT

BALANCE SHEET

Code	ASSETS	Note	As at 31 March 2023 VND	2022 VND
100	**ASSETS**		**166,580,048,340**	**130,403,015,272**
110	**Cash**		**52,642,658,087**	**14,051,092,158**
111	Cash	3	52,642,658,087	14,051,092,158
130	**Receivables**		**20,561,226,388**	**24,516,146,115**
131	Trade accounts receivable	15(i)	20,427,230,388	24,401,950,115
137	Other receivables		133,996,000	114,196,000
140	**Inventories**		**22,940,000**	**22,940,000**
150	**Fixed assets**		**35,869,520,226**	**37,169,073,403**
151	Tangible fixed assets	4(a)	19,538,372,325	20,611,592,992
153	Intangible fixed assets	4(b)	16,331,147,901	16,557,480,411
180	**Other assets**		**57,483,703,639**	**54,643,763,596**
181	Prepaid expenses		9,900,000	-
182	Value added tax ("VAT") to be reclaimed	7(a)	53,875,597,607	53,803,769,690
183	Tax and other receivables from the State	7(a)	839,993,906	839,993,906
185	Deferred income tax assets	14	2,758,212,126	-
300	**LIABILITIES**		**90,128,092,146**	**50,894,054,830**
311	Trade accounts payable	5	34,132,742,765	33,228,254,825
312	Advances from customers	6	55,193,000,000	16,557,900,000
315	Accrued expenses	8	802,349,381	1,107,900,005
400	**OWNER'S EQUITY**		**76,451,956,194**	**79,508,960,442**
410	**Capital and reserves**		**76,451,956,194**	**79,508,960,442**
411	Owner's capital	9, 10	20,820,000,000	20,820,000,000
421	Undistributed earnings	10	55,631,956,194	58,688,960,442
421a	*- Undistributed post-tax profits of previous years*		*58,688,960,442*	*64,379,179,597*
421b	*- Post-tax loss of current year*		*(3,057,004,248)*	*(5,690,219,155)*
440	**TOTAL RESOURCES**		**166,580,048,340**	**130,403,015,272**

Tran Thi My Linh
Chief Accountant/Preparer

M.S.D.N: 3702086500 - C.N.H
CÔNG TY TNHH NOVELIS VIỆT NAM
T.X TÂN UYÊN - T. BÌNH DƯƠNG

Sang Youn So
General Manager
5 May 2023

The notes on pages 8 to 20 are an integral part of these financial statements.

NOVELIS VIETNAM COMPANY LIMITED

Form B 02/CDHĐ – DNKLT

INCOME STATEMENT

Code		Note	Year ended 31 March 2023 VND	2022 VND
21	Financial income		140,292,219	73,407,380
22	Financial expenses		(313,219,775)	-
26	General and administration expenses	12	(1,641,681,617)	(3,234,873,731)
30	**Net operating loss**		**(1,814,609,173)**	**(3,161,466,351)**
31	Other income		27,275,749	-
32	Other expenses	13	(1,269,670,824)	(2,528,752,804)
40	**Net other expenses**		**(1,242,395,075)**	**(2,528,752,804)**
50	**Net accounting loss before tax**		**(3,057,004,248)**	**(5,690,219,155)**
51	**Corporate income tax ("CIT") - current**	14	**(2,758,212,126)**	**-**
52	**CIT - deferred**	14	**2,758,212,126**	**-**
60	**Net loss after tax**		**(3,057,004,248)**	**(5,690,219,155)**

Tran Thi My Linh
Chief Accountant/Preparer

CÔNG TY TNHH NOVELIS VIỆT NAM
M.S.D.N: 3702086500 - C.T.T.N.H.H
T.X TÂN UYÊN - T.BÌNH DƯƠNG

Sang Youn So
General Manager
5 May 2023

The notes on pages 8 to 20 are an integral part of these financial statements.

NOVELIS VIETNAM COMPANY LIMITED

Form B 03/CDHĐ – DNKLT

CASH FLOW STATEMENT
(Indirect method)

Code		Note	Year ended 31 March 2023 VND	2022 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting loss before tax**		**(3,057,004,248)**	**(5,690,219,155)**
	Adjustments for:			
02	Depreciation, amortisation and adjustments of fixed assets		1,299,553,177	(3,204,107,153)
04	Unrealised foreign exchange gains		(311,411,637)	(73,396,945)
05	(Profit)/loss from investing activities		(15,116)	5,777,052,856
08	**Operating loss before changes in working capital**		**(2,068,877,824)**	**(3,190,670,397)**
09	Decrease/(increase) in receivables		3,269,203,779	(198,292,540)
11	Increase/(decrease) in payables (*)		6,542,382,459	(259,353,421)
12	Increase in prepaid expenses		(9,900,000)	-
15	CIT paid		(2,758,212,126)	-
20	**Net cash inflows/(outflows) from operating activities**		**4,974,596,288**	**(3,648,316,358)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
22	Proceeds from disposals of fixed assets (**)		33,617,554,546	17,467,754,544
27	Interest received		15,116	10,435
30	**Net cash inflows from investing activities**		**33,617,569,662**	**17,467,764,979**
50	**Net increase in cash**		**38,592,165,950**	**13,819,448,621**
60	**Cash at beginning of year**	3	**14,051,092,158**	**231,722,751**
61	Effect of foreign exchange differences		(600,021)	(79,214)
70	**Cash at end of year**	3	**52,642,658,087**	**14,051,092,158**

(*) Increase in payable for the year ended 31 March 2023 included VAT amount paid in advance by 9A Investment Co., Ltd related to transferring leased land use right and leased land-attached assets (Note 6)

(**) Proceeds from disposals of fixed assets for the year ended 31 March 2023 included advances from 9A Investment Co., Ltd related to transferring leased land use right and leased land-attached assets (Note 6).

M.S.D.N: 3702086500 - C.T.T.N.H.H
CÔNG TY TNHH NOVELIS VIỆT NAM
T.X TÂN UYÊN - T. BÌNH DƯƠNG

Tran Thi My Linh
Chief Accountant/Preparer

Sang Youn So
General Manager
5 May 2023

The notes on pages 8 to 20 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 GENERAL INFORMATION

Novelis Vietnam Company Limited ("the Company") was established in SR Vietnam pursuant to the initial Investment certificate No. 463043000387 dated 6 August 2012 and the latest 7th amendment Investment registration certificate No. 8703080842 dated 23 April 2018 which was issued by the Board of Management of Vietnam - Singapore Industrial Park for a period of 46 years from the date of the initial investment certificate.

The Company is a one-member limited liability company, wholly owned by Novelis Inc. ("the parent company"), a company incorporated in Canada.

The principal activities of the Company are:

- Recycling used aluminium beverage cans (the Company is not allowed to establish its facilities to directly collect used beverage cans);
- Implementing the export right of goods having HS code of 7602000020 produced by the Company and purchased from suppliers in Viet Nam; and
- Implementing the import right the wholesale distribution right (without establishment of a wholesale location) and the retail distribution right (without establishment of a retail location) of goods having the HS code of 7606121000.

The normal business cycle of the Company is 12 months.

As at 31 March 2023 and 31 March 2022, the Company had one employee.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

On 4 November 2022, the Company's owner submitted the Decision to Terminate the operation of investment project No. 8703080842 of the Company to Binh Duong Industrial Zones Authority. On 7 November 2022, Binh Duong Industrial Zones Authority has conducted procedures to terminate the operation of the investment project. As of the date of these financial statements, the Company is still in progress of carrying out other administrative procedures applied for operation liquidation with the authorities. Accordingly, the Company prepared the financial statements on the liquidation basis of accounting. Adjustments have been made in the financial statements to reduce assets to their estimated realisable values.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in the Vietnamese language are the official statutory financial statements of the Company. The financial statements in the English language have been translated from the Vietnamese version.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Fiscal year

The Company's fiscal year is from 1 April to 31 March.

2.3 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank with which the Company regularly transacts. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.5 Cash

Cash comprises cash in banks.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods or non-trade receivables from others and are stated at the lower of cost and net estimated recoverable value.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

2.8 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at the lower of net book value and net estimated recoverable value. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fixed assets (continued)

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Plant and buildings	20 - 40 years
Machinery and equipment	5 - 10 years
Office equipment	7 years
Software	3 years

Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use rights certificate issued by the Board of Management of Vietnam - Singapore Industrial Park on 20 September 2013 and amortised using the straight-line method over 46 years in accordance with such land use rights certificate.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the income statement.

2.9 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.10 Prepaid expenses

Prepaid expenses represent prepayments for rental services. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.11 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

2.12 Accrued expenses

Accrued expenses include liabilities for services received in the fiscal year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the level of the expenditures expected to be required to settle the obligations. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.14 Capital and reserves

Owner's capital is recorded according to actual amount contributed.

Undistributed earnings record the Company's results after corporate income tax at the reporting date.

2.15 Interest income

Interest income is recognised on an earned basis.

2.16 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including losses from foreign exchange differences.

2.17 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.19 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including the General Manager of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each related party, the Company considers the substance of the relationships, not merely the legal form.

3 CASH

	2023 VND	2022 VND
Cash at banks (*)	52,642,658,087	14,051,092,158

(*) Included in cash at banks balances as at 31 March 2023 was VND52,193,000,000, which is held by the Company but not available for use. This amount is restricted according to the term of Transfer agreement to transfer the leased land use right and leased land-attached assets between the Company and 9A Investment Co., Ltd (Note 4). This amount will be released upon the completion of transferring leased land use right and lease land-attached assets (as at 31 March 2022: VND13,557,900,000). On 21 April 2023, the leased land use right has been transferred to 9A Investment Co., Ltd.

4 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings (*) VND	Machinery VND	Office equipment VND	Total VND
Historical cost				
As at 1 April 2022 and at 31 March 2023	38,494,164,122	117,199,999	4,232,241,886	42,843,606,007
Accumulated depreciation				
As at 1 April 2022	17,958,649,290	71,004,182	4,202,359,543	22,232,013,015
Charge for the year	1,031,618,310	11,720,014	29,882,343	1,073,220,667
As at 31 March 2023	18,990,267,600	82,724,196	4,232,241,886	23,305,233,682
Net book value				
As at 1 April 2022	20,535,514,832	46,195,817	29,882,343	20,611,592,992
As at 31 March 2023	19,503,896,522	34,475,803	-	19,538,372,325

Historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 March 2023 was VND4,232,241,886 (as at 31 March 2022: VND3,918,476,886).

4 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights (*) VND	Software VND	Total VND
Historical cost			
As at 1 April 2022 and at 31 March 2023	20,843,966,666	315,818,355	**21,159,785,021**
Accumulated amortisation			
As at 1 April 2022	4,286,486,255	315,818,355	**4,602,304,610**
Charge for the year	226,332,510	-	**226,332,510**
As at 31 March 2023	4,512,818,765	315,818,355	**4,828,637,120**
Net book value			
As at 1 April 2022	16,557,480,411	-	**16,557,480,411**
As at 31 March 2023	16,331,147,901	-	**16,331,147,901**

Historical cost of intangible fixed assets that were fully depreciated but still in use as at 31 March 2023 and 31 March 2022 was VND315,818,355.

(*) On 2 March 2023, the Company signed a Transfer agreement to transfer the leased land use right and leased land-attached assets with 9A Investment Co., Ltd. This agreement was notarised on 2 March 2023 and submitted to the Binh Duong Natural Resource and Environment to request the transfer of leased land use right from the Company to 9A Investment Co., Ltd. On 21 April 2023, the leased land use right was transferred to 9A Investment Co., Ltd. As of the date of these financial statements, the Company has not yet completed the hand over of the leased land and the land-attached assets to 9A Investment Co., Ltd.

5 TRADE ACCOUNTS PAYABLE

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties	-	-	21,411,747	21,411,747
Related parties (Note 15(ii))	34,132,742,765	34,132,742,765	33,206,843,078	33,206,843,078
	34,132,742,765	34,132,742,765	33,228,254,825	33,228,254,825

6 ADVANCES FROM CUSTOMER

The balance represents advances relating to the Transfer agreement to transfer the leased land use right and leased land-attached assets which was signed by the Company and 9A Investment Co., Ltd.

7 TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

Movement in taxes and other receivables from/payables to the State during the year are as follows:

1100

	As at 1.4.2022 VND	Payables during the year VND	Net-off/Payment during the year VND	As at 31.3.2023 VND
(a) Receivables				
VAT to be reclaimed	53,803,769,690	73,927,917	(2,100,000)	53,875,597,607
CIT	839,993,906	-	-	839,993,906
	54,643,763,596	73,927,917	(2,100,000)	54,715,591,513
(b) Payables				
CIT	-	2,758,212,126	(2,758,212,126)	-

8 ACCRUED EXPENSES

	2023 VND	2022 VND
Professional fees	308,574,934	1,008,000,005
Others	493,774,447	99,900,000
	802,349,381	1,107,900,005

9 OWNER'S CAPITAL

	Charter capital VND Equivalent	%	Amount contributed VND
Novelis Inc.	20,820,000,000	100	20,820,000,000

Pursuant to the investment certificate No. 8703080842 dated 23 April 2018, the charter capital of the Company is VND21,000,000,000, equivalent to US$1,000,000. As at 31 March 2023, the charter capital has been fully contributed which is equivalent to VND20,820,000,000 as translated using the exchange rate at the time of contribution. The total investment capital of the Company is VND102,375,000,000, equivalent to US$4,875,000.

10 MOVEMENTS IN OWNER'S EQUITY

	Owner's capital VND	Undistributed earnings VND	Total VND
As at 1 April 2021	20,820,000,000	64,379,179,597	**85,199,179,597**
Net loss for the year	-	(5,690,219,155)	**(5,690,219,155)**
As at 31 March 2022	20,820,000,000	58,688,960,442	**79,508,960,442**
Net loss for the year	-	(3,057,004,248)	**(3,057,004,248)**
As at 31 March 2023	20,820,000,000	55,631,956,194	**76,451,956,194**

11 OFF BALANCE SHEET ITEMS

Foreign currency

As at 31 March 2023, included in cash was balances held in foreign currency of US$1,234.38 (as at 31 March 2022: US$329.94).

12 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
External service expenses	973,863,039	1,232,863,015
Staff costs	979,868,892	978,974,888
Professional fees	(343,093,576)	975,191,587
Depreciation	29,882,353	44,203,332
Others	1,160,909	3,640,909
	1,641,681,617	3,234,873,731

13 OTHER EXPENSES

	2023 VND	2022 VND
Depreciation of idle fixed assets	1,269,670,824	3,110,568,407
Losses on disposal of fixed assets	-	5,777,063,291
Reversal of impairment losses on fixed asset values		(6,358,878,894)
	1,269,670,824	2,528,752,804

14 CORPORATE INCOME TAX ("CIT")

The CIT on the Company's accounting loss before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND	2022 VND
Net accounting loss before tax	(3,057,004,248)	(5,690,219,155)
Tax calculated at a rate of 20%	(611,400,850)	(1,138,043,831)
Effect of:		
Expenses not deductible for tax purposes	254,087,592	622,113,681
Tax losses for which no deferred income tax asset was recognised	562,083,317	515,930,150
Temporary differences for which no deferred income tax was recognised	(204,770,059)	-
CIT charge (*)	-	-
Charged to the income statement:		
CIT – current (**)	2,758,212,126	-
CIT – deferred (**)	(2,758,212,126)	-
	-	-

14 CORPORATE INCOME TAX ("CIT") (continued)

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

(**) This is CIT amount relating to transferring leased land use right and leased land-attached assets (Note 4) in accordance with current tax regulations. Accordingly, correlative deferred tax asset has been recognised.

15 RELATED PARTY DISCLOSURES

The Company is controlled by Novelis Inc., which owns 100% of the Company's charter capital.

Details of the key related parties and relationship are given as below:

Related party	Relationship
Novelis Inc.	Parent company
Novelis Korea Limited	Fellow group subsidiary
Novelis Corporation	Fellow group subsidiary

As at 31 March 2023 and 31 March 2022, the Company had balances with following related parties as below:

	2023 VND	2022 VND
(i) Trade accounts receivable		
Novelis Korea Limited	20,427,230,388	24,401,950,115
(ii) Trade accounts payable (Note 5)		
Novelis Korea Limited	27,436,560,110	26,692,303,997
Novelis Inc.	4,410,041,350	4,290,412,644
Novelis Corporation	2,286,141,305	2,224,126,437
	34,132,742,765	33,206,843,078

16 CONTINGENT LIABILITIES

On 11 January 2017, the General Department of Vietnam Customs issued the Inspection Conclusion No. 235/KL-TCHQ ("the Conclusion") in relation to the use of invalid invoices in purchasing aluminium scraps from suppliers and claiming of input VAT on amounted to VND47,204,237,260; and the import and export tax declarations during the period from 2013 to 2016 which were concluded to be not in accordance with the regulations and guidance of the Ministry of Finance.

And according to Decision No. 01/QĐ-TDM ("the Decision") dated 11 February 2017 from Thu Dau Mot Customs Department of Binh Duong Province, the Company was imposed export duty on export goods, amounted to VND5.8 billion, and administrative fine.

The Company expressed their disagreement with the Conclusion and the Decision above; and lodged Official Letters in order to appeal against the above matters according to the Conclusion of the General Department of Vietnam Customs. Though the Company disagreed with the Decision, on 8 May 2017 it temporarily paid these amounts, noted in the Decision, in advance.

As at the approval date of these financial statements, the Company was in the process of clarifying its petition with the authorities. The Company's General Manager is of the view that the potential tax liabilities relating to the Conclusion of the General Department of Vietnam Customs, if any, have not yet been identified, and it is therefore uncertain whether or not the Company will have to pay any additional tax. Accordingly, the Company has not recognised any taxation amount relating to these matters to the financial statements for the year ended 31 March 2023.

The financial statements were approved by the General Manager on 5 May 2023.

Tran Thi My Linh	Sang Youn So
Chief Accountant/Preparer	General Manager

M.S.D.N: 3702086500 - C.T.T.N.H.H
CÔNG TY TNHH NOVELIS VIỆT NAM

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Financial Statements
Year ended December 31, 2022
(expressed in Euros)

Skeete Best & Co.

CHARTERED ACCOUNTANTS

Skeete, Best & Co. Chartered Accountants
Tudor Bridge, St. Michael
Barbados, W.I.
Tel. (246) 537-6626 Fax. (246) 537-5348
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Independent Auditors' Report

To the Shareholder of
Aleris Asia Pacific International (Barbados) Ltd.

Opinion
We have audited the non-consolidated financial statements of **Aleris Asia Pacific International (Barbados) Ltd.** ("the Company"), which comprise the non-consolidated statement of financial position as of December 31, 2022, and the non-consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as of December 31, 2022 and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Barbados, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-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 financial reporting process.

Independent Auditors' Report...*continued*

To the Shareholder of
Aleris Asia Pacific International (Barbados) Ltd.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

A further description of the auditors' responsibilities for the audit of the non-consolidated financial statements is located at the Institute of Chartered Accountants of Barbados' website at: http://www.icab.bb/about-icab/auditing/. This description forms part of our auditors' report.

Other Matter

This report is made solely to the Company's shareholder, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinion we have formed.

Chartered Accountants

Barbados, W.I.
April 15, 2023

Aleris Asia Pacific International (Barbados) Ltd.
Non-Consolidated Statement of Financial Position
As of December 31, 2022
(expressed in Euros)

	2022 €	2021 €
Assets		
Non-current assets		
Investment in subsidary (Note 3)	**2,584,119**	2,584,119
Total assets	**2,584,119**	2,584,119
Liabilities and shareholder's equity		
Current liabilities		
Accounts payable	-	9,814
Due to penultimate parent (Note 4)	**46,433**	30,784
Due to related company (Note 4)	**37,289**	34,974
Total liabilities	**83,722**	75,572
Shareholder's equity	**2,500,397**	2,508,547
Total liabilities and shareholder's equity	**2,584,119**	2,584,119

The accompanying notes form an integral part of these financial statements.

Approved by the Director on April 15, 2023

Director

Aleris Asia Pacific International (Barbados) Ltd.
Non-Consolidated Statement of Changes in Equity
Year ended December 31, 2022
(expressed in Euros)

	Share Capital €	Accumulated Deficit €	Total €
Balance at December 31, 2020	5,029,576	(2,511,195)	2,518,381
Net loss for the year	-	(9,834)	(9,834)
Balance at December 31, 2021	5,029,576	(2,521,029)	2,508,547
Net loss for the year	-	(8,150)	(8,150)
Balance at December 31, 2022	5,029,576	(2,529,179)	2,500,397

The accompanying notes form an integral part of these financial statements.

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Comprehensive Loss

Year ended December 31, 2022

(expressed in Euros)

	2022	2021
	€	€
Expenses		
Professional fees	**4,031**	5,452
Unrealized foreign exchange loss	**4,119**	4,382
	8,150	9,834
Net loss and total comprehensive loss for the year	**(8,150)**	(9,834)

The accompanying notes form an integral part of these financial statements.

Aleris Asia Pacific International (Barbados) Ltd.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2022

(expressed in Euros)

	2022	2021
	€	€
Cash flows from operating activities		
Net loss for the year	**(8,150)**	(9,834)
Operating loss before working capital changes	**(8,150)**	(9,834)
(Decrease) increase in accounts payable	**(9,814)**	1,935
Increase in due to penultimate parent	**15,649**	5,437
Increase in due to related company	**2,315**	2,462
Cash - end of year	-	-

The accompanying notes form an integral part of these financial statements.

1. Incorporation and principal activity

The Company was incorporated under the Companies Act of Barbados on January 31, 2006. It was licensed under the International Business Companies Act 1991-24 which was repealed effective January 1, 2019. The company qualified for grandfathering up to June 30, 2021 and then obtained a Foreign Currency Permit under the Foreign Currency Permits Act 2018-44, effective July 1, 2021.

It is wholly owned by Aleris Switzerland GmbH, a corporation duly established under the laws of Switzerland. The ultimate parent is Hindalco Industries Limited.

The Company's principal activity is the holding of real estate and other investments in the Asia Pacific Region and its registered office is located at Alpha & Omega Law Chambers, 2nd Floor Trident House, Lower Broad Street, Bridgetown, St. Michael.

2. Significant accounting policies

Basis of preparation

These non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board. They have been prepared under the historical cost convention for management and to facilitate filing with regulatory authorities in Barbados. Under these requirements, the Company's investment in its subsidiary, Aleris (Shanghai) Trading Co. Ltd., is accounted for in these accompanying non-consolidated financial statements by the cost method. Under this method, the investment is carried at cost, less a provision for impairment, and the net earnings of the subsidiary, are reflected in the determination of the net earnings of the Company only to the extent of dividends received from the subsidiary.

Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect amounts reported in the non-consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Management does not believe that there are estimates and assumptions that have a significant risk of causing material adjustment to carrying amounts of assets and liabilities within the next financial year.

2. Significant accounting policies...*continued*

Consolidation

The Company owns 100% of Aleris (Shanghai) Trading Co. Ltd. Under International Accounting Standard #27, the Company is not required to present consolidated financial statements since its equity instruments are not traded on a domestic or foreign stock exchange or over-the-counter market, including local and regional markets, and its parent prepares consolidated financial statements.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into Euros at the rate of exchange ruling at the non-consolidated statement of financial position date. Transactions arising during the year involving foreign currencies are converted at the rates of exchange prevailing on the dates the transactions occurred. Differences arising from fluctuations in exchange rates are included in the non-consolidated statement of comprehensive loss.

Investment in subsidiary

The investment in subsidiary is accounted for at cost less impairment.

Impairment

The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the assets will not be recoverable. At that time, the carrying amount is written down to fair market value and the impairment loss reflected in the non-consolidated statement of comprehensive loss. Impairment losses are recognised when the carrying amount of an investment exceeds its recoverable amount.

Taxation

The Company follows the liability method of accounting for deferred tax, whereby the future tax liability resulting from timing differences is provided for at the current corporation tax rate. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the assets may be utilised.

(expressed in Euros)

3. Investment in subsidiary – at cost

	% owned	2022 €	2021 €
Aleris (Shanghai) Trading Co. Ltd.	100	2,584,119	2,584,119

4. Due to related companies

	2022 €	2021 €
Due to penultimate parent		
Aleris International Inc.	46,433	30,784
Due to related company		
Aleris Ohio Management	37,289	34,974

The amounts due to related companies are unsecured, interest free and have no stated terms of repayment.

5. Share capital

Authorised

The Company is authorised to issue an unlimited number of common shares without nominal or par value.

Issued

	2022 €	2021 €
100 common shares	5,029,576	5,029,576

(expressed in Euros)

6. Taxation

	2022 €	2021 €
Net loss for the year	(8,150)	(9,834)
Tax charge at 5.5% (2021- 2.5%)	(448)	(246)
Tax effect of expenses not allowed for tax	227	110
Tax effect of losses expired	197	907
Increase (decrease) in deferred tax asset not recorded	24	(771)
	-	-

The Company has a potential deferred tax asset amounting to €2,675 (2021 - €1,204). This has not been recorded in these financial statements as it is recognized when it is probable that the carrying amount can be recovered based on current or future taxable profits.

The following tax losses are available for set off against future taxable profits. The tax losses are as computed by the Company in its corporation tax returns and have, as yet, neither been confirmed nor disputed by the Revenue Commissioner.

Year	Amount (€)	Expiry Date
2014	7,842	2023
2015	6,532	2022
2016	4,184	2023
2017	4,044	2024
2018	5,509	2025
2019	4,821	2026
2020	6,213	2027
2021	5,452	2028
2022	4,031	2029
	48,628	

7. Financial risk management

Fair value

The Company's financial liabilities include accounts payable, due to its penultimate parent and due to a related company. The carrying value of the Company's financial liabilities are disclosed in the non-consolidated statement of financial position at their approximate fair value.

Interest rate risk

The Company has no interest rate risk exposure.

Credit risk

The Company is not exposed to any credit risk.

Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient financial resources available to meet its obligations and commitments as they fall due. Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of its shareholder. Liquidity management focuses on ensuring that the Company has sufficient funds to meet all of its obligations.

诺贝丽斯铝业(镇江)有限公司

2022 年度财务报表及审计报告

审计报告

普华永道中天审字(2023)第 31610 号
(第一页，共三页)

诺贝丽斯铝业(镇江)有限公司董事会：

一、 审计意见

(一) 我们审计的内容

我们审计了诺贝丽斯铝业(镇江)有限公司(以下简称“诺贝丽斯铝业镇江”)的财务报表，包括 2022 年 12 月 31 日的资产负债表，2022 年度的利润表、现金流量表、所有者权益变动表以及财务报表附注。

(二) 我们的意见

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了诺贝丽斯铝业镇江 2022 年 12 月 31 日的财务状况以及 2022 年度的经营成果和现金流量。

二、 形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

按照中国注册会计师职业道德守则，我们独立于诺贝丽斯铝业镇江，并履行了职业道德方面的其他责任。

三、 管理层和治理层对财务报表的责任

诺贝丽斯铝业镇江管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

普华永道中天会计师事务所(特殊普通合伙)
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审计报告(续)

普华永道中天审字(2023)第 31610 号
(第二页，共三页)

三、 管理层和治理层对财务报表的责任(续)

在编制财务报表时，管理层负责评估诺贝丽斯铝业镇江的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算诺贝丽斯铝业镇江、终止运营或别无其他现实的选择。

治理层负责监督诺贝丽斯铝业镇江的财务报告过程。

四、 注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

(一) 识别和评估由于舞弊或错误导致的财务报表重大错报风险；设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(二) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(三) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

审计报告(续)

普华永道中天审字(2023)第 31610 号
(第三页，共三页)

四、 注册会计师对财务报表审计的责任(续)

(四) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对诺贝丽斯铝业镇江持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致诺贝丽斯铝业镇江不能持续经营。

(五) 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

普华永道中天
会计师事务所(特殊普通合伙)

注册会计师 邓锡麟

中国上海市
2023 年 5 月 6 日

注册会计师 林艺菲

诺贝丽斯铝业(镇江)有限公司

2022 年 12 月 31 日资产负债表
(除特别注明外，金额单位为人民币元)

资　　产	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动资产			
货币资金	六(1)	328,080,551.03	342,050,704.07
衍生金融资产	六(2)	2,043,241.47	4,611,575.62
应收票据	六(3)	-	37,171,427.83
应收账款	六(4)、七(4)(a)	181,462,347.12	115,254,048.43
预付款项	六(6)	6,751,362.70	2,192,720.11
其他应收款	六(5)	17,700.07	165,000.07
存货	六(7)	369,198,414.57	374,443,290.10
其他流动资产	六(8)	10,407,593.34	8,713,622.24
流动资产合计		897,961,210.30	884,602,388.47
非流动资产			
其他非流动金融资产	六(9)	192,527.10	1,768,523.16
固定资产	六(10)	1,876,324,652.55	1,893,911,872.03
在建工程	六(11)	189,071,887.30	139,115,546.93
使用权资产	六(13)	588,314.77	1,166,967.21
无形资产	六(12)	75,837,701.93	78,119,210.31
长期待摊费用	六(14)	10,744,243.45	14,325,661.62
递延所得税资产	六(15)	85,647,232.49	-
其他非流动资产	六(16)	110,048,070.00	2,464,000.00
非流动资产合计		2,348,454,629.59	2,130,871,781.26
资产总计		3,246,415,839.89	3,015,474,169.73

诺贝丽斯铝业(镇江)有限公司

2022 年 12 月 31 日资产负债表(续)
(除特别注明外，金额单位为人民币元)

负债及所有者权益	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动负债			
衍生金融负债	六(2)	11,784,140.87	4,170,853.13
应付账款	七(4)(b)	93,576,528.67	112,048,067.37
合同负债	六(18)	5,977,786.18	4,728,402.46
应付职工薪酬	六(20)	7,783,418.63	7,898,390.84
应交税费	六(21)	7,907,109.09	6,065,343.63
其他应付款	六(22)、七(4)(c)	1,034,119,303.83	993,237,447.48
一年内到期的非流动负债	六(19)	426,370.26	530,882.56
流动负债合计		1,161,574,657.53	1,128,679,387.47
非流动负债			
长期借款	六(23)、七(4)(d)	277,385,379.94	253,930,730.68
租赁负债	六(24)	183,577.40	609,947.66
预计负债		1,139,322.31	1,149,428.42
其他非流动负债		116,023.06	-
非流动负债合计		278,824,302.71	255,690,106.76
负债合计		1,440,398,960.24	1,384,369,494.23
所有者权益			
实收资本		3,219,378,228.54	3,219,378,228.54
未弥补亏损		(1,413,361,348.89)	(1,588,273,553.04)
所有者权益合计		1,806,016,879.65	1,631,104,675.50
负债及所有者权益总计		3,246,415,839.89	3,015,474,169.73

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯铝业(镇江)有限公司

2022 年度利润表

(除特别注明外，金额单位为人民币元)

项 目	附注	2022 年度	2021 年度
一、营业收入	六(25)	1,622,224,539.36	828,489,180.86
减：营业成本	六(25)、六(28)	(1,230,476,004.63)	(678,336,073.14)
税金及附加	六(26)	(7,873,057.92)	(7,585,856.36)
销售费用	六(28)	(31,158,884.39)	(18,739,844.98)
管理费用	六(28)	(209,171,365.42)	(115,385,263.70)
财务费用 – 净额	六(27)	(60,168,168.29)	(40,439,482.29)
其中：利息费用		(41,422,911.59)	(48,144,200.91)
利息收入		1,597,513.99	823,956.44
信用减值(损失)/转回	六(30)	(5,642.25)	352,221.16
加：资产减值转回	六(29)	1,001,301.87	444,987.66
其他收益		1,426,284.06	574,091.09
投资收益	六(31)	16,804,000.17	6,400,992.33
公允价值变动(损失)/收益	六(32)	(11,873,641.01)	2,209,245.65
二、营业利润/(亏损)		90,729,361.55	(22,015,801.72)
加：营业外收入		252,912.00	2,266.70
减：营业外支出		(1,717,301.89)	(3,415,108.13)
三、利润/(亏损)总额		89,264,971.66	(25,428,643.15)
减：所得税费用	六(33)	85,647,232.49	-
四、净利润/(亏损)		174,912,204.15	(25,428,643.15)
五、综合亏损总额		174,912,204.15	(25,428,643.15)

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯铝业(镇江)有限公司

2022 年度现金流量表

(除特别注明外，金额单位为人民币元)

项 目	附注	2022 年度	2021 年度
一、经营活动产生/(使用)的现金流量			
销售商品、提供劳务收到的现金		1,654,174,704.27	815,405,457.63
收到的税收返还		67,372,803.31	49,893,514.53
收到其他与经营活动有关的现金		3,444,010.05	1,309,418.51
经营活动现金流入小计		1,724,991,517.63	866,608,390.67
购买商品、接受劳务支付的现金		(1,121,143,480.02)	(682,050,804.46)
支付给职工以及为职工支付的现金		(108,968,628.04)	(94,378,661.76)
支付的各项税费		(6,847,612.33)	(8,331,758.19)
支付其他与经营活动有关的现金		(239,650,333.70)	(118,444,191.06)
经营活动现金流出小计		(1,476,610,054.09)	(903,205,415.47)
经营活动产生/(使用)的现金流量净额	六(34)(a)	248,381,463.54	(36,597,024.80)
二、投资活动使用的现金流量			
取得投资收益收到的现金		16,804,000.17	6,400,992.33
投资活动现金流入小计		16,804,000.17	6,400,992.33
购建固定资产和无形资产支付的现金		(232,585,257.57)	(77,676,562.15)
投资活动现金流出小计		(232,585,257.57)	(77,676,562.15)
投资活动使用的现金流量净额		(215,781,257.40)	(71,275,569.82)
三、筹资活动(使用)/产生的现金流量			
吸收投资收到的现金		-	286,780,563.64
取得借款所收到的现金		-	828,466,554.68
筹资活动现金流入小计		-	1,115,247,118.32
偿还债务所支付的现金		(46,221,493.04)	(874,940,682.62)
偿付利息所支付的现金		(27,015,293.39)	(42,304,854.85)
支付的其他与筹资活动有关的现金	六(34)(d)	(569,000.00)	(757,447.50)
筹资活动现金流出小计		(73,805,786.43)	(918,002,984.97)
筹资活动(使用)/产生的现金流量净额		(73,805,786.43)	197,244,133.35
四、汇率变动对现金的影响		27,235,427.25	(5,354,521.52)
五、现金净(减少)/增加额	六(34)(b)	(13,970,153.04)	84,017,017.21
加：年初现金余额	六(34)(b)(c)	342,048,704.07	258,031,686.86
六、年末现金余额	六(34)(b)(c)	328,078,551.03	342,048,704.07

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　主管会计工作的负责人: 高 隽　　会计机构负责人: 高 隽

诺贝丽斯铝业(镇江)有限公司

2022 年度所有者权益变动表
(除特别注明外，金额单位为人民币元)

项　目		实收资本	未弥补亏损	所有者权益合计
2021 年 1 月 1 日年初余额		2,932,597,664.90	(1,562,844,909.89)	1,369,752,755.01
2021 年度增减变动额				
综合收益总额				
净亏损		-	(25,428,643.15)	(25,428,643.15)
综合收益总额合计		-	(25,428,643.15)	(25,428,643.15)
所有者投入和减少资本				
所有者注入资本	(附注七(3)(k))	286,780,563.64	-	286,780,563.64
2021 年 12 月 31 日年末余额		3,219,378,228.54	(1,588,273,553.04)	1,631,104,675.50
2022 年 1 月 1 日年初余额		3,219,378,228.54	(1,588,273,553.04)	1,631,104,675.50
2022 年度增减变动额				
综合收益总额				
净利润		-	174,912,204.15	174,912,204.15
综合收益总额合计		-	174,912,204.15	174,912,204.15
2022 年 12 月 31 日年末余额		3,219,378,228.54	(1,413,361,348.89)	1,806,016,879.65

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu, Qing　　　主管会计工作的负责人: 高 隽　　　会计机构负责人: 高 隽

一 公司基本情况

诺贝丽斯铝业(镇江)有限公司(以下简称“本公司”)是由爱励亚太有限公司与镇江鼎胜铝业股份有限公司(以下简称“鼎胜铝业”)于 2011 年 3 月 3 日在中华人民共和国江苏省镇江市成立的外商独资经营企业。本公司经批准的经营期限为 50 年，于 2012 年 12 月 25 日，经江苏省商务厅批准，鼎胜铝业将其持有本公司 3.69%的股权转让给爱励亚太，注册资本更新为 207,000,000.00 美元。于 2014 年，爱励亚太对本公司进行了增资，注册资本上升到 306,000,000.00 美元。本公司 2014 年 3 月 25 日在江苏省工商行政管理局完成注册变更，获得更新的营业执照。于 2015 年，本公司收到爱励亚太对公司的增资 14,000,000.00 美元。截至 2015 年 12 月 31 日止，本公司实收资本为 306,000,000.00 美元(折合人民币 1,919,897,754.94 元)。于 2016 年，爱励亚太将对本公司借款及利息 67,126,559.22 美元转增实收资本。于 2016 年 12 月 23 日，本公司在江苏省工商行政管理局完成注册变更，本公司注册资本更新为 405,000,000.00 美元，并获取新的营业执照。于 2017 年和 2018 年，爱励亚太将对本公司借款及利息 10,540,564.06 美元和 21,396,063.10 美元转增实收资本。于 2019 年，爱励亚太将对本公司借款及利息 30,940,000.00 美元和 3,060,000.00 美元，现汇出资 11,000,000.00 美元转增实收资本。于 2020 年本公司收到爱励亚太现汇出资 5,000,000.00 美元。2020 年 6 月 16 日，本公司在江苏省工商行政管理局完成注册变更，本公司注册资本更新为 455,000,000.00 美元，并获取新的营业执照。于 2021 年 11 月 5 日，本公司在镇江市市场监督管理局完成注册变更，本公司由原名“爱励铝业(镇江)有限公司”更名为“诺贝丽斯铝业(镇江)有限公司”，本公司注册资本更新为 580,000,000.00 美元，并获取新的营业执照。于 2021 年本公司收到爱励亚太现汇出资 45,000,000 美元。截至 2022 年 12 月 31 日止，本公司实收资本为 500,000,000.00 美元(折合人民币 3,219,378,228.54 元)。

本公司经批准的经营范围为研发、生产和销售航空和汽车车身以及工程、工业产品行业使用的高强度大规格铝合金板、铝合金带及焊料，航空特种大型铝合金型材，并提供与其产品有关的售后服务(包括零配件)。于 2022 年度，本公司的实际主营业务与经批准的经营范围一致。

本财务报表由本公司企业负责人于 2023 年 5 月 6 日批准报出。

二　财务报表的编制基础

本财务报表按照财政部于 2006 年 2 月 15 日及以后期间颁布的《企业会计准则－基本准则》、各项具体会计准则及相关规定 (以下简称“企业会计准则”)编制。

于 2022 年 12 月 31 日，本公司流动负债超过流动资产达人民币 263,613,447.23 元。因此本公司业务的持续性将很大程度上取决于能否继续得到关联方的财力支持。鉴于本公司已参与关联方资金池安排(附注六(22))，经营上所需要的资金将由该安排予以支持，且诺贝丽斯(中国)铝制品有限公司已确认将本公司财务支持以持续改善经营能力。因此管理层确信本公司将会持续经营，仍以持续经营为基础编制 2022 年度财务报表。

三　遵循企业会计准则的声明

本公司本期间财务报表符合企业会计准则的要求，真实、完整地反映了本公司 2022 年 12 月 31 日的财务状况以及 2022 年度的公司经营成果和现金流量等有关信息。

四　重要会计政策和会计估计

(1)　会计年度

会计年度为公历 1 月 1 日起至 12 月 31 日止。

(2)　记账本位币

本公司记账本位币为人民币。本财务报表以人民币列示。

(3)　外币折算

外币交易按交易发生日的即期汇率将外币金额折算为人民币入账。

于资产负债表日，外币货币性项目采用资产负债表日的即期汇率折算为人民币。为购建符合借款费用资本化条件的资产而借入的外币专门借款产生的汇兑差额在资本化期间内予以资本化；其他汇兑差额直接计入当期损益。以历史成本计量的外币非货币性项目，于资产负债表日采用交易发生日的即期汇率折算。汇率变动对现金的影响额在现金流量表中单独列示。

四 重要会计政策和会计估计(续)

(4) 现金

现金是指库存现金及可随时用于支付的银行存款。

(5) 金融工具

金融工具，是指形成一方的金融资产并形成其他方的金融负债或权益工具的合同。当本公司成为金融工具合同的一方时，确认相关的金融资产或金融负债。

(a) 金融资产

(i) 分类和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为：(1) 以摊余成本计量的金融资产；(2) 以公允价值计量且其变动计入当期损益的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款或应收票据，本公司按照预期有权收取的对价金额作为初始确认金额。

债务工具

本公司持有的债务工具是指从发行方角度分析符合金融负债定义的工具，分别采用以下二种方式进行计量：

以摊余成本计量：

本公司管理此类金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产按照实际利率法确认利息收入。此类金融资产主要包括货币资金、应收票据、应收账款、其他应收款、债权投资和长期应收款等。本公司将自资产负债表日起一年内(含一年)到期的债权投资和长期应收款，列示为一年内到期的非流动资产；取得时期限在一年内(含一年)的债权投资列示为其他流动资产。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(i) 分类和计量(续)

以公允价值计量且其变动计入当期损益：

本公司将持有的未划分为以摊余成本计量和以公允价值计量且其变动计入其他综合收益的债务工具，以公允价值计量且其变动计入当期损益。在初始确认时，本公司为了消除或显著减少会计错配，将部分金融资产指定为以公允价值计量且其变动计入当期损益的金融资产。自资产负债表日起超过一年到期且预期持有超过一年的，列示为其他非流动金融资产，其余列示为交易性金融资产。

(ii) 减值

本公司对于以摊余成本计量的金融资产等，以预期信用损失为基础确认损失准备。

本公司考虑在资产负债表日无须付出不必要的额外成本和努力即可获得的有关过去事项、当前状况以及对未来经济状况的预测等合理且有依据的信息，以发生违约的风险为权重，计算合同应收的现金流量与预期能收到的现金流量之间差额的现值的概率加权金额，确认预期信用损失。

对于因销售商品、提供劳务等日常经营活动形成的应收票据和应收账款，无论是否存在重大融资成分，本公司均按照整个存续期的预期信用损失计量损失准备。

除上述应收票据和应收账款外，于每个资产负债表日，本公司对于处于不同阶段的金融工具的预期信用损失分别进行计量。金融工具自初始确认后信用风险未显著增加的，处于第一阶段，本公司按照未来12个月内的预期信用损失计量损失准备；金融工具自初始确认后信用风险已显著增加但尚未发生信用减值的，处于第二阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备；金融工具自初始确认后已经发生信用减值的，处于第三阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备。

对于在资产负债表日具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后并未显著增加，认定为处于第一阶段的金融工具，按照未来 12个月内的预期信用损失计量损失准备。

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(a)　金融资产(续)

(ii)　减值(续)

本公司对于处于第一阶段和第二阶段的金融工具，按照其未扣除减值准备的账面余额和实际利率计算利息收入。对于处于第三阶段的金融工具，按照其账面余额减已计提减值准备后的摊余成本和实际利率计算利息收入。

当单项金融资产无法以合理成本评估预期信用损失的信息时，本公司依据信用风险特征将应收款项划分为若干组合，在组合基础上计算预期信用损失，确定组合的依据和计提方法如下：

组合一	银行承兑汇票及现金池资金
组合二	应收账款组合
组合三	其他应收款组合

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(ii) 减值(续)

对于划分为组合的应收账款和因销售商品、提供劳务等日常经营活动形成的应收票据，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和整个存续期预期信用损失率，计算预期信用损失。除此以外的应收票据、应收款项融资和划分为组合的其他应收款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和未来 12 个月内或整个存续期预期信用损失率，计算预期信用损失。

本公司将计提或转回的损失准备计入当期损益。

(iii) 终止确认

金融资产满足下列条件之一的，予以终止确认：(1) 收取该金融资产现金流量的合同权利终止；(2) 该金融资产已转移，且本公司将金融资产所有权上几乎所有的风险和报酬转移给转入方；(3) 该金融资产已转移，虽然本公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产控制。

(b) 金融负债

金融负债于初始确认时分类为以摊余成本计量的金融负债和以公允价值计量且其变动计入当期损益的金融负债。

本公司的金融负债主要为以摊余成本计量的金融负债，包括应付账款、其他应付款及借款等。该类金融负债按其公允价值扣除交易费用后的金额进行初始计量，并采用实际利率法进行后续计量。期限在一年以下(含一年)的，列示为流动负债；期限在一年以上但自资产负债表日起一年内(含一年)到期的，列示为一年内到期的非流动负债；其余列示为非流动负债。

当金融负债的现时义务全部或部分已经解除时，本公司终止确认该金融负债或义务已解除的部分。终止确认部分的账面价值与支付的对价之间的差额，计入当期损益。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(c) 金融工具的公允价值确定

存在活跃市场的金融工具，以活跃市场中的报价确定其公允价值。不存在活跃市场的金融工具，采用估值技术确定其公允价值。在估值时，本公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可观察输入值。

(6) 存货

存货包括原材料、在产品、产成品和周转材料等，按成本与可变现净值孰低计量。

存货发出时的成本按加权平均法核算，产成品和在产品成本包括原材料、直接人工以及在正常生产能力下按系统的方法分配的制造费用。周转材料包括低值易耗品和包装物等，低值易耗品采用分次摊销法、包装物采用一次转销法进行摊销。

存货跌价准备按存货成本高于其可变现净值的差额计提。可变现净值按日常活动中，以存货的估计售价减去至完工时估计将要发生的成本、估计的合同履约成本和销售费用以及相关税费后的金额确定。

本公司的存货盘存制度采用永续盘存制。

四 重要会计政策和会计估计(续)

(7) 固定资产

固定资产包括房屋及建筑物、机器设备、电子设备、运输工具及办公设备等。固定资产在与其有关的经济利益很可能流入本公司、且其成本能够可靠计量时予以确认。购置或新建的固定资产按取得时的成本进行初始计量。

与固定资产有关的后续支出，在相关的经济利益很可能流入本公司且其成本能够可靠的计量时，计入固定资产成本；对于被替换的部分，终止确认其账面价值；所有其他后续支出于发生时计入当期损益。

固定资产的各组成部分具有不同使用寿命或以不同方式为企业提供经济利益的，适用不同折旧率和折旧方法。本公司对部分固定资产采用年限平均法，对另一部分采用工作量法计提折旧。

固定资产折旧采用年限平均法并按其入账价值减去预计净残值后在预计使用寿命内计提。对计提了减值准备的固定资产，则在未来期间按扣除减值准备后的账面价值及依据尚可使用年限确定折旧额。

采用年限平均法计提折旧的各类固定资产估计使用年限、估计净残值及年折旧率如下：

	预计使用寿命	预计净残值率	年折旧率
房屋及建筑物	5-33 年	0%	3%至 20%
机器设备	3-33 年	0%	3%至 33%
电子设备	5 年	0%	20%
运输工具	5 年	0%	20%
办公设备	3-10 年	0%	10%至 33%

采用工作量法计提折旧的机器设备估计工作总量与估计净残值如下：

	估计工作总量	估计净残值率
熔铸设备	1,500,000 吨	0%
切割及研磨设备	2,850,050 吨	0%
热轧设备	2,565,050 吨	0%
剪裁及延展设备	1,250,000 吨	0%
机翼生产设备	48,000 吨	0%

四 重要会计政策和会计估计(续)

(7) 固定资产(续)

对固定资产的预计使用寿命、预计净残值和折旧方法于每年年度终了进行复核并作适当调整。

当固定资产被处置、或者预期通过使用或处置不能产生经济利益时，终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的金额计入当期损益。

(8) 在建工程

在建工程按实际发生的成本计量。实际成本包括建筑成本、安装成本、符合资本化条件的借款费用以及其他为使在建工程达到预定可使用状态所发生的必要支出。在建工程在达到预定可使用状态时，转入固定资产并自次月起开始计提折旧。

(9) 无形资产

无形资产系土地使用权及软件，以成本计量。

(a) 土地使用权

土地使用权按使用年限 50 年平均摊销。外购土地及建筑物的价款难以在土地使用权与建筑物之间合理分配的，全部作为固定资产。

(b) 软件

软件按预计使用年限，一般 3 年平均摊销。

(c) 定期复核使用寿命和摊销方法

对使用寿命有限的无形资产的预计使用寿命及摊销方法于每年年度终了进行复核并作适当调整。

(10) 长期待摊费用

长期待摊费用包括使用权资产改良及其他已经发生但应由本期和以后各期负担的、分摊期限在一年以上的各项费用，按预计受益期间分期平均摊销，并以实际支出减去累计摊销后的净额列示。

四　重要会计政策和会计估计(续)

(11)　长期资产减值

固定资产、在建工程、使用权资产及使用寿命有限的无形资产等，于资产负债表日存在减值迹象的，进行减值测试；尚未达到可使用状态的无形资产，无论是否存在减值迹象，至少每年进行减值测试。减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

(12)　借款费用

发生的可直接归属于需要经过相当长时间的购建活动才能达到预定可使用状态之资产的购建的借款费用，在资产支出及借款费用已经发生、为使资产达到预定可使用状态所必要的购建活动已经开始时，开始资本化并计入该资产的成本。当购建的资产达到预定可使用状态时停止资本化，其后发生的借款费用计入当期损益。如果资产的购建活动发生非正常中断，并且中断时间连续超过 3 个月，暂停借款费用的资本化，直至资产的购建活动重新开始。

(13)　职工薪酬

职工薪酬是本公司为获得职工提供的服务或解除劳动关系而给予的各种形式的报酬或补偿，包括短期薪酬和离职后福利。

(a)　短期薪酬

短期薪酬包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、工伤保险费、生育保险费、住房公积金、工会和教育经费、短期带薪缺勤等。本公司在职工提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。其中，非货币性福利按照公允价值计量。

四　重要会计政策和会计估计(续)

(13) 职工薪酬(续)

(b) 离职后福利

本公司将离职后福利计划分类为设定提存计划和设定受益计划。设定提存计划是本公司向独立的基金缴存固定费用后，不再承担进一步支付义务的离职后福利计划；设定受益计划是除设定提存计划以外的离职后福利计划。于报告期内，本公司的离职后福利主要是为员工缴纳的基本养老保险和失业保险，均属于设定提存计划。

基本养老保险

本公司职工参加了由当地劳动和社会保障部门组织实施的社会基本养老保险。本公司以当地规定的社会基本养老保险缴纳基数和比例，按月向当地社会基本养老保险经办机构缴纳养老保险费。职工退休后，当地劳动及社会保障部门有责任向已退休员工支付社会基本养老金。本公司在职工提供服务的会计期间，将根据上述社保规定计算应缴纳的金额确认为负债，并计入当期损益或相关资产成本。

(14) 预计负债

因产品质量保证、亏损合同等形成的现时义务，当履行该义务很可能导致经济利益的流出，且其金额能够可靠计量时，确认为预计负债。

预计负债按照履行相关现时义务所需支出的最佳估计数进行初始计量，并综合考虑与或有事项有关的风险、不确定性和货币时间价值等因素。货币时间价值影响重大的，通过对相关未来现金流出进行折现后确定最佳估计数；因随着时间推移所进行的折现还原而导致的预计负债账面价值的增加金额，确认为利息费用。

于资产负债表日，对预计负债的账面价值进行复核并作适当调整，以反映当前的最佳估计数。

预期在资产负债表日起一年内需支付的预计负债，列报为流动负债。

四　重要会计政策和会计估计(续)

(15)　递延所得税资产和递延所得税负债

递延所得税资产和递延所得税负债根据资产和负债的计税基础与其账面价值的差额(暂时性差异)计算确认。对于按照税法规定能够于以后年度抵减应纳税所得额的可抵扣亏损，确认相应的递延所得税资产。对于既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)的非企业合并的交易中产生的资产或负债的初始确认形成的暂时性差异，不确认相应的递延所得税资产和递延所得税负债。于资产负债表日，递延所得税资产和递延所得税负债，按照预期收回该资产或清偿该负债期间的适用税率计量。

递延所得税资产的确认以本公司很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的应纳税所得额为限。

同时满足下列条件的递延所得税资产和递延所得税负债以抵销后的净额列示：

- 递延所得税资产和递延所得税负债与同一税收征管部门对本公司征收的所得税相关；
- 本公司拥有以净额结算当期所得税资产及当期所得税负债的法定权利。

(16)　收入确认

本公司在客户取得相关商品或服务的控制权时，按预期有权收取的对价金额确认收入。

(a)　销售铝板产品

本公司生产及销售铝板产品。本公司将铝板产品按照合同规定运至约定交货地点，在购买方验收且双方签署货物交接单后确认收入。

本公司向购买方提供销售折扣，本公司根据历史经验确定折扣金额，按照合同对价扣除预计折扣金额后的净额确认收入。

(b)　提供服务

本公司对外提供板材加工服务和管理服务，本公司在完成服务后，将服务成果按照合同约定交付给购买方，在购买方验收后确认收入。

本公司在产品或劳务交付之前或之后通过银行向购买方收取现金或银行承兑汇票，在产品或劳务交付前自购买方收取的现金或银行承兑汇票确认为合同负债。

四 重要会计政策和会计估计(续)

(17) 政府补助

政府补助为本公司从政府无偿取得的货币性资产或非货币性资产，包括税费返还、财政补贴等。

政府补助在本公司能够满足其所附的条件并且能够收到时，予以确认。政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能可靠取得的，按照名义金额计量。

与资产相关的政府补助，是指本公司取得的、用于购建或以其他方式形成长期资产的政府补助。与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。

与资产相关的政府补助，冲减相关资产的账面价值，或确认为递延收益并在相关资产使用寿命内按照合理、系统的方法分摊计入损益；与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间，计入当期损益或冲减相关成本，用于补偿已发生的相关成本费用或损失的，直接计入当期损益或冲减相关成本。本公司对同类政府补助采用相同的列报方式。

与日常活动相关的政府补助纳入营业利润，与日常活动无关的政府补助计入营业外收支。

(18) 租赁

租赁，是指在一定期间内，出租人将资产的使用权让与承租人以获取对价的合同。

本公司作为承租人

本公司于租赁期开始日确认使用权资产，并按尚未支付的租赁付款额的现值确认租赁负债。租赁付款额包括固定付款额，以及在合理确定将行使购买选择权或终止租赁选择权的情况下需支付的款项等。按销售额的一定比例确定的可变租金不纳入租赁付款额，在实际发生时计入当期损益。本公司将自资产负债表日起一年内(含一年)支付的租赁负债，列示为一年内到期的非流动负债。

四　重要会计政策和会计估计(续)

(18)　租赁(续)

本公司的使用权资产包括租入的房屋及建筑物。使用权资产按照成本进行初始计量，该成本包括租赁负债的初始计量金额、租赁期开始日或之前已支付的租赁付款额、初始直接费用等，并扣除已收到的租赁激励。本公司能够合理确定租赁期届满时取得租赁资产所有权的，在租赁资产剩余使用寿命内计提折旧；若无法合理确定租赁期届满时是否能够取得租赁资产所有权，则在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。当可收回金额低于使用权资产的账面价值时，本公司将其账面价值减记至可收回金额。

对于租赁期不超过 12 个月的短期租赁和单项资产全新时价值较低的低价值资产租赁，本公司选择不确认使用权资产和租赁负债，将相关租金支出在租赁期内各个期间按照直线法计入当期损益或相关资产成本。

租赁发生变更且同时符合下列条件时，本公司将其作为一项单独租赁进行会计处理：(1)该租赁变更通过增加一项或多项租赁资产的使用权而扩大了租赁范围；(2)增加的对价与租赁范围扩大部分的单独价格按该合同情况调整后的金额相当。

当租赁变更未作为一项单独租赁进行会计处理时，除新冠肺炎疫情直接引发的合同变更采用简化方法外，本公司在租赁变更生效日重新确定租赁期，并采用修订后的折现率对变更后的租赁付款额进行折现，重新计量租赁负债。租赁变更导致租赁范围缩小或租赁期缩短的，本公司相应调减使用权资产的账面价值，并将部分终止或完全终止租赁的相关利得或损失计入当期损益。其他租赁变更导致租赁负债重新计量的，本公司相应调整使用权资产的账面价值。

四 重要会计政策和会计估计(续)

(19) 重要会计估计和判断

本公司根据历史经验和其他因素，包括对未来事项的合理预期，对所采用的重要会计估计和关键判断进行持续的评价。

(a) 采用会计政策的关键判断

(i) 金融资产的分类

本公司在确定金融资产的分类时涉及的重大判断包括业务模式及合同现金流量特征的分析等。

本公司在金融资产组合的层次上确定管理金融资产的业务模式，考虑的因素包括评价和向关键管理人员报告金融资产业绩的方式、影响金融资产业绩的风险及其管理方式、以及相关业务管理人员获得报酬的方式等。

本公司在评估金融资产的合同现金流量是否与基本借贷安排相一致时，存在以下主要判断：本金是否可能因提前还款等原因导致在存续期内的时间分布或者金额发生变动；利息是否仅包括货币时间价值、信用风险、其他基本借贷风险以及成本和利润的对价。例如，提前偿付的金额是否仅反映了尚未支付的本金及以未偿付本金为基础的利息，以及因提前终止合同而支付的合理补偿。

(ii) 信用风险显著增加和已发生信用减值的判断

本公司在区分金融工具所处的不同阶段时，对信用风险显著增加和已发生信用减值的判断如下：

本公司判断信用风险显著增加的主要标准为开始逾期，或者以下一个或多个指标发生显著变化：债务人所处的经营环境、内外部信用评级、实际或预期经营成果的显著变化、担保物价值或担保方信用评级的显著下降等。

本公司判断已发生信用减值的主要标准为符合以下一个或多个条件：债务人发生重大财务困难，进行其他债务重组或很可能破产等。

(iii) 收入确认的时点

本公司向经销商销售铝板产品时，按照合同规定将铝板产品运至约定交货地点，由客户对铝板产品进行验收后，签署验收单据。本公司认为，客户在验收并接受货物后取得了铝板产品的控制权。因此，本公司在客户签署验收单据的时点确认铝板产品的销售收入。

四　重要会计政策和会计估计(续)

(19)　重要会计估计和判断(续)

(b)　重要会计估计及其关键假设

下列重要会计估计及关键假设存在会导致下一会计年度资产和负债的账面价值出现重大调整的重要风险：

(i)　预期信用损失的计量

本公司通过违约风险敞口和预期信用损失率计算预期信用损失，并基于违约概率和违约损失率确定预期信用损失率。在确定预期信用损失率时，本公司使用内部历史信用损失经验等数据，并结合当前状况和前瞻性信息对历史数据进行调整。

在考虑前瞻性信息时，本公司使用的指标包括经济下滑的风险、外部市场环境、技术环境、客户情况的变化、国内生产总值和消费者物价指数等。本公司定期监控并复核与预期信用损失计算相关的假设。上述估计基数和关键假设于 2022 年度未发生重大变化。

(ii)　存货可变现净值

存货的可变现净值是在日常业务过程中以存货的估计售价减去至完工时估计将要发生的成本、估计的销售费用以及相关税费后的金额确定。这些估计的基础是当前市场状况和销售同类产品的历史经验，可能由于顾客需求的变化和行业周期的变化而变化。管理层在每个资产负债表日重新评价该估计的合理性。

(iii)　长期资产减值准备的会计估计

本公司对存在减值迹象的长期资产进行减值测试时，当减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入资产减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者，其计算需要采用会计估计。

如果管理层对资产组未来现金流量计算中采用的增长率进行修订，修订后的增长率低于目前采用的增长率，本公司需对长期资产增加计提减值准备。

如果管理层对资产组未来现金流量计算中采用的毛利率进行修订，修订后的毛利率低于目前采用的毛利率，本公司需对长期资产增加计提减值准备。

如果管理层对应用于现金流量折现的税前折现率进行修订，修订后的税前折现率高于目前采用的折现率，本公司需对长期资产增加计提减值准备。

四　重要会计政策和会计估计(续)

(19)　重要会计估计和判断(续)

(b)　重要会计估计及其关键假设(续)

(iii)　长期资产减值准备的会计估计(续)

如果实际增长率和毛利率高于或实际税前折现率低于管理层的估计，本公司不能转回原已计提的长期资产减值损失。

(iv)　所得税及递延所得税资产和递延所得税负债

在正常的经营活动中，很多交易和事项与最终税务处理都存在不确定性。在计提所得税费用时，本公司需要作出重大判断。如果这些税务事项的最终认定结果与最初入账的金额存在差异，该差异将对作出上述最终认定期间的所得税费用和递延所得税的金额产生影响。

对于能够结转以后年度的可抵扣亏损，本公司以未来期间很可能获得用来抵扣可抵扣亏损的应纳税所得额为限，确认相应的递延所得税资产。未来期间取得的应纳税所得额包括本公司通过正常的生产经营活动能够实现的应纳税所得额，以及以前期间产生的应纳税暂时性差异在未来期间转回时将增加的应纳税所得额。本公司在确定未来期间应纳税所得额取得的时间和金额时，需要运用估计和判断。如果实际情况与估计存在差异，可能导致对递延所得税资产的账面价值进行调整。

(v)　固定资产的可使用年限、工作总量和残值

固定资产的预计可使用年限，以过去性质及功能相似的固定资产的实际可使用年限为基础，按照历史经验进行估计。若该些固定资产的可使用年限缩短，本公司将提高折旧率、淘汰闲置或技术性陈旧的该些固定资产。固定资产的预计工作总量，以资产设备设计产能为基础进行估计。资产设备总产能的设计包含在本公司运营计划之中。若该些固定资产预计工作总量减少，本公司将根据运营计划对单位折旧重新进行评估。固定资产残值以过去性质及功能相似的固定资产丧失使用价值后，经过拆除清理所残留的、可供出售或利用的价值为基础，按照历史经验进行估计。为定出可靠的固定资产可使用年限、工作总量及预计净残值，本公司会按期审阅市况变动、预期的实际耗损及资产保养。本公司将会于每个结算日根据情况变动对可使用年限、工作总量和预计净残值作出判断。

五 税项

本公司本年度适用的主要税种及其税率列示如下：

税种	税率	税基
企业所得税	25%	应纳税所得额
增值税(a)	6%、13%	应纳税增值额(应纳税额按应纳税销售额乘以适用税率计算)

(a) 本公司的产品销售业务适用增值税，其中内销产品销项税率为 13%，外销产品采用“免、抵、退”办法，退税率为 13%。

(b) 根据国家税务总局颁布的《关于设备、器具扣除有关企业所得税政策的通知》(财税[2018]54 号)及《关于延长部分税收优惠政策执行期限的公告》(财税[2021] 6 号)等相关规定，本公司在 2018 年 1 月 1 日至 2023 年 12 月 31 日的期间内，新购买的低于 500 万元的设备可于资产投入使用的次月一次性计入当期成本费用，在计算应纳税所得额时扣除，不再分年度计算折旧。

(c) 根据财政部、税务总局及海关总署颁布的《关于深化增值税改革有关政策的公告》(财政部 税务总局 海关总署公告[2019]39 号)及相关规定，自 2019 年 4 月 1 日起，本公司的产品销售业务收入适用的增值税税率为 13%。

六 财务报表项目附注

(1) 货币资金

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行存款	328,078,551.03	342,048,704.07
其他货币资金	2,000.00	2,000.00
	328,080,551.03	342,050,704.07

于 2022 年 12 月 31 日，其他货币资金人民币 2,000.00 元为本公司用车的 ETC 保证金(2021 年 12 月 31 日：其他货币资金人民币 2,000.00 元为本公司用车的 ETC 保证金)。

(2) 衍生金融资产和衍生金融负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
衍生金融资产—		
未交割的远期合约	2,043,241.47	4,611,575.62

	2022 年 12 月 31 日	2021 年 12 月 31 日
衍生金融负债—		
未交割的远期合约	11,784,140.87	4,170,853.13

(3) 应收票据

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行承兑汇票	-	37,171,427.83

六 财务报表项目附注(续)

(4) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收账款	181,529,074.95	115,315,134.01
减：坏账准备	(66,727.83)	(61,085.58)
	181,462,347.12	115,254,048.43

(a) 应收账款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	181,285,631.30	111,687,671.69
一到二年	243,443.65	3,627,462.32
	181,529,074.95	115,315,134.01

于 2022 年 12 月 31 日，应收账款人民币 17,368,348.52 元(2021 年 12 月 31 日：人民币 21,846,126.07 元)已逾期，但基于对客户的财务状况及过往信用记录的分析，未单独计提减值准备。这部分应收账款的逾期账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	17,124,904.87	19,408,890.83
一到二年	243,443.65	2,437,235.24
	17,368,348.52	21,846,126.07

应收账款按客户类别分析如下：

	2022 年 12 月 31 日			2021 年 12 月 31 日		
	金额	占总额比例	坏账准备	金额	占总额比例	坏账准备
应收第三方	180,002,351.75	99.16%	(66,727.83)	113,856,958.05	98.74%	(61,085.58)
应收关联方(附注七(4)(a))	1,526,723.20	0.84%	-	1,458,175.96	1.26%	-
	181,529,074.95	100.00%	(66,727.83)	115,315,134.01	100.00%	(61,085.58)

六 财务报表项目附注(续)

(4) 应收账款(续)

(b) 坏账准备

本公司对于应收账款，无论是否存在重大融资成分，均按照整个存续期的预期信用损失计量损失准备。

(i) 2022 年组合计提坏账准备的应收账款分析如下：

	2022 年 12 月 31 日		
	账面余额	坏账准备	
	金额	整个存续期预期信用损失率	金额
未逾期	164,160,726.43	0.00%	-
逾期 1-30 日	8,601,111.92	0.00%	-
逾期 31-60 日	8,429,999.12	0.00%	-
逾期 61-90 日	82,553.76	0.00%	-
逾期超过 90 日	254,683.72	26.20%	(66,727.83)
	181,529,074.95		(66,727.83)

2021 年组合计提坏账准备的应收账款分析如下：

	2021 年 12 月 31 日		
	账面余额	坏账准备	
	金额	整个存续期预期信用损失率	金额
未逾期	93,469,007.94	0.00%	-
逾期 1-30 日	16,832,269.11	0.00%	-
逾期 31-60 日	432,631.25	0.00%	-
逾期 61-90 日	1,081,328.71	0.00%	-
逾期超过 90 日	3,499,897.00	1.75%	(61,085.58)
	115,315,134.01		(61,085.58)

(ii) 2022 年度无转回坏账准备，本期无核销的坏账准备。

六　财务报表项目附注(续)

(5)　其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收押金	17,700.07	165,000.07
减：坏账准备	-	-
	17,700.07	165,000.07

(a)　其他应收款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	11,200.00	100,000.00
一到二年	-	-
二年以上	6,500.07	65,000.07
	17,700.07	165,000.07

(b)　损失准备及其账面余额变动表

	第一阶段 未来 12 个月内预期信用损失(组合)	
	账面余额	坏账准备
2021 年 12 月 31 日及 2022 年 1 月 1 日	165,000.07	-
本年减少的款项	(147,300.00)	-
2022 年 12 月 31 日	17,700.07	-

于 2022 年 12 月 31 日，本公司组合计提坏账准备的其他应收款均处于第一阶段，不存在处于第二阶段及第三阶段的其他应收款。

六 财务报表项目附注(续)

(6) 预付款项

预付款项按账龄分析如下：

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	金额	占总额比例	金额	占总额比例
一年以内	6,702,196.22	99.27%	2,192,720.11	100.00%
一到二年	49,166.48	0.73%	-	-
	6,751,362.70	100.00%	2,192,720.11	100.00%

(7) 存货

	2021 年 12 月 31 日	本年增加	本年转回	2022 年 12 月 31 日
成本 -				
原材料	146,443,158.97			128,233,237.73
在产品	115,784,881.27			149,453,559.39
产成品	118,728,677.83			97,023,743.55
	380,956,718.07			374,710,540.67
减：存货跌价准备				
在产品	(3,901,721.12)	(1,576,944.18)	-	(5,478,665.30)
产成品	(2,611,706.85)	-	2,578,246.05	(33,460.80)
	(6,513,427.97)	(1,576,944.18)	2,578,246.05	(5,512,126.10)
	374,443,290.10			369,198,414.57

(8) 其他流动资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
待抵扣进项税	7,637,091.20	8,012,809.00
待摊费用	2,770,502.14	700,813.24
	10,407,593.34	8,713,622.24

(9) 其他非流动金融资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
未交割的远期合约	192,527.10	1,768,523.16

六　财务报表项目附注(续)

(10) 固定资产

	房屋建筑物	机器设备	电子设备	运输工具	办公设备	合计
原价						
2021 年 12 月 31 日	369,511,676.29	2,032,156,268.57	38,050,179.33	588,396.54	36,345,496.02	2,476,652,016.75
在建工程转入(附注六(11))	27,012,830.69	42,956,769.59	1,407,614.93	-	2,047,178.48	73,424,393.69
本年处置	-	(191,452.99)	-	-	-	(191,452.99)
2022 年 12 月 31 日	396,524,506.98	2,074,921,585.17	39,457,794.26	588,396.54	38,392,674.50	2,549,884,957.45
累计折旧						
2021 年 12 月 31 日	(107,709,499.26)	(415,415,239.38)	(27,487,817.33)	(489,183.69)	(31,638,405.06)	(582,740,144.72)
内部重分类	5,741,868.99	(5,741,868.99)	-	-	-	-
本年计提	(19,610,407.57)	(68,324,448.97)	(932,310.08)	(70,032.66)	(1,964,594.24)	(90,901,793.52)
本年处置	-	81,633.34	-	-	-	81,633.34
2022 年 12 月 31 日	(121,578,037.84)	(489,399,924.00)	(28,420,127.41)	(559,216.35)	(33,602,999.30)	(673,560,304.90)
净值						
2022 年 12 月 31 日	274,946,469.14	1,585,521,661.17	11,037,666.85	29,180.19	4,789,675.20	1,876,324,652.55
2021 年 12 月 31 日	261,802,177.03	1,616,741,029.19	10,562,362.00	99,212.85	4,707,090.96	1,893,911,872.03

2022 年度计入营业成本、销售费用及管理费用的折旧分别为：人民币 90,293,227.00 元，人民币 26,812.29 元及人民币 581,754.23 元(2021 年度：人民币 70,547,374.29 元，人民币 26,812.29 元及人民币 2,163,225.49 元)。

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六　财务报表项目附注(续)

(11)　在建工程

工程名称	2021 年 12 月 31 日	本年增加	本年转入固定资产 (附注六(10))	本年转入无形资产 (附注六(12))	2022 年 12 月 31 日
2 号熔铸线	110,575,970.15	55,336,910.10	(23,621,754.45)	-	142,291,125.80
HHT 热处理项目	18,949,896.34	-	(18,949,896.34)	-	-
7010 SAP & MES ZJ Project	-	16,505,795.21	-	-	16,505,795.21
QPPD Phase 1 项目	-	3,377,671.65	-	-	3,377,671.65
熔铸屋顶改善项目	-	2,550,389.04	(2,550,389.04)	-	-
IGCT 项目	-	1,858,408.00	(1,858,408.00)	-	-
叉车更换项目	-	1,413,274.33	-	-	1,413,274.33
冷轧机项目	-	1,366,100.00	-	-	1,366,100.00
台式机项目	-	1,352,592.04	(857,567.64)	-	495,024.40
铣头含主轴	-	1,140,558.40	(1,140,558.40)	-	-
伸缩盖项目	-	1,095,645.70	-	-	1,095,645.70
Snif 项目	-	1,065,576.04	(1,065,576.04)	-	-
其他	9,589,680.44	36,845,465.55	(23,380,243.78)	(527,652.00)	22,527,250.21
其中：借款费用资本化金额	5,005,458.76	5,047,310.27	(149,283.03)	-	9,903,486.00
减：在建工程减值准备	-	-	-	-	-
	139,115,546.93	123,908,386.06	(73,424,393.69)	(527,652.00)	189,071,887.30

2022 年度用于确定借款费用资本化金额的资本化率为年利率 5.30%(2021 年度：6.13%)。

六　财务报表项目附注(续)

(12) 无形资产

	原价	2021 年 12 月 31 日	在建工程转入 (附注六(11))	本年摊销	2022 年 12 月 31 日	累计摊销
土地使用权	96,362,385.00	76,768,700.05	-	(1,927,247.76)	74,841,452.29	(21,520,932.71)
软件	94,727,240.05	1,350,510.26	527,652.00	(881,912.62)	996,249.64	(93,730,990.41)
	191,089,625.05	78,119,210.31	527,652.00	(2,809,160.38)	75,837,701.93	(115,251,923.12)

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六 财务报表项目附注(续)

(13) 使用权资产

	房屋及建筑物
原价	
2021 年 12 月 31 日	1,801,305.95
本年增加	
新增租赁合同	-
2022 年 12 月 31 日	1,801,305.95
累计折旧	
2021 年 12 月 31 日	(634,338.74)
本年增加	
计提	(578,652.44)
2022 年 12 月 31 日	(1,212,991.18)
账面价值	
2022 年 12 月 31 日	588,314.77
2021 年 12 月 31 日	1,166,967.21

(14) 长期待摊费用

	2022 年 12 月 31 日	2021 年 12 月 31 日
航空产品资质费用	10,744,243.45	14,325,661.62

六 财务报表项目附注(续)

(15) 递延所得税资产和负债

未经抵消的递延所得税资产和递延所得税负债列式如下：

(a) 递延所得税资产

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
可抵扣亏损	34,702,089.06	138,808,356.25	-	-
预提费用	28,997,189.27	115,988,757.06	-	-
应付利息	15,042,174.77	60,168,699.09	-	-
公允价值变动损益	2,416,098.84	9,664,395.36	-	-
应付职工薪酬	1,771,425.92	7,085,703.69	-	-
存货跌价准备	1,378,031.53	5,512,126.10	-	-
预提利息税金	1,295,583.63	5,182,334.50	-	-
固定资产折旧	37,024.30	148,097.20	-	-
应收账款坏账准备	16,681.95	66,727.83	-	-
	85,656,299.27	342,625,197.08	-	-
其中：				
预计于 1 年内(含 1 年)转回的金额	73,679,753.68		-	
预计于 1 年后转回的金额	11,976,545.59		-	
	85,656,299.27		-	

(b) 本公司未确认递延所得税资产的可抵扣暂时性差异及可抵扣亏损分析如下：

	2022年12月31日	2021年12月31日
可抵扣暂时性差异	-	129,367,509.60
可抵扣亏损	-	307,112,737.13
	-	436,480,246.72

(c) 未确认递延所得税资产的可抵扣亏损将于以下年度到期：

	2022年12月31日	2021年12月31日
2022年	—	81,670,762.77
2023年	-	180,156,773.71
2024年	-	-
2025年	-	45,285,200.65
2026年	-	-
2027年	-	—
	-	307,112,737.13

六 财务报表项目附注(续)

(15) 递延所得税资产和负债(续)

(d) 递延所得税负债

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税负债	应纳税暂时性差异	递延所得税负债	应纳税暂时性差异
使用权资产	(9,066.78)	(36,267.12)	-	-
其中：				
预计于 1 年内(含 1 年)转回的金额	(9,066.78)		-	

(e) 抵销后的递延所得税资产和递延所得税负债净额列示如下：

	2021 年 12 月 31 日	2020 年 12 月 31 日
递延所得税资产净额	85,647,232.49	-

(16) 其他非流动资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
预付土地使用权	107,604,070.00	-
应收押金	2,444,000.00	2,464,000.00
	110,048,070.00	2,464,000.00

(17) 资产减值及损失准备

	2021 年 12 月 31 日	本年计提	本年转回	本年转销	2022 年 12 月 31 日
存货跌价准备	6,513,427.97	-	(1,001,301.87)	-	5,512,126.10
坏账准备	61,085.58	5,642.25	-	-	66,727.83
其中：应收账款	61,085.58	5,642.25	-	-	66,727.83
	6,574,513.55	5,642.25	(1,001,301.87)	-	5,578,853.93

(18) 合同负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
预收货款	5,977,786.18	4,728,402.46

于 2022 年 1 月 1 日，本公司合同负债的余额为人民币 4,728,402.46 元，其中人民币 2,958,853.56 元已于 2022 年度转入营业收入。

六　财务报表项目附注(续)

(19) 一年内到期的非流动负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年内到期的租赁负债 (附注六(24))	426,370.26	530,882.56

(20) 应付职工薪酬

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付短期薪酬(a)	7,783,418.63	7,898,390.84
应付设定提存计划(b)	-	-
	7,783,418.63	7,898,390.84

(a) 短期薪酬

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
工资、奖金、津贴和补贴	7,898,390.84	85,189,614.62	(85,304,586.83)	7,783,418.63
社会保险费	-	7,687,346.75	(7,687,346.75)	-
其中：医疗保险费	-	6,651,342.69	(6,651,342.69)	-
工伤保险费	-	727,496.73	(727,496.73)	-
生育保险费	-	308,507.33	(308,507.33)	-
住房公积金	-	6,000,556.50	(6,000,556.50)	-
	7,898,390.84	98,877,517.87	(98,992,490.08)	7,783,418.63

(b) 设定提存计划

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
基本养老保险	-	9,673,758.03	(9,673,758.03)	-
失业保险费	-	302,379.93	(302,379.93)	-
	-	9,976,137.96	(9,976,137.96)	-

六 财务报表项目附注(续)

(20) 应付职工薪酬(续)

(c) 应付辞退福利

	2022 年 12 月 31 日	2021 年 12 月 31 日
其他辞退福利(i)	-	527,000.00

(i) 2022 年度，本公司无因解除劳动关系所提供的其他辞退辞退福利 (2021 年度：人民币 527,000.00 元)。

(21) 应交税费

	2022 年 12 月 31 日	2021 年 12 月 31 日
代扣代缴预提所得税	5,432,954.17	3,227,659.14
应交房产税	1,031,528.50	953,268.05
应交代扣代缴个人所得税	592,922.52	539,771.31
应交土地使用税	265,091.04	265,091.05
其他	584,612.86	1,079,554.08
	7,907,109.09	6,065,343.63

(22) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付关联方款项((a), 附注七(4)(c))	993,339,318.23	938,925,303.85
应付服务费	8,662,533.55	5,633,893.31
应付设备款	7,119,252.97	13,264,977.57
应付水电费	6,134,623.05	3,798,830.94
应付运费	5,024,245.93	9,212,881.74
预提税费	4,830,135.49	10,488,000.00
预提项目开发费	3,785,410.54	2,868,824.72
预提销售返利	1,068,112.64	3,403,186.85
预提索赔款	892,692.01	953,740.96
其他	3,262,979.42	4,687,807.54
	1,034,119,303.83	993,237,447.48

六 财务报表项目附注(续)

(22) 其他应付款(续)

(a) 本公司及其关联方与法国巴黎银行共同签订了流动资金管理协议(即“资金池”协议)。根据该协议，法国巴黎银行作为受托代理人被授予于相关转账日在诺贝丽斯(中国)铝制品有限公司的指定人民币账户(“主账户”)和本公司及其他关联方指定的人民币账户(“子账户”)之间划转资金。

于 2022 年 12 月 31 日，本公司因参与上述计划而向关联方贷入款项的余额及应付利息，本公司财务报表上作为“其他应付款”核算。

于 2022 年度，资金池的年利率为 LPR 3.65%(2021 年度：LPR 3.85%)。

(23) 长期借款

	2022 年 12 月 31 日	2021 年 12 月 31 日
信用借款(附注七(4)(d))	277,385,379.94	253,930,730.68

于 2022 年 12 月 31 日，信用借款 39,827,898.22 美元(折合人民币 277,385,379.94 元)系由本公司母公司爱励亚太有限公司向本公司提供的关联方借款，利息每年支付一次，本金应于 2025 年 12 月 18 日归还。于 2021 年 12 月 31 日，信用借款 39,827,898.22 美元(折合人民币 253,930,730.68 元)系由本公司母公司爱励亚太有限公司向本公司提供的关联方借款，利息每年支付一次，本金应于 2025 年 12 月 18 日归还。

2022 年 12 月 31 日，长期借款的加权平均年利率为 5.39%(2021 年 12 月 31 日：5.39%)。

六　财务报表项目附注(续)

(24) 租赁负债

	2022 年 12 月 31 日	2021 年 12 月 31 日
租赁负债	609,947.66	1,140,830.22
减：一年内到期的非流动负债(附注六(19))	(426,370.26)	(530,882.56)
	183,577.40	609,947.66

(a) 于 2022 年 12 月 31 日，本公司未纳入租赁负债，但将导致未来潜在现金流出的事项包括：

(i) 于 2022 年 12 月 31 日，本公司按新租赁准则进行简化处理的低价值资产租赁合同的未来最低应支付租金为人民币 80,410.00 元。

(25) 营业收入和营业成本

	2022 年度		2021 年度	
	收入	成本	收入	成本
销售产品	1,621,817,448.88	(1,230,095,546.24)	826,492,227.25	(676,419,567.97)
提供服务	407,090.48	(380,458.39)	1,996,953.61	(1,916,505.17)
	1,622,224,539.36	(1,230,476,004.63)	828,489,180.86	(678,336,073.14)

(a) 本公司 2022 年度营业收入分解如下：

	2022 年度		
	铝板销售	其他	合计
主营业务收入	1,621,817,448.88	-	1,621,817,448.88
其中：在某一时点确认	1,621,817,448.88	-	1,621,817,448.88
其他业务收入(i)	-	407,090.48	407,090.48
	1,621,817,448.88	407,090.48	1,622,224,539.36

(i) 本公司提供服务收入于某一时点确认。

于 2022 年 12 月 31 日，本公司无已签订合同但尚未履行或尚未履行完毕的履约义务。

六 财务报表项目附注(续)

(26) 税金及附加

	2022 年度	2021 年度
房产税	4,197,529.36	3,813,071.88
土地使用税	1,060,364.04	1,060,364.04
印花税	650,746.97	162,992.85
环境保护税	264,531.76	59,531.39
其他	1,699,885.79	2,489,896.20
	7,873,057.92	7,585,856.36

(27) 财务费用 – 净额

	2022 年度	2021 年度
利息支出	46,432,104.43	51,281,041.39
加：租赁负债利息支出	38,117.43	45,624.27
减：资本化利息	(5,047,310.27)	(3,182,464.75)
利息费用	41,422,911.59	48,144,200.91
减：利息收入	(1,597,513.99)	(823,956.44)
汇兑损失/(收益)	20,022,809.90	(9,772,116.99)
银行手续费	319,960.79	1,156,219.63
其他	-	1,735,135.18
	60,168,168.29	40,439,482.29

六　财务报表项目附注(续)

(28) 费用按性质分类

利润表中的营业成本、销售费用及管理费用按照性质分类，列示如下：

	2022 年度	2021 年度
产成品及在产品存货变动	(11,658,696.80)	(89,843,545.13)
耗用的原材料和低值易耗品等	869,982,516.49	496,794,403.10
职工薪酬费用	108,853,655.83	92,406,679.24
折旧费和摊销费用	97,292,368.42	79,108,327.14
技术许可费	95,009,682.30	56,428,702.17
水电气费	94,634,860.51	55,767,140.28
服务费	74,173,116.43	29,978,352.18
运费	42,535,022.75	24,625,726.79
包装费	20,331,018.93	11,139,008.13
维修费	16,891,341.84	11,587,786.28
咨询费	16,541,652.86	6,738,877.76
安全生产费		
-计提	7,599,019.87	6,277,539.99
-使用	(7,599,019.87)	(6,277,539.99)
使用权资产折旧费	578,652.44	634,338.74
其他	45,641,062.44	37,095,385.14
	1,470,806,254.44	812,461,181.82

(29) 资产减值转回

	2022 年度	2021 年度
存货跌价转回	1,001,301.87	444,987.66

(30) 信用减值损失/(转回)

	2022 年度	2021 年度
应收账款坏账损失/(转回)	5,642.25	(352,221.16)

(31) 投资收益

	2022 年度	2021 年度
处置衍生金融工具产生的投资收益	16,804,000.17	6,400,992.33

六　财务报表项目附注(续)

(32) 公允价值变动(损失)/收益

	2022 年度	2021 年度
远期合约	(11,873,641.01)	2,209,245.65

(33) 所得税费用

	2022 年度	2021 年度
当期所得税	-	-
递延所得税	(85,647,232.49)	-
	(85,647,232.49)	-

将基于利润表的利润总额采用适用税率计算的所得税调节为所得税：

	2022 年度	2021 年度
利润总额	89,264,971.66	(25,428,643.15)
所得税税率	25%	25%
按适用税率计算的所得税	22,316,242.92	(6,357,160.79)
不得扣除的成本、费用和损失	1,156,586.27	1,979,471.06
使用前期未确认递延所得税资产的可抵扣亏损	-	(8,697,441.04)
确认前期未确认递延所得税资产的可抵扣亏损	(76,778,184.28)	-
当期未确认递延所得税资产的可抵扣暂时性差异	-	13,075,130.77
确认前期未确认递延所得税资产的可抵扣暂时性差异	(32,341,877.40)	-
所得税费用	(85,647,232.49)	-

六 财务报表项目附注(续)

(34) 现金流量表附注

(a) 将净利润/(亏损)调节为经营活动现金流量

	2022 年度	2021 年度
净利润/(亏损)	174,912,204.15	(25,428,643.15)
加：资产减值准备的转回	(995,659.62)	(797,208.82)
使用权资产折旧	578,652.44	634,338.74
固定资产折旧	90,901,793.52	72,737,412.07
无形资产摊销	2,809,160.38	2,847,874.59
长期待摊费用的摊销	3,581,418.17	3,523,040.48
预计负债的减少	(10,106.11)	(23,529.29)
固定资产报废损失	109,819.65	-
财务费用	37,642,133.61	44,081,227.91
公允价值变动损失/(收益)	11,873,641.01	(2,209,245.65)
投资收益	(16,804,000.17)	(6,400,992.33)
递延所得税资产增加	(85,647,232.49)	-
存货的减少/(增加)	6,246,177.40	(161,929,520.31)
经营性应收项目的增加	(35,153,439.62)	(67,634,783.58)
经营性应付项目的增加	58,336,901.22	104,003,004.54
经营活动产生/(使用)的现金流量净额	248,381,463.54	(36,597,024.80)

六　财务报表项目附注(续)

(34)　现金流量表附注(续)

(b)　现金净变动情况

	2022 年度	2021 年度
现金的年末余额(附注六(1))	328,078,551.03	342,048,704.07
减：现金的年初余额(附注六(1))	(342,048,704.07)	(258,031,686.86)
现金净(减少)/增加额	(13,970,153.04)	84,017,017.21

(c)　现金

	2022 年 12 月 31 日	2021 年 12 月 31 日
货币资金(附注六(1))	328,080,551.03	342,050,704.07
减：受到限制的其他货币资金	(2,000.00)	(2,000.00)
现金	328,078,551.03	342,048,704.07

(d)　支付的其他与筹资活动有关的现金

	2022 年度	2021 年度
偿还租赁负债支付的金额	569,000.00	706,100.00
归还外币借款汇兑损益	-	51,347.50
	569,000.00	757,447.50

2022 年度，本公司支付的与租赁相关的总现金流出为人民币 569,000.00 元，除计入筹资活动的偿付租赁负债支付的金额以外，其余现金流出均计入经营活动。

七　关联方关系及其交易

(1)　母公司

(a)　母公司基本情况

	注册地	业务性质
爱励亚太有限公司(“爱励亚太”)	中国香港	投资管理

Hindalco Industries Ltd.为本公司的最终控股公司。

Novelis ALR International,Inc. (原名：Aleris International, Inc.)为本公司的中间控股公司。

七 关联方关系及其交易(续)

(1) 母公司(续)

(b) 母公司注册资本及其变化

企业名称	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
爱励亚太有限公司	500,000,000.00 美元	-	-	500,000,000.00 美元

(c) 母公司对本公司的持股比例和表决权比例

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	持股比例	表决权比例	持股比例	表决权比例
爱励亚太有限公司	100%	100%	100%	100%

(2) 不存在控制关系的关联方的性质

	与本公司的关系
Novelis Koblenz GmbH	与本公司同受最终控股公司控制
Novelis ALR Rolled Products Sales Corporation (原名：Aleris Rolled Products Sales Corporation)	与本公司同受最终控股公司控制
Novelis Korea Limited	与本公司同受最终控股公司控制
诺贝丽斯(中国)铝制品有限公司	与本公司同受最终控股公司控制
爱励(上海)贸易有限公司	与本公司同受最终控股公司控制
诺贝丽斯(上海)铝贸易有限公司	与本公司同受最终控股公司控制
Novelis Inc.	与本公司同受最终控股公司控制
NOVELIS PAE SAS	与本公司同受最终控股公司控制
Novelis Global Employment Organization, Inc.	与本公司同受最终控股公司控制
Novelis Services Ltd (UK)	与本公司同受最终控股公司控制

七　关联方关系及其交易(续)

(3)　关联交易

(a)　定价政策

本公司自关联方采购的原材料、销售给关联方的产品以及其他关联交易的价格由交易各方根据具体情况协商确定。

(b)　提供服务

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	405,860.39	-
Novelis ALR International,Inc.	-	1,112,020.72
爱励(上海)贸易有限公司	-	884,932.89
	405,860.39	1,996,953.61

(c)　接受服务

	2022 年度	2021 年度
Novelis Inc.	43,906,140.69	420,598.97
Novelis Koblenz GmbH	25,171,801.41	2,393,447.43
爱励(上海)贸易有限公司	16,921,091.37	19,923,853.23
诺贝丽斯(中国)铝制品有限公司	4,974,145.87	280,833.12
Novelis Global Employment Organzation, Inc.	4,019,358.04	5,749,631.41
Novelis Services Ltd (UK)	3,541,871.84	-
NOVELIS PAE SAS	3,161,789.20	-
Novelis ALR Rolled Products Sales Corporation	2,805,597.84	2,327,520.55
Novelis Korea Limited	2,666,637.72	234,246.15
诺贝丽斯(上海)铝贸易有限公司	743,270.71	-
Novelis ALR International,Inc.	-	1,365,587.39
	107,911,704.69	32,695,718.25

(d)　采购货物

	2022 年度	2021 年度
Novelis Korea Limited	28,937,929.81	13,293,665.09
NOVELIS PAE SAS	-	2,715,252.04
	28,937,929.81	16,008,917.13

七　关联方关系及其交易(续)

(3)　关联交易(续)

(e)　销售货物

	2022 年度	2021 年度
Novelis Korea Limited	2,779,132.57	-

(f)　特许权使用费

	2022 年度	2021 年度
Novelis Koblenz GmbH	66,216,152.43	54,720,835.62

(g)　接受借款

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	-	828,466,554.68

(h)　归还借款

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	46,221,493.04	-
爱励亚太有限公司	-	65,057,916.42
	46,221,493.04	65,057,916.42

(i)　利息费用

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	31,717,160.31	18,977,954.59
爱励亚太有限公司	14,711,780.75	13,594,667.27
	46,428,941.06	32,572,621.86

(j)　接受 IT 服务费

	2022 年度	2021 年度
Novelis Inc.	9,088,197.55	4,271,885.72

(k)　所有者资金投入

	2022 年度	2021 年度
爱励亚太有限公司	-	286,780,563.64

七 关联方关系及其交易(续)

(4) 关联方应收、应付款项余额

(a) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis ALR International,Inc.	1,136,136.29	1,108,703.34
爱励(上海)贸易有限公司	349,472.62	349,472.62
诺贝丽斯(中国)铝制品有限公司	41,114.29	-
	1,526,723.20	1,458,175.96

(b) 应付账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Korea Limited	9,519,953.11	13,139,919.15
Novelis Koblenz GmbH	532,759.35	-
NOVELIS PAE SAS	-	409,033.62
	10,052,712.46	13,548,952.77

(c) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯(中国)铝制品有限公司		
-资金池	784,795,710.68	831,215,289.12
-其他	1,893,901.83	280,833.12
Novelis Koblenz GmbH	75,530,115.26	40,437,497.50
爱励亚太有限公司	73,762,418.90	54,147,522.33
Novelis Inc.	35,161,021.29	4,638,214.45
Novelis Global Employment Organzation, Inc.	8,065,603.46	3,449,058.48
爱励(上海)贸易有限公司	7,379,109.58	4,276,938.65
Novelis Services Ltd (UK)	3,581,446.17	-
Novelis Korea Limited	1,267,657.41	115,017.82
NOVELIS PAE SAS	821,822.80	-
Novelis ALR Rolled Products Sales Corporation	605,019.61	364,932.38
诺贝丽斯(上海)铝贸易有限公司	475,491.24	-
	993,339,318.23	938,925,303.85

(d) 长期借款

	2022 年 12 月 31 日	2021 年 12 月 31 日
爱励亚太有限公司	277,385,379.94	253,930,730.68

八 承诺事项

(1) 资本性支出承诺事项

以下为本公司于资产负债表日，已签约而尚不必在资产负债表上列示的资本性支出承诺：

	2022 年 12 月 31 日	2021 年 12 月 31 日
房屋、建筑物及机器设备	53,354,592.19	84,483,182.40

(2) 经营租赁承诺事项

根据已签订的不可撤销的不超过 12 个月的短期和单项资产全新时价值较低的低价值资产经营性租赁合同，本公司未来最低应支付租金汇总如下:

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	80,410.00	1,533,069.06
一到二年	-	10,900.00
	80,410.00	1,543,969.06

九 金融风险

本公司的经营活动会面临各种金融风险:市场风险(主要为外汇风险、利率风险和其他价格风险)、信用风险和流动风险。本公司整体的风险管理计划针对金融市场的不可预见性, 力求减少对本公司财务业绩的潜在不利影响。

(1) 市场风险

(a) 外汇风险

本公司的主要经营位于中国境内，部分销售和采购业务以美元、澳元和欧元结算，厂房建造与设备安装等购建支出部分以美元及欧元结算。同时本公司已确认的外币资产和负债及未来的外币交易(主要为美元、澳元和欧元)也存在外汇风险。本公司财务部门负责监控外币交易和外币资产及负债的规模，以最大程度降低面临的外汇风险；为此，本公司可能会以签署远期外汇合约或货币互换合约的方式来达到规避外汇风险的目的。

于2022年12月31日及2021年12月31日，本公司持有的外币金融资产和外币金融负债折算成人民币的金额列示如下：

九 金融风险(续)

(1) 市场风险(续)

(a) 外汇风险(续)

	2022 年 12 月 31 日			
	美元项目	澳元项目	欧元项目	合计
外币金融资产 -				
货币资金	289,128,862.47	-	842,022.75	289,970,885.22
应收账款	139,192,036.99	-	-	139,192,036.99
	428,320,899.46	-	842,022.75	429,162,922.21
外币金融负债 -				
应付账款	68,133,577.84	-	1,395,295.99	69,528,873.83
其他应付款	129,554,926.86	-	841,606.91	130,396,533.77
长期借款	277,385,379.94	-	-	277,385,379.94
	475,073,884.64	-	2,236,902.90	477,310,787.54

	2021 年 12 月 31 日			
	美元项目	澳元项目	欧元项目	合计
外币金融资产 -				
货币资金	323,571,351.54	-	4,017,492.96	327,588,844.50
应收账款	79,284,025.03	-	-	79,284,025.03
	402,855,376.57	-	4,017,492.96	406,872,869.53
外币金融负债 -				
应付账款	95,879,574.53	-	2,417,554.16	98,297,128.69
其他应付款	111,520,563.25	-	1,471,805.95	112,992,369.20
长期借款	253,930,730.68	-	-	253,930,730.68
	461,330,868.46	-	3,889,360.11	465,220,228.57

于 2022 年 12 月 31 日，对于记账本位币为人民币的公司各类美元金融资产和美元金融负债，如果人民币对美元升值或贬值 4%，其它因素保持不变，则本公司将增加或减少税前利润约人民币 1,925,914.61 元(2021 年 12 月 31 日：减少或增加税前亏损约人民币 2,339,019.68 元)。

(b) 利率风险

本公司的利率风险主要产生于长期借款等长期带息债务。浮动利率的金融负债使本公司面临现金流量利率风险，固定利率的金融负债使本公司面临公允价值利率风险。本公司根据当时的市场环境来决定固定利率及浮动利率合同的相对比例。于 2022 年 12 月 31 日，本公司无浮动利率合同，本公司的长期带息债务主要为美元及人民币计价的固定利率合同，金额合计为人民币 1,059,630,441.58 元(2021 年 12 月 31 日：人民币 1,082,397,285.36 元)。

九　金融风险(续)

(1)　市场风险(续)

(b)　利率风险(续)

本公司财务部门持续监控公司利率水平。利率上升会增加新增带息债务的成本以及本公司尚未付清的以浮动利率计息的带息债务的利息支出，并对本公司的财务业绩产生重大的不利影响，管理层会依据最新的市场状况及时做出调整，这些调整可能是进行利率互换的安排来降低利率风险。于 2022 年度及 2021 年度本公司并无利率互换安排。

(c)　其他价格风险

本公司其他价格风险主要产生于衍生金融工具，存在衍生金融工具价格变动的风险。

于 2022 年 12 月 31 日，如果本公司衍生金融工具的预期价格上涨或下跌 4%，其他因素保持不变，则本公司将增加或减少税前利润约人民币 7,248,031.36 元(2021 年 12 月 31 日：人民币 5,610,444.68 元)。

(2)　信用风险

本公司对信用风险按组合分类进行管理。信用风险主要产生于银行存款、应收账款和其他应收款等。

本公司货币资金主要存放于声誉良好并拥有较高信用评级的国有控股银行和其他大中型上市银行，本公司认为其不存在重大的信用风险，不会产生因对方单位违约而导致的任何重大损失。

此外，对于应收账款和其他应收款，本公司设定相关政策以控制信用风险敞口。本公司基于对客户的财务状况、从第三方获取担保的可能性、信用记录及其他因素诸如目前市场状况等评估客户的信用资质并设置相应信用期。本公司会定期对客户信用记录进行监控，对于信用记录不良的客户，本公司会采用书面催款、缩短信用期或取消信用期等方式，以确保本公司的整体信用风险在可控的范围内。

于 2022 年 12 月 31 日，本公司无重大的因债务人抵押而持有的担保物或其他信用增级(2021 年 12 月 31 日：无)。

九　金融风险(续)

(3)　流动风险

本公司财务部门负责现金流量预测，并持续监控短期和长期的资金需求，以确保维持充裕的现金储备和可供随时变现的有价证券；同时持续监控是否符合借款协议的规定，从主要金融机构获得提供足够备用资金的承诺，以满足短期和长期的资金需求。

于资产负债表日，本公司各项金融负债以未折现的合同现金流量按到期日列示如下：

2022 年 12 月 31 日

	一年以内	一到二年	二到五年	五年以上	合计
应付账款	93,576,528.67	-	-	-	93,576,528.67
其他应付款	1,034,119,303.83	-	-	-	1,034,119,303.83
长期借款	14,951,071.98	14,561,527.46	278,098,973.81	-	307,611,573.25
租赁负债	444,000.00	185,000.00	-	-	629,000.00
	1,143,090,904.48	14,746,527.46	278,098,973.81	-	1,435,936,405.75

2021 年 12 月 31 日

	一年以内	一到二年	二到五年	五年以上	合计
应付账款	112,048,067.37	-	-	-	112,048,067.37
其他应付款	993,237,447.48	-	-	-	993,237,447.48
长期借款	14,007,157.56	14,007,157.56	281,484,536.52	-	309,498,851.64
租赁负债	654,000.00	444,000.00	185,000.00	-	1,283,000.00
	1,119,946,672.41	14,451,157.56	281,669,536.52	-	1,416,067,366.49

十　公允价值估计

公允价值计量结果所属的层级；由对公允价值计量整体而言具有重要意义的输入值所属的最低层次决定：

第一层次：相同资产或负债在活跃市场上未经调整的报价。

第二层次：除第一层次输入值外相关资产或负债直接或间接可观察的输入值。

第三层次：相关资产或负债的不可观察输入值。

十 公允价值估计(续)

(1) 持续的以公允价值计量的资产和负债

于 2022 年 12 月 31 日，本公司以公允价值计量的资产和负债按上述三个层次列示如下：

	第一层次	第二层次	第三层次	合计
金融资产				
衍生金融资产——				
未交割的远期合约	-	2,043,241.47	-	2,043,241.47
其他非流动金融资产——				
未交割的远期合约	-	192,527.10	-	192,527.10
金融资产合计	-	2,235,768.57	-	2,235,768.57

	第一层次	第二层次	第三层次	合计
金融负债				
衍生金融负债——				
未交割的远期合约	-	11,784,140.87	-	11,784,140.87
其他非流动负债——				
未交割的远期合约	-	116,023.06	-	116,023.06
金融负债合计	-	11,900,163.93	-	11,900,163.93

于 2021 年 12 月 31 日，本公司以公允价值计量的资产和负债按上述三个层次列示如下：

	第一层次	第二层次	第三层次	合计
金融资产				
衍生金融资产——				
未交割的远期合约	-	4,611,575.62	-	4,611,575.62
其他非流动金融资产—				
未交割的远期合约	-	1,768,523.16	-	1,768,523.16
金融资产合计	-	6,380,098.78	-	6,380,098.78

	第一层次	第二层次	第三层次	合计
金融负债				
衍生金融负债——				
未交割的远期合约	-	4,170,853.13	-	4,170,853.13

十 公允价值估计(续)

(2) 非持续的以公允价值计量的资产

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无非持续的以公允价值计量的资产。

(3) 不以公允价值计量但披露其公允价值的资产和负债

本公司以摊余成本计量的金融资产和金融负债主要包括：应收款项、短期借款、应付款项、租赁负债和长期借款等。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司不以公允价值计量的金融资产和金融负债的账面价值与公允价值差异很小。

十一 资本管理

本公司资本管理政策的目标是为了保障本公司能够持续经营，从而为股东提供回报，并使其他利益相关者获益，同时维持最佳的资本结构以降低资本成本。

为了维持或调整资本结构，本公司可能会增加资本或出售资产以减低债务。

本公司的总资本为资产负债表中所列示的股东权益。本公司不受制于外部强制性资本要求，利用资产负债率监控资本。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司的资产负债率列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
资产负债率	44.37%	45.91%

爱励(上海)贸易有限公司

2022 年度财务报表及审计报告

爱励(上海)贸易有限公司

2022 年度财务报表及审计报告

内容	页码

审计报告

普华永道中天审字(2023)第 31416 号
(第一页，共三页)

爱励上海(贸易)有限公司董事会：

一、 审计意见

(一) 我们审计的内容

我们审计了爱励上海(贸易)有限公司(以下简称“爱励上海”)的财务报表，包括 2022 年 12 月 31 日的资产负债表，2022 年度的利润表、现金流量表、所有者权益变动表以及财务报表附注。

(二) 我们的意见

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了爱励上海 2022 年 12 月 31 日的财务状况以及 2022 年度的经营成果和现金流量。

二、 形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

按照中国注册会计师职业道德守则，我们独立于爱励上海，并履行了职业道德方面的其他责任。

三、 管理层和治理层对财务报表的责任

爱励上海管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

普华永道中天会计师事务所(特殊普通合伙)
中国上海市黄浦区湖滨路202号领展企业广场2座普华永道中心11楼 邮编200021
总机：+86 (21) 2323 8888, 传真：+86 (21) 2323 8800, www.pwccn.com

审计报告(续)

普华永道中天审字(2023)第 31416 号
(第二页，共三页)

三、 管理层和治理层对财务报表的责任(续)

在编制财务报表时，管理层负责评估爱励上海的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算爱励上海、终止运营或别无其他现实的选择。

治理层负责监督爱励上海的财务报告过程。

四、 注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

(一) 识别和评估由于舞弊或错误导致的财务报表重大错报风险；设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(二) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(三) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

审计报告(续)

普华永道中天审字(2023)第 31416 号
(第三页，共三页)

四、 注册会计师对财务报表审计的责任(续)

(四) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对爱励上海持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致爱励上海不能持续经营。

(五) 评价财务报表的总体列报(包括披露)、结构和内容，并评价财务报表是否公允反映相关交易和事项。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

普华永道中天
会计师事务所(特殊普通合伙)

注册会计师 邓锡麟

中国上海市
2023 年 5 月 6 日

注册会计师 林艺菲

爱励(上海)贸易有限公司

2022 年 12 月 31 日资产负债表
(除特别注明外，金额单位为人民币元)

资产	附注	2022 年 12 月 31 日	2021 年 12 月 31 日
流动资产			
货币资金	六(1)	40,659,675.93	75,429,010.90
应收账款	六(2), 七(4)(a)	11,770,361.77	49,063,546.63
预付款项		98,239.37	-
其他应收款	六(3)	108,373.97	118,000.00
其他流动资产	六(4)	-	3,716,125.39
流动资产合计		52,636,651.04	128,326,682.92
非流动资产			
固定资产	六(5)	-	-
使用权资产	六(6)	-	408,488.94
递延所得税资产	六(10)	583,365.18	414,628.42
非流动资产合计		583,365.18	823,117.36
资产总计		53,220,016.22	129,149,800.28
负债及所有者权益			
流动负债			
应付账款	七(4)(b)	10,310,350.79	86,827,148.80
应付职工薪酬	六(7)	1,994,179.68	2,096,774.84
应交税费	六(8)	316,333.74	1,198,713.80
其他应付款	六(9), 七(4)(c)	7,176,086.00	6,379,732.29
一年内到期的非流动负债	六(11)	-	363,998.62
流动负债合计		19,796,950.21	96,866,368.35
负债总计		19,796,950.21	96,866,368.35
所有者权益			
实收资本		43,742,130.72	43,742,130.72
未弥补亏损		(10,319,064.71)	(11,458,698.79)
所有者权益合计		33,423,066.01	32,283,431.93
负债及所有者权益总计		53,220,016.22	129,149,800.28

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu Qing　　主管会计工作的负责人: 高隽　　会计机构负责人: 高隽

爱励(上海)贸易有限公司

2022 年度利润表

(除特别注明外，金额单位为人民币元)

	附注	2022 年度	2021 年度
一、营业收入	六(12)	17,585,242.77	301,719,885.30
减：营业成本	六(12), 六(15)	(16,388,832.46)	(295,370,602.63)
税金及附加	六(13)	(71,868.01)	(1,308,755.22)
销售费用	六(15)	(1,098,787.41)	(1,149,331.65)
管理费用	六(15)	(268,350.93)	(2,726,014.30)
财务(费用)/收入 - 净额	六(14)	(7,973,051.72)	1,269,137.89
其中：利息收入		219,027.03	152,415.76
信用减值损失	六(16)	(884,460.72)	-
加：其他收益	六(17)	130,798.36	197,756.31
投资收益	六(18)	10,665,588.57	-
二、营业利润		1,696,278.45	2,632,075.70
三、利润总额		1,696,278.45	2,632,075.70
减：所得税费用	六(19)	(556,644.37)	(754,238.44)
四、净利润		1,139,634.08	1,877,837.26
五、其他综合收益的税后净额		-	-
六、综合收益总额		1,139,634.08	1,877,837.26

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu Qing　　主管会计工作的负责人: 高隽　　会计机构负责人: 高隽

爱励(上海)贸易有限公司

2022 年度现金流量表
(除特别注明外，金额单位为人民币元)

	附注	2022 年度	2021 年度
一、经营活动(使用)/产生的现金流量			
销售商品、提供劳务收到的现金		18,106,902.04	332,705,489.43
收到的税费返还		2,900,988.12	-
收到其他与经营活动有关的现金		359,451.42	350,172.07
经营活动现金流入小计		21,367,341.58	333,055,661.50
购买商品、接受劳务支付的现金		(29,178,937.29)	(218,905,873.50)
支付给职工以及为职工支付的现金		(13,498,084.56)	(19,434,395.78)
支付的各项税费		(1,649,699.21)	(18,591,630.67)
支付的其他与经营活动有关的现金		(11,440,955.49)	(24,929,737.32)
经营活动现金流出小计		(55,767,676.55)	(281,861,637.27)
经营活动(使用)/产生的现金流量净额	六(20)(a)	(34,400,334.97)	51,194,024.23
二、投资活动产生的现金流量净额		-	-
三、筹资活动使用的现金流量			
支付的其他与筹资活动有关的现金		(369,000.00)	(780,000.00)
筹资活动使用的现金流量净额		(369,000.00)	(780,000.00)
四、汇率变动对现金的影响额		-	-
五、现金净(减少)/增加额	六(20)(b)	(34,769,334.97)	50,414,024.23
加：年初现金余额		75,429,010.90	25,014,986.67
六、年末现金余额		40,659,675.93	75,429,010.90

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu Qing　　主管会计工作的负责人: 高隽　　会计机构负责人: 高隽

爱励(上海)贸易有限公司

2022 年度所有者权益变动表
(除特别注明外，金额单位为人民币元)

项目	实收资本	未弥补亏损	所有者权益合计
2021 年 1 月 1 日年初余额	43,742,130.72	(13,336,536.05)	30,405,594.67
2021 年度增减变动额			
净利润	-	1,877,837.26	1,877,837.26
2021 年 12 月 31 日年末余额	43,742,130.72	(11,458,698.79)	32,283,431.93
2022 年 1 月 1 日年初余额	43,742,130.72	(11,458,698.79)	32,283,431.93
2022 年度增减变动额			
净利润	-	1,139,634.08	1,139,634.08
2022 年 12 月 31 日年末余额	43,742,130.72	(10,319,064.71)	33,423,066.01

后附财务报表附注为财务报表的组成部分。

企业负责人: Liu Qing　　主管会计工作的负责人: 高隽　　会计机构负责人: 高隽

爱励(上海)贸易有限公司

财务报表附注
2022 年度
(除特别注明外，金额单位为人民币元)

一　公司基本情况

爱励(上海)贸易有限公司(以下简称“本公司”)是由Aleris Asia Pacific International (Barbados) Ltd.于2006年7月11日在中华人民共和国上海市成立的外商独资经营企业。本公司经批准的经营期限为30年，注册资本为6,570,000美元。

本公司经批准的经营范围为氧化锌、锌粉、锌金属、铝板带产品、特殊铝合金和镁、及其相关产品的批发、佣金代理(拍卖除外)，上述商品的进出口，以及其他相关配套服务，并提供相关的商务咨询、仓储和售后服务(涉及配额许可证管理、专项规定管理的商品按照国家有关规定办理)。2022年度，本公司的实际主营业务与上述相同。

本财务报表由本公司企业负责人于2023年5月6日批准报出。

二　财务报表的编制基础

本财务报表按照财政部于 2006 年 2 月 15 日及以后期间颁布的《企业会计准则——基本准则》、各项具体会计准则及相关规定(以下合称“企业会计准则”)编制。

本财务报表以持续经营为基础编制。

三　遵循企业会计准则的声明

本公司2022年度财务报表符合企业会计准则的要求，真实、完整地反映了本公司2022年12月31日的财务状况以及2022年度的经营成果和现金流量等有关信息。

四　重要会计政策和会计估计

(1)　会计年度

会计年度为公历1月1日起至12月31日止。

(2)　记账本位币

本公司记账本位币为人民币。本财务报表以人民币列示。

四　重要会计政策和会计估计(续)

(3) 外币折算

外币交易按交易发生日的即期汇率将外币金额折算为人民币入账。

于资产负债表日，外币货币性项目采用资产负债表日的即期汇率折算为人民币。为购建符合借款费用资本化条件的资产而借入的外币专门借款产生的汇兑差额在资本化期间内予以资本化；其他汇兑差额直接计入当期损益。以历史成本计量的外币非货币性项目，于资产负债表日采用交易发生日的即期汇率折算。汇率变动对现金的影响额在现金流量表中单独列示。

(4) 现金及现金等价物

现金及现金等价物是指库存现金、可随时用于支付的存款。

(5) 金融工具

金融工具，是指形成一方的金融资产并形成其他方的金融负债或权益工具的合同。当本公司成为金融工具合同的一方时，确认相关的金融资产或金融负债。

(a) 金融资产

(i) 分类和计量

本公司根据管理金融资产的业务模式和金融资产的合同现金流量特征，将金融资产划分为以摊余成本计量的金融资产。

金融资产在初始确认时以公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产，相关交易费用直接计入当期损益；对于其他类别的金融资产，相关交易费用计入初始确认金额。因销售产品或提供劳务而产生的、未包含或不考虑重大融资成分的应收账款，本公司按照预期有权收取的对价金额作为初始确认金额。

四　重要会计政策和会计估计(续)

(5)　金融工具(续)

(a)　金融资产(续)

(i)　分类和计量(续)

债务工具

本公司持有的债务工具是指从发行方角度分析符合金融负债定义的工具，采用以摊余成本进行计量：

本公司管理此类金融资产的业务模式为以收取合同现金流量为目标，且此类金融资产的合同现金流量特征与基本借贷安排相一致，即在特定日期产生的现金流量，仅为对本金和以未偿付本金金额为基础的利息的支付。本公司对于此类金融资产按照实际利率法确认利息收入。此类金融资产主要包括货币资金、应收账款和其他应收款。

(ii)　减值

本公司对于以摊余成本计量的金融资产等，以预期信用损失为基础确认损失准备。

本公司考虑在资产负债表日无须付出不必要的额外成本和努力即可获得的有关过去事项、当前状况以及对未来经济状况的预测等合理且有依据的信息，以发生违约的风险为权重，计算合同应收的现金流量与预期能收到的现金流量之间差额的现值的概率加权金额，确认预期信用损失。

对于因销售商品、提供劳务等日常经营活动形成的应收账款，无论是否存在重大融资成分，本公司均按照整个存续期的预期信用损失计量损失准备。

于每个资产负债表日，本公司对于处于不同阶段的金融工具的预期信用损失分别进行计量。金融工具自初始确认后信用风险未显著增加的，处于第一阶段，本公司按照未来12个月内的预期信用损失计量损失准备；金融工具自初始确认后信用风险已显著增加但尚未发生信用减值的，处于第二阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备；金融工具自初始确认后已经发生信用减值的，处于第三阶段，本公司按照该工具整个存续期的预期信用损失计量损失准备。

对于在资产负债表日具有较低信用风险的金融工具，本公司假设其信用风险自初始确认后并未显著增加，认定为处于第一阶段的金融工具，按照未来12个月内的预期信用损失计量损失准备。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(a) 金融资产(续)

(ii) 减值(续)

本公司对于处于第一阶段和第二阶段的金融工具，按照其未扣除减值准备的账面余额和实际利率计算利息收入。对于处于第三阶段的金融工具，按照其账面余额减已计提减值准备后的摊余成本和实际利率计算利息收入。

当单项金融资产无法以合理成本评估预期信用损失的信息时，本公司依据信用风险特征将应收款项划分为若干组合，在组合基础上计算预期信用损失。

对于划分为组合的应收账款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和整个存续期预期信用损失率，计算预期信用损失。除此以外的其他应收款，本公司参考历史信用损失经验，结合当前状况以及对未来经济状况的预测，通过违约风险敞口和未来12个月内或整个存续期预期信用损失率，计算预期信用损失。

本公司将计提或转回的损失准备计入当期损益。

(iii) 终止确认

金融资产满足下列条件之一的，予以终止确认：(1) 收取该金融资产现金流量的合同权利终止；(2) 该金融资产已转移，且本公司将金融资产所有权上几乎所有的风险和报酬转移给转入方； (3) 该金融资产已转移，虽然本公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，但是放弃了对该金融资产控制。

四 重要会计政策和会计估计(续)

(5) 金融工具(续)

(b) 金融负债

金融负债于初始确认时分类为以摊余成本计量的金融负债和以公允价值计量且其变动计入当期损益的金融负债。

本公司的金融负债主要为以摊余成本计量的金融负债，包括应付账款及其他应付款等。该类金融负债按其公允价值扣除交易费用后的金额进行初始计量，并采用实际利率法进行后续计量。期限在一年以下(含一年)的，列示为流动负债；期限在一年以上但自资产负债表日起一年内(含一年)到期的，列示为一年内到期的非流动负债；其余列示为非流动负债。

当金融负债的现时义务全部或部分已经解除时，本公司终止确认该金融负债或义务已解除的部分。终止确认部分的账面价值与支付的对价之间的差额，计入当期损益。

(c) 金融工具的公允价值确定

存在活跃市场的金融工具，以活跃市场中的报价确定其公允价值。不存在活跃市场的金融工具，采用估值技术确定其公允价值。在估值时，本公司采用在当前情况下适用并且有足够可利用数据和其他信息支持的估值技术，选择与市场参与者在相关资产或负债的交易中所考虑的资产或负债特征相一致的输入值，并尽可能优先使用相关可观察输入值。在相关可观察输入值无法取得或取得不切实可行的情况下，使用不可观察输入值。

(6) 存货

存货包括外购商品，按成本与可变现净值孰低计量。

存货于取得时按实际成本入账，存货发出时的成本按加权平均法核算。

存货跌价准备按存货成本高于其可变现净值的差额计提。可变现净值按日常活动中，以存货的估计售价减去至完工时估计将要发生的成本、估计的合同履约成本和销售费用以及相关税费后的金额确定。

本公司的存货盘存制度采用永续盘存制。

四 重要会计政策和会计估计(续)

(7) 固定资产

固定资产系电子设备及办公设备。固定资产在与其有关的经济利益很可能流入本公司、且其成本能够可靠计量时予以确认。购置或新建的固定资产按取得时的成本进行初始计量。

与固定资产有关的后续支出，在相关的经济利益很可能流入本公司且其成本能够可靠的计量时，计入固定资产成本；对于被替换的部分，终止确认其账面价值；所有其他后续支出于发生时计入当期损益。

固定资产折旧采用年限平均法并按其入账价值减去预计净残值后在预计使用寿命内计提。对计提了减值准备的固定资产，则在未来期间按扣除减值准备后的账面价值及依据尚可使用年限确定折旧额。

固定资产的预计使用寿命、净残值率及年折旧率列示如下：

	预计使用寿命	预计净残值率	年折旧率
电子设备	3 年	0%	33.33%
办公设备	10 年	0%	10%

对固定资产的预计使用寿命、预计净残值和折旧方法于每年年度终了进行复核并作适当调整。

当固定资产被处置、或者预期通过使用或处置不能产生经济利益时，终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的金额计入当期损益。

(8) 长期资产减值

固定资产于资产负债表日存在减值迹象的，进行减值测试。减值测试结果表明资产的可收回金额低于其账面价值的，按其差额计提减值准备并计入资产减值损失。可收回金额为资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。资产减值准备按单项资产为基础计算并确认，如果难以对单项资产的可收回金额进行估计的，以该资产所属的资产组确定资产组的可收回金额。资产组是能够独立产生现金流入的最小资产组合。

上述资产减值损失一经确认，以后期间不予转回价值得以恢复的部分。

四　重要会计政策和会计估计(续)

(9)　职工薪酬

职工薪酬是本公司为获得职工提供的服务或解除劳动关系而给予的各种形式的报酬或补偿，包括短期薪酬、离职后福利和辞退福利。

(a)　短期薪酬

短期薪酬包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、工伤保险费、生育保险费、住房公积金、工会和教育经费等。本公司在职工提供服务的会计期间，将实际发生的短期薪酬确认为负债，并计入当期损益或相关资产成本。其中，非货币性福利按照公允价值计量。

(b)　离职后福利

本公司将离职后福利计划分类为设定提存计划和设定受益计划。设定提存计划是本公司向独立的基金缴存固定费用后，不再承担进一步支付义务的离职后福利计划；设定受益计划是除设定提存计划以外的离职后福利计划。于报告期内，本公司的离职后福利主要是为员工缴纳的基本养老保险和失业保险，均属于设定提存计划。

基本养老保险

本公司职工参加了由当地劳动和社会保障部门组织实施的社会基本养老保险。本公司以当地规定的社会基本养老保险缴纳基数和比例，按月向当地社会基本养老保险经办机构缴纳养老保险费。职工退休后，当地劳动及社会保障部门有责任向已退休员工支付社会基本养老金。本公司在职工提供服务的会计期间，将根据上述社保规定计算应缴纳的金额确认为负债，并计入当期损益或相关资产成本。

(c)　辞退福利

本公司在职工劳动合同到期之前解除与职工的劳动关系、或者为鼓励职工自愿接受裁减而提出给予补偿，在本公司不能单方面撤回解除劳动关系计划或裁减建议时和确认与涉及支付辞退福利的重组相关的成本费用时两者孰早日，确认因解除与职工的劳动关系给予补偿而产生的负债，同时计入当期损益。

四　重要会计政策和会计估计(续)

(10) 递延所得税资产和递延所得税负债

递延所得税资产和递延所得税负债根据资产和负债的计税基础与其账面价值的差额(暂时性差异)计算确认。对于按照税法规定能够于以后年度抵减应纳税所得额的可抵扣亏损，确认相应的递延所得税资产。对于既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)的非企业合并的交易中产生的资产或负债的初始确认形成的暂时性差异，不确认相应的递延所得税资产和递延所得税负债。于资产负债表日，递延所得税资产和递延所得税负债，按照预期收回该资产或清偿该负债期间的适用税率计量。

递延所得税资产的确认以本公司很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的应纳税所得额为限。

同时满足下列条件的递延所得税资产和递延所得税负债以抵销后的净额列示：

- 递延所得税资产和递延所得税负债与同一税收征管部门对本公司征收的所得税相关；
- 本公司拥有以净额结算当期所得税资产及当期所得税负债的法定权利。

(11) 收入确认

本公司在客户取得相关商品或服务的控制权时，按预期有权收取的对价金额确认收入。

(a) 销售商品

在已将产品所有权上的主要风险和报酬转移给购货方，并且不再对该产品实施继续管理和控制，与交易相关的经济利益能够流入本公司，相关的收入和成本能够可靠计量时确认销售收入的实现。

(b) 提供劳务

本公司向关联方提供劳务服务，劳务收入于服务已经提供且取得收取款项的权利时确认。

四　重要会计政策和会计估计(续)

(12) 政府补助

政府补助为本公司从政府无偿取得的货币性资产或非货币性资产，包括税费返还、财政补贴等。

政府补助在本公司能够满足其所附的条件并且能够收到时，予以确认。政府补助为货币性资产的，按照收到或应收的金额计量。政府补助为非货币性资产的，按照公允价值计量；公允价值不能可靠取得的，按照名义金额计量。

与资产相关的政府补助，是指本公司取得的、用于购建或以其他方式形成长期资产的政府补助。与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。

与资产相关的政府补助，确认为递延收益并在相关资产使用寿命内按照合理、系统的方法分摊计入损益；与收益相关的政府补助，用于补偿以后期间的相关成本费用或损失的，确认为递延收益，并在确认相关成本费用或损失的期间，计入当期损益，用于补偿已发生的相关成本费用或损失的，直接计入当期损益。本公司对同类政府补助采用相同的列报方式。

与日常活动相关的政府补助纳入营业利润，与日常活动无关的政府补助计入营业外收支。

(13) 租赁

租赁，是指在一定期间内，出租人将资产的使用权让与承租人以获取对价的合同。

本公司作为承租人

本公司于租赁期开始日确认使用权资产，并按尚未支付的租赁付款额的现值确认租赁负债。租赁付款额包括固定付款额，以及在合理确定将行使购买选择权或终止租赁选择权的情况下需支付的款项等。按销售额的一定比例确定的可变租金不纳入租赁付款额，在实际发生时计入当期损益。本公司将自资产负债表日起一年内(含一年)支付的租赁负债，列示为一年内到期的非流动负债。

四 重要会计政策和会计估计(续)

(13) 租赁(续)

本公司的使用权资产包括租入的房屋及建筑物以及运输工具等。使用权资产按照成本进行初始计量，该成本包括租赁负债的初始计量金额、租赁期开始日或之前已支付的租赁付款额、初始直接费用等，并扣除已收到的租赁激励。本公司能够合理确定租赁期届满时取得租赁资产所有权的，在租赁资产剩余使用寿命内计提折旧；若无法合理确定租赁期届满时是否能够取得租赁资产所有权，则在租赁期与租赁资产剩余使用寿命两者孰短的期间内计提折旧。当可收回金额低于使用权资产的账面价值时，本公司将其账面价值减记至可收回金额。

对于租赁期不超过12个月的短期租赁和单项资产全新时价值较低的低价值资产租赁，本公司选择不确认使用权资产和租赁负债，将相关租金支出在租赁期内各个期间按照直线法计入当期损益或相关资产成本。

租赁发生变更且同时符合下列条件时，本公司将其作为一项单独租赁进行会计处理：(1)该租赁变更通过增加一项或多项租赁资产的使用权而扩大了租赁范围；(2)增加的对价与租赁范围扩大部分的单独价格按该合同情况调整后的金额相当。

当租赁变更未作为一项单独租赁进行会计处理时，除新冠肺炎疫情直接引发的合同变更采用简化方法外，本公司在租赁变更生效日重新确定租赁期，并采用修订后的折现率对变更后的租赁付款额进行折现，重新计量租赁负债。租赁变更导致租赁范围缩小或租赁期缩短的，本公司相应调减使用权资产的账面价值，并将部分终止或完全终止租赁的相关利得或损失计入当期损益。其他租赁变更导致租赁负债重新计量的，本公司相应调整使用权资产的账面价值。

对于由新冠肺炎疫情直接引发的就现有租赁合同达成的租金减免，本公司选择采用简化方法，在达成协议解除原支付义务时将未折现的减免金额计入当期损益，并相应调整租赁负债。

四　重要会计政策和会计估计(续)

(14) 重要会计估计和判断

本公司根据历史经验和其他因素，包括对未来事项的合理预期，对所采用的重要会计估计和关键判断进行持续的评价。

(a) 采用会计政策的关键判断

(i) 所得税和递延所得税

在正常的经营活动中，部分交易和事项的最终的税务处理存在不确定性。在计提各个地区的所得税费用时，本公司需要作出重大判断。如果这些税务事项的最终认定结果与最初入账的金额存在差异，该差异将对作出上述最终认定期间的所得税费用和递延所得税的金额产生影响。

(15) 重要会计政策变更

财政部于2021年颁布了《关于印发<企业会计准则解释第15号>的通知》(以下简称“解释15号”)，并于2022年及2023年颁布了《关于印发<企业会计准则解释第16号>的通知》(以下简称“解释16号”)、《关于适用<新冠肺炎疫情相关租金减让会计处理规定>相关问题的通知》(财会[2022]13号)及《企业会计准则实施问答》，本公司已采用上述通知和实施问答编制2022年度财务报表，上述修订对本公司财务报表无重大影响。

五　税项

本公司本年度适用的主要税种及其税率列示如下：

税种	税率	税基
企业所得税	25%	应纳税所得额
增值税(a)	6%及 13%	应纳税增值额(应纳税额按应纳税销售额乘以适用税率扣除当期允许抵扣的进项税后的余额计算)
城建税	7%	实际缴纳的增值税
教育费附加	5%	实际缴纳的增值税

(a) 本公司的产品销售业务适用增值税，其中内销产品销项税率 16%及 13%，外销产品采用“免、抵、退”办法，退税率为 13%。

六 财务报表项目附注

(1) 货币资金

	2022 年 12 月 31 日	2021 年 12 月 31 日
银行存款	40,659,675.93	75,429,010.90

(2) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应收账款	12,654,822.49	49,063,546.63
减：坏账准备	(884,460.72)	-
	11,770,361.77	49,063,546.63

(a) 应收账款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	8,133,858.71	46,328,804.38
一到二年	1,716,699.92	1,427,085.54
二到五年	2,804,263.86	1,307,656.71
	12,654,822.49	49,063,546.63

于 2022 年 12 月 31 日，应收账款人民币 884,460.72 元(2021 年 12 月 31 日：人民币 38,179,236.34 元)已逾期。这部分应收账款的逾期账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	-	37,914,599.43
一到二年	619,823.81	264,636.91
二到三年	264,636.91	-
	884,460.72	38,179,236.34

六 财务报表项目附注(续)

(2) 应收账款(续)

应收账款按客户类别分析如下：

	2022年12月31日			2021年12月31日		
	金额	占总额比例	坏账准备	金额	占总额比例	坏账准备
应收关联方(附注七(4)(a))	11,770,361.77	93.01%	-	10,884,309.20	22.18%	-
应收第三方	884,460.72	6.99%	(884,460.72)	38,179,237.43	77.82%	-
	12,654,822.49	100.00%	(884,460.72)	49,063,546.63	100.00%	-

(b) 坏账准备

本公司对于应收账款，无论是否存在重大融资成分，均按照整个存续期的预期信用损失计量损失准备。

(i) 2022 年组合计提坏账准备的应收账款分析如下：

	2022年12月31日		
	账面余额	坏账准备	
	金额	整个存续期预期信用损失率	金额
未逾期	11,770,361.77	0.00%	-
逾期 1-30 日	-	0.00%	-
逾期 31-60 日	-	0.00%	-
逾期 61-90 日	-	0.00%	-
逾期超过 90 日	884,460.72	100.00%	884,460.72
	12,654,822.49		884,460.72

(ii) 2022 年度计提的坏账准备为人民币 884,460.72 元，无转回的坏账准备，本年无核销的坏账准备。

六 财务报表项目附注(续)

(3) 其他应收款

	2022 年 12 月 31 日	2021 年 12 月 31 日
租赁押金	108,373.97	118,000.00
减：坏账准备	-	-
	108,373.97	118,000.00

(a) 其他应收款账龄分析如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	373.97	-
一到二年	-	-
二到三年	-	-
三年以上	108,000.00	118,000.00
	108,373.97	118,000.00

(b) 损失准备及其账面余额变动表

	第一阶段	
	未来 12 个月内预期信用损失(组合)	
	账面余额	坏账准备
2021 年 12 月 31 日及 2022 年 1 月 1 日	118,000.00	-
本年增加的款项	373.97	-
本年减少的款项	(10,000.00)	-
2022 年 12 月 31 日	108,373.97	-

于 2022 年 12 月 31 日，本公司组合计提坏账准备的其他应收款均处于第一阶段，不存在处于第二阶段及第三阶段的其他应收款。

六　财务报表项目附注(续)

(4)　其他流动资产

	2022 年 12 月 31 日	2021 年 12 月 31 日
预交企业所得税	-	3,415,285.99
待抵扣增值税	-	300,839.40
	-	3,716,125.39

(5)　固定资产

	电子设备	办公设备	合计
原价			
2021 年 12 月 31 日	1,085,657.52	13,976.23	1,099,633.75
本年减少	-	-	-
2022 年 12 月 31 日	1,085,657.52	13,976.23	1,099,633.75
累计折旧			
2021 年 12 月 31 日	(1,085,657.52)	(13,976.23)	(1,099,633.75)
本年计提	-	-	-
2022 年 12 月 31 日	(1,085,657.52)	(13,976.23)	(1,099,633.75)
净值			
2022 年 12 月 31 日	-	-	-
2021 年 12 月 31 日	-	-	-

2022 年度计入管理费用的折旧费用为人民币 0.00 元 (2021 年度：人民币 0.00 元)。

六 财务报表项目附注(续)

(6) 使用权资产

	房屋及建筑物	运输工具	合计
原价			
2021 年 12 月 31 日	940,757.95	221,440.23	1,162,198.18
本年减少			
本年处置	(940,757.95)	(221,440.23)	(1,162,198.18)
2022 年 12 月 31 日	-	-	-
累计折旧			
2021 年 12 月 31 日	(627,171.97)	(126,537.27)	(753,709.24)
本年增加			
计提	(313,585.98)	(94,902.96)	(408,488.94)
本年减少			
本年处置	940,757.95	221,440.23	1,162,198.18
2022 年 12 月 31 日	-	-	-
账面价值			
2022 年 12 月 31 日	-	-	-
2021 年 12 月 31 日	313,585.98	94,902.96	408,488.94

六 财务报表项目附注(续)

(7) 应付职工薪酬

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付短期薪酬(a)	1,994,179.68	2,096,774.84
应付设定提存计划(b)	-	-
应付辞退福利(c)	-	-
	1,994,179.68	2,096,774.84

(a) 短期薪酬

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
工资、奖金、津贴和补贴	2,096,774.84	11,678,914.88	(11,781,510.04)	1,994,179.68
社会保险费	-	322,090.55	(322,090.55)	-
其中：医疗保险费	-	313,714.84	(313,714.84)	-
工伤保险费	-	6,280.87	(6,280.87)	-
生育保险费	-	2,094.84	(2,094.84)	-
住房公积金	-	256,516.00	(256,516.00)	-
	2,096,774.84	12,257,521.43	(12,360,116.59)	1,994,179.68

(b) 设定提存计划

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
基本养老保险	-	498,547.52	(498,547.52)	-
失业保险费	-	15,580.45	(15,580.45)	-
	-	514,127.97	(514,127.97)	-

(c) 应付辞退福利

	2022 年 12 月 31 日	2021 年 12 月 31 日
其他辞退福利(i)	-	-

(i) 2022 年度，本公司因解除劳动关系所提供的其他辞退辞退福利为人民币 623,840.00 元 (2021 年度：人民币 1,943,637.86 元) 。

六 财务报表项目附注(续)

(8) 应交税费

	2022 年 12 月 31 日	2021 年 12 月 31 日
应交企业所得税	211,083.26	-
未交增值税	103,991.39	1,172,518.60
其他	1,259.09	26,195.20
	316,333.74	1,198,713.80

(9) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
应付关联方款项(附注七(4)(c))	5,644,657.86	4,847,554.22
预提费用	1,531,428.14	1,532,178.07
	7,176,086.00	6,379,732.29

(10) 递延所得税资产和负债

(a) 递延所得税资产

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税资产	可抵扣暂时性差异	递延所得税资产	可抵扣暂时性差异
预提费用	362,250.00	1,449,000.00	425,751.00	1,703,004.00
租赁负债	-	-	90,999.66	363,998.62
资产减值准备	221,115.18	884,460.72	-	-
	583,365.18	2,333,460.72	516,750.66	1,658,513.69
其中：				
预计于 1 年内(含 1 年)转回的金额	583,365.18		516,750.66	

六　财务报表项目附注(续)

(10) 递延所得税资产和负债(续)

(b) 递延所得税负债

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	递延所得税负债	可抵扣暂时性差异	递延所得税负债	可抵扣暂时性差异
使用权资产	-	-	(102,122.24)	(408,488.94)
其中： 预计于 1 年内(含 1 年)转回的金额	-		(102,122.24)	

(c) 抵销后的递延所得税资产和递延所得税负债净额列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
递延所得税资产净额	583,365.18	414,628.42

(11) 一年内到期的非流动负债

	2022年12月31日	2021年12月31日
一年内到期的租赁负债	-	363,998.62

六　财务报表项目附注(续)

(12) 营业收入和营业成本

	2022 年度		2021 年度	
	收入	成本	收入	成本
主营业务				
—销售铝制产品	-	-	276,855,624.87	273,553,204.71
其他业务				
—关联方劳务服务 (附注七(3)(b))	17,585,242.77	16,388,832.46	24,864,260.43	21,817,397.92
	17,585,242.77	16,388,832.46	301,719,885.30	295,370,602.63

(i) 本公司提供劳务服务收入于某一时点确认。

于 2022 年 12 月 31 日，本公司无已签订合同但尚未履行或尚未履行完毕的履约义务。

(13) 税金及附加

	2022 年度	2021 年度
城建税及教育费附加	69,586.73	1,158,564.92
印花税	2,281.28	150,190.30
	71,868.01	1,308,755.22

(14) 财务(费用)/收入 - 净额

	2022 年度	2021 年度
利息支出	-	-
加：租赁负债利息支出	(5,001.38)	(35,800.44)
利息费用	(5,001.38)	(35,800.44)
减：利息收入	219,027.03	152,415.76
汇兑(损失)/收益	(8,174,360.35)	1,180,661.37
其他	(12,717.02)	(28,138.80)
	(7,973,051.72)	1,269,137.89

六 财务报表项目附注(续)

(15) 费用按性质分类

利润表中的营业成本、销售费用和管理费用按照性质分类，列示如下：

	2022 年度	2021 年度
产成品变动	-	55,797,693.90
耗用的产成品	-	210,626,219.88
职工薪酬费用	12,771,649.40	18,158,234.05
办公费	974,385.38	932,337.37
差旅费	911,997.57	1,510,861.55
离职补偿费用	623,840.00	1,943,637.86
专业服务费	414,033.74	1,130,386.61
使用权资产折旧费	408,488.94	753,709.24
市场及营销费	15,394.54	33,538.31
运费	-	7,129,290.93
租赁费	-	90,039.83
折旧费和摊销费用	-	-
其他	1,636,181.23	1,139,999.05
	17,755,970.80	299,245,948.58

(16) 信用减值损失

	2022 年度	2021 年度
应收账款坏账损失	884,460.72	-

(17) 其他收益

	2022 年度	2021 年度	与资产相关/与收益相关
税收返还	130,798.36	197,756.31	与收益相关

爱励(上海)贸易有限公司

财务报表附注
2022 年度
(除特别注明外，金额单位为人民币元)

六 财务报表项目附注(续)

(18) 投资收益

	2022 年度	2021 年度
债务重组收益	10,665,588.57	-

(19) 所得税费用

	2022 年度	2021 年度
当期所得税	231,804.13	758,048.69
递延所得税	324,840.24	(3,810.25)
	556,644.37	754,238.44

将基于利润表的利润总额采用适用税率计算的所得税调节为所得税：

	2022 年度	2021 年度
利润总额	1,696,278.45	2,632,075.70
所得税税率	25%	25%
按适用税率计算的所得税	424,069.61	658,018.93
不得扣除的成本、费用和损失	132,574.76	96,219.51
所得税费用	556,644.37	754,238.44

爱励(上海)贸易有限公司

财务报表附注
2022 年度
(除特别注明外，金额单位为人民币元)

六　财务报表项目附注(续)

(20) 现金流量表附注

(a) 将净利润调节为经营活动现金流量

	2022 年度	2021 年度
净利润	1,139,634.08	1,877,837.26
计提坏账准备	884,460.72	-
使用权资产折旧	408,488.94	753,709.24
财务费用	5,001.38	35,800.44
投资收益	(10,665,588.57)	-
递延所得税资产的增加	(168,736.76)	(3,810.25)
存货的减少	-	55,797,693.90
经营性应收项目的增加	(974,665.87)	(13,133,855.51)
经营性应付项目的(减少)/增加	(25,028,928.89)	5,866,649.15
经营活动(使用)/产生的现金流量净额	(34,400,334.97)	51,194,024.23

(b) 现金净变动情况

	2022 年度	2021 年度
现金的年末余额	40,659,675.93	75,429,010.90
减：现金的年初余额	(75,429,010.90)	(25,014,986.67)
现金净(减少)/增加额	(34,769,334.97)	50,414,024.23

七 关联方关系及其交易

(1) 母公司

(a) 母公司基本情况

	注册地	业务性质
Aleris Asia Pacific International (Barbados) Ltd.	巴巴多斯	投资

Hindalco Industries Ltd.为本公司的最终控股公司。

(b) 母公司注册资本及其变化

	2021 年 12 月 31 日	本年增加	本年减少	2022 年 12 月 31 日
Aleris Asia Pacific International (Barbados) Ltd.	6,570,000 美元	-	-	6,570,000 美元

(c) 母公司对本公司的持股比例和表决权比例

	2022 年 12 月 31 日		2021 年 12 月 31 日	
	持股比例	表决权比例	持股比例	表决权比例
Aleris Asia Pacific International (Barbados) Ltd.	100%	100%	100%	100%

七 关联方关系及其交易(续)

(2) 不存在控制关系的关联方的性质

	与本公司的关系
Novelis Koblenz GmbH (原“Aleris Aluminum Koblenz GmbH”)	受同一最终控股公司控制
Novelis ALR International, Inc. (原“Aleris Ohio Management Inc. ”)	受同一最终控股公司控制
Aleris Aluminum Japan, Ltd.	受同一最终控股公司控制
诺贝丽斯铝业(镇江)有限公司 (原“爱励铝业(镇江)有限公司”)	受同一最终控股公司控制
诺贝丽斯(中国)铝制品有限公司	受同一最终控股公司控制

(3) 关联交易

(a) 定价政策

本公司向关联方提供劳务的价格按照双方协商，以成本加成的方式订立合同确定。本公司自关联方采购的产品、向关联方销售的产品以及其他关联交易的价格由交易各方根据具体情况协商确定。

(b) 提供劳务

	2022 年度	2021 年度
诺贝丽斯铝业(镇江)有限公司	16,921,091.37	19,923,853.23
Novelis Koblenz GmbH	664,151.40	4,940,407.20
	17,585,242.77	24,864,260.43

七 关联方关系及其交易(续)

(3) 关联交易(续)

(c) 接受劳务

	2022 年度	2021 年度
Novelis Koblenz GmbH	168,983.09	987,572.62
Aleris Aluminum Japan, Ltd.	812,548.80	239,308.16
	981,531.89	1,226,880.78

(d) 接受服务

	2022 年度	2021 年度
诺贝丽斯(中国)铝制品有限公司	955,734.42	1,118,483.71
诺贝丽斯铝业(镇江)有限公司	-	884,932.89
	955,734.42	2,003,416.60

(4) 关联方应收、应付款项余额

(a) 应收账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
诺贝丽斯铝业(镇江)有限公司	7,379,109.58	4,276,938.65
Novelis Koblenz GmbH	4,391,252.19	3,536,954.67
	11,770,361.77	7,813,893.32

(b) 应付账款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis ALR International, Inc.	10,310,350.79	9,438,549.75
	10,310,350.79	9,438,549.75

七 关联方关系及其交易(续)

(4) 关联方应收、应付款项余额(续)

(c) 其他应付款

	2022 年 12 月 31 日	2021 年 12 月 31 日
Novelis Koblenz GmbH	2,865,260.48	2,875,956.60
Novelis ALR International, Inc.	2,059,824.46	1,885,653.57
诺贝丽斯铝业(镇江)有限公司	349,472.62	349,472.62
诺贝丽斯(中国)铝制品有限公司	219,309.26	194,024.47
Aleris Aluminum Japan, Ltd.	150,791.04	-
	5,644,657.86	5,305,107.26

八 承诺事项

(1) 经营租赁承诺事项

根据已签订的不可撤销的不超过 12 个月的短期和单项资产全新时价值较低的低价值资产经营性租赁合同，本公司未来最低应支付租金汇总如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
一年以内	-	435,870.00

九　金融风险

本公司的经营活动会面临各种金融风险：市场风险(主要为外汇风险)、信用风险和流动风险。本公司整体的风险管理计划针对金融市场的不可预见性,力求减少对本公司财务业绩的潜在不利影响。

(1) 市场风险

(a) 外汇风险

本公司的主要经营位于中国境内，销售货物及提供劳务主要以人民币结算，部分采购货物以美元结算，已确认的外币资产和负债及未来的外币交易(主要为美元)存在外汇风险。本公司财务部门负责监控外币交易和外币资产及负债的规模，以最大程度降低面临的外汇风险。为此，本公司可能会以签署远期外汇合约或货币互换合约的方式来达到规避外汇风险的目的。于 2022 年度及 2021 年度，本公司未签署任何远期外汇合约或货币互换合约。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司持有的外币金融资产和外币金融负债折算成人民币的金额列示如下:

	2022 年 12 月 31 日			
	美元项目	欧元项目	日元项目	合计
外币金融资产 -				
应收账款	-	4,391,252.17	-	4,391,252.17
	-	4,391,252.17	-	4,391,252.17
外币金融负债 -				
应付账款	10,310,350.79	-	-	10,310,350.79
其他应付款	2,059,824.47	2,865,260.48	150,791.04	5,075,875.99
	12,370,175.26	2,865,260.48	150,791.04	15,386,226.78

九　金融风险(续)

(1)　市场风险(续)

(a)　外汇风险(续)

	2021 年 12 月 31 日			
	美元项目	欧元项目	日元项目	合计
外币金融资产 -				
应收账款	-	3,536,954.67	-	3,536,954.67
	-	3,536,954.67	-	3,536,954.67
外币金融负债 -				
应付账款	86,827,148.80	-	-	86,827,148.80
其他应付款	1,885,653.57	2,875,956.60	-	4,761,610.17
	88,712,802.37	2,875,956.60	-	91,588,758.97

于 2022 年 12 月 31 日，对于本公司各类美元金融资产和美元金融负债，如果人民币对美元升值或贬值 4%，其它因素保持不变，则本公司将减少或增加净利润约人民币 371,105.26 元(2021 年 12 月 31 日：减少或增加净利润约人民币 2,661,384.07 元)。

九　金融风险(续)

(2)　信用风险

本公司对信用风险按组合分类进行管理。信用风险主要产生于银行存款、应收账款和其他应收款等。

本公司银行存款主要存放于大型上市银行，本公司认为其不存在重大的信用风险，不会产生因对方单位违约而导致的任何重大损失。

此外，对于应收账款和其他应收款，本公司设定相关政策以控制信用风险敞口。本公司基于对客户的财务状况、从第三方获取担保的可能性、信用记录及其它因素诸如目前市场状况等评估客户的信用资质并设置相应信用期。本公司会定期对客户信用记录进行监控，对于信用记录不良的客户，本公司会采用书面催款、缩短信用期或取消信用期等方式，以确保本公司的整体信用风险在可控的范围内。

于 2022 年 12 月 31 日，本公司无重大的因债务人抵押而持有的担保物或其他信用增级(2021 年 12 月 31 日：无)。

(3)　流动风险

本公司财务部门负责现金流量预测，并持续监控短期和长期的资金需求，以确保维持充裕的现金储备和可供随时变现的有价证券；同时持续监控是否符合借款协议的规定，从主要金融机构获得提供足够备用资金的承诺，以满足短期和长期的资金需求。

于资产负债表日，本公司各项金融负债以未折现的合同现金流量按到期日列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
	一年以内	一年以内
应付账款	10,310,350.79	86,827,148.80
其他应付款	7,176,086.00	6,379,732.29
	17,486,436.79	93,206,881.09

十　公允价值估计

公允价值计量结果所属的层级，由对公允价值计量整体而言具有重要意义的输入值所属的最低层次决定：

第一层级：相同资产或负债在活跃市场上未经调整的报价。

第二层级：除第一层次输入值外相关资产或负债直接或间接可观察的输入值。

第三层级：相关资产或负债的不可观察输入值。

(a)　持续的以公允价值计量的资产

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无持续的以公允价值计量的资产和负债。

(b)　非持续的以公允价值计量的资产

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司无非持续的以公允价值计量的资产。

(c)　不以公允价值计量但披露其公允价值的资产和负债

本公司以摊余成本计量的金融资产和金融负债主要包括：应收款项和应付款项等。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司不以公允价值计量的金融资产和金融负债的账面价值与公允价值差异很小。

十一 资本管理

本公司资本管理政策的目标是为了保障本公司能够持续经营，从而为股东提供回报，并使其他利益相关者获益，同时维持最佳的资本结构以降低资本成本。

为了维持或调整资本结构，本公司可能会调整支付给股东的股利金额、向股东返还资本、发行新股或出售资产以减低债务。

本公司的总资本为资产负债表中所列示的股东权益。本公司不受制于外部强制性资本要求，利用资产负债率监控资本。

于 2022 年 12 月 31 日及 2021 年 12 月 31 日，本公司的资产负债率列示如下：

	2022 年 12 月 31 日	2021 年 12 月 31 日
资产负债率	38.13%	75.00%

ALERIS ASIA PACIFIC LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

ALERIS ASIA PACIFIC LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company during the year was investment holding. The principal activity of its subsidiary is set out in Note 9 to the financial statements.

Results and dividends

The results of the Company for the year are set out in the statement of profit or loss and other comprehensive income.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2022 (2021: Nil).

Share capital

Details of movements in the Company's share capital during the year are set out in note 8 to the financial statements.

Business review

No business review is presented for the year ended 31 December 2022 as the Company has been able to claim an exemption under section 388(3)(a) of the Hong Kong Companies Ordinance Cap. 622 since it is a wholly-owned subsidiary of Aleris Aluminum Netherlands B.V..

Directors

The director of the Company during the year and up to the date of this report was:

SangYoun So

In accordance with Article 80 of the Company's Articles of Association, all the directors will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's subsidiary, fellow subsidiaries or its holding companies was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Arrangements to purchase shares or debentures

At no time during the year was the Company or its subsidiary, fellow subsidiaries or holding companies was a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Permitted indemnity provision

During the year and up to the date of this report, there was or is a permitted indemnity provision pursuant to section 469 of the Hong Kong Companies Ordinance (Cap. 622) being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the board of directors

....

SangYoun So, Director

Hong Kong, 25 April 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ALERIS ASIA PACIFIC LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The financial statements of Aleris Asia Pacific Limited (the "Company") standing alone, which are set out on pages 7 to 22, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company standing alone as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of the Company Standing Alone section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ALERIS ASIA PACIFIC LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)

Other Information

The director is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Director for the Financial Statements of the Company Standing Alone

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ALERIS ASIA PACIFIC LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements of the Company Standing Alone

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ALERIS ASIA PACIFIC LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 April 2023

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$	2021 US$
Revenue	5	2,176,539	2,415,280
Impairment of investment in a subsidiary	9	-	(6,430,000)
Administration expenses		(42,432)	(41,374)
Profit/(loss) before income tax	6	2,134,107	(4,056,094)
Income tax expense	7	-	(175,706)
Profit/(loss) and total comprehensive income/(loss) for the year		2,134,107	(4,231,800)

The notes on pages 12 to 22 are an integral part of these financial statements.

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Note	2022 US$	2021 US$
NON-CURRENT ASSETS			
Investment in a subsidiary	9	256,529,306	256,529,306
Loan to a subsidiary	10	39,827,898	39,827,898
		296,357,204	296,357,204
CURRENT ASSETS			
Amount due from a subsidiary	11	10,740,950	8,564,411
Cash and cash equivalents	12	10,818,702	10,861,134
		21,559,652	19,425,545
CURRENT LIABILITIES			
Amount due to fellow subsidiaries	11	297,513	297,513
Amount due to an intermediate holding company	11	1,542,272	1,542,272
		1,839,785	1,839,785
NET CURRENT ASSETS		19,719,867	17,585,760
TOTAL ASSETS LESS CURRENT LIABILITIES		316,077,071	313,942,964

The notes on pages 12 to 22 are an integral part of these financial statements.

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2022

	Note	2022 US$	2021 US$
EQUITY			
Share capital	14	535,364,692	535,364,692
Capital reserve	13	21,403,333	21,403,333
Accumulated losses		(240,690,954)	(242,825,061)
Total equity		316,077,071	313,942,964

The financial statements on pages 7 to 22 were approved by the board of directors on 25 April 2023 and were signed on its behalf by:

....

SangYoun So, Director

The notes on pages 12 to 22 are an integral part of these financial statements.

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital US$	Capital reserve US$	Accumulated losses US$	Total US$
At at 1 January 2021	490,364,692	21,403,333	(238,593,261)	273,174,764
Increase in share capital (Note 14)	45,000,000	-	-	45,000,000
Loss and total comprehensive loss for the year	-	-	(4,231,800)	(4,231,800)
At 31 December 2021 and at 1 January 2022	535,364,692	21,403,333	(242,825,061)	313,942,964
Profit and total comprehensive income for the year	-	-	2,134,107	2,134,107
At 31 December 2022	535,364,692	21,403,333	(240,690,954)	316,077,071

The notes on pages 12 to 22 are an integral part of these financial statements.

ALERIS ASIA PACIFIC LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US$	2021 US$
Cash flows from operating activities			
Profit/(loss) before income tax		2,134,107	(4,056,094)
Adjustments for:			
Interest income		(2,176,539)	(2,415,280)
Impairment of investment in a subsidiary		-	6,430,000
Cash used in operations		(42,432)	(41,374)
Tax paid		-	(175,706)
Net cash used in operating activities		(42,432)	(217,080)
Cash flows from investing activities			
Interest received		-	1,744,408
Increase in share capital		-	45,000,000
Contribution to a subsidiary		-	(45,000,000)
Repayment of loan to a subsidiary		-	9,060,000
Net cash generated from investing activities		-	10,804,408
Net (decrease)/increase in cash and cash equivalents		(42,432)	10,587,328
Cash and cash equivalents at beginning of year		10,861,134	273,806
Cash and cash equivalents at end of year	12	10,818,702	10,861,134

The notes on pages 12 to 22 are an integral part of these financial statements.

ALERIS ASIA PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Aleris Asia Pacific Limited is a limited company incorporated in Hong Kong. The Company's registered office is located at Suite 3201, Jardine House, 1 Connaught Place, Central, Hong Kong.

During the year, the Company was principally engaged in investment holding.

The Company is a wholly-owned subsidiary of Aleris Aluminum Netherlands B.V., a company incorporated in the Netherlands. In the opinion of the directors, the Company's ultimate holding company is Hindalco Industries Limited, a company incorporated in the India and listed on the National Stock Exchange of India.

The financial statements have been approved for issue by the Board of Directors on 25 April 2023.

2 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance and basis of preparation

For the purposes of compliance with sections 379 and 380 of the Hong Kong Companies Ordinance (Cap. 622), the financial statements of the Company have been prepared to present a true and fair view of the financial position and financial performance of the Company only. Consequently, the financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs, which term collectively includes Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap. 622) that are relevant to the preparation of company level financial statements by an immediate parent company.

The Company is a wholly owned subsidiary of Aleris Aluminum Netherlands B.V. and it has satisfied the exemption criteria sets out in section 379(3)(a) of the Hong Kong Companies Ordinance (Cap. 622) and therefore it is not required to prepare consolidated financial statements.

Given the above, the financial statements are not prepared for the purposes of compliance with HKFRS 10 "Consolidated financial statements" (HKFRS 10) so far as the preparation of consolidated financial statements is concerned. As a consequence, the financial statements do not give all the information required by HKFRS 10 about the economic activities of the Group of which the Company is the parent. Furthermore, as these financial statements are prepared in respect of the Company only, disclosures required by HKFRS 12 "Disclosures of Interests in Other Entities" have not been made.

These financial statements are presented in United States Dollars ("US$"), which is also the functional currency of the Company, unless otherwise stated.

(i) Amendments and improvement to existing standards which are effective in 2022 and adopted by the Company

HKICPA has issued the following amendments and improvements to existing standards and framework which are mandatory for the Company's accounting periods on or after 1 January 2022:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Annual Improvements to HKFRS Standards 2018-2020, and Reference to the Conceptual Framework

2 Summary of significant accounting policies (Continued)

2.1 Statement of compliance and basis of preparation (Continued)

(i) Amendments and improvement to existing standards which are effective in 2022 and adopted by the Company (Continued)

Amendment to HKFRS 16 (March 2021) (the "HKFRS 16 Amendment (March 2021)")	Covid-19 Related Rent Concessions beyond 30 June 2021
Amendments to Accounting Guidance 5	Merger Accounting for Common Control Combinations
Annual Improvements to HKFRSs 2018–2020 Cycle	

The adoption of the above amendments and improvements to standards in the current year did not have any significant effect on the financial statements or result in any significant changes in the Company's significant accounting policies or presentation of the financial information.

(ii) New standard, amendments to standards, practice statement and interpretation which are relevant to the Company but not yet effective for the year ended 31 December 2022 and have not been early adopted by the Company.

The HKICPA has issued the following new standard, practice statement and interpretation which are not yet effective for the year ended 31 December 2022 and have not been early adopted by the Company:

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment) and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendment)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HKFRS 17 (Amendment)	Initial Application of HKFRS 17 and HKFRS 9—Comparative	1 January 2023
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendment)	Non-current Liabilities with Covenants	1 January 2024
HKFRS16 (Amendment)	Lease Liability in a Sale and Leaseback	1 January 2024
Hong Kong Interpretation 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Company will apply new standard, amendments to standards, practice statement and interpretation from 1 January 2023 or later period. The adoption of the new standard, amendments and improvements to standards, practice statement, revised accounting guideline and interpretation listed above, in future periods is not expected to have any material impact on the Company's results of operations and financial position.

2 Summary of significant accounting policies (Continued)

2.2 Investment in a subsidiary

Subsidiary is an entity (including structured entity) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in a subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiary are accounted for by the Company on the basis of dividend received and receivable.

2.3 Impairment of investment in a subsidiary

Impairment testing of investment in a subsidiary is required upon receiving dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investments in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss.

Translation differences on non-monetary financial assets and liabilities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

2.5 Financial assets

(a) Classification

The Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2 Summary of significant accounting policies (Continued)

2.5 Financial assets (Continued)

(b) Recognition and measurement (Continued)

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

(c) Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts: and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.6 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 Summary of significant accounting policies (Continued)

2.9 Current and deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.10 Interest income

Interest income is recognised using the effective interest method.

2.11 Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity;
- (iii) the entity and the Company are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is controlled or jointly controlled by a person identified in (a);
- (vi) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (vii) the entity, or any member of a group of which it is a part it is a part, provides key management personnel services to the Company or to the parent of the Company.

2 Summary of significant accounting policies (Continued)

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Credit risk

As at 31 December 2022, the Company's maximum exposure to credit risk which may cause a financial loss to the Company due to failure to discharge an obligation by the counterparties provided by the Company is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise the credit risk, the management of the Company has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the director considers that the Company's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or with good reputation.

Loans to a subsidiary and amount due from a subsidiary are continuously monitored by assessing the credit quality, taking into account its financial position and past experience. Where necessary, impairment loss is made for estimated irrecoverable amount.

(b) Liquidity risk

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents and funds from its group companies deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

All of the financial liabilities, including amounts due to fellow subsidiaries and an intermediate holding company are interest-free and repayable on demand.

3.2 Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2021.

The capital structure of the Company consists of debt (which includes amounts due to fellow subsidiaries and amount due to an intermediate holding company) and equity attributable to owner of the Company (comprising issued share capital and accumulated losses).

The Company is not subject to any externally imposed capital requirements.

3 Financial risk management (Continued)

3.3 Fair value estimation

The carrying values of loan to a subsidiary, amount due from a subsidiary, cash and cash equivalents, amounts due to fellow subsidiaries and amount due to an intermediate holding company approximate their fair values due to the short term maturities of these assets and liabilities.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of loans to a subsidiary and amount due from a subsidiary

The Company estimates the provisions for impairment of loans to a subsidiary and amount due from a subsidiary by assessing its recoverability based on credit history, prevailing market conditions as well as forward looking estimates at the end of each reporting period. This requires the use of estimates and judgements. Provisions are applied to loans to a subsidiary and amount due from a subsidiary where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amount of loans to a subsidiary and amount due from a subsidiary and thus the impairment loss in the period in which such estimate is changed. The Company reassesses the provisions at the end of each reporting period.

Impairment of investment in a subsidiary

The Company estimates the provision for impairment of investment in a subsidiary based on an assessment of the future economic benefits of the investment that will flow to the Company. The identification of provision requires the use of estimates and judgements. Where the expectation is different from the original estimate, such difference will impact the carrying amount of investment in the period in which such estimate has been changed. The Company reassesses the provision at the end of each reporting period.

5 Revenue

Revenue represented interest income generated from loan to a subsidiary during the year.

6 Profit/(loss) before income tax

The Company's profit/(loss) before income tax is arrived at after charging auditor's remuneration of US$38,722 (2021: US$30,969) during the year.

7 Income tax expense

No provision for Hong Kong profits tax has been made as there were no assessable profits arising in or derived from Hong Kong for the both years.

	2022 US$	2021 US$
Current tax		
People's Republic of China ("PRC") withholding tax	-	175,706

According to the Corporate Income Tax Law of the PRC, withholding tax was levied on the interest income arising from PRC at a concessionary rate of 10%.

The tax charge for the year can be reconciled to loss before income tax per the statement of profit or loss and other comprehensive income as follows:

	2022 US$	2021 US$
Profit/(loss) before income tax	2,134,107	(4,056,094)
Tax at Hong Kong profits tax rate of 16.5% (2021: 16.5%)	352,128	(669,255)
Withholding tax in respect of interest income	-	175,706
Income not subject to tax	(359,129)	(398,521)
Expenses not deductible for tax purposes	7,001	1,067,776
Income tax expense	-	175,706

The Company has not recognised deferred tax assets arising from unused tax losses approximately US$1,009,922 (2021: approximately US$1,009,922) at 31 December 2022. These tax losses do not have expiry date once agreed by the Inland Revenue Department.

ALERIS ASIA PACIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 Directors' emoluments

During the year, no emoluments, retirement benefits and payments or benefits in respect of termination of directors' services were made to or receivable by, directly or indirectly, the directors of the Company (2021: Nil).

No consideration was provided to or receivables by any third party for making available the services of a person as a director of the Company (2021: Nil).

There were no loans, quasi-loans or other dealings in favour of the directors of the Company, their controlled bodies corporate and their connected entities (2021: Nil).

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2021: None).

9 Investment in a subsidiary

	2022 US$	2021 US$
Unlisted investments, at cost	501,941,052	501,941,052
Impairment of investment in a subsidiary	(245,411,746)	(245,411,746)
	256,529,306	256,529,306

Details of the Company's subsidiary at 31 December 2022 and 2021 were as follows:

Name of entity	Place of registration and operations	Issued and fully paid registered capital	Proportion ownership directly attributable of the Company 2022	2021	Principal activity
Novelis Aluminum (Zhenjiang) Co., Ltd.	PRC	Ordinary shares of US$580,000,000	100%	100%	Manufacturing aluminum material

No impairment on investment in a subsidiary has been made for the year ended 31 December 2022 (2021: US$6,430,000) in the statement of profit or loss and other comprehensive income, by which the recoverable amount of the investment exceeds its carrying amount. Management determined that the recoverable amount of the investment in its subsidiary is the higher of its fair value less costs to sell and its value in use. Management has assessed and determined the recoverable amount of its investment in a subsidiary with reference to the net asset value of that subsidiary.

10 Loan to a subsidiary

Loan to a subsidiary was unsecured, carried interest of 5.39% per annum and repayable in 2025 (2021: 5.39% per annum and repayable in 2025).

11 Amounts due from/(to) group companies

The amounts are unsecured, interest-free and repayable on demand.

12 Cash and cash equivalents

	2022 US$	2021 US$
Cash at bank	10,818,702	10,861,134

The bank balances are denominated in following currencies and the carrying amounts approximate their fair value. The maximum exposure of credit risk is its carrying amounts.

	2022 US$	2021 US$
United State dollars	10,766,047	10,804,829
EURO	52,655	56,305

13 Capital reserve

On 21 August 2020, the immediate holding company has made a contribution to the Company of US$21,403,333 (equivalent to EURO 18,074,849) to the capital of the Company.

14 Share capital

	Number of shares	Share capital US$
Ordinary shares issued and fully paid:		
At 1 January 2021	1,000	490,364,692
Increase in share capital	-	45,000,000
At 31 December 2021, 1 January 2022 and 31 December 2022	1,000	535,364,692

On 20 December 2021, the Company's issued ordinary share capital was increased via cash contribution of US$45,000,000 from the immediate holding company.

15 Related party transactions

The following transactions were carried out with related parties during the year

	Note	2022 US$	2021 US$
Subsidiary:			
Interest income	10	2,176,539	2,415,280

Compensation to key management personnel

None of the key management personnel or directors received or will receive any fees or emoluments in respect of their services of the Company during the year (2021: Nil).

Independent Auditors’ Report (TRANSLATION)

To: Board members of Aleris Aluminum Japan, Ltd.

From: Kainan Audit Corporation

Yo Akiba, Designated partner/Executive partner

Date: April 26, 2023

Opinion:

By applying Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise balance sheet, income statement, statement of shareholders equity, notes to financial statements and the related details of account (correctively the “Financial Statements”) of Aleris Aluminum Japan, Ltd. (the “Company”) applicable to the 32nd fiscal year ended March 31, 2023.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position and results of operations of Aleris Aluminum Japan, Ltd. applicable to the 33rd fiscal year ended March 31, 2023 in accordance with accounting principles generally accepted in Japan.

Basis for Opinion:

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, 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 information:

The other information comprises the information other than the financial statements and our auditor’s report thereon.

Since we identified the other information was not prepared by the Company, we have not performed any procedures on the other information.

Management’s and the Statutory Auditor’s Responsibilities for the Financial Statements:

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the entity's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The statutory auditor is responsible for monitoring the performance of duties of executive officers and directors in implementing and maintaining a financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・ In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the Financial Statements is not expressing an opinion on the effectiveness of the entity's internal control.

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

・ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity to cease to continue as a going concern.

・ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

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

Conflicts of Interest:

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

(End of this document)

Financial Statement

March 31, 2023

Aleris Aluminum Japan, Ltd.

Balance Sheet (Translation)

As of March 31, 2023

(Unit :Yen)

Account	Amount	Account	Amount
Assets		**Liabilities**	
Current assets	**32,570,558**	**Current liabilities**	**3,184,276**
Cash and bank accounts	29,157,233	Accrued expenses	385,075
Account receivables	2,672,628	Accounts payable	98,557
Consumption tax receivables	740,697	Provision for bonus	1,942,291
		Income tax payable	318,100
		Emoloyees' liability	440,253
Fixed assets	**4,233,473**	**Fixed liabilities**	**3,661,062**
Other assets	**4,233,473**	Provision for retirement benefit to employee	3,661,062
Lease deposit	330,000	**Liabilities total**	**6,845,338**
Deferred tax assets	3,903,473		
		Net assets	
		Equity	**29,958,693**
		Share capital	**12,000,000**
		Retained earnings	**17,958,693**
		Earned surplus	1,500,000
		Other retained earnings	16,458,693
		Carried forward retained earnings	16,458,693
		Net assets total	**29,958,693**
Total assets	**36,804,031**	**Total liabilities and net assets**	**36,804,031**

Income Statement (Translation)

year ended March 31, 2023

(Unit :Yen)

Account	Amount	
Sales		**29,832,628**
Gross profit		**29,832,628**
Selling, general and administrative expenses		**27,954,805**
Operating profit		**1,877,823**
Non-operating income		
Other income	36	
Interest income	210	246
Ordinary profit		**1,878,069**
Profit before income taxes		**1,878,069**
Current income taxes	634,232	
Deferred income taxes	(304,793)	329,439
Profit for the year		**1,548,630**

Statements of Shareholders Equity (Translation)

year ended March 31, 2023

(Unit :Yen)

	Equity					
		Retained earnings				
			Other retained earnings			
	Share capital	Earned surplus	Carried forward retained	Total retained earnings	Total equity	Net assets total
(1) Balance at beginning	12,000,000	1,500,000	14,910,063	16,410,063	28,410,063	28,410,063
(2) Movement for the year						
1. Appropriation of earnings	0	0	0	0	0	0
2. Provision of earned surplus	0	0	0	0	0	0
3. Acquisition of treasury stock	0	0	0	0	0	0
4. Profit (Loss) for the year	0	0	1,548,630	1,548,630	1,548,630	1,548,630
5. Movement in others than equity	0	0	0	0	0	0
Total movement for the year	0	0	1,548,630	1,548,630	1,548,630	1,548,630
(3) Balance at end	12,000,000	1,500,000	16,458,693	17,958,693	29,958,693	29,958,693

Notes to financial statements of Aleris Aluminum Japan, Ltd. (Translation)

1. Notes to significant accounting policies

(1) Depreciation method

Tangible assets – Declining balance method

(Note for foreign readers) Newly acquired building, building improvement and fixtures at the post balance sheet date will be depreciated by straight-line method. Currently there is no tangible assets as of the year end.

(2) Reserve/provision policy

1. Bad debt reserve

Average turnover of past actual bad debt losses is applied to regular receivables as a general reserve and individual collectability is taken into consideration for bad debts as a specific bad debt reserve. As a result, no such reserve has been recorded.

2. Bonus accrual

In order to prepare for payments of bonus to employees, accrual is recorded attributable to the current year based on the expected amount of payment.

3. Provision for retirement benefit to employee

In order to reserve for future retirement benefit payments to employees, provision is recorded based on the assumption if employees retired voluntarily as of the end of the year according to the company's employment regulations or rules.

(3) Other significant matters for the preparation of financial statements

Accounting policy on consumption tax

The company adopts net of tax method for consumption tax.

(4) Revenue Recognition

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020. Accounting Standards Board of Japan)

When the control of the contracted good or service is transferred to the customer, the revenue is recognized by the amount expected to be received in exchange for the good or service.

2. Notes to Statements of Shareholders Equity

(1) Issued shares as of balance sheet date – 240 shares (ordinary)

(2) Treasury stock as of balance sheet date – 0 shares

(3) Appropriation of earnings during the period ended March 31, 2022

- None

(4) Appropriation of earnings to be done after balance sheet date

- None

3. Other notes

None

Details of account

March 31, 2023

Aleris Aluminum Japan, Ltd.

1. Provisions

(Unit: Yen)

Account	Book value at beginning	Addition	Deduction		Book value at end
			Used	Others	
Bonus accrual	1,885,719	1,942,291	1,812,869	72,850	1,942,291
Provision for retirement benefit to employee	2,806,130	854,932	-	-	3,661,062

(note) Reason and method of computation for four provisions/accrual above:

See Notes to financial statements, 1. Notes to significant accounting policies.

2. Details of selling, general and administrative expenses

(Unit: Yen)

Account	Amount	Description
Salaries	13,772,477	
Provision for bonus	1,869,441	
Legal welfare	1,936,102	
Allowance for retirement benefit to employee	854,932	
Other rental expenses	409,000	
Stationery	137,413	
Office supplies	4,060	
Office rent	1,430,000	
Insurance premium	88,555	
Miscellaneous tax and dues	50,900	
Entertainment	114,219	
Travel	1,798,817	
Communication	554,025	
Bank charge	104,281	
Meeting expense	112,083	
Membership fee	357,750	
Contractors' fee	3,976,967	Bookkeeping, audit and consultant fees
Books/Subscription	329,923	
Other expenses	53,860	
Total	27,954,805	

Supplementary explanation on deferred taxation - SUMMARY
(this is not required to disclose by law but simply for readers' convenience)

Temporary diff and DTA

	2022/3 Temp diff	2023/3 Temp diff	2022/3 DTA/DTL	2023/3 DTA/DTL	Movement
Deferred tax asset elements					
Accrued business tax	31,400	34,200	10,861	11,830	969
Provision for retirement benefit to employee	2,806,130	3,661,062	970,641	1,266,361	295,720
Provision for director's bonus (plus social insurance)	2,136,285	2,199,713	738,941	760,881	21,940
Tax loss carryforward (note 1)	39,331,062	37,910,669	13,604,614	13,113,300	(491,314)
Sub-total	44,304,877	43,805,644	15,325,057	15,152,372	(172,685)
Valuation allowance (note 1)	(33,901,062)	(32,520,669)	(11,726,377)	(11,248,899)	477,478
Net DTA (minus: debit)			3,598,680	3,903,473	304,793

Deferred tax liability elements				
None	0	0	0	0
DTL Total	0	0	0	0

Balance sheet reclassificartion

Long term asset	3,598,680	3,903,473
Total	3,598,680	3,903,473

Effective tax rate

	2018~	
Corporate income tax	23.40%	
Enterprise tax (income portion- actual)	7.18%	Tax allowable when paid
Enterprise tax (income portion-standard)	6.70%	used for local corporate special tax
Local corporate special tax on enterprise tax - standard	43.20%	Tax allowable when paid
Inhabitant tax (income portion)	16.30%	Levied on corporate income tax
Local corporate tax	4.40%	Levied on corporate income tax
Theoretical effective rate	34.81%	

	2019~	
Corporate income tax	23.20%	
Enterprise tax (income portion- actual)	7.18%	ditto
Enterprise tax (income portion-standard)	6.70%	ditto
Local corporate special tax on enterprize tax - standard	43.20%	ditto
Inhabitant tax (income portion)	10.40%	ditto
Local corporate tax	10.30%	ditto
Theoretical effective rate	34.59%	

Note 1

Due to realization of amount of director's retirement benefit in 2018 and employee's retirement in 2020, tax loss balance remains huge.
As the tax loss can be carried forward for 10 years, the limitation of deferred tax asset on loss carried forward is computed in the next page as tax scheduling.
Valuation allowance stays also huge since such large amount of tax loss carried forward cannot be used within coming 10 years considering small amount of operating profit in the next 10 years.
The schedule of tax loss carried forward is shown in the next sheet "Tax scheduling".

Supplementary explanation on deferred taxation - Tax Scheduling

	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	
		1	2	3	4	5	6	7	8	9	10	
Forecast Profit Amount		1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	
Realized Retirement												
Balance of income		1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000	
Max use of tax loss carried forwards		(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	(770,000)	
By resource of tax loss carried forward:												
Incurred 2018/12	30,288,497	29,518,497	28,748,497	27,978,497	27,208,497	Became Invalid	Became Invalid	Became Invalid	Became Invalid	Became Invalid	Became Invalid	>Valid until 2027 March
Incurred 2020/12	7,622,172	7,622,172	7,622,172	7,622,172	7,622,172	6,852,172	6,082,172	5,312,172	Became Invalid	Became Invalid	Became Invalid	>Valid until 2030 March
Balance of tax loss carried forward	37,910,669	37,140,669	36,370,669	35,600,669	34,830,669	6,852,172	6,082,172	5,312,172	0	0	0	
Unknown timing of realization (director's retirement)												
Estimated unrealizable tax loss carried forward	>> Basis for valuation allowance of deferred tax										32,520,669	

Footnotes:

Forecast profit amount: 2024 budget for operating income is currently considered approx. 1.54 million JPY
Sales to Germany and China are estimated 50% - 50% with 7% margin (Germany) and 7% margin (China).

Use of tax loss carried forwards: Due to the tax regulation, a large company with more than 100 million JPY share capital or held 100% by ultimate parent companies with more than 500 milliion JPY equivalent share capital amount can only use the tax loss carried forward with maximum 50% of taxable income for each year from FY 2019 on.

Testatsexemplar

Novelis Casthouse Germany GmbH
Koblenz

Jahresabschluss zum 31. März 2023
und Lagebericht für das Geschäftsjahr
vom 1. April 2022 bis 31. März 2023

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN
ABSCHLUSSPRÜFERS

Lagebericht für das Geschäftsjahr 2023
Novelis Casthouse Germany GmbH, Koblenz

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1. Geschäfts - und Rahmenbedingungen

1.1 Gegenstand des Unternehmens

Die Novelis Casthouse Germany GmbH, Koblenz, (im Folgenden „NCG“ oder die „Gesellschaft“) ist Teil der Novelis Gruppe. Die Novelis Gruppe ist ein Konzern in der Aluminiumverarbeitung. Gegenstand der Gesellschaft ist der Betrieb mehrerer Gießereien, der Handel mit Rohstoffen und Gießereiprodukten sowie das Halten und Verwalten der dafür benötigten Vermögensgegenstände. Ferner ist der Gegenstand des Unternehmens die Errichtung, Finanzierung und Vermietung von Geschäftsbauten.
Die Gesellschaft betreibt ihr Geschäft an den Standorten Voerde und Koblenz.

1.2. Umwelt, Gesundheit und Sicherheit

Bei der NCG haben wir uns dem Erfolg unserer Interessengruppen verschrieben. Insbesondere stehen hierbei die Kunden, Mitarbeiter, Anteilseigner sowie die umliegenden Gemeinden durch die Ausrichtung an Umwelt- und Nachhaltigkeitszielen Gesundheits-, Sicherheits- und Qualitätsbelangen (Environment, Health, Safety & Quality) im Fokus. Wir verfügen an unseren Standorten über Systeme zur Vermeidung von Unfällen, zur kontinuierlichen Verbesserung unserer Umwelt- und Sicherheitsleistungen und stellen finanzielle und personelle Ressourcen zur Verfügung, um

- die Unfall- und Krankheitszahlen durch Prävention und Risikoerkennung auf null zu reduzieren,
- Auswirkungen auf unsere Umwelt durch fortschrittliche und ressourcenschonende Produktionsverfahren auf ein Minimum zu reduzieren und
- die Qualität und Vorteile unserer Produkte und Dienstleistungen während ihrer gesamten Lebensdauer zu verbessern, insbesondere durch vermehrtes Recycling.

Eine Schlüsselkomponente des integrierten Business Managementsystems der NCG ist das EHS-Managementsystem (Environment, Health & Safety). Es setzt im Besonderen an den Stellen an, wo gesetzliche Vorgaben nicht so präzise ausformuliert sind, wie bei Menschen- und Mitbestimmungsrechten, deren Einhaltung uns über die gesetzliche Verpflichtung hinaus auch durch unsere Unternehmensphilosophie ein besonderes Anliegen sind, und gibt für alle Geschäftsbereiche verbindliche Standards mit der Zielsetzung vor, die hohe Qualität der Umwelt-, Gesundheits- und Arbeitsschutzleistung an allen Standorten weiterhin kontinuierlich zu verbessern. Zielvorgabe an die Werke seitens Arbeitssicherheit bleibt nach wie vor die generelle Vermeidung von Unfällen. Auch im vorliegenden Berichtsjahr wurden unsere Gefährdungsbeurteilungen aktualisiert, Gefahrenpotentiale identifiziert und strukturiert abgearbeitet. Zusammen mit den Programmen zum verhaltensorientierten Arbeitsschutz, schaffen wir es so das Sicherheitsniveau gemäß unserem Ziel einer Null-Unfall-Politik weiterzuentwickeln. Intensive Schulungen und Workshops zu verschiedenen Novelis EHS-Themen wurden ausgebaut und stehen auch digital allen Mitarbeitern zur Verfügung. Darüber hinaus wurde eine Reihe von Projekten zur weiteren Verbesserung des Gesundheitsschutzes umgesetzt.

Die Schonung und der verantwortungsbewusste Umgang mit Ressourcen und der Schutz der Umwelt sind für uns selbstverständlich. Betrieblicher Umweltschutz wird als integraler Bestandteil unseres Unternehmens laufend überprüft. Die NCG setzt Kompetenzen und Erfahrungen sowohl bei der Entwicklung innovativer Produkte zum Schutz der Umwelt, der Natur und des Klimas als auch bei der permanenten Optimierung von Technologien und Prozessen ein.

Unfallgeschehen und Umweltereignisse sind die Kenngrößen zur Bewertung des Erfolgs der in die täglichen Prozessabläufe integrierten Sicherheits- und Umweltarbeit. Es ist die Aufgabe eines jeden Verantwortlichen, alle Mitarbeiter in seinem Aufgabenfeld in diese Aktivitäten einzubinden.

2. Wirtschaftsbericht

2.1 Gesamtwirtschaftliche Rahmenbedingungen

Die Weltwirtschaft hat sich 2022 verändert und wir müssen mit neuen Realitäten leben. Hervorgerufen durch den Einmarsch Russlands in die Ukraine am 24. Februar 2022 müssen wir mit erheblichen Unsicherheiten umgehen, was sich vor allem in einem hohen Anstieg der Energiepreise widerspiegelt. Durch die daraus angetriebene Inflation verbesserte sich die globale Wirtschaftsleistung für 2022 um 3,3% und lag damit hinter dem Anstieg des Vorjahrs. In den einzelnen Regionen ergab sich aber ein unterschiedliches Bild. Im Euroraum stieg die Wirtschaft um 3,5%, wobei Deutschland mit 1,8% weniger stark anstieg. In den USA verbesserte sich der Wert um 2,1% und in China als große Volkswirtschaft verzeichnete ein Wachstum von 3,0%.[1]

In diesen schwierigen geopolitischen Zeiten konzentriert sich die NCG weiterhin darauf, die Bedürfnisse seiner Kunden zu erfüllen, indem wir qualitativ hochwertige, innovative Aluminiumlösungen anbieten. Als Hersteller von flachgewalzten Aluminiumprodukten bezieht die NCG Primäraluminium von Produzenten aus aller Welt. Speziell für Aufträge betreffend die Luft- und Raumfahrtindustrie ist die NCG auf hochreines Primäraluminium angewiesen, um alle Anforderungen zu erfüllen.

2.2 Branchenbezogene Rahmenbedingungen

Die deutsche Aluminiumindustrie verzeichnete im Berichtsjahr ein wechselhaftes Bild. Insbesondere Lieferanten der Automobilindustrie hatten weiterhin mit der fehlenden Verfügbarkeit von Halbleitern und Engpässen bei Magnesium zu kämpfen. Zusätzlich führte die steigende Inflation zu einem schwächeren Absatz in der Automobilindustrie im Vergleich zu den Jahren vor der Corona Pandemie.

[1] Deutsche Bank Research

Der Preis für täglich gehandeltes Aluminium an der London Metal Exchange (LME-Cash) zeigte viel Bewegung im Geschäftsjahr. Das gesamte Preisband reichte auf Monatssicht von USD 2.230 pro Tonne im September 2022 bis USD 3.257 pro Tonne im April 2022. Im Durchschnitt des Geschäftsjahres ergab sich ein Preis von USD 2.490 pro Tonne. Der Aluminiumpreis notierte zum 31. März 2023 bei USD 2.417 pro Tonne, was im Vergleich zum 31. März 2022 (USD 3.261 pro Tonne) eine Preisreduzierung von 26% bedeutet. In Euro umgerechnet zeigte sich eine geringere Preisreduzierung durch die veränderte Währungsrelation von rund 24%.

2.3 Vergleichszeitraum

Im Lagebericht erfolgt eine Gegenüberstellung mit dem Zeitraum 1. April 2021 bis 31. März 2022 („Vergleichszeitraum").

2.4 Finanzielle und nichtfinanzielle Leistungsindikatoren

Die Gesellschaft wendet als wesentlichen finanziellen Leistungsindikator das Operative EBITDA (operatives Ergebnis nach US GAAP Bilanzierungsregeln vor Abschreibungen, Amortisation, Zinsen, Steuern, unrealisierte Gewinne und Verluste aus Hedging, Konzernumlagen) an. Abweichungen zum EBITDA nach dem HGB ergeben sich im Wesentlichen aus Bewertungsunterschieden bei Vorräten und Rückstellungen (insbesondere Pensionen). Im Geschäftsjahr wurde ein negatives operatives EBITDA von EUR -0,7 Mio. (im Vergleichszeitraum EUR -1,0 Mio.) erzielt. Die mit der Novelis Koblenz GmbH kombinierte Prognose des Operativen EBITDA von EUR 61,0 Mio wurde trotz eines negativen Ergebnisses in der NCG erreicht. Erhöhte Umsätze infolge steigender Mengen wurden durch hohe Kostensteigerungen v.a. für Schrotte und Energie wieder aufgezehrt.

Die fakturierte Menge stellt einen bedeutenden nicht-finanziellen Leistungsindikator dar. Am Standort Voerde erhöhte sich die fakturierte Menge um 3,1 kt von 100,7 kt im Vorjahr auf 103,8 kt. Für den Standort Koblenz wurde ebenfalls ein Anstieg der produzierten Tonnage um 4,6 kt von 167,4 kt auf 172,0 kt erreicht. Die Erwartungen wurden übertroffen.

Zu den nicht finanziellen Leistungsindikatoren zählt ebenfalls die Verletzungsrate TRIR (Total Recordable Injury Rate), welche die Unfälle gemessen auf der branchenüblichen Basis von 200.000 Stunden darstellt.

Für das Geschäftsjahr betrug die TRIR 0,0 (i.Vj. 0,0 und Prognose 0,5).

2.5 Ertragslage

Die Novelis Casthouse Germany GmbH schließt das Geschäftsjahr 2022/2023 mit einem negativen Jahresergebnis vor Ergebnisabführung ab.

Die Gesellschaft verkauft den überwiegenden Teil der Produktionsmenge an verbundene Unternehmen und hierbei insbesondere an die Novelis Koblenz GmbH. Damit ist die Gesellschaft von der künftigen Entwicklung der Novelis Koblenz GmbH als wesentliche Abnehmerin abhängig.

Die Gesellschaft profitiert von einer allgemein erhöhten Nachfrage an beiden Standorten.

Die Umsatzerlöse haben sich gegenüber dem Vergleichszeitraum um 19,7% erhöht. Der Anstieg ist insbesondere auf eine stärkere Nachfrage der Aluminium Duffel BV zurückzuführen (+7,7 kt gegenüber Vj.).

Der Materialaufwand erhöhte sich gegenüber dem Vergleichszeitraum um EUR 52,4 Mio. (etwa 20,3%). Die Erhöhung resultiert vor allem aus den gesteigerten Verkaufsvolumina in Kombination mit erhöhten Energiekosten aufgrund der Inflation. Infolge eines geänderten Produktmix ist die Materialeinsatzquote gegenüber dem Vergleichszeitraum gestiegen.

Die Veränderung des Personalaufwands um -3,1% bzw. der Senkung auf EUR 24,9 Mio. resultiert im Wesentlichen aus geringeren Aufwendungen für Altersversorgung. Gegenläufig wirkten die Erhöhung der Mitarbeiterzahl und tarifliche Sonderzahlungen (Inflationsprämie).

Die sonstigen betrieblichen Aufwendungen abzüglich der sonstigen betrieblichen Erträge erhöhten sich aufgrund von höheren Instandhaltungskosten, einer höheren Konzernumlage sowie geringeren betrieblichen Erträgen.

Das Ergebnis nach Steuern ist gegenüber dem Vergleichszeitraum um EUR 0,6 Mio. gesunken und beläuft sich in diesem Geschäftsjahr auf EUR -3,1 Mio.

2.6 Finanzlage

Die Finanzierung des Geschäftes erfolgt neben dem Eigenkapital über Konzernmittel im Rahmen einer top-down Finanzierung.

Hierzu nimmt die Gesellschaft an einer Cash-Pool-Vereinbarung mit der Novelis AG, Küsnacht, Schweiz teil. Zum Bilanzstichtag besteht eine Forderung aus dem Cash-Pool in Höhe von TEUR 55.848 (i. Vj. TEUR 39.309).

Der Cashflow aus laufender Geschäftstätigkeit veränderte sich in 2023 auf TEUR 16.041 (i. Vj. TEUR 15.029), im Wesentlichen resultierend aus am Bilanzstichtag offenen Verbindlichkeiten aus Lieferungen und Leistungen. Der Cashflow aus Investitionstätigkeit betrug -TEUR 2.369 gegenüber -TEUR 1.270 im Vorjahr. Die Veränderung ist auf gestiegene Investitionen in Schmelzöfen und Arbeitssicherheit im Geschäftsjahr zurückzuführen. Der Cashflow aus Finanzierungstätigkeit beträgt TEUR 2.506 (i. Vj. TEUR 0). Dies resultiert aus einer Umgliederung der Ergebnisabführung an die Novelis Koblenz GmbH aus dem Cashflow aus laufender Geschäftstätigkeit in den Cashflow aus Finanzierungstätigkeit.

2.7 Vermögenslage

Die Bilanzsumme weist im Berichtsjahr eine Erhöhung um TEUR 12.835 von TEUR 113.084 auf TEUR 125.919 aus.

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Das Umlaufvermögen (Vorräte, Forderungen, liquide Mittel und übrige Aktiva) betrug TEUR 117.103 (i.Vj. TEUR 105.795). Hiervon betrugen die Vorräte TEUR 18.384 (i.Vj. TEUR 13.239) und die Forderungen und sonstigen Vermögensgegenstände TEUR 98.719 (i.Vj. TEUR 92.556).

Der starke Anstieg des Umlaufvermögens im Vergleich zum Vorjahr um TEUR 11.308 resultiert im Wesentlichen aus gestiegenen Forderungen gegen verbundene Unternehmen, aufgrund einer höheren Cash-Pool Forderung sowie höheren Forderungen aus Lieferungen und Leistungen und einem höheren Metallbestand im Vergleich zum Vorjahr (+2,5 kt).

Auf der Passivseite verringerte sich die Eigenkapitalquote durch den Anstieg der Bilanzsumme auf 35,0% (i. Vj. 39,0%). Weiterhin stiegen die Verbindlichkeiten aus Lieferungen und Leistungen aufgrund der höheren Metallpreise und der gesteigerten Geschäftsaktivitäten.

2.8 Gesamtaussage zur Vermögens-, Finanz- und Ertragslage

Das Ergebnis nach Steuern verschlechtert sich gegenüber dem Vergleichszeitraum aufgrund der unter Punkt 2.5 dargestellten Gründe um EUR -0,6 Mio. auf EUR -3,1 Mio.

3. Chancen- und Risikobericht

3.1 Risikomanagement-System

Das Management überprüft den aktuellen Stand ihres implementierten Risikomanagementsystems regelmäßig. Unter anderem wurde ein Berichtswesen implementiert, das neben der regelmäßigen Berichterstattung anhand von Kennzahlen bezüglich technischer Aspekte, Aspekte aus dem Gesundheits-, Sicherheits- und Sozialwesen, eine wöchentlich aktualisierte Zahlungsvorschau sowie monatliche Übersichten zur Ergebnis-, Investitions-, Forderungs- und Bestandsentwicklung beinhaltet.

3.2 Gegenüberstellung der Chancen und Risiken

Die von der NCG identifizierten Chancen und Risiken können zu Abweichungen von der geplanten Entwicklung des Geschäfts führen. Nachfolgend werden die wesentlichen Chancen und Risiken in absteigender Rangfolge dargestellt, d.h. höchste Chancen und Risiken werden zuerst dargestellt.

Unternehmensbezogene Chancen und Risiken

Risiken der NCG resultieren im Wesentlichen aus Beschaffungsmarktentwicklungen, Währungsveränderungen und spezifischen Kundenrisiken. Der Russland-Ukraine-Konflikt belastet die Unternehmen durch gestiegene Energiekosten und auch die Lieferungen von vor allem Gas und Öl könnten zu Engpässen führen und sind einem hohen Risiko ausgesetzt. Für die Gesellschaft besteht insgesamt das Risiko, dass keine ausreichende Gasversorgung sichergestellt werden kann und insbesondere die Metallversorgung mit gegossenen Barren dadurch beeinträchtigt wird.

Um für den Fall einer Erdgasrationierung gerüstet zu sein, wurde ein funktionsübergreifendes Kriseneinsatzteam gebildet, welches die Situation überwacht und an der Notfall- und Geschäftskontinuitätsplanung arbeitet. Das Energiebeschaffungsteam steht in engem Kontakt mit allen Werksleitern der Gesellschaft und den EMRA (Engineering, Maintenance, Reliability, Automation)-Teams, um die notwendigen Informationen zu sammeln und die Gesellschaft auf verschiedene Szenarien vorzubereiten, die es ihr ermöglichen, im Falle von Einschränkungen schnell reagieren zu können. Es gibt wahrscheinlich keine andere Branche, die so massiv von der COVID-19-Pandemie betroffen war wie die internationale Luftfahrtindustrie: Fluggesellschaften, Flughäfen und andere Marktteilnehmer erlebten einen erheblichen Rückgang der Umsätze. Das letzte Geschäftsjahr hat gezeigt, dass die Erholung der Luftfahrtbranche schneller voranschreitet als während der Pandemiezeit prognostiziert wurde. In den aktuellen Planungen geht das Unternehmen von einer weiter beschleunigten Erholung aus. Dies wird auch durch die höhere Auslieferung bei den 3 größten Flugzeugbauern belegt. Airbus hat 2022 insgesamt 663 Flugzeuge ausgeliefert (2019: 863, 2021: 611) und bei Boeing waren es 480 (2018: 806, 2021: 340).[2] Boeing hat sich bisher insgesamt schlechter erholt, da der Flugzeughersteller neben Covid weitere, interne Krisen (737 Max Grounding, 787 Dreamliner) zu bewältigen hat. Embraer als drittgrößter Flugzeugbauer hat 2022 insgesamt 159 Flugzeuge ausgeliefert, was einem Anstieg von 12.7% und einer Rückkehr zur Normalität entspricht.[3] Die Marktnachfrage übersteigt auch weiterhin die verfügbaren Kapazitäten, was für FY2023 Preissteigerungen von durchschnittlich 16% gegenüber dem FY2022 ermöglichte. Eine Kombination aus Erhöhungen der Umarbeitspreise sowie die bereits erwähnte Portfolio-Optimierung dienen als Basis für die Umsetzung in Bezug auf die Mengen. Für das kommende FY24 ist aufgrund der verfügbaren Kapazitäten eine limitierte Absatzmenge geplant, die eine Fortsetzung der Portfolio-Optimierung und somit einen weiterhin positiven Einfluss auf den Preis ermöglicht.

Im Bereich der Kommerziellen Platte war das am 31. März 2023 beendete Geschäftsjahr von starken Fluktuationen geprägt. Während die erste Jahreshälfte von 2022 ein klarer Verkäufermarkt war, wo sehr hohe Preise erzielt wurden, hat sich der Markt aufgrund der starken Inflation und wegen Rezessionsängsten ab der zweiten Jahreshälfte gedreht. Der Effekt wird insgesamt dadurch verstärkt, dass die Läger vieler Kunden gut gefüllt sind und nur sehr gezielt eingekauft wird. Natürlich hat sich dies auch negativ auf die Preise ausgewirkt. Die Auslastung am Standort Koblenz/Voerde ist insgesamt aber sehr gut, insbesondere aufgrund der Nachfrage im Bereich Luftfahrt, wo die Nachfrage unsere Produktionskapazität übersteigt. Weil nicht alle Produkte über dieselben Anlagen gehen, kann die aktuell geringe Nachfrage im Bereich der Kommerziellen Platte aber nur teils durch Luftfahrt-Produkte ersetzt werden.

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[2] https://dsm.forecastinternational.com/wordpress/2023/01/16/airbus-and-boeing-report-december-and-full-year-2022-commercial-aircraft-orders-and-deliveries/#:~:text=For%20the%20full%20year%2C%20Boeing,fourth%20year%20in%20a%20row.

[3] https://simpleflying.com/embraer-2022-aircraft-deliveries/

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Novelis Casthouse Germany GmbH, Koblenz

Das Geschäft mit Automobilkunden und den damit verbundenen Wärmetauschern befindet sich seit mehreren Monaten in einer Schwächephase. Die vorhandenen Kapazitäten sind besser ausgelastet als während der Coronapandemie, doch belasteten immer noch die fehlenden Halbleiter und Kabelbäume die Nachfrage nach Wärmetauschern. Um die Bedarfslücke zu schließen und um das Portfolio besser zu diversifizieren, hat das Werk im letzten Geschäftsjahr an der Qualifikation und dem Insourcing von neuen Spezialprodukten gearbeitet und diese am Standort etabliert.

Durch seine Geschäftstätigkeit ist das Unternehmen verschiedenen finanziellen Chancen und Risiken ausgesetzt. So könnten rasch steigende Kosten für Energie sowie für den Zukauf von Legierungselementen das Geschäftsergebnis negativ beeinflussen. In Anbetracht der weltwirtschaftlich konjunkturellen Entwicklung sieht sich die Gesellschaft zusätzlich mit gestiegenen Herausforderungen bezüglich der Wechselkursrisiken hinsichtlich der Prognosefähigkeit konfrontiert, wobei sich aus einem starken USD/EUR-Wechselkurs Chancen ergeben. Ein schwacher USD/EUR-Wechselkurs sowie hohe Einkaufspreise für Rohaluminium außerhalb von kursgesicherten Langfristverträgen können mittelfristig zu Wettbewerbsnachteilen führen. Umgekehrt profitiert das Unternehmen von einem starken USD bei in USD fakturierten Verkäufen. Die vom USD in EUR umgerechneten Verkaufspreis steigen im Wert.

Unter der Prämisse, dass die bisher zu nutzenden Zahlungskonditionen weitgehend konstant gehalten werden können, ist zum Zeitpunkt der Erstellung des Lageberichts von positiven Zahlungsmittelüberschüssen im kommenden Geschäftsjahr auszugehen. Es ist beabsichtigt, dass sich die Gesellschaft weiterhin des Cash-Pools zur Erfüllung ihrer Zahlungsverpflichtungen bedienen kann. Auch künftig wird davon ausgegangen, dass der Cash-Pool dazu in der Lage sein wird, ggf. für kurze Zeiträume auftretende Liquiditätslücken abdecken zu können.

Gesamtrisiko

Die Gesamtrisikosituation der NCG setzt sich aus den Einzelrisiken aller beschriebenen Risikokategorien zusammen. Vor dem Hintergrund, dass weiterhin gesamtwirtschaftliche und branchenbedingte Risiken bestehen, können Rückschläge auf dem Weg zur nachhaltigen Realisierung des angestrebten Wachstumsziels nicht völlig ausgeschlossen werden. Entsprechend können sich auch die oben beschriebenen Chancen positiv auswirken. Aufgrund der ungewissen Entwicklung des Russland-Ukraine-Konfliktes sowie einem möglichen China-Taiwan-Konflikt muss trotz einer positiven Entwicklung von einem weiterhin hohen Risiko ausgegangen werden.

4. Prognosebericht

4.1 Künftige gesamtwirtschaftliche Situation

Für 2023 wird ein Wirtschaftswachstum von 2,8% für die Weltwirtschaft erwartet, wobei für den Euroraum nur eine Steigerung von 0,5% (Deutschland 0,0%) und für die USA 1,7% erwartet wird. In China hingegen wird ein deutlich höheres Wirtschaftswachstum von 6,0% erwartet.[4]

4.2 Künftige Unternehmenssituation

Für das am 1. April 2023 begonnene Geschäftsjahr sehen wir für unsere Produkte weiterhin ein positives Marktumfeld, das auch von unseren Kunden in der Luftfahrt geteilt wird. Airbus hatte Ende 2022 offene Bestellungen für insgesamt 7239 Flugzeuge, was einer Produktionskapazität von etwa zehn Jahren entspricht. Bei Boeing Stand das Auftragsbuch per 31. März 2023 auf 5356 Flugzeugen. Insbesondere Airbus hat ambitionierte Pläne und möchte von der A320 Familie, der wichtigsten für das Unternehmen, im Jahr 2025 monatlich insgesamt 75 Flugzeuge bauen. Dies würde einem Anstieg von +25% gegenüber Pre-Covid entsprechen.[5]

Gleichwohl zeigen die jüngsten geopolitischen Ereignisse, dass der Konflikt zwischen Russland und der Ukraine sowie – damit verknüpft – die Entwicklung der gesamtwirtschaftlichen Lage mit hohen Unsicherheiten behaftet bleiben. Aufgrund dessen rechnen wir für das Geschäftsjahr vom 01. April bis 31. März 2024 bei der Novelis Casthouse Germany GmbH mit

- einer leichten Erhöhung der fakturierten Menge
- einer ungünstigeren Kostenstruktur durch die anhaltend hohe Inflation
- einer verbesserten Produktionsauslastung durch eine Erholung in allen Bereichen und Synergien mit anderen Novelis-Standorten
- einer Operating EBITDA Verbesserung für das kombinierte Geschäft der Novelis Casthouse GmbH und der der Novelis Koblenz GmbH im Bereich von 10-30%
- einen prognostizierten TRIR von 0,5.

Wir weisen darauf hin, dass Kriterien des Jahresabschlusses sowie nicht quantifizierbare Risiken, unter anderem Rohstoffkosten und Wechselkursveränderungen, das Resultat erheblich beeinflussen können.

Das Unternehmen glaubt, aus der langfristigen positiven Entwicklung der weltweiten Aluminiumnachfrage Vorteile ziehen zu können. Es wird erwartet, dass Aluminium vermehrt in

[4] Deutsche Bank AG, Perspektiven: Der Jahresausblick 2023
[5] https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22; Airbus Aims For 50% Increase In A320 Production By 2025 (simpleflying.com)

Autos aufgrund des Vorteils der Gewichtsreduzierung verwendet wird. Dies könnte, insbesondere in Europa, zu einer höheren Nachfrage nach Novelis-Produkten im Vergleich zu der erwarteten KFZ-Bauratenerhöhung führen. Des Weiteren sieht das Unternehmen Wachstumspotentiale in dem hoch rentablen Produktbereich „Defense“. Hier geht das Unternehmen von einem Mengenwachstum von 73% aus.

Die Nachfrage nach Luftfahrtprodukten aus dem Werk Koblenz hängt typischerweise von dem Auftragsüberhang und der Baurate in der Flugzeugindustrie ab. Der kombinierte Auftragsüberhang bei Luftfahrtprodukten ist um +11% von 11.300 Flugzeugen Anfang 2022 auf 12.595 Anfang 2023 gestiegen, wodurch die Kapazität der großen Flugzeugbauer weiterhin über mehrere Jahre vollausgelastet bleibt.[6] Wir erwarten, dass die Nachfrage in der Zukunft weiter ansteigen wird. Die Gesellschaft hat sich entsprechend positioniert, um von der gestiegenen Nachfrage zu profitieren. Für das laufende Geschäftsjahr FY24 wird eine steigende Nachfrage an Luftfahrtprodukten von 5% erwartet.

Die Investitionstätigkeit wird im Geschäftsjahr 2023/2024 auf dem Niveau des Vorjahres liegen. Schwerpunkte werden Investitionen in die Arbeitssicherheit und Produktivität unserer Gießereien sein. Auch Investitionen in die Zuverlässigkeit der Produktionsanlagen bleiben ein Schwerpunktthema.

Grundvoraussetzungen für dieses Szenario sind, dass die Produktionsplanungen und -ausbringungen innerhalb der Gruppe optimal abgestimmt sind und dass die Liquidität der Konzerngruppe aufrechterhalten wird.

Um die Qualität der Sicherheit in unseren Werken zu messen, berichten wir regelmäßig die Kennzahlen „Total Recordable Incident Rate“ (TRI Rate)“ – meldepflichtige Unfälle - und auch „Days Away From Work Rate“ (DAFW Rate)“ – Fehlzeiten aufgrund eines Arbeitsunfalls.

“Null Unfälle“ gilt weiterhin als oberste Zielvorgabe in Sachen Arbeitssicherheit für alle Novelis-Werke weltweit. Für das Geschäftsjahr 2023/2024 wird der Schwerpunkt weiterhin auf die Vermeidung von schweren Unfällen (SIF = Severe Injuries & Fatalities) und Unfälle mit Ausfallzeiten (DAFW = Day Away From Work) gelegt, um die geplante Null zu erreichen.

Um weiterhin erfolgreich zu bleiben, arbeiten wir weiter mit unseren Focused 5-Leitlinien, die wir angepasst haben, um unsere weltweite Strategie zu unterstützen. Die 5 Themen – Sicherheit, Kundenorientierung, ökologischer Fußabdruck, exzellente Fertigung und Menschen – sind die entscheidenden Hebel, um unser Ergebnis und den Geschäftszweck zu verbessern und weiterzuentwickeln.

[6] https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22

Novelis Casthouse Germany GmbH
Geschäftsführung

Koblenz, 2. Mai 2023

gez. Folker Ohle	gez. Anja Lambrecht
(Geschäftsführer)	(Geschäftsführerin)

Jahresabschluss für das Geschäftsjahr vom 1. April 2022 bis 31. März 2023

Novelis Casthouse Germany GmbH, Koblenz
Bilanz zum 31. März 2023

Aktiva		31.03.2023 EUR	31.03.2022 EUR
A.	**Anlagevermögen**		
I.	**Immaterielle Vermögensgegenstände**		
	Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	72.513	153.280
		72.513	153.280
II.	**Sachanlagen**		
1.	Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	1.915.219	1.978.785
2.	Technische Anlagen und Maschinen	3.292.542	3.673.140
3.	Andere Anlagen, Betriebs- und Geschäftsausstattung	1.271.392	1.385.039
4.	Geleistete Anzahlungen und Anlagen im Bau	2.160.499	41.837
		8.639.652	7.078.801
		8.712.165	7.232.081
B.	**Umlaufvermögen**		
I.	**Vorräte**		
1.	Roh-, Hilfs- und Betriebsstoffe	7.250.071	4.817.925
2.	Unfertige Erzeugnisse	127.111	20.710
3.	Fertige Erzeugnisse	11.006.532	8.400.367
		18.383.714	13.239.002
II.	**Forderungen und sonstige Vermögensgegenstände**		
1.	Forderungen aus Lieferungen und Leistungen	8.089.762	20.009.346
2.	Forderungen gegen verbundene Unternehmen davon gegen Gesellschafter TEUR 29.455 (Vj. TEUR 30.024)	85.662.755	69.708.569
3.	Sonstige Vermögensgegenstände	4.966.815	2.837.779
		98.719.332	92.555.695
III.	**Kassenbestand und Guthaben bei Kreditinstituten**	782	541
		117.103.828	105.795.237
C.	**Rechnungsabgrenzungsposten**	103.170	56.648
		125.919.163	113.083.965

Passiva	31.03.2023 EUR	31.03.2022 EUR
A. Eigenkapital		
I. Gezeichnetes Kapital	52.000	52.000
II. Kapitalrücklage	44.059.516	44.059.516
III. Gewinnvortrag	1.325	1.325
	44.112.841	44.112.841
B. Rückstellungen		
1. Rückstellungen für Pensionen und ähnliche Verpflichtungen	11.465.324	10.916.767
2. Sonstige Rückstellungen	14.200.455	11.857.170
	25.665.779	22.773.937
C. Verbindlichkeiten		
1. Verbindlichkeiten aus Lieferungen und Leistungen	55.331.736	43.915.714
2. Verbindlichkeiten gegenüber verbundenen Unternehmen	301.645	1.123.308
3. Sonstige Verbindlichkeiten davon aus Steuern EUR 150.583 (Vj. TEUR 412) davon im Rahmen der sozialen Sicherheit EUR 7.171 (Vj. TEUR 37)	501.829	1.158.166
	56.135.210	46.197.187
D. Rechnungsabgrenzungsposten	5.333	0
	125.919.163	113.083.965

Novelis Casthouse Germany GmbH, Koblenz
Gewinn- und Verlustrechnung vom 01.04.2022 bis 31.03.2023

		01.04.2022- 31.03.2023 EUR	01.04.2021- 31.03.2022 EUR
1.	Umsatzerlöse	360.116.320	300.972.095
2.	Erhöhung des Bestands an fertigen und unfertigen Erzeugnissen	2.749.093	3.583.169
3.	Sonstige betriebliche Erträge davon Erträge aus der Währungsumrechnung EUR 25.864 (Vj. TEUR 43)	249.636	507.146
		363.115.049	305.062.411
4.	Materialaufwand		
	a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe	284.245.627	244.913.245
	b) Aufwendungen für bezogene Leistungen	26.035.390	13.005.215
5.	Personalaufwand		
	a) Löhne und Gehälter	20.004.295	19.340.522
	b) Soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung davon für Altersversorgung EUR 974.305 (Vj. TEUR 2.885)	4.939.599	6.400.639
6.	Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen	887.155	866.024
7.	Sonstige betriebliche Aufwendungen davon Aufwendungen aus der Währungsumrechnung EUR 18.388 (Vj. EUR 154)	29.987.992	23.775.531
		366.100.058	308.301.176
8.	Sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 249.199 (Vj. TEUR 106)	231.684	837.848
9.	Zinsen und ähnliche Aufwendungen davon an verbundene Unternehmen EUR 373 (Vj. EUR 63) davon Aufwendungen aus der Abzinsung EUR 253.518 (Vj. TEUR 32)	253.891	46.288
10.	Ergebnis nach Steuern	-3.007.216	-2.447.205
11.	Sonstige Steuern	67.588	58.840
12.	Erträge aus Verlustübernahme	-3.074.804	-2.506.045
13.	Jahresüberschuss	0	0

Anhang zum Geschäftsjahr 01.04.2022 – 31.03.2023 der Novelis Casthouse Germany GmbH, Koblenz

Allgemeine Hinweise

Der vorliegende Jahresabschluss der Novelis Casthouse Germany GmbH, Koblenz, (im Folgenden „NCG“ oder „Gesellschaft“) ist nach den Vorschriften des deutschen Handelsgesetzbuches und den ergänzenden Vorschriften des GmbH-Gesetzes aufgestellt worden. Es gelten die Vorschriften für große Kapitalgesellschaften.

Die Gesellschaft firmiert unter dem Namen Novelis Casthouse Germany GmbH mit Sitz in Koblenz und ist im Handelsregister des Amtsgerichts Koblenz unter der Nummer HRB 1064 eingetragen.

Die Gesellschaft wurde mit Änderung des Gesellschaftsvertrags vom 23. August 2021 umfirmiert von Aleris Casthouse Germany GmbH, Koblenz, auf Novelis Casthouse Germany GmbH, Koblenz.

Die Gewinn- und Verlustrechnung ist nach dem Gesamtkostenverfahren aufgestellt.

Die Restlaufzeiten der Forderungen und Verbindlichkeiten sind aus Gründen der Übersichtlichkeit im Anhang angegeben. Aus dem gleichen Grund wurden die Angaben zur Mitzugehörigkeit zu anderen Posten und davon-Vermerke teilweise ebenfalls an dieser Stelle gemacht.

Die in der Gewinn- und Verlustrechnung ausgewiesenen davon-Vermerke zur Währungsumrechnung enthalten sowohl realisierte als auch nicht realisierte Währungskursdifferenzen.

Bilanzierungs- und Bewertungsgrundsätze sowie Erläuterungen zu Bilanzpositionen

Für die Aufstellung des Jahresabschlusses sind die nachfolgenden Bilanzierungs- und Bewertungsmethoden maßgebend. Sofern nicht explizit erwähnt, werden die Bilanzierungs- und Bewertungsmethoden unverändert zum Vorjahr angewendet.

Eine von den gesamten Anschaffungskosten ausgehende Darstellung der Entwicklung der einzelnen Posten des Anlagevermögens enthält den Anlagespiegel (Anlage zum Anhang).

Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten sind zu Anschaffungskosten bilanziert und werden, sofern sie der Abnutzung unterliegen, entsprechend ihrer Nutzungsdauer von 3 - 5 Jahren linear um pro rata -Abschreibungen vermindert. Soweit notwendig erfolgen außerplanmäßige Abschreibungen.

Geschäfts- oder Firmenwerte sind voll abgeschrieben.

Das **Sachanlagevermögen** ist zu Anschaffungskosten angesetzt und wird, soweit abnutzbar, um planmäßige Abschreibungen vermindert. Fremdkapitalzinsen werden grundsätzlich nicht aktiviert. Soweit notwendig erfolgen außerplanmäßige Abschreibungen.

Gebäude werden planmäßig in 3 - 50 Jahren, technische Anlagen und Maschinen in 3 - 21 Jahren, Betriebs- und Geschäftsausstattung in 1 - 20 Jahren nach der linearen Methode pro rata abgeschrieben.

Geringwertige Anlagegüter mit einem Einzelanschaffungspreis von EUR 250 bis zu EUR 1.000 werden über 5 Jahre abgeschrieben. Geringwertige Anlagengüter mit einem Einzelbeschaffungspreis von bis EUR 250 werden im Zugangsjahr als Aufwand erfasst.

Die Bewertung der **Vorräte** erfolgt zu Anschaffungs- und Herstellungskosten bzw. zu den niedrigeren Tageswerten. Die Herstellungskosten umfassen die Einzelkosten für Fertigungslöhne und Fertigungsmaterial sowie Sonderkosten der Fertigung und angemessene Teile der Materialgemeinkosten, der Fertigungsgemeinkosten und der Abschreibungen, soweit diese durch die Fertigung veranlasst sind. Kosten der allgemeinen Verwaltung werden gemäß § 255 Abs. 2 Satz 3 HGB nicht aktiviert.

Rohstoffe, Walzbarren, halbfertige und fertige Produkte werden nach der gewogenen Durchschnittsmethode bewertet. Durch die Anwendung des Bewertungsvereinfachungsverfahrens ergibt sich im Vergleich zu einer Bewertung auf der Grundlage des letzten vor dem Abschlussstichtag bekannten Börsenkurses oder Marktpreises aufgrund des gestiegenen Metallpreises eine Bewertungsreserve zum 31. März 2023 in Höhe von insgesamt TEUR 683 (i. Vj. TEUR 4.100). Die Bestände an Hilfs- und Betriebsstoffen sowie Magazinmaterialien werden nach der gleitenden Durchschnittsmethode bewertet. Das Niederstwertprinzip findet Anwendung. Alle erkennbaren Risiken im Vorratsvermögen, die sich aus überdurchschnittlicher Lagerdauer, geminderter Verwertbarkeit und niedrigeren Wiederbeschaffungskosten ergeben, sind durch angemessene Abwertungen berücksichtigt. Für Verluste aus Liefer- und Abnahmeverpflichtungen sind in angemessener Höhe Rückstellungen gebildet.

Forderungen und sonstige Vermögensgegenstände sowie flüssige Mittel (Kassenbestand und Guthaben bei Kreditinstituten) sind zu Nennwerten angesetzt. Allen risikobehafteten Posten ist durch die Bildung angemessener Einzelwertberichtigungen Rechnung getragen. Auf fremde Währung lautende Vermögensgegenstände wurden mit dem Devisenkassamittelkurs zum Abschlussstichtag umgerechnet. Sämtliche im Umlaufvermögen ausgewiesenen Forderungen und sonstigen Vermögensgegenstände sind unverändert zum Vorjahr innerhalb eines Jahres fällig.

Die **Forderungen gegen verbundene Unternehmen** betragen TEUR 85.663 (i. Vj. TEUR 69.709). Die Forderungen aus dem Cash-Pool-Vertrag betragen TEUR 55.848 (i. Vj. TEUR 39.309). Aus der Verlustübernahme bestehen **Forderungen gegen Gesellschafter** in Höhe von TEUR 3.075 (i. Vj. TEUR 2.506). Die übrigen Forderungen betreffen den Liefer- und Leistungsverkehr (davon gegen Gesellschafter TEUR 29.455 (i. Vj. TEUR 27.518).

Als **Rechnungsabgrenzungsposten** werden auf der Aktivseite Ausgaben vor dem Bilanzstichtag angesetzt, sofern sie Aufwand für eine bestimmte Zeit nach diesem Tag darstellen.

Das **Stammkapital** der Gesellschaft beträgt TEUR 52 (i. Vj. TEUR 52) und ist voll eingezahlt. Gesellschafterin ist die Novelis Koblenz GmbH, Koblenz. Die Kapitalrücklage beträgt TEUR 44.060 (i. Vj. TEUR 44.060).

Die Bewertung der **Rückstellungen für Pensionen und ähnliche Verpflichtungen** erfolgt nach versicherungsmathematischen Grundsätzen unter Zugrundelegung der Richttafeln 2018 G (RT 2018 G) von Prof. Dr. Klaus Heubeck. In Ausübung des Wahlrechts gemäß § 253 Abs. 2 Satz 2 HGB wurde für die Abzinsung pauschal der durchschnittliche Marktzinssatz bei einer angenommenen Restlaufzeit von 15 Jahren von 1,79 % p.a. (i. Vj. 1,81 % p.a.) gemäß der Rückstellungsabzinsungsverordnung vom 18. November 2009 verwendet. Bei diesem Zinssatz handelt sich aufgrund der Neuregelung durch das Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften um den für den Bilanzstichtag prognostizierten durchschnittlichen Marktzinssatz der vergangenen zehn Geschäftsjahre, der sich bei einer angenommenen Restlaufzeit von 15 Jahren ergibt. Unter Anwendung des für den Bilanzstichtag prognostizierten durchschnittlichen Marktzinssatzes der vergangenen sieben Geschäftsjahre von 1,50 % p.a. würde sich ein Erfüllungsbetrag vor Vermögensverrechnung von TEUR 13.569 ergeben. Der Unterschiedsbetrag im Sinne des § 253 Abs. 6 Satz 1 HGB beträgt zum Stichtag TEUR 829.

Die Bewertung des Verpflichtungsumfangs wird im Rahmen des § 253 Abs. 2 HGB auf Basis der, folgenden Bewertungsgrundsätze und Rechnungsgrundlagen durchgeführt; Fluktuation wird unverändert im branchenüblichen Maße berücksichtigt:

- Bewertungsverfahren: Projected Unit Credit (PUC) i.S.v. IAS 19
- Biometrie: Richttafel 2018 G
- Trend Renten: 1,00 % - 2,00 % (i. Vj. 1,00 % - 1,75 %)
- BBG-Dynamik: 2,75%

Trend Entgelte: Gemäß Tarifvertrag Metall wurden die Gehälter um die feststehende Gehaltserhöhung angepasst. Diese beträgt ab 01.06.2023: 5,2% und ab 01.05.2024 3,3%. Ab 2025 wird mit der Gehaltsdynamik von – wie im Vorjahr - 2,75% fortgefahren.

Die Rückstellungen für Pensionen und ähnliche Verpflichtungen in Höhe von TEUR 11.465 (i. Vj. TEUR 10.917) enthalten Rückstellungen der Zusatzverordnung von TEUR 11.291 (i. Vj. TEUR 10.760) sowie Rückstellungen gegen den Essener Verband von TEUR 167 (i. Vj. TEUR 157) und ab 2023 auch für Bolo durch die Neueinführung der IDW RH FAB 1.021 Richtline TEUR 213 (i. Vj. TEUR 0).

Die ausschließlich der Erfüllung der Altersversorgungsverpflichtungen dienenden, dem Zugriff aller übrigen Gläubiger entzogenen Vermögensgegenstände (Deckungsvermögen i. S. d. § 246 Abs. 2 Satz 2 HGB) wurden mit ihrem beizulegenden Zeitwert vollständig mit den Rückstellungen verrechnet (TEUR 1.275, i. Vj.

TEUR 926). Bei den Vermögensgegenständen des Deckungsvermögens handelt es sich um einen Rückdeckungsversicherungsanspruch.

Das Deckungsvermögen beträgt zum 31. März 2023 im Total TEUR 1.275 (Vj. TEUR 926) und setzt sich zusammen aus ZVOII TEUR 1.069 (Vj. TEUR 926) und erstmalig BOLO in Höhe von TEUR 206 (Vj. Null).

Die Aufwendungen und Erträge des Jahres betragen für die ZVO II 2007 TEUR 144, darin enthalten sind Zinsaufwendungen und Zinserträge iHv TEUR 5. Für Bolo betragen die Aufwendungen TEUR 10 darin enthalten sind Zinsaufwendungen iHv TEUR 3. Die Erträge für die Bolo betragen TEUR 3.

Die **sonstigen Rückstellungen** berücksichtigen alle ungewissen Verbindlichkeiten und drohende Verluste aus schwebenden Geschäften und sind in Höhe des nach vernünftiger kaufmännischer Beurteilung notwendigen Erfüllungsbetrages gebildet. Bei Bildung der sonstigen Rückstellungen ist den erkennbaren Risiken angemessen Rechnung getragen. Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr wurden abgezinst.

Die sonstigen Rückstellungen in Höhe von TEUR 14.200 (i. Vj. TEUR 11.857) umfassen im Wesentlichen solche für ausstehende Rechnungen, die Herstellung betreffend (TEUR 10.120; i. Vj. TEUR 8.695), Altersteilzeit (TEUR 1.173, i. Vj. TEUR 844), Personalverpflichtungen (TEUR 1.168; i. Vj. TEUR 741), Urlaubsverpflichtungen (TEUR 853, i. Vj. TEUR 644) und übrige Jubiläen (TEUR 533; i. Vj. TEUR 583).

Die **Rückstellungen für Jubiläumsgelder und Altersteilzeit** wurden in Höhe des versicherungsmathematisch berechneten Rückstellungsbedarfs dotiert. Die Bewertung erfolgte mit dem Barwert unter Ansatz des durch die Deutsche Bundesbank ermittelten Zinssatzes sowie unter Berücksichtigung der Richttafeln 2018 G von Prof. Dr. Klaus Heubeck. Gemäß § 253 Abs. 2 Satz 1 wurden die Rückstellungen für Jubiläumsgelder und Altersteilzeit mit den durchschnittlichen Marktzinssätzen der letzten sieben Jahre abgezinst, die sich bei den entsprechenden Laufzeiten ergeben. Die Rückstellungen für Jubiläumsgelder wurden bei einer Restlaufzeit von pauschal 15 Jahren (i. Vj. pauschal 15 Jahren) mit einem Zinssatz von 1,50 % (i. Vj. 1,35 % p.a.) und die Rückstellung für Altersteilzeit bei einer Restlaufzeit von zwei Jahren mit einem Zinssatz von 0,64 % (i. Vj. 0,33 % p.a.) abgezinst.

Die **Verbindlichkeiten** sind zu ihrem Erfüllungsbetrag bewertet. Verbindlichkeiten in Fremdwährung sind mit dem jeweiligen Devisenkassamittelkurs zum Abschlussstichtag umgerechnet. Sämtliche Verbindlichkeiten sind wie im Vorjahr innerhalb eines Jahres fällig. Die Verbindlichkeiten sind generell nicht besichert.

Die **Verbindlichkeiten gegenüber verbundenen Unternehmen** betragen TEUR 302 (i. Vj. TEUR 1.123) und betreffen Verbindlichkeiten aus dem Liefer- und Leistungsverkehr.

Als **Rechnungsabgrenzungsposten** werden auf der Passivseite Einnahmen vor dem Bilanzstichtag angesetzt, sofern sie Ertrag für eine bestimmte Zeit nach diesem Tag darstellen.

Erläuterungen zur Gewinn- und Verlustrechnung

Die Umsatzerlöse des Geschäftsjahres betragen TEUR 360.116. Diese verteilen sich wie folgt:

	01.04.2022- 31.03.2023 TEUR	01.04.2021- 31.03.2022 TEUR
Inland	227.977	205.774
Übriges Europa	132.139	95.198
Gesamt	**360.116**	**300.972**

Die Umsatzerlöse des Geschäftsjahres verteilen sich auf die folgenden Tätigkeitsbereiche:

	01.04.2022- 31.03.2023 TEUR	01.04.2021- 31.03.2022 TEUR
Walzbarren	290.954	250.178
Umarbeitung	52.539	36.108
Masseln	3.287	2.479
Sonstige	13.336	12.207
Gesamt	**360.116**	**300.972**

Unter den sonstigen Umsatzerlösen sind im Wesentlichen Erlöse aus Weiterbelastungen an verbundene Unternehmen enthalten.

Die **sonstigen betrieblichen Erträge** betragen TEUR 250 (i. Vj. TEUR 507). Sie beinhalten vorwiegend Fremdwährungserträge (TEUR 26; i. Vj. TEUR 43).

Die **sonstigen betrieblichen Aufwendungen** in Höhe von TEUR 29.988 (i. Vj. TEUR 23.776) betreffen im Wesentlichen konzerninterne Weiterbelastungen in Höhe von TEUR 19.919 (i. Vj. TEUR 18.594). Des Weiteren sind periodenfremde Aufwendungen in Höhe von TEUR 3.867 aus der Korrektur des Mark-Ups für Vorjahre enthalten.

Haftungsverhältnisse

Die Novelis Gruppe hat sich im Geschäftsjahr teilweise refinanziert. Die Finanzierung erfolgt gegen Sicherungsübereignung. Die Gesellschaft als Sicherungsgeberin hat an die Sicherungsnehmer sämtliche beweglichen Sachen, die im Eigentum der NCG stehen, zur Sicherheit übereignet.

Zunächst wurden im März 2021 neue Term Loans in Höhe von USD 500 Mio. ausgegeben, um einen Teil der Term Loan Facility über USD 1,8 Mrd. zu tilgen. Ein weiterer Teil davon wurde durch die Emission einer grünen Anleihe (Green Bonds) von EUR 500 Mio. (entspricht 588 Mio. US$ im März 2021) im März 2021 getilgt.

Novelis leistete mehrere freiwillige Rückzahlungen der USD 1,8 Mrd. Term Loans im Januar 2021 und refinanzierte im Januar 2022 den verbleibenden Restbetrag von USD 314,5 Mio durch ein unbesichertes Darlehen. Novelis zahlte den gesamten ausstehenden Betrag innerhalb des Geschäftsjahres 2023 und vor dem Auslaufen im November 2022 zurück.

Term Loans in Höhe von USD 775 Mio. wurden im April 2020 aufgenommen, um einen Teil der Gegenleistung für die Übernahme von Aleris zu finanzieren. Nach Teilablösung verbleiben USD 752 Mio am Ende des Geschäftsjahres 2023.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2023 insgesamt USD 1,2 Mrd.

Mit den USD 1.500 Mio. (ausgegeben im August 2021) und den USD 1.600 Mio. (ausgegeben im Januar 2020) sowie der Green Bonds in Höhe von EUR 500 Mio. (entspricht USD 543 Mio. per März 2023) wurden bis zum Ende des Geschäftsjahres 2023 insgesamt USD 3,6 Mrd. an Unternehmensanleihen ausgegeben.

Im August 2022 änderte Novelis die ABL-Revolver-Fazilität, um unter anderem die Verpflichtung unter dem ABL-Revolver um USD 500 Mio. auf USD 2,0 Mrd. zu erhöhen und die Laufzeit des ABL-Revolvers bis zum 18. August 2027 zu verlängern.

Aus dieser Refinanzierung ergeben sich hinsichtlich der Haftungsverhältnisse der Gesellschaft keine Änderungen.

Der Ergebnisabführungsvertrag zwischen der NCG und der Novelis Koblenz GmbH, Koblenz, ist aufrecht zu erhalten.

Die Gesellschaft hat sämtliche Forderungen an die Sicherungsnehmer zur Sicherheit abgetreten (Globalzession).

Die Forderungen dürfen nicht zu Gunsten Dritter belastet werden. Etwaige Pfändungen sind unverzüglich den Sicherungsnehmern anzuzeigen.

Die Gesellschaft hat als Sicherungsgeberin sämtliche Bankkonten der Gesellschaft bei inländischen Banken an die Sicherungsnehmer verpfändet.

Die Gesellschaft hat sich verpflichtet, die in ihrem Eigentum stehenden Grundstücke und grundstücksgleichen Rechte zugunsten Dritter nicht zu belasten. Grundschulden sind zugunsten der Sicherungsnehmer nicht bestellt worden.

Die Gesellschaft hat als Sicherungsgeberin den Sicherungsnehmern sämtliche gewerbliche Schutzrechte, die im Eigentum der NCG stehen, abgetreten.

Im Rahmen des ordentlichen Geschäftsganges besteht zu Gunsten der Sicherungsgeberin eine weitgehende Verwendungsermächtigung.

Aus den genannten Haftungsverhältnissen besteht für die Gesellschaft das Risiko einer möglichen Inanspruchnahme. Allerdings wurden bis zum Zeitpunkt der Jahresabschlusserstellung keine Sicherheiten in Anspruch genommen und das Management erwartet dies auch in Folgejahren nicht, da die Gesellschaft, die die Finanzierung aufgenommen hat, aufgrund der erwarteten Liquiditätslage mit großer Wahrscheinlichkeit ausreichende Mittel zu einer fristgemäßen Vertragserfüllung haben wird.

Sonstige finanzielle Verpflichtungen/ außerbilanzielle Geschäfte

	Beträge in TEUR
Mieten- und Leasingraten p.a.	999
Verpflichtungen aus Metalleinkaufs- und –verkaufskontrakten (saldiert)	178.285
Gesamtbetrag der sonstigen finanziellen Verpflichtungen:	**179.284**

Die Miet- und Leasingverträge enden zwischen sieben und 19 Monaten.

Verpflichtungen aus Miet- und Pachtverträgen bestehen ausschließlich gegenüber der Gesellschafterin Novelis Koblenz GmbH, Koblenz. Die Miet- und Pachtverträge sind auf unbestimmte Zeit abgeschlossen. Sie verlängern sich jeweils um ein Jahr, falls sie nicht mit einer Frist von 12 Monaten zum 1.1. schriftlich gekündigt werden. Der Vorteil dieser Verträge liegt in der geringeren Kapitalbindung im Vergleich zum Erwerb und im Wegfall des Verwertungsrisikos. Risiken könnten sich aus der Vertragslaufzeit ergeben, sofern die Objekte nicht mehr vollständig genutzt werden könnten, wozu es derzeit keine Anzeichen gibt.

Die Emissionsberechtigungen für die Zuteilungsperiode 2013-2022 nach dem Treibhausgas-Emissionshandelsgesetz (TEHG) und der Zuteilungsverordnung 2020 (ZuV 2020) aus vorangegangenen Geschäftsjahren, stehen zum Stichtag 31.03.2023 mit 69.793 Emissionsberechtigungen zur Verfügung. Diese werden anteilig für den Ausgleich der EU ETS geprüften Emissionen zum 30.04.2023 für das Kalenderjahr 2022 verwendet. Die verbleibenden Emissionsberechtigungen werden in die 4. Handelsperiode überführt und zum Ausgleich der EU ETS (European Trade System) Emissionen des Kalenderjahres 2023 eingesetzt.
Die am Bilanzstichtag nicht verwendeten unentgeltlich zugeteilten Emissionsberechtigungen werden nicht bilanziert, sondern erst bei künftiger Verwendung in der Gewinn- und Verlustrechnung berücksichtigt.

Geschäfte mit nahestehenden Unternehmen und Personen
Im Rahmen der normalen Geschäftstätigkeit unterhält die Gesellschaft Geschäftsbeziehungen zu zahlreichen Unternehmen. Dazu gehören auch verbundene Unternehmen.
Da es sich hierbei um mittel- oder unmittelbar in 100-prozentigem Anteilsbesitz stehende in den Konzernabschluss der Novelis Inc., Mississauga, Kanada, einbezogenen Unternehmen handelt, entfällt gemäß § 285 Nr. 21 HGB eine weitere Angabe.

Angaben zur Anzahl der Beschäftigten

Die durchschnittliche Zahl der beschäftigten Arbeitnehmer (ohne Auszubildende und Geschäftsführer) betrug während der Geschäftsjahre:

	01.04.2022 – 31.03.2023	01.04.2021 – 31.03.2022
Gewerbliche Mitarbeiter		
- davon am Standort Koblenz	188	178
- davon am Standort Voerde	109	111
Angestellte		
- davon am Standort Koblenz	12	14
- davon am Standort Voerde	12	13
Gesamt	**321**	**316**

Geschäftsführung und Vertretung

Die Geschäftsführung setzte sich im Berichtszeitraum wie folgt zusammen:

- Anja Lambrecht, Director Human Resources, Hofheim
- Folker Ohle, Vice President Operations, Hofheim am Taunus (ab 31. Oktober 2022)
- Dr. Mathias Monjé, Vice President Operations Koblenz, Köln (bis 31. Oktober 2022)

Alle Geschäftsführer sind einzelvertretungsberechtigt mit der Befugnis im Namen der Gesellschaft mit sich im eigenen Namen oder als Vertreter eines Dritten Rechtsgeschäfte abzuschließen.

Gesamtbezüge der Geschäftsführung

Im aktuellen Geschäftsjahr erhielten die Geschäftsführer keine Bezüge von der Gesellschaft.

Angaben zu Gesellschafterverhältnissen

Alleinige Gesellschafterin der Novelis Casthouse Germany GmbH ist die Novelis Koblenz GmbH, Koblenz. Die Gesellschaft ist in den Konzernabschluss der Hindalco Industries Ltd., Mumbai, Indien (größter Konsolidierungskreis), sowie in den Konzernabschluss der Novelis Inc., Mississauga, Kanada (kleinster Konsolidierungskreis), einbezogen. Die Abschlüsse sind jeweils am Sitz der Gesellschaften und über www.hindalco.com bzw. www.novelis.com erhältlich.

Der Kreis der verbundenen Unternehmen der Novelis Koblenz GmbH umfasst gemäß § 271 Abs. 2 HGB das oberste Mutterunternehmen, Hindalco Industries Ltd., Mumbai, Indien, und sämtliche Tochterunternehmen dieses Mutterunternehmens.

Prüfungs- und Beratungsgebühren

Das für das Geschäftsjahr berechnete Gesamthonorar des Abschlussprüfers beträgt TEUR 80 für Abschlussprüferleistungen.

Ergebnisverwendung

Das Jahresergebnis für das Geschäftsjahr wird aufgrund des bestehenden Ergebnisabführungsvertrages an die Novelis Koblenz GmbH, Koblenz, abgeführt. Eine entsprechende Forderung gegen verbundene Unternehmen ist erfasst.

Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

Koblenz, den 2. Mai 2023

gez. Folker Ohle	gez. Anja Lambrecht
(Geschäftsführer)	(Geschäftsführerin)

Anlagenspiegel (Anlage zum Anhang)

Novelis Casthouse Germany GmbH, Koblenz
Entwicklung des Anlagevermögens vom 1. April 2022 bis 31. März 2023

	Anschaffungs- und Herstellungskosten				
	01.04.2022 EUR	Zugänge EUR	Abgänge EUR	Umbuchungen EUR	31.03.2023 EUR
I. Immaterielle Vermögensgegenstände					
1. Entgeltlich erworbene Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Werte sowie Lizenzen an solchen Rechten und Werten	374.993	2.393	0	-1.364	376.022
2. Geschäfts- oder Firmenwert	153.000	0	0	0	153.000
	527.993	2.393	0	-1.364	529.022
II. Sachanlagen					
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	23.057.533	104	0	34.109	23.091.746
2. Technische Anlagen und Maschinen	7.648.967	54.572	0	0	7.703.539
3. Andere Anlagen, Betriebs- und Geschäftsausstattung	2.692.716	154.838	0	3.925	2.851.479
4. Geleistete Anzahlungen und Anlagen im Bau	41.837	2.155.332	0	-36.670	2.160.499
	33.441.053	2.364.846	0	1.364	35.807.263
	33.969.046	**2.367.239**	**0**	**0**	**36.336.285**

Kumulierte Abschreibungen				Buchwerte	
01.04.2022 EUR	Zugänge EUR	Abgänge EUR	31.03.2023 EUR	31.03.2023 EUR	31.03.2022 EUR
221.713	81.796	0	303.509	72.513	153.280
153.000	0	0	153.000	0	0
374.713	81.796	0	456.509	72.513	153.280
21.078.748	97.779	0	21.176.527	1.915.219	1.978.785
3.975.827	435.170	0	4.410.997	3.292.542	3.673.140
1.307.677	272.410	0	1.580.087	1.271.392	1.385.039
0	0	0	0	2.160.499	41.837
26.362.120	805.359	0	27.167.479	8.639.652	7.078.801
26.736.833	**887.155**	**0**	**27.623.988**	**8.712.165**	**7.232.081**

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die Novelis Casthouse Germany GmbH, Koblenz

Prüfungsurteile

Wir haben den Jahresabschluss der Novelis Casthouse Germany GmbH, Koblenz, – bestehend aus der Bilanz zum 31. März 2023 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus haben wir den Lagebericht der Novelis Casthouse Germany GmbH für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023 geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

- entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. März 2023 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023 und

- vermittelt der beigefügte Lagebericht insgesamt ein zutreffendes Bild von der Lage der Gesellschaft. In allen wesentlichen Belangen steht dieser Lagebericht in Einklang mit dem Jahresabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses und des Lageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Jahresabschlusses und des Lageberichts in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und den Lagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des Lageberichts, der insgesamt ein zutreffendes Bild von der Lage der Gesellschaft vermittelt sowie in allen wesentlichen Belangen mit dem Jahresabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines Lageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen, und um ausreichende geeignete Nachweise für die Aussagen im Lagebericht erbringen zu können.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses und des Lageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und ob der Lagebericht insgesamt ein zutreffendes Bild von der Lage der Gesellschaft vermittelt sowie in allen wesentlichen Belangen mit dem Jahresabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Jahresabschluss und zum Lagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses und Lageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Jahresabschluss und im Lagebericht aufgrund von dolosen Handlungen oder Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als das Risiko, dass aus Irrtümern resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.

- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Lageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme der Gesellschaft abzugeben.

- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.

- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss und im Lagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteilen wir Darstellung, Aufbau und Inhalt des Jahresabschlusses insgesamt einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

- beurteilen wir den Einklang des Lageberichts mit dem Jahresabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage der Gesellschaft.

- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Lagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Frankfurt am Main, den 2. Mai 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

Christian Kwasni
Wirtschaftsprüfer

ppa. Jürgen Körbel
Wirtschaftsprüfer

Leerseite aus bindetechnischen Gründen

Novelis Casthouse Germany GmbH

Koblenz

Annual Financial Statements as of March 31, 2023
and Management Report for Financial Year 2022/2023

Auditor's Report

(Translation - the German text is authoritative)

Management Report for fiscal year 2023
Novelis Casthouse Germany GmbH, Koblenz

1. Business and general conditions

1.1 Purpose of the company

Novelis Casthouse Germany GmbH, Koblenz (hereinafter referred to as “NCG” or the “company”) is part of the Novelis Group. The Novelis Group is a group of companies in the aluminum processing industry. The purpose of the company is the operation of several foundries, trading in commodities and foundry products, as well as holding and managing the assets required for this purpose. The purpose of the company also comprises construction, financing and leasing of commercial buildings.
The company operates its business at the Voerde and Koblenz sites.

1.2. Environment, health and safety

At NCG, we are committed to the success of our stakeholders. Our particular attention is on customers, employees, shareholders and local communities through a focus on health, safety, environment, and quality (HSEQ). We have systems in place at our sites to prevent accidents, continuously improve our environmental and safety performance, and provide financial and human resources, in order to:

- reduce accident and illness rates to zero through prevention and risk identification
- reduce the impact on our environment to a minimum through advanced and resource-saving production processes, and
- improve the quality and benefits of our products and services during their entire life cycle, particularly through increased recycling.

The environment, health and safety (EHS) management system is a key component of the integrated business management system at NCG. It addresses in particular those areas where legal requirements have not been very precisely formulated, such as human rights and co-determination rights, compliance with which is of particular concern to us beyond the legal obligation due also to our corporate philosophy. The system also sets binding standards for all business units with the objective of continuing to improve the high quality of EHS performance at all sites. The occupational health and safety goal for the plants remains general prevention of accidents. Our risk assessments have been updated this reporting year as well, and potential hazards identified and processed in a structured manner. Along with behavioral occupational health and safety programs, we have succeeded in further developing the safety level in line with our zero incidents goal. Intensive training and workshops on a variety of Novelis EHS topics have been expanded and are also available to all employees digitally. Moreover, a number of projects were implemented to further improve occupational health and safety.

Conservation and responsible use of resources and protection of the environment are a matter of course for us. We continuously review operational environmental protection as an integral part of our business. NCG applies skills and experience in developing innovative products to protect the environment, nature and the climate as well as in constant optimization of technologies and processes.

Accidents and environmental incidents are the metrics employed to assess the success of the safety and environmental work integrated into day-to-day processes. It is the job of every responsible person to involve all employees in their area of responsibility in these activities.

2. Economic report

2.1 Macroeconomic environment

The global economy changed in 2022, forcing us to live with new realities. As a result of Russia's invasion of Ukraine on February 24, 2022, we are having to deal with considerable uncertainties, reflected above all in a high rise in energy prices. Driven by inflation, global economic output improved by 3.3% for 2022, which was below the previous year's growth. Development varied, however, between regions. The eurozone economy grew by 3.5%, with German growth less pronounced at 1.8%. The US posted 2.1% growth and China, as a major economy, recorded an increase of 3.0%.[1]

In such challenging geopolitical times, NCG remains focused on meeting customer needs by offering innovative, high-quality aluminum solutions. As a producer of flat-rolled aluminum products, NCG purchases primary aluminum from producers around the world. NCG must have high-purity primary aluminum in order to meet all requirements, particularly for aerospace industry orders.

2.2 Industry-related environment

The German aluminum industry had a mixed reporting year. Automotive industry suppliers in particular continued to struggle with the lack of availability of semiconductors and supply chain bottlenecks for magnesium. Moreover, rising inflation led to flagging sales in the automotive industry compared to the years before the coronavirus pandemic.

The price of aluminum in daily trading on the London Metal Exchange (LME cash) fluctuated a great deal over the course of the fiscal year. The overall price for the month ranged from USD 2,230 per metric ton in September 2022 to USD 3,257 per metric ton in April 2022. The average price in the fiscal year was USD 2,490 per metric ton. The price of aluminum was quoted at USD 2,417 per metric ton on March 31, 2023, which represents a year-on-year price decrease of 26% (March 31, 2022: USD 3,261 per metric ton). This constitutes a lower price decrease when converted into euros (around 24%), because of the changes in the exchange rate.

2.3 Comparative period

The management report includes a comparison with the period from April 1, 2021 to March 31, 2022 ("comparative period").

[1] Deutsche Bank Research

2.4 Financial and non-financial performance indicators

The company uses operating EBITDA (operating earnings before interest, taxes, depreciation and amortization, unrealized profits and losses from hedging, intragroup cost allocations in accordance with US GAAP) as an important financial performance indicator. Deviations from EBITDA in accordance with the German accounting rules set out in the German Commercial Code (*Handelsgesetzbuch* - HGB) are mainly due to valuation differences in inventories and provisions (in particular pensions). Negative operating EBITDA of EUR -0.7 million was generated in the fiscal year (comparative period: EBITDA of EUR -1.0 million). The forecast for operating EBITDA of EUR 61.0 million combined with Novelis Koblenz GmbH was achieved despite a negative result at NCG. Increased sales due to rising volumes were offset by high cost increases, primarily for scrap and energy.

The volume invoiced constitutes an important non-financial performance indicator. At the Voerde site, the volume invoiced increased by 3.1kt, from 100.7 in the previous year to 103.8kt. There was also an increase (4.6kt) in tonnage produced at the Koblenz site, from 167.4kt to 172.0kt. This exceeded expectations.

Non-financial performance indicators also include the total recordable incident rate (TRIR), an accident metric based on an industry standard of 200,000 hours.

The TRIR for the fiscal year was 0.0 (prior year: 0.0; forecast: 0.5).

2.5 Results of operations

Novelis Casthouse Germany GmbH closed fiscal year 2022/2023 with a net loss for the year before profit/loss transfer.

The company sells most of its production volume to affiliated companies, in particular to Novelis Koblenz GmbH. The company is thus dependent on the future development of Novelis Koblenz GmbH as its major customer.

The company benefits from general increased demand at both sites.

Sales revenue rose by 19.7% over the comparative period. The increase is due in particular to stronger demand from Aluminium Duffel BV (+7.7kt over the prior year).

Material expenses increased by EUR 52.4 million (approx. 20.3%) over the comparative period. The increase was largely due to the increased sales volume combined with the higher energy costs due to inflation. The material cost of sales ratio rose over the comparative period as a result of a changed product mix.

The -3.1% change in personnel expenses to EUR 24.9 million is largely the result of lower pension costs. The increase in the number of employees and special payments under collective bargaining agreements (inflation premium) did not offset the decrease of personnel expenses.

Other operating expenses less other operating income increased due to higher maintenance costs, higher intragroup cost allocation and lower operating income.

After tax earnings fell by EUR 0.6 million versus the comparative period and amounts to EUR -3.1 million in this fiscal year.

2.6 Financial position

Business activities are financed through equity capital and group resources in line with top-down financing.

To this end, the company participates in a cash pool agreement with Novelis AG, Küsnacht, Switzerland. As of the balance sheet date, there is a receivable from the cash pool of EUR 55,848 thousand (prior year: EUR 39,309 thousand).

The operating cash flow changed in 2023 to EUR 16,041 thousand (prior year: EUR 15,029 thousand), largely as a result of the outstanding trade payables as of the balance sheet date. Cash flow from investing activities stood at EUR -2,369 thousand compared to EUR -1,270 thousand the previous year. The change is due to larger investments in smelting furnaces and occupational health and safety in the fiscal year. The cash flow from financing activities stood at EUR 2,506 thousand (prior year: EUR 0 thousand). This resulted from a reclassification of the profit transfer to Novelis Koblenz GmbH from operating cash flow to cash flow from financing activities.

2.7 Net assets

During the reporting year, total assets increased by EUR 12,835 thousand, from EUR 113,084 thousand to EUR 125,919 thousand.

Current assets (inventories, receivables, liquid and other assets) amounted to EUR 117,103 thousand (prior year EUR 105,795 thousand). This amount comprises inventories of EUR 18,384 thousand (prior year: EUR 13,239 thousand) and receivables and other assets of EUR 98,719 thousand (prior year EUR 92,556 thousand).

The dramatic y-o-y increase of EUR 11,308 thousand in current assets is mainly attributable to an increase in receivables from affiliated companies due to a higher cash pool receivable and to higher trade receivables and higher metal inventories compared with the previous year (+2.5kt).

On the liabilities side, the equity ratio decreased to 35.0% (prior year: 39.0%) due to the increase in total assets. Moreover, trade payables increased due to the higher metal prices and increase in business activities.

2.8 Overall statement on the net assets, financial position and results of operations

Loss after tax deteriorated by EUR -0.6 million to EUR -3.1 million versus the comparative period due to the reasons cited in 2.5.

3. Report on opportunities and risks

3.1 Risk management system

Management regularly monitors the current status of the risk management system it has put in place. Among other measures, the company has implemented a reporting system that, in addition to regular reporting based on key performance indicators related to technical aspects, also includes health, safety and social aspects, a weekly updated payment outlook and monthly overviews regarding the development of results, investments, receivables and inventories.

3.2 Comparison of opportunities and risks

The opportunities and risks identified by NCG could result in deviation from the planned development of the business. The main opportunities and risks are presented below in descending order of priority, i.e., the greatest opportunities and risks are listed first.

Company-related opportunities and risks

NCG's risks mainly result from procurement market developments, exchange rate fluctuation and specific customer risks. The Russia-Ukraine conflict is putting pressure on companies due to increased energy costs, and gas and oil supply issues in particular could cause supply chain bottlenecks and are also exposed to high risk. The company as a whole is exposed to the risk that it may not be possible to ensure an adequate gas supply, which would particularly affect the metal supply of cast bars.

A cross-functional crisis response team was created to monitor the situation and draw up contingent and business continuity plans in order to be prepared for the event that natural gas is rationed. The energy procurement team is in close contact with all the company's plant managers and the engineering, maintenance, reliability and automation (EMRA) teams in order to gather the necessary information and prepare the company for different scenarios that will enable it to react quickly in case of restrictions. There is probably no other industry that was hit as hard by the pandemic as the international aviation industry. Airlines, airports, and other market participants saw considerable declines in revenue. The last fiscal year has shown that the recovery in the aviation industry is progressing faster than was forecast during the pandemic. The company assumes further acceleration of the recovery in its current projections. This is also evidenced by a higher level of deliveries by the three largest aircraft manufacturers. Airbus delivered a total of 663 aircraft in 2022 (2019:863, 2021:611) and Boeing delivered 480 (2018: 806, 2021:340).[2] Boeing has thus far recovered less well overall because, in addition to Covid, the aircraft manufacturer has had to deal with internal crises (737 Max grounding, 787 Dreamliner grounding). As the third-largest aircraft manufacturer, Embraer supplied a total of 159 aircraft in 2022, which represents an increase of 12.7% and a return to normality.[3] Market demand continues to exceed available capacity, enabling average prices for FY 2023 to be raised by 16% over FY 2022. Increases in reworking prices combined with the aforementioned portfolio optimization were the basis for producing higher volumes. A limited

[2] https://dsm.forecastinternational.com/wordpress/2023/01/16/airbus-and-boeing-report-december-and-full-year-2022-commercial-aircraft-orders-and-deliveries/#:~:text=For%20the%20full%20year%2C%20Boeing,fourth%20year%20in%20a%20row.
[3] https://simpleflying.com/embraer-2022-aircraft-deliveries/

sales volume is planned for the coming FY 2024 due to available capacities. This will allow the portfolio to be further optimized and a positive influence on the price to be maintained.

The fiscal year ending on March 31, 2023 was shaped by major fluctuations in the commercial plate segment. Whereas in the first half of 2022, there was a clear seller's market, where very high prices were achieved, the market turned from the second half of the year due to strong inflation and fears of recession. The effect has been increased overall through the fact that many customers have well-stocked warehouses and are making targeted purchases only. This has, of course, also had a negative impact on prices. Capacity utilization at the Koblenz/Voerde site is very good overall, particularly due to demand in the aviation segment, where demand exceeds our production capacity. Because not all products are produced with the same equipment, however, the currently low demand in the commercial plates segment can only partially be made up for with aviation products.

Business with automotive customers and the related heat exchangers has been in a lull for several months now. Although existing capacities are better utilized than during the pandemic, the lack of semiconductors and cable harnesses have continued to have an adverse effect on demand for heat exchangers. In the last fiscal year, the plant worked on the qualification and insourcing of new special products and established these at the site as a means of closing the demand gap and better diversifying the portfolio.

Due to its activities, the company is exposed to a variety of financial opportunities and risks. Rapidly rising costs for energy and for the purchase of alloy components could have a negative impact on the operating result. In view of global economic developments, the company is additionally confronting increasing challenges in relation to currency risks with regard to its forecasting ability, with opportunities presented by a strong USD/EUR exchange rate. A weak USD/EUR exchange rate and high purchase prices for raw aluminum outside of hedged long-term contracts could lead to competitive disadvantages in the medium term. By the same token, the company benefits from a strong US dollar in sales denominated in USD, when sales prices converted from USD to EUR rise in value.

Assuming that the current payment terms remain mostly stable, it is expected at the time of preparation of the management report that surplus cash will be generated in the next fiscal year. It is planned that the company will be able to continue accessing the cash pool in order to meet its payment obligations. It is also expected that the cash pool will be able to cover any short-term liquidity gaps in the future.

Overall risk

The overall risk situation of NCG is made up of the individual risks of all risk categories that have been described. In view of the continued existence of macroeconomic and industry-related risks, it is not possible to completely rule out the prospect of set-backs in realizing the growth objective for the long term. At the same time, the opportunities that have been described could also have a positive effect. Due to the unpredictable course of the Russia-Ukraine conflict and a possible China-Taiwan conflict, persistent high risk must be assumed despite positive development.

4. Outlook report

4.1 Future macroeconomic situation

The global economy is expected to grow by 2.8% in 2023; the eurozone economy only by 0.5% (Germany 0.0%) and the US economy by 1.7%. In China, by contrast, significantly higher economic growth of 6.0% is expected.[4]

4.2 Future company situation

For the fiscal year that started on April 1, 2023, we continue to see a positive market environment for our products, which is also shared by our customers in aviation. Airbus had open orders for a total of 7,239 aircraft at the end of 2022, which corresponds to the production capacity of about ten years. Boeing had an order book of 5,356 aircraft as of March 31, 2023. Airbus, in particular, has ambitious plans and aims to build a total of 75 aircraft per month from the A320 family, the most important aircraft family for the group, in 2025. This would represent an increase of 25% compared with pre-pandemic figures.[5]

Nevertheless, recent geopolitical events show that the conflict between Russia and Ukraine and, as a result, the development of the overall economic situation remain subject to a high degree of uncertainty. For Novelis Casthouse Germany GmbH's fiscal year from April 1 to March 31, 2024 we therefore expect:

- A slight rise in invoiced volume
- A less favorable cost structure due to continued high inflation
- Better production capacity utilization as a result of recovery in all areas and synergies with other Novelis sites
- An improvement in operating EBITDA for the combined business of Novelis Casthouse Germany GmbH and Novelis Koblenz GmbH in the 10–30% range
- A projected TRIR of 0.5.

Please note that criteria of the annual financial statements as well as non-quantifiable risks, including commodity costs and exchange rate fluctuation, can considerably impact the result.

The company believes that it will be able to benefit from the long-term positive development in global demand for aluminum. It is expected that more aluminum will be used in cars due to its lighter weight. This could lead to higher demand for Novelis products in Europe in particular, as compared to the expected increase in the vehicle build rate. Furthermore, the company sees growth potential in the highly profitable defense product area, where it expects volume growth of 73%.

Demand for aviation products from the Koblenz plant typically depends on the order overhang and the build rate in the aircraft industry. The combined order overhang for aviation products has increased by 11%, from 11,300 planes at the start of 2022 to 12,595 at the start of 2023,

4 Deutsche Bank AG, Perspektiven: Der Jahresausblick 2023

5 https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22; Airbus Aims For 50% Increase In A320 Production By 2025 (simpleflying.com)

as a result of which the capacity of major aircraft manufacturers is set to remain at full utilization for several years.[6] We expect demand to rise further in the future. The company has accordingly positioned itself to benefit from increased demand. Demand for aviation products is expected to rise by 5% for the current fiscal year 2024.

Capital spending in the 2023/2024 fiscal year will be at the previous year's level. Priority areas are investments in occupational health and safety, and productivity at our foundries. Investments in the reliability of production facilities also remain a priority.

The basic prerequisites for this scenario are optimal coordination of production planning and output within the group and maintenance of group liquidity.

As a measure of our plants' safety quality, we regularly report our total recordable incident rate (TRIR) and days away from work due to workplace accidents (DAFW).

'Zero incidents' remains our top occupational health and safety goal at all Novelis plants worldwide. We will continue to focus on avoiding serious injuries and fatalities (SIF) and DAFW for fiscal year 2023/2024 in an effort to achieve the zero incident rate planned.

In order to remain successful, we continue to work with our 'Focused 5' performance metrics that we have adapted to support our global strategy. The five metrics – safety, customer centricity, carbon footprint, excellent production, and people – are the key levers to improve and develop our results and business purpose.

Novelis Casthouse Germany GmbH
Management

Koblenz, May 2, 2023

signed Folker Ohle	signed Anja Lambrecht
(Managing Director)	(Managing Director)

6 https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22

Annual Financial Statements
from April 1, 2022 to March 31, 2023

Novelis Casthouse Germany GmbH, Koblenz
Balance Sheet as at March 31, 2023

Assets	31.03.2023 EUR	31.03.2022 EUR
A. Fixed Assets		
I. Intangible fixed assets		
Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets and licenses to such rights and assets	72.513	153.280
	72.513	153.280
II. Tangible fixed assets		
1. Land, land rights and buildings, including buildings on third-party land	1.915.219	1.978.785
2. Technical equipment and machinery	3.292.542	3.673.140
3. Other equipment, operating and office equipment	1.271.392	1.385.039
4. Prepayments and assets under construction	2.160.499	41.837
	8.639.652	7.078.801
	8.712.165	7.232.081
B. Current Assets		
I. Inventories		
1. Raw materials, consumables and supplies	7.250.071	4.817.925
2. Unfinished goods	127.111	20.710
3. Finished goods	11.006.532	8.400.367
	18.383.714	13.239.002
II. Receivables and other assets		
1. Trade receivables	8.089.762	20.009.346
2. Receivables from affiliated companies of which from shareholders TEUR 29.455 (prior year TEUR 30.024)	85.662.755	69.708.569
3. Other assets	4.966.815	2.837.779
	98.719.332	92.555.695
III. Cash at hand and bank balances	782	541
	117.103.828	105.795.237
C. Prepaid expenses	103.170	56.648
	125.919.163	113.083.965

Equity and liabilities	31.03.2023 EUR	31.03.2022 EUR
A. Equity		
I. Subscribed capital	52.000	52.000
II. Capital reserve	44.059.516	44.059.516
III. Profit carried forward	1.325	1.325
	44.112.841	44.112.841
B. Provisions		
1. Provisions for pensions and similar obligations	11.465.324	10.916.767
2. Other provisions	14.200.455	11.857.170
	25.665.779	22.773.937
C. Liabilities		
1. Trade payables	55.331.736	43.915.714
2. Liabilities to affiliated companies	301.645	1.123.308
3. Other liabilities of which from taxes EUR 150.583 (prior year TEUR 412) of which from social security EUR 7.171 (prior year TEUR 37)	501.829	1.158.166
	56.135.210	46.197.187
D. Deferred income	5.333	0
	125.919.163	113.083.965

Novelis Casthouse Germany GmbH, Koblenz
Income Statement April 1, 2022 - March 31, 2023

		April 1, 2022- March 31, 2023 EUR	April 1, 2021 - March 31, 2022 EUR
1.	Sales revenue	360.116.320	300.972.095
2.	Increase in finished goods inventories and work in progress	2.749.093	3.583.169
3.	Other operating income of which from currency translation EUR 25.864 (prior year TEUR 43)	249.636	507.146
		363.115.049	305.062.411
4.	Material expenses		
	a) Cost of raw materials, consumables and suppllies, and of purchased merchenadis	284.245.627	244.913.245
	b) Expenses for services rendered	26.035.390	13.005.215
5.	Personnel expenses		
	a) Wages and salaries	20.004.295	19.340.522
	b) Social security, post-employment and other employee benefit costs of which post-employment benefits EUR 974.305 (prior year TEUR 2.885)	4.939.599	6.400.639
6.	Amortization and write-downs of intangible assets and depreciation and write-downs of tangible fixed assets	887.155	866.024
7.	Other operating expenses of which losses from currency translation EUR 18.388 (prior year EUR 154)	29.987.992	23.775.531
		366.100.058	308.301.176
8.	Other interest and similar income of which from affiliated companies EUR 249.199 (prior year TEUR 106)	231.684	837.848
9.	Interest and similar expenses of which to affiliated companies EUR 373 (prior year EUR 63) of which expenses from discounting EUR 253.518 (prior year TEUR 32)	253.891	46.288
10.	Profit after tax	-3.007.216	-2.447.205
11.	Other taxes	67.588	58.840
12.	Profit transferred/losses offset on the basis of a profit/loss transfer agreement	-3.074.804	-2.506.045
13.	Net income/loss for the year	0	0

Notes to fiscal year April 1, 2022 – March 31 2023 of Novelis Casthouse Germany GmbH, Koblenz

General information

The annual financial statements for Novelis Casthouse Germany GmbH, Koblenz, (hereinafter "NCG" or "company") were prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* - HGB) and the supplementary provisions of the Limited Liability Companies Act (*Gesetz über die GmbH* - GmbHG). The provisions for large corporations apply.

The company, domiciled in Koblenz, trades under the name of Novelis Casthouse Germany GmbH and is entered under HRB 1064 in the commercial register of the Local Court of Koblenz.

The company was renamed from Aleris Casthouse Germany GmbH, Koblenz, to Novelis Casthouse Germany GmbH, Koblenz, by amendment of the articles of association dated August 23, 2021.

The income statement was prepared in accordance with the total cost method.

The residual terms of the receivables and liabilities are disclosed in the notes for reasons of clarity. For the same reason, some of the disclosures on allocation to other items and breakdowns of items are also presented here.

The breakdowns regarding currency translation reported in the income statement include both realized and unrealized exchange rate differences.

Accounting policies and balance sheet disclosures

The following accounting policies are applied with regard to the preparation of the annual financial statements. Unless explicitly mentioned, the same accounting policies are applied as in the previous year.

The statement of changes in fixed assets (Annex to the Notes) contains a presentation of the development of each fixed asset item, starting with total acquisition cost.

Purchased concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets are recognized at cost and, if they have a finite life, are reduced by pro rata amortization on a straight-line basis in accordance with their useful life of 3–5 years. Write-downs are charged where required.

Goodwill has been fully amortized.

Tangible fixed assets are recognized at cost and, if subject to wear and tear, are reduced by depreciation. Interest on debt is not capitalized. Write-downs are charged where required.

Buildings are depreciated over 3-50 years, technical equipment and machinery over 3-21 years, operating and office equipment over 1-20 years, pro rata using the straight-line method.

Low-value assets with individual purchase prices between EUR 250 and EUR 1,000 are depreciated over five years. Low-value assets with individual purchase prices of up to EUR 250 are expensed in the year they are added.

Inventories are measured at the lower of cost or market value. Production costs comprise direct labor costs, direct materials costs and special costs of production, as well as an appropriate share of indirect materials costs, indirect labor costs and depreciation and amortization of fixed assets to the extent that they are attributable to the production process. Costs for general administration are not capitalized pursuant to section 255 (2) sentence 3 HGB.

Raw materials, slabs, work in progress and finished goods are assessed according to the weighted average method. Due to increased prices for metal, the application of the simplified measurement method resulted, by comparison to measurement on the basis of the last known stock market or market price before the balance sheet date, in a valuation reserve as of March 31, 2023 totaling EUR 683 thousand (prior year: EUR 4,100 thousand). Consumables and supplies and storeroom materials are valued in accordance with the moving average method. The lower of cost or market value principle is applied. All identifiable risks in inventories arising from above average storage time, decreased recoverability and lower replacement costs are taken into account through appropriate devaluations. Provisions of an appropriate level are created for losses from delivery and acceptance obligations.

Receivables and other assets, along with liquid assets (cash in hand and bank balances), are carried at nominal value. All risky items are taken into account through making appropriate specific value adjustments. Assets in foreign currency were converted at the average rate of exchange on the balance sheet date. As in the previous year, all receivables and other assets presented in current assets are due within one year.

Receivables from affiliated companies amount to EUR 85,663 thousand (prior year: EUR 69,709 thousand). Receivables from the cash pool agreement total EUR 55,848 thousand (prior year: EUR 39,309 thousand). The assumption of losses gave rise to **receivables from shareholders** of EUR 3,075 thousand (prior year EUR 2,506 thousand). The other receivables consist of trade receivables (of which from shareholders EUR 29,455 thousand; prior year EUR 27,518 thousand).

On the assets side, **prepaid expenses** are recognized for amounts expensed prior to the balance sheet date insofar as they represent expenses for a specific period after this date.

The company's **share capital** amounts to EUR 52 thousand (prior year: EUR 52 thousand), and is fully paid up. The shareholder is Novelis Koblenz GmbH, Koblenz. The capital reserve amounts to EUR 44,060 thousand (prior year EUR 44,060 thousand).

The measurement of **provisions for pensions and similar obligations** is based on actuarial principles using the 2018 G actuarial tables (RT 2018 G) by Prof. Dr. Klaus Heubeck. In exercising the option pursuant to section 253 (2) sentence 2 HGB, the 1.79% p.a. average market rate for an assumed residual term of 15 years (prior year: 1.81% p.a.) pursuant to the Regulation on the Discounting of Provisions (*Rückstellungsabzinsungsverordnung*) dated November 18, 2009 was applied as a flat discount rate. Due to the new regulation as a result of the Act Implementing the Mortgage Credit Directive and Amending Commercial Rules (*Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften*) this discount rate is the average market interest rate of the past ten fiscal years forecast for the balance sheet date, which results from an assumed residual term of 15 years. Applying the 1.50% p.a. average market interest rate of the past seven fiscal years forecast for the balance sheet date would result in a settlement amount before offsetting assets against pension liabilities of EUR 13,569 thousand. The difference within the meaning of section 253 (6) sentence 1 HGB was EUR 829 thousand as at the balance sheet date.

The measurement of the commitment volume was performed in line with section 253 (2) HGB applying the following measurement principles and calculation bases, with fluctuation continuing to be taken into account to the customary industry extent:

- Measurement method: Projected unit credit (PUC) within the meaning of IAS 19
- Biometrics: 2018 G actuarial tables
- Pension trend: 1.00%-2.00% (prior year: 1.00%-1.75%)
- BBG-Dynamic 2,75%

Salary trend: In accordance with the collective bargaining agreement for the metal industry, the salaries were adjusted by the salary increase determined. From June 1, 2023 this is 5.2% and from May 1, 2024 3.3%. From 2025, the salary increase of – as in the previous year – 2.75% will be continued.

The provisions for pensions and similar obligations of EUR 11,465 thousand (prior year: EUR 10,917 thousand) include provisions relating to the supplementary regulation of EUR 11,291 thousand ((prior year: EUR 10,760 thousand) as well as provisions vis-à-vis the Essener Verband of EUR 167 thousand (prior year: EUR 157 thousand) and from 2023 also for BOLO through the introduction of IDW RH FAB 1.021 EUR 213 thousand (prior year: EUR 0 thousand).

The assets that are exempt from attachment by all other creditors and that solely serve to settle post-employment benefit obligations (plan assets as defined by section 246 (2) sentence 2 HGB) have been fully offset against the provisions at their fair value (EUR 1,275 thousand; prior year: EUR 926 thousand). The plan assets are a reinsurance claim.

The plan assets totaled EUR 1,275 thousand as of March 31, 2023 (prior year: EUR 926 thousand) and comprised the ZVO II benefits plan of EUR 1,069 thousand (prior year: EUR 926 thousand) and, for the first time, the Essener Verband defined contribution plan (BOLO) of EUR 206 thousand (prior year: zero).

The expenses and income for the year total EUR 144 thousand for ZVO II 2007 and include interest expenses and interest income of EUR 5 thousand. For BOLO, the expenses total EUR 10 thousand and include interest expenses of EUR 3 thousand. The income for BOLO totals EUR 3 thousand.

The **other provisions** item covers all uncertain liabilities and anticipated losses from pending transactions. The provisions are created in the amount repayable as required on the basis of a reasonable business assessment. Identifiable risks were addressed appropriately in the creation of other provisions. Provisions with a residual term of more than one year were discounted.

Other provisions of EUR 14,200 thousand (prior year: EUR 11,857 thousand) mainly comprise provisions for outstanding invoices that concern production (EUR 10,120 thousand; prior year: EUR 8,695 thousand), partial retirement (EUR 1.173 thousand; prior year: EUR 844 thousand), personnel obligations (EUR 1,168 thousand; prior year: EUR 741 thousand), vacation obligations (EUR 853 thousand; prior year: EUR 644 thousand) and other anniversaries (EUR 533 thousand; prior year: EUR 583 thousand).

The **provisions for anniversary bonuses and partial retirement** were added in the amount of the required provision on the basis of an actuarial calculation. The measurement was performed at present value using the interest rate determined by the German Bundesbank, and applying the actuarial tables of Prof. Dr. Klaus Heubeck (2018 G actuarial tables). Pursuant to section 253 (2) sentence 1, the provisions for anniversary bonuses and partial retirement were discounted using the average market interest rates of the last seven years, which result from the relevant terms. The provisions for anniversary bonuses were discounted using a discount rate of 1.50% (prior year: 1.35% p.a.) over a fixed residual term of 15 years (prior year: fixed term of 15 years), while the provisions for partial retirement were discounted using a rate of 0.64% (prior year: 0.33% p.a.) over a residual term of two years.

Liabilities are measured at their settlement amount. Liabilities in foreign currency are converted at the respective average rate of exchange on the balance sheet date. As in the previous year, all liabilities are due within one year. In general, liabilities are not secured.

Liabilities to affiliated companies amount to EUR 302 thousand (prior year: EUR 1,123 thousand) and comprise trade payables.

On the liabilities side, **deferred income** is recognized for income received prior to the balance sheet date insofar as it represents income for a specific period after this date.

<u>Income statement disclosures</u>

Sales revenue of the fiscal year amounts to EUR 306,116 thousand. This is broken down as follows:

	April 1, 2022 - March 31, 2023 EUR '000	April 1, 2021 - March 31, 2022 EUR '000
Domestic	227,977	205,774
Other Europe	132,139	95,198
Total	**360,116**	**300,972**

Sales revenue of the fiscal year is attributable to the following areas of activity:

	April 1, 2022 - March 31, 2023	April 1, 2021 - March 31, 2022
	EUR '000	EUR '000
Slabs	290,954	250,178
Reworking	52,539	36,108
Ingots	3,287	2,479
Other	13,336	12,207
Total	**360,116**	**300,972**

Other sales revenue mainly comprises revenue from cost transfers to affiliated companies.

Other operating income amounted to EUR 250 thousand (prior year: EUR 507 thousand). It mainly comprises foreign currency income (EUR 26 thousand; prior year: EUR 43 thousand).

Other operating expenses of EUR 29,988 thousand (prior year: EUR 23,776 thousand) mainly comprise intragroup cost transfers of EUR 19,919 thousand (prior year: EUR 18,594 thousand). Furthermore, these include prior-period expenses of EUR 3,867 thousand from the correction of the mark-up for prior years.

Contingent liabilities

The Novelis Group undertook partial refinancing in the fiscal year. The financing was issued in exchange for transferring security. As security provider, the company has transferred by way of security all chattel assets owned by NCG to the secured parties.

First of all, new term loans of USD 500 million were issued in March 2021 to repay a portion of the USD 1.8 billion term loan facility. A further portion was repaid through the issuance in March 2021 of a green bond in the amount of EUR 500 million (equivalent to USD 588 million in March 2021).

Novelis made several voluntary repayments of the USD 1.8 billion term loans in January 2021 and refinanced the remaining balance of USD 314.5 million in January 2022 via an unsecured loan. Novelis repaid the entire outstanding amount within fiscal year 2023, before the loans were due in November 2022.

USD 775 million of the term loans was drawn in April 2020 to fund part of the consideration for the acquisition of Aleris. After partial repayment, USD 752 million remains outstanding at the end of fiscal year 2023.

A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2023.

A total of USD 3.6 billion in corporate bonds was issued by the end of fiscal year 2023, comprising USD 1,500 million (issued in August 2021), the USD 1,600 million (issued in January 2020) and the EUR 500 million in green bonds (equivalent to USD 543 million as of March 2023).

In August 2022, Novelis made changes to the ABL revolver facility, including by increasing the commitment under the ABL revolver by USD 500 million to USD 2.0 billion and extending the ABL revolver's term to August 18, 2027.

This refinancing has not caused any changes to the company's contingent liabilities.

The profit and loss transfer agreement between NCG and Novelis Koblenz GmbH, Koblenz, is to remain in effect.

The company has assigned all receivables to the secured parties as collateral (blanket assignment).

The receivables may not be encumbered in favor of third parties. The secured parties must be notified of any attachments without delay.
As security provider, the company has pledged all of the company's bank accounts with German banks to the secured parties.
The company agrees not to encumber to the benefit of third parties any real property and equivalent rights it owns. No land charges (*Grundschulden*) have been created to the benefit of the secured parties.
As security provider, the company has assigned all industrial property rights owned by NCG to the secured parties.
The security provider has extensive authorization to use the collateral in ordinary business operations.
The company is exposed to the risk of the above-mentioned contingent liabilities materializing. However, no collateral had been realized by the time the financial statements were prepared and the management does not expect this to happen in subsequent years either, as the expected liquidity of the company, which took out the loan, is highly likely to suffice for timely fulfilment of the agreement.

Other financial obligations/off-balance sheet transactions

	Amounts in EUR thousands
Rent and lease installments p.a.	999
Obligations from metal purchasing and sales contracts (net)	178,285
Total other financial obligations:	**179,284**

The rental and lease agreements have terms ranging from 7 to 19 months.

The obligations from rental and lease agreements are exclusively to the shareholder Novelis Koblenz GmbH, Koblenz. The rental and lease agreements have been concluded for an indefinite period of time. They extend automatically by one year unless terminated in writing with a notice period of 12 months to January 1. The advantage of these agreements is the lower capital commitment compared to acquisition and the absence of realization risk. Risks could arise from the term of the contract if the properties were no longer able to be fully used. There are currently no indications of this.

Emission allowances for the 2013-2022 allocation period in accordance with the Greenhouse Gas Emissions Trading Act (*Treibhausgas-Emissionshandelsgesetz* – TEHG) and the 2020 Allocation Regulation (*Zuteilungsverordnung 2020* – ZuV 2020) of 69.793 from past fiscal years are available as of the reporting date March 31, 2022. Some of these allowances will be used to offset EU ETS verified emissions as of April 30, 2023 for calendar year 2022, and the remaining ones transferred to the 4th trading period and used to offset EU ETS (European Trade System) emissions for calendar year 2023.
The emission allowances allocated free of charge and not used as of the balance sheet date are not accounted for, but first recognized in the income statement after future use.

Transactions with related parties

The company maintains business relationships with numerous companies in the normal course of business. This also includes affiliated companies.

As these are indirectly or directly wholly owned companies included in the consolidated financial statements of Novelis Inc, Mississauga, Canada, no further information is required in accordance with section 285 (21) HGB.

Number of employees

The average number of employees (excluding apprentices and managing directors) in the past fiscal years was as follows:

	April 1, 2022 – March 31, 2023	April 1, 2021 – March 31, 2022
Wage-earning employees		
- at the Koblenz site	188	178
- at the Voerde site	109	111
Salaried employees		
- at the Koblenz site	12	14
- at the Voerde site	12	13
Total	**321**	**316**

Management and representation

The management team consisted of the following executives in the reporting period:

- Anja Lambrecht, Director Human Resources, Hofheim
- Folker Ohle, Vice President Operations, Hofheim am Taunus (from October 31, 2022)
- Dr. Mathias Monjé, Vice President Operations Koblenz, Cologne (until October 31, 2022)

Each managing director has sole power of representation and authorization to enter into legal transactions in the name of the company with himself in his own name or in the name of a third party.

Total remuneration for the management

The managing directors received no remuneration from the company during the current fiscal year.

Shareholder information

The sole shareholder of Novelis Casthouse Germany GmbH is Novelis Koblenz GmbH, Koblenz. The company is included in the consolidated financial statements of Hindalco Industries Ltd, Mumbai, India (largest consolidated group), and in the consolidated financial statements of Novelis Inc., Mississauga, Canada (smallest consolidated group). The financial statements are available at the companies' respective registered offices and at www.hindalco.com or www.novelis.com.

The affiliated companies of Novelis Koblenz GmbH comprise, in accordance with section 271 (2) HGB, the ultimate parent company Hindalco Industries Ltd., Mumbai, India, and all subsidiaries of this parent.

Audit and consulting fees

The total fee for the auditor billed for the fiscal year was EUR 80 thousand for audit services.

Appropriation of profit

The net income/loss for the fiscal year is transferred to Novelis Koblenz GmbH, Koblenz, on the basis of the existing profit and loss transfer agreement. A corresponding receivable from affiliated companies has been recognized.

Report on post-balance sheet date events

No events of particular significance occurred after the end of the fiscal year.

Koblenz, May 2, 2023

signed Folker Ohle (Managing Director)	signed Anja Lambrecht (Managing Director)

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Casthouse Germany GmbH, Koblenz
Statement of changes in fixed assets April 1, 2022 - March 31, 2023

	Acquisition and production costs (APC)				
	01.04.2022 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31.03.2023 EUR
I. Intangible fixed assets					
1. Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets, and licenses to such rights and assets	374.993	2.393	0	-1.364	376.022
2. Goodwill	153.000	0	0	0	153.000
	527.993	2.393	0	-1.364	529.022
II. Tangible fixed assets					
1. Land, land rights and buildings, including buildings on third-party land	23.057.533	104	0	34.109	23.091.746
2. Technical equipment and machinery	7.648.967	54.572	0	0	7.703.539
3. Other equipment, operating and office Equipment	2.692.716	154.838	0	3.925	2.851.479
4. Prepayments and assets under construction	41.837	2.155.332	0	-36.670	2.160.499
	33.441.053	2.364.846	0	1.364	35.807.263
	33.969.046	**2.367.239**	**0**	**0**	**36.336.285**

Cumulative depreciation, amortization and write-downs				Carrying amounts	
01.04.2022	Additions	Disposals	31.03.2023	31.03.2023	31.03.2022
EUR	EUR	EUR	EUR	EUR	EUR
221.713	81.796	0	303.509	72.513	153.280
153.000	0	0	153.000	0	0
374.713	81.796	0	456.509	72.513	153.280
21.078.748	97.779		21.176.527	1.915.219	1.978.785
3.975.827	435.170		4.410.997	3.292.542	3.673.140
1.307.677	272.410		1.580.087	1.271.392	1.385.039
0	0	0	0	2.160.499	41.837
26.362.120	805.359	0	27.167.479	8.639.652	7.078.801
26.736.833	**887.155**	**0**	**27.623.988**	**8.712.297**	**7.232.081**

INDEPENDENT AUDITOR'S REPORT

To Novelis Casthouse Germany GmbH, Koblenz

Audit Opinions

We have audited the annual financial statements of Novelis Casthouse Germany GmbH, Koblenz, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Novelis Casthouse Germany GmbH for the financial year from 1 April 2022 to 31 March 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 2 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Jürgen Körbel Wirtschaftsprüfer (German Public Auditor)

Testatsexemplar

Novelis Deutschland Holding GmbH
Koblenz

Jahresabschluss zum 31. März 2023

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

Jahresabschluss für das Geschäftsjahr vom 1. April 2022 bis 31. März 2023

Novelis Deutschland Holding GmbH, Koblenz
Bilanz zum 31. März 2023

AKTIVA		31.03.2023	31.03.2022
	EUR	EUR	TEUR
A. ANLAGEVERMÖGEN			
I. Finanzanlagen			
1. Anteile an verbundenen Unternehmen	359.029.135		359.029
		359.029.135	359.029
B. UMLAUFVERMÖGEN			
I. Forderungen und sonstige Vermögensgegenstände			
1. Forderungen gegen verbundene Unternehmen	78.633.043		51.029
2. Sonstige Vermögensgegenstände	15.101		292
		78.648.144	51.321
II. Guthaben bei Kreditinstituten	0		47
		0	47
		78.648.144	51.368
		437.677.279	**410.397**

PASSIVA	EUR	31.03.2023 EUR	31.03.2022 TEUR
A. EIGENKAPITAL			
I. Gezeichnetes Kapital	25.000		25
II. Kapitalrücklage	569.440.498		569.440
III. Verlustvortrag	-263.509.621		-263.510
IV. Jahresüberschuss	102.084.186		0
		408.040.063	305.955
B. RÜCKSTELLUNGEN			
1. Steuerrückstellungen	9.193.636		30.185
2. Sonstige Rückstellungen	1.980.027		3.689
		11.173.663	33.874
C. VERBINDLICHKEITEN			
1. Verbindlichkeiten aus Lieferungen und Leistungen	0		7
2. Verbindlichkeiten gegenüber verbundenen Unternehmen	18.463.553		70.561
		18.463.553	70.568
		437.677.279	**410.397**

Novelis Deutschland Holding GmbH, Koblenz
Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2022 bis 31. März 2023

		01.04.2022- 31.3.2023 EUR	01.01.2021- 31.3.2022 TEUR
1.	Sonstige betriebliche Erträge	63.994	19
2.	Sonstige betriebliche Aufwendungen davon aus Währungsumrechnung EUR 927 (Vj. TEUR 0)	226.342	249
		-162.348	**-230**
3.	Sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 2.543.670 (Vj. TEUR 188)	4.413.331	1.756
4.	Zinsen und ähnliche Aufwendungen davon an verbundene Unternehmen EUR 2.270.189 (Vj. TEUR 745)	2.270.189	745
5.	Erträge aus Gewinnabführungsvertrag	77.948.428	0
6.	Aufwendungen aus Verlustübernahme	0	-51.593
		79.929.222	**-50.812**
7.	Steuern vom Einkommen und vom Ertrag	22.154.964	39
8.	**Ergebnis nach Steuern**	**102.084.186**	**-50.851**
9.	Erträge aus Verlustübernahme	0	50.851
10.	**Jahresüberschuss**	**102.084.186**	**0**

Anhang zum Jahresabschluss der Novelis Deutschland Holding GmbH Koblenz für das Geschäftsjahr vom 1. April 2022 bis 31. März 2023

Die Gesellschaft firmiert unter dem Namen Novelis Deutschland Holding GmbH mit Sitz in Koblenz und ist im Handelsregister des Amtsgerichts Koblenz unter der Nummer HRB 20800 eingetragen.

Gegenstand der Gesellschaft sind das unmittelbare und mittelbare Halten und Verwalten von Beteiligungen an Unternehmen für Aluminium und Aluminiumerzeugnisse.

Der vorliegende Jahresabschluss der Novelis Deutschland Holding GmbH, Koblenz, ist nach den Vorschriften des deutschen Handelsgesetzbuches und den ergänzenden Vorschriften des GmbH-Gesetzes aufgestellt worden. Es gelten die Vorschriften für kleine Kapitalgesellschaften.

Die Gewinn- und Verlustrechnung ist nach dem Gesamtkostenverfahren aufgestellt.

Die Novelis Deutschland Holding GmbH ist in den Konzernabschluss der Hindalco Industries Ltd., Mumbai, Indien (größter Konsolidierungskreis), sowie in den Konzernabschluss der Novelis Inc., Mississauga, Kanada (kleinster Konsolidierungskreis), einbezogen. Die Abschlüsse sind jeweils am Sitz der Gesellschaften und über www.hindalco.com bzw. www.novelis.com erhältlich.

Der Kreis der verbundenen Unternehmen demit verbur Novelis Deutschland Holding GmbH umfasst gemäß § 271 Abs. 2 HGB das oberste Mutterunternehmen, Hindalco Industries Ltd., Mumbai, Indien, und sämtliche Tochterunternehmen dieses Mutterunternehmens.

Gemäß § 292 Abs. 2 HGB hat unsere Gesellschaft darauf verzichtet, einen Teilkonzernabschluss aufzustellen. Der befreiende Konzernabschluss der Novelis Inc. wird nach den US-amerikanischen Generally Accepted Accounting Principles (US-GAAP) aufgestellt. Der befreiende Konzernabschluss und der befreiende Konzernlagebericht der Novelis Inc. sind einem nach § 291 Abs. 2 Nr. 1 HGB aufgestellten Konzernabschluss und Konzernlagebericht gleichwertig und der befreiende Konzernabschluss wird geprüft. Unterschiede zwischen den US-GAAP und den deutschen handelsrechtlichen Rechnungslegungsvorschriften ergeben sich im Wesentlichen aus der Bilanzierung und Bewertung von Anlagevermögen, den unterschiedlichen Kriterien bei der Zuordnung des wirtschaftlichen Eigentums bei Leasinggeschäften und dem Ansatz und der Bewertung von Rückstellungen sowie dem Gewinnrealisierungszeitpunkt. Die unterschiedlichen Bilanzierungs- und Bewertungskonzepte haben für die bilanzierungspflichtigen Sachverhalte der Gesellschaft nur eine untergeordnete Relevanz. Der Konzernabschluss und der Konzernlagebericht der Novelis Inc. werden in deutscher Sprache im elektronischen Bundesanzeiger veröffentlicht.

Bilanzierungs- und Bewertungsgrundsätze sowie Bilanzerläuterungen

Für die Aufstellung des vorliegenden Jahresabschlusses für das Geschäftsjahr vom 1. April 2022 bis 31. März 2023 sind die nachfolgenden Bilanzierungs- und Bewertungsmethoden maßgebend. Sofern nicht explizit erwähnt, werden die Bilanzierungs- und Bewertungsmethoden unverändert zum Vorjahr angewendet.

Die in den Finanzanlagen ausgewiesenen **Anteile an verbundenen Unternehmen** von EUR 359.029.135 wurden unverändert zum Vorjahr mit dem niedrigeren beizulegenden Wert angesetzt.

Die **Forderungen und sonstigen Vermögensgegenstände** sind zu Nennwerten angesetzt. Risikobehafteten Posten wird durch die Bildung angemessener Einzelwertberichtigungen Rechnung getragen. Sämtliche ausgewiesenen Forderungen sind unverändert zum Vorjahr innerhalb eines Jahres fällig. Die Forderungen aus dem Cash-Pool-Vertrag betragen EUR 645.358 (i. Vj. EUR 139.023). Es bestehen Forderungen gegen die Tochtergesellschaft Novelis Koblenz GmbH, Koblenz, aus einer dem Beherrschungs- und Gewinnabführungsvertrag zugrundeliegenden Gewinnabführungsverpflichtung von EUR 77.948.428 (Vorjahr EUR 0). Die Gewinnabführungsverpflichtung resultiert aus dem vorliegenden Geschäftsjahr. Weiterhin besteht eine Nachforderung gegen die Gesellschafterin aus der Verlustausgleichsverpflichtung für das Rumgeschäftsjahr 2021 von EUR 39.254.

Das **Guthaben bei Kreditinstituten** wird zum Nominalwertwert angesetzt.

Das **Eigenkapital** der Gesellschaft wurde um den Jahresüberschuss in Höhe von 102.084 TEUR erhöht. Gemäß § 301 HGB wird der Jahresüberschuss verwendet, um zur Deckung des Verlustvortags der Gesellschaft in Höhe von 263.510 TEUR beizutragen und wird wird nicht an die Novelis Deutschland GmbH abgeführt.

Das **Stammkapital** der Gesellschaft in Höhe von EUR 25.000 wird gehalten von der Novelis Deutschland GmbH, Göttingen, und ist voll eingezahlt.

Die **Steuerrückstellungen** enthalten erwartete Steuernachzahlungen und sind so bemessen, dass sie allen erkennbaren Risiken Rechnung tragen. Sie wurden nach vernünftiger kaufmännischer Beurteilung in Höhe des notwendigen Erfüllungsbetrages angesetzt. Die im Vorjahr gebildeten Steuerrückstellungen konnten mit TEUR 20.956 aufgelöst werden.

Die **sonstigen Rückstellungen** berücksichtigen ungewisse Verbindlichkeiten und sind in Höhe des nach vernünftiger kaufmännischer Beurteilung notwendigen Erfüllungsbetrages gebildet. Bei der Bildung der sonstigen Rückstellungen wurde erkennbaren Risiken angemessen Rechnung getragen. Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr sind nicht enthalten.

Die **Verbindlichkeiten** sind zu ihrem Erfüllungsbetrag bewertet und entstammen mit EUR

18.450.000 (Vorjahr EUR 18.450.000) aus einem Darlehen mit verbundenen Unternehmen, der Rest wie im Vorjahr aus dem Leistungsverkehr.

Erläuterungen zur Gewinn- und Verlustrechnung

Die **sonstigen Zinsen und ähnlichen Erträge** betreffen mit TEUR 2.543 Zinserträge aus dem Ausgleich des Ergebnisausgleichs durch die Novelis Deutschland GmbH für das FY 2022 (im Vorjahr TEUR 188) sowie mit TEUR 1.724 aus der Auflösung des Zinsanteils der aufgelösten Steuerrückstellungen.

Die **sonstigen Zinsen und ähnliche Aufwendungen** betreffen mit TEUR 1.253 Zinsaufwendungen gegenüber der Novelis Koblenz GmbH aus Darlehenszins und Zinsen auf Ergebnisabführung für das FY 2022 (im Vorjahr TEUR 754), sowie mit TEUR 1.017 den Zinsaufwand im Rahmen das Cashpools.

Die **Erträge aus Gewinnabführungsvertägen** in Höhe von TEUR 77.948 resultieren aus dem positiven Ergebnis der Novelis Koblenz GmbH (Vj. Aufwendungen aus Verlustübernahme TEUR 51.593).

Die in Vorjahren gebildeten Rückstellungen für Steuern konnten in diesem Geschäftsjahr mit TEUR 20.956 ertragswirksam in den **Steuern vom Einkommen und vom Ertrag** aufgelöst werden.

Sonstige Angaben

Die Gesellschaft verfügt über keine eigenen Mitarbeiter und ist nicht gewerblich tätig.

Geschäftsführung und Vertretung

Die Geschäftsführung setzt sich wie folgt zusammen:

- Folker Ohle, Vice President Operations Novelis Europe, Hofheim am Taunus
- Roland Eckhart Leder, Vice President Finance Novelis Europe, Montabaur

Die Geschäftsführer sind einzelvertretungsberechtigt mit der Befugnis im Namen der Gesellschaft mit sich im eigenen Namen oder als Vertreter eines Dritten Rechtsgeschäfte abzuschließen.

Angaben zu Gesellschafterverhältnissen

Gesellschafter der Novelis Deutschland Holding GmbH zum 31. März 2023 ist:

	Anteil (%)
Novelis Deutschland GmbH, Göttingen	100,00

Nachtragsbericht

Vorgänge von besonderer Bedeutung nach dem Schluss des Geschäftsjahres haben sich nicht ereignet.

Haftungsverhältnisse

Die Novelis Gruppe hat sich im Geschäftsjahr teilweise refinanziert. Die Finanzierung erfolgt gegen Sicherungsübereignung. Die Gesellschaft als Sicherungsgeberin hat an die Sicherungsnehmer sämtliche beweglichen Sachen, die im Eigentum der Novelis Deutschland Holding GmbH, Koblenz, stehen, zur Sicherheit übereignet.

Zunächst wurden im März 2021 neue Term Loans in Höhe von 500 Mio. US$ ausgegeben, um einen Teil der Term Loan Facility über 1,8 Mrd. US$ zu tilgen. Ein weiterer Teil davon wurde durch die Emission einer grünen Anleihe (Green Bonds) von 500 Mio. € (entspricht 588 Mio. US$ im März 2021) im März 2021 getilgt.

Novelis leistete mehrere freiwillige Rückzahlungen der 1,8 Mrd. Term Loans im Januar 2021 und refinanzierte im Januar 2022 den verbleibenden Restbetrag von 314,5 Mio US$ durch ein unbesichertes Darlehen. Novelis zahlte den gesamten ausstehenden Betrag innerhalb des Geschäftsjahres 2023 und vor dem Auslaufen im November 2022 zurück.

775 Mio. US$ an Term Loans wurden im April 2020 aufgenommen, um einen Teil der Gegenleistung für die Übernahme von Aleris zu finanzieren. Nach Teilablösung verbleiben 752 Mio US$ am Ende des Geschäftsjahres 2023.

Von allen Term Loans verbleiben am Ende des Geschäftsjahres 2023 insgesamt 1,2 Mrd. US$.

Mit den 1.500 Mio. US$ (ausgegeben im August 2021) und den 1.600 Mio. US$ (ausgegeben im Januar 2020) sowie der Green Bonds in Höhe von 500 Mio. € (entspricht 543 Mio. US$ per März 2023) wurden bis zum Ende des Geschäftsjahres 2023 insgesamt 3,6 Mrd. US$ an Unternehmensanleihen ausgegeben.

Im August 2022 änderte Novelis die ABL-Revolver-Fazilität, um unter anderem die Verpflichtung unter dem ABL-Revolver um 500 Mio. US$ auf 2,0 Mrd. US$ zu erhöhen und die Laufzeit des ABL-Revolvers bis zum 18. August 2027 zu verlängern.

Aus dieser Refinanzierung ergeben sich hinsichtlich der Haftungsverhältnisse der Gesellschaft keine Änderungen.

Die Gesellschaft als Sicherungsgeberin hat an die Sicherungsnehmer sämtliche beweglichen Sachen, die im Eigentum der Novelis Deutschland Holding GmbH stehen, zur Sicherheit übereignet.

Der Ergebnisabführungsvertrag zwischen der Novelis Koblenz GmbH, Koblenz, und der Novelis Deutschland Holding GmbH, Koblenz, ist aufrecht zu erhalten.

Die Gesellschaft hat sämtliche Forderungen an die Sicherungsnehmer zur Sicherheit abgetreten (Globalzession).

Die Forderungen dürfen nicht zu Gunsten Dritter belastet werden. Etwaige Pfändungen sind unverzüglich den Sicherungsnehmern anzuzeigen.

Die Gesellschaft hat als Sicherungsgeberin sämtliche Bankkonten der Gesellschaft bei inländischen Banken an die Sicherungsnehmer verpfändet.

Die Gesellschaft hat sich verpflichtet, die in ihrem Eigentum stehenden Grundstücke und grundstücksgleichen Rechte zugunsten Dritter nicht zu belasten. Grundschulden sind zugunsten der Sicherungsnehmer nicht bestellt worden.

Die Gesellschaft hat als Sicherungsgeberin den Sicherungsnehmern sämtliche gewerbliche Schutzrechte, die im Eigentum der Novelis Deutschland Holding GmbH, Koblenz, abgetreten.

Im Rahmen des ordentlichen Geschäftsganges besteht zu Gunsten der Sicherungsgeberin eine weitgehende Verwendungsermächtigung.

Aus den genannten Haftungsverhältnissen besteht für die Gesellschaft das Risiko einer möglichen Inanspruchnahme. Allerdings wurden bis zum Zeitpunkt der Jahresabschlusserstellung keine Sicherheiten in Anspruch genommen und das Management erwartet dies auch in Folgejahren nicht, da die Gesellschaft, die die Finanzierung aufgenommen hat, aufgrund der erwarteten Liquiditätslage mit großer Wahrscheinlichkeit ausreichende Mittel zu einer fristgemäßen Vertragserfüllung haben wird.

Koblenz, den 02. Mai 2023

gez. Roland Eckhart Leder
(Geschäftsführer)

gez. Folker Ohle
(Geschäftsführer)

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die Novelis Deutschland Holding GmbH, Koblenz

Prüfungsurteil

Wir haben den Jahresabschluss der Novelis Deutschland Holding GmbH, Koblenz, – bestehend aus der Bilanz zum 31. März 2023 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. März 2023 sowie ihrer Ertragslage für das Geschäftsjahr vom 1. April 2022 bis zum 31. März 2023.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zum Jahresabschluss zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, sowie einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Jahresabschluss aufgrund von dolosen Handlungen oder Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als das Risiko, dass aus Irrtümern resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.

- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieses Systems der Gesellschaft abzugeben.

- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.

- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteilen wir Darstellung, Aufbau und Inhalt des Jahresabschlusses insgesamt einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL
FRANKFURT AM MAIN

Frankfurt am Main, den 2. Mai 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

ppa.

Christian Kwasni
Wirtschaftsprüfer

ppa. Jürgen Körbel
Wirtschaftsprüfer

Leerseite aus bindetechnischen Gründen

Novelis Deutschland Holding GmbH

Koblenz

Annual Financial Statements as of March 31, 2023
and Management Report for Financial Year 2022/2023

Auditor's Report

(Translation - the German text is authoritative)

Annual Financial Statements
from April 1, 2022 to March 31, 2023

Novelis Deutschland Holding GmbH, Koblenz
Balance Sheet as at March 31, 2023

Assets			31.03.2023	31.03.2022
		EUR	EUR	TEUR
A.	**Fixed Assets**			
I.	**Long-term financial assets**			
1.	Shares in affiliated companies	359.029.135		359.029
			359.029.135	359.029
B.	**Current Assets**			
I.	**Receivables and other assets**			
1.	Receivables from affiliated companies	78.633.043		51.029
2.	Other assets	15.101		292
			78.648.144	51.321
II.	**Cash at hand and bank balances**	0		47
			0	47
			78.648.144	51.368
			437.677.279	**410.397**

Equity and liabilities		31.03.2023		31.03.2022
		EUR	EUR	TEUR
A.	**Equity**			
I.	**Subscribed capital**	25.000		25
II.	**Capital reserve**	569.440.498		569.440
III.	**Profit carried forward**	-263.509.621		-263.510
IV.	**Net come for the year**	102.084.186		0
			408.040.063	305.955
B.	**Provisions**			
1.	Provisions for taxes	9.193.636		30.185
2.	Other provisions	1.980.027		3.689
			11.173.663	33.874
C.	**Liabilities**			
1.	Trade payables	0		7
2.	Liabilities to affiliated companies	18.463.553		70.561
			18.463.553	70.568
			437.677.279	**410.397**

Novelis Deutschland Holding GmbH, Koblenz
Income Statement April 1, 2022 - March 31, 2023

		April 1, 2022- March 31, 2023 EUR	April 1, 2021 - March 31, 2022 TEUR
1.	Other operating income	63.994	19
2.	Other operating expenses of which from currency translation EUR 927 (prior year TEUR 0)	226.342	249
		-162.348	**-230**
3.	Other interest and similar income of which from affiliated companies EUR 2.543.670 (prior year TEUR 188)	4.413.331	1.756
4.	Interest and similar expenses of which from affiliated companies EUR 2.270.189 (prior year TEUR 745)	2.270.189	745
5.	Profit from profit transfer agreements	77.948.428	0
6.	Losses from loss transfer agreements	0	-51.593
		79.929.222	**-50.812**
7.	Income taxes	22.154.964	39
8.	**Profit after tax**	**102.084.186**	**-50.851**
9.	Profit offset on the basis of a loss transfer agreement	0	50.851
10.	**Net income for the year**	**102.084.186**	**0**

Notes to the Annual Financial Statements for Novelis Deutschland Holding GmbH, Koblenz for the Fiscal Year from April 1, 2022 to March 31, 2023

The company, domiciled in Koblenz, trades under the name of Novelis Deutschland Holding GmbH and is entered under HRB 20800 in the commercial register of the Local Court of Koblenz.

The purpose of the company is the direct and indirect holding and management of equity interests in companies that manufacture aluminum and aluminum products.

The annual financial statements for Novelis Deutschland Holding GmbH, Koblenz, were prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* - HGB) and the supplementary provisions of the Limited Liability Companies Act (*Gesetz über die GmbH* - GmbHG). The provisions for small corporations apply.

The income statement was prepared in accordance with the total cost method.

Novelis Deutschland Holding GmbH is included in the consolidated financial statements of Hindalco Industries Ltd, Mumbai, India (largest consolidated group), and in the consolidated financial statements of Novelis Inc., Mississauga, Canada (smallest consolidated group).
The financial statements are available at the companies' respective registered offices and at www.hindalco.com or www.novelis.com.

The affiliated companies of Novelis Deutschland Holding GmbH comprise, in accordance with section 271 (2) HGB, the ultimate parent company Hindalco Industries Ltd, Mumbai, India, and all subsidiaries of this parent.

Our company opted not to prepare consolidated financial statements, in accordance with section 292 (2) HGB. The exempting consolidated financial statements of Novelis Inc. are prepared in accordance with the US Generally Accepted Accounting Principles (US-GAAP). The exempting consolidated financial statements and the exempting management report of Novelis Inc. are considered equivalent to consolidated financial statements and consolidated management reports prepared in accordance with section 291 (2) no. 1 HGB, and the exempting consolidated financial statements are subject to audit. Differences between US GAAP and German commercial law accounting regulations largely arise from the recognition and measurement of assets, the different criteria for the allocation of beneficial ownership in leasing transactions, the recognition and measurement of provisions, and the revenue recognition date. The different accounting concepts are of only minor relevance for the company's items requiring recognition in the financial statements. Novelis Inc.'s consolidated financial statements and group management report are published in German in the electronic Federal Gazette.

Accounting policies and balance sheet disclosures

The following accounting policies our decisive for the preparation of these annual financial statements for the fiscal year from April 1, 2022 to March 31, 2023. Unless explicitly mentioned, the same accounting policies are applied as in the previous year.

Shares in affiliated companies, which are recognized under long-term financial assets, amounted to EUR 359,029,135 and, as in the prior year, were recognized at the lower fair value.

Receivables and other assets are carried at nominal value. Risky items are taken into account through making appropriate specific valuation allowances. As in the previous year, all receivables recognized are due within one year. Receivables from the cash pool agreement total EUR 645,358 (prior year: EUR 139,023). Receivables from the subsidiary Novelis Koblenz GmbH, Koblenz, from the profit transfer obligation under the control and profit transfer agreement amount to EUR 77,948,428 (previous year: EUR 0). The profit transfer obligation results from the previous fiscal year. Furthermore, there is an additional receivable from the shareholder from the loss compensation obligation for the abridged fiscal year 2021 totaling EUR 39,254.

Bank balances are stated at their nominal value.

The company's **equity** was increased by the annual surplus of EUR 102,084 thousand. In accordance with Section 301 HGB, the annual surplus is used to help cover the company's previous losses of EUR 263,510 thousand and is not transferred to Novelis Deutschland GmbH.

The company's **share capital** in the amount of EUR 25,000 is held by Novelis Deutschland GmbH, Göttingen and is fully paid up.

Tax provisions contain expected additional tax payments and are measured so that they take account of all identifiable risks. They were recognized in the settlement amount necessary on the basis of a reasonable business assessment. The tax provisions recognized in the previous year were reversed in the amount of EUR 20.956 thousand.

Other provisions cover uncertain liabilities and are recognized in the settlement amount necessary on the basis of a reasonable business assessment. Identifiable risks were addressed appropriately in the creation of other provisions. The other provisions item does not include any provisions with a residual term of more than one year.

Liabilities are measured at their settlement amount. EUR 18,450,000 (prior year: EUR 18,450,000) of the liabilities results from a loan with affiliated companies, and as in the previous year, the remainder results from trade payables.

Income statement disclosures

Other interest and similar income includes EUR 2,543 thousand in interest income from compensation via profit/loss transfers by Novelis Deutschland GmbH for FY 2022 (prior year: EUR 188 thousand) and EUR 1,724 thousand from the reversal of the interest portion of reversed tax provisions.

Other interest and similar expenses includes EUR 1,253 thousand in interest expenses owed to Novelis Koblenz GmbH from loan interest and interest on profit/loss transfer for FY 2022 (prior year: EUR 754 thousand) and EUR 1,071 thousand in interest expense in connection with the cash pool.

Income from profit/loss transfer of EUR 77,948 thousand results from Novelis Koblenz GmbH's net profit (prior year: loss from profit/loss transfer of EUR 51,593 thousand).

The provisions for taxes recognized in previous years were reversed, through profit or loss, to **income taxes** in an amount of EUR 20.956 thousand.

Other disclosures

The company does not have any employees and does not operate commercially.

Management and representation

The management team consists of the following executives:

- Folker Ohle, Vice President Operations Novelis Europe, Hofheim am Taunus
- Roland Eckhart Leder, Vice President Finance Novelis Europe, Montabaur

Each managing director has sole power of representation and authorization to enter into legal transactions in the name of the company with himself in his own name or in the name of a third party.

Shareholder information

The shareholder of Novelis Deutschland Holding GmbH as at March 31, 2023 is:

	Share (%)
Novelis Deutschland GmbH, Göttingen	100.00

Report on post-balance sheet date events

No events of particular significance occurred after the end of the fiscal year.

Contingent liabilities

The Novelis Group undertook partial refinancing in the fiscal year. The financing was issued in exchange for transferring security. As security provider, the company has transferred by way of security all chattel assets owned by Novelis Deutschland Holding GmbH, Koblenz, to the secured parties.

First of all, new term loans of USD 500 million were issued in March 2021 to repay a portion of the USD 1.8 billion term loan facility. A further portion was repaid through the issuance in March 2021 of a green bond in the amount of EUR 500 million (equivalent to USD 588 million in March 2021).

Novelis made several voluntary repayments of the USD 1.8 billion term loans in January 2021 and refinanced the remaining balance of USD 314.5 million in January 2022 via an unsecured loan. Novelis repaid the entire outstanding amount within fiscal year 2023, and before the loans were due in November 2022.

USD 775 million of the term loans was drawn in April 2020 to fund part of the consideration for the acquisition of Aleris. After partial repayment, USD 752 million remains outstanding at the end of fiscal year 2023.

A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2023.

A total of USD 3.6 billion in corporate bonds was issued by the end of fiscal year 2023, comprising USD 1,500 million (issued in August 2021), USD 1,600 million (issued in January 2020) and EUR 500 million in green bonds (equivalent to USD 543 million as of March 2023).

In August 2022, Novelis made changes to the ABL revolver facility, including by increasing the commitment under the ABL revolver by USD 500 million to USD 2.0 billion and extending the ABL revolver's term to August 18, 2027.

This refinancing has not caused any changes to the company's contingent liabilities.

As security provider, the company has transferred by way of security all chattel assets owned by Novelis Deutschland Holding GmbH to the secured parties.

The profit and loss transfer agreement between Novelis Koblenz GmbH, Koblenz, and Novelis Deutschland Holding GmbH, Koblenz, is to remain in effect.

The company has assigned all receivables to the secured parties as collateral (blanket assignment).

The receivables may not be encumbered in favor of third parties. The secured parties must be notified of any attachments without delay.

As security provider, the company has pledged all of the company's bank accounts with German banks to the secured parties.

The company agrees not to encumber to the benefit of third parties any real property and equivalent rights it owns. No land charges (*Grundschulden*) have been created to the benefit of the secured parties.

As security provider, the company has assigned all industrial property rights owned by Novelis Deutschland Holding GmbH, Koblenz, to the secured parties.

The security provider has extensive authorization to use the collateral in ordinary business operations.

The company is exposed to the risk of the above-mentioned contingent liabilities materializing. However, no collateral had been realized by the time the financial statements were prepared and the management does not expect this to happen in subsequent years either, as the expected liquidity of the company, which took out the loan, is highly likely to suffice for timely fulfilment of the agreement.

Koblenz, May 2, 2023

signed Roland Eckhart Leder
(Managing Director)

signed Folker Ohle
(Managing Director)

INDEPENDENT AUDITOR'S REPORT

To Novelis Deutschland Holding GmbH, Koblenz

Audit Opinion

We have audited the annual financial statements of Novelis Deutschland Holding GmbH, Koblenz, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our audit 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

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

Frankfurt am Main, 2 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Jürgen Körbel Wirtschaftsprüfer (German Public Auditor)

Novelis Koblenz GmbH

Koblenz

Annual Financial Statements as of March 31, 2023
and Management Report for Financial Year 2022/2023

Auditor's Report

(Translation - the German text is authoritative)

Management Report for fiscal year 2023
Novelis Koblenz GmbH, Koblenz

1. Business and general conditions

1.1 Purpose of the company

Novelis Koblenz GmbH, Koblenz (hereinafter “NK”, “Novelis” or the “company”), is a supplier of aluminum products for the aerospace industry, and a provider of semi-finished aluminum products. The sheet metal, plates and coils are not mass products, but rather highly-specialized products from more than 100 different alloys for applications in all industry sectors. The aviation industry, heat exchanger market and other industrial applications are the company's main sales markets. The company operates its business at the Koblenz site.

1.2 Environment, health and safety

At Novelis, we are committed to the success of our stakeholders. Our particular attention is on customers, employees, shareholders and local communities through a focus on health, safety, environment, and quality (HSEQ). We have systems in place at our sites to prevent accidents, continuously improve our environmental and safety performance, and provide financial and human resources, in order to:

- reduce accident and illness rates to zero through prevention and risk identification
- reduce the impact on our environment to a minimum through advanced and resource-saving production processes, and
- improve the quality and benefits of our products and services during their entire life cycle, particularly through increased recycling.

The environment, health and safety (EHS) management system is a key component of the integrated business management system at Novelis. It addresses in particular those areas where legal requirements have not been very precisely formulated, such as human rights and co-determination rights, compliance with which is of particular concern to us beyond the legal obligation due also to our corporate philosophy. The system also sets binding standards for all business units with the objective of continuing to improve the high quality of EHS performance at all sites. The occupational health and safety goal for the plants remains general prevention of accidents. Our risk assessments have been updated this reporting year as well, and potential hazards identified and processed in a structured manner. Along with behavioral occupational health and safety programs, we have succeeded in further developing the safety level in line with our zero incidents goal. Intensive training and workshops on a variety of Novelis EHS topics have been expanded and are also available to all employees digitally. Moreover, a number of projects were implemented to further improve occupational health and safety.

Conservation and responsible use of resources and protection of the environment are a matter of course for us. We continuously review operational environmental protection as an integral part of our business. Novelis applies skills and experience in developing innovative products to protect the environment, nature and the climate as well as in constant optimization of technologies and processes.

Accidents and environmental incidents are the metrics employed to assess the success of the safety and environmental work integrated into day-to-day processes. It is the job of every responsible person to involve all employees in their area of responsibility in these activities.

1.2 Research and development

Novelis Europe's research and development is primarily concentrated at three sites, with the aim of distinguishing the company from the competition through greater customer proximity, and speed in innovation and implementation. The Research & Development Center at the Göttingen site is in charge of the market segments Can, Specialty and Recycling; the Sierre, Switzerland plant operations are responsible for the Automotive market segments.

Novelis uses the innovation center in Koblenz to develop new aviation, plate and brazing sheet products. This arrangement is intended to ensure that the pioneering role of providing sophisticated products on the world market is ensured for the future as well. The other Novelis plants also make their contribution to the results.

Research and development expenses for the current fiscal year amount to EUR 4.9 million (prior year: EUR 5.1 million).

1.3 Energy

The development of energy prices plays a significant role for the company. As in previous years, prices for a large portion of expected energy requirements were fixed in advance for the fiscal year (FY23) via master agreements with energy suppliers, in order to cover risks from price increases. Absolute energy costs rose sharply year on year as a result of the higher price level overall. One key reason for the comparatively sharp rise in energy costs in the eurozone is how dependent several member states previously were on Russian gas supplies. Russia further restricted supplies after the war broke out.[1]

1.4 Employees

At Novelis, we attach great importance to investing in our employees and furthering their development. We offer in-house and external training courses and further education programs for employees and graduate recruits. Our offering includes programs at regional, European and global level. Examples include the global Engineering Development Program (EDP) for those holding bachelor's or master's degrees, the Global Technical Talent Review (GTTR) program and the modular company-wide management curriculum. There is also a special program to promote women called Women in Novelis (WiN). This program offers courses with varying focuses, such as a mentorship program and Taking the Stage® training - all aimed at the particular goal of advancing women within the company.

The company employed 1,136 people as of the end of the fiscal year, comprising 787 production staff, 311 sales and administration staff and 74 staff currently inactive. Moreover, 36 young people were employed in vocational training programs as of the end of the fiscal year. The percentage of vocational trainees is 3.2%.

[1] Deutsche Bundesbank Monthly Report December 2022

2. Economic report

2.1 Macroeconomic environment

The global economy changed in 2022, forcing us to live with new realities. As a result of Russia's invasion of Ukraine on February 24, 2022, we are having to deal with considerable uncertainties, reflected above all in a high rise in energy prices. Driven by inflation, global economic output improved by 3.3% for 2022, which was below the previous year's growth. Development varied, however, between regions. The eurozone economy grew by 3.5%, with German growth less pronounced at 1.8%. The US posted 2.1% growth and China, as a major economy, recorded an increase of 3.0%.[2]

In such challenging geopolitical times, NCG remains focused on meeting customer needs by offering innovative, high-quality aluminum solutions. As a producer of flat-rolled aluminum products, NK purchases primary aluminum from producers around the world. NK must have high-purity primary aluminum in order to meet all requirements, particularly for aerospace industry orders.

2.2 Industry-related environment

The German aluminum industry had a mixed reporting year. Automotive industry suppliers in particular continued to struggle with the lack of availability of semiconductors and supply chain bottlenecks for magnesium. Moreover, rising inflation led to flagging sales in the automotive industry compared to the years before the coronavirus pandemic.

The price of aluminum in daily trading on the London Metal Exchange (LME cash) fluctuated a great deal over the course of the fiscal year. The overall price for the month ranged from USD 2,230 per metric ton in September 2022 to USD 3,257 per metric ton in April 2022. The average price in the fiscal year was USD 2,490 per metric ton. The price of aluminum was quoted at USD 2,417 per metric ton on March 31, 2023, which represents a year-on-year price decrease of 26% (March 31, 2022: USD 3,261 per metric ton). This constitutes a lower price decrease when converted into euros (around 24%), because of the changes in the exchange rate.

2.3 Comparative period

The management report includes a comparison with the period from April 1, 2021 to March 31, 2022 ("comparative period").

2.4 Financial and non-financial performance indicators

The company uses operating EBITDA (operating earnings before interest, taxes, depreciation and amortization, unrealized profits and losses from hedging, intragroup cost allocations in accordance with US GAAP) as its key financial performance indicator. Deviations from EBITDA in accordance with the German accounting rules set out in the German Commercial Code (*Handelsgesetzbuch* - HGB) are mainly due to valuation differences in inventories and

[2] Deutsche Bank Research

provisions (in particular pensions). NK and NCG achieved operating EBITDA of EUR 65.7 million for their combined business in the fiscal year (comparative period: EUR 44.3 million), which was within the forecast for the fiscal year.

The reason for the rise in operating EBITDA is product mix optimization due to increasing aviation volumes (+27% versus the comparative period) and price rises realized in commercial plate products and heat exchangers. The total volume of invoiced flat rolled products (FRP) rose slightly by 1% to 120kt over the comparative period. The volume increase targeted in the forecast, particularly in the heat exchanger business, fell short of expectations and of the prior year.

Non-financial performance indicators also include the total recordable incident rate (TRIR), an accident metric based on an industry standard of 200,000 hours.

The TRIR for the fiscal year was 0.1 (prior year: 0.2; forecast in the prior year: 0.5).

2.5 Results of operations

Sales revenue rose by EUR 187.2 million (approx. 28.7%) versus the comparative period, due largely to strong demand for aviation products, which rose by 27% in the reporting year. Price rises in heat exchangers and commercial plate products also contributed to the improved results of operations.

Further sales increases resulted from the invoiced aluminum price rising to a level of EUR 2,814/metric ton or +27%. Due to the long-term metal price setting with the customer, the invoiced price may differ from the current exchange price.

Total output (sales revenue plus change in inventories and other own work capitalized) of EUR 834.7 million was considerably higher than the figure for the comparative period (EUR 674.5 million).

The company benefited from a swifter recovery in the aviation segment, with a sales increase of 56%. Although sales tonnage increased to 48kt, it remains considerably below the pre-pandemic volume of 56kt.

The high utilization of capacity in the aviation segment means less capacity is available for producing commercial plates. The tonnage sold fell by around 30% to just 19.2kt despite high market demand. The decrease in volume was fully compensated for in terms of sales revenue. This was due to higher metal prices and increased reworking prices.

The invoiced tonnage for the full year in the heat exchanger segment fell 11% short of the previous year. Although existing capacities are better utilized than during the pandemic, the lack of semiconductors and cable harnesses have continued to have an adverse effect on demand for heat exchangers.

The Specialties segment comprising newly qualified products such as car license plates and primary materials for windows increased by 31% to 16kt.

Also, sales invoiced in USD were affected by favorable exchange rate trends (USD/EUR).

Material expenses increased by EUR 155.9 million (approx. 34.9%) over the comparative period. The figure does not include the reclassification in the comparative period for anticipated unrealized losses from hedging FX and metal. Gross profit (total output less material expenses) rose by EUR 4.3 million versus the comparative period. This is largely due to the aforementioned increase in aviation tonnage and price increases.

The gross profit margin fell from 33.7% to 26.5% of total output. Application of the lower of cost or market principle meant it was necessary to post a revaluation from the inventory value to the lower replacement value.

The rise in personnel expenses of EUR 10.5 million (some 12.1%) as against the comparative period is primarily due to greater capacity utilization. New hires were made in particular in plate manufacturing to enable growth in the aviation division. The increase in expenses is also due to significant inflation-related increases in wages agreed through collective bargaining.

The main reason for the decrease in depreciation, amortization and write-downs of EUR -0.2 million (approx. -1.3%) versus the comparative period was machinery and equipment depreciated over its useful life.

Other operating expenses less other operating income decreased by EUR 50.8 million versus the comparative period. This was due largely to the release of the provision for anticipated losses from metal and foreign-currency derivatives of EUR 55.4 million and income realized from derivatives of EUR 9.4 million.

The allocation to the provision for anticipated losses of EUR 10.7 million and the EUR 5.0 million increase in intragroup cost allocations had an offsetting effect.

The still negative valuation result of EUR -11.0 million improved by EUR 78.3 million versus the comparative period, with the main influencing variables being anticipated losses from hedging metal derivatives.

Net profit/loss for the year improved from a net loss of EUR -51.6 million to net profit of EUR 77.9 million due to continuing positive business development and considerably lower anticipated losses from metal and foreign-currency derivatives.

2.6 Financial position

Business activities are financed through equity capital and group resources in line with top-down financing.

To this end, the company participates in a cash pool agreement with Novelis AG, Küsnacht, Switzerland. As at the balance sheet date, there is a receivable from the cash pool of EUR 61.1 million (prior year: a liability of EUR 5.2 million).

Cash flow from operating activities increased to EUR 34.9 million (prior year: EUR +3.5 million) due to the improved business situation.

The cash flow from investing activities came to EUR -17.3 million in the reporting year (prior year: EUR -9.9 million). The main reason for this change was investment in tangible fixed assets. Investments were primarily made in IT, non-destructive materials testing, and occupational health and safety.

Furthermore, cash flow from financing activities was EUR 49.1 million as a result of the loss compensation from the profit and loss transfer agreement for the 2022 fiscal year (prior year: EUR -15 million).

Cash and cash equivalents, which consist of liquid assets and the resources available in the cash pool, increased from EUR -5.1 million to EUR 61.6 million.

2.7 Net assets

During the reporting year, total assets increased by EUR 20.2 million, from EUR 498.1 million to EUR 518.3 million. The value of fixed assets increased by EUR 3.2 million to EUR 164.2 million. This was due to the increase of EUR 7.8 million in assets under construction in the fiscal year, while depreciation of tangible fixed assets had the opposite effect.

Current assets (inventories, receivables, and liquid assets) amounted to EUR 353.3 million (prior year: EUR 336.4 million). Inventories decreased by EUR 4.7 million to EUR 160.8 million. This was due to the aluminum price, which was at a record high at the end of the prior year and is now back at a low level. The increase in physical metal inventories had an offsetting effect.

Receivables and other assets amounted to EUR 192.0 million (prior year: EUR 170.8 million). This change was due to greater trade receivables in business with external customers (an increase of EUR 8.8 million) as the result of the volume increases stated above and a metal price-induced price rise. Likewise, receivables from affiliated companies increased by EUR 14.1 million. These are largely attributable to cash pooling.

On the liabilities side, the EUR 71.7 million reduction in other provisions largely results from a lower provision for anticipated losses from pending transactions. Pension obligations increased by EUR 6.3 million due, in particular, to a rising salary and pension trend.

The EUR 77.7 million increase in liabilities to affiliated companies was primarily due to the liability from this year’s profit transfer to Novelis Deutschland Holding GmbH of EUR 77.9 million.

2.8 Overall statement on the net assets, financial position and results of operations

The company's earnings after tax improved largely due to the reduction of provisions for anticipated losses from metal and foreign-currency derivatives, as well as the reasons set out under 2.5. The company generated a net profit for the year before profit/loss transfer of EUR 77.9 million but negative operating cash flow.

3. Report on opportunities and risks

3.1 Risk management system

Management regularly monitors the current status of the risk management system it has put in place. Among other measures, the company has implemented a reporting system that, in addition to regular reporting based on key performance indicators related to technical aspects, also includes health, safety and social aspects, a weekly updated payment outlook and monthly overviews regarding the development of results, investments, receivables and inventories.

3.2 Comparison of opportunities and risks

The opportunities and risks identified by NK deviate from the planned development of the business. The main opportunities and risks are presented below in descending order of priority, i.e., the greatest opportunities and risks are listed first.

Company-related opportunities and risks

NK's risks mainly result from procurement market developments, exchange rate fluctuation and specific customer risks. The Russia-Ukraine conflict is putting pressure on companies due to increased energy costs, and gas and oil supply issues in particular could cause supply chain bottlenecks and are also exposed to high risk. The company as a whole is exposed to the risk that it may not be possible to ensure an adequate gas supply, which would particularly affect the metal supply of cast bars.

A cross-functional crisis response team was created to monitor the situation and draw up contingent and business continuity plans in order to be prepared for the event that natural gas is rationed. The energy procurement team is in close contact with all the company's plant managers and the engineering, maintenance, reliability and automation (EMRA) teams in order to gather the necessary information and prepare the company for different scenarios that will enable it to react quickly in case of restrictions.

There is probably no other industry that was hit as hard by the pandemic as the international aviation industry. Airlines, airports, and other market participants saw considerable declines in revenue. The last fiscal year has shown that the recovery in the aviation industry is progressing faster than was forecast during the pandemic. The company assumes further acceleration of the recovery in its current projections. This is also evidenced by a higher level of deliveries by the three largest aircraft manufacturers. Airbus delivered a total of 663 aircraft in 2022 (2019:863, 2021:611) and Boeing delivered 480 (2018: 806, 2021:340).[3] Boeing has thus far recovered less well overall because, in addition to Covid, the aircraft manufacturer has had to deal with internal crises (737 Max grounding, 787 Dreamliner grounding). As the third-largest aircraft manufacturer, Embraer supplied a total of 159 aircraft in 2022, which represents an

[3] https://dsm.forecastinternational.com/wordpress/2023/01/16/airbus-and-boeing-report-december-and-full-year-2022-commercial-aircraft-orders-and-deliveries/#:~:text=For%20the%20full%20year%2C%20Boeing,fourth%20year%20in%20a%20row.

increase of 12.7% and a return to normality.[4] Market demand continues to exceed available capacity, enabling average prices for FY 2023 to be raised by 16% over FY 2022. Increases in reworking prices combined with the aforementioned portfolio optimization were the basis for producing higher volumes. A limited sales volume is planned for the next fiscal year due to available capacities. This will allow the portfolio to be further optimized and a positive influence on the price to be maintained.

The last fiscal year was shaped by major fluctuations in the commercial plate segment. Whereas in the first half of 2022, there was a clear seller's market, where very high prices were achieved, the market turned from the second half of the year due to strong inflation and fears of recession. The effect has been increased overall through the fact that many customers have well-stocked warehouses and are making targeted purchases only. This has, of course, also had a negative impact on prices. Capacity utilization at the Koblenz/Voerde site is very good overall, particularly due to demand in the aviation segment, where demand exceeds our production capacity. Because not all products can be produced with the same equipment, however, the currently low demand in the commercial plates segment can only partially be made up for with aviation products.

Business with automotive customers and the related heat exchangers has been in a lull for several months now. Although existing capacities are better utilized than during the pandemic, the lack of semiconductors and cable harnesses have continued to have an adverse effect on demand for heat exchangers. In the last fiscal year, the plant worked on the qualification and insourcing of new special products and established these at the site as a means of closing the demand gap and better diversifying the portfolio.

Due to its activities, the company is exposed to a variety of financial opportunities and risks. Rapidly rising costs for energy and for the purchase of alloy components could have a negative impact on the operating result. In view of global economic developments, the company is additionally confronting increasing challenges in relation to currency risks with regard to its forecasting ability, with opportunities presented by a strong USD/EUR exchange rate. A weak USD/EUR exchange rate and high purchase prices for raw aluminum outside of hedged long-term contracts could lead to competitive disadvantages in the medium term. By the same token, the company benefits from a strong US dollar in sales denominated in USD, when sales prices converted from USD to EUR rise in value.

Assuming that the current payment terms remain mostly stable, it is expected at the time of preparation of the management report that surplus cash will be generated in the next fiscal year. It is planned that the company will be able to continue accessing the cash pool in order to meet its payment obligations. It is also expected that the cash pool will be able to cover any short-term liquidity gaps in the future.

[4] https://simpleflying.com/embraer-2022-aircraft-deliveries/

Overall risk

The overall risk situation of NK is made up of the individual risks of all risk categories that have been described. In view of the continued existence of macroeconomic and industry-related risks, it is not possible to completely rule out the prospect of set-backs in realizing the growth objective for the long term. At the same time, the opportunities that have been described could also have a positive effect. Due to the unpredictable course of the Russia-Ukraine conflict and a possible China-Taiwan conflict, persistent high risk must be assumed despite positive development.

4. Outlook report

4.1 Future macroeconomic situation

The global economy is expected to grow by 2.8% in 2023; the eurozone economy only by 0.5% (Germany 0.0%) and the US economy by 1.7%. In China, by contrast, significantly higher economic growth of 6.0% is expected.[5]

4.2 Future company situation

For the fiscal year that started on April 1, 2023, we continue to see a positive market environment for our products, which is also shared by our customers in aviation. Airbus had open orders for a total of 7,239 aircraft at the end of 2022, which corresponds to the production capacity of about ten years. Boeing had an order book of 5,356 aircraft as of March 31, 2023. Airbus, in particular, has ambitious plans and aims to build a total of 75 aircraft per month from the A320 family, the most important aircraft family for the group, in 2025. This would represent an increase of 25% compared with pre-pandemic figures.[6]

Nevertheless, recent geopolitical events show that the conflict between Russia and Ukraine and, as a result, the development of the overall economic situation remain subject to a high degree of uncertainty. For Novelis Koblenz GmbH's fiscal year from April 1 to March 31, 2024 we therefore expect:

- A slight rise in invoiced volume
- A less favorable cost structure due to continued high inflation
- Better production capacity utilization as a result of recovery in all areas and synergies with other Novelis sites
- An improvement in operating EBITDA for the combined business of Novelis Casthouse Germany GmbH and Novelis Koblenz GmbH in the 10–30% range
- A projected TRIR of 0.5.

Please note that criteria of the annual financial statements as well as non-quantifiable risks, including commodity costs and exchange rate fluctuation, can considerably impact the result.

5 Deutsche Bank AG, Perspektiven: Der Jahresausblick 2023

6 https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22

The company believes that it will be able to benefit from the long-term positive development in global demand for aluminum. It is expected that more aluminum will be used in cars due to its lighter weight. This could lead to higher demand for Novelis products in Europe in particular, as compared to the expected increase in the vehicle build rate. Furthermore, the company sees growth potential in the highly profitable defense product area, where it expects volume growth of 42%.

Demand for aviation products from the Koblenz plant typically depends on the order overhang and the build rate in the aircraft industry. The combined order overhang for aviation products has increased by 11%, from 11,300 planes at the start of 2022 to 12,595 at the start of 2023, as a result of which the capacity of major aircraft manufacturers is set to remain at full utilization for several years.[7] We expect demand to rise further in the future. The company has accordingly positioned itself to benefit from increased demand. Demand for aviation products is expected to rise by 5% for the current fiscal year 2024.

Capital spending in the 2023/2024 fiscal year will be at the previous year's level. Priority areas are investments in occupational health and safety, and productivity at our foundries. Investments in the reliability of production facilities also remain a priority.

The basic prerequisites for this scenario are optimal coordination of production planning and output within the group and maintenance of group liquidity.

As a measure of our plants' safety quality, we regularly report our total recordable incident rate (TRIR) and days away from work due to workplace accidents (DAFW).

'Zero incidents' remains our top occupational health and safety goal at all Novelis plants worldwide. We will continue to focus on avoiding serious injuries and fatalities (SIF) and DAFW for fiscal year 2023/2024 in an effort to achieve the zero incident rate planned.

In order to remain successful, we continue to work with our 'Focused 5' performance metrics that we have adapted to support our global strategy. The five metrics – safety, customer centricity, carbon footprint, excellent production, and people – are the key levers to improve and develop our results and business purpose.

5. Determination of the proportion of women pursuant to the Equal Participation Act

The German Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Sectors (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst*) (Federal Law Gazette I 2015 dated April 20, 2015) mandates that target values be set on a regular basis for the percentage of women on the management board and the next two management levels below that, as well as deadlines for implementing these targets. The results of target attainment are to be reported following the expiration of each implementation deadline.

7 https://www.reuters.com/business/aerospace-defense/boeing-airbus-hit-back-over-criticism-delivery-delays-2023-01-17/#:~:text=DUBLIN%2C%20Jan%2017%20(Reuters),an%20on%2Foff%20switch.%22

The Supervisory Board of Novelis Koblenz GmbH has had six members since October 2015 and has included two female members since November 2022.

One of the managing directors in the reporting year was a woman.

Of the first and second level managers in the reporting period, 29% were female.

The management and the Supervisory Board have set and achieved targets and implementation deadlines for implementing the legal provisions at NK. The implementation deadline was June 30, 2025.

The target has not yet been redefined at the time of reporting.

	Objective	Actual
Supervisory Board	17%	33%
Managing director level	33%	50%
First and second management levels	18% 20%	29%

We have also set ourselves the goal that, by June 30, 2025, by a number of 3 managing directors at Novelis Koblenz GmbH one should be a woman.

We have deliberately set a target ratio greater than zero only after the number of managing directors has increased to 3 or more managing directors. The employment of women, in management positions as well as in general, is not only taken for granted, but also valued as an important element in terms of diversity and diversity and an opportunity for further development. Vacant positions are filled irrespective of the most suitable candidate, both professionally and personally, irrespective of gender. candidate. At Novelis Koblenz GmbH, what counts in particular is the principle of performance and equal opportunities and not gender. Qualifications and achievements are key. Gender alone is not a qualification. As everywhere, the discrepancy between the necessary acceptance of corporate regulations and the threat of rejection in the operational business must be maintained. A two-member management board is a small body for which setting a rigid quota would restrict us too much.

Koblenz, May 2nd, 2023

signed Folker Ohle (Managing Director)	signed Anja Lambrecht (Managing Director)

Annual Financial Statements
from April 1, 2022 to March 31, 2023

Novelis Koblenz GmbH (formerly Aleris Rolled Products Germany GmbH), Koblenz
Balance Sheet as at March 31, 2023

Assets	31.03.2023 EUR	31.03.2022 EUR
A. Fixed Assets		
I. Intangible fixed assets		
Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets and licenses to such rights and assets	1.522.282	1.885.580
II. Tangible fixed assets		
1. Land, land rights and buildings, including buildings on third-party land	25.385.806	26.020.107
2. Technical equipment and machinery	40.146.963	42.304.086
3. Other equipment, operating and office equipment	20.239.190	21.722.765
4. Prepayments and assets under construction	14.308.519	6.475.561
	100.080.478	96.522.519
III. Long-term financial assets		
1. Shares in affiliated companies	44.111.631	44.111.631
2. Loans to affiliated companies of which from shareholders EUR 18.450.000 (prior year: EUR 18.450.000)	18.450.000	18.450.000
	62.561.631	62.561.631
	164.164.391	160.969.730
B. Current Assets		
I. Inventories		
1. Raw materials, consumables and supplies	51.502.144	41.058.063
2. Slabs	39.626.202	49.616.639
3. Work in progress	30.181.030	31.624.573
4. Finished goods	39.504.193	43.189.679
	160.813.569	165.488.954
II. Receivables and other assets		
1. Trade receivables	105.898.071	97.084.406
2. Receivables from affiliated companies of which from shareholders EUR 0 (prior year EUR 51.723.694)	83.229.715	69.142.730
3. Other assets	2.880.466	4.602.537
	192.008.252	170.829.673
III. Cash at hand and bank balances	474.018	60.313
	353.295.839	336.378.941
C. Prepaid expenses	885.945	786.720
	518.346.175	498.135.390

Equity and liabilities	31.03.2023 EUR	31.03.2022 EUR
A. Equity		
I. Sibscribed capital	51.130.000	51.130.000
II. Capital reserve	46.416.955	46.416.955
III. Profit carried forward	43.772.513	43.772.513
	141.319.469	141.319.469
B. Provisions		
1. Provisions for pensions and similar obligations	110.286.846	103.940.090
2. Provisions for taxes	687.036	187.615
3. Other provisions	38.962.081	110.707.009
	149.935.963	214.834.713
C. Liabilities		
1. Payments received on account of orders	39.975	1.425.535
2. Trade payables	106.209.401	98.089.655
3. Liabilities to affiliated companies of which from shareholders EUR 77.948.428 (prior year EUR 0)	115.175.720	37.429.083
4. Other liabilities of which from taxes EUR 2.537.619 (prior year EUR 2.663.745)	5.574.180	5.033.186
	226.999.276	141.977.458
D. Deferred income	91.467	3.750
	518.346.175	498.135.390

Novelis Koblenz GmbH (formerly Aleris Rolled Products Germany GmbH), Koblenz
Income Statement April 1, 2022 - March 31, 2023

		April 1, 2022- March 31, 2023 EUR	April 1, 2021 - March 31, 2022 EUR
1.	Sales revenue	839.788.840	652.588.448
2.	Increase in finished goods inventories and work in progress	-5.129.029	21.386.915
3.	Other own work capitalized	0	519.781
4.	Other operating income	85.874.794	11.501.927
	of which from currency translation EUR 15.920.660,50 (prior year TEUR 4.913)		
		920.534.605	685.997.071
5.	Material expenses		
	a) Cost of raw materials, consumables and suppllies, and of purchased merchenadise	587.017.347	515.033.751
	b) Expenses for services rendered	26.833.188	21.290.663
6.	Personnel expenses		
	a) Wages and salaries	75.530.358	69.620.401
	b) Social security, post-employment and other employee benefit costs of which post-employment benefits EUR 7.019.655,52 (prior year TEUR 1.861)	21.796.114	17.188.788
7.	Amortization and write-downs of intangible assets and depreciation and write-downs of tangible fixed assets	14.079.322	14.266.812
8.	Other operating expenses	111.406.826	87.177.157
	of which losses from currency translation EUR 19.391.508,80 (prior year TEUR 21.669) of which expenses from the application of articvles 66 and 67 (1) to (5) EGHGB (transitional provisions for BilMoG) EUR 614.597,13 (prior year TEUR 153)		
		836.663.155	724.577.572
9.	Other interest and similar income	1.973.138	781.998
	of which from affiliated companies EUR 1.972.811,07 (prior year TEUR 745)		
10.	Cost of loss absorption / Income from profit transfer agreements	3.074.804	2.506.045
11.	Interest and similar expenses	2.516.863	10.000.664
	of which to affiliated companies EUR 63.505,27 (prior year TEUR 131) of which expenses from discounting EUR 2.375.834 (prior year TEUR 9.869)		
		-3.618.528	-11.724.711
12.	Income taxes	1.454.417	845.236
13.	Profit after tax	78.798.506	-51.150.448
14.	Other taxes	850.078	442.571
15.	Profit transferred/losses offset on the basis of a profit/loss transfer agreement	77.948.428	-51.593.019
16.	Net income/loss for the year	0	0

Notes to fiscal year April 1, 2022 – March 31, 2023 of Novelis Koblenz GmbH, Koblenz

General information

The annual financial statements for Novelis Koblenz GmbH, Koblenz, (hereinafter “NK” or “company”) were prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* - HGB) and the supplementary provisions of the Limited Liability Companies Act (*Gesetz über die GmbH* - GmbHG). The provisions for large corporations apply.

The company is entered in the commercial register of the Local Court of Koblenz under the name Novelis Koblenz GmbH, domiciled in Koblenz, under HRB 4239.

The income statement was prepared in accordance with the total cost method.

The balance sheet classification in accordance with section 266 HGB was supplemented by the balance sheet line item “Slabs” in order to address the special features of the company and the industry, and thereby improve the clarity of presentation. This item includes slabs made by third parties. Most of the slabs are used in production, although some are also sold.

The residual terms of the receivables and liabilities are disclosed in the notes for reasons of clarity. For the same reason, some of the disclosures on allocation to other items and breakdowns of items are also presented here.

The controlling company of the company is Novelis Aluminium Holding Unlimited Company Zweigniederlassung Deutschland, Göttingen.

The breakdowns regarding currency translation reported in the income statement include both realized and unrealized exchange rate differences.

Accounting policies and balance sheet disclosures

The following accounting policies are applied with regard to the preparation of the annual financial statements. Unless explicitly mentioned, the same accounting policies are applied as in the previous year.

The statement of changes in fixed assets (Annex to the Notes) contains a presentation of the development of each fixed asset item, starting with total acquisition cost.

Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets, and licenses to such rights and assets are recognized at cost and, if subject to wear and tear, are reduced by pro rata amortization in accordance with their useful life (3-5 years). Write-downs are charged if impairment is expected to be permanent.

Tangible fixed assets are recognized at cost and, if subject to wear and tear, are reduced by depreciation. Interest on debt is not capitalized. Write-downs are charged if impairment is expected to be permanent.

Buildings are depreciated over 3-40 years, technical equipment and machinery over 3-25 years, operating and office equipment over 1-20 years, using the straight-line method.

Low-value assets with individual purchase prices between EUR 250 and EUR 1,000 are depreciated over five years. Low-value assets with individual purchase prices of up to EUR 250 are expensed in the year they are added.

Shares in affiliated companies are recognized at the lower of cost or fair value. Write-downs are charged if impairment is expected to be permanent.

Information on shareholdings

Name of affiliated company	**Share %**	**Equity as at March 31, 2023**	**Net profit/loss for 2023 before transfer**
Novelis Casthouse Germany GmbH, Koblenz*	100.00	EUR 44,113 thousand	EUR -3,074,804 thousand

*) There is a profit-and-loss transfer agreement between Novelis Casthouse Germany GmbH, Koblenz and NK. The individual result that has been reported represents the net income/loss for the year before intercompany profit/loss transfers.

Loans to affiliated companies relate to shareholder Novelis Deutschland Holding GmbH and have a term of up to five years. They are carried at nominal value. Value adjustments are made as required.

Inventories are measured at the lower of cost or market value. Production costs comprise direct labor costs, direct materials costs and special costs of production, as well as an appropriate share of indirect materials costs, indirect labor costs and depreciation and amortization of fixed assets to the extent that they are attributable to the production process. Costs for general administration are not capitalized pursuant to section 255 (2) sentence 3 HGB.

Raw materials, slabs, work in progress and finished goods are assessed according to the weighted average method.

Due to decreased prices for metal compared with March 31, 2022, the application of the simplified measurement method for inventory balances resulted, by comparison to measurement on the basis of the last known stock-market or market price before the balance sheet date, in a valuation reserve totaling EUR 0 thousand as at March 31, 2023 (prior year: EUR 47,717 thousand).

Consumables and supplies and storeroom materials are valued in accordance with the moving average method. Discounts are applied to inventories with limited recoverability. The lower of cost or market value principle is applied. The values of equipment-related spare parts greater than EUR 50 thousand are recognized in fixed assets; all others recognized under inventories are adjusted in accordance with the service life of the equipment for which they are designated. Merchandise is carried the lower of cost or market.

All identifiable risks in inventories arising from above average storage time, decreased recoverability and lower replacement costs are taken into account through appropriate devaluations. Valuation allowances or provisions of an appropriate level are created for losses from delivery and acceptance obligations.

Receivables and other assets, along with liquid assets (cash in hand and bank balances), are carried at nominal value. All risky items are taken into account through making appropriate specific value adjustments. Assets in foreign currency were converted at the average rate of exchange on the balance sheet date. As in the previous year, all receivables and other assets presented in current assets are due within one year.

Receivables from affiliated companies in the amount of EUR 83,230 thousand (prior year: EUR 69,143 thousand) include receivables from the cash pool contract in the amount of EUR 61,146 thousand (prior year: EUR 0 thousand). In the prior year, the item also included receivables from the profit transfer to the shareholder (liability due to net profit this year).

On the assets side, **prepaid expenses** are recognized for amounts expensed prior to the balance sheet date insofar as they represent expenses for a specific period after this date.

The company's **share capital** in the amount of EUR 51,130 thousand is fully paid up.

As in the previous year, EUR 46,417 thousand was allocated to the **capital reserve**.

Provisions for pensions and similar obligations are measured based on actuarial principles using the 2018 G actuarial tables (RT 2018 G) by Prof. Dr. Klaus Heubeck. In exercising the option pursuant to section 253 (2) sentence 2 HGB, the 1.79% p.a. average market rate for an assumed residual term of 15 years (prior year: 1.81% p.a.) pursuant to the Regulation on the Discounting of Provisions (*Rückstellungsabzinsungsverordnung*) dated November 18, 2009 was applied as a flat discount rate. Due to the new regulation as a result of the Act Implementing the Mortgage Credit Directive and Amending Commercial Rules (*Gesetz zur Umsetzung der Wohnimmobilienkreditrichtlinie und zur Änderung handelsrechtlicher Vorschriften*) this discount rate is the average market interest rate of the past ten fiscal years forecast for the balance sheet date, which results from an assumed residual term of 15 years. Applying the 1.50% p.a. average market interest rate of the past seven fiscal years forecast for the balance sheet date would result in a settlement amount before offsetting plan assets against pension liabilities and before offsetting the excess of plan assets over pension liabilities still to be accumulated in future periods within the meaning of section 67 (1) sentence 1 EGHGB of EUR 122,154 thousand. The difference within the meaning of section 253 (6) sentence 1 HGB was EUR 6,696 thousand as at the balance sheet date.

The option of distributing the required allocation over a maximum of 15 years, which is available under section 67 (1) sentence 1 EGHGB, was utilized. The difference not yet recognized at the end of the fiscal year was EUR 1,073 thousand (prior year: EUR 1,686 thousand).
The valuation of the commitment volume is performed in line with section 253 (2) HGB applying the following measurement principles and calculation bases:

- Measurement method: Projected unit credit (PUC) within the meaning of IAS 19
- Biometrics: 2018 G actuarial tables
- Pension trend: 1.00% - 2.00% (prior year: 1.00% - 1.75%)
- Salary trend: 2.75% (FY24: 5.2%; FY25: 3.3%)
- Contribution assessment ceiling (BBG) trend: 2.75%

In accordance with the collective bargaining agreement for the metal industry, the salaries were adjusted by the salary increase determined. From June 1, 2023 this is 5.2% and from May 1, 2024 3.3%. From 2025, the salary increase of – as in the previous year – 2.75% will be continued.

The provisions for pensions and similar obligations of EUR 110,287 thousand (prior year: EUR 103,940 thousand) include provisions relating to the supplementary regulation of EUR 75,539 thousand (prior year: EUR 72,097 thousand) as well as provisions in accordance with the Essener Verband benefits plan of EUR 34,651 thousand (prior year: EUR 31,780 thousand). The provisions for pensions include pension obligations to previous company board members of EUR 11,184 thousand (prior year: EUR 10,363 thousand).

The assets that are exempt from attachment by all other creditors and that solely serve to settle post-employment benefit obligations (plan assets as defined by section 246 (2) sentence 2 HGB) have been fully offset against the provisions at their fair value (EUR 4,098 thousand; prior year: EUR 1,620 thousand). The plan assets are a reinsurance claim.

The plan assets totaled EUR 4,097 thousand as of March 31, 2023 (prior year: EUR 1,686 thousand) and comprised the ZVO II benefits plan of EUR 1,858 thousand (prior year: EUR 1,686 thousand) and, for the first time, the Essener Verband defined contribution plan (BOLO) of EUR 2,239 thousand (prior year: zero). The expenses and income for the year total EUR 238 thousand for ZVO II 2007 and include interest expenses and interest income of EUR 27 thousand. For BOLO, the expenses total EUR 104 thousand and include interest expenses of EUR 38 thousand. The income for BOLO totals EUR 38 thousand.

The **other provisions** item covers all uncertain liabilities and anticipated losses from pending transactions. The provisions are created in the amount repayable as required on the basis of a reasonable business assessment. Identifiable risks were addressed appropriately in the creation of other provisions. Provisions with a residual term of more than one year were discounted.
The other provisions item of EUR 38,962 thousand (prior year: EUR 110,707 thousand) primarily comprises provisions for anticipated losses from pending commodity and currency futures transactions (EUR 11,050 thousand; prior year: EUR 89,376 thousand), partial retirement (EUR 6,978 thousand; prior year: EUR 6,357 thousand), other personnel obligations (EUR 5,097 thousand; prior year: EUR 4,190 thousand), vacation provisions (EUR 3,047 thousand; prior year: EUR 2,671 thousand), anniversaries (EUR 2,514 thousand; prior year: EUR 2,663 thousand), freight (EUR 6,050 thousand, prior year EUR 1,623 thousand), sales bonuses (EUR 1,013 thousand; prior year: EUR 976 thousand), and warranties (EUR 1,508 thousand; prior year: EUR 759 thousand). Moreover, provisions for restructuring have been fully utilized through their consumption and reversal.

The **provisions for anniversary bonuses and partial retirement** were calculated in the amount of the required provision on the basis of an actuarial calculation. The measurement was performed at present value using the interest rate determined by the German Bundesbank and applying the actuarial tables of Prof. Dr. Klaus Heubeck (2018 G actuarial tables). Pursuant to section 253 (2) sentence 1, the provisions for anniversary bonuses and partial retirement were discounted using the average market interest rates of the last seven years, which result from the relevant terms. The provisions for anniversary bonuses were discounted using a discount rate of 1.50% (prior year: 1.35% p.a.) over a residual term of 15 years, while the provisions for partial retirement were discounted using a rate of 0.64% (prior year: 0.33% p.a.) over a residual term of 2 years.

Liabilities are measured at their settlement amount. Liabilities in foreign currency are converted at the respective average rate of exchange on the balance sheet date. As in the previous year, all liabilities are due within one year.

Liabilities to affiliated companies of EUR 115,176 thousand (prior year: EUR 37,429 thousand) largely comprise liabilities from the profit transfer of EUR 77,948 thousand. Otherwise, liabilities to affiliated companies – as in previous year – contain trade payables.

On the liabilities side, **deferred income** is recognized for income received prior to the balance sheet date insofar as it represents income for a specific period after this date.

Income statement disclosures

Sales revenue for the fiscal year amounted to EUR 839,789 thousand (prior year: EUR 652,588 thousand). It is mainly attributable to the following countries (foreign currency converted at the average rates of the respective previous month):

	April 1, 2022 – March 31, 2023 EUR '000	April 1, 2021 – March 31, 2022 EUR '000
Germany	270,688	262,410
Europe	312,608	179,216
Rest of the world	256,493	210,962
	839,789	652,588

The sales revenue, not including reductions in revenue, is attributable to aircraft plates in the amount of EUR 386,115 thousand (prior year: EUR 216,831 thousand), coils and sheet metal in the amount of EUR 231,357 thousand (prior year: EUR 164,440 thousand) and commercial plates in the amount of EUR 118,442 thousand (prior year: EUR 103,790 thousand). Other product groups are slabs, scrap and merchandise.

Other operating income amounted to EUR 85,875 thousand (prior year: EUR 11,502 thousand). Other operating income largely includes income from the reversal of provisions for anticipated losses of

EUR 55,712 thousand, gains from hedging transactions of EUR 9,384 thousand and gains from currency translation of EUR 15,921 thousand (prior year: EUR 4,913 thousand). Moreover, other operating income also includes prior-period income from a billing correction for previous years in the amount of EUR 3,847 thousand.

Other operating expenses include services rendered by affiliated companies in the amount of EUR 30,552 thousand (prior year: EUR 21,524 thousand), an allocation to the provision for anticipated losses of EUR 10,712 thousand, freight charges of EUR 20,804 thousand (prior year: EUR 16,536 thousand), foreign currency losses of EUR 19,392 thousand (prior year: EUR 4,602 thousand), maintenance costs of EUR 6,564 thousand (prior year: EUR 4,476 thousand), leases and rentals of EUR 3,984 thousand (prior year: EUR 4,169 thousand), services rendered by non-group companies of EUR 3,196 thousand (prior year: EUR 3,647 thousand), insurance policies of EUR 1,324 thousand (prior year: 1,537 thousand) and research and development costs of EUR 1,379 thousand (prior year: EUR 1,406 thousand). Furthermore, EUR 1,568 thousand (prior year: EUR 1,312 thousand) is attributable to audit and consulting costs, EUR 977 thousand to sales commissions (prior year: EUR 1,278 thousand), EUR 1,094 thousand (prior year: EUR 1,128 thousand) to other materials, EUR 1,145 thousand (prior year: EUR 958 thousand) to data processing costs, EUR 755 thousand (prior year: EUR 925 thousand) to other costs related to foreign offices, EUR 1,548 thousand (prior year: EUR 785 thousand) to warranty expenses, and EUR 1,344 thousand (prior year: EUR 695 thousand) to travel and vehicle costs.
Other operating expenses also include extraordinary expenses of EUR 615 thousand (prior year: EUR 153 thousand) due to the adjustment of pension expenses spread over 15 years as a result of the German Accounting Law Modernization Act (BilMoG).

Contingent liabilities
The Novelis Group undertook partial refinancing in the fiscal year. The financing was issued in exchange for transferring security. As security provider, the company has transferred by way of security all chattel assets owned by Novelis Koblenz GmbH, Koblenz, to the secured parties.

First of all, new term loans of USD 500 million were issued in March 2021 to repay a portion of the USD 1.8 billion term loan facility. A further portion was repaid through the issuance in March 2021 of a green bond in the amount of EUR 500 million (equivalent to USD 588 million in March 2021).
Novelis made several voluntary repayments of the USD 1.8 billion term loan in January 2021 and refinanced the remaining balance of USD 314.5 million in January 2022 via an unsecured loan. Novelis repaid the entire outstanding amount within fiscal year 2023, before the loans were due in November 2022.
Term loans of USD 775 million were drawn in April 2020 to fund part of the consideration for the acquisition of Aleris. After partial repayment, USD 752 million remains outstanding at the end of fiscal year 2023.

A total of USD 1.2 billion from all the term loans remains at the end of fiscal year 2023.
A total of USD 3.6 billion in corporate bonds was issued by the end of fiscal year 2023, with the USD 1,500 million (issued in August 2021), the USD 1,600 million (issued in January 2020) and the EUR 500 million in green bonds (equivalent to USD 543 million as of March 2023).
In August 2022, Novelis made changes to the ABL revolver facility, including by increasing the commitment under the ABL revolver by USD 500 million to USD 2.0 billion and extending the ABL revolver’s term to August 18, 2027.

This refinancing has not caused any changes to the company's contingent liabilities.
The profit and loss transfer agreement between Novelis Koblenz GmbH, Koblenz, and Novelis Deutschland Holding GmbH, Koblenz, is to remain in effect.
The company has assigned all receivables to the secured parties as collateral (blanket assignment).
The receivables may not be encumbered in favor of third parties. The secured parties must be notified of any attachments without delay.
As security provider, the company has pledged all of the company's bank accounts with German banks to the secured parties.
The company agrees not to encumber to the benefit of third parties any real property and equivalent rights it owns. No land charges (*Grundschulden*) have been created to the benefit of the secured parties.
As security provider, the company has assigned all industrial property rights owned by Novelis Koblenz GmbH, Koblenz, to the secured parties.
The security provider has extensive authorization to use the collateral in ordinary business operations.
The company is exposed to the risk of the above-mentioned contingent liabilities materializing. However, no collateral had been realized by the time the financial statements were prepared and the management does not expect this to happen in subsequent years either, as the expected liquidity of the company, which took out the loan, is highly likely to suffice for timely fulfilment of the agreement.

Other financial obligations/off-balance sheet transactions

	Amounts in EUR thousands
a) Rent and lease installments p.a.	2,450
b) Purchase order commitments (non-metal)	2,089
c) Obligations from metal purchasing and sales contracts (net)	306,229
Total other financial obligations:	**349,127**

The company also has purchase obligations for electricity and natural gas in an expected amount of EUR 19,735 thousand.
The rental and lease agreements have terms ranging from 5 to 54 months. The company has obligations from rental and lease agreements to the affiliated company, Novelis Casthouse Germany GmbH, Koblenz, in the amount of EUR 171 thousand per month. The two lease agreements have been concluded for an indefinite period of time. They extend automatically by one year unless terminated in writing with a notice period of 12 months to January 1.

Emission allowances for the 2013-2022 allocation period in accordance with the Greenhouse Gas Emissions Trading Act (*Treibhausgas-Emissionshandelsgesetz* – TEHG) and the 2020 Allocation Regulation (*Zuteilungsverordnung 2020* – ZuV 2020) of 20,292 from past fiscal years are available as of the reporting date March 31, 2023. This already takes account of the returns necessary for 2022. The remaining emission allowances are transferred to the 4th trading period and used to offset EU ETS (European Trade System) emissions for calendar year 2023.
The emission allowances that were allocated free of charge and not used as of the balance sheet date are not recognized.

Derivative financial instruments

In addition to foreign currency rates, the company also hedges the metal price risk with commodity futures transactions (purchase of pre-emptive rights).

The following hedging instruments were in place on the balance sheet date:

	Contract volume	Nominal amount	Fair value
Metal purchase and sales contracts (net)	19,861t	USD 530,183 thousand	EUR 3,379 thousand
Foreign currency contracts (purchase of EUR/USD and EUR/GBP)	EUR 107,757 thousand	USD -1,489 thousand	USD -1,435 thousand
Foreign currency contracts (sale of USD and EUR/GB)	EUR 322,046 thousand		

The metal purchase and sale contracts were concluded in USD and EUR. USD hedges were converted at the spot price. Due to the existence of an active market, the fair value corresponds to the market value. The fair value reflects the amount that can be achieved for the assets through a sale or the amount that would be required to pay off the debt. Obligations from metal purchase and sales contracts are valued at the forward rate at the time the commodity futures transaction is concluded. This contract price is composed of the spot price plus forward buying premiums and discounts.

Appropriate provisions have been made for anticipated losses from the hedging instruments as at the balance sheet date.

Transactions with related parties

The company maintains business relationships with numerous companies in the normal course of business. This also includes affiliated companies.

As these are indirectly or directly wholly owned companies included in the consolidated financial statements of Novelis Inc, Mississauga, Canada, no further information is required in accordance with section 285 (21) HGB.

Number of employees

The average number of employees at the Koblenz site (excluding apprentices and managing directors) in the fiscal year was as follows:

	April 1, 2022 – March 31, 2023
Wage-earning employees	774
Salaried employees	306
Total	**1,080**

Supervisory Board

The company has a Supervisory Board pursuant to the articles of association and based on statutory provisions (German One-Third Employee Representation Act (*Drittbeteiligungsgesetz*), German Works

Council Constitution Act of 1952 (*Betriebsverfassungsgesetz*)). The members of the Supervisory Board during the fiscal year were:

Shareholders:

- Roland Leder (Chairman), Vice President Finance, Novelis Europe, Montabaur, Germany
- Folker Ohle, Vice President Operations Novelis Europe, Hofheim am Taunus, until November 16, 2022
- Wolfram Joos, Vice President Human Resources Novelis Europe, Zurich, Switzerland
- Gabriella Honti, Director Regional Procurement Novelis Europe, Göttingen, from November 16, 2022
- Mélanie Lambelet, Director Communications and Government Affairs, Novelis Europe, Zurich, Switzerland

Employee representatives:

- Bernd Feuerpeil, (Vice Chair), Chairman of Koblenz Works Council, Düngenheim
- Peter Behrendt, member of Voerde Works Council, Voerde

Management and representation:

The management team consists of the following executives:

- Anja Lambrecht, Hofheim
- Mathias Monjé, Hofheim, until November 16, 2022
- Folker Ohle, Hofheim am Taunus, from November 16, 2022

The managing directors are exempt from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch* - BGB).

Total remuneration for the management

The company exercises the protective clause of section 286 (4) HGB and opts not to disclose the remuneration of the management in the notes to the financial statements. In the current fiscal year, the members of the Supervisory Board received EUR 18 thousand (prior year: EUR 18 thousand) from the company. The total remuneration of former managing directors was EUR 958 thousand in 2023 (prior year: EUR 886 thousand).

Shareholder information

The shareholder of Novelis Koblenz GmbH as at March 31, 2023, is:

	Share %
Novelis Deutschland Holding GmbH, Koblenz	100.00%

Novelis Koblenz GmbH is included in the consolidated financial statements of Hindalco Industries Ltd, Mumbai, India (largest consolidated group), and in the consolidated financial statements of Novelis Inc., Mississauga, Canada (smallest consolidated group). The financial statements are available at the companies' respective registered offices and at www.hindalco.com or www.novelis.com.

The affiliated companies of Novelis Koblenz GmbH comprise, in accordance with section 271 (2) HGB, the ultimate parent company Hindalco Industries Ltd., Mumbai, India, and all subsidiaries of this parent.

Novelis Koblenz GmbH opted not to prepare consolidated financial statements, in accordance with section 292 (2) HGB.

In meeting those requirements, the following material recognition, measurement and consolidation methods were applied in the ultimate parent's consolidated financial statements, which deviate from German law in the following respects:

- Accounting under US GAAP differs fundamentally from the German Commercial Code in the objective followed. While US GAAP is primarily aimed at providing investors with information useful for decision making, German accounting is characterized by a strong emphasis on creditor protection and the principle of prudence.

- Balance sheet classification under US GAAP is oriented on the degree of liquidity for assets and the residual term for liabilities. Balance sheet classification for German accounting purposes is generally defined for corporations in section 266 HGB. The classification there is oriented on the intended retention period of assets in the entity or on the differentiation between sources of financing.

- When calculating depreciation or amortization, some fixed asset items have differing useful lives.

- Deferred taxes are recognized for all temporary differences. Deferred taxes must also be recognized on loss carryforwards. Deferred taxes must be determined using the tax rate applicable for the future - based on the legal situation as at the balance sheet date. Pursuant to US GAAP, there is mandatory recognition of deferred tax assets.

- When measuring provisions, discounting uses the current capital market interest rate for matching maturities. The discount rates used for provisions for personnel differ from one another in the accounting treatment.

- Under German commercial law, the company exercises the option for pension provisions under section 67 (1) sentence 1 of the Introductory Act to the German Commercial Code, (*Einführungsgesetz zum Handelsgesetzbuch* - EGHGB), which results in an addition of the difference within a 15-year period. Moreover, under German commercial law, the addition to the pension provisions includes an interest cost, which is presented in the item “Interest and similar expenses”.

- Under US GAAP, accruals for uncertain liabilities and anticipated losses from pending transactions may only be recognized if there is an obligation vis-à-vis third parties, recourse is probable, and the amount of the accrual can be reliably estimated. When measuring accruals under US GAAP, the most probable value must be recognized; if there is a range of values of equal probability, then the lowest value is to be recognized.

- Accounting treatment of leasing transactions is based on the “right of use” approach. Assessment focuses primarily on determining whether the lessee has a right of use. If the lessee has a right of use, the leased item must be capitalized and is not expensed as incurred. The sole exception are short-term leases with terms of less than 12 months.

- A management report is not prepared under US GAAP. However, significant disclosures must be included in the “Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)”.

The consolidated financial statements of Novelis Inc. are published in German in the electronic Federal Gazette under Novelis Deutschland GmbH (Local Court of Göttingen, HRB 772).

Report on post-balance sheet date events
No events of particular significance occurred after the end of the fiscal year.

Audit and consulting fees
The total fee for the auditor billed for the fiscal year was EUR 207 thousand for audit services.

Koblenz, May 2nd 2023

signed Folker Ohle
(Managing Director)

signed Anja Lambrecht
(Managing Director)

Movement in Fixed Assets

(Appendix to the Notes)

Novelis Koblenz GmbH (formerly Aleris Rolled Products Germany GmbH), Koblenz
Statement of changes in fixed assets April 1, 2022 - March 31, 2023

		Acquisition and production costs (APC)				
		01.04.2022 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	31.03.2023 EUR
I.	**Intangible fixed assets**					
1.	Purchased concessions, commercial trademarks, industrial property rights and similar rights and assets, and licenses to such rights and assets	19.452.634	515.591	0	377.980	20.346.204
2.	Goodwill	28.626	0	0	0	28.626
		19.481.260	515.591	0	377.980	20.374.830
II.	**Tangible fixed assets**					
1.	Land, land rights and buildings, including buildings on third-party land	34.791.489	555.970	0	61.150	35.408.609
2.	Technical equipment and machinery	393.291.974	2.835.045	60.000	1.938.339	398.005.358
3.	Other equipment, operating and office Equipment	61.525.819	1.643.372	154.807	1.519.079	64.533.463
4.	Prepayments and assets under construction	6.475.561	11.729.506	0	-3.896.548	14.308.519
		496.084.842	16.763.893	214.807	-377.980	512.255.949
III.	**Long-term financial assets**					
1.	Shares in affiliated companies	44.111.631	0	0	0	44.111.631
2.	Loans to affiliated companies	18.450.000	0	0	0	18.450.000
		62.561.631	0	0	0	62.561.631
		578.127.733	**17.279.484**	**214.807**	**0**	**595.192.410**

Cumulative depreciation, amortization and write-downs				Carrying amounts	
01.04.2022	Additions	Disposals	31.03.2023	31.03.2023	31.03.2022
EUR	EUR	EUR	EUR	EUR	EUR
17.567.054	1.256.868	0	18.823.922	1.522.282	1.885.580
28.626	0	0	28.626	0	0
17.595.680	1.256.868	0	18.852.548	1.522.282	1.885.580
8.771.382	1.251.421	0	10.022.803	25.385.806	26.020.107
350.987.888	6.925.007	54.500	357.858.395	40.146.963	42.304.086
39.803.053	4.646.026	154.807	44.294.273	20.239.190	21.722.766
0	0	0	0	14.308.519	6.475.561
399.562.323	12.822.454	209.307	412.175.471	100.080.478	96.522.520
0	0	0	0	44.111.631	44.111.631
0	0	0	0	18.450.000	18.450.000
0	0	0	0	62.561.631	62.561.631
417.158.003	**14.079.322**	**209.307**	**431.028.019**	**164.164.391**	**160.969.731**

INDEPENDENT AUDITOR'S REPORT

To Novelis Koblenz GmbH, Koblenz

Audit Opinions

We have audited the annual financial statements of Novelis Koblenz GmbH, Koblenz, which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss for the financial year from 1 April 2022 to 31 March 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Novelis Koblenz GmbH for the financial year from 1 April 2022 to 31 March 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2023 and of its financial performance for the financial year from 1 April 2022 to 31 March 2023 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) as an unaudited part of the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Advisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The advisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 2 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Christian Kwasni Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Jürgen Körbel Wirtschaftsprüfer (German Public Auditor)

NOVELIS NETHERLANDS B.V.
Amsterdam, the Netherlands

ANNUAL REPORT
31 March 2023

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Novelis Netherlands B.V.

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Novelis Netherlands B.V.

1 Financial statements

1.1 Balance sheet as at 31 March 2023

Before result appropriation

		31 March 2023		31 March 2022	
Assets		€	€	€	€
Fixed assets					
Financial fixed assets					
Participations in group companies	1	289,147,353		289,147,352	
Long term receivable - 3rd Party	2	39,800,000		45,000,000	
			328,947,353		334,147,352
Current assets					
Receivables					
Short term receivables - 3rd Party		1,271,026		657,180	
Corporate tax receivable		-		308,294	
Receivables from group and related companies	3	118,737,427		165,412,499	
			120,008,453		166,377,974
			448,955,806		500,525,326
Shareholder's equity and liabilities					
Shareholder's equity	4				
Issued share capital		754,096,540		754,096,540	
Share premium reserve		11,720,459		11,720,459	
Accumulated results		(322,173,037)		(324,302,071)	
Result for the year		4,067,828		2,129,048	
			447,711,790		443,643,976
Short-term liabilities					
Short term liabilities to group and related companies	5	59,257		56,616,152	
Corporate tax payable		1,015,075		-	
Other liabilities and accrued expenses	6	169,684		265,198	
			1,244,016		56,881,350
			448,955,806		500,525,326

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Novelis Netherlands B.V.

1.2 Profit and Loss account for the year ended 31 March 2023

		1-4-2022/31-3-2023		1-4-2021/31-3-2022	
		€	€	€	€
Interest income		4,834,324		4,182,292	
Interest expense		(1,197,903)		(418,521)	
Other operating income	7	2,220,079		211,800	
Gross Margin			5,856,500		3,975,571
Personnel expenses		(108,798)		167,636	
Management and administration expenses	8	264,254		976,646	
Exchange results		1,275,130		634,189	
Total operating expenses			1,430,586		1,778,471
Net Margin			4,425,914		2,197,100
Derivative Gain			1,020,295		651,704
Net Income before Taxation			5,446,209		2,848,803
Taxation			(1,378,381)		(643,524)
			4,067,828		2,205,280
Result on Participations			-		(76,232)
Net result after taxation			**4,067,828**		**2,129,048**

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Novelis Netherlands B.V.

1.3 Notes to the financial statements as at 31 March 2023

General

Novelis Netherlands B.V. (hereinafter the 'Company') is a private limited liability company, having its statutory seat in Delfzijl, the Netherlands and its registered office at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam, the Netherlands. The Company was incorporated under the laws of the Netherlands on 13 January 1998. The Company is a wholly owned subsidiary of Novelis ALR Interntional, Inc., registered in Delaware, U.S.A. The ultimate parent company is Hindalco Industries Limited, Mumbai, India. The Company is registered at the trade register under number 33299643.

The principal activities of the Company are the participation in and management and financing of other companies and enterprises.

Since the Company qualifies as a small sized, it is, consequently, not required to have its accounts audited as provided for in Article 396, Paragraph 7, Part 9, Book 2 of the Dutch Civil Code. Hence an audit has not been conducted.

The Company has made use of the exemption allowed by Article 396, Paragraph 7, Part 9, Book 2 of the Dutch Civil Code in not presenting a Managing Directors report.

With reference to the Guidelines for Annual Reporting in the Netherlands (RJ360.106), the Company did not include a cash flow statement. Reference is made to the cash flow statement as included in the consolidated financial statements of Novelis Inc. These consolidated financial statements will be filed with the Commercial Register in the Netherlands.

The accompanying accounts have been prepared in accordance with the provisions of EU Directives as implemented in Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standard Board.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are stated at face value. Income and expenses are accounted for on the accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

All monetary assets and liabilities expressed in currencies other than EUR have been translated at the rates ofexchange prevailing at the balance sheet date, whereas non-monetary assets expressed in currencies other than EUR are translated at historical rates. All transactions in foreign currencies have been translated into EUR at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognised in the Profit and loss account

Consolidation exemption according article 408

The financial statements of the Company and its subsidiaries for the year ended 31 March 2023 have been taken up in the consolidated financial statements of Novelis Inc., Atlanta, Georgia, United States of America for the year ended 31 March 2023, a copy of which will be filed with the Trade Register of the Chamber of Commerce in the Netherlands. In accordance with the provisions of Article 408 of Title 9 of Book 2 of the Dutch Civil Code, the financial statements of the subsidiaries have not been consolidated in these financial statements.

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1.3 Notes to the financial statements as at 31 March 2023 (continued)

Reporting currency

The Company uses its functional currency being the Euro, as its reporting currency.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management has exercised judgment in making the following key assumptions concerning the future and other key sources of estimation and uncertainty at balance sheet dates. There is a significant risk that changes to these assumptions may cause a material adjustment to the carrying amounts of assets and liabilities within the next year.

Impairment testing
The Company tests fixed assets for impairment on an annual basis when an indication of impairment exists. When considering impairment, the Company's policy is to compare the carrying value of the item being considered to either a discounted cash flow calculation or by reference to known market value, if available. The Company's estimate of future cash flows is based on assumptions about a number of factors, including future operating performance, realisation of sales forecasts, economic conditions and technological changes, and may differ from actual future cash flows. Also, the evaluation of fair value using discounted cash flows means that assumptions about the timing of cash flows, relative to the date of the evaluation, impact upon the result of that evaluation.

Accounting policies in respect of the valuation of assets and liabilities

General

The principles of valuation are based on the historical cost. Assets and liabilities are stated at face value, unless otherwise indicated.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

A liability is disclosed in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Financial fixed assets

Participations in group companies
Participations and other investments are valued at their cost of acquisition, fixed in euros at the date of acquisition and reduced by provisions as necessary to reflect any permanent loss of value. Impairment losses are recognised when the carrying amount of an investment in a subsidiary exceeds its recoverable amount.

Receivables
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value and then gains and losses are recognised in the Profit and Loss Account when the loans are derecognised or impaired.

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1.3 Notes to the financial statements as at 31 March 2023 (continued)

Taxes
A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off.

Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realization or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the company at the balance sheet date. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

Deferred and other tax assets and liabilities are netted off if the general conditions for netting off are met. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses.

Other liabilities

Upon initial recognition, liabilities are stated at fair value and then valued at amortised cost.

Accounting policies in respect of result determination

Result
Profits on transactions are recognised in the year they are realised. Losses are recognised when foreseen.

Operating expenses
Expenses are based on the historical cost convention and attributed to the financial year to which they pertain.

Net financial result
Interest income and expenses consist of interest received from or paid to related parties.

Dividend
Dividend income is recognised in the income statement at the time that the entitlement of the entity to payment is confirmed.

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Novelis Netherlands B.V.

1.3 Notes to the financial statements as at 31 March 2023 (continued)

1. Participations in group companies

	31-03-23	31-03-22
Aleris Holding Canada LLC	1	-
Aleris Asia Pacific Ltd	289,147,352	289,147,352
Aleris Switzerland GmbH	-	-
	289,147,353	289,147,352

	Shares in issued capital in %	
	31-03-23	31-03-22
Aleris Holding Canada LLC	100.00%	100.00%
Aleris Asia Pacific Limited, Hong Kong, China	100.00%	100.00%
Aleris Switzerland GmbH, Neuhausen am Rheinfall, Switzerland	100.00%	100.00%

The investment in Aleris Holding Canada LLC was acquired in December 2020 as part of the liquidation surplus distributed by Aleris Holding Luxembourg S.a.r.l., at a book value of EUR 1. As this participation has not been previously included this has been adjusted in these financial statements. The investment in Aleris Switzerland GmbH amounts to EUR 53,174,510 and was fully impaired in 2010.

No details of the equity values attributable to the Company's participations and the Company's share of the results are included here in accordance with the provisions of Article 379, paragraph 2(c) of Part 9 of Book 2 of the Dutch Civil Code and because use is being made of the provisions of Article 408 not to consolidate the financial statements of the company's participations

2. Long term receivable – 3rd Party

As per 30 September 2020 the sale of Aleris Aluminum Duffel BVBA was completed. This company was sold for an amount of EUR 310 million, with EUR 100 million of that amount subject to arbitration prior to being paid. This receivable was partly impaired during the year ended 31 December 2020 resulting in a net balance outstanding at of EUR 45,000,000. Further, during the year ended 31 March 2023 an amount of EUR 5,000,000 was received as an advance payment and an amount of EUR 200,000 was reclassified to short term receivable, resulting in a remaining balance of EUR 39,800,000 as at 31 March 2023 (31 March 2022: EUR 45,000,000).

On 9 December 2022 this receivable was converted in an interest bearing loan receivable from Aluminium Belgium BV, supported by a promissory note issued by the latter company. This loan bears interest at 5% per annum accrued on the basis of a 365-day year and has a maturity date of 31 December 2027. Beginning on 1 December 2023, and on the 1st day of each June and December thereafter, until this promissory note is paid full in cash, Aluminium Belgium BV shall repay to the Company an aggregate amount of principal on the note equal to EUR 200,000 (or, if less. the entire remaining balance of this note).
On the maturity date, Aluminium Belgium BV shall pay to the Company all outstanding interest, principal and all other amounts payable hereunder.

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1.3 Notes to the financial statements as at 31 March 2023 (continued)

3. Receivables from group and related companies

	31-03-23	31-03-22
Novelis AG Cash Pool	13,515,760	-
Novelis Holdings Inc.	105,221,667	165,412,500
	118,737,427	165,412,500

The receivable from Novelis Holdings Inc. represents an EUR 105,000,000 loan (31 March 2022 : EUR 165,000,000) and accrued interest thereon in the amount of EUR 221,667 as at 31 March 2023 (31 March 2022: EUR 412,500) and is repayable on 15 March 2024. Interest is calculated at a rate per annum equal to 4.75% (31 March 2022: 2.5%), computed on the basis of a year of 360 days.

4. Shareholder's equity

Movements in equity were as follows:

	Issued Share Capital	Share Premium Reserve	General Reserve	Result for the year	Total Equity
Balance at 1 April 2022	754,096,540	11,720,459	(324,302,071)	2,129,048	443,643,976
Appropriation of result	-	-	2,129,048	(2,129,048)	-
Adjustments	-	-	(14)	-	(14)
Result for the year	-	-	-	4,067,828	4,067,828
Balance at 31 March 2023	754,096,540	11,720,459	(322,173,037)	4,067,828	447,711,790

The authorised share capital of the company consists of 2,000 shares of EUR 1,880,540 nominal value each. The issued share capital as at 31 March 2023 and 31 March 2022 consists of 401 shares of EUR 1,880,540 nominal value each, all of which are fully paid.

As per 4 June 2020 the Company's shares have been pledged to two financial institutions by a deed of first ranking and a deed of second ranking right of pledge of shares.

The managing directors propose to retain the net result for the financial year under review.

5. Short term liabilities to group and related companies

	31-03-23	31-03-22
Novelis Switzerland SA	-	40,487,596
Aleris International Inc	59,257	2,229
Novelis AG	-	16,126,327
	59,257	56,616,152

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Novelis Netherlands B.V.

1.3 Notes to the financial statements as at 31 March 2023 (continued)

6. Other liabilities and accrued expenses

	31-03-23	31-03-22
Bonus Payable	-	108,798
Creditors & accrued expenses	169,684	156,400
	169,684	265,198

Off-balance-sheet rights, obligations and arrangements

Cash sweep agreement
In September 2020 the Company entered into a cash sweep agreement with Novelis AG as head, Deutsche Bank and various European group companies.

7. Other operating income

	2022/23	2021/22
Commission	-	211,800
Aleris Aluminium Duffel BVBA		
Insurance Settlement	2,220,079	-
	2,220,079	211,800

Directors remuneration
None of the directors received a remuneration for the period under review.

Directors
For the period under review the Company had two (year ended 31 March 2022: two) managing directors and no Supervisory Directors.

Average number of employees
The average number of staff was two for the year under review (year ended 31 March 2022: two).

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1.3 Notes to the financial statements as at 31 March 2023 (continued)

8. Management and administration expenses

	2022/23	2021/22
Professional fees	187,289	380,485
Restructuring cost	-	396,356
Travel expenses	-	22,096
Car costs	-	24,927
VAT expenses	76,965	-
Other	-	152,783
	264,254	976,646

9. Subsequent events

No events have occurred since 31 March 2023 that would make the present financial position substantially different from that shown in the balance sheet as at balance sheet date.

Amsterdam, .. May 2023

Managing Directors,

DocuSigned by:
Martin Bottenheft
A467A44037A840C...
M.P.J. Bottenheft

11.05.2023 | 23:58 PDT

DocuSigned by:
CBF5FA50BD1442B...
F.L. Lucido

12.05.2023 | 09:29 CEST

2. Supplementary information

Appropriation of result

In accordance with Article 23 of the Articles of Association, profit shall be at the disposal of the Annual General Meeting of Shareholders. Profit distribution can only be made to the extent that Shareholder's Equity exceeds the issued and paid up share capital and legal reserves. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be to fulfil its financial obligations in the foreseeable future.

DS MB

DS TL

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Abschlusszertifikat

Umschlag-ID: 4BD798681A164B0B86F9DC1B34803B27
Betreff: Mit DocuSign abschließen: Novelis Netherlands BV statutory report 31032023.pdf
Quellumschlag:

Dokumentenseiten: 12	Signaturen: 2	Status: Abgeschlossen
Zertifikatsseiten: 5	Initialen: 22	Umschlagersteller:
Signatur mit Anleitung: Aktiviert		Markus Lehmann
Umschlag-ID-Stempel: Aktiviert		Novelis Deutschland GmbH
Zeitzone: (UTC+01:00) Amsterdam, Berlin, Bern, Rom, Stockholm, Wien		Hannoversche Str. 1
		Göttingen, Göttingen 37075
		markus.lehmann@novelis.adityabirla.com
		IP-Adresse: 82.192.229.210

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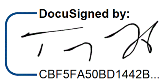
Status: Original 12.05.2023 08:42:37	Inhaber: Markus Lehmann markus.lehmann@novelis.adityabirla.com	Standort: DocuSign

Unterzeichnerereignisse	Signatur	Zeitstempel
Martin Bottenheft martin.bottenheft@novelis.adityabirla.com Sicherheitsstufe: E-Mail, Kontoauthentifizierung (keine)	 Signaturübernahme: Vorgegebener Stil Mit IP-Adresse: 78.94.127.50	Gesendet: 12.05.2023 08:52:10 Eingesehen: 12.05.2023 08:57:26 Signiert: 12.05.2023 08:58:10

Vereinbarung bezüglich elektronischer Unterlagen und Signaturen:
Akzeptiert: 02.03.2022 07:31:22
ID: 47c5d4ea-c773-4375-9dc4-9a498e572196

Tony Lucido tony.lucido@novelis.adityabirla.com Director Sicherheitsstufe: E-Mail, Kontoauthentifizierung (keine)	 Signaturübernahme: Auf Gerät gezeichnet Mit IP-Adresse: 62.202.181.238	Gesendet: 12.05.2023 08:52:10 Eingesehen: 12.05.2023 09:28:47 Signiert: 12.05.2023 09:29:47

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ALERIS SWITZERLAND GmbH, Zurich

BALANCE SHEET

		12/31/2022	31.12.2021
		CHF	CHF
ASSETS			
Current assets			
Cash and cash equivalents		439,066	10,906,914
Other current receivables	3.1	10,812,558	599,851
Total current assets		**11,251,624**	**11,506,765**
Non-current assets			
Shareholdings	3.2 / 3.6	2,205,697	3,332,179
Total non-current assets		**2,205,697**	**3,332,179**
TOTAL ASSETS		**13,457,321**	**14,838,944**

		12/31/2022	31.12.2021
		CHF	CHF
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables due to third parties		0	29,932
Deferred income and accrued expenses	3.3	1,396,124	9,828,321
Provision for unrealized translation gains	3.4	914,937	1,391,698
Total current liabilities		**2,311,061**	**11,249,951**
Total liabilities		**2,311,061**	**11,249,951**
as a percentage of total assets			
Equity			
Share capital		20,000	20,000
Legal capital reserves		10,000	10,000
Voluntary retained earnings			
Profit / Loss carryforward		3,558,993	4,116,761
Net result for the year		7,557,267	-557,768
Retained earnings		**11,116,260**	**3,558,993**
Total equity		**11,146,260**	**3,588,993**
TOTAL EQUITY AND LIABILITIES		**13,457,321**	**14,838,944**

ALERIS SWITZERLAND GmbH, Zurich

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER

		2022	2021
		CHF	CHF
INCOME STATEMENT			
Income statement			
Other operating income		0	-520,797
Gross margin		0	-520,797
Personnel expenses	3.5	0	604,775
Other operating expenses		74,760	26,855
Earnings before interest, tax, depreciation and amortization (EBITDA)		74,760	110,833
Impairment and liquidation results of shareholdings	3.6	747,102	0
Earnings before interest and tax (EBIT)		821,862	110,833
Financial cost		92	1,119
Currency loss (+) / gain (-)		21,955	-31,616
Operating result before taxes		843,908	80,336
Extraordinary income (-) & expenses (+)	3.7	-9,735,969	477,432
Earnings before taxes		-8,892,061	557,768
Direct taxes		1,334,794	0
Net profit (-) & loss (+) for the year		**-7,557,267**	**557,768**

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ALERIS SWITZERLAND GmbH, Zurich

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

1. General information
The purpose of the Aleris Switzerland GmbH ("the Company") is to act as representative and holding company of Novelis group companies, out of Switzerland.

The Company is incorporated in Zurich, Switzerland. The Company is wholly owned by Novelis Netherlands B.V.
The ultimate parent company, Novelis Inc., is a subsidiary of Hindalco Industries Limited.

2. Valuation principles

1 Principles of financial reporting	These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013). Where not prescribed by law, the significant accounting and valuation principles are described as follows.
2 Foreign currency items	The Company's functional currency is EUROS (EUR) since most of its transactions are denominated in this currency. Transactions in foreign currencies are converted into the functional currency using the exchange rate prevailing at the transaction date. Assets and liabilities outstanding at month end are converted at month end rates. The resulting differences from the translation are recorded in the income statement.

ALERIS SWITZERLAND GmbH, Zurich

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022

3. Information relating to items on the balance sheet and income statement

3.1 Other current receivables

	12/31/2022	12/31/2021
From third parties	0	7,800
Group companies cash pool receivables	10,812,558	419,073
Other group companies receivables	0	172,979
Total	**10,812,558**	**599,851**

3.2 Overview of shareholdings

			12/31/2022	31.12.2021
Aleris Asia Pacific Int. (Barbados) Ltd., Bridgetown				
		Share in capital	100%	100%
		Share in voting rights	100%	100%
Aleris Aluminum Japan Ltd., Tokyo				
		Share in capital	100%	100%
		Share in voting rights	100%	100%
Aleris Aluminium UK Ltd., Swansea	*in liquidation*			
		Share in capital	100%	100%
		Share in voting rights	100%	100%
Aleris Aluminum France SAS, Paris	*sold in CY2022*			
		Share in capital	-	100%
		Share in voting rights	-	100%
Aleris Aluminum Poland Sp. zo. O., Katowice	*liquidated in CY2022*			
		Share in capital	-	100%
		Share in voting rights	-	100%
Aleris Aluminum Denmark ApS, Hellebaek	*liquidated in CY2022*			
		Share in capital	-	100%
		Share in voting rights	-	100%

3.3 Deferred income and accrued expenses

	12/31/2022	12/31/2021
Deferred income and accrued expenses	1,396,124	9,828,321

This position included in previous year a prepayment of € 9'450'705 received from Alvance Group (former Aleris Duffel) for the Automotive stock at Aleris Shanghai Trading Co according to the Asset Sale and Transfer Agreement of 23/09/2020 followed by the amendment 30/04/2021. In CY2022, Novelis reached a global agreement with Alvance Group (and successory companies). As a result of this settlement, Aleris Switzerland can keep the prepayment, releasing the accrual as extraordinary income (see 3.7 below). The remaining balance of CHF 1'396'124 mainly includes the accrual for income tax payable resulting from this transaction.

3.4 Currency translation

These financial statements have been prepared in Swiss Francs (CHF). In line with article 958d of the Swiss Code of Obligations, the assets and liabilities have been converted into CHF with the currency rate as of 31 December 2022 of 0.9958 EUR/CHF (prior year 1.03638 EUR/CHF). Revenue and expenses have been translated with the average currency rate of 1.02095 EUR/CHF (prior year 1.07935 EUR/CHF). Share capital and statutory reserves have been converted at the historical currency rate. The result from the translation to the presentation currency is deferred and recorded as a provision for unrealised translation gains in the balance sheet.

3.5 Personnel expenses

The Company had no employees for the reporting year. The restructuring has been completed in CY2021, resulting in restructuring cost of CHF 477'432 and the transfer of the 3 remaining employees to Novelis AG as of August 1, 2021.

3.6 Impairment and liquidation results of shareholdings

In the first quarter of CY2022, Aleris Switzerland optimized its subsidiary portfolio by liquidating former legal entities that are inactive and are foreseen to serve no future business purpose. This resulted in an overall gain of CHF 197'775.
In addition, the Company recorded an impairment of CHF 944'877 for its Aleris Asia Pacific Int. (Barbados) Ltd to reflect the impact of the global settlement with Alvance Group (and successor companies) on the equity value of Aleris Shanghai Trading Co. Aleris Shanghai Trading Co is the subsidiary of Aleris Asia Pacific Int (Barbados).

	gain(+) / Loss (-)
Aleris Aluminum France SAS - sold to Novelis Inc	193,962
Aleris Aluminum Denmark ApS - liquidated	18,891
Aleris Aluminum Poland Sp. zo. O. - liquidated	-15,078
	197,775
Impairment of Aleris Asia Pacific Int. (Barbados)	-944,877
Total impairment and liquidation loss	**-747,102**

3.7 Extraordinary income & expense

CY2022 balance inculdes mainly the release of the prepayment of € 9'450'705 received from Alvance Group as a result of the global settlement (see point 3.3). Previous year expenses relate to the restructuring executed in CY2021 (see point 3.5).

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PROPOSED APPROPIATION OF AVAILABLE EARNINGS

	12/31/2022	31.12.2021
	CHF	CHF
Retained earnings opening balance	3,558,993	4,116,761
Net income / (loss)	7,557,267	-557,768
	11,116,260	3,558,993
Balance carried forward	11,116,260	3,558,993
Retained earnings to be carried forward	**11,116,260**	**3,558,993**

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Umschlag-ID: 4FC5814130914A5DB6B16AA8FD95C526		Status: Abgeschlossen
Betreff: Mit DocuSign abschließen: Aleris Switzerland GmbH Financial statement 31 12 2022_final.xlsx		
Quellumschlag:		
Dokumentenseiten: 5	Signaturen: 5	Umschlagersteller:
Zertifikatsseiten: 4	Initialen: 0	Markus Lehmann
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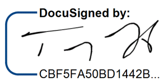
Tony Lucido tony.lucido@novelis.adityabirla.com Director Sicherheitsstufe: E-Mail, Kontoauthentifizierung (keine)	 Signaturübernahme: Auf Gerät gezeichnet Mit IP-Adresse: 62.202.181.238	Gesendet: 21.04.2023 10:01:45 Eingesehen: 21.04.2023 10:52:05 Signiert: 21.04.2023 10:52:17

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Umschlag gesendet	Hash-codiert/verschlüsselt	21.04.2023 10:01:45
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Aleris Holding Canada ULC

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As of March 31, 2023
(Unaudited)

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fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Aleris Holding Canada ULC and certify that the information included therein accurately reflects the financial position of Aleris Holding Canada ULC as of March 31, 2023 and the results of its operations for the year then ended.

Aleris Holding Canada ULC

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Aleris Holding Canada ULC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Other income, net	$ —	$ —
Income before income tax provision	—	—
Income tax provision	—	—
Net income	$ —	$ —

See accompanying notes to the financial statements.

Aleris Holding Canada ULC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ —	$ —
Comprehensive income	—	—

See accompanying notes to the financial statements.

Aleris Holding Canada ULC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 4	$ 4
Total current assets	4	4
Total assets	$ 4	$ 4
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Total current liabilities	—	—
Total liabilities	—	—
Shareholder's equity:		
Common stock, no par value; 46,449,433 number of shares authorized; 46,449,433 shares issued and outstanding as of March 31, 2024 and March 31, 2023	—	—
Retained earnings	4	4
Total equity	4	4
Total liabilities and equity	$ 4	$ 4

See accompanying notes to the financial statements.

Aleris Holding Canada ULC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ —	$ —
Changes in assets and liabilities:		
Accounts receivable	—	—
Net cash provided by operating activities	—	—
INVESTING ACTIVITIES		
Net cash provided by investing activities	—	—
FINANCING ACTIVITIES		
Net cash provided by financing activities	—	—
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Aleris Holding Canada ULC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock					
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance as of March 31, 2021	46,449,433	$ —	$ —	$ 4	$ —	$ 4
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2022	46,449,433	$ —	$ —	$ 4	$ —	4
Net income attributable to our common shareholder	—	—	—	—	—	—
Balance as of March 31, 2023	46,449,433	$ —	$ —	$ 4	$ —	$ 4

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Aleris Holding Canada ULC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

Aleris Holding Canada ULC is the holding company registered as an Unlimited Limited Company in Nova Scotia, Canada. All of the common shares are directly owned by Novelis Netherlands B.V. and indirectly by Novelis Inc.

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Related Party Transactions for further discussion.

2. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	**2023**	**2022**
Novelis Netherlands B.V.	$ 4	$ 4
Accounts receivable, net — related parties	$ 4	$ 4

Novelis ALR Aluminum Holdings Corporation

Financial Statements and Related Notes As of
March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Aluminum Holdings Corporation and certify that the information included therein accurately reflects the financial position of Novelis ALR Aluminum Holdings Corporation as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Aluminum Holdings Corporation	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	**Fiscal 2023**	**Fiscal 2022**
Interest expense and amortization of debt issuance costs	$ 39,742	$ 18,557
Loss before income tax benefit	(39,742)	(18,557)
Income tax benefit	(10,469)	(45,380)
Net (loss) income	$ (29,273)	$ 26,823

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	(29,273)	26,823
Comprehensive (loss) income	$ (29,273)	$ 26,823

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4	$ 4
Accounts receivable, net		
— related parties	554	555
Prepaid expenses and other current assets	1,048	—
Total current assets	1,606	559
Investment in subsidiaries	2,058,931	2,058,931
Deferred income tax assets	54,801	45,380
Total assets	$ 2,115,338	$ 2,104,870
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 7,750	$ 7,750
Accounts payable		
— related parties	82,668	39,177
Accrued expenses and other current liabilities	258	172
Total current liabilities	90,676	47,099
Long–term debt, net of current portion	737,009	740,845
Total liabilities	827,685	787,944
Shareholder's equity:		
Additional paid–in capital	1,309,773	1,309,773
(Accumulated deficit) retained earnings	(22,120)	7,153
Total equity	1,287,653	1,316,926
Total liabilities and equity	$ 2,115,338	$ 2,104,870

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (29,273)	$ 26,823
Net income from discontinued operations	—	—
Net (loss) income from continuing operations	$ (29,273)	$ 26,823
Adjustments to determine net cash provided by operating activities:		
Deferred income taxes	(9,421)	(45,380)
Amortization of debt issuance costs and carrying value adjustments	3,914	3,914
Changes in assets and liabilities:		
Due To/From Related Parties	43,492	685
Accounts payable	—	21,989
Other assets	(1,048)	—
Other liabilities	86	(281)
Net cash provided by operating activities	7,750	7,750
Net cash provided by operating activities	$ 7,750	$ 7,750
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	(7,750)	(7,750)
Net cash used in financing activities	(7,750)	(7,750)
Net cash provided by financing activities - discontinued operations	—	—
Net cash used in financing activities	$ (7,750)	$ (7,750)
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	4	4
Cash, cash equivalents and restricted cash — end of period	$ 4	$ 4
Cash and cash equivalents	4	4
Cash, cash equivalents and restricted cash — end of period	$ 4	$ 4
Supplemental Disclosures:		
Interest paid	$ 36	$ —

See accompanying notes to the financial statements.

Novelis ALR Aluminum Holdings Corporation
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Equity of our Common Shareholder					
	Common Stock					
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance as of March 31, 2021	1,000	$ —	$1,309,773	$ (19,670)	$ —	$1,290,103
Net income attributable to our common shareholder	—	—	—	26,823	—	26,823
Balance as of March 31, 2022	1,000	—	1,309,773	7,153	—	1,316,926
Net loss attributable to our common shareholder	—	—	—	(29,273)	—	(29,273)
Balance as of March 31, 2023	1,000	$ —	$1,309,773	$ (22,120)	$ —	$1,287,653

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Aluminum Holdings Corporation unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All common shares of Novelis ALR Aluminum Holdings Corporation are directly held by Novelis Holdings Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 2 — Investments in and Advances to Non-Consolidated Affiliates and Related Party Transactions for further discussion.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 also applies to measurements under other accounting pronouncements, such as ASC 825, Financial Instruments ("ASC 825") that require or permit fair value measurements. ASC 825 requires disclosures of the fair value of financial instruments. Our financial instruments include: cash and cash equivalents; certificates of deposit; accounts receivable; accounts payable; foreign currency, energy and interest rate derivative instruments; cross-currency swaps; metal option and forward contracts; share-based compensation; related party notes receivables and payables; letters of credit; short-term borrowings; and long-term debt.

The carrying amounts of cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and current related party notes receivable and payable approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our letters of credit is deemed to be the amount of payment guaranteed on our behalf by third-party financial institutions. We determine the fair value of our short-term borrowings and long-term debt based on various factors including maturity schedules, call features and current market rates. We also use quoted market prices, when available, or the present value of estimated future cash flows to determine fair value of our share-based compensation liabilities, short-term borrowings and long-term debt. When quoted market prices are not available for various types of financial instruments (such as currency, energy and interest rate derivative instruments, swaps, options, and forward contracts), we use standard pricing models with market-based inputs, which take into account the present value of estimated future cash flows. See Note 5 – Fair Value Measurements for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 6 – Income Taxes for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in thousands, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Aleris International, Inc	$ 2,058,931	$ 2,058,931	100%

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis Holdings Inc.	554	555
Accounts receivable, net — related parties	$ 554	$ 555
Novelis ALR International, Inc.	82,668	39,177
Accounts payable — related parties	82,668	39,177

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2023**	**2022**
Accrued interest payable	$ 144	$ 58
Other current liabilities	114	114
Accrued expenses and other current liabilities	$ 258	$ 172

4. DEBT

Debt consists of the following.

in thousands	Interest Rates[1]	March 31, 2023 Principal	March 31, 2023 Unamortized Carrying Value Adjustments[2]	March 31, 2023 Carrying Value	March 31, 2022 Principal	March 31, 2022 Unamortized Carrying Value Adjustments[2]	March 31, 2022 Carrying Value
Floating rate Term Loans, due January 2025	6.91 %	751,750	(6,991)	744,759	759,500	(10,905)	748,595
Total debt		751,750	(6,991)	744,759	759,500	(10,905)	748,595
Current portion of long-term debt		(7,750)	—	(7,750)	(7,750)	—	(7,750)
Long-term debt, net of current portion		$ 744,000	$ (6,991)	$ 737,009	$ 751,750	$ (10,905)	$ 740,845

(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2023, and therefore exclude the effects of accretion and amortization of debt issuance costs related to refinancing transactions and additional borrowings. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.

(2) Amounts include unamortized debt issuance costs, fair value adjustments, and debt discounts.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of March 31, 2023 for our debt denominated in foreign currencies are as follows in thousands.

As of March 31, 2023	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 7,750
2 years	744,000
3 years	—
4 years	—
5 years	—
Thereafter	—
Total debt	$ 751,750

Term Loan Facility

The Term Loan Facility requires customary mandatory prepayments with excess cash flow, other asset sale proceeds, casualty event proceeds, and proceeds of prohibited indebtedness, all subject to customary reinvestment rights and exceptions. The loans under the Term Loan Facility may be prepaid, in full or in part, at any time at Novelis' election without penalty or premium. The Term Loan Facility allows for additional term loans to be issued in an amount not to exceed $300 million (or its equivalent in other currencies) plus an unlimited amount if, after giving effect to such incurrences on a pro forma basis, the secured net leverage ratio does not exceed 3.00 to 1.00. The Term Loan Facility also allows for additional term loans to be issued in an amount to refinance loans outstanding under the Term Loan Facility. The lenders under the Term Loan Facility have not committed to provide any such additional term loans.

On March 31, 2023, Novelis amended the Term Loan Facility, primarily to modify the reference rate used to determine interest from LIBOR to SOFR. Term loans under the Term Loan Facility will, beginning with the interest period commencing June 30, 2023, accrue interest at SOFR plus a 0.15% credit spread adjustment ("Adjusted SOFR") plus a spread of 1.75% in the case of the 2020 Term Loans, as defined below, or a spread of 2.00% in the case of the 2021 Term Loans, as defined below. During fiscal 2021, the Company adopted the practical expedient for Reference Rate Reform related to its debt arrangements and as such, this amendment is treated as a continuation of the existing debt agreement and no gain or loss on the modification was recorded. The Company did not record any gains or losses on the conversion of the reference rate for the borrowings under the Term Loan Facility from LIBOR to SOFR.

As of March 31, 2023, we were in compliance with the covenants for our Term Loan Facility.

2020 Term Loans

In April 2020, we borrowed $775 million of term loans due January 2025 (the "2020 Term Loans") under our Term Loan Facility. The proceeds of the 2020 Term Loans were used to pay a portion of the consideration payable in the acquisition of Aleris (including the repayment of Aleris' outstanding indebtedness) as well as fees and expenses related to the acquisition of the 2020 Term Loans. We incurred debt issuance costs of $15 million for the 2020 Term loans, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2020 Term Loans mature on January 21, 2025 and are subject to 0.25% quarterly amortization payments. From April 2020 to immediately prior to the interest period commencing June 30, 2023, the 2020 Term Loans accrued and will continue to accrue interest at LIBOR plus 1.75%. Beginning with the interest period commencing June 30, 2023, the 2020 Term Loans will accrue interest at Adjusted SOFR plus 1.75%.

5. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our consolidated balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value.

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes finance leases and short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	March 31,			
	2023		2022	
in thousands	Carrying Value	Fair Value	Carrying Value	Fair Value
Total debt — third parties (excluding finance leases and short-term borrowings)	744,759	750,889	748,595	756,107

6. INCOME TAXES

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). We are subject to U.S. federal, state, and local income taxes. The domestic components of our loss before income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ (39,742)	$ (18,557)
Pre-tax income (loss)	(39,742)	(18,557)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
State	(1,048)	—
Total current	$ (1,048)	$ —
Deferred provision:		
Federal	$ (8,871)	$ (5,550)
State	(550)	(39,830)
Total deferred	$ (9,421)	$ (45,380)
Income tax benefit	$ (10,469)	$ (45,380)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 54,805	$ 45,890
Total deferred income tax assets	54,805	45,890
Less: valuation allowance	(4)	(510)
Net deferred income tax assets	$ 54,801	$ 45,380

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $4 thousand and $510 thousand were necessary as of March 31, 2023 and 2022, respectively.

Novelis ALR International, Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

ADITYA BIRLA

NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR International, Inc. and certify that the information included therein accurately reflects the financial position of Novelis ALR International, Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR International, Inc.

By: Stephanie Rauls

Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis Inc.
3550 Peachtree Road, Suite 1100, Atlanta, GA 30326
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Novelis ALR International, Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Cost of goods sold (exclusive of depreciation and amortization)	—	72
Selling, general and administrative expenses	891	2,062
Depreciation and amortization	2,469	4,854
Other income, net	(18,212)	(8,897)
	(14,852)	(1,909)
Income before income tax provision (benefit)	14,852	1,909
Income tax provision (benefit)	5,022	(1,323)
Net income attributable to our common shareholder	$ 9,830	$ 3,232

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	9,830	3,232
Comprehensive income	$ 9,830	$ 3,232

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,989	$ 17,309
Accounts receivable, net		
— related parties	907,048	660,526
Prepaid expenses and other current assets	728	783
Total current assets	929,765	678,618
Property, plant and equipment, net	198	492
Intangible assets, net	187	2,361
Investment in subsidiaries	2,316,969	2,316,969
Deferred income tax assets	—	783
Other long–term assets		
— third parties	1,155	1,667
Total assets	$ 3,248,274	$ 3,000,890
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	2,003	4,791
— related parties	845,725	609,223
Accrued expenses and other current liabilities	2,666	1,243
Total current liabilities	850,394	615,257
Deferred income tax liabilities	3,707	—
Other long–term liabilities	665	1,955
Total liabilities	854,766	617,212
Commitments and contingencies		
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 100 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	2,383,999	2,383,999
Retained earnings (accumulated deficit)	9,509	(321)
Total equity	2,393,508	2,383,678
Total liabilities and equity	$ 3,248,274	$ 3,000,890

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ 9,830	$ 3,232
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 2,469	$ 4,854
Deferred income taxes	4,490	(1,337)
Other, net	1,307	1
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Due To/From Related Parties	(10,020)	(6,166)
Accounts payable	(2,788)	1,546
Other assets	567	5,636
Other liabilities	(1,175)	(8,698)
Net cash provided by (used in) operating activities	$ 4,680	$ (932)
INVESTING ACTIVITIES		
Net cash provided by investing activities	$ —	$ —
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	—	(3)
Net cash used in financing activities	$ —	$ (3)
Net increase (decrease) in cash and cash equivalents and restricted cash	$ 4,680	$ (935)
Cash, cash equivalents and restricted cash — beginning of period	17,309	18,244
Cash, cash equivalents and restricted cash — end of period	$ 21,989	$ 17,309

See accompanying notes to the financial statements.

Novelis ALR International, Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings (accumulated deficit)	Total Equity
Balance as of March 31, 2021	100	$ —	$ 2,383,999	$ (3,553)	$2,380,446
Net income attributable to our common shareholder	—	—	—	3,232	3,232
Balance as of March 31, 2022	100	$ —	$ 2,383,999	$ (321)	$2,383,678
Net income attributable to our common shareholder	—	—	—	9,830	9,830
Balance as of March 31, 2023	100	$ —	$ 2,383,999	$ 9,509	$2,393,508

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR International, Inc. unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. Reference to "fiscal 2022" or period ended March 31, 2022 refers to the year ended March 31, 2022 and the reference to “fiscal 2023” or period ended March 31, 2023 refers to the year ended March 31, 2023. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All of the common shares of Novelis ALR International, Inc. are directly owned by Novelis ALR Aluminum Holdings Corporation.and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*)*. Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 5 — Investments in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 3 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other income, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Long-Lived Assets and Other Intangible Assets

We amortize the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See Note 4 – Intangible Assets for further discussion.

We assess the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset (groups) to the expected, undiscounted future net cash flows to be generated by that asset (groups), or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. We measure the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Impairments of long-lived assets and intangible assets are included in restructuring and impairment, net in the statement of operations.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 9 – Income Taxes for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2023	2022
Other prepaid expenses	564	692
Other current assets	164	91
Prepaid expenses and other current assets	$ 728	$ 783

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Buildings	$ 1,188	$ 1,188
Machinery and equipment	2,496	2,491
Gross property, plant and equipment (excluding construction in progress)	3,684	3,679
Accumulated depreciation and amortization	(3,486)	(3,187)
Property, plant and equipment, net	$ 198	$ 492

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 295	$ 598

Asset impairments

Impairment charges are recorded in restructuring and impairment, net on our statements of operations.

4. INTANGIBLE ASSETS

The components of intangible assets, net are as follows.

	March 31, 2023			March 31, 2022		
in thousands	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	12,096	(11,909)	187	12,096	(9,735)	2,361
	$ 12,096	$ (11,909)	$ 187	$ 12,096	$ (9,735)	$ 2,361

During fiscal 2023 and fiscal 2022, we did not record impairment charges on any intangible assets. All intangible assets are amortized using the straight-line method.

Amortization expense related to intangible assets, net is as follows.

in thousands	Fiscal 2023	Fiscal 2022
Amortization expense related to intangible assets included in depreciation and amortization	$ 2,174	$ 4,256

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in thousands). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, or other events.

Fiscal Year Ending March 31,	Amount
2024	$ 187
2025	—
2026	—
2027	—
2028	—
Thereafter	—

5. INVESTMENTS IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

in thousands, except for percentage	March 31, 2023	March 31, 2022	Ownership % Participation
Shareholdings - Common Shares			
Novelis ALR Rolled Products, Inc.	$ 1,489,873	$ 1,489,873	100%
Novels ALR Asset Management Corporation	1,370	1,370	100%
Novelis Netherlands B.V.	825,726	825,726	100%
Investments in and advances to non-consolidated affiliates	$ 2,316,969	$ 2,316,969	

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

in thousands	March 31, 2023	March 31, 2022
Aleris (Shanghai) Trading Co., Ltd.	1,776	1,776
Aleris Asia Pacific International (Barbados) Ltd.	79	75
Aleris Asia Pacific Limited	1,840	1,840
Novelis ALR Aluminum Holdings Corporation	82,668	39,177
Novelis ALR Aluminum-Alabama LLC	3,383	2,671
Novelis ALR Asset Management Corporation	139	189
Novelis ALR Recycling of Ohio, LLC	104,783	67,249
Novelis ALR Rolled Products Sales Corporation	16,582	16,449
Novelis ALR Rolled Products, Inc.	236,088	182,238
Novelis Corporation	459,398	348,625
Novelis Koblenz GmbH	225	225
Novelis Netherlands B.V.	60	12
Novelis ALR Rolled Products Mexico	10	—
Other Intercompany Partners	17	—
Accounts receivable, net — related parties	$ 907,048	$ 660,526
Novelis ALR Aluminum LLC	43,193	38,307
Novelis ALR Rolled Products, LLC	801,744	569,796
Novelis Aluminum (Zhenjiang) Co., Ltd.	117	127
Novelis Inc	670	993
Novelis ALR Holding Canada ULC	1	$ —
Accounts payable — related parties	$ 845,725	$ 609,223

6. LEASES

We lease certain land, buildings, and equipment under non-cancelable operating lease arrangements and certain equipment and office space under finance lease arrangements.

We used the following policies and/or assumptions in evaluating our lease population.

- Lease determination: Novelis considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.
- Discount rate: When our lease contracts do not provide a readily determinable implicit rate, we use the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by region and asset class.
- Variable payments: Novelis includes payments that are based on an index or rate within the calculation of right-of-use leased assets and lease liabilities, which is initially measured at the lease commencement date. Other variable lease payments include, but are not limited to, maintenance, service, and supply costs. These costs are disclosed as a component of total lease costs.
- Purchase options: Certain leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.
- Renewal options: Most leases include one or more options to renew with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at our sole discretion.
- Residual value guarantees, restrictions, or covenants: Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.
- Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to selling, general and administrative expenses on the statements of operations.
- Non-lease components: Leases that contain non-lease components (primarily equipment maintenance) are accounted for as a single component and recorded on the balance sheets for certain asset classes including real estate and certain equipment. Non-lease components include, but are not limited to, common area maintenance, service arrangements, and supply agreements.

The table below presents the classification of leasing assets and liabilities within our balance sheets.

		March 31,	
in thousands	**Balance Sheet Classification**	**2023**	**2022**
ASSETS			
Operating lease right-of-use assets	Other long–term assets	$ 812	$ 1,322
Finance lease assets	Property, plant and equipment, net	74	74
	Accumulated Depreciation	(71)	(71)
Finance lease assets, net		3	3
Total lease assets		$ 815	$ 1,325
LIABILITIES			
Current:			
Operating lease liabilities	Accrued expenses and other current liabilities	$ 1,156	$ 1,128
Long-term:			
Operating lease liabilities	Other long–term liabilities	592	1,753
Total lease liabilities		$ 1,748	$ 2,881

The table below presents the classification of lease related expenses or income as reported within the statements of operations. Amortization of and interest on liabilities related to finance leases was $1 thousand during fiscal 2022. There was no amortization of and interest on liabilities related to finance leases in fiscal 2023

in thousands	Income Statement Classification	Fiscal 2023	Fiscal 2022
Operating lease cost[(1)]	Selling, general and administrative expenses	$ 567	$ 597
Short-term lease cost	Selling, general and administrative expenses	304	$ 133

(1) Operating lease costs include short-term leases and variable lease costs.

Future minimum lease payments as of March 31, 2023, for our operating and finance leases having an initial or remaining non-cancelable lease term in excess of one year are as follows (in thousands).

Fiscal Year Ending March 31,	Operating leases
2024	$ 1,217
2025	560
Thereafter	—
Total minimum lease payments	1,777
Less: interest	29
Present value of lease liabilities	$ 1,748

The following table presents the weighted-average remaining lease term and discount rates.

	March 31,	
	2023	2022
Weighted-average remaining lease term		
Operating leases	1.4 years	2.4 years
Weighted-average discount rate		
Operating leases	2.64 %	2.64 %

The following table presents supplemental information on our leases for fiscal 2023 and fiscal 2022.

in thousands	Fiscal 2023	Fiscal 2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 1,191	$ 1,324

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2023**	**2022**
Accrued compensation and benefits	$ 736	$ 492
Accrued interest payable - related parties	11	11
Accrued income taxes	547	14
Other current liabilities	1,372	726
Accrued expenses and other current liabilities	$ 2,666	$ 1,243

8. OTHER (INCOME) EXPENSES, NET

Other income, net consists of the following.

in thousands	Fiscal 2023	Fiscal 2022
Currency (gains) losses, net	$ (11)	$ 2
Interest income	(17,708)	(8,812)
Other, net	(493)	(87)
Other income, net	$ (18,212)	$ (8,897)

9. INCOME TAXES

We are subject to Canadian and U.S. federal, state, and local income taxes as well as other foreign income taxes. The domestic (Canada) and foreign components of our income before income tax provision (benefit) (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ 14,852	$ 1,909
Pre-tax income before equity in net loss of non-consolidated affiliates	14,852	1,909

The components of our income tax provision (benefit) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ —	$ 14
State	532	—
Total current	$ 532	$ 14
Deferred provision:		
Federal	$ 4,484	$ (1,155)
State	6	(182)
Total deferred	$ 4,490	$ (1,337)
Income tax provision (benefit)	$ 5,022	$ (1,323)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

Our deferred income tax assets and deferred income tax liabilities are as follows.

	March 31,	
in thousands	2023	2022
Deferred income tax assets:		
Provisions not currently deductible for tax purposes	$ 695	$ 1,374
Tax losses/benefit carryforwards, net	(4,388)	(578)
Total deferred income tax assets	(3,693)	796
Less: valuation allowance	(13)	(13)
Net deferred income tax assets	$ (3,706)	$ 783

ASC 740 requires that we reduce our deferred income tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that all or a portion of a deferred tax asset will not be realized. After consideration of all evidence, both positive and negative, management concluded that it is more likely than not that we will be unable to realize a portion of our deferred tax assets and that valuation allowances of $13 thousand were necessary as of March 31, 2023 and 2022, respectively.

It is reasonably possible that our estimates of future taxable income may change within the next 12 months, resulting in a change to the valuation allowance in one or more jurisdictions and, although realization is not assured, management believes it is more likely than not that all the remaining net deferred tax assets will be realized. In the near term, the amount of deferred tax assets considered realizable could be reduced if we do not generate sufficient taxable income in certain jurisdictions.

Novelis ALR Rolled Products, LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
kt	kilotonne (One kt is 1,000 metric tonnes.)
LME	The London Metals Exchange
U.S.	United States

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Rolled Products, LLC and certify that the information included therein accurately reflects the financial position of Novelis ALR Rolled Products, LLC as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Rolled Products, LLC	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Rolled Products, LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net sales	$ 689,105	$ 706,499
Cost of goods sold (exclusive of depreciation and amortization)	573,382	570,587
Other (income) expenses, net	(113,161)	153,073
	460,221	723,660
Net income (loss) from continuing operations	228,884	(17,161)
Net income from discontinued operations	—	8
Net income (loss)	$ 228,884	$ (17,153)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income (loss)	$ 228,884	$ (17,153)
Comprehensive income (loss)	228,884	(17,153)

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2023 $0 and March 31, 2022)	$ 34,914	$ 65,866
— related parties	800,583	569,796
Inventories	44,804	42,007
Prepaid expenses and other current assets	1,281	—
Fair value of derivative instruments	11,108	32,621
Total current assets	892,690	710,290
Other long–term assets		
— third parties	52	—
Total assets	$ 892,742	$ 710,290
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	44,177	80,392
— related parties	364,166	233,812
Fair value of derivative instruments	6,120	143,957
Accrued expenses and other current liabilities	297	269
Total current liabilities	414,760	458,430
Other long–term liabilities	155	2,917
Total liabilities	414,915	461,347
Member's equity:		
Additional paid–in capital	307,411	307,411
Retained earnings (accumulated deficit)	170,416	(58,468)
Total equity	477,827	248,943
Total liabilities and equity	$ 892,742	$ 710,290

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income (loss)	$ 228,884	$ (17,153)
Net income from discontinued operations	—	8
Net income (loss) from continuing operations	$ 228,884	$ (17,161)
Adjustments to determine net cash provided by operating activities:		
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(113,161)	114,575
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	30,953	(17,245)
Due To/From Related Parties	(100,433)	(102,919)
Inventories	(2,797)	(14,535)
Accounts payable	(36,216)	37,369
Other liabilities	28	(92)
Net cash provided by (used in) operating activities - continuing operations	5,977	(8)
Net cash provided by operating activities - discontinued operations	—	8
Net cash provided by (used in) operating activities	$ 5,977	$ —
INVESTING ACTIVITIES		
Outflows from settlement of derivative instruments, net	(5,977)	—
Net cash provided by investing activities - continuing operations	(5,977)	—
Net cash provided by investing activities - discontinued operations	—	—
Net cash provided by investing activities	$ (5,977)	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands	Member's Capital	Retained Earnings (accumulated deficit)	Total Equity
Balance as of March 31, 2021	$ 307,411	$ (41,315)	$ 266,096
Net loss attributable to our common shareholder	—	(17,153)	(17,153)
Balance as of March 31, 2022	$ 307,411	$ (58,468)	$ 248,943
Net income attributable to our common shareholder	—	228,884	228,884
Balance as of March 31, 2023	$ 307,411	$ 170,416	$ 477,827

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Rolled Products, LLC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All of the common shares of Novelis ALR Rolled Products, LLC are owned directly by Novelis ALR Rolled Products, Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 5 – Related Party Transactions for further discussion.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses. See Note 3 – Accounts Receivable for further information.

Inventories

We carry our inventories at the lower of their cost or net realizable value, reduced by obsolete and excess inventory. We use the average cost method to determine cost. Included in inventories are stores inventories, which are carried at average cost. See Note 4 – Inventories for further discussion.

Derivative Instruments

We hold derivatives for risk management purposes rather than for trading. We use derivatives to mitigate uncertainty and volatility caused by underlying exposures to metal prices, foreign exchange rates, interest rates, and energy prices. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

We may be exposed to losses in the future if counterparties to our derivative contracts fail to perform. We are satisfied that the risk of such non-performance is remote due to our monitoring of credit exposures. Additionally, we enter into master netting agreements with contractual provisions that allow for netting of counterparty positions in case of default, and we do not face credit contingent provisions that would result in the posting of collateral.

In accordance with ASC 815, Derivatives and Hedging, for cash flow hedges we recognize and defer the entire periodic change in the fair value of the hedging instrument in other comprehensive income. The amounts recorded in other comprehensive income are subsequently reclassified to earnings in the same line item impacted by the hedged item when the hedged item affects earnings.

For derivatives designated as cash flow hedges or net investment hedges, we assess hedge effectiveness by formally evaluating the high correlation of the expected future cash flows of the hedged item and the derivative hedging instrument. The entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is included in other comprehensive income and reclassified to earnings in the period in which earnings are impacted by the hedged items or in the period that the transaction becomes probable of not occurring. Gains or losses representing reclassifications of other comprehensive income to earnings are recognized in the same line item that is impacted by the underlying exposure. We exclude the time value component of foreign currency and aluminum price risk hedges when measuring and assessing effectiveness to align our accounting policy with risk management objectives when it is necessary. If at any time during the life of a cash flow hedge relationship we determine that the relationship is no longer effective, the derivative will no longer be designated as a cash flow hedge and future gains or losses on the derivative will be recognized in other (income) expenses, net.

For derivatives designated as fair value hedges, we assess hedge effectiveness by formally evaluating the high correlation of changes in the fair value of the hedged item and the derivative hedging instrument. The changes in the fair values of the underlying hedged items are reported in prepaid expenses and other current assets, other long–term assets, accrued expenses and other current liabilities, and other long–term liabilities in the balance sheets. Changes in the fair values of these derivatives and underlying hedged items generally offset, and the entire change in the fair value of derivatives is recorded in the statement of operations line item consistent with the underlying hedged item.

If no hedging relationship is designated, gains or losses are recognized in other (income) expenses, netin our statements of operations.

Consistent with the cash flows from the underlying risk exposure, we classify cash settlement amounts associated with designated derivatives as part of either operating or investing activities in the statements of cash flows. If no hedging relationship is designated, we classify cash settlement amounts as part of investing activities in the statement of cash flows.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current ("spot") and forward market prices for commodity and foreign exchange rates. See Note 7 – Financial Instruments and Commodity Contracts and Note 8 – Fair Value Measurements for additional discussion related to derivative instruments.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 also applies to measurements under other accounting pronouncements, such as ASC 825, Financial Instruments ("ASC 825") that require or permit fair value measurements. ASC 825 requires disclosures of the fair value of financial instruments. Our financial instruments include: cash and cash equivalents; certificates of deposit; accounts receivable; accounts payable; foreign currency, energy and interest rate derivative instruments; cross-currency swaps; metal option and forward contracts; share-based compensation; related party notes receivables and payables; letters of credit; short-term borrowings; and long-term debt.

The carrying amounts of cash and cash equivalents, certificates of deposit, accounts receivable, accounts payable and current related party notes receivable and payable approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. The fair value of our letters of credit is deemed to be the amount of payment guaranteed on our behalf by third-party financial institutions. We determine the fair value of our short-term borrowings and long-term debt based on various factors including maturity schedules, call features and current market rates. We also use quoted market prices, when available, or the present value of estimated future cash flows to determine fair value of our share-based compensation liabilities, short-term borrowings and long-term debt. When quoted market prices are not available for various types of financial instruments (such as currency, energy and interest rate derivative instruments, swaps, options, and forward contracts), we use standard pricing models with market-based inputs, which take into account the present value of estimated future cash flows. See Note 8 – Fair Value Measurements for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. DISCONTINUED OPERATIONS

On November 8,2020, we entered into a definitive agreement with American Industrial Partners for the sale of Lewisport and closed the sale on November 30, 2020. Upon closing, we received $180 million in cash proceeds.

For fiscal 2022, the results of operations of Lewisport were presented within loss from discontinued operations, net of tax, in the consolidated statement of operations and cash flows of Lewisport were presented as discontinued operations in the consolidated statement of cash flows.

3. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in thousands	2023	2022
Accounts receivable, net — third parties	$ 34,914	$ 65,866
Accounts receivable, net — related parties	800,583	569,796
Account receivable, net	835,497	635,662

4. INVENTORIES

Inventories consists of the following.

	March 31,	
in thousands	2023	2022
Finished goods	$ 6,614	$ 7,851
Work in process	23,343	20,830
Raw materials	14,847	13,326
Inventories	$ 44,804	$ 42,007

5. RELATED PARTY TRANSACTIONS

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis ALR International, Inc.	800,583	569,796
Accounts receivable, net — related parties	$ 800,583	$ 569,796
Novelis ALR Recycling of Ohio, LLC	121,989	84,824
Novelis ALR Rolled Products, Inc.	177,899	101,149
Novelis ALR Aluminum LLC	47,328	35,515
Novelis Corporation	7,482	8,074
Novelis ALR Rolled Products Sales Corporation	4,250	4,250
Novelis Inc.	5,218	$ —
Accounts payable — related parties	$ 364,166	$ 233,812

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued compensation and benefits	$ 273	$ 254
Other current liabilities	24	15
Accrued expenses and other current liabilities	$ 297	$ 269

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are comprised of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The Company’s revenue for the years ended March 31, 2023 and March 31, 2022 comprises of below.

	March 31,	
in thousands	2023	2022
Net Sales to third parties	$ 476,501	$ 441,933
Net Sales to related parties	212,604	264,565
Total Revenue from Contracts with Customers	$ 689,105	$ 706,498

The Company’s sales to third parties and related parties are all situated in North America, and hence the Company does not have major disaggregation of revenue over the geographical region.

8. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of March 31, 2023 and 2022.

	March 31, 2023				
	Assets		Liabilities		Net Fair Value
in thousands	Current	Noncurrent(1)	Current	Noncurrent(1)	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 10,853	$ 52	$ (4,266)	$ (149)	$ 6,490
Energy contracts	255	—	(1,854)	—	(1,599)
Total derivative fair value	$ 11,108	$ 52	$ (6,120)	$ (149)	$ 4,891

	March 31, 2022				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent(1)	Current	Noncurrent(1)	Assets/ (Liabilities)
Derivative instruments					
Metal contracts	$ 26,793	$ —	$ (143,957)	$ (2,911)	$ (120,075)
Energy contracts	5,828	—	—	—	5,828
Total derivative fair value	$ 32,621	$ —	$ (143,957)	$ (2,911)	$ (114,247)

(1) The noncurrent portions of liabilities are included in other long–term liabilities in the accompanying balance sheets.

Metal

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative forward contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers, which is known as "metal price lag." We also purchase forward LME aluminum contracts simultaneously with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the selling price of the metal with the purchase price of the metal. The volatility in local market premiums also results in metal price lag.

As of March 31, 2023 and 2022, we have 80 kt and 115 kt of outstanding aluminum sales/purchase contracts, respectively. The maximum and average duration of metal forward contracts is two years and less than one year, respectively.

Energy

We use natural gas forward purchase contracts to manage our exposure to fluctuating energy prices in North America. We had a notional of 2 million MMBtu as of March 31, 2023. The average duration of these forward contracts is less than 1 year in length.

Gain (Loss) Recognition

The following table summarizes the gains (losses) associated with the change in fair value of derivative instruments recognized in other (income) expenses, net.

in thousands	Fiscal 2023	Fiscal 2022
Derivative instruments		
Metal contracts	$ (113,398)	$ (162,269)
Energy contracts	237	9,094
(Loss) gain recognized in other (income) expenses, net	$ (113,161)	$ (153,175)

9. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

The following describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2023 and March 31, 2022, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2023 and March 31, 2022. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2023		2022	
in thousands	Assets	Liabilities	Assets	Liabilities
Level 2 instruments				
Metal contracts	$ 10,905	$ (4,415)	$ 26,793	$ (146,868)
Energy contracts	255	(1,854)	5,828	—
Total level 2 instruments	$ 11,160	$ (6,269)	$ 32,621	$ (146,868)
Netting adjustment[(1)]	(12,758)	12,758	(26,793)	26,793
Total net	$ (1,598)	$ 6,489	$ 5,828	$ (120,075)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

10. OTHER (INCOME) EXPENSES, NET

Other (income) expenses, net consists of the following.

in thousands	Fiscal 2023	Fiscal 2022
Unrealized (gains) losses on change in fair value of derivative instruments, net[1]	(113,161)	153,175
Other, net	—	(102)
Other (income) expenses, net	$ (113,161)	$ 153,073

(1) See Note 8 – Financial Instruments and Commodity Contracts for further details.

Novelis ALR Rolled Products, Inc.

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
Aleris	Aleris Corporation
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2021	Fiscal year ended March 31, 2021
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

ADITYA BIRLA
NOVELIS

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Rolled Products, Inc. and certify that the information included therein accurately reflects the financial position of Novelis ALR Rolled Products, Inc. as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Rolled Products, Inc.	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Rolled Products, Inc.
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net sales	$ 668,892	$ 669,629
Cost of goods sold (exclusive of depreciation and amortization)	612,219	628,918
Selling, general and administrative expenses	25,855	35,091
Depreciation and amortization	47,881	46,932
Interest expense	42	49
Research and development expenses	1	10
Restructuring and impairment, net	26,949	1,676
Other expenses (income), net	505	(11,665)
	713,452	701,011
Loss from continuing operations before income tax provision (benefit)	(44,560)	(31,382)
Income tax provision (benefit)	45,472	(34,024)
Net (loss) income from continuing operations	(90,032)	2,642
(Loss) income from discontinued operations, net of tax	(364)	3,861
Net (loss) income from discontinued operations	(364)	3,861
Net (loss) income	$ (90,396)	$ 6,503
Net (loss) income attributable to our common shareholder	$ (90,396)	$ 6,503

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	$ (90,396)	$ 6,503
Other comprehensive income (loss):		
Net change in pension and other benefits	1,564	(33)
Other comprehensive income (loss) before income tax effect	1,564	(33)
Income tax provision (benefit) related to items of other comprehensive income	323	(15)
Other comprehensive income (loss), net of tax	1,241	(18)
Comprehensive (loss) income	$ (89,155)	$ 6,485

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2023)	52,640	44,128
— related parties	200,333	115,631
Inventories	46,989	63,016
Prepaid expenses and other current assets	7,019	11,174
Total current assets	306,981	233,949
Property, plant and equipment, net	200,293	216,850
Goodwill	374,269	374,269
Intangible assets, net	340,070	356,231
Investment in subsidiaries	534,923	534,923
Deferred income tax assets	—	34,478
Other long–term assets		
— third parties	167	167
Total assets	$ 1,756,703	$ 1,750,867
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 448	$ 588
Accounts payable		
— third parties	35,329	45,095
— related parties	421,098	318,083
Accrued expenses and other current liabilities	17,140	11,184
Current liabilities of discontinued operations	300	9,300
Total current liabilities	474,315	384,250
Long–term debt, net of current portion	151	634
Deferred income tax liabilities	6,569	—
Accrued postretirement benefits	11,381	15,111
Other long–term liabilities	15,488	12,918
Total liabilities	507,904	412,913
Shareholder's equity:		
Common stock, 0.01 par value; 10,000 number of shares authorized; 100 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	1,593,607	1,593,607
Accumulated deficit	(351,698)	(261,302)
Accumulated other comprehensive income	6,890	5,649
Total equity	1,248,799	1,337,954
Total liabilities and equity	$ 1,756,703	$ 1,750,867

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (90,396)	$ 6,503
Net (loss) income from discontinued operations	(364)	3,861
Net (loss) income from continuing operations	$ (90,032)	$ 2,642
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 47,881	$ 46,932
Loss on sale of assets	329	111
Impairment charges	17,338	—
Deferred income taxes	40,723	(34,463)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	(8,513)	4,469
Due To/From Related Parties	18,313	2,385
Inventories	16,027	(11,345)
Accounts payable	(12,867)	2,783
Other assets	4,157	6,972
Other liabilities	5,476	(14,701)
Net cash provided by operating activities - continuing operations	38,832	5,785
Net cash (used in) provided by operating activities - discontinued operations	(9,364)	13,161
Net cash provided by operating activities	$ 29,468	$ 18,946
INVESTING ACTIVITIES		
Capital expenditures	$ (28,845)	$ (18,604)
Net cash used in investing activities	$ (28,845)	$ (18,604)
FINANCING ACTIVITIES		
Proceeds from (repayments), net under long-term and short-term borrowings	(623)	(342)
Net cash used in financing activities	$ (623)	$ (342)
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —
Supplemental Disclosures:		
Income taxes paid	401	278

See accompanying notes to the financial statements.

Novelis ALR Rolled Products, Inc.
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance as of March 31, 2021	10	$ —	$ 1,593,607	$ (267,805)	$ 5,667	$1,331,469
Net income attributable to our common shareholder	—	—	—	6,503	—	6,503
Change in pension and other benefits, net of tax provision	—	—	—	—	(18)	(18)
Balance as of March 31, 2022	10	$ —	$ 1,593,607	$ (261,302)	$ 5,649	$1,337,954
Net loss attributable to our common shareholder	—	—	—	(90,396)	—	(90,396)
Change in pension and other benefits, net of tax provision	—	—	—	—	1,241	1,241
Balance as of March 31, 2023	10	$ —	$ 1,593,607	$ (351,698)	$ 6,890	$1,248,799

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Rolled Products, Inc. unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. Reference to "fiscal 2022" or period ended March 31, 2022 refers to the year ended March 31, 2022 and the reference to “fiscal 2023” or period ended March 31, 2023 refers to the year ended March 31, 2023. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All of the common shares of Novelis ALR Rolled Products, Inc. are directly owned by Novelis ALR International, Inc.and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Research and Development Expenses

We incur costs in connection with R&D programs that are expected to contribute to future earnings and charge such costs against income as incurred. Research and development expenses consist primarily of salaries and administrative costs.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*).* Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 10 – Investment in Subsidiaries and Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses. See Note 5 – Accounts Receivable for further information.

Inventories

We carry our inventories at the lower of their cost or net realizable value, reduced by obsolete and excess inventory. We use the average cost method to determine cost. Included in inventories are stores inventories, which are carried at average cost. See Note 6 – Inventories for further discussion.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 8 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses (income), net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, *Leases.* This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Goodwill

We test for impairment at least annually as of the last day of each fiscal year, unless a triggering event occurs that would require an interim impairment assessment. We do not aggregate components of operating segments to arrive at our reporting units and, as such, our reporting units are the same as our operating segments.

In performing our goodwill impairment test, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If we perform a qualitative assessment and determine that an impairment is more likely than not, then we perform the one-step quantitative impairment test, otherwise no further analysis is required. We also may elect not to perform the qualitative assessment and, instead, proceed directly to the one-step quantitative impairment test. The ultimate outcome of the goodwill impairment assessment will be the same whether we choose to perform the qualitative assessment or proceed directly to the one-step quantitative impairment test.

No goodwill impairment was identified for fiscal 2023 or fiscal 2022. See Note 9 – Goodwill and Intangible Assets for further discussion.

We use the present value of estimated future cash flows to establish the estimated fair value of our reporting units as of the testing date. This approach includes many assumptions related to future growth rates, discount factors, and tax rates, among other considerations. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairment in future periods. Additionally, we use the market approach to corroborate the estimated fair value. Both approaches are weighted equally when calculating our estimated fair value. If the carrying amount of a reporting unit's goodwill exceeds its estimated fair value, we would recognize an impairment charge in an amount equal to that excess in our statements of operations. During our analysis for fiscal 2023 and fiscal 2022, the estimated fair value of each of our reporting units exceeded the carrying amount of the reporting unit's goodwill, and thus, no reporting unit failed step one of testing.

When a business within a reporting unit is disposed of, goodwill is allocated to the gain or loss on disposition using the relative fair value methodology.

Long-Lived Assets and Other Intangible Assets

We amortize the cost of intangible assets over their respective estimated useful lives to their estimated residual value. See Note 9 – Goodwill and Intangible Assets for further discussion.

We assess the recoverability of long-lived assets (excluding goodwill) and finite-lived intangible assets, whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. We measure the recoverability of assets to be held and used by a comparison of the carrying amount of the asset (groups) to the expected, undiscounted future net cash flows to be generated by that asset (groups), or, for identifiable intangible assets, by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future cash flows. The amount of impairment of identifiable intangible assets is based on the present value of estimated future cash flows. We measure the amount of impairment of other long-lived assets and intangible assets (excluding goodwill) as the amount by which the carrying value of the asset exceeds the fair value of the asset, which is generally determined as the present value of estimated future cash flows or as the appraised value. Impairments of long-lived assets and intangible assets are included in restructuring and impairment, net in the statement of operations.

Pensions and Postretirement Benefits

Our pension obligations relate to funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; unfunded pension plans in the U.S., Canada, and Germany; unfunded lump sum indemnities in France and Italy; and partially funded lump sum indemnities in South Korea. Our other postretirement obligations include unfunded health care and life insurance benefits provided to retired employees in Canada, the U.S., and Brazil.

We account for our pensions and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits ("ASC 715"). We recognize the funded status of our benefit plans as a net asset or liability, with an offsetting adjustment to accumulated other comprehensive loss in shareholder's equity. The funded status is calculated as the difference between the fair value of plan assets and the benefit obligation. For fiscal 2023 and fiscal 2022, we used March 31 as the measurement date.

We use standard actuarial methods and assumptions to account for our pension and other postretirement benefit plans. Pension and postretirement benefit obligations are actuarially calculated using management's best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age, and mortality). Pension and postretirement benefit expense includes the actuarially computed cost of benefits earned during the current service period, the interest cost on accrued obligations, the expected return on plan assets based on fair market value and the straight-line amortization of net actuarial gains and losses and adjustments due to plan amendments, curtailments, and settlements. Net actuarial gains and losses are amortized over periods of 15 years or less, which represent the group's average future service life of the employees or the group's average life expectancy. See Note 12 – Postretirement Benefit Plans for further discussion.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 14 – Income Taxes for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. REVENUES FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are compromised of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to customer at a point in time.

The Company's revenue for the fiscal years ended March 31, 2023 and 2022 are below.

	March 31,	
in thousands	**2023**	**2022**
Net sales - third parties	$ 575,281	$ 573,651
Net sales - related parties	93,611	95,978
Total	$ 668,892	$ 669,629

The Company's sales to third parties and related parties are all situated in North America and hence the Company does not have major disaggregation of revenue over the geographical region.

3. DISCONTINUED OPERATIONS

On April 14, 2020, we closed the acquisition of Aleris for $2.8 billion. As a result of the antitrust review processes in the European Union, the U.S., and China required for approval of the acquisition, we were obligated to divest Aleris' North American automotive assets, including the Lewisport plant. On November 8, 2020, we entered into a definitive agreement with American Industrial Partners for the sale of Lewisport and closed the sale on November 30, 2020. Upon closing, we received $180 million in cash proceeds. In addition, we received $19 million for net working capital adjustments during the third quarter of fiscal 2022. For fiscal 2021, the results of operations of Lewisport were presented within loss from discontinued operations, net of tax in the statement of operations and cash flows of Lewisport were presented as discontinued operations in the statements of cash flows.

4. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment, net includes restructuring costs, impairments, and other related expenses. As of March 31, 2023 and March 31, 2022, $9 million and $390 thousand, respectively were included in accrued expenses and other current liabilities in our accompanying balance sheet.

in thousands		
Restructuring liability balance as of March 31, 2021	$	655
Restructuring and impairment expenses		1,676
Cash payments		(1,941)
Foreign currency and other		—
Restructuring liability balance as of March 31, 2022	$	390
Restructuring and impairment expenses, net[1]		26,949
Cash payments		(698)
Foreign currency and other		(17,943)
Restructuring liability balance as of March 31, 2023	$	8,698

(1) Restructuring and impairment expenses, net for fiscal 2023 primarily relates to the closure of the Richmond plant ($17.3M) and the environmental reserve ($8.9M).

5. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following.

	March 31,	
in thousands	2023	2022
Trade accounts receivable	$ 52,690	$ 43,922
Other accounts receivable	(50)	206
Accounts receivable, net — third parties	$ 52,640	$ 44,128
Accounts receivable, net — related parties	$ 200,333	$ 115,631
Accounts receivable, net	$ 252,973	$ 159,759

6. INVENTORIES

Inventories consists of the following.

	March 31,	
in thousands	2023	2022
Finished goods	$ 6,926	$ 6,171
Work in process	25,330	39,792
Raw materials	6,930	13,475
Supplies	7,803	3,578
Inventories	$ 46,989	$ 63,016

7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2023	2022
Prepaid - General	$ 6,709	$ 1,004
Prepaid - Insurance	—	806
Other current assets	310	9,364
Prepaid expenses and other current assets	$ 7,019	$ 11,174

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Land and property rights	$ 16,536	$ 15,159
Buildings	66,039	61,528
Machinery and equipment[1]	194,579	192,669
Gross property, plant and equipment (excluding construction in progress)	277,154	269,356
Accumulated depreciation and amortization	(92,119)	(60,800)
Property, plant and equipment, net (excluding construction in progress)	185,035	208,556
Construction in progress	15,258	8,294
Property, plant and equipment, net[2]	$ 200,293	$ 216,850

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 31,720	$ 30,771

Asset impairments

Impairment charges are recorded in restructuring and impairment, net on our statements of operations.

9. GOODWILL AND INTANGIBLE ASSETS

A summary of the changes in the carrying value of goodwill for fiscal 2023 and fiscal 2022 follows.

in millions	March 31, 2023			March 31, 2022		
	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value
Goodwill	$ 374,269	$ —	$ 374,269	$ 374,269	$ —	$ 374,269

The components of intangible assets, net are as follows.

	March 31, 2023			March 31, 2022		
in thousands	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	13,132	(3,502)	9,630	13,133	(2,362)	10,771
Customer-related intangible assets	375,432	(44,992)	330,440	375,432	(29,972)	345,460
	$ 388,564	$ (48,494)	$ 340,070	$ 388,565	$ (32,334)	$ 356,231

During fiscal 2023 and fiscal 2022, we did not record impairment charges on any intangible assets. All intangible assets are amortized using the straight-line method.

Amortization expense related to intangible assets, net is as follows.

in thousands	Fiscal 2023	Fiscal 2022
Amortization expense related to intangible assets included in depreciation and amortization	$ 16,161	$ 16,161

Estimated total amortization expense related to intangible assets, net for each of the five succeeding fiscal years is as follows (in thousands). Actual amounts may differ from these estimates due to such factors as customer turnover, raw material consumption patterns, impairments, additional intangible asset acquisitions, or other events.

Fiscal Year Ending March 31,	Amount
2024	$ 17,453
2025	17,432
2026	17,432
2027	17,432
2028	15,434

10. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

	March 31,		Ownership %
in thousands, except for percentage	2023	2022	Participation
Shareholdings - Common Shares			
Novelis ALR Aluminum LLC	$ 195,950	$ 195,950	100%
Novelis ALR Recycling of Ohio, LLC	20,432	20,432	100%
Novelis ALR Rolled Products Sales Corporation	48	48	100%
Novelis ALR Rolled Products, LLC	318,493	318,493	100%
Investments in and advances to non-consolidated affiliates	$ 534,923	$ 534,923	

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis ALR Recycling Ohio, LLC	20,323	13,552
Novelis ALR Rolled Products, LLC	177,913	101,190
Novelis Inc	2,097	889
Accounts receivable, net — related parties	$ 200,333	$ 115,631
Novelis ALR Aluminum LLC	170,750	113,465
Novelis ALR Aluminum-Alabama LLC	2	2
Novelis ALR International, Inc.	235,161	182,257
Novelis ALR Rolled Products Sales Corporation	9,177	9,177
Novelis Corporation	5,946	13,120
Novelis Koblenz GmbH	62	62
Accounts payable — related parties	$ 421,098	$ 318,083

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued compensation and benefits	$ 4,062	$ 4,744
Accrued environmental reserves	2,568	1,968
Accrued income taxes	4,326	—
Other current liabilities	6,184	4,472
Accrued expenses and other current liabilities	$ 17,140	$ 11,184

12. POSTRETIREMENT BENEFIT PLANS

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to-date and amortize unfunded actuarial liabilities typically over periods of 15 years or less.

We contributed the following amounts to all plans.

in thousands	Fiscal 2023	Fiscal 2022
Funded pension plans	$ —	$ 855
Unfunded pension plans	582	598
Savings and defined contribution pension plans	—	—
Total contributions	$ 582	$ 1,453

Benefit Obligations, Fair Value of Plan Assets, Funded Status, and Amounts Recognized in Financial Statements

The following tables present the change in benefit obligation, change in fair value of plan assets, and the funded status for pension and other benefits.

	Pension Benefit Plans		Other Benefit Plans	
in thousands	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Benefit obligation at beginning of period	$ 31,768	$ 36,006	$ 14,921	$ 14,186
Service cost	80	140	131	145
Interest cost	1,201	1,141	533	486
Benefits paid	(2,730)	(3,176)	(582)	(598)
Actuarial (gains) losses	(3,474)	(2,180)	(1,724)	702
Other	(83)	(163)	—	—
Benefit obligation at end of period	$ 26,762	$ 31,768	$ 13,279	$ 14,921
Benefit obligation of funded plans	$ 26,762	$ 31,768	$ —	$ —
Benefit obligation of unfunded plans	—	—	13,279	14,921
Benefit obligation at end of period	$ 26,762	$ 31,768	$ 13,279	$ 14,921

	Pension Benefit Plans	
in thousands	Fiscal 2023	Fiscal 2022
Change in fair value of plan assets		
Fair value of plan assets at beginning of period	$ 31,578	$ 33,768
Actual return on plan assets	(2,340)	294
Benefits paid	(2,730)	(3,176)
Company contributions	—	855
Other	(83)	(163)
Fair value of plan assets at end of period	$ 26,425	$ 31,578

	March 31,			
	2023		2022	
in thousands	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Funded status				
Assets less the benefit obligation of funded plans	$ (337)	$ —	$ (190)	$ —
Benefit obligation of unfunded plans	—	(13,279)	—	(14,921)
Total net plan liabilities	$ (337)	$ (13,279)	$ (190)	$ (14,921)
As included in our balance sheets within Total assets / (Total liabilities)				
Accrued postretirement benefits	(337)	(13,279)	(190)	(14,921)
Total net plan liabilities	$ (337)	$ (13,279)	$ (190)	$ (14,921)

The postretirement changes recognized in accumulated other comprehensive loss, before tax effects, are presented in the table below and include the impact related to our equity method investments. Amounts are amortized to net periodic benefit cost over the group's average future service life of the employees or the group's average life expectancy.

	March 31,			
	2023		2022	
in thousands	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Beginning balance in accumulated other comprehensive loss	$ (5,636)	$ (13)	$ (5,747)	$ 80
Net actuarial losses (gains)	958	(108)	111	(93)
Amortization of:				
Actuarial losses	279	112	—	—
Total postretirement amounts recognized in accumulated other comprehensive loss	$ (4,399)	$ (9)	$ (5,636)	$ (13)

Pension Plan Obligations

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets are presented in the table below.

	March 31,	
in thousands	2023	2022
The projected benefit obligation and accumulated benefit obligation for all defined benefit pension plans:		
Projected benefit obligation	$ 26,762	$ 31,768
Accumulated benefit obligation	26,762	31,768
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	$ 26,762	$ 31,768
Fair value of plan assets	26,425	31,578
Pension plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligation	$ 26,762	$ 31,768
Fair value of plan assets	26,425	31,578

Future Benefit Payments

Expected benefit payments to be made during the next 10 fiscal years are listed in the table below (in thousands).

Fiscal Year Ending March 31,	Pension Benefit Plans	Other Benefit Plans
2024	$ 3,857	$ 695
2025	2,472	803
2026	2,497	820
2027	2,384	859
2028	2,390	902
2029 through 2033	10,191	5,028
Total	$ 23,791	$ 9,107

Components of Net Periodic Benefit Cost

The components of net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
in thousands	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Service cost	$ 80	$ 140	$ 131	$ 145
Interest cost	1,201	1,141	533	486
Expected return on assets	(2,092)	(2,306)	—	—
Amortization — losses, net	(279)	(279)	(112)	151
Net periodic benefit cost(1)	$ (1,090)	$ (1,304)	$ 552	$ 782

(1) Service cost is included within cost of goods sold (exclusive of depreciation and amortization) and selling, general and administrative expenses while all other cost components are recorded within other expenses (income), net.

Actuarial Assumptions and Sensitivity Analysis

The weighted average assumptions used to determine benefit obligations and net periodic benefit cost for the respective periods are listed in the table below.

	Pension Benefit Plans		Other Benefit Plans	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Weighted average assumptions used to determine benefit obligations				
Discount rate	5.4 %	4.1 %	5.3 %	4.0 %
Average compensation growth	—	—	—	—
Weighted average assumptions used to determine net periodic benefit cost				
Discount rate	4.1 %	3.4 %	4.0 %	3.4 %
Average compensation growth	—	—	—	—
Expected return on plan assets	7.1	7.0	—	—

In selecting the appropriate discount rate for each plan, for pension and other postretirement plans in the U.S.,we used spot rate yield curves and individual bond matching models.

Investment Policy and Asset Allocation

The Company's overall investment strategy is to achieve a mix of approximately 50% of investments for long-term growth (equities, real estate) and 50% for near-term benefit payments (debt securities, other) with a wide diversification of asset categories, investment styles, fund strategies, and fund managers. Since most of the defined benefit plans are closed to new entrants, we expect this strategy to gradually shift more investments toward near-term benefit payments.

Each of our funded pension plans is governed by an Investment Fiduciary, who establishes an investment policy appropriate for the pension plan. The Investment Fiduciary is responsible for selecting the asset allocation for each plan, monitoring investment managers, monitoring returns versus benchmarks, and monitoring compliance with the investment policy. The targeted allocation ranges by asset class and the actual allocation percentages for each class are listed in the table below.

Asset Category	Target Allocation Ranges	Allocation in Aggregate as of March 31, 2023	Allocation in Aggregate as of March 31, 2022
Equity	24%-31%	27 %	66 %
Fixed income	58%-68%	63 %	9 %
Real estate	4%-5%	5 %	4 %
Other	5%-6%	5 %	21 %

Fair Value of Plan Assets

The following pension plan assets are measured and recognized at fair value on a recurring basis.

<u>Pension Plan Assets</u>

in thousands	March 31, 2023 Level 1	Level 2	Level 3	Total
Equity	$ —	$ 26,425	$ —	$ 26,425
Total	$ —	$ 26,425	$ —	$ 26,425

13. OTHER (INCOME) EXPENSES, NET

Other expenses (income), net consists of the following.

in thousands	Fiscal 2023	Fiscal 2022
Realized (gains) losses on change in fair value of derivative instruments, net	$ —	$ (1)
Loss on sale of assets, net	329	111
Non-operating net periodic benefit cost[1]	(1,617)	(807)
Other, net	1,793	(10,968)
Other expenses (income), net	$ 505	$ (11,665)

(1) Represents net periodic benefit cost, exclusive of service cost, for the Company's pension and other post-retirement benefit plans. For further details, refer to Note 12 – Postretirement Benefit Plans.

14. INCOME TAXES

We use the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). We are subject to U.S. federal, state, and local income taxes. The domestic components of our loss from continuing operations before income tax provision (benefit) (and after removing our equity in net loss of non-consolidated affiliates) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ (44,560)	$ (31,382)
Pre-tax income before equity in net loss of non-consolidated affiliates	(44,560)	(31,382)

The components of our income tax provision (benefit) are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ (201)	$ 379
State	4,950	60
Total current	$ 4,749	$ 439
Deferred provision:		
Federal	$ 48,461	$ (29,782)
State	(7,738)	(4,681)
Total deferred	$ 40,723	$ (34,463)
Income tax provision (benefit)	$ 45,472	$ (34,024)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

As of March 31, 2023, we had valuation allowances recorded against deferred tax assets of $14 million, to reduce certain deferred tax assets to amounts that are more likely than not to be realized. Valuation allowances relate primarily to the U.S. state effects of net operating losses. We will maintain valuation allowances against our net deferred tax assets in the U.S. until objective positive evidence exists to reduce or eliminate the valuation allowance.

Aleris Rolled Products Inc. is part of a US consolidated group for tax filing purposes. As such, certain tax attributes recognized in the company’s standalone financial statements, such as net operating losses and tax credit carryforwards, may be available and absorbed by other entities in the company’s consolidated tax return group.

Novelis ALR Aluminum LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Aluminum LLC and certify that the information included therein accurately reflects the financial position of Novelis ALR Aluminum LLC as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Aluminum LLC	
By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Aluminum LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net sales	$ 517,146	$ 532,091
Cost of goods sold (exclusive of depreciation and amortization)	447,020	421,323
Selling, general and administrative expenses	153	255
Depreciation and amortization	19,587	20,704
Interest expense and amortization of debt issuance costs	46	10
Other expenses, net	161	135
	466,967	442,427
Net income	$ 50,179	$ 89,664

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net income	$ 50,179	$ 89,664
Comprehensive income	50,179	89,664

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2023 and $0 as of March 31, 2022)	$ 34,850	$ 49,189
— related parties	261,272	187,350
Inventories	45,192	63,265
Prepaid expenses and other current assets	652	579
Total current assets	341,966	300,383
Property, plant and equipment, net	95,411	102,303
Other long–term assets		
— third parties	3,176	3,312
Total assets	$ 440,553	$ 405,998
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 103	$ 212
Accounts payable		
— third parties	34,147	51,324
— related parties	787	—
Accrued expenses and other current liabilities	4,290	3,971
Total current liabilities	39,327	55,507
Long–term debt, net of current portion	118	—
Other long–term liabilities	2,498	2,060
Total liabilities	41,943	57,567
Member's equity:		
Member's capital	214,044	214,044
Retained earnings	184,566	134,387
Total equity	398,610	348,431
Total liabilities and equity	$ 440,553	$ 405,998

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net income	$ 50,179	$ 89,664
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 19,587	$ 20,704
Loss on sale of assets	161	135
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	14,340	(13,653)
Due To/From Related Parties	(73,135)	(76,608)
Inventories	18,072	(20,851)
Accounts payable	(16,906)	13,649
Other assets	64	(3,158)
Other liabilities	(130)	684
Net cash provided by operating activities	12,232	10,566
Net cash provided by operating activities	$ 12,232	$ 10,566
INVESTING ACTIVITIES		
Capital expenditures	$ (12,240)	$ (10,605)
Proceeds from sales of assets, third party, net of transaction fees and hedging	—	372
Net cash used in investing activities	$ (12,240)	$ (10,233)
FINANCING ACTIVITIES		
Proceeds (payments), net of long-term and short-term borrowings	8	(333)
Net cash provided by (used in) financing activities	$ 8	$ (333)
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Aluminum LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance as of March 31, 2021	1,000	$ —	$ 214,044	$ 44,723	$ 258,767
Net income attributable to our common shareholder	—	—	—	89,664	89,664
Balance as of March 31, 2022	1,000	$ —	$ 214,044	$ 134,387	$ 348,431
Net income attributable to our common shareholder	—	—	—	50,179	50,179
Balance as of March 31, 2023	1,000	$ —	$ 214,044	$ 184,566	$ 398,610

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Aluminum LLC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All common shares of Novelis ALR Aluminum LLC are owned directly by Novelis ALR Rolled Products, Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*).* Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 6 — Related Party Transactions for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents includes investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may at times exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Accounts Receivable, Net

Our accounts receivable are geographically dispersed. We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any particular customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 5 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. REVENUES FROM CONTRACTS WITH CUSTOMERS

The Company's contracts with customers are compromised of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to customer at a point in time.

The Company's revenue for the fiscal years ended March 31, 2023 and 2022 are below.

	March 31,	
in thousands	**2022**	**2021**
Net sales - third parties	$ 443,902	$ 444,270
Net sales - related parties	73,244	87,821
Total	$ 517,146	$ 532,091

3. INVENTORIES

Inventories consists of the following.

	March 31,	
in thousands	2023	2022
Finished goods	$ 4,497	$ 5,128
Work in process	26,453	45,625
Raw materials	9,432	9,236
Supplies	4,810	3,276
Inventories	$ 45,192	$ 63,265

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2023	2022
Prepaid - Other	$ 652	$ 579
Prepaid expenses and other current assets	652	579

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Land and property rights	$ 5,009	$ 4,959
Buildings	33,883	31,052
Machinery and equipment(1)	112,307	103,833
Gross property, plant and equipment (excluding construction in progress)	151,199	139,844
Accumulated depreciation and amortization	(58,755)	(39,931)
Property, plant and equipment, net (excluding construction in progress)	92,444	99,913
Construction in progress	2,967	2,390
Property, plant and equipment, net(2)	$ 95,411	$ 102,303

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 19,587	$ 20,704

6. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis ALR International, Inc.	43,189	38,307
Novelis ALR Rolled Products, LLC	47,190	35,341
Novelis ALR Rolled Products, Inc.	170,893	113,607
Novelis Corporation	—	95
Accounts receivable, net — related parties	$ 261,272	$ 187,350
Novelis Corporation	787	—
Accounts payable — related parties	$ 787	$ —

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued compensation and benefits	$ 1,608	$ 2,196
Other current liabilities	2,682	1,775
Accrued expenses and other current liabilities	$ 4,290	$ 3,971

8. OTHER (INCOME) EXPENSES, NET

Other expenses, net consists of the following.

in thousands	Fiscal 2023	Fiscal 2022
Loss on sale of assets, net	161	135
Other expenses, net	$ 161	$ 135

Novelis ALR Rolled Products Sales Corporation

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Rolled Products Sales Corporation and certify that the information included therein accurately reflects the financial position of Novelis ALR Rolled Products Sales Corporation as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Rolled Products
Sales Corporation

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Selling, general and administrative expenses	$ 105	$ 622
Depreciation and amortization	5	45
Other income, net	—	(414)
Loss before income tax benefit	(110)	(253)
Income tax benefit	(46)	(614)
Net (loss) income	$ (64)	$ 361

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	$ (64)	$ 361
Comprehensive (loss) income	$ (64)	$ 361

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $— as of March 31, 2023$—and March 31, 2022)	$ —	$ 27
— related parties	13,680	13,720
Prepaid expenses and other current assets	59	—
Total current assets	13,739	13,747
Property, plant and equipment, net	16	21
Deferred income tax assets	656	614
Total assets	$ 14,411	$ 14,382
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 9	$ 9
Accounts payable		
— third parties	22	—
— related parties	16,535	16,449
Accrued expenses and other current liabilities	11	26
Total current liabilities	16,577	16,484
Long–term debt, net of current portion	2	2
Other long–term liabilities	—	—
Total liabilities	16,579	16,486
Commitments and contingencies		
Shareholder's equity:		
Common stock, 0.01 par value; 5,000 number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	3	3
Accumulated deficit	(2,171)	(2,107)
Total equity	(2,168)	(2,104)
Total liabilities and equity	$ 14,411	$ 14,382

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (64)	$ 361
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	$ 5	$ 45
Deferred income taxes	(42)	(614)
Other, net	(4)	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	27	(27)
Due To/From Related Parties	126	963
Accounts payable	21	(18)
Other assets	(55)	296
Other liabilities	(14)	(995)
Net cash provided by operating activities	$ —	$ 11
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	$ —	$ (11)
Net cash used in financing activities	$ —	$ (11)
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Rolled Products Sales Corporation
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	**Shares**	**Amount**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Total Equity**
Balance as of March 31, 2021	1,000	$ —	$ 3	$ (2,468)	$ (2,465)
Net income attributable to our common shareholder	—	—	—	361	361
Balance as of March 31, 2022	1,000	$ —	$ 3	$ (2,107)	$ (2,104)
Net loss attributable to our common shareholder	—	—	—	(64)	(64)
Balance as of March 31, 2023	1,000	$ —	$ 3	$ (2,171)	$ (2,168)

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Rolled Products Sales Corporation unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All common shares of Novelis ALR Rolled Products Sales Corporation are directly owned by Novelis ALR Rolled Products, Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. The principal area of judgment relates to tax uncertainties and valuation allowances. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*)*. Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 3 — Related Party Transactions for further discussion.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 2 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other income, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 5 – Income Taxes for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Buildings	16	16
Machinery and equipment	119	119
Gross property, plant and equipment (excluding construction in progress)	135	135
Accumulated depreciation and amortization	(119)	(114)
Property, plant and equipment, net	$ 16	$ 21

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 5	$ 45

3. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	**2023**	**2022**
Novelis ALR Rolled Products, Inc.	9,177	9,177
Novelis ALR Rolled Products, LLC	4,250	4,250
Novelis Aluminum (Zhenjiang) Co., Ltd.	103	109
Novelis Koblenz GmbH	56	55
Aleris (Shanghai) Trading Co,. Ltd.	48	48
Novelis Inc	46	81
Accounts receivable, net — related parties	$ 13,680	$ 13,720
Novelis ALR International, Inc.	16,535	16,449
Accounts payable — related parties	$ 16,535	$ 16,449

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued compensation and benefits(1)	$ 5	$ 26
Other current liabilities	6	—
Accrued expenses and other current liabilities	$ 11	$ 26

5. INCOME TAXES

We use the benefit-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). We are subject to United States federal and state income taxes. The domestic components of our loss before income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ 110	$ (253)
Pre-tax income before equity in net loss of non-consolidated affiliates	$ 110	$ (253)

The components of our income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ (4)	$ —
State	—	—
Total current	$ (4)	$ —
Deferred provision:		
Federal	$ (41)	$ (614)
State	(1)	—
Total deferred	$ (42)	$ (614)
Income tax benefit	$ (46)	$ (614)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

As of March 31, 2023, we had valuation allowances recorded against deferred tax assets of $95 thousand, to reduce certain deferred tax assets to amounts that are more likely than not to be realized. Valuation allowances relate primarily to the U.S. state effects of net operating losses. We will maintain valuation allowances against our net deferred tax assets in the U.S. until objective positive evidence exists to reduce or eliminate the valuation allowance.

Novelis ALR Recycling of Ohio, LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Recycling of Ohio, LLC and certify that the information included therein accurately reflects the financial position of Novelis ALR Recycling of Ohio, LLC as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Recycling of Ohio, LLC

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net sales	$ 37,174	$ 32,478
Cost of goods sold (exclusive of depreciation and amortization)	34,974	27,225
Selling, general and administrative expenses	13	317
Depreciation and amortization	4,695	4,820
Interest expense and amortization of debt issuance costs	24	18
Other expenses, net	20	10
	39,726	32,390
Net (loss) income	$ (2,552)	$ 88

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	$ (2,552)	$ 88
Comprehensive (loss) income	$ (2,552)	$ 88

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— related parties	$ 121,989	$ 84,824
Prepaid expenses and other current assets	9	9
Total current assets	121,998	84,833
Property, plant and equipment, net	30,876	27,345
Total assets	$ 152,874	$ 112,178
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long–term debt	$ 235	$ 400
Accounts payable		
— third parties	3,254	4,315
— related parties	125,157	80,837
Accrued expenses and other current liabilities	725	723
Total current liabilities	129,371	86,275
Long–term debt, net of current portion	220	69
Other long–term liabilities	325	324
Total liabilities	$ 129,916	$ 86,668
Commitments and contingencies		
Member's equity:		
Additional paid–in capital	24,224	24,224
(Accumulated deficit) retained earnings	(1,266)	1,286
Total equity	22,958	25,510
Total liabilities and equity	$ 152,874	$ 112,178

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (2,552)	$ 88
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	4,695	4,820
Loss on sale of assets	20	10
Other, net	—	—
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	—	—
Due To/From Related Parties	7,155	2,079
Inventories	—	—
Accounts payable	(411)	1,236
Other assets	1	(9)
Other liabilities	1	(269)
Net cash provided by operating activities	$ 8,909	$ 7,955
INVESTING ACTIVITIES		
Capital expenditures	(8,895)	(7,498)
Net cash used in investing activities	$ (8,895)	$ (7,498)
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	(14)	(457)
Net cash used in financing activities	$ (14)	$ (457)
Net increase in cash and cash equivalents and restricted cash	—	—
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Recycling of Ohio, LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands	Additional Paid-in Capital	(Accumulated Deficit) retained earnings	Total Equity
Balance as of March 31, 2021	$ 24,224	$ 1,198	$ 25,422
Net income attributable to our common shareholder	—	88	88
Balance as of March 31, 2022	24,224	1,286	25,510
Net loss attributable to our common shareholder	—	(2,552)	(2,552)
Balance as of March 31, 2023	$ 24,224	$ (1,266)	$ 22,958

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Recycling of Ohio, LLC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All common shares of Novelis ALR Recycling of Ohio, LLC are directly owned by Novelis Rolled Products, Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the “2013 Act”). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Net Sales

We recognize revenue in accordance with ASC 606, Revenue from Contracts with Customers.

The Company's contracts with customers consist of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time. Transfer of control is assessed based on alternative use of the products we produce and our enforceable right to payment for performance to date under the contract terms. Transfer of control and revenue recognition generally occur upon shipment or delivery of the product, which is when title, ownership, and risk of loss pass to the customer and is based on the applicable shipping terms. The shipping terms vary across all businesses and depend on the product, the country of origin, and the type of transportation (truck, train, or vessel). The length of payment terms can vary per contract, but none extend beyond one year. Revenue is recognized net of any volume rebates or other incentives.

Occasionally we receive advance payments to secure product to be delivered in future periods. These advance payments are recorded as deferred revenue, and revenue is recognized as our performance obligations are satisfied throughout the term of the applicable contract.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the costs to convert such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection, and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges, and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing, and advertising expenses; salaries, travel, and office expenses of administrative employees and contractors; legal and professional fees; software license fees; the provision for credit losses; and factoring expenses.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 3 — Related Party Transactions for further discussion.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 2 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Land and property rights	$ 2,523	$ 1,910
Buildings	16,429	15,555
Machinery and equipment	25,252	15,408
Gross property, plant and equipment (excluding construction in progress)	44,204	32,873
Accumulated depreciation and amortization	(14,522)	(11,533)
Property, plant and equipment, net (excluding construction in progress)	29,682	21,340
Construction in progress	1,194	6,005
Property, plant and equipment, net	$ 30,876	$ 27,345

Depreciation expense related to property, plant and equipment, net is shown in the table below.

in thousands	Fiscal 2023	Fiscal 2022
Depreciation expense related to property, plant and equipment, net	$ 4,695	$ 4,820

3. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis ALR Rolled Products, LLC	$ 121,989	$ 84,824
Accounts receivable, net — related parties	$ 121,989	$ 84,824
Novelis ALR International, Inc.	104,776	67,249
Novelis ALR Rolled Products, Inc.	20,381	13,588
Accounts payable — related parties	$ 125,157	$ 80,837

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued compensation and benefits	$ 662	$ 628
Other current liabilities	63	95
Accrued expenses and other current liabilities	$ 725	$ 723

5. OTHER (INCOME) EXPENSES, NET

Other expenses, net consists of the following.

in thousands	Fiscal 2023	Fiscal 2022
Loss on sale of assets, net	20	10
Other expenses, net	$ 20	$ 10

Novelis ALR Aluminum-Alabama LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Aluminum-Alabama LLC and certify that the information included therein accurately reflects the financial position of Novelis ALR Aluminum-Alabama LLC as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Aluminum-Alabama LLC

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	**Fiscal 2023**	**Fiscal 2022**
Restructuring and impairment, net	381	290
Other income, net	(47)	—
Net loss	(334)	(290)

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net loss	$ (334)	$ (290)
Comprehensive loss	$ (334)	$ (290)

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Accounts receivable, net		
— third parties (net of allowance for credit losses of $0 as of March 31, 2023 and $0 as of March 31, 2022)	$ 2,819	$ 2,412
— related parties	1	1
Prepaid expenses and other current assets	621	621
Total current assets	3,441	3,034
Property, plant and equipment, net	970	970
Other long–term assets		
— third parties	702	1,108
Total assets	$ 5,113	$ 5,112
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	$ 187	$ 246
— related parties	3,383	2,671
Accrued expenses and other current liabilities	491	897
Total current liabilities	4,061	3,814
Other long–term liabilities	1,691	1,603
Total liabilities	5,752	5,417
Commitments and contingencies		
Member's equity:		
Additional paid–in capital	321	321
Accumulated deficit	(960)	(626)
Total equity	(639)	(305)
Total liabilities and equity	$ 5,113	$ 5,112

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net loss	$ (334)	$ (290)
Adjustments to determine net cash provided by operating activities:		
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Accounts receivable	(406)	(429)
Due To/From Related Parties	711	765
Accounts payable	(59)	(36)
Other assets	406	473
Other liabilities	(318)	(483)
Net cash provided by operating activities	—	—
Net cash provided by operating activities	—	—
INVESTING ACTIVITIES		
Net cash provided by investing activities	—	—
FINANCING ACTIVITIES		
Net cash provided by financing activities	—	—
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Aluminum-Alabama LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

in thousands, except number of shares	Member's Capital	Accumulated Deficit	Total Equity
Balance as of March 31, 2021	$ 321	$ (336)	$ (15)
Net loss attributable to our common shareholder	—	(290)	(290)
Balance as of March 31, 2022	321	(626)	(305)
Net loss attributable to our common shareholder	—	(334)	(334)
Balance as of March 31, 2023	$ 321	$ (960)	$ (639)

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Aluminum-Alabama LLC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All of Novelis ALR Aluminum-Alabama LLC is directly owned by Novelis ALR Asset Management Corporation and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net on our statements of operations, include employee severance and benefit costs, impairments of certain assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates, which are prepared at the time the restructuring actions were approved by management, and are periodically reviewed and updated for changes in estimates. We apply the provisions of ASC 420, Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"*).* Severance and benefit costs related to restructuring activities are accounted for under ASC 420 and/or ASC 712 and are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the accruals for restructuring costs to ensure the accruals are still appropriate.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 4 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other income, net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases*.* This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

2. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment, net includes restructuring costs, impairments, and other related expenses. As of March 31, 2023 and March 31, 2022, $381 thousand and $— thousand, respectively were included in accrued expenses and other current liabilities in our accompanying balance sheet.

in thousands		
Restructuring liability balance as of March 31, 2021	$	—
Restructuring and impairment expenses		290
Cash payments		(290)
Restructuring liability balance as of March 31, 2022		—
Restructuring and impairment expenses, net		381
Cash payments		—
Restructuring liability balance as of March 31, 2023		381

3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consists of the following.

	March 31,	
in thousands	2023	2022
Environmental Indemnification Asset	$ 621	$ 621
Prepaid expenses and other current assets	621	621

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Land and property rights	$ 970	$ 970
Buildings	298	298
Gross property, plant and equipment (excluding construction in progress)	1,268	1,268
Accumulated depreciation and amortization	(298)	(298)
Property, plant and equipment, net	$ 970	$ 970

No depreciation expense was recorded in fiscal 2023 or fiscal 2022, as all depreciable assets were fully depreciated in the year ended March 31, 2021.

5. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

	March 31,	
in thousands	2023	2022
Novelis ALR Rolled Products, Inc.	1	1
Accounts receivable, net — related parties	$ 1	$ 1
Novelis ALR International, Inc.	3,383	2,671
Accounts payable — related parties	$ 3,383	$ 2,671

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	**2023**	**2022**
Environmental reserves	$ 462	$ 855
Other current liabilities	29	42
Accrued expenses and other current liabilities	$ 491	$ 897

7. OTHER LONG-TERM LIABILITIES

Other long–term liabilities include.

	March 31,	
in thousands	2022	2021
Long-term asset retirement obligations	$ 485	$ 485
Long-term environmental reserve	1,206	1,118
Other long-term liabilities	$ 1,691	$ 1,603

Novelis ALR Asset Management Corporation

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
ASC	FASB Accounting Standards Codification
FASB	Financial Accounting Standards Board
fiscal 2022	Fiscal year ended March 31, 2022
fiscal 2023	Fiscal year ended March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis ALR Asset Management Corporation and certify that the information included therein accurately reflects the financial position of Novelis ALR Asset Management Corporation as of March 31, 2023 and the results of its operations for the year then ended.

Novelis ALR Asset
Management Corporation

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

Novelis ALR Asset Management Corporation
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands		Fiscal 2023		Fiscal 2022
Selling, general and administrative expenses		(132)		—
Restructuring and impairment, net		—		53
Other expenses (income), net		261		(837)
		129		(784)
(Loss) income before income tax benefit		(129)		784
Income tax benefit		(89)		(956)
Net (loss) income	$	(40)	$	1,740

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
Net (loss) income	$ (40)	$ 1,740
Comprehensive (loss) income	$ (40)	$ 1,740

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares	March 31, 2023	March 31, 2022
ASSETS		
Current assets:		
Prepaid expenses and other current assets	9	—
Total current assets	9	—
Property, plant and equipment, net	$ 809	$ 1,129
Investment in subsidiaries	959	959
Deferred income tax assets	1,037	956
Total assets	$ 2,814	$ 3,044
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties	$ —	$ 5
— related parties	138	189
Accrued expenses and other current liabilities	53	55
Total current liabilities	191	249
Other long–term liabilities	—	132
Total liabilities	191	381
Commitments and contingencies		
Shareholder's equity:		
Common stock, 0.01 par value; 5,000 number of shares authorized; 10 shares issued and outstanding as of March 31, 2023 and March 31, 2022	—	—
Additional paid–in capital	1,103	1,103
Retained earnings	1,520	1,560
Total equity	2,623	2,663
Total liabilities and equity	$ 2,814	$ 3,044

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023	Fiscal 2022
OPERATING ACTIVITIES		
Net (loss) income	$ (40)	$ 1,740
Net income from discontinued operations	—	—
Net (loss) income from continuing operations	$ (40)	$ 1,740
Adjustments to determine net cash provided by operating activities:		
Loss on sale of assets	152	—
Deferred income taxes	(80)	(956)
Changes in assets and liabilities including assets and liabilities held for sale (net of effects of the acquisition and divestitures):		
Due To/From Related Parties	(50)	50
Inventories	—	(6)
Accounts payable	(7)	—
Other liabilities	(134)	(828)
Net cash used in operating activities	$ (168)	$ —
INVESTING ACTIVITIES		
Proceeds from sales of assets, third party, net of transaction fees and hedging	168	—
Net cash provided by investing activities	$ 168	$ —
FINANCING ACTIVITIES		
Net cash provided by financing activities	$ —	$ —
Net increase in cash and cash equivalents and restricted cash	$ —	$ —
Cash, cash equivalents and restricted cash — beginning of period	—	—
Cash, cash equivalents and restricted cash — end of period	$ —	$ —

See accompanying notes to the financial statements.

Novelis ALR Asset Management Corporation
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance as of March 31, 2021	10	$ —	$ 1,103	$ (180)	$ 923
Net income attributable to our common shareholder	—	—	—	1,740	1,740
Balance as of March 31, 2022	10	$ —	$ 1,103	$ 1,560	$ 2,663
Net loss attributable to our common shareholder	—	—	—	(40)	(40)
Balance as of March 31, 2023	10	$ —	$ 1,103	$ 1,520	$ 2,623

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis ALR Asset Management Corporation unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Unless otherwise specified, the period referenced is the current fiscal period. All comparative amounts in these financials statements and the accompanying notes are for fiscal 2022.

Organization and Description of Business

All common shares of Novelis ALR Asset Management Corporation are directly owned be Novelis ALR International, Inc. and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances. See Note 3 — Investments in Subsidiaries and Related Party Transactions for further discussion.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. See Note 2 – Property, Plant and Equipment for further discussion. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives follow.

	Range in Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses (income), net or gain on assets held for sale in our statements of operations.

We account for operating leases under the provisions of ASC 842, Leases*.* This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized. See Note 5 – Income Taxes for further discussion.

Guarantees of Indebtedness

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes").

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes") and $750 million in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes" and together with the 2026 Senior Notes, the 2029 Senior Notes, and the 2030 Senior Notes, the "Senior Notes").

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries, including the Company. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended.

Certain subsidiaries of Novelis Inc. have borrowings under the senior secured credit facility. These borrowings under the senior secured credit facilities are guaranteed by the Company's direct parent, AV Minerals (Netherlands) N.V., and certain of the Company's direct and indirect subsidiaries, including the Company, are secured by a pledge of substantially all of the assets of the Company and the guarantors.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of the following.

	March 31,	
in thousands	2023	2022
Land and property rights	$ 887	$ 1,207
Machinery and equipment	10	10
Gross property, plant and equipment (excluding construction in progress)	897	1,217
Accumulated depreciation and amortization	(88)	(88)
Property, plant and equipment, net (excluding construction in progress)	809	1,129
Property, plant and equipment, net	$ 809	$ 1,129

3. INVESTMENT IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2023 and 2022.

in thousands, except for percentage	March 31, 2023	March 31, 2022	Ownership % Participation
Shareholdings - Common Shares			
Novelis ALR Aluminum-Alabama LLC	$ 959	$ 959	100%

Related Party Transactions

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and direct/indirect subsidiaries, which we classify as related party transactions and balances.

The following table describes period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet.

in thousands	March 31, 2023	March 31, 2022
Novelis ALR International, Inc.	138	189
Accounts payable — related parties	$ 138	$ 189

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consists of the following.

	March 31,	
in thousands	2023	2022
Accrued property tax	$ 53	$ 55
Accrued expenses and other current liabilities	$ 53	$ 55

5. INCOME TAXES

We used the benefit-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). We are subject to United States federal and state income taxes. The domestic components of our (loss) income before income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Domestic (U.S.)	$ (129)	$ 784
Pre-tax income	$ (129)	$ 784

The components of our income tax benefit are as follows.

in thousands	Fiscal 2023	Fiscal 2022
Current provision:		
Federal	$ —	$ —
State	(9)	—
Total current	$ (9)	$ —
Deferred provision:		
Federal	$ (59)	$ (890)
State	(21)	(66)
Total deferred	$ (80)	$ (956)
Income tax benefit	$ (89)	$ (956)

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes as well as the impact of available net operating loss and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

As of March 31, 2023, we had valuation allowances recorded against deferred tax assets of $82 thousand, to reduce certain deferred tax assets to amounts that are more likely than not to be realized. Valuation allowances related primarily to the U.S. state effects of net operating losses. We will maintain valuation allowances against our net deferred tax assets in the U.S. until objective positive evidence exists to reduce or eliminate the valuation allowance.

6. OTHER LONG-TERM LIABILITIES

Other long–term liabilities include.

	March 31,	
in thousands	2023	2022
Environmental reserves	$ —	$ 132
Other long-term liabilities	$ —	$ 132

Novelis Ventures LLC

Financial Statements and Related Notes
As of March 31, 2023
(Unaudited)

COMMONLY USED OR DEFINED TERMS

Term	Definition
fiscal 2023	Period from May 20, 2022 (inception) through March 31, 2023
GAAP	Generally Accepted Accounting Principles
U.S.	United States

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Ventures LLC and certify that the information included therein accurately reflects the financial position of Novelis Ventures LLC as of March 31, 2023 and the results of its operations for the period from May 20, 2022 (inception) through March 31, 2023.

Novelis Ventures LLC

By:	Stephanie Rauls
Name:	Stephanie Rauls
Title:	Senior Vice President, Deputy Chief Financial Officer and Chief Accounting Officer
Date:	May 23, 2023

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Novelis Ventures LLC
STATEMENTS OF OPERATIONS (UNAUDITED)

in thousands	Fiscal 2023
Income before income tax provision	$ —
Income tax provision	—
Net income	$ —

See accompanying notes to the financial statements.

Novelis Ventures LLC
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

in thousands	Fiscal 2023
Net income	$ —
Comprehensive income	—

See accompanying notes to the financial statements.

Novels Ventures LLC
BALANCE SHEETS (UNAUDITED)

in thousands, except number of shares		March 31, 2023
ASSETS		
Non-marketable investments		3,100
Total assets	$	3,100
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable		
— third parties		—
— related parties		3,100
Total liabilities		3,100
Shareholder's equity:		
Additional paid–in capital		—
Total equity		—
Total liabilities and equity	$	3,100

See accompanying notes to the financial statements.

Novelis Ventures LLC
STATEMENTS OF CASH FLOWS (UNAUDITED)

in thousands	Fiscal 2023
OPERATING ACTIVITIES	
Net income	$ —
Accounts payable - related parties	3,100
Net cash provided by operating activities	$ 3,100
INVESTING ACTIVITIES	
Acquisition of non-marketable investments	(3,100)
Net cash used in investing activities	$ (3,100)
FINANCING ACTIVITIES	
Net cash provided by financing activities	$ —
Net increase in cash and cash equivalents and restricted cash	$ —
Cash, cash equivalents and restricted cash — beginning of period	—
Cash, cash equivalents and restricted cash — end of period	$ —

See accompanying notes to the financial statements.

Novelis Ventures LLC
STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY (UNAUDITED)

	Common Stock				
in thousands, except number of shares	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance as of May 20, 2022	—	$ —	$ —	$ —	$ —
Net income attributable to our common shareholder	—	—	—	—	—
Balance as of March 31, 2023	—	$ —	$ —	$ —	$ —

See accompanying notes to the financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In these unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Novelis Ventures LLC unless the context specifically indicates otherwise.

Organization and Description of Business

Novelis Ventures LLC was formed in the United States of America on May 20, 2022. All Novelis Ventures LLC's common shares are directly held by Novelis Holdings Inc and indirectly by Novelis Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 (the "2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. In accordance with the requirements of the 2013 Act, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP. These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, investments in subsidiaries are presented using the cost method.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our business that could potentially affect our financial position, results of operations, and cash flows.

2. NON-MARKETABLE INVESTMENTS

As of March 31, 2023, the Company holds non-marketable investments in private companies for which market values are not readily determinable of $3.1 million.

The Company's non-marketable investments without readily determinable fair values are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Management reviews our other investments and the underlying projects and activity periodically and assesses the need for any impairment. Management does not believe any investments need to be impaired at March 31, 2023.

Hindalco Industries Limited

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